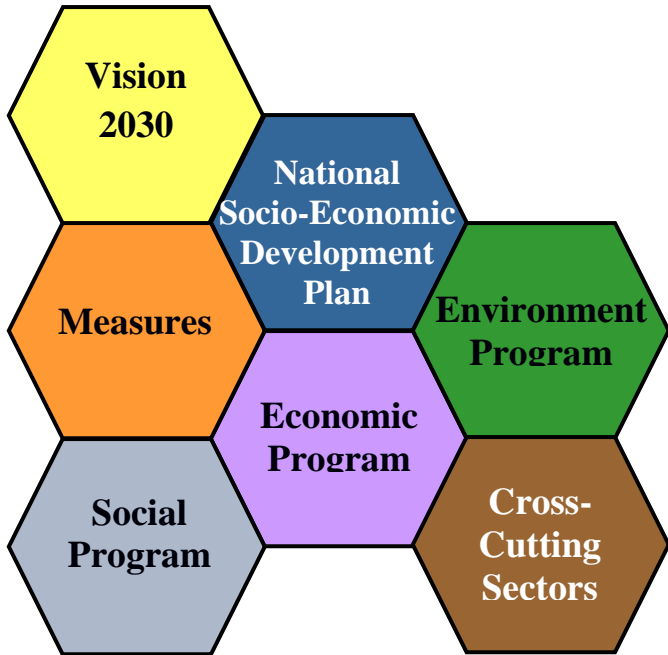




Lao People's Democratic Republic
Peace Independence Democracy Unity Prosperity

The Official Development
Assistance Mobilization Strategy
2030 for Lao PDR

Vientiane Capital, 2020





The Official Development Assistance Mobilization Strategy 2030 for Lao PDR

Vientiane Capital, 2020



Lao People's Democratic Republic
Peace Independence Democracy Unity Prosperity

The Government of the Lao PDR

No. 236/GOL.
Vientiane Capital, 18 May 2020

**Decree
on the Endorsement and Promulgation of the Official Development Assistance Mobilisation
Strategy of the Lao PDR by 2030**

- Pursuant to the Law on Government (amended version), No. 04/NA, dated 06 November 2016;
- Pursuant to the Resolutions of the Ordinary Session of the April 2020, No. 04/GOV, dated 31 March 2020.
- With reference to the letter of proposal from the Ministry of Planning and Investment, Ref. No. 0631/MPI.DIC-GMS01, dated 27 April 2020.

The Government of the Lao PDR issues the Decree:

Article 1: Endorsed and Promulgated the Mobilisation of Official Development Assistance Strategy of the Lao PDR by 2030.

Article 2: The Ministry of Planning and Investment is tasked with the issuance of detailed instructions for the implementation of this Decree and the collaboration with the line ministries, ministry-equivalent agencies and local authorities to effectively demonstrate and strictly implement this Decree.

Article 3: The line ministries, ministry-equivalent agencies, Vientiane capital, provinces and concerned stakeholders shall acknowledge and cooperate to ensure the effective implementation of this Decree.

Article 4: This decree shall enter into force on the date it is signed.

The Government of Lao PDR

Prime Minister
(Signature and Seal)
H.E. Thongloun Sisoulith

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Foreword

The Government of the Lao PDR has established the Vision 2030, paving the way for the Development of the Countries, leading to the transition from the Least Developed Countries (LDC) status to a Middle-Income Country status. This is based on the vision of promoting socio-economic, green and sustainable development, achieving a four-fold increase in the national income per capita compared to 2015 through a strong manufacturing industry and infrastructure as well as improving the livelihood of the population, enabling widespread and profound integration on a regional and global level.

The recent economic-fiscal crisis and natural calamities, including the spread of transmittable diseases, such as COVID-19, in the region and globally, has plunged the world into a state of confusion that is generating many challenges, most notably the stunting of economic growth and intensified competitive landscape, all of which have directly and indirectly affected the socio-economic foundation of Lao PDR.

The slow-down of the world economy has led to a substantial decrease in Official Development Assistance (ODA) by high income countries to least developed and middle-income countries, as donor countries are faced with their own socio-economic crisis which they must address, leading to their contribution in ODA becoming less significant. Nevertheless, Development Partners and ally countries of the Lao PDR who made commitments to support the country's development, have been able to maintain the same level of assistance, with some even showing an upward trend in terms of assistance, because they have aligned their support with the Socio-Economic development policies of the Lao Party and the Lao Government, particularly the integration of the 2030 Agenda (SDGs), the target for LDC graduation by 2024 along with regional and international integration, bilateral, multi-lateral and regional cooperation. Furthermore, the economic integration has opened the door for the Lao PDR to have a more prominent role on the international platform, creating favourable conditions for the Lao PDR to access Dispute Settlement mechanisms and contribute to the establishment of trade and investment regulations as well as improving internal regulations and laws to conform to international standards, which is a key factor in attracting foreign investment.

The Lao PDR is presented with a number of potential advantages. Most notable is political stability, social order, and stable development trends which form the basis for steady economic growth. In addition, the Lao PDR presents a strategic advantage in its location at the heart of the Greater Mekong Region (GMS), which can be used to transform the Lao PDR into a regional economic hub providing efficient, reliable, and safe transportation and logistical services.

The implementation of the National Socio-Economic Development Plan in recent years has shown that ODA funds have made significant contributions and played an important role, accounting for 15-17% of the total investment in the Lao PDR. This illustrates the need for significant funding

sources for development in the Lao PDR in light of the recent decreasing trend of ODA in the world. Therefore, in order to create a better understanding with Development Partners on the Lao PDR's development path, the Government of the Lao PDR has emphasized the implementation of regular consultations with Development Partners via the Roundtable Meeting. Through the Roundtable Meeting, Development Partners have committed to continuous support to the Lao PDR and the implementation of the Five-Year National Socio-Economic Development Plan. Development Partners have also endorsed the implementation of the Vientiane Declaration on partnership for effective development cooperation (2016-2025), which has established a common ground for effective Development Cooperation. The Vientiane Declaration cited the ownership of the Government in establishing a strategy for the mobilization and management of ODA that will serve as a basis for building cooperation frameworks with different domestic and international stakeholders, especially in attracting fellow developing countries to engage in mutual support (South-South Cooperation). Based on the ongoing development both within and outside of the Lao PDR, a strategy for the mobilization and management of ODA until 2030 is required to ensure that implementing agencies have a clear understanding of the Donor Country's strategy and coordination mechanisms between the central and provincial authorities as well as other line agencies, develop awareness and understanding of ministries, agencies and local authorities acting as project owner to serve as reference point for a streamlined ODA utilization aligning with the National Socio-Economic Development Plan of the Lao PDR..

Vientiane Capital,
Deputy Prime-Minister
Minister of Planning and Investment
(Signature and Stamp)

Sonexay Siphandone

Abbreviation

MAF: Ministry of Agriculture and Forestry
MOES: Ministry of Education and Sport
MEM: Ministry of Energy and Mines
MOFA: Ministry of Foreign Affairs
MOH: Ministry of Health
MOHA: Ministry of Home Affairs
MOIC: Ministry of Industry and Commerce
MICT: Ministry of Information, Culture and Tourism
MOJ: Ministry of Justice
MOLSW: Ministry of Labour and Social Welfare
MONRE: Ministry of Natural Resources and Environment
MOD: Ministry of National Defence
MPI: Ministry of Planning and Investment
MPT: Ministry of Post and Telecommunication
MPWT: Ministry of Public Works and Transport
MOPS: Ministry of Public Security
MOST: Ministry of Science and Technology
BOL: Bank of Lao PDR
JPRL: Lao People's Revolutionary Youth Union
LWU: Lao Women Union
LCDCS: Lao Committee for Drug Control and Supervision
LNCAW: Lao National Commission for the Advancement of Women.
LNCCI: Lao National Chamber of Commerce and Industry
SC: Supreme Court

I. Overview on the Mobilization and Implementation of ODA

1. Global ODA situation

The landscape of ODA has changed and transformed in response to the needs of each period: from 2000 to 2011, ODA management implementation was based on the Rome Declaration on Harmonization (2003), which provided a foundation for ensuring the alignment and harmonization of support between donor countries and contributed to the recipient country's Development Goals. This was later changed following the endorsement of the Five Principles of the Paris Declaration in 2005 and the Accra Agenda for Action in 2008, which became a key turning point in increasing the effectiveness of ODA.

