



PAGE 4: B.1) YOUR CASE STORY: TITLE AND DESCRIPTION

Q1: TITLE OF CASE STORY

The World Bank's Lao PDR Trade Program is an integrated multi-donor program of financing, knowledge and partnerships supporting efforts by the Government of Lao PDR to build export competitiveness and facilitate closer regional integration.

Q2: CASE STORY ABSTRACT

The World Bank is supporting work by the Government of Lao PDR to integrate into the international economy through the Trade Development Facility (TDF), a multi-donor trust fund financed in partnership with Australia, the European Union, Germany, Ireland, and the United States. The emphasis is on trade reform, policy development, capacity building and competitiveness interventions. Implementation is led by the Planning and Cooperation Department, Ministry of Industry and Commerce working in partnership with agencies across government. The TDF, and its successor, the TDF-2, represent the first coordinated donor approach to trade in Laos, where multiple donors have pooled resources into a shared approach resulting in reduced transaction costs for the government, and fewer overlaps and gaps in project interventions.

Q3: LONG DESCRIPTION OF THE CASE STORY

Lao PDR is a landlocked country in which weak trade facilitation and high trade costs have made integration into regional and global supply chains difficult. The lack of a strong regulatory trade framework and a poor investment climate acted as barriers to trade. Despite a shortage of labor force skills, the country faces the challenge of managing a natural resources boom with the need to mitigate export volatility through diversification. Greater regional (ASEAN) and global (WTO) integration have been a centerpiece of the country's trade strategy, a goal towards which World Bank country engagement—including through analytical work, policy dialogue and financing—has played a supportive role.

The multi-donor Trade Development Facility (TDF) project—administered by the World Bank and financed in partnership with Australia and the European Union—was designed to provide resources so that Lao PDR could implement the priorities set out in its 2006 Diagnostic Trade Integration Study. It was the first coordinated effort among development partners to pool resources around a single approach led by the government. The project interventions have achieved positive results, and the Ministry of Industry and Commerce's capacity to manage a large multi-sectoral reform program has grown substantially.

Over the TDF implementation period from 2008 to 2013, Lao PDR became much more closely integrated into the regional and international economy, as measured by substantial increases in trade in goods and services, including from non-natural resource sectors (100 percent growth in services, over 40 percent growth in goods) that generate the majority of jobs necessary to reduce poverty in Laos. Activities undertaken with financing from the project contributed to faster and more transparent trade facilitation; better coordination among government agencies operating at the border; improved integration into the regional and multilateral trading system; increased productivity in the garments export sector (a key diversified manufacturing industry); and increased aid-for-trade management capacity.

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The project supported substantial trade negotiating efforts, which culminated in Lao PDR's formal accession to the World Trade Organization in February 2013. The World Bank supported the accession process through negotiation support, sector impact evaluations and technical assistance. The Bank's comparative advantage was its in-country presence, which has resulted in intense, day-to-day implementation support. The Bank identified and empowered reform champions within the Ministry of Industry and Commerce and provided upfront technical investment in the design of activities, resulting in a synergetic process that ultimately proved beneficial to boosting the country's trade policymaking capacity.

Another flagship achievement of the process was the establishment of the Lao Trade Portal, an online resource that facilitates trade by increasing transparency in trade-related information by making it easily accessible to traders. The portal is a single authoritative source for all trade-related laws, regulations, decrees, instructions, business processes, forms and fee schedules in the country. Putting such information into the public domain has not only helped Lao PDR to comply with its commitments under the WTO and ASEAN, but has also been pivotal in overcoming one of the country's key constraints to trade facilitation—the lack of information on trade-related processes.

Developing the TIP required setting up a governance structure and legal basis for the portal and collecting relevant information from all government agencies involved in trade. The TIP had to be staffed, and a new National Trade Facilitation Secretariat (NTSF) was formed to supervise the management of the portal and to ensure its sustainability. The establishment of the NTSF was a major step in improving coordination among agencies operating at the border, and the result was reduced time needed for local and international traders to acquire trade-related information and to carry out transactions. The portal is also the first step towards the Lao National Single Window which will allow traders to discharge all import/export obligations through one channel electronically.

In addition to these impressive gains, the TDF project can boast achievements in realm of sanitary and phytosanitary measures (substantial legislative reforms associated with WTO accession); human capital (launch of fee-based productivity training services in the Garment Skills Development Centre); and trade policy research capacity (design of a technical trade curriculum for civil servants; publication of the Lao Trade Research Digest).

As a result, a second Trade Development Facility (TDF-2) project—with a larger pool of donors including Germany, Ireland, and the United States—was launched and is currently underway, which seeks to support trade facilitation and policy activities that will improve transparency, predictability and lower associated compliance costs for traders. It has a deepened focus on ensuring that Lao PDR is able to fully take advantage of the opportunities provided by increased international integration, while also carefully managing the risks. Given the strong focus on the private sector in the TDF-2, the ultimate beneficiaries are the firms, entrepreneurs, employees and consumers who stand to gain from an enhanced and more competitive business enabling environment.

