



LAO PEOPLE'S DEMOCRATIC REPUBLIC

Peace Independence Democracy Unity Prosperity

Report on Round Table Implementation Meeting

Vientiane, 03 November 2009

**Ministry of Planning and Investment
Department of International Cooperation**

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I. Summary of key RTIM discussions

1. The Round Table process and overall socio-economic development

The Development Partners expressed their thanks and appreciation for the strong leadership of and ownership of the Government of the Lao PDR of the Round Table Process, as demonstrated by the presence at the RTIM of H.E. Bouasone Bouphavanh, Prime Minister of the Lao PDR, Ministers, Vice-Ministers and high-ranking officials from central and provincial government agencies.

Development Partners commended the Government for the excellent preparation for the 2009 RTIM, the quality of the background document, statements and presentations highlighting significant progress made, demonstrating the Government leadership of the development agenda and the coordination mechanism in particular to create a strong future for the Lao PDR.

The importance of the Round Table Process in general and the Round Table Implementation Meeting in particular was also acknowledged as an appropriate platform to prepare the groundwork for the high level Round Table Meeting in 2010 and Development Partners reiterated their full commitment and support for the mobilization of appropriate resources for the implementation of the development agenda within the seventh National Socio Economic Development Plan 2011-2015 (7th NSEDP).

There was strong recognition of the positive actions that the Government of the Lao PDR has taken to discuss in a transparent and open manner the issues and the challenges faced by all stakeholders, which has significantly enhanced dialogue, harmonisation and cooperation.

Development Partners also acknowledged and congratulated the Government on its ability to manage the effects of the global economic crisis and on progress made in several key areas listed below.

There have been significant macroeconomic achievements resulting from an enhanced regulatory environment and strengthened public financial management, as well as the proper management of the global economic crisis as directed by the Prime Minister, including timely measures taken with the support of Development Partners to manage its impact. Achievements have included the maintenance of macroeconomic stability, steady and robust economic growth within the implementation of the sixth plan, with a GDP average growth of 7.6% per year, GDP per capita in the FY 2008-09 of US \$906, low inflation rate and total investment reaching an average of 28.8% of the GDP per year.

Significant progress has been made in social developments such as poverty reduction, child health, primary education enrolment and work towards achieving the MDGs by 2015. This has resulted from progress and development on the sectoral level including health, education and rural development. Those achievements included:

- Poverty reduction 26%
- Primary school enrolment rate of 91.6%
- Adult literacy rate 78.5%
- Life expectancy at birth 64 years (Male: 62 and Female: 66 years)
- Infant mortality rate under one year of age 59 per 1,000 live births, under five years of age 75 per 1,000 live births
- Access to clean water 77%

Development Partners commended the Government on achievements in enhancing governance, improving transparency and efficiency, the approval of several new laws and decrees and the ratification of several international treaties.

Aid effectiveness also continues to improve with the strengthening of management to improve aid coordination at central and provincial levels, including the enacting of the ODA Decree number 75, strengthening the mandate of the Sector Working Groups, and the implementation of the Vientiane Declaration.

2. 7th National Socio-Economic Development Plan (NSEDP 2011-2015)

Development Partners strongly supported the overall strategic directions of the 7th NSEDP, the five identified objectives and supporting priorities. The focus on economic and social dimensions to achieve the MDGs was commended, and the importance of the Round Table Meetings and the Sector Working Groups in ensuring a participatory approach to the NSEDP preparation and implementation was acknowledged. The following key recommendations were made for the development of the 7th Plan:

- Involve all stakeholders including Government Agencies, the National Assembly Development Partners and Association in this process.
- Ensure the plan achieves robust, broad-based and quality growth that nurtures equity, job creation and income generation in a sustainable manner for the Lao PDR.
- Increase priority of selecting and approving FDI proposals that generate more sustainable jobs and incomes, transfer valuable skills and technology; and safeguard environmental assets, particularly those that can be used to generate more sustainable jobs and incomes.
- Investments across the resource and non-resource sectors need to be balanced and diversified.
- Selecting and approving quality FDI proposals that clearly contribute to achieving the most important goals in the 7th NSEDP.
- Promote more diversified economic activities, including a focus on small to medium enterprise in manufacturing, agriculture, farming and trade.
- Enhance and strengthen monitoring and evaluation as well as proper statistical management as an essential planning tool.
- Continue working towards regional and global economic integration, including WTO accession

3. Social developments and the MDGs

Development Partners commended the strong Government commitment to accelerate social development and their willingness to work closely with development partners to this end. Common efforts have resulted in significant achievements such as the decline of poverty to 26% of the population in recent years from 33.5% in 2002, and 46% in 1992. In addition, infant and child mortality rates continue to decline, enrolment and literacy rates at the primary age level have risen significantly and access to safe drinking water has expanded.

Despite the many achievements development partners recognised that there is room to do much more in order to further reduce the still widespread poverty and near poverty and address inequalities in social development, and made specific recommendations as follows:

- Ensure that MDGs are central to the 7th NSEDP and increase resources to achieve the MDGs, especially in the education and health sectors

- Strengthen focus on human development and social sectors to ensure economic growth reaches the greater population of the Lao PDR.
- Accelerate the implementation of the MDGs, including food security, better nutrition, reducing maternal and child mortality, reducing gender inequalities and addressing environment issues.
- Greater investment to benefit people in rural and remote areas.

4. Public Financial Management

The strong leadership of the Government in public financial management was acknowledged and applauded by Development Partners, and the development, approval and implementation of several laws and decrees to ensure improved and transparent financial processes was recognised. In particular, the Government's efforts to reduce off-budget spending were noted.

While development partners reiterated their broad support for public finance management sector, they recognised the need to increase attention to fiscal sustainability, increase domestic revenues and ensure strong budget allocations for health and education, especially at the local level. There is also a need to further maintain macro-economic stability by ensuring a manageable and sustainable budget deficit and domestic credit growth rate in the years ahead.

More specifically the following recommendations were made:

- increase sustainable public revenue, particularly from the resource sector;
- further rationalise public expenditure
- enhance financial management of public investment; and
- strengthen human resource capacity in the sector

5. Climate change

The impact of climate change on the social and economic security of the Lao PDR was highlighted and the importance of the upcoming conference in Copenhagen was noted. Development Partners commended Government efforts to date to address this issue as well as praised the Government response to Typhoon Ketsana, and emphasised that resources are available to assist developing countries address and manage the impacts of climate change.

The following recommendations were made:

- Increase resources to mitigate climate change with a greater focus on, and response to, climate change issues.
- ensure that the Government of the Lao PDR is in a position to be able to capitalise on international resources available to address climate change issues
- ensure greater involvement of the Government of the Lao PDR on climate change issues at the international level, including the upcoming conference at Copenhagen
- strongly and timely preparedness and response for the likely increase in natural disasters

6. Natural resource management

The Government of the Lao PDR and Development Partners recognised natural resources and land management as a key challenge for the country. Development Partners recognised the significant efforts of the Government in addressing natural resource management issues,

establishing institutional and policy frameworks, strengthening legal systems and opening dialogue with development partners and other stakeholders including the private sector.

The following recommendations were made:

- Transforming natural resource wealth into human resource wealth to ensure sustainable growth and development.
- As land remains fundamental to the well being of most people and families in Lao PDR as it remains the main source of incomes, livelihoods, and food security. Strengthened land policy, planning and management, and water resource policies, weighing up potential opportunities with potential challenges is needed.
- Increase the share of natural resource revenues to be invested in health, education, vocational training and human resource development
- Address growing land concessions in non-food crops that threaten livelihoods of small holder farmers as well as the nation's food security.
- Accelerate land titling, especially in rural areas to protect long-term socio-economic stability.
- Ensure strong inter-ministerial coordination on natural resource management, and provide a mechanism for dialogue. Development partners expressed support for much more frequent consultations on natural resource management issues, with the Round Table Processes.
- Greater transparency needed to maximize revenues to government treasury as well as secure other benefits for Lao PDR. This will also ensure sustainable use of natural resources with particular attention to environmental and social impact. In this regard, there is a need to continue to strengthen the transparency of governance processes

7. Advancing private sector development and enhancing the business environment

The business environment was recognised as a crucial in attracting quality Foreign Direct Investment, and was considered a key factor for development in the Lao PDR. Development Partners acknowledged the work of the Government in improving and enabling the business environment, and made the following recommendations:

- Many participants voiced strong support for the further development of domestic private business sector needed to generate more sustainable jobs and incomes.
- More transparency in foreign investment decision making process to attract higher quality FDI that could transfer valuable skills and technology towards the development of domestic private business sector including in food agriculture, manufacturing and processing, and sustainable tourism.
- Increase efforts to effectively implement existing and new laws and regulations which would also contribute to reducing transactions costs to doing business in Lao PDR.
- Enable and encourage private sector partners to work more closely with Government for the benefit of the country
- Streamline and simplify business procedures and regulations
- Increase business investment in higher education and vocational training

8. Governance

Development partners applauded government progress in advancing international Human Rights and domestic legal reform as reflected by the recent ratification of two core international human rights treaties as well as the approval of the Legal Sector Master Plan (2020). Many Development Partners also congratulated the Government for the leadership

demonstrated at the global level in agreeing to host next year's First Meeting of the State Parties to the Oslo Convention.

Key recommendations include:

- Build capacity to implement existing laws, rules and regulations.
- Integrate the international conventions into the domestic legal system for the benefit of the Lao people
- Ensure capacity support to realize the implementation of the new decrees on Civil Society Organizations.
- Develop a road map to support the implementation of the 7th NSEDP and strategic plan on governance to better guide policy, legal and institutional reforms in key areas.

9. Aid coordination and effectiveness

The improvement of aid coordination process was widely acknowledged by Development Partners, and has resulted from achievements such as strengthened Sector Working Groups, the implementation of the VDCAP, the ODA Decree and increasingly coordinated external assistance. The following recommendations were made:

- Enhance intra-government coordination at the central and provincial level as well between development partners
- Strengthen and create synergies across the eight Sector Working Groups
- Enhance the role of INGOs in the aid effectiveness process
- Enhance and ensure greater dissemination of detailed project information, quality statistics and data
- Ensure all parties align with the principles of the Vientiane Declaration.
- Enhance the implementation of the VDCAP

II. Proceedings of the Round Table Implementation Meeting 2009

The meeting was opened by H.E. Bouasone Bouphavanh, Prime Minister of the Lao PDR and chaired by H.E. Dr. Sinlavong Khoutphaythoune, Minister of Planning and Investment and Ms Sonam Yangchen Rana, UN Resident Coordinator and UND Resident Representative.

The meeting was attended by 292 participants, including Members of Parliament, Ministers, Vice Ministers, Vice Governors, high ranking officials from National and provincial levels, Ambassadors, Heads of Mission, high level Development Partner representatives and INGOs.

The meeting Agenda can be found at Annex 1.

The Government and development partner representatives have made several statements and presentations following the items on the agenda which were followed by intensive discussion and exchanges of views, including on the strategic directions and overall priorities of the seventh National Socio-Economic Development Plan (NSED 2011-2015) currently under preparation.

Statements and presentations are provided in the Annexes of the report.

1. Opening Ceremony

H.E. Dr. Sinlavong Khoutphaythoune, Minister of Planning and Investment extended a warm welcome to all participants, and noted that the meeting was honoured by the presence of the Prime Minister H.E. Bouasone Bouphavanh, who provided leadership and guidance for the Round Table discussions. He gave an overview of the Round Table Implementation Meeting, which is the key high level forum for constructive dialogue between the Government of the Lao PDR (GoL) and Development Partners.

H.E. Dr. Sinlavong Khoutphaythoune commented that several achievements have taken place since the last Round Table Implementation Meeting on 24 November 2008, including the implementation of several legal documents, institutional reforms and the facilitation of conditions for the eight Sector Working Groups in the implementation of ODA projects. These achievements have resulted in the three key outcomes of improving transfer of resource to the grass-roots level, improved aid effectiveness and transparency.

Development Partners have also fulfilled their commitments, which during the last fiscal year 2008-2009 saw the provision of assistance amount to USD 560 million, comprising USD 383 million in grants and USD 177 million in loans.

The Minister noted that the meeting was an important platform of which the main objective is to provide an opportunity for the Government of Lao PDR and Development Partners to continue to discuss the key issues, including on the Government side, presenting the key achievements of the implementation of agreed commitments, presentation of the draft of the 7th NSEDP and the resources required. At the same time the Government of Lao PDR was pleased to receive any comments from Development Partners on related issues. He hoped that the Lao PDR will continue to receive more support from existing and future Development Partners.

He expressed his thanks and welcomed everybody to the 2009 Round Table Implementation Meeting. He hoped that the meeting would be constructive and achieve successful outcomes. (refer to Annex 2)

Ms Sonam Yangchen-Rana thanked His Excellency the Prime Minister for honouring the meeting with his participation, congratulating His Excellency for his leadership, demonstrated by the country's many achievements over the past year despite the global economic and financial crisis, and thanked the Ministry of Planning and Investment for the organization of the RTIM.

Ms Yangchen-Rana highlighted the development of the 7th NSEDP and work towards achieving the MDGs, which will provide a common framework for the Round Table Meeting 2010.

She noted that recent progress has been impressive, with significant gains in poverty reduction, access to safe drinking water, declining infant and child mortality rates and increased enrolment and literacy rates. This has been underpinned by continued macro-economic stability, strengthened institutional development and increasing integration into the regional and global economy.

However, much more need to be done in food poverty and hunger, addressing inequality, child malnutrition, maternal mortality and education. Additionally, environmental assets must be managed to ensure sustainable economic growth, increased quality of life and human well-

being. There is a need for further improved governance in land, mining and forestry, including a review of land management policy. Urgent measures are also needed to reduce the country's vulnerability to the impact of climate change, including natural disasters.

A greater focus on the quality and sustainability of growth will be needed in the 7th NSEDP in order to achieve the MDGs by 2015 and graduate from LDC Status by 2020. This will significantly aid in eliminating malnutrition, which has the potential to add another 2-3% per annum to GDP growth – another \$3.3 billion by 2020.

Quality improvement Foreign Direct Investment (FDI) is also important, particularly in the area of natural resource management. Greater transparency will help further improve the quality of FDI to aid the transfer of valuable skills and technology and to contribute to the development of an indigenous domestic private sector that generates more sustainable jobs and incomes for Lao people.

Ensuring balanced and diversified investments in both the natural resource and non-resource sectors will better help ensure a diversified and balanced economy going forward.

Ms Yangchen-Rana urged RTIM participants to: offer innovative but realistic and practical suggestions to aid in the formulation of the 7th NSEDP; consider how we can all work together through the Round Table Process under Government leadership over the next 12 months to mobilize our collective efforts and financial assistance for supporting the implementation of the 7th NSEDP; and continue to support the Lao PDR under Government leadership to achieve the country's development goals. (refer to Annex 3)

His Excellency the Prime Minister welcomed participants to the 2009 Round Table Implementation Meeting, and commended Ms Sonam Yangchen Rana, the UNDP and Development Partners for their kind support and close collaboration.

H.E. the Prime Minister noted that the 2009 RTIM was taking place amidst an unfavourable external environment due to the global economic crisis, climate change and the spread of the H1N1 influenza. Additionally the Lao PDR has also been hit by natural disasters. These impacts have directly affected the Lao PDR's immediate and future development targets.

Development partners and international organizations have also experienced adverse impacts, and H.E. the Prime Minister considers that the RTIM is the appropriate forum for exchanging in-depth and constructive dialogue on how we can best deal with these impact and the emerging challenges to create enabling conditions for the Lao PDR to pursue its development path in a more consistent and sustainable manner.

H.E. the Prime Minister informed the meeting that the implementation of the NSEDP and the budget plan for 2008-09 that was readjusted during the last semester have attained their basic objectives, namely continued macroeconomic stability; robust GDP growth of 7.6 %; and steady progress in the social sectors.

These achievements have been a direct result of Government's policies and crisis management measures, the economic stimulus package and the response from the development partners. He expressed the heartfelt appreciation of the Lao Government to Development Partners for their strong support and commitment.

H.E. the Prime Minister noted that while significant positive results have been achieved, there remain a number of issues to be rectified as the growth still depends on household economy

and vulnerable small and medium enterprises. Economic development is also largely dependent on the exploitation of natural resources while the financing for development comes mainly from external sources.

These are the fundamental development challenges in the Lao PDR. For the fiscal year 2009-10, the Government has approved the annual NSEDP and budget plan to include pro-active and consecutive macro socio-economic development targets derived from last year. Work continues on preparation of the 7th NSEDP, which will outline directions aimed at attaining strong economic growth, achieving the MDGs by 2015 and exiting LDC Status by 2020.

H.E. the Prime Minister emphasized that the NSEDP in 2009-10 and subsequent future Plans will continue to focus the fundamental issues of poverty and underdevelopment. The plan will accelerate the efficient exploitation of natural resources and untapped domestic potential together with environment protection and sustainable development. In addition, the plan is drawn up for the country's participation in the Mekong Sub-Regional Integration and the ASEAN Community Building.

The Government must optimize the country's untapped potential through: increasing domestic funding through income generation into the State budget; capacity building for government officials and human capital; participation of public and private sectors in bolstering economic growth; upgrading of State apparatus' efficiency in connection with the elimination of wasteful expenditures and anti-corruption; increased efficiency in natural resource management and environment protection to ensure sustainable development. These are the priority directions and projects of the Government.

In order to achieve this, the Government recognizes the indispensable support and assistance of development partners, and H.E. the Prime Minister hoped that RTIM participants would make efforts to understand the realities of the Lao PDR and share candid and frank discussion with relevant Lao authorities.

H.E. the Prime Minister was pleased to note that past RTMs have been beneficial in forging mutual understanding and further deepening cooperation with development partners. At every RTM, the Government has been able to capture the essence of the issues and transform these into actions for improvement, which has resulted in more harmonious and constructive cooperation with development partners.

H.E. the Prime Minister asked development partners to use the 2009 RTIM forum to provide additional recommendations and advice in order to provide a strong base for attaining the MDGs and address the problems and constraints relating to ODA implementation while ensuring transparency and wide people's participation.

With regard to the implementation of Public Investment Programs, the Government has introduced additional measures to provide guidance to executive agencies and line ministries, imparting a greater sense of responsibility and strictly observing planning and finance disciplinary practice. The responsibility for realizing identified projects and to avoid extra-budgetary programs must be upheld. H.E. the Prime Minister urged line ministries and government institutions to be attentive to the views and recommendations made at the RTIM, and take those inputs back for case studies and policy improvement. This will enable favourable conditions and a sound environment for donors and development partners to fully interact with the Government.

H.E. the Prime Minister expressed his confidence that RTIM would be crowned with a resounding success as envisaged. He wished participants health and happiness and declared the meeting open. (refer to Annex 4)

2. Presentations, Joint Statements and Discussions

2.1. National Socio Economic Development Plan (NSED), Public Finance Management, and Impact of the Global Crisis

Presentations

- **Progress in the 6th NSED implementation and 7th NSED direction and priorities**
 - Presentation by H.E Dr Bounthavy Sisouphantong, Vice-Minister of Planning and Investment,
 - Statement by Mr Gil Hong Kim, Country Director, Asia Development Bank
- **Accelerating progress towards the MDGs**
 - Presentation by Mr. Saleumxay Khommasith, Director General Department of International Organization, Ministry of Foreign Affairs
 - Statement by Ms. Laila Ismail-Khan, UNICEF Representative on behalf of the United Nations Country Team.
- **Recent developments within Public Finance Management, impact of the global crisis and outlines of the National Budget for FY 2009-10**
 - Presentation by H.E. Mr. Somdy Douangdy, Minister of Finance.
 - Statement by Mr William Rex, Lead Country Officer of World Bank in Lao PDR.

Discussions

The European Commission

The EU is one of the most important development partners of the Lao PDR, and also one of its most important trade partners. The EU highlighted five key issues based on lessons from ongoing support initiatives:

- 1) The commitment to development is a shared responsibility. While the EU is ready to extend their support, there is a potential for significant financial risks and increasing aid dependency resulting from unrealistic expectations of sharply increasing ODA.
- 2) Human development is grounded in human rights. The EU welcomes the progress Lao PDR has made in recent years regarding the adaptation of national legislation to reflect international human rights conventions. The EC encourages the GoL to continue promoting the rule of law and good governance and are ready to support the GoL in these efforts.
- 3) Development can build on active communities and civil society. The EU welcomes the endorsement of the Decree on nonprofit associations, supports the ongoing work on the Decree on the regulation of INGOs, and acknowledges the recognition of no-state actors in the VDCAP. The EU strongly encourages the acceleration of implementation of the Decrees.
- 4) The Government of the Lao PDR and partners face new challenges. The EU wishes to support the Government in UXO clearing efforts and applauds the leading international role taken on this issue by the Government. The global financial crisis has had less of an impact than anticipate, but demonstrated the country's vulnerability to external shocks. Climate change, and related issues such as natural disasters have demonstrated the importance of sensibly developing environment and land management, agriculture and human infrastructure, and significant efforts are required to achieve this.

- 5) The EU aligns to coherent, coordinated and efficient aid. The EC will continue to provide capacity development support to the Department of International Cooperation in MPI, strengthening the Department's pivotal role for ODA coordination and management.

The EC wished the 2009 RTIM fruitful discussions and good outcomes, and highlighted that they saw a clear roadmap ahead as the country finalizes its preparations for the 7th NSEDP and continues works towards the Round Table Meeting in 2010.

Japan

H.E. the Ambassador of Japan noted that Development partners including Japan should continue to encourage economic reform efforts made by the Lao Government and offer as much cooperation as possible. Climate change should be addressed as a priority area because it has a significant impact on human security of the most vulnerable people in the Lao PDR. The Ambassador noted that Japan is willing to cooperate with the Government and other development partners to tackle this major issue.

The Ambassador was pleased to see the increase in primary education enrolment and reduction in childhood mortality thanks to efforts of the Government and development partners, but noted there were still a number of challenges to face, including the highest maternal mortality rate in the region, which is being addressed through the Maternal, Neonatal and Child Health Strategy.

The Government of Japan will continue to provide assistance to achieve the goals on the Government of Lao in health and other sectors, and has started to support projects in this area in the four southern provinces of Laos. The Ambassador recommended keeping targets unchanged for 2008-09, and is delighted to support these efforts through extending "the Budget Strengthening Support Loan" worth 1.5 billion Yen.

However, the Government of Japan would like to encourage the Government of the Lao PDR to ensure sound fiscal management through strengthening financial programs. The Government of Japan is currently supporting two technical cooperation projects in this area.

Republic of Korea

H.E. Ambassador of Republic of Korea congratulated the Government of the Lao PDR on their hard work in dealing with key socio economic issues. The Ambassador noted that as a nation that has transformed itself from a recipient to a donor country Korea recognises the importance of ODA, and that is why they are increasing their support, particularly in rural development, health, education. This year as seen the Korean Government provide USD 10 million to build the first national children's hospital in the Lao PDR, amongst other projects bringing the total aid provided by the Republic of Korea to the Lao PDR to USD 33 million.

The Korean Government will continue to work with the Government of the Lao PDR in order to continue generating momentum to achieve the MDGs, and made two recommendations:

- 1) Ensure ownership of the process by the Government of Lao and undertake extensive capacity building. The Ambassador applauded the Government of the Lao PDR for continuous efforts in ownership through the 6th and 7th NSEDP processes. In order to undertake this, Government salaries must be enhanced, savings and development must be increased.
- 2) There is an urgent need for better coordination within the Lao Government. Coordination between line ministries must be improved so that donor countries have a better understanding

of the needs and requirements of the Government of the Lao PDR, and hence a better understanding of the requests made. In this respect, the Ambassador recognised the new ODA decree and the benefits it will have in improving consistency and coordination.

The Ambassador noted that Korea is willing to be actively and constructively involved in 6th and 7th NSEDP.

Australia

Mr. Moore highlighted the remarkable progress of the last five years, including the growth and development that is clearly evident in Vientiane and the regions. The challenge now is to accelerate jobs, health, education, nutrition, and roads. He acknowledged the rising competence and commitment of senior officials in the Government service and within the Government itself, noted the high quality documentation that was provided for this year's meeting. Mr. Moore was struck by the Government of the Lao PDR's willingness to talk frankly about challenges, including childhood mortality and the gender gap.

A substantive reform agenda has been progressed. Well founded sectoral frameworks are being put in place and Australia is involved in two of these. There is increasing and overdue attention being given to improvements to business environment, and this will need to gather pace. Mr. Moore noted that the Government of the Lao PDR is taking an appropriate role as a regulator, which is good for business, investment and balanced social outcomes. He was pleased to see the involvement of NGOs in the process.

Mr. Moore highlighted the need to capitalise on the good work already done, acknowledging that there is much work to do and more money will be needed to do it. However a sense of realism will be required in terms of determining internal resources, ODA and foreign and direct investment. There are five measures which are important to maximise volume and effectiveness:

- 1) A coherent realistic costed and prioritised NSEDP.
- 2) Strong public financial management, including broadening and deepening the tax base, and distributing funds where it will be most productive.
- 3) Improved progress in business environment – this is essential
- 4) Continuation and diversification of the current outward-looking development approach. The Government of the Lao PDR should continue to look outward for ideas and take best the world has to offer.
- 5) With respect to aid effectiveness – development partners need to do their best to work with the Government of the Lao PDR, to harmonise procedures and prioritise in accordance with Government priorities.

United States of America

The Ambassador of the USA highlighted that the USA supports the Government of the Lao PDR in its efforts to open and integrate its economy. Strong legal and regulatory frameworks are necessary to attract investment and this is the key to sustainable growth. The USA focuses attention on health and infectious diseases, as well as supporting UXO removal and the victims of UXOs.

In the future the US will place greater emphasis on multilateral and regional initiatives, and noted Senator Clinton's recent visit to the lower Mekong Initiative. Health, climate change and education are also key areas.

The Ambassador of the USA agreed with the comments made by several development partners, noting that there are a range of challenges and opportunities. The USA encourages enhanced coordination and cooperation between the Government of the Lao PDR and development partners, and wishes to support the Government so that all people of the Lao PDR can enjoy the benefits of development.

IMF

The IMF discussed global economic developments and outlook, noting that there are increasing signs of a slow recovery, and noted the impacts of the global economic crisis on the Lao PDR. The IMF expects Lao PDR growth in the range of 4½–5 percent in 2009–10, and recommended addressing emerging risks to macroeconomic stability resulting from a sharp increase in public investment and rapid growth in credit.

The IMF noted that attaining the goals of poverty reduction and graduating from low-income status requires that the gains made in restoring macroeconomic stability and reducing external vulnerability be preserved to provide a solid platform for the 7th NSEDP. A number of suggestions were made, including that: additional measures may be required to raise additional revenue or adjust the expenditure plan in order to achieve the intended fiscal consolidation; rein in credit expansion to more reasonable levels; and address risks to the banking sector.

The need for a broad structural reform agenda was highlighted, and continued momentum on key reforms was emphasised.

The IMF thanked the Government of the Lao PDR for the opportunity to participate in the RTIM, and underscored its continued commitment to providing the Government with the best possible policy advice and support in the period ahead

2.2. Sectoral Development, Economic Sectors' Issues and Perspectives

Presentations

- **Agriculture and Forestry**
 - A joint statement by H.E. Mr. Sitaheng Rasphone, Minister of Agriculture and Forestry on behalf of Chair and Co-chairs of the SWG: Ministry of Agriculture and Forestry, AFD, SDC and SIDA
- **Business Climate and Investment Environment in Industries and Trade**
 - A joint statement by H.E. Mme Khemmani Pholsena, Vice-Minister of Industry and Commerce on behalf of Chair and Co-chairs of the sub-SWG: Ministry of Industry and Commerce, Australia and GTZ.
- **Infrastructure**
 - A joint statement by H.E. Mr. Sommad Pholsena, Minister of Public Work and Transportation (MPWT) on behalf of Chair and Co-Chairs of the SWG: MPWT, Japan and ADB

Discussions

Japan

The Ambassador of Japan commented that private sector improvement is likely to play a key role in boosting the economy and encouraged the Government of the Lao PDR to continue to take actions to improve the investment climate, particularly in the manufacturing sector to help jobs and transfer knowledge, skills and technologies to domestic industries. The Ambassador of Japan noted two key areas:

- 1) With regards to infrastructure, the Government of Japan hopes that the Government of the Lao PDR will demonstrate ownership across all project stages.
- 2) Improved social infrastructure, including cross-border transfers should be accelerated to attract more investment into Lao.

France

The Ambassador of France congratulated the Government of Lao PDR for their achievements as well as the Agriculture and Natural Resource Sector (ANR) for working together to face challenges. Increasing efficiencies and effectiveness of ODA by working closely with stakeholders will help address these challenges. He noted that Lao PDR agriculture is now better connected to regional and international markets, giving more opportunity to diversify and boost incomes.

The Ambassador noted that land concessions and conversion of agricultural land for non-food crops raises a number of concerns. It cannot be realised as an alternative to managing the environment and ensuring the economic security of the family-based unit. Family-based agriculture is providing food security for many Lao households, and food production must be ensured to enable sustainability which can enhance national development.

There is a need for high standards in order to connect to markets successfully, hence investment is being concentrated in regional areas. In addition to traditional seed, fertiliser and pesticide support, Lao farmers need continuous training and education to become

professional farmers and to develop capacity to take advantage of opportunities. It is important that Lao farmers maintain rights to land, food security and a decent livelihood. The Ambassador congratulated the Minister of Agriculture and Natural Resources as well as other agencies involved in the ANR Sector Working Group for their willingness to work together to face these challenges. He strongly encouraged the SWG to continue their hard work as the sector needs to support and accelerate their work for the Lao PDR. This needs to be reflected in government commitments, priorities and budgets.

Switzerland

The Ambassador of Switzerland thanked the Government of the Lao PDR for organising the 2009 RTIM. He noted four points the following points of growing international concern - food production, environment, and climate change.

