

2023

# SDG STATUS ANALYSIS

## LAO PDR



UNITED NATIONS  
LAO PDR



**ESCAP**  
Economic and Social Commission  
for Asia and the Pacific

# **2023 SDG STATUS ANALYSIS**

## **LAO PDR**

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# LIST OF ABBREVIATIONS

ASEAN	Association of Southeast Asian Nations
ATM	Automated Teller Machine
COVID-19	Coronavirus Disease 2019
ESCAP	United Nations Economic and Social Commission for Asia and the Pacific
GDP	Gross Domestic Product
HIV	Human Immunodeficiency Virus
ICOLD	International Commission on Large Dams
ICT	Information Communication and Technology
JP	UN Joint Programme
kWh	Kilowatt-hour
Lao PDR	Lao People's Democratic Republic
LPG	Liquefied petroleum gas
MECG	Mother and Early Childhood Grant
NBSAP	National Biodiversity Strategy and Action Plan
NEET	Not in Education, Employment or Training
NHDR	National Human Development Report
NHI	National Health Insurance
NSEDP	National Socio-Economic Development Plan
PV	Photovoltaic
SDG	Sustainable Development Goals
STEM	Science, Technology, Engineering, and Mathematics
TVET	Technical and Vocational Education and Training
UN	United Nations
USD	US Dollar
UXO	Unexploded Ordinance
WHO	World Health Organization

# 1. INTRODUCTION

The present document was prepared by the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP) at the request of the Ministry of Foreign Affairs of Lao PDR to prepare a brief report on the implementation of the Sustainable Development Goals (SDGs) in the country. Substantive inputs from the United Nations (UN) system agencies in Lao PDR and the UN Resident Coordinator's Office were included to provide relevant context and policy recommendations.

Unless otherwise noted, the data is sourced from the official Global SDG database<sup>1</sup> hosted by the United Nations. Section 2 provides a trend assessment of the Goals, including an overview of Goal 18. Section 3 analyses the situation in six transition areas and recommends actions to accelerate progress. Finally, Section 4 provides an overview of data availability.

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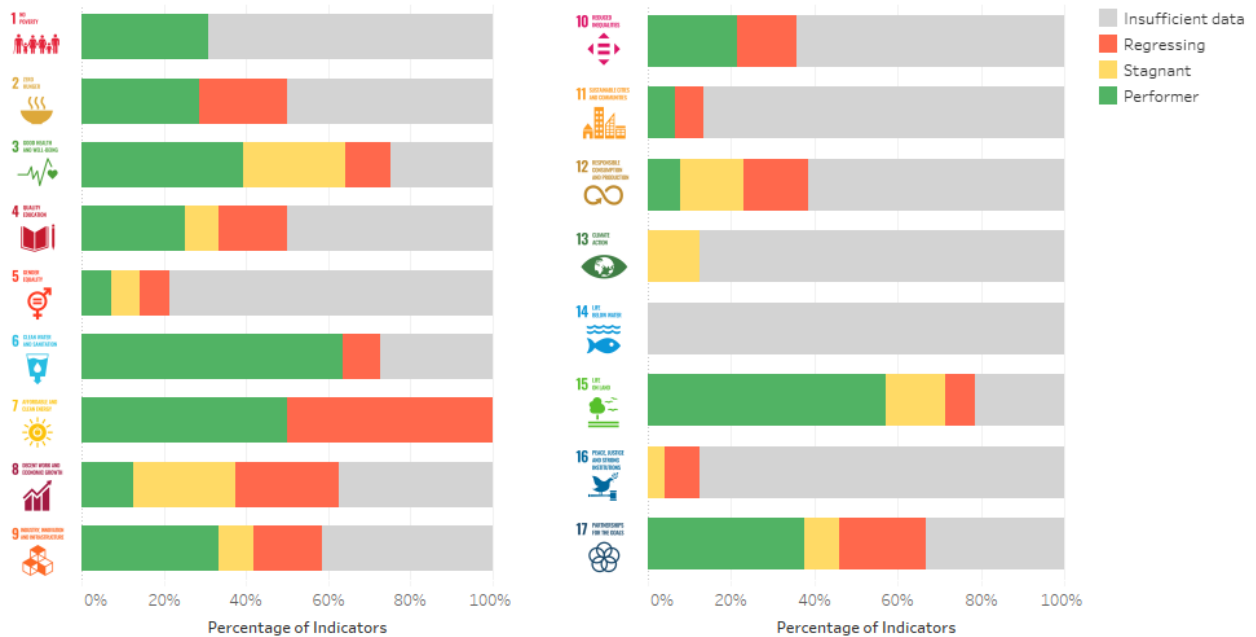
<sup>1</sup> Global SDG Database: <https://unstats.un.org/sdgs/dataportal>. Accessed in June 2023.

## 2. SDG TREND ASSESSMENT

This SDG assessment is produced by ESCAP using global trend data on SDG indicators for Lao PDR. Since 2015, the country has made considerable progress in

implementing the 2030 Agenda, although many areas under every goal still need more attention ([Figure 1](#)).

**FIGURE 1: OVERVIEW OF INDICATOR TRENDS UNDER EACH GOAL FOR LAO PDR.**



Source: ESCAP, [Asia-Pacific SDG Gateway](#).

Lao PDR is making significant progress on half or more of the indicators on **clean water and sanitation** (Goal 6), **affordable and clean energy** (Goal 7), and **life on land** (Goal 15). ESCAP has identified the country as a regional pace leader on goals 6 and 15, among the top countries making faster progress than the regional average<sup>2</sup>. Trends on goal 7 are mixed. While half of the indicators show improvement, the other half have negative trends.

Based on available evidence, progress is predominantly seen in eradicating **poverty** (Goal 1), achieving **zero hunger** (Goal 2),

promoting **good health and well-being** (Goal 3), developing **industry, innovation and infrastructure** (Goal 9), reducing **inequalities** (Goal 10), and forging **partnerships for the goals** (Goal 17). Most of these goals, however, have indicators stagnated or regressing.

The assessment has identified mostly stagnated or regressing trends in providing **quality education** (Goal 4), fostering **decent work and economic growth** (Goal 8), and promoting **responsible consumption and production** (Goal 12). These constitute

<sup>2</sup> ESCAP 2023, Asia and the Pacific SDG Progress Report 2023

priority goals where negative trends need to be addressed.

