

ASIAN DEVELOPMENT BANK MEMBER FACT SHEET



Lao People's Democratic Republic: 2023 Commitments (\$ million)^a

Product Type	Sovereign	Nonsovereign	Total
Loans	45.00	100.00	145.00
Grants	–	10.00	10.00
Technical Assistance ^b	3.87	1.40	5.27
Total	48.87	111.40	160.27

– = nil.

Notes:

Commitment is the financing approved by ADB's Board of Directors or Management for which the legal agreement has been signed by the borrower, recipient, or the investee company and ADB.

It comprises the amount indicated in the investment agreement, which—depending on the exchange rate at the time of signing—may or may not be equal to the approved amount.

^a Numbers may not sum precisely because of rounding.

^b Financing for technical assistance projects with regional coverage is distributed to their specific developing member countries where breakdown is available.

ADB operations in the Lao People's Democratic Republic focus on promoting sustainable public finances, enhancing equitable access to services, and advancing climate commitments.

LAO PEOPLE'S DEMOCRATIC REPUBLIC

Lao People's Democratic Republic: Cumulative Commitments^{a,b,c}

Sector	No.	Total Amount (\$ million) ^d	
		Sovereign	Nonsovereign
Agriculture, Natural Resources, and Rural Development	77	511.88	3.00
Education	36	311.40	–
Energy	48	307.58	354.84
Finance	30	87.97	3.45
Health	24	218.44	–
Industry and Trade	19	109.31	0.32
Information and Communication Technology	–	–	0.14
Multisector	7	21.63	–
Public Sector Management	54	136.29	0.20
Transport	48	548.53	–
Water and Other Urban Infrastructure and Services	40	416.17	–
Total	383	2,669.21	361.95

– = nil.

^a Includes loans, grants, guarantees, and technical assistance.

^b Using primary sector in the reporting of commitments.

^c From 2020, financing for technical assistance projects with regional coverage is distributed to their specific developing member countries where breakdown is available.

^d Numbers may not sum precisely because of rounding.

Increased activity in tourism and logistics in the Lao People's Democratic Republic (Lao PDR) bolstered the services sector and provided a bright spot in the economy. However, the economy continues to be affected by macroeconomic instability, with the national currency depreciating and inflation remaining at double-digit levels in 2023. Economic recovery was also held back by the late onset of the monsoon season and growing difficulties in meeting financing needs, with the International Monetary Fund (IMF) assessing the country to be in debt distress.¹ Sound macroeconomic management, including stronger coordination across fiscal and monetary policies, is urgently needed to address the country's economic and financial challenges.

As of 31 December 2023, the Asian Development Bank (ADB) has committed 365 public sector loans, grants, and technical assistance totaling \$2.7 billion to the Lao PDR. ADB's current sovereign portfolio in the Lao PDR includes 10 loans and 7 grants worth \$571.5 million.²

Cumulative sovereign and nonsovereign loan and grant disbursements to the Lao PDR amount to \$2.5 billion. These were financed by regular and concessional ordinary capital resources, and the Asian Development Fund.

¹ IMF. 2023. *Lao People's Democratic Republic: 2023 Article IV Consultation—Press Release, Staff Report, and Statement by the Executive Director for Lao PDR*. Washington, DC.

² Sovereign portfolio consists of ADB-financed loans, grants, equity investment, and sovereign guarantee committed and not financially closed. Regional projects with loans/grants to multiple countries are reported separately.



ADB committed a \$45-million concessional loan to help improve the quality of health care, which includes a focus on expanding premium health care services in provincial and district health facilities. In addition, it approved a further \$88.8 million in concessional loans, grants, and technical assistance to support the Lao PDR to mitigate climate risks in both urban and rural areas and strengthen public finance management. A \$35-million concessional loan and a \$10-million grant will help support sustainable, inclusive, and resilient urban development in Luang Prabang City. A \$32-million financing package will help strengthen the Lao PDR's response to climate change while improving the livelihoods of agricultural communities in Vientiane and the central provinces of Bolikhamxai and Khammouan. A \$10-million grant from the Global Agriculture and Food Security Program was provided as additional financing to strengthen responses to food security challenges. ADB and the United States Agency for International Development (USAID) provided a total of \$1.8-million in technical assistance to support stronger accountability mechanisms for more effective and transparent use of public funds.

