SUSTAINABLE CONSUMPTION AND PRODUCTION IN LAO PDR AFTER THE VOLUNTARY NATIONAL REVIEW

Policy Options for Effective Implementation and Monitoring

Aligning the SDG 12 Regulatory Framework in Lao PDR

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What now?
SUSTAINABLE CONSUMPTION AND PRODUCTION IN LAO PDR AFTER THE VOLUNTARY NATIONAL REVIEW

Policy Options for Effective Implementation and Monitoring
What is SCP in the context of a

- Continental Southeast Asian Country
- Landlocked Country
- Least Developed Country
- FDI-dependent Economy

- Constraints, constraints, constraints
• SCP is more than SDG 12

• But: Every assessment has to start somewhere

• What is the alignment of national and sectoral policy with regard to SDG 12?
SDG 12 – Targets

• 11 targets overall
  – 1 target not applicable to Lao PDR (12.A)
  – 4 targets not localized (12.6, 12.7, 12.C – Reporting, Procurement, Fossil Fuels)
  – 2 localized targets are Action Plans (12.1, 12.B)

In Total: 5 substantial targets and indicators
## Insights from the Indicator Framework

<table>
<thead>
<tr>
<th>Global Objectives</th>
<th>National indicator</th>
<th>Ministry</th>
<th>Assessment</th>
</tr>
</thead>
<tbody>
<tr>
<td>12.2. Sustainable management and efficient use of natural resources</td>
<td>Material footprint, material footprint per capita, and material footprint per GDP</td>
<td>MoNRE, supported by UNEP</td>
<td>Potential to more fully align objectives and targets from sectoral documents with relevant indicators</td>
</tr>
<tr>
<td>12.3. Food waste and food losses reduced</td>
<td>Food loss index</td>
<td>MAF, supported by FAO</td>
<td>Good alignment between indicator, responsible entity, and objectives and targets from sectoral documents</td>
</tr>
<tr>
<td>12.4. Environmentally sound management of chemicals and all wastes throughout their life cycle</td>
<td>Volume of hazardous waste generated from Vientiane Capital</td>
<td>MoNRE</td>
<td>Potential to more fully align objectives and targets from sectoral documents with relevant indicators</td>
</tr>
<tr>
<td>12.5. Prevention, reduction, recycling of waste</td>
<td>Rate of recycling: % of solid waste generated in Vientiane Capital</td>
<td>MoNRE</td>
<td>Good alignment between responsible ministry and overall objective. Potential to improve indicator based on existing targets and activities in MoNRE strategic documents</td>
</tr>
<tr>
<td>12.8. Relevant information and awareness for sustainable development and lifestyles</td>
<td>Mainstreaming of sustainable development into education</td>
<td>MoES</td>
<td>Potential to more fully align objectives and targets from sectoral documents with relevant indicators</td>
</tr>
<tr>
<td></td>
<td>Number of universities with sustainability campus plan</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
How could targets and indicators be tailored?

- Some indicators could change to reflect policies of line ministries
  - 12.4 – Waste
  - 12.5 – Recycling

- Some indicators may be broadened to reflect objectives and targets of custodian ministry
  - 12.8 – Sustainable Education

- Some targets may yet be localized
  - 12.6 – Reporting
  - 12.7 – Procurement
Example 1: Sustainable Use of Resources (12.2)

• **Indicator: Material footprint per capita and per GDP (MoNRE)**

• Ministry of Agriculture: Strong focus on sustainable resource use

• Suggestion: Focus on rural agricultural sustainability (fertilizer, water use)
Example 2: Sustainable Education (12.8)

• **Indicator: Number of universities with sustainable campus plans (MoES)**

• Ministry of Education: Put emphasis on education in broader society

• Suggestion: Include agricultural education in indicator
Example 3: Sustainable Reporting and Investment (12.6)

