



Results of the Mid-Term Review of the 8th NSEDP 2016-2020: Implementation Progress and Challenges

**Round Table Implementation Meeting
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Presentation outline

1. Brief summary of the 8th NSEDP Mid-Term Review consultation process;
2. Key results of the review based on three outcomes and cross cutting of the 8th NSEDP; and
3. Weakness, matters needs further improvement, challenges and lessons learnt
4. Way Forwards



1. Brief summary of the 8th NSEDP Mid-Term Review consultation process



1. Legislative

- **PM's Instruction No. 22/PM dated 9 April 2018**
 - *The Establishment of the Committee for 8th NSEDP (2016-2020) Mid-Term Review, End-Term Report and Preparation of the 9th NSEDP (2021-2025).*
 - *The Prime Minister's Office circulated this instruction to all agencies concerned*
- **MPI Minister's Agreement No. 0956/MPI dated 2 May 2018**
 - *The Establishment of the Committee for 8th NSEDP (2016-2020) Mid-Term Review, End-Term Report and Preparation of the 9th NSEDP (2021-2025).*
 - *Circulated to all agencies concerned.*
- **MPI Minister issued A Guideline No. 1174/MPI dated 22 May 2018 on the Mid-Term Review of the 8th NSEDP (2016-2020)**
 - *Circulated to all agencies concerned, provinces and Sector Working Groups (SWGs)*
- **DOP/MPI's Agreement No. 1181/MPI dated 18 May 2018**
 - *Establishment of the Committee for 8th NSEDP (2016-2020) Mid-Term Review, End-Term Report and Preparation of the 9th NSEDP (2021-2025) to be responsible for coordinating with sectors concerned.*

1. 8th NSEDP consultation process - Technical



- **National Secretariat for the 8th NSEDP MTR**
 - *DOP/MPI is a lead agency coordinating with ministries, provinces and partners and aggregating inputs for the MTR*
- **Consultation meetings since early 2018**
 - *With Line Ministries, and Sector Working Groups were involved in the consultation at technical level through individual meeting to exchange information and perspectives*
- **Provincial consultations**
 - *Oudomxay, Saravan and Vangvieng*
- **Draft review reports**
 - *Zero, first, second and third drafts shared with line ministries, partners and others stakeholders for comments and review*
- **Technical workshops and high level consultations**
 - *With DPs and other related partners*



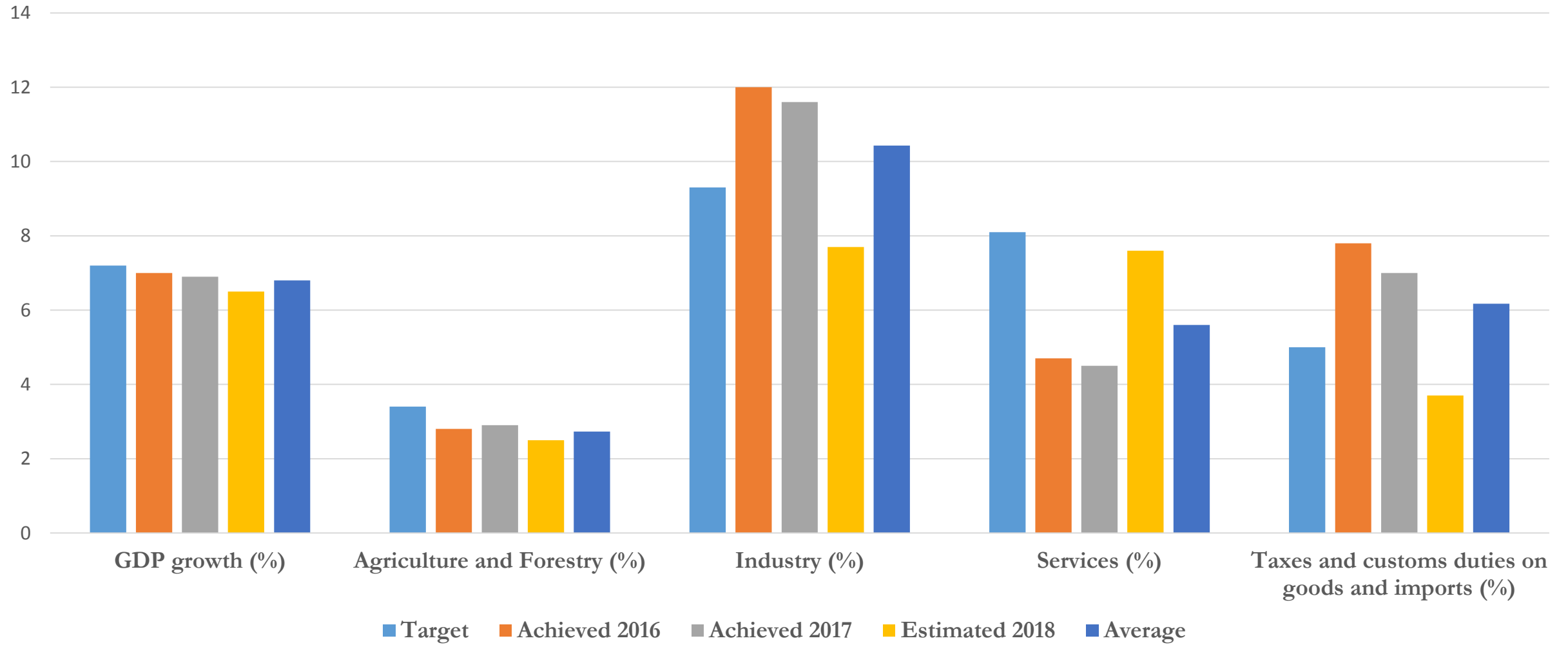
2. Key results of the review based on three outcomes and cross cutting of the 8th NSEDP

