



# Strengthening Climate Resilience of the Lao People's Democratic Republic (PDR) Health System

## Annex 15: Lao PDR Social and Environmental/Climate Legal, Policy and Multilateral Frameworks

Accredited Entity: Save the Children Australia

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## I. Social protection:

### International Standards on Social Protection

The Lao People's Democratic Republic has joined the international community in adopting international standards and goals that focus on the right to social protection and its development, including:

- [The Universal Declaration of Human Rights \(1948\)](#): Social protection fulfils social and economic rights anchored in the Universal Declaration of Human Rights of 1948, as prescribed within Articles 22 and 25. Social protection systems are based on the right of everyone to healthcare, education, decent work and an adequate standard of living throughout the life cycle.
- [The International Covenant on Economic, Social and Cultural Rights \(1966\)](#): Prescribes the right to receive social protection in Articles 9, 11, 12 and 13, stating that no one should live below a certain standard of living, and everyone should have access to at least essential social services (as per Committee on Economic, Social and Cultural Rights General Comment No. 19 on the right to social security).
- [The ILO Social Security \(Minimum Standards\) Convention, 1952 \(No. 102\)](#), and the [ILO Social Protection Floors Recommendation, 2012 \(No. 202\)](#): The ILO's flagship social security Convention defines the nine areas of social security and provides guidance to countries on developing their social security systems. Recommendation No. 202 provides guidance on building nationally defined social protection floors and reaffirms that they are economically affordable for any country. Social protection floors can be introduced, developed and maintained anywhere, taking into consideration particular national circumstances.<sup>1</sup>
- [The United Nations Sustainable Development Goal alignment](#): The United Nations' Sustainable Development Goals (SDGs) aim to eradicate poverty and promote sustainable socio-economic and environmental development in social harmony. The SDGs are recognized in the 9th National Socio-Economic Development Plan to be a priority area for Government action. The Lao People's Democratic Republic is focused on achieving these development goals by 2030, and the NSPS is a reflection of the Government's commitment. Therefore, the NSPS carefully chooses its goals and objectives to help to achieve SDG targets directly linked to social protection. The extension of social protection figures prominently as a means to achieve several SDG targets depicted in Figure 1:

Figure 1 Targets related to social protection<sup>2</sup>



### The National Lao PDR Social Protection Floor

The Lao PDR Social Protection Floor is a nationally defined set of basic guarantees aimed at preventing or alleviating poverty, vulnerability, and social exclusion for all, especially prioritizing those who are vulnerable,

<sup>1</sup> (Aura Sevilla, Consultant and Lead Training Facilitator at the Vang Vieng workshop., 2023)

<sup>2</sup> [The Social Protection Training of Trainers Toolkit for the Lao People's Democratic Republic.](#)

such as children, the elderly, persons with disabilities, and the unemployed. The social protection floor can be defined in the form of four guarantees:

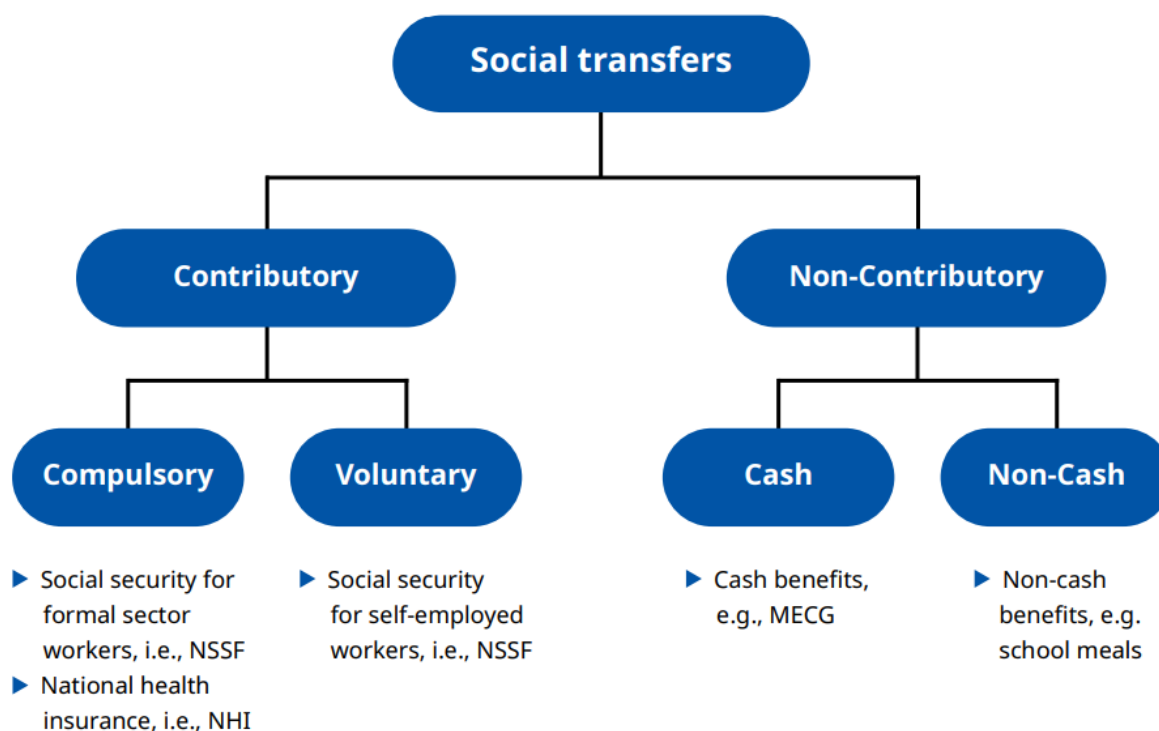
- 1) Essential healthcare, including maternity care for all residents;
- 2) Basic income security for children, and access to nutrition, care and education;
- 3) Basic income security for working-age people, in sickness, unemployment, maternity, disability, etc.; and
- 4) Pensions, care and services for elderly persons and persons with disabilities.

#### Social Protection System in the Lao People's Democratic Republic

The Government of the Lao People's Democratic Republic recognizes the role of social protection in reducing poverty and inequality and in promoting socio-economic development and social cohesion.

Working to improve the conditions of the poor is just as essential for this strategy, as is ensuring that those who have already achieved adequate income security will not fall back into poverty (NSPS). The existing social protection regulatory and legal framework is depicted in Figure 2 and described in simple form below:

*Figure 2 Structure of the Social Protection System<sup>3</sup>*



NSSF = National Social Security Fund; NHI = national health insurance;  
MECG = Mother and Early Childhood Grant

Based on UN Assessments and National Dialogue conducted in 2017, the following is the assessment of the social protection floor in the Lao People's Democratic Republic:

*Figure 3 Components of the Social Protection System<sup>4</sup>*

<sup>3</sup> The Social Protection Training of Trainers Toolkit for the Lao People's Democratic Republic.

<sup>4</sup> The Social Protection Training of Trainers Toolkit for the Lao People's Democratic Republic.

Social Protection Floor		Target Population			
		Public Sector	Private Sector	Informal Sector	
				Non-Poor	Poor
Health	Health Coverage	Yes	Low Coverage	Medium Coverage	Medium Coverage
Children	Child/Family Benefit	Low	Low Coverage	Low Coverage	No Coverage
Working Age	Sickness	Yes	Low Coverage	Low Coverage	No Coverage
	Maternity	Yes	Low Coverage	Low Coverage	No Coverage
	Loss of Working Capacity	Yes	Low Coverage	Low Coverage	No Coverage
	Employment Injury and Occupational Diseases	Yes	Low Coverage	No Coverage	No Coverage
	Unemployment	Yes	Low Coverage	No Coverage	No Coverage
	Death of the Breadwinner	Yes	Low Coverage	Low Coverage	No Coverage
Elderly	Old-Age Pensions	Yes	Low Coverage	Low Coverage	No Coverage

### **National Social Protection Coverage under National Laws of Lao PDR**

#### **1. Social Health Protection**

According to the social protection floor framework, achieving a minimum guarantee of health protection requires the provision of affordable healthcare that “meets the criteria of availability, accessibility, acceptability and quality”. The main barriers to achieving this minimum standard for all residents are:

- A lack of trained medical personnel and lack of advanced treatments and drugs in remote areas.
- A lack of geographic access for remote populations.
- Financial barriers, including exposure to the risk of catastrophic health expenditures, which often leads to
- increased impoverishment, in particular among the already poor and near poor.

