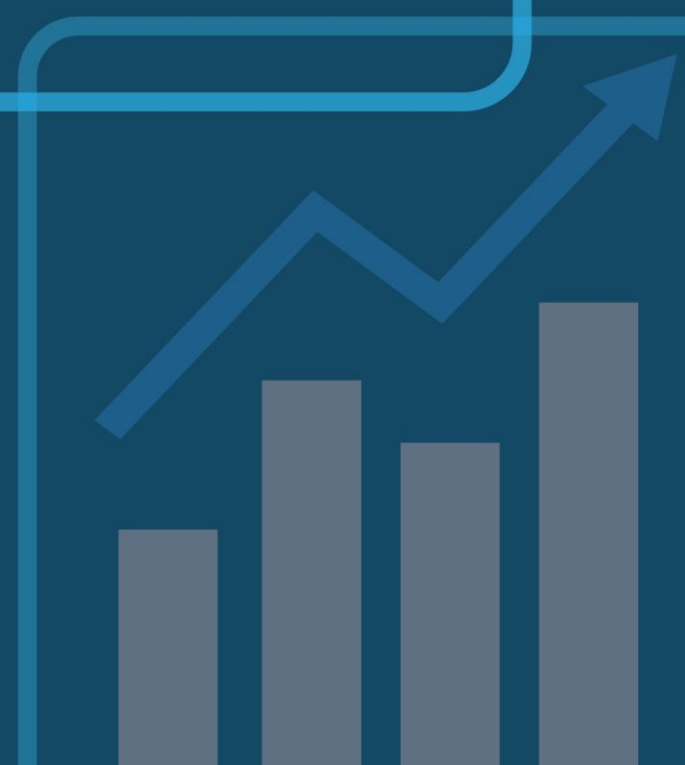




Investment Profile

Development Guideline



2023

Preface

Private investment has contributed significantly to the socio-economic development of Lao PDR. In order to address the current economic challenges, the IX National Socio-Economic Development Plan (NSED) aims to promote private investment with high quality and more efficiency and effectiveness in order to drive economic development along with environmental protection, natural resource management to maximize the benefits and achieve Sustainable Development Goals (SDGs).

The Prime Minister has issued the Ordinance No. 03/PM, dated 21st January 2022 on the Enhancement of Services regarding Investment License and Business Operation License Issuance which determines the development of Investment Profiles (Investment Calling List) as a tool to attract quality investment into the country. Especially given the situation where the government has accelerated the recovery of the economy after the effects of the COVID-19 pandemic, attracting private sector investment is even more important in stimulating economic and social development. Thus, Investment Promotion Department, with support from the Poverty Environment Action for Achieving Sustainable Development Goals (PEA), created the Investment Profile Guideline to provide recommendations on selecting investment project ideas which have high potential, are economically feasible and have low negative environmental and social impacts. The aim is to develop investment project profiles to present fundamental investment opportunities to potential investors who have the technical ability, experience and capital to invest in Lao PDR. The creation of an efficient investment profile requires coordination among all relevant sectors at the central and local levels, to determine investment profiles that are consistent with the country's economic-social development strategy.

We sincerely hope that these guidelines will be useful to all relevant sectors to develop high quality investment profiles. The guidelines may not be free from errors or may not be suitable for all sectors. Therefore, we will continue to update them from time to time to reflect changing socio-economic development needs.

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Introduction

01

1.1 Background

Private Investment remains the key driver for the country's economic development. The Government of Laos recognizes the importance of attracting quality investment to build resilient and sustainable economic development. The 9th Five-year National Socio-Economic Development Plan (NSED) 2021-2025 set a clear goal for the country to attract more quality investment in priority sector to produce goods that can reduce dependence on imports, and create jobs for a large number of people in areas such as clean and organic agriculture, food processing, consumer goods, eco-tourism development, including environmentally friendly and sustainable cultural and historical tourism, education, building of modern hospitals and pharmaceutical production, and development of road infrastructure, freight services, and transit and international connectivity services.

Building on this ambition to attract quality investment for sustainable development and Green Growth, the Government issues the Prime Minister's Order No. 03 / PM dated 21st January 2021 to assign responsible ministries and provincial authorities to develop an investment calling list which content of potential project information to attract investment and submit to the Investment One Stop Service Office (OSS) every 6 months and annually.

1.2 Rational

Investment project development in Laos has been long driven by investor interests. Without providing clear information regarding potential investment projects, it is challenging to attract qualified investors into priority sector and sub-sectors, and it is prone to land conflict without clear project site allocation.

The investment profile is one of the marketing tools to attract quality investment into promoted sectors that can contribute to the country's sustainable development. The investment profile is a set of initial information regarding the investment project idea that the government important to the economy and high potential to utilize natural resources that are approved by the central government or local authorities. In addition, it must feature an investment project that needs to be funded by the private sector, not a project that requires public investment or Official Development Aid (ODA).

