



Lao People's Democratic Republic
Peace Independence Unity Prosperity

National Socio-Economic Development Plan FY2015-2016

(Unofficial translation)

**Ministry of Planning and Investment
Vientiane Capital, 25th November 2015**

National Socio-Economic Development Plan FY2015-2016

Part I

Implementing Measures of the National Socio-Economic Development Plan FY2014-2015

I. Implementing the First Six-months of FY2014-2015

A. Overall Progress

Generally, the national socio-economic development plan FY 2014-2015 faces both challenge and positive as followed:

The country remains positive in terms of political stability, social security and social orders in line with 3-Build policy. This is the Party's Congress efforts on continuation to commemorate main conferences for 3-level of Party Committees and 2 important historical days to raise a sense of patriotism among party member-public servants to form a strong labour force and social forces and actively contribute to the development and the implementation of NSEDP FY 2014-2015.

There are also several challenges for instance, climate change and natural disaster, fluctuation of commodities' prices, collection of revenues not accordance to plan, social problems, etc. External challenges are for instance the severe epidemics of Ebola, Marburg viruses, etc have caused high death toll, political problems in several areas effecting economic growth both nationwide and internationally.

Internationally, the oil price has substantially reduced to the lowest level in the past 5 years, which positively affected the world's economy. The economic growth of the EU countries show good progress compared to before; apart from this, ASEAN is developing in a reasonably rapid rate (5.1%).

C. The implementation outcomes of the First Six-months of FY2014-2015

1. Macro-economic:

1.1 Economic Growth

The estimated Gross Domestic Product (GDP) in the 2014-2015 was approximately 7.5%. Value of GDP was about LAK 102,320 billion equivalent to USD 12,74 billion; the GDP per capita was approximately LAK 14.91 million or equivalent to USD 1,857 (note: exchange rate 8,033 kip/USD, (population approximately 6,68 million) details are as followed:

+ The agriculture and forestry sector increased by 3.0%; covering 23.7% of GDP

+ The industry sector increased by 8.9%; covering 29.1% of GDP

+ The service sector increased by 9.1%; covering 39.8% of GDP

+ Import tax increased by 8.2%; covering 7.4% of GDP

1.2 Commodity prices and the average inflation rate

The average inflation rate was 2.15% indicating a substantial reduction compared to the previous year (of 6,21%) and reducing progressively month by

month from 3,03% in October/2014 to 2,81% in November/2014, 2,40% in December/2014, 2.04% in January/2015, 1.44% in February/2015 and 1,19% in March/2015. The average inflation rate was at 1,88% for the first-eight month.

1.3 Management of finance and currency policies

Bank of Lao P.D.R. (BOL) encourages commercial banks to create more saving accounts by adjusting the interest rate to reflect the market principles locally, internationally and regionally; particularly, the diversification of savings account, the extension of commercial bank network and improvement of bank services.

1.3.1 The Foreign Exchange Rate

The exchange rate was stable. By comparing to the first six-month of FY 2014-2015 towards the last six-month of 2013-2014, the LAK depreciated against the USD by 0.59% (from LAK 8,025 per USD to LAK 8,033 per USD) and the LAK also depreciated against the Thai Baht by 0,37% (from LAK 250.58 per THB to LAK 250.66 per THB). When compared the exchange rates of the previous 8 months of last year, the LAK depreciated against the USD by 0.88% (from LAK 8,024,63 per USD to LAK 8,096,12 per USD) however it was appreciated against the Thai Baht by 0.36% (from LAK 250.58 per THB to LAK 249.69 per THB).

1.3.2 Money Supply (M2)

In March 2015, M2 increased by 9.54%, compared to the end of September 2014 which increased by 20.10%. The increase of M2 is due to the increases in loans of which is at the appropriate level of the current economic growth rate. In May 2015, M2 increased by 12.11% compared to last year and increased by 21.14% compared to similar period last year.

1.3.3 Reserve of foreign currencies

In March 2015, the reserved foreign currencies are at USD 986.77 million compared to September 2014 increased USD 155.8 million, ensuring importation up to six-months. In May 2015, the reserved foreign currencies are: ensuring importation up to 6.71 months.

1.3.4 Revenue and expenditure budgetary

In regards to the revenue and expenditure for budgetary reviews are as followed: the total revenues for the first six-month were LAK 12.021 billion or equivalent of 46.57% in the annual plan. The domestic revenues were LAK 9,301 billion or equivalent of 45.29% of the annual plan. The expenses were LAK 13,815 billion or equivalent of 45% in the annual plan. With the total budget deficit of LAK 1,794 billion or 1.79% of GDP.

1.4 Investment

1.4.1 Implementation of Public Investment Project (PIPs)

There was a total of 5,661 projects worth LAK 65,979.80 billion within FY 2014-2015. To fund these projects, the National Assembly approved an annual budget of LAK 7,904.25 billion, of which LAK 3,300 billion domestic fund.

Within the 6 months period the implementation of Public Investment Projects (PIPs), 3,283 projects were achieved totalling LAK 2,834.35 billion of the total

investment costs, of which LAK 1,914 billion is domestic fund (equivalent to 58% of the plan). The on-going projects for the last six-month period account for 2,378 projects, with a total budget of LAK 5,069.90 billion.

Government advises that MPI must emphasize on selective monitoring methodology which focuses mainly on large scale projects exceeding LAK 100 billion that will allow suspension that could be selective and could decrease to LAK 296.47 billion.

Through the overall monitoring and evaluation of the first six-months of NSEDP from the fiscal year 2014-2015 are as followed:

- The assessment of the administration of related sectors and local levels on the fields of public investment projects has shown preferable progress on the implementation, while other yet faced some challenges.
- Capital budget insufficient, while there are high demands for investment as a result there are several off-tracked investment projects existing at certain sectors and region.
- The management and implementation of the public investment projects have not met the objectives according to plan. Moreover, sense of ownership in self-development existing at certain regional and local areas is still low, dependence/reliance on governmental aids are still high.
- Successful large PIPs include construction project of the irrigation system at Sesalalong, bridge construction project at Donkhong, the bridge across Laos-Myanmar, airport construction project in Attapeu, relocating project into the new municipal areas, etc.

1.4.2 ODA, Grants and Loans

Although there are challenges associated with the regional and international economic integration, development partners ensure consistent cooperative assistance for the implantation of the NSEDP.

Generally, Within the 6 months period there has been a total of 405 projects, with the valued of USD 306.75 million or equivalent to LAK 2,464 billion equivalent to 46.36% of the plan of which includes:

- + 327 projects granted, valued USD 156.42 million accounted for 50.99% of the total value.
- + 78 loan projects, valued USD 150.33 million accounted for 49.01% of the total value.

During the six-month period, there are several large on-going projects including expansion project at Wattay International Airport for phase 3 extension project with USD 90.19 million, a infrastructure project on improvement of the road number 9 improvement project with value of USD 32.85 million, installation of electricity into 'Hinheup-Luang Prabang' valued USD 126.35 million, a project on constant road maintenance in Vientiane valued USD 32.84 million, public healthcare projects, and others.

1.4.3 Domestic and Foreign Investment

Private domestic and foreign investment can be summarized as follows: There were 1,092 projects, valued USD 1,572.5 million or approximately LAK 12,631

billion, of which are concession (division of responsibilities) there were 9 projects valued at USD 168 million, enterprise (industry sector) has 1,025 projects, valued at USD 1,327 million along with businesses within the special and specific development zone comprise of 58 projects, valued at USD 76.5 million, of which the actual imported capitals are USD 2,073.8 million, there are USD 1,804.5 million in the form of materials and USD 269.3 million in cash.

1.4.4 Bank Credit

Promote and attract banks to actively participate in restructuring the provision of loans, in order to create easier access to credits, considering the assessed collateral asset condition of the loan portfolio, continue developing new products for loans such as: diversifying loan portfolio and/or criteria in accordance to specific market demands. In March 2015, bank loans increased LAK 1,668.3 billion or 25.66% of the annual plan. Compared to September 2014 increased 3.42% from LAK 48,807.49 billion equals to LAK 50,475.84 billion, among which the largest bank loans were in commerce covering 20.02% secondly was in construction 18.98%; there were 3.19% of non-performing loans (NPL) compared to 2.16% on the previous year.

1.5 Debt Solving for Public Investment Projects

The government designated a central committee to tackle issues related to PIP's debts. Agreement No. 102/PM dated 2 September and 2014 along with Agreement No. 61/PM on prevention and reconstruction on PIP's debts, provide guidelines for dealing with these debt problems. Evidently, the committee has been accomplishing according to plan for instance: Various accomplishments have been realized. This includes the successful triangular debt resolution (between the government, companies/enterprises and banks) in accordance with the agreement from the committee in tackling issues related to PIP's debts No. 04/NA, dated 15 January, 2015 which accomplished resolving phase I and is currently undergo resolving phase II, as of today, the committee made an announcement of the NA's Resolution No. 16/NA, dated 10 March 2015 to the line ministries, sectors and local authorities to report progresses and has completed part I of PIP's debts solution plan while the work-plan of part II is currently in progress, currently related committee has given announcement 16/NA, dated 10 March 2015 to the line ministries, sectors and local authorities to reconcile all debts that are off-tracked and included in the plan throughout the country and report to the related secretariats for further assistance. The solution for 3 triangular debts payment plan is to initially focus on bond maturities and debts which has been reevaluated and discounted for by the MOF, MPI will divide and allocate funding to line sectors and local authorities of which shall set plans and be responsible for debt payments accordance to the allocated fund and their plan.

2. SECTORAL ACHIEVEMENTS

2.1 Rural Development and Poverty Elimination (3-Builds Policy)

– Rural Development and Poverty Elimination

To date, 124,074 families have been lifted out of poverty while 76,046 equivalent to 6.59% of the total number of families across the country remained poor, 1,439 poor villages has been lift out of poverty and 1,736 poor villages or 20.5% of the total

number of villages across the country still remain. This made the total number of developed villages of 3,308.

We have managed to declare and certify that 2 big villages have merged into small rural towns in Bolikhan and Parkkading Districts. Presently, the declaration of big villages into small rural towns in Champassak province is being preparation.

To concentrate on the staff deployment down to construct grass-roots political bases for instance: to accelerate the strengthening of grass-roots party committees in the villages groups and in the developed villages' focal points, in the revolutionary stronghold areas, war heroes areas, in the focal intricate areas of mountainous ethnic minorities, resettlement and permanent living locations, big villages transformed to rural small towns, districts, villages where 3 build pilot projects are actively ongoing, in order to strengthen the local organizations and administrative authorities and to bring security and social order, to encounter the villages drawbacks such as solving eventual disputes solving and to impede drugs problems etc.

Focus on the projects which have been approved in the FY 2014-2015 mainly to concentrate on infrastructures improvements to facilitate commercial production and income earning for the people, construction and rehabilitation of primary and lower secondary schools; in parallel, health and primary health networks have been also expanded and brought down to remote and complicate areas; to provide clean water; construct health centers and provide toilets to schools and households.

– 3-Builds Policy Tasks:

Through the pilot projects implementation of transformation of provinces to strategic units, districts to strong comprehensive units and villages to developing units (3-Builds policy) in the past 2 years, it have been observed that the local grass-root ownership has been uplifted; there are more self -strengthening, clear-cut rights and responsibility delegation, appropriate benefit sharing, local political ideology and administration has been more firmly improved. The people are more enthusiastic in the actual participation and benefit receiving.

The public investment in developments in the districts and targeted villages for pilot projects comprise of 943 projects costing 248 billion kip. Apart from these, bank credits specially policy bank credits amounting to 262 billion kip are also made available for poverty reduction. Various sectors from 15 main line ministries have deployed staff from their own sectors down to assist districts and targeted villages by organizing trainings, help guiding to support crop cultivation and livestock in movement manner leading to solve the people's poverty ie to achieve build developed villages.

Based on the inspection and assessment of the poverty and developments according to the Decree No. 309/PM dated 2014 , it has been observed that among 109 villages where 3 Builds pilot projects are ongoing, there are 82 developed villages and crime free 109 villages.

Regarding budget revenue collection, due to review on base line information gathering and to the policy allowing 40% benefit sharing for the villages, every district has managed to increase their budget revenue collection, it can be seen that 70 out of 109 villages and 41 out of 51 districts could collect the revenue exceeding the pre-determined in the plan.

2.2 ECONOMIC DEVELOPMENT:

1) Agriculture – Forestry

The total rice production for the whole FY2014-15 is projected to meet the annual plan (ie 4 million tons). The annual paddy rice production for the year 2014 attains 3.21 million tons, the slash-and-burn production reaches 0.23 million tons and the dry season production yields 0.56 million tons, under the productivity of 5.12 tons per ha.

– **Commercial Production:** the gradual growth of commercial crop production for the first 6 months of the past fiscal year has been observed and production groups were organized; there were more collectives for instance 20,242 ha of corn production yielding 101,615 tons presented an increase of 57% if compared with the same period of the past fiscal year. Rubber tree plantation substantially grows particularly in the Northern part of the country. Currently the rubber tree plantation area was 248,846 ha, and the harvest area 35,959 ha; cassava was cultivated in an area of more than 6,000 ha, the product yielded 198,000 tons 42% increase if compared with the same period of the past fiscal year; sugar cane cultivation area was 6,707 ha produced 288,400 tons, an increase of 17% if compared with the same period of the past fiscal year; job's tear crop area reached 2,414 ha yielding 38,815 tons of product and increasing by 64% if compared with the same period of the past fiscal year. Soya beans cultivation area stands at 2,103 ha yielding 3,575 tons of product increased by 14%. The peanuts crop covered an area of 5,734 ha producing 11,468 tons; three fold if compared with the same period of the past fiscal year.

– **Livestock :** concentrated on raising large animals (cows and buffaloes) for exports but small animals raising was aimed at domestic distribution, all these were increasingly transformed from natural breeding to farming and in an intensive system, particularly farming in the metropolitan peripheries. Apart from these, animal feeding grass for cows and goats was also cultivated, particularly in the Northern provinces aiming for meat production, and fish and eggs production were also carried out. Breeding in order to meet the domestic demand as well exports. There 1 buffalo farm with 200 buffaloes, 168 cow farms with 32,900 cows, 630 pigs farms having 500,450 pigs, 58 goats farms with 10,285 goats, 449 birds farms raising more than 2 million birds inclusive of: 241 chickens layers farms having more than 1.34 million layers, 99 farms raising chickens for meat raising more than 1 million chickens and 75 ducks layers farms breeding more than 118,270 ducks and 19 quails farms raising 181,440 quails and so on.

– **Management of Forests and Wood Resources:** there are 51 productive forest regions across the country covering an area of 3.1 millions ha comprising of 93 managed regions and 254 managed sub-regions. During the first 6 months of the year, the productive forests have been surveyed and classified. Staff have been deployed to support and follow up the survey in the Suford SU projects covering a total area of 60,512 ha comprising of 5 regions (managed region of Darkcheung and Kaleum districts) and the regions outside the Suford SU project, covering an area of 128,674 ha situated in 3 provinces namely Xiengkhouang, Luangprabang and Houaphanh. Completed the Wood quotas consolidation for the FY 2014-2015 and informed the results to every province. Deployed staff for support, following-up and inspection of the wood processing factories in Savannakhet province.

– **Irrigation:** Monitoring and consolidation reviewing the water user’s groups and transfer the irrigation projects available across the country in order to plan trainings for the water users groups in sustainable manner, presently have managed to consolidate in 8 provinces namely: the provinces of Bokeo, Luangnamtha, Xayabuli, Xiengkhouang, Huaphanh, Luangprabang, Sekong and Attapeu. Monitoring the situation of water supply to prepare for the production in the rainy season of the FY 2014 and the planned areas of water use during the dry season of the FY 2014-2015 for the overall country. To collect preliminary information aiming to organize the irrigated water users groups, irrigation projects’ gate No 3 in the district of Nyommalath, in Khammuane province. Complete the Gate 3 water users groups and organize trainings on the irrigated water management and utilization in 4 targeted villages in the project area.

– **Supply of Seeds:** To make use of science into the agriculture for instance: improvement of crops’ seeds, animal breeds by using artificial cross-breeding; conduct research on productivity upgrading, sustainable production techniques, construct successors in using machines for the production, post harvesting technology on heating and storage, pursue to conserve rice seeds in the dry seasons and prepare rice seeds production for rainy seasons in the research centers, stations, with the entrepreneurs, production groups and within the projects, according to the planned targets: to produce 6,000 tons, collect various commercial wood seeds to obtain 300 kgs of seeds. Produce 41,800 commercial young trees. To store and preserve commercial trees’ seeds 95 kgs and 38,200 young trees to grow to become big trees, 50,000 fruit trees seeds of 7 types. Continue to expand and produce vegetables’ seeds to attain 1,234 kgs. Apart from these, to improve and conserve 7 species of native fish breeds and 10 foreign fish breeds species and produce 40,000 small fish breeds (carps) for replacement. Select the cattle cross-breeds F1 and F2 from 40 female cows to improve and produce new species typical to Laos; raise cows’ cross-breeds and conduct artificial breeding for 66 cows and produce 48 cows breeds, 540 pigs’ breeds to meet 56.25% of the total annual planned 960 cows. Increase the number of poultry layers to 1,265 comprised of 98 female turkeys, 120 pheasants, 709 yellow chickens, European chickens and free range chickens, 338 female ducks and capable to produce 25,750 poultry and birds in total, achieved 57.76% compared to the annual plan (of 44,580 poultry and birds).

2) **Industry and Commerce:**

• **Industry:** During the first 6 months of the FY 2014-2015 the industrial processing and handicraft productions would achieve the amount of 2.787 trillion kip, an increase of 12.6% if compared with the same period of the past year.

• **Commerce :** During the first 6 months of the FY 2014-2015 the amount of goods import and export (or the level of commercial broadening level) was 3,994 millions US dollars equivalent to 45.04% of the plan, an increase of 5.66% if compared with the same period of the past year. The value of goods distribution (whole and retail sale and services) has attained 13,966 billions kip, an increase of 7.4% compared to the same period of the past year.

The Amount of Exports: has achieved 1,600.83 millions USD equivalent to 38.41% of the planned figure decreased by 11.1% compared to the same period of the past year, comprising of main goods export minerals, mineral products, industrial goods (including garment) , electricity and agricultural goods. The export markets include Thailand, Vietnam, China, Germany and Holland.

The Value of Imports: has been estimated to attain 3,393.37 millions USD equivalent to 50.92% of the plan, increased by 22.96% compared to the same period of the past FY. The main imports comprised of construction materials, fuel, vehicles and spare parts, electric utensils, machinery. The imports' markets are mainly the countries bordering Laos namely Thailand, Vietnam and China. Others include Japan, South Korea and Germany.

Estimated Trade Deficit: the trade deficit stands at 792.54 millions USD equivalent to 6.2% of the GDP (an increase of 3.1% compared to last year).

Trade Relation and International Economic Integration: Lao PDR's international economic and trade relation and cooperation have continuously expanded. Various meetings, exchanges, and consultations on the coordination mechanisms on bilateral trade implementation and multilateral including economic cooperation with ASEAN and other countries which reflects the relation and cooperation with the main trade partners as follows:

➤ **Laos-Vietnam:** The Lao-Vietnam trade relation remains solid, pursuant to policy and directions of both countries. To increasingly intensify the trade cooperation, under both the policies and bilateral cooperation mechanisms, continuously and mutually enforcing imports tariffs priorities, in order to facilitate the business parties ie to enable the goods produced by the bilaterally to mutually access their markets as well as to create opportunities for the business sector specially the entrepreneurs producing goods. During the first 6 months of the FY2014-2015, the trade value between two countries reached 510.03 millions USD. Apart from this, there consultative discussions and negotiations on the new draft Lao-Vietnamese trade agreement which is a stimulation factor to increasingly augment the bilateral trade value, as well as to promote the opening of service markets and bring tariff of the listed items of goods down to 0 % covering 98% of the total listed items of goods. In parallel, to consider lowering the tariff of certain list of goods both countries are keeping down to 50% in accordance with the tariff in the ATIGA agreement.

➤ **Lao-Thai:** Increasingly broaden the trade relation between the two countries through consultative dialogs, and cooperation. In order to conduct joint consultations for problems and obstacles for the implementation of the trade relation between the two countries and to determine directions and plans of Lao-Thai trade cooperation, which are composed of support of value-added bilateral trade, ICT project, facilitating cross-border trade and investment and mutual information exchange. In the first 6 months of the year, trade amount reached 2,321.61 million USD.

➤ **Lao-Chinese:** Broaden and facilitate the exports and imports along the border between the two countries in order to provide trade preference for Lao potential goods and the inspection of the financing sources capacity of Chinese companies who conduct the investments in Laos in order to avoid retail sale business which violate Lao PDR's laws particularly the businesses reserved for the Lao civilians. Support the export of agricultural commercial goods produced in the Northern provinces of Laos, to Yunnan province of the PR of China to meet the trade value goal of 2,000 million USD by the year 2020. On the Chinese part, they will continue to provide assistance to the 2nd anti-crop insect risks assessment project, to the Lao agricultural goods consisting of 11 items valued at 757.32 million USD.

Apart from these, the Commission for Consultation on Economic Development Cooperation has participated in the 3rd conference on science and technology between Laos and South Korea. The conference discussed draft agreement on promoting and facilitating trade in the Development Triangle between Cambodia, Laos and Vietnam. In addition, the 5th Lao-EU working group meetings to discuss and set the economic and trade cooperation approach, to review bilateral trade, the implementation of the Lao PDR's commitments vis-à-vis WTO and the Laos' preparedness to become a AEC member and other cases. Additionally, have participated in the organization of the mutual commissions' 10th conference on the economy, trade, science and technology between Laos and Mongolia, in collaboration with Foreign Affairs Ministry.

