



Lao People's Democratic Republic
Peace Independence Democracy Unity Prosperity

(Draft 5)

**10th FIVE-YEAR
NATIONAL SOCIO-
ECONOMIC
DEVELOPMENT PLAN
(2026 - 2030)**

Motto: “Guided by unwavering ambition, we drive bold development-championing an independent and self-reliant economy, making the most of every potential, and propelling socio-economic progress in a swift, sustainable, and green direction”

Vientiane Capital
8 November 2025

Table of Contents

PART 1:	1
ASSESSMENT ON THE IMPLEMENTATION OF THE 10-YEAR DEVELOPMENT STRATEGY (2016-2025) AND THE 9TH FIVE-YEAR NATIONAL SOCIO-ECONOMIC DEVELOPMENT PLAN	1
(2021 - 2025)	1
I. IMPLEMENTATION ASSESSMENT OF THE 10-YEAR DEVELOPMENT STRATEGY (2016-2025)	2
II. IMPLEMENTATION ASSESSMENT OF THE 9TH FIVE-YEAR NATIONAL SOCIO-ECONOMIC DEVELOPMENT PLAN (2021 - 2025)	7
1. Overall Assessment of the 9th Five-Year National Socio-Economic Development Plan (2021-2025)	7
2. Achievements of the Implementation of the 9th Five-Year National Socio-Economic Development Plan (2021-2025)	8
1. Outcome 1: Continuous Quality, Stable and Sustainable Economic Growth Achieved	8
1.1 Quality and Sustainable Economic Growth	8
1.2 Robust and Stable Macroeconomic Management Ensured	11
1.3 Investment Quality and Effectiveness Enhanced	15
1.4 Better Quality, Robust and Regionally and Internationally Competitive Micro, Small and Medium Enterprises	15
1.5 Enhanced Efficiency and Effectiveness of State-Owned Enterprises and Collective Economy in Contribution to Generate Revenue for the State Budget, Supporting Investment Efforts.	15
2. Outcome 2: Improved Quality of Human Resources to Meet Development, Research, Capacity, Science and Technology Needs, and Create Value-Added Production and Services	16
2.1 More Inclusive and Better-Quality Healthcare Services and Nutrition	16
2.2 Improved Quality of All Levels of Education and Conditions Created for Access to Education to Support Readiness for Regional and International Integration and Industry 4.0	20
2.3 Workforce Skills and Productivity Improved and Job Diversification, Security and Income Opportunities Increased to Meet the Demands of Socio-Economic Development	23
2.4 Promoting and Utilising Scientific Research, Technology, Innovation and Knowledge to Drive Socio-Economic Development	26
3. Outcome 3: Enhanced Well-Being of the People	26
3.1 Poverty Alleviation in Rural and Remote Areas and People’s Livelihoods, Cultural Values and Media Work Improved	26
3.2 Public Utility Infrastructure Improved and Access to Public Services Made More Inclusive and Equitable	28
3.3 Equal Access to Socio-Economic Development Opportunities Promoted and the Rights of Women and Children Protected	28
3.4 Promote and Develop Youth to Improve Human Capital and Participation in the Workforce	35
3.5 Expand Access to More Efficient Social Protection Services for the People, Including Workers and Self-Employed Individuals	37
3.6 Unexploded Ordnance (UXO) Clearance Progressively Accelerated and More Lives Made Safe from UXO	39

4.	<i>Outcome 4: Environmental Protection Enhanced and Disaster Risks Reduced....</i>	40
4.1	<i>Natural Resources Sustainably Used and Managed.....</i>	40
4.2	<i>Green Growth Promoted and Actions Taken towards Climate Change Mitigation</i>	43
4.3	<i>Capacities for Disaster Prevention, Management and Recovery Enhanced</i>	48
5.	<i>Outcome 5: Engagement in Regional and International Cooperation and Integration is Enhanced with Robust Infrastructure and Effective Utilisation of National Potential and Geographic Advantages.....</i>	50
5.1	<i>Infrastructure Improved for National, Regional and International Connectivity to Facilitate Production, Services and Investment.....</i>	50
5.2	<i>Regional and International Trade and Investment Cooperation and Integration Enhanced and Expanded</i>	52
5.3	<i>Robust Regional and Local Development Based on the Potential of Each Region</i>	53
5.4	<i>Urban Areas and Special Economic Zones Developed into Production, Investment, Trade and Tourism Bases for Regional and International Integration.....</i>	54
6.	<i>Outcome 6: Public Governance and Administration is Improved and Society is Equal, Fair and Protected by the Rule of Law.....</i>	56
6.1	<i>Enhanced Efficiency of Public Governance and Administration and Deepened Implementation of the Sam Sang Directive.....</i>	56
6.2	<i>Improved and Harmonised Coordination Mechanisms and Regulations within the Public Sector to Increase Efficiency.....</i>	58
6.3	<i>Ensure Political Stability, Peace and Order, Unity, Democracy, Justice and Civilisation within the Society.....</i>	58
7.	<i>The Implementation of the Criteria for Graduation from Least Developed Countries (LDC) Status.....</i>	59
8.	<i>Sustainable Development Goals (SDGs)</i>	60
3.	Overall Evaluation of the 9th National Socio-Economic Development Plan (2021 - 2025) Implementation.....	60
3.1	<i>Outstanding Achievements</i>	61
3.2	<i>Key Success Factors.....</i>	61
3.3	<i>Shortcomings, Difficulties and Challenges.....</i>	62
3.4	<i>Causes of Shortcomings</i>	63
3.5	<i>Lessons Learnt.....</i>	64
	PART 2: 10TH FIVE-YEAR NATIONAL SOCIO-ECONOMIC DEVELOPMENT PLAN (2026 - 2030).....	65
I.	10-Year Socio-Economic Development Strategy (2026 - 2035) and Vision 2055 of Lao PDR	66
II.	The Critical Role of the 10th 5-Year National Socio-Economic Development Plan (2026 - 2030).....	68
III.	Building a Self-Sufficient Economy in the New Era	68
IV.	Enabling Environment Assessment and Key Challenges.....	70
1.	Opportunities and Challenges in Local, Regional and Global Contexts	70
2.	Development Potentials	70
V.	Overall Directions, Outcomes and Outputs of the 10th Five-Year National Socio-Economic Development Plan (2026 - 2030)	73
1.	Overall Directions	73
2.	Outcomes of the 10th Five-Year National Socio-Economic Development Plan (2026 - 2030)	74
3.	Outputs of the 10th Five-Year National Socio-Economic Development Plan	74
3.1	Outcome 1: Self-Sufficient Economy Built on Development Potentials, Ensuring Stability, Continuous Expansion, High Quality and Sustainable Growth	74

3.1.1	<i>Output 1: Development Potentials Leveraged to Drive Sustained, Robust and High-Quality Economic Growth.....</i>	75
3.1.2	<i>Output 2: A Robust and Stable Macroeconomy.....</i>	86
3.1.3	<i>Output 3: Enhanced Investment Productivity and Quality to Drive Sustainable Growth.....</i>	89
3.1.4	<i>Output 4: Better Quality, Robust and Regionally and Internationally Competitive Micro, Small and Medium Enterprises.....</i>	91
3.1.5	<i>Output 5: Enhanced Efficiency and Effectiveness of State-owned Enterprises and Collective Economy.....</i>	92
3.1.6	<i>Output 6: Digital Economy Developed to Drive Sustainable Growth and Innovation</i>	93
3.2	Outcome 2: High-Quality Human Capital Equipped to Leverage New Technology for Development.....	93
3.2.1	<i>Output 1: Education Quality Enhanced to Support National Development.....</i>	94
3.2.2	<i>Output 2: Health Sector and Services Strengthened to Ensure Quality and Universal Coverage.....</i>	98
3.2.3	<i>Output 3: Skilled Labour Developed in Both Quantity and Quality to Support National Development.....</i>	101
3.2.4	<i>Output 4: Public Personnel Developed to Enhance Productivity and Efficiency.....</i>	103
3.3	Outcome 3: Improved People’s Well-Being with Balanced Urban and Rural Development to Drive Gradual Poverty Eradication.....	105
3.3.1	<i>Output 1: Rural Development Strengthened to Drive Poverty Eradication.....</i>	105
3.3.2	<i>Output 2: Food Security and Nutrition Strengthened to Ensure Universal Access and High Quality.....</i>	108
3.3.3	<i>Output 3: Youth, Women and Children Empowered with Gender Equality Strengthened.....</i>	110
3.3.4	<i>Output 4: Information Sector Modernised to Promote Unique Culture, Unity and Societal Advancement.....</i>	116
3.3.5	<i>Output 5: Social Security and Protection Network Expanded with Enhanced Quality and Effectiveness.....</i>	117
3.3.6	<i>Output 6: Unexploded Ordnance (UXO) Clearance Progressively Accelerated and More Lives Made Safe from UXO.....</i>	119
3.4	Outcome 4: Natural Resources and the Environment Safeguarded to Enhance Resilience Against Climate Change and Natural Disasters.....	120
3.4.1	<i>Output 1: Forests, Land, Water and Mineral Deposits Sustainably Managed through Strategic Planning to Maximise Benefits and Ensure Sustainability.....</i>	121
3.4.2	<i>Output 2: Green Growth and Climate Actions Promoted to Reduce Greenhouse Gas Emissions and Enhance Carbon Sequestration.....</i>	124
3.4.3	<i>Output 3: Capacities for Disaster Prevention, Management and Recovery Enhanced</i>	125
3.5	Outcome 5: Regional and Global Integration and Connectivity Expanded and Optimised for Effectiveness.....	126
3.5.1	<i>Output 1: Infrastructures Improved for National, Regional and International Connectivity to Facilitate Production, Services, Trade and Investment.....</i>	127
3.5.2	<i>Output 2: Regional and International Trade and Investment Cooperation and Integration Enhanced and Expanded.....</i>	130
3.5.3	<i>Output 3: Robust and Balanced Regional and Local Development Based on the Potential of Each Region.....</i>	131
3.5.4	<i>Output 4: Urban Areas and Special Economic Zones Developed into Production, Investment, Trade and Tourism Bases for Regional and International Integration</i>	136
3.6	Outcome 6: Public Governance and Administration Strengthened to Ensure Political Stability, Societal Order, Fairness and Civic Advancement.....	138

3.6.1	<i>Output 1: Enhanced Efficiency of Public Governance and Administration and Deepened Implementation of the Sam Sang Directive</i>	<i>138</i>
3.6.2	<i>Output 2: Improved and Harmonised Coordination Mechanisms and Regulations within the Public Sector to Increase Efficiency</i>	<i>140</i>
3.6.3	<i>Output 3: Ensured Political Stability, Peace and Order, Unity, Democracy, Justice and Civilisation within the Society.....</i>	<i>141</i>
PART 3: IMPLEMENTATION MEASURES AND MECHANISMS FOR THE 10TH NATIONAL SOCIO-ECONOMIC DEVELOPMENT PLAN.....		145
(2026 - 2030).....		145
I.	Measures for the Implementation of the 10th Five-Year National Socio-Economic Development Plan	146
1.	Building Self-Sufficient Economy.....	146
2.	Developing Human Resources and the Labour Force.....	150
3.	Promoting Well-Being and a Prosperous and Just Society.....	151
4.	Safeguarding the Environment and Building Resilience Against Shocks	152
5.	Building Resilient Infrastructure to Enhance Connectivity and Integration at All Levels.....	152
6.	Improving Public Governance and Administration	153
II.	Mechanisms for the Implementation of the 10th Five-Year National Socio-Economic Development Plan (2026 - 2030)	154
III.	Delegation of Responsibilities to the Sectors and Local Authorities	155

PART 1:
ASSESSMENT ON THE
IMPLEMENTATION OF THE
9TH FIVE-YEAR NATIONAL
SOCIO-ECONOMIC
DEVELOPMENT PLAN
(2021 - 2025)

I. IMPLEMENTATION ASSESSMENT OF THE 10-YEAR DEVELOPMENT STRATEGY (2016-2025)

The National Socio-Economic Development Strategy for the 10-year period (2016-2025) and the Vision to 2035 represent long-term planning frameworks that were derived from the Resolutions of the Party's 10th and 11th National Congresses. These frameworks have been operationalized through the 8th Plan (2016-2020) and the 9th Plan (2021-2025). Implementation has taken place amid a rapidly changing and complex global political, economic and social landscape – marked by emerging global governance shifts, regional armed conflicts, the Covid-19 pandemic and other disruptions. These factors have significantly impacted the trajectory and substance of the 10-year Strategy and Vision to 2030. Nevertheless, through the concerted efforts of the Party Central Committee, the Government, and the National Assembly and People's Assemblies nationwide, as well as support from development partners and active participation of multi-ethnic communities, many of the intended outcomes have been realised. These achievements can be assessed as follows:

1. Achievements of the Implementation of the Key Targets of the 10-Year National Socio-Economic Development Strategy (2016-2025)

- Political stability and national security have been maintained, ensuring social safety and internal unity across the country.
- The Lao PDR has met criteria for graduation from Least Developed Country (LDC) status in 2018, 2021 and 2024, and is currently in the transition phase towards official graduation by 2026.
- Economic growth averaged approximately 5% per year, which is below the initial target of 7.5%. However, GDP per capita is projected to reach USD 2,200 by 2025, up from USD 1,700 in 2015 – an increase of roughly 30%.
- The national poverty rate is expected to decline to 15% by 2025, down from 23% in 2013.
- The Human Development Index (HDI) reached 0.62 in 2024 (Compared to 0.47 in 2015), ranking 139th out of 193 countries.
- Forest coverage reached 63% of total land area, which is below the target of 70% set for the period.

2. Assessment of the Implementation of the Seven Strategic Priorities

2.1 Strategy for Economic Development with Stability, Quality, Balance, Sustainability and Green Orientation

Despite global challenges – including geopolitical conflicts, economic disruptions and the Covid-19 pandemic – the economy of the Lao PDR has continued to grow positively and steadily. However, economic growth has yet to meet the standard of quality and sustainability. Structural transformation towards industrialisation and modernisation remains slow, with growth still largely driven by natural resource sectors and large-scale infrastructure projects. Moreover, economic expansion has not yet resulted in broad-based income distribution or sufficient job creation in line with the set targets.

2.2 Strategy for Graduation from Least Developed Country (LDC) Status and Implementation of the Sustainable Development Goals (SDGs)

- ❖ Implementation of the Strategy for Graduation from Least Developed Country (LDC) Status

- Gross National Income (GNI) per capita: Lao PDR's GNI per capita in the 2024 assessment reached USD 2,500, significantly surpassing the graduation threshold of USD 1,360 – nearly double the required standard. This marks a substantial increase from USD 1,242 in 2015.
 - Human Assets Index (HAI): Lao PDR achieved an HAI score of 74.8 in 2024, well above the threshold of 66. The country has consistently met the HAI standard since the 2018 review.
 - Economic Vulnerability Index (EVI): In both the 2021 and 2024 assessments, Lao PDR successfully reduced its EVI score to below the threshold of 32,
- ❖ Implementation of Sustainable Development Goals (SDGs)

As of the latest assessment, none of the 18 SDGs for Lao PDR have yet been fully achieved. 11 goals show positive progress and are on track towards achievement; 2 goals are experiencing regression or declining trends; 5 goals cannot yet be assessed due to insufficient data availability for trend analysis.

Despite ongoing challenges, Lao PDR has made notable progress in social and human development indicators, with positive trends towards achieving several Sustainable Development Goals (SDGs). These improvements support the country's eligibility for graduation from Least Developed Country (LDC) status by 2026. Key areas of progress include: Reduction in poverty rates, increased primary school enrolment, declining child mortality rates and other human development gains. However, notable disparities persist across key social indicators and poverty levels, particularly between wealthy and poor populations, urban and rural communities, and among different ethnic groups.

2.3 Strategy for Human Resource Development

The level of knowledge and capacity of Lao PDR's human resources remains lower than that of countries in the region. A large portion of the workforce still lacks practical and technical skills, which limits their ability to meet the demands of the production sectors and hinders the country's attractiveness to quality foreign investment. As of 2022, Lao PDR's Human Development Index (HDI) stood at 0.620, ranking 139th out of 191 countries, placing it in the medium human development category. Despite modest improvements, challenges persist – particularly in secondary education, where high dropout rates and poor teaching quality contribute to a shortage of skilled labour and elevated youth unemployment.

2.4 Strategy for the Conservation and Sustainable Use of Natural Resources through a Green Development Approach

The Government of Lao PDR has developed and strengthened a range of policies, strategies, laws and regulations to promote the sustainable management of natural resources. Notable achievements include the adoption of the Green Growth Strategy, the Land Management Strategy and improvements to environmental governance mechanisms and regulatory frameworks. These instruments serve as critical tools for safeguarding natural resources and promoting long-term sustainability. However, in recent years, the implementation of certain development projects has not been adequately regulated, resulting in adverse impacts on natural ecosystems. In particular, large-scale investments in the mining and energy sectors have not only caused environmental degradation – such as deforestation in protected areas, damage to water sources and loss of biodiversity – but have also led to infrastructure deterioration, including damage to national roads and foundational transport networks.

2.5 Strategy for Enhancing the Effectiveness and Integrity of the State Governance System through Rule of Law

Although the government has established a wide range of policies, regulations and legal frameworks across multiple sectors, actual implementation remains insufficiently rigorous and decisive. This has hindered the country's ability to manage socio-economic development in accordance with the principles of rule of law. Public service delivery and facilitation mechanisms across various sectors remain weak and inconsistent. Moreover, coordination and support measures between government agencies, state institutions and the private sector are still fragmented and lack coherence, preventing unified and effective action.

2.6 Strategy for Strengthening Regional Connectivity and Integration

Lao PDR has successfully upgraded and developed several key infrastructure systems, including national highways, expressways, railways, dry ports, international river and sea ports, and other facilities. These improvements have enhanced the country's connectivity with regional and global markets and contributed to economic expansion. However, many national and provincial roads have yet to be adequately upgraded to meet current economic demands – particularly access roads to production zones. These infrastructure gaps pose significant barriers to socio-economic development in many local areas and limit full integration with urban economic opportunities and cross-border trade with neighbouring countries.

2.7 Strategy for Industrialization and Modernization

Industrialisation and modernisation in Lao PDR remain slow-moving. The country's industrial base is still limited, with the manufacturing sector contributing only 8% of GDP, while modern service sectors – such as logistics, banking and

telecommunications – account for just 5.1% of GDP. Most industrial production relies heavily on imported raw materials and foreign technologies, which limits the potential for domestic value addition and weakens the country’s competitiveness in regional and global markets.

➤ Causes of Weaknesses

- The integration of national strategies into sectoral development plans, programmes and projects remains fragmented and inconsistent. Sectoral strategies are often developed in isolation, without sufficient alignment to the overarching socio-economic development outcomes and strategic directions already defined at the national level.
- The enforcement of regulations and legal instruments related to socio-economic development remains insufficiently rigorous and authoritative – particularly in the areas of fiscal discipline, planning compliance and oversight of large-scale investment projects. Weak implementation in these domains has contributed to rising public debt and has had adverse impacts on the sustainable management of natural resources and the environment. These shortcomings have also affected the quality of life for the population.
- Human resource knowledge and capacity have not yet reached the level required to support the country’s socio-economic development. Many government officials and civil servants still possess limited skills and competencies, which do not adequately meet the demands of modern public service delivery and development planning. In addition, personnel placement remains misaligned in several cases, with staff assigned to roles that do not match their professional expertise or job functions – further constraining institutional effectiveness and sectoral performance.
- Coordination mechanisms between central and local government agencies remain weak across many areas of work. Multiple layers of procedures and fragmented systems continue to hinder unified and efficient implementation at the operational level. As a result, decentralized execution lacks coherence and suffers from low effectiveness. Furthermore, the division of management responsibilities between levels of government remains unclear, contributing to institutional ambiguity and operational delays.
- The national budget allocated to support socio-economic development remains insufficient to meet actual needs, due to fiscal constraints and persistent public debt challenges. As a result, many development projects – particularly those in the social

sectors and poverty reduction – continue to rely heavily on external funding from development partners.

- Investment in research and development (R&D), and the adoption of modern technologies and innovation remain limited in Lao PDR. This constraint has led to missed opportunities in advancing high-potential economic sectors and enhancing the country’s competitiveness in regional and global markets.
- Information systems for tracking and supporting development projects – such as land data, social statistics, economic indicators and other relevant datasets – remain weak and insufficiently integrated. These limitations hinder the design, implementation and progress monitoring of development initiatives and result in delays and inefficiencies in assessing development outcomes.
- Efforts to mobilize and engage all sectors of society in contributing to national socio-economic development remain limited and lack structured implementation. There is still an absence of genuine ownership and proactive participation in addressing the complex challenges currently facing the country.

➤ Lessons Learned

- It is essential to ensure political stability, social order and the promotion of unity and solidarity among all ethnic groups in Lao society.
- The Government must create enabling conditions and invest in essential infrastructure to unlock the country’s latent economic potential and transform it into high-value sectors. This will help drive national income generation and improve the livelihoods of people across all regions of Lao PDR.
- Greater attention must be given to strengthening macroeconomic governance by improving relevant policies, regulations and aligned measures. These reforms are essential to support socio-economic development in across all phases and ensure consistency, resilience and long-term impact.
- It is necessary to research, revise and enforce policies and regulations related to socio-economic development to ensure they are effective and strictly implemented. Particular attention must be given to strengthening the enforcement of planning and fiscal discipline, policy execution and revenue collection procedures in order to improve the efficiency of public expenditure management.
- The Government must take ownership in reforming administrative mechanisms and processes to enhance efficiency. This includes streamlining ineffective bureaucratic structures, reducing redundant and time-consuming procedures, and transitioning towards modern, rules-based governance that is responsive, accountable and ensures fairness across society.

- The formulation of national strategies, as well as socio-economic development plans for each phase, must be grounded in scientific rigor. This requires in-depth research and data analysis to clearly identify practical approaches and implementation plans across all sectors.
- Monitoring and evaluation of development projects must be treated as a priority to ensure effectiveness and impact in driving sustained socio-economic development.
- Efforts to strengthen socio-economic cooperation must continue in order to mobilize resources and maximise benefits for national development. These resources should be effectively channelled into priority sectors to ensure impactful and inclusive outcomes.

II. IMPLEMENTATION ASSESSMENT OF THE 9TH FIVE-YEAR NATIONAL SOCIO-ECONOMIC DEVELOPMENT PLAN (2021 - 2025)

The implementation of the 9th Five-Year National Socio-Economic Development Plan (2021–2025) has taken place under rapidly changing and complex regional and global conditions. Key external challenges included the COVID-19 pandemic, geopolitical tensions in certain countries, trade disputes among major powers, global economic and financial downturns, climate change and rising energy and food prices – all of which have affected countries worldwide to varying degrees. For Lao PDR, in addition to these external shocks, the country faced internal challenges such as economic and financial instability, recurring natural disasters and the prolonged impact of the pandemic. Despite these difficulties, under the leadership of the Party’s Central Committee, close oversight by the National Assembly and active management by the Government – with support from all levels of administration, development partners and friendly nations – the implementation of programmes and projects under the 9th NSEDP (2021 – 2025) has achieved notable progress and key results across various sectors.

1. Overall Assessment of the 9th Five-Year National Socio-Economic Development Plan (2021-2025)

Over the past five years, the government has undertaken significant efforts to engage all economic and social sectors to ensure the effective implementation of the 9th Five-Year Plan in three overall directions. These coordinated actions have yielded measurable progress, reflected in the following key achievements:

1) Lao PDR has successfully met the criteria for graduation from the Least Developed Country (LDC) category on two consecutive triennial reviews, in 2018 and 2021, and met again in 2024. The country is on track for official graduation in 2026, marking a significant milestone towards national stability, peace and social order. Notable progress has been made in advancing the Sustainable Development Goals (SDGs) and green growth initiatives. However, some key milestones have been impacted by external factors and domestic financial-economic challenges, leading to a decline in income levels and the Human Assets Index (HAI).

2) The government has prioritised addressing weaknesses, challenges and obstacles, with notable success in controlling and preventing the Covid-19 outbreak, achieving a relatively strong level of containment compared to other countries. The country managed to maintain basic

macroeconomic stability and avoid a severe crisis. Despite these achievements, Lao PDR continues to face high consumer prices, inflation and currency depreciation, necessitating corrective measures moving forward.

3) The government has prioritised human resource development through various measures within the existing capacities of education, healthcare and workforce training. These efforts have met the basic societal needs. However, the quality of human resources remains insufficient to fully support the new development priorities outlined by the Party. Extensive efforts have been made to maximise national development potential and optimise resource utilisation in socio-economic growth, with a focus on enhancing connectivity, integration infrastructure and sustainable natural resource management to generate income for the country. However, despite these initiatives, certain projects have not met expected outcomes, resulting in environmental and societal impacts at various levels.

2. Achievements of the Implementation of the 9th Five-Year National Socio-Economic Development Plan (2021-2025)

1. Outcome 1: Continuous Quality, Stable and Sustainable Economic Growth Achieved

1.1 Quality and Sustainable Economic Growth

Over the five-year period (2021 - 2025), national economic growth is projected to average 4.24% (Target: 4% or higher). Growth rates reached 3.5% in 2021, 4.4% in 2022, 4.2% in 2023, 4.3% in 2024 and are expected to rise to 4.8% in 2025. However, the depreciation of the Lao Kip has resulted in Gross Domestic Product (GDP) per capita falling short of expectations. GDP per capita figures are as follows: USD 2,595 in 2021, USD 2,022 in 2022, USD 1,880 in 2023, USD 1,996 in 2024, with an expected increase to USD 2,138 in 2025 (Target: USD 2,880). Similarly, Gross National Income (GNI) per capita followed a downward trend, recorded at USD 2,452 in 2021, USD 1,901 in 2022, USD 1,737 in 2023, USD 1,871 in 2024 and projected to reach USD 1,985 in 2025, which remains below the target of USD 2,280. The achievements of each sector are outlined below:

- **Agriculture and Forestry Sector:** During the implementation of the 9th Five-Year National Socio-Economic Development Plan (2021–2025), Lao PDR made concerted efforts to upgrade and integrate technical infrastructure supporting agricultural and forestry production – including irrigation systems, greenhouses, drying facilities, seed sorting plants, cold storage and bio-fertilizer factories – which contributed to an average annual growth rate of 2.9% in the sector and a 19.4% share of GDP, surpassing the plan’s targets of 2.5% growth and 15.3% GDP share. These improvements enhanced food security and export capacity, with cumulative paddy rice production reaching 19.15 million tonnes over five years, averaging 3.83 million tonnes/year (Target: 3.5-4 million tonnes per year), food crops averaging 2.40 million tonnes/year (Target: 2.12 million), and commercial crops averaging 9.40 million tonnes/year (Target: 7.4 million), with standout increases in cassava (+31%), watermelon (+31%), sugarcane (+26%) and banana (+12%). Livestock expanded by 4% annually (Target: 3–4%), aquaculture and freshwater farming grew by 4.2% annually (Target: 3–4%) and agricultural exports totalled USD 7,508.48 million over five years, averaging USD 1,668.55 million/year – well above the target of USD 1,200 million/year – demonstrating the sector’s growing contribution to national income and rural livelihoods.

- **Industrial Sector:** Continuous efforts to improve infrastructure, resources and production techniques, including modernised operational processes, have driven sector growth, **averaging 4.7% and contributing 32.5% to GDP (Target: 4.1% growth and 32.3% of GDP).** The total

value of processed industrial products and handicrafts reached LAK 57,610.45 billion, equivalent to 69.34% of the five-year plan (Five-year target: LAK 83,079.80 billion).

+ **Energy Sector:** The energy sector has focused on developing its energy potential, including hydro, solar, wind and biomass energy. Energy production reached 251,052 million KWH, achieving 90.93% of the planned target (Five-year target: 276,096 million KWH). In terms of economic value, the sector generated LAK 259,603 billion, equivalent to 184.27% of the planned target (Five-year target: LAK 140,879 billion). Electricity exports reached 195,602 million KWH, equivalent to 117.71% of the target (Five-year target: 128,721 million KWH).

+ **Mining Sector:** The mining sector has progressed in line with the plan. Particularly, there was the implementation of pilot mining projects under the National Agenda on Addressing Financial-Economic Challenges. Over the three-year period, projects generated USD 5,024 million, equivalent to LAK 61,039 billion, achieving 64.14% of the target. Over the past five years, total mining production reached LAK 169,488 billion, surpassing the five-year plan at 202.06% of the target (Five-year target: LAK 56,111 billion). Domestic and international mining sales amounted to USD 13,370 million, equivalent to 160.39% of the target (Five-year target: USD 8,336 million). However, there was one indicator that fell short of expectation; that is the plan to conduct geological and mineral survey to build a 1/200,000 scale database. By 2025, the survey is expected to cover 7,469 square kilometres, representing only 10% of the target (Five-year target: 74,696 square kilometres).

- **Service Sector:** Focused efforts to develop the industry, commerce, tourism, transport and telecommunications sectors – through targeted interventions and active participation from both economic and social actors – have contributed to **an average annual growth rate of 4.5%, accounting for 36.6% of GDP (Against the 5-year targets of 6% growth and 41.3% GDP share)**. In commerce, the total value of goods traded reached LAK 307,355.57 billion, equivalent to 72.45% of the 5-year target. Tourism attracted 5.83 million international visits, achieving 39% of the target (15 million visits), and generated USD 265.55 million in revenue (Target: USD 3.813 billion). The transport sector advanced across land, air, water and rail modalities, with the Lao-China railway playing a pivotal role – rail freight accounted for 30.14% of total cargo transport. Passenger volume reached 484,464.70 thousand trips, growing at an average of 6.07% per year, while cargo volume hit 58,230.30 thousand tonnes, with an average annual growth of 18.60%. Telecommunications and digital infrastructure saw accelerated modernization, with 8,904 mobile signal stations nationwide. Mobile coverage reached 86% for 3G (Target: 100%), 77% for 4G (Target: 90%), and 5G services were launched in 2024 in five major provinces: Vientiane Capital, Luang Prabang, Bolikhamxay, Savannakhet, and Champasak (Target: 5G coverage in all 18 provincial capitals).

- **Taxes on Products and Import Duties, Net:** Net taxes on products and import duties recorded an average growth rate of 3.84%, contributing 11.5% to GDP (The target: 5.8% growth rate and 11.7% of GDP contribution).

❖ **Implementation of the National Agenda for Addressing Financial and Economic Challenges:** The agenda has focused on promoting domestic production and services to reduce import dependency and expand export capacity, wrestling in positive outcomes across the following areas:

1) Agriculture and Forestry Sector: Efforts have focused on promoting and expanding the production of agricultural goods, leveraging local and regional strengths to ensure an adequate

domestic food supply. Key areas of production include rice, vegetables, meat, fish and eggs. Additionally, a designated list of crops, vegetables and meats have been established to substitute imported products, contributing to improved self-reliance and food security.

- Domestic entrepreneurs have been actively encouraged to expand the production of fertilizers, animal feed and bio-organic inputs to better meet domestic market demand. As of the current period, Lao PDR has 11 animal feed factories with a combined production capacity of 924,400 tonnes per year. Actual production and supply reached 340,408 tonnes – an increase of 37.75% compared to the pre-NSEDP baseline year (2020) – covering 61% of domestic demand (Estimated at 560,000 tonnes/year). Fertilizer production, including both chemical and bio-organic types, reached 1.3 million tonnes, marking a 300% increase over the baseline and meeting 65% of domestic demand (Total requirement: 2 million tonnes/year).

- Negotiations on sanitary and phytosanitary (SPS) measures were successfully concluded, enabling the opening of markets for an additional 25 items during the implementation of the National Agenda, bringing the total to 64 items. These advancements were supported by enhancements to the agricultural production base and capacity-building efforts among production groups to facilitate and expand export opportunities.

As a result, agricultural exports reached approximately USD 5.77 billion between 2021 and 2024, reflecting an average annual increase of around USD 575 million compared to pre-National Agenda levels. Notably, cassava exports totalled USD 1 billion during the National Agenda period, equivalent to USD 336.25 million annually, representing an increase of approximately 205% over prior export values. Rubber exports averaged USD 312.94 million per year, exceeding the 2020 level by 58.8%, while banana exports totalled about USD 247 million annually, marking a 28.7% increase compared to pre-National Agenda figures. In addition, the export of processed agricultural and forestry products demonstrated strong performance, reaching approximately USD 1,064.95 million during 2021 - 2023. This represents a 41.62% increase, accounting for 26.26% of the total agricultural export value.

2) Processing Industry Sector: Opportunities have been created for domestic producers to expand the production of processed industrial goods, contributing to a reduction in import dependency for certain products.

(1) Cement Production: During the implementation of the National Agenda (2021 - 2023), actual cement production averaged approximately 5,299,157 tonnes per year, reflecting an annual growth rate of about 21.48% compared to the 2020 level. This level of output has been sufficient to effectively meet domestic market demand.

(2) Wired and Forged Steel: Production has reached approximately 368,450 tonnes per year, marking a 39.3% increase compared to the 2020 baseline of 264,527 tonnes per annum. This level of output can currently satisfy around 71.70% of domestic demand.

(3) Plastic Pipes: Annual production of plastic pipes reached approximately 10,327 tonnes, reflecting a 26.90% increase compared to 8,135 tonnes in 2020. This level of output can satisfy 36.60% of domestic demand.

(4) Paint Products: Between 2021 and 2023, average annual production of paint products reached 19,000 tonnes, reflecting an annual growth rate of 11.65%. This level of output can cover approximately 61.35% of domestic demand.

3) Energy and Mining Sector: The sector has made notable progress through the successful signing of mining agreements with 93 companies under the pilot mining initiative. These companies exported minerals valued at approximately USD 155 million, accounting for 2.7% of total mineral exports between 2021 and 2023. Additionally, the sector contributed significantly to public revenue, contributing a total of USD 204.52 million and LAK 962.21 billion.

4) Tourism Sector: Following the reopening of the country in mid-2022 after the COVID-19 pandemic, Lao PDR prioritised the development of tourism infrastructure, services and activities across high-potential provinces. These efforts included upgrading tourist sites, improving service quality and promoting private sector engagement in tourism development. From 2022 to 2024, the country welcomed approximately 8,832,826 international tourist visits – equivalent to 58.8% of the five-year target of 15 million visits – and generated USD 2.64 billion in revenue, reaching 69% of the five-year target of USD 3.813 billion. In terms of spatial planning, 22 tourism zones were surveyed, designated, certified and demarcated, achieving 73.33% of the five-year target (30 zones), with projections to complete two additional zones by 2025.

Despite ongoing challenges, the concerted efforts of the Party and the government to implement measures aimed at enhancing production and service sectors have supported the continued economic growth. Key contributing factors include the reopening of the country following the Covid-19 pandemic, initiatives to boost domestic production as a substitute for imports and strategies to promote exports. Notable developments include the implementation of mineral pilot projects, large-scale infrastructure development and the promotion of both domestic and international tourism. Additionally, the provision of credits to stimulate economic activities has played a vital role. As a result, the economy is projected to grow in alignment with the five-year plan, with GDP growth expected to reach 4.24%, surpassing the target of 4% or higher. However, it is important to note that, in 2021, the growth rate fell short of the annual target due to the significant impact of the Covid-19 pandemic, particularly from stringent prevention and control measures that disrupted normal business operations both domestically and internationally. Despite progress, growth has not yet reached its full potential, largely due to structural weaknesses in certain sectors. Economic expansion has been driven primarily by resource-intensive industries such as electricity, mining and construction – sectors heavily reliant on foreign investment. These sectors have not generated the anticipated employment opportunities for domestic workers and have contributed to rising external public debt, along with environmental and social concerns. Furthermore, the economy lacks sufficient diversification, with limited domestic production and persistently low product quality. A substantial share of exports consists of raw materials and low-value finished products. Although the economy continues to grow, real income per capita has declined, driven by the depreciation of Lao Kip and rising consumer prices – factors that have negatively affected the livelihoods of a significant portion of the population.

1.2 Robust and Stable Macroeconomic Management Ensured

1) Fiscal Policy (Three Indicators):

- Public Revenue: The government has prioritised addressing financial and economic challenges as a national agenda to ensure effective implementation across sectoral and local levels. A comprehensive fiscal policy framework has been established to restructure the state budget, utilising domestic revenue projections as a basis for expenditure planning to reduce budget deficits while accumulating resources to service external debt. Efforts have focused on maximising

revenue sources, including expanding the tax base, particularly for value-added tax (VAT) and profit tax. Additionally, new legislative measures have been introduced to enhance financial management and prevent revenue leakages. Further improvements in the revenue collection system, coupled with modern methodologies, have strengthened revenue collection efficiency. A priority has been given to mobilising revenue from various sources with high potentials. These include revenues from experimental (pilot) ore mining, digital business operations, measures against illegal car imports and other measures. As a result, public revenue collection has displayed consistent annual growth. Revenue collection was LAK 28,905.03 billion in 2021 (104.62% of annual target), LAK 32,540.50 billion in 2022 (103% of annual target), LAK 50,806.13 billion in 2023 (132.14% of annual target), LAK 62,051.10 billion in 2024 (121.55 % of annual target). Public revenue collection is projected to be LAK 77,607 billion in 2025. **For the five-year period (2021 - 2025), total revenue collection reached LAK 251,910.84 billion, equivalent to 140% of the five-year plan or approximately 18.65% of GDP (Exceeding the five-year target of LAK 179,500 billion or 17% of GDP).**

- **Public Expenditure:** The government restructured public expenditure by first establishing a comprehensive plan, which then served as a framework for budget units to develop detailed spending priorities for efficient and strategic public budget allocation. The government has also focused on efforts to enforce the implementation of Decree No. 205/PMO, aimed at optimising expenditure efficiency through adopting austerity measures. This has been achieved through re-prioritisation of spending, timely budget disbursement and stricter controls – particularly by reducing unnecessary administrative expenditure to balance primary revenue and expenditure. The public expenditure trends show consistent fiscal discipline. The public expenditure was LAK 29,507.44 billion (93.43% of annual target) in 2021, LAK 32,280.85 billion (91.12% of annual target) in 2022, LAK 44,152.04 billion (98.20% of annual target) in 2023, LAK 55,874.54 billion (90.06% of annual target) in 2024. The public expenditure is projected to be LAK 71,850 billion in 2025. **For the five-year period (2021 – 2025), total government expenditure is estimated at LAK 233,515.02 billion, exceeding the target by 123%, equivalent to 17.29% of GDP (Target: LAK 190,000 billion or 18% of GDP).**

- **Budget Deficit:** The budget deficit has exhibited a downward trend, with some years recording a surplus, demonstrating fiscal improvements. In 2021, the budget shortfall was LAK 602.41 billion (0.33% of GDP), followed by a budget surplus of LAK 259.64 billion (0.12% of GDP) in 2022. Budget surplus in 2023 was LAK 6,645.10 billion (2.51% of GDP), whereas 2024 saw a budget surplus of LAK 6,326 billion (1.9% of GDP). In 2025, the fiscal balance of LAK 5,75 billion (Approximately 1.6% of GDP) is expected. Over the five-year period (2021 - 2025), the fiscal balance stands at LAK 184,385.75 billion, equivalent to 1.4% of GDP, remaining within the target of 1% of GDP or not exceeding 2% of GDP at the maximum.

