



Integrated Country Strategy

Lao People's Democratic Republic

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1. Chief of Mission Priorities

The U.S.-Lao bilateral relationship is on a stronger footing today than at any time since 1975. We have made remarkable progress during the first two years of the U.S.-Lao Comprehensive Partnership. Over the next four years we plan to build on our success and continue to strengthen this positive relationship.

Laos lies to the immediate south of China and at the heart of Mainland Southeast Asia, bordering countries strategically important to U.S. security and economic interests in Asia. ASEAN is only as strong as its weakest member, and its unity and strength are essential to ensuring a free and open Indo-Pacific region characterized by adherence to a rules-based international order.

Laos' forward-looking Prime Minister, with an anti-corruption, good governance agenda, has set ambitious development goals for this least developed country and has pinned hopes for future prosperity on integration into the ASEAN Economic Community and global economy. We are working to facilitate Laos' continued integration into the ASEAN and global economy; to foster better government and increased accountability to its citizens; to empower emerging reform-minded leaders; to encourage its shift away from traditional friends like North Korea; and to maintain its independence as a constructive member of the rules-based international order.

High-level diplomatic engagement and support for the Lao government's development goals are the keys to propelling this relationship forward. We are working with the Lao to address persistent challenges in health, education, and economic development, and helping our Lao counterparts to combat trafficking in persons, animals and narcotics. Meanwhile, we are now engaged in an unprecedented effort to survey and clear the unexploded ordnance still remaining in this country from the 1965 to 1974 "Secret War" in Laos. We share the Lao government's goal to eliminate UXO as an obstacle to national development by 2030. In addition, we aspire jointly to work toward achieving the fullest possible accounting of our missing U.S. service members by 2030. In doing so, we will fulfill our obligation to their families and focus our bilateral relationship more fully on our shared future.

Building our credibility by dealing with war legacy issues and supporting Laos' development goals is creating the mutual trust needed to help Laos uphold the rule of law, protect human rights and promote religious freedom, and become increasingly accountable and responsive to its people. We will help the government fight corruption and to provide equitable services to all its citizens, while demonstrating the important role that civil society can play in helping to develop a country. High growth over the past decade has been based on unsustainable resource exploitation; addressing the resulting growth in inequality and environmental cost will be critical to ensure social stability and to ensure strong sustainable growth in the coming decade.

Our efforts to build a new relationship that leaves behind war legacies and looks to the future, to improve governance and strengthen public institutions, and to ensure strong and sustainable economic growth, will help to ensure Laos upholds a rules-based international order in the Indo-Pacific and is resilient to transnational threats.

2. Mission Strategic Framework

Mission Goal 1 Protect America's regional and global security interests and strengthen U.S. border security.

Mission Objective 1.1 An independent Laos is more fully integrated into the ASEAN security framework and supports a rules-based international order.

Mission Objective 1.2 Strengthened government institutions better reflect citizens' needs, resist transnational threats and uphold the rule of law.

Mission Objective 1.3 Improved consular operations enhance U.S. border security, protect the lives of U.S. citizens in Laos, and facilitate legitimate travel.

Mission Goal 2 Sustainable economic growth in Laos creates a competitive and attractive market for American business.

Mission Objective 2.1 Laos has an improved business-enabling environment that fosters innovation and accelerates trade and investment.

Mission Objective 2.2 The Lao population is healthier, better educated, and more productive.

Mission Goal 3 Laos recognizes the United States as a credible partner that can balance external influences.

Mission Objective 3.1 Increased cooperation on war legacy issues and humanitarian assistance leads to progress on U.S. priorities

Mission Objective 3.2 Increased engagement with government, civil society and private citizens to promote U.S. policies and American values.

Management Objective 1 Embassy Vientiane provides sustainable cost-effective services that are aligned with Mission Goals and Objectives.

Management Objective 2 Embassy Vientiane advances bilateral management issues with the Lao Government to enhance operational capabilities and ensure the security and safety of the Mission and its workforce.

3. Mission Goals and Objectives

Mission Goal 1: Protect America's regional and global security interests and strengthen U.S. border security.