Commercial Production Promotion: The commercial production promotion is progressing remarkably. The promotion of one product one district (ODOP) has driven up the number of the business units in this sector evidently. There are 45 entrepreneurs, 165 types of products within 45 villages, 29 districts and 12 provinces. In addition, cooperation with international agencies to organize Small Holder Project, provided financing to support national ODOP in the 4 targeted provinces namely: Savannakhet, Champassak, Vientiane and Khammouane by organizing the meeting on trade marks use regulations for the national ODOP and provision of finance for trade mark signs installation for 12 products; launch the staff missions down to inspect and evaluate the results of commercial production projects which have received the policy of loans' interest subsidy from the Government in collaboration with the committees appointed by concerned ministries, the central bank and commercial banks, by dividing in 3 parts ie: the Central Part having 191 projects comprising of 1 off-target project, 75 projects which have already stopped and 115 projects being implemented, having bank loans of 231.29 billion kip in total; the Northern Part having 32 projects including 4 off-target project, 4 projects having stopped and 24 projects still continue the implementation embracing contracted bank loans amounting to 27.78 billion kip; the Southern Part with 83 projects consisting of 2 off-target project, 12 projects having stopped and 69 ongoing projects embracing contracted bank loans amounting to 43.26 billion kip. The preparation on becoming a member of the International Coffee Organization (ICO) is under coordination through close with GIZ who financially supports the Lao Coffee Association. Domestic and international meetings at various level, the drafting of the proposal for the foundation of working team, responsible for the said task and prepare budget and finance plans to cushion the exhibition in the World Expo Milano 2015 which will be organized between 5-30 October 2015 in Milan, Italy; to coordinate with Lao Plastic Factory related with "Seiketsu Promotion Department Co. Osaka, Japan" who are interested in purchasing the plastic products exported to Japan.

3) Energy and Mining

- **Mineral Ores**

The production value is estimated to reach 6,504.55 billion kip, a decrease of 4.56% compared to the same period of the past FY. The world mineral ores' price tends to continuously decline but in the production point of view, the mining products obtained comprising of 16.69 tons of mixed silver-gold products, 46.05 mega tons of Sepaul copper plates, 183,034 tons of copper powder of (Phoubia and Meuang Long district), 63,511 tons of potash and certain number of other mineral products, have increased by 9.16%. As of March 2015, there were 68 mining companies who received concession approval to exploit mineral ores, accounting for 15 domestic firms and the rest owned by foreign companies. The export of mineral products approximately valued at 856.76 million USD, depicting an increase of 1.06% compared to the same period of the past FY, composed of important types of mines as follows: 16.66 tons of silver-gold mixed metals, valued at 97.58 USD, 168.73 tons of concentrated copper costing 330.64 million USD, 44.349 tons of copper plates in the amount of 321.77 million USD, 383.13 megatons costing 21.77 million USD iron mines, 74 megatons of potash costing 22.6 million USD.

- **Electricity Sector**

During the first 6 months of the FY 2014-2015 the electricity generation has achieved 5,734.14 Gwh decreased by 15.97 % compared to the same period of the past FY. The reason of decline was due to the adjustment of generation quantity to conserve the water volume for the next quarter.

Electricity Distribution: attained 6,070.36 Gwh amounting to 385.22 million USD, with domestic sale accounts for of 1,789.04 Gwh worth 152.02 million USD. The exported electricity recorded 4,281.32 Gwh, equivalent to 233.21 million USD.

The imported electricity stands at 713.50 Gwh costing 36.39 million USD, an increase of 19.25% compared to the same period of the past FY. The import is mainly from Thailand, Vietnam and China and purchase from IPP projects for domestic sale of 899.30 Gwh costing 41.76 million USD an increase of 0.89% compared to the same period of the past FY.

Electricity Consumption: the household electricity consumption across the country composed of 994,765 households, equivalent to 88.15% of the total number of households in the country. The electricity consumption at district level has demonstrated 100% access to power while at village level, 84.58% of the total number of villages has access to electricity.

As of March 2015 the progress of the hydropower projects implementation can be summarized as follows: Hydropower Project: Installed Capacity MW has been ?% completed.

- + Nam Mang 1 Hydropower Project: Installed Capacity 64MW has been 40% completed
- + Xeset 3 Hydropower Project: Installed Capacity 23 MW has been 36% completed
- + Nam Lik 1 Hydropower Project: Installed Capacity 104 MW has been 17% completed

- + Sepian Xenam Noi Hydropower Project: Installed Capacity 410 MW has been 12% completed
- + Xayabuli Hydropower Project: Installed Capacity 1,285 MW has been 50% completed
- + Nam Hinboun Hydropower Project: Installed Capacity 30 MW has been 56% completed.
- + Namkhan 3 Hydropower Project: Installed Capacity 60 MW has been 74% completed
- + Nam Ou 2 Hydropower Project: Installed Capacity 120 MW has been 69% completed
- + Nam Ou 5 Hydropower Project: Installed Capacity 240 MW has been 75% completed
- + Nam Ou 6 Hydropower Project: Installed Capacity 180 MW has been 70 % completed
- + Nam Ngiep 2 Hydropower Project: Installed Capacity 180 MW has been 75% completed
- + Nam Kong 2 Hydropower Project: 666 MW Installed Capacity has been 84% completed
- + Nam Khan 2 Hydropower Project: Installed Capacity 130MW has been 94% completed
- + Great Houay Lamphan Hydropower Project: Installed Capacity 88 MW has been 96 % completed
- + Hongsa Lignite Project: Installed Capacity 1,878 MW has been 95% completed
- + Nam Ngiep 1 Hydropower Project: Installed Capacity 290 MW has been 8% completed
- + Senam Noi 1 Hydropower Project: Installed Capacity 15 MW has been 21.6 % completed
- + Nam Sim Hydropower Project: Installed Capacity 9 MW has been 67 % completed
- + Sekaman 1Hydropower Project: Installed Capacity 322 MW has been 38% completed

Transmission Lines and Substations: Presently the transmission line is 47,242 km long include: 138 km of 500 kv high voltage, 481 km long of 230 kv high voltage, 4,868 km long, which composes of 115 kv high voltage and 24,775 km of medium voltage.

Off-Grid Electricity Development:

- **Solar Power:** solar power electricity has developed in 272 villages and installation has completed for 14,327 households covering 1.27% of the total number of households across the country. Collection back the solar electric equipment and materials from 9,745 households due to the reaching of permanent electricity networks.
- **Bio-mass Power:** The sector has carried out bio-mass power generation pilot project by using animals' feces. Currently, there is an installed capacity of 260 KW and a 2,500 m³ bio-gas tank and currently progressed by 60%.
- **Bio-gas Project:** There are two bio-gas projects while others are generated from renewable sources.

4) Public Works and Transport Sector

Development and Construction of Roads:

A number of road construction projects have been completed namely: the development and construction of the road to the SEA Games 3 Stadium (repair section); Meuang Nan-Kasy district highway construction project; ADB financed Road No.4 Project which consists of 5 projects (Xieng Ngeun-Parkkhone, Thadeua-Nam Poui-Parklai, Parklai-Houay Ped and Houay Ped-Nakha); Road 1B construction project (Park Nam Noi-Ban Nyor); Road 6A construction project (Sobbao-Ban Danh). Additionally, there are many on-going projects which have smoothly progressed such as: Road 15A project (Napong-Saravan) 77 km long is 85% completed; the Road 16A construction project (Parksong-52 KM Attapeu) is 82.19% completed; Concrete Highway R13 South construction project between KM 9 North-Sedone Bridge-Sedone Round About is 80% completed; Road No 16B (Sekong province-Meuang DarkCheung section) is 76% completed; Strategic Highway Laos-Cambodia is 28% completed; Road No. 11 of 88 km long (Tadthong-Namsang Bridge) is 68% completed.

• **Bridges Construction:** Completed projects include: Construction of Mekong River Bridge No. 4 linking Houayxai and Xiengkong; and Lao-Myanmar Mekong River Bridge. Many projects under construction also smoothly progressed: Mekong River Crossing Bridge at Done Kong in Champassak, Sekaman Bridge in Attapeu province is 90.8% completed, construction of bridge and road to international checkpoints at Phoukeua, Phouvong district, Attapeu province is 50% completed; Parkbeng Bridge construction project is 50% completed and Mekong River Bridge between Nasack and KhaoDor in Xayabouly province/Vientiane is 70% completed.

• Development and Construction of Waterways:

Many projects have progressed impressively: Thathome District River Bank Protection in Xiengkhouang province is 78.05% completed; South Houayxai-New Parkvieng River Bank Protection, in Bokeo province is 4.3 % completed; Namheuang River Bank Protection project in the village of South Nakhar, in Xayabouly province is 85% completed; River Bank Protection project in Ban KhokMeud in Meuang Minh district, in Vientiane province is 30% completed; River Bank Protection project, in Ban Parkheo, Park Ngum district, Vientiane Capital is 32% completed; South Paksan-North Parksan River Bank Protection, in Parksan District Bolikhamxay province is 63.35% completed; River Bank Protection in NangLee village, Thakhek, Khammouane province is 25.5% completed.

– **Waterways Transport:** The weight of goods transported by waterways carried by the sector is 260,000 tons equalling 42.33% of the plan. The distributed quantity of goods reached 52.85 million tons/km, equivalent to 43.52% of the plan. The travel rate transported attained 510,000 persons equal 42.5% of the plan and passenger traffic has reached 37.75 million persons per km equivalent to 43.52% of the plan.

• Airport Construction and Rehabilitation:

Attapeu Province Airport has been fully completed. Paksé Airport construction phase 2 project has completed by 46%. The implementation of Nongkhang Airport in Huaphan province has achieved 23.2%; Seno Airport Construction Project has finished the preliminary design and submitted for financing; Xiengkhouang Airport

Construction Project has completed the project preliminary design; Oudomxay Airport Construction Project is under project feasibility study.

- **Railways Construction and Transportation:**

The development in this sector has progressed notably. This includes the construction of railway phase II from Thanaleng to Kham Savath Village of 9km long and the status of the Lao-Thai linked railway construction phase II project is currently going through information regarding land and impediments stage, the ceremony of laying marking stone for the Savannakhet-Laobao Railway Construction Project has been completed.

5) Post and Telecommunication:

The improvement of the law on post 2004 version has completed. The amendment of regulations regarding postage of parcel and several postage and financing has now accomplished; the study on cost of delivery service of the domestic postage and posted parcels by land and river transport have been completed; the license extension for freight companies have been issued including: DHL, TNT and PT air cargo. The sector has also conducted consultation discussions on frequency and frequency registration along Lao-Thai border. The research on the draft regulations for prepaid SIM cards distributor registration is currently carried out. The extensions of additional fiber optics cable networks across the country by 1,255 kms bringing to the total length of 52,361 kms covering 17 provinces 145 districts is implemented. Additionally, there is an extension on 53,1811 landline phone numbers bringing a total of 678,657 telephone numbers.

2.3 Social Area Development:

1) Education and Sports

- **Education Sector**

The sector has continued to implement the education sector development framework and national education reform strategy. Attention is paid upon the emphasis on the drafting analytical handbooks under the title “teachers in excess but insufficient” and title “execution of the function of the education development committees at village level”, information collection on the problem of “teachers in excess but insufficient” to completion, in 9 provinces consisting of 27 districts and 300 schools. The sector is able to declare the completion of primary school level (tutorial courses) across provinces countrywide and the primary level graduation of the tutorial course completion would be organized on 28/08/2015, also to declare the completion at secondary school level across the district for additional districts leading to an increase from 19 districts to 42 out of 147 districts in total across the country. Monitor, assess and support the implementation of teaching-learning curriculae at high school level in 18 provinces of the country. Organize the competitive TOFEL Junior Challenge 2014 2nd round for the lower secondary school students in 3 targeted provinces: Vientiane Capital, Savannakhet and Champassak provinces where 190 students have participated including 111 female students. Managed to organize meetings on dissemination of national curriculum standards implementation in the private colleges in Oudomxay, Xiengkhouang and Bolikhamxay provinces. Launch the assessment of the public and private education in accordance with the high education standard and quality in 10 facilities. Have conducted trainings on the application of the standards and self-assessment to 157 professional education and high education institutes across the country. Have achieved the dissemination on

social internet use in many provinces. Have completed the submission of the draft government decree on high education for approval consideration. Have completed the submission of the draft law on education (improved version). Continue to improve draft decree on education for monks and the draft decree on private education promotion; conducted the research on medals design for the excellent secondary schools' students at national level and appreciation regulations for teachers-professors and private individuals who have contributed to the teaching movement to form excellent students at national level. Construction of 2 stories school building for the Meuangmai Primary School in Attapeu province costing 5.2 billion kip under grant assistance from Vietnam has been completed. Completed the ceremony for memory stone laying for the tourism and hotel management course national institute building at Parkpassak College.

- **Sports and Gymnastics**

The sector has successfully organized the 10th national sports tournament in Oudomxay province. In this sport tournament, there were 25 types of games with a total of 1,148 medals with gold accounts for 328, silver 328 and copper 492. The game was participated by 25 parties comprising of 7 ministries, Vientiane Capital and 17 provinces from all over the country. Lao athletes have also participated in the 17th ASEAN universities sports games taking place in Indonesia and won 26 medals including 7 gold medals, 6 silver medals and 12 copper medals, Laos ranked 6th out of 11 participated countries.

2) Health and Nutrition

The sector has widely expanded the health service networks to reach out to the remote areas. The dissemination and training of the trainers on the birth control acupuncture equipment in Savannakhet and Champassak provinces have been conducted. Lessons learnt from birth delivery and free treatment for ill children in 4 Northern provinces has been drawn namely: Phongsaly, Oudomxay, Luangnamtha and Bokeo. Activities monitoring should be defined tables according to the project plan of integrated and comprehensive services for communities, particularly nutrition, promotion of mother and child health, clean water and sanitary in 7 provinces: Huaphan, Xiengkhouang, Luangprabang, Oudomxay, Saysomboun, Saravan and Sekong. Advice to the public media regarding the campaign to reduce the ebola pandemic risks has been successful. Improved law on treatment (reviewed version) has completed. Consolidating information on health networks from 17 provinces and Vientiane Capital in order to gather information regarding the standards of modern hospitals as well as to assess hospital service quality and preparedness is essential. Collect and access to information on private illegally operated disease diagnosis rooms. In parallel, handbook on indicators management and inspection on private as disease diagnosis rooms have completed. Pursue to separate flu virus and examine the samples received from various hospitals surrounding the Central, continue the surveillance on diarrhea in central and district hospitals. Laos hosted the 22nd committees meeting on setting standards for medicinal plant medicines and health supplemental products, launch to support and follow-up to inspect food and drinking products in Vientiane Capital. Organize a meeting on draw lessons from the inspection of private medicines shops and pharmacies in provincial hospitals. Organize a meeting to screen the contents of food-medicines inspection at check-points across the country. Inspect pharmacies, chemical substances and food products

imported into Vientiane Capital, at Wattay Airport's check-point, Thanaleng and Friendship Bridge check-points.

3) Labor and Social Welfare

During the first 6 months of the year, the sector was able to develop labor skill for the public as well as private sector 12,956 workers 5,574 females equivalent to 29.23% of the annual plan (44,3116 workers). Labor skill standards tests on 9 technical courses were conducted once among 1,429 participants of which 42 were female. Results of these tests suggest that various types of certificates were granted: 68 with basic technical skill certificates, 638 semi skilled, 444 skilled and 277 technician. Through the testing, certificates on professional basic labor skill are issued to 68 persons, semi-skilled labor certificates to 638 persons, skilled labor certificates to 444 persons, technicians certificates to 277 persons. Within these, service sector 1,054 persons inclusive of 399 females, industrial sector 375 persons inclusive of 3 females. The sector has participated in the 10th ASEAN labor skill competition in Vietnam in 2014, the competition outcomes showed that Lao PDR was won 1 silver medal as well as 2 certificates on the topics of electrical installation for buildings and on cooking at ASEAN level. Have improved the draft agreement on and notice regarding the management and sending Lao labor for training in Japan. Successfully managed the opening of one work procurement service center at the ministry, supported and promoted various parties in procuring works for 38,462 Lao workers, 20,105 female workers consisting of domestic jobs for 5,586 persons inclusive of 2,472 females and sent 32,876 to work abroad with 17,633 females. Apart from this the sector has changed the Lao labor status in Thailand for 14,889 persons, 7,972 females. Has registered 4,742 persons wanting job in total, 1,916 females; permitted the import of foreign labor force to meet the domestic labor market demand, comprising of 2,177 where 259 females; registered foreign labor for 1,791 including 253 females and extended the labor permits for various labor units across the country, for 1,061 persons with 146 females. Has also submitted the proposal to the Government to consider the approval of the improved minimum labor remuneration within the enterprises from 626,000 kip to 900,000 kip; certified the extension of the work permit in Lao PDR to 25 firms, consisting of 41 foreign workers of which 13 are females; launched disseminations of the Labor Law in 86 labor units equaling to 71.66% of the annual plan (120 units). Accomplished the merging of public social security organizations from the public sector with the social security organizations from enterprises to become the an office of national social security fund. Achieved the policy application as per the Decree No. 343/PM towards 1,774 targeted cases costing approximately 51 billion kip.

4) Information, Culture and Tourism Sector

Information Sector: the sector has advocated the celebration of 2 national historic days and disseminated the 3 Builds Policy of the Party's directions and policies down to local level. Strive to complete draft strategic information-social media development plan by the pre-determined timing; has deployed staff down to the radio and TV broadcasting stations' site and location in Savannakhet province; completed the opening of radio on-air transmission in MauangHoon and MauangNamor in Oudomxay province. Continue the research on project feasibility appraisal on digital radio-TV and the radio repeaters network construction projects and the military TV station. Follow up, manage and inspect of the material contents of

the advertisement magazines and various printings. Has also research on the FM radio frequency proposal from the Lao Revolutionary Youth Center.

- **Culture:** Improvement of the 5 years public culture development plan has been drafted and on-going. Complete the drafting of the decree on publicity signs; has collected information on traditional culture and traditions of ethnic groups has been collected for documentary filming dissemination. The 5th Lao Festival in Luangprabang province was organized; at the same time, Lao PDR also hosted the ASEAN meeting on participatory cultural heritage site protection, hold at the Plain of Jars (Thong Hai Hin), Xiengkhouang province. The list of outstanding and national artists compiled for artist profile publication, which is an element of author committee. Successful performances of the ceremony at the ceremony and closing ceremony of the 10th National Grand Sports Tournament in Oudomxay province. The vocational learning-teaching curriculum has been prepared for National Arts School curriculum and the upgrade Luangprabang's arts school to a university.

- **Tourism:** manual for tourist sites quality management has initiated and decree on tourism management and improved decree on entertainment. Assessment on participatory tourism development project for sustainability has been conducted; continued to draft the strategic tourism development plan to integrate 8 northern provinces; managed to organize the grand tourist exhibition fair linked with 6 provinces of the Central Part; completed the improvement of the "Lao Culture" pamphlets to prepare exhibitions for ASEAN Tourism Fair and publicity in the ASEAN internet websites. Have successfully participated in the tourist exhibition in the Elephants Fair in Xayabuli province. During the first 6 months of the year the number of tourists entering Laos attained 2.1 persons an increase of 15% if compared with the same period of the past FY and capable income raising to approximately 2,569 billion kip.

5) Justice Sector:

Have completed the follow up and inspection of the people's requests-proposals demanding justice 23 cases in total and managed to solve 14 cases. Inspect, improve, edit and provide comments to 8 draft laws, including 3 new laws and 5 laws to be improved, 2 new draft Government legislations, 3 new decrees, 13 loan agreements. The sector has organized the dissemination of laws through electronic means (TV, radio and loud speakers) in Lao and hmong language for 4,345 times; the 34 requests for Lao nationality has been assessed including 21 requests from Vietnamese nationals, 7 Chinese nationals, 2 Korean nationals, 1 German national, 2 Indian nationals, 1 no-nationality person); made researches on 3 requests to conduct business consulting law; 2 requests for law consulting enterprises foundation and 1 request to modify the law firm contents as well as 1 request to registration of law company and 1 request for the monopoly of cooperation development co. Ltd. Have provided opinions on the adopted children 26 times, nationality 37 times. During the first 6 months of the year, the sector was able to enforce the court verdicts for 637 cases of which 331 were criminal law cases and 326 penal law cases; capable to collect debts for individuals in the amount of 8,240,560,670 kip, 7,764,993 Baht, 313,466 USD, 353,600 Yuan and 1,130,000 Dong; carry out debt collection for the state 1,935,862,380 kip, 7,892,293 Baht, 5,932 USD, 7,000 Yuan and 15,031,000 Dong. Has researched to summarize the definition of legal terms, state decrees and decrees to build law dictionary.

6) Science and Technology :

– Completed the approval of the law on measurement; research and improvement on the draft law on radiation safety and nuclear; improved the draft decree on the celebration of the national science and technology week, the decree on the scientists management and scientific and technological organizations, the decree on the dangerous chemical substance control. Apart from that the sector has researched development of manuals guiding copyrights registration, certificates of types and origins of industries to promote producers.

– Completed the research and statistics collection for medicinal crop seeds and 850 species of orchids; achieved the technology transfer to the booster commercial production of one district one product on the part of the groups who produce medicinal plants medicines in 3 provinces namely: the provinces of Vientiane, Bolikhamxay and Xiengkhouang; Researched on the use of IT into the documents management, state assets management and human resources management for the Central organizations; achieved the installation and use of modern systems into the personnel management for the military staff office and the prison department of the Security Ministry.

– Completed the research on testing the use of bio-diesel (organic fuel); completed the study and research on the use of solar power and bio-mass power in Vientiane Capital and Vientiane province; has organized the public dissemination of the scientific and technological research and development outcomes through various media means for 189 times.

– Completed the management and upgrading of services on standards, measurement and intellectual assets such as the managed to completed the research on 5,407 requests to register new trade marks and to extend the existing registration, research on 3,468 requests to change trade marks; certify 21 industrial registrations and certify 23 notices of copyrights information; have certified the utilization of the national standards seals by 9 companies; issued the notices on expiry of the use of national standard seals to 2 companies; register 9 imported fuel-related products; inspect the products' quality in 8 firms; support the inspection of volume and weight.

7) Women Development, Gender Equality Promotion and Women's Progress

Mother and Child

– Dissemination to absorb the 9th Party's Congress Resolution, 9th Era, the Central Party Polibureau's Decision, the VII National Assembly 8th Ordinary Meeting's outcomes, the conference on the Party's affairs and civil staff's responsibilities in order to strengthen the Central Lao Women Union's (LWU) party committees units and party members; to implement the planned inspection tasks for the FY 2015 all over the country; attend the meeting on probing the understanding of the Xth Party Congress' contents. WU have led the preparation and conduct the LWU's Congress with participation of 10 parties namely: LWU, Women Association of the provinces of Xiengkhouang, Sekong, Phongsaly, Champssak, Luangptabang, Xayabuli, and Vientiane.

