



Government of  
the Lao PDR



United Nations  
Country Team

# United Nations Common Country Assessment CCA

## Lao PDR

## List of Abbreviations

<b>ADB:</b> <i>Asian Development Bank</i>	<b>MoE:</b> <i>Ministry of Education</i>
<b>AFTA:</b> <i>Asian Free Trade Area</i>	<b>MoF:</b> <i>Ministry of Finance</i>
<b>AIDS:</b> <i>Acquired Immunodeficiency Syndrome</i>	<b>MoFA:</b> <i>Ministry of Foreign Affairs</i>
<b>ARI:</b> <i>Acute Respiratory Infection</i>	<b>MoH:</b> <i>Ministry of Health</i>
<b>ASEAN:</b> <i>Association of South East Asian Nations</i>	<b>MRC:</b> <i>Mekong River Commission</i>
<b>ATS:</b> <i>Amphétamine Type Stimulants</i>	<b>NA:</b> <i>National Assembly</i>
<b>CCA:</b> <i>Common Country Assessment</i>	<b>NCCA:</b> <i>National Committee for the Control of AIDS</i>
<b>CMPE:</b> <i>Centre for Malariology, Parasitology and Entomology</i>	<b>NCAW:</b> <i>National Commission for the Advancement of Women</i>
<b>CMR:</b> <i>Child Mortality Rate</i>	<b>NEM:</b> <i>New Economic Mechanism</i>
<b>CPI:</b> <i>Committee for Planning and Investment</i>	<b>NFE:</b> <i>Non-formal Education</i>
<b>CPR:</b> <i>Contraceptive Prevalence Rate</i>	<b>NGO:</b> <i>Non-Governmental Organisation</i>
<b>DPACS:</b> <i>Department of Public Administration and Civil Service</i>	<b>NGPES:</b> <i>National Growth and Poverty Eradication Strategy</i>
<b>ECD:</b> <i>Early Childhood Development</i>	<b>NPDP:</b> <i>National Population and Development Plan</i>
<b>EFA:</b> <i>Education for All</i>	<b>NSEDP:</b> <i>National Socio-Economic Development Plan</i>
<b>EPI:</b> <i>Expanded Programme on Immunisation</i>	<b>ODA:</b> <i>Official Development Assistance</i>
<b>FAO:</b> <i>Food and Agriculture Organisation</i>	<b>OHCHR:</b> <i>Office of High Commissioner for Human Rights</i>
<b>FDI:</b> <i>Foreign Direct Investment</i>	<b>ORT:</b> <i>Oral Re-hydration Therapy</i>
<b>GDP:</b> <i>Gross Domestic Product</i>	<b>PACSA:</b> <i>Public Administration and Civil Service Authority</i>
<b>GER:</b> <i>Gross Enrolment Rate</i>	<b>PIP:</b> <i>Public Investment Plan</i>
<b>GMR:</b> <i>Greater Mekong Sub-Region</i>	<b>RTI:</b> <i>Reproductive Tract Infection</i>
<b>GRID:</b> <i>Gender Resource Information Development</i>	<b>RTM:</b> <i>Round Table Meeting</i>
<b>GPAR:</b> <i>Governance and Public Administration Reform</i>	<b>SOCB:</b> <i>State-Owned Commercial Bank</i>
<b>HDR:</b> <i>Human Development Report</i>	<b>SME:</b> <i>Small to Medium Sized Enterprise</i>
<b>HIV:</b> <i>Human Immunodeficiency Virus</i>	<b>SMEPDC:</b> <i>Small and Medium Sized Enterprise Promotion and Development Committee</i>
<b>ICPD:</b> <i>International Conference on Population and Development</i>	<b>SOE:</b> <i>State-Owned Enterprise</i>
<b>ICESCR:</b> <i>International Convention on Economic, Social and Cultural Rights</i>	<b>STI:</b> <i>Sexually Transmitted Infections</i>
<b>IDD:</b> <i>Iodine Deficiency Disorders</i>	<b>UN:</b> <i>United Nations</i>
<b>ILO:</b> <i>International Labour Organisation</i>	<b>UNAIDS:</b> <i>United Nations Programme on HIV/AIDS</i>
<b>IMF:</b> <i>International Monetary Fund</i>	<b>UNCT:</b> <i>United Nations Country Team</i>
<b>Lao PDR:</b> <i>The Lao People's Democratic Republic</i>	<b>UNCTAD:</b> <i>United Nations Conference on Trade and Development</i>
<b>LDC:</b> <i>Least Developed Country</i>	<b>UNDAF:</b> <i>United Nations Development Assistance Framework</i>
<b>LLDC:</b> <i>Landlocked and Least Developed Country</i>	<b>UNODC:</b> <i>United Nations Office on Drugs and Crime</i>
<b>LECS:</b> <i>Lao Expenditure and Consumption Survey</i>	<b>UNDP:</b> <i>United Nations Development Programme</i>
<b>LFNR:</b> <i>Lao Front for National Reconstruction</i>	<b>UNESCO:</b> <i>United Nations Educational, Scientific and Cultural Organisation</i>
<b>LFTU:</b> <i>Lao Federation of Trade Unions</i>	<b>UNFPA:</b> <i>United Nations Population Fund</i>
<b>LRHS:</b> <i>Lao Reproductive Health Survey</i>	<b>UNICEF:</b> <i>United Nations Children's Fund</i>
<b>LNAS:</b> <i>Lao Nutritional Assessment Survey</i>	<b>UXO:</b> <i>Unexploded Ordnance</i>
<b>LNLS:</b> <i>Lao National Literacy Survey</i>	<b>WB:</b> <i>World Bank</i>
<b>LPRP:</b> <i>Lao People's Revolutionary Party</i>	<b>WFP:</b> <i>World Food Programme</i>
<b>MDF:</b> <i>Mekong Development Facility</i>	<b>WHO:</b> <i>World Health Organisation</i>
<b>MDGs:</b> <i>Millennium Development Goals</i>	<b>WTO:</b> <i>World Trade Organisation</i>
<b>MMR:</b> <i>Maternal Mortality Rate</i>	

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## Foreword by the UN Country Team

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The Secretary General of the United Nations, Mr. Kofi Annan, has asked for a coherent vision and unified approach when addressing development goals at the country level. UN Country Teams are called upon to review and analyze the national development situation before preparing a strategic planning and programmatic framework. Responding to the first of these expectations, the UN Country Team in Lao PDR presents this Common Country Assessment (CCA) as a summary of key development issues and challenges. In turn, this analysis offers a platform from which programming expectations may be planned and implemented in the United Nations Development Assistance Framework (UNDAF).

In consultation with the Government, the UN Country Team has explored and expressed key issues and challenges for the development community in the Lao PDR. The document does not seek to represent all aspects of national development, instead offering a frank assessment of pressing concerns and apparent challenges. In keeping with the rights-based programming principles of UN agencies, this analysis incorporates the central themes of cause, capacity and duty. In addition, the CCA identifies the most vulnerable when considering each development priority. We believe the assessment provides an excellent grounding for a co-operative and rights based UNDAF implementation over coming years.

We extend our appreciation to the Lao Government for consulting with the UN in the development of the CCA, and look forward to the close working relationship that will constitute the development and implementation of the UNDAF. We are committed to deepening cooperation between the UN, the Government and other development partners as we tackle development challenges and work together in realizing the development goals of Lao PDR.

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## Executive Summary

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This Common Country Assessment (CCA) is a United Nations instrument, which seeks to analyse the national development situation and identify key development issues for the Lao PDR. The assessment is undertaken within the framework of the Millennium Declaration and Millennium Development Goals as well as a range of national development priorities. All UN agencies, both resident and non-resident, have participated in the process through the United Nations Country Team (UNCT). The Government has also played a vital role in the review process. The CCA offers a base from which the UN system, Lao Government and development partners may define their strategic cooperation plans in the UN Development Assistance Framework (UNDAF). The assessment includes development achievements, constraints and their causes. It analyses the current state of development in the country from the perspective of the rights-based approach which views development as part of a larger process of promoting and protecting human rights. In this way, the CCA offers a rights-based platform to support the Lao PDR in realizing a range of development goals.

Early in 2005 the UNCT identified five priority areas for assessment and causal analysis. Theme groups were created for each topic including: *Poverty, Food Security and Growth; Governance; Health; Education; HIV/AIDS*. In addition, *improvement of socio-economic infrastructure is also considered to be a priority area*. Using the existing CCA (2000) as a base, the groups explored the available data and supplementary evidence to highlight the most pressing development issues within their respective themes. This information was then employed to identify key development challenges or concerns. Where overlaps and commonalities are apparent in the rights based findings of each theme group, these have been summarized in the CCA Rights Overview.

Whilst recognizing that the CCA is inherently focused on gaps and development concerns, the document also seeks to demonstrate the Lao Government's response to each of the challenges as well as examples of progress and good practice. Government's commitment to overarching platforms such as the National Growth and Poverty Eradication Strategy and specific vehicles such as the National Environmental Strategy 2020, the National Population and Development Strategy and the Drug Demand Reduction Strategy (among others) demonstrate concerted efforts in formalizing development responses. The UNCT also acknowledges progress in a number of specific areas (such as improved gender representation in the National Assembly and reductions in iodine deficiency) as they appear in each chapter.

Each chapter of the CCA highlights progress made and measures undertaken by the Lao Government in response to the current development challenges. The document concludes by identifying the constraints and challenges to be addressed in the next UNDAF cycle (2007-2011). Whilst the detail varies according to the particular theme or sub-section, many challenges share similar groundings. There is often a focus on increasing awareness, increasing access, reviewing or implementing specific policy, increasing participation and fostering enabling environments. Even more commonly challenges include capacity constraints such as limited financial resources and insufficient monitoring and evaluation. Perhaps most of all, challenges across the five chapters point to the need for strengthening human resource capacity and strengthening the implementation and enforcement of policy. These challenges present major obstacles for the Lao people to have their rights fulfilled.

This CCA shows a steady progress in the overall development in the Lao PDR. Its geographic position as a landlocked country - often considered to be an economic disadvantage - has been re-conceptualised as a comparative advantage through the Government policy of transforming the country into a land-linked hub. The macroeconomic situation also seems promising. In recent years the Lao PDR has experienced relatively good economic growth (6.3 percent since 2002). The IMF projects an ongoing annual growth rate of 6-7 percent in real

GDP between 2006 and 2010. External trade is expected to continue to grow at more than 10 percent annually. The Government has launched its Poverty Reduction Strategy Paper, known locally as the National Growth and Poverty Eradication Strategy (NGPES), which provides the framework for the country's future growth and poverty eradication programmes, with the overall aim of freeing the Lao PDR from the status of a least developed country by 2020. On the front of regional integration, the Lao PDR has progressively integrated itself into the regional and international economic system. It is a key partner in the emerging Greater Mekong Sub-Region (GMS) Economic Cooperation Program and an active member of the Association of Southeast Asian Nations (ASEAN). It is currently in the process of acceding to the WTO.

The section on Governance and Human Rights highlights the considerable progress that has been made in the reform of public administration, legislature and the rule of law. It also presents key challenges such as the promotion of wider public participation in development and capacity building in the legal sectors. Similarly, Poverty and Food Security are highlighted as pressing concerns for the Lao PDR. The causes of concern, among other things, are limited distribution capacity, increasing population pressure on available lands and the prevalence of natural disasters. In addition, inadequate financial allocation and long-term funding for agriculture also become a major constraint. This Section also highlights the need to address infrastructure development as a prerequisite for achieving the goals in other sectors.

The section on Education shows that over the past decade there has been a steady increase in the quality and availability of education. Overall net enrolment in both primary and secondary education has improved due to an increased number of schools and a rising focus on rural and ethnic communities. Nevertheless, despite considerable improvements, adult illiteracy remains widespread, particularly in rural areas and the education sector is facing many critical challenges due to insufficient funding and limited teaching resources and training facilities

The Health Section reveals that although the number of public health facilities has increased due to infrastructure developments and capital expenditure, access to adequate health services remains a primary concern. In general, the health care system is underdeveloped and under-funded, and health workers have inadequate skill levels, both of which directly contribute to quality shortfalls across the health system. This Section also outlines the leading causes of morbidity and mortality as well as addressing the issue of inadequate healthcare staffing, which constitutes a major constraint in the provision of decent health services.

The final Section on Cross-Cutting Issues presents the ongoing efforts of the Lao Government to address overarching concerns such as HIV/AIDS, UXO and Drug Control. Some key constraints and needs are also highlighted.

It is important to recognize that the UN focus on rights-based analysis and programming principles is new to the Region and to Lao PDR. Thus ongoing efforts are required to embrace a rights framework and strengthen capacity for application of a rights based approach to development. Nonetheless, as a signatory to the Millennium Declaration (and various other instruments incorporating human rights frameworks) the Lao PDR is strongly committed to participate in and contribute to rights-based discussions. In this instance the rights approach is a reflection of the CCA that is both programmatic and structural. The document points to specific targets and programmatic responses whilst simultaneously calling for structural redress. A focus on root causes, community participation and cross-sectoral cooperation will be central to development partnerships in the coming years.

## The Common Country Assessment

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The Common Country Assessment (CCA) is the common instrument of the United Nations system to analyze the national development situation and identify key development issues within the framework of the Millennium Development Goals (MDGs) and national development priorities<sup>1</sup>. The CCA represents development achievements and an analysis of key development challenges facing the Lao PDR. The United Nations Country Team (UNCT) in close collaboration with the Lao Government has undertaken the analysis.

The CCA identifies major development challenges faced by the country and their root causes. In doing so it indicates who are the most vulnerable, disaggregating where possible to capture the extent and location of need, and to highlight gaps in capacity at various levels. This analysis is then used by the UN system (and other partners) to define the strategic cooperation framework over a five year period, known as the United Nations Development Assistance Framework (UNDAF).

The ultimate goal of both the CCA and the UNDAF (2007-11) is to support the Lao PDR towards:

- *Realizing the values of the Millennium Declaration,*
- *Achieving the Millennium Development Goals (MDGs) by 2015,*
- *Reaching national development goals and strategies and, ultimately*
- *Exiting Least Developed Country Status by 2020.*

### **The CCA Process**

The United Nations Country Team<sup>2</sup> in the Lao PDR embraces a people-centred, rights-based approach to development in accordance with the aims and principles of the Millennium Declaration. As a member of the UN, and a signatory to the Millennium Declaration, the Lao PDR shares these aims and commitments.

The first CCA for the Lao PDR was launched in 2000 and identified 23 development challenges. The analysis included capacity gaps, aid dependency, vulnerable groups, sustainable livelihoods, unexploded ordnance (UXO), regional discrepancies and gender disparities. Challenges were addressed in the context of the UN niche and the Lao PDR's international commitments (particularly the MDGs). The first CCA is generally well regarded as an analysis and, taking into account data and access constraints, is felt to define the development challenges satisfactorily. The first UNDAF for the Lao PDR (2002-2006) was prepared and launched in 2002, identifying priorities of the UN system under four key pillars including Development and Poverty Eradication Policies and Strategies, Response to Basic Human Needs, Sustainable Use of Natural Resources and Preservation of Cultural Heritage, and Human Rights, Gender Equality and Good Governance.

A mid-term review of the UNDAF in June 2004 found that the UNDAF was not adequately strategic, describing the extent of UN assistance rather than comprising an operational framework for action and results. The UNDAF mid-term review recommended focussing on three core areas of assistance during the remainder of the current UNDAF cycle (to the end of 2006), those being health, education, and HIV and AIDS; chosen as critical to the Lao PDR achieving the MDGs.

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<sup>1</sup> The CCA is part of the UN reform agenda initiated in 1997 and has been adopted as one of the strategic planning tools for the UN system

<sup>2</sup> The UN Country Team in the Lao PDR comprises 10 resident UN agencies (UNDP, UNICEF, WFP, UNFPA, ILO, FAO, WHO, UNODC, UNAIDS, UNIDO), the ADB, World Bank, and IMF as full participating members of the UNCT, 9 non-resident agencies (OCHA, UNESCO, UNHCHR, UNHCR, IOM, UNIFEM, IFAD, UNCTAD, UNCRD) and the UNESCAP Regional Commission.

In consideration of the next programme cycle (2007-2011) the UNCT discussed the need to undertake a new CCA in 2005. In recognition of the fact that the current CCA offers a credible analysis, and that in many instances new data is not available, it was determined that the existing assessment would offer a base from which to prepare the new CCA. In early 2005, building on the UNDAF mid-term review in 2004, the UNCT identified five priority areas for in-depth causal analysis and assessment: poverty and food security; health; education; HIV and AIDS; and governance. These topics were regarded as the most directly related to the Government's national development priorities and the most critical to achieving the MDGs in the Lao PDR. Theme groups were established for each priority and three supportive working groups were created to assist with the cross-cutting issues of gender, human trafficking, and statistical indicators. The Government has participated in the CCA process by reviewing and commenting on drafts, and will join each theme group for the UNDAF preparation.

In February 2005 the Office of the High Commissioner on Human Rights (OHCHR) ran a three-day workshop for UN programme staff on a rights-based approach to programming. The workshop provided skills and techniques for identifying rights, gender issues and development challenges in the CCA analysis. The five theme groups and supportive working groups have since been reviewing the existing CCA, updating data and status reports for inclusion. In May and June 2005 the new CCA chapters, based on the priority themes, were drafted and reviewed by the UNCT. A rights-based analysis was undertaken considering causes, capacities, rights and duties across all of the issues identified in the draft chapters. Overlaps and commonalities across the five themes are identified in the *CCA Rights Overview* section. Each chapter then seeks to identify additional issues, including any discrepancies based on gender, geography and specific community groups. Finally, each chapter includes reference to one or two pressing development constraints.

In preparing the CCA, the UNCT discussed including detail on intended cooperation strategies, and determined not to elaborate on these at this stage, feeling strongly that this would pre-empt the dialogue planned with Government and partners during the UNDAF process.

### **CCA Rights Overview**

For the purposes of the CCA and UNDAF processes, the theme groups were asked to identify apparent and underlying (or 'root') causes for particular development challenge. Development issues were then reviewed in terms of the rights-based approach<sup>3</sup>. During this process, attention was paid to any differentiations on the grounds of gender or other demographic groupings. Based on the work of the theme groups in exploring such issues for their chapters, this section provides a synopsis of the *commonalities* or *overlaps* in each of these areas across all of the CCA themes.

Before reviewing national development from this perspective, it must be noted that the UN focus on rights-based programming principles is new to the region and to the Lao PDR. Nevertheless, as a signatory to the Millennium Declaration (and various other instruments incorporating human rights frameworks) the Lao PDR is committed to continue working towards rights goals.

Whilst immediate causes vary widely, the development challenges and concerns identified throughout the CCA share a number of common root causes. The location, topography and remoteness of the country are a fundamental socio-economic constraint. The narrow economic base offers a limited foundation for fostering development and supporting rapid economic growth. The Lao PDR regards nationhood, stability, and security as over-riding national priorities. Whilst efforts are being made to redress transparency and accountability gaps, these remain ongoing challenges. Finally, despite progress in terms of administration, accountability and transparency over recent years, the Lao PDR still experiences a number of impediments to

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<sup>3</sup> UNGA Resolution

responsive social and economic development. There is consensus that these root causes must be included and addressed in the planning priorities of UNDAF process.

Where rights are enshrined in international instruments that Lao PDR has signed, the Lao Constitution or in Lao legislation, they are shared by all Lao citizens. As in the case of many countries, a number of common gaps appear, however, in Lao people's capacity to realize them. International instruments or conventions are in the process of being translated into local law, meaning that Lao citizens will have more local vehicle by which to have their rights fulfilled. Where they are enshrined in local law, effective implementation or enforcement of this law may be lacking, resulting in the same capacity gap. Across the population there are limited resources, low education levels, low literacy levels, and limited information access, coupled with low awareness among the majority of Lao people. A continued effort is required to increase community confidence and encourage individual engagement in the development effort.

Duties implied in the CCA are commonly borne by the Government (all institutions) and their development partners (including the UN). The Government capacity to fulfil duties is commonly constrained by inadequate budgets and facilities, poor access to information, and often low skills in management and administration. Inconsistent coordination between and within development partners (the UN, donor community and INGOs) has further constrained duty obligations.

Challenges appear across the range of issues explored in the CCA that need further attention. Firstly, inability of women to participate in all socio-economic activities persists. This gender imbalance could compromise the capacity of Lao women to have their rights fulfilled in order for them to have equal access to education and employment opportunities. Furthermore, geographic isolation continues to lead to economic marginalization, particularly for the smaller ethnic groups.

Rights-based approach to development requires meaningful community participation. This issue will require the attention and support of the UNCT and Government partners during the UNDAF prioritization process and beyond. Where challenges are identified and responses planned, representatives of communities offer an invaluable voice, as they are key actors in development. Further, rights-based programming implies co-ordination and agreement between duty bearers. An effective UNDAF process will require enhanced communication and awareness across, between and within development partners. The Government, UN Agencies, NGOs, donors and other stakeholders will need to share their expertise and perspectives to maximize programming outcomes.

Development in the Lao PDR

### **Country Context**

The Lao PDR was established in 1975 succeeding the Kingdom of Laos, following decades of civil war and heavy involvement in the larger Indochina war in the eastern and northeastern provinces. The Constitution of Lao PDR, which was promulgated in 1991, recognizes the Lao People's Revolutionary Party (LPRP) as the leading nucleus of the political system. Lao PDR is a unitary state comprising 18 Provinces, 141 Districts and 1 special zone under Bokeo province, and 10,552 Villages. The Government is run by the Council of Ministers, whose decrees provide the main legislative basis for government operations. Political power rests with the LPRP whose Politburo and Central Committee are the organs for making the policy-guidelines. Their decisions are ratified by party congresses held at 5 year intervals, with the next congress due in the first quarter of 2006. Over the last decade the Government has been undertaking public administration reform, targeting improvements to the structures, functioning and management of government organizations. The current governance system conforms to a centralized pattern

with additional administration at the Provincial and District level. Efforts are currently underway to assert greater central authority and accountability (fiscal and administrative) over provincial finances and programme operations.

The Lao PDR is a 'Landlocked and Least Developed Country' (LLDC) and as such is considered by the international community to be one of the poorest countries in the world. Geographic conditions restrict both the quantity and quality of agricultural land and pose difficulties in the development of trade, social infrastructure, and transport and communications links. A highly dispersed and thinly spread population further compounds this. Nevertheless, the Lao PDR is located in the centre of a dynamic and prospering region and as such has the potential to provide a strategic resource base and land-link to its bordering neighbours.

The Lao Government's national development priorities are focused around lifting the country from the ranks of least developed nations by 2020. The country faces many unique human development challenges, not the least of which is that the majority of the population (82.9 percent) live in rural and remote areas without access to basic infrastructure and services. Additional challenges include ethnic diversity (there are 49 officially recognized ethnic groups); opium production<sup>i</sup> (total area under poppy cultivation is estimated between 900 and 2,900 ha); and Unexploded Ordnance (50 percent of the land and surface area and 15 out of 18 provinces are contaminated). An estimated 32 percent of the population lives below the national poverty line. Although the Lao PDR has experienced significant advances in social development in recent years and progress has been made towards the MDGs, the country is categorized as having a 'medium-low level of human development' and faces many associated challenges. The UNDP Global Human Development Index (HDI) has shown consistent improvement since 1993 when the Lao PDR ranked 141 out of 173 countries. Lao PDR is currently ranked 131 out of 177 countries.

### **Macroeconomic Situation**

The Lao PDR has undertaken significant economic reforms to move from a command economy towards a market economy. When the Lao PDR was established in 1975, a policy of "accelerated socialization" included extensive agricultural collectivization. In 1982, "market forces" were introduced and promoted at the Third Congress of the Lao People's Revolutionary Party (LPRP). In 1986, the Government officially abandoned the central planning system and introduced the New Economic Mechanism (NEM). Important steps included near total price liberalization, exchange rate unification, removal of the Government's trade monopoly and the opening up of foreign and inter-provincial trade. Private firms were allowed to enter the market and the number of State-Owned Enterprises (SOEs) was reduced by 75 percent.

Towards the end of the 1990s, due to the Asian financial crisis and a breakdown in monetary and fiscal management, the country underwent an acute period of macroeconomic instability. In late 1999 the Government responded by launching a successful stabilization program (tightening monetary and fiscal policies). By early 2001 the currency had stabilized and inflation was reduced to single digits. Headline inflation averaged 11 percent per annum from 2001 to 2004 compared to an average of nearly 70 percent per annum during 1997-2000. Although Lao PDR's track record of maintaining single-digit inflation rates over a long period is weak, the short-term macroeconomic situation is satisfactory. Inflation rates again reached single digits (8.6 percent) in December 2004 and dropped to 5.5 percent in June 2005.

In recent years the Lao PDR has experienced relatively good economic growth (6.3 percent since 2002) however high income groups continue to be the main beneficiaries. The IMF projects an ongoing annual growth rate of 6-7 percent in real GDP between 2006 and 2010, incorporating strong impetus from the mining and hydro-electric sectors and growing employment<sup>ii</sup>. External trade is expected to continue to grow at more than 10 percent annually. Challenges to macro-economic management include the low ratio of government revenue to GDP and the high external debt burden (servicing external debts is likely to include

approximately 20 percent of recorded exports and 20 percent of Government revenue). In addition many public enterprises continue to make substantial losses and the trade environment is not yet attractive enough to foreign investment. The three fundamental challenges for Lao PDR include maintaining macro-economic stability, improving competitiveness and advancing trade reforms.

### **Regional Integration**

Lao PDR is increasing its integration, both regionally and globally. Sub-regionally, Lao PDR is an active partner in the emerging Greater Mekong Sub-Region (GMS) Economic Cooperation Program. The GMS program has strategic importance in terms of potential exports to neighbouring countries, the development of transport corridors and the sustainable development and management of the Mekong River. Given that most trade and foreign investment relations are with these countries, including the sale of hydropower, ongoing GMS initiatives are supported strongly by Lao PDR. Lao PDR also participates in the Mekong River Commission (MRC), which explores opportunities for regional cooperation in the Mekong River Basin. On a broader regional and global level, Lao PDR joined the Association of Southeast Asian Nations (ASEAN) in 1997 and will join the ASEAN Free Trade Area (AFTA) in 2008. A range of global trade concessions and agreements (discussed in the CCA trade section) are in place or under negotiation, significantly expanding export opportunities for Lao PDR. Foreign Direct Investment (FDI) levels are variable but substantial (relative to the size of the economy). In 1997, Lao PDR applied for the WTO membership and is presently in the process of accession. The membership of WTO will open up the country's economy wider and help to accelerate the economic reform process. Furthermore, it has also joined the Integrated Framework for Trade Related Technical assistance, which aims to strengthen its export competitiveness.