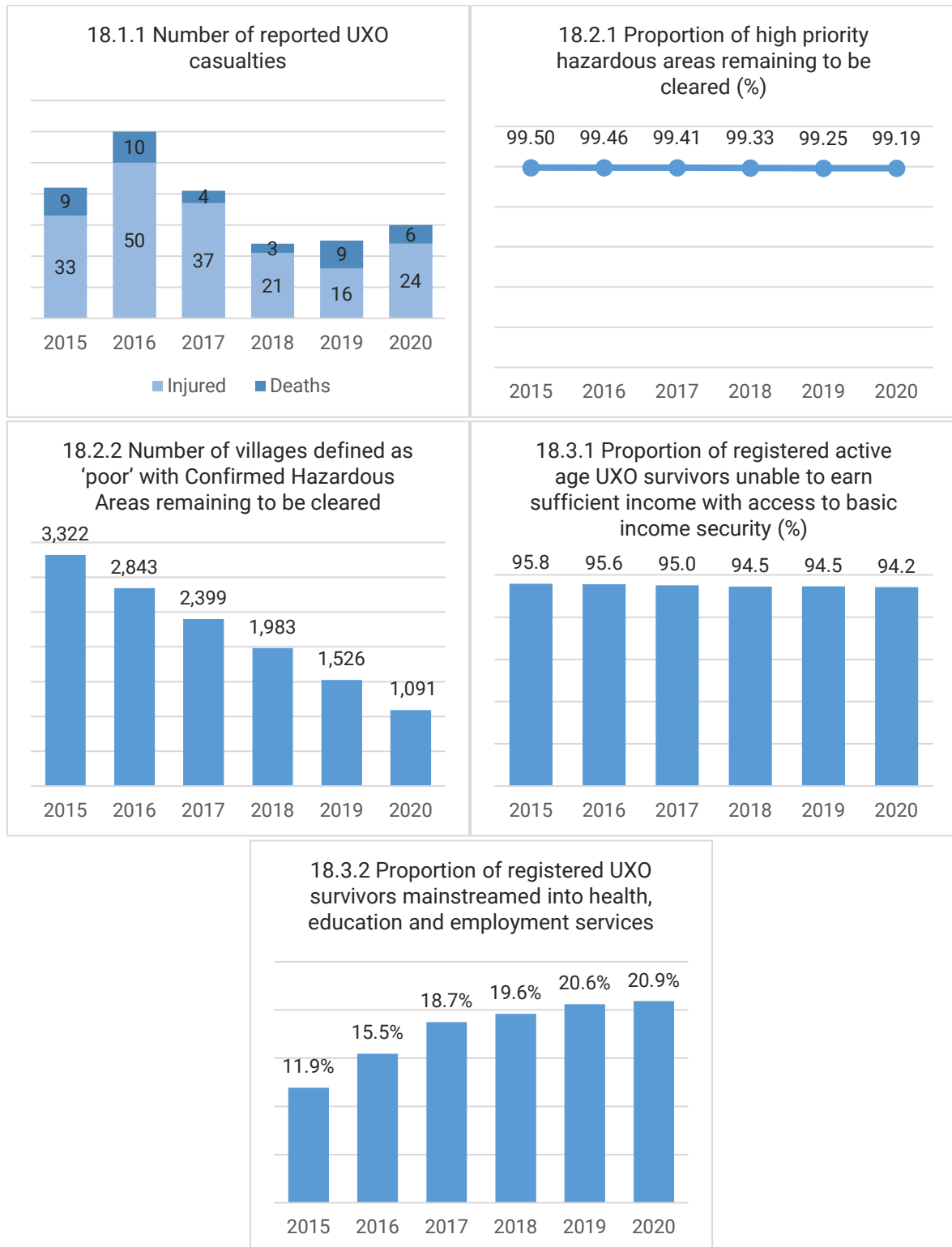
The availability of evidence is limited across the goals, except for Goal 7. The number of indicators with global data available for Lao PDR could be higher in Goals 5, 11, 13 and 16, with less than a third of the total indicators in each. Therefore, a more accurate picture of progress can only be assessed once more data becomes

available. Owing to the country's geography, most indicators under Goal 14 cannot be measured.

In addition to the 17 global Goals, Lao PDR has a national goal of achieving lives safe from unexploded ordnance (UXO). Current data from the Ministry of Foreign Affairs ([Figure 2](#)) shows that the country is progressing on most indicators.

SDG 18 Target	Situation
18.1 By 2030, ensure that annual casualties from UXO accidents are eliminated to the extent possible.	The number of casualties is reducing, though above the target of 10 at most per year.
18.2 By 2030, ensure residual UXO activities undertaken and all known UXO contamination in high-priority areas and all villages defined as 'poor' cleared.	The total high-priority areas remaining to be cleared is 99.2%, a slight reduction from 99.5% at the start of the 2030 Agenda. The number of poor villages with areas remaining to be cleared has reduced from 3,322 to 1,091.
18.3 By 2030, ensure that all identified UXO survivors and victims have their needs met in health, and support provided for livelihoods/ employment to most poverty-risk survivors.	94.2% of the registered survivors of UXO unable to earn sufficient income are receiving basic income security. Since 2015, the proportion of survivors mainstreamed into health, education and employment has doubled to 20.9%.

**FIGURE 2: INDICATOR TRENDS IN GOAL 18 FOR LAO PDR**



Source: Ministry of Labour and Social Welfare, Lao PDR.



### 3. TRANSITION AREAS

The UN identified six key transitions for accelerating the achievement of the SDGs<sup>3</sup>. This section of the report analyses how Lao PDR performs on indicators related to

each transition area and provides targeted recommendations for accelerating progress to achieve the 2030 targets.

#### 3.1 ENERGY

7.1.1	Access to electricity	↗
7.1.2	Reliance on clean energy	↗
7.2.1	Renewable energy share	↘
7.3.1	Energy intensity	↘
7.b.1	Renewable energy generating capacity	↗

#### DATA ANALYSIS

- Access to electricity is estimated to have reached 100% of the population in urban and rural areas by 2021. However, access and use of clean fuels for cooking by 9.3% of the people are far from the regional average of 74.4%. In rural areas, the rate is as low as 2.4% of the population.
- The renewable energy capacity almost doubled from 641 kWh per capita to 1,143 kWh per capita, notably due to investments in hydropower since 2015. The country has also seen its bioenergy and solar power capacity increase during the same period. However, the renewable energy share in total final energy consumption has reduced from 53.3% in 2015 to 49.9% in 2020. The country is still above the ASEAN average of 21.1% for this indicator.

