

Identifying actions and technical assistance to improve investment facilitation in the Lao PDR

for the

ASEAN-Australia New Zealand Free Trade Area (AANZFTA)
Economic Cooperation Work Program (ECWP)

Investment Facilitation and Technical Assistance for Newer ASEAN Members
(AANZ-0018-INV-02)

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Proposed Actions & Technical Assistance

This report makes recommendations for improving investment facilitation processes in the Lao PDR. These recommendations, in the form of proposed actions and technical assistance activities to support them, are set out as an **implementation plan** in Annex A and summarised in the tables below.

The report reviews four processes in the Lao PDR: approving foreign investment, registering a business, issuing a specific business licence, and issuing a construction permit. It is based on desk research and two in-country visits to consult with officials and businesses.

The clear message from business during the first visit was that the One Stop Shop (OSS) services offered by the Ministry of Industry and Commerce (MOIC) and the Ministry of Planning and Investment (MPI) for approving foreign investment and registering a foreign business are welcomed, but more work is required to improve coordination between government agencies through each OSS.

Investors advise they can face delays registering an investment with the MOIC OSS or the MPI OSS and that they could benefit from access to further information about what is required.

These conclusions and recommendations for technical assistance were finalised following consultations with the Lao PDR officials during a second visit to Vientiane.

Summary of proposed actions & recommended technical assistance

Approving foreign investment (Relevant agencies: MPI, MOIC, MOF)

Proposed actions	Recommended technical assistance
<ul style="list-style-type: none"> Reduce delays by improving the coordination role of the MPI OSS & MOIC OSS. 	<ul style="list-style-type: none"> Scoping study to identify resource requirements for MPI OSS and MOIC OSS to take on greater coordinating roles. Deploy expert to implement process change and train officials on changes to MPI OSS & MOIC OSS.
<ul style="list-style-type: none"> Improve capacity of MPI & MOIC officials to review and continually improve OSS workflow. 	<ul style="list-style-type: none"> Design and roll out a training program on best practice workflow management practices for managers.
<ul style="list-style-type: none"> Improve capacity of MPI & MOIC officials to explain laws & regulations 	<ul style="list-style-type: none"> Design and conduct a training program on interpretation of the IPL and Enterprise Law for MPI & MOIC.
<ul style="list-style-type: none"> Work with locally-based professional services firms to ensure they have up-to-date information about ERC/CRC processes. 	<ul style="list-style-type: none"> Design a program for regular meetings and briefings involving MPI, MOIC & local professional services firms.
<ul style="list-style-type: none"> Improve information available on ERC/CRC processes through online platforms. 	<ul style="list-style-type: none"> Deploy a communications expert to improve information provided through the website investlaos.gov.la. Translate documents relating to the ERC process.

<ul style="list-style-type: none"> ▪ Complete an official translation of the Sub-Decree. ▪ Develop an MOIC website in English.
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Registering a foreign business (Relevant agencies: MOIC, MPI, MIF, MOLSW, MOPS)

Proposed actions	Recommended technical assistance
<ul style="list-style-type: none"> ▪ Improve the coordination role of MOIC OSS and MPI OSS. 	<ul style="list-style-type: none"> ▪ Scoping study to identify resource requirements for MPI OSS and MOIC OSS to take on greater coordinating roles. ▪ Deploy expert to implement process change in MPI OSS & MOIC OSS and training officials on changes.
<ul style="list-style-type: none"> ▪ Work with locally-based professional services firms to ensure they have up-to-date information about registering a business. 	<ul style="list-style-type: none"> ▪ Deploy an expert to design a program for regular meetings and briefings involving MOIC, MPI & local professional services firms.
<ul style="list-style-type: none"> ▪ Improve information available for investors through the MPI website. 	<ul style="list-style-type: none"> ▪ Deploy a communications expert to improve information provided on the MPI website about registering a foreign business.

Issuing a business licence (Relevant agencies: MOIC, MPI, sector agencies)

Proposed actions	Recommended technical assistance
<ul style="list-style-type: none"> ▪ MOIC OSS & MPI OSS to coordinate issuing of the Operating Licence on behalf of investor. 	<ul style="list-style-type: none"> ▪ Scoping study to identify resource requirements for MPI OSS and MOIC OSS to take on a greater coordinating role. ▪ Deploy an expert to work with MOIC & MPI to implement process change & train officials.
<ul style="list-style-type: none"> ▪ Work with locally-based professional services firms to ensure they have up-to-date information about Operating Licences. 	<ul style="list-style-type: none"> ▪ Deploy an expert to design a program for regular meetings and briefings with local professional services firms.
<ul style="list-style-type: none"> ▪ Improve information available for investors through the MOIC and MPI websites 	<ul style="list-style-type: none"> ▪ Deploy a communications expert to assist develop information about operating licences to be made available online.

Issuing a construction permit (Relevant agencies: CMC, DCD, DHUP, DLMA, DSAH, OBUP)

Proposed actions	Recommended technical assistance
<ul style="list-style-type: none"> ▪ MPI OSS and MOIC OSS to coordinate with DPWT and other agencies, and streamline the issuing of construction permits. 	<ul style="list-style-type: none"> ▪ Prepare a scoping study identifying how the issuance of construction permits can be streamlined. ▪ Deploy an expert to work with relevant ministries to implement process change and train officials on changes.
<ul style="list-style-type: none"> ▪ Work with locally-based professional services firms to ensure they have up-to-date information about construction permits. 	<ul style="list-style-type: none"> ▪ Deploy an expert to design a program for regular meetings and briefings involving DPWT & local professional services firms.
<ul style="list-style-type: none"> ▪ Improve information available for investors through the MPI website. 	<ul style="list-style-type: none"> ▪ Deploy a communications expert to develop a program for producing information about construction permits and application forms, including translation, and an online platform.

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Abbreviations

AANZFTA	ASEAN-Australia-New Zealand Free Trade Agreement
APEC	Asia-Pacific Economic Cooperation
ASEAN	Association of Southeast Asian Nations
ASEC	ASEAN Secretariat
CRC	Concession Registration Certificate
DPWT	Department of Public Works and Transport
ERC	Enterprise Registration Certificate
ECWP	Economic Co-operation Work Programme
MOIC	Ministry of Industry and Commerce
MPI	Ministry of Planning and Investment
OSS	One Stop Shop
IPL	Law on Investment Promotion
MIC	Ministry of Information and Culture
MOLSW	Ministry of Labour and Social Welfare
MOPS	Ministry of Public Security
MOF	Ministry of Finance
SAMD	State Asset and Management Department
IPD	investment Promotion Department
CMC	Committee for the Management of Construction
DCD	District Construction Division
DHUP	Department of Housing and Urban Planning
DLMA	District Land management Authority
DSAH	Department of State Asset and Housing
OBUP	Office of Building and Urban Planning

1. Introduction

1.1 The project

The project on Investment Facilitation and Technical Assistance for Newer ASEAN Members, First Phase (Cambodia and the Lao PDR) (AANZ-0018-INV-02), is part of the ASEAN-Australia-New Zealand Free Trade Area (AANZFTA) Economic Cooperation Work Program (ECWP), approved under the ECWP's investment program. It was endorsed by the AANZFTA Joint Committee in September 2011.

The ASEAN Secretariat requires a review of investment facilitation processes in Cambodia and the Lao PDR and seeks recommendations – in the form of an “implementation plan” – that can form the basis of a new technical assistance program for these countries. The program aims to assist newer ASEAN members improve regulatory processes relating to approving foreign investment, registering a business, issuing a specific business licence, and issuing a construction permit. It is intended that this will help facilitate foreign direct investment.

