

Country profile for Lao PDR

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The purpose of this country profile, developed in the framework of Urban-LEDs II project, is to provide a summary of relevant context at the national level, and background information that can feed into the overall project implementation and communication. It is intended to be a “*living document*” that will be updated over time during the project.

The document addresses the following specific requirements:

- To provide background information about the country to guide project implementation at the local level;
- To gain insight into the structures, process, roles and mandates of national, regional and local government levels with the aim to contribute towards vertical integration between national and local governments and to support the implementation of LEDS at the local level;
- To contribute towards the gap analysis and exploring vertical integration solutions with different levels of governments; and
- To establish a dialogue and explore partnerships and networking opportunities with political leaders at all government levels.

Please note that many of the information and indicators of this profile are aligned with the reporting platform carbonn® Climate Registry (cCR) – <http://carbonn.org>

Human activities in cities contribute a significant and growing proportion of global greenhouse gas emissions, driving the demand for energy and other services in urban areas with rapid population growth. UN-Habitat and ICLEI are taking on this challenge by accelerating urban low emission development and climate resilience across more than 60 cities worldwide, using a multilevel governance approach to urban climate action. Through Urban-LEDs, cities develop comprehensive urban Low Emissions Development Strategies and work together to implement their plans and develop pilot projects and finance models for LEDS implementation. Urban-LEDs strengthens cooperation and information sharing across national and local governments, positioning all levels of government to advance, track and deliver on global climate and sustainability goals. www.urban-leds.org



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1. Overview

Key information of the country

Flag	
Country map with Urban-LEDS II project cities	 <p>■ Urban-LEDS II Project cities</p>
Key geographical attributes of the country	<p>The Lao People's Democratic Republic (Lao PDR) is located in central South East Asia, at a latitude of 14 to 23 degrees north and longitude 100 to 108 degrees east. It is a land-locked country</p>



	<p>covering a territory of 236,800 km² and surrounded by Myanmar in the North West, Cambodia in the south, China in the north, Thailand in the west and Viet Nam in the east.</p> <p>Geographically, Lao PDR is divided into three regions namely the northern, central and southern regions. Administratively, the country is divided into 17 provinces and 1 municipality (Vientiane Capital). The provinces are divided into districts with districts numbers per province ranging from 4 to 15. The districts are further divided in smaller administrative units, namely village.</p> <p>The Lao PDR is criss-crossed by many rivers and streams. The Mekong River as a main river flows through 1,835 km of the country from north to south. Rivers and streams provide great potential for hydropower development. Over half of the power potential in the lower Mekong Basin is contained within Laos.</p> <p>The topography of Laos is characterized by its mountainous landscape which is dominated by the Annamite Range in the northeast and east. About two-third of the country is mountainous and thickly forested. Elevations are often above 500 meters and typically characterized by steep terrain, narrow river valleys, and low agricultural potential. Especially the north of Lao PDR is mostly mountainous with mountains reaching heights of more than 2,700 meters (8,860 ft). In the south, more low-level areas can be found in particular in Savannakhet and Champasak provinces. These areas are also well suited for crop cultivation and livestock raising.</p> <p>Lao PDR has a tropical monsoon climate. The climate is divided into two seasons: dry and rainy season. The dry season begins in mid of October and ends mid of May. Due to the northwest monsoon cover in some years, the weather is considerably cold from November to February. Cold weather is experienced for a shorter period, namely from November to January. The lowest average temperature is about 13 to 17 degree Celsius, while the highest average temperature is about 35 to 38 degree Celsius. The yearly average temperature is about 26 to 28 degree Celsius.</p>
Size of population (year)	6,858,160 (2017 est.), Source: Lao Statistics Bureau
Size (km ²)	<p>Total: 236,800 km²</p> <p>Land: 230,800 km²</p> <p>Water: 6,000 km²</p>
Population density (year)	30 people per square kilometre (2017 est.)
Official language(s)	Lao (official), French, English, various ethnic languages
Major religions	Buddhist 64.7 percent, Christian 1.7 percent, none 31.4 percent, other/not stated 2.1 percent (2015 est.)
Time zone	GMT+7
GDP per capita (€)	<p>€ 2,167 (2017 est.)</p> <p>Source: Lao Statistics Bureau</p>





Annual GDP Growth rate	6.89% (2017 est.)												
% of population living in poverty	23.2% (2012 est.)												
Unemployment rate	0.67% (2017 est.), Source: Lao Statistics Bureau												
Greenhouse Gas emissions (total in CO ₂ e/year)	50,742.91 Gg Co ₂ equivalent in 2000 Source: Second National Communication on Climate Change												
Greenhouse Gas emissions by sector	<p>Total emission by sector in Gg of CO₂ equivalent in 2000</p> <table border="1"> <thead> <tr> <th>Sector</th> <th>Emissions (Gg of CO₂ equivalent)</th> </tr> </thead> <tbody> <tr> <td>LUCF</td> <td>41,916.52</td> </tr> <tr> <td>Energy</td> <td>1,039.76</td> </tr> <tr> <td>Industrial process</td> <td>38.95</td> </tr> <tr> <td>Agriculture</td> <td>7,606.34</td> </tr> <tr> <td>Waste</td> <td>131.88</td> </tr> </tbody> </table>	Sector	Emissions (Gg of CO ₂ equivalent)	LUCF	41,916.52	Energy	1,039.76	Industrial process	38.95	Agriculture	7,606.34	Waste	131.88
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LUCF	41,916.52												
Energy	1,039.76												
Industrial process	38.95												
Agriculture	7,606.34												
Waste	131.88												
GINI Index (World Bank) (year)	36.4 (2012 est.)												
Number of cities reporting in carbonn Climate Registry (cCR)	Two target cities (Kaysone Phomvihane and Pakse cities) to be reported in cCR												



2. Governance structure

This section provides information on the governance structure of the country.

Lao PDR adopted its first constitution in 1991 and amended it in 2003 to meet socio-economic development needs and encourage regional and international cooperation and integration. The constitution clearly established that Lao PDR is a people's democratic state where all powers belong to the people, are exercised by the people and serve the interests of Lao's multi-ethnic people. The rights of Lao's multi-ethnic people as masters of the country are exercised and guaranteed through the political system. Lao's multi-ethnic people chose this system based on the right to self-determination, through the election of the National Assembly that represents their powers and interests.

The administrative system in Lao PDR consists of organs of state powers, namely the National Assembly, the Government, the People's Courts and the People's Prosecutor Offices. In addition to the organs of state powers, other social and professional organisations operate in the country, including the Lao Front for National Construction and mass organisations such as the Lao Federation of Trade Unions, the Lao People's Revolutionary Youth Union, the Lao Women's Union and the Federation of Military Veterans. These organisations aim to unite and mobilise Lao's multi-ethnic people of all social strata in carrying out protection and development tasks in the country to protect the rights and legitimate interests of the respective organisations' members.

The National Assembly is a state organ representing the rights and interests of Lao's multi-ethnic people. The National Assembly is the supreme organ of state powers and is the legislative branch with the power to make decisions about fundamental issues facing the country. This organisation also provides oversight for the activities of the executive organs, the people's courts and the offices of the people's prosecutors. The election of National Assembly members is carried out based on the principles of universality, equality, direct suffrage, and secret ballots.

