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# **REPORT OF THE ARISE Plus LAO PDR PROJECT**

(JULY – DECEMBER 2021)

To be presented during the

**Project Review Committee meeting # 5** 

**30 November 2021** 

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#### Acronyms

| AEC<br>ARISE Plus<br>ASEAN<br>ATIGA<br>DFTP<br>DIMEX<br>DoA<br>DoF<br>DoIH<br>DoSM<br>DPC<br>DTP<br>EBA<br>ER<br>ERIIT<br>EU<br>FDD<br>FLEGT<br>GIZ<br>GoL<br>ISO<br>ITC<br>Lao PDR<br>LDC<br>LNCCI<br>MAF<br>MoIC<br>NIU<br>PCO<br>PPC<br>PRC<br>QCS<br>RCEP<br>SME<br>SPS<br>SYMST<br>TBT<br>UN | ASEAN Economic Community<br>ASEAN Regional Integration Support from the EU<br>Association of South East Asian Nations<br>ASEAN Trade in Goods Agreement<br>Department of Foreign Trade Policy<br>Department of Import and Export<br>Department of Agriculture<br>Department of Agriculture<br>Department of Forestry<br>Department of Industry and Handicraft<br>Department of Science and Metrology<br>Department of Planning and Cooperation<br>Department of Planning and Cooperation<br>Department of Planning and Cooperation<br>Department of Trade Promotion<br>Everything But Arms<br>Expected Result<br>Economic Research Institute for Industry and Trade<br>European Union<br>Food and Drug Department<br>Forest Law Enforcement, Governance and Trade<br>Deutsche Gesellschaft für International Zusammenarbeit<br>Government of Lao PDR<br>International Organization for Standardization<br>International Trade Centre<br>Lao People's Democratic Republic<br>Least Developed Country<br>Lao National Chamber of Commerce and Industry<br>Ministry of Agriculture and Forestry<br>Ministry of Industry and Commerce<br>National Implementation Unit<br>Project Coordination Office<br>Plant Protection Centre, MAF<br>Project Review Committee<br>Quality Champions<br>Regional Comprehensive Economic Partnership<br>Small and Medium-sized enterprises<br>Sanitary and phytosanitary measures<br>Systematic Mechanism for Safer Trade project<br>Technical barriers to trade<br>United Nations |
|---|--|
|   | Systematic Mechanism for Safer Trade project   |
| •   |  |
| UNCT  | UN Country Team  |
| WTO   | World Trade Organization   |

#### I. Introduction

The second half of 2021 was still dominated by the global outbreak of the COVID-19 pandemic. While the World Bank reported in January 2021 that "recovery is expected over 2021 and in the medium term"<sup>1</sup>, the same institution, in August 2021, highlighted that the economic recovery would be slower than expected, with an estimated GDP growth of 3,6%<sup>2</sup>. Still, the year 2021 would remain as an important year for the Lao economy in terms of planning and prospects. The 9<sup>th</sup> National Socio-Economic Development Plan (NSEDP; 2021 - 2025) came into force. In February 2021, Lao PDR was assessed as meeting the graduation criteria and recommended for graduation from the status of Least Developed Country by 2026 by the Committee for Development Policy<sup>3</sup> of the United Nations. In November, the Lao PDR – United Nations Sustainable Development Cooperation Framework (CF; 2022 - 2026) was signed between the Government of Lao PDR, represented by H.E. Mr. Saleumxay Kommasith, Minister of Foreign Affairs, and the United Nations (UN), represented by Ms. Sara Sekkenes, UN Resident Coordinator to Lao PDR. the 13<sup>th</sup> High Level Roundtable Meeting also took place and confirmed Lao development priorities on LDC graduation smooth transit strategy, 9<sup>th</sup> NSEDP and Covid-19 Recovery Strategy<sup>4</sup>. The Diagnostic Trade Integration Study (DTIS) Update was further progressed<sup>5</sup>.

Lao PDR reported only few positive COVID-19 cases in 2020 and early 2021. In April 2021, a first lockdown was implemented which started on 22<sup>nd</sup> of April, initially for two weeks, but was then extended several times with varying measures. At the end of August, the number of cases rose again, and a reinforced lockdown was enforced on 19 September<sup>6</sup>, with a mandatory telecommuting mode, the closing of factories and the prohibition of face-to-face events. In October, the measures were progressively softened with the authorization for gathering of up to 20 persons (in October) and 50 persons (in November). As of 17 November, the total number of cases reached 57,397 and the number of casualties 112; against 2,110 positive cases and 3 casualties at the time of the preparation of the previous Project Review Committee report on 27 June 2021.

For the ARISE Plus Lao PDR project, the context is thus slightly different in terms of the COVID situation in the second semester 2021. It resulted in a close and day-to-day monitoring and a constant flexibility for the organization of project activities. The project continued its implementation at a fast and steady pace. The restriction on international travel being still enforced, no international project mission was organized. All the events happened either in hybrid mode or fully online, depending on the situation and on the comments from partners. There will be described in the sections below.

#### **ARISE Plus Lao PDR**

Over the past decade Lao PDR has strengthened economic ties to global and regional partners. It joined the World Trade Organization (WTO) in 2013 and committed to regional integration in form of the ASEAN Economic Community (AEC) that entered into force in 2015 and the AEC Blueprint 2025. Resource-intensive exports, however, result in only limited structural transformation and thus gains for small and medium sized enterprises (SMEs). Existing opportunities from economic integration are not fully seized and compliance with sectoral market requirements, such as the EU's Forest Law Enforcement,

<sup>5</sup> Lao PDR DIAGNOSTIC TRADE INTEGRATION STUDY (DTIS) Update (rtm.org.la)

<sup>6</sup> See PMO no. 1187.

<sup>&</sup>lt;sup>1</sup> World Bank (2021) Lao Economic Monitor, available at <u>https://www.worldbank.org/en/country/lao/publication/lao-economic-monitor-january-2021-supporting-economic-recovery</u>

<sup>&</sup>lt;sup>2</sup> World Bank (2021). Lao PDR Economic Update, August 2021: A Path to Recovery, available at <u>Lao Economic</u> <u>Monitor, August 2021: A Path to Recovery (worldbank.org)</u>

<sup>&</sup>lt;sup>3</sup> Source: Committee for Development Policy (2021). Report on the twenty-third session (22–26 February 2021). Available at <u>E/2021/33 - E - E/2021/33 -Desktop (undocs.org)</u>

<sup>&</sup>lt;sup>4</sup> High-Level Round Table Meeting 2021: https://rtm.org.la/2021-high-level-round-table-meeting/

Governance and Trade (FLEGT) that prevents EU-bound imports of illegally sourced wood-based products, remains inadequate. The economy also suffers from complex regulatory procedures and limited export diversification. Thus an integrated effort is needed to diversify economic activity to ensure inclusive economic growth and sustainable job creation for the future.

In order to assist the Government of Lao PDR to promote inclusive economic growth, increased climate change resilience, mitigation of vulnerability and job creation, the ARISE Plus Lao PDR (The ASEAN Regional Integration Support from the EU Plus – Lao PDR) project was launched with funding from the European Union (EU). The project is implemented by the International Trade Centre (ITC) and is oriented towards the improvement of the overall business environment and the increased participation in global value chains for two priority sectors: wood processing and coffee.

As described in the Description of the Action, the project has three Expected Results (ER):

- ER 1. Increased regional economic integration by addressing specific constraints in targeted sectors through support for the implementation of measures contained in the ASEAN Trade in Goods Agreement (ATIGA) and other commitments under the ASEAN Economic Community Blueprint 2025.
- ER 2. Increased awareness on trade preferences for exports, including to the European Union, with greater use of Everything But Arms (EBA), and on the requirements for placing products on the EU market; advanced preparation of Lao PDR to shift to a new trade preference scheme (post-EBA).
- 3. ER 3. Strengthened support services (especially for smallholders and SMEs, with a focus on women), reduction of supply-side constraints, and trade and investment promotion in targeted sectors (e.g. wood processing and agro-based products).

The ARISE Plus Lao PDR project started in Q3 2019 (official start on 1 November 2018 and official signature on 4 July 2019). The inception phase ended on 4 January 2020. The official duration of the project (as per the Contribution Agreement) follows the retroactive start date of the project. Hence, the key dates of the project are as follows:

- Inception phase: 1 November 2018 4 January 2020
- Year 1: 5 January 2020 31 December 2020
- Year 2: 1 January 2021 31 December 2021
- Year 3: 1 January 2022 31 October 2022

This report is covering the period from **1 July to 31 December 2021**<sup>7</sup>. It summarizes key achievements, reflects on challenges encountered, including due to the global COVID-19 pandemic, and highlights priorities for the upcoming ten months (1 January to 31 October 2022<sup>8</sup>).

<sup>&</sup>lt;sup>7</sup> This report being drafted in November 2021, due to the date of the PRC meeting on 30 November, the events not yet organized at the date of 15 November are described in future tense.

<sup>&</sup>lt;sup>8</sup> The initial official end date of the project is 31 October 2022.

#### II. Achievements July to December 2021: overview

#### Budget performance

The overall budget performance of the ARISE Plus Lao PDR project reached approximately 81% of the available budget from its inception until 15 November 2021. This reveals the budget utilization of the project: how much the project has used the funds made available to date.

| Pillars   | Expenditures<br>(= total<br>expenditures 1<br>November 2018 -<br>30 June 2021) | Budget<br>(=total budget<br>released 1<br>November 2018 -<br>30 June 2021) | Difference | % of<br>available<br>budget<br>spent |
|---|--|--|------------|--------------------------------------|
| E.R. 1 Regional Economic Integration                    | 465,172  | 733,971  | 268,799    | 63%                                  |
| E.R. 2 Trade Preferences for Exports                    | 643,859  | 754,634  | 110,775    | 85%                                  |
| E.R. 3 Value Chain Development                          | 876,823  | 1,141,998  | 265,175    | 77%                                  |
| Project Coordination, Partnerships and<br>Communication | 893,898  | 910,961  | 17,063     | 98%                                  |
| Total   |  | 3,541,565  | 3,541,565  | 81%                                  |

Source: ITC calculations, based on ITC Project Portal – 17 November 20219.

This shows a significant increase in comparison with the previous report (66% of released budget spent in June 2021). It can be partially explained by the fact that the calculations in June were based on the budget released for the whole year 2021. However, it confirms the tendency to an improvement in the budget efficiency of the project in all the ER: in June, ER 1 showed a budget utilization of 50% against 63% in November, ER 2 71% vs. 85%, and ER 3, 60% vs. 77%. Practically speaking, it means that the project is faster in converting the funds into concrete activities.

#### Summary of key achievements for the period of July to December 2021<sup>10</sup>

As of December 2021, out of 15 activities, the project considers 2 activities as completed (1.1 and 2.1) and 13 activities as ongoing. The work plan as presented and approved during the fourth Project Review Committee (PRC) meeting (15 July 2021) and the Programme Executive Committee (PEC) meeting (25 January 2021) was implemented as much as possible, with continued adaptations to the evolving situation.

In terms of key achievements, the second half of 2021 could be summarized as below:

- Successful organization of two trainings about ISO standards (ISO 9001:2015 Quality Management Systems and ISO 14001:2015 Environmental Management Systems)
- Launch of a series of activities to strengthen TBT National Enquiry Point and TBT SPS National Notification Authorities
- Launch of a series of activities related to food safety with the Food and Drug Department
- Validation of the ATIGA Gap Analysis
- Continuation of the Quality Champions training series (9<sup>th</sup>, 10<sup>th</sup>, 11<sup>th</sup>) towards the qualification of 15 Quality Champions
- Completion of a training series on advanced trade policy modelling
- Validation of the EBA Business guides including five specific product guides.
- Qualification of trainers to disseminate the EBA Business guides content

<sup>&</sup>lt;sup>9</sup> This table is not a financial certified statement.

<sup>&</sup>lt;sup>10</sup> The planning of activities for December allows to include this month into this summary.

- Successful organization of sector-specific workshop on how to take advantage of the EBA scheme
- Launch of the coffee sector export roadmap
- Launch of the wood processing export roadmap
- Successful organization of Workshop on Market Requirements for Exporting Processed Wood Products to the European Union (EU) Market
- Validation of two investment profiles, for wood processing and coffee sector
- Successful completion of a series of training and coaching on organic farming
- Certification of 36 coffee business operators, producers and barista on basic cupping skills
- Successful organization of a training seminar on trade data processing.

#### Table 2: Summary of activities completed in the second half of 2021

| Expected Results                                     | workshops and events | consultations | documents |
|--|----------------------|---------------|-----------|
| E.R. 1 Regional Economic Integration                 | 6                    | 18            | 1         |
| E.R. 2 Trade Preferences for Exports                 | 13                   | 20            | 6         |
| E.R. 3 Value Chain Development                       | 9                    | 14            | 3         |
| Project Coordination, Partnerships and Communication | 2                    | 19            | 2         |
| July - December 2021                                 | 30                   | 71            | 12        |

Source: ITC, November 2021

This table also shows a significant increase in comparison with the previous report: the number of organized events has amounted to 30 in comparison to 16, in spite of the reinforced lockdown that the country has experienced during a few weeks. The number of documents has also been multiplied by 12 (1 document in the previous period), showing during this semester the finalization of several documents which were already under preparation in the previous semester (like the ATIGA Gap Analysis or the wood processing export roadmap etc.).

These figures somehow confirm the good budget utilization rate. They also reinforce the observation that the project has reached a full implementation pace and has found a balance between hybrid and fully online events.

#### Summary of key project set-up and management results

In terms of Project Coordination, the project has experienced several major events in the second half of 2021. First, a new Project Coordinator was appointed in the person of Ms. Khankeo Mooonvong, effective 1 September. Ms. Moonvong has a long experience in trade-related technical assistance in Lao PDR, having worked as a Programme Officer for the EU Delegation in Vientiane, as a Business Development Manager for the European Chamber of Commerce and Industry in Lao PDR (ECCIL), and as an expert for the Lao Trade and Competitiveness project under the Ministry of Industry and Commerce.

Second, the Mid-Term Evaluation process was continued, thanks to the appointment of a new team leader as of September 2021. The project supported the evaluation process with the sending and updating of documents, and with support to organize bilateral interviews with project team members.

In terms of Project Coordination, the project has carried out a number of critical actions during the past six months:

- The 2<sup>nd</sup> PRC meeting of the ARISE Plus project was organised on 15 July 2021 and the work plan for July December 2021 was endorsed.
- The Project Coordination Office continued to participate and support coordination efforts in the development community – within the UN Country Team and overall with all development partners. ITC is a signatory of the CF. ITC has also participated in the High-Level Round-Table meeting and in the Trade and Private Sector Working Group meetings.

- The project also participated in an event organized by the GSP Hub project for the EU: the EBA Engagement Workshop in Lao PDR on 16 September 2021, with two presentations: one about the export potential of Lao products on the EU market, and one about leveraging opportunities under the EBA scheme. ITC also coordinated closely with EU regional fund SYMST project and other ARISE Plus projects (Myanmar, Philippines, Malaysia, Thailand) and other development projects active in the areas of ARISE Plus Lao PDR's interventions to seek synergy.
- Due to COVID-19 related travel and meeting restrictions, there were still no international mission to Lao PDR. ITC's technical supporting teams and experts mainly relied on virtual communication to consult with local partners during this period. The inter-provincial missions were limited: only the coffee sector export roadmap was delocalized in Pakse.
- The communication working group continued to meet, with the aim of operationalizing the communication plan of the project; and ensuring that the communication activities are implemented in line with the communication strategies and visibility plan. Two meetings of the working group were organized, with the participation of the European Union Delegation to Lao PDR, and the UN Resident Coordinator Office.
- A progress report for the past six months and a work plan for the upcoming 10 months of the project (based on the current Ending date of project implementation of 31 October 2021) were prepared, to be presented during the 5<sup>th</sup> meeting of the Project Review Committee.

These actions allowed to provide a solid structure for a smooth implementation of the project despite the ongoing restrictions due to the global COVID-19 pandemic.

#### III. Achievements July to December 2021: Expected Result 1

*ER1:* Increased regional economic integration by addressing specific constraints in targeted sectors through support for the implementation of measures contained in the ASEAN Trade in Goods Agreement (ATIGA) and other commitments under the ASEAN Economic Community Blueprint 2025.

#### Summary of key results under E.R. 1

Thanks to activities under this E.R., Lao PDR has a **Foreign Trade Negotiations Roadmap** and **trained professionals**, including in provinces, having integrated the basics of trade negotiations. The ATIGA has been scanned under the prism of its implementation by Lao PDR: gaps have been identified and recommendations formulated, so the **country can now better prepared to implement the regional agreements** and increase its trading relationships in ASEAN and beyond. The country has also **advanced on the improvement of food quality and safety requirements** for exporting, with a series of activities on standards and accreditation.

#### Activity 1.1 – Gap analysis of ATIGA implementation in Lao PDR

The activity is to conduct a diagnostic assessment of the current level of implementation, in Lao PDR, of the ATIGA and related AEC Blueprint 2025 Commitments. The objective of the assessment is to identify existing gaps and understand the constraints/challenges faced by Lao PDR in the implementation. The findings of this study feed into the development of an executable roadmap for structured and coordinated implementation of reforms (Refer Activity 1.2); and form the basis for determining further technical assistance/support, to be provided under the scope of the ARISE Plus Lao PDR Project, in order to accelerate implementation and reduce related gaps (these technical assistance activities, once determined, will be covered under Activity 1.3).