The project methodology involved:

1. Obtaining ASEAN-wide buy-in for the project and agreement on principles of investment facilitation;
2. Desk research of existing investment facilitation processes in Cambodia and the Lao PDR to understand existing processes and to begin to identify possible areas for improvement; and
3. In-country consultations with government and business to supplement desk research and to confirm findings and recommendations (proposed actions and recommended technical assistance).

1.2 What is investment facilitation?

A key objective of the ECWP is to assist newer ASEAN members in their efforts to facilitate inward investment and further improve business registration and licensing processes. To make best use of foreign investment governments should have investment procedures in place that do not unnecessarily increase the costs or risk of doing business, or constrain business competition.

Investment facilitation refers to government efforts to attract foreign investment and administer it efficiently through all stages of the investment cycle. Stated simply, investment facilitation aims to make it easier to invest and do business in the country in question.

Investment facilitation is not new to the newer ASEAN members and considerable progress has been made in this area over the last decade. Section 2 summarises this for the Lao PDR.

Transparency, simplicity and predictability are among the most important objectives of investment facilitation. Investment policies adhering to these objectives will help ensure investment applications are dealt with expeditiously and fairly. Business set-up requirements and administrative procedures should be efficient (e.g. as little ‘red tape’ as possible) and effective. Applying these objectives to investment approval, business registration, and licensing processes amongst newer ASEAN members suggests three aims for government:

- Transparency of investment-related laws and policies;
- Simplifying business regulation; and
- Reducing investor risk.¹

The project examines these aims in relation to four processes:

1. Approving foreign investment; and
2. Registering a foreign business;
3. Issuing a business licence; and
4. Issuing a construction permit.

1.3 Regional Forum

A Regional Forum for ASEAN Member States was organised to discuss existing investment facilitation processes, share experiences of best practices in these areas and build support for the project. The Consultant presented a desk review of current practices to the Regional Forum which drew on earlier reports by multilateral organisations.

The Regional Forum produced broad consensus on a series of ‘investment facilitation best practice principles’. These were presented to the AANZFTA Committee on Investment in May 2012. The principles are set out in Annex C and included in the implementation plan.

1.4 Consultation visits to the Lao PDR

Analysis of investment facilitation processes in this report is based on desk research and two visits to Vientiane to consult with officials and businesses.

The first consultation visit, conducted in June 2012, was used to seek further information on the four abovementioned processes from government officials and to hear views from the private sector on the operation of these four processes. A workshop was conducted for 41 officials from 8 ministries, and meetings were held with 11 companies and industry groups operating in the Lao PDR (Annex B has further details).

Following the visit, a draft framework paper and draft implementation plan for the Lao PDR was prepared and, after discussion with ASEC, circulated to Lao officials.

The Consultant conducted a second consultation visit to Vientiane in March 2013. This visit sought comments on the report and implementation plan from key stakeholders, then their endorsement of the report following consultations. A group consultation workshop with 17 officials from 7 ministries reviewed findings and recommendations from the draft report. Consultations revealed widespread support for these, including from MPI and MOIC. Questionnaires were used to obtain feedback from officials.

¹ These themes have been highlighted in APEC.

Specifically, the second consultation visit was used to:

1. Confirm flowcharts for existing processes and **identified areas for improvement ('problems')** that foreign investors concur (see section 3 of this report)
2. Review **proposed actions** to address these problems (section 3); and
3. Review **technical assistance** recommendations (section 4) that can guide future investment facilitation work in the Lao PDR.

Findings and proposed areas for action in this report have been discussed with officials and their feedback is documented in sections 3 and 4.

The report and the accompanying implementation plan in Annex A have been finalised through consultation with the project focal point and key officials at MPI and MOIC.

2. Regulatory environment for foreign investment in the Lao PDR

The Lao PDR has undertaken a program of legislative reform in recent years to strengthen its domestic investment climate and improve facilitation of investment entry and business establishment.

Key amongst recent reforms is the passage of the 2009 Investment Promotion Law (IPL). The IPL consolidates former laws on domestic and foreign investment and has gone some way in streamlining business requirements and procedures for domestic and foreign investors. Key IPL reforms are to:

- bring together in one law treatment of domestic and foreign investment;
- establish one-stop-service offices for foreign investors to facilitate approvals, registration and licences;
- allow 100 per cent foreign ownership of an enterprise except for investment activities prohibited and/or with restrictions;
- make it easier for foreigners to lease land.

Two ministries promote and facilitate investment in the Lao PDR:

- the Ministry of Planning and Investment (MPI) is responsible for investment promotion and for approving investment made through concession agreements with the Lao Government.
- the Ministry of Industry and Commerce (MOIC) is responsible for company registration and approving 'general business' investment – i.e. direct investment other than by concession agreement, or direct investment in a special economic zone.

One Stop Service (OSS) offices have been established to assist foreign and domestic investors.² The MPI OSS assists investors seeking approval for concession agreements and activities in special and specific economic zones. An MOIC OSS assists 'general business' investors.³

²Article 44 of the 2009 Law on Investment and Promotion.

³The 2011 Sub-Decree No. 119 on the Law on Investment and Promotion provides further guidance on the activities of the one-stop service office.

3. Actions to improve processes for foreign investment

For each process – approving foreign investment, registering a foreign business, issuing a business licence, and issuing a construction permit – problems faced by foreign investors in the form of impediments to efficient operation were identified. Suggested actions for government to address these problems and improve processes were developed.

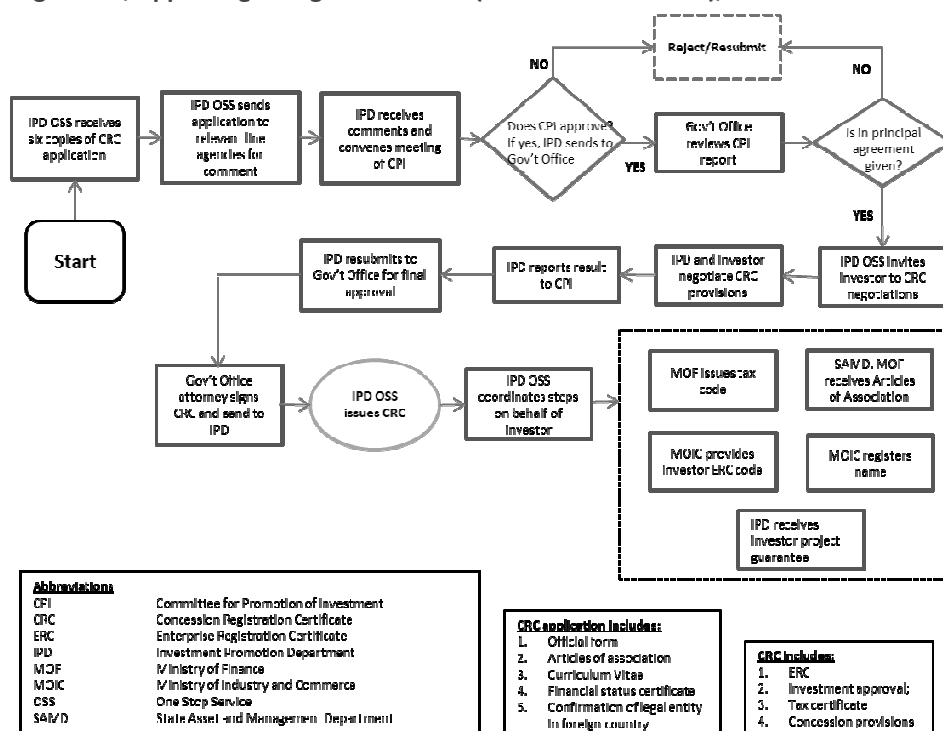
3.1 Approving foreign investment

Foreign investment is approved in the Lao PDR through the issuing of two classes of registration certificate:

- Proposed investments through a concession agreement with the Lao Government are reviewed and issued a Concession Registration Certificate (CRC). See Figure 3.1.
- An Enterprise Registration Certificate (ERC) is issued to general business applicants within 10 days of the properly completed application form being submitted.⁴ See Figure 3.2 for details.

