

2023

COMMON
COUNTRY
ANALYSIS
UPDATE



UNITED NATIONS
LAO PDR



2023 Common Country Analysis Update

With the reform of the UN development system (UNDS), the UN country team (UNCT) is taking new steps to improve the integration, efficiency, and effectiveness of its programming.

The most important instrument to take forward the UNDS reform in Lao PDR is the implementation of [Lao PDR-UN Sustainable Development Cooperation Framework 2022-2026 \(UNSDCF\)](#). The UNSDCF is aligned with Lao PDR's [9th National Socio-Economic Development Plan \(NSEDP\)](#) and is built on a [thorough and independent Common Country Analysis \(CCA\)](#) which, in accordance with [UNSDCF guidance](#) is a periodic reflection of the evolving country context, and identifies the key development challenges of Lao PDR. To ensure programming remains appropriate and focused on tackling the right issues in the right ways, the CCA is reviewed and updated annually.

This second annual update takes place after the second year of Cooperation Framework implementation and reflects new developments and new evidence that has become available since the first update in 2022. It should be read in conjunction with that analysis as a baseline and the [previous update](#), it should not be seen as a standalone and comprehensive analysis in itself.

The CCA, analysing the development context, is alongside the Annual Report, which analyses the UN's programmatic achievements and challenges against the UNSDCF's results framework, a key ingredient to the annual evidence-based strategic and programmatic planning between the Government of Lao PDR and the United Nations (the Joint Workplans). To facilitate the transition between evidence generation and strategic planning, the CCA is primarily structured against the outcomes of the UNSDCF, which are the agreed priorities of the Lao PDR Government and UN (see annex 1).

Legend - Traffic Light System	
	<i>Dark green means that a substantial development progress was observed over the past year</i>
	<i>Light green means that some development progress was observed over the past year</i>
	<i>Yellow means that the development situation has remained relatively unchanged/ the situation is mixed over the past year</i>
	<i>Orange means that the development situation has regressed and/or challenges have increased over the past year</i>
	<i>Red means that the development situation has substantially regressed and/or challenges have substantially increased over the past year</i>
	<i>White means that there was insufficient evidence available</i>

The CCA update uses a simple colour-coding to help visualize changes to the development context, and in particular emerging challenges that would require changes to UN programming (see table on the left).

Sources are provided in footnotes.

The CCA update was prepared by the Programme Oversight Group (POG) with inputs received from outcome and output leads of the UNSDCF between October 2023 and November 2023. It was endorsed by the UNCT and shared with the Lao PDR Government in December 2023.

Key Highlights and Cross-Cutting Points

- At the global level, halfway towards the 2030 deadline for the Sustainable Development Goals (SDGs), there is consensus that progress is far off track.¹ To work towards addressing this, between July and September 2023 an intense series of global Summits and High-Level Dialogues were convened on the SDGs; Food Systems; Climate Ambition; Pandemic Prevention, Preparedness and Response; Universal Health Coverage; Tuberculosis; and Financing for Development.
- As part of preparations for this, an assessment of progress towards the SDGs in Lao PDR was undertaken. Whilst this was limited by data availability, good progress was seen against SDG 6 (WASH), SDG 7 (Energy), and SDG 15 (Life on Land). The picture was more mixed on SDG 1 (Poverty), SDG 2 (Hunger), SDG 3 (Health), SDG 9 (Industry and Innovation), SDG 10 (Inequalities), and SDG 17 (Partnerships)- with some indicators against these stagnating or regressing whilst other progressed. SDG 4 (Education), SDG 8 (Decent Work and Economic Growth), and SDG 12 (Responsible Consumption and Production) showed mostly regressing trends.²
- The 5th Conference on LDCs in Qatar in March 2023 identified actions and partnerships at the highest possible levels to implement the Doha Programme of Action for LDCs.³ Lao PDR continues to be scheduled for graduation from LDC status in 2026, with the next formal review taking place in early 2024. With 2024 marking the final year of the Vienna Programme of Action for Landlocked Developing Countries (2014-2024), work is underway to develop a new framework for partnerships ahead of an anticipated LLDC Conference in 2024 in Kigali.
- With lack of sufficient financing identified as amongst the most binding constraints to faster progress, the UN has proposed an **SDG Stimulus** focused on: tackling the high cost of debt and rising risks of debt distress; scaling up affordable long-term finance for development; and expanding contingency financing to countries in need.⁴
- **Economic and financial challenges** including rapid currency depreciation and very high inflation continued to play a major role in constraining progress in Lao PDR, with 2023 marking the final year for the implementation of the National Agenda for Addressing Economic and Financial Difficulties. Implementation of this was supported by policy advice from the World Bank and ADB in a roadmap to restore macroeconomic stability.
- As public debt service obligations rise and revenues decrease, spending on crucial social services such as education, health care, and social protection is down. Currency depreciation and consequent high inflation tempered household spending in the first half of 2023. Ongoing economic challenges continue to negatively impact people's wellbeing, hampering progress on health, education, nutrition, and WASH. Around 51% of households affected by soaring living costs report reducing education spending.
- A number of significant **high-level policy initiatives to respond to these macroeconomic challenges** were launched during the year, including Task Force 19 chaired by the Prime Minister on tackling inflation and exchange rate pressures; Prime Minister's Order 13 on tackling inflation and exchange rate issues;⁵ and the endorsement by the Prime Minister of the Financing Strategy for the 9th National Socio-Economic Development Plan (NSEDP).⁶ Significant steps were also