Under the National Social Protection Strategy (NSPS), the Government is aiming to achieve 80 per cent population coverage by 2020 and universal health coverage by 2025. As of 2019, the legal coverage of the National Health Insurance (NHI) Scheme was at 93 per cent

In 2019, in line with the National Health Insurance Law, the Ministry of Health initiated a full merger of the formal sector schemes with NHI. The NHI scheme now relies predominantly on tax-based financing, which is combined with contributions from workers in formal employment. This ensures that those without the means to contribute are not excluded from accessing treatment.

#### **2. Social Protection Floor for Children**

The Lao People’s Democratic Republic has so far not achieved the social protection floor for children. Several schemes aim to provide access to nutrition, education and healthcare for children. However, due

to limited coverage and the often inadequate amount of funding for these schemes, children do not yet enjoy adequate and guaranteed access to these essential goods and services. The existing schemes should be improved and expanded with additional funding.

### **3. Social Security for the Working-Age Population**

A. Social Security for Formal Economy Workers The social protection system for formal economy workers includes benefits under the Labour Law (No. 43/ NA of 2013) and through the contributory social security system, which operates under the Social Security Law (No. 34/NA of 2013).

Following the adoption of a new Social Security Law in 2013 (No. 34/NA), the National Social Security Fund (NSSF) was set up to merge the two schemes that existed at the time – the State Authority for Social Security (SASS) for public sector employees; and the Social Security Organization (SSO) for workers in the formal private sector – in order to improve risk sharing and sustainability. Additionally, the NSSF for the first time extended legal (voluntary) coverage to informal and self-employed workers, with the stated objective of rapidly expanding membership.

### **4. Social Protection for the Elderly**

At present, no social protection schemes specifically target the elderly, except for pensions as part of the contributory NSSF. Based on ILO Social Protection Dashboard (2022), only an estimated 6.3 per cent of the country's elderly receive such a pension. As such, there is a lack of basic income security for the vast majority of the elderly, who are ineligible for formal social security pensions due to having spent their economically active years in the rural informal economy. Recommendations by national stakeholders include considering the creation of a minimum social pension for this group, as well as establishing in-kind benefits such as free access to healthcare, housing or transportation.<sup>5</sup>

## **II. Climate & Environment**

### **International Environmental Commitments & Goals**

#### **[Lao PDR Nationally Determined Contributions \(NDC\)](#)**

Lao PDR has raised its ambitions in its revised NDC with an unconditional emission reduction target of 60% by 2030, relative to the baseline scenario. The NDC focuses on land use and agriculture, hydropower expansion, energy efficiency and low-carbon transport to achieve its goals. Conditional to support from the international community, Lao will increase its mitigation effort by expanding other renewable sources of energy, increasing energy efficiency and implementing sustainable waste management measures.

#### **[Laos PDR National Adaptation Programme of Action \(NAPA\)](#)**

Lao PDR is highly vulnerable to climate change, particularly to recurrent droughts and floods. the NAPA sets forward the country's plans for increasing vulnerability and building adaptive capacity across communities and economic sectors. The most vulnerable sectors identified by the NAPA are agriculture, forestry, water and water resources, and human health. The NAPA focuses on developing cross-sectoral solutions which is in synergy with other national development policies and strategies.

