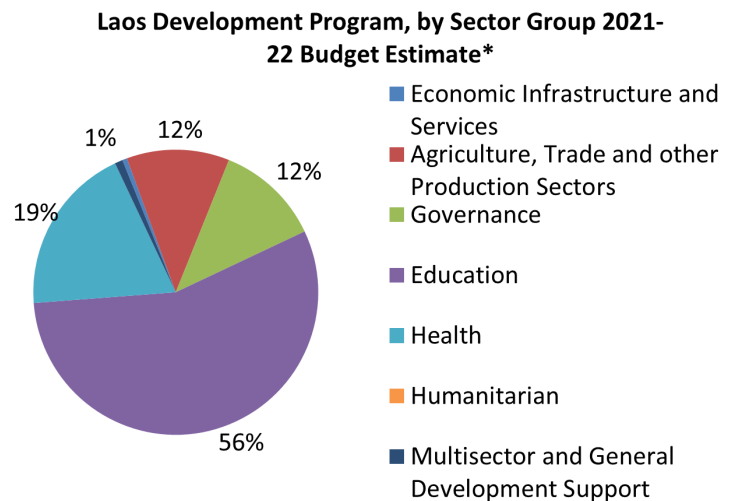


2021-22 LAOS DEVELOPMENT PROGRAM PROGRESS REPORT

The COVID-19 Development Response Plan for Laos has been extended through 2022-23. In 2022-23, the Laos Program will continue its focus on human resource development and scholarships, supporting economic reform and resilience, encouraging trade and investment, and building environmental and climate resilience. There may be additional programming in response to new Australian Government development priorities and supporting preparation of Laos' Association of Southeast Asian Nations (ASEAN) Chair year in 2024.

Program Budget	2021-22 Budget Estimate \$m*
Bilateral	20.6
Regional	7.3
Global	7.4
Other Govt. Departments	3.9
Total ODA	39.3



*Actual expenditure is expected to be available in early 2023. Due to rounding, totals may not match the sum of components. Our development program to Laos contributes towards achieving the following Sustainable Development Goals:



The 2021-22 Laos Development Program Progress Report summarises progress with implementation of the Australia – Laos COVID-19 Development Response Plan and highlights program results.


CONTEXT

COVID-19 and measures put in place to contain the pandemic have dampened economic activity over the last two years. Real GDP growth fell to 2.1 per cent in 2021 (after a decade of growth averaging 6 per cent per annum) and gross government debt increased to 95.2 per cent of GDP in 2021 (from 80 per cent in 2020).

Inflation has increased significantly from less than 2 per cent in February 2021 (year-on-year) to 30 per cent in August 2022, the highest in more than two decades. Laos' low foreign currency reserves coupled with high demand for imports and debt service repayments caused strong depreciation pressure on the local currency (Kip) throughout 2022. This had an impact on fuel imports and led to fuel shortages. Job losses and business closures are expected to continue to put pressure on household incomes, and many **households are facing food insecurity and are at risk of falling into poverty.**

Laos reached an interim target of 50 per cent of the eligible population vaccinated for COVID-19 at the end of 2021 and 71.6 per cent at the end of August 2022, on track to meet the national target of 80 per cent by end of 2022. However, disparity of vaccination coverage between urban and remote areas remains high due to delivery and accessibility challenges.

COVID-19 measures disrupted the education system at many levels. In primary education, on the official first day of the 2021-22 academic year only 85 of the 148 districts were able to commence in-person teaching. Compressed curriculum was introduced where only 80 per cent of the primary curriculum content was mandatory (reduced from eight to five subjects), reducing the school year from 336 to 267 days.



There is a **high risk that students did not achieve expected learning outcomes in the 2021-22 school year** given the reduced scope of curriculum content, teaching time, teachers' inexperience with remote and online teaching modalities, and widespread lack of internet access and devices to engage with remote and online instruction. Students who are already educationally disadvantaged will be the most negatively affected and are likely to fall further behind.

