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1st Quarter January-March 2012 Report

Laos-US International and ASEAN Integration (LUNA) Project

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1st Quarter January-March 2012 Report -- Laos-US Interna- tional and ASEAN Integration (LUNA) Project

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ACRONYMS

AEC – ASEAN Economic Community

ADB – Asian Development Bank

ASEAN – Association of Southeast Asian Nations

ASW – ASEAN Single Window

AusAID – Australian Agency for International Development

BTA – U.S.-Lao PDR Bilateral Trade Agreement

DIP – Department of Intellectual Property (MOST)

DIT – Department of Information Technology (MOST)

DISM – Department of Intellectual Property, Standardization and Metrology (NAST)

DSM – Department of Standardization and Metrology (MOST)

EC – European Commission

EDC – Enterprise and Development Consultants

FAO – Food and Agriculture Organization of the U.N.

FTPD – Foreign Trade Policy Department

GATS – General Agreement on Trade in Services (WTO)

GiZ – Deutsche Gesellschaft für Internationale Zusammenarbeit (German Development Agency)

IP – Intellectual Property

IPR – Intellectual Property Rights

IOSCO – International Organization of Securities Commissions

IMF – International Monetary Fund

LBA – Lao Bar Association

LNCCI – Lao National Chamber of Commerce and Industry

LTP – Lao Trade Portal

LUNA – Laos-United States International and ASEAN Integration (LUNA) Project

MAF – Ministry of Agriculture and Forestry

MOF – Ministry of Finance

MOFA – Ministry of Foreign Affairs

MOH – Ministry of Health

MOIC – Ministry of Industry and Commerce

MOJ – Ministry of Justice

MPI – Ministry of Planning and Investment

MPT – Ministry of Posts, Telecommunications and Communications

MOST – Ministry of Science and Technology

NA – National Assembly

NA-EPF – NA Committee on Economics, Planning and Finance

NAST – National Authority for Science and Technology (upgraded to MOST)

NSW – National Single Window

PMO – Prime Minister’s Office

PSC – Project Steering Committee

RDMA – USAID Regional Development Mission/Asia

SECO – Securities and Exchange Commission Office

SPC – Supreme People’s Court

SPS – Sanitary-Phytosanitary Measures

TBT – Technical Barriers to Trade

TDF – Trade Development Fund Facility (funded by the Multilateral Donor Trust Fund)

UNCTAD – U.N. Conference and Trade and Development

UNDP – U.N. Development Program

UNDP – SELNA Project – [UN Joint Program on Support to an Effective Lao National Assembly](#)

UNIDO – U.N. Industrial Development Organization

USAID – U.S. Agency for International Development

WB – World Bank

WTO – World Trade Organization

Introduction

The objective of the USAID-funded Laos-United States International and ASEAN Integration (LUNA) Project is to support the government of Laos in drafting, analyzing, promulgating, and implementing the array of legal and economic policy reforms and institutional capacity building needed to accomplish the following three objectives:

- Support the effective implementation of the U.S.-Lao PDR Bilateral Trade Agreement (BTA);
- Support the timely accession of Laos to the World Trade Organization (WTO); and
- Support Laos in fulfilling its commitments to the ASEAN Economic Community (AEC).

The three trade agreements form the pillars for establishing priorities for LUNA activities. These trade agreements have far-reaching impact, not only on commercial activity in Laos, but also on governance and the rule of law. To be most successful, the modernization and deepening of the Lao legal system and the integration of its economy into regional and global markets, which are driven by effectively implementing the trade agreements, should be integral and positive components of Laos' long-term development strategy. Although the mandate for the project is to support implementation of the trade agreements, the more general, and ultimately more important, goal of the project is to help Laos use the trade agreements to lay a strong foundation for sustained, broad-based development, poverty reduction, and strengthened rule of law and governance.

LUNA provides demand-driven support to six line ministries – the Ministries of Industry and Commerce (MOIC), Justice (MOJ), Agriculture and Forestry (MAF), Health (MOH), Finance (MOF), and Science and Technology (NAST), as well as the National Assembly (NA) and the Lao National Chamber of Commerce and Industry (LNCCI). LUNA's technical assistance consists of legal and economic policy analysis, comments on draft laws and regulations, training, and support for workshops and seminars, publications, study missions, translations, research, and certain equipment purchases. As much as possible, the project attempts to provide on-the-job and other types of training to counterpart staff, and project technical advisors work in teams with government counterparts to produce outputs. In this way, not only will useful legal and policy reforms be advanced, but the capacity of staff will also be enhanced, which will contribute significantly to the sustained impact of the project into the future.

Report on LUNA Activities from January to March 2012

A. PROJECT ADMINISTRATION

Project Office and Team Operations

Project operations and support continue to operate effectively, with no new information to report over the last six months.