Outcome 1 - Economic Development



	Description	Target (2016-2020)	Achieved 2016	Achieved 2017	Estimated 2018	Average (3 years)
I	GDP growth (%)	>7.2	7.0	6.90	6.5	6.8
1	- Agriculture and Forestry (%)	3.4	2.8	2.90	2.5	2.73
2	- Industry (%)	9.3	12.0	11.60	7.7	10.43
3	- Services (%)	8.1	4.7	4.50	7.6	5.60
4	- Taxes and customs duties on goods and imports (%)	5	7.8	7	3.7	6.17

GDP Growth per sector (Graphic display)

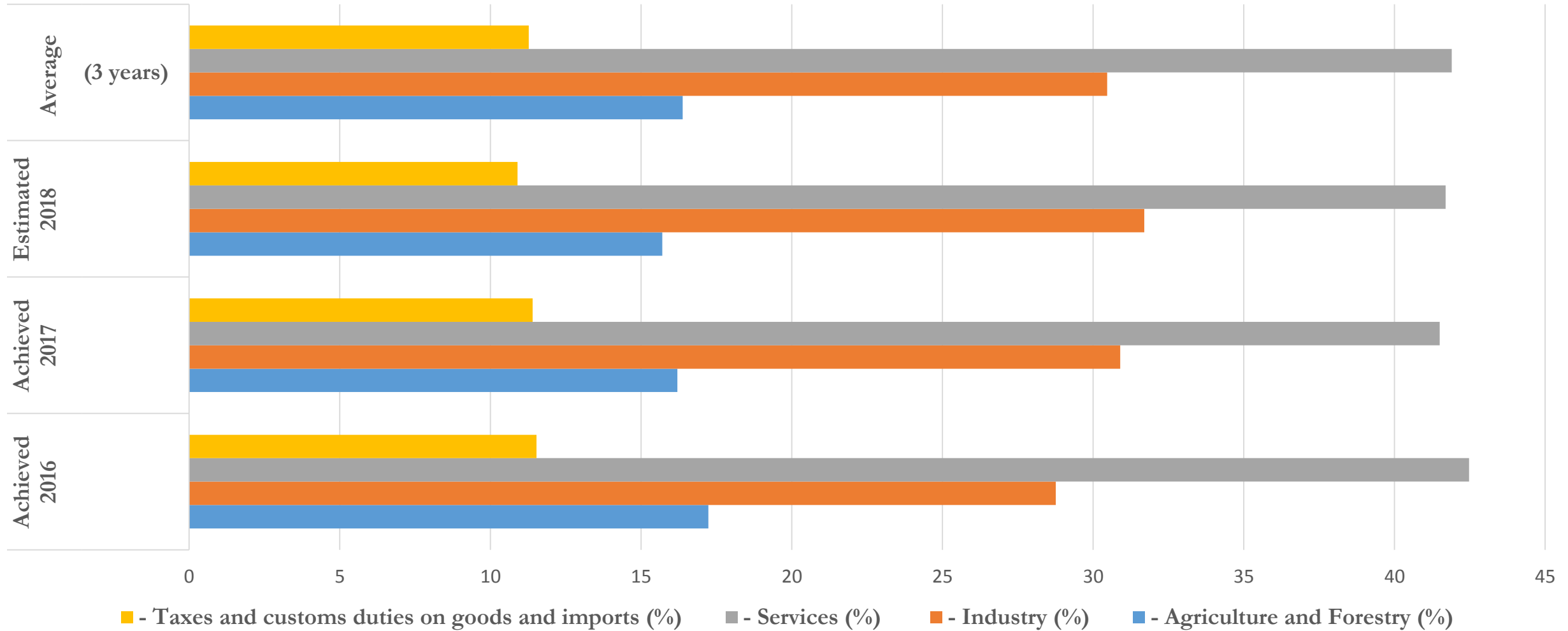


Outcome 1 - Economic Development



	Description	Target (2016-2020)	Achieved 2016	Achieved 2017	Estimated 2018	Average (3 years)
	<u>Economic structure (%)</u>					
1	- Agriculture and Forestry (%)	16.8	17.23	16.20	15.7	16.38
2	- Industry (%)	39	28.76	30.9	31.7	30.47
3	- Services (%)	35.4	42.48	41.5	41.7	41.90
4	- Taxes and customs duties on goods and imports (%)	5	11.53	11.4	10.9	11.27

Economic Structure (Graphic Display)



Gross Domestic Product per Capita



	Description	Plan's targets (2016-2020)	Actual 2016	Actual 2017	Estimated 2018
1	Population (million)	-	6.60	6.92	7.04
2	GDP current price (Billion kip)	173.329	129.279	140.749	152.436
3	GDP per capital (USD)	2.978	2.408	2.468	2.609
4	GNI per capital (USD)	2.354	-	-	1.996

Macro-economic stability



- **Inflation – 2 year and 8 months** 1.66%. (below GDP growth).
- **M2** increased with in 10.9% (2016) and 12.2% (2017) (the plan's target 24% a year)
- **Foreign reserves** decreasing (2016-5.26 months, 2017-4.4 months , and August 2018-3.3 months.)
- **Revenue and expenditure**
- **Account deficit 3 year average – above the plan's target (4,23%):**
 - Revenue collection: 16.7% of GDP (target 18.6% of GDP)
