

**LAO COMPETITIVENESS AND TRADE PROJECT  
ADDITIONAL FINANCING (P176856)**

**STAKEHOLDER ENGAGEMENT PLAN (SEP)  
APPRAISAL DRAFT FOR COMMENTS**

**MINISTRY OF INDUSTRY AND COMMERCE (MoIC)**

May 30, 2021

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## I. CONTEXT

1. **The objective of this Stakeholder Engagement Plan (SEP) is to structure the interactions with parties affected by or participating in the project “throughout the life cycle of the project in a manner appropriate to the nature of their interests and the potential environmental and social risks and impacts of the project.”**<sup>1</sup> The SEP defines a program for stakeholder engagement, including public information disclosure and consultation, throughout the entire project cycle. The SEP outlines the ways in which the project team will communicate with stakeholders and includes a mechanism by which people can raise concerns, provide feedback, or make complaints about project and any activities related to the project (the Grievance Redress Mechanism, GRM). The involvement of the local population is essential to the success of the project in order to ensure smooth collaboration between project staff and local communities and to minimize and mitigate environmental and social risks related to the proposed project activities. In the context of infectious diseases, broad, culturally appropriate, and adapted awareness raising activities are particularly important to properly sensitize the communities to the risks related to such diseases. This SEP adapts the COVID-19 template to a private sector competitiveness project.

2.

3. The parent project has been classified as Category C, with low environmental and social risks and did not trigger any safeguards policies. The expectation of the SEP for both the parent project and proposed AF is that implementing agencies should provide stakeholders with timely, relevant, understandable and accessible information, and consult with them in a culturally appropriate manner which is free of manipulation, interference, coercion, discrimination and intimidation. However, as an EA C category project, activities have been planned in ways that minimize risks to communities and should minimize any adverse effects.

4. The main goals of the SEP are to ensure the project’s potential stakeholders: **(i) have timely access to key project information** such as project’s goal, activities, potential project impact, potential stakeholders, including key consultation milestones; **(ii) know when and where consultation opportunities are available** for them to participate; and **(iii) participate in consultation and provide meaningful feedback** to further inform the project design and implementation process. The SEP also provides a brief description of the projects grievance redress mechanisms to be applied for any grievances relating to project investments.

5. **The proposed AF addresses the COVID-19 pandemic impacts by scaling up the existing activities and therefore has a similar low risk profile for environmental and social issues.** The AF would focus all financing and activities on aspects of the national COVID-19 response, mainly to counter the effects on the real sector and employment, as well as the challenges faced by the government to deliver necessary services to firms and their employees, with special emphasis on women-led firms. The major risk is exclusion of potential participants and beneficiaries, and this SEP sets forth the activities, principles and requirements to ensure that an inclusive approach is used during implementation. The country is characterized by marginal rural zones, small secondary cities and two primary cities (Vientiane and Luang Prabang) so the SEP is tailored to the national reality. The parent project’s innovative “gender infrastructure” has proven effective, with focal points in the implementing agencies and gender-sensitive outreach beyond the capital. This system will be extended during AF implementation. The proposed AF will use existing tools (grievance redress mechanism at both project and BAF matching grant levels) and the gender infrastructure. As scale increases, these and other methods mentioned below will be

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<sup>1</sup> The World Bank Environmental and Social Framework, Page 22, paragraphs 51-53. (World Bank, 2017)

strengthened. During AF implementation if the risks of exclusion of a group or segment of the population should change, the SEP will be adjusted in terms of activities, indicators, budget and outreach.

6. **Stakeholder engagement within this broader country context demands close collaboration with on-ground implementation partners who have proven capability to reach a large audience as the project increases with the scaling up AF.** It will be important to conduct iterative consultations throughout the project's life cycle with attention to vulnerable populations and groups prone to exclusion, be that for reasons of gender, orientation, age, ability, religious beliefs, and/or ethnicity.