Supervision and Project Steering Committee Activities

The PSC met on February 28, 2012 with representatives from LUNA's Lao PDR counterparts, the U.S. Government and from related donor projects, to review and approve LUNA's Work Plan for 2012. The meeting was co-chaired by Mme. Khemmani Pholsena, Vice Minister of Industry and Commerce and Michal Satin, Director of the General Development Office from the USAID/RDMA in Bangkok. Minutes of this meeting were finalized on March 6, 2012. The 2012 Annual Work Plan was approved in principle, with requests for several revisions. Revisions were then made and verified. The official approval letter was signed by USAID and MOIC on June 26, 2012.

Report Deliverables

This report meets contractual requirements for USAID with regard to the 1st Quarter Report for 2012.

B. REPORT ON PROJECT ACTIVITIES FROM JANUARY TO MARCH 2012

This section reports on each demand-driven project activity conducted from January to March 2012 based on the normal LUNA Work Plan format, as follows:

1. Analytical frameworks and general trade-capacity building to advance the BTA, WTO and AEC;
2. Transparency and dispute settlement;
3. SPS and TBT;
4. Trade facilitation and management;
5. Customs and the Lao National Single Window linked to the ASEAN Single Window;
6. Intellectual property rights;
7. Trade in services; and,

8. Public-private policy dialogue on trade policy.

1. Analytical Frameworks and General Trade-Capacity Building to Advance the BTA, WTO AND AEC

Activity 1.2: Support MOIC-FTPD Capacity-Building and Public-Outreach Programs

Report on January-March 2012 Activities. The following activities supported MOIC-FTPD capacity building from January-March 2012.

- **Maintenance and Improvement of the FTPD’s Communication and Public Outreach Capabilities**
 - **FTPD’s Webpage and Internet Capacity.** The FTPD Webpage (www.laoftpd.com) is fully operational and is being updated continuously by FTPD staff, serving over this period as the main instrument for the MOIC to provide information on trade policy issues, including WTO accession and AEC activities, to the public and trade communities. LUNA also provided two computers to improve FTPD’s communications capabilities.
 - **FTPD’s WTO and Trade Reference Room.** The FTPD’s WTO and Trade Reference Room continues to serve as a useful information centre, particularly for university students and officials, and as a useful meeting venue.

Activity 1.4: Support for Implementing the ASEAN Economic Community Blueprint

Report on January-March 2012 Activities. LUNA co-organized with GIZ a major “High-Level Workshop on Laos toward the ASEAN Economic Community in 2015” on January 23-24, 2012 in Vientiane with around 112 participants. For distribution at this and future workshops, LUNA supported the publication of 2,000 copies of a brochure on “Lao and ASEAN Economic Community 2015” and 2,000 copies of a FTPD-ASEAN Division notebook.

2. Transparency and Dispute Settlement

Activity 2.1: Support Development of a Law on Making Legislation

Report on January-March 2012 Activities. LUNA experts met regularly with the core MOJ-led drafting team for developing the Law on Making Legislation, including the Vice-Minister of Justice and senior officials from the MOJ, NA and the Prime Minister’s Office (PMO). During the week of February 6-10, 2012, LUNA supported technical working meetings by the MOJ-led drafting team to develop a full Lao language first draft of the Law. LUNA supported the MOJ to organize a 3-day retreat in Thalath, Vientiane Province, on February 29 to March 2, 2012 for the core drafting team to meet with a range of other Lao officials and LUNA experts to review the first draft Law and to make

recommendations for improvements, followed quickly by another retreat on March 9-11 in Thalath for the core drafting team and LUNA experts to further revise the draft based on input from the previous retreat. Based on the progress made at these sessions, LUNA supported a national consultation workshop in Vientiane on March 27-28, 2012 with 72 participants to facilitate input from key stakeholders on the draft law and to build public awareness of the key issues covered by this Law.

3. SPS and TBT

Activity 3.1: Support Establishment and Operation of SPS and TBT Enquiry Points and Notification Unit

Report on January-March 2012 Activities. In conjunction with the TDF, LUNA provided partial funding and in some cases LUNA speakers on international best practice for three workshops organized by MST-DSM to raise awareness among MST Departments in all provinces with regard to the WTO-TBT Agreement and the new regulations to establish and operate the TBT Enquiry Point and the SPS-TBT Notification Unit. Since the Enquiry Point will cover not only national but also provincial and local procedures and measures, TBT contact points will be established eventually in each province (initially the plan is to establish around 4 provincial contact points as a pilot project to learn more about how best to extend to all provinces). The workshops were held in Luang Prabang on January 16-17, Vang Vieng on Jan. 23, Savannakhet on Feb. 20.