- **Debt Problems:** Efforts have been undertaken to address public debt, particularly through the renegotiation of capital and interest terms of external debt with bilateral creditors to improve repayment conditions. Additionally, the government has mobilised financing from various sources to ensure timely debt services. Public debt decreased from 112% of GDP in 2022 to 94% of GDP in 2024.

During the 2021 - 2024 period, the government has resolved public investment project debts totalling LAK 19,871.81 billion. Funding sources were drawn from a regular budget of LAK 1,871.81 billion and a debt resettlement plan of LAK 18,000 billion, which included government

bonds and triangle debt of LAK 10,000 billion between 2021 - 2022, and triangle debt of LAK 8,000 billion in 2023.

Implementation of the National Agenda on Addressing Financial and Economic Challenges: The government has prioritised efforts to strengthen budget revenue collection, promote cost-saving measures and combat extravagance, alongside a strategic approach to addressing debt problems. Key achievements include:

1) A significant focus has been placed on enforcing the implementation of Decree No. 18/PMO on Strengthening the Management and Prevention of Public Revenue Leakages. This initiative has created favourable conditions for establishing revenue bases and modernised revenue collection systems to close existing gaps and increase public revenue sources. Key measures include revising the customs clearance system, the management of customs duties from international sources, addressing illegal vehicle imports, optimising revenue collection from experimental (pilot) mining projects, assigning local budget units the responsibility to collect revenues from local enterprises, increasing revenue base and integrating revenue collection data into modernised public finance management systems.

- In 2021, revenue collection achieved approximately LAK 27,178 billion, equivalent to 14.13% of GDP.
- In 2022, revenue collection was around LAK 32,486 billion, equivalent to 15.4% of GDP.
- In 2023, revenue collection was LAK 48,762 billion, equivalent to 18.5% of GDP.

2) Significant efforts have been dedicated to enforcing the implementation of Decree No. 205/PMO and Decree No. 599/PMO which led to tighter control over public expenditures. As a result, administrative expenditure saw a reduction – amounting to LAK 2,076 billion in 2021, LAK 3,131 billion in 2022 and LAK 806.93 billion in 2023. These declines have resulted in budget deficits remaining below 3%, with a budget surplus in 2023.

- The implementation of Decree No. 599/PMO has led to the collection of information on 37,427 state vehicles, including 11,175 cars. Among these vehicles, 8,959 units are currently used by ministries and central government organisations. Additionally, 1,007 motorcycles and 2,204 cars are used by retirees. The task of attaching official stickers and QR codes to state vehicles has been completed for 22,196 vehicles, consisting of 9,240 cars and 12,956 motorcycles. This accounts for 64.9% of all vehicles required to have identification stickers and QR codes. Of the total applicable vehicles, 82.6% of cars and 56.2% of motorcycles have been successfully processed.

In summary, the country has been directly and indirectly affected by the Covid-19 pandemic and geopolitical conflicts of some countries, affecting the implementation of public budget plans. Key financial challenges include inflation, fluctuations in fuel prices, exchange rate instability and other economic uncertainties. Despite these challenges, the Party and government have provided strong leadership in advancing the National Agenda as well as other measures to tackle financial and economic difficulties. A key directive guiding these efforts is the Prime Minister's Decree No. 18 on Strengthening the Management and Prevention of Public Revenue Leakages. As a result, the government has achieved revenue collection targets for three consecutive years (2021 - 2023) and is expected to meet or exceed the target in 2024. On the expenditure side, the government has managed period wage and compensation increases to

improve living conditions for employees, public servants, military personnel, police officers and retirees, while maintaining planned spending on key priorities.

2) Monetary policy (Seven Indicators): Since mid-2022, monetary policy has shifted from a relaxed stance to a more tightened approach through key policy tools. These measures included raising the base interest rates of the Bank of Lao PDR (BOL), adjusting reserve requirements for foreign currency and LAK deposits and issuing short-term central bank bonds to regulate the M2 money supply. Additionally, the government has introduced fixed deposit options of 7 days, 3 months and 6 months to stimulate market activity, while also issuing treasury bonds to address liquidity needs for both the government and the Ministry of Finance. The public investment project debt has been managed through a triangle debt mechanism. Foreign currency exchange is now increasingly determined by market mechanisms, with the government exercising flexible management while permitting foreign currency use for importing strategic goods. In early 2023, amendments to the foreign exchange law led to the closure of unauthorised currency exchange shops, the establishment of an electronic foreign exchange market and the development of a cash flow management system (CMS). Projections for the 2021 - 2025 period indicate: M2 money supply is expected to grow by 25.57% per year (Target: Not over 20% per year); Average interest is projected at 17.97% (Target: 6% per year on average). Between 2021 and 2025, the M2 money supply in Laos expanded at an average annual rate of 25.57% to 26%, which exceeds the Five-Year Plan ceiling of 20% per year. Inflation increased 17.97% per year on average, significantly surpassing the plan's target of no more than 6%. The exchange rate of the LAK against the USD fluctuated beyond the plan's target of +/- 5% range, resulting in average depreciation of 15.16% per year. By the end of 2025, foreign currency reserves are preliminarily estimated to cover 5.28 months of imports, exceeding the Five-Year's minimum threshold of three months. Commercial bank deposit mobilization relative to GDP has increased from 64.51% to a preliminary figure of 96.58%, indicating strong performance against the plan's target of 60% by 2025. Similarly, bank credit to GDP rose from 60.47% to 61.35%, surpassing the plan's target of 49%. The banking system has maintained control over non-performing loans (NPLs), with a five-year average of 1.41%, well within the plan's ceiling of 3% of total credit.

The implementation of the National Agenda on Addressing Financial and Economic Difficulties that is related to creating monetary stability has 8 indicators, with the following results: By the end of 2024, the government successfully maintained foreign exchange reserves to cover 5.12 months of imports (Target: At least 3 months of imports). Non-performing loans (NPLs) were effectively controlled at 1.36% (Target: 3%), while the return on equity (ROE) reached 17.60% (Target: Over 6.4% in 2023) and the return of assets (ROA) stood at 1.4% (Target: Over 0.28% in 2023). Additionally, the Capital Adequacy Ratio (CAR) remained at 7.95% (Target: Over 8% in 2023). The difference between the official exchange rate and the parallel market rate was 0.14% for the Lao Kip against the US dollar (Target: Under 2% in 2023). The ratio of credit for the agricultural and handicraft sectors was 4.95% (Target: Minimum 10% in 2023). Between 2021 and 2024, the current account balance recorded a surplus of USD 908.78 million, with the balance at 3.53% of GDP by the end of 2024 (Target: Exceed 2% of GDP in 2023).

3) International Trade: The country has consistently prioritised international trade policies, with export revenues projected to grow annually over the next five years. Exports are expected to reach USD 33,788.53 million, representing 88.79% of the target (Target: USD 38,053.50 million), while imports have totalled USD 28,021.13 million, equating to 85.10% of the plan (Target: USD 32,927.30 million). The trade balance has shown consistent annual surpluses,

including: USD 1,739.67 million in 2021, USD 1,389.95 million in 2022, USD 1,099.91 million in 2023, USD 1,537.87 million in 2024 and projected surplus of USD 1,558.14 million in 2025. Over the period of five years (2021 - 2025), the trade balance is expected to achieve a cumulative surplus of USD 7,325.54 million, though actual foreign currency inflows have not matched the full value of exports.

1.3 Investment Quality and Effectiveness Enhanced

The government has made significant efforts to improve investment efficiency by strengthening the public investment management framework, revising public investment law and enhancing mechanisms and procedures for investment and business operations. Additionally, greater focus has been placed on public investment project monitoring to ensure smooth implementation. Over the five-year period, the investment value has reached LAK 342,406 billion, 167% of target (Target: LAK 204,599 billion). Of this, domestic investment totalled LAK 22,080 billion, equivalent to 96% of the target (Target: LAK 22,950 billion). Meanwhile, the government has addressed debt issues from public investment projects with funding from regular budget and special financing, including: (1) Resolving public investment debt of LAK 19,871.81 billion between 2021 - 2024, with LAK 1,871.81 billion funded by regular budget source, LAK 10,000 billion from triangle debt and LAK 8,000 billion from government bonds. To further management public investment debts, a policy framework was introduced, employing various strategies: Five-year ODA investment reached LAK 54,493 billion, achieving 146% of the target (Target: LAK 37,344 billion); Domestic private sector investment and foreign direct investment totalled LAK 266,494 billion, equating 266% of the target (Target: LAK 100,000 billion). While foreign direct investment improved significantly, actual cash inflows through the banking system remain below expectations, estimated at approximately...% of total capital value.

1.4 Better Quality, Robust and Regionally and Internationally Competitive Micro, Small and Medium Enterprises.

The government has prioritised key initiatives to promote and strengthen Micro, Small and Medium Enterprises (MSMEs) through 7 strategic policies. These policies aim to create opportunities for MSMEs to access financing by promoting the use of credit policies to stimulate economic growth and support local stakeholders in enhancing domestic production, thereby reducing dependency on imports. Additional measures focused on encouraging entrepreneurship, increasing productivity and leveraging technology and innovation to enhance product and service quality and standards. The government has also worked to improve access to business development support, expand market opportunities for business expansion, all while ensuring compliance with accounting requirements.

1.5 Enhanced Efficiency and Effectiveness of State-Owned Enterprises and Collective Economy in Contribution to Generate Revenue for the State Budget, Supporting Investment Efforts.

1) Development of State-Owned Enterprises (SOEs):

State-owned enterprises and collective economic entities constitute a vital component of the national economic system. Over the years, the Party and government have consistently prioritised SOE reform as a critical agenda. In particular, the current restructuring is considered essential to strengthening SOEs so they can contribute effectively to national budget revenue, support the strategic work of the Party and government, and evolve into leading actors in the future national economic development.

- As of the current period, Lao PDR has a total of 171 state-owned enterprises (SOEs) operating nationwide, including 93 under central management and 78 under local administration. Since 2021, the government has actively pursued reform of 32 SOEs in accordance with Resolution No. 10/GoL, dated 15 October 2021. Of these, 10 units have completed restructuring (Such as mergers, liquidation or share divestment), while reform efforts continue for the remaining 22 units. Special attention has been given to four strategic enterprises: Electricité du Laos (EDL), Lao State Fuel Enterprise, Lao Airlines and the former Policy Bank, which has been successfully restructured and renamed as the Rural Development Bank. Additionally, three other SOEs have shown progressive reform outcomes.

- Successfully conducted a knowledge exchange mission with the Socialist Republic of Vietnam, engaging with 132 Vietnamese experts to extract practical lessons for state-owned enterprise (SOE) reform. The insights gained have provided valuable input for the national SOE reform committee. In line with Resolution No. 8 of the Party Central Committee (Session XI), SOE reform has been elevated to the strategic level, now overseen by the Party Central Office and the Political Affairs Department. A central reform committee has been formally established and ... corresponding reform committees have been set up across ministries, equivalent organisations and provincial administrations nationwide. Each ministry and agency is led by its respective Minister or Deputy Minister, with the ministry's office serving as the coordination hub. At the provincial level, Deputy Governors lead the reform committees, coordinated through the provincial administration offices.

2) Development of Cooperatives:

Over the past five years, Lao PDR has actively promoted the establishment of production cooperatives, successfully creating 18 units – achieving 100% of the five-year target. As of the current period, the country has a total of 36 production cooperatives, reflecting continued expansion beyond the original plan. The cooperative network has also extended to farmer production groups, with implementation reaching ... groups—equivalent to ...% of the five-year target of 24 groups. In total, there are now 4,193 community-based production groups nationwide.

2. Outcome 2: Improved Quality of Human Resources to Meet Development, Research, Capacity, Science and Technology Needs, and Create Value-Added Production and Services

2.1 More Inclusive and Better-Quality Healthcare Services and Nutrition

Since 2020, Lao PDR has been heavily impacted by the Covid-19 pandemic, leading to financial and economic difficulties. The pandemic has affected living conditions, driving up fuel prices and overall expenses. These difficulties have directly and indirectly influenced the implementation of the 9th Five-Year National Socio-Economic Development Plan, particularly in the education and sports sector. Limited teacher recruitment has further exacerbated the situation, resulting in declining enrolment and increasing dropout rates across all educational levels. Despite these challenges, the education and sports sector remain committed to advancing education, technology and sports development outcomes.

- **Early Childhood Education (ECE):** The expansion of the Early Childhood Education (ECE) network and the increase of the enrolment rate of five-year old children have been priorities, with various initiatives to promote community child development groups, multi-age teaching and private sector engagement in ECE development. Key initiatives included the launch of the online learning platform “Khang Panya Lao”, the development of digitalised teaching resources and the creation of instructional videos for teacher training, which have been broadcasted through the national education and sports channel. Additionally, the government has continued to develop and

refine curricula, alongside extensive training for child carers and teachers. Another outstanding achievement is the endorsement of the Decree of Early Childhood Education by the government. As a result, ECE enrolment has improved, with the enrolment rate for five-year old children increasing from 82.7% in academic year 2019 - 2020 to 84.7% in academic year 2024 - 2025. During the same period, the number of ECE students has increased from 245,849 students to 250,113 students, with private school students increasing from 18.75% to 28.74%.

- **Primary Education:** Primary education plays a vital role in equipping children with fundamental skills in reading, writing and basic numeracy. Significant efforts have been made to develop and revise curricula, including student textbooks and teachers' manuals, providing teaching and learning materials nationwide and conducting training sessions for teachers on the new curricula. Additionally, educational infrastructure improvements have been implemented through collaboration between central and provincial education departments, alongside local authorities securing financing from both domestic and international sources to fund school construction and repair. Further advancements include providing hygiene facilities, school lunches and scholarships for children from disadvantaged families. At the same time, special emphasis has been placed on the continuous professional development of teachers, including efforts to improve the quality of teaching and learning in primary education. During the Covid-19 outbreak, both teachers and students utilised the online learning platform "Khang Panya Lao", which was developed in digital format to ensure the continuity of teaching and learning. As a result of implementing these comprehensive initiatives, the enrolment rate of six-year-old children entering Grade 1 increased from 98.5% in the 2019 – 2020 academic year to 99.3% in 2024 – 2025, while the dropout rate for grade 1 students decreased from 6.4% in 2019 – 2020 to 5.9% in 2024 – 2025.

- **Secondary Education (Lower and Upper Secondary Education):** Efforts have been made to improve and expand secondary education infrastructure nationwide through public funding and support from development partners. These improvements included revisions to legislation governing the implementation and management of teaching and learning at the secondary level. A significant number of initiatives have focused on enhancing education equality through curriculum development and teachers' training in various subjects as well as improvement in educational outcome assessments. To provide quality post-basic education and prepare a workforce for the labour market, vocational education has been introduced in secondary schools for ethnic communities and upper secondary schools with relevant conditions across the country. However, due to the impacts of economic hardship and other discouraging social factors, both students and teachers have been compelled to leave school in search for employment domestically and abroad to support their families. As a result, over the past five years, the gross enrolment rate in lower secondary education dropped from 83.3% to 72.5%; The dropout rate increased from 10.3% to 12.4%; The gross enrolment rate in upper secondary education declined from 54.6% to 38.4%, while the upper secondary dropout rate increased from 8.8% to 13.5%.

- **Non-formal Education:** Although the government declared the eradication of illiteracy across the country a decade ago, ongoing efforts to eliminate illiteracy and strengthen primary and secondary education remain essential for the country. Over the past five years, the Ministry of Education and Sports has successfully declared the nationwide completion of lower secondary education. In addition, it has endorsed the Decree on Lifelong Learning and finalised the National Action Plan on Lifelong Learning. It also completed the development of curricula and teaching materials for secondary education. Notably, the Ministry has developed an educational qualifications framework that bridges formal and non-formal education. This has enabled young

people and school dropouts to continue their education through non-formal learning and vocational training. From the 2020 – 2021 academic year to 2024 – 2025, approximately 176,720 individuals have benefitted from these pathways – 118% of the five-year target of 150,000 people.

- **Technical and Vocational Education and Training (TVET):** Efforts have been made to enhance access to vocational education and training, focusing on developing skilled professionals through infrastructure improvements, provision of technical equipment and short-term training programmes across various topics and certification levels. An outstanding achievement is the establishment of the Lao Railway Technical College. Comprehensive vocational orientation has been provided to lower secondary students, along with a shift toward integrating digital technologies into teaching and learning. Short- and long-term curricula have been created, reviewed, improved and developed, with a focus on competency-based training and blended learning across various disciplines. At the same time, a decree on the Vocational Education Fund and its operational manual have been developed, resulting in an increase in the proportion of lower secondary graduates continuing into vocational education and training, from 3.8% in the 2019 – 2020 school year to 5.7% in 2024 – 2025. From 2020 – 2021 to 2024 – 2025, approximately 47,000 students enrolled in vocational education, while more than 45,000 learners graduated from vocational institutions (Both public and private) during 2020 – 2021 to 2023 – 2024.

- **Higher Education:** The Ministry of Education and Sports, in collaboration with higher education institutions, has remained committed to improving the quality of teaching and learning across universities. Curricula have been developed and revised to better reflect the shifts in modern education and respond more effectively to learners’ diverse needs. In addition, focused efforts have been made to enhance governance mechanisms, improve services and modernise universities by integrating digital systems into higher education. Between 2020 – 2021 and 2024 – 2025, over 60,000 new students were enrolled across public and private higher education institutions. In science, technology, engineering and mathematics (STEM) fields alone, enrolment exceeded 16,000 students. More than 500 scientific research projects were completed. Furthermore, from 2021 to 2024, over 14,800 students were supported to study abroad across 36 countries, complementing domestic education opportunities with international experience.

- **Sports and Physical Education:** Sports and physical education play a crucial role in promoting physical activity among the Lao population and fostering the development of professional sports. In recent years, the sector has organised physical exercise events on various national commemorative days in collaboration with the National Sports Federation, the Federation for People with Disabilities and the Student Sports Federation. These efforts have included national competitions, annual games, contests among party and state leaders, and celebrations of important national holidays. From 2021 – 2024, over 3,000 administrators, coaches and referees have been trained and upgraded both domestically and abroad. A total of 1,138 talents and national level athletes have been developed. Lao PDR won 8 gold medals at the SEA Games and ASEAN Games. Nationally, 8 national sports federations now operate with standardised management systems. In addition, sports clubs at various levels have been established and operate in accordance with defined regulations and standards.

Through the implementation to support sectoral targets of the education and sports sector, and in accordance with National Assembly Resolution No. 20/NA, a total of 8 out of 15 indicators were achieved in 2024 – 2025; 3 indicators show progress but have not yet met their targets; 4 indicators have shown sign of regression.

- **8 indicators with good progress and expected to meet the goals:**
 - 1) Enrolment rate for 5-year-olds in pre-school education nationwide increased from 82.7% in academic year 2019 - 2020 to 84.7% in academic year 2024 - 2025 (Five-year target: 83%).
 - 2) Enrolment rate of grade 1 students increased from 98.5% in academic year 2019 - 2020 to 99.3% in academic year 2024 - 2025 (Target: 98%)
 - 3) Gender parity index for transition rate from grade 5 to year 1 of lower secondary education reached 0.99 (Target: 0.97-1.03).
 - 4) The number of youth and those dropped out of school can have access to informal education and vocational training reached 176,720 individuals (Target: 150,000 people).
 - 5) Each year, more than 20% of all primary and lower secondary teachers received professional training, exceeding the five-year plan's target of an annual average of 10% (Based on the total number of teaching staff).
 - 6) The proportion of lower secondary graduates continuing to vocational education and training reached 5.7% in the 2024 – 2025 school year, surpassing the five-year target of 5%.
 - 7) The number of students enrolled in higher education in the fields of natural sciences, technology, engineering and mathematics (STEM) reached 16,365 individuals, exceeding the five-year target of 12,500 students.
 - 8) The proportion of Lao citizens of all genders and ages participating in fitness activities, physical exercise and recreational sports reached 50%, achieving the five-year plan's target of 50%.
- **3 indicators that have shown progress but have not yet met the target:**
 - 1) The dropout rate for grade 1 students decreased from 6% in the 2023 – 2024 academic year to 5.9% in 2024 – 2025 (Target: 4%).
 - 2) The primary education completion rate increased from 92.6% in the 2019 – 2020 academic year to 93.3% in 2024 – 2025 (Target: 95%).
 - 3) The transition rate from grade 5 to grade 6 (Lower secondary education) increased from 85.1% in the 2019 – 2020 school year to 85.6% in 2024 – 2025 (Five-year target: 90%).
- **4 indicators that have regressed or declined**
 - 1) The gross intake rate for grade 5 declined from 100.4% in 2019 – 2020 to 95.5% in 2024 – 2025 (Target: 99%).
 - 2) The dropout rate for primary school students increased from 4.3% in the 2019 – 2020 to 4.6% in 2024 – 2025 (Target: 2%).
 - 3) The dropout rate for lower secondary students increased from 10.3% in 2019 – 2020 to 12.4% in 2024 – 2025 (Target: 8%).
 - 4) The gross intake rate for grade 10 (Upper secondary school) declined from 71.6% in 2019 – 2020 to 61.4% in 2024 – 2025 (Target: 74%).

• **Challenges:** The Covid-19 pandemic, compounded by ongoing financial and economic difficulties, has significantly affected the education sector. These challenges have made it difficult

to implement the 9th Education and Sports Sector Development Plan, particularly in tackling declining enrolment rates and waning interest in formal education. Dropout rates, especially among secondary school students, have continued to rise, further straining the system. Moreover, public confidence in education has diminished, with learning outcomes of students falling below expected standards. Specific challenges are as below:

1. Economic hardships have compelled both students and teachers to seek alternative employment, either within the country or overseas, to support their families.
2. Geographical challenges have negatively impacted education outcomes. In some areas, schools are located far from villages, with limited transportation infrastructure, making attendance difficult for students. Many secondary schools lack sufficient dormitory facilities and younger students are unable to travel on their own. Additionally, rural communities are widely dispersed and families often relocate for agricultural work, further hindering students' ability to attend school consistently.
3. The shortage of teachers has been unable to keep pace with the growing demand for educational services, resulting in the closure of many schools.
4. Limited budget allocation for education, science and sports has led to inadequate infrastructure, facilities, student textbooks, teacher manuals, instructional materials, laboratory tools and equipment, affecting the learning environment at all levels.
5. Some teachers and principals lack a thorough understanding of new curricula due to inadequate training, especially in effectively implementing it in the classroom.
6. Stakeholder participation in education remains low, with limited involvement from various sectors, communities and parents in promoting education. Awareness of its importance is not yet well-structured and engagement from the private sector and relevant industries remains weak, lacking widespread support.
7. The human resource development plan does not align with labour market demands, leading to graduates lacking the necessary skills and qualifications to meet industry requirements.

2.2 Improved Quality of All Levels of Education and Conditions Created for Access to Education to Support Readiness for Regional and International Integration and Industry 4.0

The improvement of healthcare service quality has been expedited nationwide, aligning with the 5 Good and 1 Satisfaction policy. Efforts have been focused on enhancing infrastructure, equipping healthcare personnel with new skills and knowledge, and providing modern medical equipment at both central and local levels. Advanced healthcare services have been upgraded at central hospitals, including heart surgery at Mahosot Hospital and brain and bone surgery at Mittaphab Hospital. Additionally, 17 provincial hospitals can now perform major medical procedures, while 35 district hospitals provide caesarean sections and other emergency treatments. The transformation of lifestyles has been successfully advanced through the promotion of clean hygiene principles via health education and the establishment of health model villages. Other key achievements included reproductive health education, maternal and child health initiatives and improvements in child nutrition in schools and rural areas, aligning with the national nutrition action plan, which integrates multiple sectors. Additionally, efforts have focused on expanding access to clean water and sanitation, with the declaration of Open Defecation Free (ODF) status in 10 provinces, 129 districts and 8,511 villages. Significant strides have also been made in

strengthening the disease alert system, establishing a nationwide network to prepare for public health emergencies and potential disease outbreaks. In recent years, the government has effectively managed the Covid-19 outbreak and is now prioritising efforts to curb the spread of malaria, a recurring pandemic. Additionally, WHO in Laos has supported the country's notable achievements, including the elimination of lymphatic filariasis in 2023. The focus of the sector is now on eradicating **Plasmodium Falciparum malaria** by 2025, with the ultimate goal of eliminating all forms of malaria by 2030. Efforts are also underway to achieve the elimination of tuberculosis, HIA/AIDS and rabies by 2030. The government has taken a crucial role in monitoring and inspecting the quality of food, medicines and medical supplies produced, imported and distributed within society. Domestic manufacturing has been strengthened to ensure that food, medicines and medical supplies meet Good Manufacturing Practice (**GMP**) standards, partially fulfilling both domestic and international demand. Additionally, the state-owned pharmaceutical factory and private pharmaceutical companies can supply approximately **60%** of the essential medicines required by public hospitals and have the capacity to export some of their products. At the same time, the government has encouraged the integration of traditional and modern medicine in patient treatment. To support this, efforts have been directed towards human resource development in traditional medicine, leading to the establishment of the Traditional Medicine division under the Faculty of Pharmacy at the University of Health Science. Aligned with Resolution No. 05/CPPB, which focuses on developing a resilient and self-sufficient economy, the health sector has initiated efforts to transform three central hospitals – Mahosot, Mittaphab and Setthathirath – into financially self-sustaining institutions. Additionally, Mahosot and Mittaphab hospitals are undergoing preparations to transition into modernised healthcare facilities. Efforts have been made to strengthen the management and expansion of the National Health Insurance Funds, currently achieving 94.5% coverage, ensuring broad access to essential health services. The government has also issued health insurance cards for families living in poverty nationwide, in accordance with Notice No. 824/MOH, and has developed the Electronic Modernised Cash Claim System (E-Claim System) to streamline insurance processes. Additionally, significant focus has been placed on revising health-related laws and regulations, with 11 laws currently under review to improve health sector governance. Among the 11 key health sector indicators, 6 are progressing well and are expected to meet their targets, while the remaining 5 indicators are projected to fall short.

- **6 indicators with good progress and are expected to meet targets:**

- 1) **Infant Mortality Rate (Under 1 Year Old):** According to data reported from the DHIS 2 data system, the mortality rate of children under one year old was 2,027 in 2021 (12.8 per 1,000 live births). In 2022, there were 2,022 deaths (13 per 1,000 live births). In 2023, the rate was 11.8 per 1,000 live births. For 2024, the rate is projected to be 9.07 per 1,000 live births and, by the end of 2025, it is expected to decline further to 7.2 per 1,000 live births (Five-year target: 20 per 1,000 live births).
- 2) **Under-Five Mortality Rate:** The mortality rate of children under five years old, as recorded in the DHIS 2 data system, has shown a steady decline over the years. It was 14.3 deaths per 1,000 people in 2021 (2,253 deaths), rising slightly to 14.8 per 1,000 in 2022 (2,312 deaths), but then decreasing to 13.4 per 1,000 in 2023, and further improving to 10.46 per 1,000 in 2024. The 2025 target is expected to be 8.3 per 1,000 people (Target: 30 deaths per 1,000 people).

- 3) **Maternal Mortality Ratio:** The maternal mortality rate, as recorded in the DHIS 2 data system, has shown fluctuations over recent years. It was 60.8 per 100,000 live births in 2021 (96 deaths) and increased to 64.1 per 100,000 in 2022 (100 deaths). However, improvements were observed in 2023, with the rate declining to 42.2 per 100,000, followed by 42.82 per 100,000 in 2024. The 2025 target is set at 35.73 per 100,000, and current trends suggest progress towards achieving this goal (Target: 110 deaths per 100,000 live births).
- 4) **Household Latrine Usage Coverage:** The household latrine utilisation rate has shown remarkable progress over the years. It increased from 81.05% in 2021 to 83.2% in 2022, then rose to 84.6% in 2023 and significantly improved to 97.8% in 2024. The 2025 target of 85.76% is expected to be exceeded (Target: 85% of population have access to latrine).
- 5) **Universal Health Coverage (UHC):** The Universal Health Coverage (UHC) rate has demonstrated steady progress, reaching 94% of the target population in 2021 and increasing to 94.5% in 2024. The 2025 target of 94.67% is expected to be met as planned (Target: 94.5% of target population).
- 6) **Rate of Declaration and Certification as Model Healthy Villages:** In 2021, 83% of all villages nationwide were declared and certified as model healthy villages. The rate increased to 86.87% in 2022, 89.4% in 2023 and 94.5% in 2024. The projected rate for the end of 2025 is 94% of all villages. This trend indicates that the five-year target of 85% is expected to be achieved.

- **5 indicators that are expected to fall short:**

- 1) **Proportion of Births Attended by Skilled Health Personnel:** The percentage of births attended by skilled health personnel has generally increased over the years, rising from 79.1% of the target population in 2021 to 80.6% in 2022 and reaching 85.1% in 2023. However, in 2024, the rate dropped slightly to 82.34%, making it unlikely to fully meet the 2025 target of 85% (Five-year target: 85%).
- 2) **Immunisation Coverage Rate:** The immunisation rate showed steady improvement, increasing from 86.6% in 2021 to 92% in 2022 and reaching 96.2% in 2023. However, it experienced a sharp decline to 89.42% in 2024. The projected rate for the end of 2025 is 86.20%, making it unlikely to meet the 2025 target of 95% despite earlier progress (Five-year target: 95%).
- 3) **Proportion of Wasting in Children Under Five Years Old:** The under-five wasting rate was 24.3% in 2023 (LSIS) and is expected to remain unchanged in 2024. Given ongoing financial and economic challenges, unpredictable natural disasters and other contributing factors, achieving the 2025 target of 15% appears highly unlikely, with projected rate to decline slightly to 22.6% by the end of 2025 (Five-year target: 15%).
- 4) **Proportion of Stunting in Children Under 5 Years Old:** The under-five stunting rate remained at 32.8% in 2023 (LSIS), indicating no significant improvement in 2024. Given current trends and various contributing challenges, achieving the 2025 target of 27% appears unfeasible, with projected stunting rate to slightly decline to 32.2% of the target population (Five-year target: 27%).

5) **Access to Clean Water:** In 2021, 90.1% of the total population had access to clean water. This increased to 92.1% in 2022, 93.3% in 2023 and 94.41% in 2024. The projected rate for the end of 2025 is 94.3%, indicating a risk of not achieving the five-year target of 95%.

● **Challenges:** The health sector continues to encounter significant difficulties that require urgent attention. Key challenges include:

- 1) Despite infrastructure improvements at both central and local levels, many district hospitals and health centres remain outdated and below standard, lacking essential medical devices, which results in poor healthcare service delivery.
- 2) Healthcare facilities, especially healthcare centres, face shortages of health personnel in both quantity and quality. Public feedback highlights concern about inconvenience, trustworthiness and service attitude, often linked to inadequate equipment and facilities.
- 3) The organisation and implementation of health insurance remain inefficient, with challenges such as an inadequate budget, including outstanding debt and insufficient insurance premium collection. The National Health Insurance Fund has yet to achieve independent financial status. Additionally, cash transfers to hospitals are often delayed and fail to meet actual demand in a timely manner. Moreover, the expansion of Universal Health Coverage in Vientiane Capital has not been achieved and efforts to merge the Office for Social Security and the Lao Social Security Organisation into one single entity have been unsuccessful.
- 4) Rising inflation has severely impacted healthcare facilities at all levels. Budget constraints have hindered hospitals from settling bills, procuring medicines and medical supplies, and fulfilling contracts with suppliers. This situation poses a significant risk to the quality of services provided by many hospitals.
- 5) The health sector has faced challenges in achieving its targets due to the prolonged impact of the Covid-19 pandemic and local disease outbreaks. Additionally, healthcare infrastructure in many provinces and districts has been further affected by floods, compounding existing difficulties.
- 6) The management of hospitals and private diagnostic wards remains ineffective, with concerns raised about work ethics, service fees and the brain drain of skilled and specialised personnel, as many leave public healthcare institutions for private hospitals.
- 7) Food insecurity remains a serious concern, affecting various vulnerable groups. As of September 2022, 14% of households experienced medium to severe food insecurity, with 17% in remote areas, 20% of female-led households and 25% of households struggling due to declining incomes. Additionally, 15% of households lack adequate food supplies, 12% consume food below standard nutritional requirements and 3% rely on minimally nutritious food, increasing the risk of malnutrition.

2.3 Workforce Skills and Productivity Improved and Job Diversification, Security and Income Opportunities Increased to Meet the Demands of Socio-Economic Development

The public and private sectors have collaborated to enhance skill development for individuals not in employment, education or training (NEET), career changers, the unemployed and those

transitioning into new roles across various levels and sectors. These initiatives align with national skill standards, covering 37 professional fields through institutions offering labour skill development training across multiple vocational disciplines. Additionally, 20 skill development curricula have been established and revised to better meet labour market demands, including five new curricula and updates to existing ones. Improvements to the Vientiane Skill Development Centre have been completed, while efforts to develop the Oudomxay Skill Development Institute into a regional centre for the northern provinces are still in progress.

The sector has expanded job matching service points by adding four provincial-level offices and 41 district-level offices across six provinces, surpassing the target of 36 district-level offices with 113.88% completion. Currently, there are 18 provincial offices and 41 district-level offices nationwide. Alongside public initiatives, domestic and international private companies are providing both online and face-to-face job matching services, modernising employment mechanisms. To enhance labour registration, the sector has notified labour units, service businesses, investment projects and special economic zones about registration requirements for Lao and foreign workers. Additionally, programmes have been developed, equipment provided and human resource capacities strengthened at job matching offices at both district- and provincial-levels to ensure its integration into the Labour Market Information System (LMIS), which consolidates labour market data and job vacancies. The LMIS enables online interviews, selection and recruitment while connecting Lao and international labour markets, including salary data integration with the TaxRis system of the Ministry of Finance, supporting a balanced supply and demand of labour. Furthermore, in collaboration with labour units, local authorities and development partners, the sector organised job fairs, successfully identifying demand for 140,766 positions.

The labour and social welfare sector has made significant progress in meeting its targets, as outlined below:

1. Trained a total of 15,379 individuals in various vocational fields, including 6,263 women – exceeding the five-year target of 15,000 by 2.53%. Of these, 11,729 individuals (4,535 women) received training aligned with national labour skill standards at designated training centres, surpassing the target of 10,000 by 17.29%. Sectoral breakdowns include 994 trainees in agriculture (457 women), 7,776 in industry (2,389 women), and 2,959 in services (1,689 women). Additionally, 3,410 individuals (1,596 women) participated in mobile vocational training programmes – achieving 68.2% of the five-year target of 5,000. This included 1,522 in agriculture (554 women), 1,128 in industry (506 women), and 760 in services (536 women). These results reflect strong progress in workforce development, gender inclusion, and sectoral alignment with national labour market needs.
2. Promoted vocational workforce development across various sectors, resulting in the training of 159,837 individuals nationwide, including 75,468 women – exceeding the five-year target of 25,000 by more than sixfold. Sectoral breakdowns include 34,134 trained in agriculture (15,248 women), 54,923 in industry (18,096 women), and 70,780 in services (42,124 women).
3. Conducted national labour skill standard assessments across various vocational fields, certifying a total of 4,568 individuals, including 1,744 women – exceeding the five-year target of 3,700 by 23.46%. Sectoral breakdowns include 233 certified in agriculture (129 women), 3,339 in industry (1,060 women) and 996 in services (555 women).

4. Developed national labour skill standards across 15 occupational fields, surpassing the five-year target of 10 fields by 50%.
5. Promoted job placement services to integrate workers into both domestic and international labour markets, resulting in employment for 464,514 individuals, including 237,276 women – exceeding the five-year target of 392,197 by 18.43%. Of this total, 122,429 individuals (50,592 women) secured employment within the country, meeting 64.28% of the domestic labour demand (190,451 positions). Sectoral breakdowns include 14,237 in agriculture (5,917 women), 70,834 in industry (29,720 women) and 37,358 in services (14,955 women). Overseas employment reached 342,085 individuals (186,684 women), with sectoral placements including 49,065 in agriculture (21,358 women), 99,646 in industry (51,837 women) and 193,374 in services (113,489 women).
6. Based on the 2022 Labor Force Survey, Lao PDR had approximately 5.3 million individuals aged 15 and above eligible to participate in the labour market. Of these, around 2.5 million were classified as economically active, representing 47.1% of the working-age population. Among the labour force, 2.47 million individuals (97.6%) were employed. Employment distribution by economic sector included 1.4 million in agriculture (56.8%), 252,400 in industry (10.2%) and 814,300 in services (32.9%). The number of unemployed persons was estimated at 61,200, resulting in a national unemployment rate of approximately 2.4%, significantly below the five-year target ceiling of 15% by 2025.
7. Promoted labour law dissemination and compliance monitoring across 9,551 labour units, achieving 76.4% of the five-year target (12,500 inspections). These efforts reached a total of 301,429 workers, including 120,213 women. National labour standards were successfully adopted by 63 labour units, meeting 63% of the five-year target (100 units). Internal regulations were implemented in 1,744 labour units – exceeding the target of 500 by 248.8%. Additionally, 815 labour units formalized employment contracts, exceeding the target (500 units) by 63%. Workplace safety and health units were established in 99 locations, achieving 99% of the five-year goal (100 units).
8. Provided legal and regulatory advisory services on labour-related matters to both workers and employers on 5,658 occasions, exceeding the five-year target of 5,000 by 13.16%. A total of 414 labour dispute cases were formally received, of which 311 cases (75.12%) were successfully mediated. An additional 20 cases remain under review, while 83 cases were referred to the People’s Court for further adjudication. These interventions have delivered tangible benefits to 5,240 workers, including 1,196 women, with total compensation amounting to LAK 59,474.54 million, THB 38,000 and USD 14,859.
9. The sector, in collaboration with the National Labour Committee, successfully improved the 2024 living wage, setting it at LAK 2,500,000 – comprising LAK 1,600,000 as the minimum labour wage and LAK 900,000 for living expenses, excluding additional welfare compensations. Another major achievement was the enhancement of the Foreign Worker Registration database, officially launched between 1 July and 30 August 2024. Revenue generated from registration and service fees contributed LAK 14,252,500,000 to the public revenue, with LAK 13,750,875,000 from registration fees and LAK 698,400,000 from service fees. Of this, the central level contributed LAK 5,406,000,000 in registration fees and LAK 272,650,000 in service fees, while provincial labour and social welfare

departments accounted for LAK 8,344,875,000 in registration fees and LAK 425,750,000 in service fees.