7. **The recent Mid-term Review of the Project provided an opportunity to meet with a broad range of stakeholders in the Government agencies and private sector, including a sample of firms participating in the as BAF matching grants system.** The lessons learned from parent project implementation have been included in this stakeholder engagement plan (SEP). Nonetheless, given the limitations established on large scale consultation events due to the COVID-19 pandemic, smaller meetings were used to gather inputs, concerns, perceived risks, and recommendations for improvements. This is a scaling up AF, so no new stakeholders were identified.

## II. PROJECT DESCRIPTION

8. **The Project Development Objective (PDO) of the Lao PDR Competitiveness and Trade Project (LCTP) is** "to simplify business regulations, facilitate trade, and improve firm-level competitiveness". The project has four components: Pillar A – Improving the Business Environment; Pillar B – Facilitating Trade and Connecting to Markets; and Pillar C – Improving Firm-Level Competitiveness and Pillar D – Supporting Better and More Inclusive Policies. The MOIC is the lead implementing ministry for the project. The Project is co-funded by the World Bank (US\$10 million), and Australia, Ireland, and USAID through a Multi-donor grant (US\$3 million). The project was approved by the Bank on September 27, 2018 and became effective on December 10, 2018. The current closing date is December 31, 2022.

9. **The proposed AF would maintain this PDO,** scaling up activities based on the lessons of the midterm review (February 2021), consultations with stakeholders and counterparts undertaken at that time, and reflecting the significant effects of the COVID-19 pandemic. The PDO for the AF will be the same as the parent project. However, the AF is a response to the COVID-19 pandemic and will focus on improving the resilience of primarily those firms directly affected by COVID-19.

10. Progress towards the PDO will be measured via the following key results: (a) time needed to start a business, (b) time to prepare documentary requirements for imports and exports, and (c) sales growth in BAF-supported firms compared to non-supported firms.

11. The parent project aims to achieve its objective through four pillars (equivalent to components): (1) improving the business environment; (2) facilitating trade and connecting to markets; (3) improving firm-level competitiveness; and (4) supporting better and more inclusive policies, as described below. The proposed AF has the same activities organized in the four pillars, scaling them up significantly to meet the added stresses due to the COVID-19 pandemic's effects on government services, the real sector and jobs.

- **Pillar A: Improving the Business Environment.** The objective is to eliminate barriers to business entry and operations in Laos. The three subcomponents are: (a) Making it easier to start a business; (b) Streamlining of and Publishing Operating Licenses; and (c) Supporting Broader Business Reforms.
- **Pillar B: Facilitating Trade and Connecting to Markets.** The objective is to advance trade facilitation reforms and reduce time, document required and cost of trading across borders. The component has

two subcomponents: (a) Support for the National Trade Facilitation Committee and Secretariat; and (b) WTO Trade Facilitation Agreement Challenge Facility

- **Pillar C: Improving Firm-level Competitiveness – Business Assistance Facility.** The objective of this component is to support individual private enterprises with business development services through a matching grant facility and help them raise their competitiveness. An exclusion list in the BAF Operation Manual ensures that the selected firms have no to minimal no environmental risks, and that the firm has adequate mitigation measures in place or planned to minimize the potential impact. The BAF screening system is sector agnostic. Thus, eligible firms include any private company or SME operating in any sector but the following excluded sectors— weapons, alcohol or tobacco; financial sector; telecommunications sector; mining or resources extraction sector; power generation and distribution. State-owned enterprises are not eligible—and as long as the technical, business, and environmental and social filters are met. If a manufacturing firm has negative environmental impact issues or risks, it would be rejected under the review system already in place.
- **Pillar D: Supporting Better and More Inclusive Policies.** There are three subcomponents: (a) Project Management and Coordination; (b) Improving Policy Making and Transparency; and (c) Supporting Public-Private Dialogue.