### **National Strategies and Development Financing**

Since 1975 the Government has endeavoured to strengthen the stability of society and has instituted national development policies on a 'step by step' basis. The basic tenet underlying the 'step by step' approach is to ensure that changes are introduced gradually, and at a rate that does not make them counterproductive or disruptive to society. The Lao PDR seeks to preserve national values and cultural heritage and to maintain a united society, whilst simultaneously taking part in regional integration and globalization. The essence of the New Economic Mechanism has been to introduce reforms aimed at the gradual transformation from a centrally planned command economy to a more market-orientated economy. Specifically, the Government has undertaken structural transformations designed to promote national integration, develop a sustainable resource base and build-up the economic, physical and social infrastructure of the country. Such steps have included a particular focus on the development of transport and communication networks.

In 2003 the Government of the Lao PDR launched its Poverty Reduction Strategy Paper, known locally as the National Growth and Poverty Eradication Strategy (NGPES). The UN system and donor partners established working groups<sup>4</sup> to support its implementation and operationalization. MDG goals and targets were localized to fit with the NGPES priorities (see comparison table of national development goals and localized MDG targets in the annex). The strategy provides the framework under which all of the Government's future growth and poverty eradication programmes are mandated for development and implementation. Poverty Eradication Strategy commenced in 1996 when the country's sixth Party Congress defined its long-term development objective as freeing the country from the status of least developed country by 2020. Following a long consultation and drafting process, the National Assembly mandated the Government to implement NGPES in October 2003.

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<sup>4</sup> Donor Working Groups have been established in the sectors of health, gender and HIVAIDS; education and gender; infrastructure; macroeconomic issues and private sector development; agriculture, rural development and natural resources management; governance; drug prevention; and mine action.

The NGPES has dual objectives: promote sustainable growth and alleviate poverty, particularly in the 72 poorest districts (from which 47 are priority districts) within four main sectors (Agriculture, Health, Education and Infrastructure). Although the NGPES is clearly represented in the plans of the four main sectors, an appropriate budget is often missing. Further, there is a lack of strategic and transparent monitoring mechanisms for implementation. While efforts are underway to cost sector plans and finally sequence/prioritize them in accordance with available budget envelopes, further work is required to optimally implement the NGPES.

In 2005 the Government of the Lao PDR is preparing its sixth five year socio-economic development plan (2006-2010) that will subsume the operationalization of the NGPES and thus the MDGs. Such commitment will need to be accompanied by a clear reflection of priorities in annual budget allocations. Domestic revenue is increasing however the rate of increase is slowing. Improvements to revenue collection are central to the affordability of development activities and this must be a complementary focus of development planning. External development financing remains high. Current costing analyses predict a shortfall between combined development funding and necessary expenditure, further emphasizing the importance of privatization and sound economic management.

Official Development Assistance (ODA) resources play a central role in the Lao economy, constituting a major part of the Public Investment Programme (PIP). In the financial year 2002/03, ODA amounted to 61 percent of the total amount of the PIP. The majority of donor assistance is concentrated in the economic sectors such as agriculture, forestry and communication (63 percent of ODA in 2002/03). Although only 10.3 percent and 7.8 percent of foreign funds are allocated to the education and health sectors respectively, these funds make up 72.4 percent (41.2 percent for Education and 31.2 percent for Health) of the total public expenditure in the socio-cultural sectors. Any failure to maximize the full potential of ODA represents a considerable loss of resources. The challenge for the Government and its partners is to balance distribution of ODA and secure basic social services for the people, whilst at the same time planning for a future less dependent on aid.

Efforts are currently underway to clarify further the governmental roles and responsibilities in donor coordination. These efforts will increase effective planning and delivering of assistance in a timely manner. Similar challenges also relate to ranking priorities, coordination between the provinces and districts and adequate monitoring of resource allocation. Continued efforts are required to streamline follow-up, reporting and approval processes in partnerships with donors. Donor coordination also requires attention and whilst 'Donor Working Groups' bring together various development partners, more careful and sustained collaboration is required. In particular, development partners need to deepen the dialogue and tighten the alignment between ODA and national development strategies.

### **Data Availability and Constraints**

Availability of data is considered a major constraint in policymaking and progress monitoring in the Lao PDR. Data disaggregation by sex, location and ethnicity is improving but does not yet support adequate analysis and policy formulation. The data collection carried out as part of the MDG reporting process in 2003 and 2004 highlighted a number of data gaps that remain unaddressed. There are a range of reasons for the data constraints including poor coordination between line ministries and agencies and between donors and development partners on data collection and analysis efforts. In addition, Government lacks the human resources and financial capacity to undertake data collection, analysis and reporting. At this stage the decree on statistics is yet to be adequately implemented. Data collection and analysis is also expensive, requiring continued and consistent support from international partners.

A number of initiatives have been put in place to strengthen data management capacity in the Lao PDR, linked to strengthening monitoring and reporting capacity. The National Statistics Centre is being supported to improve data collection, and line ministries are being supported to

enhance their collection of primary data. Lao Info a version of Dev Info software is to be launched in November 2005, this will enhance data accessibility and monitoring of the Millennium Development Goals in Lao PDR. Towards the end of 2005 a number of important data collection exercises will be concluded that will greatly assist in strengthening statistical knowledge in the Lao PDR, including the ten-year census (later conducted in March 2005), a reproductive health survey, and a HIV AIDS survey. The UNCT considered delaying the CCA until such data was available, however this implied delaying the next UNDAF programming cycle and was therefore not a viable option.

The National Statistics Centre currently holds primary responsibility for data collection and analysis and has recently acquired a software package to better manage national data. This program will provide a one-stop data management capacity for monitoring indicators at the outcome and impact level in the Lao PDR, including indicators for monitoring the CCA and UNDAF, the NGPES, ASEAN indicators, the MDGs, the National Human Development Report, and other Government reporting needs.

### **Strengthening Institutional, Administrative, and Human Resource Capacity**

The Lao PDR is critically short of the expertise required for development. In general, there is a limited number of experienced and skilled personnel at all levels of society and in all sectors. This poses a serious constraint on development in the Lao PDR.

There is also a need to further develop effective, transparent and accountable operational mechanisms and administrative procedures at the operational levels and sectors of government. Moreover, due to rapid economic progress, the demand for qualified, skilled or appropriately trained personnel (particularly managers) is ever increasing. However, at the same time it is noted that low public salaries may contribute to low job performance, the recent National Socio Economic Development Plan (2006-2010) presented at the Round Table Meeting in January 2006 highlighted the commitment by the Government to continue the reform of the civil service, among other things with a view to addressing the issue of salaries of public servants. The Government is also committed to establish an efficient social security system for all Lao people and, assures to implement the policy on salaries and support the provision of incentive payments to staff working in remote areas.

There is an urgent need to improve both the numbers of trained people and the quality of training. Such progress will require focusing national development efforts on formal and non-formal education, including language, vocational and skills training.

## Governance and Human Rights

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There is increasing global awareness that good governance is central to sustained development outcomes. Similarly there exists a growing conviction that many persistent development problems reflect weaknesses of governance. Governance is a vehicle through which individuals, institutions, rules and political processes may contribute to economic growth, the realization of rights and the alleviation of poverty. In the Lao context this may be directly linked to achieving the Millennium Development Goals. If realization of the MDGs is viewed as the desired *outcome*, good governance is central to the *process* by which such outcomes are derived. In particular this implies adherence to human rights, rule of law, non-discrimination and equal access to justice as enshrined in the wider Millennium Declaration endorsed by 189 UN member states (including Lao PDR) in September 2000. In Lao PDR promoting human development presents a social, economic and technological challenge.

In 2003, the government presented a policy paper on governance at the round table, indicating its intention to pursue an ambitious reform agenda in this area. The policy paper provides a comprehensive overview of major governance activities including the four themes of public service reform, people's participation, the rule of law and sound financial management. This paper, and the government's commitment to undertaking associated reform represent exceptional progress in Lao PDR and offer a central vehicle for development partnerships to address governance issues.

### **Legislature and the Rule of Law**

The role of the National Assembly has undergone continuous change and refinement. It has evolved to be the central legislative organ and primary oversight body of the Government. Since 2000, the National Assembly has approved a number of laws intended to improve financial oversight at both central and provincial level. A number of parallel guidelines and tools have further enhanced the National Assembly's capacity to oversee the legislative process. Methods for public consultation during the drafting process have been developed, though are yet to be fully implemented. There has also been some improvement in the process by which people are able to lodge a complaint against a court decision or maladministration, through recourse to the Assembly's Division of Complaints and Nationalities.

A number of Constitutional amendments passed in 2003 modified and enhanced the judiciary. A new tier of courts, the Appellate Courts, was established bringing appellate justice closer to the people. Judges are now appointed, transferred and dismissed by the National Assembly Standing Committee on the recommendation of the President of the Supreme Court (formerly a government responsibility). Similarly, the administration of local courts (formerly the responsibility of the Ministry of Justice) now resides with the Supreme Court. Both the Supreme Court and Supreme People's Prosecutor report to the National Assembly.

The rule of law is gradually being strengthened in the Lao PDR, although much work remains to ensure a society in which equal access to justice for all citizens has been assured. Village mediation units have been strengthened by the development and issuance of regulations concerning their organization and operation. These units (currently operating in approximately 90 percent of all Lao villages) provide the option of settling disputes at a village level. This is

### **Highlights in Governance**

In 2005 the National Assembly Standing Committee agreed to the establishment of a telephone hotline for Lao people to call with questions, comments and suggestions regarding matters discussed during NA sessions. The Department of Research and Reference is assigned to collect and summarize the calls before providing them back to the Standing Committee for action and dissemination to relevant agencies or line ministries. The step marks a significant achievement in bridging people and government and is worthy of note.

particularly important, as in many instances such units are the first *and only* recourse to settlement of disputes for the general population. Regional appellate courts have been, or are being, established in north, south and central regions. Civil, Criminal, Commercial, Family and Juvenile chambers have been established. Judges have also been assigned to each of the respective chambers and their capacity has been strengthened through training courses in their specialized fields. At present the various chambers are yet to be established in all courts and this remains an important step.

Research for the *Law on the Settlement of Economic Disputes* is complete and has been submitted to the National Assembly and has been adopted in the first half of 2005. The training of judges has continued since the administration of courts was transferred from the Ministry of Justice to the People's Supreme Court. Training has also been conducted for arbitrators. A new initiative to strengthen the Lao Bar Association (LBA) and thereby the legal profession came into action in 2004. The program aims to improve public awareness about the role of lawyers and the LBA, improve the organizational functioning of the LBA and increase the number and capacity of members. At present, lawyers offer legal advice and appear in court.

Whilst positive developments have been witnessed in the establishment of the legal framework, there is still difficulty with the implementation and application of laws. The implementation of court decision is facing difficulties, although many efforts are deployed. Some provisions of laws are not sufficiently clear. In some instances, the absence of regulations for enforcement causes difficulties for laws implementation. Access to legal support and legal services remains quite limited and public awareness of the legal system is very low. Access is often dependent on the literacy or educational background of individuals. Redressing such gaps requires coordinated involvement of multiple government institutions, incorporating a renewed focus on enforcement capacity and will.

The Supreme Court, Office of General Prosecutors, Ministry of Justice, and Ministry of Public Security have their long-term strategies (up to 2020) and at present are in the process of developing a general strategy in the legal sector including better compliance with international conventions and agreements. The number and capacity of judges, lawyers and prosecutors requires immediate attention. The general public requires improved access to legal services and an enhanced understanding of their legal rights. A master plan, currently under development, requires a coherent approach in unifying national and international reform efforts over the next twenty years.

### **Public Administration**

Public Administration reform, encompassing improvements to the structures, functions and management of government bodies, is one of the main priority components of governance assistance in Lao PDR. Good governance is central to the NGPES and the National Socio-Economic Development Plan (NSED) in terms of improved service delivery, macro-economic stability and improved policy mechanisms.

Significant accomplishments have been made in terms of policy formulation, political commitment and capacity development for administrative reform at both the central and provincial levels. This progress was facilitated by several legal developments in 2003 which refined the broad framework for the organization, administration and management of the civil service. The National Assembly's adoption of the *Law on the Government* in May 2003 offered a central pillar for public administration reform. Amendments since that time have focused on central and provincial links, extraordinary government meetings, enhancing secretariat functions and strengthening inter-agency coordination mechanisms through the establishment of a Governance Coordination Committee and Governance Change Management team in 2004.

The *Law on Local Administration* adopted by the National Assembly in 2003, clarifies the role and function of the local administration and relationships among the provinces, districts, towns, and villages. It also includes a provision for the establishment of municipalities, which will in turn enable the development and delivery of urban services in larger cities and review of the structure of local level administrations (Provincial and District Offices). Work has commenced to review the organizational structure of selected District Offices in Luang Prabang to identify common functional areas (such as finance and administration) with a view to organizational restructuring. The Government has also demonstrated its commitment to strengthening public administration by upgrading the *Department of Public Administration and Civil Service (DPACS)* to the Public Administration and Civil Service Authority (PACSA). Establishing PACSA at the *thabouang* or sub-ministry level increases the likelihood that adequate resources are available to manage and coordinate the ambitious Governance and Public Administration Reform (GPAR) Programme.

The government is attempting to address customs concerns through an amendment to the Customs Law passed very recently by the National Assembly (May 2005). The amendment includes several articles that provide greater clarity regarding the rights and roles of the central and provincial customs offices and introduces the concept of regional offices. Such changes should facilitate the establishment of a National Customs Administration and the implementation of the vertical lines of reporting. The amended customs law meets a number of international standards (such as WTO requirements and GATT valuation) and provides greater clarity regarding the role and rights of customs officials and traders.

The National Assembly has recently adopted Anti-Corruption legislation with a view to addressing the issue of corruption. The National Assembly's open discussion regarding corruption and associated laws in April 2005 reflects willingness to debate and confront this fundamental public administration constraint. Tackling corruption can also be linked to improving revenue collection, something identified as a fundamental to the affordability of the development agenda. Substantial and ongoing support will be needed for the audit and inspection bodies to adequately implement their mandate to curb corruption.

Challenges persist when putting reforms into operation and translating policy intent into concrete action. The pace of reform implementation requires an immediate and sustained boost to overcome the bureaucracy. The capacity of the civil service continues to be hampered at the operational level by a lack of technical skills and knowledge, inadequate resources and the limited educational attainment of many civil servants.

Decentralization of government is supported at the highest levels (by Prime Minister's Decree 01) and has boosted sub-national enthusiasm, confidence and self-reliance. There is, however, candid recognition that low capacity at the district and village levels is creating bottlenecks. At the local level, decentralization has tended to move towards de-concentration than a comprehensive devolution of authority. Responsibilities have not always been coupled with the requisite human and financial capacity. It is similarly acknowledged that fiscal decentralization and tax collection are both politically and administratively complex. In spite of continuous efforts by the central ministries, accountability systems and fiscal controls at the local levels remain fragile and inconsistent. This is believed to be causing substantial revenue losses at the national and sub-national levels and inevitably leading to heavy reliance on ODA. Tackling these aspects of decentralization, particularly the economic risks, is an urgent matter for the government and its development partners.

### **Civil Society Participation**

Through the governance policy paper the Government has committed to public participation through five inter-dependent strategies: a stable, peaceful and secure society; a strengthened National Assembly; a dynamic and participatory society; an open and transparent society and; central-local relationships that bring services closer to people. In each area the government can point to examples of progress, however such commitments continue to be hampered by geographic and systemic limitations. Access to information is pivotal in participation and as such the state-owned media in Lao PDR have a central role in ensuring an information flows to and from the community.

Lao PDR does not have the national NGOs or civil society organizations common in other nations. Civil society in the Lao PDR is largely represented by mass organizations, including the Lao Women's Union (LWU), the Lao Revolutionary Youth Union (LRYU), the Lao Front for National Reconstruction (LFNR), the Lao Federation of Trade Unions (LFTU) and social organizations. Citizens, particularly children and young people, would benefit from methods for contributing to public policy and more meaningful partnerships in the design and implementation of development programs.

### **Human Rights**

There is an increasing interest and willingness to better understand human rights principles in Lao PDR, within both international and localized contexts. Many important human rights and fundamental freedoms are guaranteed by the constitution and international instruments. The fundamental rights and duties of all Lao citizens are enshrined in the 1991 Constitution. Under the Constitution, the right of the multi-ethnic people to be the masters of the country is exercised and ensured through the functioning of the political system, with the LPRP as its leading nucleus. The State is responsible for protecting the inviolable rights and democratic freedoms of the people. Lao PDR ratified the Convention on the Rights of the Child in June 1991. Lao PDR signed the International Covenant on Civil and Political Rights (ICCPR) and the International Covenant on Economic, Social and Cultural Rights (ICESCR) in 2000. The proposal for ratification of these important instruments is soon to be placed before the National Assembly. In 2003, the National Assembly adopted a constitutional amendment, which places emphasis on increasing the responsibility of all sectors to promote the advancement of women. To ensure universal access to equality and justice before the law, there is a need to strengthen people's awareness of rights.

In May 2002, the Government established the Lao National Commission for the Advancement of Women (Lao NCAW). This is a high-level body and the central institution to promote gender equality and to eliminate discrimination against women in Lao PDR. The commission's main tasks are to assist the Government in formulating national policy and strategic plans to promote women's advancement and gender equality in all spheres and at all levels of society. The Government is currently developing a National Strategic Plan for the Advancement of Women (2006-2010), which will be in accordance with the Lao Government's international commitments, including the Convention on the Eliminations of All Forms of Discrimination against Women, the Beijing Platform for Action and the International Conference on Population and Development. At present gender representation across the public sector remains inequitable. Women continue to occupy low positions in management and comparatively few senior government positions. Nevertheless, it is worthy of note that from the Third Legislature (1992-1997) to the Fifth (2002-2007) women's representation in the NA has increased from 9.4 percent to 22.9 percent (8 persons to 25 persons). The Women's Parliamentarian Caucus was set up during the fifth legislature.

In some instance, rights (such as education) are already represented in the Lao constitution and international instruments are gradually reflected in effective legislative and administrative

outcomes. Under the Lao legal system there is not yet a systematic process in place to ensure that national laws are brought into compliance with international instruments ratified by the Government of Lao PDR. Constraints in institutional capacity, technical expertise, personnel and financial resources limit the government's capacity to make all such commitments a reality. Nonetheless, preliminary steps are currently being undertaken to improve harmonization with international standards and there are noteworthy examples of progress in this regard. The National Law on Development and Protection of Women was recently passed and a Law on the Protection of the Rights and Interests of Children is currently being drafted.

#### Key Challenges in Governance and Human Rights

- † Civil Society Participation; promote the wider participation of citizens in the review of public policy; promote the wider participation of citizens as partners in development.
- † Legislature and the Rule of Law: increase the number and capacity of judges, lawyers and prosecutors; ensure the independence of judges; establish five chambers (Civil, Criminal, Commercial, Family and Juvenile) in all courts; increase public awareness and understanding of the legal system; pro-actively encourage the development of the legal profession; increase equity in legal services access; improve clarity of laws to ease implementation; improve enforcement legislation to maximize the effectiveness of existing laws; develop a master plan for the legal sector in Lao PDR.
- † Public Administration and Decentralization: improve technical awareness and resource capacity to implement change; devolve public sector delegations to enhance responsiveness & decision making at central, provincial, district, and village levels; improve management skills and administrative capacity in public organizations; continue to tackle corruption and appropriate legislation; continue to promote the representation and capacity of women in the public sector.
- † Human Rights: ensure national laws are consistent with the obligations under international treaties which Lao PDR has committed to; support the Government with the expertise and resources to realize human rights; celebrate progress and success in recent human rights advances; promote awareness of rights among Lao people; Enhance the capacity and effectiveness of existing mechanism for investigation and redress of alleged human rights violations.

## Poverty, Food Security and Growth

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### **Population and Poverty**

The population of the Lao PDR is estimated at 5.62 million (2005), according to the National Statistics Centre (NSC). It consists of 49 officially recognized ethnic groups, which have their own customs and languages. There are growing gaps in wealth, economic opportunities and access to basic social services among the people living in different geographic regions, topographic conditions (lowland-upland), rural and urban areas as well as among different ethnic groups. In all situations, however, girls and women have less opportunities and access to resources and services than boys and men. People are scattered in 10,552 villages across the country, with an average village size of approximately 500 inhabitants. A typical village has some 80 households and the average household size is 5.9 (2005). Some 62 percent of the population is under the age of 24, 44 percent of the population under the age of 15, and 3.8 percent over the age of 64 (resulting in the high dependency ratio of 76 percent). Life expectancy is 59 years: male 59 years and female 63 years.

With the annual population growth rate of 2.1 percent (2005), the Lao population is expected to reach 11.4 million, double the present size, by 2040. The high population growth is a result of high fertility and declining mortality. Based on a total fertility rate of 4.9 (2000) and a crude death rate of 9.8 per 1000 people (2005), Lao grows by approximately 153,000 people each year. Limited access to family planning, early marriages, early births and early sexual activity all contribute directly to population growth. Although fertility rates are falling across the population as a whole, there was no evidence of declining adolescent fertility at the time of the last LRHS in 2000. The large cohort of youth entering reproductive age will ensure the absolute number of people added each year will continue to rise.

The rapid population increase has serious implications for food consumption, land use, natural resources, housing needs, employment creation and the supply of utilities. Similarly, national budgeting to provide basic services (schools and staff, health facilities and staff) and ensure acceptable living standards for Lao people is of pressing concern. At the household level, a large family puts pressures on household expenditures and assets, often leading to poverty or making it difficult to escape from poverty. As more adolescents reach working age, the competition for scarce employment opportunities will substantially increase in the coming decades. The young population also poses a major challenge for policy-makers and planners in providing accessible education of adequate quality. Population pressures impact on hunger, education, health, environment and gender disparities. In turn, such pressures impact on the Lao PDR's capacity to achieve most if not all of the MDGs.

About 80 percent of the population live in rural areas in the Lao PDR. The distribution of resources, infrastructure, social services and job opportunities strongly favours urban areas. Increasing numbers of young people are moving from rural to urban areas, leading to high rates of urbanization and creating urban poor. The urban growth rate of 4.6 percent in the Lao PDR is the second highest in Southeast Asia, next to 5.5 percent in Cambodia. Both international and internal migration is increasing through major construction works and improved road networks connecting the Lao PDR to neighbouring countries (China, Thailand and Viet Nam). Consequently, there is an increasing risk of STI/HIV prevalence, human trafficking (discussed in the *Cross Cutting Issues* chapter) and the illegal migration of workers. Illegal migrants are subjected to abuse economically and physically and their rights are often violated. Data on population movement is limited due to the poor civil registration system.

The proportion of population living under the national poverty standard varies among the provinces: the highest being Houaphanh at 74.6 percent and the lowest being Vientiane at 12.2 percent (1997-98). Income inequality is apparently increasing with the GINI coefficient rising from 30.5 in 1992/3 to 32.6 in 2002/3. The Lao Government has given high priority to reducing poverty and balancing population growth with socio-economic development. Linked priorities include improving the status of women and improving access to reproductive health services. The National Population and Development Policy (NPDP) is being amended to reflect issues such as reproductive rights, adolescent reproductive health, HIV and AIDS, cross-border migration and ageing that have risen in importance since the adoption of the Policy in 1999. Although poverty, population, gender, and geographic targets are also part of the NGPES, progress has been slow in allocating adequate resources to appropriate social sectors.

#### Key Development Challenges: Population and Poverty

- † Data Quality and Monitoring: improve national capacity in data collection, research, and analysis and use of data; ensuring quality of data and projections for improved planning and monitoring;
- † Policy Formulation and Implementation: improve national capacity to implement multi-sectoral programmes in linking economic growth, population, and poverty reduction issues; and
- † Reproductive Health Behaviour: address early marriage, high adolescent fertility and low contraceptive usage, especially among poor families.

#### Food Security

The NGPES and other national policies identify household food insecurity as the most critical challenge to overcome in order to ensure the most basic level of secure and sustainable livelihoods for the majority of the Lao rural population. Widespread food insecurity coupled with high levels of acute and chronic malnutrition impedes social, human and economic development and contributes significantly to poverty. Food insecurity is defined by inadequate availability, access, utilization and stability. Shortfalls in these areas are commonplace and are most pronounced amongst farming households in rural areas. Many communities lack adequate coping strategies for the food-deficits and associated health problems that persist amongst large sections of the population. Food security concerns are entwined with issues throughout the CCA and are very closely tied to the topics discussed in the *Cross-Cutting Development Issues* chapter (particularly resettlement and UXO contamination). To achieve the MDG target of halving the proportion of Lao people who suffer from hunger by 2015, the Lao Government and development partners face a number of inter-related challenges that can be linked to food security.

Most of the population remains dependent on subsistence rice production for their survival and insufficient access to food remains a critical problem for a sizable number of rural households. The household economy and farming systems are generally organized around rice production for home consumption. Less than ten percent of the 1.7 to 2 million tonnes of rice produced per year constitute marketable surpluses. It is estimated that

#### Food Security

Food security is a pressing concern for the Lao PDR. Geographic and seasonal pockets of hunger persist, non-timber forest products are decreasing and many communities still lack adequate coping mechanisms. Immediate causes include limited distribution capacity, increasing population pressure on available lands, and the prevalence of natural disasters. Root causes reflect those outlined in the CCA Rights Overview. The capacity to achieve food security is particularly restricted for Lao's most vulnerable groups: women and children, remote communities, and smaller ethnic groups. Such parties lack the power and awareness to seek information and support, and endure restricted access to necessary agricultural resources (especially credit, land and machinery). The Government and development partners lack the co-ordination, resources and access to information necessary to adequately respond and meet their obligations. An increased focus on food production (rather than alternative food sources) may be required, accompanied by ongoing infrastructure development and consideration of the comparative food production disadvantages the Lao PDR faces against neighbouring countries.

under normal conditions over one third of the population experiences rice shortfalls of two to six months per year. Ten out of 18 Provinces and almost half of the 142 districts experience food-deficit. In the worst 25 districts, most of which are in the uplands, the annual rice consumption deficits for households average more than four months. The food surplus producing areas are located in the plains along the Mekong River, and are characterized by lowland rain-fed and irrigated farming systems. Domestic markets as well as trade between surplus and deficit areas are significantly underdeveloped, leaving deficit areas with limited food supplies.