In 2023, ADB committed the nonsovereign 600-megawatt Monsoon Wind Power Project which will sell clean renewable energy to neighboring Viet Nam. It is the first wind power project in the Lao PDR, the largest in Southeast Asia, and the first cross-border wind project in Asia. In addition, ADB Frontier, a fund nurturing small and medium-sized enterprises, provided support to Slow Coffee for promoting biodiversity on coffee farms and to The Green Company for promoting poultry industry developments using technology-enabled solutions. ADB is also supporting public-private partnerships, including through technical assistance, to upgrade regulatory frameworks.

Nonsovereign operations. Total outstanding balances and undisbursed commitments of ADB's nonsovereign transactions in Lao PDR as of 31 December 2023 amounted to \$229.63 million representing 1.94% of ADB's total private sector portfolio.

Operational challenges. ADB classifies the Lao PDR as a country in a fragile and conflict-affected situation. Weak government capacity remains a challenge, impacting the timeliness and quality of audited project financial statements. Delays in bid evaluations and weak contract management also contribute to project implementation delays. The government and ADB continue to collaborate to improve portfolio performance through regular portfolio review meetings in which actions to resolve broad project issues are agreed and monitored. ADB provided tailored procurement and financial management training in 2023, demonstrating the bank's continued commitment to improving the capacities of executing and implementing agencies.

KNOWLEDGE WORK

Since 2022, ADB and the World Bank have been jointly supporting the government in articulating a comprehensive reform road map for securing macroeconomic stability encompassing domestic resource mobilization, expenditure management, financial sector stability, and an enabling business environment.³ On 4–5 October 2023, the Ministry of Finance and ADB jointly organized a High-Level Dialogue on Good Practices

Lao People's Democratic Republic: Share of Procurement Contracts for Loan, Grant, and Technical Assistance Projects

Item	Goods, Works, and Related Services	
	Amount (\$ million)	% of ADB Total
2022	36.95	0.23
2023	21.47	0.15
Cumulative (as of 31 Dec 2023)	1,340.39	0.51

Item	Consulting Services	
	Amount (\$ million)	% of ADB Total
2022	1.32	0.24
2023	0.73	0.14
Cumulative (as of 31 Dec 2023)	99.41	0.62

Item	Total Procurement	
	Amount (\$ million)	% of ADB Total
2022	38.27	0.23
2023	22.20	0.15
Cumulative (as of 31 Dec 2023)	1,439.80	0.52

Top 5 Contractors/Suppliers from the Lao People's Democratic Republic Involved in Goods, Works, and Related Services Contracts under ADB Loan and Grant Projects, 1 January 2019–31 December 2023

Contractor/Supplier	Sector	Contract Amount (\$ million)
Xayya Construction Company Sole Co. Ltd.	ANR, TRA, WUS	14.45
Khamfong Group Sole Co. Ltd.	TRA, WUS	12.64
DM Group Sole Co. Ltd.	WUS	9.95
SKN Trading Import-Export Sole Co. Ltd.	HLT, IND	7.66
Chalernchai Construction-Repair Irrigation, Roads, Bridge and Homestead Sole Co. Ltd.	ANR, EDU	7.54
Others		272.29
Total		324.53

ANR = agriculture, natural resources, and rural development; EDU = education; HLT = health; IND = industry and trade; TRA = transport; WUS = water and other urban infrastructure and services.