The head of state is the President and is elected by the National Assembly with two-thirds of the votes of all members attending the session. The term of his office is five years, which is the same as the term of the National Assembly.

The government is the executive branch of state powers. The government administers in a unified manner the implementation of the state's duties in all fields, including political, economic, cultural, social, national defence and security and foreign affairs. The local administration is comprised of 16 provinces and the capital, Vientiane.

The head of government is the Prime Minister, who is appointed by the President after the approval of the National Assembly. He leads and manages the government's work, ministries, ministry-equivalent organisations and other organisations related to the government, as well as the work done in the provinces and the capital.

The Lao PDR government consists of 18 ministries and 3 ministry-equivalent organisations:

1. Government's Office
2. Ministry of National Defence
3. Ministry of Public Security
4. Ministry of Foreign Affairs
5. Ministry of Justice
6. Ministry of Home Affairs
7. Government Inspection Authority



8. Ministry of Education and Sports
9. Ministry of Health
10. Ministry of Information, Culture and Tourism
11. Ministry of Labor and Social Welfare
12. Ministry of Planning and Investment
13. Ministry of Finance
14. Ministry of Agriculture and Forestry
15. Ministry of Natural Resources and Environment
16. Ministry of Energy and Mines
17. Ministry of Industry and Commerce
18. Ministry of Public Works and Transport
19. Ministry of Science and Technology
20. Ministry of Post, Telecoms and Communication
21. The Bank of Lao PDR

The people's courts constitute the judicial branch of the state and include the People's Supreme Court, regional courts, provincial courts, district courts and military courts. The People's Supreme Court is the highest judicial organ of the state. The people's courts make decisions in a collective manner. In their adjudication, judges must be independent and comply strictly with the laws. Final court judgments are to be respected by all organisations of the party, the state, the Lao Front for National Construction, all mass and social organisations, enterprises and all citizens. Individuals and organisations concerned must strictly implement the judgments.

The Office of the People's Prosecutor monitors the implementation of the laws. It consists of the Offices of the Supreme People's Prosecutor as well as regional, provincial, district prosecutors and military prosecutors. It has the rights and duties to monitor and supervise the correct and uniform implementation of laws by the government, the Lao Front for National Construction, mass organisations, social organisations, local administrations, enterprises, civil servants, and citizens. It also exercises the right of public prosecution.

Under the central administration, Lao PDR is divided into three levels of administrative divisions. The first level includes 17 provinces and the Vientiane Prefecture. The provinces are further divided into districts and districts into villages.



The first table shows how governments are appointed, the nature of the relationships between different governments (hierarchical, collaborative and equal, etc), as well as the number of regional and local governments.

- Spheres or Levels of Government

Level of Government	Character	Mandate/Role	Head of government (type)	Appointment (elected or appointed)
National/Central	<ul style="list-style-type: none"> Lao PDR is a One-Party Socialist state, which is led by the Lao People's Revolutionary Party (LPRP). As a traditional communist state, Lao's top decision-making body is the LPRP's Politburo and the military holds a prominent function in politics. The LPRP provides Lao with government stability and leadership; The Party Congress is held every five years, which elects a new Politburo. The 10th LPRP Congress concluded in January 2016, electing Bounnhang Vorachith as the new party Secretary-General. The LPRP leader also becomes the country's president. Laos' current president is Bounnhang Vorachith, effective in April 2016 through election by the 149-member legislature and the National Assembly (NA). The National Assembly also elected Thongloun Sisoulith, the second- 	<ul style="list-style-type: none"> To implement the Constitution, the laws and resolutions of the National Assembly, and presidential edicts and decrees; to disseminate the laws, educate people to respect and implement the laws and regulations; To determine strategic plans, socio-economic development plans and annual State budgets and to submit them to the National Assembly for consideration and approval; To manage uniformly the building and development of country's economic, social, cultural, scientific, and technical foundations; To report on its operations to the National Assembly, or to the National Assembly Standing Committee when the National Assembly is not in session; and To examine and comment on and to submit drafts of laws to the National Assembly for 	<ul style="list-style-type: none"> President: Bounnhang Vorachith, since January 2016 Prime Minister: Thongloun Sisoulith, since April 2016 	<ul style="list-style-type: none"> The President of the State is elected by the National Assembly with two-thirds of the votes of all members of the National Assembly. The term of office of the President of the State is 5-year The Prime Minister is appointed or removed by the President of the State after the approval of the National Assembly. The term of the government is 5-year



	<p>ranked politburo member, as prime minister in April 2016. Sisoulith runs the government while Vorachith is primarily concerned with heading the LPRP.</p> <ul style="list-style-type: none"> • The LPRP is the guiding political force in country and all political institutions fall under the LPRP, with executive authority upheld by the eleven-member Politburo and the Central Committee, which is made up of 77 members. • The Prime Minister of Lao oversees the day-to-day directing of the government and the Council of Ministers serves as the cabinet. 	consideration and approval.		
Provincial/city	<ul style="list-style-type: none"> • 17 Provinces and 1 Prefecture (Capital City), and cities • The head of the provincial administration is the governor. The head of the city is the mayor 	<ul style="list-style-type: none"> • To manage political, economic, and socio-cultural affairs and human resources of the province; • To protect, preserve, and utilize natural resources, the environment and other resources within the province; and • To manage national and local defense and security, and foreign affairs as assigned by the national/central government. 	Governor and Mayor	<ul style="list-style-type: none"> • Governor and mayor are appointed or removed by the President of the State based on the recommendation of the Prime Minister. • The governor and mayor have a five-year term of office.
District	<ul style="list-style-type: none"> • 148 Districts in Laos (2016 est.) • A district is a local administrative territory under the supervision of a province or capital city. • A district comprises several villages. • A municipality is a local- 	<ul style="list-style-type: none"> • To manage political, economic, and socio-cultural affairs and human resources of the district; • To protect, preserve and utilize natural resources, the environment and other resources within the 	District Chief	<ul style="list-style-type: none"> • Chief of district is appointed or removed by the Prime Minister based on the recommendation of





	administrative territory which is in an urban area. It is the place where the offices of the provincial or city administration are located.	district; and <ul style="list-style-type: none"> To manage national and local defense and security, and foreign affairs as assigned by the province or capital city. 		the governor or mayor. <ul style="list-style-type: none"> Term of district chief is 5-year
<i>Village</i>	<ul style="list-style-type: none"> 8,464 Villages (2016 est.) The village is a local administrative territory at the grassroots level. It is under the supervision of the district or municipality. A village comprises several households. 	<ul style="list-style-type: none"> To implement and manage the socio-economic development plans of the village; To protect and maintain security and public order of the village; and To protect and preserve natural resources and the environment within the village. 	Village Head	<ul style="list-style-type: none"> Village head is elected by eligible voters in the village and approved by the chief of district. Term of village head is three-year



- List of key actors and map institutions of the country:

Natural Resources and Environmental Sector

- Department of Climate Change (DCC), Ministry of Natural Resources and Environment (MONRE)
- Department of Land Management, MONRE
- Department of Environmental Quality Promotion, MONRE
- Department of Pollution Control, MONRE
- Department of Natural Resources and Environment Policy, MONRE
- Natural Resources and Environment Research Institute, MONRE

Agriculture and Forestry Sector

- Department of Forestry, Ministry of Agriculture and Forestry (MAF)
- Department Forestry Inspection, MAF
- National Agriculture and Forestry Research Institute, MAF
- REDD+ Office

Energy Sector

- Renewable Energy Promotion Institute, Ministry of Energy and Mines (MEM)
- Department of Energy Policy and Planning, MEM

Transport Sector

- Department of Transport, Ministry of Public Work and Transport (MPWT)
- Department of Road and Bridges, MPWT
- Public Work and Transport Institute, MPWT

Urban Development and Building Sector

- Department of Housing and Urban Planning, MPWT
- Public Work and Transport Institute, MPWT

Waste Sector

- Department of Housing and Urban Planning, MPWT
- Urban Development Administration and Authority (UDAA)

Industry Sector

- Department of Industry and Handicraft, Ministry of Industry and Commerce (MIC)

Water and Sanitation Sector

- Department of Water Resources, MONRE
- Department of Water Supply, MPWT
- Department of Hygiene and Health Promotion, Ministry of Public Health

Private Sectors, UN Agencies, I-NGO and Academia

- ABD
- World Bank (WB)
- UNDP
- GIZ
- Japan International Cooperation Agency (JICA)
- UN Habitat
- FAO
- WFP
- UNICEF
- UNIDO
- Global Green Growth Institute (GGGI)
- Korea International Cooperation Agency

- UNEP
- KfW
- WHO
- AusAid
- IFC
- SNV
- Lao Institute of Renewable Energy (LIRE)
- SUNLABOB
- National University of Laos (NUOL)

Please find the institutional mapping of the country in Annex A of this document.



3. Relevant national legislation and context





Sector	Legislation / policy/ plan name	Brief description	Year adopted	Hyperlink	Headline target/ goal	Key related statistics
Climate Change	<p><u>The Strategy on Climate Change of the Lao PDR (SCC)</u></p> <p><u>Lao PDR National Communication on Climate Change (NC)</u></p>	<p>The SCC outlines the country's key strategies on climate change issues including climate change mitigation and adaptation. This strategy was developed by the MONRE in collaboration with relevant ministries, organizations and is endorsed by the Prime Minister's Office. The strategy's overall objective is to leverage the country's sustainable development and implementation of commitments to the UNFCCC. Its specific objective is to provide guidance to enable Lao PDR to eliminate negative climate change impacts and mitigate climate changes in a way that promotes sustainable economic development, reduces poverty, protects public health and safety, and enhances the quality of the country's natural environment and livelihoods of all the Lao people.</p> <p>Lao PDR completed its Initial National Communication on Climate Change (INC) and Second National Communication on Climate Change (SNC). The INC and SNC captured greenhouse emissions particularly in 1990 and 2000 respectively. In addition, the long term emissions trends in different sectors were also projected in the SNC. However, the emissions trends are very much dependent on the socioeconomic development priority and trends,</p>	<p>2010</p> <p>INC in 2000 and SNC in 2012</p>	<p>http://www.la.unep.org/content/lao_pdr/en/home/library/environment_energy/climate_change_strategy.html</p> <p>https://unfccc.int/resource/docs/natc/laonc2.pdf</p> <p>https://unfccc.int/resource/docs/natc/laonc1.pdf</p>	<p>Specific target numbers are not available and defined on this strategy.</p> <p>• INC: the country's total emissions</p>	<p>National Climate hazards identified / mapped - Please refer to Annex B, referring to the NAP of the Country</p> <p>National Critical assets identified / mapped - Please refer to Annex B, referring to the NAP of</p>





	<p>so the review of the greenhouse gas emissions status and trend in Laos cover a summary of overall emissions status and trends reported in the INC and SNC</p> <p>Lao PDR developed and completed it in 2009 by the leading of Water Resources and Environment Administration (currently called Ministry of Natural Resources and Environment) and support from relevant ministries and organizations.</p> <p>Lao PDR signed the Paris Agreement in April 2016, and ratified it in September 2016. The ratification instruments were submitted to the UN Secretary General during the ASEAN Meeting in Vientiane, Lao PDR. Lao PDR was the first ASEAN nation to ratify the Paris Agreement, wherein the Intended Nationally Determined Contribution (INDC) formed the basis of the ratification instruments. The ratification is the national recognition of the contribution. The NDCs of Lao PDR outline the steps that the country aims to take in order to contribute to the global goals of the Paris Agreement.</p>	2009	<p>https://unfccc.int/resource/docs/napa/laos01.pdf</p> <p>http://www4.unfccc.int/submissions/INDC/PublishedDocuments/Laos/1/Lao%20PDR%20INDC.pdf</p>	<p>was 24.18Gg CO₂e while its GHG removal was 121.64Gg CO₂e (1990).</p> <ul style="list-style-type: none"> • SNC: total emissions reached 54,903.22 Gg CO₂e while the removal was only 2,046.73 GgCO₂ (2000). <p>The specific target numbers for NAPA is not</p>	the Country
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					determined	
					Lao PDR NDC: <ul style="list-style-type: none">• 70% of forest cover (16.58 million hectares) with GHG reduction target about 60,000-69,000 ktCO₂e by 2020.• 30% of renewable energy consumption and 10% of the demand for transport fuels (by	





					<p>2025) with reduction target 1,468,00 0 ktCO_{2e} by 2025.</p> <ul style="list-style-type: none">• Clean electricity from hydropow er: 2.3GW will be added by 2020 with reduction target 16,284 ktCO₂ per annum.• Rural electrifica tion: electricity available to 90% of the househol ds by 2020 with 63 ktCO₂ per year of reduction	
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					<ul style="list-style-type: none"> target. • Provide better road networks so that vehicle kilometres travelled will be reduced against the BAU scenario with reduction target 158 ktCO_{2e}/pa by 2025. 	
Energy	<u><i>The Renewable Energy Development Strategy of the Lao PDR</i></u>	It recognizes the long-term demand for renewable energy, such as micro hydro, solar, wind, biomass, biogas, biofuel, energy from solid waste, and geothermal which are all important for climate change mitigations and can contribute to energy independence and security, promotion of environmental sustainability, economic development, poverty reduction, reduction of rural-urban gaps in access and gender inequalities of the country	2011	http://www.eepmekong.org/index.php/resources/country-reports/laos/57-laos-06/file	<ul style="list-style-type: none"> • Increase renewable energy to 30% of total energy. • 90% of the population would access to electricity by 2020; • 10% of 	<ul style="list-style-type: none"> • % access to energy • % access sustainable energy