#### RECOMMENDATIONS

As Lao PDR has reached universal access to electricity, attention must be paid to its quality, reliability, and affordability to realise its full benefits. Electricity access has significant cross-cutting benefits for other SDGs, particularly poverty reduction (SDG 1) and education (SDG 4).

Clean cooking access has lagged electricity access. ESCAP's analysis recommends adopting electric cooking stoves, LPG and improved biomass cookstoves to bridge the remaining gap. Given the acute health impacts of exposure to indoor pollution, investing in clean cooking benefits SDG 3. Similarly, as women and girls are disproportionately

3 Letter of the UN Deputy Secretary-General to Member States dated 5 July 2023 (see <https://hlpf.un.org/sites/default/files/2023-07/DSG%20Letter%20SDG%20Summit.pdf>)

impacted by this pollution and the burden of collecting fuelwood, clean cooking progress can impact SDG 5.

Renewable energy can be boosted by ensuring a phase-down of coal use in favour of solar PV, biomass, and hydropower. Lao PDR has been rapidly expanding hydropower projects as a renewable energy source to meet domestic demand and align with the country's ambitions to export electricity to neighbouring countries and the region for revenue generation. As of August 2022, Lao PDR had over 70 active dams<sup>4</sup> on its territory, with several others in different planning and construction stages<sup>5</sup>. While hydropower development may enable progress towards SDG 7, projects with insufficient environmental safeguards also threaten fragile river ecosystems, disrupting natural water and sediment flows,<sup>6</sup> affecting downstream communities' river-based livelihoods, and even causing loss of lives<sup>7</sup>. Strengthening

environmental impact assessments for future hydropower project approvals will avoid possible trade-offs between sustainable development goals where environmental risks exist. Additionally, assuring the safety of dams, which is central to protecting downstream communities, infrastructure and the environment, requires the implementation of the newly enacted Dam Safety Law (July 2022) and close coordination between key stakeholders.

Wind power may also provide an alternative renewable energy source, as demonstrated by Lao PDR's first and South-East Asia's largest wind power project under construction since April 2023<sup>8</sup>.

More details and recommendations for transitioning the energy sector to achieve the 2030 targets are available in the SDG7 Roadmap<sup>9</sup>.

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4 See <https://www.thethirdpole.net/en/energy/opinion-energy-importers-must-consider-true-sustainability-laos-hydropower/#:~:text=Currently%2C%20Laos%20has%20more%20than,are%20on%20the%20Mekong's%20mainstream>.

5 The water storage portfolio in Laos currently comprises of 101 large dams (77 are for hydropower and 14 for irrigation), of which at least 80 are more than 15m in height (according to the ICOLD definition); additionally, there are more than 230 small irrigation dams. On the hydropower side, 39 are under construction (33 large-scale and 6 small dams).

6 For example, the Luang Prabang hydropower project, see <https://www.mrcmekong.org/assets/Publications/TRR-of-LPHPP.pdf>

7 E.g., the saddle dam failure of the Xe-Pian Xe-Namnoy Hydropower Project in July 23, 2018, which led to the loss of lives of 34 people

8 See <https://kpl.gov.la/En/detail.aspx?id=74856>

9 ESCAP 2022, [SDG 7 Roadmap for the Lao People's Democratic Republic](#)

## 3.2 BIODIVERSITY AND NATURE

6.4.1	Water use efficiency	↗
6.4.2	Water stress	↗
6.5.1	Integrated water resources management	↗
6.b.1	Participation in water and sanitation management	↗
12.2.1	Material footprint	→
12.2.2	Domestic material consumption	↘
12.a.1	Renewable energy generating capacity	↗
12.c.1	Fossil-fuel subsidies	↘
13.2.2	Greenhouse gas emissions	→
15.1.1	Forest area	→
15.1.2	Sites for terrestrial and freshwater biodiversity	↗
15.2.1	Sustainable forest management	↘
15.3.1	Proportion of land that is degraded	↗
15.4.1	Sites for mountain biodiversity	↗
15.5.1	Red List Index	→
15.6.1	Fair and equitable sharing of benefits of genetic resources	↗
15.8.1	Prevention or control of invasive alien species	↗
15.9.1	Integration of biodiversity value in development planning	↗

### DATA ANALYSIS

- Wastewater treatment is as low as 10.2% in 2022, the lowest in ASEAN.
- Positive trends are witnessed in water consumption. Water use efficiency has increased from 1.4 to 2.1 USD per m<sup>3</sup>, although still below the regional and ASEAN averages, and water stress has reduced to 4.8% of the total renewable water.
- As of 2020, 80% of water-related ecosystems were considered with good ambient water quality.
- Domestic material consumption – the amount of material resources used within a national economy – shows a negative trend, increasing from 12.5 to 14.7 tons per capita by 2019. Also, material footprint – a measure of the materials extracted to satisfy consumption demand – increased from 8.5 to 9.6 tons per capita during the same period.
- Fossil fuels subsidies steadily increased from near zero to 0.4% of the gross domestic product (GDP).
- Protection of forest areas is regressing in Lao PDR. The percentage of forest areas has slightly decreased by 0.8 percentage points, from 72.7% in 2015 to 71.9% in 2020. Also, the share of forest areas within legally established protected areas has fallen.
- The recognition of important sites for freshwater, terrestrial, and mountain biodiversity has increased, reaching 30.1%, 48.6%, and 57%, respectively, levels above the regional averages. The mountain green cover index is nearly 100, and the degraded land area has reduced from 14.5% to 12.7% by 2019.
- The country's rating on the Red List index of the extinction risk for species remains stagnant at 0.8, which is the median level of the ASEAN countries.

## RECOMMENDATIONS

Lao PDR has been identified as one of the countries with a heightened need for debt restructuring to ease fiscal distress and the impact on areas of government expenditure that are crucial to ensure the its sustainable development.