● **Challenges:** (1) Workforce categorisation inaccuracies persist, leading to misalignment between domestic skill development and labour market demand, compounded by the lack of mutual recognition of skills between the skill development sector and labour units. Limited facilities, tools and training equipment further restrict the ability to meet labour market needs; (2) Limited promotion and accessibility of job placement services remain a challenge, hindering effective workforce participation. Additionally, a significant portion of the labour force is engaged in non-income-generating household tasks, further contributing to unstable labour productivity; (3) Many individuals outside the labour force show little interest in vocational training or skill development at labour skill development centres, yet many actively seek employment abroad. Additionally, inadequate working conditions and workplace welfare in some domestic labour units fail to motivate workers, exacerbated by financial and economic challenges such as high inflation and rising living costs. Insufficient wages to cover basic expenses further drive workers to pursue formal and informal employment in neighbouring countries, reducing interest in the domestic labour market; (4) Despite government efforts to ease the rising cost of living for vulnerable workers by increasing the minimum wage from LAK 1.1 million in 2022 to LAK 1.6 million in 2023 and LAK 2.5 million in 2024, these measures remain insufficient. In comparison, neighbouring countries offer nearly three times the minimum wage and the weakening Lao Kip continues to widen the disparity. As a result, more workers are migrating to neighbouring countries, particularly after border reopening, in search of better wages and economic stability.

2.4 Promoting and Utilising Scientific Research, Technology, Innovation and Knowledge to Drive Socio-Economic Development

Scientific research and innovation have been prioritised, with a focus on improving research quality, innovation and service outcomes to enhance effectiveness and efficiency. In 2023, a total of 194 scientific research projects were conducted and safety certificates for radiation usage were issued to 75 public and private hospitals. In 2024, 60 scientific research projects were approved. In 2025, it is expected that 40 scientific research projects will be approved.

Over the past five years, the government has allocated a portion of its annual capital expenditure budget, equivalent to ...% of its total capital expenditure budget, to research and development in science and technology.

3. Outcome 3: Enhanced Well-Being of the People

3.1 Poverty Alleviation in Rural and Remote Areas and People's Livelihoods, Cultural Values and Media Work Improved

1. Rural Development and Poverty Alleviation

The government has emphasised rural development and poverty alleviation, guided by Central Party Politburo Directive No. 097/CPPB, issued on 18 February 2020, to strengthen leadership in these areas. Efforts have centred on the 2021-2025 Rural Development Plan, aiming to establish a comprehensive model for nationwide rural development. A total of 20 key focus areas has been identified across 17 provinces and Vientiane Capital, covering 20 districts and 109 villages. Additionally, resettlement and occupation allocation efforts target 25 locations, encompassing 158 villages in 20 districts across 17 provinces, bringing the total to 45 key locations.

The implementation of these initiatives has led to significant improvements in rural infrastructure within the focus areas, enhancing connectivity and essential services. Additionally, agricultural production has been promoted, leveraging the unique strengths and potential of each region.

Over the past five years, rural development and poverty alleviation have seen substantial progress, particularly in remote rural areas and former revolutionary strongholds. The standard of living in these regions has steadily improved, reflecting key achievements aligned with the government's development targets outlined in Decree No. 348/PMO. Key achievements include:

- Lifting 181,506 families out of poverty, accounting for 88.81% of the plan (Target: 204,360 families).
- Lifting 1,937 villages out of poverty, equivalent to 62.40% of the plan (Target: 3,104 villages).
- Lifting 48 districts out of poverty, representing 69.57% of the plan (Target: 69 districts).
- 175,411 model families have been established, equivalent to 71.38% of the plan (Target: 245,754 families).
- 2,210 model villages have been established, representing 50% of the plan (Target: 10 villages).
- 25 villages have been transformed into townships, equivalent to 250% of the plan (Target: 10 villages).
- 12 comprehensively developed districts have been established, equivalent to 71.38% of the plan (Target: 5 districts).
- A total of 4 focus areas for resettlement and occupation allocation efforts have been identified and completed, achieving 16% of the planned target (Target: 25 focus areas).
- A total of 3 new focus model rural development areas has been successfully established, achieving 15% of the planned target (Target: 20 focus areas).
- 1 comprehensively developed district has been established, equals to 20% of the plan (Target: 5 districts).

● **Challenges:** Inadequate development of manufacturing sector and infrastructure continues to constrain productive capacity and limit access to government services. These persistent structural barriers are a key factor behind the slow progress towards achieving poverty reduction targets for families, villages and districts.

2. Information and Cultural Sector

Public information and cultural development efforts have progressed substantially, with notable achievements in disseminating Party and government policy directions through various media platforms. Special emphasis was placed on national campaigns addressing economic-financial hardship and drug prevention. Four municipal-level radio broadcasting stations were expanded and fully equipped in Nakai and Mahaxay districts (Khammouane), Ta-Oy district (Salavan) and Xon district (Houaphanh), achieving 11.11% of the five-year target (36 stations). Village-level telecom expansion reached 1,751 villages (62.53% of the target: 2,800 villages) and

one analogue-to-digital technical upgrade was completed (4.5% of the target: 22 sites). Cultural promotion included the establishment of 87,851 cultural households (67% of the target: 130,000) and 715 cultural villages (95.3% of the target: 750). Two intangible cultural heritage elements – Lao traditional Naga motif weaving and Lamvong dance – were internationally recognized by UNESCO in 2023 and 2024 respectively. In 2025, Hin Nam No National Park (Khammouane) was designated as a transboundary natural World Heritage Site alongside Phong Nha-Kẻ Bàng National Park in Vietnam. Archaeological surveys identified 87 heritage sites (248% of the target: 35) and five excavation projects were completed (100% of the target). Registration of newly discovered heritage objects and Buddha statues reached five entries (100% of the target), while five artisan lineages were formally recorded (100% of the target). Additionally, 28 local cultural, historical and natural heritage sites were elevated to national status (140% of the target: 20 sites).

- **Challenges:** The upgrading of technical skills in the media sector remains below the desired level, with unsystematic planning affecting efforts to monitor, evaluate and implement improvements in press and media quality. Additionally, the availability of basic facilities, technical equipment and media vehicles is still insufficient to meet operational demands. Investment in the sector from public and private sectors, both domestic and international, remains limited, hindering the growth and innovation. The creation of literary works, songs, dramas, films and other productions has yet to fully align with policy guidelines, affecting content consistency. Furthermore, media activities and content lack diversity and depth, failing to meet societal expectations. Moreover, monitoring and evaluation of media and cultural work, along with necessary corrective measures, have not been effectively implemented, impacting efforts to enhance and modernise cultural productions and information dissemination.

3.2 Public Utility Infrastructure Improved and Access to Public Services Made More Inclusive and Equitable

To address disparities between urban and rural areas, particularly in income and access to essential infrastructure and services, the government has prioritised development in underserved regions. Key initiatives include rural road improvements, expanded electricity access, public water system development, enhanced telecommunication networks, as well as the development of schools and small hospitals. Currently, household electricity access has reached 95.57% nationwide, approaching the 98% target. To provide electricity to areas lacking conventional access, solar power systems and small hydropower projects have been introduced in Phongsaly, Houaphan and Sekong provinces. In total, 7,366 villages now have access to electricity, while 1,146 villages remain without. Additionally, water supply system expansion now serves 117 districts and 1,480 villages, covering 77.56% of the urban population, progressing towards the 85% target.

3.3 Equal Access to Socio-Economic Development Opportunities Promoted and the Rights of Women and Children Protected

1) Promoting Gender and Women Empowerment

- The promotion of gender equality and women’s empowerment has been carried out through key national frameworks, including: The 4th Five-Year National Action Plan for Gender Equality (2021 - 2025); The 2nd Five-Year National Action Plan on the Prevention and Elimination of Violence Against Children (2021 - 2025); The 8th Five-Year National Women Development Plan (2021-2025). To ensure broad awareness and implementation, the 4th Five-Year National Action Plan on Gender Equality and the National Action Plan on the Prevention and

Elimination of Violence Against Women (2021 - 2025) have been disseminated to participants from sectoral organisations, the provincial National Committee on the Advancement of Women, Mothers and Children (NCAWMC), and development partners. These efforts have reached 2,258 individuals, comprising 1,478 women (65.45%) and 780 men (34.55%). Furthermore, gender equality and anti-violence measures have been incorporated into strategic plans across 20 sectors, including 18 at the provincial level. Several ministries and organisations have also integrated these objectives into their specific action plans, reinforcing their commitment to advancing gender equity and safeguarding vulnerable groups.

- Efforts to promote gender equality have been systematically integrated into development plans, programmes, projects and activities to ensure a gender-responsive approach across multiple sectors. Awareness-raising and training initiatives were conducted across 17 ministries, 2 ministry-equivalent institutions, 9 relevant organisations and 17 provinces, engaging 2,204 participants (1,609 women and 595 men). Furthermore, at the beginning of 2025, enhancements were made to the charts of accounts to support the integration of gender equality into the public budgeting framework to reinforce the government's financial commitment to gender-focused policies and programmes.

- The government remains committed to fulfilling its obligations under international conventions related to women's and children's rights. Key actions include the implementation of recommendations from national and sectoral development plans to strengthen the protection and rights of women and children; the completion of the 10th national report on the implementation of the Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW), the 7th national report on the Convention on the Rights of the Child (CRC), and two additional protocols and a formal statement to support the implementation of international commitments. Additionally, significant progress has been made in advancing the Beijing +30 Action Plan.

- A comprehensive plan has been established to advance female leadership to ensure equal representation and career growth opportunities. This initiative focuses on identifying and supporting leadership candidates, facilitating their progression into decision-making positions. The plan has been successfully implemented across 36 ministries and organisations, as well as 17 provinces and Vientiane Capital.

- Awareness raising on gender equality was carried out among politicians, parliament members, local leaders, legal professionals and government officials to foster a deeper understanding of its integration, as well as the prevention and elimination of violence against women. This effort played a crucial role in shaping laws, special measures, action plans and projects related to women's rights and gender equality. Advocacy, seminars and discussions on national and international legal frameworks were conducted to support these initiatives. A total of 98 events has been organised, engaging 11,682 participants, including 9,720 women and 1,962 men.

- Efforts to empower female farmers included vocational training and technical expertise across various fields such as agricultural production, cultivation, livestock farming, handicrafts, financial services and entrepreneurship. These initiatives have facilitated economic resource access, including agricultural land for cultivation and livestock farming, covering 23 districts, 211 villages and 15,550 households. The total beneficiary population has reached 311,199 individuals, comprising 166,100 females (53.66%) and 145,000 males (46.44%), with 1,405 households headed by women (0.45% of total households). Additionally, support has been

extended to small- and medium-sized enterprises (SMEs) in agricultural sectors such as crop cultivation, livestock farming and integrated agricultural production, benefiting 26,846 families across 121 districts, 1,217 villages and 3,082 production groups. The total individual beneficiaries amount to 36,190, comprising 18,256 females (51%) and 17,934 males (49%). Furthermore, research has been conducted to develop policies that enhance financial access and support female entrepreneurs in their business operations. This initiative contributes to socio-economic development through the banking system, facilitating financial access for SMEs across various sectors. As of the most recent data (June 2022 - 2023), 46,108 individuals have accessed financial support, with a total loan value of LAK 28,178,002.07.

- Efforts have been made to enhance support mechanisms for women affected by gender-based violence, guided by the principle: “No Wrong Door”. This has been achieved through the establishment and implementation of operational standards necessary for assisting women and girls who are victims of violence. Key areas of support included health care services, legal assistance, coordination and case referral management. Training programmes have been conducted for service providers at the central level and across 6 provinces and 10 districts, engaging 700 participants – 630 female and 70 males. Coordination committees have also been set up in 6 provinces and 6 districts to facilitate effective assistance. Additionally, five consultation and protection centres have been established in the provinces of Savannakhet, Bokeo, Attapeu, Champasack and Bolikhamxay, alongside service facility improvements in Mahosot Hospital and the Mother and Child Hospital. The first “One-Door Service Centre” for healthcare services has been set up at Mahosot Hospital, with a dedicated emergency hotline (1527), supported by international funding. The introduction of standardised operational procedures and coordination committees has significantly improved the efficiency and responsiveness of victim support systems, ensuring timely and relevant assistance. Furthermore, an annual 16-day awareness campaign (November 25 - December 10) has been organised at the central and local levels to advocate for the elimination of violence against women and girls. Legal documents, informational pamphlets and posters have been published to raise awareness about the impact of violence, victims’ rights and available support services. Information dissemination has also been strengthened through various online platforms, further ensuring accessibility and outreach.

- Efforts have been made to develop and enhance training manuals focused on counselling, protection and assistance for victims of violence. These initiatives also included the dissemination of relevant laws and international agreements concerning the rights of women and children, as well as guidelines on protection, assistance and referral for victims of gender-based violence in Lao PDR. Training programmes have been implemented to strengthen the capacity of local authorities and male community members across 27 villages, promoting the prevention of violence against women and gender-based violence. These programmes emphasised legal frameworks, definitions, victim support and offender prosecution, ensuring a comprehensive approach to protection and justice. Targeted training has been conducted in the provinces of Bokeo, Champasak, Attapeu and Bolikhamxay.

2) Promotion and Protection on the Rights and Interests of Children

- Several national strategic plans have been implemented to enhance child protection and youth empowerment, reinforcing legal frameworks and support systems. These efforts included the successful revision of the Law on the Protection of Child’s Rights and Interests in 2023, the 2nd Five-Year National Action Plan for Children (2021-2025), the National Action Plan

for Strengthening the Child Protection System (2021-2025) and the National Action Plan for the Elimination of Child Labour and the Promotion of Decent Jobs for Youth in Lao PDR.

- Efforts to promote the development of children and youth have been carried out through the establishment and enhancement of five national guidelines: The National Guideline on Child and Youth Participation in Lao PDR, the Guideline on Life Skills Development for Children and Youth, the Training Manual on the Prevention and Elimination of Violence Against Children, the National Guideline for the Prevention of Violence Against Children in Secondary Education and the National Guideline for Vocational Readiness Training for Children and Youth. These guidelines have been integrated into the operational frameworks of five key institutions: The People's Police Academy, the Academy of National Defence, the Institute for Prosecution Research and Training, the Institute for Judicial Research and Training for Judges, and the National Institute of Justice.

- Efforts to eradicate child marriage and secure a brighter future for girls and women have been advanced through strengthened governance, increased investment in education system and communities to address social challenges and harmful practices. National-level research on child marriage and adolescent pregnancy has been conducted to inform policy development and action plans. The government has also revised adolescent health policies (2019) and integrated reproductive health curriculum into medical school curricula, reinforcing education on family planning and safe lifestyles. Additionally, training programmes have been implemented to enhance educators' capacity in secondary schools, focusing on gender education and life skills development. Awareness campaigns have been launched to educate students, parents and communities on the importance of family registration laws and the legal penalties for violations under the criminal code. Furthermore, initiatives have been introduced to develop parenting guides that emphasise child protection and well-being, while training programmes on life skills and career readiness have been established at schools to equip children and youth with the competencies needed for personal and professional development.

- Efforts have been made to protect and support children who have entered marriage at an early age to ensure that they can sustain their livelihoods and generate income. This has been achieved through specialised training programmes in technical skills and livestock farming, targeting young mothers and girls who have left school prematurely. These programmes included food and dessert making sessions, as well as short-term vocational training (3 months) in tailoring, with full provision of necessary learning materials. Additionally, small-scale financial support has been provided for livestock farming, food preparation, small retail businesses and tailoring. Furthermore, basic financial management training has been offered to young couples and girls who have left school early, equipping them with essential skills to effectively manage their resources. A total of 655 individuals has participated in these programmes, comprising 448 females and 207 males.

- Between 2021 and 2025, extensive outreach and advocacy efforts were carried out to promote and internalize the Party's policy directions, including Resolutions from the 11th National Congress, official directives, the Constitution, laws and the 9th Five-Year National Socio-Economic Development Plan. These efforts also emphasized the historical legacy of the Party and the nation, the ideological contributions of Kaysone Phomvihane to women's advancement, the cultural heritage of Lao women and legal frameworks related to women's development, protection of women's and children's rights, and the promotion of progress and gender equality. Key

activities included dissemination of the Lao Women's Union's "Three Good Deeds" campaign, commemorations of the Union's founding on 20 July, International Women's Day on 8 March and other significant occasions. In total, 62,596 events were organized, engaging participants 6,119,241 times, of which 4,431,950 were women and 1,687,291 were men. These efforts reached approximately 72.13% of women aged 15 and above nationwide.

- The Lao Women's Union has strengthened its media platforms to become a sharper, higher-quality and globally connected voice. These improvements aim to deliver timely and useful information to audiences, counter distorted narratives from hostile groups, and empower Union members and Lao women of all ethnicities to access development-related content that supports the protection of women's, children's and family rights. Media outputs have been produced and disseminated through both Union-owned and external channels, including the Lao Women's Newspaper, Lao Women's Magazine, radio programmes such as "Women's Companion," television programmes like "Lao Women," as well as documentary films and feature stories. Digital outreach has expanded through Facebook pages, sound-based platforms and websites. Altogether, these efforts have reached audiences online 6,584,689 times.

- Efforts have been made to strengthen the organizational capacity for providing consultation and protection services for women and children, as well as for relevant stakeholders responsible for safeguarding their rights and legitimate interests at both central and local levels. These efforts included activities such as counselling, identification, protection, assistance and referral of victims of abuse. Technical trainings were conducted for trainers, alongside public awareness campaigns on legal rights, anti-human trafficking, prevention and response to gender-based violence, basic psychosocial knowledge and early marriage prevention. In total, 89 sessions were organized, engaging 3,457 participants – of whom 2,340 were women and 1,117 were men.

- Efforts have been made to disseminate the National Guideline on the Prevention and Response to Violence Against Children in Secondary Schools. This initiative included the establishment of Dispute Resolution Committees across 8 provinces, namely Vientiane Capital, Xayaboury, Houaphan, Xiengkhouang, Sekong, Khammouane, Luang Prabang and Phongsaly.

- Efforts to expand child protection and assistance committees have progressed at the district level, covering 23 districts, representing 65.71% of the plan (Target: 35 districts). At the village level, 684 village-level committees have been incorporated, exceeding the plan by 36.80% (Target: 500 villages). Additionally, child protection and assistance training programmes have been conducted for 1,554 participants, strengthening institutional capacity and enhancing support mechanisms for vulnerable children. Financial support has been allocated to child welfare services, benefiting 929 children in SOS Children's Villages in Lao PDR, including 419 girls, with a total funding of over LAK 1,630 million. Further assistance has been extended to children and women in need of special protection, including those at risk, victims of human trafficking, street children and individuals affected by the Covid-19 pandemic. A total of 10,918 individuals has received support, including 4,014 females, with a total financial allocation of over LAK 6,516 million.

- To ensure access to protection and support services for women and children affected by various forms of violence, the Lao Women's Union expanded and upgraded its network of counselling and protection centres. A total of eight centres were established across key provinces: Savannakhet, Champasak, Bokeo, Attapeu, Bolikhamxay, Xiengkhouang, Luang Namtha and Vientiane Capital. These centres serve as safe spaces for delivering consultation, protection and referral services.

The implementation of priorities aimed at promoting women's and children's access to development opportunities and ensuring gender equality has led to significant achievements across various sectors, including:

- The Gender Inequality Index (GII) for 2023 - 2024 has increased to 0.467, up from 0.459 in 2019 - 2020, marking a rise of 0.008 (Target in 2025: Below 0.430).

- The Gender Development Index (GEDI) for 2023 - 2024 has decreased to 0.919, down from 0.927 in 2019 - 2020, reflecting a decline of 0.008 (Target: 0.984 in 2025).

- The Human Development Index for women has shown progress, increasing from 0.589 in 2019 to 0.593 in 2024 (Target: 0.675 in 2025).

- Women's representation in legislative bodies has continued to advance, with female members accounting for 28.35% of the total National Assembly and Provincial People's Assemblies membership. This progress was measured against the target of 30% female representation. Specifically, women comprised 21.95% of the National Assembly members, while at the provincial level, they represented 30.48% of the People's Assemblies.

- Female personnel have been appointed to key managerial positions across different levels of government, reflecting ongoing efforts to promote gender representation in leadership. At the central level, 159 women have taken up leadership roles, including ministers, deputy ministers, equivalent ranks, department heads and deputy department heads, accounting for 20.20% of the total 787 officials in these leadership roles, 8.8% below the target. At the provincial level, 384 women have assumed leadership roles as provincial governors, deputy governors, department heads and deputy department heads, making up 17.84% of the 2,153 officials in these leadership roles, 2.16% below the target. At the district level, 1,920 women have been appointed as district chiefs, deputy chiefs, office heads and deputy heads, representing 20.38% of 9,421 officials in these leadership roles, exceeding the target by 0.38%. At the village level, 3,907 women serve as village chiefs and deputy village chiefs, out of 32,515 officials in these roles, marking a 5.98% shortfall from the target.

- To date, 1,549 Lao Women's Union personnel have been trained to provide consultation services for women and children – representing a 154.9% achievement against the 2025 target of 1,000 officials.

- Social support services have been provided to women and children affected by violence, including free legal, health and psychosocial counselling – both in person and through the 24-hour hotline 1362. These services were extended to individuals seeking advice and to survivors residing in protection centres. In total, 1,383 individuals received support, of whom 872 were women. Among them, 33 were under the age of 18, including 32 girls. Altogether, 1,370 cases were handled, with 7,349 counselling sessions delivered. Additionally, 166 individuals received assistance related to health recovery and justice procedures. The Lao Women's Union also participated in 68 provincial-level court hearings involving cases related to women and children. According to the Five-Year Plan indicators, the proportion of women survivors accessing legal, health and social services increased from 2% to 20%. However, this figure cannot yet be reported as a percentage due to the ongoing implementation of the second round of surveys, which is expected to begin in 2026.

- The proportion of women who have experienced violence over the course of their lives has reportedly declined from 15% to 6%. However, this figure cannot yet be officially reported due to the pending implementation of the second round of survey, expected to commence in 2026.

- Membership in the Lao Women's Union has expanded significantly, with current figures showing an 18.46% increase among women aged 15 and above. In parallel, the Union has broadened its organizational reach across private sector entities and administrative levels, including central, provincial, peri urban and village areas – resulting in a 77.24% increase in institutional coverage.

- Efforts have been focused on reducing the percentage of children experiencing multidimensional poverty to below 30% in each province. However, official reporting on this indicator remains pending, as the LSIS III survey results have not yet been published and the MODA (Multidimensional Overlapping Deprivation Analysis) assessment has not been finalised.

- Efforts to reduce violence against children have led to notable progress, with the prevalence of physical violence declining from 15% to 10% among girls and from 16.9% to 10% among boys. Psychological violence cases have decreased from 24.2% to 20% among girls and from 17.7% to 12% among boys. Gender-based violence has also seen a decline, with incidences affecting girls dropping from 7.3% to 4% and for boys from 12% to 8%. However, official reporting remains pending as the second survey has not yet been conducted.

- **Challenges:**

- The COVID-19 pandemic and the 4F crisis have severely affected women and girls, leading to increased domestic violence, exploitation and sexual abuse. In the Greater Mekong Sub-region, human trafficking has surged, exacerbated by online fraud schemes that heighten existing vulnerabilities. In Lao PDR, the rise in trafficking cases underscores the urgent need for comprehensive prevention efforts and countermeasures. Strengthening interventions, enforcing policies and fostering collaboration remain critical to address these growing threats and protect those at risk.

- The monitoring system, data collection and data analysis assessment remain underdeveloped, posing challenges for accurate reporting and informed decision-making. Personnel responsible for gender equality initiatives and data oversight have yet to fully integrate gender-disaggregated statistics within operational frameworks, limiting the effectiveness of assessments. Additionally, sector-specific databases and data collection templates have not incorporated gender-responsive statistical indicators, resulting in incomplete assessments and reporting gaps. Consequently, current reports lack comprehensive insights and cannot be fully presented to national and international stakeholders.

- Limited understanding of gender equality, child rights protection and promotion efforts across sectors and local authorities continues to pose challenges in raising awareness, eliminating discrimination, ensuring equality and upholding children's rights and welfare. As a result, ethnic communities and children face restricted access to information regarding their rights and entitlements.

- The prevalence of discrimination and violence against women and children continues to escalate, posing significant challenges for victims seeking assistance. Many individuals hesitate to access support services due to deep-rooted cultural norms, while service providers often lack a comprehensive understanding of victim-centred assistance, limiting their ability to deliver

effective care and intervention. Additionally, existing legal frameworks have yet to fully integrate victim-centred approaches, leading to delays and inadequacies in the timely and appropriate provision of assistance.

3.4 Promote and Develop Youth to Improve Human Capital and Participation in the Workforce

Efforts have been made to foster broad stakeholder participation in youth development to ensure their physical, mental and intellectual resilience, while equipping them with knowledge, skills and vocational expertise to secure stable employment and become future leaders. Special attention has been given to vocational training and job creation, particularly for youth in remote areas, marginalised groups and those with limited opportunities, enabling them to improve their quality of life and achieve greater economic independence. Additionally, youth support programmes have been strengthened, with a focus on counselling services for young individuals facing disappointments, hardships and life challenges. These initiatives aim to enhance personal and professional growth opportunities. Some key achievements are as follows:

- The Youth and Adolescent Development Strategy (2021 - 2030) has been successfully implemented across 17 provinces, fostering active youth participation in identifying five key priority issues, proposing solutions and formulating recommendations for presentation at provincial-level leadership meetings, with 1,190 participants engaged in the process. Additionally, efforts to integrate youth legislation into these initiatives have included dissemination programmes targeting 17 provincial youth committees, reaching a total of 1,700 participants.

- Talent Youth promotion activities have actively engaged young individuals through youth camps, short film production competitions, stage drama contests, debates on environmental issues, early pregnancy and child marriage, as well as national speech competitions and waste recycling challenges. A total of 3,516 activities has been conducted, involving 171,789 participants, of whom 85,230 were female.

- Extensive awareness-raising campaigns have been conducted to educate young people on crucial social issues, including the risks of sexually transmitted infections, HIV/AIDS prevention, gender-based violence, substance abuse, safe driving, child marriage and early pregnancy. Specialised support services such as the MHPSS hotline (1554) and mobile applications like “I Want to Know” and “My Body, My World, My Future” have been introduced in schools and communities, ensuring accessible resources for youth. Youth participation has been actively encouraged in national, Party’s and youth-related events, with a total of 143,792 activities conducted, engaging 6,197,212 participants, including 2,497,418 females.

- A collaborative initiative involving local authorities, service providers, Lao Youth’s Union, Lao Women’s Union representatives and youth volunteers along major stations of the Lao-China railway has successfully engaged over 100 participants from Vientiane and Luang Prabang provinces. These efforts have enhanced knowledge and understanding in critical areas such as HIV/AIDS prevention, gender-based violence (GBV) and the “Me, My Body, My World and My Future”.

- Pilot initiatives have been launched to implement Social and Behaviour Change Communication (SBCC) strategy, utilising video-based educational tools across six provinces: Luang Prabang, Luang Namtha, Bokeo, Phongsaly and Xiengkhouang. This programme engaged 180 participants and successfully developed 6 short dramas, creatively reflecting real-life

challenges faced by young people. These efforts aim to enhance awareness, promote positive behavioural change and empower youth through engaging, relatable storytelling.

- Provincial-level conferences were conducted to enhance awareness of emergency hotline services and expand youth counselling networks to strengthen support systems for young individuals. Currently, 58 counselling services are operational across 10 provinces, providing specialised assistance to youth. Additionally, the 1554 hotline has received 12,991 consultation calls from 2020 to August 2024, with 7,738 calls from female individuals. However, the figure remains below the target, highlighting the need for continued outreach, accessibility improvements and awareness campaigns to ensure broader engagement and support for those in need.

- Efforts to enhance youth capacity building and employment opportunities have centred on entrepreneurship and technology-driven innovation, providing young individuals with the tools to launch and sustain new enterprises. Special emphasis has been placed on supporting start-ups, enabling young entrepreneurs to develop their business ideas and enter competitive markets. As part of this initiative, three business competitions have been organised, attracting 20 teams, with six winning teams receiving awards for their innovative projects. Additionally, IT innovation hubs have been established in Luang Prabang, Luang Namtha, Bokeo, Khammouane, Savannakhet and Champasak provinces.

- Various vocational training programmes have been conducted, covering crop planting, livestock farming, tailoring, beauty services, welding, motorcycle repair, electrical work, soap production and hair care, equipping participants with practical skills for employment and entrepreneurship. A total of 1,786 individuals has benefited from these initiatives, including 881 females.

- A total of 28 vocational graduates has received interest-free loans totalling LAK 290,000,000, enabling them to establish and operate their own businesses, fostering economic independence and entrepreneurship. Additionally, financial aid has been granted to 228 economically disadvantaged youth, supporting them in launching entrepreneurial ventures, with a total of LAK 1,119,800,215 provided.

- **Challenges:**

- The Covid-19 pandemic has severely impacted economic and employment opportunities for young people, particularly those in remote areas, economically disadvantaged communities and those with limited access to resources. Despite ongoing efforts to expand vocational training programmes and create more job opportunities, challenges remain in improving living conditions and ensuring inclusive access to essential services and economic stability.

- Despite the adoption of resolutions, directives, legal frameworks and regulations to support youth development initiatives, implementation and outreach remain misaligned with target groups, limiting their effectiveness. Key constraints include limited awareness, inadequate human resources, budgetary constraints, insufficient tools and a lack of supporting infrastructure for awareness raising activities.

- Strengthening guidance frameworks and operational methods within the Lao Youth Union (LYU) remains essential to ensure effective youth development initiatives. At the local level, the Party committees and grassroots authorities often lack full awareness and prioritisation of youth-related programmes, limiting implementation efforts. Furthermore, stakeholders' understanding of the National Youth and Adolescent Development Strategy remains restricted,

despite efforts to conduct nationwide conferences and outreach activities. Many sectors face challenges in implementing and setting up action plans, underscoring the need for enhanced coordination, capacity-building and resource allocation to ensure successful policy execution at all levels.

3.5 Expand Access to More Efficient Social Protection Services for the People, Including Workers and Self-Employed Individuals

In recent years, the government has strengthened efforts to improve the effectiveness and resilience of national social security systems, with a key focus on implementing the National Social Protection Strategy 2025. These initiatives aim to expand coverage for workers and other target groups to ensure wider access to essential social protection services through diverse mechanisms. The implementation of these initiatives has contributed to the growth of social security services. The following are some key achievements:

- Conducted 3,138 public outreach sessions to promote the Social Security Law among government institutions, public enterprises and voluntary target groups – achieving 78.45% of the five-year target (4,000 sessions). These campaigns reached a total of 120,302 participants, including 60,664 women.
- Expanded social security coverage to 2,448 newly registered enterprises, exceeding the five-year target of 1,250 units by 19.84%.
- Expanded registration and contribution coverage for new social security members, reaching a total of 215,024 individuals, including 103,133 women – exceeding the five-year target of 157,500 by 36.52%. This includes 9,535 individuals from the public sector (4,343 women), achieving 127.13% of the target (7,500); 179,343 from private enterprises (82,443 women), reaching 132.84% of the target (135,000); and 26,146 voluntary contributors (16,527 women), achieving 174.30% of the target (15,000).
- Effectively managed the revenue and expenditure framework for social security administration and subsidies in accordance with the Social Security Law. Total contributions collected reached LAK 8,200.48 billion, equivalent to 77.14% of the five-year target (LAK 10,630 billion). Of this, the public sector contributed LAK 5,345.91 billion (67.65% of its target: LAK 7,902 billion), while enterprises and voluntary contributors contributed LAK 2,854.56 billion (104.63% of their target: LAK 2,728 billion). On the expenditure side, total disbursements for subsidies and administrative services amounted to LAK 6,705.86 billion, achieving 70.87% of the five-year target (LAK 9,461 billion). This includes LAK 5,362.31 billion from the public sector (67.95% of its target: LAK 7,891 billion) and LAK 1,232.54 billion from enterprises and voluntary contributors (78.55% of their target: LAK 1,569 billion).
- Processed and disbursed social security subsidies across various benefit categories to a total of 698,216 recipients, including 369,761 women – exceeding the five-year target of 481,633 by 45.08%. Of these, 486,944 cases (222,045 women) were from the public sector, achieving 145.53% of the sectoral target (198,321), while 211,272 cases (136,023 women) were from the enterprise sector and voluntary contributors, reaching 74.57% of the target (283,312, of which 136,023 are women).

In addition, the Ministry of Labour and Social Welfare received financial assistance from the German government through the International Labour Organisation (ILO) to support short-term social welfare measures. These funds provided aid to insured workers in garment factories

affected by the Covid-19 pandemic, covering 47 targeted factories and benefiting 20,698 workers, with a total disbursement of LAK 18.62 billion. For Covid-19-related unemployment subsidies, the Social Security Fund provided 72,641 instances of support, including 49,732 for female workers, amounting to LAK 67.92 billion, benefiting 1,107 companies during the implementation period from March 2020 to July 2022. Additionally, health-related subsidies due to Covid-19 were granted in 22,628 instances, including 11,779 for female recipients, with a total allocation of LAK 20.89 billion. This policy was implemented from November 2021 to December 2022.

- Prioritized the implementation of policies recognizing individuals with outstanding contributions and moral integrity in the national democratic revolution, resulting in support for 5,824 recipients (380 women), which accounts for 36.40% of the five-year target of 16,000 persons, with total disbursements amounting to LAK 126.76 billion. This includes compensation for vehicle replacement provided to 207 individuals (12 women) totalling LAK 14.19 billion, one-time subsidies for 2,809 deceased contributors (89 women) amounting to LAK 60.12 billion and one-time subsidies for 2,787 living contributors (256 women) totalling LAK 52.12 billion.

- Subsidies have been provided to disabled war heroes in recognition of their sacrifice and service in national revolutionary efforts, benefiting 738 individuals, including 138 women, achieving 77.68% of the planned target of 950 individuals.

- The sector has made significant progress in strengthening child protection and social welfare systems. A total of 399 specialized social workers were trained in alignment with national priorities, exceeding the five-year target of 194 by 106%. Protective and support windows for children were expanded to 1,339 locations, including 27 districts and 1,372 villages. Child rights and interest committees were established in 1,840 locations – 40 districts (114.28% of the five-year target of 35) and 1,803 villages (360.6% of the target of 500). Additionally, 1,811 committee members (637 women) received foundational training in child protection and assistance, surpassing the five-year target of 500.

- A total of 929 instances of financial support has been provided for childcare services at SOS Children's Village Laos, including 419 cases for girls, with total funding exceeding LAK 1,630 million.

- Strengthened inclusive child and youth protection through targeted training and livelihood support for 5,645 vulnerable individuals (3,638 women) at risk of human trafficking. In parallel, a three-year pilot cash transfer programme (2021–2023) was implemented for pregnant women and children under 1,000 days of age in Sanamxay and Phouvong districts (Attapeu) and Nong district (Savannakhet), reaching 5,259 beneficiaries with total disbursements of LAK 7,766.01 million. Additionally, financial support for orphan care was provided through SOS Children's Villages Laos, benefiting 3,760 children (1,917 girls) with LAK 1,158 million.

- In Sanamxay District, Attapeu Province, emergency food assistance totalling 33,681 tonnes has been provided, amounting to LAK 31,320 million, benefiting 4,678 households. Nationwide, 40,421.89 tonnes have been distributed to disaster victims, impoverished individuals and those in vulnerable situations, with a total disbursement value of LAK 36,321.72 million, reaching 322,160 recipients, including 181,497 women. Additionally, 77,911 vulnerable individuals have received various essential supplies valued at LAK 5,600 million. Financial support for housing reconstruction has been granted to 2,928 affected households, amounting to LAK 1,316.02 million. Efforts to improve living conditions and reduce poverty in rural remote areas have benefited 195 households, with a total allocation of LAK 500 million.

- Two essential supply storage facilities have been successfully upgraded in Vientiane Capital and Champasack Province.

- **Challenges:** (1) Social protection networks remain constrained by limited funding. Despite an increase in social security registrations, the budget for health insurance programmes has declined. Fiscal constraints continue to challenge the government’s ability to ensure sustainable funding for social security initiatives; (2) Wages, labour welfare and workplace environments have not improved enough to attract skilled workers to certain economic sectors or incentivise them to develop their skills and professional attitudes. Efforts to strengthen labour relations remain inadequate and industry standards and labour regulations are not yet widely implemented. Gaps persist in protecting child labour rights, while the management of Lao migrant workers abroad and foreign workers in Laos – especially those working illegally – remains inefficient, negatively impacting employment stability. Furthermore, labour obligations to the state are not consistently enforced; (3) The expansion of social security coverage across labour units has yet to meet expected targets due to limited public awareness and understanding of the system. The state social security fund remains financially unsustainable, relying primarily on mandatory contribution rates of 8% and 8.5% as stipulated by law. Additionally, the government continues to shoulder a fiscal burden to provide supplementary budgetary resources to maintain social security payments and subsidies as the number of beneficiaries increases each year. Meanwhile, declining contribution payments – particularly from public sector employees – have resulted in insufficient revenue to match social security payments. Coordination between the social security organisation and the National Health Insurance Office regarding health insurance subsidies lacks coherence, while healthcare services remain inadequate, falling short of insured individuals’ and beneficiaries’ expectations; (4) The implementation of policies supporting individuals who contributed to national revolutionary efforts has fallen short of established targets, with data on certain beneficiary groups remaining unclear. Budget allocations have been insufficient to meet actual needs, while assistance programmes for children, persons with disabilities and the elderly lack structured development. Social welfare and disaster management measures remain fragile and delays persist in delivering social relief aid to disaster victims, vulnerable individuals and impoverished people.

