

LAOS, PEOPLE'S DEMOCRATIC REPUBLIC OF



Progress Towards Environmental Sustainability

Laos is endowed with a diverse, productive and ecologically unique forest that serves as a vital economic resource contributing to the country's GDP as well as its non-agricultural GDP. The forests also make essential contributions to nutrition, income, energy and shelter for the 80% of the Lao population that lives in rural areas and relies on non-timber forest products for subsistence for around half of their cash income and to offset seasonal food shortage. However, the proportion of land covered by forests has seen a significant decline, due in part to harmful cultivation methods and to the increasing population pressure on scarce arable land and illegal logging.

The Lao government has established 20 National Biodiversity Conservation Areas, plus two corridor areas, all of which cover 14.3% of the country's territory. These were established with the purpose of maintaining a stable flow of goods and services through the ecosystem while also preventing natural disasters such as flooding.

A high proportion of the Lao population suffers from diseases related to deficiencies in water supply and sanitation. Nevertheless, there has been progress: between 1990 and 2002 the proportion of the population with access to a safe source of water increased from 28% to 58%, although access in 2002 varied considerably across the provinces and ranged from 38% to 86%. The Government aims to ensure that 80% of the population enjoys access to safe drinking water by 2015. To date, most investment in water supplies has been through external assistance in the form of grants or soft loans. While this aid is expected to continue, there are also early signs of greater involvement from the private sector.

QUICK FACTS

CURRENT PORTFOLIO BUDGET

Total UNDP-GEF and Co-Finance:	\$1,014,500
Total UNDP and Co-Finance:	\$3,767,832
Total MPU and Bilateral:	\$371,496
Total:	\$5,153,828

Cumulative Total ODS Phased-Out: 28.6 ODP tonnes

Coordination among the relevant agencies, national and international, is weak. Responsibilities between different agencies overlap and authorities and lines of accountability are unclear. National institutions also lack financial resources and have limited access to technology. Since these shortcomings hamper the achievement of the MDGs in Laos, improved institutional capacity in environmental management for integrated planning is much needed in order to increase the prospects for environmental sustainability in the country.¹

SPOTLIGHT

Biodiversity Conservation for Poverty Reduction²

In PDR Laos, high levels of cultural diversity are matched by a wealth of biodiversity, including tropical forests, wetlands, endangered mammal and aquatic species and a huge number of rice varieties. Given the direct and overwhelming reliance of the country's economy on biodiversity resources – estimated by the Economic Technical Working Group to represent approximately 75% of GDP – it is critical to establish a national strategy for all future economic planning and natural resources use and management.

Since 2001, two government agencies, the Ministry of Agriculture and Forestry, and the Science, Technology and Environment Agency have been responsible for ensuring the sustainable use, protection and management of biodiversity, through the preparation of the Biodiversity Country Report (BCR). UNDP and DANIDA are providing US\$ 677,000 to assist the Government in developing a pro-poor National Biodiversity Strategy and Action Plan (NBSAP), which aims to create a framework for biodiversity conserving as a key to poverty alleviation. The framework will provide the relevant national and provincial authorities with a blueprint for action needed to ensure sustainable use of Lao PDR's biodiversity through a cross-sectoral approach to sustainable management and protection, and to create awareness among stakeholders of the importance and value of biodiversity and of their role in its management.

Since the project's completion in 2004, awareness-raising activities and dissemination workshops have been conducted at national, provincial and district levels. In addition, the BCR and NBSAP documents are currently being published, as well as a CD-ROM on Lao biodiversity, and will be widely disseminated, raising awareness on Lao PDR's strategy to conserve its unique biodiversity.

BIODIVERSITY

“Protecting the environment and sustainable use of natural resources in Laos is vital for poverty reduction and economic growth. Recent studies carried out by the UNDP supported project to develop the National Biodiversity Strategy and Action Plan reveal that some 80% of the GNP directly derives from natural resources. ... The Lao government has recognised the threat to the environment and thus, the economy. Therefore, they list sustainable use of natural resources as one of the three principles of socio-economic development. The National Growth and Poverty Eradication Strategy strongly advocates bringing environmental concerns into government policy. In the long run, this will help ensure economic growth and prosperity for the large numbers of poor people in this country.”



Finn Reske-Nielsen, Resident Representative

PORTFOLIO

FSSD* UNDP is assisting Laos in addressing a combination of national capacity needs self assessment, multilateral environmental agreements, and integrated solid waste management. These efforts have led to the identification of critical capacity constraints with the aim to strengthen national environmental governance structures, and to develop a waste recycling model, which provides income generation for urban poor.

ENERGY To address sustainable energy services and reduce GHG emissions, Laos has developed a GHG mitigation strategy, prepared the First National Communication report and strengthened capacity related to technology transfer. UNDP is currently working with the Government in developing a National Adaptation and Action Plan that will address immediate and urgent needs related to current and projected adverse effects of climate change in key sectors such as agriculture, forestry, water resources, and human health.

BIODIVERSITY Biodiversity conservation combined with social development and poverty reduction has a high priority for the Government of Laos. UNDP has assisted the Government to develop a Biodiversity Country Report (BCR) including two provincial profiles and awareness raising materials as well as biodiversity toolkit which were used as a base for the formulation of a National Biodiversity Strategy and Action Plan (NBSAP). Two regional initiatives across Laos, Cambodia, Thailand and Vietnam are underway to strengthen the capacity of the Mekong River Commission and to collaborate with civil society organizations, NGOs and rural people addressing a range of ecological, economic and social challenges.

CHEMICALS Three projects are currently being implemented to assist Lao PDR achieve its Montreal Protocol agreed targets in the foams sector. Through trials, technical assistance and technology transfer, direct impact is achieved towards ODS phase-out. These efforts also serve to enhance national public-private partnerships that are expected to support the ongoing sustainability of Lao's phase-out achievements.



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PARTNERS
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 Government of The Netherlands
 DANIDA
 IUCN
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¹MDGR 2004 <http://www.unlao.org/MDGs/MDGR/Eng/MDGR%20goal%207.pdf>; ²UNDP, "Final Evaluation Report: NBSAP", 2004; <http://www.undplao.org/Fact%20Sheet/Environment/National%20bio%20Strategy.pdf>; *Frameworks and Strategies for Sustainable Development