There is no time limit for issuing a CRC, however the Sub-Decree to the IPL says that MPI OSS will review and distribute a CRC application to relevant agencies within 10 days of receiving a complete application form.⁵

Figure 3.1, Approving foreign investment (Concession Business), Lao PDR

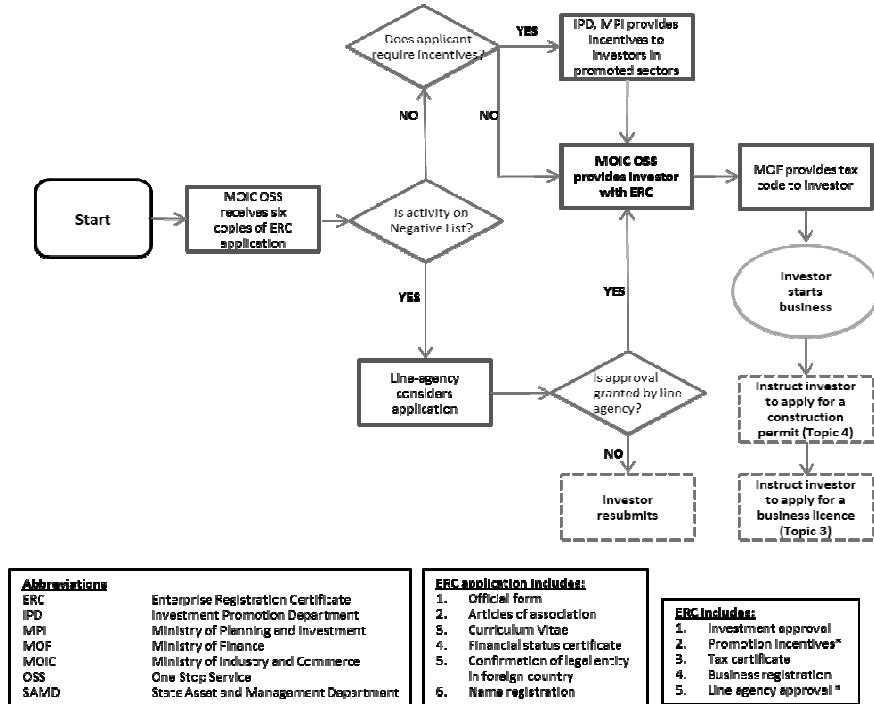


Source: ITS Global

⁴ Article 18, IPL.

⁵ Article 16, 2011 Sub-Decree No. 119 on the Law on Investment and Promotion

Figure 3.2, Approving foreign investment (General Business), the Lao PDR



Source: ITS Global

Consultations and research revealed that several aspects of the process for issuing an ERC and CRC could be improved. The second round of consultations asked whether ministries agreed with the problems identified and suggested actions to address them. The range of opinions is recorded below.

Problem 1: There are **delays in processing** registration certificates (CRC and ERC).

Consultations and research suggest that the CRC and ERC approval process can take longer than prescribed. These delays exist at two points in the process:

1. Consultations with officials and business reveal that delays occur in obtaining comments on an investment application from line ministries during the CRC process. The 25 day timeframe in the IPL Sub-Decree for line ministries to provide comments is not adhered to.
2. For additional approvals from other ministries, consultations reveal that investors commonly choose to liaise directly with the relevant ministry rather than waiting for the OSS to obtain the approval on the investor's behalf.

Concession Registration Certificate

For the MPI OSS, the IPL Sub-Decree states it will coordinate getting an enterprise registration code from MOIC and a tax code (taxpayer identification number) from the Ministry of Finance. Officials from these ministries who sit within the MPI OSS are to coordinate with their ministry. This is the process set out in Figure 3.1.

In practice, it can be faster for the investor or their representative to take application documents directly to the relevant agency for the requisite approval. A higher fee may be payable, but the application is processed more quickly.

Enterprise Registration Certificate

The MOIC OSS for the ERC process is not yet fully established as a physical presence in the Department of Enterprise Registration and Management (DERM), MOIC.

Whilst delays in consulting with line ministries are avoided by the 10 day time limit imposed for comment, investors cannot rely on the OSS to obtain other permits.

Proposed action 1(a): Reduce delays by **improving the coordination role** of the MPI OSS.

Opportunities for further reform of the MPI OSS process for issuing a CRC should focus on two aspects of the process.

First, the consultation process between IPD, MPI and relevant line ministries should be strengthened to ensure IPD receives comments on a CRC application – that is, approval or rejection – within the 25 day timeframe stipulated by the Sub-Decree. The second consultation visit revealed some tension between MPI and line ministries on this issue.

Best practice on this matter is to provide for automatic approval after 25 days has elapsed. An extension can be provided for more complex investment proposals based on clearly defined guidelines for when an extension can be sought.

Second, the MPI OSS should reform its internal processes so that external approvals can be obtained as quickly by the OSS as they can be obtained by the investor who chooses to take their application directly to the relevant agency.

Proposed action 1(b): Reduce delays by **improving the coordination role** of the MOIC OSS.

It is proposed that the MOIC OSS process be fully implemented according to the requirements of the IPL. This would require other ministries to cede responsibility for liaising with the investor to the MOIC OSS.

For example, consultations revealed the Tax Department in the Ministry of Finance do not pass on details of the investor's tax code to the MOIC OSS, so an investor must obtain it from the Ministry of Finance. MOIC advised this was not a technical issue, but a procedural requirement of MOF.

The MOIC OSS should also coordinate granting of incentives by the MPI Investment Promotion Department or Tax Department in MOF. At present investors do this separately.

Proposed action 1(c): Improve capacity of MPI and MOIC officials to review and continually improve OSS workflow.

Additional capacity building is required for MOIC and MPI officials to make the two OSS offices fully operational in accordance with relevant laws and sub-decrees and to ensure they fully coordinate the ERC and CRC process on behalf of investors.

Further capacity building was discussed with officials during the second round of consultations. Respondents were unanimous in their support for further action here.

Managers could also be trained in more effective workflow management practices to assist in reducing delays in CRC/ERC processing. Managers could be trained in systems management, given the necessary skills to identify factors that may be impacting workflow, and be trained to identify and remove impediments.

A program is required to train officials in the MPI OSS and MOIC OSS on:

- Roles and responsibilities of the OSS;
- Systems management to enhance service delivery by officials.

Problem 2: Some officials lack experience in interpreting and applying relevant laws.

Consultations in the Lao PDR suggested that some officials are inexperienced in interpreting and applying the laws relating to foreign investment and enterprises (by reading together the legal provisions of the IPL and the Enterprise Law). This restricts their capacity to assist foreign investors.

Proposed action 2: Improve capacity of MPI and MOIC officials to explain laws and regulations.

A training program on interpretation of laws and regulations should be designed to increase the capacity of officials in the MPI OSS and MOIC OSS to assist foreign investors. All respondents during the second round of consultations with officials either highly agreed or agreed with this proposal.