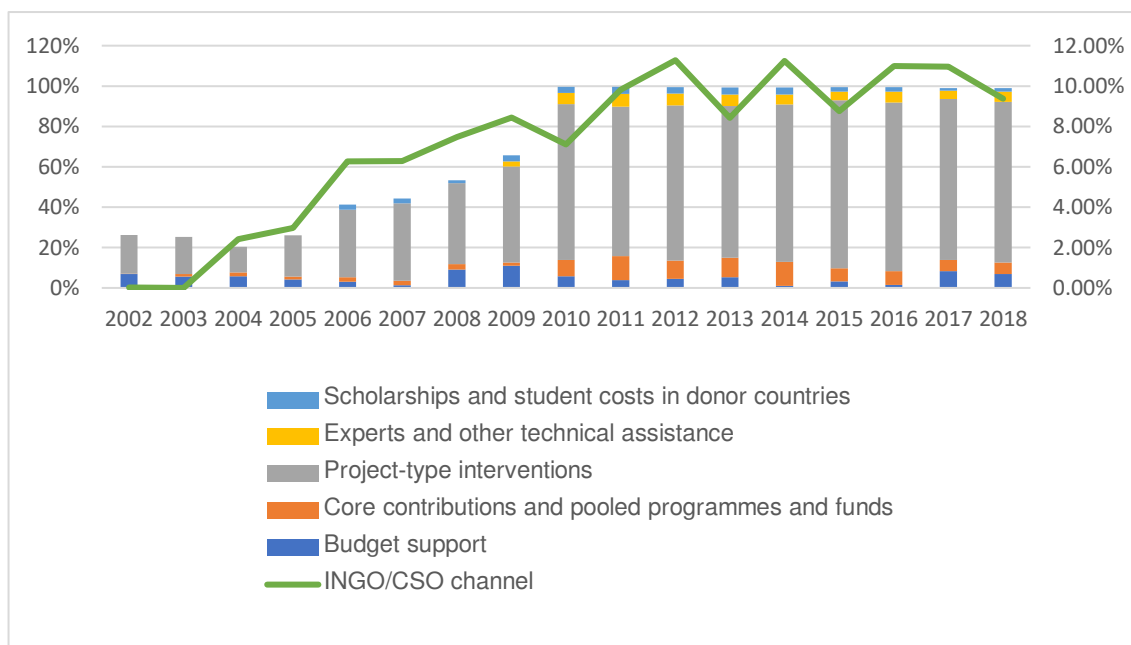
In 2011, the Busan's Partnership for Effective Development Cooperation represented a shift towards effective development cooperation with emphasis on the inclusiveness of various stakeholders. In 2014, the Mexico Declaration, also known as the Mexico Communiqué, endorsed a work plan and priorities for domestic resource mobilization, middle-income countries, private-sector partners, south-south cooperation, trilateralism, and knowledge exchanges. The periodic shifts from "Donor and Recipient" to "Development Partners" as well as the shift from "Effective Assistance" to "Guaranteeing Multi-stakeholder cooperation for Effective Development Cooperation" have called for increased participation from the public and private sectors.

By 2015, the international community had endorsed the 2030 Agenda for Development, which included the Sustainable Development Goals and the Addis Ababa Action Agenda, emphasizing the importance of public investment and private-sector resource mobilization to contribute to the agenda's implementation. In 2015, the total ODA from Development Assistance Committee (DAC) member countries was about 131.6 billion USD. This encompasses an average national income ratio of .3% from DAC. This was a 6.9% increase from the previous year and an 83% increase compared to the year 2000. A majority of the assistance was refugee aid. Comparing the assistance according to groups of recipient countries, the assistance provided to LDC and low-income countries had an annual increase of 3% and accounts for 30% of the total assistance (39.8 billion USD), of which the majority was provided to countries of Africa. In the same year, there was a decrease in assistance to middle and high-income countries as a result of increased access to concessional loans.

Overall, an upward trend is expected for ODA in the future (based on DAC survey results) but the assistance will be mainly focused on countries with instability, least developed countries, low-income countries, small island countries and land locked countries. Nevertheless, bilateral cooperation will be the most prominent assistance modality and the assistance will increasingly be implemented by Civil Society Organizations and Non-Governmental Organizations.

2. Overview of ODA mobilization in the Lao PDR

According to the actual implementation of ODA mobilization and management through the Roundtable Process and other related platforms, the development partners, international organizations and international finance institutions have continuously committed their support to the Socio-Economic Development of the Lao PDR. The ODA Disbursement report (not including funds under South-South cooperation and Cooperation with China, Vietnam and with developing countries) indicated that ODA funds provided to the Lao PDR account for 0.3% of the total ODA funds worldwide. However, an annual increase of 7.9% in actual disbursement was observed. Over the past 16 years (2002-2018), the Government of the Lao PDR has been able to mobilize 8.09 billion USD, averaging 475 million USD per year. From this amount, 6.69 billion USD (about 80%), was provided and implemented in the form of ODA projects/programmes that comprised 5.4 billion USD in grants, 1.28 billion USD in concessional loans and 3.11 million USD in other forms of assistance (technical assistance, deployment of experts and personnel). In terms of composition, 85% of ODA funds were implemented as projects, followed by programmes and budget support (5%) and study funds as well as other forms (10%). In addition, a total of 550 million USD (32.36 million USD per year on average) was mobilized through International Non-Government Organizations and Civil-Society Organizations as seen in Graph 1 below.



Graph 1: Composition of ODA mobilized by the Lao PDR between 2002 and 2018

The disbursement of ODA funds during the past 16 years covered 4 periods:

2002-2005 (Fifth National Socio-Economic Development Plan), saw a disbursement of 856 million USD in ODA which averaged 214 million USD per year with 76% of all funds mobilized. This amount was considered moderate and was the result of discrepancies between the actual disbursement and the planned budget;

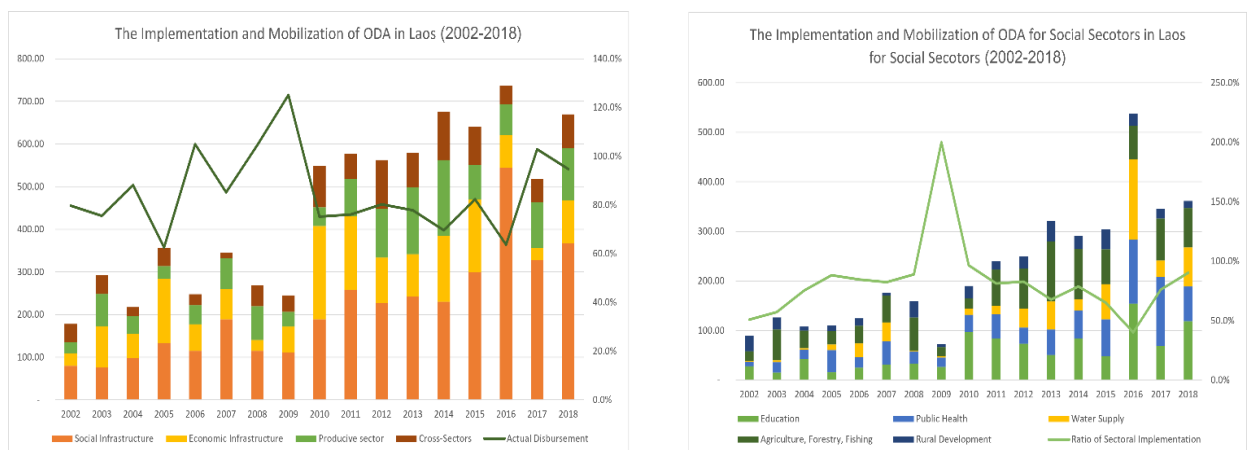
2006-2010 (Sixth National Socio-Economic Development Plan) the disbursement totalled 1.73 billion USD, averaging 346 million USD per year with a mobilization rate of 97%. This was a two-fold increase compared to the previous period and was deemed adequate;

2011-2015 (Seventh National Socio-Economic Development Plan), 2.4 billion USD was disbursed, averaging 481 million USD per year with a 78% mobilization rate;

2016-2018 (first half of the Eighth National Socio-Economic Development Plan), 1.69 billion USD was disbursed, averaging 565 million USD with 85% of the total funds being mobilized.

The level of ODA mobilized in the future will remain significant for the Lao PDR due to the government’s effort to integrate the sector priorities into the majority (82.7%) of the National Socio-Economic Development Plan (Social sector, Economic sector, manufacturing sector and auxiliary sectors).

The Roundtable Process is an essential resource mobilization mechanism for the Lao PDR and has been instrumental in building an understanding with Development Partners that resulted in the establishment of numerous strategic frameworks for the purpose of aligning ODA with the development priorities under the National Socio-Economic Development Plan.



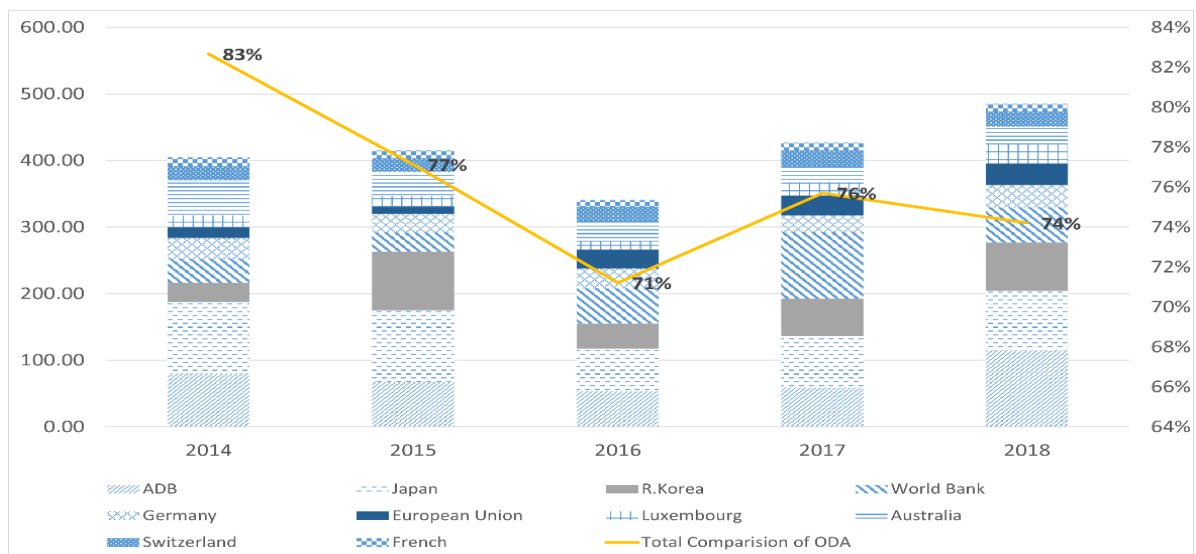
Graph 2: Composition of ODA according to sectors between 2002-2018

To ensure the effectiveness and transparency of the management and utilization of ODA in the Lao PDR, the Lao Government has developed a monitoring and evaluation system that includes regular technical level project reviews between the government and development partners as well as the development of an ODA monitoring platform or ODA Management and Information System (www.oda-mis.gov.la). Additionally, the Government of the Lao PDR continues to develop the mapping of ODA projects to facilitate the effectiveness and transparent management of ODA in order to maximize the benefits for Lao people.

