

**Ministry of Industry and Commerce**  
**MSME Access to Finance for Emergency Support and Recovery Project**  
**(MSME A2F-ESR), Project no. P174169**

**REQUEST FOR EXPRESS OF INTEREST**  
**(INDIVIDUAL CONSULTANT)**

**National Consultant for amendment of the Decree on SME**  
**Classification No.25/Gov, Dated 16 January 2017**  
**(REF No. LA-DOSMEP-3.3.5-CS-INDV)**

The Government of Lao PDR received financing from the World Bank Group's International Development Association (IDA) for the project to assist Micro, Small and Medium Enterprises (MSMEs) and the Financial Sector, specifically Participating Financial Institutions (PFIs). The project's development objective is to provide long-term funding sources for banks to provide long-term credit to small and medium enterprises (MSMEs) to overcome the impact of the COVID-19 pandemic. Negative impacts of the global COVID-19 pandemic are expected to exacerbate Lao PDR's weak fundamentals and lead to a deterioration in the macroeconomic situation, including the SME and Financial sectors. The project aims to strengthen the capacity of financial institutions and MSMEs to sustain operations and recover from the COVID-19 emergency. The project is to support the recovery and growth of privately-owned MSMEs by increasing the supply of long-term finance provided by commercial banks and by strengthening the capability of Department of SME Promotion (DOSMEP) to formulate and implement public policies that promote access to finance for MSMEs and strengthen the banking sector to recover from the effects of the COVID 19 Pandemic.

The project includes three components: (i) Emergency and Recovery Line of Credit to MSMEs; (ii) Strengthening BOL Capacity to Supervise PCG Facility; (iii) Technical Assistance (TA) and Project Management which notably support capacity building of MSMEs, PFIs and DOSMEP. Particularly, a subcomponent of TA is to support DOSMEP to formulate and improve the SME development strategy, relevant legislations by engaging consultants.

The required service is a Part-time National Consultant to be managed and selected by DOSMEP according to the "World Bank Procurement Regulations for IPF Borrowers" dated July 2016, revised November 2017 and August 2018 edition".

Decree on Small and Medium Enterprise Classification No. 25/GOL was formulated on 16 January 2017 to classify enterprises into three categories, namely Micro, Small, and Medium Enterprise, in accordance with Article 2 of the Law on SME Promotion No. 11/NA, dated 21 December 2011. However, in order to cope with a fast-changing economy and social-economic development, in 2022, the Law on SME Promotion has been improved to be more comprehensive and aligned with multiple national development plans, particularly with the 9th Five-Year National Social-Economic Development Plan (2021-2025). As a result, Decree on Small and Medium Enterprise Classification is required to be amended based on the amendment of the Law on MSME Promotion to appropriate social-economic development, achieving the implementation of MSME Development Plan 2021-2025 and contributing to the development of MSMEs.

Under the Component 3 of the project, DOSMEP intends to recruit an experienced National Consultant to support DOSMEP in amending the technical content of the Decree on SME Classification to be more practical in local and regional contexts.

The estimated input for this assignment is 2 person months over a period of 10 weeks on a part time basis due to the process of amendment of decree. The assignment has to be commenced as soon as possible but not later than mid July 2022. Full TOR can be accessed at the DOSMEP's website: <http://dosmep.org/vacancies/>

In order to qualify for this position, the candidates shall meet the following experience and competence requirements:

- Master degree in Economic, Business Administration, Public Policy Development, or other relevant disciplines;
- More than 5 years of experience with both public and private sectors development in Laos, preferably MSME promotion with focus on policy and strategy of MSME development;
- More than 5 years of experience working in economic policy analysis and RIA;
- Having similar assignments performed in the past 5 years for government or donor funded projects will be an asset;
- Good understanding of the current MSME development in Laos will be an asset;
- Excellent report writing, analytical and presentation skills;
- Excellent interpersonal skills and willingness to work as part of the team;
- Proficiency and fluency in English language.

The Consultant will be selected in accordance with the “World Bank Procurement Regulations for IPF Borrowers”, July 2016, revised November 2017 and August 2018, under Individual Consultants (IC) selection method. The attention of interested Consultants is drawn to Section III, paragraph 3.14, 3.16 and 3.17 of the said Regulations, setting forth the World Bank's policy on conflict of interest.