The development of the investment profile must consistent with the NESDP and take into account the three pillars of the National Green Growth Strategy. Potential investment ideas should be selected based on the assessment of the impact on economic, social, and environmental dimensions of sustainable development. The investment profile is designed in a manner that attracts quality and responsible investment, which can drive sustainable growth of the economy and society, and support environmental protection, as investment can create jobs and generate income for people, develop infrastructure, build regional and international trade cooperation, and create great opportunities for poverty alleviation if managed effectively.

1.3 Objectives

The main objective of this guideline is to introduce the procedure to identify potential investment ideas to develop into investment profiles that can provide basic information regarding different investment opportunities in Lao PDR.

1.4 Features and Benefits

The investment profile features the overview of the potential project description, location, land area, investment term, potential market, labor structure, investment incentives, investor's criteria, investment procedure, and contact information justification of the project in terms of its future benefits for the environment and the Lao society.

The benefits of developing the Investment Profile include:

1. Support the Government to efficiently identify priority sectors and sub-sector including those with high potential for poverty reduction and positive environmental impacts;
2. Allocate available resources for maximum benefit;
3. Achieve national and provincial socio-economic development targets;
4. Identify targets for the development of potential and high-demand sectors for economic development;
5. Collect information to be ready to provide to investors;
6. Able to attract sources of funding for development as a priority. Any project that is important and needs to be considered first;
7. Analyze risks, such as focusing on a single sector in the economy that may lead to intermittent development, such as the potential negative impacts on the environment, impacts of COVID-19 in the tourism sector;
8. Spillover of benefits to other sectors including strengthen and promote local business expansion due to the lack of capital or knowledge of technology and experience of local companies, especially businesses in or related to the international market;

Investment Profile Development

02

2.1 Team Set-Up

The team must be trained in creating investment profiles. The team should have experience related to project development, the same vision, analytical skills, and understanding planning and computer skills.

1) Setting team from related government agencies depending on the nature of targeting project, relevant sectors including but not limited to:

- Planning and Investment Sector;
- Industry and Commerce Sector;
- Agriculture and Forestry Sector;
- Energy and Mines Sector;
- Natural Resources and Environment Sector;
- Public and Transportation Sector;
- Labor and Social Welfare Sector;
- Service sectors such as finance, healthcare, education, and tourism;
- Local communities' representatives;
- Local NGOs and other civil society representatives;
- Experts.

2) Roles and Responsibilities of the Team

- Compile information and monitor the local development;
- Research and identify potential project that are feasible in the implementation and are aligned to the socio-economic development plan of the province, the provincial investment strategies, and the relevant national development strategies;
- Continuously research, analyze, assess, and record each project;
- Update the project information frequently and according to the concept of the assessment as a new way that may occur;
- Collect information and in consultation with local stakeholders;
- Participate in researching, considering, and being the main authority in drafting information on investment profile;
- Submit investment profile to the Investment Promotion Department (IPD) for comments and adjustments as appropriate;
- Submit investment profile for Provincial Governor's approval;
- Publish and disseminate the investment profile to public;
- Review and evaluate the investment profile if it is not implemented.

Local Stakeholder Consultation

It is important to involve stakeholders from the beginning of the project and identify the process for avoiding occurrent conflicts and screen out the less feasible project ideas in the early stage. Thus, the team must conduct a consultation where stakeholders in the local community can participate in the project identify and project profile development process. A team must provide complete information about the positive and negative effects that may occur in a form that the community can understand.

Stakeholder Identification

The first step in stakeholder analysis is to identify all of the people involved. Stakeholders include any person, company, or institution who can affect, or be affected by, the proposed project; for example: owners, investors, employees, customers, suppliers, government agencies, regulatory authorities, media, landowners, and local communities.

When it comes to identifying stakeholders, previous experience can be a great source of ideas. Review your organization's historical data from previous projects. Even if you'll be operating in a new location or working on something new, you don't have to start over. Look for projects that are similar to your own and identify stakeholders who played key roles. There is a good chance the same stakeholders – if not the same individuals, then people in similar roles – will impact (or be impacted by) your current project.

Another great way to identify stakeholders is by conducting a team brainstorming session. Different people have worked on different projects and had different experiences, so their insights can be invaluable when it comes to stakeholder analysis. Be sure to involve people from other departments within your organization, as a cross-functional approach can help ensure that you do not overlook anyone. Ask your team to come up with the longest possible, and at the end of the session simply eliminate suggestions that do not fit. It is better to have too many options and need to remove some than to forget to account for affected parties!

Stakeholder Consultation

The investment profile development team must work closely with communities including village authorities, women unions, labor unions and elder groups as they are at the heart of any investment project. Promoting the participation of local communities and other stakeholders in investment projects is considered a social responsibility and creates a positive impact on doing business.

The investment profile development team should promote and develop community involvement plans and/or stakeholder engagement plans at all stages of the investment project.

- **Prior to the development of an investment profile:** communities should be engaged with the investment profile development team to identify a project which will be of the most benefit to the communities. They also have to provide the necessary information to the team.
- **During the development of the investment profile:** communities should receive information and details of the project and provide information for the team.
- **After the completion of an investment profile:** the team should disseminate the investment profile to communities to follow up.

