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Bank of the Lao PDR

NEWS

Public Relations Section, Cabinet Office, Bank of the Lao PDR

BOL

A new Partnership between the Bank of Lao PDR and International Finance Corporation to Boost Green Finance



On the afternoon of September 26, 2022, at the Bank of Lao PDR (BoL), a Memorandum of Understanding (MoU) Signing Ceremony between the BoL and International Finance Corporation (IFC) on green finance technical assistance was organized, witnessed by Mr. Bounleua Sinxayvoravong, Governor of the BoL and Ms. Susan Lund, IFC Vice President for Economics and Private Sector Development, with participants from the BOL and IFC's management. Signing on behalf of the BOL and IFC were Mrs. Phengsy Phengmuong, Director General of International Cooperation Department, and Mr. Thomas James Jacobs, IFC Country Director for Lao PDR, Vietnam and Cambodia, respectively.



The BoL and IFC previously discussed potential collaboration and technical assistance in developing a market for green finance to create foundation and enabling environment for financial institutions to transition to green lending, increasing green investment, promoting green growth and contributing to the Lao PDR's commitment to Paris Agreement on climate change in 2016, and starting implementation of the Sustainable Development Goals set by the United Nation which many countries have implemented by taking financial sector as a driver in mobilizing fund to boost sustainable projects and environment-friendly investment Besides, IFC is an organization which has experiences in green finance.

The MoU signing on the green finance technical assistance will become an important milestone in green finance work to be effective in Lao PDR's economy. The partnership will start with a market readiness assessment to review the current framework for green finance and identify market opportunities for potential green financing products. This will allow financial sector to consider improving the enabling environment for green finance through development of a sustainable finance roadmap, a climate risk assessment framework for the financial system, and a harmonized green taxonomy, as well as regulations and guidelines on green finance and bonds, while developing a robust green finance market in line with international standards. Apart from partnering with IFC on green finance, the BOL has also contributed to ASEAN Sustainable Finance.

In addition to the MoU signing, the two sides discussed and exchanged views in regard to business environment in Lao PDR and opportunities for IFC to provide advisory services for business sector in order to develop private sector in Lao PDR.

News: Financial Institution Cooperation Division, International Cooperation Department