

CPF Consultations and Final Document Revisions

Stakeholder consultations, held in September and December 2021 over six sessions with various partner groups, included open discussions on the proposed contents of the CPF and its foundations documents, the [Systematic Country Diagnostic](#) and the [Country Economic Memorandum](#). The matrix below summarizes questions and suggestions received at the consultation sessions, and through public feedback channels including social media and email, and indicates how these points are addressed by the revised final CPF, and/or its foundation documents, or why they are not addressed.

Suggestion	How included	Why not included
Overall Strategy		
1. How are the WB priorities aligned to the government's 9th Social and Economic Development Plan? Transparency is important for any diagnosis.	SCD and CPF priorities are aligned with those of the Ninth NSEDP.	
2. Add gender equality to cross-cutting pathways. Gender and age disaggregation are essential to better poverty diagnostics	After consultations, more specific gender commitments were added to the CPF, which includes the Lao PDR Country Gender Action Plan (C-GAP) FY22-26 (Annex 8)	
3. Leveraged regional cooperation, particularly with GMS, ASEAN, ASEAN+3	The CPF will support a GMS priority cross-border economic corridor the Southeast Asia Regional Economic Corridor Connectivity Project , advise on international power trading, and support ASEAN on marine plastics . IFC is looking for other opportunities to support cross-border connectivity.	
4. Leverage linkages between agriculture and tourism, particularly through value chain focus and developing organizational capabilities investments.	Tourism, or ecotourism in particular, forms a component of environmental programs that continue in the next CPF under the Lao Landscapes and Livelihoods Project and Nature-Based Tourism initiative. This is outlined in under CPF Objective 8 and backed by a new agricultural project and the Southeast Asia Regional Economic Corridor Connectivity Project , which will support agricultural exports.	
5. Consider partnerships with UN agencies and other IFIs in various areas: e.g. UNDP for digitization, ADB for regional cooperation frameworks, UNFPA for gender disaggregated data	Under the CPF the Bank is to coordinate with partners like UNDP in areas such as the digital development agenda (para 44), with UNICEF on a forthcoming Human Capital Summit, and with UNFPA on a census and on adolescent health (Priority Areas for Engagement under the C-GAP). Key partners in the priority area of reducing stunting through improved nutrition include IFAD, WFP, and UNICEF. The CPF also includes partnerships with the ADB on Performance and Policy Agreements, and with the IMF on debt assessments.	

6. Integrate the “economic” and “the social” part of the development challenges such as education, health, nutrition, social protection	Such integration forms an essential part of WBG programming under the Environmental and Social Framework which underpins all projects. The Nutrition Convergence initiative is designed to further extend such integration in Laos given the high stunting rate.	
7. More analysis on “weak governance and institutions” is required	The SCD’s cross-cutting priority of strengthened governance and institutions is an embedded theme throughout the CPF. The CPF incorporates upgrading of partnerships to improve the WBG’s knowledge on current governance status.	
8. Digital connectivity needs including.	Section 3.2 Para 45 of the CPF outlines ways in which digital connectivity has been better included in the CPF following the consultation period. The WB has recently conducted an analytical study to identify opportunities related to digital skills , digital payments, e-services, and public administration. This will inform sector dialogue and operations during the CPF period. Digital tools and solutions will be embedded in most investment projects and the Bank will coordinate with partners engaged in digital development. IFC has also started scoping a Digital Transformation advisory project.	
Macroeconomy		
9. Need to stabilize macroeconomy	This is the crux of the SCD Stabilize Pathway and therefore a founding pillar of the CPF.	While a stable financial sector is not included <i>per se</i> as a CPF objective, elements of the SCD's recommendations for stabilizing the economy are enshrined in the CPF, including Objectives 1 and 2.
10. Need be prepared for shocks	The SCD Sustain Pathway envisages improved resilience to shocks through promotion of green growth. CPF Objectives 8 - Improved Management of Natural Resources - and 9 - Improved agriculture productivity - are designed to increase human resilience to shocks	
11. Increase fiscal capacity: monthly income tax as the main source of funds Also: Focus on taxation in relation to its applicability, implementation and reformation	The SCD identifies the need to increase fiscal space and increase revenues and recommends tightening income tax exemptions and extending the reach of the TAXRIS system. CPF Objective 1 - Improved expenditure management and revenue mobilization – looks to increase fiscal space, through stronger domestic revenue mobilization, improving the capacity of the tax administration to collect revenues, strengthening the performance of the Tax Department and improving records management.	

