

 Early Warning System

ADB-58194-001

Strengthening Finance Sector Stability to Support Debt Management



## Quick Facts

Countries	Laos
Financial Institutions	Asian Development Bank (ADB)
Status	Approved
Bank Risk Rating	U
Voting Date	2024-12-19
Borrower	Government of Laos - Bank of the Lao People's Democratic Republic
Sectors	Finance, Law and Government, Technical Cooperation
Investment Type(s)	Grant
Investment Amount (USD)	\$ 1.50 million
Project Cost (USD)	\$ 1.50 million



### Project Description

According to the Bank's website, the technical assistance (TA) will support the Bank of the Lao People's Democratic Republic (BOL) in improving the country's debt sustainability and macroeconomic stability. It will strengthen the central bank financial sector framework and related policies, as well as its regulatory, supervisory, analytical, and monitoring capacities. Since the early 2010s, economic structural challenges have undermined economic growth prospects in the Lao People's Democratic Republic (PDR) by causing long-standing current account deficits, draining foreign exchange reserves, depreciating the Laotian kip, and raising inflation. Behind these macroeconomic challenges are excessive government borrowing and repayment obligations to finance increasing external public sector debts, at least in part. These have been on the rise as the relatively underdeveloped local capital markets have forced the government to fund its needs using external sources.



### Early Warning System Project Analysis

According to the Technical Assistance Report:

Environment: Not Applicable

Involuntary Resettlement: Not Applicable

Indigenous Peoples: Not Applicable



### Investment Description

- Asian Development Bank (ADB)

The TA financing amount is \$1,500,000, which will be financed on a grant basis by ADB's Technical Assistance Special Fund (TASF 7) from debt management set-aside.

The government and BOL will provide counterpart support in the form of counterpart staff, office space, office supplies, administrative assistance, domestic transportation, technical guidance to the TA consultants, report consolidation and translation, other logistical and administrative support, and other in-kind contributions.



### Private Actors Description

*The Bank of the Lao P.D.R.* is the central bank of Laos. It is also the bank of last resort, controlling the money supply, managing the country's reserves, and supervising the commercial banks operating in Laos.



Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
-	-	-	-	Bank of the Lao People's Democratic Republic	Client	-



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### Contact Information

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### ACCESS TO INFORMATION

You can submit an information request for project information at: <https://www.adb.org/forms/request-information-form>

ADB has a two-stage appeals process for requesters who believe that ADB has denied their request for information in violation of its Access to Information Policy. You can learn more about filing an appeal at: <https://www.adb.org/site/disclosure/appeals>

### ACCOUNTABILITY MECHANISM OF ADB

The Accountability Mechanism is an independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an Asian Development Bank-financed project. If you submit a complaint to the Accountability Mechanism, they may investigate to assess whether the Asian Development Bank is following its own policies and procedures for preventing harm to people or the environment. You can learn more about the Accountability Mechanism and how to file a complaint at: <http://www.adb.org/site/accountability-mechanism/main>.





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### Bank Documents

- [Enhancing Macroeconomic and Financial Sector Stability, Resilience, and Development: Technical Assis](#)