### **National Environmental strategies**

#### **[Vision 2030 and 10 Year Socio Economic Development Strategy \(2016 – 2025\)](#)**

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<sup>5</sup> [The Social Protection Training of Trainers Toolkit for the Lao People's Democratic Republic.](#)

The Vision 2030 and Ten-year Socio-Economic Development Strategy (2016-2025) aims Lao PDR to become a developing country with upper-middle income and with innovative, green and sustainable economic growth; there is availability of industrial pillars and a strong basic infrastructure system to support industrialization and modernization. The ten-year strategy takes account of the strategy to graduate from LDC status by 2020 and the strategy for the transition period of LDC graduation by 2025.<sup>6</sup>

#### [National Plan of Action on Nutrition \(NPAN\) 2021-2025](#)

Malnutrition remains a serious overall development and public health issue for the Lao People's Democratic Republic. The purpose of this NPAN 2021-2025 is to guide the national multisectoral response to malnutrition through 3 Components, 22 Interventions, and 36 Indicators at outcome- and output-level; the three components of the plan are; to address direct (immediate) causes of malnutrition, to address indirect (underlying) causes of malnutrition, and to address the basic causes of malnutrition, creating an enabling environment, and promote multisectoral action.

#### [Five-Year National Socio-Economic Development Plan \(2021-2025\)](#)

This Five-Year Plan will ensure that political-ideological factors, the economic system, and the material and technical resources, recognise economic development as their central task while also bringing about with socio-cultural development. This will include the development of human resources, strengthening of public governance and administration, national defence, public security and foreign policy, with the aim of developing the full potential of the country to grow the productive and service sectors in line with the green and sustainable development direction, improving people's well-being, ensuring a well-balanced system for international trade and settlement, and ensuring comprehensive preparations for the country's smooth graduation from the Least Developed Country status.

The plan sets out six primary outcomes for the country by 2025;

- 1) Continuous quality, stable and sustainable economic growth achieved
- 2) Improved quality of human resources to meet development, research capacity, science and technology needs, and create value-added production and services
- 3) Enhance well-being of the people
- 4) Environmental protection enhanced and disaster risk reduced
- 5) Engagement in regional and international cooperation and integration is enhanced with robust infrastructure and effective utilisation of national potential and geographic advantages
- 6) Public governance and administration is improved, and society is equal, fair, and protected by the rule of law

#### [National Green Growth Strategy of Lao PDR \(2030\)](#)

The National Green Growth Strategy of the Lao PDR till 2030 is the translation of the Resolution of the 10th Party Congress, the Vision 2030, the 10-Year Strategy (2016- 2025) and the 8th Five-Year National Socio-Economic Development Plan (2016- 2020) into details. The main objectives and goals of the formulation and implementation of this Strategy are to develop the potentials to integrate green growth into the formulation and implementation of sector and local strategies and plans in each period to ensure achievement of long-term goals of national socio- economic development set out by the Party and Government, such as: graduating from the status of least developed country (LDC) by 2020 and moving toward becoming a developing country with an upper middle-income in accordance with green and sustainable direction and achieving the Sustainable Development Goals (SDGs) by 2030 with quality.

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<sup>6</sup>[LAO PDR: Vision 2030 and Ten-year Socio-Economic Development Strategy \(2016-2025\)](#)

The Strategy will particularly focus on: Encouraging and promoting the creation of mechanisms of development and management of the electricity sector with wide participation of many sectors and local administrations to decrease the negative impacts and to ensure efficient, effective and sustainable use of natural resources and to ensure equity in the distribution of benefits and risks obtained from the electricity development projects with the special focus on the design and construction of the hydropower dams, construction of transmission line system, management and administration of water, management and protection of water sources

#### [Agriculture Development Strategy to 2025 and vision to 2030](#)

The Agriculture Development Strategy to 2025 and Vision to 2030 is a strategic instrument with a multi-sectoral approach which aims to ensure food security, produce comparative and competitive agricultural commodities, develop clean, safe and sustainable agriculture and shift gradually to the modernization of a resilient and productive agriculture economy linking with rural development contributing to the national economic basis. Its formulation is based on the National Food Security Strategy and Agriculture and Forestry Development Plan to the year 2010, the Forestry Strategy to the year 2020 and the National Growth and Poverty Eradication Strategy (NGPES). The strategy comprises of two goals;