Problem 3: Investors require more information on the CRC and ERC processes.

Making information about investment approval processes readily available to potential investors is an important element of a country's investment facilitation efforts.

The MPI website has recently been updated and offers investors an improved picture of the CRC process. The ERC and CRC application form is now available in English and an updated guide for businesses is offered. However, business representatives advised that more could be done and that some information on the website is out-of-date and should be removed. This was confirmed through research.

The problem is greater with regard to information about general business applications through the MOIC. There is no information available in English other than a short brochure provided by the DERM when an investor goes to the MOIC OSS.

There are several avenues for improving the information available to foreign investors.

- First, ensure professional advisors are fully up-to-date with current processes; and
- Second, improve web-based information and documentation available in English and other languages (such as Japanese).

Proposed action 3(a): Work with locally-based professional services firms to ensure they have up-to-date information about CRC/ERC processes.

Regular meetings and briefings by government for professional services firms in the Lao PDR – including lawyers, business consultants and accountants – are a cost-effective means of improving the quality of information accessed by prospective investors.

Respondents either agreed with or were unsure about this proposed action. Those who were unsure did not offer reasons for their uncertainty.

Proposed action 3(b): Improve information available on ERC/CRC processes through online platforms.

Information on the **MPI website** (investlaos.gov.la) has been revised and improved in recent years, but should be further improved by:

- including a comprehensive step-by-step guide in English explaining how the MPI OSS operates and what applicants need to obtain the relevant approvals; and
- ensuring information on the website is consistent with the IPL and related regulations and removes references to out of date laws and department names.

MPI is responsible for investment promotion and should therefore also provide information about what steps an investor must undertake to obtain an ERC.

All respondents during the second round of consultations either highly agreed or agreed with this proposed action.

The **MOIC website** should be updated to include information about the ERC process in English. This is a bigger task. It was confirmed during a meeting with MOIC staff on the second consultation visit that there has been no previous work done on this, and there are no projects currently planned. Officials supported improving web-based information through the MOIC website.

3.2 Registering a foreign business

Establishing a foreign business in the Lao PDR involves government agencies completing the following steps:

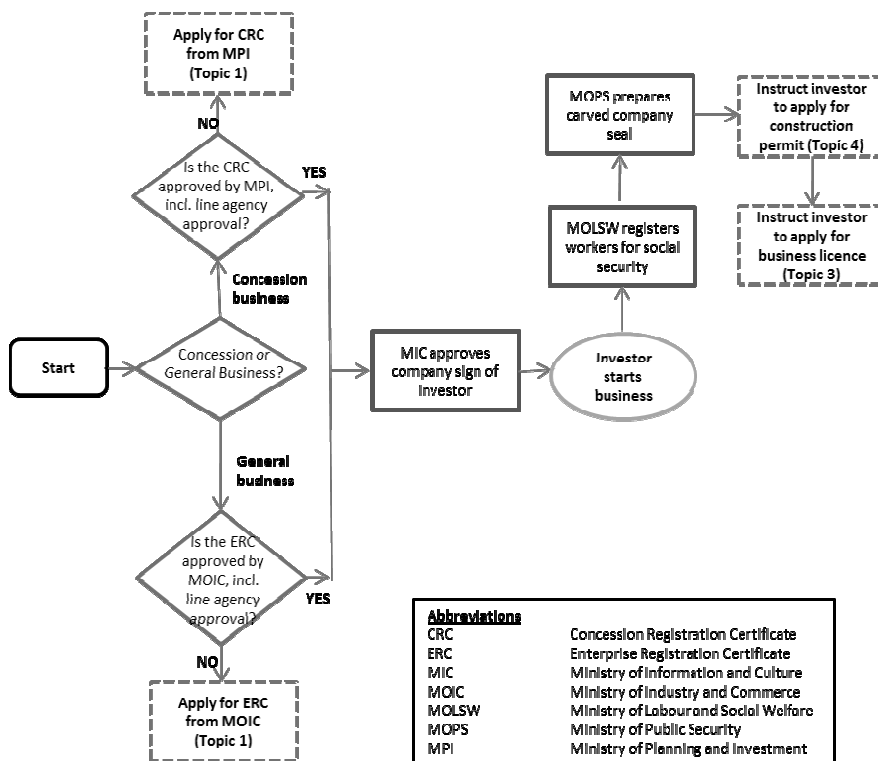
- registering (incorporating) a concession or general business;
- approving a company sign;
- issuing a company seal; and
- registering the company for workers' social security.

The first of these, registering a business, is carried out as part of the investment approval process, set out in Figures 3.1 (for general investment) and 3.2 (for concession investment).

Registering a business involves three steps: MOIC registers a business name, MOF receives the articles of association, and MOF issues a tax code (taxation identification number) for the business to use for paying its taxes. When these steps are completed, business registration is acknowledged at the same time as the investment is approved (in the form of the ERC, or CRC).

The other requirements for registering a foreign business, shown in Figure 3.3, are carried out by three ministries: the Ministry of Information and Culture, the Ministry of Public Security and the Ministry of Labour and Social Welfare.

Figure 3.3: Registering a foreign business, the Lao PDR



Source: ITS Global

Problem 1: Delays in registering a foreign business.

Registering a business involves five government ministries: MOF, MOIC, MIC, MOPS and MOLSW. Consultation and research suggest investors seek better coordination of the steps carried out by these ministries. Investors find it necessary to follow up in person with these agencies to efficiently progress their application.

As explained in section 3.1, the IPL Sub-decree requires that the MPI OSS coordinate with MOF to get a tax code and with MOIC to obtain an enterprise registration code. Other steps in the process are not coordinated by the MPI OSS.

Proposed action 1: Improve the coordination role of MOIC OSS & MPI OSS.

This suggested action is the same as the proposed actions set out in the previous section in relation to investment approval through the ERC/CRC processes.

When fully implemented and operational, the One-Stop Shop services established in both MOIC and MPI should mean foreign investors only need to deal with the relevant OSS.

To improve operation of the MOIC OSS and MPI OSS, it is suggested that coordination of the following steps on behalf of the investor be transferred into each OSS office:

- issuing the tax code (MOF)
- approving a company sign (MIC)
- issuing a company seal (MOPS) and
- registering the company for workers' social security (MOLSW).

Consultations with business and officials during the first visit supported greater coordination of these steps. Respondents during the second consultation visit also agreed, though several disagreed.

Problem 2: Investors need improved access to information on what is required to register a foreign business.

Making information about establishing a foreign business readily available to investors is an important element of a country's investment facilitation efforts.

As was highlighted in relation to investment approval, the MPI website has recently been updated. The CRC and ERC application forms are now available in English and there is a general guide for business. There is still out of date information on the website that could be removed.

Proposed action 2(a): Work with locally-based professional services firms to ensure they have up-to-date information about registering a business.

This proposal is to be combined with proposed action 3(a), approving foreign investment.

Regular meetings and briefings with professional services firms in the Lao PDR – including lawyers, business consultants and accountants – should be a cost-effective means of improving the quality of information accessed by prospective investors.

Whilst respondents during the second round of consultations from MOIC supported this initiative, officials from MPI were divided: some supported it, whilst others were unsure or disagreed with this proposed action.

Proposed action 2(b): Improve information available for investors through the MPI website.

MPI is responsible for investment promotion. In this capacity it could further improve the information available about registering a foreign business by making available and prominent on the MPI website application forms in English and other languages for obtaining a company seal, company sign and registration of workers for social security.