 - Expenditure: 22% of GDP (target 23.3% of GDP)
 - Budget deficit: 5.7% of GDP (target 4.23% of GDP).
- **Investment:**
 - 30.4% of GDP (target 29% of GDP)

Summary of mid-term implementation of the 8th NSEDP (2016-2020)



Plant's target

1	Description	Plan 2016-2020 adjusted 4 years	%	2.5 years (2016-2018)		% of annual plan	% achieved	% 2.5 years achieved compared to the plan's targets (adjusted 4 years)
				Annual plan	Actual			
2	3	4	5	6	7=5/3	8=6/5	9=6/3	
1	Total investment	<u>173,329,000.00</u>	<u>100%</u>	<u>109,954,000.00</u>	<u>128,400,098.31</u>	<u>63.44%</u>	<u>116.78%</u>	<u>74.08%</u>
2	Public investment	20,799,480.00	12%	13,763,000.00	10,249,878.31	66.17%	74.47%	49.28%
3	ODA	31,199,220.00	18%	22,744,000.00	18,090,010.00	72.90%	79.54%	57.98%
4	Private sector	84,931,210.00	49%	50,184,000.00	81,561,820.00	59.09%	162.53%	96.03%
5	Banking	36,399,090.00	21%	23,263,000.00	18,498,390.00	63.91%	79.52%	50.82%

Outcome 2 – Social Development



Rural Development and Poverty Reduction

- 92 focus areas with 272 programmes amounting to 165.23 Billion Kip – Investment through Nayabay Bank 2,343.2 Billion
- 11,359 households within 206 villages of 7 districts – moved out from the list of poverty households.
- Positive progress with increased basic infrastructure for socio-economic development: schools, health care units, roads, small irrigation, agriculture production
- UXO clearance - 1.3 million items destroyed within 53,000 hectare, victims – decreased from 302 (2008) to 14 (2017).
- Work on food and nutrition security has been progressing

Education, human development and sport:

- Continue education sector reform and human development - Education infrastructure, curriculum, early child education, secondary and upper secondary education. The participation rate for 3 to 5-year-old children has increased from 43 percent in 2015 to 56 percent in 2018 and net enrollment rate (98.8%) and Gross enrolment ratio, lower secondary (83.1%)

Health

- Health sector reform focusing on service delivery both – quantitative and quality, service delivery to rural areas
- Health care units (Souksara) at village level have been increased – this leads to health coverage reached 98%
- Rate of pregnant women who have regular health checks – 50.6% (2016), 52.2% (2017)
- Skilled attended birth delivery rate – 51.6% (2016) and 56.4% (2017)
- Introduction of hygiene measures focusing on food nutrition, vaccination, adolescent birth rate, etc..

Outcome 2 – Social Development (Continued)



Labour and social Welfare:

- The sector has been enhanced focusing on skill labour, labour capacity and employment – increased base salary from 620,000 to 900,000 a month.
- Coverage of social and health security expanded (996,000 = 14% of population (LFS 2017). Unemployment rate – 2% and labour composition per sector (35.8% - agriculture, service – 21.4%, industry 9%, electricity – 0.7% and mining 0.5%).

Protection of National Traditions, Cultures and Tourism:

- A number of activities have been progressing in the right direction – Advocacy through Biz News and CNN
- In addition to the expansion of cultural families (68%) and model development villages (61%)
- A number of national and provincial events, festivals, seminars and training were organized in order to advocate for adopting attitudes towards cultural and educational policies by stressing the cultural identity.
- Focus will be on quality tourism.

Stability and social order:

- A number of activities to educate communities on drug issues and other social matters in order to promote peace and unity within society.
- Advocacy through various media channels.

Outcome 3 – Environmental Development



- **Several steps to improve the legislative and regulatory frameworks.**
 - The updating and approval in 2017 of the Water and Water Resources Law;
 - Approval of a new pesticides management decree;
 - The adoption of the Law on Land;
 - Guidelines for land use classification, communal land registration and titling; data collection for a Land Concession Inventory;
 - The requirement for all concessions to conduct EIA assessments before implementation; and
 - The Prime Minister's Order regarding prohibited wild fauna and flora.
- **Change in the data source for reporting on forest coverage** led to a more accurate and consistent estimate of forest cover (58 percent of the land area in Lao PDR).
- Following the Prime Minister's 2016 ban on illegal logging and export of unfinished wood products, the forest sector has introduced important **forest governance reforms** including certification and timber legality assurance systems.
- Government is promoting **climate-resilient farming systems for improved food and nutrition security** among the most vulnerable communities.
- **The floods and disasters in 2018** show that existing early warning systems are not adequate and still need to be strengthened. **A Post-Disaster Needs Assessment (PDNA)** led by the Government was launched on 24 September. The PDNA provides a platform for the international community to assist in recovery and reconstruction
- Developed and implemented a number of policies and strategies to ensure **national food self-sufficiency and stable agricultural production.**
 - The promotion of climate-resilient agricultural practices,
 - An Agriculture Innovation System to promote sustainable production for niche markets, the development of technological capacities, storage and warehouses to ensure food security, and
 - A risk reduction fund to help alleviate the burdens of production costs for farmers during agricultural product price fluctuations.

Cross Cutting Outcomes



- Measures to further facilitate **the decentralization process (Sam Sang)**, which was officially extended nationwide to all 148 districts.
 - This includes an integrated approach to planning, finance and sub-national administration improvements, which underpin better service delivery to local citizens, and the use of the District Development Fund to strengthen districts' own capacity in NSED/SDG implementation.
 - The Ministry of Home Affairs conducted assessments of the Government's organizational structure and functions at each level, which led to changes to improve the efficiency and effectiveness of government.
- **Introduced important changes in the legal sector**, following a Constitutional amendment and new/revised laws promulgated in 2016.
 - The codifying of criminal and civil laws marked a critical juncture in the legal sector evolution.
 - A legal aid decree was informed by a citizens' survey led by the Ministry of Justice, the first in the justice sector.
 - This set a positive trend in recognizing the need to have reliable and current data to draft pragmatic laws.
- Initiated a **successful anti-corruption campaign** and is witnessing a new level of transparency.
- Recognizes **the importance of increased engagement of civil society** in the country's socio-economic development process. Some 152 NPAs and 11 Foundations are officially registered. A revised draft NPA decree (No. 238) was signed in 2017.