### III. IDENTIFICATION OF STAKEHOLDERS

12. There are four groups of stakeholders. The first group is an affected party consisting of private sector firms, especially those affected by the COVID-19 pandemic. New firms will benefit from easier registration, and existing firms will have a more efficient way to meet government requirements. A subset of firms will benefit from improved trade facilitation practices. Another group of firms will receive business development support, from consultations to matching grant assistance, based on a technical and competitive process. The second directly affected group would be workers who are able to maintain their jobs given the project support and may gain new skills due to new ways to do business as a result of the pandemic. The third group of directly affected stakeholders are government officials and staff that will be trained to develop and implement new systems, gaining new skills. Finally, the fourth group of stakeholders is the public, which would benefit indirectly from greater economic diversity and efficiency in the form of new products and services. A subset of the public, firms and workers are the disadvantaged and vulnerable populations in the country. For this reason, a broad communications strategy with public announcements and materials from before the date of AF effectiveness will be undertaken. All of this will be done with due regard to the welfare of stakeholders due to the risk of COVID-19 pandemic. Given the low level of social and environmental risk, the effects on stakeholders will be largely positive. The grievance redress mechanism will be an appropriate channel for identifying any issues raised by stakeholders related to project activities.

13. Consultations were carried out in April and May 2021 with government authorities and the private sector in preparation for this SEP as well as the appraisal and final design of the AF. These consultations are summarized below in Annex 1 and 2. All consultations were carried out virtually due to a significant increase in COVID-19 cases and a national lockdown. The NIU organized the eight consultation meetings with key implementing agencies to introduce the key concept of the SEP and ESAP and gather their feedbacks. No major comments were received during the whole consultation process, partly because key principles outlined in the two documents such as inclusiveness, gender equality, GRM, communications strategy, gender action plan were regularly discussed during implementation of the LCT project, especially during project implementation support missions and comprehensive mid-term review which took place in early February, 2021. Minor comments on the two draft documents were shared with WB Task team after the consultation process. These comments are mainly related to implementation arrangement

between NIU and IAs and some specific inclusiveness and gender targets proposed in the documents. (see detailed comments attached).

#### **IV. ENVIRONMENTAL & SOCIAL IMPACTS AND INHERENT RISKS AND MITIGATION MEASURES**

14. **Methodology:** Project-related and inherent risks were determined by: (i) screening the project activities against the World Bank’s Environmental and Social Safeguards<sup>2</sup>; (ii) considering the findings of the review on risks identified during implementation supervision of the parent project as well as the February 2021 midterm review (MTR), and (iii) consultations carried out during the MTR. Standard principles such as the “do no harm” principle and ensuring inclusivity and equity have been taken into account, in light of COVID-19 limitations and the existing national legal and regulatory framework. During the midterm review, each pillar was reviewed with stakeholders to make sure that any existing risks were being mitigated effectively, and any new risks due to scaling up could be identified. The parent and proposed AF are national in scope, so no specific regional targeting issues and risks were considered. However, regions of the country that may not be as well informed about project activities, requirements and benefits will be included in the communications strategy and inclusion strategy discussed below.

15. **Potential Negative Project Impacts and mitigation measures.** As a Category C project and potential AF project, there are no civil works, no infrastructure development, and no change in land use or voluntary or involuntary resettlement. The relatively minor potential negative impacts are presented below and will be monitored by the National Implementation Unit on a regular basis and will be discussed and assessed during Bank implementation missions.

- **Social and environmental and community health and safety risks, and occupational health and safety (OHS) risks.** Impacts related to the social risks could include the following: Impacts relating to mistargeting and the lack of transparency and discrimination marginalized groups; and corruption in selection of the matching grants (BAF) recipients; and effects of sexual abuse and exploitation (SEA), as well as sexual harassment (SH). Given COVID-19 effects, all interactions with communities and firms will take the necessary precautions to minimize exposure and contamination, including social distancing and personal protective equipment.
- **E-waste.** The parent and proposed AF will help implementing agencies to update systems, including computers, printers, scanners and other IT equipment. However, the scale of the change is relatively small and the counterparts would retain the out of use equipment until Lao PDR has proper disposal facility. Alternatively, the client may explore, suppliers taking it back after computer life span.

