



# NEWS

Information and Public Relation Division, Cabinet Office, Bank of the Lao PDR

BOL

## The Bank of Laos PDR and International Finance Corporation Cooperate Signing Agreement on the Laos Green Finance Project



**Vientiane Capital, Lao PDR, December 12, 2023**—The collaborative effort to boost green finance between IFC and the Bank of the Lao PDR has been strengthened with a new cooperation agreement signed today. This enhanced partnership aims to accelerate necessary reforms to develop guidelines and standards to attract the green capital the country needs to drive its economy and create jobs while promoting a greener and more livable planet. The goals and mission of this project is to (1) Develop/ define green activities for Lao PDR to be in line with the green activities of ASEAN (ASEAN Taxonomy) and to reach the international standards; (2) create guidelines on green lending and management practices for social, environmental and environmental risk management and disclosure for financial institutions; (3) creating a policy framework, regulations, guidelines and standards for issuing green, social and sustainable bonds (Thematic Bonds) including capacity building, knowledge sharing,

with regional and international countries for supervisors and stakeholders.

This project is a joint project between BOL and IFC and are divided into 02 phases: (1) Phase 01: from October 2022 - September 2023; and (2) Phase 02: from December 2023 - June 2027. The signing of this contract is considered to be a continuation previous tasks- of the project that was jointly implemented in phase 01. This considered to be an important milestone towards the development of the sustainable financial policy and regulations, as well as roadmap, standards, guidelines for green lending and bond issuance in accordance with the plan of the green finance of the Lao PDR.



In this regard, after signing the cooperation agreement, both parties will collaborate to make the second phase of the cooperation agreement more effective, with the goal of changing the economic base to be more environmentally friendly and sustainable, because the financial sector is one of the important sectors and plays a role in managing the flow of money into the transformation of the economy towards sustainability. Among the various components of the financial sector, the money market can help promote green businesses including projects through green lending. Also, the capital market plays an important role in encouraging companies and business units to offer sustainable fundraising products such as green bonds, social bonds, and sustainability (thematic bonds).

The signing of the cooperation agreement apart from strengthening the cooperation relationship between the BOL and the IFC, is to also promotes and develops the country's green finance in line with the country's development direction and supports sustainable development according to the IX 5-year national economic-social development plan (2021-2025).

∪ International Cooperation

Department