3.6 Unexploded Ordnance (UXO) Clearance Progressively Accelerated and More Lives Made Safe from UXO

- Conducted clearance operations for unexploded ordnance (UXO) across 17,317 hectares of productive land, community zones and business hotspots under the National UXO Clearance Project. This achievement represents 34.63% of the five-year national target set by the National Assembly (50,000 hectares), and 108% of the project-specific target.

- Non-technical surveys to identify UXO evidence have been conducted in 751 villages, achieving 27.05% of the target of 2,776 villages. Meanwhile, technical surveys have been carried out to define UXO-contaminated areas, covering 63,668 hectares and reaching 25.47% of the planned target of 250,000 hectares.

- A total of 66 UXO-related incidents has occurred, resulting in 103 casualties, including 81 injuries and 22 fatalities, reaching 55% of the planned target to limit casualties to below 40 or keep incidents under 200 within five years.

- Implemented risk-reduction measures to minimize casualties from unexploded ordnance (UXO), focusing on targeted awareness campaigns in villages and general education schools. A

total of 2,876 village-level sessions were conducted, achieving 95.86% of the five-year target (3,000 sessions), alongside 9,740 school-based sessions. These efforts reached 1,622,185 participants (808,862 women), including 871,437 villagers (444,307 women) and 750,748 students and teachers (364,555 women). Despite these interventions, 85 UXO-related incidents still occurred, resulting in 128 casualties- approximately 25 per year, which remains below the five-year ceiling of 40 per year. Among the victims, 102 were injured and 26 lost their lives.

- A total of 322 UXO accident survivors have received assistance, representing 5.60% of the planned target of 5,750 individuals. This includes 142 individuals who received medical treatment, 47 who underwent psychological rehabilitation, 59 who received functional rehabilitation and 74 who were provided with housing reconstruction support.

- **Challenges:** Challenges remain in the management and administration of unexploded ordnance (UXO) clearance operations, as inefficiencies persist. Additionally, funding mobilisation has not yet met actual operational demands, creating obstacles to progress.

4. Outcome 4: Environmental Protection Enhanced and Disaster Risks Reduced

4.1 Natural Resources Sustainably Used and Managed

Over the past five years, intensive efforts have been directed towards implementing climate and environmental initiatives, with a strong focus on managing natural resources and the environment – particularly land, forests, water and biodiversity – while adhering to the principles of balanced development and sustainability.

- Strategic frameworks for managing eight types of land have been continuously developed and refined in alignment with the National Land Allocation Master Plan to ensure a structured and sustainable approach to land management.

- From 2021 to June 2025, a total of 692,200 land titles nationwide has been issued, achieving 43.26% of the five-year target of 1.6 million land titles.

- Land allocation, resource management and environmental conservation plans have been fully developed at the provincial level in five provinces, bringing the total to 17 provinces and Vientiane Capital, achieving 100% of the planned target. Simultaneously, efforts have been undertaken to disseminate and promote the integration of these land allocation plans into the socio-economic development plans of the provinces and Vientiane Capital.

- Submitted proposals for the establishment of four national parks, with two approved in 2021 and one in 2022, achieving 80% of the five-year target (five parks).

- Notable progress has been made in forest restoration and afforestation efforts under the Five-year Plan. A total of 176,000 hectares of trees were planted, achieving 88% of the target (200,000 hectares), while forest rehabilitation covered 443,000 hectares, reaching 25% of the broader goal (1.8 million hectares).

- Constructed and installed five air quality monitoring stations across the country, achieving 55.56% of the five-year target of at least nine stations. These stations are located in key provinces including Oudomxay, Luang Namtha, Bokeo, Savannakhet and Khammouane.

- Comprehensive water basin management plans for major water basins have been developed across 14 basins, including Nam Ou, Nam Tha, Nam Khan, Nam Ngum, Nam Theun-Nam Kading, Xe Bang Fai, Xe Bang Hieng, Nam Cham, Nam Xeuang, Nam Ngieub, Xe Don, Xe Kong, Nam Ma and Nam Nern – achieving 100% of the target.

Furthermore, significant efforts have been made to implement the priorities, with some key achievements as follows:

+ Land management and utilisation: Efforts have been undertaken to modernise land management through the establishment of strategic frameworks, assessment of land database systems and investment projections for modernisation initiatives. Key actions included improving and establishing ICT infrastructure for land data management, collaborating with private entities and relevant sectors to enhance and manage the Lao Land Reg system. Additionally, land data system integration has been piloted in Xaythany District, Vientiane Capital (Under the Department of Natural Resources and Environment) for registration and service fee collection, aiming to streamline land management and revenue collection. Furthermore, 438 land lease and concession projects have been reviewed and assessed, with 101 projects cancelled (23% of the target). The revision of policies on state land leasing and concessions has been proposed, alongside efforts to encourage ministries to register state land, resulting in 11 ministries completing the registration of 17,207 plots. The expansion of the National Land Allocation Master Plan has been continued and integrated into development planning at various levels. As of the present, land allocation plans have been formulated in 56 districts, representing 37.84% of all districts nationwide, and in 3,200 villages, equivalent to 36% of all villages across the country. A national strategy for agricultural land management and development has been established, including the classification and mapping of agricultural land use types. This initiative has been successfully implemented across 17 provinces and Vientiane Capital.

+ Management and utilisation of forest resources and biodiversity: The National Biodiversity Strategy and Action Plan (NBSAP) has been revised and updated and the protected areas of Phou Xiang Thong and Nam Pouy have been officially recognized as ASEAN Heritage Parks. Relevant stakeholders have been mobilized and supported to ensure the sustainable management and utilization of forest resources, with funding amounting to USD 18.5 million provided under Phase II of the Environment and Social Project. Community-based forest conservation has been implemented in 12 sites, including Nam Et-Phou Louey, Nam Cham, Phou Sabot, Phou Chong, Tad Khuang Xi, Phou Mued-Phou San, Nam Muan, Phou Chom Voy, Nakai–Nam Theun, Nam In–Phou Hin Lek Fai, Phou Khao Khouay and Dong Natad. Botanical garden development and conservation have also been supported, including preparatory steps for the designation of Nam Et-Phou Louey and Nakai-Nam Theun as national parks. Government decrees for the establishment of four national parks have been submitted and approved – two in 2021 (Dong Hua Sao and Xe Pian) and one in 2022 (Phou Khao Khouay), achieving 80% of the five-year target (Five parks). Additionally, two provincial protected forests have been upgraded to national protected areas, reaching 40% of the five-year target (Target: 5). Afforestation has been carried out over 176,000 hectares, representing 88% of the five-year target (200,000 hectares), while natural forest restoration and enrichment planting have been conducted across 443,000 hectares, equivalent to 25% of the target (1.8 million hectares). However, the promotion of forest restoration activities have not yet been fully implemented as planned. Encroachment and land conversion for production and investment purposes have continued, along with recurring forest fires in several areas, posing risks to achieving the national forest cover target of maintaining at least 70% of total land area by 2025.

+ Water resource management and utilisation: Participatory and cross-sectoral mechanisms for water governance, allocation and sustainable use have been promoted. Integrated management plans for 14 large-scale water basins were completed, fulfilling 100% of the five-year target, while

16 medium-scale water basin management plans were developed (Nam San, Nam Hinboun, Nam Phoun, Nam Ngum, Nam Houng, Nam Pui, Nam Heung, Nam Mo, Nam Xe Bangnuan, Nam Ma, Nam Bang, Nam Ngam, Nam Fa, Nam Meuk-Nam Lam, Nam Mi and Nam Sang), covering 84.21% of the target of 19 basins. Foundational legal instruments were created and revised to support water resource management to ensure adequate quality and quantity for domestic use, production and sustainable development. A national water vision to 2040 and a strategy for water resource management to 2030 were formulated. Pollution control mechanisms were strengthened through the issuance of wastewater discharge permits to nine industrial facilities and minimum environmental flow requirements were defined for 16 hydropower projects. Provincial groundwater management plans were completed in nine provinces, including Savannakhet, Sekong, Vientiane Province, Vientiane Capital, Champasak, Saravane, Houaphanh, Xiengkhouang and Luang Prabang. Sediment surveys were conducted in five provinces – Vientiane, Xaysomboun, Champasak, Xiengkhouang and Vientiane Capital – and boundary demarcation of sediment zones was carried out in two areas: Bung Baphat and Bung Pabeo in Pathoumphone District, Champasak Province. Water quality monitoring was implemented at 202 sites across various river systems nationwide.

+ Environmental governance and pollution control: Environmental legislation has been developed and revised, including the revision of the Environment Protection Law, which was officially endorsed during the 7th Ordinary Session of the 9th National Assembly on 18 June 2024. To enhance environmental monitoring, 5 new air quality monitoring stations have been installed, surpassing the target at 55.56% completion. Surveys have been conducted to identify pollution sources in provinces with a high concentration of factories, industrial facilities and investment projects, resulting in the regular publication of air quality reports – including data on PM2.5, PM10, NOX, SOX and heat accumulation hotspots – to raise public awareness. Efforts have been strengthened through collaboration with sectoral agencies and local authorities to implement measures for wildfire prevention and mitigation, particularly addressing haze pollution caused by slash-and-burn agriculture. Mechanisms have been established for reporting wildfire incidents and strategic action plans have been formulated to combat haze pollution. Additionally, village-level land allocation planning within three forest categories has been introduced to define land-use zones and prevent forest encroachment. Environmental inspection and monitoring have been reinforced through the development and dissemination of regulatory frameworks, including technical guidelines and manuals for environmental and social impact assessments of investment projects. Key initiatives included guidelines for developing environmental management and monitoring plans for mining projects during pilot phases and regulations to approve standardised environmental impact mitigation measures for iron ore and marble stonenee extraction projects. Moreover, the environmental monitoring system has been strengthened through legislative development, the creation of a database for tracking investment projects and data integration with relevant sectors at both the central and local levels, ensuring regular environmental management reports. As of now, Environmental Impact Assessment (EIA) data from 513 investment projects have been successfully integrated into the national environmental database. Public awareness and environmental quality enhancement have also been promoted through the incorporation of environmental education into school curricula. Outreach campaigns across various media channels have been conducted to inform communities about environmental issues. Key initiatives included the publication of environmental training manuals, training programmes on educational materials and waste management guides for primary school students (Grades 1–5), and capacity-building workshops targeting priority villages to implement green, clean and sustainable practices.

- **Challenges:** Challenges remain in the implementation of land registration, with several initiatives falling behind schedule. The target of registering 1.6 million land titles by 2025 is progressing slowly and may not be fully achieved due to delays in delegating registration responsibilities from provincial land departments to district-level offices. Additionally, a significant number of agricultural lands remain unregistered, including over 680,000 pieces of land located within forested areas, which require preliminary assessment and allocation before formal registration and land use certification can proceed. Extensive land areas fall within designated terrestrial and aquatic conservation zones, making formal land titling infeasible under existing regulations. The management of leased and allocated state land remains inconsistent, leading to unregulated land occupation and leasing, which obstructs economic and social development efforts. Environmental risks persist due to expanding agricultural activities, unsustainable pesticide use, large-scale infrastructure development and mining operations. Illegal activities – including deforestation, forest degradation, biodiversity loss and wildlife trade – further exacerbate ecological concerns. Addressing these challenges requires strengthened planning frameworks for sustainable land use, resilience-building against climate change impacts and improved enforcement of environmental regulations. While the government has introduced measures to curb illegal logging and promote forest conservation, monitoring mechanisms remain insufficient, posing potential risks to ecosystems and livelihoods. Waste management regulations also face challenges, with existing collection systems and hazardous waste control mechanisms needing improvement. Improper disposal and chemical contamination continue to be pressing concerns, contributing to widespread illegal waste dumping.

4.2 Green Growth Promoted and Actions Taken towards Climate Change Mitigation

Efforts have been undertaken to encourage and promote green growth initiatives. The achievements over the past 5 years includes:

1. Natural Resource and Environment Sector:

- A national milestone has been established to achieve net-zero greenhouse gas emissions by 2050. To support this objective, the Long-Term Low Emission Development Strategy (LT-LEDS) has been formulated, providing a comprehensive framework for transitioning towards a low-carbon economy. The LT-LEDS outlines both mid-term (by 2030) and long-term (by 2050) pathways for sustainable development and emissions reductions, guiding policies and actions across key sectors to minimise emissions while promoting economic resilience and environmental sustainability. This strategy is scheduled for government direction and endorsement by 2025 to ensure a structured and effective transition towards a low-emission future.

- Efforts have been directed towards the development of the National Green Growth Index to support the implementation and monitoring of national green growth objectives by 2030. This index serves as a benchmark for evaluating progress in achieving sustainability targets and promoting circular economy principles in waste management. A key milestone has been the endorsement of the National Plastic Action Plan (NPAP) until 2030, officially adopted on 5 August 2024. Additionally, the Sustainable Consumption and Production (SCP) Road Map for 2023 - 2025 has been successfully formulated, providing a strategic framework for sustainable resource management. Further advancements in green public procurement have been realised through guidelines for sustainable procurement, covering priority items such as PVC pipes, LED bulbs and A4 paper. Pilot implementation of sustainable consumption and production initiatives has begun

in two pilot provinces – Vientiane Capital and Luang Prabang Province – marking a significant step towards practical application and scalability.

- An assessment of greenhouse gas (GHG) emission levels, their impacts and mitigation measures has been completed to inform the development of the Low-Emission Development Strategy (LT-LEDS). In addition, feasibility studies for six projects were conducted, representing 28% of the planned number of carbon credit initiatives and 44% of the projected financial value outlined in the five-year plan.

- Collaborative efforts have been undertaken across key sectors – including agriculture and forestry, energy, infrastructure and transportation, and waste management – to develop regulations and policies for carbon credit governance. A significant milestone has been the establishment of a decree on carbon credit management to ensure proper oversight and facilitate carbon credit trading. This decree aligns with the current national context and supports the achievement of Nationally Determined Contributions (NDC) targets.

- The development of the Community Hazardous Waste Management Handbook (Document No. 0012/MONRE) was completed on 4 January 2022, followed by the completion and endorsement of the Household and Business Hazardous Waste Management Handbook (Document No. 1164/MONRE) on 29 March 2022. Additionally, the National Plastic Action Plan (NPAP) for plastic waste management has been finalised, featuring a strategic framework extending until 2030. The plan was officially adopted on 5 August 2024, marking a significant milestone in sustainable waste management efforts.

- An agreement on the management of degraded electric vehicle batteries has been established in accordance with government resolution No. 08/GOV, dated 4 October 2021. This resolution includes provisions for the recognition and implementation of policies aimed at supporting the adoption of electric vehicles in the Lao PDR, ensuring sustainable practices for battery disposal and resource utilisation.

- Water quality assessment has been implemented, with 202 monitoring points established across rivers nationwide.

2. Forestry Sector:

- A comprehensive strategy for reducing greenhouse gas emissions from deforestation has been developed, incorporating the establishment of Reference Emission Levels (REL), the implementation of the Monitoring, Reporting and Verification (MRV) system, social and environmental safeguard measures, and Benefit-Sharing policies. Additionally, conditions have been set to facilitate access to carbon financing, resulting in the successful securing of a contract worth USD 42 million – achieving 44.21% of the targeted amount of over USD 95 million.

- A carbon credit market management strategy has been studied and established under the Carbon Forestry Partnership Facility, with an expected achievement of 8 million tonnes of carbon traded.

3. Industry and Commerce Sector:

- The Green Industry Project has been successfully implemented, accompanied by the development of the Green Industry Policy and the establishment of financing mechanisms to enhance technological effectiveness.

4. Public Works and Transportation Sector:

- Efforts to promote electric vehicles (EVs) have driven significant growth in their adoption. As of now, 3,975 EVs are registered, including 2,202 full-sized electric cars and 1,773 electric motorcycles – progressing towards the target of 20,000 units registered by 2025. To support this expansion, 103 public EV charging stations have been installed nationwide. Additionally, 18 petroleum distribution companies have begun importing and selling EVs, further advancing market accessibility. Some private sector entities have also transitioned to using small-scale electric transport vehicles (Weighing less than two tonnes), contributing to the diversification of sustainable mobility solutions.

- Studies focused on establishing EV charging stations for waste transport vehicles in Vientiane Capital and Khammouane Province were ongoing. Additionally, feasibility assessments have been completed for the implementation of an electric bus system, with recommendations to support the adoption of electric-powered buses. Further research has also been conducted on battery-swapping systems for two-wheeled electric vehicles. As of now, 23 battery charging stations have been installed nationwide, achieving 23% of the target of 100 stations.

- Efforts have been made to advance the development of green and clean cities through collaborative partnerships with development partners. Key initiatives included the formulation of the National Urban Sanitation Strategy, the development of the Wastewater Management Strategy and the implementation of wastewater treatment systems to improve urban environmental conditions. Additionally, efforts are actively underway to strengthen private sector engagement in urban sustainability to promote innovation and investment in environmentally friendly infrastructure and efficient resource use.

- A pilot project for waste recycling in schools has been implemented across multiple locations, successfully recovering 26 tonnes of recyclable waste. This initiative has generated income (Amount to LAK.....million) and provided biological treatment, contributing to the reduction of greenhouse gas emissions.

- Efforts to establish and upgrade standardised waste disposal sites nationwide have encountered implementation challenges. To address these obstacles, funding assistance has been requested from the World Bank under the Pollution and Waste Management Project (PWMP), which is expected to be approved by 2025. The project is slated for implementation under the 10th National Socio-Economic Development Plan (NSED) for the period 2026–2030.

5. Energy and Mining Sector:

- The first auction for solar energy development was conducted in 2022 as part of efforts to promote clean energy production.

- As part of the implementation of the National Agenda on Addressing Financial and Economic Challenges, a policy promoting the use of electric vehicles (EVs) has been adopted and enforced to accelerate the transition to sustainable transportation. Additionally, agreements have been established to standardise EV charging infrastructure for both public stations and residential installations.

- Pilot mineral exploration projects have encountered significant limitations due to the lack of detailed assessments on mineral reserves and the absence of comprehensive economic-technical feasibility studies. Despite these gaps, project owners have signed concession agreements with the

government, granting them mining access without prior feasibility confirmation. This has led to environmental harm, highlighting the need for stricter evaluation processes and sustainable resource management practices to mitigate ecological impacts.

- Guidelines for environmental management and monitoring plans for pilot mining projects have been successfully developed and issued under Document No. 4969/MONRE, dated 16 September 2021. Following this, the guidelines were further refined and approved by the Minister of Natural Resources and Environment, leading to the issuance of Document No. 5995/MONRE, dated 23 November 2022. This official document authorises the adoption of standardised forms for reporting and implementing environmental protection measures, with a focus on prevention, mitigation and remedial actions for social and environmental impacts. These provisions specifically apply to pilot iron ore and marble stone mining projects.

6. Culture and Tourism Sector:

- Efforts have been made to enhance the capacity of small and medium-sized enterprises (SMEs) to actively contribute to sustainable tourism development. Key initiatives included collaboration with tourism-related businesses to implement proper waste segregation and collection systems, promoting environmentally responsible practices in the sector. Additionally, SME capabilities have been strengthened to participate in supply value chains.

- The Green City Action Plan has been established for Vientiane Capital and Pakse Municipality.

7. Finance and Planning Sector:

- The Financing Strategy to support the implementation of the 9th Five-Year National Socio-Economic Development Plan (2021 - 2025) has been successfully developed, incorporating green and sustainable finance as a priority. Specific implementation measures have been established to ensure funding sources for achieving green growth objectives, which are strategic priorities under Outcome 1 and Outcome 4 of the 9th Plan.

- A comprehensive assessment of the current greenhouse gas emissions levels has been successfully conducted, along with projections for future emissions. This data served as foundational inputs for shaping the Long-Term Low Emission Development Strategy (LT-LEDS) of Lao PDR.

- Efforts to promote the circular economy model were promoted to reduce waste generation and pollution across all sectors. Particular focus has been placed on sectors with high potential for early implementation, including nature-friendly tourism initiatives, aquaculture in hydropower reservoirs to support the production of biofuel, fish oil, organic fertilisers and other resources. Additionally, efforts are underway to develop and enhance standardised waste disposal infrastructure, with a target of at least 5 sites in major cities. Plans also include the construction and improvement of waste management facilities, such as a new landfill site in Vientiane Capital and two waste transfer stations, expected to be approved and operational by 2024.

- Studies have been conducted on green bonds and green investment, with a particular focus on the taxonomy framework to enhance green investment tracking processes and strengthen capacity for green bond issuance. An agreement has been reached to designate the Environmental Protection Fund as an official partner of the Green Climate Fund (GCF). Additionally, a study is

underway to support the designation of the Bank of Lao PDR to become another official partner of the GCF.

4.2.2 Climate Change Mitigation Initiatives

+ The second draft of the Nationally Determined Contributions (NDC) has been successfully updated, along with its implementation framework. Additionally, a decree on carbon credit management has been established. Alongside these efforts, the formulation of the National Adaptation Plan (NAP) has progressed, aiming to enhance climate resilience and adaptation strategies across key sectors.

+ Efforts have been made to encourage and support the implementation of emission reduction mechanisms, including the Clean Development Mechanism (CDM) and the Reduction of Emissions from Deforestation and Forest Degradation (REDD+). These initiatives contribute to global climate mitigation goals by promoting sustainable land use, enhancing carbon sequestration and fostering investment in climate-friendly projects.

+ The revision of the National Strategy for Climate Change Mitigation 2030 has been successfully completed. Additionally, the initiative has been integrated into sectoral strategies and action plans, reinforcing coordinated efforts across key areas, including:

1) Agriculture and forestry sector: Research and development efforts have focused on resilient crop varieties, including rice and vegetables to improve their capabilities to withstand floods and drought conditions. Innovative agricultural production techniques have been introduced to enhance efficiency and sustainability, such as greenhouses for controlled cultivation, water retention and efficient irrigation systems, strengthening agrometeorological information services, and improving agricultural value chains and infrastructure resilience.

2) Urban development and transportation initiatives: Climate resilience has been integrated into the draft Urban Development Strategy until 2030 to ensure a forward-looking approach to sustainable urban planning. Additionally, a guideline for sustainable urban development focusing on environmental sustainability has been formulated. Current investments are being directed towards multiple projects aimed at reducing pollution and greenhouse gas emissions, including the implementation of the Lao-China Railway electric train system, public electric buses, adoption of national policies promoting electric vehicle usage and other initiatives supporting greener urban mobility.

3) Energy sector: An assessment of vulnerabilities has been conducted, leading to the development of an operational resilience plan for the energy sector. Key measures included the creation of safety guidelines for dams, and the implementation of health and safety protocols, aiming to enhance sustainability and strengthen preparedness against climate change impacts.

4) Public health sector: The strategy for climate adaptation in the public health sector (2018–2025) has been developed and officially adopted, accompanied by an implementation plan (2018–2020). Key initiatives included the establishment of training modules on climate change and its health impacts to provide capacity-building programmes for public health officials in seven provinces. Additionally, communication tools have been developed to disseminate information about climate change and its health implications to ensure greater public awareness and understanding.

5) Education sector: The National Strategy for Education, Environmental Awareness and Climate Change (2018–2025) has been officially adopted, with a long-term vision

until 2030. As part of this initiative, the Faculty of Environmental Science at the National University of Laos has integrated climate change studies and related disciplines into its academic curricula, strengthening scientific knowledge and expertise in climate adaptation and sustainability.

- + Initial-level assessments and risk–vulnerability maps related to climate change have been completed in 148 districts across 17 provinces and Vientiane Capital. Climate resilience has been strengthened through the application of nature-based solutions and hydrological systems to mitigate urban flood risks in seven districts within six provinces identified as climate-vulnerable.

- + Institutional capacity has been strengthened through awareness campaigns and initiatives that fostered climate consciousness among central and local agencies. To date, 6 sessions have been conducted to enhance climate action implementation. Additionally, key knowledge resources have been developed, including a guideline on climate change management in Lao PDR for policy-makers and a technical glossary on climate change terminology to facilitate understanding across relevant sectors. These materials have been distributed to central and local agencies to support informed decision-making and coordinated climate action.

- **Challenges:** The Net-Zero Emission Plan 2050 has set ambitious targets to eliminate greenhouse gas emissions and enhance carbon absorption by 2050. However, progress across various sectors has yet to fully align with the requirements for achieving these goals. Key challenges include difficulties in promoting forest-based carbon offsetting, further complicated by annual deforestation and wildfires in protected areas, as well as limited access to green financing, which hinders large-scale climate mitigation efforts.

4.3 Capacities for Disaster Prevention, Management and Recovery Enhanced

Lao PDR is among the developing countries highly vulnerable to climate change, with low-income and disadvantaged communities facing increased risks from climate-related disasters. By 2030, the number of people affected by flooding is projected to exceed 80,000 annually. Additionally, rapid shifts in temperature, rainfall patterns, droughts, flooding and soil erosion continue to significantly impact agricultural productivity. Moreover, climate change may intensify seasonal disease outbreaks, particularly dengue fever, posing further challenges to public health and disaster preparedness.

The government has strengthened disaster prevention, response and recovery efforts by integrating the National Disaster Strategy into sectoral plans, enhancing resilience and disaster management capacity across multiple sectors. Particular emphasis has been placed on upgrading early warning systems and information dissemination mechanisms to ensure clear, timely and effective alerts. Through the implementation of priority disaster risk reduction programmes, significant advancements have been made in reducing vulnerabilities and improving preparedness. Progresses and achievements include the following:

- Meteorological and hydrological monitoring systems have been expanded and upgraded nationwide, with conventional stations modernized into automated, real-time facilities. A total of 47 new meteorological stations were established (41 newly built and 6 upgraded), achieving 104% of the five-year target (45 stations). Additionally, 77 hydrological stations were completed (74 newly built and 3 upgraded), reaching 308% of the target (25 stations). A satellite-based typhoon tracking station was installed and handed over in Vientiane Capital. A national earthquake

information centre was established alongside the construction and upgrade of 22 seismic monitoring stations (19 new and 3 upgraded). Furthermore, 15 agrometeorological stations were built and a modern forecasting system was developed using the LaCSA application, which now provides continuous and routine weather updates.

- Significant improvements have been made to meteorological, hydrological, seismic monitoring and early warning information systems, enhancing accuracy, clarity and timeliness in information notification. Expansion efforts have led to the establishment of 180 monitoring stations nationwide, including 63 meteorological stations and 117 hydrological stations, all upgraded to modern standards.

- Key achievements in strengthening disaster preparedness and resilience included the completion of the National Master Plan for Meteorological and Flood Early Warning Systems, along with the finalisation of the early warning implementation plan (2024 - 2027). Additionally, one satellite monitoring station has been established to track storm movements and four seismic monitoring stations have been installed to enhance real-time monitoring and response capabilities.

- Flood hazard mapping and simulation models have been developed for 8 water basins, including upgraded flood simulation models for Nam Ngum, Nam Xe Bang Fai, Nam Xe Bang Hieng and Nam Done, as well as new flood modelling for Nam Kor (Xay District, Oudomxay Province), Nam Houng (Xayaboury Province), Nam Khan and Nam Ou. Comprehensive data collection efforts have supported model development, including water flow measurements and flood level data, topographical and river cross-section surveys, water release patterns and dam water level assessments.

- A central-level disaster risk management fund has been successfully established, fulfilling 100% of the five-year target (1 fund). At the subnational level, 14 provincial and capital-level funds have been created, achieving 76.47% of the target (18 funds), while 87 district-level funds have been established, surpassing the five-year target by 55.35% (Target: 56 districts).

- Disaster management committees have been enhanced and expanded at various administrative levels. As planned, committees have been established in 18 provinces (Target: 17 provinces and Vientiane Capital), 177 districts and 2,139 villages. Additionally, capacity-building programmes have been implemented for 2,681 individuals, including 525 females. Two key strategic documents – the National Disaster Risk Reduction Strategy and the Emergency Preparedness and Response Plan – have been developed to guide future resilience efforts.

- Disaster risk reduction strategies have been developed for 6 provinces. Additionally, preparedness and response plans have been developed for 15 provinces, 93 districts and 49 villages, surpassing the original target of 10 provinces, 20 districts and 80 villages.

- A national-level disaster response and health emergency simulation exercise has been conducted, achieving 50% of the planned target of 2 national exercises.

- Disaster response capacity has been strengthened through the formation of assessment and health support teams at various levels. This included 22 personnel at the national level (Target: 30), 75 personnel at the provincial level (Target: 100 for the provincial level, 300 for the district-level). Additionally, a comprehensive assessment of disaster impacts and both short- and long-term recovery needs has been conducted across 16 provinces, 65 districts and 1,339 villages, with the total required funding amounting to LAK 552 billion.

5. Outcome 5: Engagement in Regional and International Cooperation and Integration is Enhanced with Robust Infrastructure and Effective Utilisation of National Potential and Geographic Advantages

5.1 Infrastructure Improved for National, Regional and International Connectivity to Facilitate Production, Services and Investment

5.1.1 Connectivity through Road, Water, Air and Rail Systems

- Over the past five years, Lao PDR has prioritized the construction, upgrading, rehabilitation and modernization of transport infrastructure as a strategic driver of economic development, supported by national budget capacity and inclusive stakeholder participation. The Lao – China Railway was completed and officially launched on 2 December 2021, with 11 service stations equipped to facilitate passenger and cargo operations; International services between Vientiane and Kunming began on 13 April 2023. The second phase of the Lao–Thai Railway (Thanalaeng–Khamsavath), spanning 7.05 km, was completed and inaugurated on 20 July 2024, enabling cross-border train services between Vientiane and Bangkok. Additionally, an intermodal transfer hub was constructed in Thanalaeng to connect the Lao–China and Lao–Thai railway systems

- 9 dry ports have been developed across Lao PDR, of which four – Savannakhet, Champasak and Thanalaeng in Vientiane Capital – have already been operationalized by 2025. The construction of the Thakhek dry port in Khammouane Province has reached 65% completion and is expected to be finalized by the end of 2025. These developments have contributed to the modernization and streamlining of Lao logistics operations, with targeted reforms aimed at improving domestic transport competitiveness, reducing freight costs and enhancing international integration. Key legal instruments have been established and revised, including the issuance of Decision No. 1387/PMO on unit pricing for passenger and cargo transport by road and the updated Dry Port Decree No. 298/GoL. Despite these efforts, the World Bank’s Logistics Performance Index for Lao PDR declined from 2.7 (ranked 87th in 2018) to 2.4 (ranked 115th in 2022).

- Over the past five years (up to June 2025), the rehabilitation and upgrading of 443.89 km of strategic road corridors were completed, representing 80.70% of the five-year target of 550 km. These included key subregional and ASEAN routes, for which funding was approved by development partners. Specifically, (1) Route 13 North (Sikeut – Phonehong, 64 km) was upgraded; (2) Route 13 South (Vientiane Capital km21 – Thakhek km346, 325 km) was rehabilitated; (3) Route 13 South (km21 - km71) and Route 13 North (Sikai – Sikeut) were improved; (4) Route 9 (Savannakhet – Xeno – Donghen, 79.9 km) was restored; and (5) Route 11 (Nam Sang Bridge in Sangthong District to Kokkhaodok Village in Sanakham District, 76.90 km) was constructed and officially opened for use on 20 February 2024.

- The upgrading of strategic road corridors has been initiated under various development frameworks. Specifically, under the Southeast Asia Regional Economic Corridor and Connectivity Project (SEARECC), (1) Route 2E (Muang Xay – Muang Khua, 100 km) and (2) Route 2W (Muang Xay – Pakbaeng, 136 km) have been selected for improvement. Separately, the upgrading of (3) Route 12 (Thakhek – Naphao, Lao – Vietnam border, 146 km) and (4) Route 13 South (km21 – km71, 50 km) has been launched.

- The development of priority expressway projects with full regulatory compliance has been actively monitored and promoted. These include the Vientiane–Boten Expressway, with three additional segments initiated: Section 2 (Vang Vieng – Luang Prabang, 136.90 km), Section 3

(Luang Prabang – Oudomxay, 116.58 km), and Section 4 (Oudomxay – Boten, 83.08 km). The expressway from Boten (Luang Namtha Province) to Houayxay (Bokeo Province), totaling 176.29 km, has also been advanced. Furthermore, a new east – west corridor expressway from Vientiane Capital through Xaysomboun, Xiengkhouang and Houaphanh Provinces to the Lao – Vietnam border at Namsoy International Checkpoint has been planned, with a total length of 400 km.

- Two major Mekong River bridge projects have been completed: The Fifth Lao – Thai Friendship Bridge (Linking Pakxan and Bueng Kan) and the Koentuen – Houaykaew Bridge in Bokeo Province.

- Efforts have been made to construct and install modern vehicle weighing stations and equipment to improve freight weight control along regional transport corridors. A new automated weigh station was completed in Ban Naloung, along Route R3 in Bokeo Province and 17 existing stations were upgraded and rehabilitated. In parallel, regulatory mechanisms and operational procedures for freight weight management have been strengthened. This includes the issuance of a formal agreement on maximum allowable gross vehicle weight, the establishment of mandates for weigh station units and the release of operational guidelines and enforcement measures for non-compliance.

- Riverbank protection works along the Mekong and Nam Heuang rivers – both forming international boundaries – as well as tributaries linked to national sovereignty and riparian zone preservation, have been actively prioritized. A total of five embankment protection projects has been completed, covering a combined length of 3.38 km. These include: (1) Paklai Municipality (Xayaboury Province), (2) Ban Khonkham (Muang Muen, Vientiane Province, Phase 2), (3) Nam Heuang at Ban Meuangmor (Kaenthao District, Xayaboury Province), (4) Ban Donpadek (Nongbok District, Khammouane Province), and (5) Ban Chomkeo (Kaenthao District, Xayaboury Province). In parallel, Route 12 (Thakhek – Naphao, 146 km) and Route 13 South (km21 - km71, 50 km, Section 3) have been upgraded, and Phase I of the Champasak riverbank development project has been completed. Additionally, the third pier at Houng Ang Port was officially opened on 28 April 2025.

- Air transport infrastructure has been expanded and modernized through the construction, upgrading and rehabilitation and maintenance of airports and related facilities. Notably, Nonghang Airport in Houaphanh Province was completed and opened for service in 2023, followed by the completion and commissioning of Tonnepheung Airport in Bokeo Province in 2024.

5.1.2 Telecommunications and Digital Connectivity

- The Government has officially endorsed and promulgated the 20-Year National Digital Economy Development Vision (2021-2040), the 10-Year Strategy (2021-2030) and the 5-Year Development Plan (2021-2025) through Decree No. 367/PM, dated 12 December 2022. These frameworks have been established to guide the country’s transition towards a digital economy.

- The internal government network has been constructed and expanded to connect 36 public sector entities – representing 53% of the five-year target of 68 entities – across both central (19 entities) and provincial levels (17 entities). These connections have enabled seamless integration with national digital government systems, including remote conferencing platforms, centralized government data centres and modernized office automation systems. As a result, public sector operations have been made more efficient, responsive and secure.

- The development, upgrading, and expansion of the modern e-office system have been successfully implemented in 28 central government offices, representing 60% of the five-year target of 45 offices. In addition, installation and pilot deployment have been completed in 17 provincial departments.

- The promotion of LaoSat satellite usage among public and private sectors has been successfully advanced, with 16 entities adopting the service – equivalent to 80% of the five-year target of 18 entities. In parallel, a total of 204 VSAT communication stations have been installed nationwide to support government operations.

- As of 2025, a total of 8,904 mobile signal transmission stations has been established nationwide, including 555 stations constructed during the 2021-2025 period. These stations provide coverage across all 18 provinces, 148 districts and 8,245 villages, significantly expanding national mobile network access. Coverage by technology includes 2G at 97%, 3G at 86% (Against a five-year target of 100%) and 4G at 77% (Target: 90%). Additionally, 5G services have been launched in five major urban centres – Vientiane Capital, Luang Prabang, Bokeo, Savannakhet and Champasak – with plans to extend coverage to all 18 provincial capitals nationwide.

- The expansion of Lao PDR’s fibre-optic telecommunications network has reached 4,253 kilometres across provinces and municipalities, accounting for 43% of the five-year target of 9,890 kilometres. Additionally, 18 international border connection points have been established for telecom and internet transmission, positioning Lao PDR as a regional transit hub for telecommunications infrastructure and cross-border digital connectivity.

- The development of integrated digital applications has progressed with the successful deployment of mobile-based payment platforms such as M-Money and U-Money.

The implementation of the National Agenda to Address Economic and Financial Challenges linked to the pilot digital asset transaction programme has yielded the following results: The government has designated the Ministry of Technology and Communications as the central coordinating body for implementing the national pilot programme on digital asset transactions. Revenue generated from this initiative has come from three main sources: (1) License fees for mining and exchange operations, (2) Royalties from both mining and exchange activities, and (3) Electricity usage fees. As of now, 17 companies have been authorized to participate in the pilot programme – 15 in digital asset mining (Including 7 that have completed infrastructure setup and commenced cryptocurrency mining), and 2 operating cryptocurrency exchange centres (With 1 currently active). From late 2021 to August 2025, the programme has generated a total of USD 691,085,230 and LAK 5,882,400,000. This includes USD 5 million and LAK 5.718 billion from 11 mining license contracts, USD 2 million from 2 exchange centre licenses, USD 61.2 million in mining royalties, LAK 164.4 million in exchange centre royalties and USD 622,884,230 from electricity usage fees.

5.2 Regional and International Trade and Investment Cooperation and Integration Enhanced and Expanded

Despite global uncertainties, including the Covid-19 pandemic and broader geopolitical developments, Laos’ regional cooperation efforts have remained dynamic, with active bilateral and multilateral engagement across all levels and sectors. Key diplomatic and strategic collaborations included high-level exchanges with allied nations and strategic partners, as well as participation in regional and international forums. International partners continue to provide

assistance to Lao PDR in alignment with national priorities, contributing significantly to the country's development and stability.

5.3 Robust Regional and Local Development Based on the Potential of Each Region

1) Northern region: Local agricultural production has been actively encouraged among citizens and businesses to ensure alignment with regional market demands identified through technical trade negotiations. Key focus areas included targeted cultivation of cassava, sugarcane, maize, bananas and watermelon, alongside the expansion of large-scale livestock farming, including cattle, water buffalo and poultry. Growth in agro-processing industries has been notable, particularly in food and beverage production, non-metallic minerals, rubber and plastics manufacturing. Progress has also been made in energy infrastructure investments, with ongoing hydropower projects such as the Luang Prabang, Pak Beng and Pak Lai dams. A new cement factory in Luang Prabang Province was completed. The transportation and tourism sectors have expanded, supported by increased accessibility via the Lao-China Railway, driving active economic activity. Road and airport upgrades, including improvements to national roads and key provincial routes, ensure seamless connectivity, while enhancements to Houay Xay and Nongkhang airports improve regional and international transport accessibility. Additionally, riverbank protection and urban development along the Mekong River have advanced into the second phase, contributing to environmental sustainability and infrastructure resilience.