The MSME A2F-ESR now invites interested applicants to submit the express of interest and provide information indicating that you are qualified to perform the services (curriculum vitae with expressions of interest and references). Interested Applicants may obtain further information at the address below. Expressions of interest must be delivered application documents to the address below or no later than **August 15, 2022, 16:00 o'clock** (submissions via email are also acceptable). Only Short-listed candidates will be contacted.

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**MINISTRY OF INDUSTRY AND COMMERCE  
DEPARTMENT OF SME PROMOTION**

**MICRO, SMALL AND MEDIUM ENTERPRISES ACCESS TO FINANCE -  
EMERGENCY SUPPORT AND RECOVERY  
PROJECT (MSME A2F- ERSR PROJECT) IN LAO PDR**

**TERMS OF REFERENCE  
REF No. LA-DOSMEP-3.3.5-CS-INDV**

**National Consultant for amendment of the Decree on SME  
Classification No.25/Gov, Dated 16 January 2017**

**1. Background**

The Government of Lao PDR received financing from the World Bank Group's International Development Association (IDA) for the project to assist Micro, Small and Medium Enterprises (MSMEs) and the Financial Sector, specifically Participating Financial Institutions (PFIs). The project's development objective is to provide long-term funding sources for banks to provide long-term credit to small and medium enterprises (MSMEs) to overcome the impact of the COVID-19 pandemic. Negative impacts of the global COVID-19 pandemic are expected to exacerbate Lao PDR's weak fundamentals and lead to a deterioration in the macroeconomic situation, including the SME and Financial sectors. The project aims to strengthen the capacity of financial institutions and MSMEs to sustain operations and recover from the COVID-19 emergency. The project is to support the recovery and growth of privately-owned MSMEs by increasing the supply of long-term finance provided by commercial banks and by strengthening the capability of Department of SME Promotion (DOSMEP) to formulate and implement public policies that promote access to finance for MSMEs and strengthen the banking sector to recover from the effects of the COVID 19 Pandemic.

The project includes three components: (i) Emergency and Recovery Line of Credit to MSMEs; (ii) Strengthening BOL Capacity to Supervise PCG Facility; (iii) Technical Assistance (TA) and Project Management which notably support capacity building of MSMEs, PFIs and DOSMEP. Particularly, a subcomponent of TA is to support DOSMEP to formulate and improve the SME development strategy, relevant legislations by engaging consultants.

The required service is a Part-time National Consultant to be managed and selected by DOSMEP according to the "World Bank Procurement Regulations for IPF Borrowers" dated July 2016, revised November 2017 and August 2018 edition".

Decree on Small and Medium Enterprise Classification No. 25/GOL was formulated on 16 January 2017 to classify enterprises into three categories, namely Micro, Small, and Medium Enterprise, in accordance with Article 2 of the Law on SME Promotion No. 11/NA, dated 21 December 2011. However, in order to cope with a fast-changing economy and social-economic development, in 2022, the Law on SME Promotion has been improved to be more comprehensive and aligned with multiple national development plans, particularly with the 9th Five-Year National Social-Economic Development Plan (2021-2025). As a result, Decree on Small and Medium Enterprise Classification is required to be amended based on the amendment of the Law on MSME Promotion to appropriate social-economic development,

achieving the implementation of MSME Development Plan 2021-2025 and contributing to the development of MSMEs.

Under the Component 3 of the project, DOSMEP intends to recruit an experienced National Consultant to support DOSMEP in amending the technical content of the Decree on SME Classification to be more practical in local and regional contexts.

## **2. Objectives of the Assignment**

The selected National Consultant will work closely with the Statistic and Planning Division and under the closed supervision of the Director General of DOSMEP in amending the Decree on SME Classification from technical aspects. The decree is expected to provide adequate details of the classifications and be practical in its applications for local and regional contexts, up to date and aligned with the amended Law, and contribute to MSME promotion especially access to support policies as required. In addition, develop guidelines to simplify the utilization of the decree in addressing different dimensions, including access to finance, access to supportive policies, and statistical purposes.

## **3. Scope of Assignment**

The consultant will review and analyze information related to policies, legislation, and conditions regarding MSME promotion and other relevant regulations regarding implementing the Decree on SME Classification. The relevant documents will be provided by DOSMEP. The consultant will also conduct a Regulatory Impact Assessment (RIA) on both the existing Decree and the amended Decree on SME classification, including its compliance with the Law on Making Legislation and the amended Law on MSME Promotion. Additionally, the consultant shall develop a guideline for using the decree to be simplified for the stakeholders in terms of enacting the decree. The amendment will include the following:

- Comprehensively enhancing the contents of the decree.
- Updating the conditions defining the categories of MSMEs.
- Developing a guideline on enacting the decree to be more practical and effectively used based on the objectives of concerned agencies.