¹ UN (2023) [Global Sustainable Development Report, Times of Crisis, Times of Change: Science for Accelerating Transformations to Sustainable Development, 2023](#)

² ESCAP (2023) [SDG Status Analysis: Lao PDR](#)

³ UN (2023) [Doha Programme of Action for the Least Developed Countries 2022-2031](#)

⁴ UN (2023) [United Nations Secretary-General's SDG Stimulus to Deliver Agenda 2030](#)

⁵ Lao PDR (2023) [Prime Minister's Order 13 on Increased Efforts to Resolve the Critical Economic-Financial Issues and Issues Concerning Inflation, Currency Exchange Rates, the Price of Goods, and Foreign Debt](#)

⁶ Lao PDR (2023) [9th National Socio-Economic Development Plan Financing Strategy \(2023-2025\)](#)

taken towards increasing transparency with the publication of 2022 Debt Bulletin (including a debt statement)⁷ and the 2023 IMF Article IV Consultation Report⁸.

- Addressing the country's economic, monetary, and budgetary difficulties was a major focus for the 6th Ordinary session of the National Assembly's 9th Legislature. The session heard and debated the mid-term review of the 9th NSEDP, the budget and monetary plans for 2021-2025 as well as an assessment of the implementation of the two National Agendas for Addressing Economic and Financial Difficulties and Tackling the Drug Problem from 2021-2023. Addressing the Session, H.E. Prime Minister Sonexay Siphandone pledged to continue to enforce measures to stabilise the country's economy and seek new sources of finance, with special emphasis on maximizing revenue collection, improve business environment, reform of state enterprises, promoting production to reduce imports, streamlining cross border trade, and attracting tourists.
- In 2024, Lao PDR will assume **ASEAN Chairmanship** from Indonesia. Under its ASEAN Chairmanship, Lao PDR aims to foster for a more connected and resilient ASEAN, reduced emissions, and accelerated digital transformation to narrow the development gaps among ASEAN members. Providing logistics support for an intensive expected set of meetings and summits under the ASEAN Chairmanship will place additional burdens on government capacity during the year.

⁷ Lao PDR Ministry of Finance (2023) <https://www.mof.gov.la/index.php/en/publications-and-statistics/>

⁸ IMF (2023) [Article IV Country Report](#)

Outcome 1- People' wellbeing

	2021	2022	2023
Overall			
Education			
Health			
Nutrition and Food Security			
Protection			
Shelter			
WASH			

Key Updates on People's Wellbeing

- **Ongoing economic challenges continue to negatively impact people's wellbeing**, thus hampering progress on health, education, nutrition, and WASH.
- Learning poverty continues to rise amid the record increase of living costs and reduction of income due to inflation. Around 51% of households affected by soaring living costs report **reducing education spending**. The proportion of out-of- school children rose⁹. Around 7% of school-aged children from low-income families dropped out of school in the previous 12 months¹⁰. The reduction in the number of teachers continues to present challenges to the sector.
- This year, there has been progress in selected health programmes. In 2023, WHO certified lymphatic filariasis elimination following more than two decades of work. However, **the national health system faces fundamental challenges in sustaining hard-won gains and driving progress** due to persisting health financing issues and slow GDP growth from 5.5% in 2019 to 0.5% in 2020 and 3.8% in 2022¹¹. The Health Management Information Systems shows a decline in the trend for health utilization compared to previous years. While 2020, 2021, and 2022 observed fluctuations in outpatient department visits, 2023 data showed a 15% reduction compared to 2019.
- **The HIV programme showed slow progress** in reducing new HIV infections¹² and achieving the 2030 ending AIDS target. Close to 40% of estimated new infections are among men who have sex with men and transgender women particularly among young cohorts. However, less than a third of key populations at risk of HIV had access to HIV testing services due to structural, legal, and stigma barriers compounded by resource constraints to implement prevention services at scale¹³.
- Similarly, **immunization coverage has regressed**, as seen by the recent Diphtheria outbreak that reveals a warning sign of weakened immunity within the population. The fact that many of the zero-dose population are children may result in large-scale vaccine-preventable disease outbreaks. The Universal Health Coverage Essential Service Coverage index (SDG target 3.8.1) shows 50% unmet needs for essential services. Additionally, **challenges persist in**

⁹ From 6.5% in December 2022 to 11% in June 2023.

¹⁰ World Bank (2023) [Household Welfare Monitoring in the Lao PDR](#)

¹¹ World Bank (2022) [Lao People's Democratic Republic Economic Monitor, October 2022](#)

¹² 6% decline as compared to 2010 baseline

¹³ National HIV Estimates-Lao PDR

accessing health care services for some groups due to remoteness, language barriers, as well as varying levels of health literacy and quality besides availability of services.