The agriculture sector suffers from low production and intensity, low productivity and limited diversification. Resources are often not utilized in an optimal or sustainable manner. The subsistence nature of production derives in part from a lack of rural infrastructure, particularly roads, which isolate many villages. Lack of access to markets where surplus production can be sold eliminates the incentive for commercial farming and hinders the development of a market-orientated rural economy. Weak market mechanisms, limited transport networks and lack of storage facilities also contribute to a significant loss of the surplus that is generated. Limited technical human resource capacities and institutional structures further constrain agricultural

#### Focus on Gender and Food Security

Adequate food security and nutrition are essential to motherhood and also critical to women's effective participation in community life. By playing an active role in ensuring food security, women attain recognition and maintain dignity within their communities. Although women play a central role in the management of food security (particularly in non-timber forest products collection) and in household nutrition, they are poorly represented in decision making regarding food security at the village and national levels. Development agencies are yet to fully understand how to discuss and disaggregate food security in the Lao context.

development. Although some studies have shown the geographic distribution of poverty and vulnerability to food insecurity, there remains a lack of specific information on the prevalence and underlying causes of food insecurity.

Although the Lao PDR has a relatively low population density, agricultural development is also severely hampered by physical and geographic conditions. Mountainous terrain and poor soils both limit the availability of quality land for cultivation and impede the development of rural infrastructure and transport and communication networks. Increasing urbanization threatens to take up potential agricultural land and reduce production.

Inappropriate use and/or underutilization of land and widespread UXO contamination similarly constrict effective land use and rural infrastructure development. Recurrent natural disasters provide a further external impediment to steady agricultural growth. Since 2000, two major droughts have occurred (predominantly affecting the central and northern parts of the country) and erratic monsoons caused two major floods. Floods are more common in central and southern parts of the Lao PDR, and every year more than ten percent of the wet-season lowland rice areas are affected.

Coping mechanisms of food insecure households vary according to their location and their sources of food or income. Families sell livestock, migrate to urban areas to sell their labor, gather food from the forests including illegal wildlife hunting, and incur rice debts from the village or private traders. Many also reduce their food consumption and live on their own meagre harvests. Gathering products from forests, whilst important to the livelihood of many remote villages puts increasing pressure on an ecologically fragile environment and brings an extra burden on the women whom are traditionally responsible for the collection of such plants. As forest areas decline the resources necessary to sustain foraging as a coping mechanism are also being reduced. Women also generally manage family food stores. Food security can only be achieved if all household members contribute fully.

## **Nutrition**

Although nutrition is a priority concern in the Lao PDR there is little reliable data on the national situation. Access to safe and nutritious food is not yet guaranteed in the Lao PDR. Diets insecure households are extremely unbalanced, consisting of up to 85 percent rice. Fat intake is very low and protein intake depends on the availability of fish and wildlife, particularly in remote areas. Household nutrition surveys point to the prevalence of acute and chronic malnutrition and link these conditions to household food security, poverty, low levels of education, inadequate access to clean water, and health services. Recent surveys indicate a continued high prevalence of micronutrient deficiencies in iron and Vitamin A. Despite a reduction in iodine deficiency disorders, this issue also remains a concern. Indicators of malnutrition and their behavioural/environmental causes are discussed in the Health Chapter, however it is important to similarly link these issues with availability, access, utilization and stability in food security. Although updated data is unavailable, malnutrition is a significant factor in over half of all child mortality and therefore to MDG four (reduce child mortality).

## **Agriculture and food production**

Agriculture (including forestry and fisheries) is the most important sector in the economy accounting for 53 percent of the GDP and employing more than 80 percent of the labor force. Agriculture is closely linked to MDGs one (poverty and hunger) and seven (ensure environmental sustainability) and plays a key role in the NGPES. Despite its important role in poverty reduction, the agriculture sector remains under-funded and dependent on external support. In 1998/99, government expenditure on agriculture (excluding rural roads development) accounted for 11.5 percent of total public investment, 5.6 percent of which was current expenditure and 94.4 percent capital expenditure. Although only six percent of external assistance was allocated to the agriculture sector, foreign funds accounted for almost three-quarters of total public agriculture investment.

The country has 1,048,000 hectares of agricultural land, with 93.7 percent of agricultural holdings predominantly geared towards home consumption. Sticky (Glutinous) rice is the staple food and predominant subsistence crop, with almost 92 percent of agricultural holdings engaged in rice production. The most important rice growing areas are found in lowland areas along the Mekong valley. Highland areas are generally less productive, yet over 40 percent of households grow rice in these districts. Dry-season rice planting has increased in recent years following heavy investment in irrigation schemes, yet double cropping occurs in only 15.2 percent of rice-growing households. Irrigation is critical to raising productivity yet remains inadequate (often poorly planned and inadequately maintained or serviced).

Low levels of agricultural productivity and yield are prevalent in the Lao PDR, particularly in upland areas. The ability of farmers to purchase inputs is constrained by lack of resources and many are therefore caught in a low input– low output – low income cycle. Few agricultural households use farm machinery and access to extension services and micro-credit is very limited. The use of improved rice varieties, fertilizers and insecticides remains low. Whilst low use of external inputs restricts yields, it is not entirely a constraint. Minimizing external inputs provides an opportunity to develop sustainable production methods, conserve the country's rich agricultural biodiversity and, in turn, contribute to food security. The Government is strongly supportive of this and has developed a National Agricultural Biodiversity Programme to address such issues.

Due to the historical Government policy of attaining rice self-sufficiency as well as a shortage of resources (both capital and human), agricultural diversification has been limited to-date. For most farmers crops other than rice, such as maize and cassava, are of only minor importance. Vegetable crops are only planted by some 36 percent of agricultural holdings and fruit production is also limited. Coffee is the most important permanent cash crop. In recent years,

there has been a shift in Government policy towards increasing efforts to diversify agricultural production. Livestock is the main source of cash income for farming households. Vaccination of livestock is very low, however, and high mortality rates, especially in poultry, are a problem for most farming households. Fishing is an important secondary activity for the majority of rural households, providing extra income and an important supplement to the daily food supply. Although only eight percent of agricultural holdings have fixed aquaculture facilities, some 71 percent of holdings engage in fishing and collection of other aquatic resources from rivers, lakes, rice fields, swamps and seasonal flood plains.

Women are particularly affected by poor access to technologies, extension services and micro-credit, even though they play a lead role in agricultural production. There is a lack of female extension workers (or gender sensitive extensionists) and women have limited access to micro-credit as they require collateral (generally land) to qualify. According to the study “Gender and Land Documents: How do Society’s Perceptions of Gender Affect Women?” conducted by the GRID Centre (Vientiane) in 2000, there has been a tendency of providing more land use certificates and land allocations to men in relation to women, despite the fact that among many ethnic groups the traditional inheritance system is matrilineal. Hence, greater emphasis should be placed to ensure women and men equal access to land.

Farming systems vary widely between ethnic groups primarily due to differences in geographic location and terrain. Ethnic groups situated in lowland areas tend to be more market-oriented, commonly using irrigation, fertilizers, pesticides and machinery. In upland areas, the majority of the population is dependent on rice cultivation using shifting cultivation methods. About 13 percent of the country is under shifting cultivation (rotational and pioneer systems). Rotational systems are practiced by 77 percent of such villages, with pioneering (slash and burn) practiced by the remaining 23 percent. Increased land pressures have resulted in shortening of the fallow period in shifting cultivation areas. The shortening of the fallow period has a negative impact on soil fertility, yields and food production in upland areas, thus causing food security problems in rural households. Only 26 percent of farms use outside labour and demand is particularly strong during times of planting and harvesting. In upland areas, labour is also required for the intensive tasks of land preparation and weeding. Weeding is generally a women’s task and labour demands are increasing as a result of growing weed problems (related to the shortened fallow period).

#### Key Development Challenges: Food Security, Nutrition and Agriculture

- † Awareness and Promotion: Increase awareness of nutrition and food security including education and information on diet, sound breast-feeding, food preparation, and dietary practices;
- † Policy Formulation and Implementation: ensure the formulation of appropriate policies and incentives to promote sustainable, intensified, and diversified food production increasing agricultural productivity and efficiency, and support labour saving technologies (especially in upland areas) that increase agricultural output, conserve agricultural biodiversity and reduce women’s workload;
- † Financing and Resources: ensure adequate financial allocation and long-term funding to the agriculture sector, and establish long-term investment strategies with particular provision for recurrent costs; and
- † Community Mobilization: encourage small-scale and participatory development schemes, support rural savings mobilization and credit extension services; ensure implementation of community health schemes (coverage of iodized salt, vitamin A, de-worming campaigns), ensuring cross-sectoral institutional and community participation.

#### **Natural Resource Management and Environment**

The Lao PDR is highly dependent on environment and natural resources for economic and social development. Since the introduction of the NEM in 1986 there has been a sharp increase in foreign investment, trade of natural resource based products and large-scale infrastructure developments (such as roads, hydropower plants and mining operations). Although such

investments are vital for national development and poverty alleviation, they also increase pressure on the environment and can negatively affect the living conditions and livelihoods of local communities if not properly planned and implemented. MDG seven (ensure environmental sustainability) calls on the Lao PDR (as every other country in the world) to protect and sustain environmental resources.

During the past few years the Government of the Lao PDR has introduced number of strategies and action plans for the environment. Key policy papers include (among others) the National Environmental Strategy 2020, the Forestry Strategy 2020 and the National Biodiversity Strategy and Action Plan. The importance of the environment and natural resources is also recognized in the NGPES. The Lao PDR is also party to several environmental related agreements such as the Convention on Biological Diversity, the Convention on Climate Change, the Kyoto Protocol and CITES. Despite this increased social and political attention the understanding of environmental issues (and linkages to the socio-economic development) remains low. In many instances, the rights and obligations outlined in environmental agreements and laws remain unfulfilled. Furthermore, local authorities lack sufficient control mechanisms, management systems and procedures, qualified staff, and adequate financial resources needed to undertake environmental awareness building activities and enforce existing legislation.

Forest cover has been declining, down from an estimated 47 percent of the total land area in 1992 to an estimated 41.5 percent in 2002. The decline is mainly due to forest clearance for permanent lowland agriculture, pioneering (slash and burn) shifting cultivation, illegal and unsustainable logging practices, infrastructure development and forest fires. Various regulations and the recently developed forestry strategy have yet to be made effective. Forests that contain rich biodiversity in flora and fauna, including many threatened species, are generally exploited in an unsustainable manner. This situation threatens to further downgrade and/or deplete valuable forest resources.

Deforestation is having a serious economic and environmental impact and has increased vulnerability for large sections of the rural population. Many rural and urban communities wholly or partially depend on forests and non-timber forest products for their living. Forests provide an essential source of food, traditional medicines, energy for cooking and heating, building materials, tools and other implements. Small scale harvesting and selling of non-timber products is also an important source of cash income for many households. WFP estimates that approximately one quarter of all villages in the Lao PDR are forest dependent. Unsustainable use and depletion of such resources both reduces the opportunity for generating income and increases the time required to access them, which directly affects the living standards and conditions of many communities. Women, children, ethnic groups and the extremely poor are most affected by the changes. Deforestation has also increased soil erosion in highland areas, weakened water catchments, increased surface runoff and made lowland areas more vulnerable to flooding and habitat destruction.

#### Key Development Challenges: Natural Resource Management and Environment

- † Policy and regulatory framework: improve implementation of sustainable forestry policies, national obligations under international conventions on environment, environmental impact assessment regulations (for infrastructure and industrial development) and other legislation, policies, strategies and action plans; and
- † Promoting green growth: promote the sustainable use of natural resources and biodiversity to ensure the socio-economic development, poverty eradication and the protection of the environment; integrate management and sustainable use of natural resources and environment into broader development planning and pro-poor policies; promote and develop financing mechanisms for environment; enhance private sector involvement; enhance local level involvement in resource planning and management.

Water resources provide great potential for development. Expansion of irrigation is essential to increase agricultural productivity and diversification, however this must be pursued in a cost-effective and environmentally sustainable manner. Abundant water resources also provide potential for aquaculture. Exports of electricity already represent the country's second largest export item and an expansion of hydropower facilities represents the greatest potential economic benefit from water resources. Whilst the Water and Water Resources Law of 1997 provides quality standards and general provisions for the protection of water resources, implementation is facing a number of constraints. In particular, progress is limited by the lack of a national water policy and legal framework, the weak maintenance of existing irrigation schemes and the lack of available credit for more efficient usage of water resources. In addition to abundant forest and water resources, the Lao PDR also possesses rich mineral resources that have begun to provide significant economic benefits to the country but remain largely unexplored.

### **Infrastructure**

Infrastructure such as transport, telecommunications and electricity are generally very important for growth and poverty reduction, while rural roads, water supply and sanitation are critical for poverty reduction among the poor. In the NGPES context, the dual role of infrastructure is its direct impacts on poverty through services and its supports to the economic growth on which poverty reduction relies. Substantial external support has been devoted over the last decade to rehabilitate and modernize Lao PDR's transport infrastructure. Most primary highways and the major airports are now in good or fair condition but many secondary and tertiary roads and most of the minor airports are not. Road travel is the dominant mode of transport in Lao PDR, whereas air traffic and inland water traffic play only minor roles. Located in the centre of the Greater Mekong Subregion (GMS), Lao PDR can turn itself from "land-locked" to "land-linked" by connecting South Asia and People's Republic of China to Southeast Asia. The East-West Economic Corridor connecting Vietnam with Thailand via central Laos is scheduled for completion soon. Construction of the section through Lao PDR of the North-South Economic Corridor from Kunming to Chiang Mai has commenced with financing from People's Republic of China, Thailand and ADB. The Mekong River and other rivers in Lao PDR provide local communities with easy and efficient access to markets and social services which otherwise are inaccessible or difficult to reach over land and helps improve trade with neighbouring countries. The Governments of Lao PDR and Thailand have agreed to extend the railway in Thailand across the Mekong River, using the Friendship Bridge, and establish a new railhead near Vientiane. The poor in the Lao PDR are heavily burdened by lack of access to goods and labour markets and social services. Access deprivation results in high transportation costs that reduce the mobility of people and goods produced by the poor who mostly live in the rural areas. Access deprivation also results in reduced access to or lack of consumer goods, social services, information, and market and livelihood opportunities for labour, with consequent implications for income and socioeconomic welfare.

Over the coming years, the GMS Economic Cooperation Program is going to implement regional power interconnection and telecommunications backbone projects. Lao PDR is endowed with vast hydropower resources but only 4 percent has been harnessed to date. The power sector is still in its infancy, with almost 50 percent of households having access to electricity through the national grid and another 10 percent through own generator or car battery. The Government thus gives electrification high priority, particularly in rural areas, and expects that by 2010 about 70 percent of the population will have electricity. Export of hydropower is the largest single foreign exchange earner for the country. The Government thus emphasizes development of export-oriented hydropower projects and mobilizing private sector investment. Hydropower can generate the much needed foreign exchange income that can be channelled to poverty reduction projects and pro-poor sustainable environment protection.

### Key Development Challenges: Infrastructure

- Ø Costly to build infrastructure for providing universal access to markets and social services due to physical and topographic difficulties and sparsely distributed population;
- Ø Need to accelerate integration of social and environmental concerns and enforcement mechanisms into sector planning and operation of infrastructure;
- Ø How to design infrastructure that truly promotes inclusive development on a regional basis.
- Ø Better traffic management and enforcement to improve safety;
- Ø Gradually increasing road user charges to fully cover the cost of road maintenance;
- Ø Development of subregional cooperation to minimize losses and costs associated with border crossing traffic, which is particularly burdensome for a landlocked country like Lao PDR;
- Ø Increasing domestic tariffs for electricity to cover financial production costs at least in urban areas;
- Ø Expanding rural electrification coverage; and
- Ø Improving the regulatory framework and enforcement mechanisms to encourage increased private sector investment in the energy sector.

### Trade and the Private Sector

Trade in the Lao PDR has historically had a substantial reliance on informal trade and unrecorded cross-border trade. Modern economic growth is driven mainly by investments in hydropower and mining and most industrial activity is concentrated in construction and garments. In recent years, tourism has also become a new source of growth. Economic activity is particularly concentrated around the capital, Vientiane. International trade is rapidly developing and is supporting the continued economic growth of the country. As a landlocked country, the Lao PDR stands to make large gains from improving its transport infrastructure and interconnections with surrounding countries. Road, rail and air passages require investment and streamlining to ease access and maximize trade confidence. Trade is central to enabling economic rights as expressed in the ICESCR and, when tied to economic growth, has implications for the Lao PDR's capacity to achieve all of the MDG targets. For the Lao PDR, as for other developing nations, it is critically important that growth associated with enhanced trade is equitable across the population, including pro-poor growth.

The Lao PDR imports and exports have increased dramatically over recent years and this is expected to continue over the next decade. Imports include mostly machinery, equipment and raw (textile-related) materials. Garments, electricity, mining and coffee have predominantly driven export growth. Mining, in particular, appears set to grow very rapidly. In 2003-2004, 24 exploration agreements were signed involving a total investment of US \$312 million. Overall, at the end of 2004, there were 68 mining venture companies, including 43 local companies. Gold, copper and gypsum are being mined and exported on an increasing scale. Whilst such change is likely to bring human development benefits from employment, increased access to roads and transport, and clearing of UXO, there are also risks. Development partners and the Government need to carefully manage possible negative effects on human development from land displacement and environmental degradation.

The Government is seeking ways to diversify the Lao economy and reduce the economic vulnerability of the country. Currently, nearly 70 percent of official Lao exports of goods remain concentrated in wood products and garments. The Lao PDR has access to several preferential treatments in many countries. The Lao PDR's exports receive preferences from industrial countries and from the original members of ASEAN. The country has GSP access to the EU under the Everything But Arms (EBA) arrangement and also has a special textile agreement that exempts exports from EU quotas. Since July 2003, all exports to Australia and New Zealand are admitted free of duties and quotas. The Lao PDR signed a bilateral trade

agreement with the US in 2003 and was granted Normal Trade Relations (NTR) in November 2004, opening the door for extensive import/export relations with the US market. The country is yet to take full advantage of these assistance schemes and arrangements. WTO membership could offer an opportunity to quickly accelerate the economic reform process. The Lao PDR applied for WTO accession in 1997 and the Working Party met for the first time in October 2004.

It is well recognized that a robust and fully functioning private sector is crucial for the Lao PDR is to lift itself out of its LDC status. For sustainable development to take place, the private sector must play a strong role in macroeconomic growth and the generation of employment opportunities. It also has a central role in generating employment and improving employment opportunities, as well as providing the motivational stimulus required for the enhancement of human resources. It is crucial for the private sector to grow continuously, bringing with it new technologies and know-how, and competitive products. Since almost half of the current Lao population is under 20 years of age and the number of job seekers is set to rise rapidly in the coming years, the economy will need to expand quickly to provide sufficient employment opportunities for a rising number of young adults. Expanding the private sector and bolstering economic and social prosperity can be directly linked to MDG one (eradicating poverty and hunger) and, in turn, to all of the Millennium Development Goals. As with the trade sector, growth in the private sector needs to include pro-poor growth. Prosperity in the private sector will not work against poverty if shared only among community members already experiencing relative wealth.

The NGPES notes that efforts towards realizing the 2020 goal of exiting LDC status will require high levels of investment and savings. The necessary investment level has been estimated at 26-28 percent of GDP, of which about 10-11 percent will be by the public sector, while the remaining 16-17 percent will need to be led by the private sector, including FDI. To this end, a strong business environment remains critical for enhancing growth and eradicating poverty. Investment policies and incentives are expected to contribute to improving the business environment, notably for export production, while development of natural resource based industries are expected to directly and indirectly create new jobs and income opportunities in poor and remote areas of the country. The Government has increasingly involved the private sector in areas that until recently have been areas of state owned enterprise (SOE). This trend is expected to continue.

In 2004, the Small and Medium Sized Enterprise Promotion and Development Committee (SMEPDC) was established to provide, among other things, a space for private-public sector dialogue. Additionally, the Mekong Private Sector Development Facility (MPDF) and the CPI have agreed to set up a public-private Lao Business Forum. While these initiatives indicate a positive step in the creation of an enabling business environment, they lack the capacity to ensure that essential decisions and actions are followed through. Significantly, women form a major part of micro-entrepreneurs in the informal economy and in 1996, 63.3 percent of all SME were owned by women. Aside from increasing family income, small businesses open new avenues of empowerment for Lao women. Women in business, however, have lower education levels than men and very limited access to market information, technical training and financial services. Such concerns are of particular importance, given the UN system's commitment to pursuing business opportunities in what are called 'bottom of the pyramid' markets.

The underdeveloped financial system also constrains the development of the private sector through low monetization, lack of access to credit in rural areas, weak contract enforcement and a lack of professional services. The omnipresence of government involvement in economic affairs and a weak legal framework, including inconsistent application of existing regulations and opaque foreign investment approval procedures, combine to stifle private sector development. Governance concerns of corruption, rule of law and mismanagement have a detrimental impact

on private sector functioning and confidence. With the exception of few SOE's (which enjoyed government subsidies or exclusive privileges), tourist companies and urban-based service industry establishments, many privately owned businesses have experienced declining business, insolvency, and failure.

Notably, the private sector in the Lao PDR remains predominantly associated with agriculture, which is largely limited to subsistence activities. Private sector growth is further restricted by a number of constraining factors including a weak financial sector, poor infrastructure, and limited human resource capacity. Low human resources are reflected not only in weak institutional capacity and management ability, but also in a lack of income generation ethos and inadequate incentives for profit, feeding back into low productivity. Physical constraints include poor infrastructure, particularly roads in rural areas, and the small size of the Lao population and market. A more comprehensive and diverse private sector, that is more outward looking and export focused, must be developed if economic growth and employment is to be maintained.

#### Key Development Challenges: Trade and the Private Sector

- † Regionalization and Globalization: assist WTO-accession and regional trade negotiations; increase and improve trade-related infrastructure and enhance trade facilitation with the neighbouring countries in order to promote trade expansion; increase private sector growth and encourage export related activities (to take full advantage of regional economic dynamism and the more liberal trade environment);
- † Policy and regulatory framework: improve the investment climate by the establishment of a regulatory framework for Investment and impediments to investment, an investment promotion strategy, and institutional development; and
- † Private Sector Development: foster outward-looking private sector development in a sustainable manner (to increase per capita income and improve employment opportunities); ensure greater transparency and accountability in decision-making processes to help generate business confidence and higher levels of economic growth.

## Education

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There is global recognition that education promotes acquisition of the knowledge, skills and values required for better living and for sound, sustainable development. Education is an important tool for promoting equality, prosperity and tolerance, particularly for girls and young women. The right to education is enshrined in a number of instruments, including the UN Convention on the Rights of the Child (which the Lao PDR has ratified) and the ICESCR. The Government of the Lao PDR also places special emphasis on the education sector. The Lao Constitution and supporting laws clearly stipulate that all Lao citizens, regardless of race, sex, ethnicity, or social or economic status, have the right to education. Education simultaneously assists with access to a range of other rights through capacity building and awareness raising. MDG two, seeks a full course of primary schooling for all boys and girls by 2015. In the Lao PDR this includes a net primary school enrolment target of 98 percent and a target retention rate (to grade five) of 95 percent. Education may also be directly linked to MDGs one, and three.

### Highlights in Education

The Lao PDR has witnessed a distinct rise in the number children from smaller ethnic communities attending school. In the five years between 1999/00 and 2003/04 primary enrolment rose sharply for the Lao Soung (by more than 30,000 students) and the Lao Teung (by more than 50,000 students). This is tied to an increased number of schools and an increased focus on previously under-served ethnic communities. There has also been a general increase in girl's attendance at school over recent years, and with this, a decreasing gap between the representation of boys and girls in schools in general.

The Lao PDR has experienced steady increases in the quality and availability of education throughout the last decade. Enrolment in both primary and secondary education has increased and rates for drop-out and repetition have improved. Increased enrolments are in part due to programs for school construction in remote areas. Whilst enrolment in early childhood development remains low it has also increased, partly due to increased private sector participation. Considerable efforts have been made to improve the quality of education through teacher training and renovations to many existing schools.

Issues of absenteeism are not currently managed, with schools lacking the resources to monitor attendance and the system lacking adequate accountability processes. Gender, geographic and ethnic variances remain similarly concerning. In 2005, 23 percent of the population aged over six years had never been to school. This included some 30 percent of females compared to 15 percent of males. In rural areas without roads 42.6 percent of those aged over six years had never attended school compared to 8.5 percent of urban people. Gender imbalance in education is compounded when coupled with isolation, tradition and culture, resulting in magnified disadvantage and severely constrained opportunities for young women from inhabiting in remote areas. The language of instruction from pre-school onward is Lao and this contributes to the repetition, drop-out and absenteeism rates of children of ethnic groups. The NGPES also recognizes that in rural and remote areas many children repeat grade one once or twice simply to learn the language of instruction.

The capacity of Government and development partners to meet education obligations and are often constrained by the lack of resources. High population growth and increasing interest in educating their children shown by the small ethnic groups living in remote and isolated villages have increased the demand for educational services. A scattered and predominantly rural population is combined with considerable ethnic, cultural and linguistic diversity to stretch the capacity of the education system. Traditional pedagogy and educational standards require modernizing to equip Lao people with necessary skills. Acute poverty within the community and inadequate budgets within schools severely limit resources for students. Low adult literacy rates and low education attainment among parents (particularly in rural areas) limit their understanding and commitment to education for their children. Whilst recognizing universal

primary schooling as the central education priority, this is entwined with adequate literacy and vocational training for the broader population.

The education system remains critically under-funded and largely dependent on external assistance, with insufficient allocations for recurrent costs. Improved quality assurance in education (co-ordination, monitoring, supervision and evaluation of programs) is necessary, as is a renewed focus on links between formal/non formal education and employment opportunities. Education targets addressed in the NGPES need to be applied across the Lao population, above and beyond the 47 districts covered in this document. More systematic, results-based planning and management modalities would allow impact to be more accurately assessed.