– Carry out publicity through media and LWU's web sites on activities movement across the country. Deliver the awards and rewards to 144 individuals including 110 women for best performance in competition on patriotism and LWU development and Lao Cotton Enterprise.

- Research on submitted requests and claims as well as proving consultation to women and children having problems, 148 persons in total (including 39 new cases) where there were 114 females and 34 males.
- Conducted consultation workshops for 44 high level medical staffs of which 40 were females and 4 males. Meetings on exchanging lessons on the implementation of the 3-good competition linked the patriotism and development in Xiengkhouang and Bolikhamxay provinces, in which there were 98 participants consisting of 97 women and 1 male.
- LWU has technically collaborated with the concerned sectors for instance: education and health in order to collect information and conduct campaign on women's participatory on poverty reduction and promote education for young girls, to ensure good health for mother and child, to promote breast feeding and vaccination to mother and child, adolescence health, nutrition and conserve the environment.
- Launch staff mission to collect information on the possibility of foundation of 6th branch of micro-financial institute to accept deposits aiming of women and families development in 8 villages, in Meuang Feuang district, Vientiane province, where 575 people have participate including 544 females and 31 males. Have conducted trainings for LWU on the leading and managing the women's affairs in the period of 3 months where there were 26 women participated.
- Have organized consultation meeting on the implementation of Beijing action plan which marked its 20th anniversary, 93 participants: 80 women and 13 men.

8) Juvenile and Youth Development

During the past 6 months, the youth center has upgraded education on political ideology to the staff and civil servants, by elaborating the famous remark stated by his excellency Kaysone Phomvihanh " youth must become eagles unafraid of red storm, should be like Sinsay in modern era" and his excellency Souphanuvong statement on 6 Loves and 3 Hates. This is also to raise awareness among youth and juvenile, on revolutionary legacy to commemorate important days such as the 66th anniversary of the foundation of Lao People Revolutionary Army, where there were 325 participants, the 60th anniversary of the Lao People Revolutionary Party establishment day, the 60th Lao Revolutionary Youth Organization (LYO) with 250 participants, the commemoration of the elimination of all forms of violence against women and celebration of the 25th anniversary of the convention on child rights, attended by 91 participants. LYO Congress has also been successfully organized in 16 provinces, and meetings in 148 districts; has organized meetings in the Central, at 12 ministries and 15 organizations. Has successfully set district party units in 148 districts where the 102 district party's secretaries become district party committees consisting of 31 women; has also prepared the 7th youth representatives congresses across the country which will be organized 24-26 august 2015. LYO has conducted trainings on youth affairs for the districts YO's secretary in 148 districts. LYO has set the 3th meeting to draw lessons on construction of grass-roots political bases for youth, workshops on Lao youth vis-à-vis the relation-cooperation with foreign countries and the social-economic development where 245 persons participated, the 5th planetary Central Revolutionary Lao Youth Organization's 6th Era management committees meetings with 309 participants. Apart from these, LYO has created sports competitions movement to greet important days and to raise income for the Lao youth and juvenile development fund.

2.4 Implementation of MDGs

– **Goal 1: Poverty and Hunger Elimination:** Nutrition is one task linked to many factors such making food sufficiently available, access to food supply and others. Through the implementation of this goal it can be seen that the ratio of children under 5 years of age having weight lower than standard, has been slowly progressed and merely attain 24.51%, if compared with the target of the year 2015, the achievement is 22% . The ratio of children under 5 years of age having height lower than standard, the solution of the problem has also slowly progressed for instance: In 2011, the implementation reached 38%, the targeted figure in the year 2015 has set at 34%. The ratio of children under 5 years of age having weight and height lower than standards shows that there is a difference between the urban and remote rural groups of people.

– **Goal 2:** Access to primary education level for all; the basic education provision in the remote areas, especially the opportunity deprived people are important. In the past, through the implementation in collaboration with domestic and foreign development partners in developing manuals and basic education infra-structures networks, still very low education quality can be observed because the age of the primary school students has exceeded and many are under school age resulting in having high rate of repeating students. In the FY 2013-2014, the rate of students surviving primary schools has reached 77.5% it is very low if compared with surrounding countries and if compared with the targeted figure in 2015, it is a challenge hard to beat if there no detailed action plans.

– **Goal 3:** Promote gender equality and strengthen women's role: empowering women is one of the Government's objectives and it is clearly an important factor central to accomplishing the MDGs. Education development places focus on young female children, through the provision of girls' dormitories and food supply. Despite Government's ultimate attempt to support girls' education, the proportion of schooling differs vastly between boys and girls and the disparity is seen higher in high education level for boys.

– **Goal 4:** reduce the mortality rates: the mortality rate of children aged below 1 year has reduced from 75 in the year 2008 to 32 out of 1000 live births in the year 2015. The target in the year 2015 is 49 per 1000 live births, which shows that the goal has been reached. The mortality rate of the children below 5 years of age has reduced from 89 in the 2008 to 72 per 1000 live births, indicating that the targeted figure in the year 2015 has been achieved. Despite such decline, if compared to other regional countries, the rate of the children death is still high; measles vaccination rate did not meet the goal in the year 2014, as only 85% was achieved, 5% below plan.

– **Goal 5:** Improve the mother's health: it can be seen the goal has been achieved ie the rate of mother's death in the year 2013 was 220 persons per 100,000 live births (according to the international organizations' certified figure). Regarding the rate of births attended by medical personnel appeared to be low, 42% compared to the target in the year 2015 which was set at 50%.

– The rate of birth control and the rate of pregnancy prior to birth diagnosis has slowly progressed. Therefore, there is a need to concentrate on using fund into carry out various activities and so on. The birth rate by caesarian section stands at 4% of the total new births which is considered low. This shows that the rate of delivery saved by surgery is still not well performed. Even though there is progress in the

implementation of indicators for mother and adolescence's health service but the achievement of the said objectives has encountered difficulties. The birth rate is low in place where health service is available. The quality of health service is also lacking. Therefore, support to service quality and promotion of births at health service center is needed.

– **Goal 6:** Impede the pandemic of HIV, mosquito induced diseases and other contagious: the rate of infected HIV/AIDS in general population is still low where there is possibility of achievement. However, the sexual transmitted diseases are the main causes of HIV/AIDS in Lao PDR. The rate of ART coverage has increased but the requirement for improvement still persists. The death rate due to mosquitoes infected fever has reduced and expected the targets will be met. The national survey showed that 81% of the children below 5 years of age have used treated mosquito nets and 98% sleep in the treated and untreated mosquito nets. However, the problem of malaria pandemic still remained a problem to be actively paid attention in order to prevent the disease epidemics which threatens the people's living.

On the other hand, tuberculosis appears that the target could be achieved. The proportion of the people infected with and died because of tuberculosis tends to steadily decline in the past. However, there are still many cases that have not been diagnosed neither solved.

– **Goal 7:** The environment sustainability should be ensured: Environment indicators have been formulated as a guide to comprehensive data collection at Central and Local levels. The disseminations on indicators to be filled aiming to obtain information indicators on MDGs at local levels covering 4 provinces namely: Bolikhamxay, Sekong, Attapeu and Champassak, collected information filling forms in 4 provinces: Bolikhamxay, Khammouane, Savannakhet and Xaysomboune.

– **Goal 8:** Acquire global development partners which has resulted quite a lot of progresses demonstrated by the fact that the developed countries having removed trade impediments barriers for Lao PDR. There are indicators providing, especially the exports of agricultural goods and garments to developed countries. The countries giving MFN status for Lao PDR have reduced tariff by more than half of that of 1990. The countries in Preferential Trade Agreements with Lao PDR have reduced tariff by more than half as well. The developed countries' markets give 99% free tariff for the exports of agricultural goods, clothing and garment from Lao PDR.

– **Goal 9:** We have been capable of digging out and destroying 1,240,228 bombs and clearing 29,928 ha of areas consisting of 25,296 ha of agricultural area and 4,632 ha of development and other types focused areas, benefitting 4,946,078 people equivalent to 76% of the country's total population. Apart from this, have collaborated and cooperated the UN and other international organizations to request assistance for UXOs.

2.5 Environment Protection, Sustainable Natural Resources Management and Development

- **Land:** The issuance and registration of 100,000 land titles lending to a total of more than 806,579 land titles, equivalent to 80.66% of the 5 years plan of 1,000,000 by 2015. It has also completed the statistical information on land and managed 2,633,217 land use certificates covering an area of 4.99 million ha managed and used by individuals and organizations across the country. Land use certificates of 115 districts and 4,317 villages, have been delivered to the Tax Department, Ministry

of Finance, who is responsible for national tax collection. Accomplished land allocation in 4,805 villages covering 56.87% of the total number of villages and at district level to 36 districts covering 25.35% of the total number of districts has been completed, ie cumulatively and it is estimated fundamentally finish in the end of the year 2015. The sector acts as an assisting body in the research and report to the Government regarding the land allocation for the land allocation for ministries buildings, tourist districts developing projects of Thatluang natural lake and special economic zone of golden triangle and others.

- **Geology and Mineral Ores:** Create and improve information on geology and mineral ores in the scale of 1/200,000 and 1/500,000 in the northern, central and southern region of Lao PDR. Implement Lao-Vietnam Project on (under grant aid) geology and mine survey mapping in the scale of 1/200,000 in Vientiane Province and Southern Region of Luangprabang. Additionally, implement the Lao-Chinese and Lao-Thai Project (Grant Aids) to build information bases on geology-mineral ores and to upgrade staff capacity.

- **Forest Resources Management:**

Managed to upgrade four provincial conserved forests have been upgraded to national protected forests namely: national protected forest of Laving –Laveun in Savannakhet, Phouhiphy in Oudomxay, Sekhoun-Nongmar in Khammouane and Phoubot-Poongchong in Xiengkhouang covering total area of 322,380 ha. Achieved preparing manuals on national protected forests management and drafting the strategic plan of managing biodiversity 2011-2020 and successfully carried out delivery-receiving the tasks of reducing toxic gas from destruction and deteriorating forests (REDD) from the Ministry of Agriculture and Forestry.

- **Water Resources, weather Forecast and Flood:** Continue to prepare manual on monitoring and inspecting the water quality in Nam Gnoi Nam Song. Survey and registration of land in 3 water covered regions namely: Champassak, Savannakhet and Vientiane Capital. Prepare technical recommendations for the river basin management combined plan and accounting national water resources and drafting plans for Nam Gnoi basins across the country; improve the weather forecast and topographic stations in the regions having risks and focus on improving measurement and information transmission stations in the basins of Nam Khan, Nam Ou, Sebanghiang and Sedone rivers; completed in pushing forwards for the signings of memorandum of understanding to implement 7 projects under Mekong River sub-regional economic cooperation.

- **Environment:** Research on many legal instruments related to environment such as: pollution control, toxic and dangerous waste management have been completed; mechanism and tools for technical promotion for clean and environment-friendly technology and completed creating environment assessment and reporting system in Lao PDR with national indicators. Completed information collection for creating regulations for management of 2 Ramsa in Xechamphone regions and Beungkhiet Ngong, achieved the preparation of a model plan to control waste materials in 3 districts: Vientiane Capital, Luangprabang and Xayabuli, conducting review and report on environmental and social impacts assessment outcomes for 95 projects: report on initial environment education in 40 projects and environment impacts assessment in 55 projects.

- **Catastrophe and Climate Changes Management:** conducted the study, commenced and achieved preliminary legal instruments regarding catastrophe and climate changes management such as: initiating laws preparation regarding catastrophe and climate changes management; conduct the education on mechanism of access to climate conditions at national level: prepare draft strategy in accessing climate finance and completed the clean development cooperation in reducing the green house toxic gas and catastrophe management under Lao-Japan bilateral cooperation framework.

2.6 Enterprise Development:

- **Enterprise Registration and Management:**

In the first 6 months of the FY 2014-2015, 397 enterprises units were granted business license, with registered capital of 9,073 billion kip in total comprising of 88 individual enterprises with registered capital of more than 30 million, 50 limited companies with registered capital of 6,639 million kip, 96 one-holder limited companies with registered capital of 2,403 billion kip, 2 collective type corporations having registered capital 200 million kip. It has also established software of districts business registrations after installations and trainings district's staff, registrations were carried out for targeted districts' 8,806 units having registered capital of 25.05 billion kip and to unfocused districts' 3,885 units with registered capital of 386.73 billion kip.

- **SMEs Promotion and Development:**

Have completed the preparation of policies and legal instruments plans such as: SMEs development plan for 2016-2020, drafting decree on definition of SME and issue plans to give awards for best performance SMEs, prepare broad seminars on projects of long-terms credits issuance to SMEs for conducting new investments and business expansions, selecting the commercial banks who meet full requirements to participate in the projects. Provide project finance to support projects implementation and technical staff promotion to various parties in 7 projects costing 322,329,000 kip for instance: projects to support new entrepreneurs, organizations of 13th grant Lao handicraft skills exposition, annual Lao goods exhibitions, English language training and the use of technology for SMEs in preparation to enter AEC, Lao food exhibition fair organized by LWU's business women. The counterpart fund with the World Bank's projects to promote business, have been participated by 50% finance to 18 out of 25 approved companies who have completed activities and remaining 7 companies are under ongoing operation.

3. REGIONAL AND LOCAL DEVELOPMENT

3.1 Country's Regional Development

- **Northern Part**

The implementation of the Socioeconomic Development Plan in the first 6 months of the FY 2014-2015 in the Northern Part witnessed that movement of production; services of the business units have been more improved and broadened in particular the tourism sector. Infrastructures have been implemented as per plans. The prominent productions in the Northern Part were industrial crops and food supply crops cultivation for instance: the production from rice cultivation yielded 202,813 tons. Industrial crop cultivation in Oudomxay, Xayabuli and Vientiane provinces consist of: corn in the area of 2,274 ha yielding 29,605 tons, cassava in 3,511 ha yielding 47,656 tons, wild wheat grains (mark deuy) in 2,335 ha yielding 6,371 tons.

Apart from these, bananas in Borkeo province in 1,502 ha yielding 31,542 tons in parallel tea, sugar canes, goose bearing and so on.

The urban development in Phongsaly, Xayabuli, Huaphanh and Vientiane provinces focused mainly on town design planning in the district of Boun Neua, Phongsaly province, which completed by 11.04%. Regarding infrastructure construction, Phonethong district in Luangprabang has achieved 63.91%, Meuangxay in Xayabuli province achieved 48.53%, Viengkham district 6.67%. Regarding office buildings, acceleration of construction was placed upon the necessary offices first.

- **Central Part:**

The implementation of the Socioeconomic Development Plan in the first 6 months of the FY 2014-2015 in the Central Part, the economy has grown in accordance with the plan. For instance: the main objectives of the Central Part productions consist of rice production which yields 1,205,006 tons. The most prominent achievement in the Central Part in dry season productions was the collection of mushrooms in Vientiane Capital, tea and sugarcanes plantation in Bolikhamxay and Savannakhet provinces, sweet corn in Khammouane and Savannakhet. In parallel to economic development, social development was also positively paid attention, in particular the schooling in kindergarten and preparation for primary school entrance, death reduction ratio among mothers and children, expansion of networks for clean water consumption and maintenance of cleanness.

Private local and foreign investment in the Central Part has seen various accomplishments and one of the most outstanding project is Nongchanh's Northern area (or Vientiane center), where the phase 1 of Vientiane Center project has been 100% completed and officially opened the service to public in 28 March 2015 and the development of Saysettha District's commercial center is finished.

The public investment projects implemented in the first 6 months of the FY 2014-2015, included 762 projects costing 290,288.27 million kip using domestic fund of 259,648.70 million kip, equivalent to 70% of the annual plan and foreign component of 30,639.57 million kip or 15% of the annual plan, concentrated on basic infrastructures development mostly construction of roads and streets.

Regarding urban development in Bolikhamxay, Khammouane mostly concentrated in main tasks like: design of urban planning of Sechamphone district Bolikhamxay province completed 31.5% Mauangkhoon in Khammouane province achieving 31.22%. Regarding the administrative offices buildings, it has accelerated on some main necessary offices first.

- **Southern Part**

In the first 6 months of the FY 2014-2015 it has been concentrated to agricultural productions, industrial processing and services to guarantee availability of food supply such as rice production yield 864,885 tons. Apart from this Sekong province has supported and promoted the people to turn vegetable growing and commercial livestock raising becoming part income earning for the population. The prominent production in Champassak province which is the province growing coffee much more than others, the coffee plantation covers an area of 49,895 ha in total, beans family of vegetable growing yielding 9,075 tons. The most prominent processing industry is cement plant in Savannakhet capable of producing 1,200 tons per day.

The project implementation during the first 6 months of the FY 2014-2015 in the Southern Part comprised of 341 projects costing 190,978.68 million kip including domestic finance of 169,378.58 million kip equivalent to 37% compared to the plan.

Apart from this it has focused on infrastructures development such as the road from Sedone Bridge circle to KM 19 has been 77.33% completed etc.

In the urban development of Kaleum district, Sekong province the basic infrastructures construction has been completed. In the meanwhile the task has been focused on the expansion of electricity networks, rural development and poverty reduction. Cultural and social development has also been improved and well progressed step by step. The manufacturing factories have also grown such as latex processing and sugar factories and so on.

3.1 Development of Special Economic Zones and Unique Economic Zones

1) Savannakhet-SENO Special Economic Zone (SS-SEZ)

In the first 6 months of the FY 2014-2015 the investment permission was issued to 7 companies, creating 2,035 labors, of which 1,994 are Lao nationals and 129 foreigners, an increase of 1,071 persons compared to the past FY. Capable to implement budget commitments revenue collection from fees, remitting 1,147.46 million kip to the state budget, consisting of salary tax of 1,111.55 million kip, fees for issuing labor permit card of 10.91 million kip, imports customs fee of 18 million kip and export royalty fee of 7 million kip. At the same time, the fee for issuing export licenses for the companies investing in the zones for exporting their products amounts to 5.5 million USD and for importing machinery serving the factories construction and infrastructure within the zones 8.8 million USD.

2) Golden Triangle Special Economic Zone (GT-SEZ)

In the first 6 months of the FY 2014-2015 work permit cards were issued to 278 workers comprising of 65 females and temporary residence permit cards to 568 persons (80% of which were Myanmar laborers and 20% were Chinese laborers and others). The GT-SEZ has received 127,094 visitors and 107,742 tourists visiting Done Sao Area; recorded and registered 405 vehicles entering the area increased by 138 vehicles, compared to the past 6 months. In parallel, the organization apparatus has also been improved from previously 2 committees presently merged into one committee only as per the agreement improved version. The committee has successfully organized a cultural tourist fair and the 1st exhibition of international goods (participated by Lao, Thai, Chinese and Myanmar) and exposition of annual flourishing kapok flowers fair 2015.

3) Botene-Dannam Unique Economic Zone (BD-UEZ)

In the past 6 months, the BD-UEZ has paid attention to the gradual realization of amended agreements, at the moment, has researched on regulations uniquely applied within the zone for instance: regulations on investment, vehicles management, residence permit cards, land management regulations and so on. The basic infrastructure development has officially opened duty free shop in 14/2/2015; it has completed the headquarters office building presently it is the place where the BD-UEZ board of directors with their staff are regularly working. It has also finished concreting the access street and expanded the road No. 3 from old checkpoint to old gas station to transform it to a 4 lanes road phase 1; continued the decoration and insecticide spraying at the checkpoint station and improved its parking lots to facilitate its usage. In parallel, it has continued to construct a goods storage warehouse to be opened to use soon, to upgrade the gas station. It has organized the consultation meeting to create favorable conditions for economic cooperation of the Botene zone with PR of China; organized seminars on commercial activities promotion along the North-South economic corridor (Laos-China-Thailand). Presently it has been invested in the zone's infrastructures amounting to 21.5 million USD,

which were totally financed by the developers. Thus creating labor for 346 people, of which 53 are Lao workers and 293 foreign workers, decreased by 134 people compared to the first 6 months in the past FY. 50 million kip of salary tax has been remitted and has imported goods amounting to 3.7 million USD.

4) Zone of Vientiane – Nonethong Industrial and Commercial Complex

In the past 6 months, a dormitory has been constructed for the police working in the complex and continued on constructing front and side fence, front street lighting installation, certain number of roads and ditches. Currently, 37 companies have been registered and their registered capital is 45.6 million USD. Compared with the past FY there are 6 additional companies, able to create jobs for 1,094 laborers and workers including 994 Lao and 100 foreign labors. Goods imports certificates were issued to 9 companies, imports total cost was 8.7 million USD; goods exports certificates were issued to 5 companies, with exports total cost of 6 million USD. Staff income tax obligations were collected 122.6 million kip.

5.) Unique Economic Zone of Phoukheo

In the past 6 months, the Zone has been issued investment license to 5 companies (1 foreign company, 1 domestic company and 3 Lao-Foreign joint-venture companies), financing in with infrastructure investment amounting to 1.7 million USD, including the developers funding of 1.7 million USD and sub-developers finance of 0.19 million USD creating job for labor of 72 people, 60 Lao labor and 12 foreign labor a decrease of 18 workers if compared with the past FY.

The Zone was able to remit 0.51 million USD. So far the main development task was land compensation, quick basic infrastructure development in accordance with the plan in particular the construction of the 2 lanes road connecting the Zone with the Road No. 13 of 7 km long and the interior streets. Construction of 22 kv lines to be connected to the Zone to supply power to the companies. Installation of water pumping system to be used within the Zone's industrial manufactures' construction area for the Phoenix Natural Resources Development Co Ltd.

6) Common Development Zone of Saisattha

In the period of the first 6 months of the FY 2014-2015, the Zone has been concentrating on the basic infrastructures development within the Zone: total actual investment was 11.49 million USD consisting of developers' fund of 7.49 million USD and small investors financing of 4 million USD. There have been 5 companies who came to invest (1 domestic company and 4 foreign companies) capable to create jobs for 147 people of which 79 are Lao and 68 foreigners, an increase of 117 workers compared to the first 6 months of the past FY. They have imported goods costing 38.3 million USD. In parallel, the zone has continued to collaborate with the land committees to solve the problems of land disputes to compensate to the people, now has solved 79 pieces of land equivalent to 211 ha costing 38 billion kip increase of 5% if compared with the past FY, It has completed the construction of New Aspiration Company's (Khuam Wang Mai Co.) animal foods factory. Collaborated with the Lao-Chinese Joint-Venture Company Ltd. To plan the land use 410 ha in initial stage and research on raising fund sources for compensation as planned.