- **The on-going unprecedented economic crisis has impacted** the already constrained government budget for health, which has lost half of its purchasing power due to inflation. The cost of essential medical commodities, including vaccines, has shown a steep rise.
- **Other health challenges have emerged**, such as the growing burden of non-communicable diseases, which were estimated to account for 60% of total deaths in 2016. Weather-related disasters, intensified by climate change, are driving up humanitarian needs. One in four people in need of humanitarian assistance is a woman or girl of reproductive age (15–49 years). At any time, 4% of any displaced or disaster-affected population will be a pregnant woman.
- **Levels of food insecurity remain stable** with limited variations at a national level in the past year. In July 2023, approximately 13.2% of households were classified as food insecure, generally households headed by females, those with no education and those in rural areas are the most food insecure.¹⁴
- This is despite the increase in cost of living and depreciation of the KIP, which has further **eroded households' purchasing power**. With the inflation rate peaking, approximately 93% of the population saw a decrease in their income and 87% reported being somewhat or significantly affected by increasing cost of living.¹⁵ Approximately 62% of households are utilizing livelihood-based coping strategies such as spending savings (39%), reducing health expenditure (8%), or borrowing money (18%) to address their essential needs such as food purchases (64%) and healthcare expenses. Furthermore, almost half of the population is relying on food-based coping strategies such as consuming less-preferred food items and limiting portion sizes.¹⁶
- There has however been a significant **decline in optimal infant and young child feeding practices**. While the quality of diets, the Minimum Dietary Diversity, reduced from early 2022 to early 2023, the most significant drop was measured in the frequency in which children 6-23 months of age were fed, from 70% of children fed the Minimum Meal Frequency in 2022 to only 33% in 2023.¹⁷ As a result, **less than 1 in 10 children are fed a diet able to support their growth and development**, a drop of approximately 50% year-on-year.¹⁸
- Analyses have shown that the minimum acceptable diet indicator is associated with child anthropometric status, particularly stunting in Lao PDR.¹⁹ Results from the national nutrition surveillance system further indicate an increasing trend in malnutrition among children under 5 years. While data is not comparable with national surveys, the prevalence of stunting measured across the same communities in 2022 and 2023 increased from 33% to 37% indicating that potentially more young people are becoming stunted.
- **Ongoing consequences of COVID-19 and the global cost of living crisis have led to increased risk of violence against women and girls**, especially domestic violence, sexual exploitation and trafficking in particular the trafficking of persons for forced criminality, such as for online scams. Aggregated data from the helpline services of Lao Women's Union and Lao People's Revolutionary Youth Union shows continued increase in calls for counseling services.²⁰ Emerging new trends in technology-facilitated gender-based violence reveal a continuum of violence perpetrated in online spaces flowing into "real life", and vice-versa.

¹⁴ WFP (2022) [Lao PDR: Remote Household Food Security Surveys](#)

¹⁵ World Bank (2023) [Household Welfare Monitoring in the Lao PDR](#)

¹⁶ WFP (2022) [Lao PDR: Remote Household Food Security Surveys](#)

¹⁷ UNICEF & MOH (2023)

¹⁸ UNICEF and the Ministry of Health, *National Nutrition Surveillance (NSS)*

¹⁹ UNICEF. 2022. *Association between children's feeding practices and the nutritional status of children 6-23 months in Lao PDR: Evidence from the Provincial Household Survey 2022*

²⁰ 2245 calls in 2020; 4327 calls in 2021; 4339 calls in 2022 and reduced in 2023 to 2154 to date

However, significant progress at the policy and legal framework level has been observed with the launch of the first-ever five-year National Plan of Action for Child Protection System Strengthening 2022-2026 in January 2023, the amended Law on Protection of the Rights and Interests of Children was promulgated by the President of Lao PDR in October 2023.

- **Construction continued to become increasingly unaffordable** due to the high cost of materials, families spend less on housing and houses continue to be damaged by climate-related events.²¹ Between May and December 2022, living costs for urban families rose by an estimated 24.5 percent while minimum wages and public sector wages lost 27 percent and 24 percent of their real value over 2020–22.²²
- Additionally, **flood-caused structural damage continues**. A total of 231 houses and 330 infrastructures were damaged across 10 provinces with increased needs for Women and Girl Friendly Spaces.²³
- Access to Water, Sanitation and Hygiene is progressing but challenges to reach the last mile remain. The COVID-19 pandemic triggered a significant number of actions on hygiene behaviour change, but it remains to be seen if these changes are being sustained. Recent data showed that there is a gap of 50 percentage points between use of menstrual hygiene materials among girls and women living in the richest (97%) and the poorest (47%) households in Lao PDR.²⁴

²¹ World Bank (2023) [Lao Economic Monitor, May 2023](#)

²² World Bank (2023) [Lao Economic Monitor, May 2023](#)

²³ ASEAN AHA Centre (2023) [Flash Update No.1, August 2023](#)

²⁵ Bank of Lao PDR (2023) [Inflation Rate](#)

Outcome 2 – Inclusive Prosperity

	2021	2022	2023
Overall			
Smooth Transition beyond LDC Graduation			
Planning and Financing the SDGs			
Social Protection			
Migration Policy			
Urban Development			
Rural Development and UXOs			
Private Sector, Skills Development and Digitalisation			