Cross Cutting Outcomes (continued)



- Legislative and policy actions have been enacted to **improve scientific innovation**, including
 - The Law on Intellectual Property and associated implementation of trademarks, copyrights, and industrial patents.
 - The Law on Science and Technology has been developed and presented to the National Assembly.
 - The Ministry of Science and Technology is supporting the application of ICT and other technologies in a number of areas, such as agriculture, inter-ministerial coordination, and health.
 - South-South Cooperation and cooperation programmes with development partners are supporting several science and technology initiatives.
- **Rollout and implementation of gender strategies** across the public service is an extensive and long term undertaking, which will require strengthened political support and adequate resources.
- **The first ever National Adolescent and Youth Policy** is being developed through a consultative process under the leadership of Lao Youth Union. This will help Lao PDR to address the challenges facing youth and adolescents, in order to fully benefit from the demographic dividend to its economy, such as non-completion of secondary education, early marriage, and high adolescent birth rates.



3. Weakness, matters need further improvement, challenges and lessons learnt



Lessons learnt and challenges

- Focusing on quality GDP growth. Still focuses on natural resource for growth. Industry needs further strengthening efforts. Growth rate will not in line with the target. Therefore, adjustment to the plan's targets will be added.
- Revenue collection and public expenditure management – budget deficit.
- Maintaining the stability of exchange rate, foreign reserves, trade deficit. import and export and border trade.
- A need to focus on PIP management, effective ODA and Loans, quality private sector and investment.
- Productivity capacity, agriculture productivity, industry, processing manufacturing which will need modernization, innovation and technology, and commercialization.

Lessons learnt and challenges (continued)



- Focusing on growth of small and medium-sized enterprises (SMEs) in order to obtain a broader base for growth, as well as the employment effects associated in particular with the growth of established SMEs
- Continuing to support infrastructure development, country trade, tourism given the beneficial effects on enterprise and human development, principally through access of families, farms and firms in the periphery to opportunities in business, economic, social, and cultural centres;
- Quantitative and quality human development needed for country socio-economic development – labour supply and demand.
- Rural development and poverty reduction – social disparity and equality
- Social drawbacks and wastes, youth problems and social activities
- Rule of law and vertical and horizontal coordination



4. Way Forwards – Measures for Remaining Period of the 8th NSEDP

Way Forwards – Measures for the Remaining Period of the 8th NSEDP



Strengthening linkages between planning and budgeting systems

- Introduce better tracking of sector/thematic financial needs, planned and approved budgets, and expenditure, building on good practices in some ministries as models for possible expansion across government in a phased manner.
- Strengthen longer-term planning, costing, and financing to 2030, including development of cost estimates to help guide financing strategies.
- Strengthen the consistency of ministerial development plans and their linkages with each other and the NSEDP, such as the possibility of standardizing plans that link activities to financing.

Aligning strategies in support of the NSEDP, LDC graduation, SDGs, and green growth

- Strengthen the National SDG Secretariat's mandate and role in ensuring integration of the 2030 Agenda into the country's Ninth NSEDP (2021-2025), Tenth NSEDP (2026-2030) and accompanying sector and thematic strategies. This includes systematic collaboration with line ministries and other partners for strengthening approaches and use of tools for multi-dimensional prioritization and decision-making, and for tracking progress towards SDG objectives.
- Build on existing work to develop strategies for durable LDC graduation and preparation for the removal of LDC support measures that align with the principles of the 2030 Agenda, especially those areas where there has been slower progress.
- Mainstream green growth priorities and targets (including as outlined in the Green Growth Strategy) into national and sector strategies, including the Ninth NSEDP.

Way Forwards – Measures for the Remaining Period of the 8th NSEDP (continued)



Adjusting monitoring and evaluation frameworks

- For the remaining period (2019-2020), review the MTR outcomes and adjust goals, targets and Monitoring and Evaluation Framework to reflect progress made and lessons learned.
- Develop the Ninth NSEDP at the same time as the supporting Monitoring and Evaluation Framework to ensure that targets and indicators have baselines and are realistic and measurable.

Introducing new cross-cutting priorities in the Ninth NSEDP

- Establish UXO as a Cross-Cutting Output on its own to give it due importance and attention as Lao PDR's Special SDG 18 on UXO.
- Establish the issue of disability as another cross-cutting issue in the NSEDP.



Kob Chai (Thank You)