7) Unique Economic Zone of That Luang Lake

In the period of the first 6 months of the FY 2014-2015 the zone has managed to issue investment licenses to 4 foreign companies, the actual investment amount in the basic infrastructures solely by the developers was 26.85 million USD, capable to create labor of

604 persons consisting of 214 Lao and 390 foreigners, an increase by 514 persons if compared with the FY's past 6 months and imported goods costing 3.09 million USD.

Along with the said tasks, the zone has focused on the basic infrastructures such as the continued construction of 12 condominiums 18 stories tall and one 4-stories car parks, which is presently completed by 33% costing 57.42 million USD. The construction of Road No. 1 has been continued with 36 m wide 1,900 m long, earth firmly filled, 100% completed. The zone has constructed 2 small bridges 15 m wide and 46 m long 95% completed, 1 large bridge 30 m wide 46 m long and 90% completed. It has constructed the earth firmly filled Road No.8 and 9 , 22 meters wide and 465 m long and 274 m long respectively; continued the improvement and construction of protection dam from ASEAN mall to Ban Nonexhor 800 m long, protection dam 4 m of the sewage ditch wide to protect against flood in the next coming rainy season. The construction of a big gate in Phonethan, next to the 3-ways junction traffic lights, has been completed at 80%.

8) Dong Phousy Unique Economic Zone (DP-UEZ)

In the period of the first 6 months of the FY 2014-2015, the zone has issued investment license to 1 domestic company: the investment into the basic infrastructure was 1.05 million USD in total which was totally financed by the developer, capable to create labor to 50 people including 34 Lao workers and 16 foreign labor an increase of 9 people if compared with the pas FY. In parallel to this performance, it has concentrated on regular works comprising of earth filling within the zone, land compensation for the access road 4 pieces of land costing 151.64 million kip. It continued to construct model commercial shop and regularly develop the basic infrastructures.

9) Unique Economic Zone of Long Theng in Vientiane (UEZ-LT)

In the past period, the zone has focused to carry out works within the zone, where actual investment cost of 10 million USD by the developers; creating jobs for 680m people comprising of 600 Lao labor and 80 foreign labor increase of 135 if compared with the first 6 months of the past FY. At the same time the golf course project was continued and expanded from 18 holes to 36 holes. Construct small bridges across the water lakes; digging lakes and improve the land surface 70% completed to prepare grass growing on the new golf course. Prepare new villa construction, construction of sports relaxation area. Construct a commercial center and other facilities as per the plan. Completed the construction of 3 model villas. In the period of advertisement for leasing meanwhile the starting works of construction of basic infrastructures are being carried out. Prepare to construct 20 medium-size villas.

10) Thakhek Unique Economic Zone (TK-UEZ)

In the period of the first 6 months of the FY 2014-2015, the zone issued investment license to 7 companies (1 domestic and 6 foreign companies); where investment of 35 million USD was planned, creating jobs for 50 people where 39 are Lao and 11 foreigners, actual investment amounted to 7.15 million USD, conducting imports of 0.67 million USD and remittance of 0.48 million USD. Apart from the said performance, the zone focused on the development of basic infrastructures, regularly construct the roads networks within the zone as well as concentrated on land compensation for use rights to the people affected by the projects development. So far 7 pieces of land have been compensated costing 425.74 million kip. In summary, up till now 169 out of 595 pieces of land have been compensated equivalent to 26% of the total planned compensation.

4. Public Administration

- Legislation

The 8th National Assembly VII Ordinary Meeting was successfully organized in December 2014, which considered resolving 5 important great materialistic issues, 3 substances have been accepted ie: the National Assembly's tasks, National Audit Organization (NAO) and certain laws; listening and providing comments for 2 contents: the Government and draft improved Constitution dated 2003; listen the report on the Implementation of policy to promote goods production and labor. The meeting has also accepted the NAO's report on the audit of the implementation of the National Budget Plan for the FY 2012-2013. It has also considered and accepted the activities carried out by the NA standing committees during the period of 6 months of the FY 2014 and the tasks plan for the last 6 months of the year 2015. Continued the drafting of 7 laws including 4 new laws: the Law on Foreign Exchange, Law on Imports and Exports and Law on Foreigners Management, the Law on Alcoholic Drinks Control and the Law on hampering violence against women and children, Law on Complaints Solution, Law on Customs and Law on health treatment and so on.

- **Jurisdiction**

- **Grant Jury of Lao People's Court:** have strengthened the organization apparatus, upgraded law staff capacity in particular the lawyers' ethics. Together with that, the sector carried out the function of following up and inspecting the laws enforcement for instance: the law enforcement active monitoring and inspection carried out in the places of arrest, prisons and concentration camps and inspection and follow up the courts' verdicts as well as conducting laws suit and bring to court the accused.

- **The people's courts:** The sector focused on the upgrading the jury's knowledge and capacity to suit the Law on the People's Courts and actual current situation issuing court verdicts, attention has been paid to support and following up to ensure the just and unity of the enforcement of the Law on the People's Courts.

5. National Defense and Security Safeguard

Attention has been paid on intensifying the security by focusing on counteract crimes, accidents reduction. In parallel, should actively construct security forces, building the people to be revolutionary forces, should modern methodology to truly serve the people. Continue to safeguard the security, social order and safety, ensuring the country's stability and firmly persistent facilitating the socioeconomic development. The party committees and administrations at all levels have intensified the leadership in supervising the country defense and security safeguarding, continued applying approaches of national defense across the population, carried out the improvement of the armed forces to become increasingly strong and growing, improvement of the basic infrastructures and technical equipment to lift up capacity of the people's armed forces, prepare them ready for fighting. Actively inspect and manage the borders, border demarcation and consistently provide support to border soldiers.

6. International Cooperation

1) Cooperation with ASEAN :

- Collaboration, planning and coordination with the concerned ministries and sectors responsible for the preparation of hosting the Conference on AEM, AEM+DPs, SEOM, SEOM-DPs are in progress. Lao PDR will chair ASEAN in 2016, involving 13 sectors.

- Internal consultation meeting to discuss about the preparation for the ASEAN senior economic officials (SEM Retreat) and to compile information and opinions

from various units surrounding the SEOM retreat in order to provide information and opinions to the chief of Lao officials and the committees to firmly grasp the situation and Lao PDR's standing point of every issue. Also prepare the consultation meeting on Lao-Japan comprehensive economic cooperation to inform the concerned sectors to acknowledge that the commerce and service sectors have been set up in Lao PDR in March 2015, under the ASEAN-Japan agreements framework.

- Active participation in the meeting on comprehensive economic cooperation within ASEAN and between ASEAN and negotiation partner countries such as: ASEAN summit meeting, meeting on negotiation of free trade regions establishment with ASEAN negotiation partners' countries, as well as continued to participated in the negotiation on free trade opening under various frameworks, in particular under ASEAN+6 or Regional Comprehensive Economic Partnership and ASEAN+1.

- Published manuals for the monitoring and inspecting outstanding issues under the AEC blueprint framework and reported to the Government and ministries and sectors to for necessary actions.

7. **Multilateral Relationship (WTO):** have focused on drafting the law on temporary protectionism, on improving the roles of the national coordination committees for the international economic integration (IEI), the secretariat and creating the point for requesting information on trade and service for the business sector benefit and accept the opening of free international market. Together with the publicity and dissemination on Lao PDR tasks vis-à-vis IEI and AEC entrance to the civil servants, business men and students at central and local levels.

E. Weakness, Pending Issues and Reasons causing Weaknesses and Pending Issues

1. Weakness and Pending Issues

Along with the above mentioned accomplishments, we still have certain number of missing items and pending issues that we should pay attention to for instance:

1) The responsibility and ownership in the implementation of the planned targets on the part of some sectors at the central as well as local levels are not high enough, they have not applied their ownership rights and the responsibilities of all the parties in the society in a strong and broad manner. The inter-sectoriel coordination and the coordination between ministries and local authorities are not conducted smoothly enough and still blaming and throwing weaknesses to each other for many issues.

2) Certain sectors and local authorities' awareness of responsibilities vis-à-vis the planning and finance disciplines are not high as it should be. Even though in the past years, the Government has issued many measures to solve the problems, there are still violations of regulations causing debts to increase. Despite of collaborations between the concerned parties, regarding debts management and clearance, double payment still persist. Many fund sources are limited for debts payment, this generates pressure in fully pay the prioritized projects eligible for payment.

3) The policies and measures for goods' prices control particularly the goods that have direct impact to the people's living are not yet clear, causing the goods' prices increased from period to period and the living cost gets higher specially in big cities, for instance consumption goods prices are high when compared with the living cost in neighboring countries., In particular the exchange rate don't vary very much and the inflation rate is in low level.

4) The campaign and promote the contribution from various parties both domestic and foreign within the society to the poverty reduction are still not good enough, mostly they mainly rely on the Government budget. The definition of

investment projects of the sectors and local authorities still lack of focal points, still averaging in general terms. Capital is small but distributed among many projects resulting in no project is absolutely finished causing debt as consequence.

5) Models of development in local areas are scarce many areas have not yet emerged as appropriate. The local commercial agriculture productions in some places encountered with the problems of price and markets, which have not created incentives stimulating the families to conduct commercial production and render goods value added, are quite limited. The macro organizations have no active support policy for instance: exploring markets, guaranteeing the price and developing facilitating policies and so on.

6) The 3 Builds tasks execution despite of many successes in many dimensions the delegation of rights and responsibilities to local authorities from the targeted ministries for pilot implementation have not been informed and still holding undecided. Some local authorities are not owners yet and have no courage in receiving the rights and responsibilities. Some ministries have not actively carried out continuously and deeply. More serious than that, in the research and setting basic infrastructures development plans to be submitted as annual plans, the development are based on the Government budget, there are little contribution from the population.

7) The access to the education in rural and remote areas does not cover all areas yet, many school places are not attracting as the school facilities are not good enough, many lack of library, laboratory, leaning books and there are limited education teaching-learning equipment specially in rural areas.

8) The health service provisions have large disparity between cities and rural areas. The health security coverage is still limited; the poor population does not receive the health treatment service in hospitals. Regarding the MDGs implementation, some goals have not been achieved and risk of not being achieved ie: the ratio of children under 5 having weight less than standard and the rate of children under 5 have chronic malnutrition and short and the rate of children under 1 and 5.

2. Causes of weaknesses and Pending Issues

1) The reason being the absorption and the understanding of the Party policies, the break-through as per requirements set by the IXth Party Congress Resolution have not been truly realized and made to be truly realized.

2) The ownership and responsibilities to implement of certain sectors at central and local levels are not high, every party in the society has not applied their ownership rights to be responsible for their tasks. The inter-sector coordination and the coordination between the sectors and local authorities are not smooth and appropriate enough.

3) Certain sectors and local authorities' awareness of responsibilities vis-à-vis the planning and finance disciplines are not high as it should be, resulting in the actions done out side the law and regulations specially the off-plan projects implementation causing public investment projects' debt to rise to dangerous level towards the macroeconomic stability.

4) The policies and measures for goods' price control especially strategic goods and the goods having impact to the people's living are not clear nor strict causing price increase continuously and hence living cost increased in big cities particularly.

5) Models of development in local areas are scarce many areas have not yet emerged as appropriate. The local agricultural productions in some places encountered with problems that there are no clear and steady markets to accept the products yielded, therefore this has not created incentives stimulating households to

conduct commercial production and render the production movement to periodically fluctuate and mostly run after the markets.

F. Conclusion and Evaluation

Generally, it can be seen that external and internal factors have facilitated the socioeconomic development of our country in the past 6 months. The production, service and investment are still favorable; resulting consistent foreign investment for instance: legal instruments have been more soundly developed, highly flexible policies in special economic zones or unique economic zones attracting more investors. The risks of natural disasters are lower than in neighboring countries. Yet, the most important factor is high level of political stability, security and having good social order.

The macroeconomic management is in better position and stable despite financial difficulty, not having finance liquidity as in the past FY, but generally speaking, Lao economy has been contained in the planned framework. The monetary management gradually gets better particularly the solution of the foreign exchange supply to the society was not smooth. The sectors and locality, the Lao population and ethnic minorities are still being happy and enthusiastic to carry out the performance of their works to greet the 3-Levels Party Congress and 2 Historic Days circling around to meet us in the year 2015, in exciting movement manner.

II. Focal Tasks Plan in the Last 6 Months of the FY 2014-2015

1. General Tendency of Economy, Factors Causing Externality in the Last 6 months of the FY 2014-2015

For the last 6 months of the FY 2014-2015 it is estimated that the economy will have a tendency to grow but not as highly as it should be because the exports of mineral ores and the electricity generation have tendency to decline. Therefore in order to boost and promote the economy to grow in accordance with the pre-determined plan, sectors and local authorities should struggle to implement the pending works from the first 6 months of the year, to completion, in order to support the overall growth of the GDP to be achieved as planned, pay attention to maintain the stability of the macro-economy, control the goods price which rapidly affects the population living, determine the monetary policy to create liquidity and more liquidity than this, struggle to explore revenue sources and revenue collection as planned. Continue to monitor the climate changes in preparation to counteract floods and drought and prepare for the coming rainy season production, the conducting of the 3-Levels Party Congress and hurry to research on measures to solve internal debts and legal instruments to control the implementation of investments projects in advance (retroactive projects) to reduce pressure to the macro-economy and measures to control the goods' price for the cost of living relief, follow up and support the rainy season production to catch up with time. Comprehensively prepare the protection measures against natural catastrophe.

2. Boosting National Economy Growth

- Continue the implementation of the Decree on the Annual Socio-Economic Development Plan 2014-2015 No 328/PM dated 17 September 2014 in a broader movement manner.
- Continue to maintain the macro-economy stability, boost the growth of the economy (GDP) to be achieved as per the plan by paying well attention to 6 measures to maintain the macro-economy stability that the Government has determined. Intensify the responsibilities to solve public debts in view to decrease them; lead and

campaign all the economic parties to participate in the development with ownership, support and promote goods' production, distribution and services to progress with new and more rapid steps.

- Focus fund into the project of food security and conduct commercial production that the Government has agreed in order to realize and completed quickly to see the outcomes, by the Ministry of Agriculture and Forests, the Ministry of Industry and Commerce, the Ministry of Planning and Investment and concerned sectors. These should define activities, project cost and fund raising. In parallel there should be research on appropriate policies to promote the rice production and other goods production

- Banking sector should concentrate on credits issuance to support the production, meanwhile the money supply M2 should be controlled at appropriate level to maintain the macro-economy stability. Campaign for deposits so be 52% of GDP and NPL control of not more than 3%. The Bank of Lao PDR should set the interest rate for efficient operation, suitable to the actual situation and able to attract and promote the domestic production specially the small and medium industries production. In the same time, conduct inter-bank credits issuance so they could strongly carry out activities and permit the inter-bank credits between the commercial banks and financial institutions to further expand.

- Strive to collect revenue as planned to ensure expenditure is aligned with the plan approved by National Assembly. Block leakages of revenue in different areas as well as managing expenditure to ensure savings in accordance with the approved plan and in line with laws and regulation. Pay attention on regular and prompt payroll payment to officials.
- Explore measures to address domestic debts issues and legislation governing off-plan investment projects in order to reduce pressure on macro-economic situation. Explore policy and measures on price control that is suitable with cost of living of officials, military, police and civilians. Support to boost production during the rainy season in a timely manner. Prepare comprehensive protection and restoration of natural disasters, drought and flood; address environmental issues in cities for instance pollution, dust, transport, and garbage disposal; solve traffic congestion and road accidents in the big cities especially in Vientiane Capital by starting with urban planning. In addition, there is a need to monitor and evaluate and create plan for commercial production and food production projects approved by the government for successful implementation during the 8th NSEDP (2016-2020).
- Strive to implement public investment projects by strengthening disciplines in planning-financing/budgeting and in line with Law and Decrees on the Implementation of Law No. 431/GoL. Continue improving and seeking way forward to appropriately address debt problems. Complete and announce soon policy or legislation on off-plan investment projects includes BOT and PPP. Turning assets into investment based on the notice of the Government Office No. 1810/GoL.EQPD, dated 18/12/2014 on the suspension of turning assets into temporary capital.
- Continue to successfully implement MDGs and continue to set direction and measures against MDGs targets that may not be reached. In addition, monitor and streamline the world development direction or so called Sustainable Development Goals (SDGs).

3. Rural development and Poverty Eradication

- Continue implementing targets, targets on the building political base, rural development and poverty eradication such as: reducing number of poor families and villages, developing and forming 1-2 big villages into small towns in the rural areas of each province as well as implementing other focused activities as planned during fiscal year 2014-2015, as stated above.
- Support and monitor provinces across the country to evaluate poverty and development of the Five-year Plan (2011-2015) as planned and report to the Government in April 2015.
- Continue to promote, monitor and implement Resolution 03/politburo (Sam Sang) nationwide aimed at more effective implementation and better results-oriented in preparation for 2 national historical days celebration.

4. Responsibilities in some economic sector

- Strive for rice production of no less than 975,315 hectares and paddy production to reach 4.2 ton by focusing on 7 big flat areas and other small lowland in the countries, pay attention to support other food crops such as corn, taro, fruit and other vegetables. In addition, support agriculture commercial production such as coffee, maize, cassava, sugarcane, nuts etc. as planned.
- Strive to expand livestock throughout the country focusing on the production of meat, fish and eggs for sufficient domestic consumption in particular in the big cities and rural areas. In addition, support livestock of big animals as key exports along the border.
- Continue to create an enabling environment in terms of policies and regulations in order to attract investors and promote businesses in the industrial processing and trade sector which will subsequently create jobs, generate income and expand new commercial production industry. Local materials as well as processing of raw materials from agriculture and forestry thus will be used.
- Continue to build infrastructure and competitiveness for private sectors to be able to join AEC and global market integration in the coming years. Estimated value of trade to reach USD 4,011.09 million.
- Continue to successfully develop strategy and legislation on data collection to develop SME Development Plan 2016-2020; National Strategy on increasing productivity; draft Decree on SMEs Definition; implement program support to build new entrepreneurs; conduct M&E of the SME development plan implementation with concerned parties to finalize the 2015 report.
- Strive to achieve electricity production of 18,262.78 million kWh, including export of 14,610.12 million kWh worth USD 786.83 million, domestic distributors of 4,117,99 million kWh worth USD 357.37 million, and import of 1,486,20 million kWh worth USD 74.21 million. Strive to complete projects under construction including IPP project (Central Management) and the EDL managed projects.
- Strive to achieve mineral production value of 11,643.13 billion Kip (annual price); strive to produce key minerals as follow: mix of silver and gold substance 29.13 tons, metal and copper of 91.855 tons, gold dust of 359.660 tons, potassium of 298.511 tons, tin of 1,450 tons, gypsum of 559.467 tons, etc.

5. Responsibilities in some Social and cultural areas and government administration

- Continue to evaluate quality of vocational education, tertiary education as well as monitor education infrastructure development to provide favorable environment for education and sports especially in the remote and development focused areas. Continue to improve and prepare to submit policy and national strategy to promote scientific research and scientific research management. Issue strategy to promote information dissemination and communications and improve decree on the promotion of private education.
- Continue providing vaccination, pay attention to the implementation of free child births and healthcare policies, and continue to expand fixed and mobile healthcare services to the rural areas. Pay attention to sufficiently supply clean water in the rural areas. Continue to build school for mid-wives and birth attendants in Xieng Khouang as well as repair district clinics and hospitals in the government focused areas, supply medical equipment to district clinics and hospitals and create health insurance fund.
- Continue to collect data on training and skill development of 32,789 workers; build 2 standards skilled labors in service areas. Continue to strive to supply up to 31,727 jobs including domestic labors and labor abroad; coordinate with relevant parties to continue changing the status of Lao labor abroad that are not legally comply in the neighboring countries regulations, continue to complete the advertisement on radio, television and other publishing on the updated status of Lao labor working illegally in Thailand; complete inspection of workers in 58 companies. Strive to issue 281 new registered licenses. Prepare to handover special disable hospital 790 to the Ministry of Health, continued to provide relieve to the ethnic poor, elderly, disabled, victims of disasters and victims of human trafficking in a timely manner.
- Continue to promote the transfer of radio- television system from analogue to digital and expand distribution network in the region and many countries worldwide. Explore capacity in upgrading radio- television transmission from 1kw to 5kw in Bokeo. Continue researching draft decree on the implementation of law on media and legislators related to TV and cable TV. Continue promoting government policy guidelines, major national and international festivals especially on the 10th Party meeting and two historical events at the end of 2015. Continue producing documentary films, on the 60th anniversary of the establishment of People's Party Revolution's and 40 years of independence. In addition, continue to oversight and monitor contents of the film and Cinematography in Lao PDR. Continue enhancing capacity for personnel in ancient history, prepare to celebrate 20th anniversary of Luang Prabang as World Heritage. In addition, continue protecting and promoting cultural heritage both in the form of objects and non-objects. Continue research on targeted tourists, pay attention on promoting Visit Lao campaign through radio, television and brochures. Continue surveys and allocate history, culture and eco-tourism sites, build information center in provinces and cities across the country as well as monitor and evaluate sustainable tourism development.
- Continue to address complaints and proposals of people or entities in a faster manner. Continue to coordinate with stakeholders to explore, examine, and provide comments to any new draft laws and laws being updated including legislations proposed by ministries and stakeholders. Continue disseminating law to build legal obligations mindset in the society, continue to improve official

website for the Government Gazette, update magazines and newspapers under Ministry of Justice to improve their quality and be able to provide information, and improve the quality of notary throughout the country.

- Continue to improve legislation and law to support the work of science and technology including five legislations: Decree on national scientific fund, decree on technology transfer, Decree on science and technology management, Decree on dangerous chemical management and decree on the celebration of national science week.
- Promote the use of technology in the production to support value added and improve efficiency of product to become ODOP in 3 provinces: Vientiane, Borikhamxay and Xieng Khouang; install and demonstrate the use of solar energy and biomass to 2 points in Vientiane capital; continue researching comprehensive bio oil production and research the use of bio-diesel extracted from plants in the actual engine. Continue support service activities especially services on standards, measurements and intellectual property rights, continue to monitor scales at the market, scale for trucks and at the laboratory as planned.