The Government of Lao PDR is exploring a potential debt-for-nature restructure, the design of such a proposal, and how financial resources could be allocated to domestic green growth objectives, as identified in the country's NSEDP and the Forestry Strategy<sup>10</sup>. The promotion of Debt-for-Nature swaps in is the country takes place in parallel with the promotion of transactions of this sort by some of the country's key creditors in the hope of preparing Lao PDR to take advantage of this development.

Investments in biodiversity conservation can support local jobs and revenue, including through nature-based tourism and non-timber forest products. The government of Lao PDR has articulated a vision for the country's green growth, including specific biodiversity management and forest conservation targets, described under the 9<sup>th</sup> National Socio-Economic Development Plan (NSEDP) for 2021-2025.

However, as Lao PDR emerged from the COVID-19 pandemic, the economic impacts of reduced tourism and trade and a high level of sovereign debt servicing have resulted in minimal financial resources for the government to allocate to domestic priorities, despite obligations to protect, promote and fulfil economic and

social and cultural rights. Around half of the government's projected revenues for the next few years will need to be spent on sovereign debt repayments – an annual expense of approximately USD 1.3 billion. With current plans including austerity measures and prioritised expenditures, protected areas are expected to receive increasingly limited funding from the national budget. Budget allocations to the Lao Forest Protection Fund have decreased significantly from over USD 700,000 in 2017 to around USD 170,000 in 2021. This leads to a real risk of economic consequence for the country through a decline in ecosystem services and asset values, reduced production in associated sectors such as tourism, agriculture and energy, and substantial impacts on local communities and livelihoods.

- Despite well-developed environmental policies and plans, implementation of measures for biodiversity protection is constrained by: (i) insufficient funding; and (ii) trade-offs between environmental protection and investment promotion or revenue generation, the latter often undermining biodiversity conservation goals.
- A first recommendation is to enhance collaboration between the environment sector (Ministry of Natural Resources and Environment, and the Ministry of Agriculture and Forestry, in particular) and cross-sectoral planning (including national-level via the Ministry of Planning and Investment, but also sub-national

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<sup>10</sup> See <http://dof.maf.gov.la/en/forest-strategy/>

coordination via the Ministry of Home Affairs, and international coordination via Ministry of Foreign Affairs).

- While recent shocks (i.e., COVID-19 pandemic; crisis of Food, Fuel, Fertiliser and Finance; high inflation and currency devaluation) have increased Lao PDR's reliance on unsustainable natural resources<sup>11</sup> (i.e., mineral extractives, logging and deforestation for agricultural expansion), re-linking revenue generation and broader financial flows with development objectives – including Lao PDR's 9<sup>th</sup> NSEDP and linked SDGs – will be critical to accelerate progress.
- Efforts to halt unsustainable revenue generation and to increase funding for environmental priorities are already underway with the launch of Lao PDR's 9<sup>th</sup> NSEDP Financing Strategy – endorsed by the Prime Minister as an attempt to realign financial flows with desirable sustainable development

outcomes. While the 9<sup>th</sup> NSEDP Financing Strategy overall is presented as a sustainable development acceleration plan in the build-up to the SDG Summit, its chapter on Green and Climate Finance is particularly relevant, and its implementation particularly critical, to accelerate SDG progress via biodiversity conservation.

- Further demonstrating biodiversity conservation's potential as an accelerator towards SDG progress, the annual cost of environmental degradation is estimated at 19.3 per cent of GDP<sup>12</sup>. Halting environmental degradation offers large potential co-benefits and opportunities for this current cost to be redirected towards progress across SDGs.
- Integrate new commitments under the Global Biodiversity Framework into an updated or new National Biodiversity Strategy and Action Plan (NBSAP) and other relevant strategies and plans.

### 3.3 EDUCATION

4.2.2	Organised learning before primary entry age	↗
4.3.1	Formal and non-formal education and training	↘
4.6.1	Literacy and numeracy skills	→
4.a.1	School equipment/infrastructure	↗
4.c.1	Organized teacher training	↗

### DATA ANALYSIS

- Enrolment rates one year before the official primary entry age have increased from 55% to 71% of children from 2015 to 2021. However, rates for urban children from families in the poorest income quintile are as low as 47%. Likewise, enrolments in vocational training have increased from 0.3% among youth aged 15-24 in 2015 to 4.4% in 2019, one of the

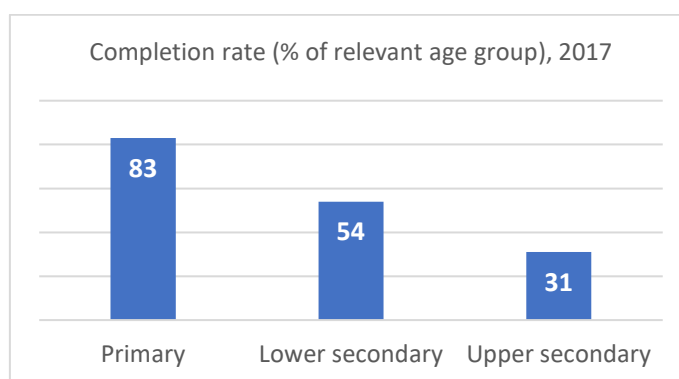
<sup>11</sup> See <https://laopdr.un.org/en/231076-2022-common-country-analysis-update>

<sup>12</sup> See <https://openknowledge.worldbank.org/entities/publication/eef5e689-291a-5341-9c87-45cd536ac67b>

sharpest growths seen in the Asia-Pacific region.

- The percentage of teachers trained at all levels is high, close to 100%, and above the regional averages. However, school infrastructure remains below the regional average regarding the share of schools with access to electricity, basic drinking water, and single-sex basic sanitation. School access to electricity has shown progress,
- although nearly half of primary schools are still in the dark.
- Although there is not enough data to draw trends, the latest figures show that minimum proficiency in mathematics and reading at the primary level are lower than the regional average, at 7.9% and 2%, respectively. Similarly, completion rates at every educational level are well below the regional averages, with a decreasing trend across levels (Figure 3).

**FIGURE 3: COMPLETION RATES BY LEVEL**



Source: UNESCO Institute for Statistics (UIS)

## RECOMMENDATIONS

The 6<sup>th</sup> National Human Development Report <sup>13</sup> (NHDR) highlights the links between education and the transition of students to the labour force and the potential impact it would have on Lao PDR getting a demographic dividend from its current demographic transition and the role young people can play in driving Lao PDR's development in the future including achieving economic diversification.