In conclusion, the situation of ODA mobilization over the past years has been positive and on an upward trend. The social sector, in particular, has been the biggest part with 46%. When compared to the main and subsidiary sectors, mobilization towards the social sector has increased, and further investigation (education, public health, clean water supply, agriculture and forestry, rural development) suggests that education, public health, agriculture, and clean water supply have been given special priorities, and mobilization towards rural development has increased. This is due to the fact that development partners have recognized the importance of cooperating and assisting the Lao Government in its effort to achieve the associated Millennium Development Goals and Sustainable Development Goals (poverty reduction, clean water supply, and education as well as general education) as shown in the Graph above.

The information provided herewith proves that the assistance provided to each sector is aligned with the development priorities of the Lao PDR and, more importantly, the assistance is evenly distributed throughout each sector. On the other hand, public investment over the past year has remained limited. The assistance provided to the priority sectors mentioned above has been constantly increasing and is aligned with the 8th National Socio-Economic Development Plan with special emphasis on proportionate growth and human resource development in order to achieve Sustainable Development Goals.

Over the past five years, ODA mainly consisted of bilateral cooperation and cooperation with finance institutions such as Japan, Australia, Germany, South Korea, France, Switzerland, the Asian Development Bank (ADB) and the World Bank (WB). Likewise, multi-lateral cooperation with the European Union or the United Nations has contributed to the implementation of the 2030 Agenda for Development. The prominent donor countries and agencies have continued to support the development of the Lao PDR, accounting for 70% of the total assistance provided as shown in the graph below:

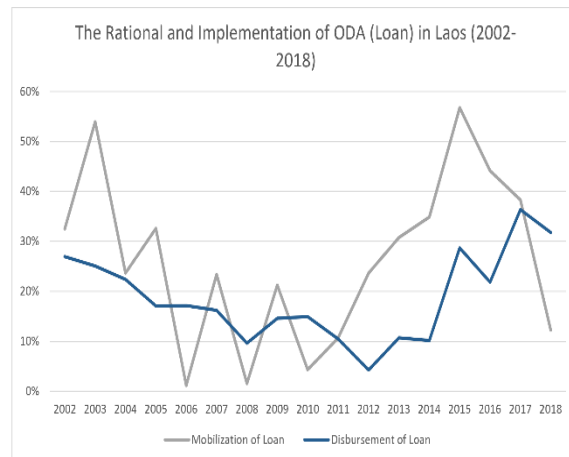
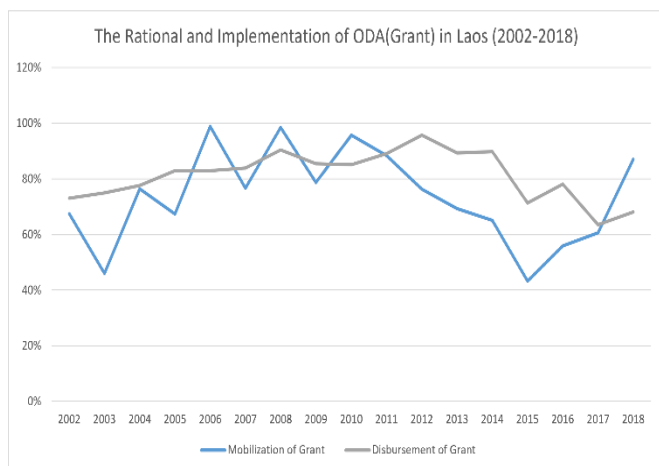


Graph 3: Composition of ODA according to donors

the commitment made by Development Partners in supporting the Lao PDR has been another key factor contributing to the successful disbursement of ODA. More specifically, the bilateral assistance from Japan (on average 90 million USD per year), ADB (80 million USD per year), South Korea and the World Bank (on average 50 million USD per year), Germany, EU, Luxembourg, Australia, Switzerland and France have contributed 4.5 billion USD or 76% of the total ODA mobilized over the last five years.

3. Utilization of Official Development Assistance

ODA is important for the implementation of the Millennium Development Goals and Sustainable Development Goals. The 7th and 8th Five-year National Socio-Economic Development Plans (2011-2015 and 2016-2020) allocated ODA funds for the social sector as a priority. The implementation has been largely successful and objectives for the social sector under the National Socio-Economic Development Plans have been achieved as planned; additionally, Development Partners have continued to provide support to the sectors of education, health, rural development, governance, environment and UXO clearance. As for the economic sector, ODA support mainly focused on the sectors of agriculture, emphasizing food security and nutrition. Encompassing one fourth of the total ODA, the road, energy and mining sectors drive economic growth and generate national revenue to create a foundation for socio-economic development. The road and railroad sector are critical for international and regional connectivity.



Graph 4. Actual ODA disbursement in relation to ODA mobilization

ODA disbursement between 2002-2018 averaged 80%. According to the Foreign Aid Implementation Report (FAIR 2015/2016) by the Ministry of Planning and Investment, a number of reasons were attributed to ODA funds not being disbursed as planned. The size of projects was one of the main reasons as budgets for bigger projects (more than 10 million USD) were not disbursed according to plans and the monitoring and reporting of budgets were not consistent with the actual disbursement. On the other hand, smaller sized projects (less than 1 million USD) which account for 80% of all projects implemented in the Lao PDR were disbursed successfully and according to plan. Moreover, an increase in concessional loan projects was observed and the capacity to implement grant projects was largely higher compared to loan projects.

4. The Overall Assessment of the Mobilization and the Utilization of Official Development Assistance (ODA)

The mobilisation and implementation of Official Development Assistance (ODA) projects over time indicated that the Lao PDR has been able to achieve its planned goals. However, this is to ensure that this strategy is consistent with the current state of affairs, terms and conditions of development partners, development needs of the Lao PDR and international development contexts that may affect cooperation in the up-coming years. Learning experiences, SWOT¹, internal and external development trend awareness and ODA allocation and disbursement analysis are crucial to the formulation of an ODA mobilisation strategy and implementation of ODA projects. The research will also support the establishment of accurate and effective directions and policies for ODA management and mobilisation which can be evaluated as follows:

¹ SWOT matrix is a strategic planning technique used to help organisation identify strengths, weaknesses, opportunities and treats related to project planning.

4.1 Strengths

- The Lao PDR is a country with political stability and social security, fundamental factors for socio-economic development, such as in business operations, manufacturing, services and investments. They are also important for pursuing the continuous implementation of development and foreign policies for enhanced cooperation. These are favourable conditions for the effective implementation and the promotion of regional and international development cooperation; the creation of suitable facilities for development partners in fulfilling their commitments to aid agreements and projects/programmes implementation as expected;
- The Lao PDR has periodic socio-economic development plans which set out a clear focus on scope of work, development goals, integration and alignment between sectorial, provincial, and national development plans. The plans are essential elements of resource mobilization and they support effective and efficient implementation of ODA projects, contributing to the implementation of the National Socio-Economic Development Plan each period. Additionally, the Lao PDR has mechanisms and action plans, such as the Vientiane Declaration Country Action Plan (VDCAP)², for all stakeholders, including development partners, to guide implementation of ODA projects.
- The roundtable is a platform for periodic consultations between government and developing partners that aim to build consensus on development priorities and make development cooperation more effective. This forum also reviews the National Socio-Economic Development Plan as well as other plans, and the utilization of ODA funds;
- The government has issued decrees, regulations, and established principles to strengthen ODA management. This includes monitoring guidelines for project implementation to ensure effective utilisation of ODA funds; and
- Cooperation strategies have been formulated by the government of Lao PDR and development partners, taking into account the periodic National Socio-Economic Development Plan, as a basis for identifying development priorities.

4.2. Weaknesses

- The Lao PDR income per capita³ falls below the United Nation's standards. Although the domestic economy is expected to grow rapidly, economic vulnerabilities remain high.
- Even though the key objective of development is to put a concerted effort into guaranteeing the graduation and the residual rate of students at the primary and secondary education level, and to reduce illiteracy to zero, the poverty rate remains high in the Lao PDR as there are still citizens living in 52 targeted districts and 109 villages located in remote, mountainous and lowland areas where roads and transportation systems are inaccessible. These areas still need

² Vientiane Declaration Country Action Plan

³ The average GDP growth was 7.5% in 2014-2015. The economy steadily grew 7% from 2015-2017; whereas it grew less than 7% in 2018 and 2019.