Key Updates on Inclusive Prosperity

- The Government continued to prioritize measures to address macroeconomic challenges in 2023, with inflation nevertheless accelerating significantly (peaking at 41% in February, before falling to 25% in October)²⁵, and the Lao Kip depreciating rapidly (driven by high debt servicing payments, high import costs, and limited foreign exchange).²⁶ Public and publicly guaranteed debt has been estimated to have reached 112% of GDP at the end of 2022.²⁷ These pressures have both impacted household welfare and reduced the Government’s capacity to make social investments. The **National Agenda on Addressing Economic and Financial Difficulties** is expected to conclude at the end of 2023.
- In June, the Prime Minister endorsed the **Financing Strategy for the 9th NSEDP**, as the first integrated cross-government framework to improve the resourcing of national priorities. This included measures aimed for addressing debt challenges, increasing state revenues, and improving the alignment of all resource flows with the priorities in the NSEDP.
- **Macroeconomic pressures have slowed private sector recovery, and a weak labor market has created few jobs.** An estimated 35.1% of youth aged 15–24 years are neither employed nor in school or training. Labor force participation among those aged 15 years and over is only 47.1%, with most participants engaged in the informal economy.
- The number of the students who have finished university and are not able to find a job relevant to their study level is high. Connected to this, the number of students registering at university level and technical level is decreasing. To address this, the Ministry of Labour and Social Welfare has initiated the drafting of a **Skills Development Law**, expected to be endorsed in 2024.
- In October 2023, the Government announced officially an **increase in the minimum wage** from 1,300,000LAK to be 1,600,000LAK.
- The Government recognises the rights of movement of Lao migrant workers and promotes work overseas. In particular, it has drafted the **Employment Law** to be endorsed in early in 2024, that will allow for the creation of a Lao Employment Services Agency Association.

²⁵ Bank of Lao PDR (2023) [Inflation Rate](#)

²⁶ Ministry of Finance (2023) [Public and Publicly Guaranteed Debt Statistic Bulletin](#)

²⁷ World Bank (2023) [Lao Economic Monitor, May 2023](#)

- In May 2022, the Government announced the re-opening of the border with Thailand to increase opportunities for Lao labour migrants, many of whom had returned home in the course of the pandemic. An MoU with the Republic of Korea was also signed for Lao overseas workers. More than half of households in the country depend on remittances to bolster their incomes, which equaled 1.3% of GDP in 2022.²⁸
- **Social welfare programmes remain very limited and underfunded.** The government has taken steps to improve governance and monitoring of the system and overarching policy, though implementation remains a significant challenge. A positive initiative stands out: the Ministry of Agriculture and Forestry and World Bank delivered cash transfers to over 38,600 people, with a focus on poor and vulnerable pregnant women and children aged under two as part of the first nutrition sensitive conditional cash transfer programme in Lao PDR. The project supported the development of the country's first national social registry, registering over 1.2 million households, and is being used by several Government ministries and UN agencies to prioritize support for poor and vulnerable families.²⁹
- With delayed payments, the budget allocated to the **national health insurance** scheme is insufficient to cover the ever-increasing deficit, leading to stock-out of medicines, reduced quality of care, and delays in providing healthcare services and medicines, particularly affecting the poorest and most vulnerable members of society who seek public health services. There remains no immediate potential for sustainable financing of health insurance from the national budget due to limited fiscal space.
- Lao PDR continues to make progress towards a sustainable **national school lunch programme**, with the Prime Minister issuing a decree on School Lunch Promotion which will establish a policy framework to enhance the school meal programmes, while increasing the national budget for school lunches by 20%.³⁰
- The Government is showing commitments to implement the recommendations of the Committee on the Rights of Persons with a **Disabilities National Plan of Action** through supporting initiatives and exploring alternate financial options to establish a disability trust fund.
- The **social security** scheme has shown increasing registrations among self-employed and informal workers, including agricultural workers. However, perception of the social security scheme is also affected by the poor quality of available healthcare and use of members' funds to subsidize the health insurance scheme. The government and National Assembly are addressing these issues by amending the Health Insurance and Social Security Laws, and further reforms will be required.
- **High inflation has impacted urban dwellers** in many ways, with reports of food insecure households in urban areas increasing from 58% to over 66% over the previous year.³¹ Between May and December 2022, living cost for urban families rose by an estimated 24.5%, owing to sharp increases in food and transport prices, while minimum wages and public sector wages lost 27% and 24% of their real value over 2020-2022.³²
- While rural low-income households were less exposed to inflation, the impact was still widely felt as farm input prices rose.³³ Moreover, poor rains affected the planting and establishment of 2023 main crops in parts of country.³⁴ Nevertheless, given high food prices, Lao PDR expects to earn more than 2 billion USD from agricultural exports this year, up from 1.73 billion USD in 2022.³⁵ The

²⁸ ADB (2023) [Asian Development Outlook](#)

²⁹ World Bank (2021) [Enhancing the Conditional Cash Transfer Experience in Lao PDR: The Beneficiary Feedback Survey 2021](#)

³⁰ WFP (2023) [Lao PDR Country Brief July 2023](#).

³¹ World Bank (2023) [Lao Economic Monitor, May 2023](#) and World Bank (2023) [Household Welfare Monitoring in the Lao PDR](#)

³² World Bank (2023) [Household Welfare Monitoring in the Lao PDR](#)

³³ World Bank (2023) [Lao Economic Monitor, May 2023](#)

³⁴ FAO (2023) [Global Information and Early Warning System](#)

³⁵ Lao News Agency (2023) [Laos' agricultural exports expected to exceed 2 billion USD in 2023](#)

government's introduction of low interest loans for farmers and processing factories for agricultural produce contributes to the growth in exports.³⁶

