



Public Announcement (Pre-EOIs Announcement for the LAFF “Wholesale Loan” Funds)

The Bank of Lao PDR (BoL) has the pleasure to inform commercial banks and Deposit-Taking Micro Finance Institutions (DTMFIs) of the upcoming Call for Expression of Interest (EOI) from the KfW-supported “Lao Access to Finance Fund” (LAFF), to be publicly released on **19 February 2021**.

The LAFF, has been established in 2014 with financial support from the German Federal Ministry of Economic Cooperation and Development (BMZ) through KfW German Development Bank, for the specific purpose of enhancing access to finance for micro and small enterprises (MSMEs) in rural Laos; it was initially endowed with Euro 3 million. LAFF funds were lent to local bank and DTMFI to on-lend to 2,400 MSMEs, many of them accessing a business loan for the first time.

With the success of LAFF phase I, the German Government provided additional funds worth Euro 6 million and again Euro 0.8 million for Technical Assistance to the LAFF phase II which officially started-off on 06 March 2020.

The details of the Call for EOI will be released simultaneously on BOL (www.bol.gov.la) and LAFF (www.laff.org) websites on **19 February 2021**: terms of the refinancing, conditions for eligibility, forms for application and supporting documents required. A technical briefing session will be held in Vientiane on **23 February 2021 at 9 am at Conference hall, fourth floor, Bank of the Lao PDR, chaired by Mr. Khamkeo Visisombath, Acting Director General of BOD, Bank of the Lao PDR and LAFF Fund Director**; and the online broadcasting will be open (online) on 25 February 2021, all bidders have up to 01 March to submit their requests for clarification which shall be responded publicly within a week.

The deadline for the EOI submission for Commercial banks and DTMFIs (no other type of financial institution can apply) is **22 March 2021 4.00pm**. LAFF will review in detail applications and undertake due diligence visits to applicants to further investigate their capabilities. Decisions on funding allocation are expected to be announced **end of April 2021**, and funds to be disbursed in **May 2021**.

Support to MSMEs is high on the priority list of the government policies as MSMEs are a main provider of income and employment for large parts of the Lao population. Through enhanced access to longer-tenure credit services in Lao Kip, successful MSMEs can invest in expanding their activities and add to equitable economic growth in the Lao PDR.

Further information please contact:

Mr. Keolabthavong Songsamayvong, LAFF Consultant Team Tel: 020 99389966

Ms Soysouvanh Siborliboun, Credit division, BOL,

Tel: 021 262672, 020 22440559