**Occupational and community Health and Safety risks.** There are three types of workers involved in the project: (i) government civil servants, (ii) consultants and (iii) BAF-supported employees and managers. All contracts with civil servants are covered by national labor laws and the existing grievance Mechanism. For project consultants, the terms of reference should include reference to national laws and the expectations of fair treatment and safety precautions for the Bank-supported project. Terms of reference will also include a Code of Conduct aimed at preventing & mitigating risks related to SEA/SH, including SEA/SH-related definitions, core principles, enforcement mechanisms, and sanctions, with linkages to the

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<sup>2</sup> Under the COVID-19 waiver, the project uses the safeguards system in place before the ESF, adding instruments such as the SEP, the Environmental and Social Action Plan (ESAP), and a “safeguards plus” approach that include sexual exploitation and abuse as well as sexual harassment, and considerations of labor issues for workers involved in project activities.

project's existing GRM. Finally for Pillar C (BAF II), there is a separate grievance redress mechanism (GRM) for firm's management to share concerns and complaints. However, the workers of those BAF supported grantee firms are instructed to channel their concerns and complaints, if no resolution was reached with their management, to the project office in the National Implementation Unit in the Ministry of Industry and Commerce (MoIC), or through national legal channels, if workers decide to go to the Ministry of Labor and Social Welfare (MOLSW) .

**V. SEP PRINCIPLES**

Stakeholder engagement under the project will be based on the following principles:

- **Inclusivity and sensitivity:** the approach used to engage stakeholders and method(s) of communication will be adapted to each group in a manner respectful of and sensitive to their unique needs. Under the parent project, engagements have been tailored based on information from stakeholder interactions and will be expanded to be more inclusive in the proposed AF. Access to information through the communications strategy will be equitable, with special means used to reach vulnerable groups.
- **Openness and life-cycle approach:** public consultations for the project will be iterative in nature and continue for the entirety of the project lifecycle, from preparation through implementation. Stakeholder engagement will be meaningful and free from manipulation, coercion, elite capture, and intimidation.
- **Meaningful, informed participation and feedback:** information will be provided and widely distributed among all stakeholders in an appropriate and understandable format (e.g. local language when applicable, in-person, telecommunications, etc.). Information must be shared in a timely, relevant, understandable, and accessible way, with opportunities for stakeholders to raise concerns and offering enough time to ensure that feedback is taken into consideration during decision making.
- **Gender sensitivity and social inclusion:** Consultations will be organized during the project cycle, to ensure that both women and men, as well as indigenous people have equal access and active participation to the project activities. The project partners will hold separate meetings and focus group discussions for women and men with facilitators from the same sex as the participants to guarantee their active engagement. Special care will also be placed in discussing sensitive topics such as SEA/SH, among others.

**VI. THE ELEMENTS OF THE SEP.**

There are four pieces to the SEP, and each is summarized below: (i) an inclusion strategy building on the existing gender infrastructure, and including a new set of labor practices for consultants and workers in the operational manual and terms of reference of contracts, linked to existing national policies, laws and regulations, (ii) set of related grievance mechanisms, (iii) a communications strategy, (iv) COVID-19 communications and stakeholder interaction practices

**A. Improving Inclusion through strengthened mechanisms and stronger outreach**

There are four improvements that will increase outreach to potential project beneficiaries.