**Methodology and Results:** Upon receipt of endorsement of the Ministry of Industry and Commerce (MoIC) of Lao PDR last year, discussions were held with the Department of Foreign Trade Policy (DFTP) of MoIC to commence work on this activity, desk research was undertaken, and an introductory workshop was conducted for key stakeholders in the public and private sector on the diagnostic study and importance of this exercise to enable Lao PDR to better integrate into the regional framework and leverage the benefits of the regional trading partnership. Following the workshop, questionnaires were disseminated to stakeholders, responses were analysed, follow-up consultations were held, and the draft assessment was shared with DFTP (with a follow-up consultation organized) and related stakeholders for confirmation of the analysis. Upon confirmation received from stakeholders, ITC developed specific targeted recommendations and an executable roadmap for implementation of the proposed recommendations.

During the period covered under this progress report, the diagnostic analysis of Lao PDR's implementation of the ATIGA was completed. More specifically, the following activities were undertaken to complete the study:

- Based on the confirmed assessment, ITC developed specific recommendations targeting the following areas:
  - Enhancing inter-agency coordination, transparency, and sharing of trade related information
  - Strengthening the legislative framework in place for implementation of ATIGA commitments
  - Strengthening capacity of agencies on a central and provincial level in the public and private sectors, and generating trust in the regional integration framework
  - o Strengthening trade facilitation and institutional capacity for ATIGA implementation
  - o Increasing the effectiveness of Customs controls

- Strengthening sanitary and phytosanitary measures and mitigating technical barriers to trade; and
- Strengthening capacity to utilise instruments available to address trade barriers faced by Lao PDR's traders in other ASEAN Member States
- These recommendations were then set out in a strategic executable roadmap with details on proposed implementation period, responsible agency, and priority level for implementation of the recommendations.
- To further support implementation, the report also sets out a monitoring framework that may be adopted by DFTP to continuously monitor the implementation status of commitments and keep track of the initiatives undertaken to support implementation of the ATIGA.
- The report was shared with DFTP for feedback, based on which a further consultation was undertaken to respond to clarifications raised by DFTP, and the report was updated accordingly.
- The finalised report was then presented at a validation workshop organized by ITC and DFTP. (Refer Activity 1.2 for more details).

*Linkages with ER 1:* The ATIGA is implemented under the ASEAN with the objective of establishing an integrated market and production based with a free flow of goods within the region. Intra-ASEAN trade is still relatively low, despite the ATIGA having been in force since 2010. Meeting obligations under the ATIGA is essential to support Lao PDR and its businesses to take advantage of the trade facilitation potential, legal certainty and transparency – and leverage the benefits of the regional partnership, generate more trade within the region, and strengthen the regional trade integration.

**Challenges and adaptions due to Covid-19:** The entire fact-finding phase and follow-up consultations were organized online – due to travel restrictions. The finalization of the study took longer than expected – as it required significant efforts to coordinate with various stakeholders, obtain information, clarify matters raised, and seek confirmation on the analysis. The process was supported by a national consultant based in Vientiane to coordinate follow-ups with stakeholders in Vientiane, review documents in Lao language, and continuous communication with DFTP to update on the status and seek support to reach out to other government departments, etc.

*Next Steps:* ITC will continue engagements with DFTP to support implementation of recommendations based on the ATIGA.

### <u>Activity 1.2 – Review of the gap analysis results with GoL, and the private sector and agree on specific trade measures to be addressed (with a focus on targeted sectors)</u>

As noted above, the gap assessment undertaken in Activity 1.1, was utilised to formulate specific recommendations and a strategic executable roadmap for a structured and coordinated implementation of reforms in order to strengthen implementation of the ATIGA and related commitments of the AEC Blueprint 2025. The updated assessment with the recommendations and roadmap was shared with DFTP for review in June 2021, and feedback was received in September 2021.

**Methodology and Results:** As noted under Activity 1.2, the roadmap sets out the specific recommendations, the responsible agency, along with implementation period for each of the recommendations, and priority level (high, medium or low) for implementation of these recommendations.

In addition, the study also proposes a monitoring structure for implementation of these recommendations. **The study was presented at a validation workshop and finalized based on feedback received.** More specifically, the following activities were undertaken in this regard:

 ITC, in collaboration with DFTP, organized a validation workshop to present the finalized study and seek validation from key stakeholders engaged in the process of implementation of the ATIGA.

- The validation workshop was held on 7 October 2021, and organized in a hybrid format, with certain participants present in-person (10) in the MolC meeting room, and the rest of the participants (39) joining online.
- The report was finalized based on the validation workshop and handed over to DFTP.

*Event Details:* Opening remarks were delivered by Deputy Director General Itthilith Ngangnouvong, DFTP – MoIC, Ms.Souphaphone Thavonsouk – EUD; and Mr. Jean-Sébastien Roure, ITC.

#### Table 3: Participants at the ATIGA Validation Event - Breakdown

| Total Participants | Male | Female |
|--------------------|------|--------|
| 48                 | 25   | 23     |

#### Table 4: Sectors represented at the ATIGA Validation Event – 7 October 2021

| Department/Agency  | Number of participants |
|--|------------------------|
| Department of Foreign Trade Policy, MolC                             | 8                      |
| Department of Import and Export, MolC                                | 6                      |
| Department of Planning and Cooperation, MoIC                         | 1                      |
| Department of Trade Promotion, MoIC                                  | 2                      |
| Department of SME Promotion, MoIC                                    | 2                      |
| Institute of Industry and Commerce (ERIIT), MolC                     |                        |
| Customs Department   | 2                      |
| Office of the Prime Minister   | 1                      |
| Investment Promotion Department, Ministry of Planning and Investment | 1                      |
| Department of Policy and Legal Affairs, MAF                          | 1                      |
| Department of Agriculture, MAF                                       | 4                      |
| Department of Transport, Ministry of Public Works and Transport      | 2                      |
| Department of Standards and Metrology                                | 1                      |
| Food and Drug Department, Ministry of Health                         | 4                      |
| National University of Laos  | 4                      |
| Lao National Chamber of Commerce and Industry (LNCCI)                | 1                      |
| National Institute for Economic Research                             | 1                      |
| Other  | 7                      |

*Structure of the event:* ITC's experts, Paolo Vergano and Tobias Dolle delivered the presentation over video conference. Following the presentation, a panel discussion was held comprising of the following members:

- Mr. Somphone Phady, Deputy Director of Trade in Goods Division, DFTP, MolC

- Mr. Sonemala Nouanthasing, Department of Import and Export, MoIC
- Mr. Bouasone Xayyasouk, Deputy Director of Legal Affairs, Department of Customs, Ministry of Finance
- Dr. Viengxay Vansilalom, Deputy Director General, Department of Food and Drug, Ministry of Public Health
- Ms. Latdavanh Sivongxay, Department of Standardization and Metrology, Ministry of Science and Technology
- Participants at the event included members from DFTP, DIMEX, DOSM, Food and Drug Department, Department of Agriculture, Lao Customs Department, Investment Promotion Department of the Ministry of Planning and Investment, Department of SME Promotion, Department of Transport, LNCCI, and the National University of Lao PDR.

*Linkages with ER1:* As noted under Activity 1.1 - the ATIGA is implemented under the ASEAN with the objective of establishing an integrated market and production based with a free flow of goods within the region. Intra-ASEAN trade is still relatively low, despite the ATIGA having been in force since 2010. Meeting obligations under the ATIGA is essential to support Lao PDR and its businesses to take advantage of the trade facilitation potential, legal certainty and transparency – and leverage the benefits of the regional partnership, generate more trade within the region, and strengthen the regional trade integration.

*Next Steps:* Given that the report has now been finalized based on the validation workshop, ITC will engage with DFTP on further support that can be provided under the ARISE Plus Lao PDR project to implement recommendations and liaise with DFTP on setting in motion the monitoring framework set out in the report.

### Activity 1.3 - Technical assistance and capacity building in the area of policy definition, regulations and procedures, product and environmental standard adoption

The activity consists of several sub-activities:

#### Sub-activity: Lao PDR's Foreign Trade Negotiation Roadmap

The Lao PDR Foreign Trade Negotiations Roadmap (FTNR) was undertaken, at the request of the DFTP, to ensure coherence in and promote Lao PDR's economic interests in the ASEAN economic integration process and negotiation of trade agreements at large, including the country's role in regional and multilateral trade negotiations.

**Methodology and Results:** Desk research, bilateral consultations and the consultative workshop formed the basis for the in-depth analysis and drafting of the Roadmap study. The study comprises an analysis of the important current and future export markets for Lao PDR in geographical and product terms; assessment of the ease of, and existing barriers, to access identified key export markets; review of FTAs concluded by identified trading partners with third country; an analysis of the institutional structure in Lao PDR for FTA negotiations and implementation. Challenges related to Covid-19 have been incorporated into and addressed in the draft Roadmap study.

The Roadmap Study was finalized based on comments/feedback received by DFTP and at the validation event organized for public and private sector stakeholders on 23 February 2021.

At the request of the DFTP – MoIC, the roadmap was translated into Lao language and handed over to DFTP. <u>This activity has now been completed.</u>

*Linkages with ER1:* The FTNR was an effort to ensure coherence and promotion of Lao PDR's economic interests in the ASEAN economic integration process, and negotiation of trade agreements at large. Accordingly, the FTNR contributes to the overall objectives of the project by contributing to improved business environment for Lao's traders through the (improved) implementation of trade partnerships; and specifically contributes to strengthening regional integration under ER1 by setting out a roadmap for enhancing implementation of ASEAN trade agreements, as well as other trade agreements.

**Next Steps:** ITC has been continuing its engagements with DFTP – in order to support implementation of the Roadmap, in line with objectives of the ARISE Plus Lao PDR project. A concept note was submitted to DFTP with activities proposed to strengthen the institutional framework for trade negotiations in Lao PDR; and initiatives to capacitate trade officials and negotiators with up-to-date insights and materials on selected trade topics. Discussions are underway with the DFTP in this regard.

ITC will continue its consultations with the DFTP to discuss, refine and agree upon activities to support implementation of the Foreign Trade Negotiations Roadmap for Lao PDR.

#### Sub-activity: Tailor-made training on trade negotiations for policymakers

ITC, in collaboration with the Institute for Industry and Trade (IIT) of the Ministry of Industry and Commerce – formerly known as the 'Economic Research Institute for Industry and Trade (ERIIT)' - delivered a targeted training programme on the topic 'Understanding the principles and utilization of multilateral and regional trading agreements'. (Topic proposed by ERIIT). **This activity has now been completed.** 

*Methodology and Results:* ITC delivered a three-phase training programme, in collaboration with IIT (ERIIT). The three phases are described below:

|                                  | ng of Trainers on subject matter relating to principles and utilization of regional trading arrangements (25 Jan – 02 Feb 2021)  |
|----------------------------------|--|
| Overview:                        | <ul> <li>Phase 1 focused on officials with the mandate to train and build up capacity of other officials on related subject matter in Lao PDR – particularly focusing on officers from DFTP and IIT (ERIIT), as well as selected participants from the private and academic sector. (25 participants)</li> <li>The training programme covered key principles relating to the WTO and ASEAN frameworks and how better to benefit trade in the country using these frameworks; the support/access available to Lao PDR as an LDC; and Lao PDR's preparations in light of further regional integration (such as under RCEP, the AEC Blueprint 2025 and ASEAN Vision 2040).</li> </ul>                         |
| Phase 2: Practic<br>17 Feb 2021) | al capacity building sessions for ERIIT trainers on conducting trainings (11 –   |
| Overview:                        | <ul> <li>Phase 2 focused building up the skills of ERIIT trainers to be able to develop and deliver trainings on related topics to broader groups of stakeholders themselves.</li> <li>ITC's Subject Matter Expert worked directly with 8 trainers selected by IIT (ERIIT) (5 from IIT - ERIIT, 1 from DFTP, 1 from DIMEX, and 1 from the National University of Laos) training them on developing/reframing material depending on the target audience; and provide insights into research tools and platforms.</li> <li>The selected trainers were then assigned to develop training material for topics assigned to them, which they were then to deliver in Phase 3 at provincial workshops.</li> </ul> |
|                                  | y of two capacity building workshops for trade officers in selected locations d 01-02 April 2021)  |
| Overview:                        | <ul> <li>Based on the agenda developed in Phase 2, the selected trainers delivered two day capacity-building workshops in the Vangvieng District and Thakek District in Lao PDR.</li> <li>ITC's expert who delivered the Phase 1 and 2 trainings – participated online, to provide guidance to the trainers and respond to questions.</li> <li>The training covered topics relating to the WTO, ASEAN, Regional cooperation frameworks, GSP and Lao PDR's preparation for LDC graduation.</li> </ul>   |

*Linkages with ER1:* To support initiatives to strengthen regional integration, it is important to also build up capacity of trade officials to carry out their duties and effectively represent Lao PDR's interests in ongoing trade negotiations, policy formulation and implementation. Accordingly, this training was

undertaken for relevant officials on topics relating to multilateral and regional trade agreements – with targeted sessions on the ASEAN and regional cooperation frameworks.

**Next Steps:** In the previous report, ITC noted that it would continue its engagements with IIT (ERIIT) in upcoming stakeholder events under the ARISE Plus Lao PDR project. Accordingly, IIT (ERIIT) has been invited to the events organized based on the ATIGA (validation workshop – Activity 1.2); and the events organized for the EU EBA Business Guide (as discussed below under Activity 2.2.).

ITC will continue its engagements with IIT (ERIIT) in this manner.

**Sub-activity: Trade in Services Support – Regulatory Assessment for Transport and Tourism Services** ITC is developing two regulatory assessments – focusing on the transport services, and tourism services sectors for Lao PDR – based on a request received from the Trade in Services division of DFTP.

**Methodology and Results:** A regulatory assessment is an in-depth assessment of horizontal laws, regulations and policies affecting the relevant service sector. Transport services have sector specific laws and regulations and will also be affected by horizontal laws which impact on all economic activities (investment regime, cross-border payments, etc.).

Lao PDR undertook regulatory assessments for certain services, including transport and tourism, in 2015. Since then, several changes have taken place within the national and regional context, particularly, in light of the signing of the ASEAN Trade in Services Agreement (ATISA) in April 2019, and other regional negotiations and partnerships currently underway. Therefore, updated regulatory assessments are being undertaken for selected sectors to assist the Government of Lao PDR in the context of the ongoing negotiations relating to services trade, and to identify relevant regulatory reforms required to meet commitments being undertaken and facilitate regional integration.

The assessment, based on desk research and stakeholder consultations, will feed into an analysis of the trade restrictions/inconsistencies based on the current regulatory framework and relevant commitments, and set out the reform measures to be taken to meet commitments undertaken or sought to be undertaken by Lao PDR and to facilitate integration into the regional framework and enhance competitiveness in services trade.

The progress made thus far is as follows:

<u>Regulatory Assessment for the Transport Sector:</u> The regulatory assessment for the transport sector covers four specific sub-sectors, namely air transport, rail transport, road transport, and internal water ways transport (As directed by DFTP – MoIC). The first draft was shared with DFTP for review and feedback. DFTP reverted back with comments on the document, and also requested for further emphasis on elements of the WTO Joint Statement Initiative (JSI) on 'Domestic Regulation for Services'. ITC is currently working on addressing the comments.

<u>Regulatory Assessment for the Tourism Services Sector:</u> ITC has now commenced the study for the tourism services sector as well. Currently, the research/drafting stage is underway. A first draft is to be shared with DFTP in the first quarter of 2022.

**Challenges and adaptations due to Covid-19:** Due to international travel restrictions, ITC's expert is unable to travel to Lao PDR to meet with stakeholders and discuss specific issues found in reviews of the legislative and regulatory frameworks. According the National Consultant is playing an important role to connect with relevant stakeholders and obtain information which is otherwise not available online.

The Lao Services Trade Portal which ITC's expert was relying on to obtain access to legislation/regulations has also not been functioning for the past weeks – thus resulting in the need to directly obtain documentation/material from the institutions. This has been further constrained by the lockdowns in Vientiane.

ITC is continuously following up with relevant departments on laws/regulations and policies reviewed, and wherever necessary, will be organizing online consultations between ITC's expert and the Lao stakeholders, with the support of the National Consultant.

Linkages with ER 1: ER1 relates to facilitating regional integration through support for measures contained in the ATIGA and other commitments under the AEC Blueprint 2025. The AEC Blueprint 2025 makes reference to the need to further broaden and deepen services integration within the ASEAN, and enhance ASEAN Member States' competitiveness in services, with the objective of maximizing the potential contribution of the services sector to economic development and growth. Further, the AEC Blueprint 2025 also notes the need to facilitate negotiations and implementation of the ATISA as a legal instrument for further integration of services sectors in the region. Services is a rapidly growing sector, and also serves as critical inputs to facilitate goods trade as well. Accordingly, strengthening the services sector in Lao PDR is important for the country as it strives to become a more competitive player in the regional and global markets; and meeting relevant regional commitments in this regard is necessary to strengthen regional integration in regional trade. As the ATISA requires a shift from a positive list (as was followed in the AFAS) to the negative list, in the context of negotiations for further services liberalisation - it will be important for Lao PDR to map out its services commitments and domestic regulatory frameworks currently in place, and undertake the regulatory reforms required for services maintained outside the negative list - in order to meeting regional commitments, and strengthen competitiveness of its domestic services sector. The regulatory assessments are an intensive exercise undertaken to assess - at the sector level - the regulatory and institutional frameworks in place, and the reforms required to meet these commitments.