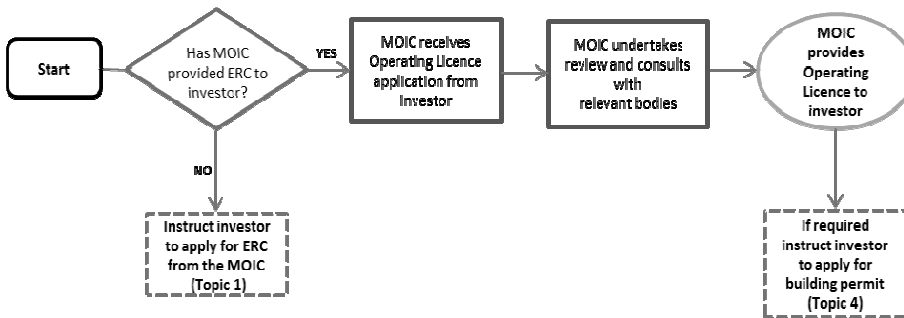
Respondents highly agreed or agreed with improving information on the MPI website about registering a business.

3.3 Issuing a specific business licence

After issuing investment approval and having established a new company, government officials issue a business licence specific to the industry in which the investor intends to operate.

The MOIC issues an operating licence within 30 days. This licence is separate to the company registration process and is not coordinated by the MOIC OSS or the MPI OSS during the investment approval process or foreign business establishment. See Figure 3.4.

Figure 3.4: Issuing a specific business licence, the Lao PDR



Abbreviations	
ERC	Enterprise Registration Certificate
MOIC	Ministry of Industry and Commerce

Source: ITS Global

Desk research and consultations revealed several aspects of this process that could be improved.

Problem 1: Issuing an Operating Licence often takes longer than the prescribed period.

Consultations revealed that issuing an operating licence often takes longer than the 30 days prescribed by the MOIC. It was noted that this may be due to capacity constraints in the issuing process.

Proposed action 1: MOIC OSS and MPI OSS to coordinate issuing of the Operating Licence on behalf of investor.

It is recommended that the OSS office dealing with the investor (MOIC or MPI) should coordinate issuing of an operating licence on behalf of the investor. This could be done in parallel with the coordination of other ERC and CRC requirements. Additional resources may be required to undertake this process change.

There was a high degree of support during the second round of consultations for this action.

Problem 2: Investors need improved information on what is required to obtain an Operating Licence.

Foreign investors are required to obtain an operating licence from MOIC after being issued with an ERC. There is no information available about how to obtain an Operating Licence from the MOIC.

Proposed action 2(a): Work with locally-based professional services firms to ensure they have up-to-date information about Operating Licences.

This proposal is to be combined with proposed action 3(a), approving foreign investment.

Regular meetings and briefings with professional services firms in the Lao PDR – including lawyers, business consultants and accountants – should be a cost-effective means of improving the quality of information accessed by prospective investors.

Proposed action 2(b): Improve information available for investors through online platforms.

An Operating Licence application form and step-by-step guide should be made available on the MPI website. In the longer term, when the MOIC website is updated and available in English, the form and guide should also be available here.

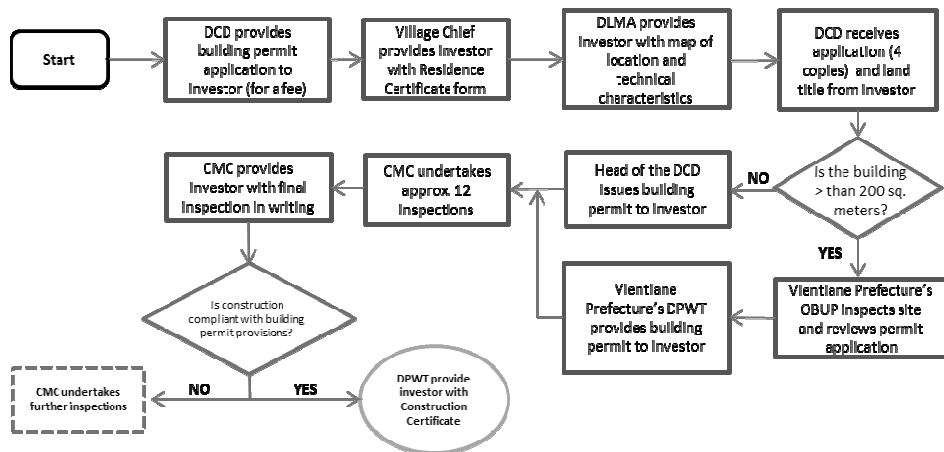
Respondents agreed with the need to improve web-based information about obtaining a specific business licence.

3.4 Issuing construction permits

Investors looking to build a warehouse or factory require a construction permit. A construction permit is issued by the Department of Housing and Urban Planning and the Department of State Asset and Housing after investment approval is given and a business is registered.

Figure 3.5, below, shows that issuing a construction permit involves a number of bodies including the CMC, District Construction Division, Department of Housing and Urban Planning, Department of State Asset and Housing, District Land Management Authority, the Office of Building and Urban Planning, and the Department of Public Works and Transport. Internal review is carried out by multiple offices. These steps are conducted sequentially.

Figure 3.5: Issuing construction permits, the Lao PDR



Abbreviations	
CMC	Committee for the Management of Construction
DCD	District Construction Division
DLMA	District Land Management Authority
DPWT	Department of Public Works and Transport
DSAH	Department of State Asset and Housing
OBUP	Office of Building and Urban Planning

Source: ITS Global

Problem 1: There can be delays in issuing a building permit.

Consultations revealed that issuance of construction permits is slowed by the number of internal processes required of officials before the permit is granted.

One example of this is the number of inspections undertaken by the Committee for the Management of Construction (CMC) (approximately 12). It was indicated to the project team that the time to perform these inspections impacts workflow.

Proposed action 1: MPI OSS and MOIC OSS to coordinate with DPWT and other agencies, and streamline the issuing of construction permits.

The OSS offices could facilitate issuing construction permits on behalf of the investor and this could be done in parallel with other ERC/CRC requirements. This was supported by respondents during the second consultation visit.

Problem 2: Investors need improved information on what is required to obtain a construction permit.

Foreign investors are required to obtain an operating licence from MOIC after being issued with an ERC. There is no information available about how to obtain an Operating Licence from the MOIC.

Proposed action 2(a): Work with locally-based professional services firms to ensure they have up-to-date information about construction permits.

This proposal is to be combined with proposed action 3(a), approving foreign investment.

Regular meetings and briefings with professional services firms in the Lao PDR – including lawyers, business consultants and accountants – should be a cost-effective means of improving the quality of information accessed by prospective investors.

Proposed action 2(b): Improve information available for investors through online platforms.

MPI is responsible for investment promotion. In this capacity it could further improve the information available on the MPI website on issuing a construction permit. This could include:

- updating information on ‘site development’ and ‘building permits’ to reflect current procedures;
- making available building permit application forms in English;
- providing links to other information in English on the required procedures contained on other ministerial portals.

4. Recommended technical assistance

Recommended technical assistance activities are presented for approving foreign investment; registering a foreign business; issuing a specific business licence; and issuing construction permits.

4.1 Approving foreign investment

Technical assistance 1: Scoping study to identify resource requirements for MPI OSS and MOIC OSS to take on greater coordinating roles.

A scoping study for IPD, MPI should explore

- (1) how the Department can improve the *de facto* time it takes to consult with line ministries on an investment application; and
- (2) how internal processes can be further improved so that approvals from other ministries (e.g. obtaining a tax code from MOF and obtaining an ERC code from MOIC) can be obtained as quickly by the OSS as they can by investors who choose to take their application directly to the relevant agency.