2) Central region: The economic and social sectors in central Laos have been significantly impacted by the Covid-19 pandemic, particularly affecting manufacturing industries such as automotive parts, electronics and other essential sectors linked to regional and global supply chains. Following the reopening of Lao PDR, economic recovery has progressed steadily, with notable revitalisation in tourism. Key sectoral developments included the expansion in food crop production, especially rice, sweet corn, cassava, vegetables, fruits and cash crops such as tobacco, cotton, sugarcane, watermelon and legumes. Major export products included Savannakhet fragrant rice (Xe No variety), which is being exported to China and Europe. The manufacturing sector has seen growth in industrial processing, with 5,553 factories supporting the export of electronics products, automotive parts manufacturing, printing and imaging products, basic metallurgy and electrical equipment industries. Infrastructure investments have advanced, including the completion and operations of two dry ports – Thanalaeng Dry Port (Vientiane Capital) and Savannakhet Dry Port (Savannakhet Province). Transport enhancements have also progressed, with upgrades to National Road No. 13 South, provincial and district roads, Mekong riverbank development (Phase 2) from Ban Si Nak to Ban Had Dok Keo (Hadsayfong District, Vientiane Capital), road development from Xaychamphone District to the Lao-Vietnamese border at Thateng Tuy (Ha Tinh Province, Vietnam), urban road improvements in Paksan District (Sections 1, 2, 3 and 4) and upgrades to the Na Phao-Cho Lo International Checkpoint (Khammouane Province).

3) Southern region: Overall economic and social development in Southern Laos has continued to expand positively, with notable achievements in agriculture, industry and infrastructure. In agriculture and food supply, significant growth has been recorded in the cultivation of rice, sweet corn, cassava, vegetables and fruits, alongside the expansion of key cash crops such as coffee, sugarcane, bananas, watermelon, rubber, sorghum, herbal tea, peanuts and chili. Commercial livestock farming has also been promoted, particularly in pigs and cattle, ensuring a stable domestic supply of meat, eggs and fish. Industrial development has progressed, with growth in agro-processing industries, including coffee beans, rubber processing, dried cassava and fruit extracts, while ongoing development of industrial and economic zones – such as

Pakse-Japan Industrial Zone, New Siphandon Economic Zone and Vangtao-Phonthong Economic Zone – continues to attract private-sector investment. Southern Laos now hosts 1,558 industrial processing factories, supporting the regional economic expansion. Efforts to strengthen cross-border trade at international and traditional checkpoints have advanced, complemented by key infrastructure projects, including riverbank development in Champasack Province (Funded through South Korean low-interest loans), new road construction linking Samakha-Ban Hieng-Chong Ta Ou (Sukhouma District), upgrades to Vangtao International Checkpoint (Phongthong District, Lao-Thai Border), dual-layer asphalt paving for Route 26905 (S3 marker) from La Lay Checkpoint to the Lao-Viet border (22.55 km, Thua Thien Hue Province), road expansion on National Route 16B from Sekong to Dakcheung District, extending to the Vietnamese border, construction of 7 bridges along the Sekong-New Kaleum route and the upgrading of Route 18B into a national highway (Phu Keua International Checkpoint), further enhancing trade and transportation efficiency.

- **Challenges:** Urban development continues to face infrastructure limitations and challenges in providing adequate services to support growing populations and economic expansion. In Vientiane Capital, existing infrastructure struggles to accommodate the increasing number of private vehicles, while public transport services remain limited in coverage and accessibility. Other challenges include the rapidly increasing needs for water supply and sanitation systems, while wastewater management strategy remains incomplete and local development plans lack detailed frameworks, particularly in inter-provincial coordination efforts. A strategic regional development approach, tailored to the specific conditions of northern, central and southern regions, is crucial for promoting inclusive and sustainable urban growth. Strengthening local planning mechanisms and resource allocation will be essential for achieving long-term, well-structured urbanisation.

5.4 Urban Areas and Special Economic Zones Developed into Production, Investment, Trade and Tourism Bases for Regional and International Integration

- **Urban development:** Efforts have been directed towards beautifying urban areas, improving cleanliness and enhancing liveability, with a strong focus on accelerating infrastructure upgrades to ensure greater convenience. Key achievements include:

- 1) Urban development projects in 3 cities and 4 towns along the Greater Mekong Sub-region (GMS) corridor to improve the infrastructure and urban development: Urban development and environmental improvements have progressed across the 3 cities, including the completion of urban environmental upgrades in Pakse (Champasack Province) and urban development in Kaisone Phomvihane City (Savannakhet Province) under the East-West Economic Corridor Programme (GMS1). Preparations for urban development projects in Luang Prabang (Luang Prabang Province) are underway, currently at the preliminary feasibility study (Pre-FS) stage. Additionally, urban development along the Mekong Subregion Corridor has progressed well, with the completion of GMS1 in Kaisone Phomvihane City (Savannakhet Province), implementation of GMS2 in Huay Xay District (Bokeo Province) and Namtha District (Louang Namtha Province), and ongoing implementation of GMS4 in Paksan (Bolikhamxay Province), which has reached 77.40% completion (Expected to be fully completed by 2026). In Thakhek District, the project's progress stood at 70.70%, with full completion anticipated by 2026.

- 2) Vientiane Capital, 3 cities and at least 4 towns along the Greater Mekong Sub-region corridor have landfill sites that meet sanitation standards and requirements: Currently, Lao PDR

is preparing project documentation and negotiating concessional loan agreements for improved solid waste management infrastructure. In Luang Prabang City, one open dumpsite (Site 8) is planned for conversion into a sanitary landfill, with feasibility studies completed and detailed design underway. Construction is expected to begin in 2026. In parallel, sanitary landfill upgrades have been completed in Pakse City, Champasak Province (December 2021), and one site each in Kaysone Phomvihane City (Savannakhet) and Pakse are operational. Under the GMS framework, additional upgrades have been implemented to meet national standards, including completed landfill construction in Houayxay (Bokeo) and Namtha (Luang Namtha), as well as Pakxan (Borikhamxay), which was handed over in 2024. Construction in Thakhek (Khammouane) is nearing completion with 99.42% progress.

3) Vientiane Capital, 3 cities and at least 4 towns along the Greater Mekong Sub-region economic corridor have proper wastewater treatment systems: Urban environmental management capacity has been strengthened through the successful development of wastewater and solid waste control systems in Vientiane Capital and Pakse City, Champasak Province, with support from KOICA and GGGI. Implementation of the wastewater treatment project – covering both domestic water and sewage – in Vientiane Capital has reached 30% completion. Additionally, a decentralized wastewater treatment system has been established in Kaysone Phomvihane City, Savannakhet Province.

4) Establishing at least 1 model small smart city target: Efforts have been directed towards supporting and advancing smart city initiatives within ASEAN and broader regional frameworks. Key achievements included the integration of Vientiane Capital and Luang Prabang into the ASEAN Smart City Network (ASCN), participation of Kaysone Phomvihane City (Savannakhet Province) in the ASEAN-Australia Smart City Programme, and ongoing efforts to encourage private sector investment and international assistance to enhance urban infrastructure and modern city development.

- **Special economic zone development:** As of the present, Lao PDR has established 21 Special Economic Zones (SEZs) across 7 provinces, including Vientiane Capital, covering approximately 14,000 hectares of land for development. Overall, significant progress has been made in each SEZ, with key achievements from 2021 - 2024, including 599 companies investing in SEZs, representing 84.48% of the plan (Target: 709 companies). Registered capital has exceeded USD 9 billion, with total investment surpassing USD 26 billion. Among all SEZs, the highest investment is in the Golden Triangle SEZ, followed by Boten Beautiful Land SEZ, Saysettha Comprehensive SEZ and Bueng That Luang SEZ. SEZs have contributed over LAK 768 billion to public revenue, around 63% of the plan (Target: LAK 1,217 billion), primarily from land concession fees, casino licensing fees, administrative service fees, value-added taxes (VAT), salary taxes, consumption taxes, profit taxes and other fees. The highest revenue collection has come from the Golden Triangle SEZ, Saysettha Comprehensive SEZ, Savan-Xeno SEZ, and others. Exports from SEZs have totalled over USD 1 billion, equivalent to 38% of the plan (Target: USD 2.626 billion), led by Savan-Xeno SEZ, Vientiane-Nonthong Trade SEZ and Pakse-Japan SEZ. Additionally, the import of raw and production materials and infrastructure construction components has amounted to USD 9,903,072,182, four times of the target of USD 2.349 billion, with the highest imports recorded in Vientiane-Nonthong SEZ, Saysettha Comprehensive SEZ, and Pakse-Japan SEZ. As of now, SEZs have generated 84,540 jobs, including 38,544 Lao workers and 45,996 foreign workers. Leading SEZs in terms of workforce size included the Golden Triangle SEZ, which has created 18,513 Lao jobs, followed by Vientiane-Nonthong SEZ with

5,889 Lao workers and Saysettha Comprehensive SEZ with 5,626 Lao workers. Between 2021 and 2024, 21,680 new jobs were generated, with 14,538 positions filled by Lao workers.

6. Outcome 6: Public Governance and Administration is Improved and Society is Equal, Fair and Protected by the Rule of Law

6.1 Enhanced Efficiency of Public Governance and Administration and Deepened Implementation of the Sam Sang Directive

- The government has streamlined operations through organisational restructuring and consolidation to enhance efficiency and policy coordination. Key developments included the merger of the National Economic Research Institute and the National Institute of Social Sciences into the National Institute of Economic and Social Sciences under Decree No. 559/PM, dated 7 September 2021. The Ministry of Science and Technology has been integrated into five relevant ministries, while the Ministry of Posts, Telecommunications and Communications has been renamed the Ministry of Technology and Communications. The Government Inspection Authority has also been reassigned to function as an independent agency directly under the President. As a result, government ministries and agencies have been reduced from 19 to 15 in the 9th Cabinet, compared to the 8th Cabinet. In addition, the Ministry of Planning and Investment is being merged into the Ministry of Finance, the Ministry of Energy and Mining into the Ministry of Industry and Commerce, the Ministry of Natural Resources and Environment into the Ministry of Agriculture and Forestry, and the Ministry of Home Affairs into the Central Party Organising Committee and the Prime Minister's Office, in accordance with Decree No. 05/NA, dated 20 March 2025. Additionally, a resolution has been issued on the organisation and implementation of 17 ministries and ministry-equivalent organisations. Key reductions included the elimination of 43 departments and the streamlining of 179 divisions, decreasing from 2,842 to 2,663 divisions. Furthermore, 3,045 administrative units at the provincial and district levels have been reduced, dropping from 23,312 to 20,267 units.

- The provincial administrative structure has undergone significant streamlining, resulting in a reduction of 13 units at the provincial department level, from 578 to 563 units. The provincial section level has decreased by 272 units, from 3,659 to 3,387 units, while provincial operational units have been reduced by 397 units, dropping from 421 to 24 units. At the district level, offices have been reduced by 108, from 3,547 to 3,437 units, and district sub-units have decreased by 2,253 units, from 15,107 to 12,854 units. These adjustments aim to enhance efficiency and optimise administrative functions across various provincial and district structures.

- The allocation of public personnel positions has been completed for 909 units out of a total of 4,452 units. At the central level, 450 units require personnel position definitions, with 241 units successfully completing this process, achieving a 53.56% completion rate. At the provincial level, 563 units need to define and allocate positions, of which 160 units have completed the process, reaching a 28.42% completion rate. At the district level, 3,439 units require position allocation, with 5,508 units completing the process, resulting in a 14.77% completion rate.

- Two legislative developments have been completed, including a guidance on implementing the Three Build Directive under Decree No. 02/PMO, issued on 16 August 2024, and a decree on standardising the establishment of administrative units under Decree No. 617/PMO, dated 16 August 2024. The latter establishes standards for developing provinces as strategic administrative units, districts as core governance units and villages as fundamental development units. In terms of implementation progress, the assessment of provinces as strategic

units has been successfully conducted for 3 provinces, achieving 27% of the target (Target: 11 provinces). The establishment of districts as core governance units has expanded to 3 cities and 16 districts, representing 40% of the target (Target: 48 districts). Meanwhile, the development of villages as fundamental development units has reached 3,038 villages, achieving 54% of the target (Target: 5,575 villages). Additionally, certification documents have been issued to the provinces, districts and villages that have met the criteria.

- A proposal for the establishment of Thakhek Municipality, Khammouane Province, has been developed and submitted for approval, as outlined in Report No. 04/PMO, dated 1 February 2023. The government has endorsed the establishment in principle but has instructed relevant sectors to conduct further studies on administrative structure and governance framework, municipal boundaries and jurisdiction, and financial mechanisms for municipal operations. Currently, relevant sectors are working according to this instruction, with completion expected by 2025 (Target: 8 municipalities to be established within 5 years, with 1 to be completed).

- New regulations have been developed as foundational guidelines for village administration, resulting in the issuance of 2 new decrees: Guidance on the management of fees and document service fees, and an agreement on the uniform of village chiefs and deputy village chiefs. Additionally, 5 existing regulations have been revised, including guidance on establishing village regulations, guidance on village formation, dissolution, merger, separation and name change, regulation on the organisation and functions of village administrative structures, and regulation on community participation in local development.

- **Registration and population statistics management:** The national registration and population data system has been expanded and modernised through the development of an electronic civil registration database across seven categories, as mandated by the Household Registration Law. The system has been launched and user training has been provided in 148 districts across 18 provinces, including the implementation of electronic birth registration in all provinces. As a result, 2,061,703 individuals have been electronically registered, 1,302,392 birth certificates have been issued (17.06% completion) and 33,078 death records have been processed. Key achievements included the transition from paper-based to fully electronic registration and the integration of the database system into 7 sectors. Additionally, a draft decree on granting Lao nationality to honorary individuals has been completed and submitted to the government and the Central Party for approval, with the aim of integrating it into the decree on honorary citizenship. Furthermore, the instruction on implementing the Household Registration Law has been finalised. The government has allocated a budget for local population registration and population statistics projects to ensure effective monitoring, inspection and evaluation across 18 provinces and 148 districts.

- **Government personnel management:** The government workforce allocation for 2021 - 2024 has been approved, with a total of 4,550 new personnel recruited across central and local government agencies, averaging 1,125 personnel per year. Key achievements included the approval of various civil service subsidies benefiting 11,581 public personnel, with an annual average of 2,895 recipients. As of 2024, the total nationwide public workforce stood at 172,341 personnel, including 83,366 females, representing 2.28% of the total population (7,489,151 citizens). This reflects a 0.06% decline compared to 2021, when the proportion was 2.4% of the population.

The implementation of the National Agenda on Addressing Financial and Economic Challenges relating to the outcomes and outputs on strengthening effective public administration and the rule of law. Key achievements include: A total of 11 new regulations related to the National Agenda on Addressing Financial and Economic Challenges have been developed and adopted. Government restructuring has led to the approval of official position allocations in 834 units, including 201 at the central level (44.56% of 450 units), 162 at the provincial level (28.77% of 563 units) and 471 at the district level (13.69% of 3,439 units). The government workforce has been reduced by 6,480 positions (2,160 per year), lowering the workforce percentage from 2.48% of total citizens in 2021 to 2.28% in 2023 (Target: 1.8%). The adjusted minimum wage index increased from LAK 7,200 to LAK 7,350 in 2022, followed by a LAK 150,000 per person increase in monthly living allowance in early 2023 and a rise in the monthly minimum wage to LAK 1,700,000 per person. Furthermore, 5 organisations – National University, Pakpasak College, Setthathirath Hospital, Mahosot Hospital, and the 150-bed Hospital – have transitioned towards financial self-sufficiency. Data collection on specialised units capable of independent revenue generation for future autonomy has been completed, along with a draft decree on transitioning technical administrative units towards financial autonomy. The government has also officially approved the revised a decree on supporting civil servants working in remote areas (No. 292/PMO, dated 5 April 2021). Additionally, the 2022 expenditure for public personnel assessment was completed for 12 provinces, covering 5,265 government officials. The total expenditures paid to public personnel per month were: LAK 369,134,406 for zone 1, LAK 1,113,050,823 for zone 2 and LAK 1,086,119,213 for zone 3 (Total: LAK 2,566,304,442).

The Data Centre system has been expanded to support the transition to digitalisation, with the completion of data centre infrastructure, including cloud systems and networking solutions to ensure a systematic and efficient public electronic management system.

6.2 Improved and Harmonised Coordination Mechanisms and Regulations within the Public Sector to Increase Efficiency

- The National Strategy on Public Service through a One-Stop Mechanism to 2030 has been officially endorsed under Decree No. 302/PM, issued on 1 November 2023. Efforts to strengthen the one-door service have included training programmes for 12 target provinces. The one-door service at the district level has been successfully implemented as planned, achieving 14 centres, exceeding the target of 9 centres. As of now, the total number of one-door service centres has reached 75 centres – 14 at the provincial level and 61 at the district level, surpassing the target by 17 centres (Target: 58 centres).

- The management mechanism for domestic and foreign investments has been improved for greater consistency through the elimination of investment management committees at both central and local levels, in accordance with Decree No. 02/PMO and Decree No. 03/PMO. These reforms aim to enhance and strengthen investment mechanisms across all sectors, fostering a more efficient and streamlined investment environment.

6.3 Ensure Political Stability, Peace and Order, Unity, Democracy, Justice and Civilisation within the Society

Efforts have been made to systematically enhance legal frameworks, ensuring a comprehensive and well-structured governance system. Key achievements include the development and revision of 50 laws, comprising 16 newly developed laws and 34 revised laws, with 17 key laws linked to the two national agendas – 11 of which focus on economic and financial

challenges, particularly under Directive No. 18/PMO. The government has also studied and proposed multiple national strategies, including the 10-Year Mineral Development Strategy (2021-2025) and Vision 2035, the National Water and Water Resource Management Strategy 2030, the 10-Year Digital Economy Development Strategy (2021-2030), and the 20-Year Vision on National Digital Economic Development. Additionally, the master plan for the digitalised economy has been completed, accompanied by strategic development research to support the 9th Five-Year National Socio-Economic Development Plan (2021-2025).

Efforts have also been made to revise and enhance the legal framework governing the enforcement of court rulings, ensuring efficiency and institutional alignment. Key achievements included the revised legislation on judicial procedures (2021) and the issuance of a new agreement on the structure and operational mechanisms of enforcement agencies. The establishment of enforcement units in Vientiane Capital, 4 provinces and 11 districts has been carried out under a pilot government programme, improving judicial processes. Over the past five years, the justice sector has achieved significant progress, with 64,013 court rulings issued, 54,411 cases implemented (Target: 85%), and 7,464 cases resolved and closed, representing 13.71% (Target: 20%).

7. *The Implementation of the Criteria for Graduation from Least Developed Countries (LDC) Status*

+ **LDC triennial review in 2021:** According to the second triennial review in 2021 by the Committee for Development Policy (CDP) – following the first review in 2018, where Lao PDR met two out of the three criteria for LDC graduation – the country successfully fulfilled all three conditions required to graduate from Least Developed Country (LDC) status.

1) Gross National Income (GNI) per capita: GNI is an indicator of quality of life and economic conditions, reflecting positive progress in Lao PDR. In 2021, GNI per capita reached USD 2,479, surpassing the target of USD 1,222 and exceeding the 2018 assessment of USD 1,996.

2) Human Asset Index (HAI): The capacity to develop human capital, measured through indicators such as nutrition, birth rates, mortality rate, literacy and secondary school enrolment, experienced a slight decrease in 2021, dropping from 72.8 in 2018 to 72.7. However, despite this minor decline, it still exceeded the five-year target of 66.

3) Economic Vulnerability Index (EVI): The Economic Vulnerability Index (EVI) reflects a country's susceptibility to external shocks and its ability to manage them. In 2018, Lao PDR did not meet the EVI criteria due to uncontrollable factors, including geographical constraints, export stability challenges and dependence on the agricultural sector. However, by 2021, key economic vulnerabilities had significantly improved, particularly in infrastructure connectivity with trade partners, supportive economic policies, export stability and enhanced agricultural sector efficiency and resilience. As a result, Lao PDR's EVI score improved from 33.7 in 2018 to 27 in 2021, surpassing the target of 32.

+ **Third triennial review preparation in 2024:** Lao PDR continues to meet all three criteria for graduation from Least Developed Country (LDC) status, based on sustained progress in development indicators. In 2024, the country achieved a Gross National Income (GNI) per capita of USD 2,503, surpassing the graduation threshold of USD 1,306; A Human Assets Index (HAI) of 74.8, exceeding the required minimum of 66; And an Economic Vulnerability Index (EVI) of 29.8, which is below the threshold of 32. These figures confirm that Lao PDR maintains eligibility

for LDC graduation, despite economic challenges that have affected per capita income and social development.

+ **Smooth Transition Strategy (STS):** Efforts were made to develop the Smooth Transition Strategy (STS) by the end of 2021 to ensure that Laos transitions smoothly from the LDC status. Currently, the STS has been finalised and endorsed by the government.

8. *Sustainable Development Goals (SDGs)*

The Sustainable Development Goals (SDGs) remain a key priority for Lao PDR in advancing international development objectives. Since their adoption, Lao PDR has integrated these commitments into the 8th Five-Year Plan (2016-2020) and the 9th Five-Year Plan (2021-2025), incorporating 46 SDG indicators within the 9th Plan's monitoring and evaluation framework. With support from development partners, resources have been allocated to priority sectors, particularly public health sectors, and development targets at high risk of not being met.

Lao PDR completed its second Voluntary National Review (VNR) in 2021 to report SDG implementation progress to the United Nations while evaluating advancements and challenges in SDG implementation at the national level. Several initiatives faced challenges from central to local levels, particularly due to Covid-19 disruptions, which delayed key development activities. According to the UN, Lao PDR ranked 111th out of 163 countries, scoring 63.4/100 in 2022. Three SDG priorities showing positive trends, including **SDG 6:** Clean Water and Sanitation, **SDG 8:** Decent Work and Economic Growth and **SDG 12:** Responsible Consumption and Production. Other notable progresses include: **SDG 3:** Good Health and Well-Being – Improvements in public health services, maternal and child health (MCH), and nutrition, with a declining maternal mortality rate – one of the fastest reductions in ASEAN; **SDG 4:** Quality Education – advancements across all educational levels, including early childhood education (ECE), general education and teacher development, alongside improvement in indicators related to education systems in Laos. Some of the 34 indicators were met, including a primary school completion rate of 93.1%; **SDG 5:** Gender Equality – Implementation of the national action plan on gender equality, maternal and child welfare, and the elimination of violence against women and children showed significant progress; **SDG 7:** Affordable and Clean Energy – Major improvements included the expansion of electricity grid networks to remote areas, reaching 95.23% household access in 2022. However, some SDGs face implementation delays and declining performance, including **SDG 15:** Life on Land. Other challenges include **SDG 1:** No Poverty – Concerns are mainly about poverty rates and the expansion of social security coverage; **SDG 2:** Zero Hunger – Food security and nutrition are key challenges, with underweight and stunted children failing to meet the targets; **SDG 4:** Quality Education – School dropout and discontinuation rates are below targets; **SDG 18:** Unexploded Ordnance (UXO) Clearance – Limited financial resources and decreasing international assistance continue to constrain progress. Currently, Lao PDR is preparing the Mid-Term Review on SDG implementation through 2030, along with its third Voluntary National Review (VNR) report, set for 2024.

3. Overall Evaluation of the 9th National Socio-Economic Development Plan (2021 - 2025) Implementation

Over the past five years, Lao PDR has navigated both opportunities and challenges amid global and regional uncertainties. Through persistent effort and collective determination, adhering to democratic values, all sectors and levels of government have effectively implemented the 9th Five-Year Plan.

3.1 Outstanding Achievements

1) Laos remains politically stable, maintaining peace and social order. Public unity and national solidarity have strengthened, fostering cooperation and mutual support among all ethnic communities under the Party's leadership and guidance, with central coordination through the Political Party and the Party Secretariat.

2) The industrial and service sectors continue to develop and expand, particularly in agricultural crop production and livestock farming, supporting both food security and export growth. This has contributed to economic recovery, with steady improvements across key industries. Additionally, revenue collection, expenditure management and currency stability are gradually improving, reinforcing overall economic resilience and helping the national economy avoid a crisis.

3) Key infrastructure projects supporting production, business and regional and international connectivity have been developed and enhanced with participation from all economic sectors. Notable achievements include the completion of the Lao - China Railway, the Vientiane - Vangvieng Expressway, dry ports and logistics system, and the construction of essential national roads.

4) Despite funding and budget limitations, all socio-economic sectors contribute significantly to the progress in social and cultural priorities, achieving significant advancements in various areas. Under Decree No. 348/PMO, efforts have been directed towards rural development and poverty alleviation, adapted to local conditions and available financial resources, which result in significant progress across regions.

5) Legal frameworks have been reviewed and developed, serving as essential tools for strengthening democratic governance. Institutional restructuring has been enhanced and actively transformed; Investment and economic activities across all sectors, guided by rule-of-law principles, have seen steady improvements.

6) International cooperation continues to advance in alignment with the 11th Party Congress's Resolutions, utilising flexible cooperation approaches to ensure adaptability amid evolving global and regional dynamics, and safeguard national interests under all conditions.

3.2 Key Success Factors

1) Throughout the implementation of the plan, the Party Central Committee and the Party Central Secretariat, led by General Secretary and President, His Excellency Thongloun Sisoulith, have closely provided leadership and guidance in a systematic, strict and consistent manner, overseeing the National Assembly, provincial assemblies and the Vientiane Capital People's Assembly.

2) The central government administration and local governance continue to undergo structural improvements to drive comprehensive and systematic transformations. The active participation of Party committees and members, diverse ethnic communities and socio-economic sectors has played a vital role in safeguarding and advancing national development to ensure inclusive and sustainable development progress.

3) The 9th Five-Year National Socio-Economic Development Plan continues to be systematically monitored and actively promoted by the National Assembly and Provincial People's Assemblies to ensure broad participation from all sectors of society in its implementation.

4) Lao PDR maintains strong collaboration with allied nations, international organisations and development partners through bilateral and multilateral partnerships, ensuring cooperation in both normal conditions and crisis situations – particularly during the Covid-19 pandemic and natural disasters. Additionally, consistent strategic support from allied nations continues to reflect long-term diplomatic solidarity and genuine cooperation.

3.3 Shortcomings, Difficulties and Challenges

1) Despite GDP growth, the economy continues to face structural challenges in ensuring long-term stability. Efforts to address financial and economic constraints are ongoing, yet progress in key areas remains slow, particularly in revenue expansion and collection mechanisms, which have yet to fully align with actual potential. Improvements in budget management include reducing annual government official quotas, but public spending remains high compared to other ASEAN countries. Inflation, exchange rates and the cost of living remain volatile, posing risks to key development targets, especially the achievement of the 9th Five-Year Plan, LDC graduation and SDG achievement. Furthermore, the management of some private investment projects lacks effective implementation, failing to align with economic-technical feasibility studies – resulting in environmental impacts and creating challenges for people’s wellbeing. Some public investment projects have yet to fully comply with laws and regulations, including the implementation of Article 19 of the Public Investment Law. Additionally, public investment in the social sector continues to fall short of expectations, while responses to audit findings remain insufficient, further limiting overall effectiveness.

2) Efforts to strengthen domestic commercial production and services as import substitutes are ongoing but have yet to be fully consolidated. Exports remain dominated by raw materials and are generally low in quality, impacting market competitiveness and falling short of export commitments with neighbouring countries. The development of micro, small and medium enterprises (MSMEs) remain weak, limiting their ability to compete with foreign companies. State-owned enterprises (SOEs) in Lao PDR remain weak, with business operations still lacking efficiency and profitability. Many continue to operate at a loss and accumulate debt, which places a financial burden on the government. Additionally, informal border trade remains widespread, complicating public revenue collection and foreign exchange management, posing further economic challenges.

3) The management and utilisation of natural resources have encountered challenges due to uncoordinated and unscientific extraction practices, resulting in low efficiency and limited revenue generation. Environmental and social impacts from various projects differ across sectors, further complicating sustainable resource management. Meanwhile, public administration remains ineffective, struggling to enforce legal compliance and uphold the three key governance principles: Accountability, transparency and professionalism.

4) Despite ongoing efforts to advance socio-economic development and poverty alleviation, several indicators still fall short of both quantitative and qualitative targets approved by the National Assembly. Areas such as education, public health, labour and social welfare, rural development and poverty alleviation continue to face challenges, requiring further strategic improvements to achieve long-term development goals.

5) Public administrative mechanisms have seen enhancements, particularly in policy coordination between the government and the National Assembly’s Standing Committees. However, implementation efforts continue to face constraints due to evolving conditions and

structural challenges. Some legal provisions no longer align with current realities, while certain stipulations contain contradictions, creating challenges in legal interpretation and enforcement. Tax exemptions for certain projects have affected public revenue collection, while modernisation efforts remain slow, limiting effective responses to emerging administrative demands. Decentralisation under the Three Build Directive has encountered challenges, especially in monitoring and reporting frameworks across sectors and local authorities, necessitating timely adjustments to improve efficiency. Meanwhile, public sector staffing continues to face misalignment with specialised skill requirements, highlighting the need for targeted workforce planning and capacity development.

6) Efforts to address social negative phenomena, especially related to substance abuse, remain ongoing, yet challenges persist, including drug addiction, theft, illicit trade and other disruptive activities, which vary in severity across different localities. These issues continue to strain society and impact people's living conditions, requiring coordinated interventions and strengthened enforcement to mitigate their effects.

7) Despite ongoing efforts to strengthen international cooperation, challenges persist in fully implementing agreed commitments with international and regional partners. Several agreements face delays, with uncertainties in execution and long-term adherence, hindering progress in diplomatic and economic partnerships. Addressing these issues requires enhanced coordination, policy alignment and sustained engagement to ensure effective implementation and lasting collaboration.

3.4 Causes of Shortcomings

1) The leadership and guidance in translating the 9th Five-Year Plan – closely linked to the implementation of the Resolution of the 11th Party Congress and the two national agendas – have not been executed proactively, systematically or effectively. As a result, awareness and comprehension among government personnel, military forces and the people remain limited, affecting policy alignment and national development objectives. This includes challenges in addressing financial and economic issues, as well as efforts to combat drug-related problems.

2) While previously enacted laws and regulations have addressed many administrative needs, certain provisions no longer fully align with evolving realities, requiring reassessment and adaptation. Additionally, some existing laws and regulations, though aligned, require strict enforcement across institutions, particularly in natural resource utilisation. Weak oversight, including planning, financial control and regulatory compliance, continues to hinder effective governance, underscoring the need for stronger enforcement mechanisms and accountability frameworks.

3) Coordination between sectors and between national and local administrations remains inconsistent in certain areas, with overlapping mechanisms and multi-tiered bureaucratic structures creating operational challenges. These inefficiencies complicate the implementation of resolutions and development plans, causing misalignment between Party directives and administrative bodies at all levels. Additionally, some decisions lack cohesion, further reducing the overall effectiveness of governance and policy execution.

4) The lack of accurate data in monitoring the implementation of socio-economic development plans – particularly regarding land use information – has led to complications and delays in execution. These challenges have also hindered efforts to attract both domestic and foreign investment, as uncertainty in land data affects planning, resource allocation and investor

confidence. Additionally, modernisation across all sectors and levels has yet to be fully integrated and operational, limiting overall economic development and efficiency.

5) Budget allocations – which are essential for supporting the execution of governmental responsibilities and duties across all administrative levels – continue to be insufficient in meeting actual operational demands. This shortfall affects policy execution, public service delivery and infrastructure development.

6) The national production base remains underdeveloped, further strained by years of accumulated financial and economic difficulties and a fragile economic foundation. Additionally, the impact of the Covid-19 pandemic, ongoing economic fluctuations and regional and global political dynamics have introduced additional pressures, complicating efforts to advance socio-economic development and improve people’s wellbeing.

3.5 Lessons Learnt

1) Ensuring political stability and social order – closely linked to macroeconomic sustainability – requires the reinforcement of national unity among diverse ethnic groups under the Party leadership. This serves as a fundamental condition, essential for the implementation of the national socio-economic development plans over each cycle.

2) Ensuring accurate and clear statistical data for socio-economic development, aligned with national potential, is essential for informed policymaking and strategic planning. Strengthening intergovernmental coordination and fostering robust production networks are also critical efforts in achieving continuous growth, stability and sustainable socio-economic progress.

3) Advancing human resource development by fostering knowledge, capabilities and revolutionary virtues serves as a key pillar in ensuring the successful implementation of the socio-economic development plans over each cycle.

4) Ensuring the timely and rigorous formulation and refinement of laws and regulations, aligned with evolving development needs, is fundamental to effective administration and governance. This process requires integrated sectoral coordination to foster coherent internal collaboration and efficient external engagement, including public administrative management with strict and transparent legal compliance. Following the direction of “practicality and breakthrough” reforms, the government must prioritise justice and efficiency in administrative operations to ensure that policies remain responsive, adaptable and enforceable in addressing national and socio-economic priorities.

5) Ensuring coherence between national socio-economic development plans and strategic frameworks – including SDGs and the Vision 2030 – is a core principle of sustained progress. This requires integrating long-term strategies with urgent interventions, applying systematic and comprehensive measures with structured follow-up, evaluation and reporting on each indicator and key sector targets. A regular and timely reporting system serves as an essential measure for achieving efficient implementation, ensuring accountability, adaptability and continuous improvement in policy execution. Strengthening coordination, data-driven decision-making and proactive governance will further enhance development outcomes.

**PART 2: 10TH FIVE-YEAR
NATIONAL SOCIO-ECONOMIC
DEVELOPMENT PLAN (2026 -
2030)**

I. 10-Year Socio-Economic Development Strategy (2026 - 2035) and Vision 2055 of Lao PDR

1. The Slogan of the 10-Year Development Strategy (2026-2035) and Vision to 2055

“Mobilize Patriotic Spirit to Drive Resilient Development; Ensure Macroeconomic Stability; Build a Self-Reliant Economy; And Strive Towards Upper-Middle-Income Status by 2035 and High-Income Prosperity by 2055 to Mark 100 Years of the Lao People’s Revolutionary Party”.

2. Socio-Economic Development Vision To 2055

Advance with unity towards 2055 – marking 100 years of the Lao People's Revolutionary Party – by transforming Lao PDR into a resilient, high-income nation with sustainable prosperity; Ensure that all citizens enjoy dignified livelihoods, prosperity, civilization and well-being; Drive bold, self-reliant and inclusive economic growth with strong regional and global integration; Strengthen digital, green and circular economies, supported by a modern economic structure; Become Southeast Asia’s hub for clean energy and a premier destination for heritage, cultural, scientific and wellness tourism; Enhance agricultural competitiveness across regions, and build smart and efficient infrastructure that connects economic centres, urban zones, remote areas and local communities; Develop clean, green and distinctive cities as centres of science, technology, innovation and skilled labour, with urbanization surpassing 50%; Promote green rural development linked to sustainable, high-value agroecological systems; Protect natural ecosystems, adapt effectively to climate change and achieve net-zero emissions.

3. Socio-Economic Development Vision Towards 2035

By 2035, Lao PDR will become an upper-middle-income country. The government will safeguard macroeconomic stability and maintain essential economic balances. It will strengthen the quality, structure and capacity of public governance. Lao PDR will transform its economic growth model by harnessing science, technology, digitalization, green innovation and skilled human resources. It will elevate its self-reliant economic foundation and enhance connectivity with regional and global markets. The nation will mobilize patriotic spirit and development drive to build a democratic, civil and prosperous society. It will improve the material and spiritual well-being of its people. Lao PDR will manage and utilize natural resources efficiently and sustainably, while protecting ecosystems and adapting effectively to climate change. It will uphold political and social stability and raise its international credibility and standing.

4. Socio-Economic Development Outlook Towards 2035

- 1) Lao PDR will accelerate institutional and regulatory reform by building a modern, integrated socialist-oriented market economy that aligns with international norms and connects to global markets. The government will continue to develop and strengthen a unified, transparent and efficient legal framework that meets international standards. The government will place the rule of law and the public interest at the centre to enable fast, green and sustainable development. The government will strengthen law enforcement capacity, and establish clear mechanisms and policies to promote socio-economic development. The government will improve the effectiveness of public governance to promote development, maximise national benefits, and balance the interests of the state, enterprises and communities throughout the development process.

- 2) Lao PDR will accelerate dynamic and sustainable socio-economic development by reinforcing macroeconomic stability and restructuring the economy towards quality-driven growth. The government will adopt new, efficient growth models that leverage science, technology, innovation, digital transformation and green development. It will strengthen a self-reliant economic foundation while proactively deepening regional and global integration. To ensure financial resilience, Lao PDR will enhance its capacity to adapt and fortify its economic base with emphasis on the development of high-potential sectors, including energy, mining and mineral processing, agriculture and agro-processing, tourism, logistics, supporting industries and value-added manufacturing that Lao PDR has the potential. It will build national production capacity and raise the competitiveness of domestic enterprises to drive inclusive and sustained growth.
- 3) Lao PDR will elevate cultural values and human resources as core drivers of socio-economic development. The government will invest in human development as a foundation for long-term sustainability. It will foster patriotism, self-reliance and a spirit of innovation among citizens and enterprises to build national prosperity. Lao PDR will develop a skilled and capable workforce and create enabling conditions for individuals to fully realize their potential and contribute to national development. It will build a democratic, civil and happy society, continuously improving the material and spiritual well-being of its people.
- 4) Lao PDR will promote socio-economic development that is closely aligned with environmental protection, disaster risk reduction and climate adaptation. The government will manage, extract and utilize natural resources efficiently – especially forest and mineral resources – while ensuring ecological sustainability. It will safeguard food security and water resource stability, conserve biodiversity and enhance ecosystem quality.
- 5) Lao PDR will pursue balanced, strategic regional development by strengthening productive economic corridors and transforming high-potential zones into dynamic growth hubs that drive nationwide spread of prosperity. The government will accelerate development of lagging, remote and disadvantaged areas to reduce spatial disparities between cities and rural communities. It will deepen connectivity across regions to create enabling conditions for localized production capacity and maximise each region's comparative advantages. The government will promote coordinated partnerships with provincial authorities and international partners to mobilize investment, infrastructure, skills and value-chain linkages so that all regions develop simultaneously and inclusively.