1. **Building stronger local alliances with civil society and private sector organizations.** As Pillar C (BAF II) increases outreach in Vientiane Capital and secondary cities, there is an opportunity to work with established representative organizations, such as sectoral or regional business chambers, associations, and community groups to ensure more effective outreach to firms that meet the eligibility requirements. Special efforts will be made to work with organized groups that include women a facing competitiveness challenges. Such local allies include offices of the regional Lao Business Women’s Association, the National Commission for the Advancement of Women and Mothers-Children (NCAWMC) and the Chambers of Commerce and Industry of Luang Prabang, Savannakhet and Champasack provinces, among others. Representative sectoral bodies such as chambers and associations are also stakeholders and are consulted and informed routinely by project implementing agencies (coordinated by the NIU).
2. **Code of Conduct for procurement of business services and consultants.** The project does not include civil works, but does procure products and consulting services. While the parent project has not faced complaints or issues related to abuses (for instance in sexual exploitation, abuse or harassment), a code of conduct will be developed for inclusion in all consultant terms of reference and good procurement contracts. This code of conduct will be retrofitted into active consultant contracts and included in the project operational manual for future updating as needed. The code will build on best practices from both WBG and other agencies (UN Human Rights Council, UNICEF etc.), including practices emerging from relevant WBG projects, and will tentatively cover SEA/SH-related definitions, core principles, enforcement mechanisms, and sanctions, among other areas. For enforcement purposes, specifically, various options will be explored including ad-hoc action plans and task forces – linkages will then be explored with the existing LCTP Grievance and Redress Mechanism (GRM) -which will be strengthened and expanded in scope so to specifically cater for SEA/SH survivors-, and major emphasis will be placed on dissemination, as part of broader awareness-raising efforts planned under the proposed LCTP Communications Strategy.
3. **Diversified communications strategy.** The strategy will identify channels, alliances, targeted messages (by pillar) and financing needs for a three to five year plan to share opportunities with different segments of the population through appropriate means. The AF will include a dedicated budget in the annual workplan for implementation of the strategy (under Pillar D). Radio campaigns, roadshows (post-COVID-19), meetings hosted by local allies, and the use of local languages and gender-sensitive messaging, along with ad-hoc, non-verbal dissemination channels (music videos, SMS-based campaigns etc.) targeting end beneficiaries with low literacy levels, will improve the outreach of project services. (See below for principles and additional information.)
4. **COVID-19 considerations.** Consultations will include necessary precautions to prevent spread of COVID-19. Specific considerations for selecting channels of communication, given the current COVID-19 situation, are described below. Traditional channels can also be highly effective in conveying relevant information to stakeholders, allowing them to also provide feedback and suggestions.

**B. Grievance Mechanism System (GRM).** There are four nested GRMs that serve different purposes and provide specific channels of communications of concerns and complaints. The first is specific to the BAF II Pillar. The current system uses a web-based platform to receive complaints from firms, workers, and applicants that did not qualify for a matching grant under Pillar C. The second level is at the project level, and was established by the parent project. It will be strengthened by the proposed AF. It is web-based and monitored by the National Implementation Unit of the MoIC. The third level is the national level,



where any project or activity can generate complaints. Finally, the fourth is the standard World Bank GRM described in the publicly available Project Appraisal Document, which includes on-line sites (including the World Bank country website). With the parent project, the only grievances received related to minor procurement issues (1) and the BAF II management contract award.<sup>3</sup> The grievance was addressed adequately and did not lead to an escalation of complaints. The grievance was not related to gender issues (SEA/SH, GBV) or exclusion due to religious, indigenous or ethnic background or related reasons.

**C. Communications Strategy.** There will be a dedicated budget for the new communications strategy. It will be managed by the NIU, with recommendations made by a private consultant or firm. It is expected to be in place within four months of proposed AF effectiveness. The Strategy has ten principles that will guide the activities, including the following:

1. Inclusive (to reach all eligible and potentially affected firms, workers, parts of the country)
2. Expertise (action plan will identify gaps in communications messages, methods)
3. Dedicated budget in the project to finance the communications strategy and actions
4. Efficiency (estimated timeline to move from principles to consultations to actions)
5. Focal points would play a role in operation of communications strategy
6. Various communications channels used to reach different groups that could be excluded
7. Pillar-specific and Project level messages
8. NIU coordination of the communications strategy
9. Lessons learned from project approach to gender inclusion built into the communications work
10. Communications strategy as a living document and process, able to adjust to project implementation lessons

#### **D. COVID-19 Communications and Stakeholder interaction Practices.**

16. Given the effects and limitations of the pandemic, special rules of engagement with stakeholders will be used until normal conditions resume, such as: (i) Avoid public gatherings (taking into account national restrictions or advisories), including public hearings, workshops and community meetings; (ii) If smaller meetings are permitted/advised, conduct consultations in small-group sessions, such as focus group meetings and deploy good hygiene practices. If not permitted or advised, make all reasonable efforts to conduct meetings through online channels; (iii) Diversify means of communication and rely more on social media and online channels. Where possible and appropriate, create dedicated online platforms and chatgroups appropriate for the purpose, based on the type and category of stakeholders involved; and (iv) Employ traditional channels of communications (dedicated phone-lines, radio, television, newspaper, and mail) when stakeholders do not have access to online channels or do not use them frequently.