### **Early Childhood Development**

Opportunities for Early Childhood Development (ECD) are directly related to one's capacity for learning in primary and later education, and limited ECD is identified as an underlying cause of inadequate education outcomes for most children in rural and remote areas. Children from small ethnic groups face the difficulty of having encountered the language of instruction when they enter grade one. While no disaggregated data is currently available, it is reasonable to assume that most of the children who have experienced early childhood education are from urban areas. Urban children also face difficulties, particularly if parents are poor and cannot pay for the few pre-school programs that exist.

Parents and caregivers often demonstrate a low capacity for helping children to learn basic language and psychomotor skills. Many Lao parents and caregivers have never been to school and as such lack awareness of educational needs. In addition, Lao children grow up in a culture that does not encourage questioning, inquisitiveness, critical thinking, or expression of negative emotions. Although such cultural norms may suit survival in small villages, where food must be shared in order to survive, they do not prepare children for a society undergoing rapid social change. Malnutrition in the Lao PDR is widespread, particularly amongst women and some ethnic groups. Inadequate nutrition levels during maternity and infancy severely hinder early childhood development. Children who are malnourished are not able to learn at the rate of children who are fully nourished.

In 2003/04, the gross enrolment rate (GER) for children aged three to five years in formal system early childhood programs (kindergartens and preschools) was 8.1 percent. The GER by province varies from a high of 22.3 percent to a low of just two percent. In 2003/04, only 8.5 percent of new enrolments in primary school grade one had early childhood development experience, mostly gained in the private sector. The public sector is unable to sustain the cost and development of pre-schools and kindergartens, especially for ethnic group children in remote areas. The Education for All Action Plan (EFA) has a strategy of developing community based early childhood development programs and current examples of such programs may provide a more viable alternative.

### **Primary Education**

Comparisons of school facilities and primary enrolment rates over recent years reveal a steady improvement in most provinces. According to MoE statistics the number of primary schools increased from 7,148 in 1991/92 to 8,487 in 2002/03. The overall net enrolment rate has increased from 76 percent (80 percent boys and 72 percent girls) in 1998 to 82 percent (85 percent boys and 79 percent girls) in 2003/04. Whilst encouraging, such figures remain well short of the MDG target of 98 percent and suggest that the right to primary education enshrined in Lao Law and international conventions is not currently protected. An estimated 135,000 primary school aged children do not currently experience adequate access to education.

The overall improvements also disguise wide disparities between provinces and genders. While net enrolments rates are over 95 percent in Vientiane, they are as low as 56 percent in Phongsaly and Attapeu provinces. Similarly, while the national gender gap is closing (8 percent in 2001/02, 7 percent in 2002/03, 6 percent in 2003/04) a greater percentage of boys are enrolled in school in *all* provinces except for Xaysomboum. Gender gaps of more than 10 percent are common and are particularly evident in Phongsaly, Luang Namtha, Oudomxay, Bokeo, Huaphanh, and Xieng Khouang. Girls' enrolments in Phongsaly, Sekong, and Attapeu are especially low (less than 65 percent). It is also important to note that a large proportion of children enter primary school later than the prescribed age of six (especially in remote areas) and that the average age for primary school completion is around 14 years.

Repetition and drop-out rates are similarly concerning. The average repetition rate for grades one to five is 20 percent nationally (22 percent for boys and 19 percent for girls). Again wide rural/urban disparities are apparent with repetition rates being considerably higher in rural areas than in urban. Vientiane experiences the lowest rate of repetition (14 percent) and Luang Namtha the highest (26 percent). Although more girls than boys either drop out or do not enroll in most provinces, it is interesting to note that nationally a smaller proportion of girls repeat a grade than boys. The national drop-out rate across all grades is 9 percent with the highest levels occurring in grade one (13 percent for boys and 12 percent for girls). Wide rural/urban disparities are once again apparent: Vientiane experiences the lowest grade one drop-out at 6 percent and Oudomxay the highest at 24 percent. Addressing drop out rates is made more difficult by the fact that only 41 percent of primary schools offer a complete (five year) primary education.

Completion of primary school and transition to secondary are important indicators for an assessment of education in the Lao PDR. At the national level the completion rate is 56 percent (56 percent for boys and 57 percent for girls). While this represents a slightly higher national completion rate for girls, fewer girls are able to complete their primary schooling in more than half of the country's provinces. Rural/urban disparities are also evident with the completion rate, from a high of 78 percent (Vientiane) to a low of 35 percent (Phongsaly). Of those students that complete primary school, substantially more boys continue to secondary school than girls. Nationally the transition rate is 84 percent (90 percent boys and 78 percent girls). Gender disparity in transition is particularly concerning in Oudomxay, Saravane, and Xayabury where the gap is greater than 20 percent. Female transition rates secondary school are particularly low in Xayabury (51 percent) and Huaphanh (49 percent), where only half of the girls who have finished primary school proceed to the next level of education.

#### Quality, Relevance, and Education Rights

The quality and relevance of primary education is a critical development concern. Legislation, regulations, standards, training, and education planning need to be improved to address this concern. Institutional capacity is not strong enough to deal with the problem (including the management, administration and coordination of programs) and resources in schools are also limited. For smaller ethnic communities, the content of primary education is often not related to their lifestyle and community away from school. Students and their families lack awareness and understanding to question these shortcomings. The Government and development partners often lack the resources and well-defined strategic vision to overcome such concerns.

Historical gender roles and expectations constrain efforts towards equality in education opportunities for girls. Many central questions remain about the extent of equal accessibility to materials and supplies, prevailing gender stereotypes and gender-based discrimination within the education system. Results from a survey across the range of ethnic groups in the Lao PDR suggest a majority of parents would rather send sons to schools than daughters. For many girls from smaller ethnic group the underlying constraint is the assumption that women and girls must handle the household responsibilities (such as chores and the care of siblings). Other domestic

factors and preconditions (poverty, uneducated households, rural locations, distances from school), whilst shared between genders, seem to increase the chances of girls not receiving adequate education. Similarly, the lack of sanitation in schools is a difficulty endured by both sexes; however this is recognized as a particular deterrent for girls. It is not yet mandatory that latrines will accompany any school that is built, and this remains a critical issue to address.

Cultural norms and domestic responsibilities combine to limit the effective participation of children in their own education. A study conducted by UNICEF in 2002 found that 75 percent of boys and 88 percent of girls surveyed responded that they are uncomfortable asking questions in class. This observation is particularly concerning given that 76 percent of teachers when asked “what makes a good student” responded that a good student “asks questions when they don’t understand”. Chores and travel also mean many children may have less energy for active participation in class. A study on rural villages conducted by Save the Children Norway in 2001 found that for many children, morning routines comprise of fetching water, collecting firewood, pounding rice, and steaming rice for their household. Children who must travel to another village in order to attend school often have to leave at 5 or 6 in the morning.

Primary education outcomes are dependent on an appropriate curriculum supported by adequate facilities, supplies and materials. The availability of facilities and learning materials in primary education is of pressing concern. School often lack adequate equipment, libraries, textbooks and instructional material. The distribution of textbooks and curriculum materials is poorly managed and it is rare to find teaching staff with access to a complete set of textbooks and/or teacher manuals. When teaching materials and student facilities are available they often lack quality and relevance.

Many teachers have received little or no teacher training and have neither a solid grasp of the subjects they are teaching, nor the techniques and methods of imparting knowledge. In 2003/04, over 4.5 percent of primary school teachers had no recognized academic qualifications, whilst only 19.3 percent of teachers were certified to teach. The majority of certified teachers are not trained to teach in multi-grade classrooms. Few individuals from remote areas, especially women, are qualified or able to make their way through eight grades and into teacher training colleges. Quotas for placing teacher trainees are insufficient and do not correlate with educational needs. There are also wide regional variations in teacher-pupil ratios (as high as 129:1 in some one-teacher schools).

### **Secondary Education**

Many of the issues identified in earlier sections of this chapter are directly related to success and participation in secondary schooling. Disparities on the grounds of geography, ethnicity and gender combine with the nationwide limitations of Early Childhood Development and Primary schooling to further restrict access to secondary education. It is particularly important to note that meeting MDG two, promoting gender equality, is largely dependent on continuing education for Lao girls. Equity in tertiary education, employment opportunities and positions of decision making is in the first instance dependent on the increased representation of young Lao women in secondary education.

Unfortunately, net enrolment rates are not available for lower and upper secondary school. From an examination of gross lower and upper secondary enrolment rates it is clear that enrolments drop off significantly as children get older although gender disparities become less acute. The gross enrolment rate for lower secondary is 50 percent (57 percent boys and 43 percent girls) and for upper secondary the gross enrolment rate is 26 per cent (30 percent boys and 21 percent girls). The gender gaps for gross enrolments in primary, lower secondary and upper secondary schooling are 16, 14 and 9 percentage points respectively. Wide disparities can once again be seen between rural and urban areas when reviewing lower and upper

secondary enrolment. By way of example, Vientiane province has gross lower and upper secondary enrolment rates of 85 percent and 56 percent respectively, while Saravane has rates of 26 percent and 10 percent respectively.

### **Adult Literacy**

Despite considerable improvements and the success of some existing activities, adult illiteracy remains widespread throughout the country, particularly in rural areas and among women and some ethnic groups. The reported literacy rate of the entire population (aged 15+) rose from 60.2 percent in 1995 to 68.7 percent in 2001, whilst the reported literacy rate for the younger population (aged 15-39) rose from 69.2 percent in 1995 to 75.4 percent in 2001. Considerable geographic, ethnic and gender variations also exist. In 2001, the reported literacy rate for the urban population (aged 15+) was 82.8 percent compared to 65 percent in rural areas. Within these figures, reported literacy for women was 60.9 percent compared to 77.0 percent for men. It is also important to note that the LNLS also tested literacy rates, unlike previous surveys that only reported literacy rates, and test results suggest some significant overestimations. For example, the reported literacy rate among 15-24 year olds is 79 percent yet the tested literacy rate for 15-24 year olds is only 51 percent. Furthermore, the gender gap among tested 15-24 year olds is much more substantial (8 percent in the reported literacy rate, 13 percent for those actually tested).

Strong social, cultural and environmental factors contribute to illiteracy in the Lao PDR. Literacy is often not seen as relevant, particularly among the rural population. Access to reading materials in the home is not common and schools often lack textbooks. There is limited access to newspapers. There is also a lack of qualified literacy facilitators (the majority being volunteers with low levels of education attainment and lacking qualifications or training). Many literates lapse back into illiteracy due to lack of follow-up and ongoing opportunities to exercise literacy skills.

### **Vocational and Non Formal Education**

As a significant number of people in the Lao PDR are without basic education, non-formal education is an important link for both adults and children not attending school. By 2003, as a result of the National Non-Formal Education policy, there were 300 Community Learning Centers operating with the support of the Government and development partners. Non-formal education (NFE) can provide vocational training, literacy, primary school and secondary equivalency programs and lifelong learning among other outcomes. Such programs are critically short of human and financial resources. Given the wide variety of languages and the complexities of illiteracy in the Lao PDR, there are many rural areas, ethnic groups and women that have not yet been reached by non-formal education. In addition, such education has historically lacked responsiveness to community needs and lacked adequate links to income generation activities. NFE programs require appropriately trained facilitators, better monitoring and more outcome-based analysis to maximize their effectiveness.

Vocational and skills training programs provide alternatives to secondary and tertiary education that may be linked to particular employment or subsistence activities. At present such courses are limited in number, tend to be standardized rather than tailored to groups and also tend to promote gender stereotypes (i.e. weaving for women, mechanical skills for men). Increasing the relevance of vocational education to specific ethnic groups and regional communities is likely to increase the effectiveness of such programs. The skill-base and performance of vocational trainers also requires monitoring to maximize vocational training outcomes. Although it is recognized that NFE can uniquely contribute to reaching isolated and vulnerable children and young people, the budget allocation is inadequate.

## Education Financing

In the early 1990s, the Lao Government allocated an increased share of public expenditure to recurrent funding for the education sector. The proportion peaked at 14 per cent in 1995, and led to a massive expansion of primary and lower secondary level education. This growth could not be sustained, however, and following the Asian economic crisis in the late 1990s recurrent education funding dropped to only 7 percent of total public expenditure. Although the proportion of funding has since risen again to 11.8 percent in 2002 (EFA 2004), this figure represents substantially less investment than is seen in neighbouring countries. Shortfalls in recurrent funding are exacerbated by increasing population pressures. For the period 1997/98 – 2001/02 the overall growth in enrolments for grade one was 3.4 per cent compared with a growth in the population of six year olds of 5.9 per cent. Evidently enrolment growth is not keeping up with population growth, and inadequate recurrent funding is becoming increasingly inadequate as the population grows.

### Financing and Education

Education financing is a critical development concern. Inadequate recurrent funding limits teacher salaries, teaching resources, school facilities, student resources and, therefore, education outcomes for all. Underlying causes of this concern are outlined in the CCA Rights Overview. Due to this problem, the families of students, including those in poor communities are further compromised to meet the associated costs. Most Lao children and their families lack the awareness and facilities to participate in solving the financial issues. Aside from the capacity gaps common across all development programs, the education sector (including all its partners) does not currently have an adequate sector-wide policy for the medium term and the 'Education for All' plan lacks an assured expenditure framework to address costing and resource issues.

The most significant consequence of insufficient recurrent funding is that inadequate salaries and teaching budgets compromise the performance of the entire education sector. Low funding also correlates directly with the shortage of schools and school facilities (particularly in rural areas) and an increased financial burden on families who are left to cover those costs otherwise met by the school. Indirect consequences are represented throughout this chapter and have resounding implications for poverty, equality and economic viability well into the future. The education system requires a sector-wide, policy-driven approach that considers resources in terms of overarching aims. An operational framework is needed that extends beyond particular programmatic solutions to link disparate components of the sector. It is important to note that several cooperative attempts at costing and prioritizing education needs are currently underway and are appropriately linked to key policy platforms (such as the Education Strategic Vision and the NGPES). Notwithstanding these efforts, education management and financing require urgent redress if the Lao PDR is to progress towards the MDGs.

### Key Development Challenges in Education

- † Policy: develop and implement realistic, sector-wide development and planning strategies; develop and implement a strategic expenditure framework; enshrine and ensure education rights across the sector; stress implementation of equivalency education policy (Primary, Secondary & Vocational); address gender and ethnic disparity at a sector-wide level; address rural disadvantage at a sector-wide level; address intake, repetition and early leaving at a sector-wide level; improve the adequacy and timeliness of teacher and facilitator salaries;
- † Financing and Resources: increase capital funding, particularly in isolated areas; sustainably increase recurrent funding across the sector; provide high level advocacy to increase local and ODA contributions; coordinate donor support; improve financial management, accountability and controls;
- † Quality, Monitoring and Evaluation: develop & implement progress monitoring plans for students and NFE learners; develop & implement progress monitoring plans for teachers and NFE facilitators; develop and implement a progress monitoring plan for the sector; evaluate monitoring results in a sector-wide quality framework; review progress in reaching rural and ethnically diverse students; and
- † Service Delivery: improve the quality and supply of student learning materials; improve the quality and supply of teaching materials; improve the relevance and consistency of formal & non-formal curriculum; improve the quality and capacity of Community Learning Centers to reach those out of school; improve the relevance and consistency of teacher and facilitator training; increase the ethnic and gender diversity of teachers; address enrolment, repetition and drop-out at a school level; prioritize the most remote and vulnerable children, youth and adults, both in and out of school settings; prioritize gender equality across all education levels.

## Health

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The goal of attaining and maintaining health lies at the heart of the development process. Health is a pre-condition for, and not a result of, development. Health rights for Lao people are enshrined in domestic law and policy as well as international instruments such as the ICESCR, which points to right of everyone in aligned states to enjoy the highest attainable standard of physical and mental health. MDGs four, five and six, represent key health challenges for the Lao PDR. An obvious link may also be made between health, poverty and hunger as represented in MDG one. Improved health has the attention and support of the Lao Government. Health is one of four key components of the NGPES and is central to the Vision 2020 Plan. In addition, the Lao Health Master Plan (2020) seeks to strengthen the availability, affordability, quality and responsiveness of the health system, particularly to those who are currently under or un-served.

### Highlights in Health

In recent years the Lao PDR has witnessed major growth in the number of hospital, health centres and village drug kits. Infrastructure developments and capital expenditure have also led to vastly improved proximity for many Lao people. The Lao PDR has also witnessed progress in tackling Iodine Deficiency Disorders. The introduction and spread of iodized salts throughout Lao villages and communities has led to increased iodine levels and has the potentially to achieve IDD elimination.

Recently, despite improvements over the past two decades, access to adequate health and wellbeing is not yet fulfilled. The public health care system remains underdeveloped and underfunded. Physical access to health service is about 92 percent. However, quality has to be improved. Awareness and utilization of services remains low with fewer than 20 percent of ill people seeking care at a hospital or health centre. The question of whether dependence of public health facilities on user fees limits access for the poor is still in the assessment phase. The Lao PDR has witnessed a rise in private health facilities, particularly pharmacies, with implications for the costs and affordability of health care. Household expenditure constitutes 55 percent of total health expenditure in the Lao PDR, compared to 40 percent in other countries in the region.

Health rights are held by all Lao people, as stated in the Hygiene, Prevention and Health Promotion Law, adopted by The Lao National Assembly in April 2001: *“Every Lao citizen ....has the right to get health care services and has the duties to take care of their own health’*. (Art.3). *The State gives the importance to the care as well as to the health promotion of people of different ethnic groups by giving knowledge, information, ... expanding hygiene, prevention and health promotion activities. The State promotes community and private involvement in development of health system throughout the country with better quality of services* (Art.4)” However given their particular needs, additional vulnerabilities are apparent for pregnant women, new mothers, infants and children. Government and development partners bear much of the responsibility for improving health status for all people however duties are also borne by health facilities, health educators and health management. Integrated primary health care and primary prevention modalities, both as concepts and services, have started to be implemented. All health facilities still need more professional medical and administrative staff, essential drugs and, fundamental equipment and some require renovation. Geographic isolation remains a pressing concern. Advances in health have occurred more in urban than in rural areas, although over 80 percent of Lao people live in rural areas. The Government relies on the use of drug kits for health care and emergency.

### **Leading Causes of Morbidity and Mortality**

Malaria is the leading cause of morbidity and mortality across the Lao population (all ages), although its incidence is decreasing where there are control programmes. Nearly 90 percent of villages claim malaria as a major health problem. Remote rural populations living in or near forests or hilly areas alongside streams are most at risk, whilst pregnant women, breastfeeding

mothers and children are the most vulnerable once infected. Malaria control is now complicated by resistance to first line anti-malaria drugs. Dengue fever, another mosquito-borne disease, is prevalent in cities and increasingly in rural areas. Children under 15 years are particularly at risk. Communicable diseases, particularly malaria, acute respiratory infections (ARI), diarrhoea and epidemics (such as measles) are the major causes of mortality and morbidity in children. Poor nutrition is a contributing cause to half of all child mortality. The incidence of these diseases is also linked to a lack of education, poor housing, poor sanitation and unsafe water. Access to health care is restricted and often does not occur in a timely manner in some areas. Treatment guidelines are often not followed and the referral system is often inadequate.

Diarrhoeal diseases, including cholera (which is classified as severe diarrhoea), account for 26 percent of health facility consultations among children under five. Poor sanitation contributes to a high incidence of soil-transmitted helminthes, and poor food hygiene accounts for the high

### Health Staffing

Health workers in the Lao PDR have inadequate skill levels, directly contributing to quality shortfalls across the health system. In addition to the root causes identified in the CCA Rights Overview, pre-service and in-service training are currently inadequate, and the staff selection process is not always based on expertise. In addition, difficult working conditions limit the morale and motivation of health workers. This gap is compounded by a reluctance to complain or seek change.

The Government, donors and development partners (including the UN) share the duty of meeting these obligations with service providers, individual health workers, and health management. Aside from the common fiscal limitations and a tendency towards capital rather than recurrent investment, there is a gap in the management, budgeting and priority setting capacity of the health sector. The donor focus on projects and service delivery, rather than structural change, may also be a gap in capacity to meet obligations.

prevalence of food-borne helminth infections. High mortality from diarrhoea stems from limited access to and affordability of health care. Despite widespread promotion, the correct use of Oral Re-hydration Therapy (ORT) is not yet universal, with only 20 percent of children receiving increased fluids and continued feeding.

The appreciation of the threat from newly emerging infectious diseases, in particular SARS and Avian Influenza, has heightened. There is a shortage of epidemiologically trained staff and clinical facilities to deal with these threats. Outbreak response capacity is limited by insufficient quality surveillance data, as well as underdeveloped emergency response mechanisms.

High rates of maternal mortality (405 deaths/100000 live births) and morbidity are closely linked with the Lao PDR's high fertility rates (4.5 children per woman) as well as the poor quality, limited access and low utilization of reproductive health services. Over one quarter of maternal

deaths occur during pregnancy and almost three quarters within six weeks after delivery. The majority of maternal deaths are due to direct obstetric causes including infection, complications arising from induced/spontaneous abortion and, particularly, postpartum haemorrhage. Only 28.7 percent of women receive antenatal care during pregnancy and 17 percent have skilled attendant assistance during delivery, while almost nine out of ten deaths occur at home. This is particularly true for rural women. In many districts there is no access to emergency obstetric care.

### Reproductive Health and Family Planning

The Government has increased its efforts to improve the national reproductive health status through the introduction of the National Population and Development Policy in 1999 and the development of the National Reproductive Health Policy 2004/05. Despite the increased availability of reproductive health services, reproductive and maternal health remains characterized by high neo-natal and maternal mortality. Short intervals between births, marriage at a young age, and unsafe abortion practices increase adverse reproductive health outcomes. The rural maternal mortality ratio is more than three times higher than urban ratio and rural

adolescent women are more than twice as likely to begin child bearing as their urban counterparts, providing firm evidence that women in isolated areas are particularly at risk.

Access to reproductive health services is central to ensuring safe motherhood and a healthy newborn. To avoid pregnancies that are too early, too late, too numerous, or too frequent, both men and women require access to information on the importance of family planning. Many Lao people face difficulties in access to reproductive health information and services. This is particularly true for young adults as there is widespread reluctance to address the reproductive health needs of adolescent and 'unmarried' individuals. This increases the risk of unwanted pregnancies, STIs (including HIV) and unsafe abortion practices. Reducing such risks requires a commitment to providing quality services to all people of reproductive age. Building the skills of health workers to deal with reproductive health is crucial.

The improved health and socio-economic benefits that come from contraception and wider childbirth intervals are only beginning to be realized. Almost 90 percent of married women have a potential need for family planning. In 2000, 40 percent of those wanting to practice family planning did not have access. Since the early 1990's the national contraceptive prevalence rate (CPR) has steadily risen to 32.2 percent (for all contraceptive methods). This is low by international standards and the rural CPR is almost half the rate for urban areas. The use of long-term contraceptive methods is low. Although men play a vital role in family level decision making in the Lao PDR, active male involvement in family planning and the reproductive health discourse has been minimal. Many women remain unequal partners in decisions about their own fertility.

### **Sexually Transmitted Infections and Reproductive Tract Infections**

The exact extent of STD's and RTI's in the general population is not known. However, over 40 percent of commercial service women<sup>5</sup> have either chlamydia or gonorrhoea, compared to infections in truck drivers (10 percent) and in factory workers (7 percent). Access to diagnosis and treatment is limited, and despite STD prevention and care policy, health staff often fail to apply appropriate treatment schedules. Knowledge about STI's and their prevention and treatment is less than desirable.

### **Nutrition**

Reducing malnutrition is vital to the attainment of most of the MDGs, particularly one, four, five and six. The high prevalence of both chronic and acute malnutrition closely correlates with maternal characteristics, the educational attainment of family members, and the level of access to water, health and other basic services.

Rates for stunting (low height for age) and wasting (low weight for height) in children under-five are over 40 percent and 15 percent respectively, and are amongst the highest in the region. Both rates increase dramatically in children between one year and two years of age, reflecting inadequate caring practices during this period. Children are also more at risk when there are markers of poverty in the household such as low education, crowding, no electricity, unsafe water, poor sanitation, and lower quality housing materials. Low birth weights (under 2.5 kg), particularly in rural areas, are a major obstacle for infant survival and occur in about 20 percent of births. This indicates a low nutritional status amongst pregnant women stemming from their relatively low level of education, income and a heavy workload. Poor breast-feeding and weaning practices (such as the introduction of chewed glutinous rice within a few weeks of birth) persist. Harmful practices (such as the discarding of colostrum) and other food taboos for pregnant women, reduce disease resistance for newborns and increase the risk of malnutrition.

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<sup>5</sup> women working in entertainment sites and who may participate in commercial sex

A national survey in 1993 showed that iodine deficiency disorder (IDD) was a significant public health problem as an estimated 95 percent of the population was affected, 65 percent severely. IDD is a cause of growth and mental retardation and decreased resistance to disease. In 1995 universal salt iodization (USI) was introduced and by 2000, 75 percent of households consumed iodized salt and over 70 percent of children had satisfactory urinary iodine excretion levels. Since that time, the programme has shown further improvements and USI is close to being achieved, although there will need to be vigilance to maintain the current progress. Vitamin A deficiency affects the immune system and is linked to higher morbidity and mortality rates in children. In 2000 30.9 percent of the tested population had low blood Vitamin A levels. Despite a programme to supplement under-fives with Vitamin A, in 2000 only 28.8 percent of children had received it in the previous year. Iron deficiency and anaemia is common with levels of anaemia in 2000 at 27.4 percent overall with a rate of 48.2 percent in children under the age of five and 31.3 percent in females. Causes include (but are not limited to) poor dietary intake, chronic infections and a high parasite load.

### **Non-Communicable Diseases**

Non-communicable diseases (including cancers, cardiovascular diseases, diabetes, and mental disorders) increase rapidly in societies in economic transition. Although the focus of health development is mainly on communicable diseases, the investment in non-communicable diseases tends to focus on tertiary facilities rather than on primary prevention, such as effective tobacco control. Mental health is an area that has been particularly neglected, where both public and professional awareness is lacking. Those mentally ill are not well protected in the Lao PDR and may endure inappropriate interventions.

