



PROCEDURES AND
PROCESSES TO
ENSURE RESPONSIBLE
AGRICULTURAL
AND FORESTRY
INVESTMENTS
IN LAO PDR



A GUIDE FOR
INVESTORS AND
RAI PRACTITIONERS

Foreword

Strict adherence to local laws and regulations as well as to international principles is an essential precondition for investors, especially where the national legal framework is weak. Doing so is good for business: it can prevent failure of the investment and long-term losses that could occur in the event of conflict with local communities. To establish an agricultural land-based investment in Lao PDR, investors must comply with numerous laws and regulations throughout the investment cycle. Unfortunately, experience has shown that legal compliance of many existing investments is very low. Investors are often unaware of, or do not understand, national legislation and international principles governing land-based investments. This is also due to a lack of guidance on these regulations for the context of investments in Lao PDR.

This guide compiles laws, principles, and regulations on investment procedures and related processes such as how to go about getting approval for your investment and how to acquire land. It also covers labour laws and the steps and documentation needed to import and export your products. This guide is specifically aimed at investors. It is one of five investor guides and manuals developed within the *Responsible Governance of Investments in Land* (RGIL) project, commissioned by the European Union and the German Federal Ministry for Economic Cooperation and Development (BMZ). These guides provide in-depth knowledge on various aspects of responsible agricultural investments, such as how to ensure effective and inclusive community engagement, what environmental and social safeguards to put in place, and how to establish a company-based grievance redress mechanism.

I hope this guide will provide a valuable orientation for investors who want to establish or expand a land-based investment in the agricultural sector in Lao PDR in an environmentally and socially responsible manner. I would like to take this opportunity to sincerely thank the stakeholders from the government, civil society organizations, private sector, and RGIL project teams of GIZ and NIRAS, who worked hard to develop this investor guide. Finally, I would like to express my gratitude to the EU and BMZ for their financial support.

Minister


Khamjane VONGPHOSY

Preface

Access to land and secure long-term tenure rights are essential conditions for rural development, food production and security, and social peace. The distribution and use of land is also connected to specific thematic areas of the Sustainable Development Goals, such as the achievement of SDG 5 on gender equality. As land is a limited resource, its distribution is often disputed by various actors. The competition for land may be further aggravated by commercial agriculture and forestry investments. Such investments are often intended to generate value, both for the overall economy (via land revenues and taxes) as well as for local communities (by improving livelihood and job opportunities and enabling the transfer of know-how). But if investments do not follow internationally agreed principles and guidelines as well as the national legal framework, they run a high risk of having negative consequences for communities and the environment alike. Investments may lead to land use disputes, expropriation, and displacement. They may also lead to environmental degradation, worsening the socio-economic situation of already disadvantaged groups.

Population growth, climate change, and global supply chain disruptions for agricultural inputs and staples are some of the drivers of food insecurity, poverty, and hunger. Investments in land, when carried out in a sustainable manner – considering ecological responsibility, social equity, and economic performance – can contribute to tackling these challenges. To ensure that investments in land are beneficial not only for the investors, but also for other actors, certain aspects must be considered when designing sustainable and profitable investments in land.

This is where the Responsible Governance of Investments in Land (RGIL) project, commissioned by the European Union and German Federal Ministry for Economic Cooperation and Development (BMZ), comes in. Implemented by GIZ in Lao PDR, Ethiopia, and Uganda, the project aims to ensure that investments in land are productive, that they contribute to sustainable land management, and that they respect the rights and needs of local populations, in particular vulnerable groups and women. RGIL works together with target communities, political partners, and investors – as well as with civil society organizations, academia, and investor associations – on the implementation of good land governance based on international principles such as the VGGTs and CFS-RAI.

A series of guides and manuals were developed and validated in a participatory and iterative process with stakeholders, after assessing capacity development needs and analysing existing international and national guidelines, regulations, and training materials. They combine important elements from existing products and training events, and apply them specifically to the process of land-based investments and in relation to identified problems in each country. The various guides and manuals complement each other thematically and can be used both as individual products and as a complete toolkit in the respective country-specific context.

This guide for investors seeks to provide an overview of required steps and actions to establish and manage land-based investments in Lao PDR in compliance with social and environmental standards. The investment forms covered include state land leases, state land concessions, contract farming, and individual land leases.

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Contents

Foreword.....	2
Preface.....	3
List of abbreviations.....	5
1. Introduction.....	6
2. Investment approval.....	8
3. Investment preparation phase.....	8
3.1. State land leases and concessions.....	8
3.2. Procedures for leasing land from individuals.....	14
3.3. Procedures for contracting farming.....	15
4. Implementation phase.....	16
4.1. Land clearing.....	16
4.2. Use and management of labour force.....	16
4.3. Project management, monitoring, and inspection.....	19
4.4. Change of investment conditions.....	21
4.5. Import and export of goods.....	21
5. Project closure phase.....	25
References.....	26
Further reading.....	27
Annex.....	27
1. Template for labour contract.....	27
2. Processes for investors to apply for changing the conditions of the investment.....	29
3. Key relevant government institutions.....	31
4. Laws and regulations related to land investment in the Lao PDR.....	34

1. List of abbreviations

ASYCUDA	Automated Systems for Customs Data
BMZ	German Federal Ministry for Economic Cooperation and Development
CEDR	Centre of Economic Dispute Resolution
CEO	Chief Executive Officer
CFS-RAI	Committee on World Food Security–Responsible Investment in Agriculture and Food Systems
DES	Department of Employment Service
DIMEX	Department of Imports and Exports
DoF	Department of Finance
DoIC	Department of Industry and Commerce
DoJ	Department of Justice
DoL	Department of Land
DoLSW	Department of Labour and Social Welfare
DoNRE	Department of Natural Resources and Environment
DPI	Provincial Department of Planning and Investment
EIA	Environmental Impact Assessment
ESMMP	Environmental and Social Management and Monitoring Plan
EU	European Union
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
GoL	Government of Lao PDR
GRM	Grievance redress mechanism
IPD	Investment Promotion Department
IPMC	Investment Promotion and Management Committee
LEAP	Lao Extension for Agriculture Project
LBI	Land-based Investments
MAF	Ministry of Agriculture and Forestry
MoIC	Ministry of Industry and Commerce
MoNRE	Ministry of Natural Resources and Environment
MoU	Memorandum of Understanding
MoF	Ministry of Finance
MoFA	Ministry of Foreign Affairs
MoLSW	Ministry of Labour and Social Welfare
MPI	Ministry of Planning and Investments
NAFES	National Agriculture and Extension Services
PAFO	Provincial Department for Agriculture and Forestry
PDA	Project Development Agreement
PoNRE	Provincial Department for Natural Resources and Environment
OSS	One Stop Service
RAI	Responsible Investments in Agriculture
RGIL	Responsible Governance of Investment in Land
VGGT	Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests
UNCTAD	United Nations Conference on Trade and Development

1. Introduction

Governments in the global South – including in Lao PDR – have been encouraging land-based investments (LBIs) in the agriculture and forestry sectors as a way of responding to global population growth and the increase in global food prices. If carried out responsibly, LBIs can be an instrument to foster socio-economic development. They have the potential to generate revenues, increase national income, and contribute significantly to rural development by providing employment opportunities, improving infrastructure, and facilitating market access. But if not managed properly, LBIs can cause harm to the environment and to the livelihoods of local communities. Through irresponsible business operations, some investors have breached not only national regulations but also international standards and guidelines.



Figure 1: A worker pruning a pomelo tree on a Lao–Chinese pomelo plantation in Vientiane Province (left); a large slope cleared for sugar cane plantations in Luang Namtha Province (right)

Several studies – among them a capacity needs assessment for the *Responsible Governance of Investment in Land* (RGIL) project conducted by NIRAS-IP on behalf of GIZ – have shown that many LBIs in Lao PDR have a low level of compliance with national laws and international standards. Often, investors operate without the required licenses. Or they fail to conduct technical feasibility studies or to obtain the required environmental compliance certifications or project development and land lease agreements. But why is compliance so low? One reason is a lack of awareness of national regulations or international principles related to land-based investments.

The Government of Laos (GoL) offers numerous incentives for responsible investments (see 4.5); however, these investments must meet several conditions, some of which are costly. However, the cost of non-compliance can be much higher in the medium and long term, especially if there are lawsuits or fines, if business activities are disrupted, or if the company suffers reputational damage or loses the trust of its customers and partners.

Procedures for establishing and developing an LBI in Lao PDR vary across sectors, scales, and forms of contract. This guide is aimed at helping investors gain an overview of the procedures and processes in the agricultural and forestry sectors.

LBIs in Lao PDR fall into two main categories: “concession” or “general activity”. These are defined in Box 1. Further, there are different forms of contracts. These include state land leases, state land concessions, individual land leases, and contract farming and are defined in Table 1.

This manual focuses on the processes of land acquisition, compensation, labour, and import and export. Other guides in this series focus on other important processes, such as conducting environmental and

social impact assessments, ensuring adequate community engagement, and establishing grievance redress mechanisms.

Whether you are a new investor or already operating an LBI in Lao PDR, this guide is addressed to you. It can also serve as orientation for government and non-government actors who work in agriculture and forestry investment in Lao PDR.

Box 1: Types of Land-based Investment (LBI) in Lao PDR

LBIs fall into two main categories: concession activities and general activities¹.