- 1) **Food production:** ensuing nutrition of people to get energy of at least 2,600 Kilocalories per person per day. The measures foreseen in this strategy encompass the following aspects related to food security: food stability, food preservation and nutrition knowledge.
- 2) **Agricultural commodity production:** aiming to make agriculture, forestry and fisheries more productive and sustainable. One of the overall goals is ensuring that agriculture production is in line with sanitary principles, clean, safe for producers and consumers health and environmentally friendly

#### **National Environmental Laws & Regulations**

##### [Environmental Protection Law revised 2013:](#)

The Environmental Protection Law was initially issued in 1999 specifies necessary principles, rules and measures for managing, monitoring, restoring and protecting the environment in order to protect public, natural resources and biodiversity, and to ensure the sustainable socioeconomic development of the nation. The 2013 Revised Version of the Law consists of 13 parts and 99 articles, including: General Provisions (Part I), Impact on Environment (Part II), Environmental Protection (Part III), Conservation and Utilization of Natural Resources (Part IV), Environmental Rehabilitation (Part V), Environmental Emergencies and Natural Disasters (Part VI), Environmental Protection Fund (Part VII), Prohibitions (Part VIII), Dispute Settlement (Part IX), Management and Inspection (Part X), National Environment Day, Symbols, Uniforms and Stamps (Part XI), Awards for Outstanding Persons and Sanctions against Offenders (Part XII), and Final Provisions (Part XIII).

##### [Law on Water and Water Resources \(Amended\) 2017](#)

This law determines the principles, regulations, measures and strategies relating to the management, use, protection, development, rehabilitation, monitoring, inspection of water resources to promote protection and reasonably use of water resources, aiming at ensuring sustainability in terms of quantity and quality of water resources, contributing to national socio-economic development, national defence, security and protection of the environment.

Amended in 2017, the new law focuses on better protection of water resources and sustainable use to support national economic development. The updated Law, consisting of 13 Parts, 7 Chapters, and 98



Articles, focuses on better protection of water resources and sustainable use to support national economic development.

The new provisions have been added on water rights and use, including waste-water discharge permits, wetlands and water-resources protection, ground-water management, and river-basin management. Additionally, the revised Law expands the terms and conditions of large, medium, and small-scale uses and includes articles on environmental flows for hydropower as well as stipulations related to irrigation use.

#### [Lao Forestry Law \(2019\)](#)

This forestry law determines the principles, regulations, and measures for the management, protection, development, utilization and inspection of forests and forestlands. Promoting tree plantations, regenerating and increased forest resources; aims to make forest resourced rich, increase forest cover, as source for tourism and for sustainable use in people's livelihoods; ensure the protection of soil quality, air quality, water sourced, biodiversity, and environmental protection in a green and sustainable manner and contributes to the socio-economic development of the country.

#### [Renewable Energy Development Strategy Lao 2011](#)

This strategy aims to encourage the development of renewable energy sources at the national level. The national energy target laid in the strategy aims to achieve a renewable energy share of; 30% of total consumption in 2025, 10% of total transport energy consumption (using biofuels) by 2025.

Key objectives of the policy are encouraging domestic and foreign investment in renewable energy at the local (village) level to enable a better electricity supply, create socio-economic benefits and sustain an environmentally and socially sustainable development.

Policy priorities are focussed on small power development for self-sufficiency and grid connection, biofuels production and providing financial incentives to investors and by improving law and regulations on renewable energy.

#### [National Biodiversity Strategy and Action Plan 2016-2025](#)

As a signatory to the Convention on Biological Diversity (CBD). The government of Lao is expected to develop a biodiversity action plan. The goal of this plan for 2016-2025 is to Enhance the role of biodiversity as a national heritage and as a substantial contributor to poverty alleviation, as well as sustainable and resilient economic growth; this goal will be achieved through five strategies;

- Protecting the country's diverse and economically important ecosystems, including species and genetic diversity
- Integrate the value of biodiversity to socio-economic decision making to ensure sustainable use and funding
- Strengthening the knowledge base for strategic decision making
- Inspire and enable actions through better communication, education, and public awareness.
- Enable effective preparation and implementation of plans and programs