### **Health Care Quality, Access and Utilization**

Despite improvements in the spread of health care coverage, the overall quality of health service delivery remains low. Under-financing of the public health sector severely affects the provision of health services in terms of recurrent budgets and the ability to provide a salary sufficient to motivate good performance from staff. There are currently over 10,000 health volunteers who have increased village access to health care, but the supervision and support of these volunteers needs to be strengthened to ensure they provide quality services.

The increased prevalence of private health care, mainly private pharmacies, has meant proximity to services has improved rapidly for many people, namely those in urban areas and those with cash. Efforts have been made over the past ten years to improve the quality of services of private pharmacies by developing tools and guidelines including the Good Pharmacy Practice (GPP) as well as the national strategies to limit non-qualified pharmacies, identify illegal products which are usually fake and substandard, and increase inspections in the market and at the official port of entry. Public health services suffer from a shortage of available qualified health personnel, partially due to a shortage of health workers but also due to misdistribution of health workers favouring urban settings. The skill level of health care workers is affected by a relative neglect of pre-service training in favour of in-service training by donors.

### **Health Care Promotion and Disease Prevention**

There is a widespread perception among Lao people that disease and illness are an expected part of life and something to be endured. Health services and health workers focus on curative health care. Health promotion activities would also benefit from extension into Occupational Health and Safety, an area not adequately addressed at present.

The Expanded Programme on Immunization (EPI) was introduced in 1982 and now includes tuberculosis, measles, diphtheria, pertussis, poliomyelitis, tetanus and hepatitis B. Immunization coverage did improve with the EPI programme and one of the proudest achievements has been the elimination of polio and the declaration of 'Polio Free Status' in 2000. However

immunization coverage seems to have peaked and is now falling, with current estimates suggesting a rate of only 40 percent, which puts many women and children at risk and may even jeopardize the polio-free status. Immunization services are in a crisis, caused in part to logistical and managerial difficulties, lack of demand, remoteness of the population, and lack of integration of immunization with other health services. This problem is one of the highest priorities in the health sector.

### **Health Care Regulatory Framework**

The regulatory framework of the health sector is underdeveloped despite the introduction of the National Drug Policy (1993), Law on Drugs and Medical Equipment (2000), and the Public Health Law (2003). However there remains a lack of legislation, regulation and guidelines in many important health fields, as well as a lack of implementation procedures and enforcement mechanisms. Individuals and communities are often unaware of rights and duties under health care regulations.

### **Health Financing and Health Insurance**

The health sector remains critically under-funded and dependent on external support. Total health care spending is about US\$12 per person per year, including approximately 60 percent from household expenditure, 30 percent from donor sources and 10 percent from government tax revenue. Approximately two thirds of household health expenditure is spent privately, predominantly in private pharmacies or from a myriad of private drug sellers. The remaining third is spent on user fees in public institutions. Provincial and central hospitals receive between 48-83 percent of their recurrent budget from user fees. The dependence on user fees leads to exclusion of the poor and to irrational treatment and prescribing behaviour by health providers. Pre-payment, risk pooling, and cross-subsidization between social classes should become a long-term goal for health financing. Ideally, special financing provisions would be established for the poor, to ensure inclusion in health services. Social health insurance is on the increase, with the program for civil servants under reform and a new program for other formally employed workers. Both of these social security schemes apply to workers and their dependents, providing access to health care for approximately 12 percent of the population. Voluntary insurance schemes have been piloted for the informal sector but currently cover less than 1 percent of the population.

### **Water and Sanitation**

The Lao PDR has made substantial progress in water quality and sanitation. The proportion of the population with sustainable access to an improved water source (28 percent in 1990), rose to 52 percent, based on Report on National Health Survey, Health Status of the People in Lao PDR, National Institute of Public Health, Jan 2001. The proportion of the population with access to improved sanitation, (11 percent in 1990), had risen to 37.3 percent by 2000. In addition, the Government has been assisted to develop sound policies, strategies, investment plans and regulations and in 1996 introduced a Law on Water and Water Resources. In 1997 it presented a National Rural Water Supply and Sanitation Strategy, and in 1999 it established the Water Supply Authority (WASA). In 2003 the Government introduced a law on Hygiene, Disease Prevention, and Health Promotion. Whilst most investment in water quality has been through external assistance (grants or soft loans), there are also early signs of greater involvement from the private sector. However, it must be stated that external donor interest in the sector is waning in spite of huge needs.

Although coverage has improved, there are still some constraints. Water contamination and poor sanitation contribute directly to the high incidence of communicable disease and infection in the Lao PDR. The presence of standing water is also instrumental in spreading vector-borne diseases such as malaria and dengue. Although water supply and sanitation coverage have improved, access to safe drinking water and sanitary means of excreta disposal remains limited.

Environmental health awareness is lacking, and a majority of the population continues to rely on individual solutions to water supply and waste-water issues. Eliminating solid waste dumping and burning, controlling hazardous waste and regulating wastewater discharges are critical to preserving wellbeing and conserving the natural environment.

Although the Lao PDR generally has sufficient water resources, inadequate infrastructure for collecting, storing and disposing of household water is a widespread problem. Many people experience difficulty in getting safe water, especially in rural areas during the dry season, and much of the water used for domestic purposes is unsafe for consumption. Surface and ground water are both subject to contamination by runoff. Most villages use the same water source for human consumption, food preparation, personal washing and household laundry. This water source is often also the drinking trough for animals. Access to piped water is limited to major towns bordering the Mekong River while many smaller provincial towns lack a continuous water supply.

Many households, especially those in rural areas, have no access to safe sanitation. In both rural and urban areas there is an absence of standards and guidelines for the disposal of human excreta. Disposal relies predominantly on individual on-site disposal methods, without any formal regulation or standard. There is no centralized sewage or wastewater collection, treatment and disposal system in much of the Lao PDR. Rural people often defecate in woods, fields or other areas adjacent to villages, meaning that waste is often washed into water channels. In urban areas latrines are commonly open pits or septic tanks and septic tank effluent is not safely discharged.

#### Key Development Challenges in Health

- † Service Delivery and Access: Improve the quality of health care services with a focus on service delivery, and emphasis on maternal health, child/newborn health, and communicable disease control; Improve the coordination and planning of health care services, utilizing both internal and external resources; Improve health care access and appropriate utilization of health services for all Lao people;
- † Planning, Financial, and Human Resources: Improve health care financing by moving towards financing systems that emphasize pre-payment, risk pooling, and fairness or equity in financing; Improve human resources in the areas of quality, distribution, and motivation; and
- † Awareness and Promotion: improve health promoting behaviours at all levels.

## HIV and AIDS

Prevention and reduction of the impact of HIV/AIDS is important in order to achieve positive social and economic outcomes within Lao PDR, as represented in MDG six (combat HIV and AIDS, Malaria and other communicable diseases). Specifically, Target 7 in the Lao MDG Progress Report (2004) seeks to have halted (and begun to reverse) the spread of HIV/AIDS by 2015. Indicators for progress in this regard focus on HIV prevalence, condom usage patterns and prevention awareness among young women and sex workers<sup>6</sup>. The right to life is central to most international human rights charters. Additional related rights are enshrined in the ASEAN Declaration (2001) and implied in the Lao Government's HIV/AIDS policy. In the past 2 years, a more focused national approach has begun to emerge, including discussions on priority behaviours to be targeted (such as unsafe sex) and the need to design targeted interventions. Guided by the National Strategic Plan on HIV/AIDS/STD 2002-2005 and the National Action Plan on HIV/AIDS/STD 2002-2005, Lao PDR is beginning to address HIV/AIDS in a more comprehensive way.

### Highlights in HIV/AIDS

In recent times Lao PDR has witnessed the appearance of a number of participatory programs for discussing HIV/AIDS and related issues and supporting those affected or at risk. A Lao Network of HIV Positive People has been established, sex-workers have started running their own drop in centres (and providing peer support) and MSM/transgender groups are beginning to emerge. Groups of Lao young people have been involved in peer support and prevention programs (targeting STI, HIV and drug use) for some time. These incremental steps represent significant progress for the Lao community at large.

The first person with HIV in the Lao PDR was identified in 1990 and the first person with AIDS in 1992. At the end of 2004, the official cumulative number of people identified with HIV was 1470, of whom 835 were known to be living with AIDS. 556 have already died. Sixty-two percent of reported HIV cases were male and 38 percent female. The HIV prevalence rate for persons between 15 and 49 years is less than 0.05 percent. More than 50 percent of those infected are between the ages of 20 and 39 years. Awareness of HIV/AIDS is limited and access to the means of gaining information is also lacking. 30.7 percent of women have never heard of HIV/AIDS. While the exact number of children affected is unknown, given the high fertility rate for every parent infected, there would be many children affected.

### Acceleration and Awareness

The national authorities estimate that more than 83 percent of HIV infections result from unprotected heterosexual intercourse (the remainder from maternal transmission, homosexual transmission and injecting drug use). Surveillance data is limited and the official figures are widely believed to not reflect the "real" situation with regard to HIV/AIDS in the Lao PDR. While HIV/AIDS remains almost entirely invisible in the general population, trends have been recorded among vulnerable groups (particularly sex workers and their clients) that may well lead to a concentrated epidemic. The latest figures show an increase in the HIV seroprevalence among sex workers from 0.9 percent in 2001 to 2.2 percent in 2004. In one province the prevalence among sex workers reached 4 percent, in another 3.3 percent, and it was above 1 percent in 3 others.

Increasing HIV seroprevalence among sex workers can be seen as the take-off point for an epidemic. In Thailand, a concentrated epidemic among sex workers and their clients led to a wave of infections from husbands to their wives, which in turn led to a wave of children being born with HIV. Hence, the emergence of HIV among sex workers could ultimately lead to increase HIV vulnerability of population groups usually not considered as "at risk" (i.e. housewives and children). Moreover, many Lao men are currently looking for work either within

<sup>6</sup> "Sex worker" is an overall term for women who sell sex either for money or in-kind benefits, working in small drink shops and nightclubs ('service women'), or can be contacted by clients via other means.

the country (particularly on large infrastructure projects) or outside the country (as seasonal or long term labour migrants, mostly to Thailand and Viet Nam). Mobile male populations are vulnerable to HIV in that they are likely clients of sex workers, thereby creating the bridge between sex workers and the general population. Available data shows that consumption of commercial sex in the last twelve months was highest among truck drivers and electricity workers (40 percent and 39 percent respectively) followed by police (32 percent) and military (19 percent).

The expanding clothing and textile industries recruit many young rural women. These women are vulnerable to sexual exploitation and/or organized recruitment into the sex trade and are often not aware of the existence of HIV/AIDS or trafficking. Some women seek additional income in the sex industry to supplement their low pay rates or are forced to seek alternative employment when their jobs are no longer available to them.

In recent years, the use of recreational drugs has rapidly expanded in the Lao PDR. Amphetamines are at present the drug of choice (either taken orally, inhaled or injected). There is thought to be a number of sex workers who also inject drugs. International evidence shows that injecting drug use (through sharing of injecting equipment) may substantially accelerate an HIV epidemic. Alcohol also plays a significant role in the spread of HIV, particularly in commercial sex. It appears there is a clear correlation between men's alcohol consumption and their willingness to purchase sex. Furthermore, under the influence of alcohol men are less likely to use condoms.

HIV and AIDS has reached already much higher prevalence levels in all neighbouring countries (Cambodia, Thailand, Vietnam, Myanmar and China). The risk of rising prevalence in the Lao PDR is heightened by low levels of HIV and AIDS awareness and limited access to services (information, condoms, voluntary counselling, testing and care). Social, cultural, economic and other factors such as high levels of poverty and a widening generation gap further enhance HIV vulnerability of the Lao PDR, especially of its young people. Without scaled-up prevention services, increased population mobility, internal and external labour migration and changes in lifestyles and sexual behaviours could all be ingredients for an accelerated spread of the epidemic. For the Lao PDR this means that the only choice left is between a small and a large epidemic. The window of opportunity to contain and reverse the epidemic is closing fast.

An accelerated epidemic with higher mortality in the productive age group could start a "vicious circle". The impact of HIV and AIDS would increase poverty, which would lead to increased vulnerability. This increased vulnerability could lead to more HIV infections and, in turn, a higher impact. Although specific projections for the Lao PDR are unavailable, current regional trends have direct implications for tackling HIV and AIDS locally. Every year between 2003 and 2015 a predicted average of 5.6 million people will be impoverished by HIV and AIDS in Cambodia,

### HIV Acceleration

The recent rise and predicted acceleration of HIV infection is a pressing and immediate concern for the Lao PDR. The nation is at a critical juncture for lacking awareness and behaviour before a widespread rise in HIV across the country. Immediate causes for this concern include poor access to protection (especially condoms), an increase in the number of sex workers and clients, a common resistance to condom use by Lao men (particularly after drinking alcohol) and a general limited HIV awareness, especially among women and girls. In addition to the common root causes identified in the CCA Rights Overview, this issue has a number of additional underlying causes. The stigmatization of individuals most at risk of HIV infection, the historical denial of HIV as an issue for Lao people, and a lack of cross-sector leadership on HIV, all contribute to the concern.

The community at large lack education, awareness and opportunities to learn more about HIV risks and protection. This is, once again, particularly true for more marginalised groups (women, remote communities and smaller ethnic groups). The most vulnerable, however, are the high-risk groups (service men and women, clients, and drug users). Capacity gaps for the Government and its development partners extend beyond those commonly identified to include a low level of willingness to tackle the sensitive issues of empowerment, sexual behaviours and targeted social measures. The UN and other external partners may be required to address the taboos and sensitive issues as well as health and prevention.

India, Thailand and Vietnam alone. As well the negative impact on socio-economic development and the loss of life, the burden of disease would change and would put further stress on the health sector and local communities. Low capacity at all levels, a health-centred response, limited engagement across different line ministries and donor driven interventions have historically limited the reach and coverage of national HIV and AIDS initiatives.

### **National Responses**

In a low prevalence setting like in the Lao PDR, the response to HIV and AIDS must recognize which are the key behaviours to target, and in what settings people are vulnerable to HIV and AIDS. Addressing vulnerability requires a better understanding of the culture or subculture, society, and other contextual factors that may form constraints to successful behaviour change. Social values and beliefs, low level of awareness, stigmatization, strictly limit the opportunities for behavioural change and the capacity to get access to quality health care. To address vulnerability and problems in health sector the government and its development partners need to provide supportive policies and strategies. More participatory and cross-sectoral development responses are required and, moreover, the historical denial of HIV and AIDS related issues – including sex work, drug use, youth sexuality and homosexuality – must be overcome if an HIV epidemic of larger proportions is to be averted.

#### Key Development Challenges in HIV/AIDS

- † Financing and Resources: develop and cost a multi-year operational framework including yearly national programs with clear strategies and targets; change from individual funded projects to result oriented program funding; improve national reporting and accountability;
- † Leadership and commitment: increase, sustain and broaden political commitment and leadership at all levels; include HIV/AIDS related activities into national development plans; increase resource allocation, including new partners and stake-holders; actively engage ministries and national authorities outside the health sector; translate commitment into meaningful institutional mechanisms that can lead and coordinate an expanded national response; commit to a rights based response, choosing supportive strategies rather than punitive approaches; address denial, stigma and discrimination; provide an enabling environment and targeted interventions; and
- † National responses: rapidly scale-up the response of well prioritized and targeted interventions focusing on the most vulnerable groups; improve the quality of interventions; establish an effective system to track the epidemic, and to monitor and evaluate the response and impact; build capacity at all levels; establish an effective and functioning national coordination mechanism; include the target population in all stages of the response; expand the coverage of treatment services; facilitate access to the means of protection (i.e. condoms, clean injecting equipment); integrate HIV/AIDS prevention and care activities into other nationwide systems (e.g. education, uniformed services).

To be truly effective the national response has to focus prevention efforts on the most vulnerable groups. Specifically this includes sex workers and their clients, vulnerable young people especially in rural areas and from small ethnic groups, men who have sex with men (MSM), and drug users. Such groups are often either criminalized (sex workers, drug users) or stigmatized (MSM), and existing values, norms and beliefs make it difficult to respond to their needs. Evidence from other countries suggests quality peer-support and peer-education programs can positively influence drug or sex related behavioural change (including increased condom use). According to available data, only a small percentage of sex workers in the Lao PDR have been reached by such peer-led interventions at this stage. Addressing vulnerability also requires facilitating better access to condoms, improving access to primary health care (including STI treatment) and addressing client–sex worker relations (especially violence).

Recognizing the importance of targeting vulnerability, the success and quality of interventions is similarly dependent on organizational change. Program managers, decision makers and implementing organizations will have to review their approaches, including the target population, across all levels. This includes the planning, implementation and monitoring of programs. With

support from international donors, the Lao PDR has started to provide care and support services, including anti-retroviral therapy in one selected area (Savannakhet). Several organizations are also working with self-help groups for people infected (and affected), drug users and men who have sex with men. At present the Savannakhet centre is the only treatment facility in the Lao PDR and people have to travel long distances to access it. In order to strengthen the link between prevention and care, the Lao PDR will have to make every effort to establish more treatment options for people infected with HIV and AIDS.

## Cross-Cutting Development Issues

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### **Resettlement and Migration**

Issues of resettlement have emerged as significant and complex factors in the Lao PDR's development. Resettlement refers to the movement of villages from their original locations to different areas and is known to occur for a number of reasons. Most resettlement has been associated with people's search for better economic prospects and with the government's development policies. These motivations may be regarded as steps towards the achievements of MDGs one and seven. Common objectives have underpinned most recent resettlement: the provision of services to remote communities and the integration of remote areas into the market economy, the elimination of slash and burn agriculture in order to preserve the country's forest resources, the eradication of opium cultivation.

One of the biggest challenges to development in the Lao PDR includes access to remote communities in upland areas often populated by ethnic groups. In an attempt to attract these communities the government has designated "focal sites" and consolidated villages in the lowland areas near roads and in areas assessed as being suitable for lowland paddy rice cultivation. This has resulted in movement of people from the upland areas to the lowlands.

The resettlement and migration practices and trends remain closely linked to an array of factors that are often developmental, structural and institutional. Numerous studies have found that while on the one hand families do migrate semi-spontaneously with the hopes of a better livelihood and lifestyle, on the other, several get caught in what has been referred to as a policy-induced squeeze (CPI 2005)<sup>7</sup>. While GOL policies induce villagers to migrate in order to better access government services and thereby offer the chance for improved livelihoods, it is also often the case that migratory trends exacerbate already tenuous livelihood situations in the original upland or highland villages. Issues surrounding local government capacities to implement planned activities, including service delivery and emergency response capacity, rights to adequate and to pursue alternate livelihoods, and the possible deterioration in the quality of land because of over-population in the new sites are critical issues that require further attention. Concerns that rapid movement of population causes social and livelihood disruption need to be addressed. In addition, support activities (such as training in agricultural practices suitable for the new location) and the provision of basic services (such as health and sanitation) also require further strengthening.

The conversion from the traditional slash and burn cultivation to paddy cultivation involves a change in agricultural techniques which many of the resettled communities might be unprepared for. A poverty assessment undertaken by the State Planning Committee (2000)<sup>8</sup> recognises that "of the poor villages...90 percent were dependent upon widen agriculture as their primary means of livelihood. But it was also characteristic of poor villages that their widen systems had been traumatised in a variety of ways resulting from at least two (and sometimes more) types that were identified during the assessment: natural disasters, pests, resettlement and land allocation. In poor villages, when such traumas or disturbances in a livelihood system occur, rice yields decrease". Such situations can lead to increased food insecurity. A dialogue between Government and development partners on this complex issue may improve the situation.

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<sup>7</sup> Committee for Planning and Investment (CPI), Livelihood Study funded by UNDP, and ECHO (final draft report), 'Service Delivery and Resettlement: Options for Development Planning', Authors: Charles Alton, Houmphanh Rattanavong, 2005. See also, UNDP National Human Development Report Lao PDR 2001 Advancing Rural Development"

<sup>8</sup> State Planning Committee, 'Poverty in the Lao PDR: Participatory Poverty Assessment (PPA)', Lao PDR (supported by ADB), 2000, pp. 5-6

#### Key Development Challenges: Resettlement

- † Policy Dialogue: establishing and supporting a policy dialogue between donors and the government on resettlement; ensuring that resettlement fits within a coordinated long-term vision of development; and
- † Planning and Implementation: ensuring resettlement practices involve adequate preparation and are undertaken on a fully voluntary basis; encouraging villages with development potential at their current location to optimise their potential prior to exploring resettlement; ensuring that the infrastructural needs of those migrating are adequately met.

#### **UXO/Mine Action**

The Lao PDR is the most heavily bombed nation in the world (per capita). During the Indochina conflict from the mid-1960s to the mid-1970s, the Lao PDR was the venue for extensive ground battles and bombing. US bombing records indicate that from 1964 to 1973, more than 580,000 bombing missions were carried out over the country, dropping more than two million tonnes of bombs. Many of the bombs dropped were cluster bombs, dispensing submunition bomblets (bombies) with an estimated failure rate of 10-30 percent. In addition to bombies, the Lao PDR is contaminated with unexploded heavy bombs, rockets, grenades, artillery munitions, mortars, and landmines.

Thirty years after the 1973 ceasefire, UXO continues to limit the physical safety, livelihoods and food security of people in a minimum of 25 percent of all villages in the Lao PDR. High levels of poverty in rural communities often correlate with high levels of UXO contamination. Such large-scale UXO contamination has resulted in vast amounts of land remaining unsafe for agricultural or community use. Two thirds of the landmass of the Lao PDR is contaminated with UXO, and many of the most highly contaminated villages are in remote, difficult to reach areas of the country. As the population growth rate increases, there is pressure for more land, which may be UXO contaminated, to be opened up for food production. And as poverty has yet to be alleviated in many remote, rural areas, some vulnerable communities are faced with the dilemma of taking the risk of tampering with UXO for economic gain, or continuing to live in impoverished conditions.

High UXO contamination has also resulted in more than 11,000 casualties since 1975. Approximately one third of UXO victims die almost immediately following the accident. Many victims die or suffer severe injuries because they cannot reach the nearest hospital. Survivors typically suffer severe wounding and trauma, with approximately 65 percent requiring upper limb amputations. Survivors may also suffer blindness, deafness, burns or paralysis. The average cost of treatment for survivors can require up to half a rural family's annual income, imposing a significant financial burden. In addition, children with disabilities are often denied access to education, trapping them in a cycle of poverty and disadvantage.

UXO contamination poses an ongoing humanitarian and development challenge to the Government and people of the Lao PDR. The Government estimates that it will take no less than ten years of concerted effort to clear UXO from the most highly impacted priority agricultural and development sites. Community education (to reduce the risks posed by UXO), victim assistance (to support survivors of related accidents) and survey and clearance operations (to remove the risks of UXO) are all high priorities of the Government. Furthermore, the Government has created the National Regulatory Authority (NRA) for the UXO/Mine Action (UXO/MA) sector and has adopted a ten year National Strategic Plan. UXO is also a priority acknowledged and targeted in the NGPES and is central to achieving MDGs one and seven.

#### Key Development Challenges: UXO and Mine Action

- † Policy Implementation and Regulatory Framework: achieve the fully operational establishment of the UXO National Regulatory Authority; implement the 10 year UXO National Strategic Plan; and
- † Financing and Resources: mobilize resources for UXO programs; improve the integration of UXO/Mine action into other development activities.

## **Drug Control**

The Lao PDR is a party to the three international conventions on narcotic drugs, and is thus committed to eliminating illicit opium poppy cultivation. Actions towards this end include the approval of significant policies and the enactment of legislation that forms a legal framework for opium elimination and the control of illicit substances. The Seventh Party Congress identified the elimination of opium and poverty as national policy priorities. Opium elimination in the Lao PDR is directly linked to achieving MDG 1. The 2004 national opium survey indicates that opium poppy cultivation has been reduced by 75 percent over the last six years and that the Lao PDR is close to reaching its goal of eliminating opium.

The estimated 2,056 villages (70,000 households) growing opium poppy in 1998 has been reduced to an estimated 846 villages (14,800 households) growing opium poppy during 2004. More than 26,837 hectares of opium poppy were cultivated in 1998 placing the Lao PDR as the third largest producer of illicit opium in the world. Annual national opium surveys indicate that this was reduced in 2004 to some 6,610 hectares of which the Government reports only 3,556 hectares were actually harvested. Despite such reductions, opium was still produced in six out of the eleven northern provinces in 2004 and the Lao PDR still has one of the highest rates of opium addiction in the world. The traditional opium poppy growers are semi-subsistence farmers from the ethnic minorities living in highland areas where access is difficult. Opium farmers are generally poorer than farmers living in lowland areas due to poor road access and the lack of social infrastructure such as health and education. Given the easy availability, recreational and medicinal use of opium has led to widespread addiction among farmers. Addiction leads to negative outcomes in health and productivity and, in turn, increases poverty. Of the 47 “poorest districts” identified under the NGPES, more than two thirds grow opium poppy.

Opium growing households experience a higher incidence of rice insecurity and try to cope by planting and utilizing other sources of food, such as maize and root crops. The 2005 Opium Survey estimated the average annual cash income of an opium-producing household at US\$139, against an annual income of non-opium producing households of US\$231. There is a strong, positive correlation between opium addiction and opium cultivation in the households. Households with addicts are especially vulnerable as their productivity is significantly reduced. A recent study on coping strategies of former opium farmers indicates that women, in particular, gain from the elimination of opium. They did most of the backbreaking work in the opium fields, and they and their children suffered from their husbands’ addiction in terms of malnutrition and domestic violence. Now, these women have more time to be with the family, work closer to home and are better able to tend livestock, grow vegetables and go to markets.

By mid 2005, the Government had officially declared all provinces free of opium production. As the Lao PDR approaches a ‘post opium’ setting, many farmers have adapted or are adapting to livelihoods without opium poppy. Some earn more now than they used to from opium. In some areas, however, opium elimination has not been matched by the provision of alternative livelihoods. This is particularly concerning, given the poverty and exclusion common to such farmers even before the change. Challenges are especially great in areas where there has been poorly planned resettlement and where there are indications of overexploitation of forest resources. The Lao PDR is at a critical juncture. The Government, in compliance with international conventions and national policies, is committed to eliminate illicit opium poppy cultivation and has set the goal of achieving this by 2005. The risk of not providing sufficient and appropriate assistance at this critical point could easily reverse successes already achieved. The likely effect of losing the confidence and trust of communities and possible resurgence of illicit drug production could affect the peace, security and stability that are prerequisites for development and elimination of poverty.