**Next Steps:** For the transport regulatory assessment: ITC will share the revised report with DFTP, based on which further advisory sessions can be undertaken between ITC's expert and DFTP; and a validation event will be held to present the findings of the study, to discuss recommendations and next steps.

For the tourism regulatory assessment: ITC will share the first draft of the report with DFTP in the first quarter of 2022 for review.

#### Sub-activity: E-Commerce Guides

In 2020, a number of consultations with DFTP on e-commerce support for Lao PDR and a concept note was shared on the potential areas of support. Based on these discussions, support is currently being provided to develop a series of guides on selected e-commerce topics. The objective of these guides is to build capacity among the public, private and academic sectors in Lao PDR on e-commerce trade and thereby build up knowledge and understanding on e-commerce and enable stakeholders to be better prepared to support and engage in activities in this regard.

*Methodology and Results:* ITC has commenced the development of four e-commerce guides covering the following topics:

- (i) International Trade Aspects of E-Commerce Guide unpacking recent developments in the crosscutting area of e-commerce and trade negotiations, with focus on specific e-commerce issues at the heart of ongoing multilateral and regional negotiations, including the WTO JSI on E-commerce. The Guide will focus on perspectives of developing countries/least-developed countries (LDCs), and the potential implications of these developments for such countries, including how it can benefit from/leverage upon such multilateral and regional cooperation. Priority will be given to those negotiations/agreements that Lao PDR is party to, such as the ASEAN agreements.
- (ii) E-commerce transactions (e-contracts, e-payments and e-signatures) Guide exploring the types of e-commerce transactions, including the concepts of electronic payments and electronic signatures and how these are applied; efforts being taken at the multilateral level for rules on e-commerce transactions; steps taken by other countries, and key lessons for developing countries.
- (iii) Data Protection and Privacy for Developing Countries Guide assessing the importance of data protection legislation; developments at an international level and data protection regulations developed by other countries; as well as recommendations for regulations on data protection in developing countries.
- (iv) Consumer Protection Guide exploring aspects relevant for consumers and traders engaged in online trading in comparison to in-person trading; outlines the importance of having relevant provisions governing such online trading; and presenting international guidelines/best practices for such regulations.

Lao specific legislation, guidelines and policies have been incorporated into these Guides, and wherever

relevant, specific aspects relating to LDCs will also be discussed.

At the outset, DFTP requested for outlines/structures to be developed for each of the guides and shared with DFTP for validation. (DFTP planned to share with various stakeholders, including the academia – to obtain inputs – as the intention is for the guides to be made available to a larger audience in Lao PDR)

ITC developed outlines for each of the guides mentioned above and shared with DFTP and received feedback in August 2021. The first drafts of the guides have now been developed based on the validated structures and are currently undergoing internal reviews.

**Linkages with ER1:** Lao PDR has undertaken e-commerce related commitments on a regional level, including signing on to the ASEAN E-commerce Agreement in 2018 which sets the platform for a robust e-commerce framework in the ASEAN region. However, e-commerce in Lao PDR continue to remain within the realm of informal trade and is not widely used – which may stem from the lack of trust and awareness in the e-commerce marketplace, and limited capacity of public sector officials to undertake necessary measures to develop the e-commerce framework in Lao PDR. Complying with the regional e-commerce commitments is important for Lao PDR to strengthen its integration into the regional framework, as under ER1. Accordingly, support is being provided through these e-commerce guides, to enhance awareness and understanding, and build capacity within the public and private sectors on e-commerce issues – so as to better capacitate officials to develop and implement the e-commerce frameworks as needed. The guides draw focus on ASEAN related commitments for Lao PDR.

**Next Steps:** Upon conclusion of the internal reviews, ITC will share the first drafts of the guides with DFTP; and revisions will be undertaken based on the feedback received. The finalized guides will be made available in English and Lao language; and training sessions will be organized in collaboration with DFTP based on the Guides.

#### Sub-activity 1.3.5: Conformity Assessment

Under Expected Result 1, ITC implements technical assistance and capacity building in the area of policy definition, regulations and procedures, product and environmental standard adoption and conformity assessment capacities. In particular it assists to develop, harmonize and promote national standards, including the review of selected standards and support to develop a reinforced standardization programme as part of ASEAN standardization activities. Support is being provided to reinforce standardization, national inspection, testing and certification bodies to help enterprises demonstrate compliance and prepare for international accreditation.

In 2020 ITC conducted the assessment of the quality and SPS-related institutions with a number of recommendations and an action plan for the ARISE Plus project was designed to address priority recommendations with validation by stakeholders.

This activity implements the following priority recommendations.

### Recommendation # 1 - Strengthening Technical Barriers to Trade (TBT) National Enquiry Point (NEP) (extended to TBT SPS and National Notification Authorities - NNA)

#### Main activities and results:

- Finalized the Report on the Assessment of the Current Operational Status of LAO PDR SPS and TBT National Notification Authority and Enquiry Points. (10 Oct) Based upon this report we completed the following events:
- Completed virtual validation meeting to present findings of the gap assessment to local stakeholders and consideration of any final comments in the draft assessment report. (30 Sept)
- Completed online training and sensitization workshop for staff of SPS and TBT NNA and NEPs, line Ministries responsible for implementation and administration of the SPS and TBT Agreements, and the private sector on WTO TBT and SPS Agreements, SPS and TBT eTools (SPS IMS, TBT IMS, ePing, and the new SPS and TBT trade concerns database), and transparency obligations and procedures of the SPS and TBT Agreements. (25-28 October)

#### Next steps:

- Conduct virtual validation meetings of Lao PDR's TBT NEP, SPS NEP, and NNA regarding draft Standard Operating Procedures. (to take place in January)
- Conduct virtual training for SPS & TBT NEPs and NNA officials on notification procedures, information retrieval and dissemination, SPS and TBT Notification Submission Systems (SPS NSS and TBT NSS), and functioning of NEPs and NNA. (to take place in January)
- Conduct virtual validation meeting of Lao PDR National SPS and TBT Committees TORs (to take place in January)

### Recommendations # 2 & 3 on Standardization and # 10 on Standardization for coffee and # 10A on standardization for crop products

This activity includes actions to prepare DoSM for participation to ISO General Assembly (GA) and DEVCO (Development Countries Committee) Meetings; to assist DoSM to set up the Technical Committees (TC) on Management Systems (MSS) and Conformity Assessment (CA); to strengthen national capacity to develop and promote standards; to review the current procedure on development of standards – including those related to coffee and agricultural crops.

#### Main activities and results:

Continued collaboration with ISO Secretariat for enhancing participation of Lao PDR in standardization work for priority sectors (i.e. TCs 34 on food and subcommittees (3 on F&V, 15 on coffee), and on wood (TC 218)

- Through ISO Collaboration, assisted DoSM in participating in DEVCO meeting as well as the General Assembly plenary meetings.
- World Standards Day celebration event activities undertaken by DoSM, with some highlights of Arise Plus Lao PDR project activities.
- Continued follow-up on progress related to National Standardization Strategy (NSS)
- High engagement of DOSM senior management in planning standardization activities

#### Next steps:

- Continue in partnership with ISO the support to strengthen LAO 's standardization capacity. This includes potentially becoming member of coffee technical committee as well as other sectors.
- Follow up with DOSM on setting up the TC on MSS and on CA.
- Follow up on finalisation of the national standardization strategy and link to the target sectors.
- Organise consultations with stakeholders with ISO and Chairs / members of selected TC.
- Organise ISO/ITC tailored made and joint workshops on development and promotion for the specific standards (Coffee/Wood/F&V) by also building on the project with Singapore
- Facilitate the networking and mentoring approach with other neighbouring countries (i.e. Indonesia, Vietnam, Thailand, Singapore
- Support to formulate a DOSM/DOA policy /SOP for development of standards for agricultural crops and develop a SOP for this and provide support for implementing the policy and SOP

#### Recommendation # 6 - Training on Standards

The Information and Training Centre of DOSM has plans to provide awareness and implementation training on ISO 9001 Quality Management Systems (QMS) to the industry in Lao PDR on regular basis

#### Main activities and results:

- Completed Training of trainers on effective implementation of ISO9001:2015; Selected Trainers deliver 1st and 2nd training to industry; Sharing of Lessons learned (5-16 July) 20 Participants 6 females, 14 male
- Completed *Training of trainers on effective implementation of ISO14001 :2017*; Selected Trainers deliver 1st and 2nd training to industry; Sharing of Lessons learned (8-18 November)
- · Unofficial translation of the above standards into Lao for use within the context of the trainings

#### Picture 1: participants in the training of trainers ISO 14001, November 2021

#### Recommendations n # 4 – Product Certification and #7 System certification

DOSM has a plan to be a future certification body (CB) for providing ISO 9001: 2015 QMS certification services to Lao industry and eventually for other management systems and requested assistance on strengthening product certification capacity (ISO/IEC 17021 and ISO/IEC 17065).

It was agreed with DOSM to conduct audit of the system by a Regional Accreditation Body (i.e. Vietnam)

#### Next steps:

ITC will conduct a call for proposals by various bodies upon suggestions by DOSM on the bodies to contact. Based on the audit, follow up assistance will be provided.

#### Recommendations #12 – Accreditation of food lab

The National Centre for Food and Drug Analysis (NCFDA) of the Ministry of Health has obtained accreditation to ISO/IEC 17025 for a limited scope within its food microbiology lab, it requires support for extending the scope of accreditation covering all chemical and microbiological parameters for various food matrices including training on development of SOPs, method validation and measurement uncertainty for which TA may be provided.

#### Main activities and results:

- Established partnership collaboration between the Department of Medical Science (DMS), Ministry of Public Health in Thailand, NCFDA and ARISE Plus Project to strengthen NCFDA's laboratory management system towards attainment of ISO 17025:2017 accreditation. This cooperation falls under the MoU on Health Cooperation between the Ministry of Public Health, Thailand and Ministry of Public Health, Lao PDR and the Terms of Reference of ASEAN Food Testing Laboratory Committee. Gap assessment completed. Review of quality documentation completed. Action plan as a result of the gap assessment validated. DMS identified expert team to implement technical assistance identified in the gap assessment.
- Recruitment of DSM expert team (3 experts) has commenced.

#### Next steps:

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Determine the exact scope of ISO/IEC 17025:2017 extension (analytes, matrices), complete and validate the ToR for expert team. The DMS will initiate the implementation of technical assistance.

#### Recommendations n # 14 A - Training of FDD inspectors

During the validation process of the recommendations, it was suggested by FDD that ARISE Plus Project should also provide training on Food Safety (GMP, GHP, HACCP etc) to Food Inspectors (8 persons) of FDD and to coffee collectors and processing plants.

A series of meetings with FDD have taken place to define the scope of the training. A concept note on the training has been prepared and was discussed with FDD in September while and training is planned in December.

#### Next steps:

Conduct virtual introductory workshop on Food Safety and Quality followed by in-depth training on HACCP pre requisites/good hygiene practices, HACCP principles and application, including mock audits in related enterprises. Training will commence in December and will run until Feb 2022.

### Recommendations n # 14 B - Development of COVID related guidelines and posters for food industry

#### Main activities and results:

Six posters identified by FDD for reproduction. Distribution plan submitted by FDD to ITC for target audience (approx. 13000 posters to 19 provinces) (July)

#### Next steps:

- Reproduce and distribute identified materials.
- Develop and implement with FDD a plan for additional sensitisation events (i.e. awareness webinars to present posters and sensitise on food safety).

#### Challenges:

Activities have been impacted by the COVID-19 lockdowns, which have caused some delays in the progress of some activities. Moreover, many activities which were originally to take place face-to-face have shifted to online on short notice, which has in some cases hindered timely delivery.

#### IV. Achievements July to December 2021: Expected Result 2

ER2: Increased awareness on trade preferences for exports, including to the European Union, with greater use of Everything But Arms (EBA), and on the requirements for placing products on the EU market; advanced preparation of Lao PDR to shift to a new trade preference scheme (post-EBA).

#### Summary of key results under E.R. 2

The activities under E.R. 2 have seen dozens of public and private sector professionals being **sensitized to the EBA scheme** and how they can practically benefit from it to increase exports. These activities will continue throughout 2022. Lao PDR now has **6 dedicated EBA Business guides** – 1 general and 5 on specific sectors. A number of trade policy officials has been capacitated on **advanced trade policy modelling**, in order inter alia to anticipate the consequences of the graduation about the EBA status. Awareness raising on quality requirements (mandatory and non-mandatory) is also implemented under the Quality Champions programme, Lao PDR now benefitting from a group of **15 Quality Champions** (QC) who will be **able to assess, to coach and to guide companies** on their journey to improve quality.

#### Activity 2.1

This activity has been completed.

#### Activity 2.2 – Awareness raising about EBA Preferences

Under the scope of ER2, ITC is also undertaking activities to raise awareness of the preferential trading schemes available in the EU and build up knowledge and understanding of the potential for Lao traders to export to the EU, particularly under the EBA scheme.

Lao PDR currently qualifies for access to the EU market, under the EBA scheme due to its LDC status, thereby enabling traders to export to the EU duty free for all products except for arms and armaments. In the case of graduation from LDC status, the country will lose access to the EBA scheme, but only after three years from graduation. Lao PDR has been recommended for graduation in 2026, which indicates that exporters in the country will be able to benefit from EBA access to the EU at least until 2029.

Thereafter, Lao PDR will be able to access the EU market under the Standard GSP scheme, which is applicable to all low and lower-middle income countries or may wish to negotiate for access under the GSP+ scheme, which is a special incentive arrangement available upon implementation of certain conventions relating to labour, human rights, environmental protection and good governance.

In this context, the following activities are underway:

#### Sub-activity 2.2.1 – EU EBA Business Guide

The EU EBA Business Guide for Lao PDR - a consolidated business guide on Lao PDR's preferential market access to the EU under the Everything But Arms initiative (EBA) – was officially launched on 05 November 2021 (at a virtual event). The objective of the Guide is to provide a tool from which businesses in Lao PDR are able to understand the conditions for accessing the EU market under the EBA scheme and related opportunities for businesses in Lao PDR, with a view to improving export performance to the EU.

**Methodology and Results:** The initial plan was to develop one Guide comprising of two parts: (a) a general section, presenting the operation of the EU GSP scheme, its application to Lao PDR, and the key technical and regulatory requirements required to export to the EU under the EBA scheme; and (b) a product specific section – with sub-sections for five product sections identified in consultation with Lao stakeholders – setting out the technical and regulatory requirements in the context of these product sections. (The five product specific sections cover – raw agricultural products, processed food products, textiles and garments, footwear, and processed wood).

This framework further evolved in consultation with the Department of Trade Promotion (DTP) – as given the technical nature of the guide, efforts were taken to make the guide as user-friendly and accessible as possible for the Lao beneficiaries. Therefore, in addition to the general consolidated guide, a series of sector specific guides were also developed (i.e. the product specific sections in the general guide were

reflected as sector-specific guides as well) – so that exporters who want to only review matters relevant to their sector, could refer to these targeted guides.

The guides were shared with DTP for review and feedback before finalization.

Next Steps: The English versions of the Guides have now been finalized and are available on the:

- Department of Trade Promotion website: <u>https://dtp.moic.gov.la/home/eu-eba-business-guide/</u> and
- ITC's ARISE Plus Lao PDR web page : https://www.intracen.org/arise-plus-laos/business-guides/

The Lao versions of the guides are being finalized (having taken longer than planned – in the interests of ensuring that the technical content is translated/interpreted correctly). Once finalized, the Lao versions will also be formatted and put up on the websites; and a set number of printed copies will be made available to DTP for dissemination.

These guides are being used to undertake training workshops for various stakeholders. (Refer discussion in next section - sub-activity 2.2.4).

In addition to the business guides, the set of slides developed for these trainings will also function as 'summary guides'. These slides will be updated with references to the finalized/formatted business guides – and also uploaded on the DTP and ITC websites; and circulated via social media.

#### Sub-activity 2.2.2: Assessment of the impact of tariff changes on Lao PDR's trade opportunities

This activity was completed in August 2020 and was then once again updated with latest GDP data and presented at the Trade and Private Sector Working in January 2021.

The publication 'Trade implications of Lao PDR's graduation from LDC status' is available at <a href="https://www.intracen.org/arise-plus-laos/publications/">https://www.intracen.org/arise-plus-laos/publications/</a>

**Sub-activity 2.2.3: Training on export potential analysis and introduction to trade policy modelling** This activity contains two workshops, one entry level and an advanced training course.

Workshop 1: Training on ITC's Market Analysis Tools and Introduction to Export Potential Analysis was jointly organised with DFTP and held from February 8th to 12th 2021.