This proposal for a detailed scoping study received a high degree of support from senior staff in MPI's Investment Promotion Division.

For MOIC, consultations with foreign investors and their representatives suggest a similar study would be beneficial. Further consultation with officials is required. A meeting with MOIC during the second visit did not reach final agreement due to the unavailability of a senior official.

Technical assistance 2: Deploy expert to implement process change and train officials on changes to MPI OSS & MOIC OSS.

Following a scoping study, an expert would be deployed to work with MPI IPD to give effect to the study's conclusions. This could include working to introduce time limits for line agencies to provide comments on investment applications.

The deployed expert would design and deliver a training program for staff and managers on changes made to the operation of the MPI OSS. The deployment of an expert to assist with these changes also received a high degree of support from key staff in MPI's Investment Promotion Division.

Technical assistance 3: Design and roll out a training program on best practice work flow management practices for managers.

Continual process improvement requires managers to have experience in constantly reviewing existing work flow and identifying and addressing problems when they arise. Training in these techniques is proposed for MPI staff and was supported by key managers during the second consultation visit. There is currently insufficient support within MOIC for this program. Further consultation is recommended to secure their participation in a joint program with MPI.

Technical assistance 4: Design and conduct a training program on interpretation of the IPL and Enterprise Law for MPI & MOIC.

A training program for officials on interpreting and applying the IPL and Enterprise Law would focus on training officials in MPI and MOIC on how these laws operate together. Consultations revealed there have been instances of inconsistency in the application of the two laws by MOIC.

Technical assistance 5: Design a program for regular meetings and briefings involving MPI, MOIC & local professional services firms.

The Consultant regards this as central to the Lao PDR's information strategy on investment approval processes. Resources for web-based information strategies are limited so it is critical to ensure there is a good dialogue between MPI, MOIC and service-providers who work with foreign investors.

Technical assistance 6: Translate documents relating to the ERC process and develop an MOIC website in English.

Consultations revealed broad agreement that current information available from the MOIC about obtaining approval for a general business investment is limited.

Priority should be accorded to translating the MOIC general business application form and making this available online. It is recommended this be done through the MPI website, 'investlaos.gov.la'. (The general business application form currently available there is not an MOIC document.) Another immediate improvement would be to put the brochure 'Guideline for Enterprise Registration' onto the MPI website, investlaos.gov.la.

Priority should also be given to completing an official English translation of the IPL Sub-Decree.

The MOIC website is problematic and information is not available in English. A website communications expert should be deployed to design and develop an MOIC website in English.

Technical assistance 7: Deploy a communications expert to improve information provided through the website, investlaos.gov.la.

A communications expert should prepare a comprehensive step-by-step guide in English explaining how the MPI OSS operates and what applicants need to do to obtain a CRC and register a business in the Lao PDR.

The existing business guide provides a general overview about investing in the country, but does not give sufficient details of what applicants are required to do. The objective of the guide should be to provide sufficient information so that an applicant does not need to read the IPL or the Sub-Decree.

The expert should also ensure information on the website is consistent with the IPL and related regulations. At present there are a number of references to out-of-date laws and department names that require updating.

Consultations with foreign investors confirmed this need. Respondents during the second visit varied in their response to this proposal with some agreeing and others unsure about whether further action is needed here.

4.2 Registering a foreign business

Technical assistance 1: Scoping study to identify resource requirements for MPI OSS and MOIC OSS to take on greater coordinating roles in business registration.

A scoping study should explore how the MOIC OSS and MPI OSS could be improved by each OSS coordinating on behalf of the investor a number of the steps required to register a foreign business. The study should be a component of the study proposed for MPI under technical assistance activity 1 for approving foreign investment (see above).

Consultations with business and officials during the first visit supported greater coordination of these steps by the MOIC OSS and MPI OSS. This proposal received a high degree of support during the second visit from key staff in MPI's Investment Promotion Division and from the Ministry of Public Security.

Technical assistance 2: Deploy expert to implement process change in MPI OSS & MOIC OSS and train officials on changes.

Following a scoping study, an expert should be deployed to implement the study's conclusions in the MPI OSS and the MOIC OSS. The expert would also design and deliver a training program for staff and managers on changes to the process for registering a business. This was supported by key staff in MPI's Investment Promotion Division. Further consultation on this proposed activity is recommended with senior MOIC staff.

Technical assistance 3: Deploy an expert to design a program for regular meetings and briefings involving MOIC, MPI & local professional services firms.

There was agreement by officials during consultations about the need to work with professional services firms to ensure they have an up-to-date understanding of regulation and policy as it affects business registration.

Technical assistance 4: Deploy a communications expert to improve information provided on the MPI website about registering a foreign business.

This should be undertaken as a component of technical assistance activity 7 for approving foreign investment (see above).

4.3 Issuing a specific business licence

Technical assistance 1: Scoping study to identify resource requirements for MPI OSS and MOIC OSS to take on a greater coordinating role.

A scoping study is recommended to define in detail how the MPI OSS and MOIC OSS could expand their coordinating role and assist investors with obtaining an operating licence, in parallel with their coordination of other ERC and CRC requirements. This would include consideration of resourcing implications for the OSS. This proposal was supported by officials during the second consultation visit.

Technical assistance 2: Deploy an expert to work with relevant ministries to implement process change and train officials on changes.

Following the scoping study, an expert should be deployed to implement the study's conclusions in the MPI OSS and MOIC OSS. The expert would also design and deliver a training program for staff and managers on changes to the process for issuing a specific business licence.

Technical assistance 3: Deploy an expert to design a program for regular meetings and briefings involving MOIC & local professional services firms.

This should be coordinated with the similar recommended activity for providing briefings on approving foreign investment, registering a business, and issuing construction permits.

Technical assistance 4: Deploy a communications expert to assist develop information about operating licences to be made available online.

Respondents agreed with the need to improve web-based information about obtaining a specific business licence.

An expert should be engaged to prepare an easy to use English language application form and step-by-step guide. These should be made available on the MPI website. When the MOIC website is available in English, the application form and guide should also be available here. This activity can be combined with technical assistance activity 7, approving foreign investment (see above).

4.4 Issuing a construction permit

Technical assistance 1: Prepare a scoping study identifying how the issuance of construction permits can be streamlined.

A detailed scoping study should be prepared setting out how the MPI OSS and MOIC OSS could assist investors to obtain construction permits. The study should also explore other options for streamlining the process for issuance of construction permits between DPWT and other agencies. For example, the number of inspections undertaken by the Committee for Management of Construction should be reviewed. The proposed study was supported by respondents during the second consultation visit.

Technical assistance 2: Deploy an expert to work with relevant ministries to implement process change and train officials on changes.

Following the scoping study, an expert should be deployed to implement the study's conclusions in the MPI OSS, the MOIC OSS, and DPWT. The expert would also design and deliver a training program for staff and managers on changes to the process for issuing a construction permit.

Technical assistance 3: Deploy an expert to design a program for regular meetings and briefings involving DPWT & local professional services firms.

This should be coordinated with the similar recommended activity for providing briefings on approving foreign investment, registering a business, and issuing specific business licences.

Technical assistance 4: Deploy a communications expert to develop a program for producing information about construction permits and application forms, including translation, and an online platform.