- First, he shared the concerns raised on the current unprecedented scale and speed of land acquisition and conversion in Lao PDR, induced by a surge of investment in energy, minerals and agricultural commodity production. The fragile and only just achieved national food security could be jeopardized by this man-made pressure on natural resources. Switzerland strongly advocates that policies intended to provide development orientation for next five years carefully assess the trade-offs arising from land hungry investments and secure the livelihoods of smallholder agriculture.
- Secondly, he noted his appreciation for the idea of the decade “Investing in farmers”, as the rural people are indeed one of the assets of the Lao agrarian nation. The benefits of investing revenue gained from natural resources, from mining for instance, into farmer education and training, irrigation, credit systems or marketing could bring about more intensive production and diversified value chains which would help to accelerate poverty alleviation and reducing hunger.
- Thirdly, he underlined the importance of having active farmer organizations to source production inputs, manage irrigation, and negotiate agreements and to take care of the common interests of their communities. He indicated his hope that the future strategy for rural development would put emphasis on supporting the emergence of such organizations.
- Last, he reiterated once again Switzerland readiness to support the agricultural census. The information which it will generate is deeply needed to forge evidence based policies for future sector development. Switzerland hopes that other development partners investing in the sector can join the effort to close the funding gap.

India

The Ambassador of India highlighted the sincere and honest commitment of the Government of India to work with the Government of the Lao PDR in meeting their goals.

The Ambassador noted the macroeconomic targets and goals for the 7th NSEDP, and suggested that sector priorities in the plan need to be defined could have matching incentives to lead to a clearly understood and publicly available economic policy.

He noted there is a considerable focus on the SME sector. However given the importance of SMEs to economic growth, development, promoting private entrepreneurship and energies and encouraging their engagement in economy at all levels including the village level, perhaps there could be greater focus. A clear policy framework to enrich the private sector, as well as articulation of policies and procedures would be highly useful. Self employment schemes and promotion of local industries would also play a useful role in poverty alleviation based on available local resources.

It was recommended the Lao PDR private sector look beyond the Lao PDR border to capitalise on opportunities.

The ambassador welcomed regular consultations between the Government and Development Partners who have a stake in the challenging economic sector.

Germany

The Ambassador of Germany presented condolences to victims of Ketsana and noted that the German Government has committed USD 120,000 for two assistance programs and are also considering donating to the UN flash appeal. As the French Ambassador had already explained the principles guiding the EU, the Ambassador stated that he will focus on GTZ activities – agriculture, forestry and environment, small to medium enterprise, infrastructure and vocational training. There has been intensive debate in the last few weeks that demonstrates they share the same positive view about future development challenges for Laos. Although starting the process earlier would have been beneficial, it has been assisted by the preparation of an excellent background paper.

The Ambassador mentioned concerns raised by Germany at the 2008 RTIM about the marketing of agricultural products and the rural development assistance that is needed to deal with the economic crisis and be a shock absorber for it. These issues still deserve Government attention. The

The Ambassador noted the dangers of contract farming, rent type activities in the development of small to medium enterprises in the times of economic crisis and in the impact of livelihoods in the Lao PDR. The Background Paper, Asia Development Bank and the World Bank have already highlighted these issues. He noted that there is potential for opening up land to the private sector, but this may provide inadequate frameworks and not protect the poor.

Climate change talks are beginning to intensify both internationally and in the Lao PDR. Germany has committed 10 million Euro to climate change in the country, and more money can be expected from Germany and the EU for countries focusing on climate change activities. The Ambassador of Germany regretted that Germany was not able to make a joint statement on all topics in the agenda.

UN Agency

The FAO representative congratulated the Government on its commitment to high levels of growth through trade and private sector development in particular, while placing increased emphasis on the social sectors. He stressed the importance of promoting policies and programmes that will ensure that the poor and most vulnerable communities of the country fully benefit from the development and growth process.

He noted trade is becoming an increasingly important sector of its economy as the Lao PDR continues to integrate into ASEAN and the rest of the world. However, not all forms of trade have the same benefits. Some have a direct and immediate impact, such as cross-border trade, trade in services, and the garment sector, which contribute to the creation of jobs and provide substantial sources of income for the poor. Other forms of trade have an indirect impact which is contingent upon the formulation and implementation of appropriate policies and programmes.

In order to maintain stability and pro-poor growth, it is important to proactively ensure that investments are diversified. Greater investments in food agriculture and food processing are

particularly important in this regard to enhance food security and capitalize on the rising trend in global food prices. Likewise, high quality and domestic private sector investments, preferably in industries and services, are critical both for the industrialisation of the country and poverty alleviation.

Promoting a dynamic SME sector across the country as well as comprehensive employment planning and labour policies, will be an important priority for the next 5-year plan. The United Nations stands ready to assist the Government in these important areas.

Australia

With regards to the business and investment climate, Australia noted the progress and improvements the operating context for the private sector. Important challenges lie ahead for the Lao PDR to enable the private sector to reap the rewards of these policy reforms.

As the global economy recovers, the Lao PDR must position itself for high quality investments, through consistent and transparent process and a strong policy environment. Australia encouraged the Government to ensure that all investment is sustainable and provide long term benefits to all the people of the Lao PDR.

Republic of Korea

The Ambassador of the Republic of Korea thanked the Government of the Lao PDR for the 2009 RTIM. With regards to trade, the Ambassador recommended the Government of Lao continue efforts in WTO accession, including integrating into trading systems and reforms of procedures in line with international standards. Korea encouraged the Government of the Lao PDR to participate in the work meeting and aim for the earliest accession to the WTO

• Social Sectors' Issues and Perspectives

Presentations

• Education

- A joint statement by H.E. Mme Sengdeuane Lachanthaboun, Vice Minister of Education on behalf of Chair and Co-chairs of the SWG: Ministry of Education, Australia and UNICEF

• Health

- A joint statement by H.E. Dr. Ponmek Dalaloy, Minister of Health on behalf of Chair and Co-Chairs of the SWG: Ministry of Health, Japan and WHO

Discussion

Luxembourg

The Ambassador of Luxembourg congratulated the Government of the Lao PDR on their successful organisation of the 2009 RTIM, the implementation of the MDGs and their success in public health. With regards to hospital infrastructure, training and medical equipment there is a need for a health sector support program with strong coordination, for example with Belgium, joint cooperation with France and of course WHO, UNFPA and UNICEF, who support and complete the bilateral programs.

The Ambassador recommended a focus on strengthening HR capacities and the launch of a tourism strategy with the aim of high quality services. During the financial crisis Luxembourg continued in its contributions to ODA in the Lao PDR, and noted that there is a 30-year history and program of cooperation in the country.

WFP

The WFP representative highlighted that food insecurity and malnutrition are crucial aspects in the development process for the Lao PDR. The UN commends the government for its leadership in nutrition, with the signing of the National Nutrition Policy and in coordinating all the efforts in developing a National Nutrition Strategy and National Nutrition Action Plan. This sets an example to other countries. The Action Plan includes a comprehensive list of activities by sector to be implemented by 2015. Collective efforts are now needed to see the implementation of the plan become a reality.

It is necessary to focus on the ‘continuum of care’ from maternal to under five nutrition and to ensure an equitable response so that people living in the most remote communities benefit. An integrated approach needs to be pursued to have a lasting impact, covering health, education, agriculture, water, sanitation and rural infrastructure.

The WFP welcomes the engagement and leadership of the Ministry of Health, including in the coordination of the inter-sectoral effort, with the support of the National Science Council. In view of the scale and significance of this issue and need for sustained and concerted action, the WFP proposed that Food Security and Nutrition be added as a separate agenda item under Cross Cutting Issue in the Round Table meeting in 2010 and beyond.

Australia

As co-chair of the Education Sector Working Group, Australia highlighted the excellent achievement of finalizing the education sector development framework and the productive process by which it was produced largely because of the leadership and ownership of the Government of the Lao PDR. Mr. Moore noted the achievements of increasing enrolment in schools, increased school-related construction and the increased girl: boy ratio. Australia noted the need to increase overall resources to the sector (including Government resources), and to this end Australia will almost double its support to the sector. Australia hoped other development partners would join them in supporting the Government of the Lao PDR.

Japan

The Ambassador of Japan drew attention to: encouraging the Government to increasing the health sector budget, particularly for maternal and child health; increasing the number of high quality staff to be deployed in much needed places to help address the maternal mortality rate; strengthen the sector wide approach in health sector to make it more effective to improve health development; increase the budget of the education sector and increase the number of teachers. The Government of Japan will continue to cooperate with the Government of Lao PDR to address these issues through development assistance.

Singapore

The Ambassador of Singapore thanked and congratulated the Government of the Lao PDR for their impressive achievements to date as well as the impressive targets set for the future. The Ambassador noted that similar to Singapore it is possible to a higher value-added economy. Earlier, the improving economic climate, attracting investors, the need for transparent laws and a strong and effective public sector were discussed. In Singapore’s development experience a key element was human resources, with a focus on basic education and vocational skills. Without this, achieving the goal of moving to a higher value-added economy would have been almost impossible. As many other countries in the region have achieved this, it will be even more challenging for the Lao PDR to do so.

The Ambassador noted it was pleasing to see the commitment of the Lao PDR. Given the goals set, it will be crucial to have adequate investment in education, particularly because of

the youthful demography of the Lao PDR. The Singapore Government and NGOS are committed to working with the Government of the Lao PDR, particularly in human resource development and education.

European Commission

The Head of the EC thanked the Government of the Lao PDR for organising the RTIM. With regards to MDGs, the EC stresses the need for Government to improve collection and dissemination of data to help informed decision-making. The EC was pleased to see the proposal to strengthening statistical and planning capacities, and encouraged continuous dialogue between Government and development partners to provide disaggregated data.

2.3. Cross cutting Issues and Perspectives

Presentations

- **Governance**

- A joint statement by H.E. Mr. Khammoun Viphongxay, Vice Chairman of Public Administration and Civil Service Authority on behalf of Chair and Co-Chairs of the SWG: Ministry of Justice, Public Administration and Civil Service Authority, UNDP, EC and SDC

- **UXO and Cluster Munitions**

- A joint statement by Dr. Maligna Saignavongs, Chief of Cabinet of National Regulatory Authority on behalf of Chair and Co-Chair of the SWG: National Regulatory Authority and UNDP

- **Drugs**

- A joint statement by Dr. Bounpone Sirivong, Deputy Chief of Cabinet secretariat of the Lao National Commission for Drug Control on behalf of Chair and Co-Chairs of the SWG: Lao National Commission for Drug Control, United Nations Organisation for Control of Drugs and Crime, Japan and Australia

Discussion

European Commission

The EC representative highlighted three sectors that were of significant interest for the commission: 1) Governance and expanding the role of civil society. The EC has heard many discussions today on the growing importance of governance in natural resource management and hopes that there is a growing capacity for transparency and sound decisions. A likely issue in the future is the establishment of district councils which will help increase community engagement. 2) Mainstreaming UXO policy into NSEDP which will facilitate donor support. The EC will look at stepping up support in this area. 3) The fight against drugs and the development of alternative livelihoods. The EC looks to support this issue through enhancing joint programs, specifically on issue of ex-opium farmers.

INGO network

The INGO network representative read out a statement during the discussions.

A summary of the statement is as follows:

The INGO Network, which represents more than 60 member organisations, congratulates the Government for creating greater civil society engagement in the development of the Lao PDR. INGO welcomes the Prime Ministers Decree on Civil Society Organisations and the Covenant on Civil Rights. The Prime Minister's Decree will allow citizens to have a greater contribution to their own development including the MDGs and strategies for poverty eradication, as well as provide for a vibrant civil society.

CSOs will require intensive support and accompaniment to help them achieve greater participation. Partnerships must be developed to give Lao CSOs the space and support they require and to assist the Government in meeting requirements in the Vientiane Declaration and the Accra Agenda. The members of the INGO Network believe these partnerships should

include International NGOs, many of whom have extensive experience in supporting the development of local civil society, and are therefore well positioned to provide this support.

INGOs continue to play a role in supporting the Government, delivering more than USD 30 million in assistance each year. To manage this requires a clear regulatory framework and the finalisation of the INGO Decree. In addition to that, modes for cooperation between the different partners, including CBOs, NPAs and INGOs need to be formulated and enabled. While there has been significant progress, more work needs to be done continue providing administrative and regulatory improvements to enhance these initiatives.

It was noted that the potential for CSOs and INGOs to contribute to the development of Laos is enormous, but will need support, and the INGO's ask all development partners and the Government of the Lao PDR to consider how to promote CSOs within the country. SWGs were urged to find ways of formalising Lao PDR CSOs and INGOs in their deliberations.

The members of the INGO Network are committed to providing continued support to Lao PDR CSOs, as well as assisting the government in achieving the MDGs.

UNFPA

The UNFPA representative congratulated the Government on progress in human rights, including ratifying two additional covenants: the International Covenant on Civil and Political Rights and the Convention on the Rights of People with Disabilities. This made the Lao PDR a state party to the main international covenants providing protection for all human rights in the civil, cultural, economic, political and social spheres. The Lao Government also participated successfully in the meeting of the Committee monitoring the implementation of the Convention on Elimination of All Forms of Discrimination Against Women (CEDAW).

While ratification was an important first step, it is now critical to accelerate translation of the provisions of these conventions into national laws and to ensure that they are implemented for the benefit of all Lao people. For example, at the CEDAW session, progress made toward gender equality was acknowledged. At the same time, many areas that require further attention were also identified, and the Committee requested the Government to report progress on two priority issues, migration including trafficking and Gender-Based Violence, by 2011.

UNCT reiterated its support to the Government in further strengthening the legal and policy frameworks, the monitoring and reporting mechanisms on human rights and gender equality as well as the national capacities towards ensuring the protection for women and children who are particularly vulnerable in times of rapid socio-economic changes.

Switzerland

The Ambassador of Switzerland congratulated the Government on their ratification of the Oslo Convention and praised their leadership and the leadership of the NRA. The process was inclusive with valuable opportunities to express views. The Ambassador noted that the Oslo convention provides opportunities to the Government to receive more donor support. He underlined that a proper budgetary allocation to the sector from the Government would give a strong signal to existing and potential donors on the importance assigned to this sector and would confirm the Governments' intention to take over increasing responsibilities, including the co-financing, in this sector.

On governance, the Ambassador of Switzerland shared his appreciation to have this topic included on the agenda of the RTIM this year. Governance, a sector where Swiss Cooperation is very active, is in his view an integral part of the national socio-economic development agenda of the Lao PDR. Without effective, accountable and transparent delivery of services, without meaningful participation of the population in decision making processes, without a reliable and well-developed legal framework, and without transparent management and redistribution of the resource based-income, socio-economic development is unlikely to benefit to the majority of the Lao population. The Decree on CSOs opens doors to take the next steps on this issue. The Ambassador of Switzerland noted that Switzerland is ready to assess ways to further support the Government of the Lao PDR.

Japan

The Ambassador of Japan congratulated the Government of Lao PDR on the ratification of the Oslo Convention. The Government of Japan has been working with the Government of the Lao PDR through various cooperation schemes, including a number of grant assistance schemes. They are pleased to make further contributions, but would like to point out that division of roles and ownership between different organisations (NRA, UXO, Lao and Ministry of Labor and Social Welfare) is not clear and there is a need to improve information sharing and closer coordination.

Luxembourg

The Ambassador of Luxembourg highlighted that funds seized in drug cases go into a fund for fighting drug trafficking, and that this funds some of the UNODC activities.

ADB

With regards to public sector management the ADB noted that it was difficult for single agencies to tackle this kind of sophisticated issue. Government agencies have many meetings but there are still problems in coordination, and there is a need to address this issue.

ADB noted that many government issues are related to implementation and capacity at the local level. Development partners provide various capacity building exercises, but according to an ADB assessment there is still much room for improvement. A more systematic and progressive capacity development approach is needed. ADB suggested linking public sector development to education, and highlighted that it is difficult to train government officials through short-term training. A more systematic approach to build capacity within the public sector by linking education and vocational training is required.

- **Natural Resource Management**

Presentation

- Presented by H.E. Mme. Khempheng Pholsena, Minister to the Prime Minister's Office, Head of Water Resource and Environment Administration (WREA) and H.E. Mr. Somboun Rasasombath, Vice-Minister of Energy and Mines.
- Statement by the World Bank

2.4. Aid Effectiveness and Donor Coordination: the way forward

Presentations

- **Outcomes of Provincial Conference in Xayabouly and Update on the VDCAP**
 - A joint statement presented by Mr Somchith Inthamith Director General, Department of International Cooperation, Ministry of Planning and Investment on behalf of The VDCAP Secretariat: Ministry of Planning and Investment/DIC, UNDP and EC

Discussions

Australia

Australia noted that from today's meeting we can see today the Government of Lao PDR has kept its end of the bargain. The VDCAP is an important tool and Australia believes development partners need to do better to aid in its implementation, similar to the progress made by development partners in Vietnam. Australia noted that 2010 will be a very important year because of the development of the 7th NSEDP. There is a need to agree on the agenda and documentation early and make the most of the opportunity it presents.

Germany

The Ambassador of Germany was grateful that natural resource management was included in the agenda because it is important, and was encouraged by statements from WREA and the Ministry of Energy and Mines.

France

The Ambassador of France thanked all participants, as well as development partners and ministries from last session on their well designed papers. Climate change is one of the most major strategic topics in the world and all governments are now busy preparing for Copenhagen. For the Lao PDR climate change is a challenge and great opportunity for its development and for international relations with donors. The Ambassador of France thanked the World Bank for their well drafted paper which covered many important issues. France strongly supports the dialogue between the Government and development partners on this issue and would like dialogue to be well coordinated and possibly included in the RTIM process.

European Commission

EC supported the comments made on aid effectiveness and natural resources, particularly the comment from Australia on the way forward, including emphasising the commitment from development partners. With regards to natural resource management the EC is one of the key partners in the governance sector and therefore sees it as very important promote best practice in sector. EC considers there are opportunities for the Lao PDR to benefit from the climate change agenda which will become more important in the future. EC recommends dialogue on natural resource management, including bringing this to the operational level in the run up to the RTM 2010.

Australia

Australia commends WREA and the Ministry of Energy and Mines on their presentations. Australia supports the donor statement and was pleased that the issue has been included in the 2009 RTIM. Natural Resource Management is a critical challenge for Laos over the next few years and Australia is already assisting the Government of the Lao PDR to meet this challenge, particularly in improving water resource management through MRC and WREA, and is considering support with the World Bank on building capacity in the Ministry of

Energy and Mines. Australia looks forward to continuing the high level dialogue with the Government on this issue.

DP suggestions regarding the 2010 Round Table Meeting

The Minister of Planning and Investment asked participants if October or November would be better for the RTM, and also sought comments on topics to include in the agenda.

Germany suggested that the 2010 RTM not be held in December.

3. Conclusion

Concluding Remarks

by Madam Sonam Yangchen Rana

UN Resident Coordinator and UNDP Resident Representative

Ms Sonam Yangchen Rana noted that it had been a rich full day, and it would not be possible to summarise the whole day as it would be too much. The convergence of views was remarkable, and clearly reflects the strong partnerships developed over the past decade. Ms Yangchen Rana encouraged the Ministry of Planning and Investment to complete the 2009 RTIM meeting report quickly.

She noted that the meeting was a central point to take the Government and development partners through to next year. It was an important meeting because of preparations for the upcoming 7th NSEDP.

The Government was to be commended on a much more participatory process with open dialogue this year, which was not the case four or five years ago. This year, there had been a real sense of acknowledgement of this from the Government of the Lao PDR and development partners.

Key important issues that were raised during the meeting included the:

- need to have an environment conducive to growth and human development
- importance of private sector and sustainable development
- strengthening of public finance management and budget issues for social sectors and fiscal sustainability, and the need for this to be converged with planning process
- importance of human resources
- underpinning issues of governance and legal institutional frameworks as well as gender equality
- need for reliable data

Ms Yangchen Rana also acknowledged the issues raised around food security, malnutrition and maternal child health, and highlighted the importance of keeping these alive to ensure they are addressed. The need for realistic ODA projects was also recognized. Another important issue, both last year and this year was natural resource management and land management – this requires more discussion and clarity on how to take this forward. Also continuing from the 2008 RTIM was the role of CSOs, local governments and organizations such as farmers associations, while will be very important for the future.

Climate change was a very strong theme this year, particularly in the lead up to Copenhagen in December. Additional feedback from the floor on the 2009 RTIM also put climate change on the agenda, and it was noted that addressing climate change will offer the Lao PDR more opportunities.

The overwhelming support of the international community on Government of the Lao PDR work in the UXO sector was excellent, and now it is necessary to mobilise and utilise resources for the future, particularly if there are adequate ratifications of the conventions which the Government is lobbying for.

It is important to be very prepared for natural disasters, which are also linked to climate change. Knowledge and capacity in this area is important so that the Lao PDR does not reverse or go backwards. Trade integration and importance of indigenous domestic private

sector and the enabling business environment would also be important for the future of the Lao PDR.

Ms Yangchen Rana concluded by urging continued coordination and collaboration within development partners, line ministries and participants at the 2009 RTIM, with the end agenda of improving the people of the Lao PDRs welfare.

Ms Yangchen Rana thanked the Chair His Excellency Sinlavong Khoutphaythoune for so effectively guiding the day long dialogue to such a successful conclusion, thanked and congratulated the Department for International Cooperation at the Ministry of Planning and Investment for organizing such an enriching and fruitful Round Table Implementation Meeting in terms of both the quality of the presentations and dialogue, and in terms of the strengthening of partnerships for the effective formulation of the new National Socio-Economic Development Plan.

Ms Yangchen Rana thanked the many other excellencies who provided enlightening presentations on the various subject of the agenda, development partners for their many helpful suggestions and offerings of support throughout the day, the UN team, the UNDP and all others involved.

Closing speech

by H.E. Dr. Sinlavong Khoutphaythoune
Minister of Planning and Investment

Minister Sinlavong highlighted that today's RTIM was conducted in a good, candid and constructive atmosphere and achieved our targets. It strengthened mutual understanding and provided crucial inputs to consider for future development.

Some of the recommendations from the meeting were as follows:

1. It is important to continue to focus on the preparation of the 7th National Socio Economic Development Plan and clearly identify the prioritized areas, programmes, and realistic projects together with the involvement of stakeholders.
2. All Sector Working Groups are to improve planning, identify and implement priorities and projects based on the 7th NSEDP and increasing local people's participation. ODA supported projects must be implemented under the themes of the Vientiane Declaration so that we can make our projects *Be Effective, Be Transparent and Reach People*.
3. The Secretariat will take notes of all information from report this to the Government for guidance and then inform all stakeholders and line agencies concerned on the next steps;
4. It is hoped that all development partners acknowledge the issues presented in the meeting today and have a better understanding of the true development needs of the Lao PDR. We hope that development partners will disseminate the heart of the 7th NSEDP to your Governments and organizations, and we wish to receive your positive feedback and support.

The Minister emphasised that the Government of Lao PDR is ready to implement the commitments made and carry out open consultations leading to the next Round Table Meeting to be held in 2010.

The Minister thanked Yangchen Rana as the co-chair, other attendees for their participation and continued support and representatives of Government agencies for their kind participation and fruitful discussions.

The Minister wished everyone good health, a pleasant return journey and a successful career.

A full copy of the Minister's concluding remarks can be found at Annex 23.

III. Follow up meeting with His Excellency the Prime Minister of Lao PDR for the outcomes of the 2009 Round Table Implementation Meeting 4 November 2009

A follow-up meeting was held by the PM with a small group of development partners. The PM extended a warm welcome to the delegation and expressed his satisfaction with the very successful Round Table Implementation Meeting (RTIM). He emphasized that the RTIM success is attributed to dedicated efforts of the Government of the Lao PDR, UNDP, development partners and INGOs. The PM invited the United Nations Resident Coordinator (UNRC) and development partners to provide feedback and recommendations from the RTIM.

1. Perspectives from RTIM - challenges and opportunities facing Lao PDR presented by the UNRC

The UNRC reiterated that the PM's leadership over the Round Table process was important and that the follow-up guidance and directives sent by the PMO to line ministries and others had a positive impact, including better coordination and development results. She thanked the PM for his participation and opening statement during the RTIM which provided the overview of achievements and challenges over the past year, including a fairly robust economic performance despite the global economic and financial crisis.

The UNRC clarified that the various sessions of RTIM 2009 were organized largely around the ongoing formulation and drafting of the new National Socio-Economic Development Plan (NSED) 2011-15 and the contributions of the SWGs. Notably, the new NSED will provide government and development partners with a common framework at the main Round Table Meeting in 2010 for mobilizing and coordinating support. There was considerable convergence of views expressed by Government and development partners reflecting the strong partnerships. Among the most important successes of RTIM 2009, were the following:

- Consolidation of strong support from Government and development partners for explicitly including the MDGs and related targets among the important goals of the new NSED 2011-15.
- A common understanding on the need for greater efforts aimed at ensuring macro-economic stability, further improvements in public financial management reform, advancing further on the governance front, and developing private sector to generate trade, growth, jobs and incomes for Lao people.
- An appreciation that the criteria for graduating from LDC status will require more than just increased quantities of investment and GDP, but also an increasing focus on the quality and sustainability of growth and development and convergence of LDC and MDG criteria.
- Climate change emerged as one of the major common new concerns among participants, and as a result, will likely receive much greater attention by government and development partners in the coming years.
- A better appreciation by participants of the need for much greater dialogue and transparency in many areas including natural resources development and the FDI decision making process which received much more vocal attention this year than in previous years.

Specifically, the UNRC highlighted the following from the RTIM:

Seventh NSED: Overall, development partners supported the social and economic goals outlined for the 7th NSED 2011-2015 especially in creating an environment conducive to growth and human development. While the targets are somewhat ambitious, the partners

supported strong growth policies, including through private sector engagement, trade facilitation, and regional and global integration. There was also support for domestic private business sector to generate jobs and incomes, for example in food agriculture, manufacturing and processing, and tourism. Foreign Direct Investment (FDI) can play an important role in this regard. However, more quality control, transparency in decision making and selectivity in light of absorptive capacity was needed to ensuring that FDI does not become damaging instead.

Achieving MDGs, Advancing Towards graduating LDC by 2020: More focus on growth with equity was required given growing inequalities and marginalization of many Laos people from rural and remote areas. Several Millennium Development Goals (MDG) need special efforts: child malnutrition, maternal mortality, gender equality and environment. Efforts to achieve MDGs by 2015 and investment in social sectors will be important to advance Lao graduation from LDC status and help the country diversify investments in both the natural resources and non resource sectors essential for balanced economy and stability of the country.

Public Finance Management: Progress on Public Financial Management reform was recognized by partners, but more attention must be given to fiscal sustainability, increasing domestic revenues, and ensuring expenditure efficiency. There is a need to protect macro-economic stability by ensuring a manageable and sustainable budget deficit and domestic credit growth rate in the years ahead. Attention must also be given to align costs with budgets.

Climate Change: The critical importance of climate change was highlighted. It will offer the Lao PDR an opportunity for mobilizing resources and ODA. The threat of climate change is apparent in the country already with increased in natural disasters and the costs of those disaster and urgent preparedness will be essential. Development partners expressed strong support for assisting the government with increased resources to help prepare for climate change.

Natural Resources Management and Land: Given the importance of the natural resource issues and the growing share of natural resource revenues, the importance of addressing natural resource management and land management issues in transparent ways was stressed. Development partners expressed support for much more frequent and high level consultations on natural resource management issues. While the substantive issues are clear and elaborated by development partners, the Government will need to provide clarity on the process and ways to best facilitate discussions in positive and constructive ways for the government as well as among the development partners. There is concern over land policy and land titling issues, especially in rural areas, which needs to be accelerated.

Governance and coordination: The Government of the Lao PDR had made good progress in advancing international Human Rights and legal reform as reflected by the recent ratification of two core international human rights treaties and Legal Sector Master Plan (2020). Also the decrees on Civil Society Organizations (INGOs and National Non-Profit Associations) were appreciated. However, more needs to be done to effectively implement existing and new laws and simplify guidelines and regulations for operations. This will also contribute to reducing transactions costs to doing business in Lao PDR. The international partners appreciated the Government of the Lao PDR offer to host the First Meeting of the State Parties to the Oslo Convention in 2010.

2. Additional Comments from Development Partners

The *Ambassador of Australia* appreciated the Government statements including the WREA statement and noted the World Bank statement on NRM and supported the request to establish a high level dialogue on Natural Resource Management. She also appreciated the Government ownership of the Education sector, noting improvements in school enrolments and reiterating Australia's continued support to achieving education for all. She highlighted the challenge of the expenditure framework.

The *Ambassador of Japan* highlighted the importance of enhancing public financial management and macroeconomic stability as they are also important for achieving progress in the MDGs and social sectors and expressed Japan's readiness to support public financial programmes. He also reiterated the role of private sector and importance of streamlining procedures, enhancing legal framework and implementing the new investment law. He noted the need to focus on sustainable and quality investment to create employment and effective use of technology.

Ambassador of France (EU) highlighted the constructive and positive RTIM and thanked the Government for producing excellent background papers and statements. He reiterated the importance of climate change as an important issue for the Lao PDR and appreciated the WREA statement as well as the Government intention to incorporate natural resource issues into the 7th NSEDP. He supported high level dialogue among donors and Government on these issues within the framework of the Round Table. He also noted the importance of the Aid Effectiveness agenda and the Accra Declaration and the EU's willingness to support the Vientiane Declaration Country Action Plan.

The *Ambassador of India* commended the Government of the Lao PDR for the excellent preparations and outcomes of the RTIM, including the analytical documents. He noted impressive Government achievements on several fronts and congratulated the Government for the shape of the 7th NSEDP, outlining future directions. He noted the importance of engaging the private sector to achieve projected growth and need for incentives to stimulate manufacturing or economic sectors. He also suggested the GoL policy should place greater focus on SMEs and offered India's expertise in this area if required.

The *Ambassador of Luxembourg* noted the very successful RTIM and appreciated the Government of the Lao PDR political leadership including in the design of sectoral strategies. He highlighted that investing in resource or economic sector was important but investing in social sectors, institution building and rural development were also essential. He offered the continued support of Luxembourg to promoting Aid Effectiveness and the Round Table process and VDCAP implementation as well as the social sectors.