6. Regional development

• Northern region

Continue to effectively manage public investment projects through systematic monitoring and evaluation in accordance with Law on Public Investment. In addition, encourage monitoring and summary of all projects needed for development during fiscal year 2014-2015 according to the government orders, support to successfully implement public and private investment projects during the last 6 months of fiscal year 2014-2015 as planned.

Pay attention to successfully implement key macro-economic targets as planned; encourage food production associated with agricultural industry processing such as rice, coffee, tea, cardamom, promote commercial production, market and trademark, promote industrial crops, support farm livestock to meet domestic consumption and export.

• Central region

Continue to strive to produce rice and vegetable as planned, continue promoting livestock such as cattle, pigs, goats and poultry to ensure food sufficient supply, check water pump for repairment and ensure sufficient water supply during the dry season in 2014-2015. Continue to complete road construction as planned, attention on repairing damaged paved roads and dirt roads to enable convenient traffic, focus on effective management of public investment projects approved by NA in particular projects on-going, pay attention to monitor and inspect projects to avoid any implementation outside the plan which could cause debts, and focus on addressing the outstanding debts gradually.

• Southern region

Pay attention to successfully implement key macro-economic targets as planned. At the same time, encourage people to harvest dry season rice and prepare for seasonal rice; encourage food production associated with agricultural industry processing such as rice, coffee, tea, cardamom, durians, and other vegetable crops, promote commercial production, market and trademarks. Promote industrial crops and support farm livestock to meet domestic consumption and export, support the implementation of public and private investment projects during the last 6 months of fiscal year 2014-2015. Improve and develop key infrastructure to accommodate trade and integration with neighboring

countries; expand electricity networks to rural and remote areas as planned; pay attention on education development such as vocational training centers for local labors, and improve services in the hospital and continue expanding public health network especially to the areas that are difficult to reach.

7. Development and management of Specific and Special Economic Zones

1) **Savan-Seno Special Economic Zone:** In the last 6 months of the fiscal year, strive to implement targets set in the zone development plan 2014-2015 by focusing on supporting and attracting domestic and foreign investment in the area of industry, trade, service and transportation to have at least 101 companies, increase by 27 units compared to the last fiscal year, and estimate job creation for 3,000 people as planned.

2) **Golden Triangle Special Economic Zone:** continue to complete hospital construction which is expected to be open for service in June 2015; continue to implement land related works such as determining the area of Phou Kiew Lom protected areas, the golf course, compensation for 14 families at Ban Phieng Nagam in order to expand areas in the south of Donsao natural and cultural sites, compensation for land used for road construction from international border of Golden Triangle to concrete road of Nam Kerng- Ban Mom with length of 2,600 meters, Organize participatory programs that promote jobs and income for people in the nearby areas.

3) **Boten Beautiful Land Specific Economic Zone:** continue to build Lao Boten and China Bohan border trade areas, encourage more domestic and foreign investment; continue monitoring of people coming in and out of the zone, improve the issuance of temporary pass for officials, investors, business, Lao labor and immigrants living in the zone.

4) Thatluang lake specific economic zone: continue to build infrastructure such as ponds, drainage, and concrete road (width of 26 m and length of 2,240 m); road along the big pond (width of 24 m wide and length of 2,400 m) and 4 bridges; focus on completing the survey and design of 5 star hotels; continue building 7 condominiums, complete building 2 door pillars as planned; continue the design to build flood protection from the border of ASEAN Mall to Ban Non Kor (length of 800 m); Continue to build sewage from the office of the zone until Lao-Itecc shopping mall border areas.

5) Vientiane Industrial-Trade Area – Nonethong (VITA Park): continue to build infrastructure such as roads, electricity network, water supply etc.; continue to attract domestic and foreign investments; support licensed companies that paid income tax for year 2015; continue monitoring inspection activities toward import and export of each company in the area; continue issue import and export licenses to companies in the industrial-trade area.

6) Phoukhyo Specific Economic Zone: continue to build infrastructure as planned in particular on building road connecting the zone to road no.13 (length of 7 km), which will be 2 lens road and small roads within the zone; focus on compensation and attracting more investment to the zone.

7) Saysetha Development Specific Zone: continue addressing remaining land compensation for those that are affected by the project; together with Lao-China limited company seek funding for compensation as planned and make plan for initial 410 hectares land use for the development of infrastructure as planned in Phase 1; continue developing basic infrastructure in areas such as roads, electricity, water; work with relevant sectors to explore and construct in-out road in 2 points to be completed as planned.

8) Dongphosy Specific Economic Zone: continue addressing land issues total of 8 pieces of lands; support and monitor developer in their work implementation as scheduled; continue implementing small task management unit to wider society in the timely manner and meet the expectation of developer.

9) Long Thang Specific Economic Zone: continue addressing remaining land issues for those that are affected by the Phase 2 of the project; seek funding to complete compensation to those that are affected by project; continue building infrastructure in accordance to the approved government master plan; continue to expand golf court from 18 holes to 36 holes; and build 10-15 villa house model.

10) Thakhek Specific Economic Zone: continue to compensate for acquisition of land use rights and various elements of the land to the people affected by the project to reach 20 pieces of land, representing 3% of total compensation; create 60 jobs per month for the people in the zone, people nearby and migrant labor; encourage to have at least 4 units of businesses, domestic and foreign companies to invest and develop projects in the zone; promote 20 times use of imported construction material for construction activities of each company.

Section II

National Socio-Economic Development Plan 2015-2016

NSEDP 2015-2016 is the first implementation of the 8th Five-year National Socio-Economic Development Plan (2016-2020) and the first year to implement resolutions of the 9th Party meeting. The Plan targets continued and stable economic growth through rural development and poverty eradication. It is aligned with SDGs and integrated into the development of Lao PDR in particular to the unmet MDGs targets in order to help the country graduate from LDC status in 2020.

I. Overall context

1. Regional and International context

Regional and global economic situation is expected to continue to be unstable and might fluctuate unpredictably. Climate change may cause natural disasters such as typhoon, drought, flood and other diseases which can hinder worldwide socio-economic development.

2. Domestic context

Our country still continue to have political stability, peace, and social order; the people are in unity and solidarity; economic still continue to grow and investment climate is improved to facilitate doing business. Our country also has potential natural resources and advantages in term of proximity allowing transit of goods and services in the Mekong areas. In addition, WTO and AEC accession will provide opportunities for Lao PDR to attract more investment, trade and services.

II. Overall Directions, outcomes and outputs:

1. Overall Directions, responsibilities

Overall directions of the Plan is to ensure sustainable economic growth which central to social development and environmental protection through the green growth initiative; build production model, ensure food security and food production, pay attention on rural development and address poverty for all based on the direction of 3-builds policy; promote tradition and culture with economic development, implement breakthrough on education, healthcare and labor, enhance and encourage entrepreneurs' competitiveness, enhance value of local culture; implement breakthrough on government administration mechanism while strengthening effectiveness and transparency of governance and social administration; attach social-economic development with defense and security; international relations should complement domestic development to enhance competitiveness, enhance national capacity and new generation to contribute to the national development; implement strategy for transition towards industrialization and modernization in order to graduate the country from LDC status in 2020.

2. Targets, macro stability

Targets

- **Targets to graduate from LDC status¹**

¹UNLDC graduation criterion by 2020 – achieve 2 out of 3 criterion twice, UN assessment as of March 2015 suggested Lao PDR has not met any criterion yet: Criteria 1: GNI of Lao PDR was 1,232 USD

- GDP per capita of 16.74 million kip or USD 2,092.
- Human Asset Index (HAI) of at least 66 (latest evaluation from CDP Committee in March 2015 for Lao PDR was 60.8)
- Vulnerability Index (EVI) of at least 66 (latest evaluation from CDP Committee in March 2015 for Lao PDR was 36.2)
- **Macro-economics targets**
- Average GDP growth of at least 7.5% and create value added of 115,452 billion kip per year; in which:

+ Agriculture Sector	increase 3.1%	account for 22.7% of GDP
+ Industrial Sector	increase 8.7%	account for 29.5% of GDP
+ Service Sector	increase 9.0%	account for 39.4% of GDP
+ Import Tax	increase 8.1%	account 8.4% of GDP
- Maintain inflation rate at appropriate level and increase M2 by 20%.
- Ensure foreign currency reserve at the level sufficient for at least 5 months of import on average.
- Continue exchange policy based on state managed market mechanism to make exchange rate stable, Kip appreciation or depreciation between 5% against major foreign currencies.
- **Economic target**
- Strive to increase rice production to 4.2 million ton, increase by 5%
- Strive to achieve 6,380.85 billion kip in the production of industrial processing and handicraft
- Strive to achieve 32,788.22 billion kip in goods in circulation (wholesale - retail and service)
- Strive to produce mineral of 12,697.44 billion kip
- Strive to produce electricity of 20,501 MWH
- Strive to have 4.5 million tourist visiting the country
- **Social target**
- Strive to reduce poor households rate to lower than 6.11%
- Reduce poor villages to lower than 18.38% of total villages
- Increase primary school enrollment rate from 98.6% to 99% and from survival rate for grade 1-5 to increase from 78.3% to 81%
- Reduce under-one mortality rate to 45 per 1000 live births, U5 underweight ratio reduced to 22% and under-five stunting ratio reduce to 34%

Estimated Macro Balance

- **Resources for development**
- Approximately 34,500 billion kip or 30% of GDP is needed to ensure the achievement of GDP of 7.5% during the fiscal year 2015-2016, of which
 - public investment accounts for about 3,800 billion or 11% of total investment. Also **ທຶນຈົດຮັບ-ຈົດຈ່າຍ** from some asset capitalization projects.
 - Grants and loans (ODA) of 5,600 billion Kip or approximately USD 700 million, accounted for 16.23% of total investment

(threshold is 1,242 USD); Criteria 2: HAI of Lao PDR was 60.8 (threshold is >66) and Criteria 3: EVI of Lao PDR was 36.2 (threshold is <32).

- Domestic and foreign direct investment of 18,400 billion Kip or around USD 2,300 million, accounted for 53.35% of total investment
- Increase bank credits to 6,700 billion Kip, accounted for 19.42% of total investment
- **Public Budget balance**
 - Strive to collect total revenue of 29,213 billion kip, of which 23,613 billion kip is domestic revenue
 - Estimated budget expenditure of 35,000 billion kip
 - Budget deficit of 5,787 billion kip or 5% of GDP
- **Import-Export**
 - Strive to achieve export value of USD 3.70 billion
 - Import value of USD 5.26 billion
 - Trade deficit of USD 1.56 billion or 10.28% of GDP
- **Labor and employment**

With the movement towards industrialization and modernization and AEC integration, labor in agriculture sector will decline from 65.3% to 64.9%, in industry sector will increase from 11.4% to 11.6% and service sector from 23.3% to 23.6 and will create 143,239 jobs.

Outcome of the 8th NSEDP (2016-2020)

- 1) **Outcome 1: Sustained, inclusive economic growth and economic vulnerability (EVI) to reduce to levels required for LDC graduation and consolidated financial, legal and human resources to support growth**
- 2) **Outcome 2: Human resource development achieved to LDC graduation criteria level and achievement of off-track MDGs through the provision and use of services which are balanced geographically and distributed equitably between social groups.**
- 3) **Outcome 3: Reduced effects of natural shocks as required for LDC graduation and sustainable management of natural resources.**

1. Outputs of the NSEDP

To achieve overall goals of the 8th NSEDP (2016-2020) during the fiscal year 2015-2016, following are needed to be taken:

Outcome 1: Sustained, inclusive economic growth by building strong economic foundation and reduce economic vulnerability

To achieve outcome 1, there is a need to focus on the following 7 outputs:

1.1 Ensure Sustained, inclusive economic growth

1) Industrial Sector:

Targets

- Strive to increase production value from the processing industry sector and handicraft sector to 6,830.85 billion Kip
- Strive to increase trade value to USD 9,441 million including export value of USD 3,801 million and import value of USD 5,640 million, trade deficit of USD 1,839 million.

- Strive to produce electricity of 20,501.03 million KWH including export of 2,321.3 million KWH or USD 2,321.3 million, domestic consumption of 6,131.31 million KWH and import of 1,708.18 million KWH. Strive to expand household electricity coverage rate as planned.
- Support full production of Hongsa Hydropower plant with installed capacity of 1,878 MW, strive to complete and move towards full production of Huya Lam Phan and Nam Khan Hydropower plant with installed capacity of 88 MW and 130 MW, respectively. There are total 32 hydropower plants with installed capacity of 5,415 MW targeted to be completed and move towards full production.
- Focus on the development of hydropower, solar power, energy from biodiesel to become sector that provide sustainable income sources, support production and eradicate poverty.
- Strive to achieve mineral production of 11,691.52 billion Kip especially from key mineral including mixed gold and silver (24.882 ton), copper sheets (91.600 ton), copper dust (353.250 ton), potassium (200.000 ton) and others mineral and export value of at least USD 1.5 billion.

Focused areas:

- Attempt translating implementation plans into concrete results by focusing on 5 strategic and potential areas such as: 1) promoting wood sculpturing of Phaylom Village, 2) promoting the development of industrial zones and estates, 3) promoting handicraft products, 4) promoting industry, and handicraft and agricultural products processing and 5) studying science on extracting natural colors from plants for dyeing silk; at the same time also focusing on developing the strategic plan on industrial processing and handicraft, developing green industry and support the implementation of promoting investments and developing infrastructure in each Special and Specific Economic Zone, especially industrial economic zones and Vientiane Nonthong Trading Zone.
- Continue to build foundation and enhance capacity in business competitiveness for the entrance into ASEAN Economic Community and international market integration.
- Create environment with facilitating policy and regulations to attract general investments and promote entrepreneurs in industrial processing and commerce which will create employment, income for people and will also widen the sector of goods production using raw domestic materials including processing of raw materials from agriculture-forestry sector.
- Focus on developing hydropower, thermal power electricity, solar power and bio-diesel power to become a sector with sustainable income, supporting production and alleviating poverty.
- Promote more mineral processing, reduce the export of unprocessed minerals, provide support to the construction of mineral companies and mineral processing plants to complete 13 companies as planned, of which, 3 domestic companies and 10 international companies. For completed construction projects, support them to start mining and production to support the growing value of mineral products to remain not less than 11%. Continue international cooperation for mineral management and prepare for mineral minister meeting.

- Attempt to fully complete the construction of the main roads of districts, rural roads that link to focused zones and developing village groups to facilitate travel at least in one season in a year. Strive to construct Paksan bridge crossing Mekong River (Bolikhamxay-Beungkarn), at Paktapharn (Saravane-Oubon provinces) and railroad bridge.
- Focus on the construction of riverbank protection along Mekong River and Heuang River banks of 35 kms in total, (equals 50% of severe eroded areas which was surveyed in 2009)
- Focus on the survey and design of Vientiane Capital airport, and Champasack airport to be used together with other 2 provinces such as Saravane and Sekong and serving to 3 million people per year, strive to construct Seno airport, Tonpheung airport and Thonghaihin airport.
- Focus on developing railroad network vertically and horizontally to be able to link to neighboring countries with potential and transporting markets by making railroad transportation the main method in the country and link to other types of transportation to be an effective transportation system with variety types of transports in the sub region.
- Survey-design master plan of remaining districts. Promote state enterprises and private business and the people to the contribution of the development in infrastructure of districts at different levels including districts along the economic lines, provide services on collecting and disposing garbage in cities at the level of 80% of the total amount of garbage and services on sewage treatment with appropriate methods.

Some supporting projects

1. Sustainable development of handicraft products, value of 1,000 million LAK, project period from 2015-2018, received 300 million LAK of fund for the fiscal year of 2015-2016 at the starting phase with main focus on technical support
2. Project on the promotion of producing commercial rice, value of 600 million LAK, project period of 3 years, receive 200 million LAK of fund for the fiscal year of 2015-2016.
3. Project on developing local goods to become commercial goods (ODOP), value of 600 million LAK, project period from 2015-2018, receive 250 million LAK of fund for the fiscal year of 2015-2016.
4. Project on promotion of participation in developing bordering goods, value of 700 million LAK, project period from 2015-2018, receive 250 million LAK of fund for the fiscal year of 2015-2016.
5. Project on development and management of domestic trade coverage, value of 600 million LAK, project period from 2015-2018, receive 250 million LAK of fund for the fiscal year of 2015-2016.
6. Project on trade center construction in Sekong, value of 93,540 million LAK, project period from 2013-2020, receive 7,500 million LAK of fund for the fiscal year of 2015-2016.
7. Project on the construction of rural trade market, value of 1,400 million LAK, project period from 2014-2017, receive 300 million LAK of fund for the fiscal year of 2015-2016.
8. Project on strengthening the 8th development plan of processing industry and commerce, value of 300 million LAK, project period from 2014-2017, receive 100 million LAK of fund for the fiscal year of 2015-2016.

9. Project on promoting wood processing industry, value of 1,410 million LAK (ODAFund + public budget)
10. Projects supporting the 8th Five Year Plan (2016-2020) in industry and commerce sector.
11. Project on improving state owned enterprises, value of 16,000 million LAK (ODAFund + public budget)
12. Projects supporting the 8th Five Year Plan (2016-2020) in industry and commerce sector.
13. Projects on promoting the development of processing industry and commerce in different locations, value of 45,000 million LAK (ODA fund+ public budget)

Apart from these projects, there are other projects which detail in the public investment plan.

2) Service Sector:

Targets:

- Promote tourism through various information portals to increase tourists by 4.5 million people times and generate income from tourism to reach about 700 million US Dollars.
- Develop tourism products for 2 districts as One District One Product and complete development plan for 2 tourist sites.
- Strive to achieve the circulating value (wholesale-retail and service charge) of 32,788.22 Billion LAK.
- Expand or create more remote and rural markets.
- Create quality system of goods transportation to promote trade, production, investment, tourism and services with high safety, convenience, timely and modern, able to integrate to neighboring countries.

Focused areas:

- Pay attention to developing sustainable tourism by promoting eco-tourism, cultural tourism and historical tourism to make Lao PDR the tourism destination for tourists globally.
- Improve tourist sites with full option services and with quality. Develop and restore facilities in tourist sites with international standards and with local characteristics.
- Develop plan and promote tourism business, electronic wholesale-retail and assemble, develop and manage domestic trade network, facilitate trade, improve regulations on business establishment and operation, improve SPS and TBT, improve labour performance in industry and commerce sector and project on improving state owned enterprise, at the same time, also study and identify potential goods for export at each period and support entering into the market efficiently.
- Establish and strengthen handicraft groups by paying attention to raising quality and the design of products to a higher level meeting the market demand, at the same time, also collaborate with tourism sector to produce souvenirs with local uniqueness meeting the demand of tourists.

Some supporting projects

1. Project on survey and select conservation tourism products at district and village level and with people's participation, value of 5,000 million LAK, project period for 3 years, receive 700 million LAK of fund in the year.
2. Project on improving facilities of 400-year tea garden tourist site, value of 2,000 million LAK, project period for 2 year, receive 1,300 million LAK of fund in the year.
3. Project on developing tourism facilities at each joining point of regions in Lao PDR, value of 3,500 million LAK, project period for 2 years, receive 550 million LAK of fund in the year.
4. Project on construction of rural trade market, value of 1,400 million LAK, project period from 2014-2017, receive 300 million LAK of fund for the fiscal year of 2015-2016 and 100% of work has been completed.
5. Project on promoting accessing SME fund, value of 160,960 million LAK (ODA fund + public budget), project supporting the 8th Five Year Plan (2016-2020) from industry and commerce sector.
6. Project on improving regulations on business establishment and operation, value of 8,000 million LAK (ODA fund + public budget), project supporting the 8th Five Year Plan (2016-2020) from industry and commerce sector.
7. Project on facilitating trade, value of 23,000 million LAK (ODA fund + public budget), project supporting the 8th Five Year Plan (2016-2020) from industry and commerce sector.
8. Project on promoting investment in industry sector, value of 2,000 million LAK, ODA fund, project supporting the 8th Five Year Plan (2016-2020) from industry and commerce sector.

Apart from these projects, there are other projects which detail in the public investment plan.

3) Agriculture and forestry sector:

Targets:

- **Food production:**

- Ensure nutrition and sufficient food security.
- Strive to expand rice farming areas to reach 998,980 hectares in total, average productivity about 4.21 tons/hectare, total production of 4.2 million tons. In which, projects specifically on producing rice for national food security covering 821,780 hectares, total production of 3.53 million tons, covering 84% of total rice production nationwide, the remaining are in provinces not belonging to projects producing rice for national food security.
- Strive to provide water for irrigation for production areas of 440,000 hectares in total, in which, providing water for production areas in dry season of 180,000 hectares and providing water for rainy season rice production and other rainy season plantation of 260,000 hectares.
- Production of food plantation such as: sweet corns about 28,000 hectares with production about 264,640 tons; taros-sweet potatoes about 21,750 hectares with production about 276,330 tons; fruit trees about 42,050 hectares with production about 812,420 tons and other plantation about 115,900 hectares with production about 1,413,420 tons.
- Production of meat-fish and eggs to meet the demand of the society sufficiently especially in markets in big cities and able to assist in the livelihood of people in rural areas, strive to achieve the rate of consuming meat

and fish of 55 kg/person/year, therefore, to respond to the demand, there is a need to strive to produce meat-fish about 387,655 tons in total, in which, meat 168,840 tons, eggs 390,760 tons and fish 179,000 tons (farm fish and natural fish).

- **Commercial production:**

- Strive to produce agriculture goods expanding in both quantity and quality to meet the demand of domestic processing factories and export.
- For other plantation: produce coffee (plantation area of 85,000 hectares), harvesting area of 65,200 hectares with production of 105,620 tons; corns for animal food to reach 200,500 hectares with production of 1,112,700 tons; groundnuts to reach 26,800 hectares with production of 67,000 tons; soybeans to reach 11,500 hectares with production of 17,940 tons; sesame to reach 10,900 hectares with production of 11,990 tons; sugarcanes to reach 30,000 hectares with production of 1,821,000 tons; tobacco to reach 7,000 hectares with production of 66,800 tons and cassavas to reach 46,000 hectares with production of 1,527,200 tons.
- Strive to gradually expand the number of farm animals to ensure the expansion in nationwide to reach the level of 10-12% such as: 1,192,800 buffalos, 1,987,600 cattle, 3,027,000 pigs, 547,600 sheep-goats and 33,288,000 poultry.