2.2 Project Identification

2.2.1. Identify Project Ideas

With the limited budget, to avoid investing time and effort on developing investment profiles for projects with low feasibility from the early stage, it is crucial for the Team to identify the high potential investment project through the assessment of project suitability in term of the strategic alignment, impact assessment and economic feasibility. Start from revisiting the existing investment calling list projects that all provinces had developed and reassess the suitability of the projects based on the variation of provincial and national socio-economic

development goals in each period including the change in global development trend. Where there is a need to brainstorm for new investment ideas, following table provide the suggested source of investment ideas that the Team can work together to identify the long list of investment ideas then conduct the project suitability assessment to arrive at the short list of project ideas to further develop into investment profiles.

Table 1. Sources of Ideas

 Sources	 Reason
<p> People</p> <ul style="list-style-type: none"> • Domestic and foreign businesspersons; • People in the community; • Tourists - Questionnaire / Comments; • Seek inspiration from others who are successful around you. 	<p>Different people have different ideas, experiences, and information, new ideas come from discussions, comments, or inquiries. This includes mobilizing ideas from multiple parties.</p>
<p> Organization</p> <ul style="list-style-type: none"> • Chamber of Commerce; • Investment consultant; • Financial institutions; • Relevant international organizations; • District-Village authorities. 	<p>Organizations discuss economic and social issues that are emerging as new business ideas. Some organizations also conduct economic, business, and marketing research</p>
<p>Internet</p> 	<p>Important resources on various websites for news, business, business ideas, investment startups, innovations, and the likes.</p>
<p>Customer/Society Pain Point</p> 	<p>The point of not being able to meet the needs of customers or society will be to improve and innovate, such as the difficulty of calling a taxi, causing the application to call a taxi.</p>
<p>SWOT</p> 	<p>Existing business analysis will identify strengths, weaknesses, obstacles, and opportunities. Business analysis will identify what the business lacks and gaps in new business or any business that is still struggling with any issues that can be further developed.</p>

Technology



The development of technology makes it easier, faster, more cost-effective, and protects against information and other risks in doing business. Technology creates new business opportunities.

Research and self-learning



Researching information and ideas from documents, meetings, seminars, online exploration, training (short, long, medium), study tours or exchange programs that already exist at home and abroad can be used as a model for development.

2.2.2 Assessment of Project Suitability

A. Strategic Alignment

Strategic alignment refers to how the identify project idea will contribute to the achievement of the Government's strategic goals. The intention of this assessment is to provide the relevant policy context for the project and indicate how the project will contribute to the policy objectives. This is one of key requirement that the identified idea need to achieve.



- Consistency of the project with the Government's strategic goals set in the National Socio-Economic Development Plan
- Consistency with prioritized sectors and sub-sectors defined in different Sectoral Strategies
- Consistency with Provincial Socio-Economic Development Plan especially land allocation for different sector development within the province.

B. Economic Feasibility

The preliminary assessment of the project's economic viability aims to ensure that an identified investment idea has potential to develop into successful business. This assessment will allow us to cut out low feasibility project idea to save time and budget in developing into investment project profile.

i. Market (Demand) analysis

Marketing plays an important role in the success or failure of a project. It is important to know as much as possible about the customer.



Who they are, what they want and do not want, and what their expectations are?



Who is the target market? (Which product or service do customers most often buy?) Focus on domestic or foreign markets, who is the population?



If a project is offering something new, innovative, or not generally available, how do we know if there is a demand, and the market and people are willing to pay for what you offer?



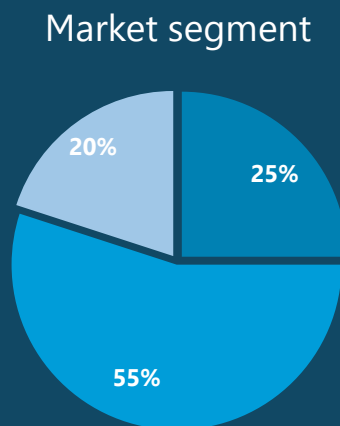
Consider the project market: is it growing, declining, or stable? What market share does the project think it can achieve? How can market share be expanded?

Figure 1: Example of using a graph or table to show market potential.



- ❖ Is the target market divided into segments? Are there differences within the same type of business, differences in quality, price, or range of products?
- ❖ Is this market segmentation limited by geographical area, product line, price, or other conditions?
- ❖ In what segment of the market are the main products or services of the project? What percentage of the total market is this? What percentage will this program achieve?

Figure 2: Market segment



Note: Graphs are a good way to show the relationship of a segment to the whole, such as the proportion of the target market in each major segment or not.



If it is a new type of innovation, which has never been seen before, as the first project or company to do it, it must be explained why the area or target market is important.



Is there anyone else who is producing and serving the same features? Or as an indirect competitor offering and producing alternative products.

Briefly describe the nearest and biggest competitors. What is the market share of each competitor? What are the strengths and weaknesses of a competitor? What can be learned from the way competitors do business, from pricing, advertising, and general marketing? What to expect to compete? How to do better than competitors?