- the development of infrastructure such as clean water, roads and power grids, healthcare services, public utilities, nutrition for mothers, children and new-borns, including children under the age of 5 in accordance with the SDGs, prevention of influenza, malaria and other pandemics, although one of the main goals of the government is the promotion of education;
- There is a lack of continuous and consistent prioritisation of sectors, especially the development sector. Each sector should complement development objectives and contribute to economic growth as well as create job opportunities and stable income for the people;
 - There is a limitation on mechanisms to promote the integration of the private sector in the development process. This includes financial and technical contributions and mechanisms to support small and medium enterprises to promote diversification of production operations and domestic products in order to meet the needs of the market and society;
 - Within line ministries in charge of project management, there is a lack of technical staff, expertise, technical knowledge, and detailed plans for monitoring and evaluation of ODA projects. This leads to inaccurate reports of project implementation and difficulties in keeping up with current affairs, including slow problem solving which causes the delay in the implementation of projects/programmes.

4.3. Opportunities

- The 2030 Agenda for Sustainable Development requires developed countries to increase trade assistance to developing countries, especially the least developed countries, as indicated in the goal number eight (8) of the Sustainable Development Goals (SDGs). Trade assistance stimulates economic growth and poverty reduction and the average volume of trade aid has been US \$54 billion since 2006. The cumulative disbursement exceeded US \$300 billion, reflecting an upward trend on a year-to-year basis. The Addis Ababa Action Agenda (AAAA) emphasises the significance of financial support to private sectors. The assistance focuses on strengthening capacities for human resources, transfer of technologies, knowledge, and promoting positive environments for business operations. Therefore, this is a good opportunity for the Lao PDR to promote the development of its products, increase exports and reduce transportation costs. This will also support the promotion of skills, job opportunities, poverty reduction, and favourable conditions for business operations;
- The Lao PDR benefits more from sub-regional and regional cooperation which focuses on the promotion of economic and trade cooperation. This contributes to the enhancement of the development in various fields through technical and financial assistance to accommodate the growth;
- Integrating with international entities such as the ASEAN Economic Community, the World Trade Organization and so on will provide the Lao PDR with access to global markets. It could also enhance export production and increase competitiveness in the global trade arena; and
- South-South Cooperation with countries that have similar development status enables the Lao PDR to share experiences and gain new knowledge to promote development growth.

4.4.Threats

- Rapid global changes are resulting in multifaceted impacts on the world, including the economy, climate, health (COVID-19, etc.), political cooperation, national security and the trend of ODA support from dominant developed countries to least developed countries across all continents such as Asia, Africa and South America.
- Economic disparities and the competition to be an influential country in the international arena have had detrimental effects on least developed countries by making them unable to regularly mobilise ODA as expected;
- Developed countries or major development partners shift their geographical focus;
- The Lao PDR amends policies and regulations to align with development partners regarding the implementation of some projects. This is to ensure that the Lao PDR will have competent human resources and budget for the implementation of projects and programmes;
- The comprehensive analysis and identification of programs/projects in accordance with the development context of each sector remained dependent on regional and international requirements and circumstances, which at times did not fully comply with priority needs and the country's socioeconomic development.
- Natural disasters and the preparedness to respond and mitigate risks of climate change events, including impact recovery and timely resolutions, have burdened the government's budget with high expenditures.

II. Visions, Principles, Directions and Strategies

1. Vision

The Lao PDR must focus on establishing fundamental factors that ensure a sustainable graduation from the status of Least Developed Country (LDC) and to avoid development shortfalls as some lower middle-income countries. The factors include enhanced economic, social, and environmental capacities. These are key pillars of national development that greatly require ODA mobilisation and technical assistance. In order to achieve the goals of the development vision 2030, the Lao PDR must utilise all available resources, including financial and human resources, to sustainably develop and reduce the reliance on Official Development Assistance; and moving forward, become a member of sustainable social, economic and environmental development countries by considerably utilising its own budgets, natural and human resources. Therefore, the 2030 mobilisation and management of the Official Development Assistance Vision for the Lao PDR is: **“accountable and effective ODA management and utilisation to ensure national development achievements based on three key pillars: economic, social and environmental development in compliance with standards of quality, priority, sustainability and green growth”**.

2. Principles

The Mobilisation of Official Development Assistance Strategy is formulated in line with the government policies on socio-economic development for the Lao PDR. The government maintains an inclusive relationship and cooperation policy with countries and international organisations based on mutual benefits; respect for independence, sovereignty, and laws, which are detailed as follows:

Mutual benefits: specific, term based, and clear benefits established by both parties (the government of Lao PDR and Development Partners) to facilitate the recognition and comprehension of benefits amongst parties. Therefore, parties must recognize and comply with articles and responsibilities established in joint agreements.

Respect for sovereignty and non-interference in each other's internal affairs: all parties are required to cooperate and comply with signed agreements; no conditions negotiated shall adversely affect political and economic stability. Aid programs should not be tools of influence and national project management is critical to support ownership and achievement of project objectives.

The support and the consistency with priorities of national development goals: is the cooperation between the government and development partners to align ODA with the National Socio-Economic Development Plan in each period. This facilitates the achievement of the Lao PDR development goals, development vision, and international development agenda.

ODA mobilisation shall support “Land-Locked to Land-Linked”, a national objective to integrate the Lao PDR both regionally and internationally, through the provision of efficient transit services. This complies with international obligations, the Millennium Development Goals (MDGs), that still have not been achieved, and the Sustainable Development Goals.

The implementation and management of ODA must comply with the eight (8) principles of the Vientiane Declaration On Partnership For Effective Development Cooperation, as follow: 1. Ownership; 2. Alignment; 3. Harmonisation and Simplification; 4. Inclusive Partnerships for Development Results; 5. Transparency, Predictability and Mutual Accountability; 6. Domestic Resource Mobilisation; 7. South-South Cooperation, Triangular Cooperation and Knowledge Sharing; and 8. Business as a Development Partner.

In order to achieve these goals, all programmes/projects must have clear objectives and defined structure; specific activities and management framework must be defined according to the nature of the programmes/ projects; it must be able to identify problems and conflicts including risks; there must be a clear and transparent financial and accounting system; all provision of works must be precisely mandated; regular detailed reporting and comprehensive monitoring and evaluation.

3. Direction

The ODA mobilisation and management must comply with capital and technical requirements highlighted in any strategy of the Lao PDR. This includes 1) Economic Development Strategy in compliance with quality, balance, continuity, sustainability and green growth; 2) Least Developed Country Status (LDCs) Graduation Strategy 2020, and the effective implementation of Sustainable Development Goals (SDGs), 3) Human Resources Development Strategies; 4) Environmental Protection and Utilisation of Natural Resources Strategy in line with sustainability, effectiveness and green growth, 5) Strategies to upsurge the sanctity of the people's democratic system and the rule of law, 6) Regional and International Connectivity, and Integration Strategies, and 7) Industrialisation and Modernisation Strategies.

According to the development outlook 2030, three phases of financial and technical assistance are defined as: Pre-Graduation from Least Developing Countries Status; Securing a permanent graduation from Least Developing Countries Status; and the Lao PDR's readiness to achieve high middle income status.

To achieve this vision, the direction of ODA mobilization, utilization and management must be aligned with the development context of the Lao PDR in each period and must be adapted to realistic conditions. This is to ensure strong capacity building for human resources in terms of technical, scientific and advanced technological skills. These abilities are critical to driving the development of all sectors and effectively achieving their objectives.

4. Strategy

To effectively realize the vision of the ODA mobilization and management for 2030, the Lao PDR has to exploit the potential of sub-regional, regional and international cooperation. Any bilateral or multi-lateral cooperation must be harmonized and respond to the sectoral development priorities as set out in the National Development Goals. Therefore, the mobilized ODA in each sector must be mutually synergized and complement each other to enhance the development of each sector in parallel.

Lao PDR must enhance national policies, the strategic framework, and other development goals to realize the vision 2030 and support the transition from a landlocked to land-linked country enabling integration into regional and international arenas.

The Government of Lao PDR (GoL) must be active in their role in sub-regional, regional and international platforms such as: ASEAN and ASEAN plus, Greater Mekong Subregional (GMS), CLMV, ACMECS, Mekong Lane-Xang Cooperation, G77, and others, in order to :

- Leverage the connectivity of transport, energy, and infrastructure sector;
- Emphasize trade and investment cooperation;

- Foster cooperation in industry and production and its industrial estate by effectively applying the existing cooperation mechanism;
- Increase human resource development cooperation;
- Promote a sustainability socio-economic development, particularly, the potential sectors of the Lao PDR.

Therefore, in the forthcoming years, the Lao PDR will need to develop mechanisms and government agency capabilities to increase responsibility for researching and coordinating in creating understanding, finding channels and building capacity for accessing funds within the frameworks of cooperation in a correct, consistent and practical manner to ensure effective aid, socio-economic stabilization, and enhanced cooperation within the sub-region, region and international partners.