An expert should work with DPWT and MPI to improve the information available to investors about construction permits. This should be done, in the short term, through the existing MPI portal, investlaos.gov.la. The program should include:

- updating information on 'site development' and 'building permits' to reflect current procedures;
- making available building permit application forms in English;
- providing links to other information in English on the required procedures contained on other ministerial portals.

In the longer term, a DPWT platform for this information should be developed.

Annex A. Draft implementation Plan

A draft Implementation Plan has been developed to facilitate further discussion with the Lao PDR about possible actions and appropriate technical assistance designed to improve the operation of the four investment facilitation processes examined for this study.

Responses to the distributed questionnaire on options to improving processing time may provide valuable input to the draft implementation plan.

Table A.1: Draft Investment Facilitation Implementation Plan, the Lao PDR

Topic	Best practice			Technical assistance
	Principles	Possible improvements to process (problems)	Proposed actions (the Lao PDR)	
1.Approving investment	<ul style="list-style-type: none"> • Streamline processes to promote effective and efficient investment approval& business registration. 	<ul style="list-style-type: none"> ▪ Delays in processing registration certificates (CRC and ERC). 	<p>Reduce delays by improving the coordination role of the MPI OSS and MOIC OSS. This should include:</p> <ul style="list-style-type: none"> ▪ (For MPI) Providing for automatic approval from line agencies after the 25 day timeframe, subject to an extension for complicated investment applications. ▪ (For MPI and MOIC) reforming internal processes so that the OSS can obtain approvals from other ministries as quickly as an investor who goes direct to other ministries. 	<ul style="list-style-type: none"> ▪ Scoping study to identify resource requirements for MPI OSS and MOIC OSS to take on greater coordinating roles. ▪ Deploy expert to implement process change and train officials on changes to MPI OSS & MOIC OSS.
		<ul style="list-style-type: none"> ▪ Delays in processing registration certificates (CRC and ERC). 	<ul style="list-style-type: none"> ▪ Improve capacity of MPI & MOIC officials to review and continually improve OSS workflow. 	
	<ul style="list-style-type: none"> • Promote predictability of how regulation is applied. • Improve consistency in the application of the law. 	<ul style="list-style-type: none"> ▪ Understanding and applying the law. 	<ul style="list-style-type: none"> ▪ Improve capacity of government officials to explain laws and regulation 	<ul style="list-style-type: none"> ▪ Design and conduct a training program on interpretation of the IPL and Enterprise Law for MPI & MOIC.
		<ul style="list-style-type: none"> ▪ Improving information for potential investors. 	<ul style="list-style-type: none"> ▪ Work with locally-based professional services firms to ensure they have up-to-date information about ERC/CRC processes. 	<ul style="list-style-type: none"> ▪ Design a program for regular meetings and briefings involving MPI, MOIC & local professional services firms.
<ul style="list-style-type: none"> • Promote transparency of investment approval. 	<ul style="list-style-type: none"> ▪ Improving information for potential investors. 	<ul style="list-style-type: none"> ▪ Improve information available on ERC/CRC processes through online platforms 	<ul style="list-style-type: none"> ▪ Deploy a communications expert to improve information provided through the website investlaos.gov.la. ▪ Translate documents relating to ERC process. ▪ Complete official translation of the Sub-Decree. ▪ Develop an MOIC website in English. 	
2. Registering a foreign business	<ul style="list-style-type: none"> • Streamline processes to promote effective and efficient business registration. 	<ul style="list-style-type: none"> ▪ Reduce delays in registering a foreign business. 	<ul style="list-style-type: none"> ▪ Improve the coordination role of MOIC OSS and MPI OSS. 	<ul style="list-style-type: none"> ▪ Scoping study to identify resource requirements for MPI OSS and MOIC OSS to take on greater coordinating roles.

Topic	Best practice			Technical assistance
	Principles	Possible improvements to process (problems)	Proposed actions (the Lao PDR)	
				<ul style="list-style-type: none"> Deploy expert to implement process change in MPI OSS & MOIC OSS and train officials on changes.
	<ul style="list-style-type: none"> Promote transparency of business registration. 	<ul style="list-style-type: none"> Improving information for potential investors. 	<ul style="list-style-type: none"> Work with locally-based professional services firms to ensure they have up-to-date information about registering a business. 	<ul style="list-style-type: none"> Deploy an expert to design a program for regular meetings and briefings involving MOIC, MPI and local professional services firms.
	<ul style="list-style-type: none"> Improve consistency in the application of the law. 	<ul style="list-style-type: none"> Improving information for potential investors. 	<ul style="list-style-type: none"> Improve information available for investors through the MPI website. 	<ul style="list-style-type: none"> Deploy a communications expert to improve information provided on the MPI website about registering a foreign business.
3. Issuing a specific business licence	<ul style="list-style-type: none"> Streamline processes to promote effective and efficient business licensing. 	<ul style="list-style-type: none"> Reduce delays in issuing an operating licence. 	<ul style="list-style-type: none"> MOIC OSS and MPI OSS to coordinate issuing of the operating licence on behalf of the investor. 	<ul style="list-style-type: none"> Scoping study to identify resource requirements for MPI OSS and MOIC OSS to take on a greater coordinating role. Deploy an expert to work with MOIC and MPI to implement process change and train officials
	<ul style="list-style-type: none"> Improve consistency in the application of the law. 	<ul style="list-style-type: none"> Improving information for potential investors. 	<ul style="list-style-type: none"> Work with locally-based professional services firms to ensure they are informed on procedures for issuing an operating licence. 	<ul style="list-style-type: none"> Deploy an expert to design a program for regular meetings and briefings with local professional services firms.
	<ul style="list-style-type: none"> Promote transparency of business registration. 	<ul style="list-style-type: none"> Improving information for potential investors. 	<ul style="list-style-type: none"> Improve information available for investors through online platforms. 	<ul style="list-style-type: none"> Deploy a communications expert to assist develop information about operating licences to be made available online.
4. Issuing a construction permit	<ul style="list-style-type: none"> Streamline processes to promote effective and efficient business licensing. 	<ul style="list-style-type: none"> Reduce delays in issuing a construction permit. 	<ul style="list-style-type: none"> MPI OSS and MOIC OSS to coordinate with DPWT and other agencies, and streamline the issuing of construction permits. 	<ul style="list-style-type: none"> Prepare a scoping study identifying how the issuance of construction permits can be streamlined. Deploy an expert to work with relevant ministries to implement process change and train officials on changes.

Topic	Best practice			Technical assistance
	Principles	Possible improvements to process (problems)	Proposed actions (the Lao PDR)	
	<ul style="list-style-type: none"> • Improve consistency in the application of the law. 	<ul style="list-style-type: none"> ▪ Improving information for potential investors. 	<ul style="list-style-type: none"> ▪ Work with locally-based professional services firms to ensure they have up-to-date information about construction permits. 	<ul style="list-style-type: none"> ▪ Deploy an expert to design a program for regular meetings and briefings involving DPWT and local professional services firms.
	<ul style="list-style-type: none"> • Promote transparency of construction permit processes. 	<ul style="list-style-type: none"> ▪ Improving information about obtaining construction permits. 	<ul style="list-style-type: none"> ▪ Improve information available for investors through the MPI website. 	<ul style="list-style-type: none"> ▪ Deploy a communications expert to develop a program for producing information about construction permits and application forms, including translation, and an online platform.

Annex B. In-country consultations

Two in-country visits have been held to consult with officials and business in Vientiane.

- Visit 1: 25-26 June, 2012
- Visit 2: 25-28 March, 2013.

B.1 Visit One

This section provides details of the fieldwork in the Lao PDR and summarises points raised in discussions with Government officials and industry representatives.

