



ສາທາລະນະລັດ ປະຊາທິປະໄຕ ປະຊາຊົນລາວ  
Lao People's Democratic Republic



ອົງການສະໜັບສະໜູນປະຊາຊາດເພື່ອການພັດທະນາ  
United Nations Development Programme

**Government of Lao People's Democratic Republic  
Lao National Chamber of Commerce and Industry (LNCCI)**

**United Nations Development Programme Lao PDR**

**PROMOTING PRIVATE SECTOR DEVELOPMENT  
THROUGH  
STRENGTHENING OF LAO CHAMBERS OF COMMERCE  
AND INDUSTRY  
AND BUSINESS ASSOCIATIONS  
00053433**

**ANNUAL PROJECT REPORT  
(APR)**

**Reporting period:**

**January 2009 to December 2009**

## I. PROJECT INFORMATION AND RESOURCES

<b>Project number and title:</b>	00053433 Promoting Private Sector Development Through Strengthening of Lao Chambers of Commerce and Industry And Business Associations
<b>Implementing Partner:</b>	Lao National Chamber of Commerce and Industry
<b>Responsible Parties (if applicable):</b>	Ministry of Planning and Investment
<b>Donors:</b>	UNDP and UNIDO

Project Starting date		Project completion date	
Originally planned	Actual	Originally planned	Current estimate
31 July 2006	31 July 2006	2010	31 March 2010

<b>Period covered by this report:</b>	January – December, 2009
<b>Date of annual review:</b> <i>[Indicate if planned or actual]</i>	27.01.2010

Total Budget	Original Budget (US\$)	Latest Signed Revision (US\$)
	US\$ 2, 326, 075	UNDP US\$ 250,000 UNIDO US\$ 250,000

Resources	Donor	Amount
		UNDP UNIDO

## II. PURPOSE

*[To be completed in cooperation with UNDP Programme Analyst; Summarizes Main objectives of the project and link to MDG/NSEDP/UNDAF as per the approved UNDP Country Programme Document and Country Programme Action Plan and/or project document]*

The main objective of the project is to strengthen business member organizations (LNCCI, provincial CCIs and BAs) in order to enable them to provide effective services to the private sector which in turn will contribute to accelerating private sector growth.

The project seeks to support the development of the private sector in Laos, in particular SMEs, by 1) optimising the use of research findings and recommendations in the areas of private sector development and the business enabling environment; 2) strengthening the capacities of chambers of commerce and industry and business associations so that they can become independent, self-reliant and self-financing organizations providing effective and income generating services to the business community; 3) strengthening the capacities of chambers of commerce and industry and business associations to carry out advocacy on behalf of their members; strengthened analytical and advocacy capacities of selected CCIs and BAs and private public dialogue mechanisms to address issues related to the business enabling environment.

Ultimately, the project will contribute to an improved enabling business environment, accelerated growth of private businesses, increased exports, and increase in the number and profitability of SMEs. The project strategy is based on the premise that strong and functional BMOs are essential for the development of a vigorous private business sector. BMOs can support private sector development (i) by providing various kinds of services to their members, or by encouraging others (private business development service providers, training institutes, etc.) to provide such services; and, (ii) by acting as an intermediary between the public sector (central Government, line ministries, provincial governments) and private businesses in a public-private sector dialogue on business sector-related development issues.

**UNDAF Goals:** Developing and Maintaining an Enabling Macroeconomic Environment, and Strengthening and Deepening the Reform Process.

**MDG Targets:**

Goal 1. Eradicate extreme poverty and Hunger.

Goal 3. Promote gender equality and empower women.

Goal 8. Develop a global partnership for development.

**III. PROJECT PERFORMANCE AND RESULTS**

**1. Contribution to the strategic goals [To be completed in cooperation with UNDP Programme Analyst]**

<b>Outcome</b> <i>[Indicate if included in SRF]</i>				
<b>Progress towards achieving outcome [A brief analysis of the status of the situation and any observed change, any project contribution.]</b>				
<b>Annual outputs and indicators [According to project document and/or annual work plan]</b>	<b>Key activities completed during reporting period</b>	<b>Expenditures [Actual expenditures against activities completed]</b>	<b>Progress towards achieving outputs and targets achieved against indicators</b>	<b>Reasons if progress below target and response strategies [If applicable, explore underlying factors and reasons for gaps in output and target]</b>
<b>Output 1:</b> optimized the use of research findings and recommendations in the areas of private sector development (PSD) and the business enabling environment	The consultation workshop on the study was conducted in Dec 2009.	454,000 Kip	The research is expected to be finalized by mid-February. NERI continues provides their support to research	

<p><b>Output 2:</b> Strengthened management capacities in Lao Chambers of Commerce and Industry (LCCI) and Business Associations (BAs);</p>	<p>-Strengthen LNCCI legal function-Decree on Organization and Operation of LNCCI, No 316/PM, and LNCCI Charter have been approved.</p> <p>-after the approval the decree, the LNCCI general assembly meeting was organized to recruit the new board members.</p> <p>-Chamber transition Forum has been organized to prepare the chamber staff for the new Decree and Charter.</p> <p>The project is recruiting a PR expert to increase LNCCI public relation and promote the organization.</p>	<p>70,717,375 Kip</p>		<p>The decree was just approved later this year, therefore, the activities on preparation of By-law will be started in early Q1 of 2010</p>
<p><b>Output 3:</b> Strengthened services to businesses from LCCI and BAs.</p>	<p>Capacity building for the chamber staff (both central and provincial level) on various topics has been provided</p>	<p>148,989,153 Kip</p>	<p>Number of workshop have been provided to CCIs (provincial chamber of commerce) and BAs (business associations).</p> <p>-training on Quality</p>	