What indirect competition does the project have, such as from online sales, shops, or imports? Overseas service? How will the project adapt to technology and changing trends that may affect it in the future?

ii. *Project Location/ Land Area analysis*

Project land size and location are key factors to determine the suitability of the project proposal. To identify the potential location for a targeted project, please consider the following aspects:

- ❖ If the project does not have to rely on site importance it may be an advantage of this project.
- ❖ If a site is not yet available, consider the key criteria for determining a suitable location for the project such as:
 - Where and where are you looking?
 - Are there specific areas to consider from a marketing evaluation? Is there a plot location?
 - Is the available land size suitable for the project development? Is it sufficient? or is it too big?
 - Does the potential location have easy access to potential markets including foreign countries?
 - Does the potential location have access to important places: international checkpoint, airport, access to public transport, bank, including access to public facilities such as: electricity, water supply, telephone and internet network?

- ❖ If a project needs to consider one location or compare multiple locations, the following key questions may be asked:
 - What is the access/traffic route? Is there enough parking?
 - Do you need to invest in road improvements?
 - Does the road reach the two-season travel guarantee area? Is the streetlight enough?
 - Is it close to a business or other place that may reach a designated customer? If there is a storefront that needs an exhibition or a point of sale, a place that is safe, convenient, compliant with housing laws and can attract attention, or what needs to be done to attract the attention of your desired customers?

Example 1. Tourism project

The location of tourism project is important to consider how to access the site? Are there any utilities such as electricity, water supply, internet? The tourist site is accessible in both rainy and dry season? The tourism site in under national conservation forest?

Example 2. Agriculture project

The location for agriculture project should consider many aspects such as market access, land area, and labor. Market access should consider whether there is demand in domestic or foreign market. If the main market is to export, the location near to border is important because it can reduce the cost of transportation. Land area need to be check with local government whether it is sufficient and available for the investment project. Agriculture project should consider the number, wage and skills of labor near the investment location.



iii. Product and Service

- ❖ Explain the nature of the project's product or service. Why is it needed for clients?
- ❖ What is the market potential? How will the program benefit clients? How can a product or service compete?
- ❖ If this program sells multiple products or services, describe all the products and services in detail. Why choose this product and service? How is each product and service adapted to meet market demand?
- ❖ For product-based projects, do you have or need to control inventory? Need to consider the "waiting period" when ordering any products? Need an inspection or security system to control inventory?

iv. Labour



- ❖ The number of population of provinces, districts, labor conditions (skilled labor), number, and wages (if separate wages in each sector are better).



- ❖ How much labor is needed for production?



- ❖ How many workers in the administrative sector, Lao workers, and imported workers comply with the investment promotion law?

v. *Supplier*

- ❖ Supplier sometimes plays an important role in the project.
- ❖ Such as raw material price advantage, distance, supply capacity and so on

Table 2. Economic Feasibility Screening Criteria

Economic Feasibility Screening Criteria	Pass/Fail
The project has sufficient market demand	
The project has suitable location and land area	
The project has suitable products and services	
The project has sufficient labor	
The project has sufficient supplier	
Overall Assessment	

C. **Impact Assessment**

After screening the feasible project, the project needs to assess by comparing benefits and impacts, based on Lao PDR's target areas including governance of natural resources (SDG 15), poverty reduction (SDG 1), enhancing the development of human capital (SDG 8), minimizing the impact on the environment (SDG 15), adapting to climate change (SDG13), promoting clean energy investment (SDG7), supporting a diversified economy, and providing a fair distribution of benefits to the population (SDG 5), and promoting partnership through knowledge exchange (SDG17).





The benefit condition refers to the benefits that are expected to be achieved when a project is completed. The benefits include nine indicators and those are shown in table 3.

The impact condition refers to the adverse effects that are expected to occur after the completion of a project, considering the environment, health, and safety of the population. There are nine indicators for the impacts.

Scores in each category range from 1 to 5, with 1 meaning "the project does not contribute to the criterion", 2 meaning "the project has little contribution to the criterion", 3 meaning "the project has a moderate contribution to the criterion", 4 meaning "the project has high contribution to the criterion", and 5 meaning "the project has the highest contribution to the criterion".

The investment profile team evaluates by rating each item, then compare benefit and impacts. If the overall benefits exceed the impact, the project passes this criterion and vice versa.

Table 3. Benefit of the project

Benefit	Description
<p>Generate income of people (SDG1)</p> 	<p>The purpose is to evaluate whether the project will generate income for people around the area of the project. If the project employs more than 100 employees, it is considered to be large scale of investment, so the score is 5. If the project employs between 50 and 99 employees, it is a medium-scale project, so the score is 3 or 4. In addition, if the project use or buy many products and materials from local area it distributes income to local communities. In other word, it generates income to local people. Thus, the score is 5.</p>
<p>Reduce unemployment (SDG1)</p> 	<p>The project which employs many people from the area of the project is considered to have a high score. If the area of the project has high unemployment rate and the project significantly reduce unemployment, the score is 5. For example, if a village located near the area of the project has 10% unemployment and it is expected that the project will reduce unemployment by 50% of current unemployment rate which mean significantly reduced unemployment. On the other hand, the project employs less workers from the local or uses only high skills labor that is not available in the area, the score is 1 or 2.</p>
<p>Contributes to equal opportunities (SDG5)</p> 	<p>It is to evaluate whether provide equal opportunities for Male and Female. In particular, for project which requires mainly male to work such as in mining and construction, the score is 1 or 2. If the project does not require a particular male or female or specific skills of worker, the score is 4 or 5.</p>
<p>Supports skills development (SDG5)</p> 	<p>This indicator is to evaluate whether the project intends to increase the skills of labor, especially females. If the project intends to increase the skills of labor and apply new techniques in the production process, the score is 4 or 5.</p>















