Lasting Accessible Opportunities
Country Partnership Framework for Lao PDR
2017 - 2021
The World Bank Group Country Partnership Framework aims at supporting Lasting Accessible Opportunities, including sustained green growth, improved access to human and infrastructure services, and opportunities for all.

Context
Lao PDR’s development has advanced greatly in the last two decades: incomes have risen, poverty has declined and access to key public services has improved. With GDP growth averaging 8 percent per year since 2000, Lao PDR is now a lower-middle income country with a GNI per capita of around US$1,740 in 2015. However, growth has been driven mainly by exploitation of natural resources and has been less inclusive, resilient, and sustainable than other countries in the region. Overall low consumption levels highlight the challenges that remain for the basic well-being of the Lao people.

The World Bank Group Country Partnership Framework
This new Country Partnership Framework for 2017-2021 aims to support the Government of Lao PDR’s 8th National Socio-Economic Development Plan, which is closely aligned with the Sustainable Development Goals. The targets of the Country Partnership Framework seek to accelerate progress toward the World Bank’s twin goals of ending extreme poverty and boosting shared prosperity for the bottom 40 percent of the population.

Focus areas and objectives:

- **Supporting inclusive growth**
  - Putting public finances on a sustainable path and supporting financial sector stability
  - Making it easier to do business
  - Investing in infrastructure for growth and inclusion

- **Investing in people**
  - Reducing the prevalence of malnutrition
  - Improving quality of primary and pre-primary education and keeping girls in school
  - Improving access to and quality of health services
  - Reducing vulnerability and inclusive access to social services

- **Protecting the environment**
  - Promoting environmental protection and sustainable natural resources management
  - Putting in place enhanced disaster risk management and climate and disaster resilience

- **Cross-cutting theme: Strengthening institutions to establish a rules-based environment**

Financial envelopes and instruments
The World Bank expects to provide about US$240 - 270 million over the next three years for new programs in Lao PDR. This is an increase of about 60 percent from the previous period over the last three years. In addition, the World Bank Group continues to finance many ongoing programs, which are valued at around US$350 million. The International Finance Corporation – a part of the World Bank which provides financing to the private sector – currently has about $48 million in investments and advisory services, and will also continue to be active.

The terms of our financing is “IDA credits” – these are concessional loans which currently have interest rates of around 2%, maturity of 25 years, and a grace period of 5 years.

For each target of the Country Partnership Framework, the World Bank will provide customized development solutions combining knowledge, convening capability, and financial services.
## World Bank Group Program 2017-2021

### Focus Areas:

- **Supporting Inclusive Growth**
- **Investing in People**
- **Protecting the Environment**
- **Cross-cutting Theme: Strengthening Institutions**

### Key Instruments:

#### Knowledge & Convening:

- Macroeconomic Monitoring – including Lao Economic Monitor and Public Expenditure Analysis
- Poverty Analysis
- Public Finance Management Modernization Analytical Program
- Financial Sector Development Analytical Program
- Trade and Competitiveness Analytical Program
- Civil Registration and Vital Statistics (CRVS)
- Addressing Vulnerability and Malnutrition
- Pro-poor Rural Water Supply and Sanitation
- Education Sector Analytical Program
- Mining and Hydro strategies
- Energy and Extractives Analytical Program
- Hydro Advisory (IFC)
- Green Growth Analytical Work
- Knowledge Work to also contribute to strengthening of institutions

### Financing:

- Road Sector Project II
- Loan to Banque Franco Lao – IFC
- Loan to ACLEDA Bank – IFC
- Loan to a commercial bank – IFC
- Statistics and CRVS
- Agriculture Commercialization
- Investment in hydropower (Xekatam) – IFC
- Public Finance Management
- Competitiveness and Private Sector Development
- National Road 13 North
- Rural Development / Electrification
- Energy Connector Project
- Additional Financing for Health Governance and Nutrition Development Program
- Social protection system to reduce vulnerability and malnutrition
- Universal Health Coverage
- Water Supply and Sanitation for Health
- Education in early years
- Mekong Integrated Water Resources Management Additional Financing
- Disaster Risk Management
- Sustainable Energy and Extractives Development Technical Assistance
- Green House Gas Emissions Reduction from Forests (Carbon Fund)
- Forestry plantation & processing – IFC
- Renewable Energy Project (hydro, solar or wind) – IFC
- Green Growth Budget Support series (funding in 2017, 2019, and 2021)

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