Description and Linkages: The 2017 National Security Strategy clearly highlights China and Russia's predatory and expansionist policies in the Indo-Pacific, and Laos is at the forefront of both these countries' regional strategies. These state actors have significant financial interests in Laos but do not share our concern for the long-term sustainability of the country's economic growth or the strength of its institutions. Rather, they seek to use political, security, economic and cultural influence in order to co-opt the Lao state and people and ensure that Laos thinks and acts in ways consistent with their revisionist worldview rather than as an independent actor that adheres to a rules-based international order and the principle of ASEAN centrality. As Laos' connectivity with and into ASEAN grows through new rail, road, and air transportation networks, the country will become increasingly vulnerable to transnational threats such as human, wildlife, and narcotics trafficking, as well as the transmission of pathogens and pandemic diseases. Laos was already identified as a "focus country" under the Eliminate, Neutralize, and Disrupt (END) Wildlife Trafficking Act of 2016. A country context of poverty, porous borders, weak rule of law and respect for human rights, and poor governance exacerbates those potential threats. It is in the interest of the United States to assist Laos in strengthening government and security sector institutions responsible for protecting the country against these transnational threats. The State-USAID Joint Strategic Goal Framework charges the U.S. government to counter transnational crime (Goal 1.3) to the extent that it impacts U.S. security interests. In addition, it calls on the U.S. government to strengthen resilience of allies and partners from malign influence of state and non-state actors (Goal 1.4). The State EAP-USAID/Asia Joint Regional Strategy Goals and Objectives targets improved interoperability with allies and partners to protect threats across the multi-domain, defeat transnational crime, and strengthen the ability to prevent and respond to pandemics (Goal 1). The State EAP-USAID/Asia Joint Regional Strategy also recognizes that the conditions necessary to build this capacity are a strong and unified ASEAN free from external coercion and authoritarian trends (Goal 5). The State-USAID Joint Strategic Framework (Goal 1.5) and the CA Functional Bureau Strategy Framework highlight the importance of strengthening U.S. border security and protecting U.S. citizens abroad. Streamlining consular operations in Laos with a focus on protecting U.S. citizens and U.S. border security will better protect the lives and interests of Americans living in Laos, while also ensuring strong measures to protect U.S. border security and facilitating legitimate travel of Lao nationals to the United States consistent with U.S. immigration law.

Mission Objective 1.1: An independent Laos is more fully integrated into the ASEAN security framework and supports a rules-based international order.

Justification: The 2017 National Security Strategy emphasizes the importance of regional organizations like ASEAN in uniting countries in support of U.S. security interests. As a small

country surrounded by more influential neighbors, Laos is constrained from acting unilaterally but seeks to honor its international commitments and obligations. Therefore, working through ASEAN mechanisms, as well as the United Nations and other international organizations, is the most effective way to encourage Laos to join its neighbors in countering revisionist countries' unlawful territorial claims and efforts to gain support for their policy positions from individual countries via a divide and conquer approach. Additionally, encouraging Laos to cooperate regionally through ASEAN mechanisms supports the U.S. national interest in countering transnational threats such as terrorism, trafficking, and illicit migration.

Mission Objective 1.2: Strengthened government institutions better reflect citizens' needs, resist transnational threats, respect human rights, and uphold the rule of law.

Justification: The State-USAID Joint Strategic Goal Framework underscores the importance to U.S. interests of strengthening governance, security, democracy, human rights and the rule of law in order to counter instability, transnational crime, and violence (Goal 1.3). These objectives are reinforced in State EAP-USAID/Asia Joint Regional Strategy Goals 5. Increasing the capacity and resilience of host countries to deter coercion and malign influence is also of critical importance (Goal 1.4), especially in a country like Laos with endemic corruption and weak rule of law. This requires working both to strengthen government institutions and systems, including for accountability and transparency, and working within the constraints of a one-party authoritarian state to facilitate increased dialogue between civil society and government and to increase the voice that ordinary citizens have in shaping the policies and behavior of their public institutions.

Mission Objective 1.3: Improved consular operations enhance U.S. border security, protect the lives of U.S. citizens in Laos, and facilitate legitimate travel.