In order to ensure efficient and effective ODA mobilization and management until 2030, the identification of priority objectives for programmes, needs assessments, as well as financial and technical resources must be aligned to the implementation of activities within the sectors that development is most urgent and that contribute to the transition to a Middle-High Income Country. Therefore, ODA will be utilized to achieve two core goals:

- 1) establishing influential factors for Lao PDR to graduate from the LDC status by 2026 and the readiness preparation period for striving towards a Middle-High Income country; and*
- 2) the continuation of the implementation of Sustainable Development Goals and thereby the unachieved Millennium Development Goal.*

Accordingly, the ODA mobilization strategy will be centered on 4 core programs for the National Socio-Economic Development in accordance with the 2030 vision as follows: ***Economic Program, Social Program, Environmental Program and Sectoral cross-cutting Program***

The overall cooperation between the Lao PDR and Development Partners in each period must primarily adhere to bilateral, multi-lateral, and financial institution cooperation. All stakeholders must expand on the implementation of prioritized programs as periodically determined in this strategy. The Lao PDR requires substantial financial support for the implementation of prioritized areas which must be allocated to the four determined programs as mentioned above.

4.1. The Economic Program

The mobilisation and management of ODA is focused on supporting programmes and activities to ensure continuous and sustainable economic growth with a shift towards the production of food safety which can meet domestic demands and become a fundamental condition to produce diversified industrial goods for export. Thus, ODA, which supports the development of

infrastructure sectors, must also support the production sectors, especially electric power supply, power transmission, transportation and access to financial resources. Those are fundamental factors for accelerating the growth towards modern industries, and for the expansion of a diversified industrial production base for exportation which enhances international competitiveness.

In this regard, there is a requirement for an effective management mechanism for business sectors with the promotion of small and medium enterprises to enable profitable and stable business operations and contribute to the generation of national revenue, thereby enhancing continuous and stable economic growth.

Lao PDR must leverage financial mobilization for business sector development, promote financial market mechanism for effective operation and promote a variety of financial mobilisation mechanism, expand the inclusive regional and international cooperation to wider financial resources and incomes.

In parallel, there is a requirement for financial mobilization for the establishment of an enabling environment in terms of legislation, regulations, mechanisms and procedures to facilitate convenient, fast, modern and transparent access to funds which in turn will attract investment in those sectors.

Moreover, the ODA mobilization must support the agricultural sector's transition from scattered small-scale agricultural farms into larger production farms with an emphasis on food safety and export opportunities. The agricultural sector must emphasize the value added in the value chain of production. The government and entrepreneurs (internal and external) continuously develop agricultural production based on a climate-friendly and green approach.

Along with improved production capacity, emphasis must be given to rural development as well as infrastructure development to facilitate the livelihoods of the local population and their development in terms of skills, vocation and the establishment of cooperatives to reduce development gaps between city and rural areas. The cooperation must focus on strengthening the market, promoting the culture through manufacturing and services, raising the standard of modernized production, and developing human resources to adequately and sufficiently meet the labour market demands.

In order to accommodate and promote the expansion of product manufacturing, the trade sector plays a significant role in integrating the Lao market into the international market through harmonization of import and export processes with international mechanisms and standards in parallel with capacity building for staff at all levels of the trade management and promotion of value-added products, and searching for wider markets and contracted partners. Moreover, focus must be placed on the improvement of regulations to promote services on air transportation, land and water transportation, energy and telecommunication, which will facilitate, attract and build-up trusts for businesses and foreign investors in various sectors.

Simultaneously, the Lao PDR must mobilize ODA into the tourism sector, which represents a potentially unique strength of the Lao PDR. Tourism development should emphasize on eco- and cultural tourism while promoting the construction of facilities, standardized services and cross-sector linkages in order to enhance comprehensive and sustainable development of the tourism sector, and create opportunities for tourism to be integrated into regional and international tourism.

The tourism sector is linked to various other sectors; mainly, service and trade, production development and physical infrastructures. These sectors must be developed in parallel to ensure sustainability. Therefore, a far-reaching vision is needed to make use of the advantages of the tourism sector as a focal point for inclusive development.

Power generation, especially clean hydro power energy, through natural and renewable sources is considered a strength of the Lao PDR. However, given the financial limitations of hydropower plants as well as their challenges related to the environment and social impacts, the Lao Government is prioritizing the acquisition of technology and expertise for alternative sources while reducing power generation through the exploitation of finite resources (fossil fuels) and decreasing their environmental and social impact. Accordingly, technical cooperation with development partners in these sectors will be crucial in ensuring the green and sustainable development of the Lao PDR.

In this regard, the ODA mobilization should focus on the transfer of knowledge and technology from other countries to develop renewable energy which can be supplied to the whole country. The purpose is to further develop the energy and mining sector in a sustainable manner and transform this sector into a key sector for national development in the future.

The development of sectors considered fundamental in fostering strong and stable national economic growth will require technology and scientific development in order to drive innovations related to industrialization and modernization in line with development based on the socio-economic intellect. **Those economic development requirements are consolidated into 33 priority programs as shown in annex.**

4.2. Social Program

In order to secure sustainable development to the education, health, and culture sectors, which are the foundation of human resource development, the ODA mobilization is, at this time, emphasizing the implementation of the unachieved MDGs and incorporating them into the implementation of the sustainable development goals 2030 with specific focus on general education and universal access to healthcare.

Education sector: the unachieved MDGs are related to survival rates and uncompleted primary school ratios which requires financial support to improve the quality of primary education, the strengthening of the educational infrastructure from primary through to higher education, including learning and teaching curriculum which consists of science and technology, continue the qualitative and quantitative development of human resources and promote equitable access for all people to all educational levels which will strengthen fundamental intellect and skills to enhance capabilities and techniques for newly graduated youths and promote vocational training for students who dropped out of school. Moreover, scholarships must be effectively allocated to disadvantaged people in every field of study.

Health sector: Public Health is an important sector in need of development along with its sub-sectors such as: sanitation, hygiene, nutrition, physical health and mental health of the people

with a primary focus on disadvantaged people, children and women of reproductive age for them to have adequate nutrition which is one of the SDG indicators aiming to reduce the maternal and infant mortality rates. Moreover, the health infrastructure adequately strengthened and medical workers must receive ethical as well as technical training including the provision of medical equipment and technologies to accommodate the effective and inclusive provision of health service. These will reinforce the capabilities on providing effective health services throughout the country and adequately supporting medical equipment, human capitals, and advanced technology to enhance the performance of medical workers. Furthermore, there is a need for improvement and expansion of the national health insurance to cover the people nationwide and increase the access to comprehensive and qualified public healthcare services without financial hardship. Another important task in need of assistance and investment is the mitigation of risks to the people's health from pollution (air, water, land) and contaminated foods to improve clean environment and the people's livelihoods.

To achieve the targets set under the promotion of social services, Lao PDR has to acknowledge the importance of cooperation in the field of public health and mobilize ODA into infrastructure development for expanding universal health networks, such as hospital and school construction in the priority development areas and the education and distribution of health workers in urban as well as rural areas, to ensure sufficient services delivery to the people with quality assurance through increasing ownership, coordination, coherent condition development; a comprehensive development of staff performance and program/project implementation monitoring, inspection and evaluation system for effective and efficient ODA utilization. **Those social development requirements are consolidated into 16 priority programs as shown in annex.**

4.3. Environment Program

To ensure a sustainable implementation of the environment program in line with the government's vision 2030, the ODA mobilization must focus on environment conservation and recovery of the environment in accordance with the green growth policy, supporting the development of mechanism for global climate changes and natural disasters, promoting the managements, inspection and assessment of environment impact using science and technology in order to ensure effective sustainable natural resource management.

The current trends of ODA for the environment have focused on sustainable and green development and integrating sector strategies with the green growth policy and capacity building for adapting to climate changes and readiness to deal with impacts and post natural disaster recovery. To mobilize ODA for those mentioned areas, all sectors must refer to these programmes in their negotiations with development partners to seek a consensus on including the environment into one of the components of cross-sector development. For instance, the development partners and sectors should collaborate on mobilizing funds to implement climate-friendly agriculture, land management, watershed and biodiversity, tourism, supporting production which needs to be

adapted to climate changes, etc. The ODA mobilization for the social programs including the health sector, must also support readiness preparation in response to the epidemic caused by climate change and natural disasters. This is one of the environmental issues which should be highly considered by all sectors and development partners. **Those environmental development requirements are consolidated into 16 priority programs as shown in annex.**

4.4. Cross-sectoral program

The implementation of the National Socio-Economic Development plan has taken into account the significance of the cross-sectoral program and emphasizes its implementation in all sectors, focusing on social security assurance, equality before law, fulfillment of international obligations and others. Therefore, to enhance the effective ODA mobilization, there is a need to focus on cross-sectors as follow:

- Strengthening of youth and women to enable their participation in socio-economic development through technical training and vocational training in various fields. This will help youth and women to have stable employment and allow them to start-up their own small business for their family, increasing revenues which will contribute to national development;
- Illicit drug controls must aim at building a clean and drug-free society by focusing on stopping drug trafficking, manufacturing and cultivation of plants with illicit substances. In relation to this, the danger of drug abuse must be promoted through awareness raising to the youth and drug abusers must be rehabilitated. Moreover, there is a need to promote further engagement of all relevant stakeholders in order to effectively solve the issues of drug abuse;
- Financial and banking institutions: anti-money laundering as well as the strengthening of the financial and banking system. This is to strengthen the stability of the financial institution management system with a focus on Financial-Monetary stabilization and achieving regional and international standards, strengthening anti-money laundering and countering terrorism financing, which are the international obligations to be strictly fulfilled;
- Science and technology: scientific and technological innovation and development must be promoted and integrated into all sector development strategies to create a modernized system that will be pivotal in regard to the current era of development and contribute to the establishment of smart cities to enhance better living of people. To ensure scientific and technology programs meet the development requirements, there is a need for comprehensive development of: infrastructure, environmentally friendly innovations, regulations and legislation promoting scientific and technology development in parallel with and equivalent to regional and international standards;
- Unexploded Ordnance to focus on clearance in order to prevent the loss of people's lives and properties, which expands on harvestable land and agricultural production, thereby supporting the creation of jobs and income-generating activities for improved living conditions and poverty eradication for people;

- Governance and judiciary (People’s court) aims to improve and develop public administration in a transparent and impartial manner. This is to improve good governance, enhance the rule of law and promote the equality before law of the Lao people. The focus is on the concise and precise improvement of the judicial process and adjudication, and transforming it into a modern system.