• No indicator

• Potential to tailor and implement new national target and indicator
• Line Ministries: Ministry of Planning has mechanism for Environmental Impact Assessment
• Suggestion: Streamline and Enforce
General Insights

• Global targets need strong localization in SCP
  – Countries’ economic context is different
  – Need to consider socio-economic reality
• Not all targets can be prioritized
  – Decision needs to be taken on priority targets
• Need to be realistic about constraints
Annex
What role for donor governments

• Japan has significant aid operations
  – Quality Infrastructure Initiative
• Could scale up additional investment
  – Agricultural production (small-scale, sustainable)
  – Hydropower
• Goal: Diversify sources of investment, reduce leverage of current investors (Thailand, China)
What role for private sector

• Logging major source of unsustainable production
  – New regulations banning export of unrefined timber
  – Difficulties to source sufficient resources
  – Scale up rural education to improve quality and sustainability of timber sourcing

• Goal: Not just market access, but market preparation
What is the potential for transfer to other CLMV countries?

• All countries face different challenges in production
  – Vietnam: Machinery, Textiles
  – Cambodia: Textiles
  – Lao PDR: Raw commodities
  – Myanmar: Raw commodities
Lao PDR Exports 2017

Copper Ore: 27%
Rough Wood: 6.7%
Sawn Wood: 3.0%

Non-Knit Men's Shirts: 0.96%
Non-Knit Men's Undergarments: 0.96%
Non-Knit Women's Accessories: 0.28%
Non-Knit Women's Scarves: 0.28%
Non-Knit Women's Scarves: 0.28%

Rubber: 9.5%

Gold: 7.6%

Refined Copper: 3.9%
Potassic...: 2.6%

Video...: 3.3%
Broadcasting Equipment: 1.6%
Insulated Wire: 1.4%
Leather Footwear: 1.6%
Raw Sugar: 1.4%
### Cambodia Exports 2017

<table>
<thead>
<tr>
<th>Category</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Knit Sweaters</td>
<td>13%</td>
</tr>
<tr>
<td>Knit Women's Suits</td>
<td>9.6%</td>
</tr>
<tr>
<td>Non-Knit Women's Suits</td>
<td>8.2%</td>
</tr>
</tbody>
</table>

**Knit T-Shirts**
- Knit Men's...: 6.4%
- Knit Women's...: 2.9%
- Knit Babies' Garments: 1.6%
- Knit Men's Undergarments: 1.8%

**Non-Knit Men's...**
- Knit Active...: 5.4%
- Knit Women's...: 1.5%
- Non-Knit Men's Coats: 1.3%
- Other Knit Garments: 1.2%

**Leather Footwear**
- Rubber Footwear: 4.6%
- Other Leather: 3.1%

**Trunks and Cases**
- Tanned Furskins: 2.6%
- Other Trunks and Cases: 1.9%

**Textile Footwear**
- Rice: 2.0%
- Other Textile Footwear: 0.56%

**Bicycles**
- 2.6%

**Other Items**
- Inflated Wire: 0.82%
- Electrical Transformers: 0.42%
- Telephones: 0.39%
- Leds: 0.33%
- Plastics: 0.25%
- Other Items: 0.18%
Myanmar Exports 2017

Petroleum Gas

Dried... 5.8%
Rice 4.0%
Corn 2.1%
Refined Copper 3.4%
Non-Fillet Fresh Fish 1.4%

Non-Knit Women's Coats 4.1%
Non-Knit Men's Coats 2.8%
Non-Knit Women's Suits 1.5%
Non-Knit Men's Suits 1.3%
Knit Women's Suits 1.1%
Knit Men's Suits 0.49%
Knit T-Shirts 1.0%

Special Purpose Ships 1.8%
Leather... 1.1%
Sawm Wood 0.85%
Veneer Sheets 0.70%

Raw... 2.3%
Rubber 1.9%
Trusses and Cases 1.3%
Optical Fibres 0.63%

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