A **“concession activity”** is an investment approved by the state through a state land lease or a concession for agricultural and tree plantations, mining, hydropower, and special economic zone development.

A **“general activity”** may be an individual land leases and contract farming for cash crop production². It is unrelated to state land leases and concessions.

General activities, in turn, are categorized as **“controlled”** or **“uncontrolled”**, depending on their degree of impact³. A “controlled business” is an investment activity that may have a significant adverse impact on national security, social order, culture, the local environment, and people’s livelihoods. Such an activity must be approved by the One Stop Service (OSS) under the Ministry of Planning and Investment (MPI)⁴. An investment with less significant adverse impacts is referred to as an “uncontrolled business”. For this type of business, the approval processes will be guided through the OSS in the industry and commerce sector⁵.

Investors must fulfil several requirements before they are permitted to establish and develop an LBI. For example, you must conduct a feasibility study and an environmental and social impact assessment before embarking upon your investment.

Table 1: Forms of contract

State land leases	Permission given to an individual or legal entity to use state land for a specific purpose in line with the contract and relevant laws (e.g. agriculture, tree plantation, tourism, industry). A state land lease often includes infrastructure and facilities; correspondingly, the fee per hectare for a state land lease is higher than the fee for a concession, which typically involves unused land ⁶ .
State land concessions	Permission given to an individual or legal entity to use state land for a specific purpose, in line with the concession agreement and relevant laws (e.g. agriculture, tree plantation, tourism, industry, special economic zones, new urban, hydropower, mining). A state land concession often involves the development of unused land; correspondingly, the concession fee is often lower than that of a lease (which often includes infrastructure and facilities) ⁷ .

¹ Article 32 of the Revised 2016 Investment Promotion Law.

² Article 2 of the Prime Minister Decree No. 03/PM, Dated 10/01/2019 on Approval of the List of Controlled Business and Concession Activities.

³ Article 33 of the Revised 2016 Investment Promotion Law

⁴ Article 34 of the Revised 2016 Investment Promotion Law

⁵ Article 35 of the Revised 2016 Investment Promotion Law

⁶ Article 116 of the Revised 2019 Land Law and the Presidential Statute No. 02, Date: 18/11/2009 on State Land Lease and Concession Fees.

⁷ Article 118 of the Revised 2019 Land Law and the Presidential Statute No. 02, Date: 18/11/2009 on State Land Lease and Concession Fees.

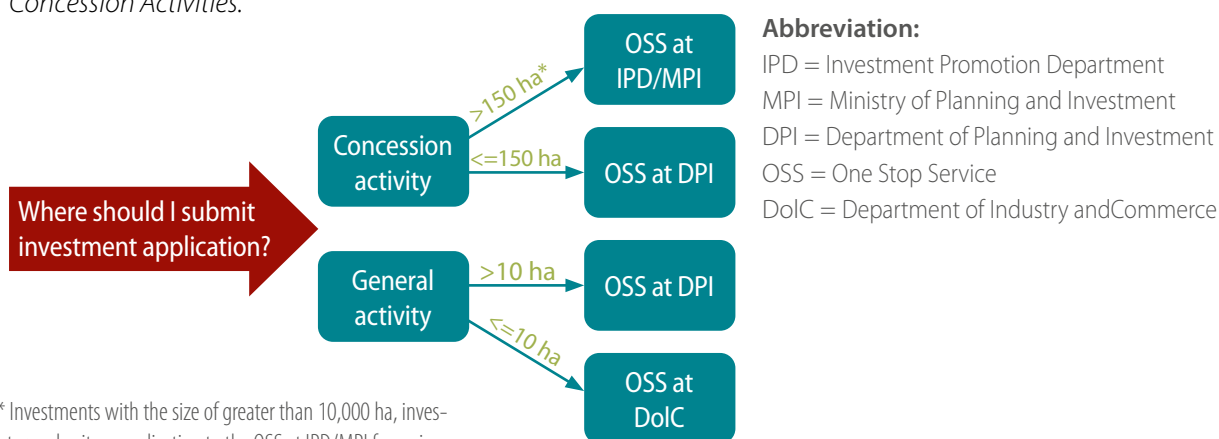
Individual land leases	An agreement between a landowner and a local or foreign individual or entity on leasing land for a specific purpose with acknowledgement from the village chief, Notary Office, and District Office for Natural Resources and Environment where the land is located. ⁸
Contract farming	Agreement between farmer and investor/company ⁹ stipulating terms and conditions of inputs and benefit sharing prior to an investment in agricultural production and tree plantation. Benefit sharing arrangements range from profit dividends between farmers/firm or on farmers' earnings from selling the agreed products to firm.

Note: Foreign investors are not allowed to purchase land from individuals/villagers (see Article 131 of Land Law 2019).

2. Investment approval

Where to submit your investment application for establishing a land-based investment in Lao PDR depends on the size and category (whether it is a “concession” or a “general activity”) of your investment. Figure 2 provides an overview.

Source: Prime Minister’s Decree No. 03/PM, Dated 10.01.2019 on Approval of the List of Controlled Business and Concession Activities.



* Investments with the size of greater than 10,000 ha, investors submit an application to the OSS at IPD/MPI for review before OSS will submit it to National Assembly for approval.

Figure 2: Where to submit your investment application

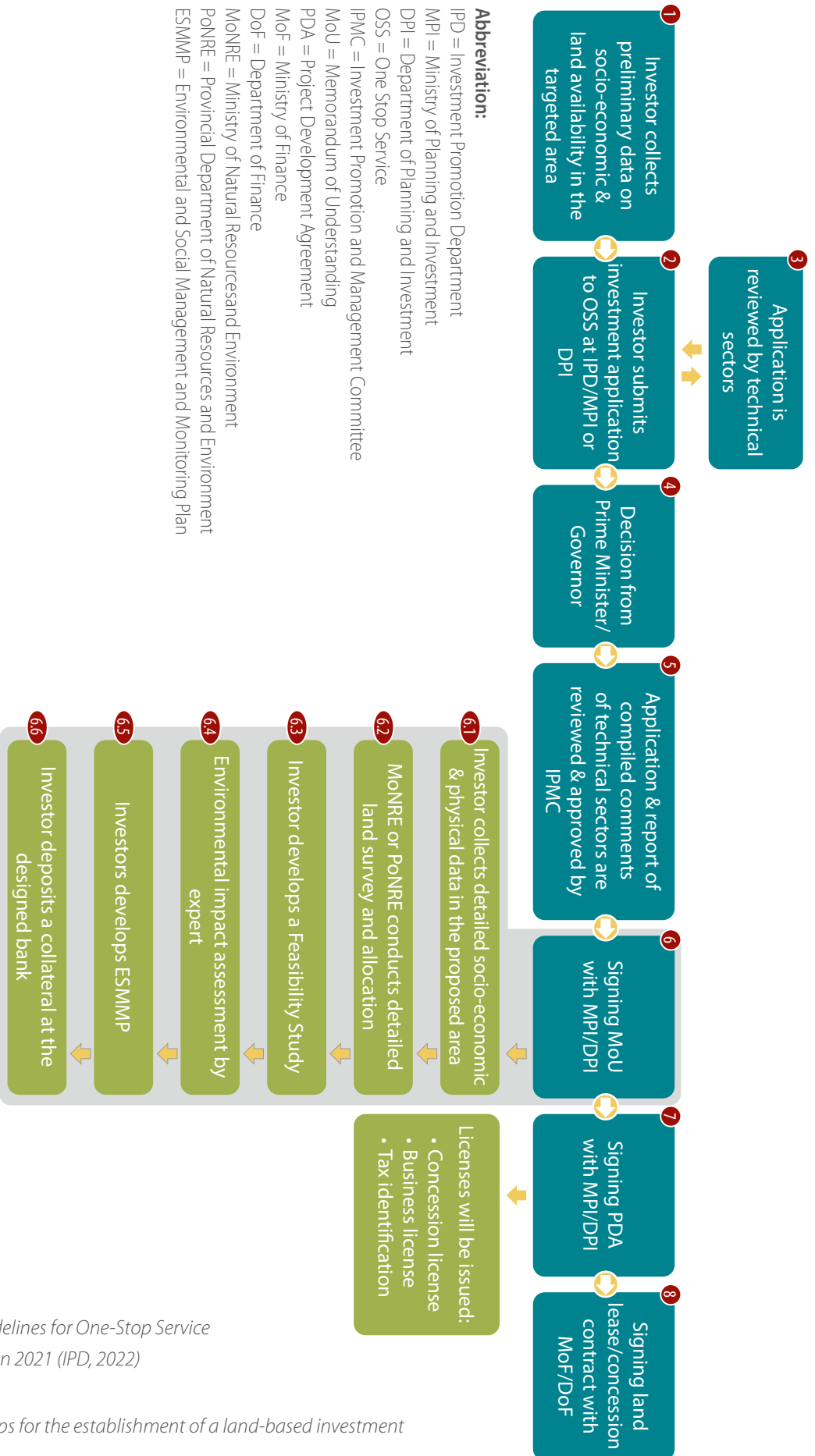
3. Investment preparation phase

3.1. State land leases and concessions

According to the Investment Handbook 2021 (Investment Promotion Department (IPD), 2022), this phase consists of 8 main steps:

⁸ Article 117 of the Revised 2019 Land Law.