					<ul style="list-style-type: none"> imported fuel oil would be replaced by biofuel; 10% of biofuel would be consumed in rural area; 50,000 households nationwide would access to biogas energy. 	<ul style="list-style-type: none"> % local renewable energy production capacity Household energy sources etc
Transport and Urban Development	<u><i>The National Environment Sustainable Transport (EST) Strategy</i></u>	This recognizes the growth of the transport sector and importance on environment, safety, health problems, it also included contents about climate change mitigation.	2012	n/a	<ul style="list-style-type: none"> Promote travel without the use of engine vehicles (walking, cycling), to increase its share of total transport to 25% by 2015 and 30% by 	<ul style="list-style-type: none"> ; Modal split, Access to public transport % of transport sector consumption
			1999	http://www.vienti		





	<p><u>Urban Planning Law</u></p> <p><u>Urban Development Strategy 2030</u></p>	<p>This law was approved by a decree of the President of the Lao People's Democratic Republic in 1999. The outlines principles, regulations and actions regarding land use and management, constructions and buildings within the territory of the Lao PDR.</p> <p>This strategy set the vision to 2030 "<i>To be unique, Green, livable, climate resilient and sustainable city</i>"</p>		<p>anetimes.org.la/Laws%20in%20English/41.%20Law%20on%20Urban%20Plans%20(1999)%20Eng.pdf</p> <p>n/a</p>	<p>2020;</p> <ul style="list-style-type: none"> Promote public transport in urban areas (bus, taxi) 15% of the total transport by 2015 and 30% by 2020. <p>Specific numbers are not yet determined</p> <p>Not yet determined</p>	<p>delivered by renewables etc</p>
Buildings	<u>Building Code</u>	This building code is under development. It is	2016	http://www.iibh.o	Not yet	• %





	<u>(draft) 2016</u>	produced for determination of principles, regulations, technical standards, construction procedure standard, using and maintenance of controlled buildings.	(draft)	rq/kijun/pdf/Laos_08_Draft_Lao_BC_as_of_Aug_2016.pdf	determined	informal house holds • Housing deficit /backlog etc
Waste management		<p>There are currently no specific [solid] waste management (SWM) regulations, policies or strategies for Lao PDR while the legislative framework crosses a number of government sectors, including environment, public health and urban infrastructure, it is one of the difficulties in progressing SWM regulation. Because of this overlap, in many instances it is difficult to establish which agency will take the lead role, particularly in Laos that is under-resourced in terms of the institutional capacity to create coherent environmental policy. However, some legislative frameworks dealing with SWM in Laos are below:</p> <ul style="list-style-type: none"> ▪ The Environment Protection Law of Lao PDR 1998; ▪ National Health Regulation 2001; ▪ Guidelines for Hospital Waste Management 1997. ▪ Industrial Waste Discharge Regulation 1994; ▪ Provincial Decree for SWM in Vientiane 1999; ▪ Regulation on the Monitoring and Control 				<ul style="list-style-type: none"> • Per capita waste generation • % recycling rate • etc





		of Waste Discharge 1998.				
Forestry	<u><i>The Forestry Strategy to the year 2020 of the Lao PDR</i></u>	This strategy aims at promoting sustainable forest resource management and use, which is also a means for climate change mitigation. The envisaged to comprise extensive and scientifically well-managed forests and forest resources, managed with the wide public participation and international cooperation.	2005	https://thereddde.sk.org/sites/default/files/fs_2020.pdf	Increase forest cover up to 70% of total land by 2020;	<ul style="list-style-type: none"> • % access to water & sanitation etc
Land use	<u><i>Land Law</i></u>	Land Law was adopted by the National Assembly in 2003. The Land Law is the principal legislation by which the State exercises its constitutional responsibility for tenure, access, use, management, and preservation of land.	2003	http://www.vientianetimes.org.la/Laws%20in%20English/33.%20Law%20on%20Land%20Decree%20(2003)%20Eng.pdf	Not yet determined	<ul style="list-style-type: none"> • % human settlements VS other land use • Ecosystem services • etc
Water, Sanitation and Hygiene	<u><i>National Water Supply, Sanitation and Hygiene Policy (WASH)</i></u>	In Lao PDR the WASH sector is guided by the draft National WASH policy 2016. The policy builds on the Water Supply Law 2009 and the National Plan of Action 2012 for Rural Water Supply, Sanitation and Hygiene. Currently a national strategy for sanitation is in the final draft stage. The sector is guided by the Government Vision for “Promoting access to safe and reliable water supply and sanitation for everyone”	2016	n/a	Lao PDR expects to achieve universal access to safely managed water supply and sanitation	<ul style="list-style-type: none"> • Endangered species • Natural parks • Ecosystem services





					services by 2030.	es • etc
Food & agriculture	<u>Agriculture Development Strategy to 2025 and Vision to 2030</u>	The Strategy and Vision of the Agriculture Sector is to ensuring food security, producing comparative and competitive potential agricultural commodities, developing clean, safe and sustainable agriculture and shift gradually to the modernization of a resilient and productive agriculture economy, linking with rural development contributing to the national economic basis.	2015	http://www.maf.gov.la/wp-content/uploads/2016/01/MDS-2025-and-Vision-to-2030-Eng.pdf	<ul style="list-style-type: none"> • By 2020, GDP of Agriculture and Forestry Sector to grow at the average rate of 3.4%, contributing to the national economic structure at the rate of 19%. • Ensure nutrition of people to get energy of at least 2,600 Kilocalories per person per day, which include rice and starch 62%; 	<ul style="list-style-type: none"> • Number of jobs created by the food sector in urban and rural area • Budget allocated to projects related to food • Is agriculture a land use category in the country

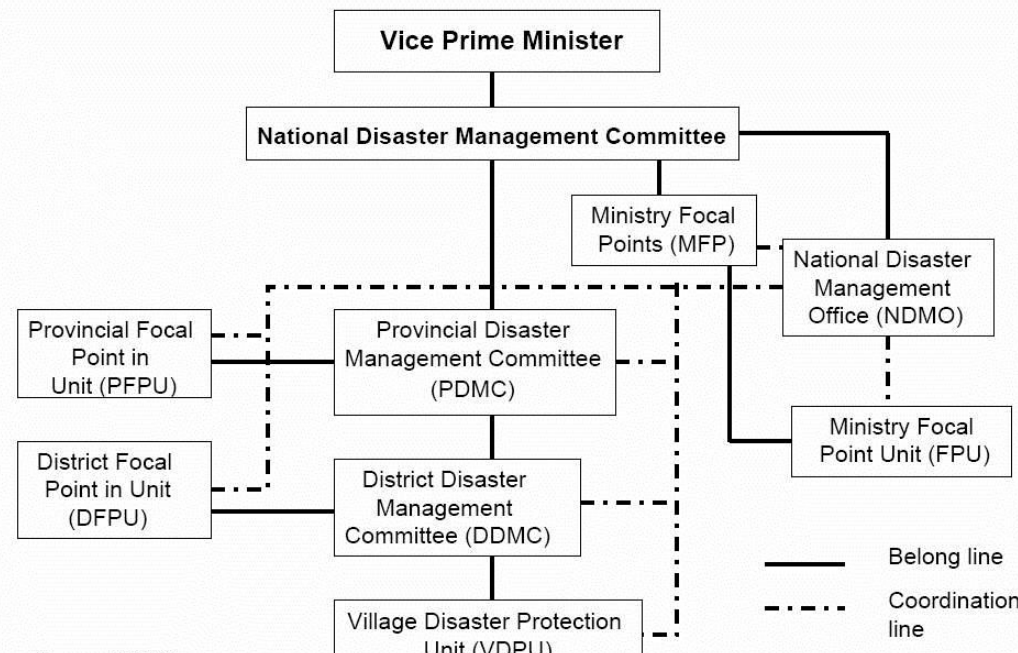




					meat, eggs and fish 10%; vegetables, fruits and beans covering 6% and fat, sugar and milk 22%.	planning? • etc
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4. Assessment of NDC in relation to sub-national government

