



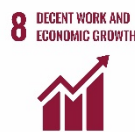
2020-21 LAO PDR DEVELOPMENT PROGRAM PROGRESS REPORT

The *2020-21 Lao-PDR Development Program Progress Report* summarises progress for the reporting period 1 July 2020 to 30 June 2021 of implementation of the Australia – Lao-PDR COVID-19 Response Plan and program highlights.

Our development program to Lao-PDR contributes towards achieving the following Sustainable Development Goals.

| Program Budget | 2020-21 Budget Estimate \$m* |
|--|------------------------------|
| Bilateral | 20.6 |
| Regional | 8.2 |
| Global | 9.6 |
| Other Government Departments | 1.6 |
| Total | 40.1 |
| Temporary, Targeted and Supplementary Measures (TTS) | 12.1 |
| Total ODA | 52.2 |

*Actual expenditure is expected to be available in December 2021/ January 2022.



Australia has been a valued partner of Laos since 1952. Our strong relations are underpinned by longstanding and well-regarded development assistance, people-to-people and business links, and shared membership of regional institutions.

For the reporting period, Laos managed the early days of COVID-19 well, largely protected by swift border closures and low case numbers in neighbouring countries. However, **health impacts have worsened since April 2021** and the impact on Laos' economy continues amidst domestic lockdowns and business closures, restricted movement between provinces, and the continued closure of international borders.

The **first case of community transmission in Laos was reported in early April 2021**, just before Lao New Year (Pi Mi), which is typically a period of increased provincial travel. Vientiane Capital entered its second and most severe lockdown to date on 22 April 2021, following confirmed community transmission of the Delta variant. Laos has been in varying levels of restrictions since. The return to Laos of tens of thousands of migrant workers due to Thailand's surge in cases brought thousands of COVID-19 cases, particularly into Laos' southern provinces. In response the national and provincial governments have established 122 quarantine centres. The World Health Organization (WHO), World Food Programme (WFP), International Labour Organization (ILO) and other partners, with donor support, have assisted the government with food, supplies and advice. Concerns over the testing, tracing and treatment of COVID-19 remain. Relatively low testing rates have been returning a comparatively high percentage of positive cases, suggesting community transmission numbers could be higher than reported. However, Laos' under-resourced health system has coped better than expected, and vaccine rates, including in the provinces, have accelerated in recent months. **By mid-September 2021, more than 2.7 million people, or 38 per cent of the population, had completed their first dose of vaccination**, and more than 1.9 million people, or 26 per cent, had completed their second.

Recent lockdowns are further exacerbating the economic strain on the country. Laos' economic growth forecast for 2021 has **been revised down by the Asian Development Bank (ADB) from 4.0 to 2.3 per cent (Sept 2021)**. The economy is expected to gradually recover in the medium term but will remain below pre-COVID growth levels, and its' recovery will continue to depend on the performance of key trading partners – Thailand, China and Vietnam.

AUSTRALIA'S RESPONSE AND PROGRAM HIGHLIGHTS

Australia's development program continues to align with Lao priorities. In a challenging environment, our investments have made satisfactory progress with only two investments showing a decline in effectiveness for the reporting period.

Health Security

Australia supported the Lao Government to implement its **National COVID-19 Strategic Preparedness and Response Plan for Health (2020-25)** and to improve health security in Laos through a \$4.8 million COVID-19 Response Package. Through this package, Australia, in partnership with the WHO, provided technical assistance to the Ministry of Health to finalise the national clinical management guidelines for COVID-19 and provided the related training to 115 doctors and nurses (64 per cent women) from all central and provincial hospitals. Australia also worked with Population Services International to strengthen public health emergency operations centres through provision of training on notifiable disease surveillance to 847 health officials at all levels.

With the International Organization for Migration (IOM), Australia has also provided health and personal protective equipment to the Ministry of Public Security, to assist with keeping frontline workers safe.