To support the effective implementation of the cross-sectoral program, the ODA Strategy 2030 shall **consolidate the cross-sectoral development requirements into 21 priority programs as shown in annex.**

In order to effectively implement the 4 priority programs, the 2030 development roadmap consists of 3 implementation phases as follows: 1. Pre-graduation from Least Developing Countries status; 2. Securing permanent graduation from Least Developing Countries status; 3. Readiness preparation of Lao PDR for attaining high middle-income; the priorities program details are outlined in the strategy’s annex.

III. Implementation measures

To ensure efficient implementation of 4 prioritized programs, the government of the Lao PDR, Development Partners and related stakeholders shall implement general and specific measures for ODA mobilization as follow:

1. General measures:

- Establish an effective mechanism for consultation and mobilization of the ODA (Round Table Process, Vientiane Declaration Action Plan for effective development partnership (VDAP II) and etc..)
- Increase efficiencies and effectiveness of the mechanism for management, decentralization between central government and provincial authority in accordance with the Government’s three-build (Sam Sang) approach of and leverage efficiency assurance of legitimate and judicial authority;
- Build capacities for attracting, implementing, managing, monitoring and evaluating and reporting on ODA by developing legislation and regulations on project administration and management (Monitoring and Evaluation manual, Standard Operation Procedure Manual, ODA Management Information System)
- Ensure adequate and sufficient Human Resources with high technical competencies within line ministries;
- Enhance research and technical capacity building in related areas to ensure sustainability, ownership and developing fundamental factors for future development.

2. Specifics measures:

- Mobilize ODA into social development, particularly, the implementation of unachieved Millennium Development Goals (MDGs) targets and Sustainable Development Goals (SDGs);
- Review development priorities and consolidate into detailed programmes and projects that complement each other to enhance financial mobilization.
- Enhance overall recognition and understanding through effective dissemination and utilization of the ODA mobilization strategy to Ministries, local authorities and development partners;
- Issue sub-legal documents such as decree, regulatory and legislative as references for ODA mobilization strategy 2030 implementation;
- Ensure regular coordination between concerned ministries and departments with the Ministry of Planning and Investment in order to improve harmonizing ODA mobilization strategies 2030 within their own sector strategy and plans;
- Promote the ownership of concerned stakeholders with regards to the ODA strategy 2030, with clear coordination and division of responsibilities;
- Strengthen the capacities of concerned institutions regarding the attraction, mobilization, implementation, monitoring and evaluation of ODA projects/programmes.
- Enhance participation of multi-stakeholders in regular ODA implementation, monitoring and evaluation.
- Continue to strengthen and develop human resources to ensure capable implementation and overall management of the ODA programs in the sectors, such as education, health, agriculture-forestry, infrastructure and others;
- Organize technical and executive consultation meeting to integrate and align regional and sub-regional cooperation framework into a single direction and promote mutual support;
- Share the periodic results of ODA implementation for effective monitoring, inspecting and supporting project/program implementation.

**The SDG integrated Priority Pillars/Programmes with Responded Ministries
and Development Partners Inclusion**

Pillars	Phase 1: Pre-Graduation from Least Developing Countries Status	Sustainable Development Goals (SDGs)	Development Partners	Responded Secretariats/ Ministries
Social	1. Food Security and Nutrition Improvement	SDG 2;	WFP, USA, EU, UNICEF, IFAD, WB, ADB, FAO, JAPAN, R. KOREA, AUSTRALIA, KUWAIT	MOH, MAF, MOES
	2. Health Workers improvement and strengthening	SDG 3;	LUXEMBOURG, R. KOREA, ADB, WB, UNFPA, JAPAN, FRANCE, UNICEF, WHO, THAILAND.	MOH, MOES
	3. Good governance improvement and development in line with international standards requirements	SDG 16;	UNDP, SDC, UNCDF, ADB, WB, R. KOREA, JAPAN, EU.	MOHA, MOJ, NA, Supreme Court
	4. Health system development	SDG 3;	LUXEMBOURG, R. KOREA, ADB, WB, UNFPA, JAPAN, THAILAND, FRANCE, UNICEF, WHO, GLOBAL FUND, GAVI.	MOH
	5. Planning Improvements and adequately necessity of medical equipment supplies	SDG 3;	LUXEMBOURG, R. KOREA, ADB, WB, UNFPA, JAPAN, THAILAND, FRANCE, UNICEF, WHO, AUSTRIA, GLOBAL FUND, GAVI.	MOH
	6. Teaching and learning quality improvement consisting of practical development	SDG 4;	ADB, UNICEF, JAPAN, R. KOREA, ILO, WB.	MOES
	7. Primary education development across the country	SDG 4;	JAPAN, AUSTRALIA, UNICEF, EU, WB.	MOES

Pillars	Phase 1: Pre-Graduation from Least Developing Countries Status	Sustainable Development Goals (SDGs)	Development Partners	Responded Secretariats/ Ministries
	8. Skills standards and vocational education development and training	SDG 3, 4, 5 & 8;	ADB, GERMANY, SWITZERLAND, R. KOREA, ILO, IOM, JAPAN.	MOES, MoLSW
Economy	1. Electricity transmission network expansion throughout the country	SDG 7 & 9;	ADB, INDIA, JAPAN, R. KOREA, KUWAIT, FRANCE, WB, THAILAND.	MEM
	2. National road and railway infrastructure development	SDG 7 & 9;	ADB, JAPAN, GERMANY, THAILAND, WB.	MPWT
	3. Strengthening public finance for long-term sustainable development funds	SDG 8, 10, 11 & 17;	ADB, WB, JAPAN, R. KOREA, EU. Australia	MOF
	- Debt Management			
	- Revenue Management			
	4. Capacity building for government staffs in all sectors as required	SDG 4, 5 & 17;	AUSTRALIA, JAPAN, R. KOREA, THAILAND, LUXEMBOURG, UNDP, UNICEF, UNFPA, ILO.	MOHA and all concerned Ministries
	5. Financial accessibility plan and mechanism development	SDG 17;	WB, AUSTRALIA, ADB, UNCDF, IFAD, SDC.	MOIC, MOF, BOL
	6. Transport system establishment and development	SDG 7 & 9;	ADB, JAPAN, WB, UNCDF.	MPWT, MEM
	7. Ecotourism promotion and development	SDG 7, 13, 14 & 15;	ADB, GERMANY, NEW ZEALAND, UNDP, UNESCO. France	MICT
	8. Regional integrated multi-destination tourism development	SDG 7, 13, 14 & 15	ADB, FRANCE.	MICT, MONRE
9. Promoting climate friendly agriculture production	SDG 13, 14 & 15	FAO, ADB, R. KOREA, IFAD, JAPAN, WFP. UNDP, GERMANY	MAF, MONRE	

Pillars	Phase 1: Pre-Graduation from Least Developing Countries Status	Sustainable Development Goals (SDGs)	Development Partners	Responded Secretariats/ Ministries
	10. Value added to production chains	SDG 12	THAILAND, SDC, JAPAN, ILO, ADB.	MOIC, MAF
	11. SMEs production groups establishment for promoting and developing local products	SDG 8 & 12	EU, JAPAN, ADB.	MOIC
	12. Ease of doing business environment improvement, trade cost reduction and market accession promotion	SDG 8, 12 & 17	WB, ADB, EU, AUSTRALIA, USA, GERMANY, JAPAN, THAILAND, SWITZERLAND.	MPI, MOIC, MOF, Committee for business environment improvement for demonstrating instruction no. 03/PM
Environmental	1. Sustainable environment conservation and protection promotion	SDG 13, 14 & 15	UNDP, SDC, UNCDF, ADB, WB.	MAF, MONRE
	2. Biodiversity protection promotion	SDG 13, 14 & 15	JAPAN, ADB, WB.	MAF, MONRE
	3. Resilience to climate change	SDG 13, 14 & 15	GEF, EU, GERMANY, IFAD.	MONRE
	4. Sustainable land management	SDG 13, 14 & 15	WB, ADB, GEF.	MAF, MONRE
	5. Wastewater management	SDG 6	THAILAND, R. KOREA, ADB.	MPWT, MONRE
	6. Natural disaster management (prevention surveillance, rehabilitation and evaluation)	SDG 13, 14 & 15	R. KOREA, UNDP, SDC, UNCDF, ADB, WB.	MoLSW, MONRE
	7. Sustainable environment rehabilitation (reforestation, productive areas rehabilitation and others)	SDG 13, 14 & 15	JAPAN, UNDP, SDC, UNCDF, ADB, WB.	MONRE, MAF