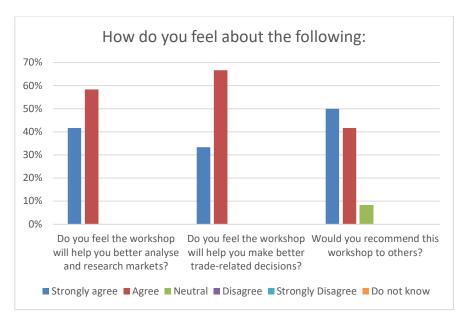
#### Workshop 2: Training on Advanced Export Potential Analysis and Trade Policy Modelling

The training started on 12/07/2021 and ended on 27/08/2021. There were 14 participants, 9 female and 5 male. The training consisted of a module with independent revision through exercises and office hours, and two modules that combined theory sessions with hands-on exercises. Participants also formed teams to implement the tools learned in an applied analysis exercise, which they presented in the final session of the workshop.

Participants became familiar with advanced aspects of ITC's export potential methodology and with selected aspects of trade policy modelling.

As a result of the training, participants expressed to be able to better analyse and research markets, and be in a better position to make trade-related decisions, as signalled in the exit survey for the training.

#### Figure 1: feedback about the workshop on advanced trade policy modelling



*Linkage with ER 2:* The training falls within ER 2 of the project "Increased awareness on trade preferences for exports, including to the European Union, with greater use of Everything But Arms (EBA), and on the requirements for placing products on the EU market; advanced preparation of Lao PDR to shift to a new trade preference scheme (post-EBA)". It connects to several activities under the same ER, notably the activity "Organisation of awareness-raising activities for the preparation of Lao PDR's graduation from LDC status".

*Challenges and innovative solutions*: Due to COVID, we were unable to deliver the training in person. Local connectivity limitations and language barriers made online delivery of the highly technical material challenging.

In order to surpass this challenge, we:

- delivered the training in hybrid mode, with participants getting together in a conference room in Vientiane,
- engaged a facilitator specialized in the topic,
- translated materials and hired an interpreter,
- adjusted the structure of the course so that pace and time allocation of sessions and activities would be suited for online delivery, and would allow for additional discussion and engagement by the facilitator.

*Next steps :* This activity was concluded. An end-of-activity report was delivered, including lessons learned and recommendations, among them: the value of deliberate participant selection and of a "soft launch" phase or instance, the positive experience with having a specialized facilitator in the room, the importance of leveraging the facilitator's presence by involving them in the design of activities and assigning enough time to their intervention, and lastly the continued challenge of delivering technical content via an interpreter.

#### Sub-activity 2.2.4 – Awareness raising campaign on the EBA Scheme

Activities are being implemented to increase reach of the EU EBA Business Guide and strengthen knowledge and understanding in Lao PDR on EU preferential trading schemes, its applicability to Lao PDR and opportunities available, and to be better prepared for future developments in this regard.

#### Methodology and Results:

*i.* Launch event for the EU EBA Business Guide:

The finalized Guide(s) were presented at a launch event organized virtually, in collaboration with the Department of Trade Promotion. The event was held on 5 November 2021. The event comprised of:

- Presentation from ITC's Expert (Tobias Dolle) on 'The EBA Business Guide for Lao PDR'
- Introductory video clip on the EU GSP schemes, and relevance for Lao PDR (to be used for social media engagements)
- Presentation delivered by DG Trade, European Commission (Kristiyana Kalcheva) on 'Lao PDR's use of the EBA scheme and implications of the new EU GSP scheme for Lao PDR'
- Panel discussion, moderated by the Director General (DG Xaysomphet) of DTP, on 'making use of trade opportunities in the EU market', with the following panellists:
  - Mr. Tobias Dolle, International Expert, International Trade Centre
  - Ms. Kristiyana Kalcheva, Policy Officer, Generalised Scheme of Preferences, DG Trade, European Commission
  - Mrs. Phoutthasone Thongmany, Deputy Director, Rules of Origin Division, Department of Import and Export
  - Mr. Buasone Xayasouk, Deputy Director of Legislation Division, Customs Department, Finance Ministry
  - Mr. Phouxay Theppavong, Secretary General, Lao National Chamber of Commerce and Industry
  - Mr. Tee Chee Seng, General Manager, Savan Park (Representing the European Chamber of Commerce and Industry)
  - Mr. Bountieng Lathtanavong, Vice President, Lao Agro-Processing Association Mr. Phetsanti Boutsivongsak, Vice President, Lao Garments Association

The objective of this launch event was to introduce the EU EBA Business Guides to the public and private sector in Lao PDR, so that they are aware of the tools available, as well as the further support that can be provided under the ARISE Plus Lao PDR project to support utilization of the EU EBA scheme. Over 80 participants signed on to the webinar. Further details are given below.

#### Event Details:

#### Table 5: Participants at the EBA Launch Event: Breakdown

| Total Number o | Ge   | nder   |        | Sector*          |
|----------------|------|--------|--------|------------------|
| Participants   | Male | Female | Public | Private/Academia |
| 93             | 54   | 39     | 29     | 57               |

\*From those who reported their sector.

#### Illustration 1: Flyer announcing the launch of the EBA guides



Illustration 2: Report in the Vientiane Times on the EBA Event - 11 November 2021

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|  |   |   |  | to ARISE Phy Lao POR<br>Based on a 2020 ITC<br>study, Laos uses only 27<br>percent of its total export<br>potential to the ITC, while 73  | garments and textiles,<br>footway, and processed wood<br>products.<br>"The second wave of the<br>Covid-19 pandemic this year   | the country's exports to the<br>EU "account for around 5%<br>of total exports, but these<br>exports have potential to grow<br>further".  | He added "The husiness<br>guide is a tool for Laos to<br>understand the opportunities<br>available and work through<br>the requirements to be mot   |
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| LAOVIET<br>Bank  | -03   | C Normal<br>Buying  | s diga<br>910, 200<br>Selling  | to ARISE Physical OD<br>Based on a 2020 FTC.<br>study, Laos uses only 27<br>parcent of its total export<br>potential to the FTI, while 73<br>percent remains unused.<br>Laos is scheduled to<br>graduat from last developed   | garments and textiles,<br>fortware, and processed wood<br>products.<br>"The second wave of the<br>Covid-19 pandemic this year<br>has ernord the povernment to<br>put on some trough measures.<br>Consorpically, it has set back  | the country's exports to the<br>EU "account for around 5%<br>of total exports, but these<br>exports have potential to grow<br>further."<br>He added, "To establish<br>a market presence in the<br>EU market, Lao exporters   | He added, "the business<br>guide is a tool for Lass to<br>understand the opportunities<br>available and work through<br>the requirements to be me<br>to effectively export to the<br>EU under the EBA scheme<br>Further, to custure that the  |
| Foreign Currencies   | as<br>USD   | Buying<br>10.492  | 910, 200<br>Selling<br>10.525  | to ARNSE Plus Lao PDR<br>Based on a 2020 TFC<br>study. Laos uses only 27<br>percent of its total export<br>potential to the TJ, while 73<br>percent remains unased.<br>Laos us acheculed to<br>under from last developed<br>country (LTC) status in 2026,<br>after which a three-year | journments and textiles,<br>fortweer, and processed wood<br>products.<br>"The second wave of the<br>Covid-19 production the year<br>has ensued the powerware it to<br>per on some trugh measures.<br>Consequently, it has set back<br>the efforts for the country is<br>economic recovery," said | the country's experts to the<br>EU "account for anomal 5%<br>of total exports, but these<br>exports law potential to grow<br>further."<br>He ackled, "To costablish<br>a market presence in the<br>EU market, Lao exporters<br>are required to most exclaim<br>requirements, regarding | He added " the business<br>guide is a tool for I are to<br>understand the opportunities<br>available and work through<br>the requirements to be more<br>to affectively export to the<br>EU under the TEAA scheme<br>Further, to costne that the<br>learning is effectively passed<br>on to statebolders. TFC is |
| LAOVIET Bank   | USD<br>VND  | of Payenda<br>Buying<br>10.492<br>0.5008  | 540,200<br>Selling<br>10.525<br>0.5108   | to ARISE Pho Lao PDR<br>Based on a 2020 TFC<br>study. Laos uses only 27<br>parcent of its total export<br>potential to the FD, while 73<br>percent remains unused.<br>Laos as achievabled to<br>gradate from least developed<br>country (LDC) status in 2026.                         | garments and textiles,<br>factore, and processed wood<br>products.<br>"The second wave of the<br>Covid-19 pandemic the year<br>base emachine government to<br>part on some truth measures.<br>Consequently, these set back<br>the efforts for the country's                                      | the country's exports to the EU "account for around 5% of total exports, but these exports have potential to grow further." He added, "To establish a market presence in the EU market. Law exporters are required to most exitain   | He added " the business<br>guide is a tool for I are to<br>understand the opportunities<br>available and work through<br>the requirements to be more<br>to affectively export to the<br>EU under the TEAA scheme<br>Further, to costne that the<br>learning is effectively passed<br>on to statebolders. TFC is |

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#### ii. Training of Trainer workshop based on the EU EBA Business Guide

In the interests of ensuring sustainability and effectiveness of the workshops, ITC also undertook a Training of Trainer workshop based on the EU EBA Business Guide. The objective of this training was to empower officials from selected public and private sector agencies with a mandate to guide. advice and train traders within Lao PDR on making use of the EU EBA scheme and use the EBA Business Guide as a tool to guide them in their work in this regard. This can ensure that there is capacity within the country to deliver these trainings in the future, and possibly may be more effective if delivered in Lao language and in-person in the provincial areas.

The training was delivered over three half day sessions from the 26 to 28 October 2021. While initially the plan was to conduct the event in a hybrid format with ITC's expert delivering the sessions virtually and the participants gathering in a meeting room in the MolC - this plan was rapidly reworked when further lockdown rules came into place, resulting in most of the training session taking place virtually. (On the first day, some participants were present in-person in the MoIC meeting room, but on the second and third day, all participants shifted to online participation).

ITC also invited two officials from DG Trade, European Commission to present at the training of trainer session. More specifically:

- Ms. Nina Baumeister, Project Officer of Access2Markets presented on the Access2Markets tool; and
- Ms. Marianna Molnar, Policy Officer Rules of Origin delivered a brief session on how to obtain information on rules of origin using the Access2Markets tool.

Following this training of trainer session, ITC is now working with selected officials who participated in this training event, to deliver workshops on the material covered for the private sector in November 2021 (Refer part iii. below for further details).

The approach adopted for this training is similar to the model adopted for the training series undertaken in collaboration with ERIIT under Activity 1.3 (b) - Sub-Activity: Tailor-made training on trade negotiations for policymakers.

#### Event Details:

Dates of Training: 26 - 28 October 2021

Table 6: Details of the sessions, and breakdown of participants at the Training of Trainer Session on the EU EBA scheme

| Sessions | Total | Female | Male |
|----------|-------|--------|------|
| Day 1    |       |        |      |

| Part I: The EBA Business Guide<br>Part II: Understanding the EU<br>Preferential Trading Schemes | 15 | 11 | 4 |
|---|----|----|---|
| Day 2   |    |    |   |
| Part III: Placing Lao PDR products on<br>the EU market – Technical<br>Requirements              | 14 | 11 | 3 |
| Day 3   |    |    |   |
| Part IV: Sector-specific legal and technical requirements – to engage in the EU market          | 14 | 11 | 3 |

### Table 7: Departments/Institutions represented at the Training of Trainer Session on the EU EBA scheme

| Institutions represented   | Number of participants |
|--|------------------------|
| Department of Trade Promotion, MoIC                              | 4                      |
| Department of Import and Export, MoIC                            | 1                      |
| Department of SME Promotion, MoIC                                | 1                      |
| Department of Foreign Trade Policy, MolC                         | 1                      |
| Economic Research Institute for Industry and Trade (ERIIT), MoIC | 4                      |
| European Chamber of Commerce and Industry of Lao PDR (ECCIL)     | 2                      |
| Lao National Chamber of Commerce and Industry (LNCCI)            | 2                      |

#### iii. Private sector workshops based on the EU EBA Business Guide

ITC is organizing three workshops targeting the private sector – based on the EU EBA Business Guide for Lao PDR. The workshops are organized as follows:

- 16 November 2021: Workshop focusing on the agriculture/processed food exporters
- 22 November 2021: Workshop focusing on textiles, garments and footwear exporters
- 24 November 2021: Workshops covering other exporters (not covered above), and also processed wood.

ITC's expert (Tobias Dolle) will be delivering the sessions together with the 5 trained officials (from DTP, DIMEX and ERIIT). The workshops will all be held virtually (due to the health concerns and lockdown situation).

The objective of these workshops will be to present the business guides to the private sector, explain the relevance and benefit of the EBA scheme, and undertake a detailed training on how the Guide can be used as a tool to comply with the steps required to export to the EU under the EBA scheme.

#### iv. Other awareness raising activities on the EU preferential trading schemes -

Efforts were also undertaken to complement the EU EBA Business Guide activities – with awarenessraising activities to build knowledge and understanding among Lao stakeholders on the EU market access under the EBA; and make the EU GSP scheme a familiar concept for Lao PDR.

The objective is to increase awareness of stakeholders on the access available to the EU market, and thereby (i) encourage Lao traders to export to the EU market; and (ii) empower stakeholders to actively engage in dialogue on such issues by making available up-to-date information and insights.

To support the awareness-raising efforts, ITC engaged a media consultancy firm located in Vientiane; and a detailed workplan was developed setting out the range of activities based on the EU GSP scheme and the EBA access. These are summarised in the table below:

| Table 8: Summary of awareness-raising activities implemented on the EU EBA scheme and related |
|---|
| aspects for Lao PDR   |

| Activities                      | Description  | Progress  |
|---------------------------------|--|---|
| Video-Clips and<br>Infographics | In order to present the<br>technical information in an<br>interesting, visually appealing<br>and easily absorbable manner,<br>a number of short video clips<br>and/or infographics are being<br>developed based on material<br>from the EBA Business Guide.  | <ul> <li>1 video clip developed on the EU GSP scheme, its application and relevance for Lao PDR. (Shared at the launch event, and to be circulated via social media).</li> <li>Refer: <u>https://fb.watch/9bN66it_aZ/</u></li> <li>How to export to the EU – instructional video clip: Currently under development.</li> </ul>  |
| Dialogues                       | ITC will organize dialogues, as<br>useful, on matters relating to<br>the EU GSP scheme and EBA.  | <ul> <li>A dialogue was organized together<br/>with the launch event – to obtain<br/>insights from the public and private<br/>sector on 'making use of opportunities<br/>in the EU market'.</li> <li>Further, ITC also presented at an 'EBA<br/>Engagement Workshop' organized by<br/>DG Trade, European Commission and<br/>the GSP Hub in Vientiane, Lao PDR –<br/>on leveraging opportunities under the<br/>EU's EBA.<br/>Refer: <u>https://gsphub.eu/events/eba-<br/>workshop-laos</u></li> </ul>  |
| Articles/Insights               | ITC is also preparing a 4 part<br>series of articles to be<br>published in selected<br>newspapers (English and Lao<br>newspapers) and shared with<br>business associations to be<br>circulated with their<br>newsletters, on aspects<br>relating to the EBA scheme in<br>Lao PDR, and how Lao<br>exporters can make better use<br>of the scheme. | <ul> <li>The first insight titled 'Duty Free Access to the European Union (EU) market – Incentivizing Lao Traders to export to the EU' has been finalized and shared with newspapers, aimed to be published before the end of November. (A summarized version is being printed in Vientiane Times and Pasaxon, while the more detailed analysis will be made available online, and circulated to businesses via the private sector associations)</li> <li>The Lao version of the insight is also put up on the DTP website: EBA Insight Lao New 28-10-2021.pdf - Google Drive</li> <li>The second insight tentatively titled 'Reaping benefits of duty-free access to the EU market through EBA utilization: the choice of "right" products' is being reviewed by ITC – and will be published in due course.</li> </ul> |
| Radio interviews                | 2 radio interviews will be<br>conducted – based on the<br>insights.  | The media consultancy firm is currently<br>engaged following up with radio stations,<br>and developing a script for the recordings.   |
| Social media<br>engagements     | Social media posts based on<br>the material covered above,<br>and other relevant information<br>– is being shared on certain   | Ongoing. Refer below for some examples of the social media posts.   |

| <br>1                          | -  |
|--------------------------------|--|
| Facebook platforms targeting   | Social media posts are published on the              |
| exporters, SMEs, traders, etc. | ARISE Plus Lao PDR Facebook page;                    |
|                                | and Facebook pages of LNCCI, ECCIL,                  |
|                                | Expat Laos, and the J&C Group. <sup>11</sup> Efforts |
|                                | are also being taken to connect directly             |
|                                | with SMEs - and share content directly               |
|                                | from through their profiles.                         |

#### Challenges and adaptations due to Covid-19:

*With respect to the trainings based on the EU EBA Business Guide* – The initial plan was to deliver the private sector workshops outside Vientiane. However, given the lockdowns and health situation, a decision was made to deliver the private sector workshops online. ITC will continue to engage with the officials trained under the training of trainer component – so as to work with them to deliver trainings outside Vientiane next year (should the situation improve).

With respect to the dialogues under the scope of the awareness-raising activities – Initially, dialogues were also planned to be run across this year on EBA related aspects. However, ITC faced challenges in setting up these dialogues due to the repeated lockdowns (as there is a preference for in-person events for such engagements). Instead, for this year, ITC has focused on presenting information/insights through the social media channels, and also linked a dialogue with the launch event held based on the EBA Business Guide and presented at the EU GSP Hub event organized in Vientiane in September 2021. ITC also plans to undertake some interviews with successful exporters to the EU from Lao PDR, which will also be circulated via social media, and seek to build up knowledge on these issues through these mediums. Since the situation related to the Covid-19 pandemic is continuously evolving, ITC will re-evaluate the work plan periodically and adjust as necessary.

