Asian Development Bank in the Lao People's Democratic Republic
About ADB

The Asian Development Bank (ADB) is an international development finance institution. ADB is committed to achieving a prosperous, inclusive, resilient, and sustainable Asia and the Pacific, while sustaining its efforts to eradicate extreme poverty. Strategy 2030 sets the course for ADB’s efforts to respond to the region’s changing needs until 2030.

ADB offers innovative and concessional financing solutions to governments and businesses, including loans, grants, guarantees, and equity, to help the socioeconomic development of its developing member countries. ADB also brings in new knowledge and technical assistance so that government and private sector clients can make the best decisions for their countries’ sustainable development.

ADB in the Lao People’s Democratic Republic

ADB extended its first assistance to the Lao People’s Democratic Republic (Lao PDR) in the early 1970s after the ADB was established in 1966. Since then, the Lao PDR has sustained economic growth; reduced poverty; and improved food security, health, and education. ADB has been an integral part of this remarkable shift while remaining one of the country’s largest multilateral financiers. ADB is seen as a leader in economic development and regional integration, mainly through Greater Mekong Subregion (GMS) initiatives.

ADB supports sustainable, inclusive, and green growth in the Lao PDR. With a focus on strengthening governance and institutional capacity, the bank’s operations aim to make cities more livable, as well as improving the management of agricultural and natural resources for better food security. Always promoting inclusive growth, ADB also helps to build infrastructure that enhances connectivity—to catalyze private investment, generate employment, and boost incomes. Fostering innovative, sustainable financing, the bank nurtures partnerships to support the country’s growth and resilience to external shocks.

Fundamental priorities of the bank’s assistance are climate change mitigation and adaptation, gender equality, good governance, and private sector development.
Boosting skills and growing businesses

ADB is helping the Lao PDR improve access roads to open new areas for private tourism investment and expand access to markets and social services. These initiatives create business opportunities for the Lao people, including ethnic women, to generate income and improve their quality of life by creating tourism-related jobs and providing trainings on tourism-related products and services.

Forest and biodiversity conservation

Since 2006, ADB has helped the Lao PDR establish biodiversity corridors to ensure better forest connectivity between protected areas in important transboundary landscapes in Attapu and Xekong provinces.

Strengthening public administration

ADB is a key development partner for the Lao PDR, supporting its government in improving public administration and financial management, to promote more agile public sector responses that sustain inclusive economic growth.
Greater Mekong Subregion

In 1992, with support from ADB, a program of cooperation was established for stronger economic relations between these six nations sharing the Mekong River: Cambodia, the Lao PDR, Myanmar, the People’s Republic of China (Yunnan Province and Guangxi Zhuang Autonomous Region), Thailand, and Viet Nam.

The Greater Mekong Subregion Economic Cooperation Program Strategic Framework 2030 (GMS-2030) aims to strengthen regional cooperation and integration and ensure a robust recovery from COVID-19.

GMS-2030 builds upon recognized strengths with a project-led approach that benefits communities, supports connectivity, and improves competitiveness. Building on decades of successful program experience, GMS-2030 provides continuity—and it will be updated to reflect any evolving global and regional forces that may impinge on the subregion’s development prospects.

Sector Operations

ADB provides assistance in sector areas including agriculture and natural resources, education, energy, health, public sector management, transportation, and water supply, urban and tourism infrastructure and services. It also catalyzes private sector development and public private partnerships across a range of industries.
1. Agriculture and Natural Resources

ADB has been the Lao PDR’s long-term partner in agriculture since the early 1970s. For over 5 decades, ADB has helped transform the sector to become market-base, with a focus on food security, agricultural commercialization, stabilization of shifting cultivation, disaster risk management, and sustainable forest management. Since 2010, the country has augmented land use planning, setting aside over 1.2 million hectares of conservation and protection forest, and around 700 kilometers of forest corridor demarcations, and creating 1,000 hectares of newly planted forest in Attapu, Champasak, and Xekong provinces. Farmers have increased their agricultural production for food and income through improved irrigation systems, access roads to markets, and the capacity to farm with modern and climate-smart technologies. The Lao PDR participates in the regional and global trade of agricultural, food, and forest products—with ADB’s support enhancing the country’s sanitary and phytosanitary capacities, its food safety, and the protection of its plants and animals.

2. Education

ADB’s assistance has complemented the Lao PDR’s initiatives in rationalizing postsecondary education, strengthening higher education, and fostering skilled human resources to lead the country’s transition toward a market economy. The country’s postsecondary education was upgraded with the establishment of the National University of Laos in 1996 and opening of two regional universities in 2014 (Champasak University and Souphanouvong University). ADB also helped improve the country’s economic competitiveness and increase employment opportunities for higher education graduates. Since 2010, ADB has supported over 3,700 university staff and teachers to upgrade their skills in management, teaching, and research. Over 5,000 students from low-income families received financial support for their vocational education and training, while 17,000 students have benefited from educational facilities, including 13 dormitories, provided by ADB.
3. Energy

ADB continues to help the Lao PDR increase its power generation capacity, including through renewable energy investments, while also expanding transmission and distribution networks to rural communities and enhancing the institutional and regulatory capacity of the sector. By the end of 2021, ADB had contributed to 94% of households having access to electricity through on-grid, off-grid, or solar home systems.

