



PRESS RELEASE

UNITED NATIONS DEVELOPMENT PROGRAMME, VIENTIANE, LAO PDR
UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION, VIENNA, AUSTRIA

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

JOINT UNDP/UNIDO TECHNICAL ASSISTANCE PROJECT OFFICIALLY SIGNED

Vientiane, 31 July 2006

The Committee for Planning and Investment (CPI), the United Nations Development Programme (UNDP) and the United Nations Industrial Development Organization (UNIDO) signed today a technical cooperation agreement to promote private sector development (PSD) in Lao PDR through the strengthening of business membership organizations (BMOs), encompassing chambers of commerce and industry (CCIs) and business associations (BAs). The activity with a scheduled duration of four years and an overall budget of US\$ 2.3 million has been devised jointly by UNDP and UNIDO in the context of a cooperation agreement concluded between the two organizations to spur PSD in the developing countries.

The project has been designed to provide advisory and capacity-building services to improve the performance of the Lao National Chamber of Commerce and Industry (LNCCI), seven provincial CCIs and five sectoral business associations.

Support for the selected BMOs will be directed towards three areas: internal management and operations, the provision of services to members, as well as improved capabilities to undertake advocacy. Work will be supplemented by an applied strategic research component – with activities to be driven by the National Economic Research Institute (NERI) – that is meant to bridge knowledge gaps and improve understanding on particular needs identified by the Government and the BMOs during the course of the project. This component will also seek to optimize the use of existing research findings in Lao PDR on key issues related to private sector development and economic governance with the aim to provide a scientific basis for policies to be implemented under the ambit of the Lao National Socio Economic Development Plan (2006 – 2010).

As regards the BMO capacity-building component, the Lao National Chamber of Commerce and Industry (LNCCI) will serve as major partner through which the assistance will be extended in two phases: a one-year initiation phase which will include the final selection of target BMOs, and a subsequent three-year main phase for deploying the full range of technical support, comprising classroom and on-the-job training, coaching services as well as organizational and management upgrading assistance.

Overall, the project rests on the premise that strong and fully functional BMOs are essential for the development of a vigorous private business sector, as solidly demonstrated the world over. Directing project support to those BMOs in Lao PDR which show the greatest scope, potential and commitment for affecting positive change for their members – with emphasis on small and medium enterprises (SMEs) – is thus expected to contribute to the accelerated development of the country's private sector, as would be reflected in increasing employment and income generation opportunities.

The Lao authorities are committed to join the ongoing fund mobilization efforts for this joint UNDP/UNIDO activity and in this context will shortly approach the donor community with more detailed information.

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