Since the launch of the Opium Elimination Program the trafficking and abuse of Amphetamine Type Stimulants (ATS) has increased dramatically. Increased availability may be linked to increased movement across Lao borders. Similarly, a reduction in opium availability may be tied to the emergence of a market for alternative drugs. ATS use and dependency greatly increases vulnerability to negative economic, social and health outcomes. Injecting behaviour is also linked to the spread of HIV and AIDS. The Government has formulated a Drug Demand Reduction Strategy that includes ATS, however a law enforcement strategy for dealing with drug traffic is yet to be established. Government and development partners bear the task of preventing the spread of ATS and minimizing the risk of opium demand being replaced with ATS demand.

#### Key Development Challenges: Drug Control

- † Opium Elimination: create a sustainable human development environment that will enable illicit opium production to remain eliminated with due understanding and concern for the living conditions of the communities involved;
- † Treatment and Support: ensure coping strategies adopted by former opium farmers are consistent with proper environmental resource management practices; provide treatment to recovering addicts and prevent relapse; and
- † Preventative Measures: ensure that other drugs such as ATS are prevented from taking the place of opium as a major health and social problem; prevent cross border and transit trafficking of illicit substances

### **Child Vulnerability**

Children may be particularly vulnerable due to limited protection where the primary care givers are either absent or themselves vulnerable, changes in the social fabric as the country liberalizes, work demands and an inadequate education environment. The emergence of new social issues such as violence, trafficking, commercial sexual exploitation and drug abuse, particularly in urban areas, has left children at higher risk than in the past. Traditional family and community coping strategies are being challenged as complex and sensitive issues emerge for young people. Limited resources have impacted on the ability of the social sector to respond to the growing number of children in need of protection.

### **Human Trafficking**

Human trafficking affects a diverse group of people and touches a range of rights issues. The crime is linked to poverty, population growth, migration patterns, resettlement programs and a range of other causes. Human trafficking is also the result of demand for exploitative labor, particularly in the absence of efficient regulatory frameworks and law enforcement. Victims of trafficking are often subjected to violence, isolation, exploitation and forced labour for the benefit of others. For Lao victims, commercial sexual exploitation, domestic service and factory work seem to be the main destination sectors. In keeping with other migratory patterns, Thailand is the primary international destination.

The Lao Government has responded positively, cooperating with the UN and other partners on projects to prevent trafficking and introducing a range of legal processes, institutional arrangements and frameworks to combat the issue. Lao PDR has committed to a regional initiative of Mekong countries and the 2004 Law on the Development and Protection of Women recognises trafficking in women and children as a crime (and includes provisions for victim's rights and the prosecution of offenders). To effectively combat trafficking, however, development partners must look at population movements and those underlying systems of inequality and discrimination that make certain populations more vulnerable.

#### Key Development Challenges in Human Trafficking

- Ø Protection: Improve measures to identify and protect trafficking victims; stop punitive responses (fines, re-education) to returned migrant populations; and
- Ø Legal Frameworks: continue to support and strengthen legal frameworks to help prevent and respond to human trafficking.

## Annex One: CCA Indicator Framework

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This section includes indicators in the following categories:

- A. Contextual Indicators**
- B. Comparison of Localized MDG Goals and Targets with Lao Development Goals (LDGs)**
- C. Selected Indicators used for Monitoring Millennium Declaration and Goal 8**
- D. Conference & Convention Indicators on Governance, Justice Administration, Democracy and Security of Persons**
- E. 100 Core Indicators for the Lao PDR Monitoring at Outcome and Impact level**

### **Data Limitations**

As discussed in the *Development in Lao PDR* Chapter, availability of data is considered a major constraint in policymaking and progress monitoring in the Lao PDR. Data disaggregation by sex, location and ethnicity is improving but does not yet support adequate analysis and policy formulation. The data collection carried out as part of the MDG reporting process in 2003 and 2004 highlighted a number of data gaps that remain unaddressed. There are a range of reasons for the data constraints including poor coordination between line ministries and agencies (and between donors and development partners) on data collection and analysis efforts. In addition, Government lacks the human resources and financial capacity to undertake data collection, analysis and reporting. At this stage the decree on statistics is yet to be adequately implemented. Data collection and analysis is also expensive, requiring continued and consistent support from international partners.

Towards the end of 2005 a number of important data collection exercises will be concluded that will greatly assist in strengthening statistical knowledge in the Lao PDR, including the ten year census (last conducted in 1995), the reproductive health survey, and the HIV AIDS survey. This information will assist in an ongoing manner with the implementation of the UNDAF (2006-2011).

The National Statistics Centre currently holds primary responsibility for data collation and analysis and has recently adopted Dev-Info<sup>9</sup> as the primary software tool to manage data. Dev-Info will provide a one-stop data management capacity for monitoring indicators at the outcome and impact level in the Lao PDR, including indicators for monitoring the CCA and UNDAF, the NGPES, ASEAN indicators, the MDGs, the National Human Development Report, and other Government reporting needs. A core list of 100 indicators has been developed by the National Statistics Centre for this purpose in consultation with line Ministries and relevant Government offices<sup>10</sup> and is provided in section E of this annex.

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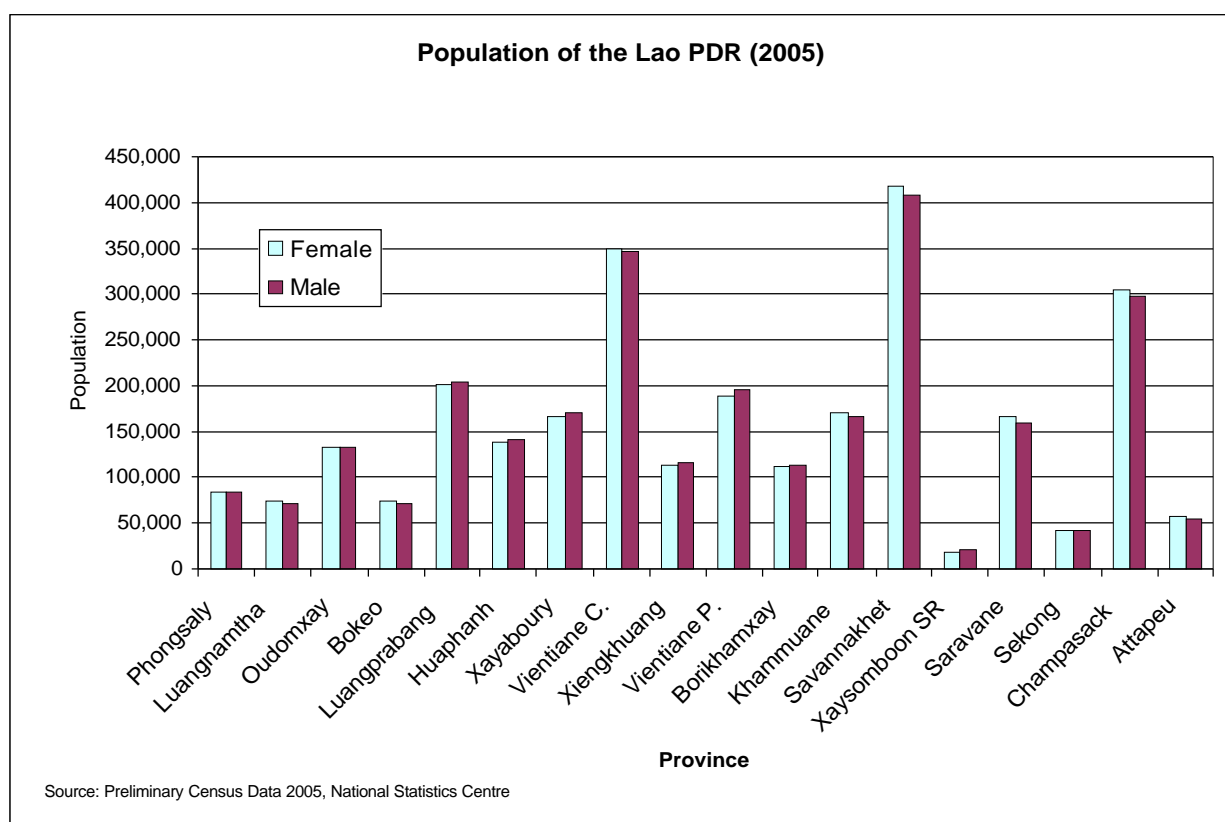
<sup>9</sup> *Dev-Info is a software management tool developed by UN HQ and adapted at the local country level to enable governments to strengthen their national reporting capacities. Dev-Info in Laos is expected to be finalized, launched and available online in late 2005, early 2006, in both Lao and English languages.*

<sup>10</sup> *At the time of writing, the core indicators were still under consultation with the Line Ministries.*

## A. Contextual Indicators

Indicators	Value					Year
Total population	5. 62 million					2005
Population density	23. 7 people per square km					2005
Population growth rate	2. 1 percent per year					2005
Population living in rural areas	72.8 percent					2005
Infant mortality rate	70 deaths per 1,000 live births					2005
Life expectancy at birth	59 years (male) 63 years (female)					2005
Under-five mortality rate	97.6 deaths per 1,000 live births					2005
Maternal mortality ratio	405 deaths per 100,000 live births					2005
<b>Population distribution by gender, sex ratio, and growth rate by province<sup>11</sup></b>						2005
	Female	Male	Total	% of population in each province	Sex ratio female/male	Population growth rate
<b>North</b>						
Phongsaly	82,838	83,109	<b>165,947</b>	3.0	100.33	
Luangnamtha	73,599	71,711	<b>145,310</b>	2.6	97.43	
Oudomxay	133,126	132,053	<b>265,179</b>	4.7	99.19	
Bokeo	73,162	72,101	<b>145,263</b>	2.6	98.55	
Luangprabang	203,429	203,610	<b>407,039</b>	7.2	100.09	
Huaphanh	139,372	141,611	<b>280,938</b>	5.0	101.64	
Xayaboury	167,633	171,036	<b>338,669</b>	6.0	102.03	
<b>Center</b>						
Vientiane C.	349,624	348,694	<b>698,318</b>	12.4	99.73	
Xiengkhuang	113,944	115,652	<b>229,596</b>	6.0	101.50	
Vientiane P.	191,433	197,462	<b>388,895</b>	6.9	103.15	
Borikhamxay	111,293	114,008	<b>225,301</b>	4.0	102.44	
Khammuane	171,825	165,565	<b>337,390</b>	6.0	96.36	
Savannakhet	419,101	406,801	<b>825,902</b>	14.7	97.07	
Xaysomboon SR	18,686	20,737	<b>39,423</b>	0.7	110.98	
<b>South</b>						
Saravane	165,508	158,819	<b>324,327</b>	5.8	95.96	
Sekong	43,041	41,954	<b>84,995</b>	1.5	97.47	
Champasack	306,524	300,846	<b>607,370</b>	10.8	98.15	
Attapeu	57,338	54,782	<b>112,120</b>	2.0	95.54	
<b>Total</b>	<b>2,821,431</b>	<b>2,800,551</b>	<b>5,621,982</b>	<b>100.0</b>	<b>99.26</b>	<b>2.1</b>
Urban	759,904	763,043	1,522,137	27.1	100.5	
Rural with road	1,452,837	1,442,342	2,895,179	51.5	99.3	
Rural without road	607,122	590,947	1,198,069	21.3	97.3	
NS	2,378	4,219	6,597	0.1	177.4	

<sup>11</sup> Source: Population and Housing Census 2005



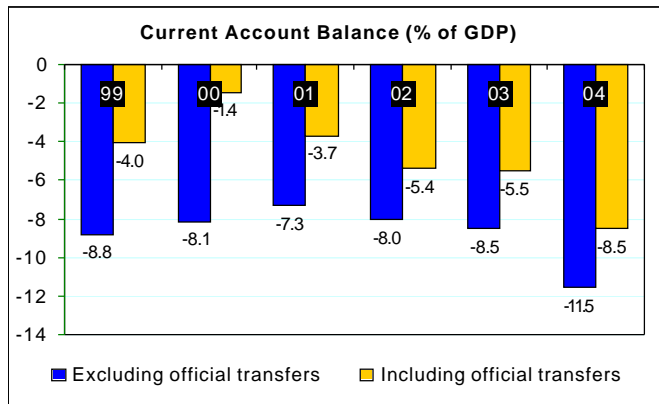
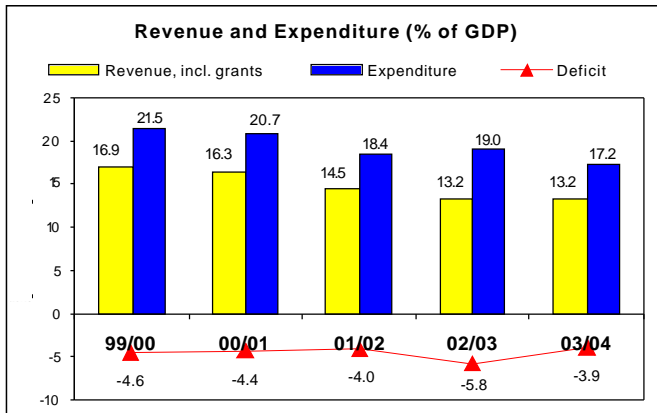
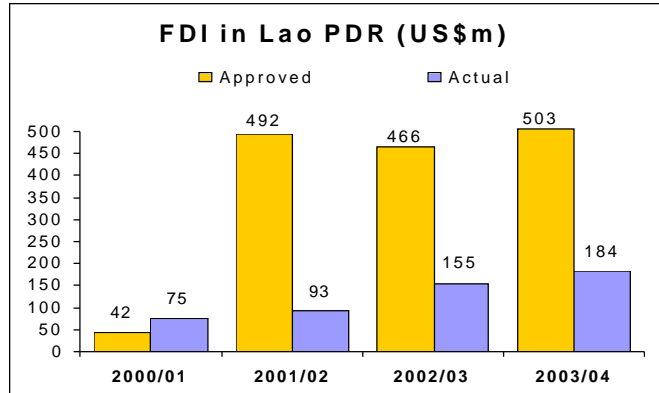
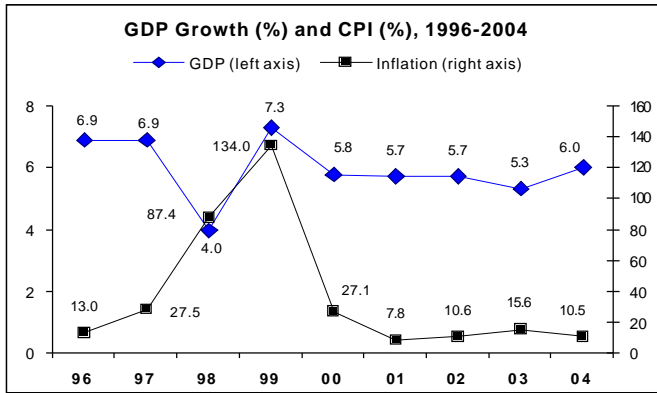
<b>ECONOMY</b>		
<b>Indicators</b>	<b>Value</b>	<b>Year</b>
<b>GDP per capita</b>	USD\$ 427	2004
<b>Real GDP growth<sup>12</sup></b>	5.9 percent	2003
<b>Projected growth GDP<sup>13</sup></b>	6-7 percent	2006-10
<b>External debt (US\$) as percentage of GNP</b>	83.7	2004
<b>Decadal growth rate of GNP per capita (US\$)</b>	2.1	1994-2004
<b>Gross domestic savings as percentage of GDP</b>	14.4	2003
<b>Total trade (exports plus imports) as percentage GDP</b>	59.4	2003
<b>Share of foreign direct investment inflows in percentage of GDP</b>	3.3	2003
<b>Budget deficit as percentage of GDP</b>	-3.9	2003/04
<b>Percentage of public expenditure in health &amp; education (as GDP percent)</b>	2.9	2002/03
<b>Share of manufacturing value added (as GDP percent)</b>	18.2	2003

<sup>12</sup> Source: WEO general economic environment table for Lao PDR, IMF

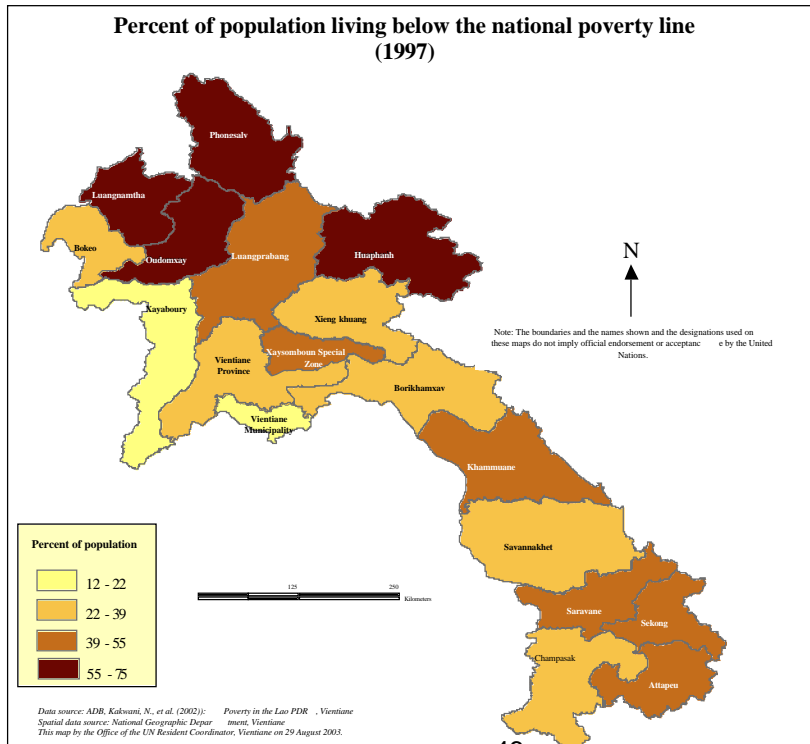
<sup>13</sup> Source: IMF medium term outlook, 2005

Source: First national progress report on the MDGs, 2004, unless otherwise stated

### Summary of Economic Performance



Source: IMF and Lao authorities



## B. Comparison of Localized MDGs & Targets with Lao Development Goals (LDGs)

<b>Goal 1: Eradicate Extreme Poverty &amp; Hunger</b>			
<b>Target 1: Halve between 1990 – 2015, the proportion of people living in poverty</b>	<b>1990 Baseline for Lao PDR</b>	<b>2015 Target for Lao PDR</b>	<b>LDGs: Lao Development Goals<sup>14</sup>:</b>
<b>001a:</b> Proportion of people living below the national poverty line	<b>48 percent</b>	<b>24 percent</b>	Halve incidence of poverty by 2005 and to eradicate poverty by 2010__ <i>(note that this refers to the national poverty line)</i>
<b>002:</b> Poverty gap ratio (incidence times depth of poverty)	<b>12 percent</b>	<b>6 percent</b>	
<b>003:</b> Share of poorest quintile in national consumption	<b>9.3 percent (1992)</b>	Target under consideration by Lao Government	
<b>Target 2: Halve between 1990 –2015 the proportion of people suffer from hunger</b>	<b>1990 Baseline for Lao PDR</b>	<b>2015 Target for Lao PDR</b>	There is no national target on underweight children, but there is a national target on malnutrition; to reduce by 40 percent of malnourished children by 2005.
<b>004:</b> Prevalence of underweight in children under five years of age	<b>40 percent</b>	<b>20 percent</b>	
<b>005:</b> Proportion of population below minimum level of dietary energy consumption	<b>31 percent</b>	<b>16 percent</b>	
<b>Goal 2: Achieve Universal Primary Education</b>			
<b>Target 3: Ensure that by 2015, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling</b>	<b>1990 Baseline for Lao PDR</b>	<b>2015 Target for Lao PDR</b>	<b>LDGs: Lao Development Goals:</b>
<b>006:</b> Net enrolment in primary school	<b>58 percent (1991)</b>	<b>98 percent</b>	Increase primary net enrolment rate to 80 percent (by 2000) and to 85 percent (by 2005)
<b>007:</b> Proportion of pupils starting grade 1 who reach grade 5	<b>47.7 percent (1991)</b>	<b>95 percent</b>	
<b>008:</b> Literacy rate in the age group 15-24 years	<b>78.5 percent (2001)</b>	<b>99 percent</b>	Increase adult literacy rate (persons aged 15-40) to 85 percent (between 2001-2005)
<b>Goal 3: Promote Gender Equality &amp; Empowerment of Women</b>			
<b>Target 4: Eliminate gender disparity in primary &amp; secondary education, preferably by 2005, &amp; to all levels of education no later than 2015</b>	<b>1990 Baseline for Lao PDR</b>	<b>2015 Target for Lao PDR</b>	<b>LDGs: Lao Development Goals:</b>
<b>009:</b> Ratio of girls to boys in primary, secondary, and tertiary education	<b>62.2 percent (1991)</b>	<b>100 percent</b> of girls per 100 boys enrolled	Gender is among the four cross-sectoral policy priorities in the NGPES. No specific national gender targets have been set except those in the MDG Report.
<b>010:</b> Ratio of literate women to men, 15-24 years of age	<b>81.5 percent (1995)</b>	<b>100 percent</b>	
<b>011:</b> Share of women in wage employment in the non-agricultural sector	<b>37.5 percent (1995)</b>	Target under consideration by Lao Government	

<sup>14</sup> Sources of Lao National Targets : Socio-Economic Development Plans 1996-2000, Socio-Economic Development and Investment Requirements 1997-2000, the Education Strategic Vision 2000, the Marco-Economic Policy and reform Framework 2000, Health Strategy up to the Year 2020, and the Framework of Strategic Vision on Forest Resource Management to the Year 2020.

<b>012:</b> Proportion of seats held by women in the national parliament (percent)	<b>6.3 percent</b>	Target under consideration by Lao Government	
<b>Goal 4: Reduce Child Mortality</b>			
<b>Target 5: Reduce by two-thirds the under-five mortality rate</b>	<b>1990 Baseline for Lao PDR</b>	<b>2015 Target for Lao PDR</b>	<b>LDGs: Lao Development Goals:</b>
<b>013:</b> Under-five mortality rate	<b>170</b> deaths per 1,000 live births	<b>55</b> deaths per 1,000 live births	Reduce U5MR to 100 per 1000 live births (by 2005) and 30 per 1000 live births (by 2020).
<b>014:</b> Infant mortality rate	<b>134</b> deaths per 1,000 live births	<b>45</b> deaths per 1,000 live births	Reduce IMR to 75 per 1000 live births (by 2005) and 20 per 1000 live births (2020).
<b>015:</b> Proportion of one-year old children immunized against measles	<b>62 percent</b> (1996)	<b>90 percent</b>	
<b>Goal 5: Improve Maternal Health</b>			
<b>Target 6: Reduce by three quarters the maternal mortality ratio</b>	<b>1990 Baseline for Lao PDR</b>	<b>2015 Target for Lao PDR</b>	<b>LDGs: Lao Development Goals:</b>
<b>016:</b> Maternal mortality ratio	<b>750</b> deaths per 100,000 live births	<b>185</b> deaths per 100,000 live births	Reduce maternal mortality rate to 355.5 per 100,000 live births (by 2005) and then 130 per 100,000 live births (by 2020).
<b>016a:</b> Contraceptive prevalence rate	<b>13 percent</b>	<b>55 percent</b>	Increase the contraceptive prevalence to 35 percent (by 2005) and then 60-65 percent (by 2020).
<b>017:</b> Proportion of births attended by skilled health personnel	<b>14 percent</b> (1994)	<b>80 percent</b>	
<b>Goal 6: Combat HIV AIDS, Malaria and Other Diseases</b>			
<b>Target 7: Have halted by 2015, and begun to reverse, the spread of HIV/AIDS</b>	<b>1990 Baseline for Lao PDR</b>	<b>2015 Target for Lao PDR</b>	<b>LDGs: Lao Development Goals:</b>
<b>018a:</b> HIV prevalence among 15-24 year old commercial service women	<b>0.4 percent</b> (2001)	<b>&lt;1 percent</b>	Lao National Targets for HIV/AIDS are aligned with MDG targets.
<b>019a:</b> Proportion of 15-24 year old women who have ever used a condom during sexual intercourse	<b>0.9 percent</b> (1994)	<b>20 percent</b>	
<b>019b:</b> Proportion of 15-24 year old commercial service women reporting consistent use of condom with non-regular sexual partners in the past 12 months	<b>44.7 percent</b> (2000)	<b>70 percent</b>	
<b>020a:</b> Proportion of 15-24 year old women who know how to prevent RTIs/STDs	<b>32.3 percent</b> (2000)	<b>70 percent</b>	
<b>020b:</b> Proportion of 15-24 year old commercial service women who correctly identify ways of preventing sexual transmission of HIV and reject major misconceptions about HIV transmission or prevention	<b>20 percent</b> (2000)	<b>70 percent</b>	

<b>Target 8: Have halted by 2015 &amp; begun to reverse, the incidence of malaria &amp; other major diseases</b>	<b>1990 Baseline for Lao PDR</b>	<b>2015 Target for Lao PDR</b>	<b>LDGs: Lao Development Goals:</b>
<b>021:</b> Death rate associated with malaria	<b>9</b> deaths per 100,000	<b>0.2</b> deaths per 100,000	Reduce major diseases such as malaria, diarrhea and respiratory infections (1996-2000).
<b>021a:</b> Morbidity rate due to malaria	<b>44</b> suspected cases per year per 1,000	<b>15</b> suspected cases per year per 1,000	
<b>022:</b> Proportion of population in malaria risk areas using effective malaria prevention and treatment measures	<b>23.9 percent</b> (2000)	<b>100 percent</b>	
<b>022a:</b> Proportion of population in malaria risk areas protected by impregnated bed nets	<b>25 percent</b> (1999)	<b>100 percent</b>	
<b>023:</b> Prevalence rate associated with tuberculosis	<b>144</b> per 100,000	<b>50</b> per 100,000	
<b>024.1:</b> Proportion of tuberculosis cases detected under directly observed treatment short course (DOTS)	<b>24 percent</b> (1996)	<b>70 percent</b>	
<b>024.2:</b> Proportion of tuberculosis cases cured under DOTS	<b>72 percent</b> (1996)	<b>85 percent</b>	
<b>Goal 7: Ensuring Environmental Sustainability</b>			
<b>Target 9: Integrate the principles of sustainable development into country policies &amp; programmes, &amp; reverse the loss of environmental resources</b>	<b>1990 Baseline for Lao PDR</b>	<b>2015 Target for Lao PDR</b>	<b>LDGs: Lao Development Goals:</b>
<b>025:</b> Proportion of land forest cover	<b>47 percent</b> (1992)	Target under consideration by Lao Government	Eliminate opium eradication by 2005; end slash-and-burn cultivation by 2010; establish 500,000 hectares of new tree plantations (2000-2020) and reduce area of shifting cultivation to min. level (up to 2005)
<b>026:</b> Area protected to maintain biological diversity as proportion of total surface area (percent)	<b>11.9 percent</b> (1993)	Target under consideration by Lao Government	
<b>028.1:</b> Carbon dioxide emissions from fossil fuels (metric tons per capita)	<b>0.1</b> metric tons per capita	Target not set. Lao PDR does not produce enough CO2 emissions	
<b>028.1a:</b> Carbon dioxide emissions from all emission sources (metric tons per capita)	<b>4.1</b> metric tons per capita	Target not set. Lao PDR does not produce enough CO2 emissions	
<b>028.2:</b> Consumption of ozone-depleting chlorofluorocarbons	<b>50.1</b> metric tons of ozone depleting material	<b>0</b> metric tons of ozone depleting potential	
<b>029:</b> Proportion of population using solid fuels	<b>97 percent</b>	Target not set.	

