



Lao PDR Private Sector Development Project

The United Nations started in July 2006 a joint project of its Development Programme UNDP and its Industrial Development Organization UNIDO to promote private sector development in the Lao People's Democratic Republic by strengthening chambers of commerce and industry and business associations. Private sector development is recognized as the engine of growth that is essential for poverty reduction. The project strategy is based on the premise that strong and functional business membership organizations (BMOs) are essential for the development of a vigorous private business sector.

The Lao government has recognized the importance of private sector development. Both in the long-term goal of rising from the ranks of one of the world's least developed countries by 2020, and in the current five-year National Socio-Economic Development Plan, support of private sector growth is a top priority.

The Lao National Chamber of Commerce and Industry (LNCCI), key partner in the project, is undergoing an important transition from a state-supported entity to an independent, self-financing association. This change in status and funding arrangements necessitates a major restructuring of the chamber.

Project Office

Lao National Chamber of Commerce and Industry

Kaisone Phomvihane Ave.
P.O. Box 4596
Vientiane, Lao PDR

Tel.: +856 21 452 579
Fax: +856 21 452 580
Incci-eba@laopdr.com
<http://www.lncci.laotel.com>



Achievements 2006-2009

During the first project implementation phase, efforts concentrated on improvements of the legal framework for chambers and business associations. LNCCI succeeded in obtaining from the government the right to draft a new Prime Minister's Decree on business membership organizations (BMOs), the first legislative document ever drafted by a non-government organization in Laos.

After extensive discussion and multiple reviews, the Prime Minister signed the decree in November 2009. It implies the transition from a state chamber system to a Euroasian chamber system where a network of strong chambers and business associations serves as

- Platform for opinion-building and democratic decision-making within the business community
- Platform for the self-administration of the business community, increasingly taking over administrative tasks from the government
- Respected, effective, and independent advocate of business interests in legislation and the definition of government policies and strategies
- Provider of good services according to the needs of the business community.

In preparation for the transition and its new role, LNCCI has drafted a new charter and other internal by-laws, defining the structure of decision-making organs, the organization of full-time support staff, and the financial basis of the organization.

In the process, UNDP and UNIDO provide training and advice on international best practice, for example in

- Chamber and association management
- Drafting legislative documents
- Advocacy techniques
- Optimization of organizational structures
- Introducing and improving member services
- Income generating activities
- Public-private sector dialogue
- Economic research and development analysis.

Objectives 2010-2012

After the basic legal preconditions have been established, the project will intensify efforts to strengthen management capacities of LNCCI, provincial chambers of commerce and industry, and business associations, to strengthen their services to businesses, to strengthen their analytical and advocacy capabilities, and to support building new chambers in regions not yet covered.

Vientiane is one of the last capital cities of the world where a city chamber of commerce has yet to be established. In view of the large number of registered enterprises in the capital, the future Vientiane Capital Chamber of Commerce and Industry (VC³I) will quickly become the biggest and most influential chamber on provincial level in the Lao PDR. The project will assist in building this new chamber.

Project activities in the second phase of implementation will focus on supporting the transition by

- Improving capacity of LNCCI to provide good services to members
- Improving capacity of LNCCI to coordinate, guide, and provide good services to regional chambers and other business associations
- Setting up adequate working conditions and building skills of full-time staff at the new Vientiane Capital Chamber of Commerce and Industry
- Building chamber leadership skills of new board and committee members of Vientiane chamber
- Building partnerships between Vientiane chamber and other world capitals' chambers
- Cooperating with other donors' activities in capacity-building at provincial chambers, business associations and future Lao chambers abroad
- Further improving the qualification and skills of leaders and full-time staff of LNCCI according to the new role

UNDP and UNIDO are currently increasing joint fund mobilization efforts, to better support LNCCI and the Lao business community in completing the successfully initiated transition, and to contribute significantly to the country's long-term economic development goal.