⁹ Excerpt from the Guidelines for Facilitating Contract Farming. National Agriculture and Extension Services (NAFES). Supported by Lao Extension for Agriculture Project (LEAP). June 2012



Source: Guidelines for One-Stop Service Investment in 2021 (IPD, 2022)

Figure 3: Steps for the establishment of a land-based investment

Step 1: Before submitting the official investment application form:

- Investors must first collect preliminary information on the site in which you wish to invest. This is because in many cases, land zoning and allocation maps are not yet available in Lao PDR. The information must be presented as a report and include a description of the existing infrastructure and the potential of the labour force.
- Investors must also develop a basic map showing the proposed location and its land boundaries. The map must be attached to the investment application form.
- As the investor, it is your duty to consult with the local community living on the land, to inform them about the planned investment and to seek their consent.
- Investors must request certification on the availability of the land for investment from the district and provincial authorities, as stated in the MPI's Ministerial Instruction Number 0457, dated 27.2.2019.



Figure 4: A man studying the land use planning map of a village in northern Lao PDR

Step 2: Submit your application. For investments larger than 150 ha, please submit your application to the OSS at the IPD of the MPI. For investments smaller than 150 ha or for a “controlled business” (under “general activity”) larger than 10 ha, please submit your application to the OSS at the Provincial Department of Planning and Investment (DPI) (see Figure 2 for an overview and Box 2 for the supporting documents you will need to include with your application).

Box 2: Supporting documents required for an investment application

The application form is available at the OSS at the DPI and IPD-MPI. It can also be downloaded at www.investlaos.gov.la

An application must include the following supporting documents:

1. Brief project description, certified by the president or Chief Executive Officer (CEO) of the company or a designee
2. Background information on the company including history and business license
3. Joint venture agreement (if an investment project involves two or more companies)
4. Authorization on behalf of the shareholders or the company, if the submitting person is not the director/CEO of the company
5. Map showing the potential project location and/or land boundaries (results of primary data collection)
6. Financial statement from a financial institution or bank or the financial report of the company over the last three years

Step 3: The OSS transfers the investment application to all relevant technical offices at the national or provincial level for review within two working days of receiving the application from an investor. These sectors should return their comments to the OSS within 30 working days.

Step 4: The OSS compiles comments from technical offices and submits them to the Investment Promotion and Management Committee (IPMC)¹⁰ for further inspection and approval. The OSS then organizes a meeting with the IPMC and all relevant sectors to decide whether or not to approve the proposed investment. Within 30 days, the Department of Planning and Cooperation of the Ministry of Agriculture and Forestry (MAF) should ask the Department of Forestry to check whether the proposed investment site is inside the three state forest categories, and the Department of Agriculture Land Development of MAF on whether there is private land inside the proposed site. If the proposed investment site is inside the state forest land, investors must obtain the permission for forest conversion from the National Assembly. The investor will be informed whether the intended project has been approved or rejected.

Step 5: If the IPMC meeting approves the proposed investment project, the OSS will submit a report on the results of the IPMC meeting to the prime minister's office or the provincial governor's office for official approval. Once the prime minister or provincial governor has approved the investment, the OSS will, within two working days, contact the investor to plan a Memorandum of Understanding (MoU) between the investor and the MPI. The investor must then inform the OSS about their availability for the negotiations on setting up an MoU, ideally within 10 working days, but in any case within 30 working days, or else the application will be invalid.

Step 6: Signing the MoU. In this step, investors have to fulfill the following tasks:

- a. Conduct a detailed field survey on the planned investment site including information on the socio-economic and agro-ecological conditions, on meteorological and climatic conditions, water and forest resources, local land use rights schemes, and the availability of local labour.

¹⁰ In the past, the IPMC held a meeting to review and comment the investment application. However, this has changed since the GoL issued 191/PMO, dated 22.8.2022 to cut the IPMC meeting from the investment approval procedures at the national and provincial levels. The GoL has instructed MPI to coordinate with relevant sectors to study the possibility for streamlining the investment approval procedures.

- b. Coordinate with the Department of Land (DoL) of the Ministry of Natural Resources and Environment (MoNRE) or the Provincial Department for Natural Resources and Environment (PoNRE), depending on where the application for land allocation was submitted. See Box 3 for the land acquisition process.
- c. Conduct a technical and economic feasibility study and submit it to MAF or Provincial Department for Agriculture and Forestry (PAFO) for approval.
- d. Conduct an Environmental Impact Assessment (EIA). (For more information on conducting an EIA, please see the manual in this series on Environmental and Social Safeguards).
- e. Develop an Environmental and Social Management and Monitoring Plan (ESMMP) to mitigate the negative social and environmental impacts of the investment project. (For more information on developing an ESMMP, please see the manual in this series on Environmental and Social Safeguards).
- f. Deposit collateral to the bank account of the Planning and Investment Division of the National Treasury Office within 30 business days of signing the MoU (see Box 4). The deposit will be returned to the investor once the above tasks have been fulfilled.



Figure 5: Investors must carry out various surveys such as a land survey and a household survey. A drone can be used to conduct a detailed land survey (left). Talking to community members is part of the household survey on socio-economic information (right)

Box 3: Land acquisition processes

Land acquisition process

The DoL or PoNRE conduct a land survey and allocate the land. They then issue a state land title in accordance with the duration stated in the concession agreement¹¹, demarcating the available and suitable land to investors in accordance with the timeframe and purpose of the investment project. The land title will be forwarded to the MPI or the DPI for the Project Development Agreement (PDA) process. In case of land expropriation from individuals, land compensation payments must be completed in this step (see Box 5). Investors have to cover all the expenses for the land survey and approval, including transportation, allowances for government staff, fees, etc. See MoNRE's Instruction on Land Survey and Cadastral Mapping, 2021, for a detailed description of the land acquisition process.

¹¹ MoNRE Ministerial Instruction on Land Registration, No.0500/MoNRE, Dated 14/2022. State land title has a timeframe which differs from the private land title.

In this process, investors must ensure that adequate consultation has taken place with local communities who may be affected by land and resource expropriation and that these communities have consented to the investor's plans. The MPI Ministerial Instruction Number 0457 dated 27.2.2019 requires that an investor seek consent from local communities or land users by signing agreement memos with them. The agreement must be attached to the investment application. For detailed processes on consultation and consent, please see the other manuals in this series:

- Incorporating Responsible Land-based Investment Principles into Investor Policies and Practices. A Manual for Investors
- Achieving Effective and Inclusive Community Engagement for Responsible Agricultural and Forestry Investments in Lao PDR: A Manual for Investors and RAI Practitioners

Box 4: Deposit amount

Value of collateral per land surface area size

USD 30,000 for ≤ 150 ha

USD 50,000 for > 150 and $\leq 1,000$ ha

USD 70,000 for $> 1,000$ ha

Source: MPI Ministerial Instruction on Investment Approval and Mechanism governing Land Lease and Concession for Agricultural Plantation No. 0757/MPI, 27.02.2019

Box 5: Land compensation processes

Compensation for expropriated land

If land is expropriated, compensation is to be provided to the land owner, irrespective of whether the owner is in possession of a legal land title or has customary land rights, as stipulated in the Prime Minister's Decree Number 84/GoL in 2016 on Compensation and Resettlement in the context of Investment Projects. According to the decree, investors should:

1. Inventorize properties that may be affected by an investment, i.e. collect information on land use, land use documents, crops, livestock, and other resources that may be affected. This process should be done in parallel to the EIA.
2. Create a compensation plan including consultation procedures with local land users or the affected population, in order to agree on the compensation rates and procedures. This must be completed within 24 months after the ESMMP is approved.
3. Submit a compensation plan to the Provincial Steering Committee on Compensation for approval.

More details on the procedures can be found in Decree No. 84/GoL, dated 5.4.2016.

Step 7: Sign the Project Development Agreement

Once the Feasibility Study, the EIA, and a state land title have been endorsed or issued by the relevant government agency, an investor must submit an application for a Concession Agreement (CA). After signing the CA with the government, the investor must establish a Project Company to operate or implement the CA. The investment license will be issued by the planning and investment sector. The investors can then implement the project in accordance with the Feasibility Study and in compliance with the relevant laws and regulations.

1. Investors must submit an application for enterprise registration to the Ministry of Industry and Commerce (MoIC) or the Department of Industry and Commerce (DIC)
2. After obtaining an enterprise registration certificate from MoIC, the investor must apply for a business license from the MAF or PAFO. MoU, Feasibility Study, and other related documents must be submitted to the Department of Planning and Cooperation, MAF. If all the documents are correct, the investor will receive the license within 15 days.

Step 8: Sign land lease or concession contract

The investor signs the land lease or concession contract with the Department of Finance (DoF) (at provincial level) and Ministry of Finance (MoF) (at national level).

3.2. Procedures for leasing land from individuals

Investors have the right to lease land from individuals¹². The procedures are explained in the MPI's Ministerial Instruction No. 0457/MPI, dated 17.2.2019.

Investments with an area larger than 10 hectares

Approval must go through the OSS in the DPI in line with the following procedure¹³:

- The investor conducts a preliminary meeting with the village authorities of the village where they want to lease land.
- The investor submits an application to the OSS at the DPI for approval.
- The OSS circulates the investment application form to all relevant offices in the province for comments, within two working days of receiving the application from the investor. All relevant offices should return their comments to the OSS within eight working days.
- The OSS compiles the comments from the relevant offices and reports to the IPMC for consideration within 10 working days.
- If the application is approved by the IPMC, investors have to sign an MoU on the project management with the DPI.
- Investors negotiate the land lease contract with the landowners using a template provided by the OSS.