3. Response from His Excellency the Prime Minister

His Excellency the Prime Minister thanked the development partners for the acknowledgement of achievements and progress of Lao PDR as well as the useful suggestions, recommendations and perspectives shared during the RTIM. He also expressed his appreciation to development partners for the trust extended to the Government of the Lao PDR for its ability to manage effectively the impact of the global economic crisis. The Prime Minister attributed the success achieved so far to the concerted efforts of the Lao People, the Government and development partners and thanked partner governments and organizations who offered support to Lao PDR either multilaterally or bilaterally. The development partners continuing support will help the country achieve its targets for 2009-10 and the development plan.

On the 7th NSEDP and the MDGs: The Prime Minister noted that the 7th Plan is a continuation of the long term strategy 2001-2020 of the GoL. The GDP growth target is projected at 8% per annum and revenue per capita at 1700 USD. The focus on the MDGs – both economic and social dimensions of the MDGs - will be central to the 7th Plan. He noted that if the MDGs are not achieved then the objectives of the 7th Plan will also not be realized. He assured the development partners that GoL will consider development partners feedback to make economic growth more inclusive. He also noted that the targets set in the Plan are indeed ambitious but that the Government is determined to mobilize every effort to achieve them.

On Public Financial Management: The Prime Minister shared the views that the Government of the Lao PDR should do its utmost to increase budget revenues. There is a continued need to boost the national economic growth and income generation. The Government will pay more attention to efficient expenditure and allocate resources to sectors that benefit economic growth. He also noted the need to contain unnecessary expenditures and leakages. Attention will be given to limit the budget deficit to 3 to 5% of GDP for the 7th NSEDP. In addition to the Government's own efforts, the Government looks forward to substantial financial support to finance infrastructure from countries and IFI.

On Climate Change: The Prime Minister recognized climate change as an important issue for the Lao PDR and stressed that the Government is determined to participate with other countries to combat climate change effects and implement various initiatives. He noted that climate change problems will be addressed within the framework of the 7th NSEDP. Forests are crucial to mitigate climate changes effects and preserve the country's resources. Therefore the Governments forest coverage target was 65% by 2015 and 70% by 2020. A high level Lao delegation will participate at Copenhagen conference in December 2009.

On Natural Resource Management: The Prime Minister appreciated the views and concerns expressed by development partners and noted that the Government will give greater attention to this matter in order to achieve development sustainability. Natural resources are key development factors and will be managed in a prudent manner. There will also be greater focus on human capital. Attention will be given to promote technology and skills as well. Concerning development partners request to establishing a high level dialogue on natural resources, the Government will consider this matter in cooperation with development partners. In this context, he noted the existing SWG on Agriculture and Natural Resources within the Round Table process.

In closing, the Prime Minister thanked once again all development partners for their interest and support and requested them to convey his appreciation and consideration to their respective governments and organizations.

Annex 1:

Agenda of RTIM 2009

Agenda
The Round Table Implementation Meeting
ICTC, 03rd November 2009

08:00 – 08:30 **Registration**

08:30 – 08:35 **Welcome Remarks**

By H.E. Dr. Sinlavong KHOUTPHAYTHOUNE,
Minister of Planning and Investment

08:35 – 08:50 **Remarks**

By H.E. Ms Sonam Yangchen Rana, UN Resident Coordinator and
UNDP Resident Representative

08:50 – 09:10 **Opening Address**

By H.E. Mr. Bouasone BOUPHAVANH,
Prime Minister of the Lao PDR

09:10 – 09:20 **Group Photo Session**

09:20 – 09:35 **Coffee Break**

Session 1: National Socio Economic Development Plan
(NSED), Public Finance Management, and Impact
of the Global Crisis

09:35 – 09:50 - **Progress in the 6th NSED implementation and 7th NSED direction and priorities**
Presentation by H.E. Dr. Bounthavy SISOUPHANTHONG, Vice-Minister of Planning and Investment (10 mn)
Statement by ADB (5 mn)

09:50 – 10:05 - **Accelerating progress towards the MDGs**
Presentation by Mr. Saleumxay KHOMMASITH Director General of Department of International Organization, Ministry of Foreign Affairs (10 mn)
Statement by UN (5 mn)

10:05 – 10:35 **Discussion**

10:35 – 11:20 - **Recent developments within Public Finance Management, impact of the global crisis and outlines of the National Budget for FY 2009-10**
Presentation by H.E. Mr. Somdy DOUANGDY, Minister of Finance(10 mn)
Statement by World Bank (5 mn)

Discussion

Session 2: Sectoral Developments

11:20 – 12:30 Economic Sectors' Issues and Perspectives

- **Agriculture and Forestry**
Joint statement by H.E. Mr. Sitaheng RASPHONE, Minister of Agriculture and Forestry (The Chair and Co-Chair of the SWG: Ministry of Agriculture and Forestry, AFD, SDC and SIDA); 10 mn
- **Business Climate and Investment Environment in Industries and Trade**
Joint statement by H.E. Mme Khemmani PHOLSENA, Vice-Minister of Industry and Commerce (The Chairs and Co-Chairs of the sub-SWG: Ministry of Industry and Commerce, Australia and GTZ); 10 mn
- **Infrastructure**
Joint statement by H.E. Mr. Sommad PHOLSENA, Minister of Public Work and Transportation (The Chair and Co-Chair of the SWG: Ministry of Public Work and Transportation, Japan and ADB); 10 mn

Discussion

12:30 – 13:30 Lunch hosted by H.E. Dr. Sinlavong Khoutphaythoune
Minister of Planning and Investment

13:30 – 14:20 Social Sectors' Issues and Perspectives

- **Education**
Joint statement by H.E. Mme Sengdeuane LACHANTHABOUN, Vice-Minister of Education (The Chair and Co-Chair of the SWG: Ministry of Education, Australia and UNICEF); 10 mn
- **Health**
Joint statement by H.E. Dr. Ponmek DALALOY, Minister of Health (The Chair and Co-Chair of the SWG: Ministry of Health, Japan and WHO); 10 mn

Discussion

14:20 – 15:15 Session 3: Cross cutting Issues and Perspectives

- **Governance**
Joint statement by H.E. Mr. Khammoune VIPHONGXAY, Vice Chairman of Public Administration and Civil Service Authority (The Chair and Co-Chair of the SWG: Ministry of Justice, Public Administration and Civil Service Authority, UNDP, EC and SDC); 10 mn

- **UXO and Cluster Munitions**

Joint statement by Dr. Maligna SAIGNAVONGS, Permanent Secretary of National Regulatory Authority for UXO/Mine Action (The Chair and Co-Chair of the SWG: National Regulatory Authority and UNDP); 10 mn

- **Drugs**

Joint statement by Dr. Bounpone SIRIVONG, Deputy Head of Permanent Secretariat of the Lao National Commission for Drug Control (The Chair and Co-Chair of the SWG: Lao National Commission for Drug Control, United Nations Organisation for Control of Drugs and Crime, Japan and Australia); 5 mn

Discussion

15:15– 15:45 - **Natural Resource Management**

Presentation by H.E. Mme. Khempheng PHOLSENA, Minister to the Prime Minister's Office, Head of Water Resource and Environment Administration (10 mn) and H.E. Mr. Somboun Rasasombath, Vice-Minister of Energy and Mines (10 mn)
Statement by World Bank (10 mn)

15:45 – 16:05 **Coffee break**

Session 4: Aid Effectiveness and Donor Coordination: the way forward

16:05 - 16:35 - **Outcomes of Provincial Conference in Xayabouly and Update on the VDCAP**

Joint Statement by Mr. Somchith INTHAMITH, Director General, Department of International Cooperation, Ministry of Planning and Investment (The VDCAP Secretariat: Ministry of Planning and Investment/DIC, UNDP and EC); 10 mn

Discussion

- **DP suggestions regarding the 2010 Round Table Meeting**

16:35 – 16:50 **Concluding Remarks**

By Ms Sonam Yangchen Rana
UN Resident Coordinator and UNDP Resident Representative

16:50 – 17:05 **Closing speech**

By H.E. Dr. Sinlavong Khoutphaythoune
Minister of Planning and Investment

Annex 2:

Welcome Remarks

**by H.E. Dr. Sinlavong KHOUTPHAYTHOUNE, Minister of
Planning and Investment**

Welcome Remarks
By
His Excellency Dr. Sinlavong Khoutphaythoune
Minister of Planning and Investment

2009 Round Table Implementation Meeting
International Cooperation Training Center (ICTC)
3rd November 2009

Excellency Mr. Bouasone Bouphavanh, Prime Minister of the Lao PDR

Excellency Ms. Sonam Yangchen Rana, UN Resident Coordinator and UNDP Resident Representative

Excellencies

Distinguished delegates

Ladies and Gentleman

First of all, I would like to extend a warm welcome to His Excellency the Prime Minister of the Lao PDR who has honoured us with his presence at the Round Table Implementation Meeting 2009, as well as to ambassadors, heads of organizations and development partners, particularly for those who have travelled long distances to join us. A cordial welcome is also extended to ministers, representatives from ministries, agencies and provincial authorities who have contributed their valuable time to be with us today.

Distinguished guests

Today's Round Table Implementation Meeting has been prepared and is now taking place within the framework of the Round Table Process that is an important mechanism to provide Government and Development Partners the opportunity for dialogue on development issues in Lao PDR as well as discuss the implementation of programmes, projects and collaborations between the Government of Lao PDR and Development Partners. That is why the Government of Lao PDR has always given importance to the Round Table Process.

As you would be aware the last Round Table Implementation Meeting took place on 24 November 2008, and since then we have implemented many initiatives and achieved significant outcomes.

The Government of Lao PDR has met many of our commitments, among them include the implementation of several legal documents and institutional reforms, facilitating conditions for the eight Sector Working Groups in the implementation of ODA projects. This has resulted in the three key outcomes of improving transfer of resources to the grass-roots level, improved aid effectiveness and transparency.

Development Partners have also fulfilled their commitments as well, which during the last fiscal year 2008-2009 saw the provision of assistance amounting to USD 560 million, comprising USD 383 million in grants and USD 177 million in loans.

Apart from this, we have organized several meetings of the eight Sector Working Groups and others. All of these have contributed to the implementation of the Vientiane Declaration as well as improved the development of the country, and overcome the difficulties which have arisen from natural environmental conditions and the global financial crisis.

Distinguished guests

This meeting is an important platform, of which the main objective is to provide an opportunity for the Government of Lao PDR and Development Partners to continue to discuss the main issues, including, on the Government side, presenting the key achievements of the implementation of agreed commitments, presentation of the draft of the 7th NSEDP and the resources required. At the same time the Government of Lao PDR is pleased to receive any comments from Development Partners on related issues. At this special meeting, we have the great honour to listen to the address of His Excellency the Prime Minister on Government policies. We do hope that we will receive more support from existing and future Development Partners.

Finally, once again, I would like to express my thanks and welcome everybody to the 2009 Round Table Implementation Meeting. We hope this meeting will be constructive and achieve successful outcomes.

Thank you

Annex 3:

Remarks by H.E. Ms Sonam Yangchen Rana,
UN Resident Coordinator and UNDP Resident Representative

Round Table Implementation Meeting 2009
Realizing the Opportunities Ahead
Vientiane, Lao PDR
3 November 2009
Opening Remarks
by
Sonam Yangchen-Rana
UNDP Resident Representative &
UN Resident Coordinator

Your Excellency Prime Minister Bouasone Bouphavanh,

Your Excellency Minister Sinlavong Khoupaythoune,

Other Excellencies, Distinguished Participants,

On behalf of the international development community in Lao PDR, allow me to first thank Your Excellency Prime Minister Bouasone for honoring us with your participation this morning in the opening of this Round Table Implementation Meeting 2009.

Allow me to also congratulate the leadership of Your Excellency The Prime Minister and the Government of Lao PDR for the country's many achievements over the past year despite the global economic and financial crisis.

I would also like to thank and congratulate the Ministry of Planning and Investment for the organization of this Round Table Implementation Meeting and for the rich documentation including the excellent background paper prepared in collaboration with many other ministries, government agencies and development partners in order to facilitate this annual consultation.

Excellencies, Distinguished Participants,

We meet here today at an especially opportune and exciting time in the development process of Lao PDR. The Government is in the process of drafting the country's new National Socio-Economic Development Plan (NSED) for 2011-15. This new NSED will provide Government and development partners with a common Government-led framework for coordinating our collective efforts and financial assistance towards achieving the country's development goals.

These development goals include - economic and social - maintaining a robust growth rate through trade and private sector engagement, infrastructure development as well as ensuring investments in the social sectors to achieve the country's Millennium.

Development Goals (MDGs). Particularly important for achieving these goals will be the further development of a supportive policy, institutional and legal environment.

The new NSED will also provide Government and development partners with a common framework for next year's Round Table Meeting aimed at mobilizing substantial new Official Development Assistance (ODA) for helping the country achieve its development goals, including graduating from the LDC status by 2020.

Especially noteworthy in this context, achieving the MDGs by 2015 will bring Lao PDR closer to graduating from LDC status, perhaps even before 2020.

Recent Achievements:

Excellencies, Distinguished Participants,

Progress over the recent past has been impressive.

Thanks to Government leadership and the close partnership with the country's many development partners, poverty has declined to some 26% of the population in recent years from 33.5% in 2002, and 46% in 1992. In addition, access to safe drinking water has expanded, infant and child mortality rates continue to decline, and enrollment and literacy rates at the primary age level have risen significantly.

This important progress in human development has been underpinned by continued macro-economic stability, strengthening institutional development and increasing integration into the regional and global economy.

GDP growth has averaged above 7% in recent years despite the global economic and financial crisis, while inflation has been maintained at low single digits. Budget revenues have also risen steadily in recent years and were only set back moderately due to the impact of the global recession. Rising expenditures have helped buoy economic activity.

The budget deficit has risen significantly over the past year, as has the growth in domestic credit, but the government plans to rein these in over the coming years in order to consolidate and safeguard macro-economic stability.

We again congratulate the Government of Lao PDR for these many impressive achievements.

Doing More to Reach the People

Despite these many achievements, there is so much more to be done. Poverty and near poverty remain widespread, especially in rural areas where the vast majority of Lao people still live and work at a relatively impoverished subsistence level. The unfortunate reality is that a significant number of Lao people in the most remote parts of the country still suffer periods of hunger, especially during the lean season in between harvests, or immediately following natural disasters such as flooding, rodent infestation, crop failures and others.

Although the overall poverty rate has continued to decrease in recent years, preliminary analysis of recent data suggests that underlying food poverty and hunger may have risen in some parts of the country, and inequality has been widening.

Especially worrisome, child malnutrition and maternal mortality rates remain alarmingly high by any standard. 37% of the country's children remain chronically malnourished to the point of stunting of physical and mental development. Unless urgently redressed, this will have serious implications for the future population and work force, especially given the country's demographics.

Moreover, mothers are the most important care takers and teachers of our children, but the maternal mortality rate is among the highest in the region, while the education index is

among the lowest in ASEAN.

All of this has serious implications not just for human well-being in Lao PDR today, but also for the country's future capacity to compete in an increasingly competitive and knowledge-based global economy.

The country's valuable environmental assets are also being increasingly threatened by very short-term economic gain that could well result in huge longer-term losses to the economy, the quality of life and human well-being in Lao PDR.

The last Round Table Implementation Meeting highlighted the need for further improved governance in land, mining and forestry. A serious review of land management policy is still urgently needed to ensure efficient and equitable land use, and better safeguard the nation's food security. Moreover, land is the ultimate social safety net in times of deep economic crisis given the still undeveloped social security systems in Lao PDR. Effective and equitable land management would also better protect the people and country from the potential devastation of climate change.

In today's context of increasingly rapid climate change, we are also likely to see an increase in the number of natural disasters. Without adequate preparations, this will likely set back progress towards the Government's development goals including graduation from LDC status by 2020. Hence, urgent preparations and meaningful measures are needed to reduce the country's vulnerability to the potentially devastating impact of climate change.

Excellencies, Distinguished Participants,

Please allow me to now look forward and share with you some perspectives on how we can further deepen the partnerships to strengthen the Government of Lao PDR's efforts to meet challenges ahead and achieve its development goals.

The Need for Greater Focus on the Quality and Sustainability of Growth

The next National Socio-economic Development Plan (NSED) 2011-15 provides a major opportunity for further poverty reduction, achieving the other MDGs as well as for making substantial progress towards promoting sustainable growth with equity and ultimately helping Laos graduate from the LDC status.

Meeting the official criteria for graduating from LDC status will clearly require further growth in the *quantity* of income per capita of Lao people, but will also require much greater focus on the *quality* and *sustainability* of growth and development.

Much greater focus on the quality of growth will also increase the quantity of growth. For example, one of the most pressing MDGs is reducing malnutrition which is high in Lao PDR by virtually any standard. Based on international research findings applied to Lao PDR, eliminating malnutrition would add 2% to 3% per annum to GDP growth because of increased productivity of the labor force in both urban and rural areas. This means that if the current NSED had already invested in the elimination of malnutrition, GDP in Lao PDR could be \$3.9 billion higher by 2020 than would otherwise be the case.

Also notable, the cost of eliminating malnutrition in Lao PDR has been estimated at a much lower investment of US\$600 million or (or US\$120 million per annum over a five year period). In other words, the elimination of malnutrition would have resulted in a net gain to GDP of \$3.3 billion by 2020, a very high economic rate of return by any standard. Therefore,

eliminating malnutrition is not just good social policy, it is also very smart economic policy. More focus on quality in other areas is also important. For example, quality foreign investment can play an extremely valuable role in accelerating the development process of a least developed country. Already in several areas, FDI has been making major contributions to the development of Lao PDR.

Given very strong foreign interest in investing in Lao PDR's rich natural resource sector, the Government can afford to be much more selective in the quality of foreign investment licensed and allowed in the country to achieve its development goals.

Also, as highlighted at last year's RTIM, greater transparency in the foreign investment decision making process would also help further improve the quality of FDI attracted to Lao PDR.

Ensuring balanced and diversified investments in both the natural resource and non-resource sectors will better help ensure a diversified and balanced economy going forward, and help avoid the build up of structural imbalances that could ultimately prove destabilizing if the terms of trade suddenly change.

Quality foreign investment that transfers valuable skills and technology, especially in agriculture, manufacturing, processing, and tourism can also contribute substantially to the development of an indigenous domestic private sector that generates more sustainable jobs and incomes for Lao people.

Clearly, FDI can also be quite harmful to the economy, social well-being and the environment if of low quality and in large amounts beyond the country's capacity to absorb effectively.

Excellencies, Distinguished Participants,

We face a most rich and diverse discussion today.

In ending my opening remarks, allow me to offer a few perspectives on how we might together ensure that this 2009 RTIM meeting is a major success.

First, we need to offer innovative but realistic and practical suggestions today and over the coming months to help the Government in the formulation of the new NSEDP in order to help the country meet its development goals.

Secondly, we need to consider how we can all work together through the Round Table Process under Government leadership over the next 12 months to mobilize our collective efforts and financial assistance for supporting the implementation of the new National Socio-Economic Development Plan 2011-15.

As with the upcoming SEA Games, we need to support the Lao PDR team under Government leadership in scoring the country's most valuable development goals.

Thank you, and I wish everyone a most fruitful and successful dialogue.

Annex 4:
Keynote Address
by H.E. Mr. Bouasone BOUPHAVANH,
Prime Minister of the Lao PDR

Keynote Address

by H.E. Mr. Bouasone Bouphavanh

Prime Minister of the Lao PDR

At the Round Table Implementation Meeting

Vientiane Capital, 3rd November 2009

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Excellencies,

Distinguished Guests,

Ladies and Gentlemen

On behalf of the Government of the Lao PDR, I would like to warmly welcome all of you to the 2009 Round Table Implementation Meeting. In the same vein, I would also like to commend UNDP, and in particular Ms Sonam Yangchen Rana and her staff and the Development Partners for their kind support and close collaboration rendered to respective Government sectoral agencies in making the arrangements for the said Meeting.

This RTIM is taking place amidst unfavorable external environment due to the global financial and economic crisis, climate change, the spread of AH1N1 influenza. Our country has also been hit by natural disasters. All of these have directly affected the Lao PDR's development target set for this year and the years to come. Development partners and international organizations have similarly experienced adverse impact from the rapidly-changing environment. It is therefore my belief that this RTIM is the appropriate forum for the exchange of in-depth and constructive dialogue on how we can best deal with the adverse impact and the emerging challenges so that we can create enabling conditions for the Lao PDR to pursue its development path in a more consistent and sustainable manner.

I would like to inform you that the implementation of the national socio-economic development plan and the budget plan for 2008-2009 that was readjusted during the last semester, have basically attained the set-forth objectives namely macroeconomic stabilization, GDP growth of 7.6 %; the development in social sector has been continuously pursued despite some unachieved targets. We are well aware that these achievements have been made partly because of the successful implementation of the Government's policies and crisis management measures as well as the Government's economic stimulus package. On the other hand, it is also attributed to the immediate response from the development partners providing both financial support and other means, and I wish to express, on behalf of the Lao Government our heartfelt appreciation to this end.

Excellencies,

The economic growth as well the development in the Lao PDR in the previous year may have achieved positive results, but when taking a closer look at the inner structure, it is recognized that there remain a number of issues to be rectified as the growth still depends on household economy and on vulnerable small and medium enterprises. The economic development is also largely dependent on the exploitation of natural resources while the financing for development comes mainly from external sources.

These are the fundamental issues posing challenges to our development and integration efforts. Nevertheless, for the fiscal years 2009-2010, we have approved socio-economic development plan and budget plan that include pro-active and consecutive macro socio-economic development targets deriving from last year. Furthermore, we are currently mapping out the 7th Socio-Economic Development Plan (2011-2015) in which we will outline some focus-oriented directions aimed at achieving the key features of the Millennium Development Goals. In addition, we will also create favorable conditions for the country to graduate from the status of Least Developed Country by 2020.

I would like to emphasize that the 2009-2010 Socio-Economic Development Plan and the subsequent Plans for the coming years will continue to focus on addressing fundamental issues of the Lao PDR namely the poverty of the people and the underdevelopment of the country; It is a plan designed to accelerate the efficient exploitation of natural resources and untapped domestic potential together with environment protection and sustainable-wise development. In addition, the plan is drawn up for the country's participation in the Mekong Sub-Regional Integration and the ASEAN Community Building.

We are aware that in order to attain the immediate and long term development goals, we must optimize the country's untapped potential. For instance, the increase of domestic funding through income generation into the State budget must occupy a higher ratio of the GDP; The capacity building for government officials and human capital; The participation of public and private sectors in bolstering economic growth; The upgrading of State apparatus' efficiency in connection with the elimination of wasteful expenditures and anti-corruption; The increased efficiency in natural resource management and environment protection so as to ensure sustainable-wise development including additional investment and attention paid to the social sector namely on education, health and safety net schemes, and others. These are the key priority directions and projects of our Government.

In order to achieve these development targets, we recognize that the support and assistance accorded to the Lao PDR from development partners and international organizations are not only necessary, but indispensable. Consequently, we strongly hope that the participants in this Meeting will make efforts to understand the reality of the Lao PDR and take the initiative to share candid and frank discussion with relevant Lao authorities concerned.

Excellencies,

On behalf of the Government and on my own behalf, I am pleased to note that past Round Table Meetings were all beneficial to forging mutual understanding and further deepening the cooperative relations between the Government of the Lao PDR with development partners and international organization. More gratifying, it is the fact that, at every Round Table Meeting, the Government as well as our line ministries has been able to capture the essence of the issues and subsequently made self-improvement in different areas. As a result, the coordination with Development Partners has become more harmonious and the joint implementation of different programs has gained substantial progress.

I earnestly hope that you will make use of this Meeting to provide us with additional recommendations and advice on how we can further enhance the efficiency of our cooperation which would be a basis for attaining the MDGs encompassing not only education and health sectors, but also nutrition and productivity sectors. Furthermore, your inputs would also help us in addressing the problems and constraints relating to ODA implementation while ensuring transparency and wide people's participation.

With regard to the implementation of Public Investment Programs, we have introduced additional management measures and guidance to the executive board within line ministries and provincial authorities for them to enhance a greater sense of responsibility and strictly observe planning and finance disciplinary practice. Especially, they must uphold responsibility for realizing the identified projects included in the plan; and to avoid the implementation of extra-budgetary programs that are the root causes of accumulating debt burden. Therefore, I would like to urge the representatives of line ministries and government institutions to be more attentive to the views and recommendations made by the participants of this meeting, and to take those inputs back for case studies and policy improvement as deemed appropriate. This would enable us to create favorable conditions and sound environment for donors and development partners to fully interact with the Government.

With the existing friendly ties and good cooperation between the Government of Lao PDR with the Development Partners and international organizations, I am confident that the Round Table Implementation Meeting will be crowned with a resounding success as envisaged.

I wish Excellencies, Ladies and Gentlemen, good health and happiness.
I now officially declare the meeting open.

I thank you.

Annex 5:

Presentation on Progress in the 6th NSEDP implementation
and 7th NSEDP direction and priorities
by H.E. Dr. Bounthavy SISOUPHANTHONG,
Vice-Minister of Planning and Investment



LAO PEOPLE'S DEMOCRATIC REPUBLIC
Peace Independence Democracy Unity Prosperity

Round Table Implementation Meeting
Vientiane Capital, 03 November 2009

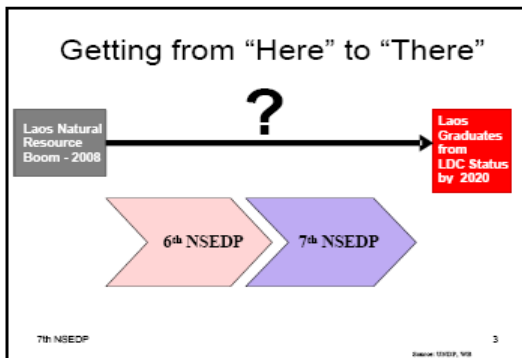

**National Socio Economic Development Plan
(2011-2015)**

Presented by H.E. Dr. Bounthavy SISOUPHANTHONG
Vice Minister
Ministry of Planning and Investment

Presentation Organisation

- 6th NSEDP(2006-2010) achievements
- 7th NSEDP(2011-2015)
- Investment plans and estimates
- Implementation measures

7th NSEDP 2

**6th NSEDP(2006-2010)
achievements**

7th NSEDP 4

MACROECONOMIC ACHIEVEMENTS

GDP Growth in average 5 years : 7.8 % per year
(Target 7.5-8%)

- Agriculture: 3.6 % (3-3.4 %)
- Industry: 14.6 % (13-14 %)
- Services: 8.1 % (7.5-8 %)

☞ GDP per capita about 906 \$US in FY 2008-09

☞ Inflation rate: 5.15 % (6-6.5%)

☞ Total investment: 28.8% of the GDP per year
(32% of the GDP per year)

SOCIAL ACHIEVEMENTS

Total Population in year 2010 : 6.7 Mill
(Population Growth Rate : 1.9 % per year)

Education: (2009)

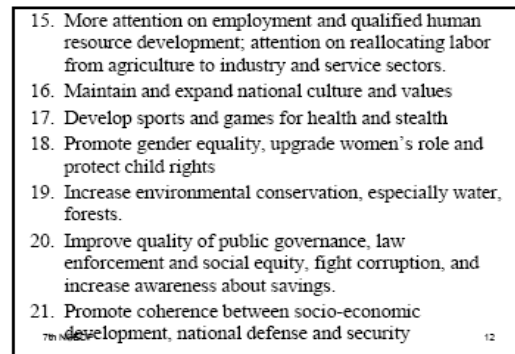
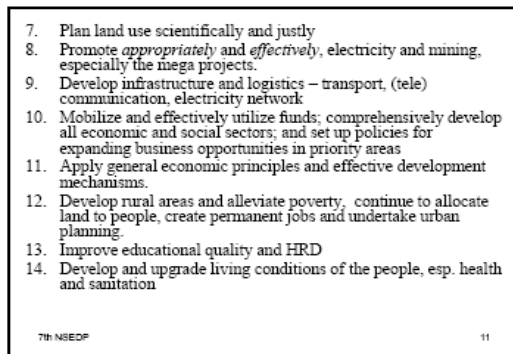
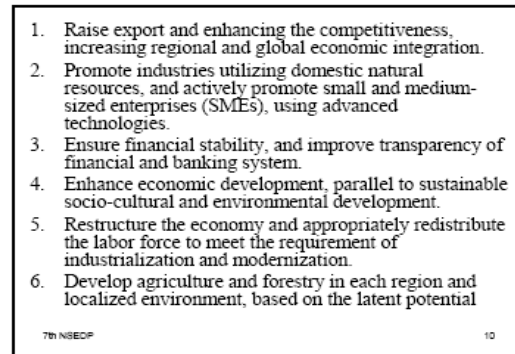
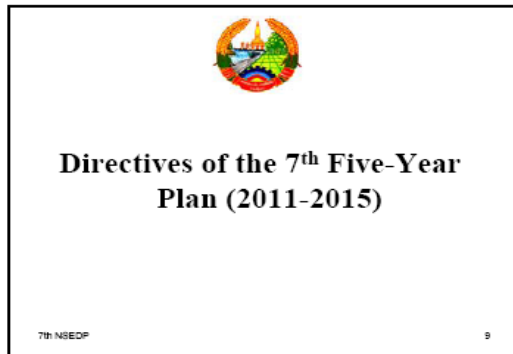
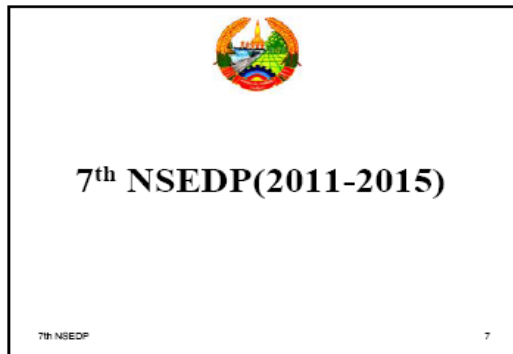
- Enrolment rate of Primary school 6-10 years of age 91.6%
- Adult literacy rate 15 years and over 78.5%

