Global Gateway

LAO PDR - Team Europe Green Initiative in the Lao PDR

#GLOBALGATEWAY   #TEAMEUROPE

TEAM EUROPE PROPOSAL

Priority 1: Phakhao Lao (Farm-to-Fork)

- Climate-smart agriculture
- Sustainable value chains
- Food safety and Nutrition

Priority 2 : Forest Partnership

- Integrated landscape and watershed management
- Forest/ecosystems restoration and biodiversity conservation
- Forest livelihoods, timber and non-timber value chains

Catalysers

- Digitalisation
- Governance (gender, decent work, green justice, green budgeting, land, business climate)
- Business and trade facilitation, regional integration
- Green skills and youth employment

Complementary priorities

- Climate resilient infrastructure and connectivity
- Sustainable tourism and heritage
- Green and renewable energy
- Green cities

MODALITIES/TOOLS

European Partners working better together through the European Joint Programming Strategy

Large programmes co-financed by the EU, Member States and Switzerland

Technical assistance and capacity building

Blending grants, loans and guarantees

Budget support (EU only)

Tied aid loans (HU)

Cooperation with European implementing agencies and financial institutions, including EIB, AFD, FMO, GIZ, KFW, LUXDEV, PROPARCO and SDC.

Scholarships, including ERASMUS+ & Stipendium Hungaricum

EU COPERNICUS programme

Support to private investment and local credit facilities

Cooperation with European businesses/ investors

Partnerships between European and Lao Universities

Partnership with civil society organisations, including community-based

Twinning between European and Lao institutions

Partnerships with UN organisations

Support to research, and partnerships with research institutions

Complementarity and synergies with regional programmes

Joint political and policy dialogue

FLEGT VPA negotiations

KEY DELIVERABLES

Transport infrastructure

1. BRT (Bus Rapid Transit) system in Vientiane: 11.5km bus lanes, 21 stations, 96 new BRT buses meeting EURO IV emissions standard, improved pedestrian facilities near stations.
2. Rehabilitation of 1756 km of local and district roads in 6 (of 18) provinces for increased climate resilience.
3. Finance road rehabilitation to improve connectivity and accessibility.

Agriculture infrastructure

4. 15 irrigation infrastructure modernised to support wet season irrigated agriculture on 3,988 ha and dry season on 3,808 ha, supported by 100 km of year-round access roads construction.

TRANSFORMATIONAL POTENTIAL

Contribution to the transformational potential of national policies in areas of high potential for:

- Climate adaptation and mitigation
- Sustainable socio-economic development
- Private sector development
- International and regional trade
- Governance issues (e.g. workers' rights, women economic empowerment)

*This Team Europe Initiative is work in progress

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NATIONAL CONTEXT

Policy context:
- Green Growth Agenda 2030
- National Socio-economic Development Plan 2021-2025
- Governance reform for a better use of natural and human resources
- Need to face the decline of foreign aid
- Ongoing "Green revolution" of the agri-sector (use of chemical fertilizers, mechanisation)
- LDC graduation in 2026

New infrastructure development:
- Improves connectivity with international markets
- Opportunity to foster private international investments

Transition to a sustainable climate-adapted and well managed agriculture is key for:
- Reducing malnutrition
- Increasing disaster resilience
- Fostering inclusive growth

Abundant natural resources:
- Represent a comparative advantage
- Contributed to Lao's economic growth
- Threatened by uncontrolled exploitation (land conversion, extractive industries, hydropower)

Agriculture and fisheries:
- Main source of livelihoods
- 15% of the GDP and 62% of total employement

GEOPOLITICAL CONTEXT AND RELEVANT SDGs

1 NO POVERTY	2 ZERO HUNGER	3 GOOD HEALTH AND WELL-BEING	4 QUALITY EDUCATION	5 GENDER EQUALITY	6 CLEAN WATER AND SANITATION	7 AFFORDABLE AND CLEAN ENERGY	8 DECENT WORK AND ECONOMIC GROWTH
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	10 REDUCED INEQUALITIES	11 SUSTAINABLE CITIES AND COMMUNITIES	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	13 CLIMATE ACTION	15 LIFE ON LAND	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	17 PARTNERSHIPS FOR THE GOALS

EU Biodiversity for 2030

Ongoing negotiations EU/ Lao PDR on the Voluntary Partnership Agreement under the FLEGT scheme

**SDGs included based on a new JRC electronic text mining tool, which identifies SDGs (targets)