- In the infrastructure and transportation sector, there is seen to be a need for a clear direction, a strategic framework, clear and consistent criteria for long-term outcome evaluation of the development plan and a change from project-based thinking to a more integrated approach preparing cities for rapid growth driven by increased competitiveness. This applies not just to infrastructure but to systems for co-ordination between institutions, prioritization of resources, synergies between investments between major and minor roads.³⁷
- In efforts to create sustainable and resilient cities that prioritize the well-being of their residents, the first **Green City Action Plan** in Lao PDR was launched in Pakse. The plan aims to transform cities in Lao PDR into livable, low carbon, and climate-resilient urban centres, offering sustainable and inclusive urban services to all residents while fostering socio-economic development.³⁸ Actions are being taken to see all 148 district master plans updated to integrate climate change resilience and mitigation, and smart city principles.
- UXO sector supervision has been transferred from the Ministry of Labour and Social Welfare to the Ministry of Foreign Affairs, effective 4 September 2023. With this transition, the Government is keen to **strengthen the cross-sectoral approaches among different Ministries to facilitate inclusive opportunities and implement the international obligations on survey and clearance of UXO-affected areas** for socio-economic development and integration of UXO victims and survivors into society.
- Led by the Ministry of Foreign Affairs, the Government has continued the development of the national **Smooth Transition Strategy for LDC graduation**, focused on identifying the specific measures required for a sustainable, quality and smooth transition. The draft, pending final approval, includes measures to address macroeconomic and financial sustainability; trade and investment; structural economic transformation; and climate change and disaster management.
- Preparations for graduation have also included work to establish an **Enhanced Monitoring Mechanism to define higher-frequency indicators** that could indicate a need for policy response in graduating countries. Lao PDR also made use of the LDC V Conference to advocate for increased international support for a sustainable graduation process, including working in partnership with Bangladesh and Nepal as countries on the same graduation timeline.
- New evidence suggested that Lao People's Democratic Republic could lose 7.3%, or \$734 million, of exports when graduating from least developed country (LDC), **a larger figure than previously anticipated**. This could be a result of Lao PDR participating in new trade agreements since previous analysis. However, further data would be required to understand in more detail the extent to which these available preferences are utilized, and therefore the actual impact.³⁹
- The next full review of Lao PDR by the Committee for Development Policy, which makes recommendations on readiness for graduation, will take place in early 2024.

³⁶ ADB (2023) [Asian Development Outlook: Lao PDR](#)

³⁷ Infrastructure Sector Working Group (2022) [14th Infrastructure Sector Working Group Meeting Concept Note](#)

³⁸ GGGI (2023) [Lao Government in Pakse and GGGI Launch First Green City Action Plan in Lao PDR](#)

³⁹ ITC (2023) [Lao People's Democratic Republic after LDC Graduation: New avenues for exports, March 2023](#)

Outcome 3 – Governance and Rule of Law

	2021	2022	2023
Overall			
Civic Space and Participation			
Combating Transnational Organised Crime			
Gender Equality, Women’s Empowerment, and Human Rights			
Public Administration Reform and Data Driven Governance			
Rule of Law and Access to Justice			

Key Updates on Governance and Rule of Law

- Governance systems around the world, including in Lao PDR, have come under immense strain as they scramble to respond to multiple crises and against a backdrop of increasing global uncertainty. However, 2023 has also seen several positive developments in Lao PDR. The strengthening of governance systems and rule of law will accelerate progress towards all Sustainable Development Goals.
- A **Mid-Term Review of the 9th NSEDP** is under finalization, to inform the remaining planning cycle and the development of the 10th NSEDP. The Mid-Term Review identifies challenges, capacity gaps, and needed course corrections, and helps prioritize interventions.
- The network of **One Door Service Centers (ODSCs)** is expanding and a national ODSC strategy has been adopted.
- The Lao Statistics Bureau is exploring reforms to modernize its structure, personnel and statistical processes and systems. The country remains reliant on surveys and censuses to fulfil its **data needs**, with limited use of administrative data, hampering the potential for real-time data driven governance. The exception is the national Health Management Information System for routine health indicators, and the electronic medical record systems which is being rolled out in hospitals.
- The preparation of the **5th population and housing census in 2025** is underway, however there is a significant funding gap. The data collection of the **Lao Social Indicator Survey III** has been completed, and the primary results will be available in early 2024. Lao PDR has initiated a data collection system for juvenile justice.
- The Government has made **digital transformation** a priority. A Digital Government Master Plan is being finalized. In 2023, Lao PDR has started implementing an electronic Civil Registration and Vital Statistics system and improved birth and death notifications. A Digital Health Strategy and a digital services app (Gov X) were launched.
- The availability and uptake of **digital public services** remain limited. While mobile internet connection covers most of the country, **use of digital devices** in rural areas is still limited.
- The initiative to strengthen **local governance for primary health care between the Ministry of Health and the Ministry of Home Affairs** continued to be rolled out, reaching a total of 9 provinces and 24 districts in 2023. With this inter-ministerial effort, it is expected that there will be more opportunities given to the communities for participatory planning and empower the local authorities

to lead the process with their communities. However, decision making remains highly centralized.^{40,41}