Linked to youth employability challenges, the report shows that the education system needs to better prepare young people for the labour market. It provides insights on how years of investments and progress towards achieving high school enrolment levels are reversing with growing drop-out rates triggered by COVID-19. At the same time, the education system, overall, lacks accessibility as well as quality delivery, more specifically in rural

13 UNDP 2022, [6th National Human Development Report \(NHDR\) – Youth as drivers for sustainable development](#).

areas. The report highlights the critical need for Lao PDR to offer early childhood education (given that it lags behind other South-East Asian countries). Early childhood education improves school readiness and learning in subsequent phases, particularly primary education.

Enrolment rates and completion rates are typically high for primary education, but while enrolment rates are high for secondary education, the completion rate is low. The higher dropout rate at the secondary level has been connected to many causes, including increased pressure on young people to secure jobs and earn a salary to support themselves and their family members. Many students fail to go on to the secondary level due to the schools' lack of accessibility, given the distances of schools from rural and remote communities. High dropout rates pose health risks, including early marriage and adolescent pregnancy, a core health issue. High dropout rates further push young people away from entering the formal labour force, undermining income security.

Across all education phases, quality education provision is a crucial challenge linked to the lack of available learning resources and the availability of textbooks and trained teachers. As such, learning outcomes are low. About 1 in 7 youth have difficulty reading and writing. Primary data collected for the NHDR further shows that young people are not able to pursue fields of study that they aspire to, but instead, they study subjects that their family expects them to. Gender norms affect young women to pursue higher education

in science, technology, engineering, and mathematics (STEM) fields.

The NHDR calls for approaching educational reform through inclusivity to all vulnerable and marginalized youths, and to incorporate technology in their educational delivery or administration methods by introducing and expanding digital tools. Amongst the main recommendations of the report are:

1. Expanding targeted scholarships for disadvantaged youth and harnessing the use of digital technology to tackle the problems of inequality, accessibility, and education costs.
2. Upgrading the quality of education (teacher's training, facilities, textbooks, etc.) through meeting the national budgetary requirement, and exploring alternative and innovative financing schemes.
3. Matching the state of education to market demands by calling for regular dialogues between public and private stakeholders, adjusting school curricula, and campaigning for education to raise awareness about its high (economic and non-economic) return.

The recent high-level commitments made by Lao PDR as part of the Transforming Education Summit<sup>14</sup>, and the more recent Human Capital Summit<sup>15</sup> include a focus on accelerating learning recovery with a focus on foundational learning, reaching every child and retaining them in school, closing the education resource gap and improving access to and quality of digital learning for all.

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14 See <https://www.unicef.org/laos/national-statement-commitment-action-transforming-education-summit>

15 See <https://www.worldbank.org/en/events/2023/05/25/first-lao-pdr-human-capital-summit>

### 3.4 SOCIAL PROTECTION AND JOBS

1.3.1	Social protection floors/systems	➔
1.4.1	Access to basic water and sanitation services	➔
1.a.2	Government spending on education/health/social protection	➔
3.1.1	Maternal mortality	➔
3.2.1	Infant and under-five mortality rate	➔
3.2.2	Neonatal mortality	➔
3.3.1	HIV infections	➔
3.3.2	Tuberculosis	➔
3.3.3	Malaria	➔
3.3.4	Hepatitis B	➔
3.3.5	Neglected tropical diseases	➔
3.4.1	Cardiovascular disease, cancer, diabetes or chronic respiratory dis...	➔
3.4.2	Suicides	➔
3.5.2	Harmful use of alcohol	➔
3.6.1	Road traffic deaths	➔
3.7.2	Adolescent births	➔
3.8.1	Essential health services coverage	➔
3.9.3	Unintentional poisoning	➔
3.a.1	Tobacco use	➔
3.b.1	Population covered by all vaccines in national programme	➔
3.c.1	Health worker density	➔
3.d.1	Health capacity and emergency preparedness	➔
3.d.2	Antimicrobial-resistant organisms	➔
5.3.1	Women married before age 15 and 18	➔
5.5.1	Seats held by women in national parliaments and local governments	➔
5.5.2	Proportion of women in managerial positions	➔
8.1.1	Real GDP per capita growth rate	➔
8.2.1	Real GDP per employed person growth rate	➔
8.3.1	Informal employment	➔
8.5.2	Unemployment rate	➔
8.8.2	Compliance of labour rights	➔
8.10.2	Adults with a bank account	➔
8.b.1	National strategy for youth employment	➔
10.4.1	Labour share of GDP	➔
10.7.4	Refugees, by country of origin	➔
10.c.1	Remittance costs	➔

#### DATA ANALYSIS

- The proportion of the population covered by at least one social protection benefit is stagnant at 12.1%. Similarly, the proportion of mothers receiving cash benefits has not increased from 12.7% since 2016. The population covered in the event of work injury has increased, although still as low as 8% of the employed population.
- Access to basic drinking water and sanitation services has dramatically increased in Lao PDR, reaching 85% and 79% of the population respectively. The increase outpaced the average growth around the region, but the latest levels are still below the ASEAN average.
- Domestic government health expenditures as a share of the government expenditure increased from 2.6% in 2013 to 4.9% in 2019, which was 0.6% in 2013 and 1% in 2019 as a share of GDP. However,



inflation in Lao PDR rose from less than 2% in February 2021 to an all-time high of 41.3% in Feb 2023 (38.9% in May 2023)<sup>16</sup>. The 2022 economic contraction led to non-wage health budget cuts by 30% at the central and 10% at the provincial level and the inflation rate de facto decreased the value of the health budget by almost 50%. The spending on education reduced from 14.9% to 14%.