5. Key Development Targets Towards 2035

- Achieve average annual GDP growth of 5-6% during 2026-2030 and 6-7% during 2031-2035;
- Maintain fiscal revenue at no less than 21-22% of GDP during 2026-2030 and at no less than 23-24% of GDP during 2031-2035;
- Maintain the fiscal deficit at approximately 1-2% of GDP during 2026-2030 and not exceeding 3% of GDP during 2031-2035;
- Reduce the inflation rate to 5-6% by 2030 and further to 4-5% by 2035;
- Reduce public debt to approximately 65% of GDP and further to 50-60% of GDP by 2035;
- Increase total investment to 25-27% of GDP by 2030 and exceed 30% of GDP by 2035.

II. The Critical Role of the 10th 5-Year National Socio-Economic Development Plan (2026 - 2030)

The 10th Five-Year National Socio-Economic Development Plan (2026-2030) serves as the final five-year plan in the realisation of the government's Vision 2030, playing a pivotal role in shaping Laos' future development trajectory. This plan is instrumental in driving a transformative shift to elevate Laos to an upper-middle-income country, guided by the principles of a knowledge-based, green and sustainable economy. By 2030, the average national income per capita is projected to increase more than fourfold compared to 2015, driven by the strengthening of core industrial sectors and the development of robust, modern infrastructure to support socio-economic advancement. The Plan aims to implement a structured and systematic socialist market economy to promote efficiency and stability. Additionally, the 10th Plan prioritises social harmony, justice, democracy and civil rights to promote unity among ethnic groups while addressing development disparities between urban and rural areas and different social groups. Focused efforts will be directed towards enhancing living standards, strengthening human resource development and improving access to quality services. Advancements in science, technology and innovation will be pursued to align with international standards. To reinforce governance, the Plan emphasises citizen rights protection through a strengthened rule of law framework, under the Three Build Directive. Environmental sustainability remains a priority to ensure responsible resource management and effective environmental protection measures. Furthermore, the 10th Plan aims to enhance democratic governance, expand and deepen economic connectivity, and integrate Laos into regional and global markets to ensure that the country remains competitive and adaptable. It continues efforts to build a resilient and self-sufficient economy, focusing on national identity, intellectual growth, workforce development and enhanced competitiveness – key elements in realising Laos' development potential and contributing to sustainable development. Finally, the 10th Plan serves as a strategic roadmap for Laos to graduate from the least-developed country status by ensuring high-quality, stable and sustainable economic growth. It also acts as a direct implementation of the 12th Party Congress's Resolution, the 10-Year Socio-Economic Development Strategy (2026-2035) and the Vision Towards 2055 to graduate from Least Developed Country (LDC) status and promote high-quality, inclusive and resilient economic growth, guided by principles of green and sustainable development.

III. Building a Self-Sufficient Economy in the New Era

Lao PDR has pursued a development policy centred on building an independent, self-sufficient, self-reliant and self-strengthening economy since the adoption of a state-managed market economy. By capitalising on available opportunities and harnessing collective economic strength, Laos seeks to drive transformative progress in socio-economic development, underpinned by strong national ownership and a high sense of responsibility. The goal is to ensure stable and continuous economic growth by reinforcing production and service sectors, while guaranteeing sustainable development. However, past implementation assessments indicate that economic independence remains limited when measured against Laos' unique strengths, capabilities, available resources and development potential. The country remains heavily dependent on loans, grants and natural resource extraction, with exports largely limited to raw materials due to insufficient value-added processing and inadequate resource management. Furthermore, limited alignment with green growth principles continues to contribute to persistent deficits across key areas, including trade, energy, the national budget, foreign reserves and the labour market. Additionally, domestic production and consumption remain weak, with a

preference for imported goods, even among government officials and party members. This has hindered industrial growth and economic resilience, making Laos vulnerable to internal and external economic shocks, which leads to debt burdens, inflation, exchange rate fluctuations and rising costs of goods and living expenses, all of which negatively impact development and citizens' livelihoods. The root causes of these challenges include weak macroeconomic management, lack of strict fiscal discipline, ineffective governance and weak rule-of-law practices, insufficiently focused development efforts and slow industrial and service sector growth. Laos has yet to fully utilise existing opportunities and favourable conditions for economic advancement. To address these issues, policy adjustments and enhanced economic management are crucial. Strengthening economic governance, accelerating recovery and enhancing development capacity are imperative for ensuring long-term stability and resilience. In response, the Central Party Committee issued Resolution No. 04/GMSP on 11 April 2024, outlining a new phase of economic independence aimed at establishing fundamental conditions to resolve financial and economic challenges in both the short and long term. This resolution emphasises the importance and necessity of building a self-sufficient and independent economy in the new era to ensure stronger national development, economic stability and sustainable development. Key focuses include:

1. Focus on building an independent and self-sufficient economy by first enhancing national consciousness, strengthening intellectual capacity and harnessing collective strengths to increase national competitiveness. This will unlock development potential across human resources, natural assets, geographical advantages and cultural and social uniqueness through scientific and strategic planning to ensure efficiency and effectiveness; Optimise development potential to achieve the best possible outcomes in fulfilling the goals of sustainable development, public well-being, political stability and national security, while fostering social order and long-term resilience.
2. Build an independent and self-sufficient economy through a bottom-up approach, beginning small and scaling up, driven by creativity, awareness and deep understanding across all sectors of society. This process fosters self-reliance in development, enabling Laos to unlock and utilise its hidden potential in human resources, natural assets, geographical advantages and socio-cultural strengths; Implement strategic planning to enhance resource management efficiency and ensure that limited natural resources are transformed into valuable assets through responsible and effective utilisation; Strengthen economic ownership among Lao citizens to promote structured wealth creation and foster long-term prosperity; Leverage science, technology and innovation to improve production efficiency, value-added product development and service quality, driving sustainable economic growth. Society must also embrace financial discipline, resource optimisation and continuous value creation to ensure stable and long-term economic expansion; Encourage domestic production and market exploration to generate sustainable revenue, align economic activities with available resources and ensure cost-effective spending that maximises productive outcomes.
3. Build an independent and self-sufficient economy while ensuring regional and global integration to strengthen production and service sector foundations, enhancing diversity and resilience. This includes maintaining a sufficient supply of essential goods and services to meet domestic demand, reducing external reliance and advancing towards export-oriented production that aligns with regional and global supply chains; Create higher value-added exports by enhancing the processing and refinement of national resources that serve

as the country's comparative advantage through utilising modern techniques, technology and innovation to boost competitiveness; Strengthen financial and monetary systems to ensure economic stability and facilitate seamless integration with regional and global markets; Develop sustainable revenue sources through efficient resource utilisation and robust legal frameworks to support long-term economic growth; Enforce strict budget planning and disciplined spending to maximise efficiency and effectiveness to ensure high-quality and sustainable development in line with green growth principles.

IV. Enabling Environment Assessment and Key Challenges

1. Opportunities and Challenges in Local, Regional and Global Contexts

The global context of relative peace, cooperative development and environmental protection remains broadly favourable, but Lao PDR faces a growing set of new challenges. Major countries and central powers continue to adapt competitive strategies that mix cooperation and rivalry, increasing the intensity of geopolitical competition. The globalization and deeper economic linkages is progressing, yet vulnerabilities persist including geopolitical tensions, trade conflicts, disruptions to production and global supply chains, and regional and international economic-financial instability. Structural shifts such as population ageing, climate change and extreme weather, and rapid technological advances add further pressure. These foundational conditions will present both opportunities and significant risks to Lao PDR's development trajectory in the coming period.

2. Development Potentials

Laos possesses abundant and diverse natural resources, including land, forests, minerals and water sources, forming a strong foundation for development. Compared to neighbouring countries, these natural advantages create opportunities for Laos to expand eco-tourism, advance the energy sector – including hydropower, wind and solar energy – and generate revenue from mineral resource development, which Laos can accumulate to support socio-economic growth, drive industrialisation and accelerate the modernisation of the country.

Laos boasts a rich history and diverse cultural heritage, with distinct traditions and customs unique to each ethnic group and region. This cultural wealth serves as a strong foundation for historical and cultural tourism to attract visitors from around the world. The warm hospitality, humility and generosity of the Lao people further enhance the country's appeal, making it a welcoming destination for international tourists and fostering regional cooperation in various areas within the Mekong subregion.

Laos holds a strategic geographic position at the heart of the Mekong subregion, sharing borders with economically advanced neighbouring countries, particularly China and ASEAN nations. This location provides access to high-purchasing-power regional markets and facilitates economic connectivity. Infrastructure development, including the Lao-China railway, national highways, dry ports and transportation networks, has strengthened logistics, tourism and trade sectors, enabling greater expansion. These advancements enhance production and export capabilities of businesses that participate in regional supply chains.

Therefore, based on these strategic advantages and untapped potential, key priority economic sectors and supporting industries have been identified as follows:

Priority potential economic sectors refer to the strategic transformation of Laos' key strengths and untapped potential into sectors with competitive advantages across various

industries. These sectors serve as leading drivers of national economic growth, ensuring stability, sustainability and long-term resilience. These industries, if developed, can generate significant income for the country, create widespread employment opportunities, foster broad social development and facilitate structural economic transformation towards high-quality and robust growth.

1) The electricity sector is one of Laos' key strategic sectors, given its abundant natural resources, including water sources, solar energy and wind power potential, which enable the country to produce electricity from various sources for both domestic consumption and export. Over the years, the government has partnered with foreign investors and attracted a significant amount of foreign direct investment into the electricity sector, leading to the establishment of numerous power projects. Currently, Laos has 90 electricity generation facilities with an installed capacity of 1 MW or more, including 77 hydropower plants, with significant potential for further expansion. With effective management and reforms, the electricity sector can generate substantial financial returns, as many foreign-invested energy projects are approaching the profit-sharing phase. Additionally, the electricity sector plays a crucial role in supporting economic growth, supplying power to industrial production, which is expected to expand further in the future.

2) The agriculture and agro-processing sectors are a key economic pillar and a foundation for socio-economic development, particularly in income generation and poverty reduction for ethnic communities reliant on agricultural production. Laos benefits from fertile land and a favourable climate conditions and geographical location, making it well-suited for agriculture and forestry sector development. Additionally, regional demand for high-value agricultural products, such as food crops and livestock, continues to grow, especially in neighbouring markets like China. This has led to increased investment, particularly in large-scale farming operations. Promoting this sector also strengthens food security, a government priority that has received significant investment in recent years. Furthermore, expanding agricultural production will drive domestic small and medium-sized enterprises (SMEs) with potential to participate in agro-processing regional supply chains, particularly in organic and specialised markets, creating higher revenue opportunities. Therefore, it is essential to ensure an adequate supply of diverse animal breeding stock and crop seedlings to support the sector's development.

3) The mining and mineral processing sectors have the potential to be leading sectors for short-term revenue generation, offering rapid financial relief. In the near term, they could help mitigate economic and financial challenges, particularly in debt repayments and reducing import dependency by developing domestic mineral processing capabilities to support industrialisation and modernisation. However, this sector is not a long-term priority and key economic driver, as it does not provide sustainable employment opportunities or stable revenue sources. Nonetheless, it remains a critical supporting industry by enabling domestic mineral processing to replace imports and expand exports in the future. To ensure effective mineral exploration, detailed geological data, project boundaries, mineral reserves and strong management mechanisms are essential. Additionally, skilled personnel, infrastructure and monitoring tools must be in place to oversee mining operations, sales and revenue collection systematically. Mining projects must also adhere to environmental, natural and social safeguards to ensure responsible resource utilisation. Furthermore, semi-finished and fully processed minerals shall be encouraged to increase value-added production and maximise revenue potential.

4) The tourism sector is a high-potential industry that can stimulate domestic production, serve as both an export-oriented and local revenue-generating sector, and distribute

economic benefits across society. Laos' strategic geographic location, regional connectivity, rich natural resources, historical sites and cultural heritage provide a strong foundation for tourism development. Additionally, tourism plays a key role in driving economic growth, supporting agriculture, handicrafts, transportation, finance and other service sectors, while creating diverse employment opportunities. Overall, Laos has strong potential to develop a specialised tourism industry that maximises revenue, leveraging its pristine natural environment, favourable climate, high-quality cuisine and connections to renowned tourist destinations within the regional market.

5) Industry and processing zones as local production bases (Linked to resource potentials, and geographic and connectivity advantages) play a crucial role in supporting regional production by leveraging natural resources, strategic location and connectivity infrastructure. The development of high-speed railways, expressways and other transport networks strengthens Laos' position as a regional processing hub to develop the country's production bases by attracting industrial production businesses that are focused on manufacturing components, equipment and high-value industrial goods from neighbouring countries to Laos. Investment is being directed towards industrial parks, special economic zones, border trade areas and modern urban centres to promote growth in mineral processing, potassium refining, electrical cable production and other industries where Laos has competitive advantages. If effectively developed, this sector can drive value-added production, support economic transformation and create stable employment opportunities. Additionally, this will strengthen the engagement and competitiveness of small and medium-sized enterprises (SMEs), enabling them to expand and evolve into leading industries in the future.

6) The transportation and logistics sectors (Linked to Laos' potentials to connect and integrate with regional and global markets) play a critical role in transforming the country from a landlocked country to a land-linked country that serves as a regional and global connectivity hub. Significant infrastructure development, including railways and expressways, has strengthened economic corridors, facilitating access to regional markets for goods and services. Since commencing operations in September 2023, the Lao–China railway has experienced a significant expansion in the services it provides. It has facilitated over 3,269,000 passenger trips, averaging 4,902 daily, including 66,359 cross-border journeys. Freight operations have also grown steadily, with a total of 5,530,000 tonnes of cargo transported, averaging 8,165 tonnes/day. Key exports included iron ore, rubber, cassava starch and chemical fertilisers. Additionally, dry ports have been established in major border provinces, such as Vientiane, Khammouane, Savannakhet and Champasak, with plans for further expansion. These developments are boosting national revenue, enhancing logistics services and attracting tourists, particularly in northern Laos.

7) The technology and digital sectors are a critical driver of global economic transformation to Industry 4.0 and high-value economic growth. This sector is becoming an essential enabler for the expansion of leading priority industries, while also generating revenue for the national economy and the government. Although Laos is still in the early stages of digital development, the government is actively promoting and expanding the sector, focusing on start-ups, e-commerce, digital asset transactions (Such as cryptocurrency), mobile applications and modern office systems. Looking ahead, Laos aims to strengthen digital infrastructure to support key industries, including clean agriculture, tourism, transportation and logistics, and renewable energy. This will be achieved through advanced applications and big data utilisation to ensure broad adoption and high-impact results.

V. Overall Directions, Outcomes and Outputs of the 10th Five-Year National Socio-Economic Development Plan (2026 - 2030)

Drawing on evolving domestic and global conditions, persistent development challenges and structural constraints, and building on the national vision to 2030, the 10-Year Socio-Economic Development Strategy (2026–2035) and the long-term Vision to 2055, the 10th Plan (2026-2030) must accelerate structural transformation to establish a resilient production and service base, ensure macroeconomic stability and strengthen human capital in both scale and quality. These efforts must be closely aligned with improving people’s well-being, fostering an inclusive and liveable society with robust social protection systems, and strategically mobilizing opportunities across regions and sectors. Enhancing resilience to climate change, disaster risks and emerging vulnerabilities is essential. Continued governance reform is also required to improve efficiency and responsiveness through targeted improvements in policy, legislation and institutional frameworks – ensuring that socio-economic development delivers tangible and sustained results.

The 10th Five-Year National Socio-Economic Development Plan (2026-2030) is positioned as a continuation of four strategic breakthroughs, which must be deepened, strengthened and translated into tangible outcomes. These include: 1) Breakthrough in mindset and vision; 2) Breakthrough in human resource development; 3) Breakthrough in institutional mechanisms, systems and governance; 4) Breakthrough in poverty reduction through mobilization of diverse funding sources and targeted policy incentives. The plan aims to build a focused socio-economic foundation and prioritize three urgent measures as follows:

- 1) Strengthen legal frameworks, institutional mechanisms and administrative procedures to enhance the efficiency of public governance. This must be closely linked to digital transformation, decentralization and the delegation of authority. It also requires creating an enabling environment for investment and business operations to ensure convenience, speed, and transparency.
- 2) Foster resolute ambition for progressive development a strong sense of patriotism and national development commitment by cultivating self-reliance, resilience, and entrepreneurial spirit by empowering citizens and businesses to thrive. These efforts must be closely linked to improving the quality of human capital and the promotion of the development of an independent economic base driven by domestic ownership, capable of meeting national development needs and integrating effectively with the global economy.
- 3) Reform resource governance across sectors to improve the efficiency of resource exploration and utilization, particularly in the mining, energy and land sectors. This includes enhancing transparency, preventing corruption and loss, and increasing fiscal revenues. These efforts are essential to build fiscal strength and accelerate inclusive and sustainable socio-economic development.

Accordingly, the 10th Five-Year National Socio-Economic Development Plan (2026-2030) sets out its strategic direction, outcomes, outputs, targets and priority activities as follows:

1. Overall Directions

- 1) Resolve macroeconomic and financial challenges through more tangible and effective measures, while avoiding excessive debt accumulation. Economic governance must be conducted in accordance with laws, regulations and market mechanisms to ensure appropriate state regulation and oversight. The economy must be strengthened through

domestic ownership, with clear competitive advantages and sustained expansion driven by high-quality growth.

- 2) Prioritize the development of human capital, equipping learners and intellectuals to meet the demands of nation-building in a rapidly changing context; Strengthen their capacity to contribute to research, scientific advancement, technology and innovation to ensure that Lao talent increasingly drives national progress and competitiveness at the global level; Promote and expand the country's unique and vibrant cultural heritage as a source of national pride and soft power.
- 3) Improve the quality of life for all citizens and advance national development in a way that enables Laos to graduate from Least Developed Country (LDC) status – through inclusive, high-quality, and sustainable growth.
- 4) Advance socio-economic development and environmental protection in a balanced and integrated manner, guided by green growth and sustainability principles.
- 5) Strengthen proactive and principled international engagement to earn greater trust, support and cooperation from global partners; Enhance Laos' visibility and leadership in regional and international forums.
- 6) Enhance the effectiveness of public governance and socio-economic management, guided by the principles of rule-of-law.
- 7) Ensure strong political stability and social harmony, foster unity and cohesion, and reinforce the foundations of political governance with greater strength and resilience.

2. Outcomes of the 10th Five-Year National Socio-Economic Development Plan (2026 - 2030)

- 1) Self-Sufficient Economy Built on Development Potentials, Ensuring Stability, Continuous Expansion, High Quality and Sustainable Growth.
- 2) High-Quality Human Capital Equipped to Leverage New Technology for Development
- 3) Improved People's Well-Being with Balanced Urban and Rural Development to Drive Gradual Poverty Eradication.
- 4) Natural Resources and the Environment Safeguarded to Enhance Resilience Against Climate Change and Natural Disasters.
- 5) Regional and Global Integration and Connectivity Expanded and Optimised for Effectiveness.
- 6) Public Governance and Administration Strengthened to Ensure Political Stability, Societal Order, Fairness and Civic Advancement.

3. Outputs of the 10th Five-Year National Socio-Economic Development Plan

3.1 Outcome 1: Self-Sufficient Economy Built on Development Potentials, Ensuring Stability, Continuous Expansion, High Quality and Sustainable Growth

The transformation of the national economy shall be pursued in the direction of a self-sufficient and resilient economy through the expansion and diversification of the production and service sectors. This transformation will be grounded in a firm commitment to resolving economic and financial challenges, and in fostering robust, high-quality and sustainable economic growth through national ownership and the responsible utilisation of Laos' development potential. Public finance management shall be modernised to become more transparent, equitable and efficient. This includes enhancing domestic resource mobilisation, strengthening sound fiscal governance, and

improving the effectiveness of budget allocation and public expenditure to support inclusive and forward-looking socio-economic development. Ensuring national monetary stability remains essential. State-owned enterprises (SOEs) shall be reformed to enhance operational efficiency and productivity, while efforts will continue to promote the establishment of strategic and public service-oriented SOEs.

At the same time, improving the investment climate remains a priority to stimulate domestic private investment, particularly among micro, small and medium-sized enterprises (MSMEs). Additionally, emphasis will be placed on attracting foreign direct investment (FDI) and promoting joint ventures with international partners across all socio-economic sectors, as part of broader efforts to build a resilient and inclusive national economy. Labour force capacity shall be strengthened and national competitiveness enhanced to serve as key drivers of economic growth. Furthermore, emphasis shall be placed on expanding decent employment opportunities, reducing economic vulnerabilities and building resilience against external shocks. Science, technology and innovation — including digital transformation and the application of artificial intelligence (AI) — shall be promoted across industrial and service sectors as well as public administration to improve strategic strengths, and to ensure effective and efficient performance across the economy.

- **Targets and Indicators**

- Achieve economic growth at an average annual rate of 5.5% or higher:
 - + Agriculture sector grows at an average rate of 4.6%, contributing 21.10% to GDP;
 - + Industry sector grows at an average rate of 5.2%, contributing 31.20% to GDP;
 - + Service sector grows at an average rate of 6.5%, contributing 37.3% to GDP;
 - + Taxes on Products and Import Duties (Net) grows at an average rate of 4.1%, accounting for 10.40% to GDP.
- GDP per capita increases to USD 3,055 by 2030.
- Gross National Income (GNI) per capita increases to USD 2,869 by 2030.
- Targets related to LDC graduation:
 - + Gross National Income (GNI) per capita reaches USD 1,306 by 2030 (Projected GNI per capita in 2024 = USD 2,503).
 - + Economic Vulnerability Index (EVI) stays below 32 (Evaluation result in 2024 = 29.8).

3.1.1 Output 1: Development Potentials Leveraged to Drive Sustained, Robust and High-Quality Economic Growth

- Promote, develop and expand the country's latent economic potential – at national, regional and local levels – to build high-value production and service systems rooted in green and sustainable principles. These efforts aim to meet domestic consumption needs and increase export capacity in line with the country's comparative advantages.
- Shift the growth model away from dependence on unprocessed resource extraction and foreign investment, towards building an independent economic foundation driven by domestic drivers, knowledge and value-added supply chains; Expand competitive

advantages in capital, technology and investment management to attract high-quality foreign investment.

- Restructure the national economy towards self-reliant development, anchored in agriculture, agro-processing and service sectors; Advance a knowledge-based economy and transition towards modern and digital industries to diversify production and services, increase industrial share year-on-year, and strengthen domestic trade systems; Position Laos as an integrated node in regional and global economic networks to stimulate sustained, high-quality growth and establish a stable and sustainable revenue base for the national budget.

1. Targets and Indicators

1) Targeted improvement in agricultural production and value-added agro-processing sectors

- Targets for agricultural production to support food security and nutrition:
 - + Aim to increase national paddy rice production to 4 million tonnes per year, ensuring 2.5 million tonnes per year are allocated for domestic food supply, while progressively expanding exports to reach 150,000 tonnes of milled rice to the People's Republic of China by 2030.
 - + Strengthen the cultivation of commercial crops to supply agro-processing industries, aiming for an average annual production of 2.6 million tonnes. This includes: Annual production of 200,000 tonnes of sweet corn (Cultivated on 34,450 hectares), 1.7 million tonnes of vegetables (200,000 hectares), 170,000 tonnes of cassava (18,000 hectares) and 530,000 tonnes of fruits (52,000 hectares).
 - + Supply an average of 716,430 tonnes of meat, eggs and fish annually, comprising approximately 387,200 tonnes of meat and 47,100 tonnes of eggs.
 - + Supply 291,130 tonnes of fish and aquatic animals per year, of which approximately 70% is derived from aquaculture production.
 - + Strengthen the production and supply of animal feed to meet at least 75% of domestic demand, with fish feed accounting for no less than 20% of the total; Ensure that the supply of fish larva meets 80% of domestic demand.
 - + Strengthen the breeding of high-quality brood cows to achieve a target of at least 62,500 head, and establish a minimum of one artificial insemination centre with an annual production capacity of 150,000 semen doses.
 - + Strengthen the expansion of high-quality breeding sows of 35,000 heads in order to supply 84,000 pigs per year.
 - + Strengthen the development of quality goat breeding farms to achieve 5,000 does for the annual production of 20,000 goat kids.
 - + Strengthen the raising of 30,000-layer breeders to produce chicks and reduce the import of 2.7 million pullets per year. At the same time, promote the establishment of broiler breeder farms with 10,000 parent stock to produce 1,050,000 broiler chicks per year, contributing to a domestic chicken meat supply of 100,800 tonnes per year.

- + Strengthen the aquaculture and freshwater animal farming to supply 70% of the total fish and aquatic animal production.
 - Targets for agricultural production to meet domestic consumption needs and strengthen export capacity:
 - + Target a total export value of agricultural and forestry products at USD 9.5 billion over five years, averaging USD 1.9 billion per year. This includes annual export earnings of USD 950 million from processed products, accounting for 50% of total export value, USD 1.2 billion from plant-based exports, USD 200 million from livestock and USD 500 million from natural resource-based products such as rubber, forest goods, white charcoal and carbon credit revenues from forest ecosystems.
 - + Strengthen the cultivation of commercial crops to reach 10.4 million tonnes per year, including: 207,000 tonnes of coffee; 750,000 tonnes of animal feed maize; 6.7 million tonnes of cassava; 1.6 million tonnes of sugarcane; 800,000 tonnes of bananas; 20,000 tonnes of tea leaves; 180,000 tonnes of watermelon per year; 11,600 tonnes of durian per year.
 - + Strengthen cattle farming for export to the People's Republic of China, targeting more than 250,000 head of cattle by 2030 or an average of 50,000 head per year.
 - Trade Negotiations and Export Targets:
 - + Strengthen trade technical negotiation efforts to increase the export of agricultural products such as sweet corn, honey, frozen beef and processed meat to the People's Republic of China.
 - + Strengthen trade technical negotiation efforts to increase pork exports to the Socialist Republic of Viet Nam.
 - Targets for the promotion of agricultural and forestry processing sector:
 - + Strengthen efforts to increase the export value of processed agricultural and forestry products to USD 950 million per year, equivalent to 50% of the total agricultural and forestry export value:
 - Export crop products valued at USD 360 million per year, equivalent to 30% of the total export value from the crop production sector.
 - Export livestock products valued at USD 120 million per year, equivalent to 60% of the total export value from the livestock and aquaculture sector.
 - Export forestry products valued at USD 470 million per year, equivalent to 84% of the total forestry export value, including USD 294.8 million in rubber sheets, USD 95 million in rattan and USD 22.94 million in processed wood products.
- 2) Targets for the development and promotion of processing industries and handicraft production:
- + Strengthen efforts to generate a total production value of processing industries and handicrafts amounting to LAK 148,707 billion.
 - + Promote economic activities to generate commercial turnover of LAK....billion.
 - + Establish one aluminium processing plant.

- + Establish three fertilizer production facilities.

3) Targets for the development and improvement of transport services:

- + Strengthen efforts to increase passenger transport volume to reach ... million person-trips and freight transport volume to reach ... million tonnes

4) Targets for the development and enhancement of tourism:

- + Promote domestic tourism to attract over 21 million visits within five years, with an average stay of three days, generating more than USD 5.448 billion in revenue; Attract over 22 million international tourist visits, with an average stay of ten days, generating more than USD 8.015 billion in revenue.

5) Targets for expanding electricity generation capacity:

- + Generate 327,317 million kilowatt-hours of electricity, valued at LAK 314,221 billion. Of this, 283,028 million kilowatt-hours will be exported, generating LAK 271,706 billion, while 54,968 million kilowatt-hours will be distributed domestically, generating LAK 52,769 billion.

6) Targets for the mineral extraction and processing sectors:

- + Generate LAK 216,827 billion in mineral production value, including USD 3.971 billion from domestic sales and USD 13.705 billion from exports.
- + Mobilize fiscal revenue from financial instruments totalling LAK 7.5 billion and USD 1.5 billion for the government.

2. Priority Activities

1) Energy Sector

The energy sector is vital to ensure national stability and plays an indispensable role in advancing the country's socio-economic development. Over the next five years, the sector's priority is given to address the challenges of excessive debt, inefficient management and business operations to build a secure, safe and sustainable energy sector. Energy efficiency must be embedded as a practical standard, aligning with economic growth trends. A resilient, secure and sustainable energy system must be developed, with measurable advancements in hydropower, the national power transmission grid and clean and alternative energy, all seamlessly integrated into a unified framework. This approach will ensure consistent domestic electricity supply while generating surplus for export, reducing dependency on costly imports. Additionally, efforts must be strengthened to proactively transform the sector into a modern, industrialised system to meet both national and international standards.

Hydropower remains a key driver of electricity generation, providing a clean and cost-effective energy source compared to other forms of power production. It is closely tied to infrastructure expansion, stable employment and improved people's livelihoods. The development of hydropower dams with a reservoir must be complemented by effective water resource management to ensure dam safety, reliable dry-season electricity generation and resilience against droughts and floods. Additionally, efficient water utilisation across various sectors will be prioritised to maximise its benefits. All Mekong River hydropower projects must adhere to the 1995 Mekong Agreement to ensure strict compliance with environmental and sustainability standards. The electricity sector must continue to prioritise hydropower project safety and quality,

with feasibility studies conducted as per approved plans. The development of clean and alternative energy should align with green and sustainable principles, incorporating hydropower, solar, wind, biomass, nuclear and other cost-effective sources. To maintain stable electricity generation during the dry season, at least 3 thermal power plants should be strategically established nationwide. Additionally, domestic electricity consumption must be encouraged to reduce reliance on exports.

- Efforts in the petroleum sector shall prioritise the establishment of strategic fuel reserves to ensure a stable and sufficient supply to prevent recurring shortages. A clear regulatory framework with systematic, competitive and diversified procurement mechanisms is essential to secure multiple supply sources at fair and transparent prices. Simultaneously, a reliable fuel distribution system must be developed to guarantee nationwide coverage. Additionally, fuel pricing mechanisms should be designed based on research and sound policy to ensure alignment with actual market conditions.

2) Agriculture and Agro-Processing Sectors

Priorities will be placed on modernising the agriculture and agro-processing sectors by accelerating the adoption of science, technology and environmentally sustainable innovations in farming practices. Production systems must be tailored to local soil and climate conditions to ensure the consistent supply of high-quality raw materials to support agro-processing industries. This approach will enable the availability of fresh, clean and chemical-free agricultural products for domestic consumption, tourism-related demand and export markets, while reducing dependence on imports. Efforts shall focus on the following priority areas:

(1) Agricultural Production for Domestic Consumption and Export:

Efforts will focus on promoting the cultivation of high-potential crops and livestock for both domestic consumption and export to ensure compliance with clean agriculture standards (GAP and AO). Priority will be given to commodities with established export agreements in key markets such as China, Vietnam and Thailand. Support shall be strategically directed to regions with strong comparative advantages to optimise production efficiency and market competitiveness. Details are as below:

- **Coffee:** Promote coffee cultivation in upland plateau regions, particularly in Phongsaly, Luang Prabang, Xieng Khouang and Houaphanh provinces. The majority of the harvest will be supplied to processing facilities for export, while a portion will be distributed for domestic consumption. The total cultivated area is estimated at 106,000 hectares.

- **Animal feed maize:** Encourage the cultivation of animal feed maize in Oudomxay, Luang Prabang, Houaphanh, Xayabouly and Xieng Khouang provinces to support domestic feed processing factories, while a portion will be exported to key markets such as China, Thailand and Vietnam. The total cultivated area is estimated at 157,000 hectares.

- **Cassava:** Promote cassava cultivation in Xayabouly, Vientiane, Bolikhamxay, Khammouane, Saravanh and Sekong provinces to support domestic starch processing factories, with a portion of the production exported as dried cassava. The total cultivated area is estimated at 275,000 hectares.

- **Sugarcane:** Promote sugarcane cultivation in Phongsaly, Luang Namtha, Oudomxay, Savannakhet, Khammouane and Attapeu provinces, with the majority of production supplied to sugar processing factories. The total cultivated area is estimated at 33,000 hectares.

- **Banana:** Promote banana cultivation in Bokeo, Luang Namtha, Luang Prabang, Xayabouly, Oudomxay, Vientiane, Saravanh and Sekong provinces, with the majority of production intended for export to China, while local banana varieties primarily support domestic consumption. The total cultivated area is estimated at 29,000 hectares.

- **Tea:** Promote tea cultivation in Phongsaly, Luang Prabang, Houaphanh and Luang Namtha provinces, with the majority of production intended for export, while a portion is supplied to the domestic market. The total cultivated area is estimated at 8,600 hectares.

- **Watermelon:** Promote watermelon cultivation in Luang Namtha, Oudomxay, Bokeo, Xayabouly and Vientiane provinces, with the majority of production supplied for domestic consumption, while a portion is exported to neighbouring countries. The total cultivated area is estimated at 9,600 hectares.

- Develop a master plan for agricultural export production, incorporating action plans and contract farming schemes for targeted commodities. The objective is to establish enabling conditions and a supportive environment that ensures efficient and sustainable production.

- Continue negotiations to expand market access for high-potential agricultural products, leveraging Lao PDR's comparative advantages and strong production capacity. Strategic export commodities such as coffee, natural rubber, jackfruit, sugarcane and soybeans have already been identified for targeted trade expansion.

- Conduct assessments and designate agricultural production zones for the development of market-oriented commodities, focusing on products where Lao PDR holds a comparative advantage. Priority shall be given to areas along the Lao–China railway corridor, the East–West economic corridor and border areas adjacent to high-purchasing-power countries.

- Advance the research, development and distribution of high-quality crop and livestock varieties to support farmers and agribusinesses in commercial agricultural production.

- Enhance, refine and modernise agricultural production to align with safety and quality standards, ensuring compliance with clean agriculture practices. This will secure a consistent supply of high-quality raw materials to support the agro-processing industry.

- Strengthen plant protection systems to safeguard crop production and ensure resilience against pests and diseases while streamlining trade and export processes; Strengthen sanitary and Phytosanitary (SPS) measures to help maintain global market access and compliance with international standards.

- Create enabling conditions for farmers and agribusinesses to access viable sources of financing.

(2) Agro-Processing and Forestry Sectors:

- Promote the development and expansion of agro-industrial processing facilities to meet domestic demand, reduce reliance on imports and enhance export competitiveness. Strategic priority shall be given to the development of rubber processing, modern slaughterhouses and fish processing facilities, particularly in Veunkham (Vientiane Capital) and the Sithandone Special Economic Zone in Khong District, Champasak Province; Focus on coffee and cassava processing, organic fertiliser production and animal feed manufacturing; Accelerate the establishment of a modern, centralised data management system for agro- and forestry-based processing enterprises;

Build strong linkages across the value chain – from raw material production to processing and market access. This includes the clear designation of production zones, the formation of structured production groups and cooperatives, and ensuring a consistent supply of quality inputs for industrial processing; Invest in scientific and research infrastructure, particularly in certified laboratories for plant and animal diagnostics and quarantine centres for export compliance. These measures will strengthen industrial competitiveness, improve trade facilitation and ensure alignment with regional and international processing standards.

- Enhance the development and revision of regulations governing the management of agricultural and forestry processing factories, and ensure their effective dissemination to local authorities for consistent and coordinated implementation. It is essential that local stakeholders have a clear and unified understanding of these regulations to guide their operations efficiently; Raise awareness and improve communication of relevant laws, policies and technical guidelines to ensure that businesses and entrepreneurs have timely and convenient access to accurate regulatory information.

- Strengthen coordinated engagement with relevant stakeholders to align agricultural production with processing and ensure balanced benefits for the state, farmers and entrepreneurs.

- Establish a modern data management system for agro- and forestry-based processing factories to enable the collection of statistics on operations, raw material requirements, products and outputs. The system shall support price assessments and facilitate factory coordination to ensure alignment between capacity and actual raw material supply and demand across upstream and downstream processes in a coherent manner.

- Accelerate the modernisation and enhancement of production infrastructure and techniques to reduce costs and transition to advanced systems. This includes upgrading rice mills, drying plants, seed sorting units, drying yards, cold storage, dry warehouses and factories for fertiliser production (Organic, mineral and chemical), cassava starch processing, slaughterhouses, animal feed manufacturing and other related facilities.

- Develop effective mechanisms and supply chains that integrate raw material production, processing and market access to ensure seamless coordination across all stages. This should include the clear designation of production zones and the systematic organisation of producers into commodity-specific groups or cooperatives to guarantee a consistent and reliable supply of raw materials.

- Strengthen oversight and enforcement of economic and technical guidelines in processing factories.

- Foster investment across all economic sectors to advance scientific and technological infrastructure, including plant processing facilities and standardised plant product quality testing laboratories. This initiative aims to establish a systematic framework that is aligned with regional and international standards.

- Promote the optimal utilisation of agricultural by-products by converting them into value-added outputs such as compost, organic fertilisers, biogas and renewable energy to ensure environmental sustainability.

(3) Forestry: Continue to advance forest-based carbon credit initiatives as a strategic approach to support climate change mitigation, expand income generation opportunities and improve local community livelihoods.

3) Mining Extraction and Processing Sectors:

The mining and mineral processing sector plays a vital role in generating financial resources to support national socio-economic development. Strengthening the management and collection of revenues from approved mining projects is essential to ensure economic stability and growth. Greater emphasis will be placed on enhancing domestic mineral processing to add value before export and reduce dependence on raw mineral exports. To promote sustainability, all mining and processing activities must adhere to environmentally responsible and technically compliant practices that minimise adverse effects on the environment, society and natural ecosystems. Continued support will be given to responsible mineral exploration and extraction, with new mining projects approved in alignment with targeted investment promotion to develop and expand processing facilities. Over the next five years, the government will focus on advancing the extraction and processing of minerals into high value-added products, in line with the country's broader goals of industrialisation and modernisation. Specific priority activities include:

- Promote and encourage the processing of polymetallic ores such as gold-silver alloys, pure gold and copper into refined products, in alignment with the operational framework of the Bank of the Lao PDR and in accordance with regulations issued over each cycle.
- Promote, support and upgrade mineral processing plants to enable the successful separation of polymetallic ores into individual pure elements, with full implementation to be achieved no later than 2029.
- Encourage and facilitate the establishment of a 500,000-tonne capacity steel smelting plant in Khammouane Province by 2026, with the objective of reducing the export of raw iron ore.
- Promote and support the establishment of at least one alumina production plant.
- Promote and support the establishment of three complete-cycle fertiliser production factories, one in Vientiane Capital and two in Khammouane Province. Priority will be given to studying the availability of raw materials such as nitrogen (N) and phosphate (P) and to exploring the possibility of importing these inputs from neighbouring countries. A dedicated policy framework will be developed to support the formulation and production of compound fertilisers (N, P, K) for use in the domestic agricultural sector as well as for export.
- Promote, support and upgrade existing stonnee processing and gypsum board manufacturing factories in Savannakhet Province; Encourage the utilisation of gypsum by-product (Gypsum dust) from the Hongsa Power Plant as a raw material for producing gypsum boards.
- Promote, support and upgrade the processing facilities for various other minerals.
- Allocate funding to support geological and mineral mapping surveys at scales of 1/200,000 and 1/50,000 in targeted areas, with the aim of completing baseline database for assessing mineral potential, defining reserve zones, restricted zones and other related classifications.
- Designate prohibited mining zones, mineral reserve areas and other nationally strategic locations, and classify rare and high-value minerals into categories. Appropriate protective measures shall be established for these designated areas, with a strict ban on any mining activities to preserve them for sustainable use and the benefit of future generations.