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(percent)	(1995)	Lao PDR does not produce enough CO2 emissions	
<b>Target 10: Halve, by 2015, the proportion of people without access to safe drinking water</b>	<b>1990 Baseline for Lao PDR</b>	<b>2015 Target for Lao PDR</b>	<b>LDGs: Lao Development Goals:</b>
<b>030:</b> Proportion of the population with sustainable access to improved water source	<b>28 percent</b>	<b>80 percent</b>	Improve accessibility to clean water to 70 percent of all villages and to sanitary latrines to 50 percent (1996-2000)
<b>031a:</b> Proportion of [urban] population with access to improved sanitation	<b>11 percent</b>	<b>70 percent</b>	Increase the supply of clean water to 75 percent of urban households (1996-2000)
<b>Target 11: By 2020 to have achieved a significant improvement in the lives of at least 100 million slum dwellers</b>	<b>1990 Baseline for Lao PDR</b>	<b>2015 Target for Lao PDR</b>	<b>LDGs: Lao Development Goals:</b>
<b>032:</b> proportion of households with access to secure tenure, urban areas (percent)	<b>90.7 percent (1995)</b>	Target not set not considered a major issue for Laos	

### C. Selected Indicators used for Monitoring Millennium Declaration and Goal 8

<b>MDG Goal 8: Develop a Global Partnership for Development</b>	<b>Lao National Indicators</b>
<p><b>Target 12:</b> Develop further an open, rules-based, predictable, non-discriminatory trading and financial system. Includes a commitment to good governance, development, and poverty reduction — both nationally and internationally</p>	<p>Lao National Target is to sustain economic growth with equity at the moderate rate of about 7 percent, for tripling per capita income by 2020</p> <p>Increase gross service production by 10-11 percent per year (1996-2000)</p> <p>Reduce fiscal deficit to no more than 10 percent of GDP (1996-2000)</p> <p>Increase budget revenues to 16-16.5 percent of GDP(1996-2000)</p> <p>Reduce external trade deficit to no more than 12 percent of GDP (1996-2000)</p> <p>Increase exports by 12 percent and imports by 10.5 percent per year (1996-2000)</p>
<p><b>Target 13:</b> Address the special needs of the least developed countries. Includes: tariff and quota free access for least developed countries' exports; an enhanced programme of debt relief for HIPC's and cancellation of official bilateral debt; and more generous ODA for countries committed to poverty reduction</p>	<p>Attract US \$2 billion in foreign investment (1996-2000)</p> <p>Achieve an average annual increase in gross retail distribution of 13 percent per year(1996-2000)</p> <p>Increase investments in socio-cultural sectors to 25 percent of total investments (2000-2001)</p> <p>Limit the inflation rate to less than 20 percent and then to less than 10 percent per year (2001-2002)</p>
<p><b>Target 14:</b> Address the special needs of landlocked countries and small island developing States through the Programme of Action for the Sustainable Development of Small Island Developing States and the outcome of the twenty-second special session of the General Assembly</p>	<p>Increase budget revenue to 14-18 percent of GDP (average growth of 1.0-1.5 percent per year) (2000-2005)</p> <p>Reduce budget deficit to less than 5 percent of GDP (average of 0.5-1.0 percent per year) (2000-2005)</p> <p>Increase public savings to 10 percent of GDP (2000-2005)</p>
<p><b>Target 15:</b> Deal comprehensively with the debt problems of developing countries through national and international measures in order to make debt sustainable in the long term</p>	<p>Increase investments from domestic resources to 10 percent of GDP (2005)</p> <p>Manufactured exports as a percentage of merchandise exports</p> <p>Primary exports as a percentage of merchandise exports</p>
<p><b>Target 16:</b> In cooperation with developing countries, develop and implement strategies for decent and productive work for youth</p>	<p>Agriculture as employment by economic activity (MoLSW, Census data)</p> <p>Industry as employment by economic activity (MoLSW, Census data)</p> <p>Services as employment by economic activity (MoLSW, Census data)</p>
<p><b>Target 17:</b> In cooperation with pharmaceutical companies, provide access to affordable essential drugs in developing countries</p>	
<p><b>Target 18:</b> In cooperation with the private sector, make available the benefits of new technologies, especially information and communications</p>	<p>Number of Cellular Phone Subscribers (MoTCPC, Annual Report)</p> <p>Number of Internet users (MoTCPC, Annual Report)</p> <p>Number of Telephone lines (MoTCPC, Annual Report)</p> <p>Number of Personal computers in use (MoTCPC, Annual Report)</p>

**D. Conference & Convention Indicators on Governance, Justice Administration, Democracy and Security of Person<sup>15</sup>**

Conference Goal	Target	Indicator <sup>16</sup>	Lao Progress / Status of where right is enshrined
<b>Democracy and Popular Participation</b>	Strengthened democratic institutions and popular participation	Existence of independent broadcasting and print media	<i>To be determined after further consultation</i>
		Number of independent employers organizations operating in the country	<i>To be determined after further consultation</i>
		Number of independent NGOs/CSOs operating in the country	<i>To be determined after further consultation</i>
		Number of independent workers organizations operating in the country	<i>To be determined after further consultation</i>
		Recognition in law of the right to freedom of expression, association and assembly	"Lao citizens have freedom of movement and residence as prescribed by law." Lao Constitution Article 27
			"Lao citizens have the right and freedom to believe or not believe in religions" Lao Constitution Article 30
			"Lao citizens have freedom of speech, press and assembly; of associations and of demonstrations which are not contrary to the law." Lao Constitution Article 31
			"Lao citizens have freedom to conduct research, to apply advanced sciences, techniques and technologies; to create artistic and literary works and to engage in cultural activities which are not contrary to the law." Lao Constitution Article 32
Periodicity of free and fair elections	"Lao citizens 18 years of age and over have the right to vote, and those 21 years of age and over have the right to be elected, except for insane persons and persons whose right to vote and to be elected have been revoked by a court." Lao Constitution Article 23		

<sup>15</sup> Under consultation with governance colleagues in UNDP and governance project staff based on what is relevant, and measurable in the Lao context. Will also need extensive consultation with the GoL

<sup>16</sup> Taken from 2000 CCA.

Conference Goal	Target	Indicator <sup>16</sup>	Lao Progress / Status of where right is enshrined
			<p>“The National Assembly is the representative organ of the people. The election of members of the National Assembly shall be carried out through the principles of universal, equal and direct suffrage, and secret ballot. Voters have the right to propose the dismissal of their own representatives if they are found to be unworthy or lose the confidence of the people.” Lao Constitution Article 4</p>
<b>International Legal Commitments for Human Rights</b>	Universal ratification of international human rights instruments	Status of follow-up to concluding observations of United nations human rights treaty bodies	For ratification status of international human rights instruments see Annex 2
		Status of ratification of, reservations to, and reporting obligations under, international human rights instruments	
	Cooperation with the UN system’s human rights monitoring mechanisms	Status of follow-up to recommendations made by the UN system’s human rights monitoring mechanisms	
<b>Administration of Justice</b>	Fair administration of justice	Availability of free legal assistance for the criminal defense of poor people	<i>To be determined after further consultation</i>
		Legal guarantees for independent judiciary	“Lao citizens have the right to lodge complaints and petitions and to propose ideas to relevant state organisations in connection with issues pertaining to the rights and interests of collectives or of their individuals. Complaints, petitions and ideas of citizens must be considered for solutions as prescribed by law.” Lao Constitution Article 28
		Procedural guarantees for fair trial	“The Governor, the Mayors and the district chiefs have the following rights and duties: To consider and resolve complaints, petitions and proposals within the scope of their jurisdiction as prescribed by law.” Lao Constitution Article 63 (4)  “The people’s courts make trials and pass sentence collectively. During the trials and sentence, judges are independent and must act only in accordance with the law.” Lao Constitution Article 68

Conference Goal	Target	Indicator <sup>16</sup>	Lao Progress / Status of where right is enshrined
			“Court proceedings must be conducted in public, except in cases as prescribed by law. The accused persons have the right to defend themselves. The Board of Legal Counsellors has the right to provide legal assistance to such accused persons.” Lao Constitution Article 69
			“In carrying out their duties, the Offices of Public Prosecution are subject only to the law and the instructions of the Public Prosecutor General.” Lao Constitution Article 74
	Improved framework of remedies	Recognition in law of the right to seek judicial remedies against state agencies/officials	<i>To be determined after further consultation</i>
<b>Liberty, Security and Protection of Person</b>	Provide protection for displaced persons	Number of internally displaced persons that have returned and been integrated	<i>To be determined after further consultation</i>
		Number of persons granted asylum/refugee status	<i>To be determined after further consultation</i>
		Number of refugees that have returned and been reintegrated	<i>To be determined after further consultation</i>
		Strengthened support to displaced persons for their return and reintegration	<i>To be determined after further consultation</i>
		Liberty and security of person	Number of complaints of extra-judicial executions
Governance and National Development	Development of a cost-effective and people centered public administration	Civil Service Data Base improved and systematically updated	<i>To be determined after further consultation</i>
		Service delivery standards (e.g. for health, education, agriculture and private sector) developed and reported on a regular basis	<i>To be determined after further consultation</i>
		Publication of manuals and information brochures on the organization, mandates and accountabilities of government organizations are available to all communities	<i>To be determined after further consultation</i>
		Transparent pay system and regular monitoring and reporting of Civil Service wages evolution	<i>To be determined after further consultation</i>
		Job descriptions in all public organizations	<i>To be determined after further consultation</i>

Conference Goal	Target	Indicator <sup>16</sup>	Lao Progress / Status of where right is enshrined
		Codes of ethics for priority targets groups drafted, discussed widely and adopted	<i>To be determined after further consultation</i>
		Assets of senior civil servants disclosed to the public on a regular basis	<i>To be determined after further consultation</i>
		National ICT standards are developed for the use of computers and standard operating procedures	<i>To be determined after further consultation</i>
	Ensuring people-centered development	A legal framework for civil society associations (CSAs) is developed	<i>To be determined after further consultation</i>
		Knowledge of governance among youth in secondary schools is enhanced	<i>To be determined after further consultation</i>
		Forums are conducted for exchange of ideas between the government and civil society organizations (CSOs)	<i>To be determined after further consultation</i>
		The availability and dissemination of laws and regulations, government policies and programs is increased	<i>To be determined after further consultation</i>
		Increase in the % of women in civil service	<i>To be determined after further consultation</i>
		Increase in the % of women senior managers in civil service (Director-General and above)	<i>To be determined after further consultation</i>
		Increase the % of women village chiefs	<i>To be determined after further consultation</i>
		The monitoring and reporting of local governance development and capacity building program is linked with the NGPES	<i>To be determined after further consultation</i>
		Local populations are involved in local project monitoring and evaluation	<i>To be determined after further consultation</i>
	Accountability and transparency to ensure sound management of financial resources	Tax administration procedures for detecting unregistered business, under-reported income, and collecting tax arrears are developed and reported	<i>To be determined after further consultation</i>
		Public expenditure arrears are reported on and are declining	<i>To be determined after further consultation</i>
		Provincial transfers to central treasury occur within agreed timeframes	<i>To be determined after further consultation</i>
		The number of businesses maintaining proper accounting records increases	<i>To be determined after further consultation</i>

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Conference Goal	Target	Indicator <sup>16</sup>	Lao Progress / Status of where right is enshrined
		The number of individuals paying taxes and number of businesses paying taxes increases	<i>To be determined after further consultation</i>
		The total value of all imports, amount of duty and taxes paid, and amount of duty foregone is reported	<i>To be determined after further consultation</i>
		The total value of all exports, amount of royalty and taxes paid and amount of duty foregone is reported	<i>To be determined after further consultation</i>
		The total value of imports for primary products, amount of duty and taxes paid, and amount of duty foregone is reported	<i>To be determined after further consultation</i>
		The total value of all exports for primary products, amount of royalty and taxes paid and amount of duty foregone is reported	<i>To be determined after further consultation</i>

**E. 100 Core Indicators for Lao PDR Monitoring at Outcome and Impact level <sup>17</sup>**

	Agency	Department	Sector	Class	Indicator	Source	MDG	ASEAN	NHDR
1	Bank of Lao PDR	Department of Economic Research	Economy	Development Assistance	Net official development assistance (ODA) received	BoL_Balance of payments			X
2	Bank of Lao PDR	Department of Economic Research with MoC, MoF, and NSC	Economy	Debt	Debt service as a percentage of exports of goods and services	BoL_Annual Report	X		X
3	Bank of Lao PDR	Department of Economic Research with MoC, MoF, and NSC	Economy	Trade	Exports of goods and services as a percentage of GDP	BoL_Annual Report			X
4	Bank of Lao PDR	Department of Economic Research with MoC, MoF, and NSC	Economy	Trade	Imports of goods and services as a percentage of GDP	BoL_Annual Report			X
5	Bank of Lao PDR	Department of Economic Research with MoC, MoF, and NSC	Economy	Development Assistance	Proportion of ODA provided to help build trade capacity	BoL_Annual Report	X		X
6	Bank of Lao PDR	Department of Economic Research with NSC	Economy	Debt	Debt service as a percentage of GDP	BoL_Balance of payments			X
7	Bank of Lao PDR	Department of Economic Research with NSC	Economy	Development Assistance	Net foreign direct investment inflows as a percentage of GDP	BoL_Balance of payments			X
8	Bank of Lao PDR	Department of Economic Research with NSC	Economy	Development Assistance	Net official development assistance (ODA) received as a percentage of GDP	BoL_Balance of payments			X
9	Bank of Lao PDR	Department of Economic Research with NSC	Economy	Development Assistance	Net official development assistance (ODA) received per capita	BoL_Balance of payments			X
10	Committee for Planning and Investment	National Statistics Centre	Economy	Production	Average annual change in consumer price index (Reflects average annual changes in the cost to the average consumer of acquiring a basket of goods and services that may be fixed or may change at specified intervals)	NSC_Annual Report			X
11	Committee for Planning and Investment	National Statistics Centre	Demography	Population Growth	Average annual population growth rate	NSC_Census		X	X
12	Committee for Planning and Investment	National Statistics Centre	Economy	Production	GDP	NSC_Annual Report			X
13	Committee for Planning and Investment	National Statistics Centre	Economy	Production	GDP per capita	NSC_Annual Report			X
14	Committee for Planning and Investment	National Statistics Centre	Economy	Production	GDP per capita average annual growth rate	NSC_Annual Report			X
15	Committee for Planning and Investment	National Statistics Centre	Economy	Income	Inequality measures - Gini index (Measures the extent to which the distribution of income (or consumption) among individuals or households within a country deviates from a perfectly equal	ADB_PL 2002			X

<sup>17</sup> Currently under discussion by the National Statistics Centre, Government of Lao PDR. Baseline data to be provided.

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	Agency	Department	Sector	Class	Indicator	Source	MDG	ASEAN	NHDR
					distribution. A value of 0 represents perfect equality, a value of 100 perfect inequality.)				
16	Committee for Planning and Investment	National Statistics Centre	Demography	Population	Population size	NSC_Census		X	X
17	Committee for Planning and Investment	National Statistics Centre	Economy	Income	Poverty gap ratio (Poverty gap ratio is the mean distance separating the population from the poverty line (with the non-poor being given a distance of zero), expressed as a percentage of the poverty line)	ADB_PL 2002	X	X	
18	Committee for Planning and Investment	National Statistics Centre	Economy	Income	Poverty headcount ratio (The poverty headcount ratio is the proportion of the national population whose incomes are below the official threshold (or thresholds) set by the national government)	ADB_PL 2002	X	X	
19	Committee for Planning and Investment	National Statistics Centre	Information Communication	Television	Proportion of households which possess a television set	NSC_Census			X
20	Committee for Planning and Investment	National Statistics Centre	Environment	Tenure	Proportion of households with access to secure tenure	LAO_CPC Census 1995	X	X	
21	Committee for Planning and Investment	National Statistics Centre	Nutrition	Dietary Intake	Proportion of population below minimum level of dietary energy consumption	FAO_SOFI 2000	X	X	X
22	Committee for Planning and Investment	National Statistics Centre	Environment	Energy	Proportion of population using solid fuels	LAO_SPC RHS 2000	X		
23	Committee for Planning and Investment	National Statistics Centre	Economy	Income	Share of poorest quintile in national consumption	ADB_PL 2002	X	X	X
24	Committee for Planning and Investment	National Statistics Centre	Women	Empowerment	Share of women in wage employment in the non-agricultural sector	LAO_CPC Census 1995	X	X	
25	Committee for Planning and Investment	National Statistics Centre	Demography	Population Growth	Total fertility rate	LAO_SPC RHS 2000		X	X
26	Committee for Planning and Investment	NSC with National Human Development Report Project	Economy	Employment	Contributing family workers				X
27	Committee for Planning and Investment	NSC with National Human Development Report Project	Economy	Development	Education index (One of the three indices on which the human development index is built. It is based on the adult literacy rate and the combined primary, secondary and tertiary gross enrolment ratio)	Calculated			X
28	Committee for Planning and Investment	NSC with National Human Development Report Project	Economy	Income	Estimated earned income (PPP)				X
29	Committee for Planning and Investment	NSC with National Human Development Report Project	Economy	Production	GDP (PPP)				X

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	Agency	Department	Sector	Class	Indicator	Source	MDG	ASEAN	NHDR
30	Committee for Planning and Investment	NSC with National Human Development Report Project	Economy	Development	GDP index (GDP index is one of the three indices on which the human development index is built. It is based on GDP per capita (PPP US\$).)	Calculated			X
31	Committee for Planning and Investment	NSC with National Human Development Report Project	Economy	Production	GDP per capita (PPP)				X
32	Committee for Planning and Investment	NSC with National Human Development Report Project	Women	Empowerment	Gender-related development index (Reflects inequalities between men and women in the average achievement of the three dimensions of human development —a long and healthy life, knowledge, and a decent standard of living.)	Calculated			X
33	Committee for Planning and Investment	NSC with National Human Development Report Project	Economy	Development	Human development index (Reflects the average achievement of the three dimensions of human development —a long and healthy life, knowledge, and a decent standard of living.)	Calculated			X
34	Committee for Planning and Investment	NSC with National Human Development Report Project	Economy	Income	Human poverty index (HPI-1) for 94 developing countries (Measures the deprivation in the three dimensions of human development —a long and healthy life, knowledge, and a decent standard of living.)	Calculated			X
35	Committee for Planning and Investment	NSC with National Human Development Report Project	Economy	Development	Life expectancy index (One of the three indices on which the human development index is built. It is based on the life expectancy at birth.)	Calculated			X
36	Committee for Planning and Investment	NSC with National Human Development Report Project	Women	Empowerment	Ratio of estimated female to male earned income	Calculated			X
37	Committee for Planning and Investment	NSC with National Human Development Report Project	Economy	Trade	Terms of trade (1980 = 100) (The ratio of the export price index to the import price index measured relative to a base year. A value of more than 100 means that the price of exports has risen relative to the price of imports.)				X
38	Ministry of Agriculture and Forestry	Department of Forestry	Environment	Environmental Resources	Proportion of land area covered by forest	LAO_MoAF-DoF NRS 1992	X	X	
39	Ministry of Commerce	Department of Foreign Trade	Economy	Trade	Manufactured exports as a percentage of merchandise exports				X
40	Ministry of Commerce	Department of Foreign Trade	Economy	Trade	Primary exports as a percentage of merchandise exports				X

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	Agency	Department	Sector	Class	Indicator	Source	MDG	ASEAN	NHDR
41	Ministry of Education	Department of Formal Education	Education	Tertiary Education	Gross enrolment ratio in combined primary, secondary and tertiary education				X
42	Ministry of Education	Department of Formal Education	Education	Secondary Education	Lower secondary education attainment				X
43	Ministry of Education	Department of Formal Education	Education	Primary Education	Net enrolment ratio in primary education	LAO_MoE Annual Reports 2002/03	X	X	
44	Ministry of Education	Department of Formal Education	Education	Primary Education	Primary completion rate		X		
45	Ministry of Education	Department of Formal Education	Education	Primary Education	Primary education attainment				X
46	Ministry of Education	Department of Formal Education	Education	Primary Education	Proportion of pupils starting grade 1 who reach grade 5	LAO_MoE Annual Reports 2002/03	X	X	
47	Ministry of Education	Department of Formal Education	Education	Gender Equity	Ratio of girls to boys in lower secondary education	LAO_MoE Annual Reports 2002/03	X		X
48	Ministry of Education	Department of Formal Education	Education	Gender Equity	Ratio of girls to boys in primary education	LAO_MoE Annual Reports 2002/03	X	X	X
49	Ministry of Education	Department of Formal Education	Education	Gender Equity	Ratio of girls to boys in tertiary education	LAO_MoE Annual Reports 2002/03	X	X	X
50	Ministry of Education	Department of Formal Education	Education	Gender Equity	Ratio of girls to boys in upper secondary education	LAO_MoE Annual Reports 2002/03	X	X	X
51	Ministry of Education	Department of Formal Education	Education	Tertiary Education	Tertiary students in science, math and engineering				X
52	Ministry of Education	Department of Non Formal Education with NSC	Education	Literacy	Adult illiteracy rate			X	X
53	Ministry of Education	Department of Non Formal Education with NSC	Education	Literacy	Adult literacy rate			X	X
54	Ministry of Education	Department of Non Formal Education with NSC	Education	Literacy	Literacy rate of 15-24 year-olds	LAO_MoE LNLNLS 2001	X	X	X
55	Ministry of Education	Department of Non Formal Education with NSC	Education	Gender Equity	Ratio of literate women to men of 15-24 year-olds	LAO_MoE LNLNLS 2001	X	X	
56	Ministry of Finance	Department of Budget with Ministry of Education and NSC	Economy	Expenditure	Public expenditure on education as a percentage of GDP			X	X
57	Ministry of Finance	Department of Budget with Ministry of Education and NSC	Economy	Expenditure	Public expenditure on education as a percentage of total government expenditure			X	X
58	Ministry of Finance	Department of Budget with Ministry of Health and NSC	Economy	Expenditure	Public expenditure on health as a percentage of GDP				X
59	Ministry of Health	MoH-Department of Planning with NSC	Health	Safe Motherhood	Contraceptive prevalence rate	LAO_SPC RHS 2000	X	X	X
60	Ministry of Health	MoH-Department of Planning with NSC	Health	Child Survival	Infant mortality rate	LAO_SPC RHS 2000	X	X	

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	Agency	Department	Sector	Class	Indicator	Source	MDG	ASEAN	NHDR
61	Ministry of Health	MoH-Department of Planning with NSC	Demography	Life Expectancy	Life expectancy at birth			X	X
62	Ministry of Health	MoH-Department of Planning with NSC	Health	Maternal Survival	Maternal mortality ratio	LAO_SPC RHS 2000	X	X	
63	Ministry of Health	MoH-Department of Planning with NSC	Nutrition	Malnutrition	Prevalence of underweight (moderate and severe)	LAO_MoH NHS 2000	X	X	
64	Ministry of Health	MoH-Department of Planning with NSC	Economy	Expenditure	Private expenditure on health as a percentage of GDP				X
65	Ministry of Health	MoH-Department of Planning with NSC	Demography	Life Expectancy	Probability at birth of not surviving to age 40 as a percentage of cohort				X
66	Ministry of Health	MoH-Department of Planning with NSC	Health	Immunization	Proportion of 1 year-old children immunized against measles	LAO_SPC MICS II 2000	X	X	
67	Ministry of Health	MoH-Department of Planning with NSC	Health	Immunization	Proportion of 1 year-old children immunized against TB				X
68	Ministry of Health	MoH-Department of Planning with NSC	Health	HIV/AIDS	Proportion of 15-24 year old women to know how to prevent RTIs/STDs	LAO_SPC RHS 2000	X		
69	Ministry of Health	MoH-Department of Planning with NSC	Health	HIV/AIDS	Proportion of 15-24 year old women who have ever used a condom during sexual intercourse	LAO_SPC RHS 2000	X		X
70	Ministry of Health	MoH-Department of Planning with NSC	Health	Safe Motherhood	Proportion of births attended by skilled health personnel	LAO_SPC RHS 2000	X	X	
71	Ministry of Health	MoH-Department of Planning with NSC	Health	Health Care	Proportion of population with access to affordable essential drugs on a sustainable basis		X	X	X
72	Ministry of Health	MoH-Department of Planning with NSC	Health	Child Survival	Under-five mortality rate	LAO_SPC RHS 2000	X	X	
73	Ministry of Health	National Center for Malarialogy, Parasitology, and Entomology	Health	Malaria	Death rate associated with malaria	LAO_CMPE 2003	X	X	X
74	Ministry of Health	National Center for Malarialogy, Parasitology, and Entomology	Health	Malaria	Morbidity rate due to malaria (suspected cases per year per 1,000)	LAO_CMPE 2003	X	X	
75	Ministry of Health	National Center for Malarialogy, Parasitology, and Entomology	Health	Malaria	Proportion of population in malaria risk areas protected by impregnated bed nets	LAO_CMPE 2003	X		X
76	Ministry of Health	National Center for Malarialogy, Parasitology, and Entomology	Health	Malaria	Proportion of population in malaria risk areas using effective malaria prevention measures	LAO_MoH NHS 2000	X		X
77	Ministry of Health	National Centre for Environmental Health and Water Supply	Environment	Sanitation	Proportion of population with access to improved sanitation	LAO_NCEHWS 2003	X	X	
78	Ministry of Health	National Centre for Environmental Health and Water Supply	Environment	Water	Proportion of population with sustainable access to an improved water source	LAO_NCEHWS 2003	X	X	
79	Ministry of Health	National Centre for Environmental Health and Water Supply	Environment	Water	Proportion of population without sustainable access to an improved water source	LAO_NCEHWS 2003			X
80	Ministry of Health	National Committee for the Control of AIDS	Health	HIV/AIDS	HIV prevalence among 15-24 year old commercial service women	LAO_FHI HSS-SPPS 2001	X		X