Health:

- Life expectancy at birth 64years (Male: 62 & Female: 66 years)
- Infant mortality rate <1 year of age 59 per 1,000 live births
- Infant mortality rate <5 years of age 75 per 1,000 live births
- Access to clean water 77% of total HH

Poverty Reduction:

- **LECS I** (1992-93): 46% ; - **LECS III** (2002-03): 33.5% ;
- **LECS II** (1997-98): 39% ; - **LECS IV** (2007-08): 26%





Targets of the 7th Five-Year Plan (2011–2015)

7th NSEDP

13

Macroeconomic Targets (2011–2015)

- GDP growth rate no less than : 8%
 - Agriculture : 3.0 %, (23.0% of GDP)
 - Industry : 15.0 %, (39.0% of GDP)
 - Service : 6.5 %, (38.0% of GDP)
- GDP per capita: US\$ 1,700 by 2015
- Inflation : (single digit)
- Exchange rates stabilize

7th NSEDP

14

Social Development Targets (MDGs Goal)

Goal 1: Poverty Reduction

- Reduce poverty rate to less than 24% of the total population
- Reduce underweight in children under 5 years old to be less than 22%

Goal 2: Education for all

- Net primary school enrolment rate: 98%
- Proportion of pupils starting grade 1 who reach grades: 95%
- Literacy rate in the age group 15–24 years of age: 99%

7th NSEDP

15

Goal 3: Gender promotion

- Eradicate gender inequality in accessing education by 100%

Goal 4: Reduction of infant mortality

- Infant mortality rate <1 year of age 49 per 1,000 live births
- Infant mortality rate of <5 year of age 80 per 1,000 live births

Goal 5: Maternal health promotion

- Reduce Maternal mortality rate 260 per 100,000 live births

7th NSEDP

16

Goal 6: Malaria control

- Death caused by malaria: not more than 0.2 per 100,000 people

Goal 7: Ensure environmental sustainability

- Forest coverage: 65% of the total national forests
- Clean water access ratio of population: 80%
- Latrine usage ratio of population: 60%

Goal 8: Global partnerships development

7th NSEDP

17

Environment Protection

- Forest coverage: 65% of total areas by 2015
- Preserve some important minerals
- Manage and protect water resources
- Monitor weather change on regular basis and participate in fighting against 'global warming'

7th NSEDP

18



Investment requirements (2011-2015)

7th NSEDP 19

Proposed investments

<u>Item</u>	<u>Amount</u> (billion Kip)	<u>% of GDP</u>
Total Investment	127,000 (100%)	32.0%
Public Investment	43,700 (34.4%)	10.0%
of which ODA (3,877 US\$ mill)	32,960(25.9%)	
Private Investment	83,300 (65.6%)	22.0%
of which FDI (8,352 US\$ mill)	70,991 (55.9%)	
Loan+Pop	12,309 (9.7%)	

7th NSEDP 20

Annual costs associated with MDG (\$m)

	Govt. fixed	Govt total	Pvt.	TOTAL
Water/san	68	73	49	121
Roads	385	385	0	385
Education	56	123	22	145
Health	103	134	24	158
Energy	48	72	35	107
Environment	14	18	4	22
Gender	12	12	0	12
Agriculture	111	173	154	327
TOTAL	773	990	288	1,278

7th NSEDP 21

Possible Gap (\$M) -> 8% growth rate and 15% tax+non-tax revenue (%of GDP), no assistance or borrowing


Year	Govt		Gap	Gap/GDP
	Rev. est.	exp		
2010/11	1,031	1,700	-669	-9.7%
2011/12	1,114	1,756	-643	-8.7%
2012/13	1,203	1,818	-615	-7.8%
2013/14	1,299	1,884	-585	-6.8%
2014/15	1,403	1,955	-553	-5.9%
Total gap (5 yrs)			-3,030	

7th NSEDP 22

Deficits and assistance

- Presently the gap is about 6% of GDP
- A simple calculation suggests that ODA doubling the aid (average 2005-08) coming through the treasury should meet the expenses for at least the social and directly MDG-helping sectors

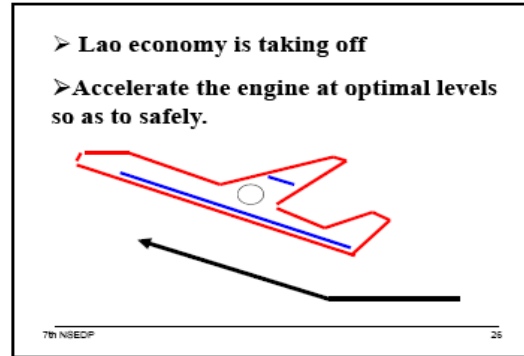
7th NSEDP 23



Implementation Measures

7th NSEDP 24

1. Efficiently raise and utilize fund generated from domestic and foreign sources
 2. Create and use human resources and improve skills of the work force
 3. Develop and utilize science and technology to the country's advantage
 4. Build relationship between production, processing and distribution
 5. Develop appropriate mechanisms and policies for troubleshooting
 6. Strengthen international relations in economic, social, cultural and other mutually beneficial areas
 7. Ensure balancing of programs, financial plans, human resource plans and macro-economic equilibriums
 8. Improve monitoring and evaluation systems
- 7th NSEDP 26



Thank You

Annex 6:
Statement on Progress in the 6th NSEDP
implementation and 7th NSEDP direction and priorities
by the Asian Development Bank

Development Partner's perspective on progress within the 6th NSEDP implementation, the response to mitigate the effects of the global crisis on achieving the Plan's targets, and strategic direction and priority areas of the 7th NSEDP

Statement by the Asian Development Bank

1. H.E Dr. Sinlavong Khoupaythoune, Minister of National Planning and Investment; Ms Sonam Yanchen Rana, UN Resident Coordinator and UNDP Resident Representative to the Lao PDR; Excellencies, and Distinguished Participants:

2. I am honoured as co-chair of the Macroeconomics/Private Sector Development Working Group to deliver a supplementary statement which was prepared in consultation with a number of development partners.

Implementation progress of the NSEDP6

3. First of all, Mr. Chairperson, please allow us to congratulate the Government for the successful implementation progress of the 6th National Socio-Economic Development Plan. Among the many important achievements, higher economic growth has been sustained and the poverty incidence has been reduced to 27%. Steady progress is also being made towards meeting the MDGs.

4. While we commend the good progress, we would like to share some views for better performance during the remaining implementation period of the NSEDP6:

- *First, economic growth has been driven by natural resource based foreign direct investment and has not appropriately translated into small and medium enterprise development and job creation.*
- *Second, there are increasing concerns on the sustainable natural resource management, in particular land management.*
- *Third, while income poverty was reduced, inequality increased and progress on non-income MDGs lags behind targets, in particular malnutrition and maternal and child health status.*
- *Fourth, there is much room to improve efficiency of public expenditures and public finance management, particularly at the local level..*

Impact of the Global Economic Crisis

5. Mr. Chairperson, the Lao economy weathered the crisis relatively well so far, even though significant impact was felt in copper price drop and government budget short fall, FDI project implementation delays, and garment export and tourism arrival decline. While there are positive signs that the world economy is now on the recovery side, the process will take quite some time.

6. The Government will need to continue to accord a high priority to macro stability and closely monitor the progress. At the same time, please allow us to share some lessons drawn from this crisis.

- *First, a coordinated approach/ mechanism within the Government is necessary to better manage macroeconomic stability and economic crisis.*
- *Second, there is a need to enhance the banking and financial sector regulatory and supervisory setting to mitigate potential risks.*
- *Third, the crisis has further exacerbated the situation of the poor and vulnerable. The social impact of the crisis should be addressed as a priority for government's actions and budgetary allocations.*

Directions and Priorities for the NSEDP7

7. Mr. Chairperson: now I would like to turn to the 7th National Socio-Economic Development Plan. We support the general directions of the 7th Plan, which the Government has underlined under the 6 pillars including Sustainable Economic Growth, Poverty Reduction, Industrial Development and Modernization, International Integration, Governance and Public Administration Improvement, and National Security and Stability. We also welcome the development themes, emphasizing equity, quality, and sustainability. We wish to share the following views:



- First, we appreciate that an ambitious plan is necessary to achieve the Government's 2015 MDG targets and 2020 country development goals. This will have significant implication on resource mobilization, allocation, and utilization. While the increase in the amount of FDI and ODA is important, enhancement of quality, efficiency, productivity, and results management should be much emphasized.
- Second, we welcome the significant role of private sector in moving toward industrial development. Building on the recent improvement, conducive business environment should be further promoted - particularly for non-resource sector and SME development. This will require bold reforms in public sector management and public service delivery mechanism. Policies and laws should be implemented in a transparent and consistent way, business related procedures should be further streamlined, and gaps and bottlenecks for enterprise development should be addressed as a matter of high priority.
- Third, we underline the importance of human resource development as the Lao people are the most valuable resources for sustainable development. We appreciate the Government's efforts to develop and adopt a comprehensive education sector development framework. Much effort has gone into developing accessible and affordable basic education, and continued efforts should be made to steadily improve access and quality of basic education. At the same time, we need to ensure that the universities are able to produce creative and innovative human resources; and the vocational and technical education should be able to provide the skilled labor to meet the demands of a growing economy.
- Fourth, we need to further improve the way to manage natural resources to ensure sustainable development and to maximize benefits over the long term. Considerable progress has been made in planning and establishing natural resource management regulations. Transparent implementation and enforcement of laws and regulations are crucial, and further institutional capacity building is required in these areas. Climate change should be mainstreamed in related areas in particular water resource management and rural livelihood improvement, in line with the National Climate Change Strategy Action Plan.

- Lastly, given the importance of NSEDP 7, we would like to suggest more consultative process during its preparation and implementation monitoring process. This will help to clarify priority areas, identify and reflect concrete actions and resources required for full implementation of NSEDP 7, and encourage development partners including ADB to better align their assistance with NSEDP 7 priorities. We expect the Macroeconomics/Private Sector Development Working Group meetings will be a useful venue for constructive consultation between the Government and development partners in the NSEDP 7 preparation process

Thank you.

Annex 7:

Presentation on Accelerating progress towards the MDGs
by Mr. Saleumxay KHOMMASITH, Director General,
Department of International Organization, Ministry of Foreign
Affairs

Round Table Implementation Meeting

**Millennium Development Goals:
Progress and Challenges**

November 03, 2009

**Mr. Saleumxay KHOMMASITH, Director
General of Department of International
Organization Ministry of Foreign Affairs**

Progress in Achieving MDGs

- Poverty declined from 33 percent in 2003 to 26.9 percent in 2008, However, Hunger remains a challenge
- US dropped from 170 to 98 per 1,000 live births, and the infant mortality rate from 104 to 70
- MMR fell from 650 per 100,000 births in 1995 to 405 in 2005
- Low coverage of skilled birth attendants (25% only, target: 50% for 2015)

Five Priority Areas for Achieving the MDGs in Lao PDR



Improving Nutrition and Food Security

- Recent progress in implementing policies and programmes
 - First ever National Nutrition Policy was issued in December 2008
 - First ever National Nutrition Strategy and Plan of Action will be issued this month
- Challenges ahead that need particular attention and resources
 - Malnutrition remains a serious challenge
 - Comprehensive strategy with 99 interventions for implementation
 - Extremely fragmented stakeholder landscape
 - Funding: \$600M over next 5 years; \$25M in 2010 for priority 1 interventions alone
 - Significant shortage of institutional and human capacity

Reducing Child and Maternal Mortality

- Recent progress in implementing policies and programmes
 - Maternal, Neonatal and Child Health (MCH) Strategy approved in 2009
- Challenges ahead that need particular attention and resources
 - Increased access to Skilled Birth Attendants
 - Strengthening health systems, incl. infrastructure and HR
 - Addressing social and cultural barriers which influence populations' health behavior, ie through IEC and CCT
 - Increase public spending on health care and reduce financial burden of health care on households

Providing Basic Education For All Boys and Girls

- Recent progress in implementing policies and programmes
 - Education Development Sector Framework approved in April 2009
- Challenges ahead that need particular attention and resources
 - Access to quality schooling even in remote areas
 - Ensuring that girls have equal access to schooling at all levels
 - Ensure that all children complete primary school
 - Reduce financial burden of sending children to school

Promoting Environmental Sustainability

- Recent progress in implementing policies and programmes
 - National Adaptation Programme of Action to Climate Change (NAPA) and National Capacity Needs Self Assessment for Global Environment Management (NCSA) approved
 - National Climate Change Strategy drafted
 - Revised Environment Protection Law drafted
 - Environment and Social Impact Assessment Decree drafted
 - Responsibility for coordinating biodiversity and land degradation transferred to MAF

Promoting Environmental Sustainability (II)

- Challenges ahead that need particular attention and resources
 - Drafted policies and strategies need to be approved
 - Strengthened land use planning and land titling processes
 - Strengthened protected area management and forest inspection
 - Sustainable management of production and protection forests
 - Sustainable management of watersheds
 - Sound investment processes to minimize environmental impacts and maximize social outcomes
 - Improved cross-sectoral coordination for sound environmental management, including the strengthened integration of poverty-environment issues into national, sub-national and sectoral plans

Improved Water and Sanitation for All

- Recent progress in implementing policies and programmes
 - Harmonized monitoring system through Joint Monitoring Programme
 - Revised MDG Targets for Lao PDR
 - Total improved water 69%
 - Total improved sanitation 54%
- Challenges ahead that need particular attention and resources
 - Rural areas and small towns are not reached
 - 76% of schools do not have access to safe water and sanitation
 - Even if targets are met 1/3 of the population will not have adequate access to safe water and sanitation

Investing in an Enabling Environment for MDG Achievement

- Expansion of Rural Roads
 - Reduce number of villages without access to a road
- Electrification of Rural Areas
 - 80% of all villages need to be connected to grid by 2015
 - Subsidies should be provided to poor households in rural areas that cannot afford the grid connection
 - Expand employment and income generating activities especially to youth
 - Increase vocational skills
 - Expansion of access to affordable credit to micro, small and medium enterprises

MDGs and the Key Objectives for the 7th NSEDP

- High economic growth projected at not less than 8 percent
- Achieving the MDGs
- Focus on balanced growth- economic & social development and environmental protection
- Improving public administration and rule of law
- Global and regional integration
- Key social targets are in line with MDGs

Annex 8:

Statement on the Millennium Development Goals (MDGs) by United Nations

Round Table Implementation Meeting
3 November 2009
UN Statement on the Millennium Development Goals
(MDGs)

Excellencies,
Distinguished Participants,

On behalf of the UN Country Team, I would like to commend the Government for the important achievements made toward reaching the MDGs in the Lao PDR and for its commitment to use the 7th National Socio-economic Development Plan as an opportunity to accelerate progress. For the first time the MDGs will be at the core of the next five-year plan, with both planning cycles ending in 2015.

The second MDG Progress Report launched last April clearly shows that the Lao PDR's robust economic growth in recent years has translated into encouraging human development:

- The overall poverty rate has declined substantially from 33.5% of the population in 2002/03 to some 26% in 2007/08;
- Education is among the better-performing sectors as reflected in continuous progress across most of the key indicators, primary school enrolment in particular;
- Child mortality indicators are also showing significant improvements;
- HIV prevalence in the general population remains low, although the threat of an expanding HIV epidemic in the country is still real in a context of globalization;
- We have also witnessed improved access to safe drinking water, although more than half of the population remains without adequate water and sanitation coverage; and,
- Communicable diseases have steadily decreased, in particular malaria.

It is now critical to build on these achievements, and to include specific strategies and interventions in the 7th NSEDP focusing on **improving nutrition, food security and health, protecting the environment and reducing inequalities**.

Despite the overall decrease of income poverty, 23% of the population and 37% of children under five remain malnourished, with virtually no improvements over the past decade. In fact, food insecurity seems to have risen in recent years, leaving large segments of the population highly vulnerable to shocks such as those caused by rodents and floods this year. It is increasingly clear that addressing this “chronic crisis” of **malnutrition, food insecurity** and hunger is a prerequisite not only to achieve the MDGs, but also to unlock the country's full potential and thereby exit LDC status by 2020. Productivity losses to malnutrition are estimated at more than 10%, and GDP losses are as high as 2 to 3 % per year. Without malnutrition over the next decade, GDP could be as much as 30% or \$3.8 billion higher in 2020.

We congratulate the Government for recognizing this challenge and for taking decisive action to address it. The approval of the first *National Nutrition Policy* last year and the subsequent development of a *National Nutrition Strategy and Action Plan* that will be both signed off this month are critical milestones. Now that this policy framework is in place, the Lao PDR has reached a tipping point: With strong Government leadership and full Development Partner commitment, it can become a great success story in terms of significantly reducing malnutrition and achieving MDG 1. It is our collective responsibility to make it happen and to use the unique window of opportunity that we have before us.

The health sector as well, **maternal and child health** in particular, calls for more decisive and concerted action by all partners. It will also require significantly more domestic and donor resources and support under the next five-year plan.

The launch of the *Maternal, Neonatal and Child Health Package* and the initiation of the *Skilled Birth Attendants Development Plan* implementation are important achievements of the year. It is now critical to further develop the capacity of the health system and ensure that it has the right human resources, such as skilled birth attendants. Only then will quality essential health care packages be provided and used by mothers and children, including in remote and ethnic villages. In this regard, the community midwife training which started in October 2009 is a significantly step toward improving maternal and neonatal health. However, to have all births assisted by competent midwives will require full community mobilization and a policy decision to remove financial constraints that limit use of midwifery services.

During 2009, both **climate change and environment** have grown in importance on the national and international agendas. Extreme weather events, including floods and storms, have affected thousands of people all across the country. We commend the Government for its effective response to Typhoon Ketsana, as well as for completing the *National Adaptation Programme of Action to Climate Change* and drafting a *National Climate Change Strategy*. With climate change a reality, further strengthening of the disaster management system is needed, from early warning to mitigation and response.

The revision of the *Environment Protection Law* and the drafting of an *Environment and Social Impact Assessment Decree* are also important undertakings. When adopted and if properly implemented, these documents should help ensure that changes in the rural landscape are carefully managed. Increases in commercial and concessional farming, in particular, need to be handled with care. Many rural people, especially vulnerable groups, remain heavily dependent upon their natural environment and are exposed to new vulnerabilities when their traditional livelihoods systems are disturbed.

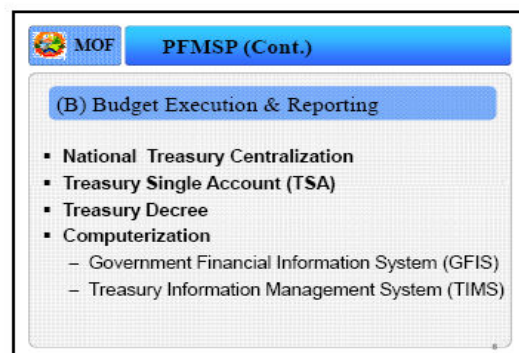
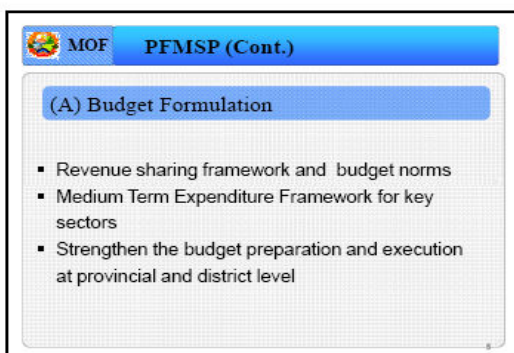
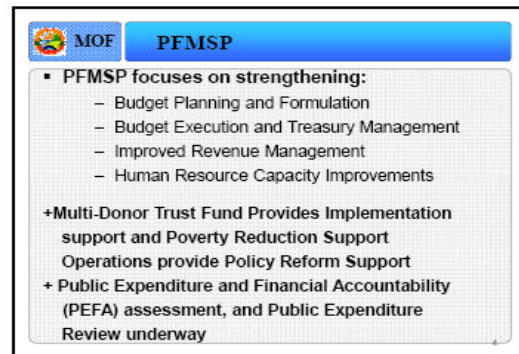
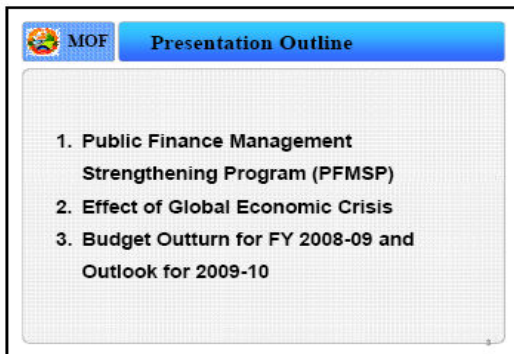
The process of achieving the MDGs needs to take into account **disparities and inequity** throughout the country. Regional disparities as well as the urban/rural divide and gender inequities challenge development efforts across the board and must be addressed if the MDG targets are to be met. Efforts should continue so that the decrease in overall poverty levels and investments in social development benefits all groups in society. In this regard, we encourage the Government to pay special attention to the protection of vulnerable populations, in particular women and children. We also encourage the Government to formulate and implement policies aimed at the promotion of women's full and equal participation in decision making at all levels, in line with the Concluding Observations of the 2009 *CEDAW Periodic Review*.

Excellencies,
Distinguished Participants,

I would like to renew the commitment of the UN Country Team to build on the important progress made so far. I would also like to emphasise that sustained support from all Development Partners will be vital to the formulation and implementation of the 7th Plan, so that it fulfils its role to help the Lao PDR achieve the MDGs by 2015 and exit LDC status by 2020. These years are the critical make-or-break years for MDG achievement, and Laos needs all partners to stay the course and redouble efforts towards this goal.

Annex 9:


**Presentation on Recent developments within Public Finance
Management, impact of the global crisis and outlines of the
National Budget for FY 2009-10
by H.E. Mr. Somdy DOUANGDY, Minister of Finance**



 **MOF** **PFMSP (Cont.)**


(B) Budget Execution & Reporting

- Computerizing debt management (DMFAS)
- Standardize financial management of development assistance.
- Transparency of Procurement Process
 - <http://www.pp.gov.la> is launched
- Moving toward International Accounting standards
- Strengthening Independent External Audit

 **MOF** **PFMSP (Cont.)**

(C) Revenue Management

- Tax and Customs Centralization
- Improve Revenues from State Assets
- Implementation of Value Added Tax (VAT)
- Automated Customs System (ASYCUDA)

 **MOF** **PFMSP (Cont.)**


(D) HR CAPACITY BUILDING

- Draft Human Resource Development Strategy and Action Plan for public finance sector.
- Ongoing Training:
 - For implementation of GFIS, VAT
 - English language skills
 - District/ provincial training


 **MOF** **Effect of Global Economic Crisis**

The Main Impacts have been:

- Financial sector relatively unaffected
- Reduction in global commodity prices led to a fall in tax revenues
- Second order impact – slowdown in tourism and demand from trading partners
- Changes in exchange rate from our budget plan

 **MOF** **Effect of Global Economic Crisis**

- Our responses included:
 - Tightened up internal controls
 - Raise excise taxes on luxury products
 - Eliminate tax exemption on vehicles of administrative purposes
 - Controlled expenditures without revising budget
 - Domestic borrowing (Treasury bills)
 - Increased budget support through PRSO
- The Budget Deficit was increased very slightly

 **MOF** **The Budget Outturn For FY08-09**

- Budget out turn for FY 2008/09 compared to revised plan
 - Domestic revenue under performed by 2.4%
 - Tax revenue below projections by 5.8%
 - Non-tax revenue below target by 8.3%
 - Grants exceeded the target by 44%

MOF The Budget Outturn and Outlook		
Comparison of Overall Budget (Million Kip)		
	2008-2009	2009-2010
Total Revenues	8,140	10,653
Of which, Domestic	7,052	8,115
Total Expenditures	10,679	12,470
Recurrent	7,350	7,345
Capital	3,329	5,125
Deficit	2,539	1,817

MOF The Budget Outturn and Outlook		
Overall Budget as per cent of GDP		
	2008-2009	2009-2010
Total Revenues	16.2%	19.7%
Of which, Domestic	14.0%	15.0%
Total Expenditures	21.2%	23.1%
Recurrent	14.6%	13.6%
Capital	6.6%	6.1%
Deficit	5.0%	3.4%

MOF In Conclusion	
Government has been implementing wide ranging PFM reforms supported by Development Partners – Outcomes already being realized	
Global financial crisis led to fiscal problems – so far Lao PDR has weathered the storm relatively well	
Need for continued partnership for reform implementation	


 LAO PEOPLE'S DEMOCRATIC REPUBLIC

THANK YOU

H.E. SOMDY DOUANGDY
 MINISTER OF FINANCE
 Vientiane, November 3rd, 2009

Annex 10:

Statement on Recent developments within Public Finance
Management, impact of the global crisis and outlines of the
National Budget for FY 2009-10
By the World Bank

Round Table Implementation Meeting
3rd November 2009
International Cooperation Training Center (ICTC)
Statement on
Public Financial Management, Impact of the Global Financial Crisis and
Budget Outlook for FY 2010

As noted by the H.E. Mr. Somdy Douangdy, Minister of Finance, the implementation of the Government's Public Financial Management Strengthening Program (PFMSP) continues to be impressive. We congratulate the Government on these achievements. This Statement first reviews the progress since the last RTIM, and then outlines the medium-term agenda for fiscal sustainability and improved service delivery.

Progress since last RTIM

The implementation of the budget law, notably the establishment of the National Treasury and the consolidated treasury account framework along with centralization of the Tax and Customs function are noteworthy achievements. At the same time, the rationalization of tax exemptions on motor vehicles and implementation of e-filing system for tax declaration have helped to simplify and improve tax administration. The recent launch of the Standard Bidding Documents and Standard Procurement Manual will help to enhance transparency and accountability of public procurement and also is a significant step forward in facilitating Development Partners support using 'country systems' for ODA delivery. Publication of budget outturn information and summary budget information has improved transparency around the budgetary execution and outlays. These reforms clearly demonstrate the governments steadfast resolve to implement reforms.

However, the fall in revenues due to the decline in commodity prices and expenditure pressures have presented challenges to macro-fiscal management. It has become more difficult to implement the budget norms for the social sectors, as the overall resource envelope has shrunk for the current fiscal year. In the medium-term, Government has committed to implementing budget norms fully during the 7th NSEDP period.

The Medium Term Agenda for Fiscal Sustainability and Improved Service Delivery

Maintaining Macro-Fiscal Sustainability. PFM reforms need to ensure that the government maximizes the revenue potential within an equitable and effective revenue policy framework. This would require that: (i) Value-Added Tax be implemented to replace turnover tax; (ii) the fiscal regime for the natural resource sector is transparent and internationally competitive; (iii) tax administration is efficient and rules-based; and (iv) and all revenues are included in the budget transparently. The PFM reforms will contribute to these revenues maximizing efforts. On the **expenditure** side it will be important to ensure full synchronization between recurrent and capital budget, and balance between operating and fixed costs. There is also need to bring all off-budget expenditure, including development partners' ODA resources, to on-budget and to avoid any new off-budget activities including major investments. In this regard, the recent Government decision to restrain state agencies from undertaking any further quasi-fiscal spending that is not within the budget/expenditure plan approved by the National Assembly is the right course of action. Ensuring macro-fiscal sustainability and that public debt does not give rise to fiscal risks and a build-up of contingent liabilities

necessitates that the government has a **debt management strategy** in place. These issues should continue to remain a priority for the Government.

Enhancing Service Delivery through Sound PFM Management: Efficient and effective implementation of national development strategy requires effective coordination between central and local government organizations and departments as well as an intergovernmental fiscal system that supports these policy objectives. During the 7th NESDP it will therefore be important to ensure implementation of all provisions of the Budget Law 2007, especially as they relate to the budget norms and the fiscal transfer system and ensure that education and health at both central and local levels receive the required attention for achieving MDGs. It will also be important to continue the efforts to strengthen the human and financial capacities of the State Audit Organization for external audit.

This Statement has been prepared with the involvement of many Development Partners and reflects their views and commitment to support the continued implementation of Government's PFMPSP.

Thank you.

Annex 11:

Joint statement on Agriculture and Forestry
by H.E. Mr. Sitaheng RASPHONE
Minister of Agriculture and Forestry

**Joint Statement of the Chairs and Co-chairs of the Agriculture, Natural
Resource and Rural Development Sector Working Group and Sub
Working Groups**

**Delivered by:
H.E Sitaheng Rasphone
Minister of Agriculture and Forestry**

**Excellencies,
Distinguish Guests,
Ladies and Gentlemen,**

It gives me great pleasure to be here today and take the floor on behalf of the Ministry of Agriculture and Forestry (MAF) and the Sector Working Group on Agriculture, Rural Development and Natural Resources Management.

As we all know, the UN's Millennium Development Goals call for us to eradicate extreme poverty and hunger and to ensure environmental stability. If we are to achieve the development targets set in the MDGs and in our sector development plan, we need a more coordinated approach to development, and greater investments in the Agriculture and Forestry Sector.

The MDGs were incorporated into our 6th Five-Year National Socio-Economic Development Plan for 2006-2010. In order to implement the Plan successfully, the Ministry has formulated its own Agriculture and Forestry Development Plan that comprise the 4 Goals of improved Food Security, increased Commodity Production, the Stabilization of Slash and Burn Cultivation, and Sustainable Forest Management.

The Agriculture and Forestry Sector is expected to be the main contributor to GDP and general economic development, and in particular to the Government's targets for food production and poverty reduction.