¹² According to the Land Law No. 70/NPC, Article 117 Land Leasing from Lao Citizens

¹³ Ministerial Instruction on Approval of Investments and Mechanisms for Management of Land Leases or Concessions for Agricultural Crop Plantations (No. 0457 /MPI, dated 27 February 2019)

- DPI and DoIC issue an investment license and a business license respectively, within five working days after the land lease contract has been signed with landowners.
- The investor deposits funds for land rehabilitation at the DoF. The deposit will be repaid to the investor upon completion of the land restoration.

Investments with an area smaller than 10 hectares

- The investor applies for business registration at the DIC to establish a legal entity.
- The investor submits an application to the OSS, which then presents it to the IPMC located at the provincial DPI.
- The investor signs a project management MoU with the PAFO.
- The investor negotiates and signs the individual land lease agreement with landowners, using the template provided by the PAFO.
- The PAFO issues the agribusiness license to the investor.
- The investors should deposit funds for land rehabilitation at the District Finance Office (DFO). The deposit will be repaid to the investor upon completion of the land restoration.

3.3. Procedures for contracting farming

The approval process is the same as for “controlled” or “uncontrolled” businesses under the “general activity” category as explained in Section 2. There are as yet no specific regulations or a legal framework for this form of investment in Lao PDR, but investors/companies should adhere to the following key principles:

Data collection: Get to know the local context. Collect key information from farmers and/or the DAFO regarding local livelihoods, farming and production methods/practices, production capacity, existing infrastructure and facilities. Check what support the farmers need in terms of inputs, technology, and skills. Collect information on the terrain, soil quality, climate, and water resources.

Contract negotiation: All contract negotiations should be transparent, inclusive, and fair. Ensure that farmers receive adequate information about the investment and that they fully understand the terms and objectives of the contract as well as the potential risks of the investment for them. Consult and obtain the consent of farmers and other stakeholders, including vulnerable and marginalized people like women or ethnic groups, following the principles of FPIC (Free, Prior and Informed Consent).

Contract development: The results of the negotiation must be specified in the written contract. The contents should be clear, comprehensive, concise, and written in the local language.

Signing of contract: The contract should be signed between the investor and the farmers and witnessed by the relevant parties such as village and district authorities. The contract must be endorsed by the village head or the Notary Office of the District Office for Justice or the Provincial Department of Justice (DoJ) (based on the value of the transaction specified in the contract).

4. Implementation phase

4.1. Land clearing

There are some important considerations that investors should take at this stage:

1. Carefully follow the ESMMP to ensure that land clearance does not have significant negative impacts on local resources and livelihoods. Any remaining or unavoidable impacts should be adequately compensated, e.g. where land is expropriated.
2. In areas of valuable resources (e.g. timber), investors should coordinate with a relevant governmental office (e.g. MAF) to extract the resources before starting to clear the land. All valuable resources belong to the government, unless stated otherwise in the concession agreement.
3. All activities during this stage require adequate community engagement. The investor must consult and obtain the consent of local communities and other stakeholders who may be affected by land clearing.
4. Investors should immediately halt all activities if there is a conflict with other stakeholders until the conflict has been adequately resolved.

Box 6: Principles on good community engagement

It is the responsibility of the investor to engage with the community. A good engagement strategy should:

- Enable the community to prevent or deal with problems immediately rather than later
- Demonstrate the benefits of the investment
- Possibly conduct your community engagement in partnership with the government or civil society
- Use a variety of communication channels with the community, combining formal and informal channels, two-way communication between investors and the community, and culturally appropriate and culture-sensitive communication channels

4.2. Use and management of labour force

Investors should give priority to hiring workers from the local communities who live in or near the investment area and who are affected by the investment, as one way of compensating for a potential loss of land and to contribute to social and economic development. As local communities or workers may not have the relevant skills, investors should provide the necessary training to local communities to ensure that they benefit from the investment. If there is insufficient local labour with the requisite skills, a certain share of labour may be brought from the outside. For physical labour, non-Lao citizens may comprise up to 15% of the total required physical labour per business entity; for technical experts, non-Lao citizens may comprise up to 25%¹⁴.

¹⁴ Article 68 of the 2013 Revised Lao Labour Law



Figure 4: Workers transporting bananas to the truck in Luang Namtha Province

Authorization for importing foreign labour

Hiring non-Lao workers for an investment requires authorization. First, approval must be sought to hire a specific number of workers for the investment (“approval of foreign labour quota”). Second, a “permit to import foreign workers” must be sought, and the necessary documentation (visa, work permit, etc.) arranged. The following procedure applies:

Approval of foreign labour quota

Investors that need to hire foreign workers should request approval by the Department of Employment Service (DES) , and Department of Labour Management at the Ministry of Labour and Social Welfare (MoLSW) or Provincial Labour and Social Welfare (DoLSW). The following documents should be attached to the application:

1. Application form
2. A Labour Plan outlining the use of Lao and foreign labour in the business operation
3. Job vacancy announcement
4. A colour copy of the business license and investment license or business operation permit documents
5. A colour copy of the company’s tax registration, including the salary tax, which lists the number of Lao employees in the last month
6. A copy of the PDA or Concession Agreement
7. Authorization document from the company, in case a representative requests this on behalf of the company (original copy)

Permit to import foreign workers

1. Investors must submit an application for a permit to import foreign workers to the DoLSW or the DES based on the approved quota. The following documents are required:
 - Application for entry permit for foreign workers
 - A copy of the approved quota of foreign workers
 - Business license
 - List of foreign workers to be recruited
 - A letter of employment guarantee from the employer
 - Health check certificate of foreign workers from the country of origin
 - Copy of passport
2. Investors must submit the list of foreign workers to the Immigration Police Department, Ministry of Public Security
3. Additionally, investors must submit the list of foreign workers to the Consular Department, Ministry of Foreign Affairs (MoFA) for visa application
4. Investors must apply for work permits at the DoLSW or DES
5. Investors must apply for residence permits from the Police Department, the Ministry of Public Security or the Provincial Public Security Department
6. Investors must apply for multiple entry-exit visas with the Consular Department, MoFA

Labour management

Labour contract

Under Lao law, investors must have a written employment or labour contract with all workers. The conditions included in the labour contract should be fair and aligned with the labour law. See Annex 1 for an example of a labour contract template.

Box 7: Key contents of the labour contract

Key contents of the labour contract

1. Name and surname of the employer and the employee
2. Job description, rights, obligations, and responsibilities of workers
3. Salary or wages of workers
4. Forms of payment of salaries or wages
5. Term of the labour contract, including start date and end date
6. Current location of employers and workers
7. Probation period of new employee
8. Welfare and other labour policies
9. Working hours, breaks, and holidays
10. Benefits that worker will receive after the end of the labour contract

Other issues that both parties deem necessary in accordance with the rules and regulations.

Company internal labour rules

Investors are required to establish internal labour regulations containing the following information:

1. Working hours
2. Place of duty
3. Lunch break
4. Day off
5. Policy on sickness
6. Labour health and safety measures (e.g. detailing the use of equipment, tools, and personal protective equipment to prevent occupational accidents and diseases)
7. Procedures and mechanisms for resolving labour disputes and disciplinary action
8. Benefits and regulations for workers
9. Required annual health checks for workers - once a year for all workers, and twice a year for those involved in a high risk task, e.g. spraying agrochemicals.

4.3. Project management, monitoring, and inspection

Under Article 11 of the Ministerial Instruction on Approval of Investments and Mechanisms for Management of Land Leases or Concessions for Agricultural Crop Plantations No. 0457/MPI, dated 27.2.2019, all investment activities will be monitored and inspected by the relevant government institution on a systematic or ad hoc basis.

The inspectors will:

- Examine implementation of the investment agreement (e.g. has collateral been paid, have contractual obligations been met) and evaluate development progress.
- Examine the implementation against the elements specified in the feasibility study.
- Examine environmental aspects against the environmental and social management plan.
- Examine labour issues against safety measures, health, wages, and welfare of workers.
- Examine if the investment complies with the relevant laws and regulations¹⁵.

In addition, investors should establish their own company internal monitoring system to monitor environmental, social, labour-related, and other relevant issues. They will need the results of this internal monitoring to report to a relevant government institution as defined in the PDA or CA.

Environmental technical monitoring¹⁶

Environmental technical monitoring is necessary to continuously observe the impact of the investment operations on the environment. It serves to examine whether the ESMMP and all environmental obligations are being adhered to. The monitoring procedure differs according to investment phase:

¹⁵ Ministerial Instruction on Approval of Investments and Mechanisms for Management of Land Leases or Concessions for Agricultural Crop Plantations (No. 0457 /MPI, dated 27 February 2019)

¹⁶ Agreement on Environmental Supervision of Investment Projects and Activities of the Natural Resources and Environment Sector (No. 2319/MoNRE, dated 26 May 2021)

- **Development phase:** The government authorities in charge of monitoring, including the district authorities, will conduct the monitoring two to three times a year. One to two times per year the monitoring will be done by the provincial authorities. The Department of Pollution Control and Supervision will conduct the monitoring on an ad hoc basis, upon request of the subnational government.
- **Operational phase:** The government authorities in charge will conduct the monitoring as per Development phase, see above.
- **Closure phase:** At the district level, the District Office for Natural Resources and Environment is responsible for monitoring and inspecting twice a year; at the provincial level, PoNRE is responsible for monitoring once a year; at the central level, the Department of Pollution Control and Monitoring is responsible for monitoring in case of problems that cannot be resolved by the relevant parties at the local level.

