LAO PDR
NATIONAL AND SUB-NATIONAL PLANNING, FINANCING AND BUDGETING FOR GREEN GROWTH

OVERVIEW

<table>
<thead>
<tr>
<th>Country / Global implementation</th>
<th>Lao PDR Least Developed Country (LDC)</th>
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<tbody>
<tr>
<td>Thematic area</td>
<td>Multi-sectoral</td>
</tr>
<tr>
<td>Project start date</td>
<td>Q1 2017</td>
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<tr>
<td>Funding source</td>
<td>Core</td>
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<tr>
<td>2017 budget</td>
<td>USD 879,201</td>
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<tr>
<td>% of budget disbursed</td>
<td>75%</td>
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RELEVANT SDGs

6.3. By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally.

6.a. By 2030, expand international cooperation and capacity-building support to developing countries in water- and sanitation-related activities and programmes, including water harvesting, desalination, water efficiency, wastewater treatment, recycling and reuse technologies.

8.3. Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services.

11.3. By 2030, enhance inclusive and sustainable urbanization and capacity for participatory, integrated and sustainable human settlement planning and management in all countries.

12.5. By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.

13.2. Integrate climate change measures into national policies, strategies and planning.

13.3. Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning.

CONTEXT

Lao PDR has experienced rapid economic growth, with an average 7.9% GDP growth during its 7th 5-Year National Social Economic Development Plan (NSEDP, 2011-2015). The poverty rate was reduced to 19.7% in 2015 and the Human Development index has increased. Labor structure has improved with increased percentage of labor employed in industry and service sectors. The current 8th NSEDP reiterated Government of Laos’ (GoL) ambition is to become a LMIC by 2020. Doing so will require not only better GDP growth, but a greater emphasis on the quality of growth. Laos seeks to maximize the impact of that growth on job creation and poverty reduction, which have been systemic challenges for the developing country.

HIGHLIGHTS

- Green Growth Potential Assessment of the Lao PDR finalized, with agriculture, education, energy and mines, forestry and land-use, tourism, and urban development identified as primary focus areas
- Technical studies, including fiscal instruments, green growth plans (vision, gaps and prioritized actions) and gender study, are produced to support the development of the National Green Growth Strategy.
- Capacity development on green growth planning and implementation delivered to a range of stakeholders, including private sector, civil society and academia.

OVERALL OBJECTIVES

- Support Lao PDR in mainstreaming green growth into its development by identifying potential green growth opportunities.
- Assisting in the development of multi-level and sectoral green growth strategies and action plans.
OUTCOME 1 STATUS ON TRACK

The Government of Lao PDR has in place better strategies and institutions to support national, sub-national and sector level green growth planning and implementation.

Increased knowledge of green urban development and green fiscal instruments among stakeholders, including private sector, civil society (represented by Women and Youth groups) and academia.

GGGI has incorporated elements of green growth into selected Ministry of Planning and Investment (MPI) tools such as guideline for guiding annual NSISP implementation, provincial SEDP, sector SEDP implementation, annual plans and/or investment screening tool. Further, GGGI's green city development concept was incorporated into the approved National Urban Development strategy. And at least 70% of the participants who attend the training conducted by the GGGI supported local trainer report an increase in knowledge and skills to scale up green city development and ability to implement environmental tax law.

OUTPUT 1.1 STATUS ACHIEVED

Lao Green Growth Potential Assessment finalized.

- Building on a primary assessment and stakeholder consultations which brought together government representatives, the private sector, academia, civil society and development partners, a Green Growth Potential Assessment (GGPA) was produced. The GGPA provides recommendations which range from policy and institutional reform to infrastructure projects to opportunities to access international finance.
- A preliminary assessment was conducted, based on data analysis and literature review, highlighting several areas where green growth interventions can support development in Laos. Results of the preliminary assessment were largely confirmed by a stakeholder consultation workshop, bringing together representatives from government ministries, the private sector, academia, civil society and development partners.
- The GGPA report has been reviewed by the key stakeholders, and submitted to the National Institute for Economic Research and Ministry of Planning and Investment.
- The key sectors identified in the GGPA such as agriculture, forestry, tourism, urban development, and education have been adopted as primary focus areas in a draft version of the Lao PDR’s National Green Growth Strategy. The National Green Growth Strategy will be formally adopted as one of the government’s national strategy in 2018.

OUTPUT 1.2 STATUS ON TRACK

National Green Growth Strategy and Implementation measures developed.

- GGGI provided two major technical inputs to the National Green Growth Strategy submitted to the Ministry of Planning and Investment: i) "Green fiscal instruments for green growth delivery" and ii) "Green Growth in Lao PDR: Vision, Gaps and Prioritized Actions"

OUTPUT 1.3 STATUS ON TRACK

Green growth mainstreamed into the draft National Urban Development Strategy and piloted.

- Comments on the draft Lao National Urban Development Strategy were submitted.
- A scoping study was conducted to assess the current situation of solid waste management in Vientiane and identify potential projects. The potential project ideas were presented and well-received by the Vientiane City Office for Management and Service (VCOMS). VCOMS is primarily responsible for waste management and has identified projects with high priority based on GGGI recommendations. A solid waste management strategy and roadmap for Vientiane was drafted based on the situational analysis and government consultations. The results of the study on the Vientiane solid waste sector will constitute the proposal to be submitted to KOICA in the first quarter of 2018.
PARTNERS

LOCAL

• Ministry of Planning and Investment
• National Institute for Economic Research
• Ministry of Natural Resource and Environment
• Ministry of Public Works and Transport
• Vientiane City Office of Management and Service (VCOMS)
• Provincial Government of Champasak
• Urban Development Administration Authority – Pakse
• ECCDA (Environment Conversation Community Development Association)

INTERNATIONAL

• KOICA
• World Bank

ADDITIONAL RESULTS

• GGGI developed concept note focused on the development of fiscal policies and climate accounting was submitted to the Government of Luxembourg in March.

• A concept note focused on the development of green cities, solid waste management and wastewater management was submitted to KOICA in September 2017.

• A GCF readiness proposal was developed and submitted in November 2017.

• A study titled “Gender review to inform green growth strategy and priorities” was commissioned and was scheduled to be completed by December 31.