During 2008 and 2009, our agriculture sector was affected by the global economic downturn, especially supply of key imports; and also by relatively severe disasters that damaged a large number of irrigation schemes and destroyed crops on about 42,000 hectares. Nevertheless, agricultural and fisheries production still was satisfactory. To a great extent this was due to gradually increasing and well-programmed investments in the agriculture and rural development sectors. We estimate that rice production will reach 3.2 million metric tons during 2009 and meet the target set for the year. It is important to note that we have continued to maintain self-sufficiency in rice. However, most mountainous rural areas still are experiencing production deficiencies in rice and other food crops. Beside the above mentioned, as you all know, our country has been hit severely by Ketsana Typhoon in the past few weeks. We are still assessing the losses which we believe are significant. We are thankful to the strong support provided by our development partners to-date...

Despite a significant fall in international commodity prices during 2009, the total value of marketable commodities is estimated at 228 million US dollars, reaching 90% of our target. MAF has been implementing the Government's policies with regard to private investment, encouraging small-scale enterprises and supporting regional cooperation. As a result, so far and to-date we have recorded registered local investors of more than 300 firms and some 340 foreign firms, having a combined capital investment figures of over one billion US dollars.

With regard to shifting cultivation practices and stabilization targets set, efforts and now concentrated in the 47 poorest District in the country. Key measures are being implemented through Land Use and Land Allocation Programs; and alternatives livelihoods are being promoted to achieve sustainable agriculture and livestock production systems, as well as non-agriculture occupations. During 2009, of 104,600 hectares of upland agriculture, permanent production systems accounted for 29,000 hectares, rotational cropping systems for 75,000 hectares, and shifting cultivation for 4,970 hectares.

For forest management, we propose to establish 53 production forest areas, and the Government has already approved 36 of the areas. We have also prepared management plans for 21 National Biodiversity Conservation Areas covering 3.5 million hectares.

Lao PDR's goals to eradicate poverty and graduate from its current status as a Least Developed Country by 2020 depends heavily on our accomplishments in the agriculture and forestry sector. Lao PDR is strategically situated in an ever growing regional market, offering trade and investment opportunities that can lift the agriculture sector in this new millennium. The Government's development plan builds on these potentials and opportunities in a comprehensive and compelling manner.

In this regard, during 2010, MAF will continue to work to reach the 4 main goals and implement the 13 associated measures. Food security targets are to be maintained, as well as commodity production targets with a proper balance between food security and exports in a pro-poor manner. With regard to the stabilization of shifting cultivation, stronger impetus will be given to the promotion of decent alternative livelihoods in coordination with other sectors that are key to rural development, while forest management will be implemented with reinforced emphasis on environmental protection, soil protection and water resource conservation.

The Ministry of Agriculture and Forestry is also looking now at longer-term challenges in the preparation of the 7th National Socio-Economic Development Plan. Strategic thinking is needed to identify measures to restructure the rural economy, to link farmers with markets, to strengthen farmer organizations and rural institutions, and to address new challenges such as climate change, and of course to build our Ministry's own institutional capacity.

Following the initiative of the Food and Agriculture Organization, and with a strong commitment from the Ministry of Planning and Investment, we are also preparing for the 2nd National Agricultural Census. To conduct the Census, we will require the support of all of our Development Partners.

Now I would like to report on the status of the Joint Working Group on Agriculture, Rural Development and Natural Resources Management which is co-chaired by MAF and France.

The Vientiane Declaration is an ambitious set of principles designed to unlock the full potential of donor assistance. It calls for a genuine partnership where Laos is in charge of its own development process, and where Laos and its Development Partners are mutually accountable for development results.

The most recent meeting of the Joint Working Group was held here in Vientiane on the 23rd of October 2009. It was encouraging to see the continued active participation of concerned Government ministries and agencies as well as our main Development Partners in the agriculture and natural resources sector. During the meeting we recognized that consideration on the modalities and associated implementation arrangements to establishing a sub-sector working group dealing with environment and natural resources management to reduce the

number of parallel Project Implementation Units, to promote program-based approaches, and to improve the Ministry's monitoring and evaluation system was highlighted, which will be further discussed and shared with concerned parties.

The efforts of the sub-sector working groups to move to further develop and align sub-sector strategies, and finally to implement a program-based approach to development are commendable.

MAF has reiterated its commitment to make overseas development assistance more effective by actively supporting a management and coordinating mechanism. We would like to see quicker progress toward coherence among the donors, who should also move toward providing more untied aid.

In closing, I would particularly like to thank my co-chairman, His Excellency Francois Senemaud, and the Government of France for their continuous support for our efforts. Allow to also thank all our ANR Working Group Development partners who have worked so hard along with the Lao side to support in the harmonizing on each party development effort to help advancing the ANR Sector. Allow me also to thank the Ministries and concerned agencies in our sector working group for their very valuable contributions.

Thank you

Annex 12:

Joint statement on Business Climate and Investment
Environment in Industries and Trade
by H.E. Mme Khemmani PHOLSENA, Vice-Minister of
Industry and Commerce

**Joint Statement by the Trade and Private Sector Development Sub-Group
(Ministry of Industry and Commerce, Australia and Germany)
Building a Competitive Environment for Exports and Investment**

**Delivered by
H.E Khemmani Pholsena
Vice Minister of Industry and Commerce**

**Excellencies,
Distinguished guests,
Ladies and Gentlemen,**

The year 2008/09 has been a challenging year for the Lao private sector, but the effects of the global economic crisis appear not to have damaged Lao exports by as much as initially feared. It is estimated that exports in 2009 have declined moderately compared to 2008. Sharp declines in traded commodity prices, especially minerals, have resulted in deteriorating terms of trade for Lao exports, but a partial rebound in prices has reduced the impact on the country. Similarly, continued volume growth in minerals, electricity and agricultural exports has partly compensated for lower prices and helped to mitigate the effects of the crisis. Some foreign investment projects have been postponed, and the volume of remittances has declined.

A key lesson from the crisis is the need to re-double efforts to improve the enabling environment for private investment and cross-border trade as a means of reducing costs and increasing quality investment. If the Lao PDR is to achieve its long-term economic development goals, including graduating from Least Developed Country status, the private sector will need to grow strongly. Similarly, greater high quality investment will be needed in sectors that generate employment opportunities, such as export manufacturing and agriculture. As a landlocked country with only limited opportunities in the domestic market, continued steps need to be taken to ensure that export competitiveness is built and the costs of trade facilitation are reduced.

I. SNAPSHOT OF KEY ACHIEVEMENTS DURING THE YEAR

The Ministry of Industry and Commerce has taken a number of important steps as part of efforts to make the business enabling environment simpler and more transparent.

The following are a few of the key reforms made during 2008/09:

- Notification No.1238 on simplified enterprise registration procedures was issued in July 2008, followed by the launch of the Enterprise Registration Office in Vientiane in August 2008.
- Establishment licenses, annual import-export plan requirements, and import-export licensing requirements for goods outside the revised controlled list were all repealed during 2008/09.
- Degree on Import Export Licensing Procedures was approved in July 2009, providing traders with greater certainty and predictability over Laos' trade regime. A revised list of import-export goods subject to control has been finalized and will soon be signed by the Minister of Industry and Commerce.
- The SME development strategy was approved.

Several important legislative and regulatory instruments have also been issued by other departments that improve the predictability of the regulatory environment for business creation and operations. These include the adoption of the Law on Commercial Banks, the

Customs Law, a new unified Investment Promotion Law and a new Minerals Law. LNCCI and various industrial associations have also played an increasingly important role in improving the investment climate and export competitiveness by actively participating in regular and systematic dialogue with the public sector at both the central level (the Lao Business Forum) and at the provincial level. A key challenge for Lao PDR is to ensure that Government has capacity to follow through on implementation and enforcement of new and updated legislation, and that appropriate information is provided to the private sector.

Similarly, efforts to support greater Lao integration into the regional and multilateral trading system advanced significantly during the year under review. The Government has made substantial progress with respect to meeting commitments under the ASEAN Free Trade Agreement, starting in 2008. On the GMS front, as of October 2008 Lao PDR has fully ratified the Cross Border Transport Agreement. At the multilateral level, the Government successfully conducted the 5th WTO Accession Working Party negotiations in July 2009, and preparations are underway for the 6th Working Party, tentatively scheduled for early 2010.

Donor partners have played an important role in supporting the reform efforts of the Government. The Ministry of Industry and Commerce has a number of flagship projects currently under implementation. Lao PDR joined the global Integrated Framework process in 2004 and “aid for trade” is coordinated under the National Integrated Framework Governance Structure. This plays a key role in efforts to tackle the supply-side issues constraining the Lao private sector from taking advantage of trade opportunities. Window II projects have provided initial support for implementation of the Lao Action Matrix on Export Competitiveness. The Trade Development Facility – a Multi Donor Trust Fund, financed by Australia and the European Commission, and administered by the World Bank – aims to fund implementation of the Action Matrix and is in the first year of implementation.

In the area of SME development, the Small and Medium Sized Enterprise Promotion and Development Office has been actively implementing the EC-SME development programme in conjunction with the ADB. Similarly GTZ’s Human Resource Development for Market Economy Project, now in its 2nd phase, continues to provide important support. The Ministry is also working closely with JICA on a feasibility study for an industrial zone, including an export-processing zone, in the Vientiane area. US assistance is provided as part of efforts to implement the Lao-US bilateral trade agreement. Various UN agencies are preparing a joint project, with bilateral financing from Switzerland, to support the aid for trade agenda.

Encouraging steps have been taken to improve government-donor coordination, but the greater work still remains ahead. The Trade and Private Sector Development Sub-Group is now up and running, and terms of reference and a work plan were adopted during the year under review. The Sub-Group is an important part of efforts to coordinate donor financial and analytical support to the Lao Government on trade and private sector development issues, eliminate overlaps and gaps in assistance, and to minimize the transactions costs of ODA administration carried by the Government – in line with the objectives of the Vientiane Declaration. The Sub-Group provides a framework for joint planning and prioritization of scarce resources, and for joint engagement on the identification of future policy priorities, including under the 7th NSEDP. Recent encouraging steps include the identification of a common governance framework for trade (the NIFGS) and donor contributions to joint initiatives with common procedures, reporting formats and the use of country systems, where some of these works are being developed under the Trade Development Facility. The ability and willingness of both the Government and Development Partners to embark on new and innovative approaches in managing aid is paramount to improving the effectiveness of ODA in the Lao PDR, and needs to receive greater attention in new initiatives.

II. ISSUES GOING FORWARD

Despite commendable reforms by Government and investment by Development Partners, Lao PDR still faces numerous challenges that stand in the way of stronger economic growth, and higher living standards. The private sector struggles to produce quality products that meet international standards, skills and productivity are low, finance is difficult to access, the business environment is high cost, firms are not fully taking advantage of the opportunities that regional integration provides, and only limited value is added to raw materials. High trade facilitation costs add to the disadvantages of being landlocked. Attracting quality foreign direct investments that transfer valuable skills and knowledge, provide sustainable jobs and protect the country's environmental resources will be essential for reducing vulnerability and increasing sustainability. Development of the country's domestic private sector will be needed to generate the jobs, incomes, and poverty reduction. The most successful trading countries have invested heavily in human development, generating a healthy and well educated workforce that has the skills and the flexibility to cope with a changing trading environment.

The preparation of the 7th NSEDP provides an opportunity to put policies in place that ensure that trade and private sector development continue to act as the engine of growth in the Lao PDR. However as the Lao economy grows, new challenges are being faced. In particular, it will be of vital importance that the country ensures that efforts to stimulate private investment and to facilitate export expansion do not sacrifice quality, at the expense of quantity.

Annex 13:

Joint statement on Infrastructure
by H.E Mr. Sommad PHOLSENA,
Minister of Public Work and Transportation

STATEMENT
By H.E Sommad Pholsena
Minister of MPWT and Chair person of ISWG
at the RTIM Meeting on the 3rd November, 2009.

- H.E. Bouasone Bouphavanh Prime Minister of the Lao PDR
- H.E. Dr. Silavong Khoupaihoune, Minister of Planning and Investment
- Ms Sonam Yanchen Rana, UN Resident Coordinator and UNDP Resident Representative to Lao PDR
- Excellencies, Distinguished Delegates, Ladies and Gentlemen

First of all, as the Chairman of the Infrastructure Working Group, on behalf of my two Co-Chairs, His Excellencies the Ambassador of Japan to the Lao PDR, Mr. Masaaki Miyashita, and the ADB Country Director Resident Mission, Mr. Gil-Hong Kim, it is indeed my honor to participate in this Round Table Implementation Meeting together with Excellencies, the representative of DPs, Distinguished Delegates attending the meeting here today.

Under the Vientiane Declaration Country Action Plan (VD-CAP), our development partners are committed to ensure that their strategies / policies and support are aligned with the NSED; to adopt common arrangements, cooperation in preparing core economic and analytical sector reviews; and fostering the use of sector-wide and program based approaches. The Government is leading the development partner's coordination process and the core coordination mechanism is the Round Table Meeting (RTM) process, chaired by the Government and supported by United Nation's Development Programme (UNDP). As you may recalled the latest implementation level meeting called the Round Table Implementation Meeting (RTIM) was held in 8 November 2007 and considerable progress has been made towards increased harmonization and improved aid effectiveness. At the sector level, coordination between Government and development partners occurs primarily through the eight Sector Working Groups, including the Infrastructure Sector Working Group-ISWG. The Minister for Public Works and Transport (MPWT) has been mandated to chair the Infrastructure Sector Working Group (ISWG) with Japan and Asian Development Bank (ADB) as co-chairs.

Mr. Chairman, Excellencies, Ladies and Gentlemen,

Since the first ISWG meeting held on 30 October 2008. MPWT has intensified its effort to implement its committed plan and projects included in the fiscal year 2008-2009. Progress on the implementation of the plan and projects had been reported in the second ISWG held on the 8th August 2009, and can be summarized for today's meeting as the followings:

1. MPWT had finalized its Strategic Plan which has been recognized as the Lao Transport Sector Program, LTSP. This LTSP had been adopted by development partners during the 2nd ISWG meeting. This LTSP document will serve as a benchmark and will be treated as a living document and a main guide in the development of the Lao Transport Sector from now on and up to 2015. More importantly, the LTSP will offer MPWT the ownership of its Plan and Projects, to which, Development Partners would align their assistance to implement the Ministry-led prioritized program and projects.

2. MPWT had established the ISWG Secretariat with a TOR, as a mandate, to effectively monitor and follow up as well as a single contact point for our Development Partners in all matters related to the implementation of the LTSP. MPWT is committed to ensure that the expertise and experience gained during the implementation of RMP1 and RMP2 previously will be further expanded.
3. In supporting the implementation of LTSP, MPWT will intensify the use of the existing country systems such as the O&M of the Environment and Social Safeguard, the procurement guideline.
4. With the aim to effectively use be the fund available both from internal and external sources, MPWT will continue to develop its Internal Control System. In this connection, I would like to extend my heartfelt thanks to SIDA to initiate this process. To date, the development of the Internal Control Manual is near to completion. MPWT needs this manual to effectively control, monitor, and follow up, as well as to identify and detect any peculiarities and misbehaviors as part of our campaign to fight against corruptions of any forms.

Mr. Chairman, Excellencies, Ladies and Gentlemen,

In addition to the above mentioned progress, there have been some major development activities under the responsibility of MPWT as the followings:

- a) The beginning of the Civil work to upgrade the NR 4 assisted by ADB, OFID and EDCF of Korea. This road project is the inter-linked GMS Northern Economic Corridor to the East-West Economic Corridor. There will be a Mekong Bridge built at Thadeua-Pakone, provide a permanent link between Luang Prabang Province and Sayabouly Province.
- b) The beginning of the upgrading of the NR 2E assisted by Vietnam. This road will facilitate the traffic from the northern provinces to Dien Bien Phu, Hanoi and the deep Haiphong deep seaport.
- c) The Ground breaking ceremony of the Third International Mekong Bridge between Khammouane and Nakorn Phanom assisted by NEDA of Thailand had been organized successfully to allow the civil works to proceed.
- d) The official opening of the railway traffic between Laos and Thailand.
- e) The official opening of the land transport operation between Laos and Cambodia.
- f) The official opening of the exchange of transit traffic right between Laos, Thailand, and Vietnam along the East-West Economic Corridor.
- g) The on-going studies to develop the road network and transport logistic provided by ADB, JICA, WB, NEDA, and many others

Progress so far in implementing CAP includes the strengthening of MPWT leadership in the transport sector, through the implementation of:

- (a) Transport Sector Strategic Program,
- (b) Urban Master Plan,
- (c) Environmental and Social Safeguards,
- (d) Rural Transport Infrastructure Program, and
- (e) Road Safety Strategy and Action Plan followed up by a National Road Safety Secretariat.

However, more remains to be accomplished with respect to securing funding for the implementation of all the plan and projects.

In conclusion, I would like once again to convey my heartfelt appreciation and gratitude to VDCAP Secretariat, DIC of MPI for working hard in coordinating all related matters and preparing all the documents for the meetings. Without their contribution and support, today's meeting could not be convened successfully.

May I take this opportunity to wish the meeting every success.

Thank You very much for your kind attention!

Annex 14:

Joint Statement on Education
by H.E. Mme Sengdeuane LACHANTHABOUN,
Vice-Minister of Education

**Joint statement by MOE, UNICEF and Australia on behalf of the
Education Sector Working Group (ESWG)**

Delivered by

**H.E. Mme Sengdeune Lachanthaboune
Vice-Minister of Education, Ministry of Education**

Your Excellency Dr Sinlavong Khouphaythoune, Minister of Planning and Investment,

**Your Excellency Mme Sonam Yangchen Rana, UNDP Resident Representative and
Resident Coordinator,**

**Distinguished representatives from the central government and provincial
administration**

Excellencies, distinguished colleagues, ladies and gentlemen,

On behalf of the Education Sector Working Group, and Co-Chairs Australia and UNICEF, it is an honour and a great pleasure to have the opportunity to deliver this Joint Statement here at the Round Table Implementation Meeting today.

We would first of all like to take this opportunity to thank all members of the Education Sector Working Group for their tireless efforts over the last twelve months, which have made 2009 such a landmark year in terms of policy and aid coordination achievements.

The Ministry, in consultation with ESWG Co-Chairs Australia and UNICEF, has prepared a written Joint Statement which we are pleased to circulate to the meeting. As time is very limited, I would like to draw attention in my oral address to three key points detailed in the Statement.

Firstly, I would like to note the significant strides the ESWG has made in policy and sector reform over the past year.

The high point has been the finalisation of the Education Sector Development Framework – known as ‘ESDF’ – to provide an overarching policy framework to support a more coordinated, programmatic approach to planning for the whole sector. Developed through a collaborative, inclusive process, and predicated on the aid effectiveness pillars of the Vientiane Declaration Country Action Plan, the ESDF makes concrete the principles of the National Education System Reform Strategy, and was endorsed by the Prime Minister as official government policy for the sector in April 2009. It provides a clear road-map from now until 2015 to shape sectoral inputs into the 7th National Socio-Economic Development Plan to guide investments – both domestic and external - for achieving the Education for All and Millennium Development Goals, as well as key targets for Secondary, Higher and Technical and Vocational Education and Training.

The ESDF also positions Lao PDR to be eligible to apply for funding from the Fast Track Initiative – or FTI - a global partnership which assists developing countries to achieve their EFA goals.

To further strengthen the policy environment, an Inclusive Education Policy, closely articulated with the ESDF, has been drafted to ensure that all groups, regardless of gender

ethnicity, disability, social status or other attribute, are able to enjoy educational opportunities to the full.

In recognition of key linkages between sectors and across thematic areas, the Ministry is also working with the Health and Justice Ministries to develop a holistic Early Childhood Development Policy; the School Health Policy has been drafted, and the Ministry's specific responsibilities under the National Nutrition Policy have also been defined. Implementation Guidelines specifying the Ministry's indicators of its Schools of Quality approach have also been drawn up. School feeding for pre-primary school aged children will start to combat the wide-spread chronic malnutrition in Lao PDR.

The ESWG has also made significant progress on its commitments under the Vientiane Declaration Country Action Plan, with achievements made under all five pillars of ownership, alignment, harmonisation, managing for results and mutual accountability.

This brings me to my second point: progress towards the Millennium Development Goals, and sectoral challenges this strengthened policy environment is designed to address.

As reflected in the MDG Progress Report released earlier this year, steady progress has been made towards the achievement of MDGs 2 and 3, yet considerable challenges remain.

For MDG 2, primary net enrolment rates have increased from 80% in 2001 to 91.6% today, significantly closer to our target of 98% by 2015. A particular priority now is to take steps to 'reach the unreached' – that is, the almost 10% of children who are out of school. Completion rates at 68.4%, remain a concern, and accelerated efforts will be needed if we are to reach our target of 95% by 2015.

For MDG3, gender parity in enrolments has increased steadily across all levels, though disparities widen at each stage of the educational ladder, reflecting the still great hurdles girls face to complete a full cycle of education to tertiary level. Encouragingly, the fastest rate of progress towards parity has been made at the higher levels.

The Concluding Observations of the 44th Review Session of the Committee on the Elimination of all Forms of Discrimination Against Women (CEDAW) in which a high-level delegation from the Government of Lao PDR participated in July, also noted the continuing challenges of very high illiteracy rates among women and the marked difference in the quality of, and access to, education between urban and rural areas, especially in the remotest villages. It also expressed its concern at the inadequate educational infrastructure, including the high number of incomplete schools, and the limited number of qualified teachers in remote areas.

An additional continuing concern is that currently only 24% of schools have water and sanitation facilities.

We also recognise the need for incentives to bring more teachers and students into the system in remote areas, and that the overall quality of teaching and learning needs to be improved, with increased attention to the relevance of education to social and professional life.

Significant capacity building, especially at provincial, district, community and school levels, will be essential to implement the new policies effectively and achieve sustainable benefits from these developments.

This brings me to my third point, the question of the resources needed to achieve our key policy goals. We hope to be successful in our application to seek funding from the FTI. A comprehensive joint program proposal, based on the ESDF, is currently being prepared with support from Australia, World Bank, UNICEF, World Food Program, UNESCO and other development partners. To help the government address the need for skilled manpower, ADB has also granted significant funding to support the Secondary, Higher and Technical and Vocational Education and Training sub-sectors.

Gradual government commitment has been made as to concretize the Amended Education Law of 2008, as well as the targeted education share by 2015 in the ESDF at a level of 18%. While we are keenly aware of the challenges presented by the global financial crisis, we also note, the government commitment for social sector through the potential opportunities from new revenue streams from hydropower development, such as Nam Theun 2 and other potential resources. The ESWG as well as the GoL has accorded important and continue to gradually increase investment in education and build the nation's human resource capacity to meet the new challenges of our increasingly globalized world.

For my final point, I would like briefly to reflect on the lessons learned and next steps for the ESWG.

The Education Sector Working Group has come a long way since its establishment in 2006. It has matured into a robust forum for increasingly frank and open dialogue between government and development partners. Significant progress has been made towards greater coordination and aid effectiveness, with collaborative processes a defining hallmark. Key factors contributing to this success are the strong leadership role the Ministry has taken in this process, and the active engagement of all our development partners. The provision of resourced support for the ESWG Secretariat function has also been greatly appreciated.

Success in achieving key joint outcomes strengthens ongoing commitment to support the process. Ambitious work-plans driven primarily by Vientiane Declaration commitments have helped maintain momentum, though the pace of change has been demanding.

For the coming year, the ESWG plans a full program of work, including dissemination of the ESDF at local levels, finalisation of the EFA-FTI-CF Application Package, and preparing Five-Year ESDF Implementation Plans to provide sectoral inputs into the 7th NSEDP and sub-sectoral programs

May I conclude my statement today by emphasising that 2008-9 has been a demanding, and successful year for the ESWG. We foresee that the coming year is likely to be equally demanding, and sincerely hope that it will be equally successful. The pace of change is accelerating rapidly as the sector strives to adapt to new policy, institutional and implementation environments. The potential for new resource flows represents a critical opportunity for capitalising on these developments to strengthen implementation, though will also challenge our systems to ensure effective and efficient disbursement. Continued collaborative effort and innovative solutions essential for operationalisation of reforms and programs

We are aware there is still a long journey ahead if we are to achieve the EFA and Millennium Goals by 2015. As we approach the 20th anniversary of the International Convention on the Rights of the Child. I would like to take this opportunity to thank our Co-Chairs, Australia and UNICEF, and all ESWG members, both government and development partner agencies, for their continuing commitment to this collaborative process as the means through which we

can maximise our impact and achieve our shared goals of ensuring that all girls and boys, women and men, in Lao PDR are able to enjoy their rights to access a quality education.

Thank you

Annex 15:

Joint statement on Health
by H.E. Dr. Ponmek DALALOY, Minister of Health

**Joint Statement of the Chairs and Co-chairs of
the Health Sector Working Group**

Chairperson: H.E. Dr. Ponmek DALALLOY, Minister of Health, Lao P.D.R.

Co-Chair: H.E. Masaaki MIYASHITA, Ambassador of Japan

Co-Chair: H.E. Dr. Dong il AHN, WHO Representative

Delivered by

H.E. Dr. Ponmek DALALLOY, Minister of Health

As the Sector-wide Coordination (SWC) grows in the health sector, in terms of strong ownership and leadership of the Ministry of Health (MOH), policy alignment to the 5-Year Health Sector Development Plan (HSD Plan), and harmonization among the MOH and development partners (DPs) in various activity implementations, we are delighted to share with you the following **progress and achievements having been made in the past one year:**

- 1) Operation of Health Planning and Financing Technical Working Group (HP&F-TWG) Department of Planning and Financing (DPF), with substantial advocacy from WHO, WB, EU, UNFPA, BTC, Lux-Dev, UNICEF, ADB, and JICA, commenced the 1st TWG meeting in December 2008 with core discussions on health information system (HIS) development and health care financing issues such as Community-based Health Insurance (CBHI) scheme development. In the following meetings the discussion expanded to the 7th Five-Year Health Sector Development Plan formulation process and user fee exemption issue for essential health care services such as Maternal, Neonatal and Child Health (MNCH) services.
 - (a) Development of the “National Health Information System Strategic Plan (HISSP) 2009-2015”
Proper implementation of the HISSP is expected to rigorously facilitate better strategic and effective decision makings and policy guidance for the health sector with more efficient and reliable data and statistics collected from all over the country.
 - (b) Progressive consultation and discussion on a national health financing strategy
While Government of Lao P.D.R. (GoL), with assistance from DPs, presently runs 4 kinds of social protection schemes in order to subsidize populations' health care cost, the discussion is moving towards an effort to merge them into one national health insurance scheme in the future, after learning from international experience and consultative national dialogue. The realization of universal coverage for essential health services require further efforts for obtaining support and cooperation from others outside the health sector, the private sector, and GoL top level decision making.
- 2) Launching of Human Resources for Health Technical Working Group (HRH-TWG)
Under the leadership of the Department of the Organization and Personnel (DOP) with technical assistance and support from development partners (DPs) such as WHO, ADB, UNFPA, WB, UNICEF, Lux-Dev, and JICA, the HRH-TWG finally became operational in March 2009 and since then discussed the issues of the National Policy on HRH and the National Strategic Plan on HRH 2009-2020 formulation, development of AWP of the TWG, Skilled Birth

Attendance (SBA) Development Plan implementation, and the other progress monitoring of HRH projects and activities in the country with the utilization of the developed AWP.

3) Accomplishment of developing the “Strategy and Planning Framework for Integrated Maternal, Neonatal and Child Health (MNCH) Services 2009-2015” (MDGs 4&5)

The National Orientation Workshop for formally introducing and disseminating the MNCH Package was organized in September 2009 with active participation from the 17 Provinces, while some services of the Package had been partly implemented. It is tightly linked with the SBA Development Plan and the National Nutrition Policy (NNP). It is because most child deaths are caused by neonatal conditions and communicable diseases in malnutrition condition, and maternal mortalities need to be prevented with family planning, child delivery attended by SBA, and access to emergency obstetric and neonatal care. These comprehensive strategic plans are expected to improve the current MNCH status from the service provider side and the beneficiary community side.

4) Progress of National Nutrition Policy implementation in the health sector

Despite impressive gains in economic growth, virtually no improvement was made over the past decade in terms of Nutrition status of the Lao. Accordingly, the national target for malnutrition is off track, and it is increasingly clear that MDG 1 as well as various other MDGs will not be achieved without immediate, decisive, and integrated action. In these circumstances GoL adopted the National Nutrition Policy (NNP) on the 2nd of December 2008. Based on the NNP, the National Nutrition Strategy (NNS) and National Plan of Action on Nutrition (NPAN) have been formulated and will be signed off in November 2009.

5) Combat HIV/AIDS, Malaria and Other Diseases (MDG 6)

HIV prevalence in the general population in Lao PDR remains low, there has been an appreciable drop in malaria exposure, and considerable progress has been made in tuberculosis (TB) case detection and cure. Accordingly, the related MDG target seems to have been achieved by 2015.

Nevertheless, the HIV prevalence varies considerably between risk groups and locations. While knowledge of disease transmission is high, a large gap still exists between knowledge and desired behaviours. Correct and consistent use of condoms is low, and levels of Sexually Transmitted Infections continue to be high among service women. Because Lao PDR is surrounded by countries with high HIV prevalence, and is experiencing an increase in mobility of its working-age population within and across its borders, the threat of an expanding HIV epidemic in the country remains real.

6) Demonstration of prompt and appropriate response to emerging diseases such as the A(H1N1) influenza

It is a commendable effort of the health sector whose surveillance and laboratory system has proved to be functioning well and that is controlling the global pandemic in country as well as stabilizing and managing public order.

7) Improving access to safe drinking water and basic sanitation

While the proportion of the population with access to a safe water source improved from 28% in 1990 to 74% in 2007 according to MDG Progress Report

Lao PDR 2008, those residing in smaller towns and rural villages are still underserved. Sanitation facility access is likewise. Considering poor water and sanitation conditions and hygiene environment cause diarrheal and water-borne diseases, increased investments as well as strategic action in water and sanitation improvement is essential for achieving MDG 7.

- 8) Development of Annual Work Plans (AWPs) of all SWGs/TWGs/Secretariat significantly contributed to operation and substantial function of the SWC Mechanism, particularly with TWGs. The AWP even became a rapid monitoring tool for some TWGs, so that they could quickly track and identify their progress based on planned activities.