- The government has made efforts to expand the population coverage of social health protection schemes by introducing the National Health Insurance (NHI) scheme for the informal sector (about 74% of the total population) in 2016, expanding to 17 provinces except for Vientiane Capital by the end of 2017, and integrating the existing schemes (e.g., National Social Security Fund for the formal sector) into the NHI scheme except for Vientiane Capital by 2019. By the end of 2022, social health protection schemes covered 94.5% of the total population. However, the budget allocated to NHI by the Ministry of Finance is currently insufficient to cover the benefit expenditure of the NHI scheme.
- Based on the WHO Global Health Observatory, the essential service coverage was 52% in 2021, increased from 47% in 2015. Based on the 2023 Ministry of Health of Lao PDR/Lao Statistics Bureau/WHO joint report on financial protection analysis, financial protection indicators, defined as “population with household expenditures on health greater than 10% and 25% of total household expenditure or income,” were 8.4% (greater than 10%) and 4.1% (greater than 25%) in 2019, which was improved from 13.5% and 6.8% in 2013, respectively. However, these indicators were well above other ASEAN countries, suggesting that more intensified investments should be made to achieve the government’s ambitious goals of universal healthcare and other health-related SDGs.
- Health-related indicators demonstrate progressing trends in maternal mortality, infant and under-five mortality, malaria, suicides, essential health services coverage, tobacco use, and health capacity and emergency preparedness. However, HIV prevalence among men who have sex with men has reached 5% and tuberculosis prevalence is decreasing, albeit at relatively high levels. In some indicators, the country remains worse than the regional average, indicating gaps still need to be addressed. Road traffic deaths have increased, from 15.2 to 17.9 per 100,000 population; health worker density has generally decreased, with a significant decrease in the number of doctors to 3.3 physicians per 10,000 population. Bloodstream infection with antibiotic-resistant bacteria has increased, reaching almost 50% of patients seeking care.
- The number of seats women hold in the national parliament has decreased from the 2015 baseline, representing less than a quarter of the seats. At the

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16 Bank of the Lao PDR. (2023). "Inflation rate." Accessed 27 July 2023, from <https://www.bol.gov.la/en/inflation>.

same time, the proportion of women has increased from 23.4% to 25.7% in senior and middle management positions.

- The growth rate of GDP per capita and output per worker has decreased, likely due to the economic effects of the COVID-19 pandemic. Although the unemployment rate was 3.3% as of 2022, higher than before the pandemic, still a low rate when compared to the

rest of the Asia-Pacific region. Meanwhile, informal employment remains high, at 99.5% in agricultural employment and 75.1% in non-agricultural employment.

- Access to financial services has improved, with increased numbers of ATM machines and commercial bank branches, while recent levels are below the ASEAN aggregate.

## RECOMMENDATIONS

The ongoing process of the National Health Insurance (NHI) Law revision that will end by the end of 2024 should include moving the National Health Insurance Bureau toward a semi-autonomous agency with a reserve fund to address limited financial autonomy.

Public financing is important for the sustainability and resilience of any health system. Increasing the government budget for NHI is essential. Without increased budget allocations, the future sustainability of NHI is at risk, and patients and hospitals would suffer. Diversifying funding sources is critical. The coverage of the contributory social security schemes for the formal sector also needs to be increased. In this context, introducing pro-health taxes and earmarking revenues from them could be a feasible option to increase domestic government revenues for the health sector.

The government should prioritise the poor and vulnerable populations to ensure

equitable access to care and financial protection. In the context of hospital autonomy, there should be pro-poor policies and robust accountability mechanisms led by the government to monitor access to care and financial protection for the poor and vulnerable population to minimize the impact of hospital autonomy<sup>17</sup> on equity in access to care. To do this, the identification of the poor is critical, and the list of the poor should be developed and shared across relevant ministries and healthcare facilities. With support from the World Bank, the Ministry of Agriculture and Forestry developed a social registry at household levels, which can be used to identify the poor. This social registry data can be shared with the Ministry of Health (MOH) based on their memorandum of understanding to facilitate the identification of the poor list.

In light of the underfunded NHI, improving the quality and safety of essential health services will also require significant and innovative efforts in sustainable health financing. Due to the country's economic

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17 Hospital autonomy is part of a government-wide effort to improve public sector efficiency and mobilize private sector resources MOH guidance and instruction on hospital autonomy including piloting in the 3 central hospitals (Mittaphab, Mahosot, Settathirath Hospital) in Vientiane were approved in June and July 2022. The 3 central hospitals submitted their plans for implementing hospital autonomy to MOH. The pilot period for transforming hospital autonomy is three years (2021–2023), and there will be an assessment of the pilot at the end of 2023. MOH plans to roll it out in selected provinces this year.

challenges, careful adjustments are needed in the implementation of both the Health Financing Strategy 2021-2025 and the NHI Strategy 2021-2025. Considering this, sustainable health financing should be emphasized as a fundamental part of social protection. This will involve identifying modalities to increase government health spending and allocate resources for health, particularly at primary health care level and protecting the poor. Throughout these efforts, working in partnership with relevant sectors and development partners remains crucial to achieving better health outcomes in Lao PDR.

The 6th NHDR examined the structural challenges of the economy that affects the overall labour force including the high dependency of employment on the agriculture sector, seasonality, informality and migration defining key aspects of the labour market. Labour market data indicates the disadvantages young people have in accessing employment as evidenced by higher unemployment rates among youth compared with national unemployment rates. The NHDR further shows that a very high proportion of youth— 25 per cent as of 2017—is not in education, employment or training (NEET), the highest rate among all countries in South-East Asia. This links to high drop-out rates, lack of technical and vocational education and training (TVET) attractiveness and overall discouragement of young people from finding employment.

The NHDR examined how the pandemic and current economic downturn exacerbate young people's pre-existing disadvantages to labour force participation and barriers facing young female and male entrepreneurs in doing business in the current economic context. Key challenges The adoption of the National Social Protection Strategy is an essential step towards building a consolidated social

discussed include the education and skills crisis that is not enhancing young people's employability including lack of alignment of curriculum and delivery to labour market needs and future of work, the lack of fair recruitment and hiring practices in both public and private sectors which discourages young people from becoming active job seekers and the limited availability of employment support services which is reiterated from Lao PDR's 4th NHDR on employment and livelihoods.

The NHDR identifies opportunities to shift Lao PDR's economic growth pathway towards green growth sectors and digital economy which can support a range of industries for youth employment and entrepreneurship. Specific recommendations of the report are:

1. Investing in green and digital jobs, and 'future-ready' skills development.
2. Address gender norms that bar women from economic participation.
3. Consolidate existing tools and applications to a youth-friendly one-stop job service platform.
4. Create a youth-friendly entrepreneurship ecosystem in digital and green industries by raising awareness, funding, and providing business development services.