Benefit	Description
<p>Promote SMEs in the area (SDG5)</p> 	<p>The project link with SMEs in the area in term of supply or buying either material or product from SMEs. The project possibly transfers technology to SMEs. The project also generates new establishment of SMEs. If it is a high linkage between the project and SMEs and the project, the score is 5.</p>
<p>Promote local products and services (SDG6)</p> 	<p>The project can promote local products or services to use in the production process or link with the value chain. If the project can utilize the local product, it is a high score. For example, agriculture processing projects use agricultural products from local, the score is 4 or 5.</p>
<p>Using clean energy (SDG7)</p> 	<p>If the project uses clean energy such as solar, wind, and hydropower, its score is high otherwise is low. For instance, if the project mainly use coal to produce energy like iron processing plant, the score is 1 or 2.</p>
<p>Reducing energy consumption (SDG12)</p> 	<p>The project that uses less energy consumption has a high score for example ecotourism. On the other hand, the project consumes a lot of energy and has a low score for example mining sector.</p>
<p>Build the partnership with local communities (SDG17)</p> 	<p>The project should develop in coordination with local communities and support communities in term of improving infrastructure, utilities, and public facilities. For example, access of the project needs to improve roads, bridge and utilities which indirectly benefit to communities. Thus, the score is 4 or 5.</p>

Table 4. Impact of the project

Impact	Description
<p>Existing businesses (SDG5)</p> 	<p>The project may impact to existing businesses. If the project significantly impacts to other projects and SMEs, its score is 5. If not, it is 1. For example, the news project competes with exiting SMEs in term of price and quantity and prevent the new establishment of SMEs, the score is 4 or 5.</p>
<p>Health and safety of people (SDG3)</p> 	<p>The project which highly impacts on the health and safety of local people is considered to score 5. If the project intends to use a lot of chemicals, pesticides, and other substances that may be harmful to people and lives in the area, the score is 5. For example, coal power energy may release toxic to air and water. Banana plantations may use a lot of chemical fertilizers and pesticides. Thus, the score should be 4 or 5.</p>
<p>Hygiene and sanitation (SDG6)</p> 	<p>The project which has high possibility to incur of diseases and epidemic such as animal farm, slaughterhouse, and agricultural processing factory is high score.</p>
<p>Air Pollution (SDG13)</p> 	<p>The project should not pollute the air for instance using coal to produce energy. If the project highly pollutes, the score is 5. If not, the score is 1. For example, producing Portland cement produces a lot of dust and consumes a lot of energy. The impact score is 5.</p>
<p>Water Pollution (SDG6)</p> 	<p>The project should clean wastewater before releasing it into nature. If the project has a high possibility to produce a lot of wastewaters, it scores 5. If not, it is 1. For example, leather factories, starch manufacturing, and fertilizer factories have high risk to release wastewater into nature, so the score is 4 or 5.</p>

Impact	Description
<p>Waste (SDG12)</p> 	<p>The project should have a waste management plan. The project which produces many wastes directly or indirectly such as bottle water factory, plastic factory, and chemical factory, the score is 5.</p>
<p>Culture and livelihood (SDG11)</p> 	<p>The project which changes the local culture and livelihood of the communities is considered a high score. For example, if the project limited access to cultural places of local people, the score is 4 or 5. In the extreme case, the project has to resettlement the communities, in such a case is 5.</p>
<p>Limited the access to Non-Timber Forest Products (NTFPs) (SDG15)</p> 	<p>One of the main income of people in the rural area is NTFPs. If the project limited the access to NTFPs of the people, the score is 5. If not, it is 1. For example, land concession covers the large area that communities to collect NTFPs. In this case, the score is 4 or 5.</p>
<p>Conflicts over access to people's land use (SDG17)</p> 	<p>People should have their right to access to their land use specially to use for agriculture. If the project limited the access to land use, the score is 5. If not, it is 1. It is consistent with 6, where the land concession reduces the land use of the community to produce agricultural products and reduces food security.</p>

Example: The cattle processing for export. Assume this project is evaluated and has a benefit score and an impact score in the table below. The total score of benefit is 28 and the total score of effect is 22. The benefit is more than impact. The cattle processing for export is considered "Pass".