- 9) Development of the Sector Common Workplan / Monitoring Framework (SCWMF)

SCWMF comprehensively but succinctly demonstrates the outlines and the priorities of the 6th 5-Year HSD Plan and the Midterm Review Report of the 8th Party Congress Resolution in a single table. It is not only easy and convenient for taking a look at the health sector as a whole but also useful for the SWG members to monitor progress of interventions and activities and accordingly coordinating them so as to raise efficiency and effectiveness. This tool will be further developed to present the financial resource situation and gaps and also to effectually plan and develop the 7th 5-Year HSD Plan jointly between the MOH and DPs in a transparent and accountable manner. The health sector is now better equipped for consultative dialogue and coordination, and the SCWMF is the compact tool for regularly and collectively planning and monitoring of action in the course of steady implementation of the Sector Plan.

Key policy directions of the 7th 5-Year HSD Plan (or the health chapter of the 7th NSEDP):

The 7th five-year Health Development Plan, HDP (2011-2015) has a special role in Health Renovation. It aims to make changes toward industrialization and modernization, for facing the current financial global crisis which negatively impacts but also provides us the possibility to transform challenges into new opportunity.

Goals:

1. Create the basic material and technological infrastructure in order to bring the country out of the Least Developing Country status by 2020.
2. Expand the health system in synergy with the rapid industrialization and modernization.
3. Contribute to eradicate the poverty to improve the people's quality of life; aiming to achieve the five health-related MDG goals.

Implementation:

referred as consolidating the principles of the 6th and the 8 priority measures addressed in the Midterm Review Report on the Implementation of the 8th Party Congress Resolution on the Health Sector. The proposed 8 priority campaigns = 8 priority programs = 8 priority measures are:

1. Strongly promoting and expanding Model Healthy Villages (HSS, WES, IEC)
2. MNCH: Resolutely reducing maternal and neonatal mortality and aggressively increase child survival package

3. Strongly promoting nutrition package combined with disasters and epidemics preparedness
4. Human Resource Development toward overall quality
5. Strong organization strengthening, mechanism and regulation upgrading
6. Sustainable health financing package development
7. Traditional medicine, food and drug quality and safety
8. Efficient mobilization and utilization of Development Partner supports through Vientiane Declaration spirits.

Challenges and focuses to be committed in the next one year:

- 1) Challenges:
 - A) Strengthening health system is a major challenge of the health sector, in particular developing HR capacity as well as health financing.
 - B) Geographic barriers beyond the health sector capacity remain a major challenge. Access to road, transportation, clean water and other socio-economic infrastructure and services need to be resolved in cooperation with non-health sectors.
 - C) Social and cultural barriers which influence populations' health behavior are also challenges to be continuously tackled.
- 2) Focuses to be committed in the next one year
 - A) The primary focus in the health sector planning next year is the further intensification of the successful joint formulation of the 7th National 5-year Health Sector Development Plan between MoH and DPs. It can be realized through the effective utilization of the SWC Mechanism and the planning tool of the SCWMF;
 - B) The continuous focus will be given to the consolidated implementation of the 8 Priority Measures from the midterm review of the 8th Party Congress resolution, particularly:
 - i) Accelerated promotion and expansion of Healthy Model Villages throughout the country;
 - ii) Constant and progressive implementation of the MNCH Package Strategic Plan, including the SBA Development Plan and the national Nutrition Policy, Strategy, and Plan of Action, through a program-based approach and accordingly strengthening the health system of this country;
 - iii) Continuous efforts for strengthening local capacity for prevention, preparedness, and response against emerging diseases, disasters, or pandemics;
 - iv) Proper implementation of the developed National HRH Policy and Strategic Plan. Deployment and retention as well as development of HRH is an urgent agenda in the health system development;
 - v) Development of health financing policy and strategic plan is the major agenda of the next year. In order to increase use of health services and provide the reproductive health care in needed to improve maternal and neonatal health in particular, investment in training and capacity

strengthening for health personnel, especially skilled birth attendants, is required. Health systems must meet minimum standards in terms of human resources, infrastructure, supplies and management. Consequently, **recurrent budget expenditures for the health sector need to be increased, and sufficient revenue should be directed to the health sector in general**, which is expected to be clearly addressed in the health financing policy and strategic plan.

It is also expected to facilitate the unification of the social health protection schemes with a view to realizing universal coverage of essential health care services, particularly Primary Health Care (PHC), for the entire nation and ensure social protection over vulnerable groups even in times of economic slowdown or natural disasters; and

- vi) Capacity development for the implementation of the national HIS Strategic Plan towards strengthening local capacity for proper monitoring, data collection and analysis, decision making and policy and strategy orientation.

Thank You

Annex 16:

Joint statement on Governance
by H.E. Mr. Khammoune VIPHONGXAY, Vice Chairman of
Public Administration and Civil Service Authority

**Joint Statement of the Chairs and Co-chairs of the Governance Sector
Working Group and Sub-Sector Working Groups**

**Delivered by
Mr. Khammoune Viphongxay
Vice Chairmen
Public Administration and Civil Service Authority (PACSA)**

Your Excellency Dr. Sinlavong Khoupaythoune, Minister of Planning and Investment,

**Your Excellency Mme Sonam Yangchen Rana, United Nations Resident Coordinator
and UNDP Resident Representative,**

Excellencies,

Distinguished Guests,

I am pleased to deliver this statement on behalf of the Chairs and Co-Chairs of the Governance Sector Working Group and Sub-Sector Working Groups, which are now fully operational. The Sub-Sector Working Groups on *Public Service Improvement* and *Legal and Institutional Oversight* have held several meetings, including one to discuss a sector-wide approach in the Legal Sector. Closer involvement of members who focus on public financial management has strengthened this Sector Working Group since sound management of public finances is an integral part of good governance.

I would first like to highlight some key achievements of the year, starting with the good results from capacity development for high administrator at the district level. Improved service delivery at district level is necessary to achieve the MDGs. In this regard, priority has been given to implementing *Decree No 39 on Restructuring District Administrations*. Guidelines for organization analysis and restructuring, linked to the formulation of accurate job descriptions, are being successfully used in this process. Training and awareness raising on governance reform for heads of administrations in all 140 districts has resulted in increased demand and support for the implementation of critical reforms. Such large scale efforts will be institutionalized through a Civil Service Training Center, which is being established by the Public Administration and Civil Service Authority. The network of One-Door-Service-Centres continues to expand bringing services closer to the people. In addition, infrastructure grants are being provided directly to 18 districts in 5 provinces to promote fiscal decentralization and build local capacities.

In the legal sector, several very visible achievements should be highlighted. The Lao PDR has significantly accelerated its integration into the international legal framework by becoming party to three important treaties: (1) the *International Covenant on Civil and Political Rights*, (2) the *United Nations Convention Against Corruption*, and (3) the *Convention on the Rights of People With Disabilities*. On behalf of the Sector Working Group I would like to express strong support to the government on these achievements.

The recent approval of the *Legal Sector Master Plan (LSMP)* is a strong testimony to the government's commitment to legal reform. A harmonized sector-approach has been adopted and will be implemented over the next decade. While we acknowledge that access to justice –

especially for the most vulnerable including children and the poor – remains a challenge, increased efforts are underway to improve this situation.

The capacity of the National Assembly to ensure oversight and accountability has been significantly strengthened. The National Assembly has reviewed and passed 11 important laws since December 2008. The people's petition system has been improved, and enquiry missions are now conducted. The Assembly and PACSA are playing a lead role in identifying the process of re-establishing local councils – a move which is very much supported by all national stakeholders and development partners. In recognition of both the important role played by the National Assembly, and the need to better coordinate international assistance, a joint programme that involves 6 UN agencies and several bilateral and multilateral development partners now supports the National Assembly with pooled funding.

The *Decree on Associations* approved earlier this year represents another important milestone, widely supported by all national stakeholders and development partners. It establishes a legal framework for civil society organizations in the Lao PDR and will make it possible to expand the role of civil society organizations. In another effort to strengthen people's participation, the government, with support of various development partners, is now reviewing and harmonizing its participatory planning approaches.

However, despite these significant achievements, the governance sector continues to face daunting challenges: The capacity of the sector working group secretariat needs to be strengthened to effectively monitor sectoral progress against clearly defined targets. Coordination and linkages with other sectors need to be improved as well, since governance is a cross-cutting issue that impacts on all other sectors. It is critical for the Government to take an active role in the coordination and harmonization of sector activities.

However, the most significant challenge for the governance sector is to transform policy initiatives into action and results on the ground. This can only happen if implementation capacities are strengthened at all levels – in particular at the district levels. It is not enough to have staff – we need the right people with the right capacities, as well as effective performance management systems to ensure accountability and results orientation. Qualified and motivated civil servants are urgently needed in remote rural areas but incentives to serve in those areas are so far absent. Communication constraints between some public service providers and citizen are also visible when policy initiatives move to local levels. Solutions that will enable all people to have equal access to services and information are needed.

In the legal sector, appropriate coordination and resourcing will be essential to fully and effectively implement the new sector master plan. Strong Government commitment and guidance as well as robust development assistance are critical at this stage.

Excellencies, distinguished guests,

Ladies and Gentlemen,

I would like to express our appreciation to the Prime Minister for having already identified *governance* as one of the priority sectors in the next Plan and I would like to outline some of the critical governance issues which need to be addressed through the 7th NSEDP.

A well developed and credible legal system is a cornerstone for national development. In a context of rapid growth and globalization, this need cannot be underestimated. The next

national plan needs to fully incorporate the principles; actions and targets of the Legal Sector Master Plan and effective mechanisms need to be established to disseminate laws and to create capacities for their implementation and enforcement. A state well managed by the rule of law will create the confidence required to attract foreign direct investments while securing the basic legal rights of the Lao people. This is why we would like to encourage and request all development partners present here today to consider continuing support this sector.

In addition, the next NSEDP will need to prioritize the improvement of service quality, by clarifying mandates and targets for key institutions at national, provincial and district level and by assigning adequate resources. Further investments in expanding infrastructure need to be complemented with mechanisms to ensure that the available infrastructure is efficiently utilized. This includes a results-oriented performance management system, which provides incentives for serving in remote areas. These efforts to improve delivery of essential services need to be underpinned by strengthened inter-ministerial and departmental coordination.

The decree on associations was a prerequisite for civil society to more meaningfully contribute to the development of the country. The next NSEDP should continue to further strengthen this enabling environment to allow the fledgling civil society to mature. The capacity of the public institutions involved in the registration and administration process also needs to be strengthened. .

In conclusion, what we are suggesting is to accelerate efforts to scale up and mainstream those governance reforms initiatives that have been successfully tested over the past years, and to design a roadmap in support of both the implementation of the strategic plan on governance, and the implementation of the NSEDP.

With these remarks I would like to close this statement and again thank all partners who actively contributed to the activities of the governance sector working group in the past year.

Annex 17:

Joint statement on UXO and Cluster Munitions
by Dr. Maligna SAIGNAVONGS, Permanent Secretary of
National Regulatory Authority for UXO/Mine Action

**Joint Statement of the Chairs and Co-chair of the UXO Sector Working
Group
Delivered by
Dr. Maligna Saignavongs
National Director
National Regulatory Authority for UXO/Mine Action**

**Excellencies,
Distinguished Participants,**

I have the honor to deliver this Joint Statement on behalf of the NRA and UNDP, chair and co-chair of the UXO Sector Working Group.

As you know, some 35 years after the end of the war, unexploded cluster munitions as well as other remnants of war can be found in great numbers across Laos and claim an average of 300 new victims every year, of which more than 40 % are children. Their widespread presence contributes to poverty and food insecurity, affecting most notably the least developed areas of the country and the most isolated communities. This is the reason why addressing the humanitarian and socio-economic problems caused by UXOs has been a fundamental and cross-cutting component of our development agenda for the past 13 years and will need to remain a priority in the next five-year plan. We would like to take this opportunity to express our gratitude to the many development partners who have contributed to the UXO programme since it was established in 1996.

However, now is no ordinary time for the fight against cluster munitions in the Lao PDR. Never before have the circumstances and the environment been so favorable to UXO action. These circumstances include:

- A well structured and effective programme, which was recently evaluated;
- Two well-established government institutions, one in charge of coordination and regulation, the other one in charge of operations;
- A new and up-to-date national strategy aligned with the NSEDP;
- And of course, a new international and binding convention, which is the Oslo Treaty banning cluster munitions.

Allow me to touch very briefly on these various points.

Today, the UXO Sector is probably one of the best structured and coordinated in the country with a national institution at its core, the National Regulatory Authority (NRA), and three very active and efficient technical working groups bringing all operators and stakeholders together.

While the NRA is still a relatively fragile institution that needs to be strengthened, one should not under-estimate the importance of what it has already been able to accomplish since it became operational merely two years ago. Of particular significance is the adoption of national standards, in line with international norms, to which all operators are progressively being held. Ten operators have already been accredited by the NRA in 2009 and five more, including four Lao commercial operators and the Army, are working towards accreditation. In addition, there are five organizations carrying out risk education with guidance and support from UNICEF, and many more providing assistance to victims.

Over time, UXO Lao, the national clearance operator, as well as the other operators working in the country have become significantly more efficient, adopting new technologies and methods to increase their productivity. Together, they have been able to clear about 24,000 hectares of land since the programme began in 1996, of which 65% for agriculture and 35% in support of development projects. However, last year alone they cleared some 5,800 hectares, which indicates a considerable increase in productivity.

Since Laos is the country in the world most affected by cluster munitions on a per capita basis with a strong and efficient UXO programme, its active participation and leadership role in the international movement to ban cluster munitions and the Oslo process was in many ways to be expected. And yet, if you consider that in the region, only two other ASEAN countries, Indonesia and the Philippines, have signed the Cluster Munitions Convention so far, the role played by Laos, its advocacy role in particular, is unprecedented. The commitment of the Lao Government to the Convention on Cluster Munitions was further reaffirmed with its offer to host the First Meeting of States Parties, one year after the Convention enters into force, which will probably mean at the end of 2010.

The revision of the Sector Strategy, “the Safe Path Forward,” was carried out in a very inclusive manner this year to take account of the new circumstances and make the strategy relevant and appropriate in today’s context. The result is a solid but succinct document, which offers a clear long-term vision for the Sector, as well as a strategic goal to be achieved by 2020. What it suggests is a compact between the Government and Development Partners over the coming 10 years. Under this compact, the Government will strengthen its leadership and ownership of the UXO issue, and develop a sustainable national capacity fully integrated into its regular institutional set-up by 2020. Development Partners on the other end will endeavor to provide increased and coordinated international assistance over the 10-year period in order to help meet the objectives of the Oslo Convention and the Strategy. We call upon all of you to give full support to the revised Strategy and its implementation.

Although the UXO Sector is overall in a very good shape, several challenges remain. One of them is *Coordination*. Coordination within the Sector is generally good, but coordination with other development sectors and with local authorities needs to be strengthened. Even though the UXO problem is a cross-cutting issue which impacts on virtually all aspects of development, it has often been neglected by various partners in their development planning. This is an issue that the NRA is trying to address and that requires commitment from all stakeholders.

Another challenge is *Funding*. Although there have been several Lao Support Group meetings around the world during the last few months showing their interest to assist the Lao PDR in organizing the First Meeting of States Parties and in implementing the obligations of the Convention, we cannot be complacent, especially in this period of financial crisis. The NRA reports indicate that ODA flows into the sector have decreased by 23% between 2006 and 2008. This is a matter of concern and it is incumbent on all of us to ensure that the unique operational as well as political circumstances that prevail today in the fight against cluster munitions are taken full advantage of for the benefit of the affected communities.

Thank you.

Annex 18:

Joint statement on Drugs

by Dr. Bounpone SIRIVONG, Deputy Head of Permanent
Secretariat of the Lao National Commission for Drug Control

**Joint Statement of the Illicit Sector Working Group issued on behalf of the
Lao National Commission for Drug Control and Supervision, the
Australian and Japanese Embassies on behalf of the Mini Dublin Group
and the United Nations Office on Drugs and Crime.**

**Delivered by
Mr. Kou Chansina, Vice-Chairman of the Lao National Commission for
Drug Control**

Your Excellency Dr. Sinlavong Khouphaythoune, Minister of Planning and Investment,

**Your Excellency Mme Sonam Yangchen Rana, United Nations Resident Coordinator
and UNDP Resident Representative,**

**Excellencies,
Distinguished Guests,**

Established in 2007 the Illicit Drug Sector Working Group is chaired by the Chairperson of the Lao National Commission for Drug Control & Supervision and co-chaired by the Chairperson of the Mini Dublin Group (who is alternatively the Australian Ambassador or the Japanese Ambassador to the Lao PDR) and the Representative of UNODC.

The illicit drug sector working group has combined regular meetings to exchange information and identify priorities with field visits to better understand issues and discuss responses.

The group includes relevant Government agencies, the Mini Dublin Group, Representatives of ASEAN countries, MOU members which include Russia, South Korea, India and the GMS countries, international organizations and certain NGOs.

Laos faces the challenges by the need to sustain opium elimination, treat and rehabilitate remaining opium addicts. There is also the need to address increasing transnational trafficking of other drugs such as heroin and ATS as well as to meet the challenges of increasing drug abuse and related crime.

The new drug law was promulgated by the President of Laos in January 2008. The Central Drug Control Steering Committee chaired by the Prime Minister was established later.

The illicit Drug Sector Working Group in early 2008 requested UNODC to assist the Lao Government to develop a new comprehensive drug control master plan 2009-2013. The master plan was approved by the Government in March 2009.

A sub-working group for drugs and a sub-working group for crime were established to support program development and implementation of the master plan.

A balanced approach program strategy was developed to address illicit opium production and consumption and expanded to address the ATS as well as other illicit drug threats. A drug law enforcement strategy is being developed to address drug related crime issues.

A key issue for consideration is the need to increase alternative development and sustainable livelihood options as well as to mitigate human security threats to vulnerable communities in 32 former opium poppy growing districts including in the 47 poorest districts.

Another key issue is the need to increase support to criminal justice responses to the threats posed by drugs and related transnational crime which could seriously undermine national security and stability and thus national social and economic development.

Most importantly the 7th National Socio-economic Plan should include support to implementation of the Comprehensive National Drug Control Master Plan as a priority cross cutting issue.

The National Drug Control Master plan addresses the recent rise and proliferation of illicit drug production, trafficking, abuse as well as related criminal activity in the Lao PDR. The Master plan responds to the heightened risks this activity poses to the country's social order and national stability through a comprehensive strategy. The Master Plan includes the following nine pillars.

- 1 Trend Analysis and Risk Assessment
- 2 Alternative Development and Poverty Reduction
- 3 Drug Demand Reduction especially ATS as well as HIV & AIDS Prevention
- 4 Civic Awareness and Community Mobilization
- 5 Law Enforcement
- 6 Criminal Justice and the Rule of Law
- 7 Chemical Precursor Control and Forensics Capacity
- 8 International Cooperation
- 9 Institutional Capacity Building

Drugs and their related problems are a global problem. The Lao PDR is not able to address these problems alone and requires the help of the global community and international organizations to address this serious threat in a joint collaborative effort.

The Lao government welcomes all assistance to achieve the goal of creating a happy drug free, prosperous society, and work towards the vision of a drug-free ASEAN by the year 2015.

Thank you.

Annex 19:

Presentation on Natural Resource Management
by H.E. Mme. Khempheng PHOLSENA, Minister to the
Prime Minister's Office, Head of Water Resource and
Environment Administration

Statement on the Natural Resource Management
By
H. E. Mme. Khempheng Pholsena
Minister to the Prime Minister's Office
Head of Water Resource and Environment Administration

**Excellencies,
Distinguished Delegates,
Ladies and Gentlemen,**

It is indeed my great honor and privilege to be with you today and represent the WREA at this Round Table Implementation Meeting. May I take this opportunity to warmly congratulate the MPI for organizing this important event and for the excellent arrangements made for the meeting. My thanks also go to the UNDP and our development partners for their strong support to the RTM process and the Vientiane Declaration.

Mr. Chairman

It is well known that the Lao PDR has a rich endowment of natural resources and is also blessed with great biodiversity including some of the most exotic species in Southeast Asia, forest cover spanning over 40 percent of its territory, 21 National Protected Areas with important copper and mineral resources and a great potential for hydropower development thanks to the Mekong's flow. But with great resources comes great potential as well as a number of challenges that must be overcome for Laos to achieve its goals of eradicating poverty. While the country is striving to achieve strong economic growth, the government is committed to safeguarding the environment and natural resources. In the past few years, the Lao government has taken significant steps to ensure our natural resources are sustainably utilized and protected. The creation, for example, of the WREA in July 2007 clearly demonstrates this commitment.

As development around the world during the past centuries has shown us, unless the development of these natural resources is done in a sustainable manner, we will exhaust them. Laos' goal is to be able to develop its resources in a social, environmental and economically sustainable manner so that the country as a whole, the environment and the people, including future generations can benefit. In this respect, I am proud that the WREA is one of the key agencies contributing to this effort in Laos.

Significant progress has taken place over the past years paving the way for Laos to be successful in overcoming its most pressing challenges. These include strong economic growth, mainly driven by hydropower and mining resources, which need to be sustainably developed. There have also been key improvements in the country's environmental policies aimed at protecting Laos' valuable natural resources as reflected by the recent approval by the government of the EIA Decree and the finalization of the Compensation and Resettlement Guidelines as well as the revision of the environment protection law and the finalization of national environment quality standard. Essential social policies aimed at fostering inclusive growth so that all segments of society benefit, including the most vulnerable. Vital private sector investment, mostly foreign but increasingly domestic, has come into the country helping to drive growth and to develop multiple sectors across the society.

Selected large mining and hydropower investments show it is possible to sustainably, and profitably develop the country's natural resources. Whether the Sepon gold and copper mine in Southern Laos or the Nam Theun 2 Hydropower project in central Laos, responsible

private sector investment coupled with strong government policies are allowing for resources to be used in an environmentally sustainable fashion, with social policies designed to help the local populations benefit, and with economic policies that are targeted at increasing revenues for the whole country. With a great deal of potential and interest in both these sectors, furthering the lessons from both these projects will be essential in order for Laos to continue to develop its natural resources in a sustainable and effective manner.

With current global trends, including the rise in fuel prices and the need for more 'green' energy, there is potential that hydropower development will draw growing interest from investors. As a country with extensive water resources, Laos has the potential to draw vital revenues from this sector and it will work to ensure that these investments are carefully considered, particularly those on the Mekong mainstream. Careful and thorough social and environmental analysis will need to be carried out in consultations with stakeholders to ensure that hydropower developments in Laos are green, clean, socially and environmentally sound and that they benefit the local populations and the greater country.

Mr. Chairman,

Laos has a truly large water resource, particularly when this is placed in the context of our limited arable land and low population. While Laos forms about 25% of the area of the Mekong Basin, it contributes 35% of the Mekong river's annual flow. As well as meeting the living needs of our people, this large water resources provides a wonderful opportunity for the Lao government to meet its objective of moving from least developed nation status by 2020 whilst, at the same time, contributing to Mekong Region's economic development.

The Lao government has adopted an integrated approach to water resources management. This is requiring changes in the coordination of water resource development. The new approach is also requiring the revision of the water law and organizational changes leading to the establishment of WREA.

Based on the country's experience in the development of Nam Theun 2 environmental and social safeguards, as well as in implementing the Nam Ngum River Basin Development Project, the WREA is preparing a natural water policy and strategy. Under this water policy, river basin organizations will apply IWRM principles, with wide participation of stakeholders, in water resources planning and management. This participation extends well beyond consultation. It involves the local community in the planning, implementation and monitoring process.

Water resources will be managed to meet basic human needs and to maintain river health. An early warning system is being developed to protect communities from the impacts of natural disasters. Water use efficiency will be promoted to increase the benefits available from water infrastructure. Benefits from water users, such as mining and hydropower, will be shared in a way that protects and sustains water resources and aquatic systems.

Recognizing these shared development opportunities and pressures, the Mekong River Commission has been active in developing the regulatory rules for coordinating development and for ensuring the sustainable development of the river basin. Procedures for water utilization including for notification of planned developments have been developed and are being further operationalised, the framework for sustainable water resources development is being developed through a Basin Development Plan and includes assessment of a range of major development opportunity throughout the river basin and study of their downstream and environment impacts. In particular the impact of mainstream dams on the important natural fishery of the Mekong river is being studied closely and will continue to inform decision

making. For its part, Laos is a willing partner and continues to inform and support the MRC in its investigations of the impacts of development projects throughout the Basin.

However, we are fully aware that there will be increasing challenges in achieving real water security and balancing the use of water for national economic growth and conservation for future generations. For example, we are undergoing and planning for rapid hydropower development in the country. While hydropower has many global and local environmental benefits, development needs to be carefully planned and managed. We need much stronger hydrological information and modeling capability on which to plan for hydropower development and downstream flood mitigation. Water quality considerations in reservoir as well as downstream are very important. Reservoir area and upstream watersheds must also be well managed, both for local social economic benefit and to reuse sedimentation and other impacts on reservoirs. Management of water resources for other types of development is also important. Our mining industry is expanding and water quality monitoring and safeguards are needed to protect downstream water users. Irrigation development and upgrading, domestic and industrial water supply and waste management and tourist development are also areas which we will be watching and seeking to manage carefully. In addition, climate change may create changes in flood and drought risk, both of which could be serious for us.

Although our country has embraced the IWRM principle, I must frankly say that we are still lagging behind in terms of knowledge and depth of human and institutional capacity. IWRM is a still relatively new concept in our country. We lack the necessary technical skills, information based, research capacity and practical experiences in order to manage water in a successful way. But there is a strong commitment from our government to implement IWRM more fully coupled with the support from our development partners and our government's firm political will to work and cooperate with member states in the Mekong River Basin which are all the needed prerequisites for a successful implementation of IWRM in Lao PDR. We are working urgently to improve our capacity to ensure water based or impacting developments are sustainable. To this end, we have commenced preparing river basin assessments and plans in some of our major river basins so that water can be shared sustainably between the many water using sectors as well as to meet our downstream obligations for the Mekong river. We are also strengthening our approach to Social and Environmental Impact Assessment and follow-up monitoring and compliance.

As always, information and knowledge management capacity hampers water resources planning, decision making and management including the mitigation of natural disasters. We are furthering our monitoring and knowledge platforms for surface and groundwater. At the transboundary level, procedures for data and information exchange and sharing, and water use monitoring are all important, and have been agreed. This highlights an additional and beneficial dimension of transboundary cooperation in order for there to be consistent standards and data sharing approaches.

Ladies and gentlemen,

All of us here recognize that our world is changing, and that it is changing fast. More importantly, is the changing nature of our world due to climate change and the climate change is real. It is not a fiction. And it threatens our lives and the lives of everyone on this planet, in particular the poor and disadvantaged are hit the hardest.

The Lao Government is fully committed to the fight of the international community against climate change. In the past few years, we have completed the First National Communication, the National Adaptation Programme of Action or NAPA and the National Capacity Self-Assessment and are now in the process of preparing the Second National Communication. We are also strengthening our capacity to implement and promote CDM projects and are

implementing the Forest Carbon Facility Partnership to prepare for implementation of the REDD. A National Steering Committee and 8 TWGs on Climate Change has been established in 2008 to oversee the preparation of the National Strategy and Action Plan on Climate Change.

In order to successfully realize the above-mentioned activities, as low emission country, Laos needs substantial technical and financial support for adaptation to climate change. This include issues on technology transfer, capacity development, institutional strengthening, and the mainstreaming of a climate change strategy which includes appropriate mitigation and adaptation policies and measures into the national planning process and system, including poverty reduction programmes.

We are convinced that enhanced international cooperation under the shared vision for long-term cooperative action and the principle of “*common but differentiated responsibilities and respective capabilities*” is crucial for paving the way towards Copenhagen 2009 and beyond 2012.

Mr. Chairman,

Let me take this opportunity on behalf of WREA to convey our sincere appreciation and thanks to our development partners from the international financial institutions, bilateral and multilateral organizations and INGOs who have been supporting and continue to supporting us in addressing the crucial needs of our newly established organization in capacity development and institutional strengthening both at the central and provincial levels for environment management and monitoring, environment compliance and integrated water resources management, as well as in addressing climate change impacts. WREA remains committed to working with all of our development partners in the spirit of the Vientiane Declaration on aid effectiveness.

Thank you very much for your kind attention.

Annex 20

Presentation on Natural Resource Management
by H.E. Mr. Somboun Rasasombath
Vice-Minister, Ministry of Energy and Mines

Statement on the Natural Resource Management
By
H. E. Mr. Somboun Rasasombath, Vice-Minister of Energy and Mines

**Excellencies,
Distinguished Delegates,
Ladies and Gentlemen,**

On behalf of Ministry of Energy and Mines, it is a great pleasure for me to deliver the keynote address at the National Resources Management Round Table Meeting. I agree with the reports presented previously and would like to present the Ministry of Energy and Mines on natural management in related to the development of energy and mines and the future plan and mechanism to address this issue as follows:

I. Overview on energy and mines sector development

Lao PDR is rich in natural resources particularly water resources and minerals, which is the potential resources for socio-economic development of the country, however the exploiting and utilizing of the natural resources is the most challenge with high risks as can be seen through several successful and harmful stories in many countries in development of the sector. The lesson-learned in the past 20 years shows that the development of energy and mining sector have been continuously growing from most conservative to the more legally controlled and sustainable manners.

This succeed of the sector development are exemplifies through such activities are conducted in an environmentally and socially sustainable manner, while making a significant contribution to the economic development at all levels of society, component of domestic increases from 3% in the year 2000 to 10% in the year 2009.

Investment in the sector increase both quantitative and qualitative terms. To date, there are 75 hydroelectricity projects, in which 10 projects are already in operation, and 41 projects have signed MOU, and 16 projects have signed the development contracts, and 8 projects have signed the construction contracts whereas 7 projects are under urgently process to meet the deadlines such as:

- Namtheun 2 (construction completed 100% and about to produce the electricity),
- Namgeum 2 the construction completed 80%),
- Sekaman3 construction completed 56%,
- Xeset2 completed 100% and the electricity being supplied,
- Nam-Leek 1, 2
- Namgeum5.

