

Laos: EU supports inclusive and sustainable development with two new programmes worth €55 million

During his first official visit to the Lao People's Democratic Republic, Commissioner for International Cooperation and Development Neven **Mimica** reconfirmed the EU's commitment to working with the country's government to support sustainable development, especially in rural areas. On this occasion, Commissioner **Mimica** also launched two new programmes on nutrition and sustainable growth.

Commissioner **Mimica** said: *"These new programmes worth €55 million reaffirm our strong commitment as reliable and long-term partner for the Lao People's Democratic Republic. We will continue to support the Lao government in assisting the most vulnerable communities. Together, we are investing in a diversified and sustainable economy that protects our environment and tackles inequalities"*.

The two new programmes are:

- The ASEAN Regional Integration Support-Lao PDR Trade-Related Assistance (Arise Plus) programme, especially addressed to smallholders and SMEs. The programme, worth €5 million, provides trade related assistance to promote more sustainable, broad-based and inclusive growth, which is also more resilient to climate change.
- EU Nutrition Budget Support programme to facilitate access to safe and nutritious food, worth €50 million.

During his visit, Commissioner **Mimica** will also take part in the official launch of the first Penal Code enacted in the Lao People's Democratic Republic – confirming the EU's support to the reform of the justice sector and good governance in Lao People's Democratic Republic. He is also meeting with the Lao Deputy Prime Minister and Minister of Finance Somdy Douangdy, the Minister of Foreign Affairs Saleumxay Kommasith and the Minister of Planning and Investment Souphanh Keomixay. They will take stock of the progress made in EU-Lao cooperation, as the country prepares to graduate from Least Developed Status in 2024. Their discussions will also pave the way for a new strategy ahead of the 45-year partnership celebrations between the EU and Lao People's Democratic Republic.

Background

This is the first-ever visit of a European Commissioner to the country since the establishment of diplomatic relations between the EU and the Lao People's Democratic Republic in 1975. This visit will serve as a chance to further strengthen political relations, highlight the achievements of bilateral cooperation and lay the foundations for future EU support to the country.

Between 2014 and 2020, the EU substantially increased its contribution to the country, nearly tripling its investment (€203 million for 2014-2020).

The EU has consolidated its role as a leading development partner of the Lao People's Democratic Republic in the Education and Nutrition sectors. Today, the country's three focal sectors are education, nutrition and governance. The EU also supports the promotion of civil society.

These important areas of reform have witnessed significant achievements, such as: increased access to primary and lower secondary education (99.1% and 83.1% respectively in 2019) and a reduction in stunting rates of children under-five years old (from 44% in 2011 to 33% in 2018).

After more than a decade of high growth with low inflation, Lao People's Democratic Republic is solidifying its progress towards graduating from [Least Developed Country](#) (LDC) status, expected in 2024.

In the area of trade, the EU works closely with the Lao People's Democratic Republic under the framework of the [EU-ASEAN Cooperation Agreement](#) to ensure an effective environment for trade and investment relations. The EU is the fourth largest trading partner of Lao People's Democratic Republic, which has been a member of the World Trade Organisation since 2013. As a least developed country, it benefits from the EU's 'Everything But Arms' scheme, which grants unilateral duty free, quota free access for all exports, except arms and ammunition to the EU.

For More Information

[EU-Lao People's Democratic Republic](#)

[Forest Law Enforcement, Governance and Trade \(FLEGT\) Action Plan](#)