Q4: Please add here web links to project/programme materials.

<http://www.worldbank.org/en/news/feature/2012/07/09/lao-pdr-new-online-platform-to-boost-trade-transparency>

<http://www.worldbank.org/en/news/feature/2012/12/05/lao-pdr-journey-towardswto-membership-close-to-completion>

<http://www.worldbank.org/projects/P106165/lao-pdr-trade-development-facility-project?lang=en>

<http://www.worldbank.org/en/results/2013/11/25/trade-development-facility-project-in-lao-pdr>

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Q5: YOUR CONTACT DETAILS	
Name:	Konesawang Nghardsaysone
Ministry/Institution/Organization:	World Bank Group
Country:	Lao PDR
Email Address:	knghardsaysone@worldbank.org
Q6: FUNCTION	Public sector
Q7: FUNDING PARTNER Tick the appropriate box(es)	Other (please specify) Multi-donor trust fund co-financed by Australia, the European Union, and the World Bank
Q8: Additional information	<i>Respondent skipped this question</i>
Q9: START DATE OF PROJECT/PROGRAMME	December 2008
Q10: STATUS OF PROJECT/PROGRAMME	Fully implemented
Q11: DURATION OR, IF ON-GOING, EXPECTED DURATION OF PROJECT/PROGRAMME	3-5 years
Q12: COST OF PROJECT/PROGRAMME	Between US\$5 million and US\$10 million
Q13: Additional information	<i>Respondent skipped this question</i>
Q14: TYPE OF FUNDING FOR PROJECT/PROGRAMME	Grant

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Q15: PROJECT/PROGRAMME TYPE	Single country / customs territory
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Q16: SINGLE COUNTRY/CUSTOMS TERRITORY	<i>Respondent skipped this question</i>
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Q17: REGION (If the region does not appear in the drop down menu, please enter manually.)	Other (please specify) Southeast Asia
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Q18: MULTI-COUNTRY (Enter all countries or customs territories)	<i>Respondent skipped this question</i>
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Q19: CASE STORY FOCUS Tick the appropriate box(es)	<p>REDUCING TRADE COSTS FOR MERCHANDISE GOODS</p> <p>,</p> <p>Customs reform, Other border agency reforms, Support for compliance with non-tariff measures (including standards)</p> <p>,</p> <p>Upgrading network infrastructure (ICT, power, telecoms)</p> <p>,</p> <p>REDUCING TRADE COSTS FOR SERVICES, Other (please specify)</p> <p>Services trade increased over the project implementation period as the country benefited from closer regional integration and strong demand. Services increased by 100 percent from project start in 2008 to 2012, driven principally by growth in tourism.</p>
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Q20: HOW SUCCESSFUL WAS THE PROJECT/PROGRAMME Tick the appropriate box(es)	Very successful
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Q21: WHAT WERE THE OUTPUTS OF THE PROJECT/PROGRAMME Tick the appropriate box(es)	Officials trained, Customs laws amended or updated, Other border agency law updated, New customs procedures, New other border agency procedure, New or updated electronic single window, Other (please specify) New labor skills training center established
Q22: Additional information(maximum 300 words)	<i>Respondent skipped this question</i>

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Q23: WHAT WERE THE OUTCOMES OF YOUR PROJECT/PROGRAMME Tick the appropriate box(es)	Reduction in customs clearance time, Reduction in other border agency clearance time , Reduction in cost of customs clearance , Reduction in cost of other border agency clearance , Reduction in informal payments, Increase in merchandise imports, Increase in merchandise exports, Increase in service exports, Increase in service imports, Other (please specify) Accession to the WTO
Q24: Additional information(maximum 300 words)	<i>Respondent skipped this question</i>

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Q25: WHAT WERE THE IMPACTS OF THE PROJECT/PROGRAMME Tick the appropriate box(es)	Increase in women's employment, Export market diversification, Import market diversification
Q26: Additional information (maximum 300 words)	<i>Respondent skipped this question</i>

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Q27: LESSONS LEARNT Tick the appropriate box(es)	Importance of good project design, Importance of alignment with national priorities, Importance of alignment between different development partners in programming , Importance of engagement by private sector, Importance of agreeing clear project implementation responsibilities , Importance of attention to long-term sustainability , Importance of political will and commitment by project partner , Other (please specify) Importance of: empowering youth in government; identifying reform champions; supporting but not imposing
Q28: Additional information (maximum 300 words)	<i>Respondent skipped this question</i>
Q29: PROJECT OR PROGRAMME MONITORING AND EVALUATION FRAMEWORK Tick the appropriate box(es)	M&E framework used