AUSTRALIA'S RESPONSE AND PROGRAM HIGHLIGHTS

Health Security

Australia committed \$27.5 million to a three-year package (2020-23) to support Laos' COVID-19 response and vaccine access, drawing on Australia's Regional COVID-19 Vaccine Access and Health Security Initiative (VAHSI), the Quad Vaccine Partnership, and bilateral funding. This support includes vaccine procurement, delivery support, and strengthening COVID-19 testing capacity. **Australia delivered more than one million doses of Pfizer and AstraZeneca COVID-19 vaccines** to Laos from domestic supply and procured doses through the UN Children's Fund (UNICEF).

Australia, through UNICEF and the World Health Organization (WHO), supported the development of key strategies including a **COVID-19 vaccination strategy and action plan for adolescents and children; Adverse Event Following Immunisation (AEFI) guidelines and training materials**. Through these partners, we also provided technical assistance to the Lao Ministry of Health and related agencies to strengthen and implement systems. This supported the implementation of the Laos National Deployment and Vaccination Plan for COVID-19 vaccines and the effective roll-out of the COVID-19 vaccination program. Australia's vaccine access and delivery support assisted Laos to fully vaccinate more than 5.2 million people, including 1.8 million people with a booster dose. In addition, Australia supported the Ministry of Health to strengthen their testing capacity in response to COVID-19 outbreaks through the **procurement of reagents and supplies for 50,000 PCR tests and four haemodialysis units**.


As part of the Australian-funded UN Population Fund (UNFPA) project, a **referral pathway for women and girl survivors of gender-based violence (GBV) was established in 2021-22 in Savannakhet Province**. A total of 790 women and girls (two women with disabilities) received counselling and assistance from the Lao Women's Union, police, health, labour, justice, social welfare and education departments. This project led to the development of the first Health Standard Operating Procedure (SOP) for gender-based violence response and establishment of a National Coordination Body to enhance the coordination between stakeholders on gender-based violence response and help deliver higher quality care for survivors of violence.

Stability

COVID-19 remained the most significant risk to timely and effective delivery of Australia's signature **Basic Education Quality and Access in Lao PDR (BEQUAL)** program. Border and school closures delayed program implementation including the production and transport of curriculum materials, teacher trainings, data collection and monitoring visits. Despite these challenges, Australia successfully supported the Ministry of Education and Sports to deliver new Grade Three curriculum materials to 8,591 primary schools across Laos. A total of **150,065 Grade Three students and 9,645 Grade Three teachers were provided with textbooks, teacher guides and other supplementary materials**. 9,645 Grade Three teachers and 366 Pedagogical Advisers received in-service training on orientation of Grade Three curriculum materials in a COVID-19 safe environment.

Australia's advocacy and leadership has ensured the education sector maintains a focus on improving learning outcomes for primary school students. The Education and Sports Sector Development Plan Annual Operational Plan has been developed and finalised. Australia's leadership ensured that key messages were delivered in the annual dialogue between the Lao Government and development partners.

Under the **Human Rights Technical Cooperation Program** we convened a seminar on the Rights of Persons with Disabilities, providing vulnerable groups and civil society organisations a rare opportunity to exchange ideas, share challenges and discuss solutions with the Lao government.



As part of our Mekong Australia Partnership on Water Energy Climate (MAP WEC), Australia continued to **support the Ministry of Natural Resources and Environment to strengthen regulatory frameworks**, including helping to develop the Lao PDR National Water Resources Strategy, and technical support for river basin planning, groundwater management, water legislation development and coordination of flows between dams on the Mekong and its tributaries. Through MAP WEC and Partnership for Infrastructure, Australia commenced **a program to support Laos to accelerate the energy transition** for sustainable development through providing capacity building and knowledge exchange. Australia continued to support the Mekong River Commission to **further enhance regional cooperation including by supporting the development and implementation of the Mekong Basin Sustainable Hydropower Development Strategy**, strengthening Joint Environmental Monitoring and enhancing regional cooperation through ASEAN and Friends of the Mekong. Through Oxfam, our support **enabled civil society organisations to engage in dialogue on water and hydropower** development through a consultation hosted by the Lao National Assembly.