	Control Management was provided to CCI and Bas			
	-Training on principle of exhibition participation and standard of product for exhibition for the North CCIs			This activities is not implemented, as the focus of 2009 on output 2.
<b>Output 4:</b> Strengthened analytical and advocacy capacities at LCCI and BAs			-Project Operation -National Project Staff Salary -International Project Travel	
<b>Output 5:</b> Project management	completed	124, 523, 571 Kip		

**2. Update on implementation of the Vientiane Declaration and its Action Plan**  
*[Brief update on any achievement and/or problem related to the implementation of the Vientiane Declaration. It should also include issues related to the introduction of HACT and actions planned for the following period.]*

The main objective of LNCCI for this year is focusing on the Decree, the LNCCI has taking the leadership in the activity with the support and consultation with development partners and government.

**3. Update on partnerships** *[Brief update on any achievement and/or problem in developing partnerships and inter-agency collaboration. It should also include strategies for south-south cooperation]*

The LNCCI/project team has getting in touch with Chamber of Commerce of ASEAN countries, for example Singapore, to learn and exchange experience from them.

**4. Update on gender mainstreaming** *[Brief update on any achievement and/or problem in terms of mainstreaming gender within the project activities. Strategy for the following period]*

Recognizing the importance of SME development in job creation, poverty alleviation, economic growth and innovation, the GOL have the capacity to develop an SME "friendly" legal, regulatory and administrative environment. The project supports legislation and regulation that is gender insensitive, rule of law and rules of the game apply equally to men and women.

**5. Update on audit recommendations** *[Brief update on progress achieved and problems encountered. Actions planned for the following period]*

The 2008 audit has been conducted and the project has received partially satisfaction. In 2009, the project implements most of the audit recommendation.

Monthly Project meetings:

Project has conducted monthly more frequently, due to the unavailability of PM and NPD the project could not arrange a meeting in the monthly basic.

Underpayment of staff's tax

Salary tax has correctly been calculated and pay by 15<sup>th</sup> of the following month.

Enhancement of asset management procedures

For the asset which are located at LNCCI were tagged. For the asset which are located at NERI the project acct. will contact person involve to properly tag them.

Enhancement of cash management procedures

The project make the large payment (more than 100 usd) for supplier in VTE by check & indicated the payee name. The cash ADV is limited for the activity in provincial only.

Enhancement of IT procedures

The project data backup is done quarterly and kept in the project safe box.

**6. List main challenges and issues (if any) faced during reporting period [as well as response strategies adopted]**

The LNCCI is not well known to public, many people do not aware of the existence of Lao National Chamber of Commerce & Industry. People do not have any idea who is LNCCI, what they are doing and doing for what purposes. In order to promote private sector by strengthening of LNCCI we have to create a good image of LNCCI, increase public recognition by organizing/joining more public events, and by using various media channel.

**7. Rating on progress towards results**

<b>Output: [From table 1. Contribution to Strategic Goals]</b>		
Output 1	<input checked="" type="checkbox"/>	Positive change
	<input type="checkbox"/>	Negative change
	<input type="checkbox"/>	Unchanged
Output 2	<input checked="" type="checkbox"/>	Positive change
	<input type="checkbox"/>	Negative change
	<input type="checkbox"/>	Unchanged
Output 3	<input checked="" type="checkbox"/>	Positive change
	<input type="checkbox"/>	Negative change
	<input type="checkbox"/>	Unchanged
Output 4	<input type="checkbox"/>	Positive change
	<input type="checkbox"/>	Negative change
	<input checked="" type="checkbox"/>	Unchanged
Output 5	<input checked="" type="checkbox"/>	Positive change
	<input type="checkbox"/>	Negative change
	<input type="checkbox"/>	Unchanged

**IV. ADDITIONAL ACTIVITIES WHICH CONTRIBUTE TO THE OUTCOME AND/OR OUTPUTS**



Provide information about any activities undertaken by the project that were NOT envisaged in the work plan but which contributed to the outcome and/or outputs? E.g. advocacy and policy dialogue.

N/A

## V. FUTURE WORK PLAN

1. What are the priority actions planned for the following year to overcome constraints, build on achievements and partnership, and use of the lessons learned during the previous year?

The priority of 2010 will be on :

- Prepare a number of By-law (namely: Election By-law, Membership Fees By-law and schedule, By-law on BMO Registration Procedures, - By-law on General Secretariat Operations) to support LNCCI and CCI for the establishment of an effective and operational Chamber System.
- Disseminate the new decree at the central and provincial level.
- Strengthening of the LNCCI's public relations (PR) and media relationship function.
- participate a outcome evaluation of CPAP outcome 3 (the project is under this outcome)

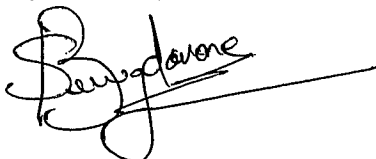
2. List major adjustments in the strategies, targets or key outcomes and outputs planned.

The By-law activities which planned to be implemented in 2009 have been postponed to 2010, due to the decree was approved in the last quarter of 2009.

3. Estimated total budget required for the following year: USD 7,000

## PREPARED AND APPROVED BY:

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