Publication date of latest NDC	01 October 2015 http://www4.unfccc.int/submissions/INDC/Published%20Documents/Laos/1/Lao%20PDR%20INDC.pdf
Lead agency/ Ministry	Department of Climate Change (DCC), Ministry of Natural Resources and Environment (MONRE)
Governance structures for implementation	<p>At the time of writing Lao INDC, it was said that the cross-ministerial National Disaster Management Committee (NDMC) will oversee the overall implementation of the INDC. <u>Using the NDMC's existing structure</u> as figure below, at that time the Ministry of Natural Resources and Environment (MoNRE) in particular Department of Climate Change will act as secretariat. This will include coordination with relevant ministries and cooperation with international stakeholders to access finance and capacity building for the implementation of the INDC including the establishment and implementation of MRV.</p>  <p>Source: NDMO</p> <p>Note: In 2017, the mandate for disaster including NDMC was moved from the Ministry of Natural Resources and Environment back to the Ministry of Labour and Social Welfare, with MONRE retaining some responsibilities for preparedness and forecasting in the context of climate-related events.</p> <p>Recently, the Division of Climate Change Promotion under DCC has been responsible for NDC implementation. In 2017, the division just organised one training workshops with relevant sectors at the national level. Based on information gained from interviews of key sector stakeholders, it would appear that training has not been disseminated throughout each sector since MONRE's limited budget precludes in depth capacity building programmes and training. However, the actual governance structure of NDC implementation has not been re-defined since the disaster has been moved to Ministry of Labour and Social</p>

	Welfare.
To what extent are a) Sub-national government b) Urbanisation/urban relevant sectors ¹ mentioned in the NDC?	Generally, INDC has not mentioned the roles of sub-national governments and urban relevant sectors contributing to the NDC implementation. However, Overall Strategy, Coordination of INDC Implementation and Regulatory Framework mentioned that MONRE will establish the effective arrangements for liaison with line ministries responsible for aspects of the INDC, international stakeholders and development partners, at national and local levels to facilitate implementation of the INDC to be put in place. The Capacity Building on INDC also mentioned to engage the local governments to implement INDC, while it is considered as one of the biggest requirements to instigate the implementation of NDC – not just only across sectors, but at all levels of engagement from central government decision-makers through to local levels and technical staff.
Do any urban-related NAMA's or NAP's, or coordinated urban/climate programs, targeted at sub-national government, exist? If so name them here	<p>At the local level, each province has their own the 5-year Provincial Socio-Economic Development Plan (PSEDP) aligning with National Socio-economic Development Plan (NSED). However, there is no specific description related to urban low-emission on the provincial plans. The sub-national government is not targeted on the NAMA and NAP as they only targeted on the crossed-national sectors, i.e. renewable energy use for vehicles, development of public transport system, and so on.</p> <p>Regarding the urban planning at the local level, there are only some major cities have approved Urban Development Master Plan. Vientiane Urban Development Master Plan was approved by the Prime Minister in 2012. it mentions the importance of urban public transport system, introduction of new kinds of vehicles, strict enforcement of emission standards of vehicles and introduction of traffic demand management measures. As a result, in 2013, the transport NAMA had been piloted and implemented in some major cities in Laos (Vientiane Capital, Luangprabang, Kaysone Phomvihane and Pakse Cities), which this project was funded by JICA. However, Urban Development Master plans in other cities in Laos are outdated or not officially approved. Instead of following the outdated master plan Luang Prabang has the regulation on construction management. Kaysone Phomvihane has the development orientations based on Preparatory Survey on Formulation of <u>Basic Strategies for Regional Core Cities Development</u> in Lao PDR by JICA. Pakse has the urban development strategies based on the <u>Pakse Urban Environmental Improvement Project</u> by ADB. None of them mention anything related to urban low-emission.</p>
Briefly describe the Monitoring, Reporting and Verification system that exists/being planned for climate action.	Lao PDR is identified that there is neither integrated nor each of MRV systems for GHG emissions, emission reduction from mitigation actions and financial flow in Lao PDR. Since Lao PDR submitted its Intended Nationally Determined Contribution (INDC) to the UNFCCC in September 2015 and is in the process of implementing follow on actions and finalizing NDC. In Lao PDR, an MRV system for REDD+ is more progressive than other sectors and developing to be aligned with the implementation of Forestry Strategy from the intended mitigation activities with an objective of increasing forest cover to 70% of land area. Lao PDR submitted the Initial National Communications (INC) in 2000 and the second National Communications (SNC) in 2013 with additional methodologies for measuring more GHGs data compared to FNC. However, there is limited

¹ Data for your country may be found in UN-Habitat's recent publication:
<https://unhabitat.org/books/sustainable-urbanization-in-the-paris-agreement/>



	<p>system and resources to generate information on emission factors specific to the Lao PDR, due to the lack of capacity.</p> <p>The Department of Climate Change (DCC) under the Ministry of Natural Resources and Environment (MONRE) is a key partner and focal ministry of Lao PDR's MRV activities, this will involve coordination with relevant ministries and cooperation with stakeholders while the key outputs will be delivered through technical assistance of development partners. As Global Green Growth Institute (GGGI) is helping MONRE to develop the MRV system. This MRV program aims to start the process of establishing a robust and operational MRV system, which meets international standards under the Paris Agreement toward enhanced monitoring and tracking of the Lao PDR's GHG emissions. The establishment of national MRV system will support Lao PDR in achieving its strategies relevant to six mitigation goals as outlined in NDCs through quantifying policy impacts and facilitating climate financing. GGGI will support Lao PDR government to develop from institutional arrangement to technical and financial capacities. However. The sector level guidelines and MRV operational support with intensive capacity building program will be determined and implemented once the additional resources are identified by joint efforts between GGGI and Lao PDR government. While Lao PDR has been developing one project with UNEP namely Capacity Building Initiative for Transparency (CBIT) funded by Global Environmental Facility (GEF). This project aims to establish a national transparency system for domestic and international reporting, including the enhancement of institutional arrangements and data management systems for the evaluation of adaptation and mitigation actions. The CBIT project will focus on designing a functional and robust domestic MRV system to track progress of priority actions defined in the NDC. Currently, the Project Identification Form (PIF) of this project just has been approved by GEF and full proposal is expected to be developed and approved in early 2019.</p>
What are the major barriers identified preventing sub-national involvement in implementation of the NDC and related policies?	<p>Insufficient Strategy and Regulatory Framework: One of major barriers to prevent sub-national government involvement in NDC implementation is lack of relevant strategy and regulation framework mentioning their roles and contribution at the local levels to facilitate implementation of the NDC. This includes strengthening the policy and regulatory framework in particular development and promulgation of the Climate Change Decree, which is expected to be approved in 2019 and needed to address the local contribution. The inclusion of sub-national government into decree or other regulation framework will help Lao PDR to achieve on climate change policies and plans such as NDC, Environmental Protection Law, Urban Planning Policies and Plans, the National Strategy on Climate Change etc.</p> <p>Lack of Capacity building: Climate change capacity building is low considering at sub-national level, which is one barrier preventing local government contributing to NDC achievement. In particular mitigation capacity building is needed at local levels, for example in feasibility studies, mitigation analysis and policy development. Adaptation capacity building is needed in understanding the climate change impacts, adaptation measures including technical requirements of the adaptation measures such as drought- and flood-resistant varieties of crops, research into new crops and climate resilient technologies as well as on how the adaptation measures will impact on community levels.</p> <p>Lack of Financial Resources: In order to implement the mitigation and adaptation actions addressing on NDC, Lao PDR needs domestic and</p>