The UN Joint Programme (JP) in Lao PDR has been working to support the government in its efforts to build a national social protection system. The JP has helped to develop and adopt a National Social Protection Strategy, as well as to pilot a cash transfer programme called Mother and Early Childhood Grant (MECG). The JP has also produced technical and policy advisory papers on social protection financing and reporting.

protection system in Lao PDR. The strategy sets out a vision for a comprehensive social protection system that will provide a

safety net for the most vulnerable people in the country, particularly informal workers. The MEGC pilot is also an important initiative, as it is the first time that a cash transfer programme has been implemented in Lao PDR. The pilot provided benefits to pregnant women and newborn children in three districts of Attapeu and Savannakhet provinces, and it helped to improve access to early childhood services and nutrition support.

In addition, an integrated disability support grant to households with children living with disabilities has been designed, building on the MEGC operation. The disability grant pilot is being carried out in 3 districts of Xiengkhouang province and includes a disability assessment, determination and extra cost analysis to be able to determine household needs of

support the child living with disabilities both of both cash and assistive devices. The outcome of this pilot will build up evidence for disability-inclusive social protection programming in Lao PDR.

Given the limited investment in social protection in Lao PDR, a business case for investment in child-focused social protection in Lao PDR has been launched with additional analysis of fiscal space to explore financing options for the country.

Overall, the UN JP in Lao PDR has made significant progress in supporting the government's efforts to build a national social protection system. The JP's work is helping to accelerate progress towards the SDGs, particularly SDG Target 1.3, which aims to halve extreme poverty by 2030.

### 3.5 FOOD SYSTEMS

2.1.1	Prevalence of undernourishment	↗
2.1.2	Food insecurity in the population	↘
2.2.1	Prevalence of stunting	↗
2.2.2	Prevalence of malnutrition	↘
2.2.3	Anaemia in women by pregnancy status	↘
6.1.1	Safely managed drinking water services	↗
6.2.1	Safely managed sanitation services	↗

### DATA ANALYSIS

- Undernourishment rates have declined from 6.7% in 2015 to 5.1% in 2020, whereas stunting in children under 5 reduced from 36.3% to 27.7% in 2022. Wasting in children has also reduced to 9% of children under 5. The rate of children overweight, however, has increased from 2.6% to 4% in 2022.
- Food insecurity is worse than the regional average, increasing from 29.4% to 31.8% of the population by 2020. Anaemia prevalence in pregnant and non-pregnant women has also increased since 2015.
- Since 2015, the proportion of the population using safely managed drinking water has slightly increased from 16% to 18% by 2022, while the practice of open defecation reduced from 25% to 16% of the population in the same period. Lao PDR is far below the regional averages for these two indicators, despite an increase in safely managed sanitation services, reaching 61% of the population in 2022.

## RECOMMENDATIONS

Climate change, conflicts, epidemics, trade disruptions, price shocks, and other compounding crises have highlighted the multifaceted vulnerability of food systems. The Ukraine crisis and the repercussions of COVID-19 have contributed to a sharp rise in food and energy prices, precipitating food insecurity, poverty, and inequality. Climate change has exacerbated the situation with extended droughts, flooding and extreme weather events, impacting the most vulnerable. On the other hand, food systems contribute significantly to climate change and environmental degradation, which compromises human health and well-being.

In light of this, the Government of Lao PDR developed in 2021 a National Pathway to Sustainable Food Systems<sup>18</sup> with the support of the UN. The report resulted from numerous consultations which explored the food system as a whole, identifying country-specific opportunities and challenges, and discussing synergies and trade-offs between different thematic

areas and elements of food systems. Four tracks which require concerted effort were identified:

1. Ensure safe and nutritious food for all
2. Boosting nature-positive food production at sufficient scales
3. Advancing equitable livelihoods and value distribution
4. Building resilience to vulnerabilities, shocks and stress

The National Pathway is currently being translated into a National Food System Action Plan that is realistic, prioritized, evidenced-based and aligned with national development objectives and which supports multi-sectoral and multi-stakeholder engagement, partnership and action at national and local levels, to develop a more sustainable food system, that ensures no one is left behind, which is integral to accelerating progress towards the SDGs.

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18 See <https://laopdr.un.org/en/137391-synthesis-report-pathways-sustainable-food-systems-food-systems-summit-2021-member-state>

## 3.6 DIGITAL PUBLIC INFRASTRUCTURE

9.1.2	Passenger and freight volumes	↘
9.2.1	Manufacturing value added	↗
9.3.2	Small-scale industries with a loan or line of credit	↗
9.a.1	Official international support to infrastructure	↘
9.b.1	Medium and high-tech industry value added	→
9.c.1	Population covered by a mobile network	↗
17.1.2	Domestic budget funded by domestic taxes	↗
17.6.1	Fixed Internet broadband subscription by speed	↗
17.7.1	Funding for of environmentally-sound technologies	↗
17.8.1	Internet users	↗
17.11.1	Developing/least developed countries share of global exports	→
17.18.3	National statistical plan funded/under implementation	↗
17.19.1	Financial resources to strengthen statistical capacity in develo..	↗

### DATA ANALYSIS

- Air passenger and freight volumes have significantly reduced due to the COVID-19 pandemic.
- The share of manufacturing in the economy has increased from 8.2% in 2015 to 8.8% of the GDP in 2022, accompanied by a significant increase in per capita terms, from 173.6 to 234.2 USD per capita, although these levels are few below regional averages.
- Small-scale industries with a loan or line of credit increased from 6.7% to 25.7%, although the medium and high-tech industry value added remained stagnant at 3.8% of the total manufacturing value added.
- Lao PDR is lagging other Asian countries in mobile network coverage. 3G networks have reached 85% of the population, whereas only half is covered by 4G networks. Broadband internet connections have increased from 0.2 to 2 subscriptions per 100 population, even as internet users have tripled from 2015, reaching 62% of the population in 2022.
- The country's exports have increased from 0.0221% to 0.0345% of the global merchandise trade as of 2021, whereas the global share of service exports has sharply declined from 0.0169% to 0.0021%.
- Lao PDR has a national statistical plan under implementation with resources to strengthen statistical capacity reaching 8.1 million US dollars in 2019.