12. Sustainable debt level	This is an underlying component of the SCD Stabilize Pathway and a priority the WBG continues to echo.	As the government's preference has been to engage directly with bilateral creditors on debt, debt sustainability is not included <i>per se</i> as a CPF objective. An intensive Analytics & Advisory Services program will address debt-related policies through a Public Expenditure Review, dialogue with the National Assembly, and performance and policy actions.
13. Draw lessons from the Singapore model and key drivers for social-economic transformation		The CPF program is aligned with priorities expressed by the government, and with IDA special themes and cross-cutting issues, reflected across the program, and featured under the SCD pathways. These include green, resilient and inclusive strategies to repair damage caused by COVID-19; climate change adaptation to facilitate recovery; jobs and economic transformation, governance; gender and development.
14. Increase goods production	Increased and enhanced value-added production is a component of the SCD Share Pathway and an ambition applied across many sectors. CPF Objective 4, for increased connectivity through climate-resilient infrastructure, will create incentives for increased production by providing more efficient and reliable access to markets and inputs. Objective Indicator 9 groups various metrics targeting increased agricultural productivity.	
15. Focus on decentralized development in provinces	The WBG group works with all 18 provinces of the Lao PDR, rolling out some programs nationally and others in target provinces with the highest need. For example, in providing access to quality health services to vulnerable groups and underserved areas, investments will support the delivery of quality reproductive, maternal and child health and nutrition services at decentralized levels, with an increased focus on underserved regions. The CPF will be introduced through a provincial roadshow to ensure communications are established from the beginning of the program period.	
16. Greater creditor coordination and outreach is needed among borrowers and creditors to promote collective action, debt transparency, compliance with loan requirements, and to mitigate debt-related risks.		The WB will participate actively in any creditor coordination exercise initiated by the Lao authorities. See row 12.

Agriculture		
17. Secure prices for agricultural products.	SCD Pathway 3, “Sustain”, contains the component <i>Increased agricultural productivity and resilience</i> , which incorporates many of these ideas and is a main pillar of the CPF. In addition, the Southeast Asia Regional Economic Corridor Connectivity Project will support regional and domestic trade and transport connectivity, cross-border management efficiency, agriculture trade facilitation, logistics services, access to rural communities and agriculture production areas, multi-modal transport planning, and road safety along the major east-west corridor linking northern Laos with Thailand and Vietnam.	
18. Certified quality standards for agriculture products.		
19. Promotion of agricultural production for domestic distribution and export.		
20. Promotion of processed agricultural products and establishment of factories for agricultural products		
21. Promote domestic consumption to curb rice imports and reduce emissions.		
22. Create a working group to develop the feasibility and potential of the agriculture and specifically rubber sectors		
23. Improve agricultural productivity to include farmers and the rural poor, not only private interests		
24. Promote agricultural infrastructure: Storage and processing facilities for small farmer groups.		
25. Private sector support and access to affordable finance for smallholder farmers		This is a recurring suggestion in comments from the public to WBG public email addresses and social media accounts. It is something the WBG will look at with other development partners, but is not within capacity at this moment.
Business		
26. Promote a more predictable business environment for international and domestic firms	The SCD Share Pathway outlines options for business climate reforms, some of which are already being explored through the Lao Competitiveness and Trade project. CPF Objective 3 looks to help enable a competitive private sector through an enabling business environment, financial inclusion, and a well-functioning labor market and skills development system. The closing of gender gaps is a key component of this pathway, as are simplified business regulations, development of the Lao capital market and improved firm-level competitiveness.	
27. Innovation is an opportunity for Laos: Encourage, incubate and "protect" this		
28. Help Lao entrepreneurs compete in the international market		