Economic recovery

Australia supported Laos' economic resilience and recovery from COVID-19 through work to improve economic fundamentals and build human resource capacity. Australia provided an additional \$1 million (total contribution \$5.5 million) to the **Lao PDR Competitiveness and Trade Project (LCTP)** through the COVID-19 economic recovery fund. This multi-donor World Bank-led project is improving the business environment, trade facilitation, and firm competitiveness. In the reporting period, **the LCTP supported matching grants to 170 SMEs to improve their business operations and recover from COVID-19 impacts**. Laos' Enterprise Law was revised to reduce the number of days it takes for business registration and to introduce online registration.

Under the Mekong-Australia Partnership (MAP), Australia started a new partnership with The Asia Foundation to **improve the evidence base for economic decision-making**. This project will strengthen the capacity of provincial chambers of commerce, provide independent research and support the Lao National Assembly. Australia is using the MAP Economic Resilience Fund to **support public financial management reforms** through the World Bank. This work covers budget preparation and public expenditure management, domestic revenue mobilisation, public procurement, and human resources management. Australia's Partnerships for Infrastructure Program (P4I) is providing parallel financing to help deliver activities under the World Bank-led Southeast Asia Regional Economic Corridor and Connectivity project. P4I has started preparations for a feasibility study on upgrading cross-border facilities on National Road 2 in northern Laos.

Through the Laos-Australia Institute (LAI) and the MAP Building Human Capacity Pillar, Australia continued to support Laos' human resources development by providing **60 new Masters, PhD or technical level Australia Award Scholarships, in addition to capacity building training and short courses to Lao decision-makers, leaders and community**. LAI also developed the **leadership capabilities of seven Lao Government organisations in areas including gender equality and inclusivity skills, research and analytical skills, and English language skills** (62 per cent of all participants were female).

Gender and disability inclusion remains a strong focus of the program and is embedded in all of our program activities. An **online Inclusive Leadership course for the Mekong region** was delivered successfully in early 2022. The course included participants from Laos and the Mekong region with the aim of building a regional network of leaders who can use inclusive knowledge and practices to create change in their organisations and communities and to respond to COVID-19 challenges affecting vulnerable groups. Gender performance scores averaging 4 out of 6 generally reflected COVID-related delays in program implementation, and represent an opportunity to improve in the year ahead.

ANNEX 1: PROGRESS AGAINST COVID-19 DEVELOPMENT RESPONSE PLAN RESULTS INDICATORS

Health Security

Key Results Indicators	Progress/Result
New or improved therapeutics, diagnostics, vaccines and additional equipment provided for health centres and provincial hospitals	<p>900,580 Pfizer doses and 100,000 AstraZeneca doses were delivered to support national COVID-19 vaccine roll-out.</p> <p>Reagents and supplies for 50,000 PCR tests were provided to strengthen testing capacity. Four haemodialysis units were provided to provincial hospitals to enhance haemodialysis treatment capacity.</p> <p>COVID-19 vaccination strategy for adolescents and children and its action plan were developed.</p> <p>Adverse Event Following Immunisation guidelines were updated to include COVID-19 vaccines and the training materials were developed.</p>
Number of vulnerable women, men, girls and boys provided with emergency assistance in crisis situations (men/ women; people with disabilities) (target: 1,000,000 people have access to messages on COVID-19 prevention, and on how to report violence and sexual exploitation and abuse cases)	A total of 790 women and girls (2 women with disabilities) received counselling and assistance from the Lao Women's Union, police, health, labour, justice, social welfare and education departments in Savannakhet province. The first Health Standard Operating Procedure (SOP) for gender-based violence response was developed, and the National Coordination Body was established.