Apart from these, there are several hydroelectricity projects under preparation for construction. These sources of energy make a significant contribution to the economic development at all levels of society particularly in supplying the electricity to focal areas, factories, trades, services, which contribute to the poverty elevation for the Lao people as a whole. It will also provide sufficient electricity to meet the demand after the year 2012.

However, the development of electricity energy is still delayed and has not yet reached the target due to the lack of capable/skilled human resources particularly the investors or external factors (electricity charges, economic crisis, source of funds) that affects the project and some projects face other complicated and sensitive issues such as: relocation of population who

being effected by the projects, environmental protection, impacts to ecological damage and communities, society and so forth...

Investment for mining is also growing very fast, to present, there are 156 investors / companies with 266 activities have exploration, survey and exploitation of the mineral whereas some are being exploitation such as: gold and copper exploitation and processing in Vilaboury District, Savannakhet Province and in Xaysomboun District, Viengchan Province and other places. Apart from the mine is proving highly profitable and is generating royalties for the Government; it has also contributed to the development of local infrastructure and socio-economic foundation, poverty eradication, job creation and so on. To date the mining concessions have been excessively granted and over the management capacity both at central and local levels. Beside this, there are several issues arise such as: some projects are not compliance with the law and regulation, contract agreements and investment procedures, overlapping of concessions areas, impacts to the social and environment, delayed project completion and so forth.

Therefore, there is a need to strengthen the management mechanism toward the development of the natural resources.

II. Mechanism to enhancing of energy and mines sector management

To ensure the sustainability of the exploitation and maximum utilization of the natural resources particularly the electricity and minerals, several mechanisms need to be in placed such as:

1. Legal arrangement:

- Continue improve the existing legal and regulations related to electricity and mining that currently in effect, both at central and local levels in order to ensure that people at all level know and understand the implementation of such legal instruments particularly the Law on Electricity, Law on Mines, Law on Environmental Protection, Regulation on Electricity Technique Standards, Regulation on Exporting of Minerals and so forth....
- Continue to complete legal and regulation related to the development of energy and mines particularly the Mining Law, Promotion of Investment Law, Decree on Environmental Impact Assessment, mining regulations, and so forth
- Increase enforcement of the Law; improve transparency, using appropriate penalty tools for persons who violate the law, regulation or contract.

2. Capacity building and organization improvement:

- Improve cohesive organization/governance at central and local level, with emphasis on horizontal department at the provincial and district levels together with the arrangement or recruitment staff to be sufficient to the requirement.
- Develop appropriate regulation, coordination mechanism to facilitate and enable investment environment for the electricity and mining sector.
- Capacity building for human resource both qualitative and quantitative manners to response to the new tasks in each stage. This capacity building process need to be continuously conducted with improved curriculum and courses in the universities, vocational training centers, colleges and so on. Moreover, training on other relevant technical aspects needs to be done such as: project financial analysis, project social and environmental assessment, law, accounting and so forth.
- Improve monitoring and evaluation of the electricity and mining activities with priority given to the local ownership on regular monitoring. Also classified the

investment projects into strong, middle and need improvement types for reporting to the higher management.

3. Process:

- Improve and strengthen one-door investment system for ease process, improve transparency, avoid tardiness, red-tape / delayed in project approval or not approval.
- Clearly deconcentration structure in review and approve the project to avoid overlapping and potential gaps that may occur.
- Focus on project feasibility study and strictly follow the investment procedures particularly the environmental impact assessment, relocation plan, especially the middle and large project with high potential impact to environmental and society that have been certified by the Water Resource Environmental Agency, and if the strategic and large project have to be certified by the National Assembly.
- Develop appropriate regulations on environmental protection and ecological fund such as: Payment for Eco-system (PES) which reserves some revenues from the project whereas there are several regions and sub-regions have been successfully utilized.
- The Government must invest in the survey activities for some minerals that would be benefits to the economy especially in the reserved areas to obtain details information and find appropriate investors.

Finally, I would like to thanks for your attention and conclude my report. May I wish H.E Bouasone Bouphavanh, Prime Minister of Lao PDR and distinguished guests healthy and every success and reach the productive meeting result.

Thank You

Annex 21:

Statement on Natural Resource Management by World Bank

Round Table Implementation Meeting
3rd November 2009
International Cooperation Training Center (ICTC)

**Statement on
Sustainable Management of Natural Resources in Lao PDR**

PART ONE

Lao PDR is blessed with an abundance of natural resources – land, water, minerals, forests and biodiversity – that have sustained its people for generations. Following the country's transition to a market economy, natural resources have been an important driver of growth and poverty reduction. In recent years, the demand for the country's natural resources has exponentially increased. On one hand, this has enabled the country to post high growth rates and accelerate poverty reduction efforts; on the other hand, new challenges have emerged around governance, equity and sustainability. As the country progresses towards realizing its 2020 vision of entering the rank of middle income countries, some of these challenges are likely to be get amplified. Fortunately, the development of natural resources is still at an early stage allowing for it to be well planned and managed. The forthcoming seventh National Socio-Economic Development Plan (NSEDPP) represents a key opportunity to consider the challenges, opportunities, trade-offs and future directions for sustainable natural resource management.

This Statement builds on the discussion note that was presented at the last RTIM, and recommends *six key themes* that are essential building blocks to ensure sound management of natural resources for the benefit of the Lao people. These are summarized below and detailed later in this Statement:

- First, the importance of good governance, transparency and accountability. Effective governance of natural resources requires a coordinated approach along the natural resources value chain, from extraction/production to development outcomes.
- Second, as projects are being developed and revenues are generated in the resource industry, equitable distribution across all levels of society and promotion of a good investment climate in the non-resource industry will be important for inclusive and broad-based development.
- Third, the question of sustainable agricultural development and land management is crucial, in particular because agriculture remains for the foreseeable future the main source of livelihood for the majority of the Lao population.
- Fourth, it is vital that the social and environmental sustainability is encouraged and local people impacted by projects are protected and ultimately benefit from the project's developments.
- Fifth, the need to enable and encourage private sector partners that are responsible and can work together with Government for the benefit of the country.
- Sixth, climate change represents both a challenge and an opportunity for the country.

A Discussion Paper on this topic was presented at the last RTIM and supported by several Development Partners. This Statement builds on this paper. Since the last RTIM, dialogue and engagement on five of the six themes have been taking place through a Consultation Process led by the Prime Ministers' Office. We look forward to advancing our work through this process, and the different Sector Working Groups that will enable cross-sectoral, multi-

ministerial and high-level policy inputs for analyzing the challenges facing Natural Resources Management.

This Statement was extensively discussed among many Development Partners and they share the views expressed in this statement.

PART TWO

Lao PDR has achieved *solid economic and social progress* over the last two decades, making substantial advances in reducing poverty and improving the quality of life of its citizens. According to World Bank data, GDP growth in Laos has averaged over 6 percent since 2000, and poverty incidence fell from 46 percent of the population to 33 percent between 1992 and 2003. Laos is among the countries that are weathering the economic crisis well and -- provided macroeconomic and structural policies remain on track -- it should come out stronger. GDP growth is estimated by the World Bank at 6.4 percent in 2009 and projected at about 7 percent in the following years.

The *sustainable and accountable development of these natural resources is perhaps one of the most important challenges* faced by the Lao PDR in the years ahead. As in other countries around the world, the people of Lao PDR have long relied on their natural resources to support their own livelihoods and build their economy. For many years, timber was a key natural resource but more recently hydropower, mining, and commercial plantations have emerged as major drivers of growth and public revenue.

Already natural resources are helping generate economic growth that is reducing poverty and improving social outcomes for Lao citizens. At a local level, the sustainable use of natural resources can help people live in harmony with their environment and leave sufficient resources for future generations. Managing natural resources can be extremely challenging and there are contrasting examples. Some countries have turned their natural resources into society-wide benefits through policies and institutions that support sound accountability mechanisms, stable fiscal management, an enabling environment that attracts quality investments by the private sector, and effective implementation of social and environmental policies. They have embarked on broader economic reforms that promote high growth, faster poverty reduction, strong fiscal position and lower debt. Some other countries have struggled with the adverse consequences of a “resource curse” brought on through unsustainable exploitation of natural resources resulting in irreversible degradation of the environment, reduced economic competitiveness, and destabilizing social consequences.

Lao PDR is fortunate to be at a stage in its development when *the management of its natural resources can still be well planned*. Already there are some emerging examples of high quality investments that are promoting the sustainable management of the country’s natural resources. The Government has also embarked on transforming its policy, institutional and legal frameworks for sustainably managing its natural resources. In the past few years, the Government has enacted a national policy on sustainable hydropower development, amending or drafting several laws and decrees relating to environment, river basin and watershed management, forestry and biodiversity, land, minerals, and hydropower. Government has created new institutions like the Water Resources and Environment Administration and National Land Management Authority in the Prime Ministers’ Office and a Ministry of Energy and Mines, and strengthened the Ministry of Agriculture and Forestry. Moving forward, implementing these new policies and legal frameworks and strengthening the capacity of these new institutions at the national, provincial and district levels will be essential for better development results. Greater use of knowledge, technical expertise and the

dialogue platform offered by the Mekong River Commission (MRC) could be made. MRC is a regional institution with the mandate of working on strategies for the sustainable development of water and related resources for its member countries' mutual benefit and peoples' well-being.

The forthcoming *seventh National Socio-Economic Development Plan* (NSEDP) constitutes a good platform to lay out clearly and directly the opportunities, challenges and trade-offs involved in sustainable natural resource management. This Statement recommends six **key themes** as essential building blocks to ensure sound management of resources for the benefit of Laos' people. These are: (i) good governance; (ii) managing equitable growth; (iii) balanced development of the agricultural sector; (iv) social and environmental sustainability; (v) a responsible private sector; and (vi) addressing climate change.

First, the importance of good governance, transparency and accountability. Effective governance of natural resources requires a coordinated approach to the award of concessions and licenses, the regulation and monitoring of operations, the collection of taxes and royalties, as well as revenue distribution and management. International experience suggests that it is possible to create natural resource governance arrangements that achieve these results through a combination of quality government institutions and quality private investment. Some of these ideas are being advanced in the case of a few projects in Laos. Practically, this often includes upstream analysis of sector or country needs (such as how to optimize investments across a river basin); a transparent and objective approach to awarding concessions; well-defined institutional responsibilities across government so that agencies at central and local levels are aware of their mandates and are able to coordinate with each other to ensure effective negotiation, monitoring and enforcement; a standardized and transparent fiscal regime for concessions; and strong public financial management and procurement systems, including judicious allocation of public investment in order to translate revenues from natural resources into long-term sustainable development. Where revenue streams are volatile, such as for mining, many countries have benefited from a system that allows saving part of the revenues to ensure manageable macroeconomic impacts, smoothed spending, and an opportunity to share benefits with future generations through securitization of assets as well as effective investments in infrastructure, education and technological progress.

Such steps are designed not only to boost the Government's capacity to get the most out of the country's natural resources, but also to systematically increase the quality (rather than just quantity) of private investment in natural resources.

Second, as projects are being developed and revenues are generated in the resource industry, equitable distribution across all levels of society and promoting a good investment climate in the non-resource industry will be important for inclusive and broad-based development. It is the role of Government to ensure that natural resources are used to reduce poverty, initiate economic development that sustains beyond the life of the extractive industries, and improve the lives of all in an inclusive way. It is important that natural resource revenues translate into solid development outcomes, and Government is encouraged and supported to achieve this. The work being done by Government, through the PFMSP, and particularly on the use of Nam Theun 2 revenues is making a start. As importantly, structural reforms to facilitate private investment on a level-playing field in the non-resource economy is key to ensure broad-based growth by private sector development, diversification of exports and domestic production. Job creation would be one of the main objectives of such program.

Third, the question of sustainable agricultural development and land management is crucial, in particular because agriculture remains for the foreseeable future the main

source of livelihood for the majority of the Lao population. Resource based projects should be carefully balanced with the necessities of the agricultural sector and rural populations. This is crucial for nutrition as well as food security, and is also the basis of a sustainable management of natural resources. Inadequate market liberalization for agricultural products, inappropriate contract farming, displacement of rural land owners as well as delayed land titling activities could undermine progress in rural development, particularly for small scale farmers, and the creation of a vibrant small and medium sized enterprise sector. There is also a need to carefully balance land needs between investors and local communities in developing land ownership policies. The need for investment should also be seen in the agricultural sector as the need to “invest in farmers”, promoting small scale agriculture and producer’s organizations that provide a means for adding value to local products and thereby reduce poverty in the rural areas.

Fourth, it is vital that the social and environmental sustainability is encouraged and local people impacted by projects are protected from harmful consequences and ultimately benefit from the projects’ developments. Natural resource extraction has impacts on the surrounding environment and local populations that rely on these resources. There is an urgent need to undertake more upstream analytical thinking and strategic work that will enable informed decisions to be taken on managing the complex ecosystems of the country. To develop hydropower projects, for example, villagers may need to be resettled, others may lose land, and there may be significant changes to a river’s natural water regime that impacts the villager’s ecosystems, food security and livelihoods. These impacts need to be properly assessed beforehand in order to develop effective social and mitigation environmental programs. The new Department for Environment Impact Assessment (EIA) in the Water Resources and Environment Agency is a good step in this direction, and the enactment of the new decree for EIA is well advanced and expected to be completed at the end of the year. Lao PDR may learn from other countries who have found that EIA processes can sometimes be undertaken too late; early, strategic impact assessment of major proposed interventions can save time and money, and contribute to better decision-making.

Fifth, the need to enable and encourage private sector partners that are responsible and can work together with Government for the benefit of the country. Lao PDR is an increasingly attractive destination for private investment, thanks to a more friendly investment climate and the lure of the country’s natural resources. Attracting quality investment through good governance arrangements was discussed above. In addition, government can encourage good corporate governance by the private sector by setting up the appropriate legislative, regulatory and monitoring framework, and by encouraging private investors to work within voluntary global industry codes of practice. In addition, having in place an integrated land management plan which the private sector can use to guide their investment proposals would be helpful in making opportunities more predictable for the private sector. Collectively these actions will encourage private investments to yield the promised returns, preserve natural endowments, protect livelihoods and mitigate social and environmental impacts.

Sixth, climate change represents both a challenge and an opportunity for Lao PDR. Recent scientific data and analysis suggests that climate change could set back the many achievements to date, including progress on Millennium Development Goals. Extreme weather events could have considerable impacts on infrastructure, water resource management, agricultural productivity, health and vulnerability to natural disasters, among other issues. Understanding these challenges, developing policies, and building the institutional capacity to manage the consequences of climate change are key. Laos stands to benefit from current mechanisms or any new financing architecture for controlling the

emissions responsible for climate change. Adaptation programs can help to improve climate resilience of the country in many sectors including agriculture, water resources management and infrastructure. Though a small emitter, Lao is already taking advantage of the Clean Development Mechanism and also receiving support from the international community for Reducing Emissions from Deforestation and Forest Degradation in Developing Countries (REDD) through some pilot activities.

In the coming years, it is important that continued support is extended to Government and private investors to help ensure that the country's resources are sustainably managed, the economy continues to diversify, benefits of growth are equitably shared so that poverty in Laos can continue to be reduced, adequate actions are taken to adapt and mitigate climate change, and capacity is built at all levels.

Annex 22:

Joint Statement on the Outcomes of Provincial Conference in
Xayabouly and Update on the VDCAP
by Mr. Somchith INTHAMITH, Director General,
Department of International Cooperation, Ministry of
Planning and Investment

**Joint Statement on Outcomes of the Provincial Conference in Xayaboury
and Update on the Vientiane Declaration Country Action Plan**

Delivered by
Mr. Somchith Inthamith
Director General
Department of International Cooperation
Ministry of Planning and Investment

Secretariat of the Vientiane Declaration and Country Action Plan

Your Excellency Dr. Sinlavong Khoutphaythoune, Minister of Planning and Investment,

Your Excellency Mme Sonam Yangchen Rana, UN Resident Coordinator and UNDP Resident Representative,

Excellencies,

Distinguished Guests,

I am pleased to deliver this joint statement on behalf of the Secretariat of the Vientiane Declaration and Country Action Plan.

I would like to start by expressing our appreciation to the various Sector Working Groups for the work they have done throughout the year and in the lead-up to this meeting. I realize that this has been at times very intense, but I also think that it has strengthened the linkages between initiatives taken at sectoral level and the national Round Table Process, which is a positive development.

Our efforts to ensure all voices from all levels are heard and taken into account for the development of our countries have been galvanized within the Round Table Process. Like previous years, our today Round Table Implementation Meeting has been prepared and is now taking place as a culmination of the work undertaken by the Sector Working Groups as well as deliberations and outcomes of the pre-consultations on key topics. This included the Xayaboury Conference on aid coordination and aid effectiveness, as well as the Oudomxay joint Government and Development Partner field visit.

While some SWGs are more advanced than others, it is good to see that they are now all operational and that the establishment of new sub-working groups, on trade and private sector, the legal sector, and public service improvement in particular has allowed more technical discussions around specific themes. A number of groups are already discussing Sector Wide and Programme Based Approaches, pooled funding arrangements, and ways to increasingly use the country's own systems.

Quarterly Chairs and Co-chairs meetings were held during the year to facilitate the exchange of lessons learned. In 2010, we will try to focus more on the identification and dissemination of replicable best practices.

An important innovation of the year was the organization of the *Xayaboury Provincial Conference on ODA Coordination and Effectiveness for Achieving the MDGs*. This event took place in October with the participation of representatives from line ministries and eight Northern provinces as well as many development partners. It was a first attempt at bringing the aid effectiveness agenda and our discussions closer to the realities of the ground. Very positive feedback was received about this initiative and we will need to do more of this in the future.

The statements that we have heard today from all sectors indicate that much progress has been made during this third year of implementation of the Vientiane Declaration on Aid Effectiveness. This reflects the firm commitment of the Lao Government to own and lead the development process, as well as the commitment of all partners to strengthen partnerships and synergies. However, many critical actions of the Vientiane Declaration Action Plan remain to be implemented and there is still a long way to go to fully realize all the principles that we have collectively adopted in 2006.

The assessment completed in 2008 suggests that while development partners place a growing emphasis on managing for results and certain aspects of mutual accountability, as well as harmonization, the Government tends to be more concerned with strengthening ownership and ensuring that country systems are used. If the goals and targets of the VDCAP are to be met, all pillars of the Vientiane Declaration need to receive equal attention.

In addition, broader participation in the process is required. The Accra Agenda for Actions (AAA), which is currently being incorporated in the VD CAP, clearly recognizes the need to involve all stakeholders, including civil society organizations, the private sector and non-traditional donors. This will only happen if more emphasis is placed on outreach, training and capacity building activities, which is why the Secretariat will give priority to such activities next year.

The VDCAP is a key instrument to bring about improved development outcomes and it will only be fully effective in achieving these if it is made mutually complementary with measures in other policy areas and if its wider context is understood. Therefore, progress in implementing much of the aid effectiveness agenda is contingent upon progress at the *sectoral* and *provincial* levels. This is another issue that requires increased attention. The VD CAP has to be operationalised at the sectoral and provincial levels. SWGs are encouraged to take a proactive role in this regard and to identify their own priorities within the VD CAP to promote stronger government ownership and partnerships. Whenever possible they should use common assessment methodologies and systems and develop programmatic approaches that reduce fragmentation.

At local levels, priorities amongst many competing demands will only be established if coordination is strengthened. This was clearly highlighted by the Xayaboury Provincial Conference. Likewise, more needs to be done to link local priorities to development planning at the central level so that resources are efficiently targeted.

The Xayaboury Conference also emphasized the importance of promoting demand-driven initiatives in order to strengthen community ownership and ensure sustainability. It stressed the importance of building local capacities so that ownership in practice does not remain heavily weighted in favour of central players and does not exclude sector and sub-national players. Sufficient resources will need to be allocated for this purpose and most importantly we - the government, development partners and other stakeholders will need to build and adapt the capacities of our technical staff to meet the evolving challenges of aid management.

Political and financial support needs to be coupled with practical guidelines to ensure that implementation takes place. To accelerate VD CAP implementation, both the Government and development partners will need to work together to clarify important concepts and definitions, such as those relating to Programme Based or Sector Wide Approaches, managing for development results, and mutual accountability. In this regard, we are pleased to note that a number of interesting studies are being conducted, on the Programme Based Approach and the joint initiative with Cambodia and Viet Nam on the mutual accountability in particular. This will help ensure that all stakeholders share a common understanding on critical issues and that we can move forward in a coordinated manner towards a common goal.

Excellencies,

Distinguished Participants,

The Government has always emphasized the importance of the Round Table Process which focuses on what needs to be done, how it should be done, and how much is required to do it.

The Government of Lao PDR has taken several steps to enhance the Round Table process and mechanisms. In addition to the strengthening of the Sector Working Groups, our Government has issued the new ODA Decree no.75 to further define the roles and responsibilities of Government Agencies in the management and coordination of ODA, hence clarifying and simplifying the process both for the Government and Development Partners, creating a stronger aid coordination and aid effectiveness platform and strengthening the GoL leadership and ownership over the development process.

Looking back simply over the past three years, it strikes me the extent to which our Government and Development Partners have been able to achieve through the Round Table Process such as:

- (i) Common understanding on a number of development strategies, economic and institutional reforms as well as sectoral programmes;
- (ii) Steady increase in budget resources devoted to development especially the agreed priority sectors; significant and steady mobilization of ODA which is estimated at a level of USD 560 million in Financial Year 2008-09 compared to USD 413 million during the previous year and USD 387 million in 2004-05;
- (iii) Bringing on the table salient and emerging issues to be discussed in a transparent and open manner. For instance, it is the last RTiM that has placed the nutrition and food security challenge on the top of our collective agenda. Key reports and findings were tabled and reviewed at this meeting and a commitment to act was made. We are now working on implementing policies and strategies which were formulated as a direct result of it; and
- (iv) There has been, especially over the past two years, a focused discussion on the need to pay stronger attention to the social sectors and the Millennium Development Goals. As a result and upon the explicit instruction of the Prime Minister, the MDGs have since become a central part of our planning process for the current NSEDP and the next 5-year plan.
- (v) The joint Sector Working Groups, established in 2005 and undertaken in the spirit of harmony and cooperation, are now all fully operational and are working to support both the current plan as well as the development of the 7th NSEDP 2011-2015.

Excellencies

Distinguished delegates

Ladies and Gentleman

If we are able to agree more on what needs to be done, there is also a growing consensus on how things should be done. The adoption of the Vientiane Declaration in 2006 and of the Country Action Plan in 2007 were in this respect turning points. The implementation challenges remain huge but at least we now have common principles and agreed goals and targets, which is a major step forward.

The update of the VD CAP is timely. Not only does it allow us to incorporate the Triple A agenda, but it also provides an opportunity to identify priorities and practical ways of accelerating progress. We appreciate all the comments and suggestions received so far, which we have tried to reflect in the latest draft that is being circulated at this meeting. We count on your continued support to finalize this process by the end of the year.

Today's RTIM provides an opportunity to reconfirm our commitment to take forward the aid effectiveness agenda and to focus on concrete actions that will help translate the Vientiane Declaration into concrete results. Let us work together to maintain the momentum and to identify good practices that will distinguish Laos at the next OECD DAC High Level Forum in Seoul in September 2011.

On behalf of the Secretariat, I would like to once again thank all partners for their active participation in our work over the past year.

Thank You

Annex 23:

Concluding remarks by Ms. Sonam YangChen-Rana
UNDP Resident Representative
UN Resident Coordinator

**Closing Remarks
By Sonam Yangchen-Rana
UNDP Resident Representative &
UN Resident Coordinator
Round Table Implementation Meeting
Vientiane Capital, 3rd November 2009**

Your Excellency Minister Sinlavong Khouphaythoune,

Other Excellencies, Distinguished Participants,

Let me start by saying that this day long consultation has been truly enriching and highly motivating. So I'd like to begin by thanking and congratulating all participants for their most valuable contributions throughout the day.

I also found quite remarkable the convergence of views expressed by government and development partners on critical issues throughout the day. Clearly this reflects very strong partnerships developed over the past decade.

Given the limited time available for this closing session, it would be impossible to adequately summarize all of the rich ideas, observations and suggestions offered throughout the day. I leave this for the full proceedings to be prepared following this meeting.

Instead, allow me to provide a brief overview of the day's dialogue, and offer a few perspectives on what I understood to be some of the most pressing priorities ahead and some of the related suggestions.

His Excellency Prime Minister Bouasone Bouphavanh opened with a succinct review of Lao PDR's many achievements since the last RTIM and outlined a number of the emerging challenges ahead. His Excellency The Prime Minister also invited participants to offer perspectives and suggestions based on best practices to help Lao PDR ensure sustainable development.

His Excellency the Prime Minister also highlighted the value of the Government-led Round Table Process for in-depth consultations for overcoming development challenges and realizing opportunities.

It was noted that RTIM 2009 takes place at an opportune time. The Government is in the process of drafting the country's new National Socio-Economic Development Plan (NSED) for 2011-15. This new NSED will provide Government and development partners with a common Government-led framework for coordinating our collective efforts and financial assistance towards achieving the country's development goals.

Development partners consistently expressed high appreciation for the impressive achievements of Lao PDR over the recent past despite the global financial crisis as well as offered further strong support in the years ahead. Moreover, development partners responded with a wide range of suggestions and expressions of related assistance.

Participants expressed support for the Government's ambitious development goals, including strong growth policies, but also strongly encouraged a much greater focus on the quality and sustainability of growth and development.

In this regard, participants expressed strong support for Government's NSEDP goals including the achievement of the MDGs by 2015, and support to help the country graduate from LDC status by 2020.

Participants commended the government's maintenance of macroeconomic stability, but highlighted the need to protect and consolidate this achievement in the coming years by ensuring a sustainable budget deficit and reining in strong credit growth.

Participants felt that more efforts were especially needed to eliminate malnutrition, which would not only be good social policy, but also very smart economic policy as it would greatly increase productivity needed to accelerate progress towards the Government's most important development goals.

Similarly, strong support was expressed for urgently redressing the country's still high maternal mortality rate, as well as the achievement of gender equity and environmental sustainability.

Many participants supported the call for the country to urgently prepare for climate change by making it a cross-cutting concern in the new NSEDP. In today's context of increasingly rapid climate change, there will likely be an increase in the number of natural disasters. Without adequate preparations, this will set back progress towards the Government's development goals including graduation from LDC status by 2020. Urgent preparations and meaningful measures are needed to reduce the country's vulnerability to the potentially devastating impact of climate change.

Participants agreed that considerable progress had been achieved in Public Financial Management, especially in the implementation of the budget law. More efforts would still be needed to strengthen fiscal sustainability, as well as expenditure efficiency and ensuring sufficient budget allocations for essential social sectors especially health and education are provided at the local levels.

Participants expressed very strong support for the further development of an indigenous domestic private sector including improving the business environment conducive to more investment (including legal framework, SME development etc.).

Trade reform was advancing with deeper integration into ASEAN/AFTA and planned accession to WTO accession, but closer coordination and collaboration among development partners under government leadership within the Integrated Framework was needed to accelerate progress.

Participants welcomed recent decrees that will improve the environment for civil society and enable the development of farmer associations needed to increase agricultural productivity.

The dialogue throughout the day also pointed to the urgent need to further improve governance in the areas of land, mining and forestry. Especially important will be further progress in accelerating land titling, especially in rural areas. A review of land management policy is needed to ensure efficient and equitable land use, and to ensure that the growth in contract farming and plantations are not inadvertently compromising the country's food security and threatening farmer livelihoods.

The critical importance of collecting and making available reliable and timely data in a range of areas was also again highlighted as critical to well-informed development planning and decision making.

Greater transparency in the foreign investment approval process would also serve to attract high quality foreign investment that generates sustainable employment for Lao people, transfers valuable knowledge and skills to Lao workers, and safeguards the country's still highly valuable environmental assets, especially environmental assets that might be used for alternative sources of sustainable incomes and jobs for Lao people.

Lao PDR is well placed to accelerate implementation of its Vientiane Declaration on Aid Effectiveness and related Country Action Plan, especially with the increased assistance of the various Sector Working Groups.

Greater transparency in the natural resource sectors would help better ensure that Lao PDR avoids the kind of resource curse that has plagued so many other resource rich developing countries. To better ensure that Lao PDR enjoys a resource blessing, a top priority should be transforming natural resource wealth into human resource wealth in order to sustain the development process to increasingly higher levels well after the natural resources are depleted and/or commodity prices collapse further.

Excellencies, Distinguished Participants,

This is a very brief overview that attempts to capture at least some of the richness of today's dialogue.

A full proceedings of this Round Table Implementation Meeting will be drafted and distributed to all participants. So please provide the Secretariat with an electronic or hard copy of your official statement before departure.

Your pro-active participation and valuable suggestions throughout the day will surely help the Government in the formulation of the new NSEDP in order to help the country meet its development goals.

Moreover, the preparations for and the convening of this meeting has laid out a valuable framework of opportunities and challenges within which we can all work together under Government leadership over the coming months to assist in the further development of the new NSEDP. The new NSEDP will in turn provide the common framework for mobilizing substantial new official development assistance at the Round Table Meeting in 2010 needed to support the implementation of the new development plan during 2011-15.

Before ending my remarks, I would like to thank the Chair of this meeting His Excellency Sinlavong Khoutohaythoune for so effectively guiding this day long dialogue to such a successful conclusion.

Special thanks and congratulations are also owed once again to the Government of Lao PDR and especially Mr. Somchit and his great team at the Department for International Cooperation at the Ministry of Planning and Investment for organizing such an enriching and fruitful Round Table Implementation Meeting in terms of both the quality of the presentations and dialogue, and in terms of the strengthening of partnerships for the effective formulation of the new National Socio-Economic Development Plan.