The process is explained in more detail in “Environmental and Social Safeguards for Responsible Agricultural and Forestry Investments in Lao PDR. A Guide for Investors and RAI practitioners”.

Labour inspection¹⁷

A labour inspection is conducted by the labour inspection authorities¹⁸ who shall ensure the implementation of labour laws and regulations. There are six types of labour inspections:

- Regular labour inspections. These are carried out according to a fixed schedule and by an officer who is recognized by the labour unions.
- Unscheduled labour inspections. These are carried out in response to reports of unusual events occurring in an investment; the investor will be notified in advance.
- Unannounced inspections. These can be carried out at any time without notification.
- Progress inspections. These check whether the investor has implemented the improvement measures ordered by the authorities.
- Special inspections. These are carried out according to specific orders or notifications of higher organizations or requests by labour union representatives or workers.

Government grievance redress mechanism for investors

If investors would like to raise a concern or a grievance, they can submit them to the one-stop service at the DPI or IPD-MPI, depending on where an investment was approved. Another possibility is to submit a petition to the Centre of Economic Dispute Resolution (CEDR) at the Ministry of Justice or DoJ at the provincial level. There is a form available from CEDR for this purpose; the process and documentation required are stipulated in the Law on Economic Dispute Resolution. Investors can also file a lawsuit through the People’s Court in Lao PDR or through an international court.

¹⁷ Decision No. 277 /LSW “On the Organization and Operation of the Labour Inspector”, dated 05 December 2016

¹⁸ The Labour Inspector is a civil servant of the Labour Management Agency as well as the Social Welfare Department at each level who has been appointed.

Addressing complaints and conflicts from affected people

Investment projects can generate both positive and negative impacts. Even when an investment is fully compliant with laws and regulations and applies preventive environmental and social measures prior to commencing the projects, problems and conflicts may still arise during operation. Adequate management of conflicts and grievances can prevent losses in the long term, such as the costs to address conflicts or reputational damage to the company. Investors should therefore ensure that a company-based systematic grievance redress mechanism (GRM) is in place. At the same time, investors should facilitate access for all relevant stakeholders to an official or independent GRM if a conflict cannot be resolved through the company-based GRM. Please see “Responsible Agricultural and Forestry Investments: How to set up Company-based Grievance Mechanisms. A Manual for Investors and RAI Practitioners”.

4.4. Change of investment conditions

If investors want to make changes to the concession agreement or to the approved investment project, they must obtain permission from the relevant government agency at the central or provincial level. See Annex 2 for details on changes that require approval and how to apply.

4.5. Import and export of goods

General procedure

All importers and exporters must first register with the Department of Enterprise Registration and Management of the MoIC. Not all imported or exported products require a license. All products, whether they are for import or export, fall into one of three categories:

- Products that do not require a license
- Products requiring a license under “automatic licensing”¹⁹
- Products requiring a license under “non-automatic licensing”²⁰

Importers and exporters can secure these licenses from the Department of Imports and Exports (DIMEX). Products that require a license are listed in Table 1 of the Decision on list of products that require a license before export and import No. 0333/MoIC, dated 22 March 2022. Products that do not require a license before export or import follow the export and import procedure at the border checkpoint.

Documents

The Automated Systems for Customs Data (ASYCUDA) designed by the United Nations Conference on Trade and Development (UNCTAD) has been installed at 11 major international border checkpoints in Lao PDR. Crossing over to Lao PDR at one of these checkpoints will allow importers and exporters to benefit from a digitized, single-window clearance system.

¹⁹ Automatic import licensing is defined as import licensing where approval of the application is granted immediately in all cases or not later than ten working days if applicants meet the legal requirements.

²⁰ Non-automatic licensing procedures are normally used when there are quantitative restrictions (quotas) on the import or export of goods. Outside the said restrictions, the procedures themselves shall not cause further obstacles for import or export of goods.

Table 2: Supporting documents for import and export

For importers: Businesses importing into Lao PDR must provide the following documents when their goods arrive.	For exporters: Businesses exporting out of Lao PDR must provide the following documents before transporting the goods.
<ul style="list-style-type: none"> • Invoice • Packing list • Documents shipping goods • Certificate of Origin (if any) • Import license of the relevant government agency • Import customs declaration • Other relevant documents 	<ul style="list-style-type: none"> • Shipping documents • Purchase order • Packing lists (if any) • Certificate of Origin (if any) • Export license of the relevant government agency • Other relevant documents

For certain technical products, importers must obtain a permit that these products adhere to the technical standards of the Ministry of Science and Technology. Similarly, imported food items must obtain a phytosanitary certificate from the MAF. Importers and exporters bringing pharmaceuticals or chemical products in or out of Lao PDR must obtain a permit from the Food and Drug Department of the Ministry of Public Health. A complete list of goods along with any further documentation can be found on the website of Lao Trade Portal (www.laotradeportal.gov.la).

Export procedures

The export procedure is generally applicable for all types of goods exported from Lao PDR under the customs regime. However, different types of goods may require different supporting documents to be presented to customs together with a declaration. Please check www.laotradportal.gov.la or with the relevant authorities for a specific permit or license. This procedure is currently applied at all border checkpoints apart from the 11 checkpoints using the ASYCUDA.

For border checkpoints not using ASYCUDA

Step 1: The export procedure for general documents listed in Table 3) must be submitted to customs within 24 hours of the arrival of the goods at the border.

Step 2: Transport documents are the commercial documents that describe the contents of the craft or vehicle that arrives at the border post with the goods. Transport documents may be a manifest (in the case of air cargo), a transport notice, a load or packing list, or a copy of the export declaration in the case of road vehicles.

Step 3: A declaration must be submitted within 15 days of the date the transport documents are lodged with the customs officer at the border checkpoint. A declaration must be submitted using Form ACDD (Customs Declaration). A duly authorized ACDD form can be collected from the customs office at the border post.

Step 4: A Certificate of Origin for exports for all countries with which Lao PDR has preferential tariffs (e.g. ASEAN) may be obtained from bodies of the issuing authorities (e.g. DIMEX, LNCCI, SEZs).

Step 5: An Export License is issued for goods that are subject to licensing (see list in No. 0333/MoIC).

Step 6: If no irregularity is found, the trader may proceed with the clearance process. If an irregularity is deemed to constitute a serious offence, Customs may decide to take appropriate enforcement action.

Step 7: Most exports are not subject to customs duties. However, customs duty is payable on some commodities. In addition, some other taxes may apply. Currently payment of duties at the 11 international border posts using ASYCUDA may be made at the bank office at the border post or in cash. The bank will issue a receipt which the trader will present to customs before clearance is issued.

For border checkpoints using ASYCUDA

The ASYCUDA procedure for declaring export duties at international customs checkpoints has 4 steps:

1. Fill in a customs declaration form;
2. Inspection by the customs authorities;
3. Payment of duties and other obligations;
4. Check the release of goods and move from the customs borders.

The customs declaration system can be completed online before or after the arrival of goods at the checkpoint borders using ASYCUDA:

Step 1: Fill in the customs declaration system including:

- Shipping documents;
- Purchase order;
- Packing lists (if any);
- Certificate of Origin (if any);
- Export license of the relevant government agency;
- Other relevant documents.

Step 2: There are 2 cases for customs declaration and inspection by the customs authorities:

1. The customs declaration before the arrival of goods at the checkpoint borders:

The taxpayers must log into the customs declaration system and fill in the details together with the supporting documents, as indicated in Step 1. Once the declaration is completed, the taxpayer must print the duty declaration form with a signature and seal or an e-signature accepted by the Customs Authorities. Finally, attach the duty declaration form with relevant documents to submit to the Customs Authorities.

2. The customs declaration after the arrival of goods at the checkpoint borders:

The taxpayers must log in into the customs declaration system and fill in the details together with the supporting documents, as indicated in Step 1. Once the declaration is completed, the taxpayer must print the duty declaration form with a signature and seal or an e-signature accepted by the Customs Authorities. Finally, attach the declaration form with relevant documents to submit to the Customs Authorities for inspection. Please note that the taxpayer can enter the declaration information into the system within seven working days before exporting the goods from the customs checkpoints.

Step 3: Payment of duties and other obligations:

After going through the customs clearance procedure and confirming the result of the declaration into the system.

Step 4: Checking the release of goods before moving from the customs checkpoints:

The taxpayer must bring the complete documents to the customs officers at the checkpoint to check that the documents are complete and then allow the goods to be released from the borders. Finally, the taxpayers must keep 2 copy sets of the customs declaration for their reference.

Import procedures

The following procedures must be followed for the import of goods or raw materials:

1. For the investments that are approved at the central level, investors have to submit a master list (importing plan) to OSS at IPD of MPI. The OSS will coordinate with relevant sectors and propose to the Chief of the Office of the MPI whether to endorse the import plan.
2. For large-scale investments (total investment capital greater than USD 1 billion) that have been approved by the National Assembly, the minister of the MPI will issue the certificate of endorsement of the import plan and pass it to the Customs Department of the Ministry of Finance to inform the international border checkpoint.
3. For investments approved at the provincial level, the annual import plan shall be submitted to the OSS at the DPI. The OSS will coordinate with the relevant sectors. After approval by Director General of the DPI, OSS sends the import plan to the DoF where the border checkpoint is located.