Top 5 Consultants from the Lao People's Democratic Republic Involved in Consulting Services Contracts under ADB Loan, Grant, and Technical Assistance Projects, 1 January 2019–31 December 2023

Consultant	Sector	Contract Amount (\$ million)
Lao Consulting Group Ltd.	ANR, WUS	8.13
Soksay Chaluersap Consulting Sole Co. Ltd.	ANR	1.05
Inova Consultant Sole Co. Ltd.	ANR, IND	0.64
Lao Transport Engineering Consultant	TRA	0.27
Indochina Research (Laos) Ltd.	EDU	0.13
Individual Consultants		6.88
Others		1.45
Total		18.55

ANR = agriculture, natural resources, and rural development; EDU = education; IND = industry and trade; TRA = transport; WUS = water and other urban infrastructure and services.

³ World Bank and ADB. 2022. Reform Roadmap to Support the Implementation of the National Agenda on Addressing Economic and Financial Difficulties. Vientiane.

for Enhancing Public Debt Management. Joined by over 120 participants, the event focused on the interconnections between public debt and policies for putting the country on a more sustainable path for managing its public debt.

In 2023, ADB released economic reports on the Lao PDR through the [Asian Development Outlook](#). The bank also published two briefs: [Strengthening Foundations to Unlock Green Finance in the Lao People's Democratic Republic](#) which explored options for expanding green financing, and [Assessment of Cropland Changes in New Irrigation and Flood Embankment Infrastructure in Vientiane, Lao PDR](#) which discussed ways of enhancing agricultural productivity. Technical assistance also supported the Lao PDR in updating its National Strategy on Climate Change which articulates directions for transitioning to net-zero emissions and building the country's long-term climate resilience.

FINANCING PARTNERSHIPS

Financing partnerships enable ADB's financing partner governments or their agencies, multilateral financing institutions, and private organizations to participate in financing ADB projects. The additional funds provided may be in the form of loans and grants, technical assistance, and nonsovereign cofinancing.

Cumulative cofinancing commitments in the Lao PDR:

- Sovereign cofinancing: \$434.99 million for 34 investment projects and \$49.61 million for 56 technical assistance projects since 1973
- Nonsovereign cofinancing: \$1.08 billion for 2 investment projects since 2014

In 2023, the Lao PDR received \$10 million in grant cofinancing from the [Global Agriculture and Food Security Program](#) and \$4 million in grant cofinancing from the [World Food Programme](#) for additional financing of the [Sustainable Rural Infrastructure and Watershed Management Sector Project](#).

A summary of projects with cofinancing from 1 January 2019 to 31 December 2023 is available at www.adb.org/countries/lao-pdr/cofinancing.

FUTURE DIRECTIONS

ADB will support the Lao PDR's 2024 chairmanship of the Association of Southeast Asian Nations (ASEAN) through events and knowledge products that focus on areas such as energy transition, food security, and gender inclusion. A new country partnership strategy for the [Lao PDR covering 2024–2028](#) will focus on strengthening foundations for an inclusive, sustainable, and resilient economy, including promoting sustainable public finances, enhancing equitable access to services, and advancing climate commitments. Domestic resource mobilization will continue to be a critical component of ADB's future support; in particular, ADB will continue supporting the government in modernizing its tax administration system. Policy dialogue on the business environment and sustainable public finances will help shape the government's reform program. To enhance access to services, ADB will expand its support for quality health care services in border areas and help build resilience through social assistance in rural areas. ADB will contribute to food security and climate resilience through investments supporting financial inclusion for more sustainable agrifood systems. ADB will also seek opportunities to expand climate mitigation and adaptation support across all sectors, including renewable energy and carbon sequestration.

Lao People's Democratic Republic: Ordinary Capital Resources Nonsovereign Commitments by Product

	2023	2019–2023
Number of Transactions Signed (OCR)	1	1
Number of Transactions Signed (Programs)	0	0
	Amount (\$ million)	
Loans	100.00	100.00
Equity Investments	–	–
Guarantees	–	–
Debt Security	–	–
Trade and Supply Chain Finance Program and Microfinance Program	–	–
Total	100.00	100.00

– = nil, OCR = ordinary capital resources.