I also wish to thank the many other excellencies who provided enlightening presentations on the various subject of the agenda, as well as to development partners for their many helpful suggestions and offerings of support throughout the day.

Thank you all, and very best wishes in our collective effort under government leadership to follow-up on the many valuable proposals and suggestions offered throughout this remarkable day long consultation.

Annex 24:

Closing speech by H.E. Dr. Sinlavong Khoutphaythoune,
Minister of Planning and Investment

Closing Remarks
by H.E. Dr. Sinlavong Khoutphaythoune
Minister of Planning and Investment
Round Table Implementation Meeting
Vientiane Capital, 3rd November 2009

Ms Sonam Yangchen Rana, UN Resident Coordinator and UNDP Resident Representative

Distinguished Guests

Ladies and gentlemen

Our Round Table Implementation Meeting 2009 today was conducted in a good, candid and constructive atmosphere and achieved our targets. It has also strengthened mutual understanding between the Government of Lao PDR and all development partners, with a number of constructive comments and feedback providing crucial inputs for the Government and development partners to consider for our future development.

In order to successfully translate the outcomes of the meeting into actions, I would to emphasize some of the recommendations on some areas as follows:

1. For the Government line agencies, it is important to continue to focus on the preparation of the 7th National Socio Economic Development Plan, namely to clearly identify the prioritized areas, programmes, and realistic projects, so as to stimulate the national economic growth, stabilize the macro-economy, sustainable development with the involvement of stakeholders at all levels, eradicate poverty, graduate from the list of Least Developed Countries (LDC) by 2020, tackle social issues and achieve the MDGs by 2015
2. All Sector Working Groups are to improve planning, identify and implement priorities and projects based on the 7th NSEDP, together with increasing local people's participation in the process. We must also ensure the implementation of ODA supported projects in Lao PDR under the themes as indicated in Vientiane Declaration, and so that we can make our projects *Be Effective, Be Transparent and Reach People*.
3. The Secretariat to take note of all information, reports and comments raised at today's meeting, report this to the Government for guidance and then inform all stakeholders and line agencies concerned on the next steps;
4. We hope that all development partners acknowledge the issues presented in the meeting today, providing details of projects, programmes, and priorities as presented by line agencies, and have a better understanding of the true development needs of the Lao PDR in order to implement and achieve the MDGs. We hope that you will all disseminate the heart of the 7th NSEDP to your Governments and organizations, and we wish to receive your positive feedback and support.

The Government of Lao PDR is ready to implement the commitments made and open consultations with all development partners to be carried out and leading to the next Round Table Meeting to be held in 2010. We do hope to meet all of you there next year.

Finally, on behalf of the Government of Lao PDR, I would like to express my sincere thanks to Ms. Sonam Yangchen Rana, the UN Resident Coordinator and UNDP Resident Representative, as my co-chair of the meeting, and to all diplomatic missions, International Financial Institutions, representatives of development partners for your participation and continuous support.

Once again, sincere thanks go also to all ministers, vice-ministers and representatives of line agencies at central and provincial levels, for your kind participation and fruitful discussions during the meeting.

Last, but not least, I would like to wish you good health, a pleasant return journey and success in your career and look forward to see you again.

Thank you

Appendix 1:

Invitation letter to the RTIM 2009



LAO PEOPLE'S DEMOCRATIC REPUBLIC
Peace Independence Democracy Unity Prosperity

Ministry of Planning and Investment

No. 2277 /MPLD/C
Vientiane Capital, 09 OCT 2009

Invitation
Round Table Implementation Meeting

Excellency,

As a follow up to MPI's letter of 31st August, it is my great pleasure, on behalf of the Government of the Lao People's Democratic Republic, to invite you to participate in the 2009 Round Table Implementation Meeting (RTIM) that will take place on Tuesday 3 November at the ICTC.

His Excellency Mr. Bouasone Bouphavanh, Prime Minister of the Lao PDR, will deliver the keynote address. As in the past, Senior Ministers and other high-ranking Government officials will subsequently take part in discussions on key development issues, challenges and priorities.

The enclosed agenda takes into account the recommendations of last year's RTIM as well as suggestions expressed by Development Partners. It builds upon the work undertaken during the pre-consultations and throughout the year within the Sector Working Groups. The agenda will allow Government and Development Partner representatives to share perspectives in support of the formulation of the 7th NSEDP and the preparation of the 2010 high-level Round Table Meeting.

I would like to invite Line Ministries and Development Partners to prepare presentations and statements as proposed in the agenda. The Government will also welcome papers on issues on the agenda that Development Partners wish to circulate at the RTIM.

To facilitate deliberations at the RTIM and common understanding on what needs to be done over the coming months, a background document synthesizing key development issues is being prepared by the Government. It will build on the outcomes of the round table pre-consultations, the work of the SWGs, and assessment of progress and challenges in various areas. It will be posted on the Round Table website (www.rtim.org.la) by 28 October.

To confirm your participation, please use the registration form provided on the RT website.

I thank you for your continued support and cooperation and look forward to seeing you at the RTIM.

Please accept, dear Excellency, the assurances of my highest consideration.



Sinlavong Khoutphaythoune
Minister of Planning and Investment

Attachment: RTIM Agenda

Appendix 2:

Group Photo Session



H.E. Mr. Bouasone BOUPHAVANH, Prime Minister of The Lao PDR,
delivered a Keynote Address to the Meeting



Prime Minister, Vice-Ministers Chair and Co-Chair



Prime Minister, Ambassadors, Heads of International Organizations, Chair and Co-chair



Prime Minister, Vice Minister, Director Generals, Deputy Director Generals, Staffs of MPI, Chair and Co-Chair



During the discussion sessions



Atmosphere of the meeting

Appendix 3:

List of Participants

**List of Government Officials
Round Table Implementation Meeting
November 03, 2009 (ICTC), Vientiane**

National Assembly (NA)			
1.	H.E Mr. Douangdy OUTHACHUCK	Chair	Cultural and Social Committee
2.	H.E Dr. Thongphanh CHANTHALANON	Chair	Ethnics Committee
3.	H.E Dr. Souvanpheng BOUPPANOUVONG	Vice Chair	Economic and Financial Committee
Prime Minister's Office (PMO)			
4.	H.E Mr. Cheuang SOMBOUNKHAN	Minister to PMO	Prime Minister's Secretariat Office
5.	H.E. Ms. Bounpheng MOUNPHOXAY	Minister to PMO	Public Administration and Civil Service Authority
6.	H.E. Mr. Onneua PHOMMACHANH	Minister to PMO	President, National Committee for Rural Development Poverty Reduction
7.	H.E Ms. Khempheng PHOLSENA	Minister to PMO	Water Resources and Environment Administration
8.	H.E Mr. Akom TOUNALOM	Vice President	National Land Management Authority
9.	H.E Ms. Amphonengaly Keola	Vice President	State Audit Organization of Lao PDR
10.	H.E Mr. Khammoune VIPHONGSAY	Vice chair	Public Administration and Civil Service Authority
11.	Dr. Maligna SAIGNAVONG	Chief of Cabinet	National Regulatory Action of Mines
12.	Ms. Bouppha KENVONGDALA	Chief of Cabinet	Prime Minister's Secretariat Office
13.	Ms. Monemany NHOYBOUAKONG	Chief of Cabinet	Water Resources and Environment Administration
14.	Mr. Somneuk Vorlasan	Deputy Chief of Cabinet	National Regulatory Action of Mines
15.	Mr. Chit THAVISAY	Deputy Chief of Cabinet	National Committee for Rural Development Poverty Reduction
16.	Mr. Nisith KEOPHANYA	Director General	Public Administration and Civil Service Authority
17.	Ms. Vilaythone Sounthonexaymongkhoun	Director of Division	Public Administration and Civil Service Authority
18.	Mr. Vilana Sonenasin	Acting Director of Division	Water Resources and Environment Administration
Ministry Planning and Investment (MPI)			
19.	H.E. Mr. Sinlavong KHOUTPHAYTHOUNE	Minister	Ministry of Planning and Investment

20.	H.E. Mr. Bounthavy SISOUPHANTHONG	Vice Minister	Ministry of Planning and Investment
21.	Dr. Kikeo CHANHTHABOULY	Chief of Cabinet	Ministry of Planning and Investment
22.	Ms. Khamchan VONGSENEBOUN	Director General	Department of Organisation and Personal Officer
23.	Mr. Somchith INTHAMITH	Director General	Department of International Cooperation
24.	Mr. Visay XAOVANA	Director General	Department of Monitoring and Evaluation
25.	Dr. Samaychanh BOUPHA	Director General	Department of Statistic
26.	Mr. Phonesouk KHOUNSOMBATH	Chief of Cabinet	Lao-Vietnam Cooperation Committee Office
27.	Ms. Sirivanh KHONTHAPANE	Director General	National Economic Research Institution
28.	Mr. Homphan Soukpasith	Deputy Director General	Department of International Cooperation
29.	Ms. Sisomboun Ounavong	Deputy Director General	Department of International Cooperation
30.	Mr. Bouasavath Inthavanh	Deputy Director General	Department of International Cooperation
31.	Ms. Saymonekham Mangnormak	Deputy Director General	Department of International Cooperation
32.	Ms. Phonevanh OUTHAVONG	Deputy Director General	Department of General Planning
33.	Mr. Manothong Vongxay	Deputy Director General	Department for Promotion and Management of Domestic and Foreign Investment
34.	Ms. Somsouk Homsombat	Deputy Chief of Cabinet	Lao-China Cooperation Committee Office
35.	Mr. Rasy Pharchan	Director of Division	Department of International Cooperation
36.	Mr. Bounluan Somsyaphanya	Director of Division	Department of International Cooperation
37.	Mr. Doungmala Chanthalangsy	Director of Division	Department of International Cooperation
38.	Mr. Morakot Vongxay	Director of Division	Department of International Cooperation
39.	Mr. Sysomphorn Phetdaoheung	Director of Division	Department of International Cooperation
40.	Mr. Vanpheng Sengmanothong	Acting Director of Division	Department of International Cooperation
41.	Mr. Khampay Vilayhong	Deputy Director of Division	Department of International Cooperation
42.	Mr. Soulivanh Batthivong	Deputy Director of Division	Department of International Cooperation
43.	Ms. Phaykham Xongvisay	Deputy Director of Division	Department of International Cooperation
44.	Mr. Kouthong Sommala	Senior Technical Officer	Department of International Cooperation
45.	Dr. Arounyadeth Raspon	Senior Technical Officer	Department of International Cooperation

46.	Ms. Bangthong Thipsomphan	Senior Technical Officer	Department of International Cooperation
47.	Ms. SengAphone Silaphet	Technical Officer	Department of International Cooperation
48.	Mr. Chanmy Keodara	Technical Officer	Department of International Cooperation
49.	Ms. Phimdavanh Homlathsamy	Technical Officer	Department of International Cooperation
50.	Mr. Vonesaly Kuntiya	Technical Officer	Department of International Cooperation
51.	Mr. Chanthaly Chansompheng	Technical Officer	Department of International Cooperation
52.	Mr. Phangkith Vongpaseun	Technical Officer	Department of International Cooperation
53.	Mr. Alounsith Maniphon	Technical Officer	Department of International Cooperation
54.	Mr. Saomani Manivong	Technical Officer	Department of International Cooperation
55.	Mr. Thongsone Philavong	Technical Officer	Department of International Cooperation
56.	Ms. Lathanakone Outhayavong	Technical Officer	Department of International Cooperation
57.	Mr. Visone Oudomsouk	Technical Officer	Department of International Cooperation
58.	Mr. Bounyaseng Naxiengkham	Technical Officer	Department of International Cooperation
59.	Mr. Alounsana Chandala	Technical Officer	Department of International Cooperation
60.	Ms. Kuekham Bounvilay	Technical Officer	Department of International Cooperation
61.	Ms. Kaytavan Phengsavanh	Technical Officer	Department of International Cooperation
62.	Mr. Khamson Daophonejaleun	Technical Officer	Department of International Cooperation
63.	Mr. Vilakone Soudachan	Technical Officer	Department of International Cooperation
64.	Mr. Viliya Phounsili	Technical Officer	Department of International Cooperation
65.	Mr. Somkith Kaoyaheung	Technical Officer	Department of International Cooperation
66.	Ms. Latdavanh Tounalom	Technical Officer	Department of International Cooperation
67.	Ms. Manithan Philavong	Technical Officer	Department of International Cooperation
68.	Mr. Viliya Sanouban	Technical Officer	Department of International Cooperation
69.	Ms. Phiengthasone Keolangsy	Technical Officer	Department of International Cooperation
70.	Mr. Khampasong Xayavong	Technical Officer	Department of International Cooperation
71.	Mr. Thongkhoun Phonephachan	Technical Officer	Department of International Cooperation
72.	Ms. Anouluck Muangnalad	Technical Officer	Department of International Cooperation

73. M	Ms. Phoutsavanh Yavong	Technical Officer	Department of International Cooperation
Ministry of Foreign Affairs (MOFA)			
74.	H.E Mr. Bounkerth SUNGSOMSACK	Vice Minister	Ministry of Foreign Affairs
75.	Mr. Ya Seng	Chief of Cabinet	Ministry of Foreign Affairs
76.	Mr. Khouanta PHALIVONG	Director General	Department of Europe and America
77.	Mr. Khamkheuang BOUNTEUM	Director General	Department of Treaties and Law
78.	Mr. Saleumxay KHOMMASITH	Director General	Department of International Organizations
79.	Mr. Khenthong NUANTHASING	Director General	Department of Press
80.	Mr. Anouprab Vongnokeo	Director of Division	Department of International Organizations
81.	Ms. Phongsamouth ANLAVAN	Director of Division	Department of Economic Affairs
82.	Mr. Xaysongkham Phanouvong	Deputy Director of Division	Department of International Organizations
83.	Ms. Vonekham Cheungmanivong	Technical Officer	Ministry of Foreign Affairs
Ministry of Finance (MOF)			
84.	H.E. Mr. Somdy DOUANGDY	Minister	Ministry of Finance
85.	Ms. Thipphakone CHANTHAVONGSA	Director General	External Finance Department
86.	Mr. Khounyon KHAMMANY	Director General	State Treasury Department
87.	Ms. Bounthai LEUANGVILAY	Deputy Director General	Budget Department
88.	Mr. Bounthun VONGSULI	Head of Division	Fiscal Policy Department
Ministry of Agriculture & Forestry(MAF)			
89.	H.E. Mr. Sitaheng RASPHONE	Minister	Ministry of Agriculture and Forestry
90.	Dr. Phouangparisak PRAVONGVIENGKHAM	Director General	Department of Planning and Cooperation
91.	Mr. Sousard Xayyakoumman	Deputy Chief of Cabinet	Ministry of Agriculture and Forestry
92.	Mr. Inthadom Aukhalath	Director of Division	Department of Planning and Cooperation
Ministry of Education (MOE)			
93.	H.E Ms. Sengdeuane LARCHANTHABOUN	Vice Minister	Ministry of Education
94.	Dr. Bounpanh Xaymountry	Deputy Director General	Department of Planning and Cooperation

95.	Mr. Darasack Rasavong	Director of Division	Department of Planning and Cooperation
Ministry of Health (MOH)			
96.	H.E. Dr. Ponmek DALALOY	Minister	Ministry of Health
97.	Dr. Khamphet MANIVONG	Acting Director General	Department of Planning and Finance
98.	Dr. Soulivang Pholsena	Secretary of Minister	Ministry of Health
Ministry of Industry and Commerce (MOIC)			
99.	H.E. Ms. Khemmany PHOLSENA	Vice Minister	Ministry of Industry and Commerce
100.	Mr. Bounmy MANIVONG	Chief of Cabinet	Cabinet Office
101.	Mr. Phouvieng PHONGSA	Head of Division	Department of Foreign Trade Policy
Ministry of Public Work and Transport			
102.	H.E. Mr. Sommad PHOLSENA	Minister	Ministry of Public Work and Transport
103.	Mr. Oulay PHADOUANGDETH	Deputy Director General	Department of Planning and Cooperation
104.	Mr. Jefferey Miller	Principle Project Specialist	Department of Planning and Cooperation
105.	Richord	Advisor	Department of Planning and Cooperation
Ministry of Energy and Mining (MEM)			
106.	H.E. Mr. Somboun RASASOMBATH	Vice Minister	Ministry of Energy and Mining
107.	Mr. Bountherng PHENGTHAVONGSA	Chief of Cabinet	Cabinet Office
Ministry of Justice (MOJ)			
108.	Ms. Bounphone HEUANGMANY	Acting Director General	Department of Legislation
109.	Mr. Nalonglith Norlasing	Deputy Director	Department of Legislation
Ministry of Labor and Social Welfare (MLSW)			
110.	H.E. Mr. Laoly Phaiphengyao	Vice Minister	Ministry of Labor and Social Welfare
111.	Ms. Phetsavang	Deputy Chief of Cabinet	Cabinet Office
Ministry of Information and Culture (MIC)			
112.	Ms. Viengmany DESAKHAMPHU	Deputy Director General	Department of Planning and Financial
Bank of Lao PDR (BOL)			
113.	Ms. Phasy PHOMMAKONE	Director General	International Relations Department

114.	Mr. Phanthaboun Xayyaphet	Deputy Director	International Relations Department
Office of Supreme Public Prosecutor (OSPP)			
115.	H.E. Mr. Langsy SIBOUNHEUANG	Vice President	Office of Supreme Public Prosecutor
People Supreme Court (PSC)			
116.	H.E. Mr. Khampha SENG DARA	Vice President	Public Supreme Court
Lao National of Chamber of Commerce and Industry (LNCCI)			
117.	H.E. Mr. Kissana VONGSAY	President	Lao National of Chamber of Commerce and Industry
118.	Mr. Khanthavong DALAVONG	General Secretariat	Lao National of Chamber of Commerce and Industry
Lao Front National Construction (LFNC)			
119.	H.E. Ms. Bouavone Onchanhom	Vice President	Lao Front National Construction
Lao Women Union (LWU)			
120.	H.E Dr. Amphayvanh KHAMSENGSIVILAY	Vice President	Lao Women Union
121.	Ms. Bouachanh SYHANATH	Chief of Cabinet	Cabinet Office
Lao Youth Union (LYU)			
122.	H.E. Mr. Vilayvong BOUDDAKHAM	Deputy Secretariat General	Lao Youth Union
Lao National Commission for the Advancement of Women (LAO NCAW)			
123.	Ms. Chanhdy PANKEO	Head of Secretariat Officer	Lao National Commission For The Advancement of Women
Lao Commission for Drug Control (LCDC)			
124.	Mr. Ounseng VIXAY	Chief of Cabinet	Lao Commission for Drug Control
Vientiane Capital			
125.	H.E. Mr. Anouphab TOUNALOM	Vice Mayor	Vientiane Capital City Office
126.	Mr. Bounpone SISOULATH	Director	Vientiane planning and Investment Capital City Office
Vientiane Province			
127.	Mr. Oudong PHONGPHAYPADITH	Deputy Director	Office of Planning and Investment
128.	Mr. Khamsay SOUMOUNTHONG	Acting Head of ICU	Office of Planning and Investment

Oudomxay Province			
129.	Mr. Bounsong Souksan	Technical Officer	Office of Planning and Investment
Luangphabang Province			
130.	Ms. Siliphone SOUPHANTHONG	Deputy Director	Office of Planning and Investment
131.	Mr. Bounpheng VILAVONGSA	Deputy Head of ICU	Office of Planning and Investment
Bokeo Province			
132.	Mr. Jome SAYSONGKHAM	Director	Office of Planning and Investment
133.	Mr. Sysouk KHOUNDYTHONG	Head of ICU	Office of Planning and Investment
Houaphanh Province			
134.	Mr. Vanhsay PHENGSUMMA	Director	Office of Planning and Investment
135.	Mr. Bouasy Phomma	Head of Unit	Office of Planning and Investment
136.	Mr. Viengphan Onlathsamy	Technical Officer	Office of Planning and Investment
Xiengkhouang Province			
137.	Mr. Douangchit XAYVANG	Director	Office of Planning and Investment
138.	Mr. Khonesavanh THAMMAVONG	Acting Head of ICU	Office of Planning and Investment
Luang Namtha Province			
139.	Dr. Phengphavanh DAOPHONECHALERN	Director	Office of Planning and Investment
140.	Mr. Bounchan Outhaivan	Head of Unit	Office of Planning and Investment
Phongsaly Province			
141.	Mr. Bounthun SENEYAXAY	Deputy Director	Office of Planning and Investment
142.	Mr. Sayasing MALY	Technical Staff of ICU	Office of Planning and Investment
Sayabouly Province			
143.	Mr. Chanpheng KHAMMOUNTHA	Deputy Director	Office of Planning and Investment
144.	Ms. Khammany Saythongmany	Head of Unit	Office of Planning and Investment
Bolikhamxay Province			
145.	H.E Mr. Lueam SONSIVILAY	Vice Governor	Bolikhamxay Governor's office

146.	Mr. Vanvilay DANPHOULUANG	Deputy Director	Office of Planning and Investment
147.	Mr. Souvanh XAYAVONG	Acting Head of ICU	Office of Planning and Investment
Khammouane Province			
148.	Mr. Bounna HANSINGXAY	Director	Office of Planning and Investment
149.	Mr. Sengphet SYHAPANHYA	Acting Head of ICU	Office of Planning and Investment
Savannakhet Province			
150.	Mr. Sithon NUNTHARATH	Director	Office of Planning and Investment
151.	Mr. Phady ORIYAVONG	Vice Head of ICU	Office of Planning and Investment
Saravan Province			
152.	Mr. Saysamone INTHISEN	Deputy Director	Office of Planning and Investment
153.	Mr. Bounlom INSOUTH	Head of ICU	Office of Planning and Investment
Sekong Province			
154.	Mr. Noupone KHEMMALAY	Director	Office of Planning and Investment
155.	Mr. Khamsay LADDIVONGSA	Technical Staff of ICU	Office of Planning and Investment
Champasack Province			
156.	Mr. Champa KHAMSOUKSAY	Deputy Director	Office of Planning and Investment
157.	Mr. Phatthakone Sihavong	Head of ICU	Office of Planning and Investment
Attapeu Province			
158.	Mr. Sysavan CHANTHAPHAITHOUN	Director	Office of Planning and Investment
159.	Mr. Inpone SITHIPANHYA	Head of ICU	Office of Planning and Investment

List of Development Partners
Round Table Implementation Meeting
November 03, 2009, ICTC Vientiane, Lao PDR

BILATERAL DEVELOPMENT PARTNERS		
Australia		
1. H.E. Dr. Michele Forster	Ambassador	Embassy, Vientiane, Lao PDR
2. Mr. Richaro Moore	Deputy Director General, AusAID	AusAID, Canberra, Australia
3. Ms. Raine Dixon	First Secretary , AusAID Representative	AusAID, Vientiane, Lao PDR
4. Mr. Tim Napper	Second Secretary	AusAID, Vientiane, Lao PDR
5. Ms. Manivanh Phoumavong	Senior Program Officer	AusAID, Vientiane, Lao PDR
6. Ms. Rakouna Sisaleumsak	Senior Program Officer	AusAID, Vientiane, Lao PDR
7. Ms. Manithda Sithimorada	Senior Program Officer	AusAID, Vientiane, Lao PDR
8. Ms. Sounisa Sundara	Senior Program Officer	AusAID, Vientiane, Lao PDR
Brunei Darussalam		
9. H.E. Mr. Pg. Kasmirhan Pg. Tahir	Ambassador	Embassy, Vientiane, Lao PDR
10. Ms. Ani Aziz	Second Secretary	Embassy, Vientiane, Lao PDR
Cambodia		
11. H.E. Mr. Yi DAN	Ambassador	Embassy, Vientiane, Lao PDR
12. Hena Sophea	First Secretary	Embassy, Vientiane, Lao PDR
China		
13. H.E. Mr. Pan Guangxue	Ambassador	Embassy, Vientiane, Lao PDR
14. Mr. ZHAN	Attaché	Embassy, Vientiane, Lao PDR
European Commission (EC)		
15. Mr. Henry Prankerd	Chargé d'Affaires	EC Vientiane, Lao PDR
16. Mr. Stefan Lock	Head of Cooperation	EC Vientiane, Lao PDR
17. Mr. Vaclav SVEJDA (confirm)	Attaché	EC Vientiane, Lao PDR
18. Juanre Anistizabal	Attaché	EC

		Vientiane, Lao PDR
Finland		
19. Helena Ahola	Counsellor, Head of Development Cooperation	Embassy Bangkok, Thailand
France		
20. H.E. Mr. François Sénémaud	Ambassador	Embassy, Vientiane, Lao PDR
21. Marianne Pouget	Premier Counselor	Embassy, Vientiane, Lao PDR
22. Mr. Fabrice Richy	Country Director	AFD, Vientiane, Lao PDR
23. Mr. Guy François	Chargé de mission	AFD, Vientiane, Lao PDR
24. Jean-Pierre Galland	Counselor Cooperation	Embassy, Vientiane, Lao PDR
25. Héléne Ouvrard	Chargé de mission	Embassy, Vientiane, Lao PDR
26. Ms. Aurelle de Roreront	Project officer	AFD, Vientiane, Lao PDR
Germany		
27. H.E. Dr. Peter Wienand	Ambassador	Embassy, Vientiane, Lao PDR
28. Dr. Petra Mutlu	Country Director	GTZ Vientiane, Lao PDR
29. Thoran Wolfgang	Deputy Head of Mission	Embassy, Vientiane, Lao PDR
30. Mr. Wolfgang Shunke	Country Director	DED Vientiane, Lao PDR
31. Mr. Khunthong Inthasack	Programme Manager	DED Vientiane, Lao PDR
India		
32. H.E. Mr. Suresh K. Goel	Ambassador	Embassy Vientiane, Lao PDR
Indonesia		
33. Mr. Thomas Ambrosius	Third Secretary	Embassy Vientiane, Lao PDR
Ireland		
34. Robert Patterson	Deputy Head of Mission	Embassy Hanoi, Vietnam
Japan		
35. H.E. Mr. Masaaki Miyashita	Ambassador	Embassy Vientiane, Lao PDR
36. Mr. Ken Nakamura	First Secretary	Embassy

		Vientiane, Lao PDR
37. Mr. Hiroaki Takashima	Resident Representative	JICA Vientiane, Laos PDR
38. Mr. Koichi Takei	Senior Representative	JICA Vientiane, Lao PDR
39. Ms. Akemi Ishikawa	Advisor	Embassy Vientiane, Lao PDR
40. Ms. Harumi Kobayashi	Project Formulation Advisor	JICA Vientiane, Lao PDR
Luxembourg		
41. H.E. Mr. Marc Ungeheuer	Ambassador	Embassy Bangkok, Thailand
42. Mr. Peter Heeres	Regional Representative	LUX Hanoi, Vietnam
43. Marc Richler	Director of Development Cooperation	Ministry of Foreign Affairs of Luxembourg
44. Gaston Schwartz	Director General	LUX Hanoi, Vietnam
45. Mr. Marc Franck	Chargé d’Affaires	LUX Hanoi, Vietnam
46. Manuel Tonnar	Attaché	Ministry of Foreign Affairs of Luxembourg
47. Gabriel Baptista	Attaché	LUX Hanoi, Vietnam
48. Claude Jentger	Programme Officer Asia	Ministry of Foreign Affairs of Luxembourg
Malaysia		
49. H.E. Mr. Zainal Abidin Ahmad	Ambassador	Embassy Vientiane, Lao PDR
Myanmar		
50. H.E. Mr. U. Nyunt Hlaing	Ambassador	Vientiane, Lao PDR
New Zealand		
51. Mr. Philip Hewitt	First Secretary and NZAID Representative	Embassy Bangkok, Thailand
The Philippines		
52. H.E. Ms. Marilyn J Alarilla	Ambassador	Embassy Vientiane, Lao PDR
Republic of Korea		
53. H.E. Mr. Park Jae-Hyun	Ambassador	Embassy Vientiane, Lao PDR

54. Mr. Sung Choon-Ki	Resident Representative	KOICA Vientiane, Lao PDR
55. Hong Hee Soo	Deputy Representative	KOICA Vientiane, Lao PDR
56. Ms. Sue Ton Kang	Counselor	Embassy Vientiane, Lao PDR
Russian Federation		
57. H.E. Mr. Vladimir Plotniko	Ambassador	Embassy Vientiane, Lao PDR
Singapore		
58. H.E. Mr. Benjamin Jeyaraj William	Ambassador	Embassy Vientiane, Lao PDR
Sweden		
59. Mr. Owe Andersson	Country Director and Head of Mission	Embassy Vientiane, Lao PDR
60. Ms. Lisbet Bostrand	First Secretary/ Deputy Head of Mission	Embassy Vientiane, Lao PDR
Switzerland		
61. H.E. Mr. Christoph Burgener	Ambassador	Embassy Bangkok, Thailand
62. Mr. Martin Sommer	Regional Director	SDC Vientiane, Lao PDR
63. Dr. Barbara Böni	First Secretary/ Head of SDC Branch Office	SDC Vientiane, Lao PDR
64. Mr. Remy Duiven	Deputy Country Director	SDC Vientiane, Lao PDR
Kingdom of Thailand		
65. Mr. Udomasr Sritarjas	Minister	Embassy Vientiane, Lao PDR
66. Mrs. Varinda Thongchai	Director of Planning and Monitoring Branch	TICA, Ministry of Foreign Affairs, Bangkok, Thailand
67. Ms. Kanokwan Ketchaimas	Second Secretary	TICA, Ministry of Foreign Affairs, Bangkok, Thailand
United States of America		
68. H.E. Mr. Rovic Rolf Huso	Ambassador	Embassy Vientiane, Lao PDR
69. Dr. Ae Ae Thwin	PPH Director	USAID Bangkok, Thailand
70. Franc Shelton	Political/Economics Officer	Embassy Vientiane, Lao PDR
Socialist Republic of Vietnam		
71. H.E. Mr. Ta Minh Chau	Ambassador	Embassy

		Vientiane, Lao PDR
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