	<p>international support in the form of financial, technology transfer and capacity building. Which this needs to ensure that domestic and international finance is successfully allocated and utilized to the priority actions at sub-national levels. The government needs to formulate opportunities and sector-wide approaches to allow them accessing to finance.</p> <p>Lack of MRV System Development: Even though the implementation of various support initiatives on MRV has built the basic foundation of a national GHG system. However, the additional support for the development of a local MRV system is required as it is considered that there is a lack of data collection, analysis and reporting on GHG at the local levels. In order to achieve the NDC, it needs to enhance the Institutional arrangements and technical capacities for systemizing data and reporting as well as the development of MRV system at both national and sub-national governments in order for tracking progress of the NDC.</p>
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- How can local and regional governments help national governments (including ministries of climate change and urbanization) to seize the potential of sustainable and integrated urban and territorial development in the implementation of the NDC of your country?

As mentioned above, Lao PDR NDC has not defined the specific roles and responsibilities of local governments contributing to national NDC implementation. However, the Climate Change Action Plan of Lao PDR for 2013-2020 assigns roles to stakeholders, specifying MONRE as the prime authority and coordinating agency. As well as converting the actions for Department of Climate Change (DCC) into tasks for implementation, MONRE is tasked with coordinating with the other prioritised sectors to ensure the requisite understanding, capacity, planning, international funding mobilisation, monitoring and reporting to implement the actions identified for each sector. Line ministries are responsible for integrating identified actions into their sector strategies, plans and budgets, in coordination with MONRE. At the local level, authorities are to plan and implement activities related to climate change within their designated area. This is to be done with MONRE's support, which includes capacity building. Local authorities are to "consolidate various projects and focal tasks related to climate change, then integrate them into their SEDPs, followed by participation and reasonable involvement into executing, monitoring and reporting". Local authorities, together with mass organisations, have a role in disseminating to the public general climate change information as well as the national strategy and programme on climate change.

- What are the options to integrate commitments and actions of local and regional governments in to current and future NDCs of this country?

Following are the options recommended for vertical integration:

- Provide trainings to local level authorities to develop an overall understanding of the climate system and the causes and potential future impacts of climate change.
- For line ministries, provide ongoing, practical training with associated real tasks, rather than one-off theory-based workshops.
- Disseminate NDC and MRV to local governments, in particular the target cities of the project.



- Assist the local governments to integrate climate change into the local social-economic development plan (SEDP).
 - Investigate the Environment Protection Fund (EPF) and the Energy Promotion and Development Fund as potential domestic sources of funding for local initiatives.
 - Schedule activities to synchronise with the development of the national MRV system.
-
- How can your national government collaborate with local and regional governments to mobilize appropriate capacity building, technical, financial resources and policy/legal framework to realize solutions addressed in delivering and raising ambition; in 2018, towards 2020, towards 2050?

With a centrally directed government, systems of vertical coordination are firmly set in place in Laos. Decisions are made at the central level and directives are given to the local level for implementation of the decisions. Authorities at all levels stressed that local levels need to follow national strategies and policies. Lines of coordination are through line ministries and through the provincial and district governments. Local governments are able to make lesser decisions within the parameters set by the central level. An example of a lesser decision is the introduction of small-scale renewable energy use.

In terms of climate change finance, the government is working to access external funding for climate change action and national procedures are being increasingly refined. There is currently support and proposals being developed for the Green Climate Fund (GCF). There is some funding channelled through the Environment Protection Fund which local authorities or other entities are eligible to access. The Energy Promotion and Development Fund is another fund which is worth investigating for energy related initiatives.

With regard to the NDC implementation, External support for NDC implementation has increased recently. Systems are still being set up and other than Natural Resources and Environment and Forestry, the NDC is not well known in sectors at the national level. NDC understanding is more limited at sub-national levels and MONRE has limited resources for dissemination. There is a need to disseminate information at all levels.

National MRV system, the government is aware of the need to establish a national MRV system before obligatory reporting is introduced for implementation of the Paris Agreement. Therefore, preparation is underway. However, GGGI's target completion date is the end of 2019. At the present time then, details of the MRV system have not been decided. The timing presents an opportunity for the Urban LEDS project to participate, in coordination with the government and other agencies, in the dissemination and piloting of the system at the local level once the system has been finalised.

5. List of Project Advisory Group (PAG) members

Annex C - Not available yet.



6. Financial System

- National Budget
 - *Brief summary of latest national budget and pie chart of expenditure*

Financial Management System in Lao PDR

Ministry of Finance (MOF) is the main responsible body for financial management and accountability of the Government of Lao PDR. Lao PDR's financial year runs from 1 October to 30 September and for the first time in many years, the Government of Lao PDR in March 2002 published the expenditure (2000/01) and budget (2001/02) for the Government and the provinces. The recurrent budget is mainly based on previous year's budget.

The line ministries/provinces submit their budget plan to Budget Department, MOF and negotiations are undertaken with the individual institutions. National Assembly approves the recurrent budget. The approved budget comes back to Budget Department (MOF) and ministries/provinces are informed on their allocation for the coming year. Based on the allocation, the line ministries and the provinces split the allocation into departments and expenditure categories and submit the split Budget to MOF for approval.