Activity 3.2: Support Finalization of Regulations to Implement the Law on Standardization

Report on January-March 2012 Activities. Over these three months of 2012, LUNA met several times with the MST-DSM-led drafting team to move forward final wording of the Government Decree to Implement the Law on Standardization, which includes a number of key WTO and ASEAN requirements. The Government Decree on the Implementation of the Law on Standardization, No. 234/GoL was approved on June 6, 2012.

Activity 3.5: Support Development and Implementation Capacity of SPS-Related Regulations for the Ministry of Agriculture and Forestry

Report on January-March 2012 Activities. Benefiting from on-going LUNA support in 2011, the “Ministerial Decision on Basic Principles on the Application of Sanitary and Phytosanitary Measures in Plant and Animal Product Administration”, No. 0039/MoAF was approved on January 11, 2012.

5. Customs and the Lao National Single Window linked to the ASEAN Single Window

Activity 5.2: Support Development of the Lao National Single Window Linked to the ASEAN Single Window

Report on January-March 2012 Activities. With the USAID/ADVANCE ASEAN Single Window (ASW) Project working through the ASEAN Secretariat in Jakarta, Indonesia taking the lead, LUNA provided on-the-ground support for planning a major workshop supported by the ASW Project to review a Roadmap for Establishing the LNSW Linked to the ASW. This workshop was originally scheduled for late 2011 but was rescheduled and held on January 26-27, 2012 in Vientiane with around 80 participants.

LUNA in cooperation with the ASW Project met several times with a Ministry of Finance-led team to develop a first draft Government Decree to Implement and Operate the Lao National Single Window, which was subsequently translated in the Lao language in April. After personnel changes, leadership for drafting the decree was shifted to the Customs Department, which is in the process of developing a multi-ministry preparation team.

6. Intellectual Property Protection

Activity 6.1: Support for Revision of the Law on Intellectual Property and Preparation of Implementing Regulations

Report on January-March 2012 Activities. A major Revision to the Law on Intellectual Property was approved by the National Assembly on December 20, 2011. LUNA then shifted quickly to supporting the development of first draft regulations to implement the newly revised Law. For three weeks from March to early April, LUNA's IP expert Judy Goans worked with Ministry of Science and Technology Department of Intellectual Property (DIP) staff to organize thinking about the number and content of needed regulations, and then worked with each Division in DIP to develop the following first drafts:

- 1) Draft Regulation on Patents and Petty Patents;
- 2) Draft Regulation on Copyrights and Related Rights;
- 3) Draft Regulation on Trademarks and Trade Names;
- 4) Draft Regulation on Industrial Designs;
- 5) Draft Regulation on Integrated Circuit Layout Designs;
- 6) Draft Regulation on Data Protection and Unfair Competition (received in July); and,
- 7) Draft Regulation on Geographic Indicators.

A draft regulation on plant variety protection will be developed after the above regulations are in a more advanced state.

Activity 6.2: Support Accession to Intellectual Property Treaties

Report on January-March 2012 Activities. LUNA supported DIP to organize a workshop on March 14, 2012 to publicize Lao PDR's accession to the Berne Convention for the Protection of Literary and Artistic Works in Vientiane with around 50 participants.

(Request by MST-DIP (Copyright Office))

7. Trade in Services

Activity 7.3: Support Development of the Revision to the Law on Telecommunications

Report on January-March 2012 Activities. In March, LUNA provided the Ministry of Posts and Telecommunications with a detailed memo on the regulations needed to implement the recently approved revisions to the Law on Telecommunications and met with MPT leadership to discuss the recommendations.

Activity 7.4: Support Development of a Law on Electronic Transactions

Report on January-March 2012 Activities. Building upon strong support in 2011, LUNA translated to Lao language an initial English-language draft Law on Electronic Transactions based in large part on the UNCITRAL Model Law for Electronic Transactions. LUNA then worked closely with the MST's Department of Information Technology (DIT) to strengthen the draft Law over this period. LUNA's ICT expert John Adams supported this work during a trip to Laos from March 17 to April 3.

Activity 7.5: Law on Insurance

Report on January-March 2012 Activities. LUNA worked daily for almost two weeks with the National Assembly and Ministry of Finance to strengthen the wording of the revised Law on Insurance in February 2012, and then did an English translation of the approved revisions to the Law on Insurance.

8. Public-Private Dialogue on Trade Policy

Activity 8.2: Build the Capacity of the LNCCI to Participate More Effectively in Public-Private Dialogue on Trade Policy and to Support Trade Facilitation

Report on January-March 2012 Activities. LUNA supported Ms. Xaynari Chanthala, the LUNA-supported Legal Advisor to the LNCCI, to work 40 percent time with LNCCI leadership to support the LNCCI to develop a stronger legal analysis and policy advocacy capability. She has provided assistance to the LNCCI in their analysis of the draft Labor Law and has provided a training program for LNCCI staff on key commercial laws. LUNA has provided the LNCCI with a CD-ROM of all Lao laws, about two-thirds of which have been translated into English.