- Review and revise the valuation of mineral resources, land rental fees and concession fees for mining contracts to align with socio-economic needs in each period.

- Develop and formulate clear policies to promote and incentivise investment in the extraction and processing of mineral-based products such as potash, limestone, iron ore, bauxite, rare earth elements and other strategic minerals for domestic consumption and export. The aim is to encourage value-added production, reduce and ultimately eliminate the export of unprocessed raw minerals.

- Strengthen the overall capacity of the Lao State Enterprise for Mineral Resources Development to enable it to effectively serve as the government's representative in equity participation and the operation of mineral-related businesses. This includes the development and enhancement of legal frameworks, technical expertise, equipment, laboratories, testing and inspection facilities, and investment capital to ensure efficient and high-performing operations. Companies selected for mining concessions must be large-scale enterprises with international standards, proven experience, professional capacity and sufficient financial resources.

4) Tourism Sector

The priority under this sector will be to continue to promote and develop quality nature-based, cultural, historical and agro-tourism in line with green growth and sustainable development principles, with strong linkages to regional and international markets. The priority will also be placed on transforming Lao PDR into a safe, competitive and high-value tourism destination that contributes significantly to national income generation. Focus will be placed on priority tourism clusters and targeted geographic areas:

- Prioritise the development of tourism that reflects the unique cultural and natural heritage of the nation and local communities; Strengthen the integration of domestic tourism with neighbouring countries and subregional markets, with the objective of establishing connected corridors and shared tourism destinations.

- Develop and improve tourism-related infrastructure and facilities in terms of both quantity and quality, in line with regional and international standards. Particular focus will be placed on enhancing access roads to tourist sites, installing directional signage, establishing tourism information centres, local product display rooms, public restrooms and other relevant amenities to ensure cleanliness and safety. Coordination with relevant sectors will be strengthened to improve domestic travel convenience and support services. In addition, efforts will be made to construct and develop institutional capacity for tourism, including the establishment of a national tourism training centre in Vientiane Capital.

- Identify and develop tourism sites and products to meet quality standards along strategic transport corridors, including the Lao–China Railway and the Vientiane–Vung Ang Expressway (New Economic Corridor). Priority will be placed on developing integrated tourism circuits that connect domestic attractions with regional and neighbouring countries' tourist destinations. These tourism circuits will focus on nature-based, cultural, historical and agricultural tourism, with strong emphasis on community participation, environmental conservation and inclusive economic benefits. In support of this, clean and chemical-free agricultural production and supply chains will be promoted to enhance the quality and sustainability of the tourism sector.

- Promote the capacity development of tourism business associations and groups, including hotel and restaurant associations and tour guide groups, to improve service quality in line with ASEAN and international standards.

- Enhance the quality of green tourism networks, with a particular focus on priority tourism clusters, including tourist sites, tourism-related businesses and tourism activities; Promote waste reduction, the use of environmentally friendly transport services and the efficient use of natural resources and energy; Encourage the production and consumption of sustainable tourism products by raising awareness among tourism sector stakeholders on the importance of adopting environmentally friendly practices.

- Develop and improve the legal and policy framework for the tourism sector to align with green and sustainable development principles. This includes the formulation of laws and policies that facilitate the development of nature-based tourism, the promotion of reduction of pollution and waste, and the efficient use of natural resources and energy, and support the adoption of environmentally friendly transport within the tourism sector.

- Promote comprehensive and targeted tourism promotion through diverse media channels to target both domestic and international audiences. Special emphasis will be placed on showcasing Lao tourism destinations to key tourist segments, leveraging international hotel networks, participation in cultural festivals and traditional events, and engagement in regional and global tourism exhibitions and forums. Efforts will focus on producing and distributing high-quality promotional materials, including brochures on Laos' top attractions, tourism maps, travel guides and other publications. These materials will be provided to relevant ministries and displayed at international tourism exhibitions, conferences and related events. Additionally, multilingual tourism guidebooks will be developed to accommodate visitors from various countries to enhance global outreach and accessibility.

- Develop Vang Vieng District, Feuang District and other internationally recognized sites as key destinations for nature-based, adventure and exploratory tourism by establishing integrated activity hubs in areas surrounded by scenic limestone mountains with high potential for diverse tourism services. This development will be pursued through close collaboration among government sectors, the private sector and local communities to upgrade the quality of tourism sites and existing activities, with the aim of attracting medium-income international tourists with higher spending potential, particularly from markets beyond ASEAN.

- Enhance the surrounding environment of tourism areas to ensure convenience and compliance with quality standards, thereby strengthening tourists' trust. This includes upgrading public transport services, healthcare facilities and other essential support systems to improve visitor experience and accessibility.

5) Transport and Logistics Sectors (Linked to resource potentials, and geographic and connectivity advantages)

The transport and logistics sectors are key drivers of investment, trade and tourism, playing a strategic role in strengthening domestic, regional and international connectivity and integration of the country. As priority sectors for future economic development, efforts over the next five years will focus on the enhancement and construction of high-quality, regionally and internationally standardised transport infrastructure, including road, rail, waterway and air routes. Priority projects include the development of key expressways, such as: Boten–Huayxai

Expressway, Vientiane–Boten Expressway (Phases II, III and IV covering Vangvieng–Luang Prabang–Oudomxay–Boten), Vientiane–Hanoi Expressway (Phase I from Vientiane to Paksan and Phase II from Paksan to the Lao–Vietnam border in Xaychamphone District, Bolikhamxay Province), Vientiane–Pakse Expressway, developed in four phases from Paksan to Pakse via Khammouane, Savannakhet and Saravanh provinces.

Feasibility studies, detailed designs and construction planning will be undertaken for key railway projects, including: Vientiane - Vung Ang railway, linking Thakhek to Naphao on the Vietnam border to provide Laos with direct access to a deep-sea port; Vientiane - Champasak railway corridor, passing through Khammouane, Savannakhet and Saravanh to strengthen domestic connectivity; Vientiane - Nong Khai railway bridge, dedicated to freight movement, enhancing interconnectivity between the Lao–China and Thai–China rail systems. Simultaneously, the logistics system will be modernised to ensure efficient, timely and streamlined movement of goods to position Laos as a regional logistics hub for transit, distribution and cross-border transportation within ASEAN and beyond. Emphasis will be placed on upgrading operational dry ports in Vientiane Capital (Thanaleng), Savannakhet, Khammouane and Champasak provinces to meet international standards, while reviewing and revising related laws and regulations to improve trade and transport facilitation. Development of additional dry ports – such as Vung Ang Seaport (Vietnam), Nateuy (Luang Namtha), Laksao (Bolikhamxay), Huayxai (Bokeo), Luang Prabang and Xay (Oudomxay) – will also be pursued to strengthen the country’s multimodal transport systems and economic integration.

6) Industry and processing zones as local production bases (Linked to resource potentials, and geographic and connectivity advantages)

Priority will be placed on promoting and facilitating investment in the industrial processing sector to position it within integrated regional and global value chains. Emphasis will be on full-cycle production aimed at direct export to regional and international markets. Investment efforts will concentrate on special economic zones and industrial parks with strategic links to neighbouring countries. Agro-processing industries will be a particular focus, both to meet domestic demand and expand export potential. At the same time, the development of supporting industries – such as the manufacturing of components for electrical appliances, electronics, vehicle parts and related processing sectors – will be encouraged to deepen integration into global and regional production networks.

7) The Technology and Information Sectors (As an enabler of digital economic transformation)

This sector plays a pivotal role in driving the development and expansion of the digital economy, while supporting the modernisation of productive sectors and public administration through enhanced efficiency and effectiveness. Over the next five years, efforts will focus on building digital technology infrastructure, with particular emphasis on high-speed telecommunications and internet systems. Key initiatives include the establishment of a national data centre, the development of big data infrastructure and the deployment of high-speed fibre-optic transmission networks. The nationwide rollout of wireless 5G services will also be prioritised, targeting full coverage of major urban centres, industrial parks and special economic zones. In parallel, a telecommunications service quality assurance centre will be established to ensure compliance with international standards and to provide a reliable foundation for the deployment of various digital products – ensuring that they are accessible, fast and secure. A digital

device quality inspection centre will also be developed to ensure the safety, quality and environmental compliance of devices used by the public. The development of secure government networks will be prioritised to support inter-agency data exchange and digital government initiatives. High-speed digital technologies and networks will also be expanded for the education and public health sectors – enabling distance learning, telemedicine and other digital services through enhanced access to schools, hospitals and community health centres. Further promotion of satellite technology applications will be undertaken. In addition, digital platforms will be developed to support digital government systems, digital land management, e-commerce and other essential services.

3.1.2 Output 2: A Robust and Stable Macroeconomy

Priority will be placed on strengthening the national budget to ensure sustainable growth, resilience and alignment with long-term financial stability, thereby reinforcing macroeconomic stability. Efforts will focus on enhancing fiscal self-reliance of local authorities to optimise revenue collection and public expenditure management, and reform recurrent and administrative spending to eliminate inefficiencies. Fiscal and budgetary management will be improved to promote greater discipline, transparency and efficiency. Additionally, public debt management will be strengthened to ensure fiscal sustainability, reduce deficits and gradually transition towards a balanced or surplus fiscal balance, enabling the accumulation of national reserves.

Priority will be placed on strengthening monetary stability to ensure sustainable growth, resilience and alignment with long-term financial security, thereby reinforcing macroeconomic stability. Efforts will focus on enhancing the planning and policy management capacity of the Bank of the Lao PDR to ensure disciplined, flexible and well-balanced monetary governance. Reforms will target improved coordination between inflation control and economic growth, while foreign currency reserves will be increased to meet international standards. Additionally, foreign exchange management will be tightened to safeguard currency stability, promote confidence in the national currency and support the development of a robust and sustainable financial market. The financial system will be modernized through the adoption of digital platforms, ensuring compatibility with regional and global standards.

1. Targets and Indicators

+ Fiscal policy:

- Over the five-year period, total budget revenue is projected to reach LAK 554,400 billion, equivalent to 21.1% of GDP. Of this, LAK 528,000 billion will be generated from domestic sources (20.0% of GDP), while LAK 26,400 billion will come from foreign assistance (1.0% of GDP).
- Total expenditure over the same period is projected at LAK 528,400 billion, equivalent to 20.1% of GDP. This includes LAK 341,700 billion for recurrent administrative spending (13.1% of GDP) and LAK 186,700 billion for capital expenditure (7.0% of GDP).
- The total fiscal deficit over the five-year period is projected at LAK 26,000 billion, equivalent to 1.0% of GDP.
- The national reserve is projected to reach LAK 9,700 billion.
- Efforts will be made to reduce public debt to a level between 70% of GDP.

+ Monetary policy:

- Maintain the inflation rate maintained at around 5% (With a tolerance band of $\pm 2\%$).
- The volume of M2 money supply has been maintained at a level that does not exert excessive pressure on inflation or exchange rate fluctuations.
- The exchange rate remains relatively stable in alignment with overall macroeconomic balance, without exerting monetary pressure on inflation.
- Foreign currency reserves are sufficient to cover at least 5 months of imports.
- The ratio of non-performing loans (NPLs) has been effectively controlled to remain below 3% across the banking system.
- Export transactions have been effectively managed through the banking system, with at least 75% of exports processed via formal financial channels (Exclusive of export entities that are exempt from certain legal provisions).
- Expand financial service access to reach 85% coverage. By the end of 2030, the target is for more than 80% of individuals aged 18 and above to hold accounts with formal financial institutions.
- Promote the consistent implementation of financial stability regulations in accordance with the standards set by the Bank of Lao PDR (BOL) for each period, following the principles outlined in Basel II.
- Strengthen the capital market to serve as a reliable source of funding, with resource mobilization through the capital market reaching 26% of GDP.

2. Priority Activities

1) Fiscal Policy

- Continue efforts to increase public revenue and rationalise public expenditure to improve the efficiency and effectiveness of the public budget execution. Priority will be placed on reforming the structure of revenue collection and public spending to reduce unnecessary recurrent expenditures and ensure the financial stability and sustainability of the public finance systems. All sources of public revenues must be consolidated, with the Ministry of Finance designated as the central authority responsible for revenue collection and allocation to ensure coordinated budget planning and implementation across central and local levels in accordance with budget plans approved by the National Assembly.

- Ensure strict enforcement of fiscal discipline, focusing on reducing the fiscal deficit and progressing towards a balanced budget, and ultimately achieving a budget surplus to enable the accumulation of the national reserves.

- Enhance revenue collection by aligning policy implementation with structural reforms of public revenue collection to ensure revenue collection from all sources; Expand tax base. This includes identifying new revenue streams in accordance with the legal frameworks; Increase the share of domestic revenue and maintain a balanced ratio between direct and indirect taxes; Eliminate unauthorized tax exemptions; Utilise modernised tools in public budget management; Explore the introduction of new tax instruments, particularly those linked to specific sectors, natural resource use and environmental protection.

- Optimise the structure of public expenditure by increasing capital expenditure while reducing recurrent spending; Transition technical line agencies towards greater financial autonomy; Streamline institutional structures and staffing for improved operational effectiveness; Implement reforms of salary systems, living allowances and welfare policies for civil servants, government employees, armed forces personnel and employees in state-owned enterprises to ensure a decent standard of living aligned with evolving socio-economic conditions.

- Strengthen the strict implementation of fiscal discipline to ensure effective and efficient management of public budgets, public debt and state-owned enterprises; Clearly define financial oversight responsibilities between central and local levels to ensure accountability and transparency in fiscal governance; Intensify enforcement measures against tax evasion, smuggling and unauthorised exemptions that lead to revenue losses.

- Debt management and resolution:

- Strengthen the management and resolution of public debt through proactive negotiations with external creditors, particularly to restructure debt and extend repayment periods. These efforts should be undertaken in parallel with improving the efficiency of loan utilisation. The mobilisation and use of external borrowing must be closely aligned with national socio-economic development priorities and ensure optimal economic and social returns, particularly in sectors that generate national revenue and enhance repayment capacity.

- Improve the frameworks, mechanisms, particularly policies, tools and institutional arrangements for public debt management to ensure compliance with relevant laws and regulations, enable comprehensive risk control and strengthen effective debt oversight and resolution; Develop a comprehensive debt resolution strategy for both the short and long term; Explore options to adjust the public debt ceiling to align with international standards; Continue to restructure public debts by extending repayment periods to alleviate short-term debt service pressure and reduce borrowing costs.

- Ensure strict control over public debt management by prohibiting off-budget repayments beyond the annually approved budget to safeguard against potential fiscal risks; Closely monitor and inspect all disbursements and utilisation of government funds, including foreign exchange reserves and loans from the Bank of the Lao PDR; Enhance the efficiency of loan utilisation to ensure timely and full repayment of debt obligations; Reallocate resources from funds with overlapping mandates or duplicate budget allocations, aligning them with national budget planning to improve efficiency and fiscal discipline.

- Transition from commercial borrowing to concessional loan conditions with greater repayment flexibility; Strengthen debt service oversight in compliance with established procedures, while enhancing mechanisms for monitoring loan agreements and contractual obligations.

- Strengthen audit functions to ensure transparency, disclosure and accountability in public budget reporting, public debt management and debt repayments.

- Ensure that borrowing prioritises reduces the fiscal deficit, with funds strictly allocated for development investment rather than recurrent expenditures; Implement measures to improve fiscal balance and gradually build up reserves for development investment and debt repayments.

- Advance human resource management reforms and specialised expertise development for public finance personnel to ensure continuous capacity strengthening in forecasting, state budget planning, financial management and public debt management.

2) Monetary Policy

- Ensure the implementation of an independent monetary policy to maintain monetary stability; Adjust base interest rates, reserve requirements and monetary policy instruments in alignment with prevailing economic conditions.
- Adopt an exchange rate policy based on a market-driven mechanism under state management to ensure stability and economic resilience; Conduct research and development of modern policy tools and technologies to enhance foreign exchange market oversight, maintain currency liquidity and ensure sufficient foreign currency reserves to meet the legitimate needs of the public and support economic stability; Stabilise exchange rates and inflationary pressures.
- Advance the development and management of a modern, integrated national payment system to strengthen the role of the Lao Kip and enable seamless integration with regional and international platforms.
- Strengthen the financial position of the Bank of the Lao PDR.
- Enhance the management of commercial banks and non-bank financial institutions to better align with international standards.
- Develop a transparent and user-friendly local currency payment system to facilitate trade and investment linkages at regional and international levels; Promote cashless transactions, inclusive finance and broader access to financial services for the population.
- Develop the banking system (money market) and capital market into key mechanisms for mobilising investment capital and distributing financial resources. This includes establishing an efficient, secure and reliable payment and clearing system to ensure accessible financing for productive activities, businesses and service providers, particularly targeting small and medium-sized enterprises (SMEs).
- Maintain inflation within the targeted range and ensure effective coordination between inflation control and economic growth; Increase foreign currency reserves by accelerating the generation and collection of foreign-denominated revenue, while promoting diversified production and service offerings to meet domestic market demand and expand exports.
- Strengthen the management of foreign currencies to ensure a robust, modern and systematically aligned financial system; Rigorously implement foreign exchange management measures to enhance the value of the Lao Kip and redirect foreign currency inflows through the banking system to improve international payment capacity and build strong foreign currency reserves.

3.1.3 Output 3: Enhanced Investment Productivity and Quality to Drive Sustainable Growth

1. Targets and Indicators

- The development financing needs over five years are estimated at LAK 584,033 billion, equivalent to 22.24% of GDP:
 - LAK 116,000 billion (19.12%) to be financed from domestic budget.
 - LAK 71,277 billion comes from Official Development Assistance (12.20%).

- LAK 360,406 billion comes from international and domestic private sector investments (61.71%).
- LAK 36,349 billion comes from other financing sources (6.22%).

2. Priority Activities

1) Public investment efforts will focus on restructuring and enhancing the effectiveness of public investments to ensure that budget allocations target priority projects that are addressing national, provincial and local development challenges. Emphasis will be placed on investments in basic infrastructure, education and public health in rural and remote mountainous areas to promote systematic connectivity between rural and urban regions, as well as between mountainous and lowland areas. These aim to create favourable conditions for engaging domestic private and foreign direct investment to lay the foundation for an inclusive, resilient and self-reliant economy. Projects that do not comply with legal and regulatory frameworks will be avoided. Efforts will be made to accelerate debt repayment for public investment projects, and to review and reassess the government projects that are misaligned with the 10th Five-Year Plan, or have high costs but low returns, to prevent budgetary strain. Ensuring consistency between development planning and budgeting processes will remain a key priority.

2) Efforts will focus on enhancing the effectiveness and efficiency of Official Development Assistance (ODA) by expanding and improving the regulatory framework governing its management and utilisation to ensure their alignment with evolving national contexts. The ODA Management Information System (ODA-MIS) will be strengthened as a centralised electronic platform, serving as a reference for budget allocation and work planning across ministries, sectors, provinces and development partners. Despite these efforts, challenges are expected to remain in managing and utilising development finance, with limited government capacity and insufficient coordination among development partners. Complex procedures and conditions continue to hinder smooth implementation. To mitigate potential impacts from the country's graduation from Least Developed Country (LDC) status, policies and measures outlined in the Smooth Transition Strategy will be implemented to safeguard development progress. International cooperation frameworks and coordination mechanisms – such as Round Table Meetings and sector working groups – will be reviewed and strengthened to foster inclusive partnerships. Greater emphasis will be placed on evidence-based joint planning and implementation to ensure alignment with the overarching goals of the 10th Five-Year National Socio-Economic Development Plan (NSEDP).

3) The implementation of Prime Minister's Orders No. 02/PMO and No. 03/PMO will be accelerated to create an enabling environment for starting and operating businesses, particularly through public awareness of regulatory reforms related to business operations and licensing procedures. Emphasis will be on the establishment and operationalisation of an electronic business registration system to streamline processes, reduce unnecessary costs and time, and attract investment in priority and green sectors while building investor confidence. Effective public-private partnership (PPP) investment will be promoted for the development of public infrastructure, with particular emphasis placed on transportation networks and ICT systems to enhance regional and international connectivity. Focus will also be given to the development of priority sectors and enhancement of linkages between domestic and international production value chains. Business operations will be conducted responsibly and in accordance with good governance principles. Additionally, the efficiency of tax systems will be improved to stimulate

revenue collection, including strengthening revenue forecasting capacity, business registration processes and other related mechanisms.

4) Financing from other sources: Priority will be placed on promoting contributions from all socio-economic sectors in national development, with a particular focus on enhancing remittance flows from outmigration labourers to ensure efficiency and reasonable remittance fees.

3.1.4 Output 4: Better Quality, Robust and Regionally and Internationally Competitive Micro, Small and Medium Enterprises

1. Targets and Indicators

- The number of newly registered enterprises increases by 10 % annually.
- Micro, small and medium-sized enterprises (MSMEs) contribute 20% to GDP annually.
- Promote access to credit for micro, small and medium enterprises (MSMEs), with the goal of increasing their share to at least 35% of total MSME lending; Promote credit to the agriculture and agro-processing sectors to reach no less than 20% of total lending by the end of 2030.
- The number of businesses with One District One Product (ODOP) certification shall increase by 20 units annually.
- Micro, small and medium-sized enterprises (MSMEs) contribute approximately 80% of total employment.

2. Priority Activities

1) Enhance Access to Finance for MSMEs: Promote greater access to finance for micro, small and medium-sized enterprises (MSMEs) by enhancing the regulatory framework and financial environment, particularly through the removal of unnecessary procedures and restrictive conditions that hinder credit access; Promote the design and uptake of inclusive financial instruments that empower MSMEs to mobilise capital via capital markets, while expanding financing channels through commercial banks and financial institutions—ensuring accessible terms, competitive interest rates and adaptive repayment mechanisms; Prioritise support to enterprises based in rural remote areas to ensure inclusive financial access; Strengthen the capacity of banks and financial institutions in risk assessment and tailor their services to the actual needs and conditions of MSMEs; Improve financial literacy among MSMEs, particularly in understanding credit application processes, to facilitate faster and more efficient loan approvals.

2) Promote New Businesses and Start-ups: Strengthen the entrepreneurial ecosystem by promoting and developing various forms of enterprises, including start-ups, franchises, inclusive businesses, social enterprises and other innovative models that encourage the emergence of new entrepreneurs. This will require close collaboration between the government and private sector to improve the business environment, focusing on technology advancement, transport infrastructure improvements, access to affordable and high-quality internet services and the formulation of policies and strategies that support resilient, sustainable and competitive new businesses at both regional and international levels; Improve the regulatory framework for intellectual property rights management and protection to ensure entrepreneurs are safeguarded from unfair disadvantages; Expand partnerships with universities and vocational institutions to enhance youth skills and capacity to promote a culture of entrepreneurship and build mechanisms that connect educational institutions with business entities.

3) **Build Capacity:** Strengthen coordination among technical service providers, industry and commerce associations, and development partners to expand the provision of demand-driven business development services. These services will focus on key functional areas such as enterprise management, financial literacy and access, and market linkage, with targeted outreach to micro, small and medium-sized enterprises (MSMEs), particularly those operating in rural and underserved regions; Accelerate the implementation of priority pilot projects under the National Productivity Master Plan to ensure effective delivery of interventions that improve productivity and competitiveness across sectors; Promote applied research, innovation and the adoption of environmentally sustainable and advanced technologies to enhance value addition in production, trade and service delivery; Establish enabling mechanisms to support MSMEs in product design, innovation and intellectual property (IP) generation.

4) **Market Access:** Create enabling conditions for various actors to organize and participate in trade fairs and exhibitions, both domestically and internationally, to promote products and services; Ensure that micro, small and medium-sized enterprises (MSMEs) receive adequate support to engage in these events by strengthening mechanisms and expanding opportunities for MSMEs to access public procurement and project-based purchasing funded by the government and development partners; Facilitate business matching, promote e-commerce platforms to support digital trade and create conditions for MSMEs to collaborate with larger enterprises and actively participate in domestic, regional and international value chains.

3.1.5 Output 5: Enhanced Efficiency and Effectiveness of State-owned Enterprises and Collective Economy

State-owned enterprises (SOEs) will be reformed, managed and strengthened to play a more robust role in the national economy, contributing to stable budgetary revenue and delivering strategic public services. Reformed business units will be required to operate profitably and fulfil their obligations to the government with increasing consistency – particularly Electricité du Laos, Lao State Fuel Company, Lao Airlines and other joint-venture enterprises. The establishment and improvement of selected SOEs will be accelerated. Community-based economic models will be promoted to enhance resilience and generate sustainable employment and income at the local level.

1. Targets and Indicators

2. Priority Activities

- Assess state-owned enterprises to identify underperforming entities for inclusion in the reform plan and continue reforming the remaining 21 enterprises in accordance with Resolution No. 10/GoL, dated 15 October 2021.
- Develop a reform, management and development strategy for SOEs for the 2026-2030 period.
- Continue researching, drafting and revising legal instruments related to reform, management and development in order to remove structural bottlenecks that contribute to inefficiencies in SOE governance; Strengthen ownership and enforcement of relevant laws and regulations to ensure transparency and accountability.
- Continue improving the national database of state-owned enterprises to ensure transparency and integration into a modern centralized management system.
- Enhance the capacity of managerial and technical personnel, while promoting the adoption of modern innovation and technology in business operation, in accordance with Resolution No. 10/GoL, dated 15 October 2021.

- Transform state-owned enterprises into modern public corporations with enhanced transparency, supported by measurable performance indicators; Explore viable business models for private sector participation to reduce financial risks borne by the public sector and strengthen fiscal sustainability.

3.1.6 Output 6: Digital Economy Developed to Drive Sustainable Growth and Innovation

1. Targets and Indicators

2. Priority Activities

- **Digital Infrastructure Development:** Allocate public budgets and mobilise resources from diverse sources to strengthen digital infrastructure development; Expand broadband networks and fibre optic systems to ensure reliable, high-speed internet access, particularly in remote and underserved areas. Efforts will also focus on expanding mobile network coverage and installing additional signal transmission towers; Establish a national system for quality assurance and service monitoring to ensure telecommunications services meet international standards, providing reliable and efficient connectivity; Invest in developing and upgrading data centres and cloud-based storage systems, alongside the establishment of testing and certification facilities for digital equipment; Modernise public sector digital system to deliver faster, more transparent and secure services to ensure data protection and resilience against cyber threats to foster user trust; Promote the integration of digital payment systems across production and service sectors; Invest in digital education to build a competitive, skilled workforce for the digital economy; Introduce support mechanisms such as venture capital for tech start-ups and digital entrepreneurship competitions to stimulate entrepreneurship and foster the creation of new digital innovations.

- **Regional Digital Economic Cooperation:** Continue to actively participate in regional digital cooperation, particularly through frameworks such as the ASEAN Digital Integration Framework, which aims to strengthen cross-border digital connectivity and integration among ASEAN member states; Engage in the ASEAN Smart Cities Network, which promotes the use of modern technology to address challenges associated with urban expansion. As part of this initiative, Vientiane Capital has been designated as one of the pilot cities; Contribute to the implementation of the ASEAN Comprehensive Recovery Framework, focusing on digital transformation as a core strategy for addressing post-Covid-19 challenges and building long-term resilience; Participate in regional platforms such as the ASEAN Capacity Building and Technical Assistance Programme, the 2025 ASEAN Connectivity Master Plan and others.

3.2 Outcome 2: High-Quality Human Capital Equipped to Leverage New Technology for Development

Economic development must be closely integrated with social development through the enhancement of human capital. This includes improving workforce quality in alignment with demographic trends and labour market demands, ensuring that socio-economic development needs are met. Efforts will focus on building and upgrading human resources into productive assets, with education and skill development serving as the foundation. Emphasis will be placed on leveraging the potential of young people by enabling them to contribute to research, innovation and creative solutions. Priority will also be given to producing a new generation of specialists, researchers, scientists and skilled professionals, particularly in sectors facing labour shortages and those that drive the national economy.

- **Outcome Level Targets and indicators**

- Targets related to LDC graduation:
 - + Human Asset Index stays above 66 in 2030 (The evaluation result in 2024 was 74.8).
- Reduce the neonatal mortality rate to fewer than 10 per 1,000 live births;
- Reduce the under-five mortality rate to fewer than 25 per 1,000 live births;
- Reduce the maternal mortality ratio to fewer than 70 per 100,000 live births;
- By 2030, increase the average life expectancy to over 74 years.

3.2.1 Output 1: Education Quality Enhanced to Support National Development

As priority activities, child development, care and school readiness will be promoted, ensuring that all children receive at least one year of preparation before entering primary education. Family institutions will be strengthened to participate in early childhood development and readiness. Foundational learning – especially in early primary grades – will be improved to ensure students meet curriculum standards in reading and basic numeracy.

An updated education mapping framework will be developed to guide the consolidation of small and neighbouring schools, thereby strengthening instructional management. Internal supervision systems within school clusters and district education offices will be reinforced. Classroom-based learning assessments will be institutionalized, and the quality of promotion and graduation examinations will be improved. National learning standards will be applied as tools to assess student achievement at Grade 3 and the final year of lower secondary education.

Dropout issues will be addressed through reintegration plans to bring learners back to school. Preparations will be made to transition the primary education system from five to six years. In-service teachers will continue to be trained in curriculum implementation and subject-specific pedagogy. Teaching and learning quality will be improved through the development of foundational education standards.

Legal frameworks will be established to support diverse learning pathways for lower secondary graduates based on their interests and abilities. Competency-based vocational curricula will be expanded and implemented with clear focus areas and quality assurance. Lifelong learning will be promoted for all through expanded access and implementation of the Lifelong Learning Decree.

Career guidance will be broadened and made more inclusive, especially in community boarding schools and remote secondary schools. Access to vocational education and training will be expanded, and occupational standards will be developed across multiple trades. Vocational training curricula will be aligned with the needs of employers, learners and local development through diverse programmes, including dual training and competency-based approaches.

Universities will be transformed into institutions that integrate teaching and scientific research to promote innovation and technical services while advancing autonomy. National-level research themes will be prioritized, and human resources will be developed in governance, research, science, technology and innovation to contribute meaningfully to socio-economic development.

Community sports and physical activities will be widely and equitably promoted, including health-oriented exercise, grassroots sports, competitive athletics and talent development. Gifted

children in sports will be supported to become professional athletes, and sports talent schools will be further developed as incubators for future professionals.

1. Targets and Indicators

- National average enrolment rate of 5-year-old children in early childhood education programmes to reach 90% by 2030.
- Net intake rate for Grade 1 of primary education reaches at least 99% by 2030.
- Primary school dropout rate does not exceed 2.2%.
- Transition rate from Grade 5 to Grade 6 (Lower secondary) reaches at least 95.2%.
- Gross enrolment rate in lower secondary education reaches at least 80%.
- Lower secondary school dropout rate does not exceed 8%.
- At least 20% of classroom teachers and pedagogical support staff across all levels receive continuous professional development annually.
- At least 30,000 out-of-school youth and adult learners are reached annually through non-formal education and vocational training (NFE).
- At least 50,000 learners graduate from formal vocational education and training programmes by 2030.
- Develop 20 programmes of international standard curricula by 2030 to strengthen regional and international integration.
- Conduct at least 45 topics of scientific research that are funded by the Science and Technology Development Fund across the 24 priority areas to serve the implementation of the 10th Plan (2026 – 2030).
- More than 6 international-level referees are accredited annually.
- At least 5% of the national population aged 3 and above participate annually in regular physical activity, exercise and recreational sports across all genders and age groups.

2. Priority Activities

- **Early Childhood Education:** Expand inclusive early childhood education coverage to ensure that all children receive at least one year of quality pre-school education prior to entering primary school, with a focus on equity and readiness; Establish and enforce national minimum quality standards for early childhood education to enhance teaching and learning outcomes, and to promote holistic five-dimensional child development—particularly among children in remote, rural and underserved areas; Continue advancing school-based nutrition and sanitation programmes, and foster increased private sector investment in early childhood education.
- **Primary Education:** Strengthen the teaching of Lao language and mathematics to improve foundational learning outcomes, particularly in grade 1 and 2, to ensure that students acquire basic reading and numeracy skills in line with national curriculum standards; Continue the provision of teaching and learning materials and supportive infrastructure to ensure that schools are adequately equipped to deliver quality education; Establish and implement foundational quality standards for primary education, with measurable

indicators; Strengthen classroom-based learning assessment systems, while upgrading promotion and completion examination mechanisms to enhance reliability and relevance; Deepen collaboration with communities and local authorities to address challenges of declining enrolment and rising dropout rates, particularly among vulnerable populations; Expand partnerships with the private sector to increase the availability of primary education, while upholding quality assurance to complement government efforts.

- **Lower and Upper Secondary Education:** Continue the professional development of teachers and school administrators to improve the quality of teaching and learning, through the enhancement of foundational education quality standards; Strengthen the capacity of internal and external pedagogical support personnel to ensure consistent guidance and technical assistance across the education system; Improve the systems for student promotion and completion examinations, as well as classroom-based learning assessments. The systems shall be regularly evaluated to ensure their effectiveness; Establish legal frameworks to enable lower secondary school graduates to pursue diverse education pathways based on individual skills, interests and competencies; Continue implementing targeted general vocational curricula with sound quality assurance to promote teaching and learning in priority disciplines, namely science, technology and mathematics (STEM), and digital technology; Enhance collaboration with communities and local authorities to address declining enrolment and rising dropout rates; Continue strengthening collaboration with the private sector to expand the provision of compulsory lower secondary education, while ensuring quality assurance to complement government efforts.
- **Non-Formal Education:** Continue providing non-formal education opportunities for target population, including disadvantaged people, individuals seeking skill enhancement and those who have dropped out of formal education through community learning centres, non-formal education centres, on-site and mobile training, television, online programmes and other modalities, with a particular focus on expanding services to remote and underserved areas; Promote lifelong learning for all to translate and implement the Prime Minister's Decree on Lifelong Learning No. 208/PMO, dated 23 March 2020.
- **Technical and Vocational Education and Training (TVET):** Improve access to technical and vocational training (TVET) as well as providing technical equipment for disciplines that support the development of key potential economic sectors (Agricultural production and agro-processing for export, tourism, processing industries that are part of the regional value chain (Particularly those based on resource advantage, geographical position and market connectivity), transport and logistics sectors (Those that are linked to strategic geographical locations), and enabling economic sectors such as electricity generation, mineral exploration and processing, technology development and digital information services); Promote digital literacy and integrate ICT into teaching and learning processes; Promote vocational guidance, teacher education / education studies, and a modern and systematic education management framework; Monitor the implementation of the National Qualifications Framework; Develop and improve occupational standards; Develop manuals and standards for vocational skill competitions; Strengthen quality assurance mechanisms and establish tracking systems for vocational education graduates, including regular surveys to assess employer satisfaction with workforce competencies; Promote learning in emerging specialised fields, such as ICT, advanced technology as well as digital technology; Continue promoting collaboration between vocational education

institutions, development partners and private sector enterprises, both domestic and international; Provide flexible or blended training modalities to ensure that learners have access to appropriate learning pathways.

- **Higher Education:** Enhance academic services by providing facilities and professional development opportunities for university lecturers; Transform universities into integrated institutions for teaching, scientific research, innovation and academic services; Promote blended and flexible learning modalities to ensure inclusive and appropriate learning pathways for students; Strengthen collaboration with international and regional higher education institutions, including jointly developing globally oriented curricula; Develop and refine policies and mechanisms to attract domestic and international experts and scientists with specialised competencies, and facilitate the sharing of knowledge and experience in digital technology and innovation to advance national development; Prioritise the development of higher education personnel and curricula to ensure quality assurance and disciplinary diversification.
- **Applied Science:** Strengthen human resource development in public administration, research and the advancement of science, technology and innovation to support socio-economic development in the new era; Accelerate the training of specialised experts, researchers and scientists—both domestically and internationally—in line with national development priorities; Accelerate the development of national policy-makers and subject-matter experts in science, technology and innovation to establish a skilled cadre capable of leading the formulation of forward-looking policies and development plans in these strategic fields; Promote knowledge exchange among specialised personnel across universities, research institutes, education institutions and public and private sectors to elevate technical expertise at national, regional and international levels; Enhance public awareness, understanding and engagement in science, technology and innovation by cultivating a forward-thinking mindset among youth, students and general population through outreach initiatives such as National Science Day symposia, science fairs, innovation competitions and related promotional activities; Strengthen and expand strategic partnerships and development assistance from partner countries, development collaborators and regional and international organisations to drive impactful human resource development, research and innovation advancement.
- **Sports and Physical Education:** Promote widespread participation in community-based sports and physical activities—such as health-oriented exercise, traditional sports and socially engaged competitions—to foster wellbeing and reinforce social cohesion; Develop and strengthen a targeted, science-informed sports and physical education workforce, beginning with capacity-building efforts within educational institutions; Improve the management and governance of sports and physical activity programmes; Strengthen the institutional systems of sports federations and clubs to ensure robust governance and operational performance; Encourage and support the establishment of sports and physical activity clubs across educational settings and communities; Deepen cooperation, expand development assistance and facilitate the exchange of best practices with partner countries to advance sports development in alignment with Olympic and Paralympic standards; Continue the development of the Sports Talent School as a dedicated centre for nurturing gifted youth into professional athletes.