- The National Assembly amended the **Law on Lawyers** to formalize and promote the role of lawyers in the legal sector.
- The National Assembly also amended the **Law on the Protection of the Rights and Interests of Children**, strengthening the child protection systems and development of the social service workforce, enhancing the accountability of law enforcement, and promoting coordination and oversight.
- Increasing the number of lawyers, judges and providers of legal aid, especially for the most vulnerable, remains a top priority.
- Women remain disproportionately **poor and vulnerable**, especially those from ethnic groups in rural areas and with disabilities. Women have limited access to social welfare and carry out predominantly informal, insecure and domestic labour.
- The **share of women in the National Assembly** decreased from 27.5% during the 8th legislature (2016-2020) to 21.9% for the 9th legislature (2021-2025), the **share of women in Provincial People's Assemblies** also decreased, from 31.94% to 30.48% during the same period.
- The Government has launched Standard Operating Procedures for the justice sector to better address **gender-based violence**.⁴² This is particularly important, as Village Mediation Units' routine use of Alternative Dispute Resolution for cases of gender-based violence typically does not lead to gender-sensitive outcomes and can further stigmatize women.
- Financial insecurity in many countries has increased the risk of domestic abuse, sexual exploitation and trafficking.⁴³ In addition, digitalization has increased the risk for technology-facilitated gender-based violence and human trafficking recruitment.^{44,45,46,47}
- Developments on civic space and participation have been mixed. 2023 has seen expansion in the participation of disability and gender rights **Non-Profit Associations** (NPAs) in engagement with UN human rights mechanisms and policy formulation.⁴⁸ However, beyond mass organizations, civil society engagement in decision-making remains limited.
- Despite a relative tolerance by government and society towards the LGBTQIA+ community and their inclusion in the Country Coordinating Mechanism (CCM) to plan and monitor Global Fund HIV grants, members of the community continue to face social exclusion and barriers in accessing services.
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⁴⁰ IMF (2023) [Article IV Country Report](#)

⁴¹ World Bank (2023) [Lao Economic Monitor, May 2023](#)

⁴² UNDP (2023) [Standard Operating Procedures for the Justice Sector Response to and Prevention of Violence against Women and Children](#)

⁴³ UNFPA [Impact of COVID-19 Adolescent Wellbeing and Mental Health](#)

⁴⁴ Vientiane Times (2023), *Govt, UNFPA strengthen policy to combat online violence against females*, Tuesday 20 June 2023.

⁴⁵ UNFPA (2023) [The Nation's First Multi-stakeholder Dialogue On Online Violence Against Women and Girls Is Happening In Vientiane](#)

⁴⁶ Vientiane Times (2023) *Chinese Citizens Arrested in Laos After Hiring Minors for Online Dance Performances*, Vientiane Times, August 14, 2023

⁴⁷ UNFPA (2023) [Do women have equal access to public life in Lao PDR?](#)

⁴⁸ Freedom House (2023), [Global Freedom Status 2023](#); Civicus Monitor (2023), [Lao PDR 2023 update](#); Reporters without Borders (2023) [Lao PDR 2023 ranking](#)

Outcome 4 – Environment, Climate Change, and Resilience

	2021	2022	2023
Overall			
Green Growth			
Natural Resources Management			
Resilience			

Key Updates on Environment, Climate Change and Resilience

- **Economic challenges have impeded progress towards environmental objectives of the 9th NSEDP and SDGs.** The Round Table Implementation Meeting background document (January 2023) acknowledged that “*with numerous challenges faced by the Government to contain the pandemic and economic slowdown [...] the Government has to rely on natural resource extraction for development as a coping mechanism*”.⁴⁹
- In this context, Government and partners have engaged in **open and constructive discussions around the corrective measures needed.** The **9th NSEDP Financing Strategy**, endorsed by the Prime Minister (PM), also features bold measures (e.g., temporary halt on new resource extraction projects until safeguards are updated).⁵⁰
- The continued post-pandemic recovery of the **tourism sector offers an opportunity for sustainable growth and job creation**, with the understanding amongst Government and industry stakeholders that Lao PDR’s comparative advantage in the tourism sector relies on environmental sustainability and unique landscapes, ecosystems and biodiversity.⁵¹
- With growing international interest from state parties (in Paris Agreement Article 6) and private sector stakeholders (in voluntary carbon markets) alike, **ministries are preparing to engage in international carbon markets.**⁵² While carbon trading’s complexity calls for cross-sector coordination and regulation to ensure environmental integrity, it provides an opportunity to access additional financing for Lao PDR’s Nationally Determined Contribution (NDC) targets and beyond.
- While challenges to the achievement of Lao PDR’s NDC targets remain important, broad participation in UNFCCC COP28 in November and December in Dubai, UAE (with six ministries expected to be represented in Lao PDR’s delegation) also reflects increasing cross-government engagement with climate and environmental priorities more broadly.⁵³
- High-level events in 2023 highlighted the **transboundary nature of natural resource management.** The **4th Mekong River Commission Summit** in Vientiane (4-5 April 2023) drew international attention to the need for collaboration to mitigate the impacts of climate change and infrastructure (notably hydropower) development on river ecosystems and dependent livelihoods. **Slash and burn agriculture, forest fires, burning of agricultural waste** (and open burning of solid waste in urban areas) contributed to **hazardous levels of air pollution** across northern provinces and Vientiane in March-April 2023).⁵⁴ Tripartite dialogue between PMs of Lao PDR,

⁴⁹ Ministry of Planning and Investment (2023). [Background Document, Round Table Implementation Meeting](#) (paragraph 23).

⁵⁰ Government of Lao PDR (2023). *9th National Socio-Economic Development Plan (NSEDP) Financing Strategy*.

⁵¹ Plenary discussion of the Mid-Term Review of the 9th NSEDP workshop (2023). Landmark Hotel, Vientiane, Lao PDR.

⁵² Vientiane Times (2023). [Ministry launches carbon markets programme](#).

⁵³ Briefing Seminar for the Delegation of Lao PDR to the 28th Conference of Parties (COP28) to the United Nations Framework Convention on Climate Change (UNFCCC). Landmark Hotel, Vientiane Capital, 9 November 2023.

⁵⁴ The Laotian Times (2023). [Air Pollution Reaches Hazardous Levels in Vientiane Capital](#).