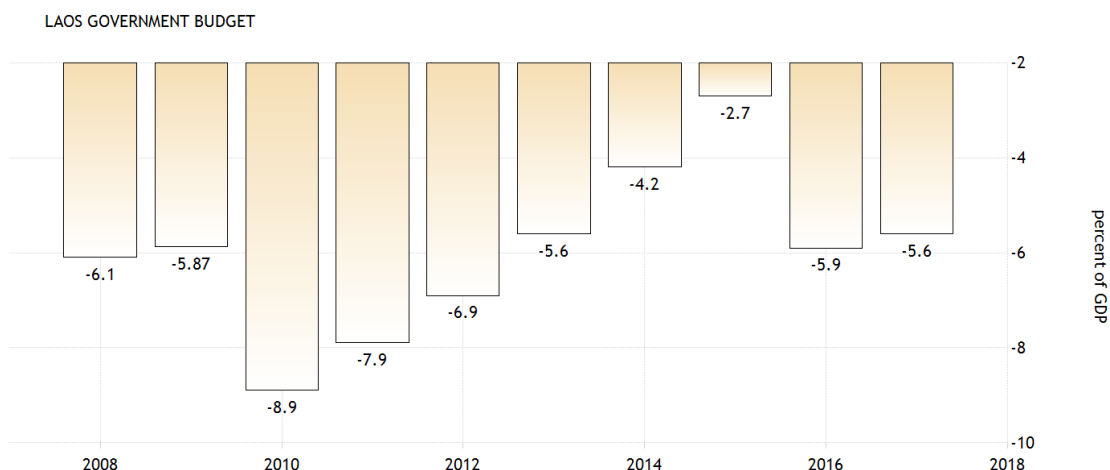
The annual capital budget spending in Lao PDR is undertaken in the context of a comprehensive planning framework. This framework includes a 20 year plan, a five-year National Socio-Economic Development Plan (NSED P), a five year and a one year Public Investment Plan (PIP). The 20-year plan contains the Lao PDR's strategy for abolishing its status of least developed country by 2020 which goal is pursued through eight national socio-economic priority programmes. The Lao PDR goal is to increase economic growth to minimum 6.6% per year and to improve especially food security. Sectoral ministries have their own complementary strategic plans.

Government Budget

Government Budget is an itemized accounting of the payments received by government (taxes and other fees) and the payments made by government (purchases and transfer payments). A budget deficit occurs when the government spends more money than it takes in. The opposite of a budget deficit is a budget surplus.

Laos recorded a Government Budget deficit equal to 5.60 percent of the country's Gross Domestic Product in 2017. Government Budget in Laos averaged -6.13 percent of GDP from 2000 until 2017, reaching all time high of -2.70 percent of GDP in 2015 and a record low of -8.90 percent of GDP in 2010.





SOURCE: TRADINGECONOMICS.COM | BANK OF THE LAO PDR

○ *Local government grants for infrastructure and service delivery*

The 7th Five-Year Plan has determined the economic growth rate for the Northern Region of at least 9.72 percent, the Central Region 11.50 percent and the Southern Region 12.65 percent, with per capita income of 1,493€, 1,932€ and 1,141€, respectively. In addition, it set the poverty reduction target for the Northern Region at 8 percent, Central Region at 3.5 percent and Southern Region at 10 percent, while promoting the industrialization and modernization.

Through actual implementation over the 7th NSEDP period since FY 2011–2012, there have been problems caused by natural disasters such as the Haima and Nokten storms, which caused damage to economic and social infrastructures, thereby limiting regional economic growth. Nevertheless, the Party and the Government have focused all efforts on rehabilitation, which resulted in continuation of regional economic growth. Overall, regional development can be evaluated and assessed based on the changing economic structure, which is closely linked to the three main economic sectors, agriculture, industry and services, and to the poverty situation.

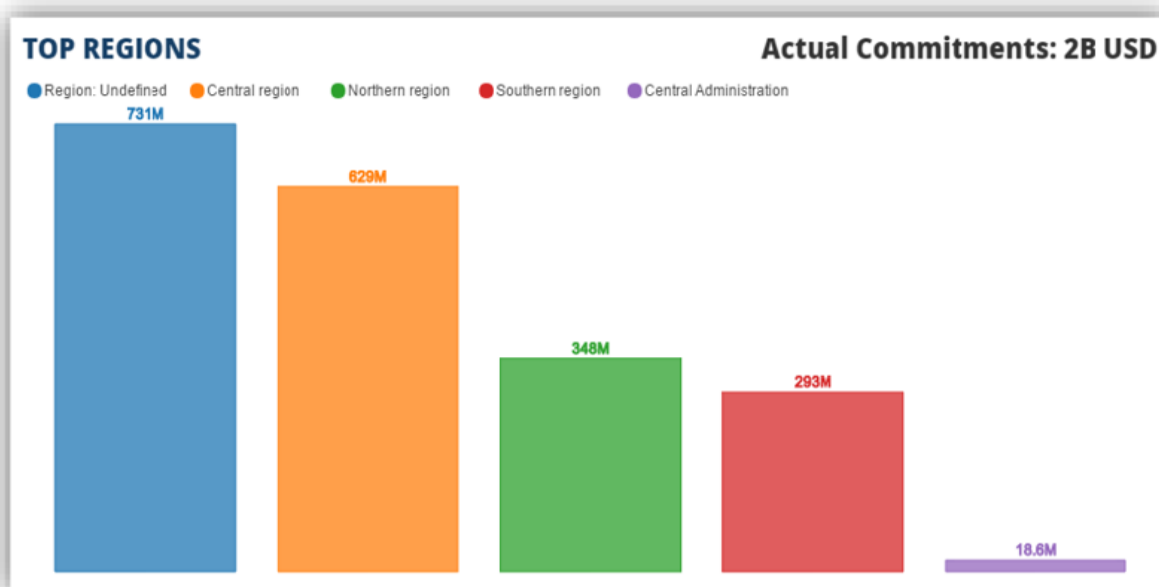
In terms of foreign aid support for local governments, the figure below shows the Official Development Assistance (ODA) disbursed by regions during the years 2011 to 2015 and highlighted that Central region of Lao PDR was receiving the most amount of ODA supports, followed by Northern and Southern regions. The figure also shows that projects without specified region of implementation shared about 731 million USD (642 million €) or about more than one third of total ODA disbursed in Lao PDR.

The lack of finance is a major barrier to Lao PDR's implementation of its climate change action plans. With the relatively recent commencement of the GCF and associated readiness support, procedures are being developed which it is hoped will enable readier access to funds. A second barrier from DCC's point of view is the workload in coordinating with all the relevant sectors. It is not feasible for DCC to support all sectors at once with the human and financial resources available to them.

The table below identifies any national mechanisms by which local governments can access climate finance, e.g., via a national climate fund and/or a dedicated revenue transfer.

Key funds available	Relevant accredited entities	Brief description of fund	Timeline	Amount of funding (€)
<ul style="list-style-type: none"> • GEF • Adaptation Fund (GEF Trust Fund) • LDCF (GEF Trust Fund) 		the GEF provides grants for projects related to biodiversity, climate change, international waters, land degradation, ozone layer, persistent organic pollutants (POPs), mercury, sustainable forest, food security, sustainable cities.		290 Mill. € (59 Projects) (2018)
GCF	Over 50 entities	The Fund provides support to developing countries to help limit or reduce their greenhouse gas (GHG) emissions and adapt to climate change and seeks to promote a paradigm shift to low-emission and climate-resilient developments, taking into account the needs of developing countries that are particularly vulnerable to the impacts of climate change.		1.3 Mill. € for four Readiness Support Programme (since 2016)
EPF		It is to strengthen environmental protection, sustainable natural resource management, biodiversity conservation and community development in Lao PDR		5.2 Mill. € since 2015





Source: AMP Database as of 19-Nov-2016

- **Climate finance**

Key Ministries: The technical lead ministry for climate change matters in Lao PDR and for the UNFCCC process is the recently created Ministry of Natural Resources and Environment (MoNRE). To fulfil this role, MoNRE has established several new units, including the Department of Climate Change (DCC), to carry out technical tasks related to climate change. MoNRE plays a leading coordinating role in several national climate change coordination bodies that partly still have to be made operational, including the National Steering Committee on Climate Change (NSCCC), a newly appointed Climate Finance Steering Committee, and a recently created Natural Resources and Environment Sector Working Group (NRESWG), co-chaired by Germany and the World Bank.