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	Agency	Department	Sector	Class	Indicator	Source	MDG	ASEAN	NHDR
81	Ministry of Health	National Committee for the Control of AIDS	Health	HIV/AIDS	Proportion of 15-24 year old commercial service women who correctly identify ways of preventing sexual transmission of HIV and who reject major misconceptions about HIV transmission or prevention	LAO_FHI BSS 2000	X		
82	Ministry of Health	National Committee for the Control of AIDS	Health	HIV/AIDS	Proportion of 15-24 year old commercial sevice women reporting consistent use of a condom with non-regular sexual partners in the past 12 months	LAO_FHI BSS 2000	X		
83	Ministry of Health	National Tubercuosis Centre	Health	Tuberculosis	Prevalence of tuberculosis	LAO_NTBC NPAS-TB 2001	X	X	
84	Ministry of Health	National Tubercuosis Centre	Health	Tuberculosis	Proportion of tuberculosis cases cured under directly observed treatment short course - DOTS	LAO_NTBC NPAS-TB 2001	X	X	X
85	Ministry of Health	National Tubercuosis Centre	Health	Tuberculosis	Proportion of tuberculosis cases detected under directly observed treatment short course - DOTS	LAO_NTBC NPAS-TB 2001	X	X	X
86	Ministry of Labour and Social Welfare	MoLSW-Department of Planning	Economy	Employment	Agriculture as employment by economic activity	based on Census		X	X
87	Ministry of Labour and Social Welfare	MoLSW-Department of Planning	Economy	Employment	Industry as employment by economic activity	based on Census		X	X
88	Ministry of Labour and Social Welfare	MoLSW-Department of Planning	Economy	Employment	Services as employment by economic activity	based on Census		X	X
89	Ministry of Transport, Communication, Post, and Construction	MoTCPC-Department of Planning	Information Communication	Telephones	Cellular subscribers	Annual Report	X	X	X
90	Ministry of Transport, Communication, Post, and Construction	MoTCPC-Department of Planning	Information Communication	Internet	Internet users	Annual Report	X	X	X
91	Ministry of Transport, Communication, Post, and Construction	MoTCPC-Department of Planning	Information Communication	Telephones	Telephone lines	Annual Report	X	X	X
92	National Assembly	Secretariat of the National Assembly	Women	Empowerment	Proportion of seats held by women in national parliament	LAO_NA 2002	X	X	X
93	Prime Ministers Office	National Committee for Drug Control with NSC	Drugs and Crime	Drug Control	Area under illicit cultivation of opium poppy	Opium survey			X
94	Prime Ministers Office	Science, Technology, and Environmental Agency	Environment	Pollution	Carbon dioxide emission per capita from all emission sources	LAO_GoL FNCCC 2000	X	X	X

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	Agency	Department	Sector	Class	Indicator	Source	MDG	ASEAN	NHDR
95	Prime Ministers Office	Science, Technology, and Environmental Agency	Environment	Pollution	Carbon dioxide emissions per capita from fossil fuels	World Bank_WDI 2002	X	X	X
96	Prime Ministers Office	Science, Technology, and Environmental Agency	Environment	Pollution	Consumption of ozone-depleting CFCs	LAO_STEA ODS 1999	X	X	
97	Prime Ministers Office	Science, Technology, and Environmental Agency	Information Communication	Computers	Personal computers in use		X	X	X
98	Prime Ministers Office	Science, Technology, and Environmental Agency	Environment	Environmental Resources	Ratio of area protected to maintain biological diversity to surface area	LAO_STEA NEAP 2000	X		
99	World Bank	Department of World Development Indicators	Economy	Income	Proportion of population below \$1 (PPP) per day (WB regularly estimates poverty based on the \$1 a day poverty line. Estimates are based on incomes or consumption levels derived from household surveys. Poverty in a country is estimated by converting the \$1 a day poverty line to local currency using the latest purchasing power parity (PPP) exchange rates for consumption taken from WB estimates)	World Bank_WDI 2002	X		X
100	World Bank	Department of World Development Indicators	Economy	Income	Proportion of population below \$2 (PPP) per day	World Bank_WDI 2002			X

Annex Two: Multilateral Instruments / Conventions where Lao PDR is/is not a Contracting Party<sup>18</sup>

Instrument	Lao PDR Signatory	Date Signed (S) Ratified (R)
<b>HUMAN RIGHTS</b>		
International Convention on Economic, Social and Cultural Rights (ICESCR)	Ü	7/12/2000
International Convention on Civil and Political Rights (ICCPR)	Ü	7/12/2000
Optional Protocol on the International Convention on Civil and Political Rights (ICCPR)	X	
Second Optional Protocol to Int'l Covenant on Civil/Political Rights, Aiming at Abolition of Death Penalty	X	
Convention on the Elimination of all Forms of Racial Discrimination (CERD)	Ü	24/03/1974 <sup>19</sup>
Amendment to article 8 of Convention on the Elimination of all Forms of Racial Discrimination (CERD)	X	
Convention Against Torture (CAT)	X	
Amendments to articles 17(7) and 18(5) of the Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment	X	
Convention on the Elimination of all Forms of Discrimination Against Women (CEDAW)	Ü	13/09/1981
Amendment to article 20, para. 1 of Convention on Elimination of All Forms of Discrimination against Women	X	
Optional Protocol to Convention on the Elimination of all Forms of Discrimination Against Women (CEDAW)	X	
Convention on the Rights of the Child check	Ü	07/06/1991
Amendment to article 43 (2) of the Convention on the Rights of the Child	Ü	22/09/1997
Optional Protocol on CRC regarding children in armed conflict	X	
Optional Protocol on CRC on the Sale of Children, Child Prostitution and Child Pornography	X	
Convention on the Prevention and Punishment of the Crime of Genocide	Ü	8/12/1950
Convention on the Non-applicability of Statutory Limitations to War Crimes and Crimes against Humanity	Ü	28/12/1984 <sup>20</sup>
International Convention on the Suppression and Punishment of the Crime of Apartheid.	Ü	5/10/1981
International Convention against Apartheid in Sports	X	
International Convention on Protection of the Rights of All Migrant Workers and Members of Their Families	X	
Agreement establishing Fund for the Development of Indigenous Peoples of Latin America and Caribbean	X	
<b>REFUGEES AND STATELESS PERSONS</b>		
Convention on the status relating to refugees	X	
Constitution of the International Refugee Organization	X	
Convention relating to the Status of Stateless Persons	X	
Convention on the Reduction of Statelessness	X	
Protocol relating to the Status of Refugees	X	
<b>PENAL MATTERS</b>		
International Convention for the Suppression of Terrorist Bombings	Ü	22/08/2002
<b>DISARMAMENT</b>		
Convention on Prohibitions or Restrictions on the Use of Certain Conventional Weapons which may be deemed to be Excessively Injurious or to have Indiscriminate Effects (and Protocols I, II and III)	Ü	3/01/1983
Convention on the Prohibition of the Development, Production, Stockpiling and Use of Chemical Weapons and on Their Destruction	Ü	13/05/1993
Comprehensive Nuclear-Test-Ban Treaty	Ü	30/7/1997
Convention on the Prohibition of Military or Any Other Hostile Use of Environmental Modification Techniques	Ü	S 3/04/1978 R 5/10/978
Convention on Prohibitions or Restrictions on the Use of Certain Conventional Weapons which may be deemed to be Excessively Injurious or to have Indiscriminate Effects (and Protocols I, II and III).	Ü	3/01/1983 <sup>21</sup>
Additional Protocol to the Convention on Prohibitions or Restrictions on the Use of Certain Conventional Weapons which may be deemed to be excessively Injurious or to have Indiscriminate Effects (Protocol IV, entitled Protocol on Blinding Laser Weapons).	X	
Protocol on Prohibitions or Restrictions on the Use of Mines, Booby-Traps and Other Devices as amended on 3 May 1996 (Protocol 11 as amended on 3 May 1996) annexed to the Convention on Prohibitions or Restrictions on the Use of Certain Conventional Weapons which may be deemed to be Excessively Injurious or to have Indiscriminate Effects.	X	
Convention on the Prohibition of the Development, Production, Stockpiling and Use of Chemical Weapons and on their Destruction.	Ü	S 13/05/1993 R 25/02/1997
Convention on the Prohibition of the Use, Stockpiling, Production and Transfer of Anti-Personnel Mines and on their Destruction.	X	
<b>ENVIRONMENT</b>		
World Heritage Convention	Ü	20/03/1987

<sup>18</sup> Abbreviated list. Full list can be sourced from the publication of the Lao Ministry of Foreign Affairs, International Treaties Department, Oct 2004, downloadable from <http://www.undplao.org/governance/Publication>

<sup>19</sup> The Lao PDR has not made a declaration under article 14 of the Convention recognizing the competence of the Committee on the Elimination of All Forms of Racial Discrimination (and/or a national body) to receive and consider communications from individuals or groups of individuals within its jurisdiction, claiming to be victims of violation by the State under the provisions of the Convention

<sup>20</sup> Declaration by the Lao PDR: "The Lao People's Democratic Republic accedes to the above-mentioned Convention and undertakes to implement faithfully all its clauses, except for the provisions of articles V and VII of the Convention on the Non-Applicability of Statutory Limitations to War Crimes and Crimes against Humanity adopted by the United Nations General Assembly on 26 November 1968, which contravene the principle of the sovereign equality of States. The Convention should be open to universal participation in accordance with the purposes and principles of the Charter of the United Nations."

<sup>21</sup> A signature was affixed on behalf of the Lao PDR on 2 November 1982, i.e. after the time-limit of 10 April 1982 prescribed by article 3 of the Convention, as a result of an administrative oversight. The signature was cancelled; the Government of the Lao PDR subsequently acceded (on 3 January 1983) to the Convention, accepting the three Protocols.

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Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES)	Ü	01/03/2004
Convention on the Conservation of Migratory Species of Wild Animals (CMS)	X	
Convention on Wetlands of International Importance especially as Waterfowl Habitat	X	
International Plant Protection Convention	Ü	28/02/1955
Kyoto Protocol to the United Nations Framework Convention on Climate Change	Ü	06/02/2003
Convention on Biological Diversity	Ü	20/09/1996
United Nations Convention to Combat Desertification in those Countries Experiencing Serious Drought and/or Desertification, Particularly in Africa	Ü	30/08/1995
Convention on Long-range Transboundary Air Pollution		
Protocol to the 1979 Convention on Long-range Transboundary Air Pollution on Long-Term Financing of the Co-operative Programme for Monitoring and Evaluation of the Long-Range Transmission of Air Pollutants in Europe (EMEP).	X	
Protocol to the 1979 Convention on Long-Range Transboundary Air Pollution on the Reduction of Sulphur Emissions or their Transboundary Fluxes by at least 30 percent	X	
Protocol to the 1979 Convention on Long-Range Transboundary Air Pollution concerning the Control of Emissions of Nitrogen Oxides or their Transboundary Fluxes	X	
Protocol to the 1979 Convention on Long-Range Transboundary Air Pollution concerning the Control of Emissions of Volatile Organic Compounds or their Transboundary Fluxes	X	
Protocol to 1979 Convention on Long-Range Transboundary Air Pollution on Further Reduction of Sulphur Emissions	X	
Protocol to the 1979 Convention on Long-Range Transboundary Air Pollution on Heavy Metals	X	
Protocol to the 1979 Convention on Long-Range Transboundary Air Pollution on Persistent Organic Pollutants	X	
Protocol to the 1979 Convention on Long-range Transboundary Air Pollution to Abate Acidification, Eutrophication and Ground-level Ozone	X	
Vienna Convention for the Protection of the Ozone Layer	Ü	21/08/1998
Montreal Protocol on Substances that Deplete the Ozone Layer	Ü	21/08/1998
Amendment to the Montreal Protocol on Substances that Deplete the Ozone Layer	X	
Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal	X	
Amendment to Basel Convention on Control of Transboundary Movements of Hazardous Wastes and their Disposal	X	
Basel Protocol on Liability and Compensation for Damage Resulting from Transboundary Movements of Hazardous Wastes and Their Disposal	X	
Convention on Environmental Impact Assessment in a Transboundary Context	X	
Convention on the Protection and Use of Transboundary Watercourses and International Lakes	X	
Protocol on Water and Health to the 1992 Convention on the Protection and Use of Transboundary Watercourses and International Lakes	X	
Lusaka Agreement on Co-operative Enforcement Operations Directed at Illegal Trade in Wild Fauna / Flora	X	
Convention on the Law of the Non-Navigational Uses of International Watercourses	X	
Convention on Access to Information, Public Participation in Decision-Making and Access to Justice in Environmental Matters	X	
Rotterdam Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade	X	
Stockholm Convention on persistent Organic Pollutants	Ü	5/03/ 2002
<b>Charter of the United Nations</b>		
Declarations of acceptance of the obligations contained in the Charter of the United Nations	Ü	14/12/1955
Statue of the International Court of Justice	Ü	In force for UN members
Amendments to Articles 23, 27 and 61 of the Charter of the United Nations	Ü	adopted by the GA in resolutions 1991 A and B (XVIII) of 17/ 12 /1963
Amendment to Article 109 of the Charter of the United Nations	Ü	Adopted by the GA in resolution 2101 of 20/12/ 1965
Amendment to Article 61 of the Charter of the United Nations	Ü	adopted by the GA in resolution 2847 of 20/12/ 1971
<b>Narcotic Drugs and Psychotropic Substances</b>		
International Opium Convention	Ü	7/10/1950
Agreement concerning the suppression of the manufacture of, internal trade in and use of prepared opium	Ü	7/10/1950
Convention for Limiting the Manufacture and Regulating the Distribution of Narcotic Drugs	Ü	7/10/1950
Agreement concerning the Suppression of Opium Smoking	Ü	7/10/1950
Convention for the Suppression of the Illicit Traffic in Dangerous Drugs	Ü	13/07/1951
Protocol Bringing under International Control Drugs Outside the Scope of the Convention of 13 July 1931 for Limiting the Manufacture and Regulating the Distribution of Narcotic Drugs	Ü	7/10/1950
Protocol for Limiting and Regulating the Cultivation of the Poppy Plant, the Production of, International and Wholesale Trade in, and use of Opium	X	
Single Convention on Narcotic Drugs	Ü	22/06/1973
Convention on Psychotropic Substances	Ü	22/09/1997
Protocol amending the Single Convention on Narcotic Drugs	X	
Single Convention on Narcotic Drugs, 1961, as amended by the Protocol of 25 March 1972 amending the Single Convention on Narcotic Drugs	X	
United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances	X	

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<b>Traffic in Persons</b>		
Protocol to amend the Convention for the Suppression of the Traffic in Women and Children	X	
International Convention for the Suppression of the Traffic in Women and Children	X	
International Convention for the Suppression of the Traffic in Women of Full Age	X	
Protocol amending the International Agreement for the Suppression of the White Slave Traffic	X	
International Agreement for the Suppression of the White Slave Traffic	X	
International Convention for the Suppression of the White Slave Traffic	X	
Convention for the Suppression of the Traffic in Persons and of the Exploitation of the Prostitution of Others	Ü	14/04/1978 w res <sup>22</sup>
Final Protocol to Convention for Suppression of Traffic in Persons and Exploitation of Prostitution of Others	X	
<b>Obscene Publications</b>		
Protocol amending the Agreement for the Suppression of the Circulation of Obscene Publications	X	
Convention for the Suppression of the Circulation of, and Traffic in, Obscene Publications	X	
International Convention for the Suppression of the Circulation of and Traffic in Obscene Publications	X	
Protocol amending the Agreement for the Suppression of the Circulation of Obscene Publications	X	
Agreement for the Suppression of the Circulation of Obscene Publications	X	
Agreement for the Suppression of the Circulation of Obscene Publications	X	
<b>Health</b>		
Constitution of the World Health Organization (as amended)	Ü	17/05/1950
Amendments to articles 24 and 25 of the Constitution of the World Health Organization	Ü	4/05/1960
Amendment to article 7 of the Constitution of the World Health Organization	X	
Amendments to articles 24 and 25 of the Constitution of the World Health Organization	Ü	29/7/1968
Amendments to articles 34 and 55 of the Constitution of the World Health Organization	Ü	28/9/1976
Amendments to articles 24 and 25 of the Constitution of the World Health Organization	Ü	28/09/1976
Amendment to article 74 of the Constitution of the World Health Organization	X	
Amendments to articles 24 and 25 of the Constitution of the World Health Organization	Ü	5/04/1988
Protocol concerning the Office International d'hygiène publique	X	
Agreement on the establishment of the International Vaccine Institute	X	
<b>International Trade and Development</b>		
General Agreement on Tariffs and Trade	X	
Havana Charter for an International Trade Organization	X	
Agreement on Most-Favoured-Nation Treatment for Areas of Western Germany under Military Occupation	X	
Memorandum of Understanding relative to Application to the Western Sectors of Berlin of the Agreement on Most-Favoured-Nation Treatment for Areas of Western Germany under Military Occupation	X	
Agreement establishing the African Development Bank	X	
Amendments to the Agreement establishing the African Development Bank	X	
Agreement establishing the African Development Bank done at Khartoum	X	
Convention on Transit Trade of Land-locked States	Ü	8/07/1965
Agreement establishing the Asian Development Bank	Ü	4/12/1965
Articles of Association for the establishment of an Economic Community of West Africa	X	
Agreement establishing the Caribbean Development Bank, with Protocol to provide for procedure for amendment of article 36 of the Agreement	X	
Convention on the Limitation Period in the International Sale of Goods	X	
Protocol amending the Convention on the Limitation Period in the International Sale of Goods	X	
Convention on the Limitation Period in the International Sale of Goods	X	
Agreement establishing the International Fund for Agricultural Development	Ü	13/12/1978
Constitution of the United Nations Industrial Development Organization	Ü	5/03/1980
United Nations Convention on Contracts for the International Sale of Goods	X	
Charter of the Asian and Pacific Development Centre	Ü	9/09/1982
United Nations Convention on International Bills of Exchange and International Promissory Notes	X	
United Nations Convention on the Liability of Operators of Transport Terminals in International Trade	X	
Agreement to establish the South Centre	X	
United Nations Convention on Independent Guarantees and Stand-by Letters of Credit	X	
Agreement Establishing Bank for Economic Cooperation and Development in Middle East and North Africa	X	
United Nations Convention on the Assignment of Receivables in International Trade	x	
<b>Educational and Cultural Matters</b>		
Agreement for Facilitating the International Circulation of Visual and Auditory Materials of an Educational, Scientific and Cultural Character	X	
Agreement on the Importation of Educational, Scientific and Cultural Materials	Ü	28/02/1952
International Convention for Protection of Performers, Producers of Phonograms, Broadcasting Org's		
Convention for Protection of Producers of Phonograms against Unauthorized Duplication of Phonograms	X	
Protocol to the Agreement on the Importation of Educational, Scientific and Cultural Materials	X	
International Agreement for the Establishment of the University for Peace	X	
Statutes of the International Centre for Genetic Engineering and Biotechnology	X	

<sup>22</sup> Reservation by the Lao PDR: "The Lao People's Democratic Republic does not consider itself bound by the provisions of article 22 which state that disputes between the Parties to the Convention relating to its interpretation or application shall, at the request of any one of the Parties to the dispute, be referred to the International Court of Justice. The Lao People's Democratic Republic declares that, with respect to the competence of the International Court concerning disputes relating to the interpretation and application of the Convention, for any dispute to be referred to the International Court of Justice the agreement of all the parties to the dispute is necessary."

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Protocol of the Reconvened Plenipotentiary Meeting on the Establishment of the International Centre for Genetic Engineering and Biotechnology	X	
Amendments to Articles 6 (6) and 7 (1) of Statutes of the International Centre for Genetic Engineering and Biotechnology	X	
Convention on the Declaration of Death of Missing Persons	X	
Protocol for Extending Period of validity of the Convention on the Declaration of Death of Missing Persons	X	
Protocol for the Further Extension of the Period of Validity of the Convention on the Declaration of Death of Missing Persons	X	
Convention on Protection of Cultural Property in Event of Armed Conflict with Regulations for Execution of the Convention	X	
Convention concerning the International Exchange of Publications	X	
Convention concerning the Exchange of Official Publications and Government Documents b/w States	X	
Convention on the Means of Prohibiting and Preventing the Illicit Import, Export and Transfer of Ownership of Cultural Property	X	
Universal Copyright Convention as revised at Paris on 24 July 1971, with Appendix Declaration relating to Article XVII and Resolution concerning Article XI	X	
Convention for the Protection of Producers of Phonograms against Unauthorized Duplication of their Phonograms	X	
Convention concerning the Protection of the World Cultural and Natural Heritage	Ü	R 20/03/1987
Multilateral Convention for the Avoidance of Double Taxation of Copyright Royalties, with model bilateral agreement and additional Protocol, Madrid	X	
Convention on the Protection of the Underwater Cultural Heritage	X	
Convention For the Safeguarding of the Intangible Cultural Heritage	X	
Convention on Stolen or Illegally Exported Cultural Objects	X	
Convention on Protection of Cultural Property in Event of Armed Conflict with Regulations for Execution of the Convention	X	
Convention concerning the International Exchange of Publications	X	
<b>Status of Women</b>		
Convention on the Political Rights of Women	Ü	28/02/1952
Convention on the Nationality of Married Women	X	
Convention on Consent to Marriage, Minimum Age for Marriage and Registration of Marriages	X	
<b>Freedom of Information</b>		
Convention on the International Right of Correction	X	
<b>Miscellaneous Penal Matters</b>		
Protocol amending the Slavery Convention	X	
Slavery Convention	X	
Supplementary Convention on Abolition of Slavery, the Slave Trade, and Institutions and Practices Similar to Slavery	Ü	9/09/1957
International Convention against the taking of hostages	Ü	22/08/ 2002
International Convention Against the Recruitment, Use, Financing and Training of Mercenaries	X	
Convention on Prevention and Punishment of Crimes against Internationally Protected Persons, incl. Diplomatic Agents	Ü	22/08/2002
Convention on the Safety of United Nations and Associated Personnel	Ü	23/07/2002
International Convention for the Suppression of Terrorist Bombings	Ü	22/08/2002
Rome Statute of the International Criminal Court	X	
International Convention for the Suppression of the Financing of Terrorism.	X	
United Nations Convention against Transnational Organized Crime	Ü	26/09/ 2003
Protocol to Prevent, Suppress and Punish Trafficking in Persons, especially Women and Children, supplementing the United Nations Convention against Transnational Organized Crime	Ü	26/09/2003
Protocol against the Smuggling of Migrants by Land, Sea and Air, supplementing the United Nations Convention against Transnational Organized Crime	Ü	26/09/2003
Protocol against the Illicit Manufacturing of and Trafficking in Firearms, Their Parts and Components and Ammunition, supplementing the United Nations Convention against Transnational Organized Crime	Ü	26/09/2003
Agreement on the Privileges and Immunities of the International Criminal Court.	X	
United Nations Convention against Corruption	Ü	10/12/2003
<b>Commercial Arbitration</b>		
Convention on the Recognition and Enforcement of Foreign Arbitral Awards	Ü	17/06/1998
European Convention on International Commercial Arbitration	X	
<b>Law of Treaties</b>		
Vienna Convention on the Law of Treaties	Ü	31/03/1998
Vienna Convention on Succession of States in Respect of Treaties	X	
Vienna Convention on the Law of Treaties between States and International Organizations or between International Organizations	X	
Convention on Registration of Objects Launched into Outer Space	X	
Agreement Governing the Activities of States on the Moon and Other Celestial Bodies	X	
<b>Fiscal Matters</b>		
Multilateral Convention for the Avoidance of Double Taxation of Copyright Royalties	X	
Additional Protocol to the Multilateral Convention for the Avoidance of Double Taxation of Copyright Royalties	X	

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<b>League of Nations Treaties</b>		
International Convention concerning the Use of Broadcasting in the Cause of Peace	Ü	23/03/1966 <sup>23</sup>
Special Protocol concerning Statelessness	X	
Protocol relating to a Certain Case of Statelessness	X	
Convention on Certain Questions relating to the Conflict of Nationality Laws	X	
Protocol relating to Military Obligations in Certain Cases of Double Nationality	X	
Protocol on Arbitration Clauses	X	
Convention on the Execution of Foreign Arbitral Awards	X	
Convention for Settlement of Certain Conflicts of Laws in connection with Bills of Exchange/Promissory Notes	X	
Convention for the Settlement of Certain Conflicts of Laws in connection with Cheques	X	
Convention providing a Uniform Law for Bills of Exchange and Promissory Notes	X	
Convention providing a Uniform Law for Cheques	X	
Convention on the Stamp Laws in connection with Bills of Exchange and Promissory Notes	X	
Convention on the Stamp Laws in connection with Cheques	X	
International Convention for the Suppression of Counterfeiting Currency	X	
Protocol to the International Convention for the Suppression of Counterfeiting Currency	X	
Optional Protocol regarding the Suppression of Counterfeiting Currency	X	
Convention and Statute on Freedom of Transit	Ü	24/11/1956 <sup>24</sup>
International Convention relating to the Simplification of Customs Formalities	X	
Convention establishing an International Relief Union	X	

<sup>23</sup> Action subsequent to the assumption of depositary functions by the Secretary-General of the United Nations.

<sup>24</sup> Action subsequent to the assumption of depositary functions by the Secretary-General of the United Nations.

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