

## **Annex 1:**

### **Agenda of RTIM 2009**

**Agenda**  
**The Round Table Implementation Meeting**  
**ICTC, 03<sup>rd</sup> 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 6<sup>th</sup> NSED implementation and 7<sup>th</sup> 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)**  
**3<sup>rd</sup> November 2009**

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**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 7<sup>th</sup> 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**

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**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, 3<sup>rd</sup> 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 7<sup>th</sup> 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 6<sup>th</sup> NSEDP implementation  
and 7<sup>th</sup> 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

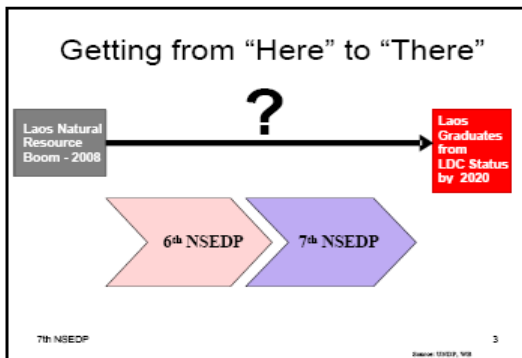

**National Socio Economic Development Plan  
(2011-2015)**

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

**Presentation Organisation**

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

7th NSEDP 2

**6<sup>th</sup> 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)

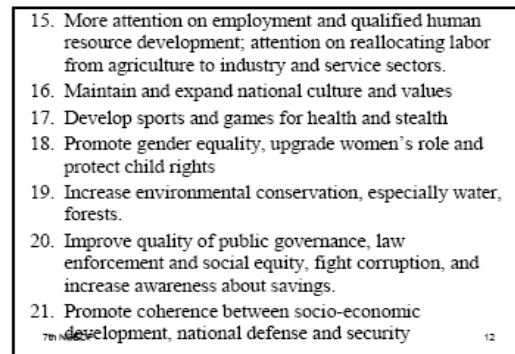
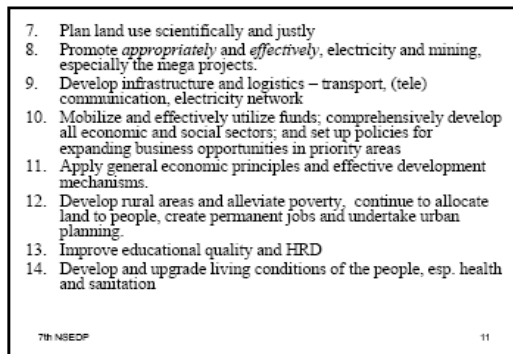
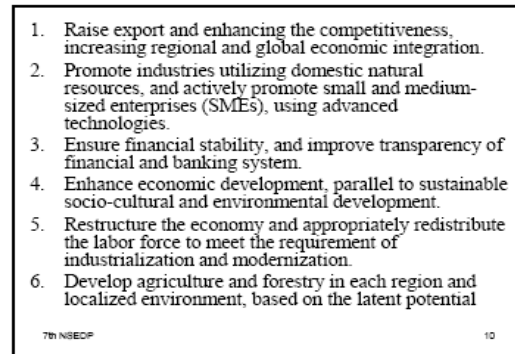
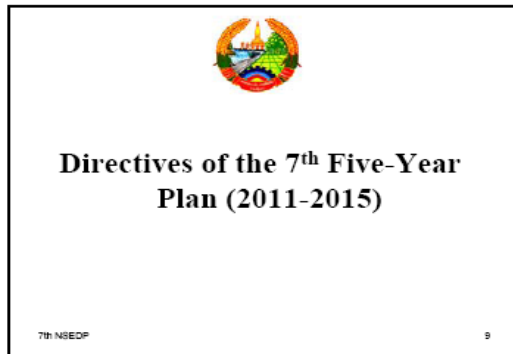
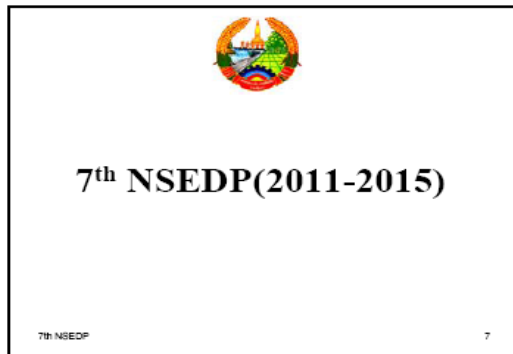
- Enrolment rate of Primary school 6-10 years of age 91.6%
- Adult literacy rate 15 years and over 78.5%

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





## Targets of the 7<sup>th</sup> Five-Year Plan (2011–2015)

7th NSEDP

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## 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

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## 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

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### 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

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## 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

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## Investment requirements (2011-2015)

7th NSEDP 19

### Proposed investments

| <u>Item</u>                    | <u>Amount</u><br>(billion Kip) | <u>% of GDP</u> |
|--------------------------------|--------------------------------|-----------------|
| <b>Total Investment</b>        | <b>127,000 (100%)</b>          | <b>32.0%</b>    |
| <b>Public Investment</b>       | <b>43,700 (34.4%)</b>          | <b>10.0%</b>    |
| of which ODA (3,877 US\$ mill) | 32,960(25.9%)                  |                 |
| <b>Private Investment</b>      | <b>83,300 (65.6%)</b>          | <b>22.0%</b>    |
| 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.<br>fixed | Govt<br>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          |
| <b>TOTAL</b> | <b>773</b>     | <b>990</b>    | <b>288</b> | <b>1,278</b> |

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.<br>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%   |
| <b>Total gap (5 yrs)</b> |              |       | <b>-3,030</b> |         |

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### 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

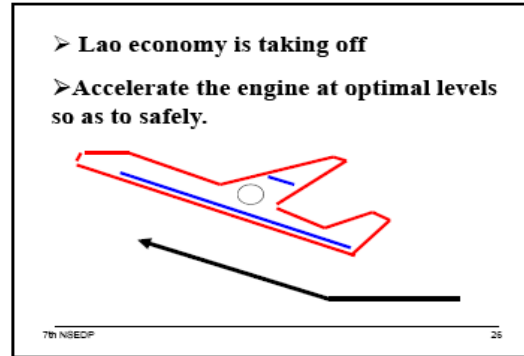
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## Implementation Measures

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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**

7th NSEDP 27