29. Allocate resources to manufacturing promotion. Automation improvement	See row 9 for efforts to promote digital development	The CPF includes strong support to the Lao business environment, including to small businesses, as detailed above (rows 27-29) and below (31). It does not seek to prioritize certain fields of business above others, although some sectors may receive additional promotion through dedicated projects in that field, e.g. for nature-based tourism. Resources can be applied for through the IFC.
30. More funds to support SMEs	The WB extended financing for SMEs in the last CPF cycle due to the COVID-19 pandemic and the ongoing MSME Access to Finance Project is supporting the preparation of an MSME credit guarantee fund.. Under CPF Objective 3, the WBG will provide regulatory and policy support and facilitate access to markets and financing for Micro, Small and Medium Enterprises (MSME). The ongoing program focuses on improving the resilience of firms directly affected by COVID-19, complemented by efforts to enhance access to finance for MSMEs. IFC's strategic priority to increase financial inclusion is carried out by supporting SMEs and Women Owned SMEs' access to local currency finance through investments in financial intermediaries, advisory services, and green finance.	
31. Start working groups with local partners (local chambers of commerce and business associations) to develop recommendations to government		While the CPF does not explicitly describe this action, the IFC maintains a close relationship with the Lao National Chamber of Commerce and Industry (LNCCI), through which ties with local and international chambers are maintained. Formal relations with other chambers are maintained through the LNCCI, but informally, relations are also maintained through mutual invitations to WB and chamber events.
Health		
32. Health services in remote areas need developing: WB can support govt policy of making hospitals in cities self-sufficient to free funds for investment in access to rural health services.	Equitable access to quality health services is a core component of SCD Pathway 2, "Share", with actions to promote this already underway through WBG projects , and which will continue throughout the next CPF under Objective 7.	

Infrastructure		
33. Road investment is crucial: expand roads to give farmers access to markets.	Improved connective infrastructure is an SCD objective under the “Share” pathway. The WBG is already helping build connecting rural roads and will expand this during the next CPF, notably under the Southeast Asia Regional Economic Corridor Connectivity Project .	
Human Capital		
34. Need to develop human capital	The SCD ‘Share’ pathway highlights the need for a broad-based improvement in building human capital. The WBG is working with the government on various education and training initiatives and will continue to promote this essential pathway under the next CPF through Objectives 5, 6, and 7. A national Human Capital Summit is scheduled for 2023 to focus on recovering from losses in education sustained during the pandemic.	
35. Train and employ returning migrants		
36. Continue to provide human resources assistance, especially vocational training		
37. Improve of the online teaching-learning system, especially the facilities.		
38. Focus on creating entrepreneurs		
39. Improve education and labor skills		
40. Make education mandatory and "cost efficient", at no cost for poor areas		
41. Improve provincial access to education in and to higher education across Laos		
42. Promote digital learning platforms in public schools		
43. Address learning loss from COVID-19 school closures by promoting digital learning and remote learning options		
44. Apply the economic development potential of Laos having about 60% young population, with many young workers returning during COVID-19		
Environment and Disasters		
45. It’s time to assess climate change and confront manmade disasters and the resource-based economy.	Action on disaster risk and climate change is a component of the SCD “Sustain” pathway, incorporating analysis of the weaknesses of a resource-based economy. Environment and disaster-risk projects through the next CPF provide avenues for building resilience and making economic development more equitable. These include the Southeast Asia Regional Economic Corridor Connectivity Project and the Lao Landscapes and Livelihoods Project .	
46. We need more resilience to climate change and natural disasters.		

Tourism		
47. Help hotels and restaurants improve their business		The World Bank is not currently promoting tourism in Laos directly. The IFC supports private investors in the sector and the Bank advocates nature-based tourism under projects such as the Lao Landscapes and Livelihoods Project under CPF Objective 8.
48. Encourage tourists to come to Laos — waive visa fee for example?		
49. Promote Laos "internationally"		
50. Encourage young people to work in services	The Lao PDR Priority Skills for Growth project , launched at the end of the previous CPF, will encourage vocational training to help personal and social growth.	
51. Eco tourism can preserve forests and wildlife, provide community income, and combat climate change	Ecotourism is a component of environmental programs under the Lao Landscapes and Livelihoods Project and Nature-Based Tourism	
Governance		
52. E-Government promotion	The CPF features a dedicated Management through Information and Communication Technology and Skills (E-FITS) project aimed at improving E-Governance. This forms a component of the Public Financial Management Reform program.	
53. Strengthen governance and institutions, especially in terms of ensuring provision of basic social services to people	The strengthened governance and institutions CPF cross-cutting theme aims to help the government improve equitable development and will be backed by continued support in fields such as Public Financial Management Reform , while projects in health , education and social protection extend across various sectors..	
Energy/Extractives		
54. Require the mining sector to establish and operate processing/manufacturing instead of exporting raw materials		The WBG is not currently engaged in the extractives sector in Laos.