Myanmar and Thailand illustrates high-level recognition of the transboundary nature of the challenge and solutions.⁵⁵ The Government has also initiated preparation of a new edition of the Law on Agriculture, expected to be finalized in 2024.

- In the **forestry sector**, Lao PDR is on pathway to access its first results-based payments for its jurisdictional REDD+ project in the six northern provinces (from the Forest Carbon Partnership Facility Carbon Fund). **PM Order #11** (July 2023) **strengthens measures on forest management and protection, and for controlling encroachment and fires** – notably prohibiting widely-practiced burning of forests for clearing for agriculture and banning mineral prospecting in protected forests. An inter-ministerial effort is underway between MAF and MoNRE on the **allocation and registration of land tenure in forestlands**, which so far has been off-limits for land tenure instruments for non-State actors. Discussions will continue beyond 2023, yet the inter-ministerial governance effort is a significant step forward. Two Government decisions (no.1044 and no.1045, January 2023) further regulate timber harvesting and processing. MAF also announced it will establish a **national certification standard** for forest management and chain of custody. A draft forestry strategy to 2035 remains under development.
- Lao PDR **continues to be highly exposed to climate and disaster risks** including droughts, landslides, and particularly flooding with 39.7% of the population – equivalent to 2.99 million people – exposed to flood risks (i.e., ranked 6th most flood-prone country by population exposed).⁵⁶ **Children are highly exposed to climate and environmental shocks** with 36% of children exposed to riverine flooding (i.e., Lao PDR ranks 40th of 163 countries and regions).⁵⁷ This is especially important in the context of reduced purchasing power for households already leading to use of coping strategies and compromising resilience to shocks.
- The United Nations updated its Inter-Agency Contingency Plan for 2023 ahead of the monsoon season. The country faced floods in many provinces between July and September 2023.
- **Lao PDR experienced record-breaking temperatures** (i.e., hottest day ever recorded in Vientiane with 41.4°C on 15 April 2023, all-time national temperature record of 42.9°C in Sainyabuli province on 19 April 2023) **exposing the lack of contingency measures** (e.g., no Heat Action Plans, National DRR Strategy 2021-2030 not addressing extreme heat). **El Niño effects in Lao PDR**, observed in Western Pacific since July 2023, further heighten the risk of elevated temperatures and disruptive weather patterns – a cause of concern as historical data strongly connects El Niño to droughts.⁵⁸
- Efforts to strengthen resilience include the launch of a **National Financial Protection Strategy against Disaster Risks** to ensure availability of cost-effective financing for prevention, preparedness, response and recovery efforts. The concept of Anticipatory Action was initiated in national level discussions for preparedness and proactive measures based on forecasts, early warnings, pre-defined financing, and standardised operational procedures. A **Health National Adaptation Plan** (H-NAP) was approved in 2023, mainstreaming climate adaptation into health sector planning.⁵⁹ As part of the mitigation effort, the Vice Minister of Health was appointed as a co-chair of the working group on Low Carbon Sustainable Health Systems of the Alliance for Transformative Action on Climate and Health.⁶⁰
- Looking forward, **Lao PDR's ASEAN Chairmanship in 2024** will be centred around the theme *“Enhancing Connectivity and Resilience”* which will include promoting carbon neutrality. In addition, the **proposed ASEAN Environmental Rights Framework**, currently under development and set for finalisation in 2024, provides an opportunity to highlight the issue of environmental rights.

⁵⁵ KPL (2023). [PM discusses solutions to cross-border smog issue with Thai, Myanmar counterparts.](#)

⁵⁶ Nature (2023). [Flood exposure and poverty in 188 countries.](#)

⁵⁷ UNICEF (2023). [Children's Climate Risk Index for Least Developed Countries.](#)

⁵⁸ FAO (2023). [Joining forces against El Niño: The Government of Lao PDR and FAO discuss readiness to tackle potential drought.](#)

⁵⁹ WHO (2023). [BRIEF: Impact of climate change in the Lao People's Democratic Republic, and recommendations for a climate-resilient health system.](#)

⁶⁰ WHO (2023). [Alliance for Transformative Action on Climate and Health \(ATACH\).](#)