Government tax incentives

Article 12 of the Investment Promotion Law states that responsible investors in Lao PDR will not only obtain a profit tax break but also other tax incentives such as customized valued-added taxes based on the following conditions (GoL, 2016):

1. Investors do not have to pay import and value-added taxes for importing equipment and materials that can't be supplied or produced in the Lao PDR.
2. Investors do not have to pay import and value-added taxes for importing raw materials, minerals, equipment and spare parts for a product intended for export.
3. Investors do not have to pay value-added taxes for using raw materials, equipment and spare parts available and produced in the country.

Eligible investors

1. Enterprise entity
2. Investments should be on the list of promoted sectors as stated in the Investment Promotion Law
3. Minimum investing capital should not be less than 1.2 billion kip
4. Investors employing at least 30 Lao technical experts or 50 Lao workers with labour contracts for at least one year.
5. Investors who have paid taxes and fees in line with laws and regulations and can prove this by providing certificates on annual tax payments.

Documentation

In order to receive tax incentives, investors should provide the following documents:

1. Application for import plan
2. Authorization of the operator to run the document with the certification and approval from the director of the enterprise.
3. Brief report on the state of business operation, including the contents of the previous year, the actual entry of labour, etc.
4. Draft annual import plan (Master list according to the print/schedule set by the MPI or DPI)
5. A copy of the investment license (if any), the enterprise registration, the business license from the relevant sector, the certificate of the previous annual tax obligation, as well as concession agreement.
6. Copy the import plan from the previous year.
7. Copy the annual plan of the enterprise that has been approved by the industry and commerce sector (for enterprises or factories engaged in production).

5. Project closure phase

Before closing their business, all investments must create a closure plan. The closure plan must state what measures will be taken to improve and rehabilitate the land and any surroundings that were affected by the investment. The plan must also mention how it will compensate for environmental and social damage the investment may have caused. Investors should ensure that the closure of the investment will not have adverse impacts on local natural resources and livelihoods. To this end, investors must engage with all stakeholders, particularly the government, local communities, and workers, to develop, agree on, and implement the investment closure plan.



Figure 5: Long after the investor of the banana plantation has gone, plastic bags used for wrapping banana trunks still litter the landscape in Luang Namtha Province

Box 8: Conditions for termination of an investment

Termination of investment

An investment may be terminated in any of the following cases:

- The investment license has expired or indicates that the investment project has been completed;
- The investment license has been revoked or the investment has been cancelled;
- Request from the investor or contracting party;
- There is a court decision that can be used to dissolve the enterprise or cancel the investment activities.

We hope the explanations of procedures and processes for land-based investments in Lao PDR have been helpful. We encourage you to make use of the other guides and manuals in this series (“RGIL tool-kit”). The other manuals provide information on important issues such as international principles and best practices, how to ensure community engagement, and how to establish a grievance mechanism.

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Further reading

Chansomphou V, Nanhthavong, V, Schulz J. (2023). Environmental and Social Safeguards for Responsible Agricultural and Forestry Investments in Lao PDR. A Guide for Investors and RAI Practitioners.

Chansomphou V, Nanhthavong, V, Schulz J. (2023). Achieving Effective and Inclusive Community Engagement for Responsible Agricultural and Forestry Investments in Lao PDR. A Manual for Investors and RAI Practitioners.

Wehrmann B, Manysoth S, Sirivath H. (2023). Responsible Agricultural and Forestry Investments: How to set up Company-based Grievance Mechanisms. A Manual for Investors and RAI Practitioners.

Annex

1. Template for labour contract



ສາທາລະນະລັດ ປະຊາທິປະໄຕ ປະຊາຊົນລາວ
ສັນຕິພາບ ເອກະລາດ ປະຊາທິປະໄຕ ເອກະພາບ ວັດທະນະຖາວອນ

ສັນຍາ ແຮງງານ

ທີ່ຕັ້ງຫົວໜ່ວຍແຮງງານ	ທີ່ຢູ່ຂອງຜູ້ອອກແຮງງານ
ຊື່ຫົວໜ່ວຍແຮງງານ	ຊື່ແລະ ນາມສະກຸນຜູ້ອອກແຮງງານ:
ຖະໜົນ:
ບ້ານ:	ອາຍຸ: ເຮືອນເລກທີ:
ເມືອງ:	ບ້ານ:
ແຂວງ:	ເມືອງ:
ໂທລະສັບ:	ແຂວງ:
ຊື່ແລະນາມສະກຸນຜູ້ໃຊ້ແຮງງານ:	ໂທລະສັບ:.....
.....

I/ ຂໍ້ຕົກລົງທົ່ວໄປ:

ຂ້າພະເຈົ້າ ເຊິ່ງແມ່ນຜູ້ໃຊ້ແຮງງານ
ໄດ້ຕົກລົງເຫັນດີເຮັດສັນຍາແຮງງານກັບທ້າວ/ນາງ ອາຍຸປີ,
ວິຊາສະເພາະ :..... ເຊິ່ງແມ່ນຜູ້ອອກແຮງ
ງານ. ພວກຂ້າພະເຈົ້າທັງສອງ ມີຄວາມຍິນດີປະຕິບັດຕາມທຸກໆ ເນື້ອໃນທີ່ໄດ້ລະບຸໄວ້ ໃນສັນຍາແຮງງານ.

II/ ພັນທະຂອງຜູ້ໃຊ້ແຮງງານ:

1. ປະເພດຂອງສັນຍາແຮງງານ

- ມີກຳນົດເວລາ.....ປີ, ແຕ່ວັນທີ.....ເດືອນ.....ປີ.....ຫວັນທີ.....ເດືອນ.....ປີ.....
- ບໍ່ມີກຳນົດເວລາ

2. ເງິນເດືອນ ຫຼືຄ່າແຮງງານເທົ່າກັບ ຕໍ່ເດືອນ ຕໍ່ມື້

3. ໄລຍະເວລາຂອງການທົດສອບຄວາມສາມາດ ກຳນົດ ເດືອນ, ເຊິ່ງຈະໄດ້ຮັບເງິນເດືອນ ຫຼື ຄ່າແຮງງານເທົ່າກັບ ຕໍ່ເດືອນ ມື້, ຂອງເດືອນທີ່ໄດ້ກຳນົດໄວ້ໃນຂໍ້ 2.

4. ຮູບການເບີກຈ່າຍເງິນເດືອນ ຫຼືຄ່າແຮງງານ.

- ເປັນເດືອນ ຕາມການຜະລິດ
- ເປັນມື້ ຫຼື ເປັນຊົ່ວໂມງ ຕາມການມອບເໝີ

5. ເງິນອຸດໜູນປະເພດຕ່າງໆ

- ອຸດໜູນເກີດລູກ ອຸດໜູນທາດເບືອ ອຸດໜູນໃນເວລາເຈັບເປັນ
- ເງິນອຸດໜູນວຽກກາງຄືນ ອຸດໜູນເຮັດວຽກເພີ່ມໂມງ/ມື ເງິນບຳເນີດ, ລາງວັນຕ່າງໆ

6. ມື້ເຮັດວຽກປະຈຳອາທິດ ແຕ່ວັນເຖິງວັນ, ເວລາເຮັດວຽກປະຈຳວັນກຳນົດ ຊົ່ວໂມງ ຕໍ່ມື້, ກຳນົດ ຊົ່ວໂມງຕໍ່ອາທິດ,

- ເຮັດວຽກຕອນກາງເວັນແຕ່ ໂມງຫາເວລາ ໂມງ
- ເຮັດວຽກໃນຜຽນກາງຄືນແຕ່ ໂມງຫາເວລາ ໂມງ

7. ມື້ພັກຜ່ອນປະຈຳປີ ກຳນົດ ວັນ, ໂດຍໄດ້ຮັບເງິນເດືອນ ຫຼືຄ່າແຮງງານເທົ່າກັບມື້ເຮັດວຽກ

8. ມີພັກທາງລັດຖະການ ແມ່ນພັກຕາມກົດໝາຍວ່າດ້ວຍແຮງງານ ແລະຕາມປະກາດຂອງພາກລັດ ກຳນົດໄວ້.

- ພັກວຽກໂດຍໄດ້ຮັບເງິນເດືອນ ຫຼືຄ່າແຮງງານຄືມື້ເຮັດວຽກຢູ່.
- ພັກວຽກໂດຍບໍ່ໄດ້ຮັບເງິນເດືອນ ຫຼືຄ່າແຮງງານ.

9. ການກຳນົດສະຖານທີ່ເຮັດວຽກຕົ້ນຕໍສຳຮອງອື່ນໆ

III/ ພັນທະຂອງຜູ້ອອກແຮງງານ:

1. ຜູ້ອອກແຮງງານຕ້ອງຕັ້ງໜ້າປະຕິບັດໜ້າທີ່ວິຊາສະເພາະຂອງຕົນ ດ້ວຍຄວາມຮັບຜິດຊອບສູງ, ມີ ຄວາມສັດຊື່ຕໍ່ໜ້າທີ່, ປົກປັກຮັກສາວັດຖຸສິ່ງຂອງຕ່າງໆ ຂອງຜູ້ໃຊ້ແຮງງານເປັນຢ່າງດີ.
2. ຜູ້ອອກແຮງງານຕ້ອງປະຕິບັດຂໍ້ກຳນົດກົດລະບຽບການອອກແຮງງານຕ່າງໆ ແລະສັນຍາແຮງງານທີ່ໄດ້ເຊັນກັນຢ່າງເຄັ່ງຄັດ.
3. ຜູ້ອອກແຮງງານຕ້ອງເສຍອາກອນລາຍໄດ້ໃຫ້ລັດ ຕາມລະບຽບການຂອງລັດວາງອອກ.

