

Topic: Promoting Equitable Energy Transition in Lao People's Democratic Republic – Balancing Sustainability, Social Inclusion and Community Empowerment

Overview

In Lao People's Democratic Republic (PDR), coal is the most widely used fuel, contributing 37.2% to the energy mix, followed by hydro (33.4%), biofuels (18.8%), and oil (10.5%).¹ However, as identified in the updated Nationally Determined Contribution (NDC), Lao PDR has multiple energy transition policies which aim to enhance sustainability, improve energy security, and promote economic development.² These include:

- The *Rural Electrification Programme* – which aimed to increase electricity access to 90% of households in rural areas by 2020.
- The *Renewable Energy Development Strategy* – which aims to increase the share of renewable energy to 30% of energy consumption by 2025. For transport fuels, the objective is to increase the share of biofuels to meet 10% of the demand for transport fuels by 2025.
- Expansion of large-scale hydroelectricity – the objective is to expand large-scale hydropower capacity to 20,000 MW by 2030.

Although these policies are intended to deliver net benefit to people across Lao PDR, their implementation might have unintended consequences for certain groups or communities. For example, building new dams for hydropower generation could impact rural communities if the dams cause flooding on land that is relied upon for subsistence agriculture. Additionally, transitioning away from coal will directly affect those employed in the mining sector – a key sector of Lao PDR's economy, which employs 17,000 workers, attracts 80% of direct foreign investment, and represents 45% of total exports.³

Across the globe, the negative impacts of the energy transition will not be evenly distributed. They are most likely to affect groups who are already vulnerable or marginalised since they have less capacity to adapt to the changes. A 'just' transition – which maximises the benefits, and manages the impacts and costs of transition, without increasing inequality or worsening vulnerability – is imperative.⁴ By involving marginalised groups and addressing issues of energy access, affordability, and community engagement, there is an opportunity for policies in Lao PDR to lead to an energy transition that benefits all segments of society.

¹ IEA, 2021. *Energy System of Laos*. Available at: <https://www.iea.org/countries/laos>.

² Government of Lao People's Democratic Republic, 2021. *Nationally Determined Contribution (NDC)*. Available at: <https://unfccc.int/sites/default/files/NDC/2022-06/NDC%202020%20of%20Lao%20PDR%20%28English%29%2C%2009%20April%202021%20%281%29.pdf>.

³ Asian Development Bank, *Analysis of Human Capital and Labour Force Participation*. Available at: <https://www.adb.org/sites/default/files/linked-documents/50399-003-sd-03.pdf>.

⁴ Kyophilavong, P, 2022. *Challenges, Opportunities and Recommendations for a Just Transition in Laos*. Climate Strategies. Available at: <https://climatestrategies.org/wp-content/uploads/2022/12/Challenges-Opportunities-and-Recommendations-for-a-Just-Transition-in-Laos.pdf>.

Research Questions

The research conducted for this topic should cover investigations into strategies for bridging gaps and promoting social equity within energy policy development and policy implementation. It should focus on frameworks for engaging marginalised groups when shaping energy transition policies and projects, including examining participatory approaches, local knowledge, and social equity considerations. Although Lao PDR has conducted a gender analysis of its climate change policy frameworks, and integrated gender-sensitive climate actions into its NDCs, currently other marginalised groups (e.g., the elderly, youth, refugees, people with disabilities) have yet to be assessed in energy transition policies.⁵ The Climate Compatible Growth (CCG) programme aims to be gender, equality, and social inclusion (GESI) transformative, that is, creating an enabling environment for marginalised groups to practise leadership and be meaningfully involved at all levels and in all domains. To align with this, research proposals on this topic should consider two or more marginalised groups. Some example research questions may include:

1. What is the impact of energy transition policies on social equity in Lao PDR?
2. What are the key barriers and facilitators for promoting social equity in energy projects and policies, and how can these be addressed?
3. What frameworks and methodologies are most effective for incorporating local knowledge and/or involving marginalised groups into energy transition policies?
4. How can governance structures and institutional frameworks be adapted or redesigned to better support the inclusion of marginalised groups in energy policy development and implementation? What opportunities are there for promoting social equity as part of a just energy transition?
5. What strategies and tools can be employed to measure the social impacts of energy policies and projects on marginalised groups, and how can these findings inform future policy decisions?

Key Stakeholders

An essential requirement of research funded under this topic is that it is carried out in cooperation with Laotian stakeholders. Proposals should therefore include a clear plan for engagement with stakeholders, from developing the methodology to socialising the results. Proposals should also include plans for capacity building where appropriate. Stakeholders could include:

- Faculty of Engineering, National University of Laos
- Faculty of Environmental Sciences, National University of Laos
- Faculty of Social Sciences, National University of Laos
- Ministry of Energy and Mines

⁵ ADB, 2022. *Women's Resilience in the Lao People's Democratic Republic: How Laws and Policies Promote Gender Equality in Climate Change and Disaster Risk Management*. Asian Development Bank. Available at: <https://www.adb.org/sites/default/files/publication/801386/women-resilience-lao-pdr.pdf>.