Annex 1 – Synopsis of Lao PDR - UNSDCF 2022-2026 outcomes and outputs

People's Wellbeing	By 2026, people, especially the most vulnerable and marginalized, will have more equitable and inclusive access to and will benefit from better quality health, nutrition, food, shelter, protection, water, sanitation, and hygiene (WASH), and education and learning, including during emergencies.
Protection	Strengthened multi-stakeholder capacities to prevent and respond to all forms of violence against women and girls, children, migrant workers, and other vulnerable groups, across the development and humanitarian continuum.
Health	The government has increased health system capacity to provide affordable, resilient, sustainable, accessible, equitable and quality healthcare services, including immunization, Sexual, Reproductive, Maternal, Newborn, Child and Adolescent Health (SRMNCAH), and prevention and control of communicable and non-communicable diseases, and to respond to public health emergencies, and people have the knowledge, skills and opportunities to make informed choices about their health and participate in building healthy communities.
Education	Government and key stakeholders at national and sub-national levels and communities have enhanced capacities, knowledge, and resources to ensure children, youth and adults have access to and complete inclusive, equitable and quality teaching-learning and skills development programmes.
Nutrition and food security	Government has strengthened capacity to plan, deliver and monitor sufficient and equitable quality nutrition specific and sensitive interventions and services across sectors, and communities are supported and have the knowledge and skills to meet their food security needs and practice optimal dietary, care and service seeking practices and behaviours.
WASH	Government has strengthened capacity to deliver and improve coverage and quality of WASH services, and people have increased knowledge and skills on their WASH practices.
Shelter	Government institutions at the national and sub-national levels have strengthened capacity to provide access to appropriate, safe, serviced, and affordable shelter to all people, including the most vulnerable (such as internal migrants, displaced, and disabled).
Inclusive Prosperity	By 2026, people, especially the most vulnerable and marginalized, will benefit from more inclusive, resilient, transformative, and sustainable socio-economic and demographic opportunities to reduce poverty and inequalities.
Smooth transition beyond LDC graduation	Lao PDR develops, implements and monitors a strategy ensuring a smooth transition from the LDC category, with defined graduation support from the UN system and the country's other development and trading partners.
Planning and financing for the SDGs	Government, at the national and subnational levels, and the private sector, progress towards an Integrated National Financing Framework (INFF) and have improved technical and fiscal capacity dedicated to finance and localize the SDGs, through fiscal space creation, enhanced collaboration between the planning and financing functions of government, resulting in more evidence-based costing and financing of priority development interventions, greater fiscal accountability, and better alignment of different sources of development finance to the 2030 Agenda.
Social protection	Government at the national and subnational levels have increased capacity and infrastructure to deliver, throughout the life cycle, welfare inclusive, gender-sensitive, shock-responsive and sustainable social protection systems.
Migration policy	Strengthened multi-stakeholder capacity to protect migrants', rights through safe migration advocacy and enhanced regulatory and law compliance.
Urban development	Enhanced local and national government and multi-stakeholder capacities, awareness, and legal frameworks to improve spatial planning, connectivity, mobility, investments and financing for growth, and livelihoods along the economic corridors and developing urban areas, thereby alleviating poverty and reducing inequality, while co-creating safer and more inclusive urban areas.

Rural development and UXOs	Government at the national and sub-national levels have enhanced capacity to facilitate new and inclusive opportunities in rural areas through integrated rural development planning and prioritization, identification, survey and clearance of UXO-affected areas for productive use, conduct mine risk education, especially for children, and address the consequences for UXO victims and survivors.
Private sector, skills development and digitalisation	Enhanced multi-stakeholder capacity and improved policy and harmonized regulatory environment for a resilient, productive, competitive, and innovative private sector, seizing opportunities from trade, the digital transformation and e-commerce development, integrated with regional and global value chains, and supported by targeted and demand-driven skills and entrepreneurship development, especially for women and youth.
Governance and the Rule of Law	By 2026, people, especially the most vulnerable and marginalized, will be better served by public institutions at all levels in a transparent and inclusive manner, able to exercise their rights and obligations and the institutions shall be strengthened and more accountable while the rule of law and international human rights commitments made by Lao PDR are upheld.
Civic space and participation	Understanding of the role of people and civil society participation in sustainable development; mechanisms for dialogue between people, CSOs, government, elected representatives, international organizations and others are fostered; and empowered people and increased capacities of CSOs to contribute to sustainable development processes, in particular vulnerable and marginalised groups
Rule of law and access to justice	Enhanced capacity of key justice agencies and legal professionals to ensure rule of law, access to justice, in particular for marginalized and vulnerable groups to demand and contribute to access to justice, in line with relevant international human rights obligations and laws that Lao PDR is a party to.
Gender equality, women's empowerment and human rights	Multi-stakeholder capacity to mainstream gender equality and international human rights, including the elimination of all forms of discrimination, in the design, implementation and monitoring of legal and policy frameworks, and operations is enhanced; national capacity to harmonize the domestic legislation and implement recommendations emanating from international human rights mechanisms is increased.
Transnational Organised Crime (TNOC)	National capacity to address challenges linked to crime and illicit trafficking in all their dimensions, including the drug problem, is enhanced to reduce all forms of violence and exploitation, especially against women and girls, and to improve the population's safety, and well-being, and human rights.
Public administration reform and data driven governance	Government at the national and local levels have enhanced capacities for more transparent, inclusive, and evidence-based law and policy, through improved disaggregated data generation and use, strengthened monitoring and evaluation frameworks, effective decentralization, improved digitalization of the public sector and services, civil service reform, and optimal budgeting and public investment management.
Environment, Climate Change, and Resilience	By 2026, people, especially the most vulnerable and marginalized, and institutions will be better able to sustainably access, manage, preserve, and benefit from natural resources and promote green growth that is risk-informed, disaster and climate-resilient.
Green growth	Institutional, private sector and community capacities are strengthened to formulate and implement 'green' growth policies, mobilize green climate finance, reduce GHG emissions and pollution, optimize infrastructures across the rural-urban continuum, and promote sustainable production and consumption, mainstreaming climate change mitigation and adaptation into policies and plans at all levels.
Natural resources management	National and subnational capacities are in place to formulate and implement natural resources and environmental management plans and to enable sustainable and equitable access to resources (water, forests, and land), including land use plans and land tenure, enabled by regulatory frameworks, integrated management, community participation and better-quality data generation and use.

Resilience	Government at the national and sub-national levels, vulnerable communities, private sector, and institutions have strengthened capacity to anticipate and recover from shocks, reduce risks, and address the climate change challenges through greater awareness, strengthened vulnerability assessment tools, improved hazard and disaster risk data, improved early warning systems, strengthened disaster risk reduction planning and national adaptation planning strategies.
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