ສັນຍາແຮງງານສະບັບນີ້ ມີຜົນບັງຄັບໃຊ້ໄດ້ຖືກຕ້ອງຕາມກົດໝາຍ ນັບແຕ່ມື້ທີ່ໄດ້ລົງລາຍເຊັນ ຮ່ວມກັນເປັນຕົ້ນໄປ.

ທີ..... ວັນທີ ເດືອນ ປີ

ຜູ້ໃຊ້ແຮງງານ

ຜູ້ອອກແຮງງານ

Source: Handbook of Labour Law, 2018 by Human Resource Development Project on Justice in Lao PDR. Ministry of Justice and Japan International Cooperation Agency. Retrieved from <https://Incci.la/wp-content/uploads/2018/08/2ບົນຄຸມວິຊະທິບາຍກົດໝາຍວ່າດ້ວຍແຮງງານ-ພົມຄົງທີ-2018.p>

2. Processes for investors to apply for changing the conditions of the investment

No.	Change	Procedures
1	Adjusting the total investment capital or registered capital	Investors should submit an application to MPI or DPI with the following documents: <ol style="list-style-type: none"> 1. Application form for adjusting the capital; 2. Minutes of the meeting of the Board of Directors or shareholders of the company; 3. Financial statement issued by Bank of the Lao PDR; 4. A copy of the existing investment license; 5. Copy of company rules and relevant licenses.
2	Modifying the activities of the investment	Investors should submit an application to MPI or DPI with the following documents: <ol style="list-style-type: none"> 1. Application form requesting modification of investment activities; 2. Minutes of the meeting of the Board of Directors or shareholders of the company; 3. Economic and technical feasibility study of the modified investment activities; 4. Report on the development of past activities including a record of tax payments and fees; 5. A copy of the existing investment license; 6. Copy of company internal rules and regulation and relevant licenses.
3	Transferring shares within the company	Investors should submit an application to MPI or DPI with the following documents: <ol style="list-style-type: none"> 1. Application form requesting a transfer of shares in the company; 2. Minutes of the meeting of the Board of Directors or shareholders of the company; 3. Letter that confirms the transfer of shares or sales contract. The transfer or contract should contain the signatures of two parties and a stamp from the notary office; 4. A copy of the passport and a brief biography of the new shareholder (for foreigners) or copy of ID card and household ID for the Lao shareholder. 5. A copy of the existing investment license; 6. Copy of company rules and relevant licenses.
4	Revising the existing investment license	Investors should submit an application to MPI or DPI with the following documents: <ol style="list-style-type: none"> 1. Application form requesting a revision of the investment license; 2. Minutes of the meeting of the Board of Directors or shareholders of the company; 3. Documents explaining the reasons for revising the investment license; 4. Original investment license; 5. Copy of company rules and relevant licenses.
5	Renewing the investment license	Investors should submit an application to MPI or DPI with the following documents: <ol style="list-style-type: none"> 1. Application form for renewal of investment license; 2. Minutes of the meeting of the Board of Directors or shareholders of the company; 3. Report on the activities of the company in the past including a record of paying taxes and fees related to its business operation and plan for remaining activities; 4. Original investment license; 5. Copy of company rules and relevant licenses.
6	Renewing the Office of the Representative	Investors should submit an application to MPI or DPI with the following documents: <ol style="list-style-type: none"> 1. Application form for renewal of the license to establish a representative office; 2. Request letter from the parent company to renew the country representative office; 3. Report on the activities of the Office of the Representative in the past including a record on payment of taxes, taxes and other fees related to its business operation and the report on the activities of the Office of the Representative; 4. Original license to establish the Office of the Representative; 5. Certificate on income tax payment; 6. Copy the rules of the Office of the approved Representative.

No.	Change	Procedures
7	Suspending or permanently terminating the investment project	Investors should submit an application to MPI or DPI with the following documents: <ol style="list-style-type: none"> 1. Request to suspend or terminate the investment project; 2. Minutes of the meeting of the Board of Directors or shareholders of the company; 3. A copy of the proof of rental payment and employee payroll tax; 4. Copy of electricity bill payment proof; 5. Original investment license; 6. Copy of company rules and other licenses; 7. Company's stamp and name stamp; 8. Environmental certification and other relevant documents.
8	Closing the representative or company office	Investors should submit an application to MPI or DPI with the following documents: <ol style="list-style-type: none"> 1. Application form requesting the closing of the office of the representative or company; 2. Minutes of the meeting of the Board of Directors or shareholders of the parent company (representative office) or the company; 3. A copy of the proof of rental payment and employee payroll tax; 4. Copy of electricity bill payment proof; 5. License on registration of the Office of the Representative or the original investment license; 6. Copy of company rules and relevant licenses; 7. Company's stamp and name stamp.
9	Changing company director or representative office	Investors should submit an application to DoIC or DoIC with the following documents: <ol style="list-style-type: none"> 1. Application form announcing new director; 2. Minutes of the meeting of the Board of Directors or the shareholders of the company together with the appointment letter; 3. Authorization of the former director and the person who has been appointed as the new director; 4. A copy of the passport and a brief biography of the person appointed as the new director (for foreigners); 5. A copy of the investment license or license on registration of the representative office; 6. Copy of company rules and relevant licenses.
10	Changing the location of the company or the representative office	Investors should submit an application to MPI or DPI with the following documents: <ol style="list-style-type: none"> 1. Application form requesting for a change of location of the company or representative office. 2. Minutes of the meeting of the Board of Directors or shareholders of the company. 3. A copy of the previous office lease agreement. 4. A copy of the new office lease agreement. 5. Copy of water supply, electricity bill in the past (receipt). 6. A copy of the investment license or license on registration of the representative office; 7. Copy of company rules and relevant licenses. 8. Submit a letter acknowledging the relocation of the new office.

3. Key relevant government institutions

No.	Organization	Responsibility	Contact
1	Ministry of Natural Resources and Environment (MONRE) Website: http://www.monre.gov.la Vientiane Capital, hotline 1514, Tel: +856 21 263799, Fax: +856 21 263799		
	Department of Land	<ul style="list-style-type: none"> Establishes, manages, and develops state land management systems, land development, land capitalization, and land leases and concessions Coordinates with stakeholders to research compensation for damage caused by development projects; investigates land claims and grievances Provides information and technical advice to the Ministries and organizations that have the authority to resolve land disputes 	Thongkhankham village, Chantaboury district, Vientiane Capital, Tel: +856 21 223485 http://dol.monre.gov.la
	Department of Environment	<ul style="list-style-type: none"> Has a mandate on approval of the scope of environmental impact assessment, reviews the environmental impact assessment report, and issues the environmental compliant certificate Responsible for the implementation of the environmental impact management plan Responsible for renewal of the environmental compliance certificate 	Silumduam, Chanthabouly, Vientiane Capital (Prime Minister Office), Lao PDR Hotline: 1514 Tel: +856 21 264921 Fax: +856 21 264921 E-mail: doe@monre.gov.la
2	Ministry of Agriculture and Forestry Website: www.maf.gov.la email: maf.info@gmail.com Vientiane Capital, Lanxang road, P.O. Box: 811 contact: Tel: +856 21-412342, Fax: +856 21-412344		
	Department of Planning and Cooperation	<ul style="list-style-type: none"> Coordinates with relevant parties of the Ministry of Agriculture and Forestry in the management of international cooperation and investment in agriculture and forestry Coordinates with relevant parties to collect, compile, process, analyse data. Reports statistics and information on agricultural work throughout the country in each period to all stakeholders. Has the right to sign documents supporting the work of cooperation, domestic and foreign investment to the Department and the various departments of the relevant departments responsible for cooperation and investment 	Lan Xang Road, Phonxay Village, Xaysetha District, Vientiane Capital Telephone : (021) 412350 Fax : (021) 412349
	Department of Agriculture	<ul style="list-style-type: none"> Manages agriculture plantations to promote the production of food and commodities. Manages processing for both domestic use and export according to clean, safe, and environmentally friendly agriculture. Researches and sets technical and quality standards for processing plants Manages, inspects, certifies clean agriculture and plant health in import/export of agricultural products. Manages import/export of production inputs 	Lan Xang Road, Phonxay Village, Xaysetha District, Vientiane Capital Telephone : (021) 412350 Fax : (021) 412349