Example 1 Processing cattle for export

No	Benefit	Score
1	Generate income of people (SDG1)	4
2	Reduce unemployment (SDG1)	5
3	Contributes to equal opportunities (SDG5)	3
4	Supports skills development (SDG5)	2
5	Promote SMEs in the area (SDG5)	3
6	Promote local products and services (SDG6)	2
7	Using clean energy (SDG7)	3
8	Reducing energy consumption (SDG12)	2
9	Build the partnership with local communities (SDG17)	4
Total		28

No	Impact	Score
1	Existing businesses (SDG5)	2
2	Health and safety of people (SDG3)	2
3	Hygiene and sanitation (SDG6)	3
4	Air Pollution (SDG13)	1
5	Water Pollution (SDG6)	3
6	Waste (SDG12)	3
7	Culture and livelihood (SDG11)	3
8	Limited the access to Non-Timber Forest Products (NTFPs) (SDG15)	1
9	Conflicts over access to people's land use (SDG17)	2
Total		22

Summary of the Assessment of Project Suitability

Base on the project idea assessment, the identified project ideas should pass all three mains of the project suitability assessment.

Table 5. Project screening

Project Suitability Screening Criteria	Pass/Fail
The project is aligned with the National and Provincial socio-economic development plan, and in compliance with sectoral strategic plans of relevant agencies.	
The project is likely to be economically feasible	
The project likely to have direct benefit greater than negative impacts. The project does not pose a threat to the national stability nor to the security, have no severe impacts on the environment at present time or in the long run, no severe impact on the health of the people or society.	
Overall Assessment	

Investment Profile Template

03

3.1 Why invest in (Name of district)



- The purpose of this subsection is to summarize in few bullets points the main competitive advantages of the district that wants to attract investment.
- The points should anticipate the needs of the investor and answer their questions in advance.

For example, the advantages can include:

- Ready-to-work young and active workforce;
- Good business climate;
- Infrastructure and natural resources.

3.2 Business climate

- This subsection is intended for the use of foreign investors. It is necessary to present the business climate of the Lao PDR in an easy-to-understand way in order to make it attractive for the potential foreign investors.
- For example:
 - The red tape is reducing (supporting data);
 - The number of required permissions and license reduced from... to...;
 - The level of main taxes on businesses is currently....

3.3 Project Name

- The project name should concisely present the main feature of the project and indicate the location of the project;
- Try to be short and precise, avoid abbreviations, and avoid putting too much of project detail in the project name.

3.4 Responsible Sector

- Indicate the main sector responsible for the project sector such as: Department of Agriculture and Forestry, Department of Information, Culture and Tourism, etc.

3.5 Approval Authority

- Will the project be approved by central or provincial authority? The profile should clearly indicate the approval level based on the conditions set in law and regulations;
- In some cases, the profile can be approved by central or province based on the nature of investor and investment project;
- For example: Tourism project, if it is a foreign investor, the project will be approved by central government. While a domestic investor, approved by provincial government;

3.6 Profile Date

- Indicate the date of developing investment profile. In case there is an update to investment profile, the update date should be indicated to ensure that the profile is still valid.

3.7 Project Description

- Briefly describe the unique feature, potentials, or differences that will help make the project a success such as geography and climate advantage, cultural and historical advantage, land assets, describe the location advantage, access to market and supportive investment climate;
- Briefly describe purpose and main activities to be delivered by the project, its components, and proposed activities;
- Existing infrastructure that facilitates the project to success.

3.8 Location

- Indicate the location of the project or locations if the project includes more than one site;
- Use map reference or GPS coordinates, if possible;
- Indicate the distance to the important locations and access to markets.

3.9 Project Area

- Provide estimate project area and identify if it is state land or community land.

3.10 Project Term

- Indicate the term of project, this can be in range depend of detail Feasibility Study or maximum year allow by law.

3.11 Forms of Investment

- Indicate if this project is calling for specific forms of investment or if any type is prohibited FDI in line with law and related sectoral regulations. In accordance to Law on Investment Promote, **there are 5 forms of investments in Laos including:**
 - A wholly domestic or foreign investors;
 - A joint venture between domestic and foreign investors;
 - A business cooperation by contract;
 - A joint venture between a state-owned enterprise and a private enterprise;
 - A public-private partnership (PPP).

3.12 Market

- Describe potential demands and market (domestic and international);
- Describe the existing similar products and services, and identify gaps/opportunity to this project to address the demand gaps.

3.13 Investment Activities

- Explain the nature of the project's activities (potential products or services) that can develop in the potential project. Why is it needed for clients?
- What is the market potential? How will the program benefit clients? How can a product or service compete?

Note:

- Be creative to list all possible activities that can be developed under this project;
- For cross-sector activities such as agriculture projects with tourism activity, this should be reflected in other aspects of the

profile including the investment approval level, investment procedure, investment incentives and criteria.

3.14 Estimated Project Costs

- Based on a product or service, provide an estimate of the project's whole-life costs, and provide basis for cost estimation;
- This should include the following costs: rent, utilities, insurance, salaries (including taxes), loans, office supplies, legal and accounting, advertising and sales promotions, repairs and maintenance, depreciation, and other costs for each type of project.

3.15 Labor Structure

- Describe the population structure by age and highlight the working aged population in the province and districts including information regarding labor type and number available in each sector;
- Indicate the allowed proportion of Lao workers and imported workers comply with the Labor Law in each period.