Two more ministries have roles regarding financial matters for adaptation and mitigation activities. The Ministry for Planning and Investment (MPI) is responsible for the national development plan, integrating official development assistance (ODA) into the budget/plans and for promoting foreign direct investment (FDI) in Lao PDR by offering investment incentives, screening investment proposals, correcting investment data and monitoring investment practices. The MPI also undertakes a periodic mapping of available international aid flows and related projects using a newly established Aid Management Platform.

The Ministry of Finance (MOF) is responsible for coordination with major international organizations on loans, debt management and fiscal policy. There is no specialized unit in the MOF for climate finance and little data available. But awareness of the importance of climate finance for Lao PDR – especially in view of Lao PDR phasing out of LDC status – is growing at the MOF. The MOF's role usually is to have a comprehensive view of all sources of finance including climate finance.

Mitigation and adaptation and all related financial matters require cross-sectoral coordination. Lao PDR is well aware of this and has begun to establish coordinating institutions and bodies such as MoNRE. An important next step is to operationalize results-oriented cooperation processes among the ministries.



National Climate Funds

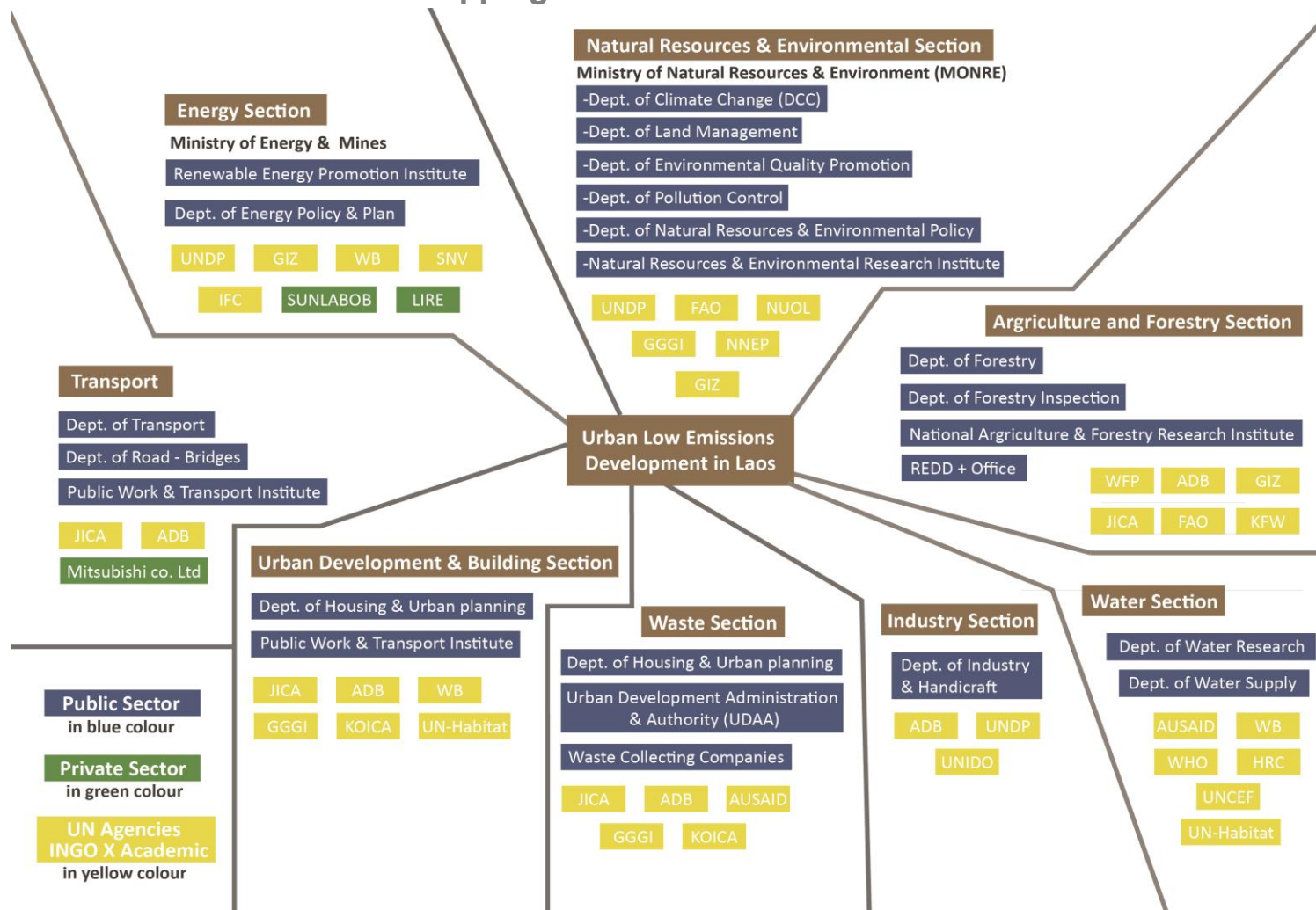
There was no dedicated national fund or funding window to support and finance the implementation of the National Strategy on Climate Change or any broader program of mitigation or adaptation action. Looking at some of the existing funds in Lao PDR, some are mandated to fund activities falling under one or more of the technical priorities of the NSCC. But judging by mandate and the volume of dispersible funds, none of Lao PDR's existing funds are able to contribute significantly within the current national setup. This should be addressed soon because it reinforces the standing challenge of coordination and consolidation of roles and responsibilities for driving climate change action in Lao PDR as argued above.

Lao PDR has multiple funds that have been established to finance projects in different sectors. They include the Forest and Forest Resources Development Fund, the Rural Electrification Fund, the Renewable Energy Fund and Rural Electrification Fund, the Environment Protection Fund (EPF), the Public Management Trust Fund, the Multilateral Trade Fund and the District Development Fund. There is no specialized fund to support transport or energy efficiency activities; two important sectors in Lao PDR and the fight against climate change.

Environmental Protection Fund (EPF) is mandated by a Prime Ministerial Decree to strengthen environmental protection, sustainable natural resource management, biodiversity conservation and community development in Lao PDR. It was established in 2005 as a financially autonomous organization, supported by the World Bank, the Global Environment Facility (GEF), the Asian Development Bank (ADB) and the United Nations Educational, Scientific and Cultural Organization (UNESCO). Since its inception, the EPF provided project funding of approximately 5.2€ million, while managing revenues of approximately 12€ million including a sinking endowment of about 6.1€ million for generating capital gains. In its present design, it stands outside of the government budgetary system and cannot receive funds from ministries. It has a successful record of small-scale project financing.



Annex A - Institutional mapping of Lao PDR



Annex B – Climate hazards and critical assets mapping

Not available yet.

Annex C – National Project Advisory Group (PAG) members

Not available yet.

