

MEDIA RELEASE

AUSTRALIAN EMBASSY VIENTIANE



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Australia renews ODA commitment to Lao PDR

The Australian Government, in Tuesday's Federal Budget, confirmed it will provide an estimated A\$55.6 million (LAK449 billion) in Official Development Assistance (ODA) to Laos in financial year 2014-15, maintaining this year's level of funding despite significant budget pressures.

Australian Ambassador John Williams said the decision reflected Australia's commitment to supporting the Lao PDR to continue its impressive economic growth potential and to overcome poverty.

"Australia, like the Lao PDR, is facing considerable pressure to reduce spending and balance our budget," Williams said. "This year's budget is therefore an important reaffirmation from Australia of our friendship with the Lao PDR, and our ongoing commitment to work with the government and people of the Lao PDR to support their economic development in the years ahead."

Australia's program will continue to focus on trade and investment growth, promoting opportunities for all by giving more children access to a quality education, and on rural development, including sustainable economic development by expanding financial services to the poor.

Australia will also continue to support the Lao Government's programs to develop human resources and capability, and support the Government of Laos and governments in the Mekong region to effectively manage their water resources.

"This year will be a pivotal year in our aid program in the Lao PDR," Williams said. "We have this year deployed our teams to implement our new \$43 million rural development program, and are set to launch shortly a major new investment in basic education, building on our leading role in this sector over many years."

"This follows the soft opening of Laos-Australia Institute in early 2014, a \$20 million project that will support the human resource development needs of priority Lao institutions."

Tuesday night's federal budget confirmed that the Australian Government's overall commitment to ODA will be around A\$5.032 billion in 2014-15, and will continue to target promoting economic growth and addressing poverty in East Asia and the Pacific.

Australia's aid globally will support the Australian Government's economic diplomacy priorities and focus on health, water and sanitation, infrastructure, rural development, disability and gender.

To boost sustainable growth, Australia will focus on aid for trade initiatives and increasingly on private sector engagement in development.

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