Australia has committed \$15.2 million over three years (2020-23) for COVID-19 vaccine access in Laos, including delivery support and vaccine procurement, drawing on **Australia's Regional COVID-19 Vaccine Access and Health Security Initiative (VAHSI)**. This is in addition to Australia's support to the COVID-19 Vaccines Global Access (COVAX) Advance Market Commitment (AMC) totalling \$130 million. As at 30 June 2021, this global mechanism had delivered 232,620 COVID-19 vaccine doses to Laos. Australia's significant contribution to Gavi, the Vaccine Alliance (Gavi) routine immunisation programs continues to bolster the prosperity, stability, and health security of our region. In 2020, Gavi provided USD2.1 million in support to Laos.

A pilot referral pathway was implemented in 2020-2021 in Savannakhet Province, as part of the new Australian funded United Nations Population Fund (UNFPA) program to establish a referral pathway for women and girls' survivors of gender-based violence which has been exacerbated during COVID-19. A total of 620 women and men received counselling and assistance from the Lao Women's Union, police, health, labour, social welfare and education departments. Of these, a total of 150 men in piloted villages received trainings on gender, power, human rights, sexual and reproductive health, paving the way for villages to challenge and transform harmful gender norms.

Stability

Australia's advocacy and leadership in the education sector has helped keep the focus on improving learning outcomes for primary school children, a key priority for the Ministry of Education and Sports (MoES) and a focus of its Development Plan 2021-25. Through our collaboration with other partners this issue is raised at Education Sector Working Group meetings and will be addressed at the Annual Roundtable meeting of senior government officials.

Australian support through our signature Basic Education Quality and Access for Laos (BEQUAL) program has contributed to the MoES' work in ensuring learning can continue in a safe environment during the pandemic. **BEQUAL supported MoES to address COVID-19 challenges by broadcasting teaching and learning programs on television during lockdowns**, introducing a blended learning pilot with a mix of online and face-to-face learning for trainers, and providing hand sanitisers for MoES staff. Online teaching and learning materials developed with BEQUAL support are now available to teachers and students across Laos supported by the Global Partnership for Education.

Despite the impact of COVID-19 in 2020-21, Australia successfully supported MoES to deliver new Grade Two curriculum materials to 8,518 primary schools across Laos. A total of 161,735 Grade Two students and 9,421 Grade Two teachers were provided with textbooks, teacher guides and other supplementary materials. Targeted support for educationally disadvantaged areas also ensured teachers and students received additional support in active and inclusive learning.

Through the COVID-19 Response Package, Australia also supported nearly 9,800 disadvantaged children in remote areas to return to school and continue their learning in safe and equipped learning environments through the provision of learning materials, cash transfers, hygiene kits, handwashing stations and training to teachers on COVID-19 prevention.

Under the 2021 Human Rights Technical Cooperation Phase II, the Australian Human Rights Commission and the Laos' Ministry of Foreign Affairs jointly organised a workshop on the Lao PDR National Disability Strategy and Policy. Twenty-five participants from government and non-governmental organisations, including men and women with disabilities, discussed subtopics related to the National Strategic Plan and Government Policies for People with Disabilities in Laos. At the meeting and group discussion, all participants actively discussed a wide range of impacts and challenges of the COVID-19 outbreak among women with disabilities. This meeting is considered a major success for the program, providing vulnerable groups a rare opportunity to exchange ideas and solutions with government officials.

As part of our **Mekong-Australia Partnership (MAP)**, in 2020-21 Australia provided technical assistance to the **Ministry of Natural Resources and Environment and Ministry of Energy and Mines** to strengthen regulatory frameworks and capacity, with a focus on water resources assessment and integrated management, groundwater management, water utilisation, and dam safety. We supported a high-level policy forum to allow civil society organisations to engage directly with National Assembly and government officials on key issues including economic recovery from COVID-19.

At the regional level, Australia's support allowed **the Mekong River Commission to further enhance regional cooperation and support more sustainable hydropower development** – including by supporting the development of the Sustainable Hydropower Development Strategy, strengthening Joint Environmental Monitoring and enhancing cooperation with other regional architectures such as the Association of Southeast Asian Nations (ASEAN) and Friends of the Mekong.