Justification: The State-USAID Joint Strategic Framework (Goal 1.5) and the CA Functional Bureau Strategy Framework highlight the importance of Strengthening U.S. border security and protecting U.S. Citizens Abroad. The CA Functional Bureau Strategy Framework divides the manDATES of protecting the lives and interests of U.S. citizens and strengthening U.S. border security into two separate goals (Goals 1 & 2), and adds a third goal pertaining to improving organizational and resource capacity (Goal 3). Consular operations in Laos prioritize protecting the Lives and Interests of Americans living in Laos, while also ensuring strong measures to protect U.S. border security and facilitating the legitimate travel of Lao nationals to the United States consistent with U.S. immigration law. Streamlined consular operations ensure that we are using our resources as effectively as possible, services are provided in a timely and efficient manner, and we are prepared to deal with emergencies involving U.S. Citizens.

Mission Goal 2 : Sustainable economic growth in Laos creates a competitive and attractive market for American business.

Description and Linkages: Across the globe, the United States partners with countries to promote free market competition and incentivize private sector growth. As the economy of Laos becomes more competitive, it will become an increasingly attractive destination for American businesses, both as a sourcing destination, but also as an export destination for American goods and services. However, in order to become competitive, Laos requires an enabling environment that encourages further investment and a population that is healthy and equipped to meet the needs of a competitive global economy. This goal falls under the National Security Strategy's Pillar II to promote American prosperity, the Joint Strategic Plan's Goal 2 to renew America's competitive advantage for sustained economic growth and job creation, and the State/EAP-USAID/Asia Joint Regional Strategy's Goal 3 where sustained growth and prosperity is driven by a multitude of factors across economic policy, investment, health and education, and natural resource management. The risk of falling short of this mission goal is that Laos does not experience sustainable growth over the long-term and does not become self-reliant, which would limit market opportunities for U.S. business and prevent Laos from becoming a truly reciprocal trade partner of the U.S. Continued poverty and dependence on external aid would increase Laos' vulnerabilities as outlined in the objectives under Mission Goal 1 and undermine its ability to act independently in support of U.S. interests regionally and globally.

Mission Objective 2.1: Laos has an improved business-enabling environment that fosters innovation and accelerates trade and investment.

Justification: Although Laos' economy has grown rapidly in recent years, it has not led to a commensurate rise in income for most of the population, which is critical for a productive population that can fully integrate into the global economy and is able to become a full, reciprocal trade partner with America. A key impediment to broad-based growth is a business environment that prevents its citizens from participating fully in the economy and does not fully tap the potential of the private sector. In addition its growth has been dependent on the rapid exploitation of its natural resources, especially hydropower, which is not sustainable in the decades ahead, both due to increasing external debt and negative environmental impacts on downstream neighbors on the Mekong River. Assistance to Laos that improves the business enabling environment and increases socially and environmentally responsible private-sector investment will help drive the broad-based growth necessary for Laos to succeed in the global economy. This objective falls under State-USAID Joint Strategic Goal 2.1 to promote American prosperity and job creation through advancing the bilateral relationship and leveraging international institutions. The objective also falls under State EAP-USAID/Asia Joint Regional Strategy Goal 3, specifically Objective 3.1 where free, fair and reciprocal trade and investment generate commercial opportunities for U.S. businesses, and Objective 3.4 where promoting governance practices will develop high-standard infrastructure.

Mission Objective 2.2: The Lao population is healthier, better educated, and more productive.

Justification: A healthy and educated population is a key part of enhancing the economic productivity of Laos and raising the country's long-term competitiveness in the global economy. However, Laos still experiences some of the highest rates of child and maternal mortality and malnutrition in Southeast Asia. Lao children remain some of Asia's most undernourished with national rates of stunting at 44 percent. In addition the existing low levels of literacy of Lao children in primary schools--a recent survey showed 30 percent of second grade students could not read a single word, and 50 percent among those who could read did not understand what they had just read--has a life-long learning disadvantage that negatively impacts their economic and social advancement in society. Through strategic investments in nutrition and early childhood education, particularly for disadvantaged ethnic communities, the Mission is helping to people of Laos to more fully participate in society and help drive Laos' economy. This objective falls under State-USAID Joint Strategic Goal 2.2 to promote healthy, educated and productive populations as a way to drive development. This objective also falls under Joint Regional Strategy Objective 3.2 to promote healthy, educated and resilient populations sustainable economic and social systems. Mission programs in the areas of health, education and nutrition contribute to the perception among the Lao people that the U.S. is a credible partner (Mission Goal 3).