17. During the COVID 19 the prevention measures of social distance have already affected the parent project communications activities. For this reason, a more formal communications strategy is under development for the potential AF. The guiding principles for effective communications and outreach under COVID-19 include the following:

- **Clarity:** the objective of communication and the audience must be clear.
- **Accessibility:** communication must be accessible with effective channels identified to make information available to all, particularly historically underserved and vulnerable groups.

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<sup>3</sup> No complaints were formally received through BAF GRM. Complaints were shared through a third party and all were from firms that had not met or interacted with the BAF team. As such, these are not formally considered complaints.

- **Actionability:** communication must indicate how audiences can move toward action or incite action directly; this may include designing a behavior change campaign and/or encouraging action during a health emergency.
- **Credibility:** communications must come from trustworthy sources, following the local standards for trusted forms of communication, establishing technical accuracy, transparency, coordination with partners, and communicating as one consistent message from an agreed-upon entity.
- **Relevance:** communications should be tailored to include only the most relevant content, specific to the audience. This requires knowing the audience, listening to the audience, tailoring the message to the audience, and then motivating the audience to take part in and provide feedback.
- **Timeliness:** communications must be timely, which means communicating what is known at the right time (rather than leaving stakeholders to speculate) and keeping a continuum of conversation.
- **Comprehensibility:** wherever possible, simple language is preferred, relating the message to the stakeholder's context using visual and local/familiar language.
- **Monitoring, Evaluation and Learning:** communications must be iterative in nature and develop through a feedback loop provided by regular monitoring, evaluation, and incorporation of lessons-learned into future iterations.
- **Compatibility of Partner Communications:** ensure adequate exploration of the various communication functions and units of the implementing partners, including changes and how such functions would be relevant to the proposed project.

## **VII. Information to be disclosed with timing of disclosure to stakeholders.**

18. Since the AF builds on the sound performance of the existing parent project, there is already a communications strategy in place under Pillar D. However, given the limitations imposed by COVID-19, more on-line and mass media approaches will be required. Firms will be informed directly and through associations and sectoral organizations, learning about objectives, requirements, and the ways to apply for consulting support from BAF II and financing (Pillar C). Information will be provided on publicly available official websites for business registration and trade facilitation on an ongoing basis. These sites offer templates, instructions, guidance and contact information for firms to meet requirements and provide supporting documentation. There will be timely outreach to vulnerable and disadvantaged firms to ensure that they are informed about the requirements for business consulting and other support. BAF business consultant staff are all women, making it easier to reach out to firms owned and managed by women. Reports generated from the monitoring system (Pillar D) will be shared with the public as well.

## **VIII. MONITORING & REPORTING**

19. Monitoring and reporting of safeguards and stakeholder engagement will be conducted periodically throughout the project. As the SEP is a living document, it will be updated during implementation as necessary, in a manner acceptable to the World Bank. Any major changes to the project-related activities and to implementation schedule will be duly reflected in the SEP. The NIU will prepare and submit regular reports to the World Bank, as well as annual SEP implementation reports which include information on the GRM. The summaries will provide a mechanism for assessing both the number and the nature of complaints and requests for information, along with the Project's ability to address those issues in a timely and effective manner.

20. Monitoring will take place on three levels. First, monitoring of technical results based on the estimated times in the results framework will be shared with stakeholders and the public. Second, the

project will monitor the efficiency and effectiveness of government service provision and services provided by BAF. Finally, grievances and other inputs from stakeholders (direct, indirect and disadvantaged and vulnerable groups) will be received and analyzed. Whether it is Pillar A support for business registration, Pillar B support for trade facilitation, or Pillar C BAF II work with SMEs, monitoring will be openly shared. The World Bank task team will also monitor the efficiency and effectiveness of project implementation.