- **Forestry and forest resources management:**

- Pay attention to restoring forestry since it is an important area to restore the richness and ecosystems of the forest back to the marine-wildlife animals especially the natural forests which are the sources of several important types of biodiversity.
- Survey and allocate restoring areas and identify restoring forestry areas from clearing forest for farming, from unplanned harvesting and unallocated forest areas in production forests and outside of three types of forests.
- Survey before cutting, mark cut-down trees and assess after cutting in production forest areas.
- Monitor and support the implementation of harvesting plan, infrastructure construction areas and non-timber forest products collection.
- Support and implement tree plantation in all provinces nationwide.

Focused areas:

- Promote the production of food plantation widely at nationwide to be able to securely meet the demand of society at basic level.
- Promote commercial plantation especially plantation with potential production nationwide and potential domestic market and export.
- Support individuals and entrepreneurs or production groups to set up indigenous cattle farms for export.
- Promote farming of hybrid beef cattle by artificial hybridizing in provinces with appropriate conditions to increase the weight of cattle to 400 kg/cattle increasing the beef production to 160 kg/cattle to increase income for farmers.

Alongside with the promotion of commercial cattle farming, there is a need to promote for farmers to expand the animal food plantation widely.

- Promote and support closely as well as providing materials and necessary production factors to farmers to ensure the expansion of farm animals in nationwide.
- Survey the ability of natural meadows, allocate areas for animal food plantation, and promote making the best use of leftover from plantation and processing industry for cattle and other big animal farming.
- Promote the production of hybrid pigs by supporting investment from all business areas from both public and private into farming and expanding pig gene with pure bloodline, ພໍ່-ແມ່ພັນລຸ້ນ 1 (F1) ແລະລຸ້ນ 2 (F2) to be in each region of the nation.
- Promote and expand tilapia fish farming for export by focusing on increasing the areas with history of farming in Vientiane Capital with attention to farming in appropriate areas along the Mekong river and branches of Mekong river.

Some supporting projects

1. Project on construction and repair water systems serving clean agriculture center (Veunkham), total value of 4,710 million LAK, project period from 2015-2018, receive fund of 400 million LAK for the fiscal year of 2015-2016.
2. Project on restoring and repairing irrigations nationwide, value of 40,000 million LAK, project period from 2014-2016, receive fund of 20,000 million LAK for the fiscal year of 2015-2016.
3. Project on Namtong II irrigation construction in Feuang district, Vientiane Province, value of 131,100 million LAK, project period from 2011-2016, receive fund of 3,900 million LAK for the fiscal year of 2015-2016.
4. Project on Houay Thahao agriculture irrigation construction in Outhoumphone District, Savannakhet Province, value of 85,650 million LAK, project period from 2013-2018, receive fund of 3,200 million LAK for the fiscal year of 2015-2016.
5. Project on promoting commercial rice production, value of 600 million LAK, project period from 2014-17, receive fund of 200 million LAK for the fiscal year of 2015-2016.

Apart from these projects, there are other projects which detail in the public investment plan.

4) Promote variety of goods production and services to reduce the reliance on natural resources

Focused areas:

- Regulation on using ODOP logo for Lao goods production, to create trust for consumers from both within and outside the countries to be available for sale both domestically and export and also be on-spot export products, at the same time also promote and develop local goods to be goods and plan to import raw materials to process and produce goods for export which is a way to do business with trade partners in the region and in the world.
- Actively develop tourism with people's participation by focusing on protecting cultural, historical and natural tourist sites nationwide; at the same

time also monitor and assess conservation development with people's participation, public projects and projects supported by international organizations. Promote and support tourism business associations, hotel-restaurants business associations for better movements. In which, focus on developing tourist sites, increase the efficiency of services, safety of life and property of tourists including managing tourists to deter the exploitation of illegal services such as: drugs dealing, human trafficking and so on.

- Promote weaving handicraft, embroidering, silver-gold forging which are characteristics of the nation and of ethnicity to become products and goods for tourist consuming from both within and outside of the country contributing to the income generation and addressing unemployment widely.

Some supporting projects

1. Project on promoting investment in industry sector, value of 2,000 million LAK, fund from ODA, project supporting the 8th Five Year Plan(2016-2020) from industry and commerce sector.
2. Develop sustainable handicraft goods, value 1,000 million LAK, project period from 2015-2018, receive 300 million LAK of fund for the fiscal year of 2015-2016with beginning phase focusing on technical promotion.
3. Project on promoting commercial rice production, value of 600 million LAK, project period from 2014-2017, receive 200 million LAK of fund for the fiscal year of 2015-2016.
4. Project on developing local goods to become ODOP goods, value of 600 million LAK, project period from 2015-2018, receive 250 million LAK of fund for the fiscal year of 2015-2016.
5. Project on developing and managing domestic trade network, value of 600 million LAK, project period from 2015-2018, receive 250 million LAK of fund for the fiscal year of 2015-2016.
6. Project on construction of market in rural areas, value of 1,400 million LAK, project period from 2014-2017, receive 300 million LAK of fund for the fiscal year of 2015-2016 and 100% of work has been completed.

Apart from these projects, there are other projects which detail in the public investment plan.

5) Create harmonized production chain among large enterprises and small and medium enterprises

Focused areas:

- Continue to implement projects that are obligations of the government of Laos to the APO, execute joint funding projects to promote business by sharing 50% of fund to provide technical assistance to business units, implement work in the area of cooperation and coordination with international organizations to promote small and medium enterprises (SME), research to create financial products of promotion and development fund for SME for more variety to support SMEto access funding sources, prepare for consultation meeting between government units and tea production group from Phongsaly to study the feasibility of establishing national chamber for tea and coffee development.

Some supporting projects

1. Project on improving regulations on business establishment and operation, value of 8,000 million LAK (ODAFund + public budget), project supporting the 8th Five Year Plan (2016-2020) from industry and commerce sector.
2. Project on the promotion of accessing SME funding sources, value of 160,960million LAK (ODAFund + public budget), project supporting the 8th Five Year Plan (2016-2020) from industry and commerce sector.
3. Project on improving the access to business development, value of 20,000million LAK (ODA fund + public budget) project supporting the 8th Five Year Plan (2016-2020) from industry and commerce sector.
4. Establish Business Clustering, value of 650 million LAK, project period from 2015-2018, receive 100 million LAK of fund for the fiscal year of 2015-2016.

Apart from these projects, there are other projects which detail in the public investment plan.

Promoting domestic and foreign investment in some focused areas as follows:

Focused areas:

- Create facilitating environment to attract domestic and foreign private investment namely improving one door service to be more convenient, efficient, reduce time required for investment request focusing on projects of main drivers of national economic growth and development.
 - Continue to implement the work on inspection, assessment of mining projects and projects on eucalyptus and rubber plantation complying with the Order number 13/PM for achievement and able to report to the government.
 - Participate in working groups to research and address issues related to investment promotion to improve the coordination procedure and consideration of issuing permission to general investment projects.
 - Provide technical assistance in building capacity for officials in enterprise registration in industry and commerce sector.
 - Collaborate with administrative council of Nonthong-Vientiane economic cooperative industry and trade zone to support the implementation as planned such as: request to the government to consider more land area of 200 hectares as specified in the joint funding contract; support the concerned sector to issue ID for tax payers for domestic investors for the convenience in import-export machinery, materials and goods in the zone as well as request to the concerned sectors to consider requests for tax and customs exemption, labour quota and labour cards, faster consideration process especially the stamps for investing companies, tax and customs exemption, goods-materials and B2 visas to build confidence in investors to attract more new investors.
 - Increase the attraction of investment of developers, domestic and foreign investors in the development of infrastructure in special economic zone to become stable revenue base for national budget, as well as gaining lessons, experience, fund from the nation and international organizations to support the implementation of strategic plans and other action plans, each zone to strive to achieve according to set targets such as:
- + **Savan-Seno Special Economic Zone (ຂສສຊ):** strive to attract domestic and foreign investment to reach at least 86 business units, increasing by 30

business units compared to previous year. There is a need to focus on the development and attraction of investment into each point as planned such as: Point A as trade and services investment, Point B as transportation service area, Point C as industry and commerce area and Point D as allocated houses area. At the same time, also focus on creating jobs for 5,000 people.

- + **Golden Triangle Special Economic Zone (ຂສພຄ):** support the implementation of Golden Triangle international airport construction project; continue to complete remaining land work namely identifying the boundary of the zone and Kiewlom Mountain conservation forest; golf court project; support the continuation of developing Done Xao natural and cultural tourist site; construct concrete roads from Golden Triangle international checkpoint to Nam Keung-Ban Mom with 2,600 meters in length; promote projects with people's participation to promote employment and income for people in the zone; support and attract investors in developing and improving infrastructure and services such as: hotels, trade centers and so on.
- + **Botaeen Daen Ngarm Specific Economic Zone (ຂສປ):** continue to conduct research on economic cooperation zone between Boten (Lao PDR) and Bohan (China); continue to promote and attract more domestic and foreign investment into the zone; continue to improve and research legislation of the zone and complete infrastructure development within the zone as planned.
- + **Vientiane-Nonthong cooperative industry and trade zone (ນອຄວ):** strive to complete landscaping work of the remaining area (about 30% of the total land area of 110 hectares) at 100% and able to be invested as well as developing plan and following up on requesting for more land area; continue to construct and install electricity cable network into electricity distribution plant in the cooperative zone at 100% and ready to be used in the zone as well as negotiating the selling-buying electricity with the government officially; set up a company to collect garbage and factory waste within the zone; at the same time, also survey-design water treatment basin and water drainage systems to outside; continue to construct infrastructure (electricity, water supply, concrete roads, etc.). Ensure registered companies and those constructing factories to complete as planned and support companies with registration to complete the construction of factories at 70-80 % of the total number; attract domestic and foreign investors to invest within the zone at least 3-5 companies more, create jobs for Lao labour about 2,000-2,500 more.
- + **Phoukhieo Specific Economic Zone (ຂພຂ):** continue to develop infrastructure to complete as planned; focus on land compensation and mobilize more domestic and foreign investment into the zone.
- + **Xaysettha Overall Development Zone (ຂພຊ):** mobilize funding source to complete the remaining land work for the owners of the land impacted by the project development, as well as planning basic use of 410 hectares land area into the infrastructure development according to the development plan phase 1; continue to develop infrastructure within the zone namely roads, electricity, water supply to complete at basic level; mobilize investment with several methodologies to increase the number of investing companies within the zone.
- + **Thatluang Mash Specific Economic Zone (ຂສທ):** develop Environment Impact Assessment report; develop infrastructure namely pond digging, water drainage canals, roads within the zone and bridges; continue to complete the

construction of condominium as planned; advertise and attract more and more investors to do business within the zone.

- + **Dongphosy Specific Economic Zone (ຂສສ໐):** focus on completing land work within the zone; implement small administration unit- large society efficiently, in time with the demand from investors; continue to attract more investment.
- + **Longthaeng-Vientiane Specific Economic Zone (ຂສລ໐):** continue to complete remaining land work within the zone for people impacted by project development; develop infrastructure according to the master plan approved by the government; continue to expand golf court from 18 holes to 36 holes; focus on completing the construction of some villa houses as designed.
- + **Thakhaek Specific Economic Zone (ຂທຂ):** draft Environment-Social Impact Assessment Report to propose to Ministry of Natural Resources and Environment for approval; continue to complete the construction of infrastructure within the zone to guarantee investment; continue to collaborate with concerned sectors to address issues related to investment to facilitate investment; compensate land utilization rights to people impacted by the project; continue to create jobs for people within the zone, people living nearby and foreign labour; continue to support business people, domestic and foreign companies to invest in projects within the zone.

Some supporting projects

1. Project on promoting the access to SME funding sources, value of 160,960 million LAK (ODAFund + public budget), project supporting the 8th Five Year Plan (2016-2020) from industry and commerce sector.
2. Project on improving regulations on business establishment and operation, value of 8,000 million LAK (ODAFund + public budget), project supporting the 8th Five Year Plan (2016-2020) from industry and commerce sector.
3. Project on facilitating trade, value of 23,000 million LAK (ODA fund + public budget), project supporting the 8th Five Year Plan (2016-2020) from industry and commerce sector.
4. Providing information on rice and animals, value of 600 million LAK, project period from 2015-2018, receive 100 million LAK of fund for the fiscal year of 2015-2016.
5. Project on improving state owned enterprises to balance prices, value of 2,000 million LAK, project period from 2015-2017, receive 200 million LAK of fund for the fiscal year of 2015-2016.
6. Project on developing policies for buying-wholesale of animals, marine animals and management of buying and selling animals, meat: value of 800 million LAK, project period from 2015-2020, receive 100 million LAK of fund for the fiscal year of 2015-2016.
7. Project on studying organization of markets for agriculture farmers, value of 400 million LAK, project period from 2015-2018, receive 200 million LAK of fund for the fiscal year of 2015-2016.
8. Project on studying the feasibility of markets for buying-selling agriculture goods (sticky rice), middle market for rice wholesale adhering to contract farming, value of 700 million LAK, project period from 2015-2017, receive 200 million LAK of fund for the fiscal year of 2015-2016.

Apart from these projects, there are also other projects detailing in public investment plan according to the National Assembly approval of the fiscal year 2015-2016 supporting the mentioned focused areas.

1.Ensuring the stability of macro-economics

Continue to develop for continuing economic growth by building strong and varied production foundation, improve the services with high quality and stronger; at the same time, also pay attention to management of macro-economic with stability to ensure macro-economics is stable and growing gradually; pay attention to monitoring changes in economics situation to set appropriate policy, manage and address domestic and external debts for continuing reduction; create cumulative reserve to ensure emergency expenses and to respond to economic crisis at regional and global levels.

Targets:

- Strive to grow GDP at least 7.5% and create added value in yearly price to reach about 115,452 billion LAK.
- Maintain inflation rate at appropriate level and increase M2 at 20% .
- Continue to implement policy on exchange rate with market mechanism under government management so that the exchange rate is stable, Lao Kip strong or weak between 5% compared to the main foreign currency; pay attention to management of inflow and outflow of money, promote the use of Lao Kip.
- Pay attention to policy research on management and addressing public debts to reduce the debts, as well as having measures to prevent further debts.
- Strive to obtain income budget of 29,257 billion LAK, total budget expenditure about 34,500 Billion LAK and guarantee budget imbalance 5,243 billion LAK or about 4.54% of GDP.
- Continue to mobilize forces in society to participate in addressing budget issues; improve mechanism and efficiency in collecting income to ensure income collected as targeted, use modern technology in collecting income to reduce human labour, time and to create trust in financial sector by society.
- Improve and implement appropriate measures on currency and financial policy to create financial-currency liquidity, ensure reserves in foreign currencies to be able to afford import for 5 months or more to guarantee clearance with foreign countries.
- Create national cumulative reserves to guarantee emergency expenses and implement measures to respond to economic crisis at regional and global levels.

Focused areas:

- Research and improve management mechanism of finance sector, continue to follow the two principle direction of three finance sectors such as: tax, customs and treasury by having close collaboration between the leadership of direct reporting line and the leadership of the local party, accelerate the development and turn finance sector to be modern.
- Research detail measures on establishing and expanding revenue base and gradually increasing where there is capacity.
- Research measures on deterring public debts such as: developing projects outside of the plan; strict and absolute on illegal public investment, addressing

- corruption using measures according to law and regulations strictly and absolutely.
- Research and set policy on currency to have more liquidity and be more compliance such as: credits, interest rate, exchange rate, control of money volume (M2).
- Research and set measures on management of goods prices that are sensitive to people's livelihood, research measures on managing import-export of goods to close the gap where goods are smuggled in illegally avoiding paying contribution to the government and so on.

2.Ensuring the consistency and harmony between the capacity to provide fund and development planning.

Development planning and fund provision need to be consistent and harmonized. Fund provision needs to be in line with development policy and fund demand needs to be in line with and ensuring the capacity to provide domestic budget in addition to grant and loan, private investment from within and outside of the country, providing credits to production and services.

Targets and focused areas:

In the fiscal year 2015-2016, there is a need for development fund of 34,500billion LAK or about 30% of GDP in which:

- From public investment about 3,800 billion LAK. The utilization of the fund needs to be effective and support development. All public investment needs to follow the NSEDP and in line with sector and local priorities and not creating further debts. In this fiscal year, the government will continue to focus on rural development and poverty reduction, support the implementation of project on food security and goods production, promote processing industry and handicraft, support small-medium production units, support district and 3 build pilot villages, focused development areas. At the same time, also support the cultural-social development aiming at achieving the remaining MDGs and prepare conditions for the implementation of Sustainable Development Goals (SDG).
- Grant and loan from foreign countries in an amount of 5,600 billion LAK or about 700million US Dollars by continuing to focus on the implementation of ODA projects that contracts have already been signed, namely projects on transportation infrastructure development, poverty reduction and UXO. At the same time, also pay attention to projects to achieve the MDGs.
- Private investment from within and outside of the country to reach 18,400 billion LAK or about 2,300million US Dollars by focusing on attracting mega investment projects that are main drivers of national economic development such as: projects on hydro-power dam construction, power plants, agriculture irrigation and funding market development, promoting agriculture and processing, food security and commercial production, etc.
- Bank credits to increase by 6,700 billion LAK with focus on projects on poverty reduction, effective commercial production, promote and support production-services of households, small-medium production groups aiming at creating jobs to generate income for people and for export.

3.Regional and local development with consistency and balance

1) Northern part:

- Macro-economic situation: in fiscal year **2015-2016**, population projection is about 2,015,738, poverty rate to reduce to **6.75%** and strive to increase GDP growth rate to at least 9.08%, GDP to achieve 29,685.50 billion LAK, GDP per capita to achieve 1,582.46 US Dollars, in which:

- Agriculture-forestry sector to increase by 5.77% covering 39.66% of GDP
- Industry sector to increase by 11.70% covering 29.05% of GDP
- Service sector to increase by 11.59% covering 29.20% of GDP

- **Focused areas:**

- **Agriculture production area:** overall, the northern part focuses on production of food plantation, mainly rice plantation, production area is estimated at 140,562 hectares increased by 28% compared to last year plan, estimated production of 629,489.38 tons, increased by 31% compared to last year plan; in which: rainy season rice production area is estimated at 98,487 hectares with estimated production of 485,120.3 tons, increased by 34% compared to last year plan; dry season rice production area is estimated at 17,575 hectares with estimated production of 76,068 tons, increased by 31% compared to last year plan, and uphill rice production area is estimated at 26,500 hectares with estimated production of 68,300 tons, increased by 29% compared to last year plan. Outstanding industry plantation in the northern part such as: corns, estimated production area is 26,912.48 hectares, increased by 33% compared to last year plan with estimated production of 159,293.99 tons, increased by 33% compared to last year plan; cassavas, production area of 65,000.23 hectares which is 32% compared to the plan, production is estimated at 459,653.48 tons increased by 31% compared to last year plan; job's tears, production area is estimated at 17,213.42 hectares, increased by 33% compared to last year plan, production is estimated at 54,325.04 tons, increased by 30% compared to last year plan; apart from this, also banana plantation with estimated production area of 2,174.37 hectares, increased by 32% compared to last year plan, production is estimated at 21,458 tons increased by 33% compared to last year plan; rubber, production is estimated at 5,423 tons increased by 34% compared to last year plan; apart from this, other types of outstanding plantation are: tea plantation in Phongsaly, sugarcane plantation, jatropha and bamboo (mai pong) production in Vientiane Province.
- **Industry area:** strategic products processing, creating added value to agriculture products, wood processing, rubber processing, non-timber forest products, hydropower and mining industry...
- **Trade, services and tourism area:** in northern part especially Luangprabang Province, there is a focus on natural tourism, in combination with historical and ethnicity cultural-traditional tourism.
- **Infrastructure development:** focus on continuing construction project of electricity network into Mongnam area, Houaymon in Xiengkhor District, project on improving asphalt roads in municipality area of Paklai District of 1

km length, project on Namhai irrigation construction in Ban Don, Xamtai District in 80 hectares to be completed as planned.

Some supporting projects

1. Project on construction of roads from BanKieochia to Ban Heub, Phonhong District, Luang Prabang Province, project period from 2015-2020, value of 80.88Billion LAK.
2. Project on improving roads with two layers of asphalt from Road No. 13 North to Phoulakham checkpoint, Namor District, project period from 2015-2022, value of 203billion LAK.
3. Project on construction of technical infrastructure, asphalt roads into Cultural Hall in Luangprabang Province, project period from 2015-2025, value of 187.38billion LAK.
4. Project on Houayxai District development (develop tourist site on Mekong riverbank in Nongthern area, riverbank protection and improve pier in Ban Khonkeo), joint funding with ADB, total project value of 193.75Billion LAK in which, domestic fund is 6.25billion LAK.

Apart from these projects, there are other projects which detail in the public investment plan.

2) Central part:

- **Macro-economic situation:** estimated total population is 2,608,023, strive to reduce poverty rate to 2%, strive to continue economics growth with GDP increased at least 10%, average income per capita to reach 2,550 US Dollars/person/year, in which:
 - Agriculture sector to increase at least 29.5% of GDP
 - Industry sector to increase at least 38% of GDP
 - Service sector to increase at least 32.5% of GDP

Focused areas:

- **Agriculture production area:** in fiscal year 2015-2016, strive to increase gross agriculture products should meet growing demand of society, must focus on workplan and focused projects that provide water to production such as: Namhoum project, Tha Ngon Plains project, Dongphosy Thinthieng Tai project in Vientiane Capital and Lower part of Xebangfai Plains bordering with Khammouane and Savannakhet Province, to ensure food security and reserves for emergency or disasters. In which, it is estimated that efforts will be put into rice production of 1,758,153 tons with an area about 408,893 hectares, support different types of plantation to reach 512,690 tons with an area about 36,169 hectares.
- **Industry area:** continue to actively promote commercial industry and handicraft production, expand small industry to outer parts of urban and rural areas, promote and support processing industrial factories to use modern technology to raise the quality of products, apart from that, also support industrial plantation such as: normal rice plantation in Vientiane Capital to feed into domestic industrial processing factories to reach 6,890 hectares, average productivity at 5.34 tons/hectares, production estimated at 37,444

tons, by focusing on 3 districts such as: Pak Ngeum, Xaythany and Hatxaifong Districts. In addition, there are projects on organic agriculture production which is organized in groups and expected to increase to 14 groups in 9 districts of Vientiane Capital. Apart from these, also promoting corns plantation in Bolikhamxay Province to feed into domestic factories to produce animal food.