*Linkages with ER2:* The activities mentioned above all relate to increasing awareness on the EU's EBA scheme, and guide traders on the mechanisms for effectively exporting to the EU under the EBA scheme – as set out in ER2.

**Next Steps:** Uploading the Lao versions of the EU EBA Business Guides and the "summary guides" – The Lao versions of the guides are being reviewed, and upon finalization – will be uploaded on the DTP and ITC websites. Printed copies will be made available to DTP, and private sector associations based on request.

*Roll-out of other awareness-raising activities* – The awareness-raising activities, as mentioned above, will continue to be rolled out over the next months.

### (a) Sub-activity 2.2.5 – Organisation of awareness-raising activities for preparation of Lao PDR's graduation from LDC status

In the last progress report, ITC noted that activities with respect to preparation for Lao PDR's graduation from LDC status will be based on the (i) recommendation at the 2<sup>nd</sup> triennial review in February 2021; and (ii) the new formulation of the EU GSP regime (the current framework is set to expire in 2023), as any amendments to the Standard GSP and GSP+ schemes and applicability will be relevant for Lao PDR.

facebook.com/ren.sison023/videos/1037136360398141;

https://www.facebook.com/LNCCl/photos/a.296991257434730/1245196565947523/; https://www.facebook.com/photo?fbid=188917370082918&set=a.166021759039146; https://jclao.com/expand-yourbusiness-to-the-eu/

 <sup>&</sup>lt;sup>11</sup>
 Links
 to
 some
 of
 the
 posts:

 https://www.facebook.com/photo?fbid=7091634347529272&set=gm.860611928150914;
 https://www.facebook.com/photo?fbid=7080946258598081&set=gm.859481281597312;
 https://www.facebook.com/photo?fbid=7080946258598081&set=gm.859481281597312;

Lao PDR has been recommended for graduation from LDC status in 2026, and therefore will benefit from the EBA at least until 2029. As a result, the focus thus far has been on the EBA activities mentioned above.

ITC prepared a concept note, which was shared with DFTP, on support that can be provided under the ARISE Plus Lao PDR project. The following activities were discussed:

- (a) Policy brief examining Lao PDR's eligibility for preferential market access to the EU market after expiry of the EBA, economic benefits for Lao PDR from participation in the Standard GSP or GSP+, and application process (if applicable), followed by advisory session for officials on the new GSP rules, and what Lao PDR will need to do to prepare in this regard; and
- (b) Awareness-raising activities for the private sector on Lao PDR's preparation for LDC graduation in terms of (i) loss of unilateral preferential tariff concessions (EU EBA scheme, and other GSP schemes as applicable for Lao PDR); and (ii) loss of special and differential treatment under the WTO rules (including under agriculture, investment, intellectual property, trade facilitation, and services trade).

The objective of these initiatives is to ensure that Lao stakeholders are well equipped/capacitated to engage in informed dialogue with the public sector and formulate/implement the necessary policies required to ensure a smooth transition from LDC graduation status.

*Linkages with ER2:* These activities relate to preparing Lao PDR for the shifts envisaged after LDC graduation, including with respect to a new trade preference scheme in the post-EBA climate, as set out in ER2.

**Next Steps:** ITC will engage with DFTP and other related departments in the first quarter of 2022 to refine the proposed activities and deliver accordingly.

## Activity 2.3: Development of awareness raising materials and online tools on EU quality related mandatory market requirements, standards and other market driven requirements for the coffee and wood processing sector and related dissemination.

This activity involves the development of an online tool (Lao Quality Compass) displaying requirements in an easy-to-understand manner for priority product-market combinations.

#### Main activities and results:

- Further development of selected features of the Lao Quality for Trade Platform
- Completion of research of quality requirements (mandatory requirements, standards and quality related market preferences for the fourth product-market combinations (Lao coffee to Vietnam)
- Uploading of this research to the Quality Compass tool for public availability.
- Uploading Quality Champions Profiles on Quality Connect

#### Next steps:

- Complete research for additional product-market combinations (identification of processed wood products to the EU and priority ASEAN markets) as well as mapping coffee to the Chinese market
- Continued discussions with LNCCI surrounding concept of national ownership to increase platform's sustainability and outreach.
- Development of translation function to make platform content available in Lao language
- Develop mobile app version (IOS and Android hybrid) of the Quality Compass and Quality Connect tools.

Activity 2.4: Development and qualification of pool of national Quality Campions and sensitization events organized in co-operation with local institutions

This activity involved the continued training and development of a team of 17 Quality Champions (QCs) committed to functioning as trainers and advisers on a long-term basis through the Lao National Chamber of Commerce and Industry (LNCCI). QCs will serve as coaches, trainers and advisers guiding SMEs improve the quality of products and build excellence into processes. All materials and tools used to develop and qualify the QCs will be handed over to LNCCI for adaptation, translation and long term use with the expectation the LNCCI will continue to function as a QC HUB beyond the project.

*Main activities and results:* The QC development courses continued to be offered approximately on a monthly basis as this was felt to be the right intensity for the participants. In between QCs were completing tasks and practical applications of the learning.

Each course was a 5-day event offered either in hybrid mode with all participants in one room, lead trainers online and a national facilitator in the room, or full online due to COVID restrictions.

Due to the time difference, the courses continued to be offered on a half day basis in terms of daily schedule. During the reporting period, a total of four courses were offered during the period, bringing the total number of half day courses to 11.

The 12<sup>th</sup> and final workshop initially scheduled for December 2021 will be postponed to early next year in with the expectation that it will be a full face to face event assuming that the COVID situation will allow. A total of 17 QCs remained active during the period, including the DG of LNCCI who continued to be a strong driver the programme in LNCCI.

The following four Quality Champions workshops were completed during the period:

- QC8 28 June 2 July: ISO 9001 Part 1: The eighth workshop for Lao Quality Champions was organised fully online and was attended by 15 Quality Champion aspirants, out of which 4 were women. The course focused on the implementation of ISO 9001:2015 Quality Management Systems. Participants were introduced to the background of ISO as an organization, basic quality concepts and quality management principles. They learnt the theory, held discussions and group activities while learning clauses 1-5 of the ISO 9001: 2015 Quality Management Systems requirements.
- QC9 2-6 August 2021: ISO 9001 Part 2. The ninth workshop for the Lao Quality Champions was organized both in person and online and was attended by 15 Quality Champion aspirants (7 in-person and 8 online), out of which 4 were women. The workshop focused on clause 6-7 of ISO 9001:2015. Participants were introduced to quality objectives, planning for change, support for the Quality Management System and documentation. They learnt the theory, held discussions and group activities while learning clauses 6-7 of the ISO 9001:2015 Quality Management Systems requirements. There was an ISO 9001 presentation by TOYO Industry, Lao Factory Sole Co., Ltd, an ISO 9001:2015 certified organization.
- QC10 13-17 September 2021: The 10th workshop for the Lao Quality Champions was organized as a full online as from the second day due to increasing COVID restrictions. It was attended by 17 Quality Champion aspirants, out of which 5 were women. The course focused on Prerequisite Programmes (PRPs) for Good Hygienic Practices (GHP) and Good Manufacturing Practices (GMP) for the first four days, concluded on the last day with the introduction to the principles of the HACCP System. They learned theory and practice of PRPs application by holding group discussions and group activities on several PRPs including developing PRPs as well as how to define the scope of HACCP and how to set up and implement the first 5 steps of HACCP prior to establishing Hazard Control Plan. Dr Viengxay, Director FDD, Ministry of Health, made a presentation on HACCP and one of the QCs from the coffee sector presented a coffee processing factory having implemented GMP.
- QC11- 11-15 October 2021: The 11<sup>th</sup> workshop for the Lao Quality Champions was as a full online due to COVID restrictions. It was attended by 17 Quality Champion aspirants, out of which 5 were women. The workshop focused on food safety with a particular emphasis on

the application of the 7 principles of HACCP and establishing a food safety management (FSM) based on ISO2200:2018. The participants learned how to control significant food safety hazards, through hazard identification, assessing level of risk, and establishing a "hazard control plan". They were taught practical applications of the standard through examples, group discussions and activities. Participants were also introduced to main objective and clauses of ISO2200:2018, food safety management systems. A guest speaker from Mitr Phol Sugar Lao factory, Mitr Phol Group (Thailand), Asia's biggest sugar producer, Mr. Surasak Namwan, Quality Control Manager made a presentation on the experience of becoming certified to ISO 9001-2015.

- All courses included group activities and experience sharing by QCs.
- National resource persons included selected QCs and enterprise representatives who shared valuable local experiences and practical insights.
- Efforts to connect QC with other project areas including briefings and invitations to attend courses and events under other components were appreciated and have led to cross benefits and synergies.
- The details of each workshop is indicated in the corresponding event report.

#### Picture 2: Group work during a QC workshop, October 2021



**Challenges**: Study tours to ISO 9001 and HACCP certified companies had been planned but had to be postponed due to factories being reluctant to receive groups due to COVID restrictions. These visits will be scheduled as soon as the situation allows. The start of the enterprise quality improvement projects in an enterprises over a period of 4-5 months was postponed for the same reason and is expected to start in January 2022 based on the assumption that the COVID situation will allows for on site activities in enterprises.

**Next steps**: Complete the last course in early 2022 and start the pilot enterprise quality improvement projects (part of the QC qualification) immediately afterwards. During the project implementation phase, regular short webinars will be implemented and international coaches will guide and oversee the QCs.

#### <u>Activity 2.5 – Development of a practical online export curriculum to support private sector</u> <u>exports</u>

In partnership with LNCCI, ITC is developing an online interactive electronic learning (e-learning) course on cross border procedures to benefit Lao PDR traders. The e-learning course is to support Lao PDR's enterprises to comply with cross-border procedural and regulatory requirements for export transactions, including to the EU and ASEAN markets.

#### Methodology and Results:

As noted in the previous reports, ITC initially conducted discussions with LNCCI, and relevant MolC departments, namely, DTP, DIMEX and DoIH to introduce the concept of the e-learning course, and broadly discuss the topic/subject matter to be covered in the e-learning course.

The course is primarily intended to benefit Lao traders engaging in exports, and those seeking to engage in export trade. Employees in related businesses can also follow the course in order to increase their

knowledge and understanding of engaging in export trade. Additionally, the course may also be beneficial to government officials engaged in export related activities, and for students and academia interested in international trade. Participants seeking to follow the e-learning course can do so, according to their own schedule, on their laptop/mobile device. The course will comprise of pre-recorded lecture content, videos, quizzes, and other interactive elements.

Previously, ITC's SME Trade Academy delivered a training session for LNCCI's focal team responsible for management and administering the e-learning course; stakeholder consultations were undertaken by ITC's expert leading to the development of a comprehensive needs assessment report; the course outline was developed and presented to a focus group (with participants from LNCCI, DFTP, DTP, DoIH and DIMEX), and updated based on feedback received – leading to the development of a detailed course mapping.

During the period covered by this report, the following steps were being taken:

- (a) Detailed course mapping: The detailed course mapping further expanded upon the course outline and set out details of the modules and the sessions covered under each module, the objective of each session, and the specific content/topics that would be covered under each session. The course is currently organized into 7 modules, further categorised into 11 sessions. The modules cover:
  - Exporting from Lao PDR Registering as an exporter
  - Exporting from Lao PDR Key steps to export
  - Importing country requirements Focus on the EU and ASEAN markets
  - Connecting with buyers
  - Moving products to markets transport and logistics
  - Exporting products focus on garments, handicraft, and wood furniture products
  - Exporting products focus on agricultural products.

The course mapping also provides details of case-studies and forum tasks/assignments that will be built into the modules.

This course mapping was shared with LNCCI for validation.

(b) Development of course modules based on validated course mapping: Upon approval from LNCCI, ITC's expert has been working with ITC's SME Trade Academy to develop and flesh out the course material/content for each of the 11 sessions. This is an intensive process involving several steps.

At the outset, meetings were organized between ITC's expert with the SME Trade Academy for each of the 11 sessions, during which the experts worked through developing a course skeleton based on the topics identified. The course skeleton essentially maps out how the course will be viewed by the user. Thereafter, ITC's expert works on fleshing out the material based on the course skeleton, and this is submitted to ITC's SME Trade Academy experts – who work on editing and further contextualising the content to suit the online training format. These versions will be reviewed again by internally, and once cleared, will be converted into the online versions.

Thus, far the 11 course skeletons have been developed; and 4 of these course skeletons are at the editing/contextualisation stage. The remaining 7 sessions are in the process of development.

The process is lengthy, as significant efforts are taken to make sure the course material developed is framed appropriately and in the absolute final versions – as once converted into the multimedia format, it will not be possible to undertake further revisions to the course structure, etc.

**Challenges and adaptions due to Covid-19:** As noted in the previous reports, the international travel restrictions made it more challenging to consult with stakeholders and work on the technical aspects with LNCCI. ITC, with the support of its National Consultant based in Vientiane – follows up with LNCCI via emails and phone conversations – in order to obtain responses and feedback on next steps for this course.

*Linkages with ER2:* This e-learning course is an interactive training tool available for Lao PDR's businesses, particularly SMEs, to work through the steps required to effectively export from Lao PDR and enter export markets – and is to be administered by LNCCI. This contributes to the specific objectives of the project to improve the business environment and increase trade and participation in global value-chains – by enabling the main private sector business association (LNCCI) to make available information for businesses on exporting from Lao PDR, and simplifying relevant aspects for SMEs, who may otherwise find these processes difficult. Further, where relevant, examples are drawn from accessing the ASEAN and EU markets – in line with the objectives of ER 1 and ER 2, which call upon strengthening regional integration, and strengthening capacity to place products on the EU market, respectively.

**Next Steps:** As noted in the previous report, delays in the consultations and focus group discussions, and receiving feedback on course outlines/materials developed – resulted in the timelines for the delivery of the e-learning course having to be adjusted. The shift in initial timelines, also resulted in further adjustments to the schedules of the personnel engaged in the development of the modules.

In terms of next steps – the remaining course sessions are to be developed over the next two months, and the next production activities will proceed as each course session is finalised.

Upon finalisation of the course chapters, this material will also be translated into Lao language, so that the e-learning course will be available in English and Lao language.

The course chapters, once developed, will also be converted into a guide for LNCCI, to have supporting material to fulfil its role as administrators of the e-learning course. Support will also be provided to LNCCI to develop promotional material based for the e-learning course; and training session(s) will be undertaken for LNCCI based on the content covered in the e-learning course and other technical aspects of the course.

#### V. Achievements July to December 2021: Expected Result 3

ER3: Strengthened support services (especially for smallholders and SMEs, with a focus on women), reduction of supply-side constraints, and trade and investment promotion in targeted sectors (e.g. wood processing and agro-based products)

#### Summary of key results under E.R. 3

Under E.R.3, the **two sector export roadmaps have been finalized** and officially launched by the Minister of Industry and Commerce, and the Minister of Agriculture and Forestry. The follow-up of their implementation, with practical actions and small projects, is undergoing. A group of trade policy officials has also been **trained on data management**, with the final aim to improve trade statistics in the country. Activities related to the sustainable growth of the two selected sectors have continued: **organic farming in coffee, coffee sensory and cupping skills, sustainable sourcing in wood**, but also turning a coffee company into a specialty coffee company to gain added value, have kicked off.

### Activity 3.1 - Development of sectoral export strategies to identify supply-side constraints and remedial actions

This activity aimed to develop (in a participative approach) sector export roadmaps that identify supplyside (production and processing capacity) constraints and remedial actions, to be implemented with support under the project and from other development stakeholders.

The launch of the Lao PDR Wood processing Sector Export Roadmap and Stakeholder Workshop was confirmed on 29 November 2021 with an expected number of 50 participants and followed by an implementation management workshop. This will be a combination of coaching and open discussions with relevant stakeholders on implementation management techniques and their application to the wood processing roadmap in Lao PDR. The launch includes remarks and presentations from speakers on the agenda. As a result, the roadmap will be launched, bringing visibility and highlighting buy in towards implementation. The implementation management workshop will serve to reach agreement in principle on the roles and responsibilities of roadmap steering committee, along with its membership.

The Lao PDR Coffee Sector Export Roadmap was launched on 1 and 2 July 2021, and a stakeholders workshop organized at the same time. 50 participants attended the event in total. As a consultative workshop, the stakeholder workshop combined discussions on the content of the roadmap and its implementation with presentations by key stakeholders.

*Linkages with ER 3:* The launch of the roadmaps and the transition from design to implementation phase marks a significant step towards the completion of the roadmaps activities under 3.1 and officially kick-starting implementation under 3.3, 3.4 and 3.7 (though implementation is already ongoing).

**Challenges:** Restrictions related to Covid-19 involving lockdowns, travel and holding large meetings complicated the planning of the launch events, being postponed a couple of times. Planning a hybrid event provides opportunities for speakers not able to travel to participate in the event.

*Next steps:* Supporting the operations of the steering committee with tailored trainings / presentations on best practices in strategy implementation, along with support for monitoring implementation. launch included remarks only from speakers on the agenda.

## Activity 3.2 - Review of quality and availability of statistical data (trade and investment statistics, including gender indicators) and work with the relevant authorities to strengthen data collection and statistical production capacities.

