Executive Directors discussed the IDA/IFC/MIGA FY 2017-2021 Country Partnership Framework (CPF) for Lao People’s Democratic Republic (Report No. 110813-LA).

Directors welcomed progress made by Lao PDR in the last decade in achieving strong economic growth, increased incomes and poverty reduction, noting that today Lao PDR is a lower-middle income country. Directors supported the CPF’s aim to create Lasting Accessible Opportunities for all, further laying the foundations for poverty reduction and shared prosperity in the country. Directors welcomed the three focus areas of the CPF: to support inclusive growth, invest in people, and protect the environment; as well as strengthen institutions to create a rules based environment. Directors emphasized the importance of integrating malnutrition, reducing the gender gap, green growth and capacity building into the agenda. They also stressed the need to build on the lessons learned from the previous Country Partnership Strategy FY 2012-2016, especially on political economy factors as drivers of Government ownership and commitment, the importance and high value of the knowledge work, and the value of on-the-ground presence. They also underscored efforts to make the agriculture sector more sustainable, promote diversification and transition toward more capital intensive industries which can support efforts for more skilled labor together with better jobs. They also encouraged continued efforts on debt sustainability and macroeconomic prudence.

Directors highlighted the overall substantial risk of the framework which include weak governance, a fragile macroeconomic situation, and weak enforcement of policies regarding natural resources management. They encouraged the World Bank Group to strengthen donor coordination, regional integration and connectivity through infrastructure and energy investments. Directors emphasized the role the private sector can play in boosting growth, and the role of IFC and MIGA to help facilitate access to finance.

* This summary is not an approved record