## RECOMMENDATIONS

The transition to digital-based, data-generating, public infrastructure will increase the efficiency and transparency of government services, reduce the potential for local corruption, and standardize the quality of services received. However, if digital access and skills are not extended equally to marginalized groups and communities, then inequality will grow. The Digital Government Masterplan lays out a pathway for Lao PDR to transition from digitally nascent to digitally emerging. Improving the digital maturity of Lao PDR creates synergies across SDGs 4, 8, 9 and 17 as the economy, infrastructure, and education of Lao PDR reinforce each other, better preparing the country for the digital age.

The greater the integration of digital infrastructure into government processes the greater the potential for data generation, creating multiplier effects in statistical monitoring across all SDGs. The more information available on SDG implementation, the greater the opportunity for targeted interventions by government and development partners.

### *Recommendations:*

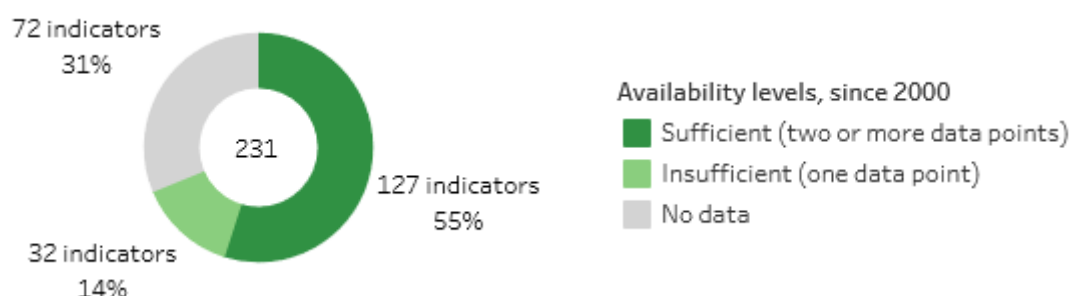
- Implement the Digital Government Masterplan
- Review, and update to international best practice, the current ICT/digital curriculum in schools, universities, and vocational institutes in Lao PDR with the collaboration of private industry, academia, and civil society.
- Close the digital gender gap by encouraging greater female enrolment in STEM subjects at the tertiary level, possibly through quotas or awareness-raising campaigns on opportunities for women.
- Continue rolling out high-speed internet and mobile data coverage throughout Lao PDR, providing special attention to population groups and areas that risk being left behind.
- Implement the 15 work programmes and associated main activities of the National Strategy for the Sustainable Development of the National Statistical System 2016-2025 and Vision by 2030, including:
  - Strengthen the vertical and horizontal organizational network of the National Statistical System, with the Lao Statistics Bureau as the coordinating body, to link local to national data and improve the dissemination and exchange of statistics.
  - Supply adequate funding from the government for the planned expansion and development of human resources in the statistical network, from central to village level, including upskilling staff through formal qualifications.
  - Accelerate the adoption of modern Information Communication and Technology (ICT) as well as international standards, methodologies, and classification systems of data collection.
  - Continue regularly carrying out the high-quality UN-supported disaggregated data collection mechanisms that monitor SDGs.

## 4. DATA AND STATISTICS

By the end of 2022, Lao PDR had 127 indicators with sufficient data in the Global SDG Database (Figure 4). This is a considerable increase from only 96 in 2019, but still, more than a hundred indicators

have insufficient or no data. The pace of improving data availability must increase if we are to gain better insights into the achievements of Lao PDR in the implementation of the Goals.

**FIGURE 4: SDG DATA AVAILABILITY FOR LAO PDR IN 2022**

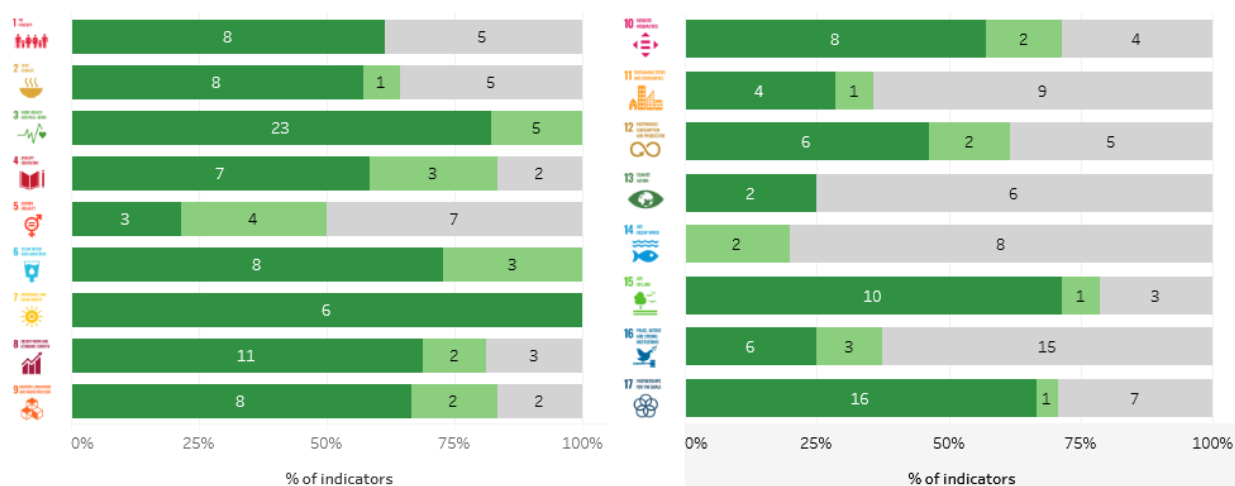


Source: ESCAP, [Asia-Pacific SDG Gateway](#).

Notably, Goals 5, 11, 12, 13 and 16 have the least data availability, with fewer than half of the indicators with sufficient data (Figure 5). This situation is not unique to Lao PDR, due to complexities in producing

indicators, particularly for Goals 5 and 16. For this reason, the global community has produced resources<sup>19</sup> to support the production of these important statistics.

**FIGURE 5: SDG DATA AVAILABILITY FOR LAO PDR BY GOAL IN 2022**



Source: ESCAP, [Asia-Pacific SDG Gateway](#).

19 ESCAP 2023, Asia and the Pacific SDG Progress Report 2023 (see [Chapter 3](#))



Filling in the data gaps requires coordination among national data providers and collaboration with global custodian agencies. Lao PDR can better

monitor its progress towards 2030 with more availability and better-disaggregated data.

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