This activity aims to train government officials from the customs, Lao Statistics Bureau and other departments to strengthen data collection and statistical production capacities. It contains two workshops. The first one was conducted in November 2019, with a focus on the basics of R programming applied to raw customs data; trade data characteristics and quality checks; various indices that can be computed in the field of international trade. (See also previous progress reports). The second workshop, will be rolled out in December 2021 as agreed with DPC. A five day workshop delivered via hybrid format, with ITC experts joining online, supported by a facilitator (see also activity 2.2.3) is being proposed. Advanced features of LibreOffice Calc with many hands-on exercises will be presented. The workshop is tailored to increase participants' knowledge about large data set manipulation using spreadsheet software like LibreOffice, OpenOffice or Excel.

Qualified ITC trainers will introduce the different concepts during half day sessions. At the end of each afternoon session, an exercise will be sent to participants. Participants will work on these exercises during the morning sessions the day after, assisted by the facilitator.

At the end of the workshop, participants will be expected to:

- Have gained awareness of innovative solution to handle large datasets
- Know data manipulation techniques to synthetize and summarize information
- Identify easily problems or errors in order to bring correction
- Be able to create reusable reports to increase productivity

**Challenges**: Due to COVID-19 restrictions, the second training had to be adapted to be delivered in a hybrid format, taking into account lessons learned from other technical trainings delivered fully online (See also activity 2.2.3). A facilitator has been hired.

#### Next steps:

- roll out training
- collect latest data on Lao trade,
- preparations and one on one sessions with facilitator
- engage with participants before training so everyone is set up and registered to all needed online platforms once training starts.

### Activity 3.3: Promotion of predictable legal timber supply to incentivize sustainable land management and establish a clear rule set

#### Training on EU Market Requirements 29th October

The online workshop offered companies, sector associations, NGOs and government officials the opportunity to learn the essential elements for growing your exports through two training modules as per following topics:

- 1) FSC certification (Chain of Custody) for facilitating Export into EU and Due Dilligence
- 2) Official (import-) documentation required by the EU authorities for a selected product

The training was opened by the following dignatories Mr. Xaysomphet Norasingh, Director General of Department of Trade Promotion, MOIC and Ms. Cécile Leroy, Attaché, the Delegation of the European Union to Lao PDR.

The first topic: **FSC certification (Chain of Custody) for facilitating Export into EU and Due Dilligence** was presented by Mr. Khamtan Phonetip, ITC's National consultant with the co-speaker Mr. Peter Viehbeck, an international consultant of ITC.

This module introduced the FSC certification scheme (Forest Management and Chain of Custody). It presents common CoC management systems featuring possible implementation challenges in the wood processing industry. The module points out the positive elements inherent to certification and how they can facilitate exports into the EU, taking into account various legal aspects. Furthermore, the advantages of products with FSC claims are earmarked in the light of EU consumers expectations on environmental sustainability of wooden products.

The second topic: Official (import-export) documentation required by the EU / Lao authorities for a selected product was presented by Khamtan Phonetip, ITC's National expert with co-speaker by Peter Viehbeck, an international consultant of ITC.

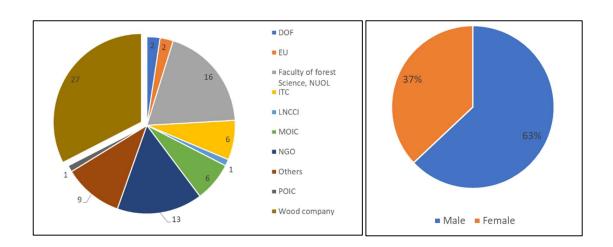
The participants gained knowledge in understanding the import requirements on the part of the EU as well as the export requirements on the part of the state authorities of Laos for specific wood products. This understanding enables a realistic assessment of the administrative effort required to export. Examples of safety standards / requirements and phytosanitary conditions as well as the associated documents and procedures were introduced. Identified possible administrative challenges and problem areas were addressed and solutions analysed based on the export product of wooden flooring

#### Results

(a)

There were 83 interested participants that have registered for the online training, 27 people from wood processing companies. It is also indicated that the number of females attended this training was 37% from the total of 83 people.

(b)



#### Figure 2. 1(a) registered participants, 1(b) participants by gender

The training expectation was to share knowledge among participants. i.e researchers, wooden processors, NGO and representatives from government. Raising points related to the training topics helped participants gained more knowledge and deeper understanding current situation of readiness for export of Lao context.

**Challenges:** In preparing the training workshop, Online training method was the only available options during lockdown of the country due to COVID-19 pandemic. Thus, promoting the event via Lao ARISE PLUS's Facebook page could disseminate the information to Facebook users.

Building capacity of participants in this enabled SMEs to change their business practices to build SME competitiveness. For example the discussion included clarification for participants on the following highly technical issues that need to be understood to enter the EU and regional markets:

- Holding the FSC-FM and CoC certification.
- Are FSC Controlled wood products associated with CITES?
- The Due Diligence System and current challenges of export requirements to meet the DDS of EUTR for companies exporting to EU?
- Laso TLAS, its inclusivity for smallholders and compliance with EU
- FSC-CoC certification and other options to get access to premium prices other than FSC or PEFC certification?
- Sources of timber for FSC certification
- Keeping information on the timber source for 5 years,
- Use of barcode or QR for data management for sustainable and transparent sourcing.

## Activity 3.4 Technical assistance to SMEs in targeted sectors to enhance production and develop market linkages with regional and European markets, including trade fair participation, market missions and B2B activities

This activity supports SMEs to improve market linkages for SMEs in specialty agri-food products with a special focus on coffee. It provides technical training on the marketing of agri-food products regionally and internationally. During this period, the concept note for 3.4 and 3.7 was revised so that the two activities are effectively merged. The rationale for this is that compliance with "environmental and social standards" is an integral part of "enhancing production and develop market linkages" and thus it would be effective and efficient to plan these activities as part on one whole.

#### Organic Coffee (3.4 and 3.7)

#### Organic Coffee production and marketing (Intermediate level trainings) - August 2021

During this 3 half days training sessions online covering different topics, 10 participants (8 male, 2 female) joined.

**Results :** The training increased the knowledge of farmers and SMEs on the meeting the challenges of organic farming and marketing in particular pest and soil management, certification, international marketing.

#### Organic Coffee production and marketing (Advanced level trainings)

Between July and September 2021, advanced level training sessions were offered to selected companies, for a total of 24 participants. The companies concerned were the Green Community Development Association; the Panyanivej Farm; the Mekong Tea Project; and the Coffee Producer Cooperative (CPC).

The outcomes were an online consultation and training on Participatory Guarantee System (producer registration form developed, training on farm inspection); a training on the preparation of a company business plan for development of organic markets; a support to gaining organic certification, specifically through developing the producer registration form and increasing knowledge of the internal control system; a training on how to address specific challenges on organic coffee problems encountered by the cooperative (e.g. pest management, standard compliance).

**Challenges:** Travel restrictions meant that the consultant could not meet participants face to face. The main challenge has been reaching stakeholders with the capacity building. The provision of online training has on the one hand made training high accessible for those with internet access. On the other hand, it has reduced the amount of human contact and intangible elements like building up strong relationships between the trainer and stakeholders. The training address the issues that staff had limited knowledge about e.g organic tea farming practice and lack of a clear baseline of information about producers.

*Next steps :* The training will be rolled out in January 2022 to those who have taken the intermediate training. CPC staff were busy with internal management issues and had little time to attend the training. The training will be repeated for them in January 2022.

**Results and Outcomes:** The support for both Intermediate and Advanced levels was important in terms of enabling companies to identify early in the process the type of management protocols that are needed to be introduced in order to qualify for organic certification. This enable companies to make changes to their business operations for increased competitiveness.

Specialty Coffee (3.4 and 3.7)

Specialty Coffee Association "Coffee Skills" – training against two modules of Green Coffee and Sensory Skills at the Foundation Level

#### Session 1: 25-29 October 2021

#### Session 2: 8-12 November 2021

**36** participants passed and will receive certificates from SCA for both modules (12 female, 24 male). Laos Coffee Association was well represented with 4 participants. Foundation courses do not include a practical component of coffee cupping etc however, there are practical learning objectives – this allowed the course to be delivered online even though they are normally done face-to-face, as COVID travel restrictions prevented. The local team assisted in receiving and distributing training materials to be used during the training. This training contributed.

#### Picture 3: participant during an exercise



**Results**: Participants received a good grounding on the sensory and grading analysis protocols for coffee, which are important aspects for quality control, product improvement and negotiation with buyers. They also received a good grounding on the international coffee value chain from production through to export and consumers. The certificates, being globally recognised are useful for those involved in trade as buyers place more trust in the exporter as it exhibits their knowledge of quality, while for others, the certificates can from the basis of skills improvement for career growth The certificates also allows for progression to the next levels of courses, such as the Intermediate level.

#### Next Steps

- 1. Planning for the intermediate level SCA training , early 2022
- 2. Finalise discussions for a collaboration with Winrock for design and implementation of market linkages

#### Activity 3.5: Implementation and roll out of practical/hands on training and advisory support services in quality management to enterprises aimed at complying with specific quality requirements of destination markets. This support will be largely implemented by the Quality Champions in cooperation with local partner institutions

**Main activities and results:** This activity involved the detailed planning of the start of the quality improvement projects in enterprises and related consultations with LNCCI which will be offering these types of services into the future. Templates, tools and guidance documents were developed for use by QCs. Link and synergies with enterprise support initiatives being or to be implemented under the coffee and processed wood components were discussed. An approach to identifying and selecting the beneficiary enterprises was agreed and an expression of interest for enterprises to sign up was being launched at the time of writing this report. This activity also involved discussions and consultations regarding the long term service offer model for the QC programme in LNCCI.

*Challenges:* The start of this activity was postponed as factory visits were not possible due to the COVID situation. It is expected that it will start in early 2022.

*Next steps:* A first round of beneficiary enterprises will be selected and matched with QCs. This activity will then run until the end of the project and beyond as a long term service model offered by QCs attached to LNCCI.

#### Activity 3.6 – Investment Promotion in the Targeted Sectors

#### Sub-Activity 3.6.1 Investment potential analysis

#### Activity completed

The publication is available at https://www.intracen.org/arise-plus-laos/publications/

#### Sub-Activity 3.6.2: Investment Profiles

ITC has developed two investment profiles for the Coffee and Wood Processing sectors in Lao PDR. For each of these sectors, ITC has developed a main profile (approximately 40 pages), and a summary brochure (approximately 6 pages).

The objective of the investment profiles is to enable foreign investors to identify investment opportunities, understand the investment climate, and obtain access to the latest research and market insights; and

function as a tool for public and private representatives to promote investment within the target sectors of the Lao PDR economy.

**Methodology and Results:** The investment profiles are based on an in-depth review of the relevant legislation, regulations, policy documents and studies, and bilateral consultations. Consultations were undertaken with public sector stakeholders including DTP, DoIH, Investment Promotion Department, and Department of Forestry; as well as private sector stakeholders including relevant business chambers, the Lao Coffee Association, Wood Processing Association, and the Lao Furniture Association.

The profiles comprise of:

- Country analysis presenting elements that demonstrate the investment potential in Lao PDR including an assessment of the business environment, investment laws and incentives, logistics and connectivity, and relevant support services: and
- Sector-specific analysis detailing the current operations of the specific sector in Lao PDR and investment opportunities.

The profiles will complement the efforts of the Wood Processing and Coffee Export Sector Roadmaps developed under the ARISE Plus Lao PDR project, and also draw upon findings from other studies produced under the project, namely the 'Export Potential in Lao PDR: Processed Wood and Specialty Agriculture', and 'Leveraging export potential and tariff advantages to attract foreign direct investment into Lao PDR: Wood processing and coffee'.

In the previous reporting period, the draft profiles had been shared with the relevant government departments for review and were being updated based on feedback received.

Under this reporting period the following steps were taken:

- (1) Coffee Investment Profile:
- The profile was revised based on feedback received from the Department of Trade Promotion (DTP), and the approved version was then presented to key stakeholders at a validation event held on 22 July 2021.
- The objective of the validation event was to present the completed investment profile for the coffee sector in Lao PDR to stakeholders in the public and private sector, obtain feedback, and validate the content and investment opportunities set out in the profile. This event was organized in collaboration with the DTP. (Refer below for details of the event)
- Based on the feedback received from the validation event, the investment profile was further updated. The almost finalised profile was also shared with a coffee sector expert (Mr. Luis Samper, expert in coffee branding and geographical indications) to obtain further insights on the content covered and presentation of the material.
- The profile is now being finalised based on the feedback received; and will then be sent in for editing and formatting so that it can be utilised by DTP, and other public and private sector associations as a promotional tool.
- The draft summary brochure has also been compiled based on the main profile and will also be presented along with the main profile.

#### (2) Wood Processing Investment Profile:

- The profile was shared with DTP and the Department of Industry and Handicraft (DoIH) for review; and updated based on the feedback received.
- The approved version of the wood processing profile was then presented at a validation event organized, in collaboration with DoIH, on 24 August 2021 with the objective of obtaining feedback and validating the investment opportunities identified. (Refer below for details of the event).
- Following the event, the minutes from the discussion representing feedback on adjustments to the profile was shared with DoIH, and upon confirmation from DoIH, these adjustments are being built into the investment profile. Some of the elements requested to be included from the stakeholders have been quite challenging, however, as the information is unavailable in the public domain, and there are limited responses to requests for same information from relevant departments – particularly in relation to plantation area related information. ITC has therefore,

also reached out to sector experts from the academia as well and is working on incorporating information available into the profiles.

- The draft summary brochure has also been complied and will be finalised based on the main profile.
- This profile (main profile and summary brochure) will also then be edited and professionally formatted for DoIH and other stakeholders to utilise as a promotional tool.

#### Event Details:

| Table 9: Summary of particip | ants at the investment profile events |
|------------------------------|---------------------------------------|
|------------------------------|---------------------------------------|

|   | Total | Ger  | nder*  | Ś      | Sector           |
|---|-------|------|--------|--------|------------------|
| Coffee  |       | Male | Female | Public | Private/Academic |
| Investment<br>Profile-<br>Validation<br>Event<br>22 July 2021                             | 20    | 13   | 7      | 14     | 6                |
| Wood<br>Processing<br>Investment<br>Profile –<br>Validation<br>Event<br>24 August<br>2021 | 25    | 18   | 5      | 23     | 2                |

\*Number for wood processing workshop does not add up – as 2 participants did not report on this component.

#### Table 10: Departments/institutions represented at the investment profile events

| Coffee – Profile Validation   | Number of Participants                    |
|---|---|
| Department of Trade Promotion (MoIC)  | 5   |
| Department of Industry and Handicraft, MoIC   | 2   |
| Department of Import and Export, MoIC   | 1   |
| Department of Foreign Trade Policy,MoIC   | 1   |
| Department of Planning and Cooperation, MolC  | 1   |
| Department of SME Promotion, MolC   | 1   |
| Department of Agriculture, Ministry of Agriculture  | 1   |
| Investment Promotion Department, Ministry of  | 1   |
| Planning and Investment   |   |
| Private Sector  | 6 (representing LNCCI, Bolaven Plateau    |
|   | Coffee, Lao Coffee Association)           |
|   |   |
| Wood Processing Profile - Validation  | Number of Participants                    |
|   |   |
| Department of Enterprise Registration and   | 2   |
| Management, MoIC  | 2   |
| Management, MoIC<br>Department of Forest Inspection/Department of   | 2   |
| Management, MolC<br>Department of Forest Inspection/Department of<br>Forestry - Ministry of Agriculture and Forestry (MAF)  | 2 4                                       |
| Management, MolC<br>Department of Forest Inspection/Department of<br>Forestry - Ministry of Agriculture and Forestry (MAF)<br>Department of Foreign Trade Policy, MolC  | 2<br>4<br>1                               |
| Management, MolC<br>Department of Forest Inspection/Department of<br>Forestry - Ministry of Agriculture and Forestry (MAF)<br>Department of Foreign Trade Policy, MolC<br>Department of Import and Export, MolC   | 2<br>4<br>1<br>1                          |
| Management, MolC<br>Department of Forest Inspection/Department of<br>Forestry - Ministry of Agriculture and Forestry (MAF)<br>Department of Foreign Trade Policy, MolC<br>Department of Import and Export, MolC<br>Department of Industry and Handicraft, MolC  | 2<br>4<br>1<br>1<br>7                     |
| Management, MolC<br>Department of Forest Inspection/Department of<br>Forestry - Ministry of Agriculture and Forestry (MAF)<br>Department of Foreign Trade Policy, MolC<br>Department of Import and Export, MolC<br>Department of Industry and Handicraft, MolC<br>Department of Planning and Cooperation, MolC  | 1<br>1<br>7<br>1                          |
| Management, MolC<br>Department of Forest Inspection/Department of<br>Forestry - Ministry of Agriculture and Forestry (MAF)<br>Department of Foreign Trade Policy, MolC<br>Department of Inport and Export, MolC<br>Department of Industry and Handicraft, MolC<br>Department of Planning and Cooperation, MolC<br>Department of Trade Promotion   | 2<br>4<br>1<br>1<br>7<br>1<br>1<br>2      |
| Management, MolC<br>Department of Forest Inspection/Department of<br>Forestry - Ministry of Agriculture and Forestry (MAF)<br>Department of Foreign Trade Policy, MolC<br>Department of Inport and Export, MolC<br>Department of Industry and Handicraft, MolC<br>Department of Planning and Cooperation, MolC<br>Department of Trade Promotion<br>Faculty of Forestry Science, NUOL  | 1<br>1<br>1<br>7<br>1                     |
| Management, MolCDepartment of Forest Inspection/Department of<br>Forestry - Ministry of Agriculture and Forestry (MAF)Department of Foreign Trade Policy, MolCDepartment of Import and Export, MolCDepartment of Industry and Handicraft, MolCDepartment of Planning and Cooperation, MolCDepartment of Trade PromotionFaculty of Forestry Science, NUOLInstitute for Industry and Commerce (Formerly ERIIT)  | 1<br>1<br>7<br>1                          |
| Management, MolCDepartment of Forest Inspection/Department of<br>Forestry - Ministry of Agriculture and Forestry (MAF)Department of Foreign Trade Policy, MolCDepartment of Import and Export, MolCDepartment of Industry and Handicraft, MolCDepartment of Planning and Cooperation, MolCDepartment of Trade PromotionFaculty of Forestry Science, NUOLInstitute for Industry and Commerce (Formerly ERIIT)InvestmentPromotionDepartmentDepartmentDepartmentDepartmentDepartmentDepartmentDepartmentDepartmentDepartmentFaculty of Forestry Science, NUOLInvestmentPromotionDepartment <t< td=""><td>1<br/>1<br/>7<br>1</br></td></t<> | 1<br>1<br>7<br>                           |
| Management, MolCDepartment of Forest Inspection/Department of<br>Forestry - Ministry of Agriculture and Forestry (MAF)Department of Foreign Trade Policy, MolCDepartment of Import and Export, MolCDepartment of Industry and Handicraft, MolCDepartment of Planning and Cooperation, MolCDepartment of Trade PromotionFaculty of Forestry Science, NUOLInstitute for Industry and Commerce (Formerly ERIIT)  | 1<br>1<br>7<br>1<br>2<br>1<br>1<br>1<br>1 |

*Linkages with ER3:* The investment profiles fall under the scope of 'trade and investment promotion in targeted sectors' as set out in ER3. Coffee and processed wood were selected for the development of the first two investment profiles – as these were identified as target products for the project.