Based on the above, the tasks for the consultant shall include, but are not limited to the followings:

- Review the structure, role and mandate of DOSMEP, MOIC and stakeholders on MSME promotion.
- A mapping of the existing legislation relevant to MSME promotion including Laws, Decrees, Agreements. The mapping will be accompanied by interviewing and consultation of relevant institutions and stakeholders such as Bank of Lao PDR, Ministry of Finance, Lao Chamber of Commerce and Industry, Department of Enterprise Registration and Management, Department of Industry and Handicraft, National Statistics Bureau, and Ministry of Agriculture and Forestry.
- Conduct research regarding the MSME classification, particularly in ASEAN and neighboring countries.

- Travel to provinces with DOSMEP to present the draft amended Decree in central and provincial consultation workshops and improve the decree according to the feedback received.
- Support DOSMEP to incorporate the feedback for endorsement by the government.
- Translated the endorsed amended decree into English.

#### 4. Deliverables

Outputs	Timeline	Payment schedule
D1: interview key stakeholders, information collection and analysis and conduct kick-off meeting	Within the 1 <sup>st</sup> week of the date of commencement of the assignment.	20% after acceptance of deliverables D1 and D2
D2: Submitting workplan and outline (Inception report)	Within the 1 <sup>st</sup> week of date of commencement of the assignment	
D3: submitting the regulatory impact assessment (RIA) of both the existing decree and amended decree on MSME classifications	Within the 2 <sup>nd</sup> week of date of commencement of the assignment	30% after acceptance of deliverables D3 and D4
D4: submitting the draft amended Decree with the guidelines	Within the 3 <sup>rd</sup> week of date of commencement of the assignment	
D5: Facilitating consultation workshops at central and provincial levels for feedback	Within the 5 <sup>th</sup> week of date of commencement of the assignment	30% after acceptance of deliverables 5 and D6
D6: Finalizing and submitting the draft amended Decree based on feedback received.	Within the 6 <sup>th</sup> week of date of commencement of the assignment	
D7: Facilitating DOSMEP to incorporate comments from the government	Within the 7 <sup>th</sup> week of date of commencement of the assignment	20% after acceptance of deliverables 7 and D8
D8: Translate the endorsed decree and its guidelines into English	Within the 9 <sup>th</sup> week of date of commencement of the assignment	

#### 5. Duration Assignment

The estimated input for this assignment is 2 person months over a period of 10 weeks on a part time basis due to the process of amendment of decree. The assignment has to be commenced as soon as possible but not later than mid July 2022.

#### 6. Institution Arrangement

The Consultant will work under direct supervision of Director General of DOSMEP, Ministry of Industry and Commerce. DOSMEP will provide the consultation with access to documents relevant to the assignment and support in facilitating stakeholder meetings as well as consultation workshops.

## **7. Confidentiality and Conflict of Interest**

The consultant undertakes to comply with the World Bank's policies and rules with regard to corrupt and fraudulent practices, conflict of interest and confidentiality. The consultant shall maintain confidentiality on all sensitive information obtained during the assignment and shall not publish wholly or in part the findings or such information, without prior written consent by DOSMEP. Any draft reports and other documents produced by the consultant will be discussed and cleared with DOSMEP before their final issue.

## **8. Qualifications and Experience Requirement**

- Master degree in Economic, Business Administration, Public Policy Development, or other relevant disciplines;
- More than 5 years of experience with both public and private sectors development in Laos, preferably MSME promotion with focus on policy and strategy of MSME development;
- More than 5 years of experience working in economic policy analysis and RIA;
- Having similar assignments performed in the past 5 years for government or donor funded projects will be an asset;
- Good understanding of the current MSME development in Laos will be an asset;
- Excellent report writing, analytical and presentation skills;
- Excellent interpersonal skills and willingness to work as part of the team;
- Proficiency and fluency in English language.

## **4. Payment Procedure:**

Details of payments and deliverables will be stated in the contract to be signed between the Consultant and DOSMEP. DOSMEP will pay the consultant: (i) Fees based on the input and number of days certified by DOSMEP, at the agreed unit rate; and (ii) Reimbursables based on the actual expenditure as agreed in the contract.