3.16 Investment Incentives

- Describe eligible investment incentives and conditions applied based on the law and sectoral regulation for the project. Avoid overly state the incentives that are not stipulated in the regulation.

3.17 Investor Criteria/Requirements

- Describe investor's criteria base on Law and local requirement including supporting local materials, labor and local sub-contractors;
- Law on Investment Promotion (2006) stipulates that investor's condition for concession business as following:
 - Must be a legal entity;
 - Must have required experience and financial status or financial sources certified by domestic and international financial institutions;
 - Must meet other criteria set under related laws and regulations.
- Moreover, the investment profile should indicate specific criteria in terms of investor selection in order to secure financial and technical qualification, good experience and good track record in similar business, including good track record in environment and social responsibilities;
- The following list includes some examples of conditions (investor):
 - Will develop the project to a high professional standard;
 - Has a good track record on similar jobs;
 - Has capital at hand (not speculators);
 - Maximum projects potential (needs capital and innovation);
 - Is motivated to work with the local community (hiring, skills, knowledge transfer) specifically promote employment of women;
 - Interested to add value to Lao PDR (support local businesses, technology transfer);
 - Has concern for the environment and the social welfare of the people;
 - Apply environmentally friendly innovation;
 - Stipulate measures to protect biodiversity and neutralize harm for the environment;
 - Stipulate measures of cooperation with local education institutions, particularly with institutions of TVET education (for example, providing practice places for students);
 - Promote and preserve ethnic culture.

3.18 Investment Process and Facilitation

- Describe the existing support or facilitate from investment during the investment process including facilitation of registration processes, provide necessary information and support for investor and service through One Stop Service;
- In additional, describe the investment process for this project.

For example:

1. Submit an investment application at the Central or Provincial Investment One-Stop Service;
2. Memorandum of Understanding (MOU)
 - Conduct Feasibility Study;
 - Environmental impact assessment.
3. Apply for required licenses such as:
Investment license
 - Enterprise Registration and relevant business operating license.
4. Concession Agreement/Project Development Agreement;
5. Other related procedures by the regulations of the relevant authorities in each period.

3.19 Contact details

- Provincial Department of Planning and Investment or Responsible Sector, make sure the contact information is reachable and up-to-date.

Call:

Email:

- District Office of Planning and Investment or Responsible Sector

Call:

Email:

Official website:

3.20 Table of Investment Profile Template

The table below summarize investment profile template in table which can be used to collect data to populate investment profile.

Information Requirement	Response
Project Name	
Responsible Sector	
Approval Authority	
Profile Date	
Project Summary	
Project Description	
Location	
Project Area	
Project Term	
Form of Investment	
Preliminary Feasibility	
Market/Potential Customers	
Investment Activities	
Estimated Project Costs	
Labour Structure	
Investment Incentive and Requirements	
Investment Incentive	
Investor's Criteria/requirement	
Investment Procedure	
Contact Information	

Annex I Business Model Canvas

Planning a successful business can be challenging, but it is feasible with good planning. A tool that many organizations use is the Business Model Canvas to collect data, plan and assess future risks. Business Model Canvas is a tool that helps design a business through 9 components:

Customer Segment-CS	•Who buys our products or services.
Value Propositions-VP	•A selling point of a product or service that stands out and has a unique value.
Channel-CH	•Forms and methods of communication, sales.
Customer Relationships-CR	•How to build and maintain a customer base.
Revenue Streams-RS	•Where does the business revenue mainly come from and how much.
Key Resources-KR	•What needs to be ready, strong so to facilitate the creation or operation of the business.
Key Activities-KA	•Activities to keep the business running (primary and secondary activities).
Key Partners-KP	•Stakeholders related to raw materials supply, market, capital and sales.
Cost Structure-CS	•Total business expenses (administrative expenses, purchase of raw materials, marketing, interest, etc.).

1. Customer Segment

While filling in the customer segment, think of all the customers of the business and try to group them using any criteria as appropriate. Grouping gives you an idea of what you need to do to better meet your customers' needs. It also helps you decide which specific group of customers you want to focus on or what kind of promotional campaigns you should have to attract the right group of customers. Example of customer grouping: customers who want something different, customers who want to rely on new channels to enter, customers who are the main source of income for the business.

2. Value Propositions-VP

Here you should start by trying to think about how you want the product or service or experience to pass on to the customer, such as helping solve customer problems, meet customer needs, or make customers happy and satisfied. In addition, thinking from the customer's point of view is very useful. We should consider from customer's perspective, what value is the business creating and why customers choose to buy our products and services.

3. Channels-CH

Think about what channels, types of services, sales, or methods that help spread the word or deliver value to customers. May bring marketing ideas to have a clearer picture. For instance, our business uses which channel to advertise and communicate with our customers, how to promote our products and services.

4. Customer Relations-CR

There are many types of customer relationships, such as direct relationships, telephone relationships, online relationships, and businesses can have one or more customer relationships. Need to figure out how to get customers, how to be able to retain a customer base, and how to be able to increase the customer base. In addition, it is necessary to consider how the customer is satisfied with the existing relationship, what needs to be improved, and how the relationship with the customer will be integrated into the prototype business model.