Pillars	Phase 1: Pre-Graduation from Least Developing Countries Status	Sustainable Development Goals (SDGs)	Development Partners	Responded Secretariats/ Ministries
	8. Sustainable environment monitoring and evaluation	SDG 13, 14 & 15	UNDP, SDC, UNCDF, ADB, WB.	MAF, MONRE
	9. Natural resource protection and utilizations	SDG 13, 14 & 15	GERMANY, EU.	MAF, MONRE
	10. Watershed management	SDG 6, 13, 14 & 15	R. KOREA, WB, ADB, WB, IFAD, AUSTRALIA.	MAF, MONRE
	11. Land management	SDG 13, 14 & 15	UN, GEF, JAPAN, GERMANY, SDC	MAF, MONRE
	12. Environmental awareness raising and capacity building for environmental evaluation	SDG 13, 14 & 15	GERMANY, R. KOREA, JAPAN, THAILAND, FINLAND.	MAF, MONRE
	13. Integration of green growth with forestry and mine management (legislation)	SDG 7, 9, 13, 14, 15 & 16	WB, R. KOREA.	MAF, MONRE, MEM
	14. Promoting and making legislation for green technology utilizations	SDG 7 & 16	EU, WB	MOST, MPT
	15. Town development and environmental protection	SDG 11 & 13	ADB, JAPAN, R. KOREA	MPWT, MONRE
	16. Climate change adaptation	SDG 13, 14 & 15	FRANCE, WB, ADB, GERMANY	MAF, MONRE
	17. Environmental capacity building	SDG 13, 14 & 15	FRANCE, SCANDINAVIA	MAF, MONRE
	18. Environmental protection funds	SDG 13, 14 & 15	WB, ADB, GEF	MAF, MONRE
	19. Flood and drought risk mitigation	SDG 13, 14 & 15	GERMANY, ADB, JAPAN, R. KOREA	MAF, MONRE, MOLSW
	20. Forestry and basin management	SDG 13, 14 & 15	EU, REDD+, NEW ZEALAND, AFD	MAF, MONRE
Cross-sectoral	1. Gender promotion, and mother and child supports	SDG 5	UNFPA, UNWOMEN	JPRL, LWU LNCAW, LTU
	2. Labour migration management (health,	SDG 3, 4, 5 & 8	ILO, IOM, ADB, R. KOREA.	MOH, MOLSW

Pillars	Phase 1: Pre-Graduation from Least Developing Countries Status	Sustainable Development Goals (SDGs)	Development Partners	Responded Secretariats/ Ministries
	pandemics and pollutions impacts)			
	3. Unexploded ordinance (UXO)	SDG 16, 17 & 18	UNDP, JAPAN, R. KOREA, USA, LUXEMBOURG,	MOLSW
	4. Community participation promotion in development	SDG 3, 4, 5, 8, 10 & 11	GERMANY, LUXEMBOURG, R. KOREA	MAF
	5. Mechanism for promoting the private sector and civil society organization engagement in environmental protection	SDG 13, 14, 15 & 16	EU, SWITZERLAND	MOIC, MAF, MONRE
	6. Illicit Drug control & suppression	SDG 3, 4, 5, 8 & 16	UNODC, JAPAN, AUSTRALIA, USA	MOPS, LCDCS, JPRL
	7. Public management and rule of law state enforcement	SDG 15 & 16	LUXEMBOURG, JAPAN, AFD, UNDP, SDC,	NA, MOJ, MOHA

Pillars	Phase 2: Securing permanent graduation from Least Developing Countries Status	Sustainable Development Goals (SDGs)	Development Partners	Responded Secretariats/ Ministries
Social	1. Education expansion for ensuring all being finished lower secondary education in alignment with SDG	SDG 4;	JAPAN, UNICEF, EU	MOES
	2. Labour skill development to international standard in responding to market demands	SDG 3, 4, 5 & 8;	GERMANY, SWITZERLAND, R. KOREA, ILO, IOM, ADB	MOLSW, MOES
	3. Social infrastructure development with inclusion of social protection and insurance system	SDG 5, 8 & 10	UNICEF, ILO, EU, ABD, WB, IFAD	MOLSW, MOES, MOH, MOJ, SC
Economic	1. High-end production promotion by developing SMEs and attracting FDI in a strong and sustainable manner	SDG 11 & 12	EU, JAPAN, ADB	MOIC, MPI, LNCCI
	2. Strengthening financial resources accession toward innovative and fast services	SDG 16 & 17	ADB, GERMANY, AUSTRALIA, FRANCE, AUSTRIA	MOIC, MOF, BOL
	3. Integrated industrial estate establishment	SDG 7, 8 & 9	JAPAN, ILO, IOM, UNIDO	MOIC, MPI, MOLSW
	4. Research and formulate policy on sustainable natural resource exploitation	SDG 13 & 16	GERMANY, WB, KOREA, GEF	MONRE, MAF
	5. Capacity building for product competitiveness in both internal and external markets	SDG 9, 10, 11, 12, 13, 14, 15 & 17	GERMANY, EU, ADB, JAPAN	MOIC, MONRE, MAF, MOES, MICT
	6. Mechanism and procedure development for product quality certification	SDG 12	ADB, JAPAN, UNIDO	MOIC, MOST
	7. Sustainable eco-tourism promotion	SDG 13, 15	JAPAN, FRANCE, GERMANY, ADB,	MICT

Pillars	Phase 2: Securing permanent graduation from Least Developing Countries Status	Sustainable Development Goals (SDGs)	Development Partners	Responded Secretariats/ Ministries
Economic			WB, NEWZEALAND, UNESCO	
	8. Promoting organic agriculture production, green, reforestation, industrial trees and integrating product processing into global value chains	SDG 9, 10, 11, 12, 13, 14, 15	ADB, WB, JAPAN, R. KOREA, THAILAND, FRANCE, SWEDEN, FAO	MONRE, MAF, MOIC
	9. Qualified public service promotion	SDG 3 & 5	JAPAN, FRANCE, GERMANY, ADB, WB, NEWZEALAND, UNESCO, LUXEMBOURG	MOES, MOH, MOJ, Supreme Court
	10. Fund establishment for promoting production and transport system	SDG 7 & 9	ADB, WB, UNCDF, UNIDO	MOF, MOIC, MPWT, MAF
	11. Exchange of information, learning and trade through modern technology	SDG 4, 7 & 9	UNICEF, ADB, EU, AUSTRALIA	MOST, MPT, MOES
	12. Economic diversification promotion and competitiveness	SDG 8, 9, 11 & 12	WB, ADB, EU, AUSTRALIA, USA, GERMANY, JAPAN, R. KOREA, THAILAND, SWITZERLAND	MPI, MOIC, MOF, MEM, MPWT, BOL
Environmental	1. Sustainable environment conservation and protection promotion	SDG 13, 14 & 15	UNDP, SDC, UNCDF, ADB, WB	MONRE, MAF
	2. Biodiversity conservation promotion	SDG 13, 14 & 15	JAPAN, R. KOREA, ADB, WB	MONRE, MAF
	3. Resilience to climate change	SDG 13, 14 & 15	GEF, EU, GERMANY, IFAD,	MONRE, MAF
	4. Sustainable land management	SDG 13, 14 & 15	WB, ADB, GEF	MONRE, MAF

Pillars	Phase 2: Securing permanent graduation from Least Developing Countries Status	Sustainable Development Goals (SDGs)	Development Partners	Responded Secretariats/ Ministries
	5. Wastewater treatment and management	SDG 6	THAILAND, R. KOREA, ADB, HUNGARY	MPWT, MONRE, MAF, LNCCI
	6. Natural disaster management (prevention surveillance, rehabilitation and evaluation)	SDG 13, 14 & 15	UNDP, SDC, UNCDF, ADB, WB	MONRE, MAF
	7. Sustainable environment rehabilitation (reforestation, productive areas rehabilitation and others)	SDG 13, 14 & 15	UNDP, SDC, UNCDF, ADB, WB	MONRE, MAF
	8. sustainable environment monitoring and evaluation	SDG 13, 14 & 15	UNDP, SDC, UNCDF, ADB, WB	MONRE, MAF
	9. Sustainable natural resource protection and exploitation	SDG 13, 14 & 15	GERMANY, EU	MONRE, MAF
	10. Watershed management	SDG 6, 13, 14 & 15	R. KOREA, WB, ADB, WB, IFAD, AUSTRALIA	MONRE, MAF
	11. Land management	SDG 15	UN, GEF, JAPAN, GERMANY, SDC	MONRE, MAF
	12. Environmental awareness raising and strengthening environmental evaluation	SDG 13, 14 & 15	GERMANY, R. KOREA, JAPAN, THAILAND, FINLAND	MONRE, MAF
	13. Integrating green growth into management of forestry and mine (legislation), road	SDG 7, 9, 13, 14, 15 & 16	WB, KOICA	MONRE, MAF
	14. Promoting and making legislation for green technology utilization	SDG 7 & 16	EU, WB	MOST, MPT
	15. Town development and environmental protection	SDG 13, 14 & 15	ADB, JAPAN, R. KOREA	MPWT, MONRE
	16. Climate change adaptation	SDG 13, 14 & 15	R.KOREA, FRANCE, WB, ADB	MONRE, MAF