Mission Goal 3: Laos recognizes the United States as a credible partner that can balance external influences.

Description and Linkages: Accelerated cooperation on war legacy issues creates the trust needed to expand the bilateral relationship. Increased engagement and strengthened people-to-people ties solidifies this trust and inspires the new generation to look to the United States, instead of coercive states, as the partner of choice on more forward looking issues that advance U.S. priorities. This supports our broader strategic goals of strengthening ties with partners, offsetting Chinese influence, and promoting enduring U.S. values and international norms, as elaborated in State-USAID Joint Strategic Goal 1.4 to increase capacity and strengthen resilience of our partners, and in Goal 3 to promote American leadership through balanced engagement. Recognizing the U.S. as a credible partner is also reflective of State EAP-USAID/Asia Joint Regional Strategy Goal 1 stronger ties with allies and partners enhances security at home and abroad, Goal 4 where a constructive relationship with China counters Beijing's revisionist ambitions, and Goal 5 where a rules-based order in the Indo-Pacific advances democratic governance and resolves disputes peacefully.

Mission Objective 3.1 Increased cooperation on war legacy issues and humanitarian assistance leads to progress on U.S. priorities.

Justification: The shared desire to overcome war legacy issues is the underpinning of our bilateral relationship with Laos, and will serve as the foundation for more balanced engagement. Continued cooperation with the Government of Laos on UXO clearance shows that the United States is a credible partner. Lao's continued willingness to assist in accounting for U.S. personnel missing from the wars in Indochina is a strong example of this trust. These

joint activities, together with targeted humanitarian assistance and efforts to combat infectious diseases, pave the way for partnering on shared priorities. These activities are also the currency by which the Lao people—more than half of whom are under the age of 25—will ultimately view the United States as the partner of choice for balancing the influence of coercive states. This objective supports State-USAID Joint Strategic Goal Framework 1.4, 2.2, 3.1, 3.4; EAP-USAID/Asia 2018-2022 Joint Regional Strategy Goal 4.1 and 5.4

Mission Objective 3.2: Increased engagement with government, civil society and private citizens to promote U.S. policies and American values.

Justification: More than half of the Lao populace is under the age of 25 and overwhelmingly views the United States positively. Conversely there are some individuals who hold important decision-making roles in the Lao government and Lao Communist Party that still view the United States with skepticism. Many mid- and high-ranking government officials were trained in Vietnam or in states that were once part of the former Soviet Union, and not in the United States. There is a huge appetite within the younger generations to engage with the United States as seen in the popularity of our American Center and Facebook page. More engagement with government, civil society and private citizens will result in shared values, and ensure that as new leaders move into government, they will take a more positive, forward- leaning stance to the United States and view us as the partner of choice for balancing the influence of coercive states.

4. Management Objectives

Management Objective 1: Embassy Vientiane provides sustainable cost-effective services that are aligned with Mission Goals and Objectives.

Justification: Embassy Vientiane's ability to implement its goals will require innovative use of resources, identification of maximum leverage opportunities for those resources, and commitments to data-based decisions. On-going growth in the Embassy community strains the ICASS-platform's footprint and abilities but also provides opportunities for efficiency gains, cost savings, and performance improvements.

Management Objective 2: Embassy Vientiane advances bilateral management issues with the Lao Government to enhance cost savings and employee morale.

Justification: Several bilateral management issues present obstacles to the efficient use of USG taxpayer money and cause frustration among American staff. Successful resolution of these obstacles will enhance Lao-U.S. government ties and build momentum for joint USG-GOL efforts in a variety of areas, in addition to bolstering employee morale.