The field work presented an opportunity for participants to discuss and clarify investment facilitation processes. The Project Team sought input from Lao officials responsible for and engaged in decision-making in the following areas:

1. Approving foreign investment;
2. Registering a foreign business;
3. Issuing a specific business licence; and
4. Issuing a construction permit.⁶

Business representatives with practical experience investing and starting business operations in the Lao PDR were also invited to share their experiences and insights as to what processes work well and where future efforts to improve investment facilitation can focus.

B.1.1 Workshop

The Project Team conducted a workshop for government officials and industry representatives on Monday 25 June. X government officials from Y government ministries attended the workshop along with one private sector representative.

Table B.1 Workshop attendees, Vientiane, 25 June 2012

Ministry	Department	Number of attendees
Ministry of Planning and Investment	Investment Promotion Department	14
Ministry of Industry and Commerce	Business Registration Department	6
Ministry of Finance	Tax Department	2
Immigration Office	Public Security	2
Ministry of Justice		1
Ministry of Labour		1
Ministry of Foreign Affairs	ASEAN Department	2
Bank of the Lao PDR		1
Private sector/embassies		12

⁶ A fifth topic, getting access to electricity, was also discussed during consultations in the Lao PDR. No evidence of any problems with existing processes has meant this topic has been removed from the project scope.

The workshop:

- Introduced the project and explained the input we sought from officials and industry representatives;
- Offered insights into best practices approaches in Australia and New Zealand relating to investment approval processes, registering a new business and obtaining a construction permit;⁷
- Introduced government officials to the Investment Facilitation Template which was used to direct discussion;
- Discussed reforms currently being considered in The Lao PDR and possible actions for improving approvals and business start-up processes identified in the draft Template.

B.1.2 Consultations with government officials

Over the remaining day and a half, the Project Team consulted with relevant Ministries. A number of comments from these discussions are reflected in the 'possible actions' prescribed in section 3.

Additional key points are:

- The MOIC clarified that elements of the ERC application process outlined in the IPL and 2011 Sub-Decree were not fully implemented and that the OSS was still working towards achieving the timeframe for issuing ERC's (10 days) set out in the law.⁸
- MOIC officials noted that criteria for assessing the quality of general business applications are available, but possibly only in Lao. The Project Team noted the positive impact on business confidence of having easy access to criteria for assessing investment applications.
- MOIC officials indicated there was scope to enhance provision of information about ERC procedures to prospective investors.
- MPI and MOIC commented that periodic review meetings as provided in the IPL were not running to schedule. The purpose and objectives of these meetings were unclear.
- The MPI confirmed that the IFC has funded a project to translate the 2011 Sub-Decree to the IPL.⁹ The translation has been done but is now in the editing phase.

⁷ This was a capacity building component that sought to share experiences of other AANZFTA parties. It was a response to requests from member countries following the Regional Forum in Palawan, the Philippines in April.

⁸ The project team met with five representatives from MOIC representing the Department of General Business Investment Promotion, the Agency for Small and Medium Enterprise Development, and the Department of Import and Export.

⁹ The project team spoke with staff from MPI's Department of Investment Promotion and Department of Project Analysis.

- JICA has funded a project working with MPI to prepare a business guide.
- Tax officials noted the need for computer systems to improve the process for registering for tax.

B.1.3 Consultations with private sector

The Project Team met with representatives from eight companies and three industry associations – see Table 3.2. Consultations were held with business representatives in the offices of the MPI, at the Lao National Chamber of Commerce and Industry, and at business offices in Vientiane.

Business investors were enthusiastic in their praise of development progress in the Lao PDR and recounted positive experiences in doing business in the country and investment approval and business establishment procedures.

The key points are:

- the operation of the OSS offices in MOIC and MPI;
- constraints on human resources in certain areas of government; and
- access to more reliable technology solutions to take the next step in improving investor servicing and investment facilitation.

Table B.2 List of firms and industry associations consulted in Vientiane, 25-26 June 2012

Chamber/Company	Sector/Industry
Lao National Chamber of Commerce and Industry	Industry association
Lao Handicraft Association	Industry association
Beer Lao	Food & beverage
Salt manufacturers	Industry association
ALS	Mining services
Geomap Laos	Mining services
ANZ	Banking
PhuBia Mining	Mining
DFDL Legal and Tax	Legal services
McDonald Steed McGrath	Legal services
Sepon LXML	Mining

B.2 Visit Two

A second round of in-country consultation was held in Vientiane undertaken from 25 – 28 March, 2013. Consultations sought further clarification on key issues, and support for identified areas of improvement, suggested actions and proposed technical assistance activities..

The Project Team for this visit comprised Mr Jeffery Rae, Team Leader, Mr Thomas Westcott, Project Manager and Investment Analyst, and Mr Andrew Moon, Investment Analyst.

B 2.1 Group consultation

The Project Team conducted a group consultation for government officials on Tuesday 26 March, 2013. 17 government officials from 7 government agencies attended the workshop.

Table B.3 Workshop attendees, Vientiane, 26 March 2013

Ministry	Attendees (No.)
Department of Public Works and Transport	1
Department of Skills Development and Employment	1
Ministry of Finance	1
Ministry of Industry and Commerce	1
Ministry of Information, Culture and Tourism	2
Ministry of Planning and Investment	10
Ministry of Public Security	1

The workshop was conducted over five sessions:

- **Confirmation of existing practices** was sought based on flowcharts prepared by the Consultant and circulated for comment in August 2012. A group discussion identified several steps where further clarification was provided. All flowcharts were agreed.
- **Possible areas for improvement** were presented to participants through a presentation and through a questionnaire seeking feedback on those areas identified. Participants provided feedback through one-on-one discussion with facilitators and through a facilitated group discussion.
- **Suggested actions.** These were presented to participants for comment and to seek their buy-in on the key findings from research and previous consultations with government and business. Facilitators engaged in discussion with participants individually and through a facilitated group discussion.
- **Possible technical assistance activities** were presented through a questionnaire and discussed by participants with each other and with the Project Team.
- The Project Team concluded by presenting a summary of findings. Participants agreed with the summary and the Project Team undertook to reflect these conclusions in the report.

B.2.2 Consultations with individual ministries

Over the following two days, the Project Team met with senior representatives from the Ministry of Planning and Investment and with officials from the Ministry of Industry of Commerce and obtained further buy-in for proposed actions and technical assistance.

Annex C. Investment facilitation guiding principles

Discussions at the ASEAN Regional Forum in April produced broad consensus on a series of investment facilitation best practice principles. These were documented in a Progress Report produced at the conclusion of the forum and were presented to the AANZFTA committee on investment in May 2012.

The principles have been used to broadly assess impediments to investment facilitation in the Lao PDR. Possible actions, on the part of the government, have then been developed to aid in the removal of these impediments so that each principle can be met. The Draft Implementation Plan is designed to capture this information for the Lao PDR (Annex A).

The principles are:

1. Promoting **transparency** to ensure the appropriate information on investment facilitation processes is made available to potential investors.
2. Ensuring **consistency** between policy documents and relevant laws.
3. Promoting **predictability** in the business environment where laws are clearly understood and consistently applied. This helps reduce corruption and increase business confidence.
4. Efficiency and effectiveness through **streamlining** processes. This removes duplicated processes and unnecessary requirements of investors.
5. **Replicating** intra-jurisdictional best practices to ensure investment approval processes involving national and sub-national agencies are coordinated. This can be achieved by reviewing the responsibilities and policy roles of different levels of government to ensure there is no duplication or overlap.