**IX. Action Plan -- Specific Activities (by Pillar) for first year**

<b>Pillar</b>	<b>Key Year 1 Activities</b>	<b>Responsible party</b>
Pillar A – Business Registration	Rebranding of offices will improve accessibility On-line platform helps business operators to minimize COVID-19 exposure	NIU in coordination with DERM and other implementing agencies involved in Pillar A
Pillar B – Trade Facilitation	Improved platforms will improve accessibility On-line platform helps business operators involved in trade transactions to minimize COVID-19 exposure	NIU in coordination with DIMEX and sub-implementing agencies involved in Pillar B
Pillar C – BAF II	Improvements to BAF II’s GRM Increased use of local language materials, where appropriate. Continue radio and local level language outreach. Identify local NGOs, institutions and other bodies outside of Vientiane capital for expanded local outreach	BAF II management team and NIU
Pillar D – Project Coordination	Improvements to the project level GRM Improvements to project level communications strategy Implementation of the inclusion activities	NIU

**X. Budget**

21. The project will have a clearly dedicated budget for each of the activities listed in Section VII above. For the first 18 months, the estimated amount is US\$1,000,000 and it will be managed by the NIU Director. The use of the funds, the progress of the activities, and the assessment of impacts will be monitored by the NIU and shared regularly with the World Bank task team.

## Annex 1: Table of Specific Activities Undertaken and Planned

	Actions	Deadline	Responsibility
<b>Pillar A</b>			
1	<p>Add a new activity in annual workplan to finance individual consultants to assist DERM in drafting revision of Enterprise Law and check point mid-April on work done.</p> <p>Consultants would receive a copy of the code of conduct and SEA/SH requirements, as well as information on the GRM.</p>	April – May 2021	NIU
2	<p>Create a project team to implement activities under Pillars A1 and A2, including an IT staff to support the online business registration portal and a non-IT staff to update content of OL portal</p> <p>The project grievance mechanism would be included in the updated portal</p> <p>The SEA/SH requirements of the project would be included to inform businesses registering on-line</p>	April – May 2021	DERM/MOIC
5	<p>Adopt a list of 20 priority licenses to be simplified in the remainder of the project (9 currently selected plus 11).</p> <p>Ensure that there is equal access to information on the priority licenses (as part of the project inclusion strategy)</p>	30-June-21	Inter-ministerial OL task force
6	Adopt a list of priority MOIC operating licenses to be streamlined in the short-term (6 months-1 year)	30-Apr-21	MOIC OL task force
7	Finalize a draft CF proposal on Getting Credit and submit the draft to IPD	30-Apr-21	BOL, MOJ
8	Develop key performance indicator (KPI) to incentivize line agencies to advance reform and enhance accountability under PM order #2 and # 3	30-Jun-21	IPD secretariat
9	Issue guidelines for updating the operating licensing portal	30-Jun-21	DERM/MOIC
10	Propose to government to consider the establishment of a centralized authority to coordinate broader licensing reforms	30-Jun-21	MOIC/NIU
<b>Pillar B</b>			
1	Share the modalities for LTP to migrate to new platform developed by WBG.	30-Mar-21	WB team

2	Provide detailed information of the UNCTAD's existing support for ASYCUDA maintenance and a list of needed upgrades of ASYCUDA modules (i.e. warehouse management, valuation, manifest and risk management) and needed programming modification of the ASYCUDA.	26-Feb-21	LCD
3	Provide an update of the accrual account of the ASYCUDA user fees	26-Feb-21	LCD
4	Prepare a list of investment items and costs for LCD in expanding its TFA CF proposal	26-Feb-21	LCD
5	Prepare a list of investment items and costs for DIMEX in strengthening the capacity of DIMEX to support and expand their provincial TFC engagement and development and implementation of a software (case management) solution for NTFC	5-Mar-21	DIMEX
6	Follow up with sub-IAs to prepare submission of CF proposal extension and additional budget to cover activities impacted by Covid-19	30-Jun-21	DIMEX, NIU
7	Make a decision on the final submission of the DOSM's CF proposal	26-Feb-21	DOSM through DIMEX and NIU
8	Support the submission and consideration of an additional CF proposal from the Ministry of Energy and Mines	30-Jun-21	MEM through DIMEX and NIU
9	TF Secretariat to strengthen engagement with the Ministry of Home Affairs (MOHA) to achieve resolution of the continuing presence of some government agencies at border checkpoints while strengthening CIQ for operational and organizational efficiency at high priority checkpoints	30 April 2021	DIMEX/MOHA
<b>Pillar C</b>			
1	Review BAF II operating manual in the preparation of COVID-19 waiver for Additional Financing	15-Mar-21	WB team
2	Confirm USAID LBE Project operates, as agreed in principle, such that there is no direct competition between the subsidies it offers to firms and the grants offered by BAF II.	30-Apr-21	BAF Team Leader, NIU