4. Health

ADB has assisted the Lao PDR in developing health systems since 1995. The assistance has boosted the country’s capacity to control communicable diseases and respond to public health emergencies and priority issues, with support provided for the national COVID-19 vaccine deployment program. The bank’s support includes building health facilities across the country, including health centers, district hospitals, and provincial hospitals, notably in Houaphanh, Louangnamtha, Oudomxai, and Phongsali provinces. ADB has also helped equip health workers with skills and provided critical medical supplies and materials.
5. Public Sector Management

ADB has helped strengthen public sector management in the Lao PDR, through technical assistance as well as concessional loans and grants implemented by the Ministry of Finance, the Ministry of Planning and Investment, the State Audit Organization, the Ministry of Home Affairs, the Bank of the Lao PDR, and the National Assembly. This assistance has improved the formulation and execution of fiscal policy and medium-term development planning, as well as bond market operation, financial audit, and oversight functions. ADB’s support has also helped develop medium-term fiscal and expenditure frameworks, and improved government financial information systems for better budget reporting and audit purposes.

6. Transportation

ADB has assisted the Lao PDR to overcome its landlocked limitations and become a well-connected country, with improved transport and other linkages that boost its local and regional trade. Since the early 1980s, ADB has helped the country build and rehabilitate roads and bridges, ranging from rural access roads in provinces to regional roads, including Route 3 connecting the People’s Republic of China to Thailand via Louangnamtha and Bokeo provinces. ADB’s contribution to road improvement totals about 2,520 kilometers, or 4.2% of the total length of the existing transport network, or 23% of the entire paved roads.
7. Water Supply, Urban and Tourism Infrastructure and Services

Rapid urbanization in the Lao PDR has greatly increased the need for waste management, water supply, and sanitation infrastructure and services. ADB and the Lao PDR have worked together to create more livable cities and towns through urban, water supply, and tourism projects and enhanced participatory and integrated planning with various development sectors. ADB has extended its support to improve urban infrastructure and services, including urban road upgrading, landfill investments, riverbank protection, and the building of recreation facilities. The support has also expanded to rural households through water supply connection and sanitation investments, including strengthening the government’s institutional capacity to promote regional value chains and economic growth.

8. Private Sector and Public–Private Partnerships

ADB catalyzes, structures, and provides financing to privately held and state-sponsored companies across a wide range of industry sectors. In the Lao PDR, the 600-megawatt Monsoon Wind Power Project will export and 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.

ADB Frontier is the bank’s new fund nurturing small and medium-sized enterprises (SMEs) in the region’s frontier markets, including the Lao PDR. This fund supports Slow Coffee, which promotes biodiversity on coffee farms by growing and protecting native plants and trees. Its agroforests capture carbon and help local farmers to earn sustainable, fair, and equitable livelihoods. ADB Frontier also supports The Green, which produces organic eggs for local and export markets by using technology-enabled solutions that increase farmers’ incomes and help them adapt to climate change. ADB is also exploring opportunities to promote public–private partnerships, including technical assistance for upgrading regulatory frameworks.
Lao People’s Democratic Republic
ADB Project Map by Sector
(as of June 2023)
Policy Dialogue

The Lao PDR’s economy was steadily expanding before COVID-19. The pandemic’s impact on lives and livelihoods, together with global inflation and the country’s currency depreciation in 2022, have created challenges for its medium-term macroeconomic policy framework, particularly the management of external public debt.

ADB is helping the Lao PDR to address these challenges by increasing support for the country’s debt and public finance management, and also by engaging in regular policy dialogue to nurture better local business environments that attract more investments and create jobs.

The bank supports the government’s implementation of its Five-Year National Socio-Economic Development Plan and participates actively in development partner coordination through annual meetings and sector working groups, including co-chairing the Macroeconomic Working Group and the Infrastructure Sector Working Group.

Knowledge Operations

ADB provides technical assistance, among other tools, to help the Lao PDR address development challenges with knowledge solutions through improved program and project delivery, enhanced capacities and skills, and increased awareness and evidence-based information.

Project Delivery Improvement

In the city of Kaysone Phomvihane, Savannakhet province, ADB is helping the local government to address its rapid urbanization by improving urban infrastructure and services, including facilities for better solid waste management and sanitation.

Vientiane’s farmers have improved their management of seasonal floods and droughts - thanks to a modern irrigation system, flood-proof roads, and disaster-risk control measures designed by an ADB-supported project.
Capacity and Skills Enhancement

ADB is helping the Ministry of Health to improve its scientific research capacities, to provide higher standards of clinical care across the Lao PDR. This includes assistance for the University of Health Sciences, to strengthen its research capabilities, teaching techniques, and distance learning methods and equipment.

Increased Awareness and Evidence-Based Information

ADB publishes regular economic forecasts and assessments of economic issues in developing Asia through its flagship publication, the *Asian Development Outlook*. The bank also prepares a range of technical studies, policy briefs, and assessments of development challenges and opportunities for the Lao PDR. Recent reports include the *Provincial Facilitation for Investment and Trade Index* which measures the quality of provincial support for private sector development and *Gender Analysis of Measuring for Business Development in the Lao PDR*. ADB also published *Developing Agriculture and Tourism for Inclusive Growth in the Lao People’s Democratic Republic*, and *Leveraging Benefits of Regional Economic Integration*. 
Asian Development Bank in the Lao People’s Democratic Republic

The ADB in the Lao PDR brochure provides information about ADB and ADB vision and tools to support its member countries, with a focus on the Lao PDR. The brochure highlights ADB’s operational interventions and impacts on the country’s development by sector. It also provides information where development partners and stakeholders could participate and collaborate in the ADB operations in the country, including non-sovereign projects and knowledge operations.

About the Asian Development Bank

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 is owned by 68 members—49 from the region. Its main instruments for helping its developing member countries are policy dialogue, loans, equity investments, guarantees, grants, and technical assistance.

Asian Development Bank
Lao PDR Resident Mission
Corner of Lanexang Avenue and Samsenthai Road, P.O. Box 9724
Vientiane, Lao PDR
Tel +856 21 250444; Fax +856 21 250333
adblrm@adb.org
www.adb.org/lao-pdr
www.facebook.com/ADBLaoPDR