Stability

Key Results Indicators	Progress/Result
Evidence of significant policy change in the education sector (curriculum and teachers' professional development)	<p>8,591 primary schools across Laos received new Grade Three curriculum materials.</p> <p>150,065 Grade Three students (48 per cent women) and 9,645 Grade Three teachers (56 per cent women) were provided with textbooks, teacher guides and other supplementary materials.</p> <p>9,645 Grade Three teachers (56 per cent women) and 366 Pedagogical Advisers (31 per cent women) received in-service training on orientation of Grade Three curriculum materials in COVID-19 safe environment.</p> <p>Australia supported the development of the concept note for the Teacher Continuous Professional Development which was tabled at the ESGW in August 2021 and has now been approved by the Minister of Education and Sports.</p>
Number of women from poor communities holding single accounts in village banks (target: 36,344)	Supported microfinance assistance to expand the network of village banks, the number of single women accounts was increased above the target to 46,292 accounts.
Examples of Australian supported capacity building activities on human rights and COVID-19 for GoL officials (men/ women; people with disabilities)	37 participants from government (25) and non-government organisations (12) participated in a seminar on the Rights of Persons with Disabilities and the Reporting Mechanism in April 2022. 12 of the 37 participants were women, of which four were women with disabilities. Participants deepened their knowledge and understanding of the Convention on the Rights of Persons with Disabilities and learned about promotion and



	<p>protection of the rights of persons with disability in Laos. They discussed a wide range of issues, including the impact of the COVID-19 outbreak for women and people with disabilities and potential response actions.</p>
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Economic Recovery

Key Results Indicators	Progress/Result
<p>Examples of entrepreneurial activities (men/ women; people with disabilities) supported with financial and/or business development services</p>	<p>In partnership with the United States and the World Bank, supported the Lao PDR Competitiveness and Trade project to increase the target number of companies assisted by the Business Assistance Facility from 300 to 500. As of June 2022, the project had approved 282 grants to SMEs. In the reporting period, LCTP has significantly increased its support to 170 enterprises. 108 (63.5 per cent) grants have been provided to women-led enterprises; 62 grants to male-led businesses. No data is available on businesses owned by persons with disability.</p>
<p>Number of postgraduate scholarships provided (men/ women; people with disabilities) in priority areas for economic growth, quality governance and inclusive development (target: 30 per year)</p>	<p>Through the Laos-Australia Institute, we:</p> <ul style="list-style-type: none"> • assisted 74 disadvantaged Lao students (45 per cent women; 17 per cent people with disabilities) to graduate with a Bachelor degree and employable skills; • provided five Mekong-Australia Partnership training courses to 102 people (where 62 per cent of the participants were women, and where the target was 50 per cent); • saw 100 per cent of Laos Australia National Scholarships (LANS) students complete their studies, exceeding the 95 per cent target; • ensured 93 per cent (60 per cent were women) of Australia Awards students completed studies in priority areas, below the 95 per cent target as students requested extensions due to COVID-19 related stress.

ANNEX 2: INVESTMENT PERFORMANCE RATINGS

Investment Details	Year	Effectiveness	Efficiency	Gender Equality
Lao PDR Competitiveness and Trade Investment duration: 2018-2025; Budget: \$4.5m	2022	4	4	5
	2021	4	4	4

FINAL INVESTMENT PERFORMANCE RATINGS

Investment Details	Year	Effectiveness	Efficiency	Gender Equality
Basic Education Quality and Access in Laos Investment duration: 2014-2021; Budget: \$64.5m	2022 FIMR	4	5	4
	2021 IMR	5	5	5
Microfinance V – Access to Finance for the Poor Investment duration: 2018-2021; Budget: \$3.2m	2022 FIMR	2	2	2
	2021 IMR	4	4	4

HUMANITARIAN INVESTMENT PERFORMANCE RATINGS

Investment Details	Year	Effectiveness	Efficiency	Gender Equality
Humanitarian and Health COVID-19 Response Investment duration: 2020-2023; Budget: \$8.5m	2022 HIMR	4	3	4
	2021 HIMR	4	3	4

Definitions of rating scale:

Satisfactory (4, 5 and 6)

6 = Very good; satisfies criteria in all areas.

5 = Good; satisfies criteria in almost all areas.

4 = Adequate; on balance, satisfies criteria; does not fail in any major area.

Less than satisfactory (1, 2 and 3)

3 = Less than adequate; on balance does not satisfy criteria and/or fails in at least one major area.

2 = Poor; does not satisfy criteria in major areas.

1 = Very poor; does not satisfy criteria in many major area.