Lao People's Democratic Republic: Portfolio Performance Quality Indicators for Sovereign Lending and Grants, 2022–2023

	2022 (\$ million)	2023 (\$ million)
No. of Ongoing Loans ^a (as of 31 Dec 2023)		10
Contract Awards ^{b,c}	14.49	23.41
Disbursements ^b	50.18	25.98
No. of Ongoing Grants ^{b,d} (as of 31 Dec 2023)		7
	2022 (\$ million)	
Contract Awards ^{b,c,d}	26.15	12.34
Disbursements ^{b,d}	31.50	32.80
At Risk Projects (%) ^e (as of 31 Dec 2023)		8

Note: Totals may not add up because of rounding.

^a Based on commitments.

^b Includes closed loans/grants that had contract awards or disbursements during the year.

^c Excludes policy-based, results-based, financial intermediation (FI)/credit, FI component of combined FIL/Project loan and grants and projects funded by Asia Pacific Disaster Response Fund (APDRF).

^d Includes only Asian Development Fund.

^e Covers active projects as of 31 December 2023.

Lao People's Democratic Republic: Independent Evaluation Ratings for Sovereign and Nonsovereign Operations, 2014–2023

	Total Number of Validated and Evaluated Projects and Programs	Evaluation Ratings		
		Highly successful and successful	Less than successful	Unsuccessful
Sovereign Operations	21	15	6	–
Nonsovereign Operations	1	1	–	–

– = nil, IED = Independent Evaluation Department.

Note: The numbers indicate sovereign and nonsovereign operations in the country that have been validated or evaluated by the IED and their overall performance ratings. The coverage consists of all validated or evaluated project completion reports and extended annual review reports circulated by ADB within the 10-year period from 1 July 2013 to 30 June 2023. See [evaluations](#) related to the Lao People's Democratic Republic.

Source: IED success rate database.

Lao People's Democratic Republic: Projects Cofinanced, 1 January 2019–31 December 2023

Cofinancing	No. of Projects	Amount (\$ million)
Sovereign^a	2	64.74
Loan	1	21.00
Grant	1	43.17
Technical Assistance	1	0.58
Nonsovereign	2	582.55

^a A project with more than one source of cofinancing is counted once.

ADB AT A GLANCE

ADB is committed to achieving a prosperous, inclusive, resilient, and sustainable Asia and the Pacific, while sustaining its efforts to eradicate extreme poverty. Established in 1966, it has 68 members—49 from the region and 19 outside. ADB headquarters is in Manila, Philippines and has 43 offices around the world, with 3,894 staff from 65 members as of 31 December 2023.

ADB maximizes the development impact of its assistance to its developing member countries by providing financing and tailored knowledge solutions through policy dialogue and advisory services, among others.

As Asia and the Pacific's climate bank, ADB reached its highest-ever annual financing for climate action in 2023: \$9.8 billion, including \$1 billion in nonsovereign financing.

ADB's evolution is ongoing. Strategy 2030 is being updated; and a new operating model was launched midyear to increase capacity as the region's climate bank, spur private sector development, provide a wider range of integrated development solutions, and modernize how ADB works. Major capital management reforms have also unlocked up to \$100 billion in new funding capacity over the next decade. These initiatives strengthen ADB's ability to help DMCs address urgent and accelerating development challenges and achieve the Sustainable Development Goals.

ADB operations. In 2023, ADB committed \$23.6 billion in loans, grants, equity investments, guarantees, private sector programs, and technical assistance to both the public and private sectors of its borrowing members. ADB bolstered its total support with cofinancing of \$16.4 billion.

As of 31 December 2023, ADB's cumulative commitments in 45 countries stood at \$378.8 billion covering 4,324 loans, \$13.4 billion in 602 grants, and \$5.8 billion in technical assistance grants, including regional technical assistance grants.

In addition to loans, grants, and technical assistance, ADB uses equity investments, guarantees, and private sector programs to help its developing member countries.

Total commitments in nonsovereign loans, equity investments, and guarantees from ADB's own funds in 2023 amounted to \$1.7 billion for 40 transactions in economic and social infrastructure, finance sector, and agribusiness.

