BRI and SDGs progress in Lao PDR
(Work in Progress)

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Background

- Many development indicators: poor in ASEAN
- Long-term goals to upgrade *Income Status*.
  - Low-middle-income to upper-middle income by 2030 (Laos PDR)
- Implementation of Sustainable Development Goals (SDGs) is challenging
- Belt and Road Initiative (BRI) as the alternative resource for development but currently not well understood
- BRI may entail trade-offs between short-term and long-term costs and gains within various economic sectors and social groups.
- Its impact especially on SDGs.
Selected projects under BRI Cooperation in Lao PDR

Laos-China railway project

<table>
<thead>
<tr>
<th>Total Investment</th>
<th>5.9 billion USD or 35% of GDP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Timeline</td>
<td>2016-2021</td>
</tr>
<tr>
<td>Construction</td>
<td>Distance 414 km,</td>
</tr>
<tr>
<td>Speed</td>
<td>mountain: 160 km/h, fiatland: 200 km/h, freight: 120 km/h</td>
</tr>
<tr>
<td>Stations</td>
<td>32 stations</td>
</tr>
<tr>
<td>Travel time (kunming to Vientiane)</td>
<td>10 hours (currently 24+by road)</td>
</tr>
</tbody>
</table>

**Progress:** 74.8% complete (July 2019)

Source: edited from Boten Economic Zone Office and google search
Potential Impact of Lao-China railway

- **During construction:**
  - **Domestic value added:** 174-290 million USD per year
  - Contribute to GDP growth: **0.4-1.0%** per year.
  - Construction materials are almost imported.
  - **Spill-over effects:** Cement, electricity and others.
  - **Employment:** 28,234 workers (July 2019).
  - Provide training to workers

- **After the complete of construction:**
  - Lao export to China up **60%** but more imports
  - Increase of passengers via railway:
    - **380,000-1,150,000** Chinese tourists
    - Domestic passengers expected to pick up
  - Transport, logistic and other services follow
  - **Employment:** around 6,180 employees for railway operation
  - Education: the establishment of railway college/university

![Contribution to GDP Growth (%)](chart)

Source: Lao Statistics Bureau (LSB) but the projection for 2019 and 2020 is from the author
In Local Communities: During Construction

- Health
- Estimated 400 sex workers (HIV/AIDS or other transmission diseases)

- Limited local employment due to barrier of language
- 23,471 foreign workers
- 4,763 local workers

- Compensation and resettlement
- To 4,000 local households at 167 villages in 13 districts within 4 provinces

Source of Photo: google search and a photo taken by the author
### Pushing BRI towards SDGs in Laos: the case of railway project

<table>
<thead>
<tr>
<th>Poor Performance</th>
<th>Opportunity</th>
<th>Risk</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goal 1: No poverty</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Goal 2: Zero hunger</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Goal 5: Achieving gender equality</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>Goal 7: Ensuring access to the affordable and clear energy</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>Goal 9: Industry, innovation and infrastructure</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>Goal 10: Reduced inequalities</td>
<td>Yes</td>
<td>Yes</td>
</tr>
</tbody>
</table>

<table>
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<tr>
<th>Good Performance</th>
<th>Opportunity</th>
<th>Risk</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goal 3: Ensuring good health and well-being</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Goal 11: Sustainable cities and communities</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Goal 12: Responsible consumption and production</td>
<td>Yes</td>
<td>Yes</td>
</tr>
</tbody>
</table>

**Source:** The initial assessment by the author based on information from the report by ADB (2018, pp. 30–65) and author’s assessment
National SDG Goal 18: Lives Safe from Unexploded Ordnance (UXO)

- About 459 UXO booms and related 463,536 pieces in 2,931 ha had been cultivated during the construction of Lao-China railway during January 2017-July 2019.

- But 80 million bombs remain unexploded and many people who live in the outside of investment areas under BRI.
Goal 17: Global Partnership

- **Indicator 17.9.1:** financial and technical assistance to developing countries
  - 46 million USD on average during 2000-2008 to 74.5 million USD annually during 2009-2016

- **Indicator of 17.19.1:** value of all resources made available to strengthen statistical capacity in developing countries (current USD)

Source: Author summarizes the announcement letter from Lao prime minister’s office 2018

Source: Photo taken by the author
Conclusion

- Rapidly increase of activities (opportunities and challenges) under BRI cooperation, the domestic capacity both public and private sectors? Transparency, accountability and efficiency.

- To maximize the opportunity and minimize the risk on SDGs particularly at the local communities.
  - Requires strong political will
  - Requires strong participation of local communities.
  - Requires the intervention programs on health and environment at the local community
  - Requires the social and environmental responsibility from firms

- Designing BRI towards SDGs and other national long term goals by 2030
  - Especially the SDGs with poor performance and Goal 18 life save from UXOs
Vientiane, Lao PDR

Bangkok, Thailand

Thank you