- **Trade, services and tourism:** make central part an attractive tourist site in terms of cultural, historical and natural tourism with participation from all concerned parties. Promote tourism to be associated with promoting the socio-economic development so that the economic growth is consistently growing, in fiscal year 2015-2016, strive to attract tourists to reach 2,007,000 people times, generate income of 185 million US Dollars. In addition, also pay attention to improving service business for high quality with cleanliness and safety by focusing on ranking hotels, guesthouses, resorts and restaurants.
- **Infrastructure development:** focus on infrastructure construction, namely rural roads, focused areas aiming at poverty reduction especially remote areas, namely paying attention to the implementation of project on Naphao-Chorlor checkpoint construction in Boualapha district, Khammouan province and project on road construction with 2 layers of asphalt at conjunction of 13 north-Nakhaolom, Bolikhamxay province.
- **Social development:** to achieve the targets, existing policy and strategy on education specify that education development needs to be focused as center of human resources development, by increasing enrolment in non-formal education, new curriculum that meets the demand of disadvantaged people and promote more enrolment in vocational education; at the same time, also pay attention to increasing labour skills and increase technical knowledge for students in administration, polytechnic, management and so on; pay attention to expanding healthcare network in quantity and quality for better healthcare services, improve medical technology to be modern and develop health system in the direction of outreaching services to people, focus on developing model healthy villages-village clusters according to 8 contents of basic healthcare in developing villages-village clusters to be developed, strive to develop more healthy village model than previous years to gradually achieve the MDGs. There is a need to increase the rate of immunization for mothers and children, strive to increase the proportion of people using clean water to 100%, proportion of people using latrines to 95%.

3) Southern part:

- **Macro-economic situation:** strive to continue economic growth with GDP growing at least 9%, average income per capita at 1,679 US Dollars/person/year in which:
 - Agriculture sector to increase at least 37% of GDP
 - Industry sector to increase at least 35% of GDP
 - Service sector to increase at least 28% of GDP

Focused areas:

- **Agriculture production area:** in fiscal year 2015-2016, gross agriculture products must meet social demand, rice plantation should reach 1,187,003 tons, production area about 269,809 hectares, support different types of plantation such as coffee, cardamoms, corns and others.

- **Industry area:** continue and actively promote commercial production of industry and handicraft products, expand small industry to outer parts of urban and rural areas, promote and support industrial processing factories to use modern technology to increase quality of products such as: cement production in Saravane Province with estimated production of 350,000 tons.
- **Services and tourism:** promote and support tourism service operators and their quality compliant with regulations. Services must be quick-convenient-safe and meet tourist satisfaction.
- **Infrastructure development:** focus on infrastructure construction, namely rural roads, focused areas aiming at poverty reduction especially for people in remote areas and projects supporting and driving development.
- **Social development:** to achieve the targets, existing policy and strategy on education specify that education development is central to human resources development through increased enrolment in non-formal education. Besides, new curriculum must meet the demand of disadvantaged people and promote more enrolment in vocational education. At the same time, increasing skilled labour and technical knowledge for students in administration, polytechnic, management is vital; expanding healthcare networks both in quantity and quality, improving medical technology to be modern and develop health system is needed. Develop model healthy villages-village clusters according to 8 contents of basic healthcare in developing villages-village clusters, strive to develop healthier village model than previous years to gradually achieve the MDGs. There is a need to increase the rate of immunization for mothers and children, strive to increase the proportion of people using clean water to 95%, proportion of people using latrines to 90%.

5. Develop quality of labour force

Targets:

- Control unemployment rate at 2%.
- Promote labour development centers to increase opportunities for 131,616 people.
- Focus on developing labour standards in 5 careers.
- Balance the demand and the increased new labour force of 143,239 people.
- Improve labour skills development centers in Oudomxay to be the center for testing and issuing certificates for labour skills standard.
- Register labour from 100 people and more in 6 locations and strive for 3 labour units to achieve national labour standard.
- Strengthen employment services, expand service network in 3 provinces.

Focused areas:

- Create labour skills development system comprising of building standards, curriculum, trainings, testing, issuing certificates, labour skill competition with participation from labour units and society. Create and strengthen employment service network with variety and options to meet the demand of labour markets.
- Increase developed labour skills to meet the demand of labour markets. At the same time also construct and improve infrastructure of labour skills training center in provinces.

6. Develop entrepreneur, technical knowledge and specialists.

Focused areas:

- Attention must be paid on creating standards of curriculum of vocational education and technical trainings in order to meet the demand of labour markets as well as promoting more enrolment in polytechnic education. Improve quality and standards of vocational education and higher education according to the demand of national and Asian Region socio-economic development plan.
- Focus on the implementation of projects on strengthening vocational education and technical training to achieve the targets: (1) programme on providing cards for technical training scholarship, (2) programme on training contract for teachers and students in institutions and (3) advertise and advise on technical training and advise on career.
- Continue to pay attention on cooperation between the government and private sector such as (1) promote training using T-TEP curriculum from Toyota company (2) implement project on Ratchabury Holding Electricity and (3) continue project on cooperation with other companies such as Phubia Mining, AbihsoT, AMR and others.
- Continue to assemble and install learning-teaching equipment in machinery-automobile repairing subject in vocational education under STVET project; assemble and install equipment for printing companies for vocational development institutions and provide learning materials for polytechnic colleges and Pakpasack Technical school.
- Create and improve at least 1 technical-vocational school and training center in some districts with sufficient conditions, upgrade technical-vocational schools in some provinces with sufficient conditions and capacity to be colleges to provide training at different levels and varied methodologies.
- Create and promote labour relations in accordance with law and regulations to ensure appropriate labour employment.
- Support NEC with focus on public relations and prepare to support training and construction of new businesses according to project plan; strengthen capacity for service training providers, upgrade knowledge in different areas, curriculum on being initial counselors, basic knowledge on entering AEC, development of standards for business development counselors; focus on developing BSC and network administration such as: training to build capacity for staff in providing network services and information.
- Pay attention on monitoring, supporting and strengthening 268 technical centers nationwide such as: 64 service centers at provincial level, 123 at district level and 81 at village cluster level to be able to function by providing technical training on spot and in line with potential production capacity as well as supporting staff to provide support at village clusters so that there is regular on spot support at each village cluster on agriculture and forestry production by focusing on people learning and understanding of modern plantation-farming techniques. Expand veterinary network to all village clusters especially those affected by natural disasters in previous years, remote rural areas as well as providing training to strengthen veterinary at district, village cluster and village levels, alongside with providing medicine and veterinary equipment and in association with movement of centers and participation from international cooperation projects.

7. Expand region and global cooperation and integration

1) Bilateral and multilateral cooperation

Focused areas:

- Pay attention to mobilizing ODA fund by focusing on bilateral and multilateral arrangements and focus on the implementation of programmes within the framework of cooperation between Lao PDR and development partners effectively, promote and mobilize more fund from international non-governmental organizations in accordance with relevant policy and legislations.

2) Regional and global integration (trade connection and integration)

Targets:

- Improve coordination mechanisms associated with economics integration under national economic integration committee appropriate for the need emerging after being WTO member, ASEAN integration and other sub regions; creating a stand point to be reference for the negotiation in Doha, ASEAN+, RCEF and others; provide training on trade policy and trade negotiation.
- upgrade national avenues that are part of GMS system roads to ASEAN standards such as: Road No. 17 (Lao-Myanmar Friendship Bridge) with length of 165 km, AH11 (NR 13S) Vientiane Capital-Veunkham with length of 861 km, AH 12 (NR 13N) Vientiane Capital-Boten with length of 671 km, AH13 (NR 2E, 2W) Ban Dan (Ngeun District)-Panghok checkpoint with length of 362 km, AH15 (NR 8) Ban Nalao (3 junctions of 13 North)-Naphao checkpoint with length of 131 km and upgrade roads according to logistics plan approved by the government to turn them into industrial and modern to serve transportation at logistics points and improve 2 lanes roads to standards to be able to accept transportation weight of 11 tons per trip.
- Strive to increase passenger volume by 9% per year and goods transportation volume by 7% per year.
- Strive to increase hydro power dam construction project for hydro power export to 7 dams with total installation about 24,827 MW such as: Hongsa lignite thermal power project, Xayabouly hydro power dam, Namngiep 1 dam, Namkong 2 dam, Xepien-Xenamnoi dam, Xekhaman 1 and Xekhaman Sanxay dams.
- Expand electricity network to poor remote rural areas to cover at least 98% of the total number of families nationwide and bordering areas.
- Improve the 3 systems of radio wave transmission such as: Medium Wave AM, Short Wave SW and FM Wave to be able to transmit radio waves on the ground covering 95% of the total country areas; improve satellite television system to cover 100% nationwide and improve on the ground television transmission to cover more than 85% of the total country areas.

Focused areas:

- Economics-trade integration: implement 3 big programmes such as: regional and global economic integration; create facilitating environment for business and prepare business to be ready for increasing competition. In which, there is

a need to focus on the implementation of 22 small projects such as: bilateral cooperation, promote cooperation between ASEAN and WTO.

- Facilitate trade, improve regulations on business establishment and operation, improve accuracy of law and regulations, improve consumer competition and protection, improve SME funding access.
- Promote industry investment, improve labour performance in industry and commerce sector, improve SPS and TBT, improve operation efficiency of industry and commerce sector, improve access to business development, promote export, promote agriculture product processing, rice production and big animal farming, promote competitive performance of Lao coffee, construction material industry, wood processing industry, garment, fabric handicraft, tourism business and electronic wholesale-retail and assembly business.
- Transportation integration: create vehicle and machinery vehicle management system that is modern and easy to check, using vehicles with minimum effect on the environment. Control the number of overweight transporting vehicles at less than 10% and index on road destruction less than 1.4 (road destruction rate less than 40%) by using Risk Management checking system with modern weighing machines (Intelligent Transport System “ITS”).
- Improve law and regulations on domestic transportation in line with sub regional, regional and global transportation; implement bilateral transportation contract, multilateral transportation contract and international convention. Promote and support private sector both within and outside of the country to participate in infrastructure development and services associated with transportation as well as turning transportation to the east especially Vungang pier.
- Develop sustainable national power aiming at ensuring power stability for domestic use. focus on developing power that is absolute and create more variety of power business to provide power to consumers sufficiently; study for new power sources and increase substitute and alternative power (small scale hydro power, Bio fuels, biomass, biogas, sunlight, wind power and other alternative power for transportation).
- Continue bilateral cooperation with 13 countries: China, Vietnam, Thailand, Malaysia, Japan, Korea, Russia, USA, Myanmar, Norway, Belgium, France, etc. and cooperation with ASEAN, WTO, international organizations and others to mobilize funding sources for infrastructure development and building capacity for personnel in power sector for continuing expansion.
- Develop labour market information system to be reference for planning and adjust macro labour to be able to adapt to changes in regional and global labour market, pay attention to developing quality labour skills according to national labour skills standard and integration, develop curriculum, develop teachers, provide training equipment to ensure quality of labour skills development; at the same time, also organize one national competition on labour skills and one competition at provincial level.
- Advertise, disseminate on national beautiful culture to society both within and outside of the country, as well as open up cooperation and exchange selective advanced cultural value suitable for the current age and able to integrate regionally and globally, alongside with deterring cultural drawbacks that are harmful to Lao society.

- Support and create conditions for cultural materials and cultural non-materials to register as national heritage and create conditions to propose to be world heritage, upgrade management on mass media to be systematic, develop printing media, electronic media to be modern and meet regional and global standard gradually.
- Cooperate with ASEAN countries and other countries to develop Lao movies such as: making Lao movies, soap opera and documentaries to participate more in international movie festival. Organize arts and literature competition as well as national and a local festival.
- Continue to support cultural, historical and natural tourism with sustainability and with people's participation for better organization and results to integrate with the region and international widely and in-depth, hosting ASEAN conservation tourism festival to promote Lao tourism to international forum.

Some supporting projects:

1. Project on improving national Avenue No. 9
2. Project on management of facilities construction along national Avenue No. 9
3. Project on pilot modern weighing system at Natoi Checkpoint (R3), Ban Chaengsawang and along road No. 9
4. Project on management of vehicles and along road No. 9

Apart from these projects, there are other projects which detail in the public investment plan.

Outcome 2: Human resources development achieved to LDC graduation criteria level and achievement of off-track MDGs through the provision and use of services which are balanced geographically and distributed equitably between social groups.

To achieve, there is a need to focus on 7 priority areas such as:

Continue developing rural area and reduce poverty progressively with strong efforts in line with 3 build direction.

Targets:

- Strive to reduce the number of poor families in at least 13,692 families, from 83,865 families to lower than 70,173 families (equivalent to 6.11%) of the total number of families.
- Strive to reduce the number of poor villages in 254 villages, from 1,815 villages to lower than 1,561 villages (equivalent to 18.38%) of the total number of villages.

- Continue building more development villages, aiming to increase the amount of development village by 894 to a total of 4,246 from 3,352, or covering 50% or more of the total across the country.
- Continue turning big villages into small cities, aiming to develop 2-3 big villages in each city across the country.
- Focus on building strong infrastructure in 10 government focal areas and 54 local focal areas (64 priority focal areas), so that they can turn into small towns in rural areas.
- Address the problem on the movement of people scattered all over the country and focus on resettlement and allocation of stable jobs for the people in 167 areas across the country, complete the job in the areas that already started then moving on to other remaining areas. Focus on resettlement and allocation of stable jobs with high income to replace slash and burn for rice farming in 4 focal areas and make those 4 local areas the models for the rest.

Focus areas:

- Work at grassroot level to build villages to be the development units by following 4 contents 4 targets of poverty: focusing on preventing problems so that villages and districts are in peace and order, people are eager to contribute to the development, address poverty, and improve the lives of themselves for the better.
- Focus on attracting fund from various sources and encourage all parts of society to contribute to addressing poverty.
- Improve and build necessary infrastructure in rural and remote areas especially improving or constructing roads in rural areas to connect villages to cities, cities to provinces and regions. Facilitate public and private services to the people. Transport products and goods to the market for sales between cities, provinces and borders.
- Focus on resettlement and allocation of stable jobs for people especially in those areas where people do not have areas for farming or production. Conduct village planning and follow the plan where the village includes village office, club house, information center and others. Supply water to people in rural areas in both seasons for farming or production as well as for coping with climate change and reducing damages from natural disasters that might occur, aiming to support food supply production and commercial production of agricultural following the agricultural programme.
- Promote folk wisdom and diversity in commercial production, and encourage people to produce variety of products using existing unique locality to attract tourism especially making agriculture-forestry products such as Lao silk, wood or metal products with patterns and colors as souvenir, for domestic consumption or export,

Some Supporting Projects :

1. The 10 Focal Areas Border Development Cooperation of Lao PDR and Vietnam Project receives funding in FY 2015-2016 of 32 billion kip.
2. The Rural Development and Poverty Eradication in 54 Focal Areas Project receives funding of 80 billion kip.
3. The Development of 176 Focal Areas and Resettlement for Local People Project receives 37.4 billion kip of funding and the Development of 4 Focal

Areas and Resettlement for the Ethnic Groups receives funding of 17 billion kip.

4. 16 billion kip of funding from the government in addition to funding from donors in poverty reduction project.
and other projects detailed in the public investment plan.

Food Security and Nutrition

Targets

- Strive to achieve 2,600 Kcal of daily dietary energy consumption per capita to ensure adequate food security and complete nutrition.
- For production of crops, it is targeted to grow sweet corn in 28,000 hectares or produce 264,640 tonnes, grow taro in 21,750 hectares or produce 276,330 tonnes, fruit tree in 42,050 hectares or produce 812,420 tonnes and other vegetables in 115,900 hectares or produce 1,413,420 tonnes.
- For production of egg, meat, and fish, it is targeted to produce enough to supply for society especially to the markets in big towns and enough to improve the life of rural people, striving to achieve 55kg/person/year of meat and fish consumption. To meet such target, it is required to produce a total amount of 387,655 tonnes of fish and meat, of which 168,840 of meat, 390,760 tonnes of egg, and 179,000 tonnes of farmed and wild fish.

Focus areas:

- Promote production of crops widely across the country to ensure food security for society.
- Explore and allocate agricultural specific areas for different kinds of farming such as rice, crops and animal farming, focusing on 7 large plains and some other smaller plains. To achieve these, it is required to allocate land specifically for different types of farming. For example: land for rice and crop plantation to ensure food security, land for rice and crop plantation for commercial reason, land for plantations and land for livestock (including land for fodder) and other kinds, focusing on 2 model focal plains in Khammouane and Savannakhet and other smaller plains in the north to support rice production for export to China.
- Use the infrastructure such as: Nam Xon irrigation and some reservoirs of the dams to maintain the water level at the appropriate level before rainy season especially: Nam Ngeum-1, Nam Mung-3, Nam Theun-2, Theun Hinboun, Xepien-XeNamnoi, Xekhaman and others; build water draining system then to avoid flooding in the large production areas that are at risk such as: Xebunghieng, Xebungfai. Create flood prevention system, water gate. Set up water pump and water drainage system especially in a large lowland where there are risks of flooding.
- Promote mixed breeding of cattle for meat in provinces where suitable to increase the weight of cows to 400kg, increase beef production of 160kg per one cow to raise farmer's income. Also encourage farmer to grow forage plants widely.
- Promote mixed breeding of pigs by encouraging investment from both public and private sectors in raising and expanding the number of pigs in various breeds including pure breed, 1st Generation mixed breed (F1) and 2nd Generation mixed breed (F2) in all parts across the country.

- Identify responsibilities and benefits in decisionmaking in the management of public health clearly to local authorities regarding the work on provision of immunization, nutrition, clean water and latrines.
- Pay special attention on quality inspection of food and medicine and apply measures against those that violating the laws. Conduct campaigns on health, education and health maintenance by starting from implementing 3 principles on hygiene. Encourage people to pay special attention on food consumption, focusing on hygiene and nutrition.

Some Support Projects

1. The Production of Goods and Food Security Project, which has a total value of 678,980 million kip, implements between 2015-2020, provides 30,000 million kip of funding for the FY 2015-2016, initially focusing on strengthening the technical aspects.

and other projects detailed in the public investment plan.

Equal Access to Quality Education for All

Targets:

- Strive to reach 69% of school enrolment rate of 5 year old children.
- Strive to increase gross high school enrollment rate by 48%.
- Strive to reach 98.8% of net school enrolment rate.
- Strive to reach 81% of survival rate (year 1-5).
- Strive to reach 90% of primary school completion rate.
- Strive to reach 81% of gross secondary school enrollment rate.
- Strive to reach 6% of students who complete secondary school and further their study in vocational education out of the total number of student who complete secondary school.
- Expand opportunities for vocational education and professional training, targeting to reach 20% of student attending vocational institutions, 20% of student attending vocational institution under Ministry of Education and Sports, and 20% student attending private institutions and 20% of student attending education institutions under other ministries than Ministry of Education and Sports.

Focus areas:

- Develop human resources to be knowledgeable and competent to meet the demand of socio-economic development. Continue operating automatic transition from primary to upper secondary education. Promote informal education. Increase gender balance in secondary school enrollment. Promote outstanding students to further their study in tertiary education, aiming for gender balance in tertiary education.
- Continue expanding pre-schools and group study through plays and activities in remote areas. Set up more kindergartens. Expand more high schools in poorer districts. Continue implementing automatic school transition in accordance with the regulations. Provide lunch in schools at current targeted villages and expand to other targeted villages depending on the readiness of the communities, however priority is to keep within 10 districts within 5 provinces (Phonsaly, Oudomxay, Xayabouly, Houaphan and Bolikhamxay)

Some Supported Projects

1. The Basic Education Quality and Access in Lao PDR Project, which has a total value of 336, 000 million kip, lasts for 3 years, and provides 72,500 million kip of funding this year.
2. The Vocational Training Programme Phase V (VTP V), which has a total value of 50, 578 million kip, lasts for 3 years, and provides 9,196 million kip of funding this year.
3. The Second Strengthening Higher Education Project, which has a total value of 355,784 million kip, lasts for 3 years, and provides 107,813.33 million kip of funding this year.
4. The Visual and Scientific Lab equipments Training for Elementary Schools Project, which has a total value of 1,000 million kip, lasts for 2 years, and provides 500 million kip of funding this year.
5. The Visual and Scientific Lab equipments Training for Teacher Colleges Project, which has a total value of 700 million kip, lasts for 1 year, and provides 700 million kip of funding this year.

and other projects detailed in the public investment plan.

Ensure Equal and Quality Public Health Services.

Targets:

- Reduce under 5 underweight children to 22%
- Reduce under 5 stunting children (chronic malnutrition) to 34%
- Reduce the proportion of under 1 mortality to 45 per 1000 live births
- Reduce the proportion of under 5 mortality to 70 per 1000 live births
- Increase under 1 measles vaccination to 90%
- Reduce the proportion of maternal mortality to 220 per 100,000 live births
- Increase the proportion of births attended by skilled birth attendants to 50%
- Supply clean water to 85% of the population
- Increase the use of latrines to 70%

Focus areas:

- Improve and upgrade public health centers to the acceptable quality. Also improve basic public health services especially at the village level. Implement public health reform plan especially aiming to achieve those targets set.
- Encourage people to engage public health and maintain healthy. Take public health to the grassroot level, starting from a model healthy village. Build health practitioners - nurses who are competent, ethical, service-minded, and providing quality services.
- Improve public health infrastructure, especially modernizing the hospitals at the central level. Also improve the quality of treatment and care services to gain trust from society. Improve the quality of services in the regional hospitals, provincial hospitals and health centers by applying modern scientific technical medical in health services and improving and upgrading skills of health practitioners. Send more final year university students to

internship at provincial hospitals, district hospitals and health centers. Prepare well to handle with the outbreaks of serious diseases by preparing necessary medical equipments and having disease monitoring and surveillance system in place.

- Continue implementing the policy of medical treatment with cost and no cost, suitable with the real circumstances, for example giving birth and under 1 medical treatment would be free of charge. Encourage private sector to play more role in medical treatment by establishing modern and quality health centers, clinics or hospitals.
- Prepare to educate people about how to maintain healthy and hygiene in cases of natural disaster and outbreaks of disease.