Economic recovery

Through COVID-19 economic recovery funding, Australia contributed an additional \$1 million to the Lao PDR Competitiveness and Trade Project (LCTP) in 2019-2020 to help improve the business environment and promote trade facilitation. As a result, the project increased the number of grants delivered to small to medium enterprises (SMEs) from 300 to 500 through the Business Assistance Facility. The project has also enabled the Ministry of Industry and Commerce to start upgrading its information technology system, to provide better online service delivery and improve communications and outreach to vulnerable firms.

The empowerment of women and girls will be critical to the country's economic recovery, and Australia continues to deliver on its commitment to gender equality in Laos. Using LCTP, Australia funded a study that identified key constraints affecting women-owned and women-managed enterprises doing business in Laos. The study, which will help to inform the projects' gender action plan, confirmed that most women-owned businesses – especially SMEs – continue to be unregistered and that women have gaps in their understanding of how to formalise their business.

Under the MAP economic resilience pillar, **Australia contributed \$4 million to establish a program to improve public financial management (PFM) in Laos** with the Ministry of Finance and the World Bank. The PFM project is part of a broader focus on improving economic decision-making in Laos. For example, using MAP to fund training with the National Assembly to better monitor the implementation of the 9th National Socio-Economic Development Plan. We have also continued to work closely with the Australian Chamber of Commerce, to understand the challenges for Australian businesses in Laos, which are also playing a part in the country's recovery.

Through the Laos-Australia Institute (LAI), **Australia continued to support Laos' human resources development by providing advice on human resource capabilities and civil service capacity**. Despite challenging circumstances, LAI has continued to deliver a range of human resource development activities such as Workforce Planning training for ministry officials and preparation courses for the International English Language Testing System.

We also supported alumni to deliver projects focussed on skills development and income generation in their communities through the Alumni Innovation Grants. These projects included teaching new food processing and storage techniques for small-scale farming, sewing and selling products from discarded materials, and digital skills training to engage youth in COVID-19 awareness campaigns.

Gender and disability inclusion remains a strong focus of our programs. Our Leadership for Gender Inclusion program was delivered successfully in 2021, despite having to pivot mid-course due to COVID-19 lockdowns. We also successfully transitioned our Disability Inclusive English language training to online delivery to ensure students could safely continue their personal and professional development.

ANNEX 1: PROGRESS AGAINST COVID-19 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 (targets: 6000L of environmental disinfectant, 11,320L of disinfectant/alcohol, 14,660 disposable gowns, 1,130 reusable aprons, 1,130 boxes of rubber gloves, 100 body bags) | <p>Provided 9,910L of environmental disinfectant, 48,300L of alcohol, 14,600 disposable gowns, 1,130 aprons, 1,130 boxes of rubber gloves and 100 body bags to 157 central, provincial and districts hospitals.</p> <p>Trained 847 officials from the National Centre for Laboratory and Epidemiology, Provincial Health Offices, District Health Offices and hospital staff on notifiable disease surveillance module.</p> <p>Refurbished Emergency Operations Centres in three provinces (Khammouane, Bolikamxay, Champasak).</p> <p>Trained 115 intensive care unit doctors and nurses (women 64 per cent) from all central and provincial hospitals on clinical management of COVID-19.</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) | <p>Support contributed to over 3.4 million Lao people (disaggregated data not available) being reached by loudspeaker with COVID-19 prevention and Mental Health and Psychosocial Support messages, as well as on how to report violence and sexual exploitation and abuse cases.</p> <p>Supported UNFPA program to establish a referral pathway for women and girls' survivors of gender-based violence exacerbated by COVID-19. A pilot referral pathway in Savannakhet province was implemented in 2020-21.</p> <p>620 people (474 women and 146 men, 0 person with disability) received counselling and assistance from the Lao Women's Union, police, health, labour, social welfare and education departments. Of these, 150 men (0 person with disability) in piloted villages in Savannakhet received training on gender, power, human rights, sexual and reproductive health.</p> |