Pillars	Phase 2: Securing permanent graduation from Least Developing Countries Status	Sustainable Development Goals (SDGs)	Development Partners	Responded Secretariats/ Ministries
	17. Environmental capacity building	SDG 13, 14 & 15	GERMANY, ADB, WB	MONRE, MAF
	18. Environment protection funds	SDG 13, 14 & 15	WB, GEF, CLIMATE GLOBAL FUND	MONRE, MAF
	19. Flood and drought risk mitigation	SDG 13, 14 & 15	GERMANY, ADB, JAPAN, R. KOREA	MONRE, MAF, MOLSW, MEM
	20. Forestry and basin management	SDG 6, 13, 14 & 15	EU, REDD, NEW ZEALAND, AFD	MONRE, MAF
Cross-sectoral	8. Gender promotion, and mother and child supports	SDG 3, 4 & 5	UNFPA, UN WOMEN	JPRL, LWU LNCAW, LTU
	9. Labour migration management (health, pandemics and pollutions impacts)	SDG 3, 4, 5, 8 & 16	ILO, IOM, ADB	MOH, MOLSW
	10. Unexploded ordinance (UXO)	SDG 16 & 18	UNDP, JAPAN, R. KOREA, USA	MOLSW
	11. Community participation promotion in development	SDG 11	GERMANY, LUXEMBOURG	MAF
	12. Mechanism for promoting the private sector and civil society organization engagement in environmental protection	SDG 11, 13 & 17	EU, SWITZERLAND	MOIC, MONRE, MAF
	13. Illicit Drug control & suppression	SDG 3, 4, 5, 8 & 16	UNODC, JAPAN, AUSTRALIA, USA	MOPS, LCDCS, JPRL
14. Public management and rule of law state enforcement	SDG 15 & 16	LUXEMBOURG, JAPAN, AFD, UNDP, SDC	NA, MOJ, MOHA	

Pillars	Phase 3: Readiness preparation of Lao PDR for attaining high middle-income	Sustainable Development Goals (SDGs)	Development Partners	Responded Secretariats/ Ministries
Social	1. Higher education system development for supporting all aspects of development	SDG 4;	ADB, WB, EU, GERMANY, AUSTRALIA, JAPAN, R. KOREA, UNFPA	MOES
	2. Qualified health service coverage expansion throughout the country	SDG 3;	ADB, WB, EU, GERMANY, AUSTRALIA, JAPAN, R. KOREA, UNFPA	MOH
	3. Continuous support and implementation of Sustainable Development Goals	SDG 13, 14 & 15	ADB, WB, JAPAN, UNICEF, WHO, UNAIDS, ILO	MOFA
	4. Social welfare improvement for improving living quality of people	SDG 3, 4, 5, 8, 10 & 11	ILO, ADB, WB, GERMANY, SDC, R. KOREA	MOLSW, MOH
	5. Qualified labour arrangement and management with internality and regionality	SDG 3, 4, 5, 8, 10 & 11	ILO, GLOBAL FUND, GAVI, UNICEF, UNFPA, WHO, USAIDS	MOLSW
Economic	1. Export promotion of Qualified and international standard products	SDG 12 & 17	USA, ADB, WB, EU, UNIDO	MOIC, LNCCI
	2. Infrastructure development to enhance local economy	SDG 7, 8, 9, 10, 11 & 12	EU, JAPAN, ADB	MOIC, MAF, MPWT, MEM
	3. Modern revenue collection system development and utilization in securing effective beget allocation	SDG 7, 8, 9, 10, 11 & 12	R. KOREA, WB	MOF, BOL
	4. Infrastructure development to effectively facilitate transportation and internal and external linkage	SDG 7, 8, 9, 10, 11 & 12	ADB, WB, JAPAN, R. KOREA, THAILAND, UNCDF	MPWT, MOIC, MOF, MAF, MOH
	5. banking and financial service system improvement	SDG 7, 8, 9, 10, 11,12 & 16	R. KOREA, WB, UNCDF	MOF, BOL

Pillars	Phase 3: Readiness preparation of Lao PDR for attaining high middle-income	Sustainable Development Goals (SDGs)	Development Partners	Responded Secretariats/ Ministries
Environmental	to be modern, transparent, secure, and agile			
	6. high-end production promotion	SDG 7, 8, 9, 10, 11 & 12	UNIDO, ADB, WB	MOIC, MOST, MPT, MAF
	7. Tourism and related service development in line with international quality and standard	SDG 7, 8, 9, 10, 15 & 17	JAPAN, FRANCE, GERMANY, ADB, WB, NEWZEALAND, UNESCO	MICT, MOST, MPT
	8. Clean agricultural production development with alignment of sustainable and green development	SDG 7, 8, 11 & 12	ADB, WB, JAPAN, R. KOREA, THAILAND, FRANCE, SWEDEN, FAO	MONRE, MAF
	9. Ownership enhancement for Local economy	SDG 7, 8, 11 & 12	ILO, SDC, ADB, JAPAN, R. KOREA	MOIC, MAF
	10. Trade and export promotion policy improvement support with multi-stakeholder involvements	SDG 7, 8, 10, 11, 12 & 17	WB, ADB, EU, AUSTRALIA, USA, GERMANY, JAPAN, R. KOREA, THAILAND, SWITZERLAND	MOIC
Environmental	1. Sustainable environment conservation and protection	SDG 13, 14 & 15	UN, JAPAN, R. KOREA, WB, ADB, ILO, PRIVATE SECTOR	MONRE, MAF
	2. Biodiversity protection promotion	SDG 13, 14 & 15	UN, JAPAN, R. KOREA, WB, ADB, ILO, PRIVATE SECTOR	MONRE, MAF
	3. Resilience to climate change	SDG 13, 14 & 15	WB, ADB, GEF	MONRE, MAF
	4. Natural disaster management (prevention surveillance, rehabilitation and evaluation)	SDG 13, 14 & 15	UNDP, JAPAN, R. KOREA, WB, ADB, ILO, PRIVATE SECTOR	MONRE, MAF, MOLSW

Pillars	Phase 3: Readiness preparation of Lao PDR for attaining high middle-income	Sustainable Development Goals (SDGs)	Development Partners	Responded Secretariats/ Ministries
	5. Sustainable environment rehabilitation (forestry rehabilitation, productive areas rehabilitation and others)	SDG 13, 14 & 15	UNDP, JAPAN, R. KOREA, WB, ADB, ILO, PRIVATE SECTOR	MONRE, MAF
	6. sustainable environment monitoring and evaluation	SDG 13, 14 & 15	UN, JAPAN, R. KOREA, WB, ADB, ILO, PRIVATE SECTOR	MONRE, MAF
	7. Land management	SDG 15	UNDP, GEF, JAPAN, GERMANY, SDC	MONRE, MAF
	8. Environmental awareness raising and environmental evaluation strengthen	SDG 13, 14 & 15	GERMANY, R. KOREA, JAPAN, THAILAND, FINLAND	MONRE, MAF
	9. Town development and environmental protection	SDG 11, 13,14 & 15	R. KOREA, ADB, JAPAN	MPWT, MONRE
	10. Climate change adaptation	SDG 13, 14 & 15	FRANCE, WB, ADB	MONRE, MAF
	11. Environmental capacity building	SDG 13, 14 & 15	FRANCE, SCANDINAVIA	MONRE, MAF
	12. Environmental protection funds	SDG 13, 14 & 15	WB, ADB, GEF	MONRE, MAF
	13. Flood and drought risk mitigation	SDG 13, 14 & 15	R. KOREA, JAPAN	MONRE, MAF, MOLSW
	14. Forestry and basin management	SDG 13, 14 & 15	R. KOREA, ADB	MONRE, MAF
Cross-sectoral	15. Gender promotion, and mother and child support	SDG 3, 4 & 5	AUSTRALIA, UN	JPRL, LWU, LNCAW, LTU
	16. Labour migration management (health, pandemics and pollutions impacts)	SDG 3, 4, 5, 8 & 16	UNICEF, WB	MOH, MOLSW
	17. Unexploded ordinance (UXO)	SDG 16 & 18	UNDP, JAPAN, R. KOREA, USA	MOLSW
	18. Community participation promotion in development	SDG 11	IFAD, R. KOREA	MAF

Pillars	Phase 3: Readiness preparation of Lao PDR for attaining high middle-income	Sustainable Development Goals (SDGs)	Development Partners	Responded Secretariats/ Ministries
	19. Mechanism for promoting the private sector and civil society organization engagement in environmental protection	SDG 11, 13 & 17	ADB, WB, THAILAND	MOIC, MONRE, MAF
	20. Illicit Drug control & suppression	SDG 3, 4, 5, 8 & 16	UNODC, JAPAN, AUSTRALIA, USA	MOPS, LCDCS, JPRL
	21. Public management and rule of law state enforcement	SDG 15 & 16	LUXEMBOURG, JAPAN, AFD, UN, SDC	NA, MOJ, MOHA

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