*Next Steps:* The profiles are being finalized based on the validation events, and the summary brochures have been compiled.

These profiles will then be submitted for editing and professional formatting – and then shared with the relevant stakeholders (from public and private sector) for circulation and utilisation as a promotional tool.

As noted in the previous report, once these two profiles are finalised, ITC will also commence discussions with MoIC on developing investment profiles for atleast another 2 sectors and engage in consultations to identify sectors to be prioritized for these profiles. (The number of profiles that can be developed, however, will depend on whether it can be accommodated based on the budget remaining).

### Activity 3.7 Promote increased adoption of environmental and social standards to SMEs in targeted sectors

This activity was merged with 3.4 – see above.

#### VI. Cross-cutting activities

During the second half of 2021, several activities directly related to the project coordination component of the project were undertaken and successfully accomplished.

#### • Participation at the TPSWG meeting

The project team has continued to participate in the Trade and Private Sector Working Group (preparatory sessions and official segments).

#### • Meetings with other project representatives to ensure coherence in Lao PDR

Meetings with other development partners were organized on an ad-hoc basis, such as with the GIZ Pro-FEB project.

#### • #OneITC approach

The ARISE Plus Lao PDR team is in close contact with the other ITC implemented projects in Lao PDR, namely the Systematic Mechanism for Safer Trade (SYMST) and the Trade for Development (T4SD) Hub at LNCCI. This close collaboration enables to identify synergies and adapt a coherent approach most suitable to the Lao context. Going forward, more synergies will be discussed with the SYMST project, in terms of joint communication, information sharing about seminars from one or the other project than can be of interest to both project stakeholders, and possible joint activities on standards, food quality and safety.

#### • ARISE Plus and ITC

The ARISE Plus Lao PDR project continued to participate in the ARISE Plus regional coordination efforts. Information and experience sharing with the other ARISE Plus projects managed by ITC – ARISE Plus Myanmar, Thailand, Malaysia, Philipines etc. – is also ongoing, through regular internal meetings, including during the reporting period.

### • Participation and active engagement in the UN Country Team and UN COVID-19 response efforts.

The ARISE Plus Lao PDR representative participated in almost all UN Country Team meetings in order to closely follow and coordinate the different COVID-19 responses in Lao PDR and to further enhance synergies between efforts led by other UN agencies in country.

ITC is a signatory of the UN Sustainable Development Cooperation Framework Agreement (UNSDCF) between the Government of Lao PDR and the UN for the period 2021 to 2026.

#### VII. Communication and visibility

Communication activities of the ARISE Plus Lao PDR project are implemented under the guidance of the project's Communication and Visibility Plan (Annex VI) in the Contribution Agreement ACA/2019/407-542. ITC, as implementing agency, manages the overall project communication and visibility strategy. ITC is the intermediary for all communication between implementing partners and the EU as well as with the media. ITC will also ensure the EU's role is highlighted in all project communications. From 1 July 2021 to present, communications activities undertaken include:

#### **Communications platforms:**

#### Website:

Since its establishment in September 2020, the ARISE Plus Lao PDR project's website (<u>https://www.intracen.org/arise-plus-laos/)</u> was regularly updated. The project's website was created under ITC's website host – with the aim to provide general information about the project and specific activities-related content. The website contains key features including project information, partners, responding to Covid-19, publications, business guides, past events, and press.

From 1 July 2021 19 November 2021, the website received 754 unique visitors and 898 pageviews

#### Social media:

The ARISE Plus Lao PDR project has its social media presence predominantly on Facebook. Most content supporting project activities are featured on Facebook Group: https://www.facebook.com/groups/ariseplus. However, the news and content were shared and featured on partners' and Lao media Facebook accounts including the UN in Lao PDR, European Union in Lao PDR, Ministry of Industry and Commerce, European Chamber of Commerce and Industry in Laos, Lao National Chamber of Commerce and Industry and Lao Youth Radio FM 90.0 Mhz. Moreover, from July to present, members of the Facebook Group have doubled seen as 605 members (as of 23 November 2021).

So far, the top 3 most viewed and engaged posts are:

- 1) Short human story from 'Advance Export Potential Analysis and Trade Policy Modelling' on 16 September 2021 – reaching 5,466 people. <u>https://www.facebook.com/groups/ariseplus/permalink/831106654434775/</u>.
- 2) An online poster promoting the launch of the EBA Business Guide and panel discussion on 'Making use of trade opportunities in the EU market' reaching 4,739 people <u>https://www.facebook.com/groups/ariseplus/permalink/861175324761241/</u>.
- 3) Short human story from the 10<sup>th</sup> Quality Champions Workshop reaching 4370 people <u>https://www.facebook.com/groups/ariseplus/permalink/840160850196022/</u>.

#### Stories:

Apart from creating news articles and sharing press releases, the project's communication is shifting towards creating more human-centred story – with the aim to showcase the project's effectiveness at individual and organisational level. At the same time, ITC encourages the project at the national level to produce more human stories – as they are more relevant to general audience, attract more readers and tremendously preferred by the donor. Here are some links to the project's current human stories:

- Training on How to Start Organic Coffee Farms <u>Phaengsy Daoduangdee</u>. https://www.facebook.com/groups/ariseplus/permalink/794318978113543/
- Trade Policy Modelling <u>Anitta Phommahaxay</u>. https://www.facebook.com/100031883719358/videos/439775364050301/
- Trade Policy Modelling <u>Sinthavanh Chanthavong</u>. https://www.facebook.com/groups/ariseplus/permalink/831106654434775/

- The Quality Champions Programme Bounhome Phanouvong. https://www.facebook.com/100031883719358/videos/554331102454341/
- The Quality Champions Programme <u>Phonexay Sengsoulichanh</u>. https://www.facebook.com/groups/ariseplus/permalink/749249575953817/

#### **Communications Working Group:**

The Communication Working Group was set up in September 2020 to increase the overall effectiveness of the project's communication activities, ensure consistency and maintain good collaboration between project partners and the United Nations in Lao PDR.

The group is composed by ARISE Plus Lao PDR team, representatives from ITC's Communication and Event team, the National Implementing Unit (NIU), the European Union and the United Nations Resident Coordinator's Office in Lao PDR. The meetings cover several topics, including ways to better promote the activities and increase project's overall awareness and visibility. The first meeting was organised on 30 September 2020, followed by the second meeting on 19 April, the third meeting on 1 September and the fourth meeting on 9 November 2021.

The discussion of the recent meetings highlighted the following information:

- Creating more human stories
- Increasing the visibility of ARISE Plus on the local news (at least once a month)
- Sharing activities information with the EUD in Lao PDR in advance in order to plan communication products better.
- Involving ITC's CE on the draft of the press release before sharing with partners.
- Regularly updating the website and exploring the new website features including adding the Lao language.
- Exploring the possibility to establish project presence on another social media platform.
- Understanding the limitations within Covid-19 era and exploring creative approach for story telling on social media such as asking beneficiaries to record their videos telling story, using human-centred photos and creating 'Save the date' posters to announce the events in advance, etc.

#### Information Campaign:

The Information campaign is a part of Communication and Visibility Plan that was agreed upon at the commencement of the project. It aims to raise awareness of the overall ARISE Plus project; increase visibility and effectiveness; ensure cohesion and coherence of communicating messages; improve communication outreach performance, frequency, and consistency among other things.

The information campaign consists of visual and graphic content with key messages, web story contributing to each expected results, short videos, radio interview and Facebook livestream sessions. Moreover, it will also highlight key international events taking place each month. Finalised in September 2021, the information campaign highlighted two keys international events including the International Coffee Day and World Standards Day.

#### 1 October 2021 - International Coffee Day (ICD)

- International Coffee Day messages prepared for the EUD in Lao PDR acknowledging the contribution of the ARISE Plus project in the coffee sector: <u>https://docs.google.com/document/d/1gl7BvdpAK1r5nvSna\_0B-</u> <u>kOvLm2zNWo7/edit?usp=sharing&ouid=110139836614987751117&rtpof=true&sd=true.</u>
- Sharing ICD content on ARISE Plus Facebook Group: <u>https://www.facebook.com/groups/ariseplus/permalink/840152263530214/</u> and <u>https://www.facebook.com/groups/ariseplus/permalink/846272872918153/</u>

#### 14 October 2021 – World Standards Day (WSD)

Published WSD related news articles will be updated in the next section (5) Media monitoring.

Social media – ARISE Plus: https://www.facebook.com/100031883719358/videos/1051578228993925/

UN in Lao PDR: https://www.facebook.com/UNLaos/photos/a.685511598209006/4456018067824988/

News: https://www.facebook.com/LaoNationalTV/posts/4715446858479589

https://www.facebook.com/VientianeMai/posts/1768835836839232

Other: https://www.facebook.com/ounnarong/posts/4818686754822036

https://www.facebook.com/phanthamitlab/posts/1267932803670310

https://www.facebook.com/phanthamitlab/photos/a.483418115455120/1267932763670314/

#### Media monitoring:

Published news articles and stories in the Lao media, featuring the role of ITC and the impact of the ARISE Plus Lao PDR project are monitored and recorded by the ARISE Plus Lao PDR team. You can find full articles in our media monitoring <u>here</u>. Or please find some of published articles related to the ARISE Plus Lao PDR project below.

July - The launch of Lao PDR Coffee Sector Export Roadmap:

- Laos to increase coffee exports to EU
   <u>https://www.vientianetimes.org.la/freeContent/FreeContent Laos to 129.php.</u>
- Laos to raise coffee exports to EU after adopting a new roadmap https://www.thestar.com.my/aseanplus/aseanplus-news/2021/07/06/laos-to-raise-coffeeexports-to-eu-after-adopting-a-new-roadmap.

The 4<sup>th</sup> PRC Meeting:

- Committee discusses next steps of ASEAN Regional Integration Support from EU-Lao PDR: <u>http://kpl.gov.la/En/Detail.aspx?id=60779</u>.
- Govts, partners review coffee, wood processing project <u>https://www.vientianetimes.org.la/sub-new/Current/Cur Govts 140.php</u>.

August - Advanced Trade Policy Modelling Training

- EU lends support for Lao exports to European market: <u>https://phnompenhpost.com/business/eu-lends-support-lao-exports-european-market</u>.
- LAO PDR increases its capacity in assessing export opportunities, challenges: <u>http://kpl.gov.la/En/Detail.aspx?id=61678</u>.

October - Word Standards Day

- ARISE Plus Lao PDR celebrates World Standards Day, emphasizing trainings on national standards: <u>http://kpl.gov.la/En/Detail.aspx?id=62574</u>
- Laos to comply with international standards (Vientiane Times): <u>https://intracen-my.sharepoint.com/:b:/g/personal/ksinghalath\_intracen\_org/Ea2EHssKFuxHtAiTlw4AGWQBoWgdkHEMfxN-gR1xKUymnw?e=Bnu7pm</u>.

November – EBA Business Guide.

- Business Guide to help Lao businesses increase exports to EU: <u>http://kpl.gov.la/En/Detail.aspx?id=63048</u>.
- Lao exporters get tips on increasing exports to the EU: <u>http://www.dosm.gov.la/?p=3618</u>.
- Lao PDR's duty free access to the EU market: <u>https://www.vientianetimes.org.la/freeContent/FreeContent The lao pdr 224.php.</u>

#### VIII. Conclusion: challenges and next steps - reflecting upon the second half of 2021

The second semester witnessed a quantitative and qualitative movement of the project: the number of activities showed a 90% increase, and the budget utilization rose from 66% to 81%, in spite of a still very uncertain COVID-19 situation. During the second half of the year, the project showed an average of 30% of women participation in project events. More than 30 companies (one or several persons) and trade and investment support institutions were supported (trained, coached) during this second semester, while 137 individuals from the public sector (Ministry of Industry and Commerce and other line Ministries) were trained. Since the beginning of the project, more than 600 individuals benefitted from project activities, some of them participating in up to 15 events.

Some key take-aways can be learned from these figures and from the activities described in the report. For instance, the very good level of commitment of the private sector and their satisfaction towards the project, as the evaluation forms of the project activities show, is a key output of the project. Going forward, even more focus can be put on building the capacities of the private sector, especially in identifying bottlenecks and barriers to export, and supporting the companies in overcoming them. The project has started very practical activities in this regard, in the two targeted sectors but also beyond them, and will continue this work.

A second take-away is the role of the communication strategy and the different media. The project has seen a very important increase in the number of members on its Facebook group, growing from 400 to 600 individuals in only a few weeks. This allows a very good reach for project activities and enables the project to quickly mobilize an important network of relevant stakeholders. But the project has not limited itself to one media: several channels, like What's app, traditional media like *Vientiane Times*, have been used. ARISE Plus Lao PDR has also tried to effectively contribute to the communication strategy of the EU Delegation to Lao PDR.

In terms of synergies, the project has multiplied the discussions with the SYMST project, also implemented by ITC in Lao PDR. The discussions with this project, and the meetings with the other ARISE Plus projects implemented by ITC within the region, will certainly lead to joint activities and synergies for a greater impact in 2022.

Overall, the results confirm the year 2021 as a key milestone in the project implementation. The Mid-Term Evaluation, which is expected to give its final recommendations in December 2021, will bring new lights to the analysis of the project figures. A very large number of project stakeholders were consulted for this evaluation exercise – either through bilateral interviews or written questionnaires – which will lead to a transparent and open opinion on the project.

The year 2022 will be even more important. At the time of writing this report in November 2021, the official end of the project is on 31 October 2022. The tentative workplan for January to October 2022 is in the ANNEX of this progress report. It will be discussed during the next PRC meeting, scheduled on Tuesday 30 November 2021.