Some Supported Projects

1. The Small Hospital Renovation Project, which as a total value of 5,000 million kip, lasts for 1 year, and provides 5,000 million kip of funding this year.
2. The Community Hospital Renovation Project, which as a total value of 4,100 million kip, lasts for 1 year, and provides 4,100 million kip of funding this year.
3. The Rural Water Supply and Latrine Project, which as a total value of 5,000 million kip, lasts for 1 year, and provides 5,000 million kip of funding this year.
4. The Disease Vaccination Project, which as a total value of 10,612 million kip, lasts for 1 year, and provides 10,612 million kip of funding this year.
5. The Strengthening Surveillance and Response System to outbreaks of disease and illness Project, which as a total value of 5,272 million kip, lasts for 1 year, and provides 5,272 million kip of funding this year.
6. The Micronutrient Project (vitamin A supplement, anthelmintics, iodine and fluoride, zinc, vitamin mineral powder), which as a total value of 4,646 million kip, lasts for 1 year, and provides 4,646 million kip of funding this year.

and other projects detailed in the public investment plan.

Upgrade Social Welfare Services and Increase Access for All.

- **Targets:**
 - Coverage of employees and health insurance to cover 18% of the workforce, 2,000 of privates on voluntary basis; to manage and enhance Social Fund to become sustainable.
- **Priority Activities to Achieve Output:**
 - Strengthen social security system and ensure efficiency; expand coverage of social security widely to protect the interests of beneficiaries and their family members.
 - Create and improve policy performance system for those who devoted for the national democratic revolution by encouraging broad participation. Development systems for social and child protection system to be more strengthened to ensure disadvantaged and victims of disasters has been relieved quickly and effectively by widely promoting social participation.
 - Continue advocate and publish regulations on the social protection to employers, workers and individuals in the society to increase realization extensively of the government and the party directions and ensure access to

social security service through cooperation with stakeholders; enhance social and health insurance cover widely.

- Focus on implementing policy for those with great contribution in the revolution mission of totally 6,974 people. Meanwhile, also improve the quality of life of employees with disabilities across the country to create favorable conditions for disabled and elderly people to access to the social and related services, especially pay more attention and provide assistance to improve the quality of life of the victims of human trafficking and natural disasters in a timely manner through provision of social fund to both the central and provinces – establish fund in at least 3 provinces and child protection networks in at least 160 villages.
- Create information on the labor market, labor management, social security, benefits for those contribute in the revolution and elder people; promote wide application of research and science in social welfare service.

Supporting activities and projects

1. Project on constructing ground water for people with disability of 489 units worth 1,406 million kip. For the first 3 years period will receive fund of 500 Million kip.
2. Project on constructing and improving use of water at 790 units worth 2,830 million kip. For the first 3 years period will receive fund of 1.200 million kip.
3. Project on promoting and creating facilities for the disabled and the elderly people to access to social services worth 800 million kip. For the first 3 year period project will receive 100 million kip.

There are also others program which detailed the public investment plans.

Develop and protect customs and culture.

Priorities:

- Continued preserve, develop and enhance the national heritage culture, protect cultural value through ensuring that the national and ethnic cultural uniqueness are concerved, inherit, deeply and widely enhanced along side with suppressing the acts that detrimental to the national and ethnic culture, advocate the policy of the party, especially new directions on culture protection to wide range of audience domestically and internationally in different vibrant ways, especially the children who will be the next generation to develop our tradition in the future.
- To deter culture problems in society; to restore, protect and develop the culture furthermore. Continue establishing 40,000 cultural model family of families, 340 cultural model villages, 5 cultural model village groups, and 1 cultural model district; continue restoring, protecting, developing and promoting heritage culture physically and non-physically by registering them and classify them in various levels.
- Continue to create and update the master plan to manage the preservation of natural sites and propose UNESCO for adoption of the Plain of Jars in Xieng Khouang Province and Phu Hin Nam Nor in Khammouane as world heritages in the future. Promoting the arts, handicrafts, silver and gold accessories that are culturally unique as tourist souvenir, for both domestical and international markets. This will therefore contribute widely to revenue generation and employment creation to the local people.

Some supporting projects

1. Training on conservative tourism with involvement from the people in Xaysomboun, Xayabury, and Savannakhet. The project is worth 300 Million kip, for the first year will be funded 300 million kip.
2. Promotion of local culture worth 2,500 million kip, and will be funded 300 million kip for the first five-years.

2. Ensure political stability, stable, peaceful society is orderly, fair and transparent

Task focus:

- Enhance and increase awareness of ethnic people to better understand the Party's and Government's policy directions on democracy, strengthened political foundation, regulations set by the Party-Government. Strengthen national defense and public security by encouraging each individual to take initiative in protecting public security and maintaining social order, creating trust and safety in the livelihood of people, in business and tourism.

Outcome 3: Reduced effects of natural shocks as required for LDC graduation and sustainable management of natural resources.

To achieve Outcome 3, there are three outputs to be achieved:

1. To protect the environment and natural resources sustainability.

Targets:

- Update master plan for land use and comprehensively manage land use, involved provincial participation from all 18 provinces, 92 districts and 3,455 villages across the country.
- Issue land title in all provincial municipalities across the country of totally 500,000 titles; complete registration of 1.4 million land use titles by 2020.
- Increase revenue generation from this sector by 15-20% per year.
- Manage, allocate and regenerate the forest to increase forest coverage to 70% of total area by restoring natural forests of 1.5 million hectares and carry out forestation in the area of 35,000 hectares.
- Conduct survey and complete geological - minerals mapping in the ratio of 1: 200,000 in no less than 50% of pending areas in 75,045 km².
- Conduct a pilot project on the 2 national conservation areas: Nam Att-Phu Leuy and the Nakai - Nam Theun National Protected Area.
- Identify characteristics of the hydrology, physical characteristics, chemical contamination in the river, basin and groundwater; classify the types of rivers, catchment area and water quality to ensure balanced allocation of water and sustainability.
- Complete development of the concept note and mechanisms to create a clean, green city in urban areas along the National Road No.13 and promote 4 Rs to reduce waste (reduce, re-use, recycle and recover) in provincial municipalities and the Vientiane Capital.
- Build 1 national laboratory and 3 regional laboratories (North, Central and South) according to the international standard ISO 17025 to test environment quality.
- Focus areas:

- Develop comprehensive land use planning and management to contribute in sustainable development along with environmental protection in urban and rural areas.
- Create system on forest resources management to ensure forest management efficiency with sustainable management mechanisms to reduce greenhouse gases from deforestation and forest degradation.
- Conduct a survey for geological and mineral mapping ratio of 1:200,000 nationwide and create database management mechanisms such which covers the north of Vientiane Province - South-west of Luang Prabang and the East Xayaburi province.
- Create mechanisms to improve water catchment management, action plan for monitoring the volume and quality of water resources in 10 water catchment areas of the development priorities.
- Develop mechanisms and guidelines for sustainable rural-urban development by reducing wastewater with treatment apparatus, improving the standard quality of the environment and create information on the pollution, especially in big cities like provincial municipalities and the Vientiane capital.
- Create and use certified database for environmental monitoring and evaluating performance on social and environmental investment programs across the country.
- Create system for monitoring, evaluation, reporting and implementation of commitments under the international treaties that Lao PDR parties with; implementation of multilateral agreements, plan of actions under regional and international cooperations, to ensure that those commitments are progressively implemented.

Some projects support

1. Project on the registration of land titling across the country, with value of 32,000 million kip during FY2012-2015, for FY2015-2016 the budget received for implementation is 1,000 million kip. This is an on-going project from the 7th NSEDP period to allocate and issue to reach land titles of 1,000,000 in late 2015, which is expected to issue an additional titles of 500,000 in late 2020.
2. Conduct project on resettlement of the people along the boundaries, allocation 2 types of forests to the management of the zones and continue classify the forests into 3 types of forests, total project value is 3,000 million kip during the 2015-2018, for FY2015-2016 allocated budget is about 200 million kip.
3. Project on integrated planning and monitoring of the water resources management in 3 priority catchment areas (Nam Sum, Nam Ngiap and Sekong) Total project value is 3,500.30 million kip over the 2015-2018, for FY2015-2016 allocated budget is about 200 million kip.
4. Project on maintaining the environment quality in urban and rural to be green and clean city along Route No. 13 and the Mekong, total value of the project is 3,000 million kip during the 2015-2018, for FY2015-2016 allocated budget is about 200 million kip.

And others which detailed the public investment plans.

2. Prepare to cope with the impact and reduce the risk of disasters and climate change.

Targets:

- Formation and improve network stations and warning systems in priority river basins (Nam Ou, Nam, Sebangfai, Sebanghiang, Nam Ngiap, Nam Theun – Nam Kading, Nam Sum, Nam Ma, Sedone and Sekong) and other small water catchment by including them into integrated catchment water management plans.
- Create implementation and the management plan to prevent and respond to natural disasters (warning system, response and emergency assistance, address problems of affected people and their asset, recovery system) in efficient and effective manner to cover all affected areas across the country.
- Develop early warning for the climate change and floods which can alert the people to get prepared for and mitigate damages caused.

Focus areas:

- Action committee created to prevent and control disasters and the Board of Directors on changes in climate the central and local level with a secretary at the central level.
- Increase capacity to adapt and mitigate the effects of climate change than by education vulnerable Some climate change and disaster risk areas and develop the REDD + in each period to reduce emissions of greenhouse gases.
- Education on disaster prevention fund and research fund on climate change as an important mechanism for be affected, the change of climate and disaster risk areas (areas vulnerable to climate change).
- Establish guidelines incorporating disaster management and climate change as a priority task under include sustainable development and reducing poverty.
- Create a mechanisms of adaptation to climate change and reduce the impact of disasters and reduce emissions Greenhouse completion and operation of pilot projects for adaptation to climate change of agriculture and forestry.

Some projects support

1. Project on reduction of the natural disasters risk and adaptation into the climate change, the project worth 2,000 million kip during the 2015-2018, for FY2015-2016 allocated budget is 200 million kip.
2. Project on improving equipment and facilities for network stations to facilitate the work on Meteorology and Hydrology, the project is funded together with JICA (Japan) to develop meteorological, hydrological and warning system with total value of 46,689.28 million kip - of which government budget is 992.38 million kip during the 2014-2017, for FY2015-2016 allocated budget is 200 million for the project monitoring.

And others which detailed the public investment plans.

3. Minimize impacts of agricultural production caused by the natural disasters (guaranteed markets and prices of agricultural products)

Targets:

- Strengthen 268 agricultural technical service centers of which 64 are provincial centers, 123 district centers and 81 village group centers – aiming at

providing knowledge and understanding to the people on cultivation techniques by applying modern technology for developing local potential production .

- Establish and improve meteorological station, hydrologic station; create warning systems across the country, especially in the 10 catchment areas that are the development priority.

Focus areas:

- Integrated management plan on natural disasters prevention and control in agricultural development plan in each period. In collaboration with international organizations, develop action plan on disasters risk reduction (DRR) in the areas of agriculture, by focusing on strengthening the technical capacity on planning and managing risks and disasters, including coordination and information exchange with other parties concerned.
- Conduct research and expand rice farming (traditional seeds, rice brand should withstand floods, dry rice, the new disease resistant seeds, etc.), vegetables in the suitable area of the country.
- Improve techniques and productivity of rice plantation by applying sustainable agricultural techniques, and expand seedlings.
- Rehabilitation of irrigation systems where necessary and some irrigation projects that have been affected by natural disasters in recent years.
- Build, improve and restore water gates and water canal along Sebangfai River (Khammouane and Savannakhet provinces), areas along Sebanghiang River and other areas that are at risk, especially in the large plains. At the same time, carry out an inspection and repair the river bank erosion, the water pumps along the river and river tributaries.
- Using modern technology to monitor water level in the important rivers to determine Emergency levels (step 1, step 2 and step 3) by building central station to manage, monitor and control the command.

Some supporting projects

- Project on the study of areas prone to disasters and climate change, the total project value is 1,500 million kip during the 2015-2018, for FY2015-2016 allocated budget is 100 million kip.
 - Project on construction of agriculture and forestry technical center in Luang Namtha, worth 2,430 million kip during the 2015-2018, for FY2015-2016 allocated budget is 300 million kip.
- And others which detailed the public investment plans.

3. Cross-cutting sectors:

1. Management and use of science, technology and telecommunications:

Targets:

- Complete the postal code for all provinces across the country.
- Creating an information center for the use modern technology to communicate information for both government officials and the people in general, especially in the three build pilot districts.
- Fly the first satellite into planetary system to provide the service and cover 100% of the total area.

- Upgrade telephone numbers for telecommunications to international standards, in terms of the management and inspection of service providers on mobile phone registration to comply with the law.
- Provide the service of new frequencies and register stations that using the frequencies 20% of all stations in the country.
- Strive to provide 3G speed Internet service on the mobile phone in 80% of the three build pilot villages.
- Continue to formulate and improve policies, legislation of at least 9 policies/legislations including one policy on technological development and national innovation; eight decrees on science and technology. Meanwhile, grant approvals for production standard of at least 8 products.
- Improve management of the science and technology service, especially the intellectual property rights by issuing certificate of industrial registration of at least 30 certificates; issue 3,000 certificates of trademarks; inspect and assess the quality standard of imported goods: electricity supply measurement 120,000 units; inspect petrol transportation of at least 250 trucks and inspect accuracy of weight scales at the market of at least 40 scales; create national standards for quality of salt, flour, and rubber; improve the existing standard as proposed by the National Council of Standard Inspection such as standard of petrol like gasoline, diesel and Lao standard of rice.

Focus areas:

- Extend transceiver stations on 3G mobile internet in three build pilot areas to enhance service quality, efficiency and cost effectiveness; expanding telecommunication centers and Internet affiliates of the National Internet Center wide for improved communication domestically and internationally.
- Prepare to shift into the IPV4 IPV6 system, which will protect the Internet from basic attack and linked to international alert system.
- Installation on Internet service and coding management system to be completed by 2016; create a intranet and connection to government video conference (Government Internet) to complete 100% of all central government agencies.
- Establish ground station and install device to control satellite in the planetary system at 128.5° E, conduct a consultation with various companies to establish Lao satellite joint company, develop new plan for improvement and coordinating frequencies between different countries.
- Develop and create a centralized communication and Internet connection system to integrate in the ASEAN and other countries in the same region.
- Develop the science, technology and innovation to contribute in the national socio-economic development, achieve rapid and firmly growth by applying science and technology as a tool to achieve the goal of sustainable development.
- Continue developing infrastructure, especially construction of training center to improve skills for the staff responsible for science and technology management with financial support from Vietnam; Project on constructing ecological science and technology institutions, develop wireless network - connection system for distance communication with high speed connection for the community, promote researches and dissemination of research results in

various fields such as renewable energy, ecological science and technology, biotechnology, computer and electronics and other areas.

Some projects support

1. Project on digital education, project value is 500 million kip, during the 1st year is funded 500 million.
2. Project on procuring a computer program for developing the database on civil servant, worth 450 million kip, during the 1st year, allocated budget is 450 million kip.

And others which detailed the public investment plans.

2. Promote and Develop Gender Equality, Juvenile and Youth

Targets:

- Provide training on political - thinking to 80% of youth in the armed forces and government officials
- Produce members of Lao People's Revolutionary Youth Union by 60% of the total students and 50% of juvenile and other youth at grassroots level.
- Improve and expand the organization of Lao People's Revolutionary Youth Union, juvenile and establish and strengthen the unions and associations to be able to lead, educate and consolidate youths, juveniles and Lao youth of ethnicities to be a strong force being along the side of the Party in which;
 - Central level to district level 30%
 - Grassroots level 20%
 - Juvenile and posterity by 60% of the existing organizations
- Expand Lao People's Revolutionary Youth Union members, juvenile and posterity members by 60% of the existing members; improve Lao People's Revolutionary Youth Union members in government officials to be quality officials to reach 20%.
- Disseminate laws and regulations to Lao People's Revolutionary Youth Union members and the youth for their clean livelihood and good reproductive health aiming at preventing and suppressing the epidemic of HIV, malaria, drugs and other contagious diseases by 20% of Lao People's Revolutionary Youth Union and juvenile members.
- Advocate and encourage Lao People's Revolutionary Youth Union and other youth to attend upper secondary school and equivalent by at least 30% and people in their labor age to have technical training by 30% of the total number of Lao People's Revolutionary Youth Union.
- Proportion of LWU members who are upgraded in political theory, constitutions, laws, treaties, international agreements relating to the development and protection of women, gender equality, national tradition and culture, and Lao women's characteristics that embraced in the national culture increased to 60-70%;
- Increase LWU members to 30% of women at the age of 15 and older; establish LWU committee in 5% of the total business units – private sector;
- Promote women's position in the management level
 - To cover over 5-10% at village level;
 - To cover 10-15% or more at district level;

- To cover 15-20% at provincial level;
- To cover over 20-25% at department level of the central government;
- Increase proportion of female students graduated from secondary school to 85%;
- Establish Lao Women Union Fund in 5% of total LWUs at each level to improve livelihood of women and families;

Focus areas:

- Raise awareness and understand among Lao youth the directions of the Party and the Government by providing education on political thinking, loving and protecting the national and ethnic culture, become diligent and committed to the national defence, public security, socio-economic development and environmental protection
- Promote technical education to youth-juveniles in urban and rural areas especially disadvantaged people, in rural remote areas, gender, ethnicities and people with disabilities, to create workforce with quality and efficiency in production
- Development vocational training centers to develop and strengthen women's skills from the central to local level aiming at promoting gender equality and eliminate all forms of discrimination against women.
- Conduct awareness raising campaign and encourage the society to join activities for conserving good culture of the country and women.
- Project on strengthening capacity for officials who implement the system to prevent and address issues on violence against women by focusing on 3 Build districts and villages.
- Establishment and improvement Lao Women Union Fund;

3. *Increase the performance of public governance and administration*

Focus areas:

- Continue to promote the development and piloting 3 Build directives (51 districts and 109 villages) to achieve 4 contents in 4 targets of the poverty concurrent to increased patriots and development to serve the evaluation in late 2015. Ministries - the local authorities further continue implementing 3 build directives. Create a plan and program details related to its sector development and financial plans, and clearly identify responsibilities for each parties for more effective implementation of the plans.
- Improve governance and administration at boundaries between provinces, districts to facilitate the local authorities to manage natural resources and to be served as a basis for the governance improvement in the future.
- Establish district capitals and improve regulations by the urban development and administration agencies by establishing these agencies to be responsible for the establishment of the district capitals that are applicable while strengthen capacity for those districts as necessary.
- Continue to monitor, assess and support the implementation of the single door mechanism. At the central, make effort to implement the 3 build directives to operate and provide services through this mechanisms in at least 12 districts

across the country. Create maps for marking a border between the countries surrounding and determine area to clearly maintain security at the borders.

- Improve database on public security and management system (PIMS) that already exist to provide accurate, precise and easy information for users as a basis for issuing public Smart Card as identification of government officials, cash card, social security card etc. Collect information on number of heroes - veterans that contributed in the national revolution in the past.
- Collect statistics on ethnicity and religion to create statistics as well as to use such information as reference to create policy for ethnic groups, create curriculum, textbooks, and training materials for government sector in the field of public governance and administration such as training manual at the management level as well as training in various subjects to the government such as civil service management course, curriculum for a capacity building on governance at executive level, learning course on leadership, curriculum on administration; continue maintain database on citizen to enable management unit at district level to record, track and monitor information about movement of citizens and use this data to support the development planning.

Section III

Implementation Measures of Annual NSEDP 2015-2016

To achieve overall goal, targets and tasks have been determined in the NSEDP 2015-16. Line ministries and ministry-equivalent organizations at the central and local levels shall follow implementing measures as below:

1. Increase accountability in maintaining political stability; social order; maintain continuous sustainable economic growth; ensure revenue collection to reach the revenue target as plan, search for more sources of funding to meet the plan target, Strictly obey law of finance, special attention is needed for strong enforcement on the corruption law, prevent revenue leakage especially in the areas of custom and tax, public asset, land fee, wood exploitation and export; apply custom and tax exemption on import of goods as identified by the investment promotion law and agreements; strive to develop and modernize financial sector especially to build financial personnel with ethic and rigorously punish the violators.
2. Improve the work on promotion of FDI and Public Investment to strictly follow the identified system under the framework of the socio-economic development plans which required the sectors and provinces to obey the investment promotion law, public investment law and other relevant laws; implement the projects under the Public Investment Plan and ensure its effectiveness, while the implementation of any off-plan projects or any projects in prior to approval are strictly not permitted in order to strictly follow the PM's order no.16/PM; vigilantly monitor and evaluate the on-going projects and completed projects.
3. Continue improving banking policies, bank credit management to sustain credits at the appropriate level, provide loans to support the agricultural activities, especially agro-processing and SME development as foundations for the industrialization and modernization, improve local entrepreneurs capacity to be able to compete at the domestic and international markets, particularly towards the ASEAN integration; improve commercial banks in terms of risk management and registered capital and security; strengthen Nayobai Bank to be able to support the 3-Builds directives (building provinces as strategic devising unit, districts as comprehensively strength and build villages to become development unit) in reducing the poverty for the people in the poor districts and villages.
4. Sectors and provinces to continue implementing the 3-build directive in order to achieve the planned targets, increase intersectoral coordination and coordination with the provinces, link the implementation on Socio-economic Development Plan 2015-2016 with the implementation on the 3 build directives. Vientiane Capital and other provinces shall transfer the PIP Type 3 with less than 5 billion kip of value to the 3-build pilot districts for their management and implementation completely. The 3-build pilot districts shall take high responsibility on project leadership and management.
5. Increase cooperation with friendly countries, organizations and financial institutions; cooperate with ASEAN, AFTA, and AEC country members to mobilize more supports; put highest effort to utilize different methods of attraction on private domestic and foreign investments; encourage the investment projects to make progress and achievement as plan.

6. Ministries, organizations at central level and local authorities at all levels shall take initiative in leading and arranging implementation of the socio-economic development plan 2015-16 to ensure that the targets are achieved or even exceeded.

7. Concerned ministries shall issue guidelines for implementing their own plans including clear implementing measures as reference for consistent provincial implementation. Vientiane Capital and other provinces shall make reference to the directions, tasks and targets of the NSEDP 2015-2016 to improve their own plans base on actual situation; conduct dissemination on the plan implementation approaches to raise awareness for provincial departments and district offices in order to ensure the same understanding.