5. Revenue Streams-RS

Go back to the customer group and consider how much revenue each group generates: by type of product or service. When you enter the information in this component to subtract the cost structure, you will know whether the business is profitable or unprofitable and will also help determine if the business has a stable financial position.

6. Key Resources-KR

Key resources are what is needed to create the value of the business. For most businesses, the key resources are often some or all of them, such as materials, personnel, raw materials, capital, and knowledge. If the focus of the business is on selling good quality products at low prices, then the key resources may be factories, machines, or storefronts. But if the business focuses to be outstanding, key resources would be personnel such as talented designers. We need to figure out what are the key resources in our business because they can affect other components.

7. Key Activities-KA

Think about what you need to do to keep your business running, which may be one or more activities. If your business is a factory, the activities will be in the process of manufacturing, controlling production efficiency, or inventing production technology. Or if it is a consulting business, the key activity may be to increase the knowledge and expertise in that field and the customer-centric service. Interestingly, even if it is the same type of business, it does not have to have the same key activities because the different values offered and other components will help determine the key activities.

8. Key Partners-KP










In this component, think of an outsider who may be a supplier, an affiliate, or a government agency that plays a key role in your business. Having the right key partners will make the operation more efficient, help to understand the necessary resources, as well as mitigate potential business risks. For example, if you do online business, the key partners will be websites selling products, or if you do business related to health food and cosmetics, you will need to contact the government agency responsible for your type of business.










9. Cost Structure-CS

Think about the costs involved in your business. It's easier to fill this component after the key resources, key activities and key partners are filled.

Components 9 and 5 are comparable to the basics of business

The position of each component is meaningful. For example, you can see that component 9: cost structure and component 5: revenue streams in the bottom position serve as a basis for the business model canvas because the revenue and cost structure are the foundation that sustains other parts of the business model. In addition, the right side of the business model canvas contains customer segment, customer relations, revenue streams which suggests that this part focuses on meeting the needs of customers as a source of revenue, while the left side of the canvas represents the structure of costs to be paid as the key resources, key activities, and key business.

Business Model Canvas		Business: Low cost airline		Date:	No.:
KP  <p>Who are the key business partners? Who is the main supplier? What resources are required from suppliers? What are the main activities of a business partner?</p> <p>Incentives for business partners: maximize profits, reduce risks and uncertainties</p>	KA  <p>What are the key activities that bring out the values we want?</p> <p>What are the distribution channels for goods and services? What kind of customer relationship? Income stream?</p> <p>Categories: Production, problem-solving, platform/networking</p>	VP  <p>Values that are delivered to the customers, What customer issues will be addressed? What products and services are offered to each customer group? What do customers want?</p> <p>Features:</p> <p>New, Efficiency, Design, Brand / Status, Price, Cost Reduction, Risk Reduction, Accessibility, Ease of Use</p>	CR  <p>What kind of relationship does each customer group expect to build and maintain? Which relationship? How do customer relationships integrate with other parts of our business? How much do they cost?</p>	CS  <p>Who are we creating value for? Who is the most important customer? What is the customer base like? Large market? Niche market? Divided into groups? Various styles?</p>	
	KR  <p>What are the key resources that create the value we want? What kind of distribution channel? Customer relations? Income?</p> <p>Type of resource: Physical, intellectual (patent, brand, copyright, information), human resource, financial</p>		CH  <p>Which channels does the customer want to be accessed? How to reach customers? How to integrate different channels? Which channel is best? Which channel saves the most money? How to integrate various channels regularly?</p>		
CS  <p>What are the most important costs of a business? Which key resource is the most expensive? Which key activity is the most expensive?</p> <p>Which other business: is cost-driven (minimum cost structure, low bidding, external utilization), is value-driven (focus on value creation, value-added proposition).</p> <p>Examples of features: fixed costs (salaries, rent, water and utilities), variable costs, economy of scale</p>			RS  <p>What value are customers willing to pay? What are they paying for currently? How do they pay currently? How do they want to pay? How much does each revenue stream contribute to total revenue?</p> <p>Categories: Property Sales, Utilization Fees, Application Fees, Loans / Rental / Leases, License Fees, Brokerage Fees, Advertising.</p>		

Business Model Canvas		Business: Low cost airline		Date:	No.:
KP 	KA 	VP 	CR 	CS 	
1 Food and beverage suppliers 2 Airport.	1 Provide flight services.	1 Convenient travel; 2 On time; 3 Flexible schedule; 4 Cheap price and reach destination quickly.	1 Try to maintain your customer base by accumulating miles; 2 B2B business relationships.	1 General customers who want to travel; 2 Business customers traveling for work; 3 Customers who want to travel at affordable prices.	
	KR 		CH 		
	1 Prompt and timely service		1 Office; 2 Website; 3 Office at the airport; 4 Application.		
CS 			RS 		
1 Airplane; 2 Airport fees; 3 Staffs.			1 Ticket sales; 2 Product sales; 3 Other services.		



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Poverty-Environment Action
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