#### IX. ANNEX: Work Plan ARISE Plus Lao PDR – January to October 2022

## Expected Result (ER) 1: Increased regional economic integration by addressing specific constraints in targeted sectors through support for the implementation of measures contained in the ASEAN Trade in Goods Agreement (ATIGA) and other commitments under the ASEAN Economic Community Blueprint 2025

MoIC focal point for ER1: DIMEX

| LAO PDR ARISE PLUS PROJECT JANUARY - OCTOBER 20   | 22  |     |     |      |     |        |      |     |      |     |
|---|-----|-----|-----|------|-----|--------|------|-----|------|-----|
| Activities  | Jan | Feb | Mar | Apri | Мау | June   | July | Aug | Sept | Oct |
| ER 1. Increased regional economic integration by addressing specific constraints in targeted sectors through support for the implementation of measures contained in the ASEAN Trade in Goods Agreement (ATIGA) and other commitments under the ASEAN Economic Community Blueprint 2025 |     |     |     |      |     |        |      |     |      |     |
| Activity 1.1 Gap analysis of ATIGA implementation in Lao PDR  |     |     |     |      |     |        |      |     |      |     |
| completed   |     |     |     |      |     |        |      |     |      |     |
| 1.2. Review of the gap analysis results with GoL and the private sector and agree specific trade measures to be addressed (with a focus on targeted sectors).   |     |     |     |      |     |        |      |     |      |     |
| completed   |     |     |     |      |     |        |      |     |      |     |
| Activity 1.3. Technical assistance and capacity building in the area of policy definition, regulations and procedures, product and environmental standard adoption and conformity assessment capacities   |     |     |     |      |     |        |      |     |      |     |
| Sub-activity: Lao PDR's Foreign Trade Negotiations Roadmap  |     |     |     |      |     |        |      |     |      |     |
| completed   |     |     |     |      |     |        |      |     |      |     |
| Task 2: Follow-up on implementation of the FTNR (Ongoing 2021 - 2022)   |     |     |     |      |     |        |      |     |      |     |
| Sub-activity: Targeted training programme for trade policy makers - Principles and Utilization of Multilateral and Regional Trading Arrangements  |     |     |     |      |     |        |      |     |      |     |
| completed   |     |     |     |      |     |        |      |     |      |     |
| Sub-activity: Regulatory Assessment for Selected Services - Transport and Tourism Sectors   |     |     |     |      |     |        |      |     |      |     |
| Phase 1: Regulatory assessment for transport services sectors   |     |     |     |      |     |        |      |     |      |     |
| Task 1: Undertake desk research (to identify relevant legislation, regulations, institutional frameworks, policy measures); and develop/refine questionnaires based on objectives of the regulatory assessment  |     |     |     |      | 0   |        |      |     |      |     |
| Task 2: Undertake stakeholder consultations, guided by questionnaires   | ]   |     |     |      | Com | pleted |      |     |      |     |
| Task 3: Produce and submit first draft of the regulatory assessment for the transport services sector for review  |     |     |     |      |     |        |      |     |      |     |
| Task 4: Revise and submit second draft of the regulatory assessment, based on feedback received from ITC and MolC (Ongoing)   |     |     |     |      |     |        |      |     |      |     |
| Task 5: PPD to present and discuss findings of the regulatory assessment for the transport services sector  |     |     |     |      |     |        |      |     |      |     |
| Task 6: Finalization of the regulatory assessment, incorporating feedback from the PPD and any follow-up consultations  |     |     |     |      |     |        |      |     |      |     |
| Task 7: Translation of the regulatory assessment study  |     |     |     |      |     |        |      |     |      |     |
| Task 8: Advisory sessions() with TiS division of DFTP (based on demand) - to discuss way forward for reforms  |     |     |     |      |     |        |      |     |      |     |

| ER 1. Increased regional economic integration by addressing specific constraints in targeted sectors   |  |   |       |       |  |  |
|--|--|---|-------|-------|--|--|
| through support for the implementation of measures contained in the ASEAN Trade in Goods Agreement<br>(ATIGA) and other commitments under the ASEAN Economic Community Blueprint 2025  |  |   |       |       |  |  |
| Sub-activity: E-Commerce Guides  |  |   |       |       |  |  |
| Task 1: Develop structures for the 4 guides (on topics identified in consultation with DFTP) and submit to DFTP for validation   |  | С | Compl | leted |  |  |
| Task 2: Produce first drafts of the 4 guides based on the validated structures for review by ITC and MoIC (Ongoing)  |  |   |       |       |  |  |
| Task 3: Revise and submit second drafts of the 4 guides based on feedback received from ITC and MoIC   |  |   |       |       |  |  |
| Task 4: Finalization of the 4 guides   |  |   |       |       |  |  |
| Task 5: Translation of the 4 Guides into Lao langauge  |  |   |       |       |  |  |
| Task 6: Training events organized based on the guides  |  |   |       |       |  |  |
| Sub-activity: Technical Assistance Projects (possibly 2 projects) - Based on reforms identified in the ATIGA Gap Analysis (To be decided upon finalization of the study)   |  |   |       |       |  |  |
| Task 1: Identify technical assistance projects based on the validated ATIGA study in consultation with DFTP (Ongoing)  |  |   |       |       |  |  |
| Next tasks to be determined based on Task 1.   |  |   |       |       |  |  |
| Sub-activity: Conformity Assessment Capacities   |  |   |       |       |  |  |
| Task 1 - Technical assistance to the Enquiry Point on Technical Barriers to Trade (TBT)  |  |   |       |       |  |  |
| Task 2 - Support to DOSM/DOA in the area of standardization (i.e. partecipation to ISO GA, formation of technical<br>committees for MSS, review of coffee standards, policy and SOP in support of crop national standards, Organic and<br>GAP certification) |  |   |       |       |  |  |
| Task 3 - Accreditation of calibration labs, upgrading of calibration equipment (DOSM)  |  |   |       |       |  |  |
| Task 4 - Accreditation services of DOSM through LNAB> Providing TA to LNAB for updating its knowledge and<br>system documentation, to the revised ISO/IEC 17011:2018   |  |   |       |       |  |  |
| Task 4 - Training and capacity building of DOSM to provide ISO System Certification Services and Product Certifica-<br>tion Services as certification body   |  |   |       |       |  |  |
| Task 5 - Gap assessment and support to strenghten food testing laboratories towards a path for ISO 17025 accredi-<br>tation (link with SYMST project)  |  |   |       |       |  |  |
| Task 6 - Training of FDD inspectors on GHP, GMP, HACCP (hygiene and food safety) (link to activities 2.4 and 2.5)  |  |   |       |       |  |  |
| Task 7 - Development of awareness material on hygiene - food safety also linked to COVID-19  |  |   |       |       |  |  |

ARISE Plus Lao PDR – Report for the 5th PRC meeting – July to December 2021

# Expected Result (ER) 2: Increased awareness on trade preferences for exports, including to the European Union, with greater use of Every-thing But Arms (EBA), and on the requirements for placing products on the EU market; advanced preparation of Lao PDR to shift to a new trade preference scheme (post-EBA) –

MoIC focal point for ER 2: DFTP

| LAO PDR ARISE PLUS PROJECT JANUARY - OCTOBER 20  | 22  |     |     |      |     |        |      |     |      |     |
|--|-----|-----|-----|------|-----|--------|------|-----|------|-----|
| Activities   | Jan | Feb | Mar | Apri | Мау | June   | July | Aug | Sept | Oct |
| ER 2. Increased awareness on trade preferences for exports, including to the European Union, with greater use of Every-thing But Arms (EBA), and on the requirements for placing products on the EU market; advanced preparation of Lao PDR to shift to a new trade preference scheme (post-EBA) |     |     |     |      |     |        |      |     |      |     |
| Activity 2.1 Review of export potential and existing trade with the EU and the regional market   |     |     |     |      |     |        |      |     |      |     |
| completed  |     |     |     |      |     |        |      |     |      |     |
| Activity 2.2. Awareness raising about EBA preferences  |     |     |     |      |     |        |      |     |      |     |
| Sub-activity 2.2.1 EBA business guide  |     |     |     |      |     |        |      |     |      |     |
| completed  |     |     |     |      |     |        |      |     |      |     |
| Sub-activity 2.2.2 Background study: analysis of current and future potential exports to the EU and regional mar-<br>kets to enable Lao to take informed trade policy decisions (e.g. graduation from LDC status)  |     |     |     |      |     |        |      |     |      |     |
| completed  |     |     |     |      |     |        |      |     |      |     |
| Sub-activity 2.2.3 Capacity-building for officials   |     |     |     |      |     |        |      |     |      |     |
| Embedded tool Trade Map  |     |     |     |      |     |        |      |     |      |     |
| Customized tool Export Potential Map   |     |     |     |      |     |        |      |     |      |     |
| Sub-activity 2.2.4 Organisation of awareness raising campaign for businesses presenting and explaining the EBA scheme and findings of the foregone research  |     |     |     |      |     |        |      |     |      |     |
| Awareness Raising of the EBA Business Guide (Launch Event and Workshops)   |     |     |     |      |     |        |      |     |      |     |
| completed  |     |     |     |      |     |        |      |     |      |     |
| Awareness Raising on EU Preferential Trading Schemes - and accessing the EU Market   |     |     |     |      |     |        |      |     |      |     |
| Task 1: Develop concept note on potential awareness raising activities in the form of (a) Media Engagments; (b) Targeted Dia-<br>logues/Seminars, and discuss with relevant stakeholders   |     |     |     |      | Com | pleted |      |     |      |     |
| Task 2: Awareness-raising activities on the EBA to be implemented (insights/articles, social media posts, infographics, video clips, radio interviews)   |     |     |     |      |     |        |      |     |      |     |
| 2.2.5 Organisation of awareness-raising activities for the preparation of Lao PDR's graduation from LDC status   |     |     |     |      |     |        |      |     |      |     |
| Task 1: Develop concept note on potential awareness raising activities based on needs/requirements of relevant stakeholders in Lao PDR (Following 2nd triennial review in Feb 2021); and engage in discussions with relevant stakeholders  |     |     |     |      | Com | pleted |      |     |      |     |
| Task 2: Develop policy brief on Lao PDR's access to the EU market after the EBA scheme upon LDC graduation   |     |     |     |      |     |        |      |     |      |     |
| Task 3: Awareness-raising workshops for private sector on LDC graduation   |     |     |     |      |     |        |      |     |      |     |

| ER 2. Increased awareness on trade preferences for exports, including to the European Union, with greater use of Every-thing But Arms (EBA), and on the requirements for placing products on the EU market; advanced preparation of Lao PDR to shift to a new trade preference scheme (post-EBA) |  |  |      |        |  |  |
|--|--|--|------|--------|--|--|
| Activity 2.3. Development of awareness raising materials and tools on EU quality-related mandatory and market based requirements including voluntary industrial standards for the priority sectors   |  |  |      |        |  |  |
| Task 1: Uploading of selected additional resources and information on the Lao Quality for Trade platform, develop-<br>ment of translation features and a mobile app version of the Compass   |  |  |      |        |  |  |
| Task 2: Handover to national focal point (LNCCI) for long-term use and related training and coaching and outreach events   |  |  |      |        |  |  |
| Activity 2.4 Development of a pool of national Quality Champions and sensitization events organised in co-<br>operation with local institutions  |  |  |      |        |  |  |
| Task 1: Complete the qualification of Quality Champions and provide support via on site coaching and short webinars as QCs start offering support to enterprises   |  |  |      |        |  |  |
| Task 2: Implementation of sensitization and outreach initiatives related to different aspects of quality, standards and market requirements in cooperation with LNCCI and the stakeholders   |  |  |      |        |  |  |
| 2.5 Development of a practical online export curriculum to support private sector exports  |  |  |      |        |  |  |
| Task 2: Undertake initial research and consultations on training needs and develop course structure (Ongoing)  |  |  |      |        |  |  |
| Task 3: Develop, submit and agree upon the detailed curriculum structure - validation from LNCCI and MoIC departments  |  |  | Comp | oleted |  |  |
| Task 4: Produce course material and submit for validation from LNCCI and MoIC departments  |  |  |      |        |  |  |
| Task 5: Convert course material into online interactive sessions (in English language) - Currently ongoing   |  |  |      |        |  |  |
| Task 6: Translation of course content into Lao language - and online content developed in Lao language   |  |  |      |        |  |  |
| Task 7: Training/Capacity building sessions for local partner undertaken   |  |  |      |        |  |  |
| Task 8: Launch of the E-Learning Course  |  |  |      |        |  |  |

### Expected Result (ER) 3: Strengthened support services (especially for smallholders and SMEs, with a focus on women), reduction of supply-side constraints, and trade and investment promotion in targeted sectors (e.g. wood processing and agro-based products) MoIC main focal point for ER 3: DTP

| LAO PDR ARISE PLUS PROJECT JANUARY - OCTOBER 20   | 22  |     |     |      |     |      |      |     |      |     |
|---|-----|-----|-----|------|-----|------|------|-----|------|-----|
| Activities  | Jan | Feb | Mar | Apri | May | June | July | Aug | Sept | Oct |
| ER 3. Strengthened support services (especially for smallholders and SMEs, with a focus on women), re-<br>duction of supply-side constraints, and trade and investment promotion in targeted sectors (e.g. wood pro-<br>cessing and agro-based products)          |     |     |     |      |     |      |      |     |      |     |
| Activity 3.1. Development of sectoral export strategies to identify supply-side constraints and remedial ac-<br>tions   |     |     |     |      |     |      |      |     |      |     |
| Sub-activity 3.1.1. Confirm targeted sectors (such as processed-wood and specialty agro-food products) during the inception phase   |     |     |     |      |     |      |      |     |      |     |
| completed   |     |     |     |      |     |      |      |     |      |     |
| Sub-activity 3.1.2. Develop in a participative approach sectoral export strategies and set-up an implementation monitoring mechanism  |     |     |     |      |     |      |      |     |      |     |
| Sector export strategies (roadmaps) completed   |     |     |     |      |     |      |      |     |      |     |
| Support on implementation management of the coffee and wood processing roadmaps   |     |     |     |      |     |      |      |     |      |     |
| Support to implement specific activity(ies) of the coffee sector export roadmap (tbc)   |     |     |     |      |     |      |      |     |      |     |
| Activity 3.2. Review of quality and availability of statistical data (trade and investment statistics, in-cluding gender indicators) and work with the relevant authorities (e.g. MOIC ICT) to strength-en data collection and statistical production capacities. |     |     |     |      |     |      |      |     |      |     |
| Task 3: Workshop 3 on database management and trade data querying   |     |     |     |      |     |      |      |     |      |     |
| Activity 3.3. Promotion of predictable legal timber supply to incentivise sustainable land management and establish a clear rule set  |     |     |     |      |     |      |      |     |      |     |
| Deliver online trainings on two new modules relating to build competitiveness and market linkages in the wood pro-<br>cessing sector  |     |     |     |      |     |      |      |     |      |     |
| Activity 3.4. Technical assistance to SMEs in targeted sectors to enhance production and develop market linkages with regional and European markets, including trade fair participation, market missions and B2B activities                                       |     |     |     |      |     |      |      |     |      |     |
| Implement Specialty coffee market linkages support e.g. auction   |     |     |     |      |     |      |      |     |      |     |
| Continue training on cupping  |     |     | 1   |      |     |      |      |     |      |     |

ARISE Plus Lao PDR - Report for the 5th PRC meeting - July to December 2021

| ER 3. Strengthened support services (especially for smallholders and SMEs, with a focus on women),   |   |  |    |       |    |  |  |
|--|---|--|----|-------|----|--|--|
| reduction of supply-side constraints, and trade and investment promotion in targeted sectors (e.g. wood  |   |  |    |       |    |  |  |
| processing and agro-based products)  |   |  |    |       |    |  |  |
| Activity 3.5 National training and advisory support capacities in quality management   |   |  |    |       |    |  |  |
| Task 1: Implementation of quality improvement projects in enterprises (by the Quality Champions developed under 2.4) aimed at meeting the required quality related market requirements of the target markets                       |   |  |    |       |    |  |  |
| Task 2: Anchoring of new services in LNCCI, development of sustainable business model & initiate second round of enterprise support, incluoding support to implemention specific standards   |   |  |    |       |    |  |  |
| Activity 3.6. Investment promotion in the targeted sectors   |   |  |    |       |    |  |  |
| Sub-activity - Investment Profiles for Selected Sectors  |   |  |    |       |    |  |  |
| Investment Profiles - For Wood and Coffee Sectors in Lao PDR (Ongoing)   |   |  |    |       |    |  |  |
| Task 3: Revise and submit second drafts of the two Investment Profiles based on feedback/comments from ITC and MoIC  |   |  |    |       |    |  |  |
| Task 4: PPDs (2) to present the Investment Profiles and invite feedback/comments from broad range of stakeholders  | Ī |  | Co | mplet | od |  |  |
| Task 5: Finalization of content of Investment Profiles, based on feedback received from PPD and any follow-up consultations  |   |  | 00 | mpieu | cu |  |  |
| Task 6: Produce and submit summary brochure (4 page) for each Profile, reviewed and finalized  |   |  |    |       |    |  |  |
| Task 7: Finalization of the Investment Profiles and Summary Brochures - Edited and formatted for dissemination (Ongoing)   |   |  |    |       |    |  |  |
| Investment Profile - For other sectors (TBC)   |   |  |    |       |    |  |  |
| Task 1: Undertake consultations to identify two other priority sectors for GoL - to develop an Investment Profile ( <i>Currently on hold - until budget assessment to determine how many profiles can actually be undertaken</i> ) |   |  |    |       |    |  |  |
| Next tasks to be determined based on consultations and budget information  |   |  |    |       |    |  |  |
| Task 3: Revise and submit second drafts of the two Investment Profiles based on feedback/comments from ITC and MoIC  |   |  |    |       |    |  |  |
| Task 4: PPDs (2) to present the Investment Profiles and invite feedback/comments from broad range of stake-<br>holders (2022)  |   |  |    |       |    |  |  |
| Task 5: Finalization of content of Investment Profiles, based on feedback received from PPD and any follow-up consultations (2022)   |   |  |    |       |    |  |  |
| Task 6: Produce and submit summary brochure (4 page) for each Profile, reviewed and finalized (2022)   |   |  |    |       |    |  |  |
| Task 7: Finalization of the Investment Profiles and Summary Brochures - Edited and formatted for dissemination (2022)  |   |  |    |       |    |  |  |
| Activity 3.7 Promote increased adoption of environmental and social standards to SMEs in targeted sec-<br>tors   |   |  |    |       |    |  |  |
| Deliver beginner, intermediate and advanced level training for organic coffee and marketing  |   |  |    |       |    |  |  |
| Prepare organic coffee production manual   |   |  |    |       |    |  |  |