3	Prepare quarterly progress reports indicating what percentage of team time is spent on advisory versus administrative work.	Quarterly	BAF team
<b>Pillar D</b>			
1	Prepare a COVID-19 waiver for Additional Financing	15-Mar-21	WB team
2	Draft AF paper with inputs from all counterpart and share with MOIC	30-Mar-21	WB team
3	Prepare a list of investment items and costs for NIU in strengthening its monitoring capacity and quality oversight capacity.	30-Mar-21	NIU
4	Finalize and launch gender study	31-Mar-21	NIU
5	Produce a comprehensive gender capacity building plan targeting NIU staff and IA gender focal points	30-Apr-21	NIU
6	Share ToRs for comments and no objection for communications firm to lead dissemination activities under Pillars A, B, D	30-May-21	NIU, WB team
7	Deliver regular gender-sensitive dissemination activities, including with technical assistance (TA) from an external communications firm	June 2021 onwards	NIU
8	Prepare ToRs for comments and no objection to set up an LBF research fund for trade and business-related reform to be researched and presented at the LBF and to relevant working groups.	30-May-21	LNCCI LBF Secretariat, NIU, WB team

## Annex 2: Consultations held by the Government with stakeholders

Following these consultations and activities outlined in Annex 1, additional consultations were carried out in April and May 2021 with government authorities and the private sector in preparation for the appraisal and final design of the AF. These consultations are summarized below. All consultations were carried out virtually due to a significant increase in COVID-19 cases and a national lockdown.

- Based on broadly agreed principles, WB Task team prepared draft SEP and ESAP and shared them with NIU on April 20, 2021. After initial review and internal discussions within NIU, the two draft documents were officially shared with 05 implementing agency, including LNCCI and 07 sub-implementing agencies for their review and feedbacks.
- In order to make sure key project stakeholders are properly consulted on the key contents of the SEP and ESAP under lockdown environment, NIU organized the following consultation meetings with key implementing agencies to introduce the key concept of draft SEP and ESAP and gather their feedbacks<sup>4</sup>:

Date	Time	IAS/Sub-IAs	Format of meeting
May 06, 2021	09:00-10:30	BAF Team	Virtual via zoom
May 06, 2021	14:00 – 16:00	LBF Secretary / LNCCI	Virtual via zoom
May 10, 2021	09:00-11:00	DERM	Virtual via zoom
May 11, 2021	09:00-11:00	DIMEX	Virtual via zoom
May 11, 2021	13:30 – 16:00	LCD	Virtual via zoom
May 12, 2021	09:00 – 10:30	IPD	Virtual via zoom
May 12, 2021	10:30 – 12:00	DOL	Virtual via zoom
May 21, 2021	09:00 – 10:30	Law Review and Assessment Dept., MoJ	Virtual via zoom

<sup>4</sup> IAS/Sub-IAs' project teams are led by DG or DDG or relevant departments and consist of heads of relevant divisions and technical officers. LBF Team is led by LNCCI Secretary General.

The Overall consultation process was very extensive and inclusive, especially in the lockdown environment. No major comments were received during the whole consultation process, partly because key principles outlined in the two documents such as inclusiveness, gender equality, GRM, communications strategy, gender action plan were regularly discussed during implementation of the LCT project, especially during project implementation support missions and comprehensive mid-term review took place in early February, 2021. Very minor comments on the two draft documents were shared with WB Task team after the consultation process. These comments are mainly related to implementation arrangement between NIU and IAs and some specific inclusiveness and gender targets proposed in the documents. (see detailed comments attached).