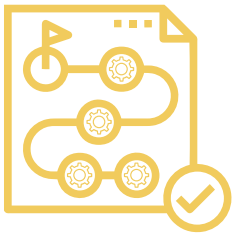
No.	Organization	Responsibility	Contact
	Department of Forestry	<ul style="list-style-type: none"> Manages conservation, protection, development, and use of forest resources Monitors changes in the state of forest resources and information on forest resources Determines areas for exploring, allocating, planning, managing, conserving, protecting, developing, using forests, forest land, forest products, and aquatic and wild animals Manages forest certification, harvesting, and moving wood 	Thaddam Road, Chanthaboury, Vientiane Capital, Lao PDR Tel: +856 21 215000 Website: http://dof.maf.gov.la
3	Ministry of Planning and Investment Souphanouvong Road, Vientiane Capital, Hot Line 1503, Tel: 021 217020, Fax: 021 217010 Website: www.mpi.gov.la email: info@mpi.gov.la or info.mpi2020@gmail.com		
	Investment Promotion Department	As a secretariat of the Ministry of Planning and Investment, IPD has a main role in a central one-stop investment service office. In this role, IPD researches, coordinates, summarizes, reports, and implements the work of attracting, promoting, protecting, and managing private sector investment, and public/private joint investment in accordance with the law on investment promotion in order to use the potential of Lao PDR in the socio-economic development of the country	Website: https://investlaos.gov.la/ Tel: +856 21 217012 E mail: ipd-mpilaos@investlaos.gov.la
4	Ministry of Labour and Social Welfare Website: www.molsw.gov.la email: suthanu1974@gmail.com Nonsaard Village, Vientiane Capital, Tel: +85621 2130 03		
	Department of Labour Management	<ul style="list-style-type: none"> Manages Lao and foreign workers Monitors the implementation of laws and regulations in labour units Investigates methods and measures and provides advice on labour safety Creates and operates a mechanism to mediate labour disputes Creates a mechanism to discuss labour management issues Monitors the use of foreign workers in the Lao PDR. Considers the confirmation of renewal of work permits of foreign workers 	Pangkham road, Chanthabouly district, Vientiane Capital Tel: +85621 2130 03, +85621 2227 77
5	Ministry of Industry and Commerce Website: www.moic.gov.la http://www.t4dlaos.org/ email: info@moic.gov.la Vientiane Capital, Phonxay Road, P.O. Box: 4107, Tel: +85621453493		

No.	Organization	Responsibility	Contact
	Enterprise Registration and Management Department	<ul style="list-style-type: none"> Manages the enterprise registry of all types of enterprises (state, joint-venture, individual) Provides enterprise registration services for investors Collects, protects, and provides services to provide enterprise information to the public Promotes the business environment or business establishment for investors 	Phonxay Road, Phonxay village District: Xaysetha, Vientiane capital. Phone: 021: 412011, Fax: 021 453865 Website: www.erm.gov.la
6	Ministry of Finance 23 Singha Street, Vientiane Capital, Lao PDR Contact phone number Tel/Fax: (856)-21-911336, 21-417766 Hotline: 1519 Email: webmaster@mof.gov.la Email: admin@mof.gov.la		
	Tax Department	<ul style="list-style-type: none"> Monitors and inspects tax administration work Issues agreements, instructions, notices, orders, expedited orders, and calculations related to tax administration work Returns overpaid taxes to taxpayers accurately and completely 	Hasadi Village, Lan Xang Road, Vientiane Capital Tel: 021-217025, 021-227031, 021-223650, 021-242688; Fax: 021-218569, 021-213804
	State Asset Management Department	<ul style="list-style-type: none"> Researches, creates, and improves natural resource pricing, pricing thresholds, and usage standards for real estate and real estate Manages and compiles statistical data on the use of state assets Monitors and inspects the implementation of non-tax income obligations and other types of income Manages lease contracts and concessions of state property Manages, monitors, and inspects the movement of real estate, resources, and other state assets. 	23 Singha Road Vientiane Capital, Lao PDR Tel: 021 263252 Email: admin@sams.mof.gov.la
7	Lao National Chamber of Commerce and Industry	Represents labour, economic associations, business groups, cooperatives, groups of independent business operators and business entities established and operating lawfully in the Lao PDR in mobilizing, educating, leading, organizing, and gathering businesspeople to promote business, trade, industry, craft, agriculture, finance, and services. Protects the legitimate interests of enterprises that operate lawfully.	Kaysone Phomvihane Ave, Ban Phonphanao Saysettha District, Vientiane Capital, Lao PDR P.O. Box: 4596 Website: https://lncci.la/links/ and https://www.chamber-commerce.net Email: douangchan.vi@laosoft.org Vientiane Capital. Box: 4596, Tel: (856-21) 453 312, (856-30) 5257 324, Fax: (856-21) 452 580

4. Laws and regulations related to land investment in the Lao PDR

No	Laws and regulations relate to land investment in the Lao PDR	Type	Link
1	Environmental Protection, No. 29/NA, dated: December 18, 2012	Law	https://laoofficialgazette.gov.la/kcfinder/upload/files/Environmental%20Protection%20%20Law.pdf
2	Investment Promotion, No. 14/NA, dated November 17, 2016	Law	https://na.gov.la/wp-content/uploads/2021/11/44Investment-Promotion-Law-Amended1.pdf
3	Labour, No.43/NA, Date December 24, 2013	Law	https://na.gov.la/wp-content/uploads/2021/11/116ກົດໝາຍວ່າດ້ວຍແຮງງານ-ສະບັບປັບປຸງ-28-1-2014.pdf
4	Land, No. 70/NA, Date: 21 June 2019	Law	https://na.gov.la/wp-content/uploads/2021/11/58Land-Law.pdf
5	Water and Water Resources, No. 23/NA, dated: May 11, 2017	Law	https://na.gov.la/wp-content/uploads/2021/11/65ກົດໝາຍ-ນໍ້າ-ແລະ-ຊັບພະຍາກອນນໍ້າ.pdf
6	Protection of the Environment, Water and Water Resources Revised Version, No. 23/NA, dated: July 01, 2020	Law	https://na.gov.la/wp-content/uploads/2021/11/62-1.pdf
7	Agriculture, No. 01/98 NA, Date: 10 October 1998	Law	https://na.gov.la/wp-content/uploads/2021/11/36-ກົດໝາຍວ່າດ້ວຍ-ກະສິກໍາ.pdf
8	Controlling the use of pesticides in the Lao PDR, No. 2860/MAF, dated: June 11, 2010	Regulation	http://extwprlegs1.fao.org/docs/pdf/lao141161.pdf
9	Consideration on approval of investment and management mechanism of land for lease or concession for agricultural crops, No. 0457/MPI, dated: 27 February 2019	Instruction	https://laolandinfo.org/wp-content/uploads/2019/09/MPI-Instruction-on-Cultivation-Investment-Land-Management-Lease-or-Concession.pdf
10	Social and natural environment impact assessment process from investment projects and other activities, No. 8030/MONRE, dated: 17 December 2013	Instruction	https://flegtlaos.com/wp-content/uploads/2015/10/2013-No-8030_MONRE-ES-IA-Ministerial-Instruction.pdf
11	State land for lease or concession, No. 135/PM, dated: 25 May 2009.	Decree	https://portal.mrcmekong.org/assets/v1/documents/Lao-Law/-Decree-on-State-Land-Lease-or-Concession-(2009).PDF
12	Environmental Impact Assessment, No. 21/GOL, dated: 31 January 2019	Decree	https://flegtlaos.com/wp-content/uploads/formidable/5/Decree-on-EIA-No.21-dated-31Jan2019_ENG.pdf
13	Decree on Health and Safety of Labour, No.22/GOL, dated: 05.02.2019	Decree	http://laoofficialgazette.gov.la/kcfinder/upload/files/22ວບ2019.pdf

No	Laws and regulations relate to land investment in the Lao PDR	Type	Link
14	Compensation for damages and resettlement of people from the development project, No. 84/GOL, dated: 5 April 2016	Agreement	http://www.laoofficialgazette.gov.la/kcfinder/upload/files/ດຳລັດ%20ການທົດແທນຄ່າແລະຍາກອນ.pdf
15	Approval and promulgation of the account of investment projects and various activities that must be carried out for preliminary studies on the environmental impact or social and natural environmental impact assessment, No. 8056/MONRE, dated: 17 December 2013	Agreement	http://www.laoofficialgazette.gov.la/kcfinder/upload/files/1.%20Ministerial%20Decision%20on%20the%20Approval.pdf
16	Determining and managing agricultural and forest land in Vientiane Capital, No. 0250/VC., dated: 29 March 2017	Agreement	https://laolandinfo.org/wp-content/uploads/2019/08/ຂໍ້ຕົກລົງວ່າດ້ວຍການກຳນົດ-ແລະ-ການຄຸ້ມຄອງທີດິນກະສິກຳ-ແລະ-ປ່າໄມ້ຍຸ້ນຍາກຂອງວຽງຈັນ.pdf
17	Import and Export Guide	Guideline	http://www.laotradeportal.gov.la/kcfinder/upload/files/Import-Export_Guide_(LA)_v1.0.pdf
18	A Guide to Responsible Agricultural Investment (Case Study of Chinese Investors) to Market Access: Trade Negotiations between ASEAN and China	Guideline	http://www.laotradeportal.gov.la/kcfinder/upload/files/Pub_1644381104lo_LA.pdf
19	Guide to Market Access: Trade Negotiations between ASEAN and China	Guideline	http://www.laotradeportal.gov.la/kcfinder/upload/files/Guide%20for%20China.pdf
20	Investment guide	Guideline	https://investlaos.gov.la/wp-content/uploads/formidable/2/Investment_Guide_Book_2014.pdf



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The project aims to ensure that investments in land are productive, contribute to sustainable land management, and respect the rights and needs of local populations in particular vulnerable groups and women.

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