Stability

| Key Results Indicators | Progress/Result |
|---|---|
| Evidence of significant policy change in the education sector (curriculum and teachers' professional development) | <p>Supported 8,518 schools in 148 districts, including 161,735 students and 9,421 Grade Two teachers with Grade Two curriculum materials, textbooks, teachers guides and other materials.</p> <p>Supported training to 9,421 Grade Two teachers (53 per cent women), 448 Pedagogical Advisers (27 per cent women) and 257 District Education and Sports Bureau staff (41 per cent women) on the new Grade Two curriculum and targeted support for educationally disadvantaged areas.</p> <p>Supported 1,000 vulnerable school children (560 girls) to return to school by providing cash transfers.</p> <p>Contributed to safe school environments for 1,748 children (857 girls) through provision of hygiene kits and handwashing stations in 15 schools and training to 30 teachers (14 women) on COVID-19 prevention, handwashing, and health promotion in schools.</p> <p>Provided 7,016 pre-school children with learning materials to ensure continuity of learning through the COVID-19 Response Package.</p> |

| Key Results Indicators | Progress/Result |
|---|--|
| 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 40,849 accounts. |
| Examples of Australian supported capacity building activities on human rights and COVID-19 for GoL officials (men/ women; people with disabilities) | 25 participants from government (15) and non-government organisations (10) participated in a workshop on the Lao PDR National Disability Strategy and Policy, 22-23 July 2021. 12 of the 25 participants were women and five were people with disabilities, of which three were women. Participants discussed a wide range of impacts and challenges of the COVID-19 outbreak for women with disabilities. |

Economic Recovery

| Key Results Indicators | Progress/Result |
|---|---|
| Examples of entrepreneurial activities (men/ women; people with disabilities) supported with financial and/or business development services | 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 2021, the project had approved 169 grants to SMEs. 107 (63 per cent) grants so far have been provided to women-led enterprises; 62 grants to male-led businesses. No data on disability. |
| 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) | Through the Laos-Australia Institute, assisted 63 disadvantaged Lao students (56 per cent women; 14 per cent people with disabilities) to graduate with a Bachelor's degree and additional employable skills. 100 per cent (33/33) of Australia Awards students completed studies in priority areas, exceeding the 95 per cent target, including one student with disabilities. 98 per cent (63/64) of Laos Australia National Scholarships (LANS) students completed their studies, exceeding the 95 per cent target. 100 per cent of Australia Alumni provided credible and relevant examples of contribution to development in key sectors, exceeding the 95 per cent target. 100 per cent (21/21) of women Australia Awards, and 100 per cent (34/34) of women LANS awardees completed their studies, exceeding our 95 per cent target. |

ANNEX 2: INVESTMENT PERFORMANCE RATINGS

| Investment Details | Year | Effectiveness | Efficiency | Gender |
|---|------|---------------|------------|--------|
| Basic Education Quality and Access in Laos Investment duration: 2016-2022; Budget: \$64.5m | 2021 | 4 | 5 | 5 |
| | 2020 | 5 | 5 | 4 |
| Lao PDR Competitiveness and Trade Investment duration: 2018-2023; Budget: \$4.5m | 2021 | 4 | 4 | 4 |
| | 2020 | 4 | 5 | 4 |
| Access to Finance for the Poor V Investment duration: 2018-2022; Budget: \$3.2m | 2021 | 4 | 4 | 4 |
| | 2020 | 3 | 4 | 5 |
| Humanitarian and Health COVID-19 Response Investment duration: 2020-2022; Budget: \$8.05m | 2021 | 4 | 3 | 4 |
| | 2020 | n/a | n/a | n/a |

FINAL INVESTMENT PERFORMANCE RATINGS

| Investment Details | Year | Effectiveness | Efficiency | Gender |
|---|-----------|---------------|------------|--------|
| Laos Australia Institute Investment duration: 2012-2021; Budget: \$29.4m | 2021 FIMR | 4 | 4 | 5 |
| | 2020 IMR | 4 | 4 | 5 |
| Laos Australia Development Learning Facility Investment duration: 2014-2021; Budget: \$10.6m | 2021 FIMR | 3 | 4 | 5 |
| | 2020 IMR | 4 | 4 | 5 |

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 any major area.