IWRM Action Hub

CASE STUDY

Lao People's Democratic Republic: Water Planning and Economic Development

Summary

The development of hydropower in the Mekong River basin can bring great economic opportunities for Laos. However, basin is shared with neighbouring countries, cooperation is crucial. Action was taken and the Agreement on the Cooperation for the Sustainable Development of the Mekong River Basin was signed to coordinate the use of these resources for economic development. For Laos, this has been crucial to their success in regards to the MDGs.

Background

Lao People's Democratic Republic is one of the most dynamic and rapidly transforming poor economies in the world. The significant increase in the number of people with access to safe water has risen from 30% to 60% and improved sanitation facilities from 11% to 45% between 1990 and 2003, is associated with relevant reductions in the time required to meet basic water needs for many households, freeing time that is now available for education, child care and income earning activities with important benefits also in terms of gender equality.
Subsistence agriculture still accounts for nearly half of the gross domestic product, provides 80% of the employment as 69% of the population still live in rural areas. Lower Laos arable land is mostly suitable for rice cultivation and cropping still follows the natural supply of rain, being at its peak during the monsoon season and declining to less than 10% in the dry season. Food security is still heavily dependent on water supply.
Although Laos has only developed about 4% of its potential for hydropower, it is already demonstrating the crucial value of expanding the power generation capacity and the distribution networks in order to foster economic development both in rural and urban areas.
All neighboring countries that have also faced dynamic economic development share Mekong River

basin and will require coordinated approach in order to avoid water conflicts and to guarantee the sustainability of social improvements.

Actions taken

By subscribing to the Agreement on the Cooperation for the Sustainable Development of the Mekong River Basin in 1995, the governments of Cambodia, Laos, Thailand and Vietnam agreed to jointly manage the basin's water resources and to coordinate decisions concerning the use of these resources for economic development. The Mekong River Commission (MRC) was formed for this purpose and in 1996 China and Myanmar became dialogue partners of the agreement and they are now working together within a common cooperation framework.

After the agreement, the member countries have
developed a shared understanding of the opportunities and risks of the national plans for water

resources development and agreed in 2010 on an integrated water resource management based basin development strategy for the Lower Mekong basin.The whole strategy is outlined on a road map which guides its implementation until the end of 2015. The strategy is owned and implemented by each member country.

In Lao People's Democratic Republic, river basin priorities were translated into national basin development plans and the economic development strategies as well. In order to ensure the implementation of national plan, River Basin Committees (RBC) are being established; the very first RBC was the Nam Ngum RBC. The importance of this particular RBC is strategic because it was the first IWRM plan and will serve as template for River Basin Committees elsewhere in the Lao People's Democratic Republic.

Outcomes

Considerable progress has been made so far in the development of an institutional framework for water planning. These advances are more evident at an international level and they provide the basis for developing water planning institutions at national and local levels.

The benefits of a functional RBC to coordinate the many agencies and levels of government became clear during the preparation of the Nam Ngum River Basin Development Sector Project (2004-2010). This project developed the approach and capacity for river basin management including the development of a comprehensive knowledge base, the preparation of a basin development plan, and the generation of human skills and capacity.

Lessons Learned

Adopting a set of international commitments regarding the environmental status of the Mekong River Basin in Laos has been a central element of the coordination of water planning with national

development policies.

Water policy has been the cornerstone in Laos’ success regarding the Millennium Development Goals and in the ongoing transition from a rural to an urban economy.

Corresponding Author
Oudomsack, Philavong

Organisation
Department of Water Resources for Lao People's Democratic Republic

Year
2013

Country
Lao People's Democratic Republic (the)

Region
Asia

Keywords
Transboundary , Energy Supply , Mekong River

Thematic Tagging
Ecosystems/Nature-based solutions , Climate , Gender , Private Sector , Transboundary , Urban , Water services , Youth
Language English

Supporting Materials
GWP South East Asia
Lao People's Democratic Republic: Water Planning and Economic Development

Related IWRM Tools
National IWRM Plans, Basin Management Plans, Nexus Framework, Geographic Information System

---

Source URL: https://iwrmactionhub.org/case-study/lao-peoples-democratic-republic-water-planning-and-economic-development