In 2023, ADB mobilized \$3.3 billion of long-term project cofinancing and \$3.1 billion of cofinancing through its Trade and Supply Chain Finance Program and Microfinance Program. Total outstanding balances and undisbursed commitments of nonsovereign transactions funded by ADB's own resources stood at \$11.8 billion as of 31 December 2023.

FINANCING PARTNERSHIPS

Total sovereign and nonsovereign cofinancing commitments, 2023

- \$16.39 billion for 172 projects, of which:
 - » \$15.85 billion, 90 investment projects,
 - » \$103.66 million, 80 technical assistance projects,
 - » \$442.91 million transaction advisory services for 2 projects.*

Cumulative sovereign and nonsovereign cofinancing commitments, 1970–2023

- \$168.27 billion for 3,421 projects, of which:
 - » \$163.66 billion, 1,238 investment projects,
 - » \$3.03 billion, 2,172 technical assistance projects,
 - » \$1.58 billion transaction advisory services for 11 projects.**

* Adjusted to exclude \$36.71 million A Loans mobilized under transaction advisory services reported under nonsovereign operations financing, and \$150.1 million cofinancing reported in nonsovereign projects cofinancing.

** Adjusted to exclude \$41.44 million A Loans mobilized under transaction advisory services reported under nonsovereign operations financing, and \$150.1 million cofinancing reported in nonsovereign projects cofinancing.

PROCUREMENT

ADB's procurement contracts in Asia and the Pacific for **goods, works, and related services** under loan and grant operations:

- \$16.33 billion in 2022
- \$13.98 billion in 2023
- \$261.05 billion covering 231,117 contracts, cumulative procurement since 1966

ADB's procurement contracts in Asia and the Pacific for **consulting services** under loan, grant, and technical assistance operations:

- \$553.94 million in 2022
- \$530.31 million in 2023
- \$16.04 billion covering 78,888 contracts, cumulative procurement since 1966

MORE ABOUT THE LAO PEOPLE'S DEMOCRATIC REPUBLIC AND ADB

Shareholding and Voting Power

Number of shares held: 1,476 (0.014% of total shares)
Votes: 40,590 (0.305% of total membership, 0.469% of total regional membership)

*Overall capital subscription: \$19.8 million
*Paid-in capital subscription: \$1.23 million

*United States dollar figures are valued at rate as of 31 December 2023.

ADB Governor: Santiphab Phomvihane
ADB Alternate Governor: Vathana Dalaloy
ADB Director: Vikas Sheel (India)
ADB Alternate Director: Nim Dorji (Bhutan)
ADB Director's Advisors: V. Ponnuraj (India) and Smita Sarangi (India)

CONTACTS

Lao PDR Resident Mission

Established: 2001

Country Director: Sonomi Tanaka

Asian Development Bank

Corner of Lanexang Avenue and Samsenthai Road, P.O. Box 9724
Vientiane, Lao PDR
Tel: +856-21-250444
Fax: +856-21-250333
adbirm@adb.org
www.adb.org/lao-pdr
www.facebook.com/ADBLaoPDR

ADB Headquarters

6 ADB Avenue, Mandaluyong City
1550 Metro Manila, Philippines
Tel: +63 2 8632 4444
Fax: +63 2 8636 2444
www.adb.org

Ministry of Finance

23 Singha Road, P.O. Box 46
Vientiane, Lao People's Democratic Republic
Tel: +856-21-412142
Fax: +856-21-412142
www.mof.gov.la

Useful ADB websites

Asian Development Bank
www.adb.org

Annual Report
www.adb.org/documents/series/adb-annual-reports

Asian Development Outlook
www.adb.org/publications/series/asian-development-outlook

ADB Data Library
data.adb.org

Notes: (i) Figures are estimated by ADB unless otherwise stated. "\$" refers to United States dollars. (ii) Data are updated as of 31 December 2023 unless otherwise indicated.