- **Management and Administration:** Continue implementing policies and measures to address teacher shortages, reduce student dropout rates and promote vocational education enrolment, in line with Resolution No. 09/GOV dated 17 July 2023; Continue enhancing the execution of programmes, projects and financial mechanisms to reduce disparities among disadvantaged groups and ensure optimal use of resources; Continue developing and refining education-related laws and regulations to support reforms in the new era, including assessing the feasibility of restructuring the general education framework from the current 5+4+3 model to a 6+3+3 model.

Address the shortage of teachers and student dropout issues by continuing to strengthen the implementation of relevant policies and measures to tackle teacher shortages, reduce dropout rates and promote enrolment in TVET education, in accordance with Resolution No. 09/GOV, dated 17 July 2023:

- **Address teacher shortages** by promoting the role of education, science and sports administrators to ensure strong leadership and institutional support; Strengthen political orientation and mindset for teachers to foster discipline, resilience and regular monitoring of teaching and learning activities; Encourage local authorities, communities and families to support teachers' livelihoods by adapting assistance to local conditions; Improve national teacher policies to develop short- and long-term training and deployment plans that are aligned with actual needs; Promote self-reliance activities for teachers, including agriculture, livestock and other livelihood efforts to ensure economic stability; Explore and implement incentive schemes and supportive policies for teachers deployed to remote areas to improve retention and motivation.
- **Reduce student dropouts** by continuing the implementation of policies that provide stipends for disadvantaged and marginalised primary school students, school lunch programmes and living allowances for students in ethnic boarding schools and special education schools; Provide targeted support for underperforming students through interventions tailored to the specific needs of each locality; Ensure the consistent provision of textbooks and learning materials by improving access to quality education; Promote awareness among parents and guardians about the importance of education by encouraging them to support their children in completing compulsory education (Secondary year 4 or grade 9), technical and vocational education or higher education; Review and strengthen policies that support students from poor and remote areas to ensure access to lower and upper secondary education, technical and vocational training and higher education; Expand the construction and upgrading of dormitories for students living in distant villages to improve accommodation and accessibility to education; Provide targeted stipends for vocational students enrolled in fields of study that are aligned with labour market demand to ensure financial support for skill development; Improve curricula, teaching personnel, learning environments and infrastructure in TVET and higher education institutions to enhance attractiveness and responsiveness to student needs.

3.2.2 Output 2: Health Sector and Services Strengthened to Ensure Quality and Universal Coverage

As priority activities, public health services will be upgraded across all levels to ensure quality, while central and provincial hospitals will be modernized and gradually transitioned

towards financial autonomy. Conditions will be created to ensure that all citizens can access essential health services in an inclusive, equitable and just manner, supported by a strong and sustainable national social health insurance system.

Primary health care systems will be strengthened, and health promotion and disease prevention – both communicable and non-communicable – will be reinforced from central to local levels. Public health personnel will be developed to ensure adequate numbers, full specialization and strong deployment to local areas. The quality and standards of teaching and learning in public health education institutions will be improved to ensure parity with regional and international benchmarks.

The pharmaceutical sector – including traditional and modern medicine – will be developed to rely primarily on domestic production, with export potential. Quality and safety of food, medicine and medical products will be assured.

1. Targets and Indicators

- More than 90% of births are attended by skilled health personnel among the target population.
- Achieve at least 95% immunisation coverage for children under one year of age among the target population.
- More than 90% of tuberculosis cases receive appropriate treatment.
- Reduce the annual incidents of malaria (All parasite species) to zero cases (Two cases were reported in 2024).
- More than 80% of males and females aged 15 - 24 have comprehensive and correct knowledge about HIV prevention.
- Achieve health insurance coverage for more than 94.5% of the total population.

2. Priority Activities

1) Strengthen primary health care delivery and health education promotion, with a greater emphasis on promoting community ownership and participation.

2) Strengthen immunisation service delivery by ensuring the provision of necessary equipment and vaccines, and by delivering technical training to provincial, district and health centre staff. This should be accompanied by efforts to enhance the capacity for cold chain management and vaccine storage at the provincial, district and health centre levels; Improve the effectiveness of immunisation monitoring and reporting systems.

3) Improve maternal and child health promotion services by adopting a people-centred approach to service delivery, focusing on reproductive, maternal, new-born, child and adolescent health; Prioritise expanding coverage of services such as family planning, antenatal care, delivery care, postnatal care, high-risk pregnancy screening by providing appropriate counselling and referral services; Strengthen services to prevent mother-to-child transmission of diseases; Promote adolescent health and ensure the care of both healthy and sick children; Continue to develop and expand the use of national postnatal care guidelines and scale up the implementation of national guidelines for cervical cancer screening across the country.

4) Enhance the efficiency of public health management and administration to ensure stronger and more modern systems by strengthening coordination within the sector – between central and local levels – as well as with other relevant sectors, neighbouring countries and international organisations; Improve integration and collaboration to ensure cohesive and streamlined operations; Upgrade public health institutions at all levels, especially at the central and provincial levels, to become more modern, financially self-reliant, well-structured and technically competent, thereby reducing the financial burden on the state budget.

5) Improve the National Health Insurance Fund to become increasingly autonomous and financially sustainable by consolidating various insurance schemes into a unified, government-managed system that ensures access to essential health services for all; Ensure adequate and diversified funding sources by mobilising health-related taxes – such as those on tobacco, alcohol, and sugar-sweetened beverages – as well as contributions from enterprise-based social insurance, voluntary schemes and individuals with the capacity to pay. These resources should support not only curative health services but also health promotion and disease prevention, in line with the core components of achieving Universal Health Coverage (UHC) and the Sustainable Development Goals (SDGs) by 2030 in the Lao PDR.

6) Upgrade and modernise public health infrastructure at both central and local levels to meet national standards; Strengthen the capacity of district hospitals to provide surgical and emergency care, along with improvements to medical infrastructure, including facilities, equipment and modern medical tools to ensure the delivery of high-quality services aligned with the country's evolving socio-economic development needs; Transition public hospital management towards greater financial self-reliance, particularly at central and provincial levels, by establishing effective financial and operational mechanisms; Transform central hospitals into centres of excellence under public management; Encourage private sector participation in health service delivery, under government oversight and within a state-society co-governance framework supported by clear legal provisions.

7) Establish a quality health service system that is people-centred, grounded in ethics, and attentive to both the physical and mental well-being of the population, in line with the “5 Goods and 1 Satisfaction” policy.

8) Strengthen risk assessment capacity by utilising data from multiple sources through training and real-world simulation exercises; Build diagnostic and analytical capacity to support disease detection, surveillance and outbreak response at both provincial and district levels.

9) Strengthen the primary health care system and promote the prevention of both communicable and non-communicable diseases by enhancing epidemic surveillance and ensuring timely and effective responses to public health emergencies; Enhance the quality of disease diagnostics and work towards the elimination of major public health threats such as HIV/AIDS, tuberculosis, malaria and other communicable diseases in alignment with the 2030 Sustainable Development Goals; Strengthen the rehabilitation and reintegration of people with substance use disorders at both central and local levels.

10) Promote the development of the pharmaceutical sector (Including both traditional and modern medicine) with a focus on increasing domestic production capacity as the primary source of supply; Expand the export of traditional medicines where Laos has comparative advantages and reduce imports of medicines that can be produced domestically, and advance towards self-reliance by substituting imports and promoting exports; Ensure the quality and safety of food, medicine

and medical products through modern inspection systems at both central and local levels; Strengthen regulatory frameworks and establish modern laboratories and monitoring mechanisms for food, medicine and medical products; Disseminate information and raise public awareness on food, medicine and medical product safety across society.

11) Ensure rigorous regulation of the production and importation of food, medicine and medical products to guarantee quality and safety for consumers; Pay special attention to the conservation of rare and endangered medicinal plants and animal species; Promote and support research, production and responsible integration of traditional and modern medicines in the treatment and care of the Lao population, including among diverse ethnic groups.

12) By 2030, establish an integrated One Health system with sustained multi-sectoral participation to ensure the stability and safety of human, animal and environmental health, thereby maximising collective benefits.

13) Develop a qualified and specialised health workforce that is sufficient in number and capable of delivering equitable and comprehensive services to the people; Improve the quality and standards of teaching and learning in public health education institutions and select high-performing students to be trained as future teachers and lecturers.

14) Reform public health education institutions to meet higher standards and improve quality to ensure the development of a competent public health workforce that is well-prepared and adaptable to all situations.

3.2.3 Output 3: Skilled Labour Developed in Both Quantity and Quality to Support National Development

As priorities, the national workforce will be trained to transform working-age population into productive contributors to the economy. All labour units will be encouraged to establish their own occupational skill standards, conduct assessments and certify workers' competencies to serve as a basis for fair and appropriate wage determination.

Skill development centres will apply national occupational standards to conduct testing and issue certifications across various courses demanded by the labour market, targeting informal and independent workers. These national standards will be made interoperable with regional and international frameworks.

Labor market information systems will be modernized to serve as tools for matching demand and supply of labour effectively. Employment services will be promoted to ensure that workers can access domestic and international labour markets, engage in independent professions and become entrepreneurs with stable jobs and adequate income.

Rights and benefits of both workers and employers will be protected and regulated in accordance with laws and procedures.

1. Targets and Indicators

- Strengthen workforce development by ensuring active participation in training, upskilling, assessment and certification for a target of 650,000 individuals: Vocational training for 400,000 people; National skill testing and certification for 50,000 individuals; Certification based on labour unit standards for 200,000 workers.

- Facilitate job placement and employment opportunities for 411,000 individuals across domestic and overseas labour markets.
- A labour market information system is developed with effective interoperability across five relevant sectors, covering central and local levels and at least 500 business units.
- Establish and recognise labour skill standards for 600 labour units across key economic sectors: 150 units in the agriculture sectors; 300 units in the industrial sectors; 150 units in the service sectors;
- Enhance national occupational skill standards by improving standards in 26 professions; Developing new skill standards for 20 additional professions.
- Revise 25 vocational training curricula to align with national skill standards and develop 15 new curricula based on national occupational skill standards.
- Equip 7 training centres with tools, equipment and machinery to enhance skill development.
- Strengthen the capacity for 500 instructors / trainers.
- Organise 45 skill competitions at various levels.
- Enhance service delivery in 36 employment service centres.
- Track the issuance of labour identification codes for 22,750 Lao and foreign workers across labour units and investment projects nationwide.

2. Priority Activities

- Accelerate the training and upskilling of the workforce across diverse professions and skill levels, with a focus on technical proficiency and workplace discipline. This effort will be supported through the active participation of all socio-economic sectors; Promote the creation of stable employment opportunities that provide decent and fair incomes.
- Develop and recognise occupational skill standards, design training curricula and establish a quality assurance system for skill development that accommodates various skill levels; Conduct skill assessments and issue certificates for different target groups based on the needs and job requirements of labour units.
- Organise skill competitions at the levels of labour units, skills development centres, local and national levels, and participate in ASEAN skill competitions.
- Develop a modern, convenient, responsive and multi-channel labour market information system and employment service system to support workforce planning and effectively match labour supply with job opportunities. This will help individuals access employment positions and engage in self-employment based on their skills and potential.
- Establish coordination mechanisms with partners from the public and private sectors to promote the transition from informal to formal employment; Improve the employment service mechanisms for internal and overseas labour migration to ensure legality and safety.
- Promote job creation in rural areas to generate employment opportunities, self-employment or decent and productive work, while ensuring the rights and entitlements of the local workforce.

- Address labour challenges:

+ Improve comprehensive labour development policies that align with the evolving needs of the domestic labour market by ensuring strategic coordination with relevant sectors; Improve foundational infrastructure, supply necessary equipment and tools, and enhance the capacity of skill development centres nationwide; Ensure that skill training effectively meets the diverse needs of target groups and labour market demand; Create and update national skill standards and training curricula to ensure industry relevance and workforce readiness; Establish a reliable database to identify individuals in need of training and implement tracking mechanisms for those who have completed training programmes to support workforce integration; Promote employment opportunities tailored to the current conditions by fostering strong participation from employers and labour units.

+ Develop policies that align labour supply with market demand to ensure balanced workforce development across all economic sectors; Strengthen and modernise the labour market information system to support effective labour forecasting, manage employment contract data and track wage structures for domestic and foreign workers in Laos; Integrate the labour system with the Ministry of Finance to enable accurate assessment and calculation of personal income tax obligations for all workers; Coordinate with stakeholders to collect and consolidate job vacancy data from labour units and investment projects seeking Lao workers; Organise job fairs at national and local levels to expand access to employment opportunities across various professions; Enhance the capacity and service quality of employment service centres at central and provincial levels, while expanding service points to the district level in line with development plans; Promote awareness of safe and legal migration policies by disseminating accessible, user-friendly guidelines to ensure adequate outreach among target groups nationwide; Implement measures to maintain the national unemployment rate below 5%.

+ Expand the registration system for foreign workers in Lao PDR, ensuring coverage across all provinces and special economic zones; Develop and implement a comprehensive registration system for all foreign nationals working in the country to improve workforce oversight and compliance; Monitor the implementation of living wage and minimum wage regulations across businesses to ensure decent living conditions and labour welfare that are aligned with actual circumstances; Promote awareness, disseminate information and enforce the Labour Law by encouraging labour units to meet national labour standards across all sectors.

3.2.4 Output 4: Public Personnel Developed to Enhance Productivity and Efficiency

1. Targets and Indicators

- Strengthen the governance and administrative capacity of public personnel for ... individuals.
- Enhance the professional qualifications of public personnel, with ... individuals obtaining bachelor's degrees, ... individuals earning master's degrees and ... individuals achieving doctoral degrees.
- Ensure that training centres and public personnel development programmes implement standardised training curricula that align with the government policies and international standards.
- Develop and enhance at least 6 programmes on public governance and administration.

- Enhance the qualifications of trainers and educators by ensuring they possess expert knowledge, skills and experience while maintaining effective teaching and knowledge-sharing methods.
- Develop a modernised system to consolidate training and qualification outcomes that is regularly updated.
- Conduct comprehensive training programmes covering key areas such as Party directions and policies, laws and administrative regulations, political theorems and governance, ethics and professional responsibilities, public administration and management, technical and scientific training, foreign languages, innovation and digital technologies, AI and data utilisation, international and regional cooperation and other relevant subjects.
- Enhance specialised training programmes for public personnel.
- Strengthen efforts to transition public personnel into contractual technical staff in accordance with the revised government organisational structure, facilitating the transformation of select government entities into specialised technical units, with the goal of achieving full implementation.
- Develop a system to manage contractual government staff.
- Strengthen government's contractual staff expertise to contribute to the national socio-economic development.
- Develop and revise laws and legal framework to effectively manage and administer government's contractual staff to enhance the monitoring systems for assessing their performance based on expertise and evolving national priorities; Develop a structured salary framework alongside a modernised IT-driven evaluation system of government's contractual staff that seamlessly integrates with ministries, central government agencies and local authorities.

2. Priority Activities

- Develop and enhance training curricula in public governance and public personnel administration to ensure alignment with sector-specific needs and training objectives.
- Develop and enhance training institutions and centres for public personnel to strengthen capacity building initiatives and professional development programmes.
- Strengthen regional and international cooperation to improve training institutions and centres, including through the acquiring of modern equipment and facilities.
- Develop short- and long-term training plans for public personnel development.
- Conduct Training Needs Analysis (TNA) for government sectors nationwide.
- Develop and modernise e-training systems and programmes.
- Enhance training curricula for management levels (Senior, middle and entry levels).
- Establish legal frameworks to develop the performance evaluation systems for government's contractual staff, while designing and implementing a competitive salary structure that attracts and incentivises skilled professionals.

- Disseminate, promote, monitor and evaluate the implementation of the legislations on government's contractual staff management (2026 - 2030).
- Develop and enhance a modernised data management system to effectively manage and evaluate government's contractual staff based on their fields of expertise, ensuring seamless integration with ministries, central agencies and local authorities.

3.3 Outcome 3: Improved People's Well-Being with Balanced Urban and Rural Development to Drive Gradual Poverty Eradication

The priorities under this outcome focus on improving the material and psychological well-being of the population, particularly in remote rural areas, former revolutionary strongholds and heroic regions, and border areas, to bridge development gaps between urban and rural communities and high- and low-income groups. Efforts will be directed towards UXO clearance from agricultural land to expand crop cultivation and livestock farming, ensuring food security and sustainable agricultural development. Additionally, women and youth will be empowered to actively contribute to socio-economic development, while child and maternal protection will be strengthened to guarantee adequate nutrition and healthcare for mothers and children. Social security will be expanded to promote stability, including broader healthcare coverage for workers. Equitable policies will be implemented to support disadvantaged groups and individuals who contributed to national revolutionary efforts. Furthermore, national traditions and cultural heritage will be preserved and promoted to maintain historical values and identity while integrating them into development efforts in the new era.

● Outcome Level Targets and Indicators

- Reduce poverty rate to 10% of the population.
- Promote gender equality and empower women, aiming to increase the Gender Equality Index from 0.700 in 2024 to 0.733 by 2030.
- Advance gender equality in leadership by ensuring at least 20% female representation in management across all government sectors and levels; Foster inclusive conditions to achieve a minimum of 30% female representation at the National and Provincial Assemblies.
- Reduce the prevalence of underweight children under five years old to 18% of the target population.
- Reduce the prevalence of stunted growth among children under five years old to 27% (Or lower) of the target population.
- Reduce the prevalence of acute malnutrition (Wasting) among children under five years old to 5% (Or lower) of the target population.

3.3.1 Output 1: Rural Development Strengthened to Drive Poverty Eradication

1. Targets and Indicators

- Lift over 100,000 households out of poverty.
- Lift over 1,000 villages out of poverty.
- Lift over 25 districts out of poverty.

- Develop over 200,000 households into self-sufficient and economically stable families.
- Transform over 2,000 villages into developed villages.
- Develop at least 20 comprehensively strong districts.
- Develop at least 40 large villages into townships in rural areas.
- Continue the development of 15 rural development hubs to serve as models for sustainable development.
- Continue allocating resettlement land and livelihoods in 25 designated areas according to the law to promote social stability and long-term sustainability.
- Expand the Village Development Fund by at least 100 villages in impoverished districts.
- Expand electricity access to at least 98% of households nationwide.

2. Priority Activities

1) Rural Area Development and Poverty Eradication

- Enhance targeted poverty eradication efforts in remote rural areas by improving road access, expanding electricity coverage, ensuring clean water access and constructing schools and health facilities to progressively uplift living conditions and eliminate poverty; Support self-sufficient economies through commercialised agricultural production linked to industrial processing sectors, leveraging local and regional competitive advantages for market integration; Advance entrepreneurship, farm expansion and model family initiatives to produce fresh, organic and chemical-free products, reducing import dependency while meeting domestic demand and boosting exports.
- Establish rural development models to strengthen poverty alleviation efforts through the establishment of production groups, the expansion of processing industries, the growth of service sectors, the development of commercial farms and the promotion of cooperatives and small- and medium-sized enterprises (SMEs).
- Enhance support for agricultural production by developing diverse cooperative economic models in rural areas to ensure high-quality and efficient operations; Strengthen farmer cooperatives while encouraging domestic and international investment to drive rural development and poverty reduction, aligning with progressive industrialisation and modernisation policies; Create favourable conditions for farmers to actively engage in goods production.
- Conduct land surveys and allocations to ensure efficient and sustainable agricultural production for the target population; Secure land use rights to establish agricultural land as a stable production asset for the target population; Advance agricultural land development in accordance with green growth principles, environmental protection and agricultural ecosystem sustainability.
- Create conditions and opportunities for farmers to learn and apply scientific research, technology, innovation and modern agricultural techniques to shift from traditional and outdated production methods towards the sustainable utilisation of natural resources, including land and other inputs, to enhance production efficiency, quality and productivity.

- Assess priority rural development hubs and optimise coordination between central and local levels to refine models for rural transformation, ensuring stable and sustainable land allocation and livelihood for communities; Strengthen permanent settlement allocation efforts and secure stable employment for diverse ethnic groups to address challenges associated with unstructured population displacement and migration.

- Formulate a comprehensive rural development master plan with strategies, standards and key indicators to guide new rural development initiatives; Establish effective promotion mechanisms to engage economic sectors, individuals and communities in rural development and poverty reduction; Prioritise detailed regional and sectoral development efforts to align with each region's potential and comparative advantages to ensure efficient and targeted financing for effective and sustainable development.

- Enhance rural credit policies and optimise the operations of relevant funds in rural areas to ensure effectiveness and efficiency; Support the Rural Development Bank in aligning its operations with poverty reduction objectives.

- Empower rural communities and villagers to take greater ownership of local development and become key drivers of development progress; Enhance grassroots governance and administrative systems to improve efficiency and effectiveness; Deploy public officials to rural areas to engage directly with villagers and communities to identify specific challenges and tailored solutions.

- Develop inclusive development models by increasing community participation in rural infrastructure projects such as road, electricity, water supply, irrigation, education, public health and other initiatives, with greater local ownership; Clearly define roles and responsibilities among stakeholders, specifying government-led actions, joint efforts between the government and communities, community-driven projects and initiatives where communities take the lead in resource mobilisation.

- Strengthen regional and international cooperation to mobilise more resources for rural development and poverty alleviation efforts.

2) Political System Foundation Strengthening and Consolidation

- Strengthen the capacity to organise and implement development initiatives in alignment with respective roles, duties and responsibilities within communities and sub-districts, with the aim of ensuring high efficiency and effectiveness in carrying out the Four Content and Four Expectation Directive (Political; National Defence and Security; Economic Prosperity; Socio-Cultural Order).

- Strengthen leadership and governance capacity among Party Committees and local authorities; Enhance the operational quality of Party and mass organisations based on inspection findings, evaluation outcomes and exemplary leadership practices demonstrated by Party members; Intensify efforts to prevent and address negative phenomena within the organisational structures of the Party and government; Foster a transformative shift in leadership and management mechanisms across government entities to promote integrity, transparency and accountability; Improve the organisation of the Party and mass organisations within state-owned enterprises and cooperatives to ensure transparent management, combat corruption, safeguard the rights and interests of the state and collectives, and enhance business performance.

- Continue consolidating the foundations of the political system by building strong and disciplined national defence and public security platforms across communities in all dimensions; Improve the content, modalities and methods of grassroots political development to ensure alignment with the Four Content and Four Expectation Directive, contributing to rural development and the tangible alleviation of poverty; Strengthen multidimensional self-reliance among local authorities and communities; Take proactive ownership in preventing, countering and resolving destabilising factors that pose risks to political, economic and socio-cultural stability—such as disorderly conduct, drug abuse, criminal activity in all forms, human trafficking and related issues.

3.3.2 Output 2: Food Security and Nutrition Strengthened to Ensure Universal Access and High Quality

Key priorities under this output include promoting diversified agricultural production to ensure food security, improve nutrition and reinforce national stability. Emphasis is placed on the cultivation and supply of rice, vegetables, meat, eggs, fish and other essential food items, with the objective of achieving self-sufficiency and abundantly meeting domestic demand to enhance people's well-being. The provision of maternal, infant and child health care – including nutrition services for children under five – will be improved to ensure quality, systemic integration and universal coverage.

1. Targets and Indicators

- Produce 4 million tonnes of paddy rice annually (2.5 million tonnes for domestic food supply, 0.4 million tonnes for rice reserves, 0.1 million tonnes for preservation and 0.8 million tonnes for domestic processing and export).
- Cultivate 2.6 million tonnes of food crop production annually, including sweetcorn (34,450 hectares, yielding 0.2 million tonnes per year), vegetables (200,000 hectares, yielding 7 million tonnes per year), root crops such as cassava and taro (18,000 hectares, yielding 0.17 million tonnes per year), fruits (52,000 hectares, yielding 0.53 million tonnes per year).
- Strengthen efforts to produce 716,430 tonnes of meat, eggs and fish, aiming to achieve a consumption rate of 87.2 kilograms per person per year. The breakdown includes 387,200 tonnes of meat production per year (Including 106,670 tonnes of poultry per year), approximately 47,100 tonnes of eggs per year, 291,130 tonnes of fish and aquatic animal production per year (With 70% coming from aquaculture).
- Increase household consumption of iodised salt to 60% of the target population.
- Increase access to clean water for more than 95% of the population.
- Increase household sanitation / latrine coverage to over 90% of all households.

2. Priority Activities

- Determine the quantity and variety of agricultural production, such as food production to promote domestic production and reduce reliance on imports.
- Promote diverse and safe food production for household consumption, with a particular focus on rural areas that face nutritional challenges.

- Promote and strengthen rural agricultural resilience by empowering farmers to diversify food production for household consumption, particularly the production of short-cycle crops and small animal farming (Fish, aquatic animals, poultry) in rural areas that face nutritional challenges.
- Enhance food storage (Reserves), distribution and accessibility to ensure nationwide food security.
- Manage, utilise and develop agricultural land to ensure efficient and sustainable food security.
- Enhance the management, utilisation and development of irrigation systems to improve efficiency and expand water supply coverage; Research resilient crop varieties, including rice, fruits and livestock to adapt to environmental conditions of each region.
- Advance research and development of industrial and modernised technologies, scientific tools and innovations for application in crop cultivation and animal husbandry.
- Promote advanced production techniques and strengthen agricultural capacities.
- Prioritise the promotion of strategic agricultural production as a key economic driver to reduce import dependency by ensuring the supply of high-quality and sufficient production inputs, including technical expertise, high-yield crops, livestock varieties, fertilisers and animal feeds.
- Establish proactive measures to protect domestic producers by enacting relevant regulations that define locally producible goods and restricting imports through non-tariff measures, thereby aiding in the reduction of foreign reserve outflows.
- Expand nutrition programmes to reduce malnutrition rates, addressing stunting, underweight and acute malnutrition (Wasting) conditions; Increase household consumption of iodised salt through support of salt iodisation production and public awareness campaigns to encourage iodised salt usage.
- Expand nutrition education and strengthen Social Behaviour Change Communication (SBCC) through multiple channels, integrating nutrition knowledge and practical applications into community outreach and formal education systems.
- Promote Maternal, Infant and Young Child Nutrition (MIYCN) by providing counselling and services to support optimal infant feeding practices, with exclusive breastfeeding until 6 months and complementary feeding after 6 months until 2 years.
- Enhance the provision of essential micronutrients, including iron and folic acid, vitamin A and deworming medication, for women and children in target groups, while also increasing iodised salt consumption and fortifying foods with vital vitamins and minerals.
- Promote nutrition education and form a dedicated committee to reinforce acute malnutrition management, emphasising early intervention, treatment and care for infants and young children, while ensuring comprehensive coverage and high-quality standards.
- Integrate nutrition into healthcare service by providing health supplements during pregnancy and adolescence; Enhance micronutrient intake and incorporate nutrition into

Universal Health Coverage (UHC); Embed essential nutrition services into primary healthcare.

- Strengthen institutional capacity, governance, management, planning and coordination across nutrition-related sectors at all levels.
- Enhance financial governance, planning, monitoring and reporting across all nutrition-related sectors at all levels for both public budgets and Official Development Assistance (ODA) to ensure effective evaluation of return on investment for money spent in each period.
- Develop and implement integrated nutrition plans across relevant sectors in alignment with the National Plan of Action on Nutrition (NPAN) to enhance the effectiveness and efficiency of nutrition-related initiatives to ensure timely responses to emergencies, disasters and interventions for vulnerable people.
- Enhance early warning systems and related measures to integrate food safety and nutrition indicators into national monitoring frameworks; Implement indirect nutrition interventions through context-based food procurement by service providers; Adopt a One Health Approach, integrating human, animal and environmental health consideration.
- Promote social behaviour change to improve dietary habits among women and children; Strengthen the enabling environment for effective nutrition initiatives (Such as enhancing institutional capacity, coordination, public-private partnerships (PPPs), planning, monitoring, research, evaluation, surveillance and data systems) to contribute to nutrition and food security.
- Improve water, sanitation and hygiene systems by expanding access to and promotion of behaviour change across communities, schools, service facilities, restaurants and government and private sector offices; Protect natural water sources for sustainable use and safety.
- Strengthen human resource capacity in nutrition across all sectors and levels.

3.3.3 Output 3: Youth, Women and Children Empowered with Gender Equality Strengthened

The empowerment and promotion of Lao women – including women from diverse ethnic groups – will be continued, with efforts made to preserve their cultural identity and promote the nation’s rich cultural heritage. Access to information, knowledge and modern science and technology will be ensured for women to apply in their work, improve their quality of life and that of their families, and participate in lifelong learning, research and innovation to elevate their role in socio-economic development.

Rights and equitable benefits of women and children will be protected, and inclusive access to justice will be guaranteed to the reduce social vulnerability. Skills development, vocational training, employment opportunities and access to village-level women’s savings groups, mutual assistance funds and microfinance institutions will be promoted to support women and families in improving financial wellbeing. Women-led production and entrepreneurship in small and medium-sized enterprises will be supported, following principles of self-reliant economic development.

1. Targets and Indicators

1) Youth Development

- Ensure that at least 90% of Youth Affairs Secretariat members are represented within Party membership across their respective ministries, organisations, provinces, Vientiane Capital and districts.
- Encourage youth affairs secretariats at the provincial level, including Vientiane Capital, to achieve 100% completion of the “4 breakthroughs” target, with a 90% victory flag recognition.
- Encourage youth affairs secretariats at ministries and equivalents to achieve 95% completion of the “4 breakthroughs” target, with a 85% victory flag recognition; Encourage youth committees within other organizations to achieve 90% completion of the “4 breakthroughs” target, with a 75% victory flag recognition.
- Expand membership by 5% from the number of members at the First General Assembly meeting.
- Conduct consultations at the central and provincial levels at least 5 sessions.
- Conduct at least 5 training sessions to develop young human resources to enhance employment and foster entrepreneurship (Start-ups).
- Expand vocational training opportunities for disadvantaged youth, aiming to equip at least 250 individuals with practical skills in agriculture, animal husbandry, tailoring, beauty services, welding, motorcycle repair, electrical work and other areas.

2) Gender Equality and Women Empowerment

- Enhance the Gender Gap Index from 0.700 in 2024 to 0.733 by 2030, with economic participation and inclusion rising from 0.714 to 0.851, education achievement improving from 0.972 to 0.976, health and survival index maintaining at 0.975, and political empowerment increasing from 0.140 to 0.141 over the same period.
- Reduce Gender Inequality Index from 0.467 in 2024 to 0.436 by 2030.
- Increase Gender Development Index from 0.919 in 2024 to 0.927 by 2030.
- Increase Human Development Index for women from 0.593 in 2024 to 0.675 by 2030.
- Promote women’s political representation, aiming for at least 30% representation at the National and Provincial Assemblies.
- Female leadership at central levels (Ministerial, departmental and divisional) will be ensured to reach at least 30%.
- Female leadership at provincial and capital levels (Including chairpersons and vice-chairpersons of provincial governance committees, departmental and divisional levels) will be ensured to reach at least 20%.
- Female leadership at district levels (Including chairpersons and vice-chairpersons of district governance committee, office-level and unit-level positions) will reach at least 20%.
- Female leadership at sub-district and village levels reach at least 10%.

- Lao Women's Union members actively engage in analysing and incorporation of the Party's policies, the Constitution, laws, treaties concerning women and children, development plans, historical narratives and cultural frameworks, contributing to at least 80% of discussions and decision-making processes.
- Access to useful information for personal and household development – particularly through innovative forms of publication – reaches a cumulative 1,500,000 instances among women and the general public.
- At least 250 Lao Women's Union members at the provincial and district levels receive training to enhance their knowledge and skills in providing counselling services for women and children under 5 years of age.
- 2,000 disadvantaged women from the provinces receive short- and long-term vocational training from the Lao Women's Union's training centres.
- Produce a minimum of 2,000 awareness and advocacy materials, including guidance for mainstreaming care-related work into organisational and production policy frameworks.
- At least 100 trainers are trained to deliver education aimed at cultivating appropriate mindset for 10,000 individuals nationwide; Online promotional and advocacy content reaches a minimum of 5,000,000 people.
- Conduct a minimum of 100 promotional activities annually—and a cumulative total of 500 activities over five years—to cultivate positive attitudes towards the care economy among Lao Women's Union members and women from diverse ethnic backgrounds, with the aim of increasing access to social protection, improving livelihood quality, enhancing public service delivery and boosting overall well-being and income for them.
- Establish a Lao Women's Union database that records and accounts for both paid and unpaid care providers.
- In collaboration with the Ministry of Labour and Social Welfare, promote and encourage women in both formal and informal labour sectors to participate in social security and health insurance schemes, with a targeted annual increase of 10% in enrolment.
- Provide financial support to promote economic income generation among care providers, targeting improved outcomes for a minimum of 400 groups or individuals.
- At least 250 Lao Women's Union members at the provincial and district levels receive training to strengthen their capacity in counselling services for women and children under five years of age; Establish 3 additional child protection and assistance centres in Phonsaly, Luang Prabang and Oudomxay provinces.
- At least 15,000 women and youth receive training to strengthen foundational financial literacy and household financial management skills; Access to finance for women – particularly for occupational startups and entrepreneurial ventures – increases by 30%.

- Engage at least 90% of female members from diverse backgrounds in implementing Lao Women's Union's mottos and themes that are aligned with the overarching directions of the Party and the government.
- Decrease violence against women by domestic partner: Reduce physical violence from 11.6% in 2014 to 8.7% in 2030; Lower gender-based violence from 7.2% to 5.4% in 2030; Decrease psychological violence from 26.2% in 2014 to 19.65% in 2030; Reduce economic violence from 6.8% in 2014 to 5.1% in 2030.
- Reduce violence against women by individuals other than domestic partner: Reduce physical violence from 5.1% in 2014 to 3.8% in 2030; Reduce sexual violence from 5.3% in 2014 to 3.9% in 2030.

3) Child Rights Protection and Promotion

- Reduce the number of children in multidimensional poverty (Based on the national definition) to 30% by 2030.
- Reduce child marriage (Aged 15-19): Girls from 26.6% in 2023 to 23.94% by 2030; Boys from 10.2% in 2023 to 9% by 2030.
- Reduce child pregnancy for women aged 20-24 who gave birth before age 18 from 15.4% in 2023 to 11.5% by 2030.

2. Priority Activities

1) Youth Development

- Strengthen the capacity of professionals engaged in youth development nationwide.
- Disseminate the outcomes of the 9th National Youth Congress, the revised Lao People's Revolutionary Youth Law, the Law on Lao Youth and other relevant laws.
- Monitor, promote, inspect and evaluate the implementation of the "4 Good" youth competition and "3 Good, 4 Know" adolescent competition.
- Strengthen political grassroots development to ensure effective leadership and governance at the provincial, district and village levels.
- Implement the Lao Youth and Adolescent Development Strategy (2021 - 2030) at the provincial level; Organise national leadership meetings, national coordination committee and provincial committee level meetings to guide policy implementation and ensure cross-sectoral collaboration.
- Prioritise the First National Youth Congress and the expansion of Lao Youth's Union memberships.
- Promote youth talent development through participation in youth camps, short video competitions, theatre performances and debate contests on environmental issues, child pregnancy, child marriage and other relevant topics, and other activities.
- Raise awareness among young people about the history of the country, sexual health, HIV prevention, gender-based violence, substance abuse, road safety, human trafficking and child marriage; Expand knowledge of mental health support services, including the MHPSS hotline (1554) for counselling and guidance; Promote youth-

focused applications such as “I Want to Know”, “Campaign Khoi”, “My Body, My World, My Future” and other platforms to educate young people on personal well-being and future planning.

- Enhance youth training and awareness in digital literacy, AI, ICT and scientific innovation to foster responsible technology use and knowledge about cybersecurity; Utilise new technologies to educate young people on climate change and its impact on their livelihood.
- Raise awareness among local authorities, service providers and youth volunteers among major Lao-China railway stations to enhance knowledge and understanding of HIV/AIDS prevention, gender-based violence (GBV) and youth empowerment through “Campaign Khoi”, “My Body, My World, My Future” and similar initiatives.
- Implement nationwide Social Behaviour Change Communication (SBCC) training for youth and develop short plays that address local social issues to foster awareness and engagement among young people.
- Strengthen and expand youth counselling services at the central and provincial levels, ensuring accessible support for young people.
- Increase awareness of the importance of and promote access to vocational education, with an emphasis on disadvantaged areas and vulnerable populations.
- Enhance human capital development and expand employment opportunities through start-up training for youth, vocational programmes in crop cultivation, livestock farming, tailoring, beauty services, welding, motorcycle repair, electrical work and other skill development initiatives for disadvantaged youth.
- Conduct youth development analysis.
- Expand youth training and international exchange programmes through bilateral and multilateral cooperation.

2) Gender Equality and Women Empowerment

- Enhance legal frameworks and policies on gender equality; Strengthen mechanisms to monitor and enforce gender equality laws, the implementation of the Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW) and the Convention on the Rights of the Child.
- Strengthen the integration of gender equality into development plans, programmes, projects and budget allocations across sectors and local authorities—particularly in small and medium-sized communities; Ensure that gender considerations are systematically embedded throughout these processes, with emphasis on expanding economic opportunities and financial empowerment for women—by improving access to education, healthcare, finance, employment and participation in social security and health insurance schemes, and by recognising and valuing the care services provided by women; Enhance disaster risk reduction and climate change adaptation services; Promote equitable access to information and technology, while actively increasing women's representation in leadership roles across government and political spheres to advance gender equality objectives.

- Enhance the implementation of the government's commitments to international treaties, agreements and conventions related to women's and children's rights.
- Strengthen the collection and use of gender equality statistics across sectors and local authorities.
- Promote awareness of the Party's and the government's policies, the Constitution, laws, and international treaties, agreements and conventions related to women and children; Strengthen knowledge of development plans, historical and cultural heritage, and women's contributions to the national development; Ensure women's access to information and modern technologies to enhance their participation and empowerment.
- Broaden Lao Women's Union memberships across all sectors while strengthening women's leadership roles and ensuring sustained participation and continuity.
- Strengthen awareness and understanding of Lao Women's Union mottos, slogans and competition themes to ensure greater engagement and participation in socio-economic development.
- Expand short- and long-term vocational training for women in disadvantaged communities nationwide; Promote women's access to technical and vocational training programmes in productive activities, agriculture, handicrafts, financial management and business administration, and promote women's access to financing sources to progressively address poverty among women.
- Organize leadership training for female trainers at the central, provincial, district and village levels; Strengthen the capacity of women members and encourage their active participation in community decision-making.
- Promote awareness and support for both paid and unpaid caregiving work; Ensure that women have secure housing, access to essential services and improved well-being; Create enabling conditions for women to enjoy strong physical and mental health, access to justice systems and receive protection and care.
- Promote women's access to credit and support female entrepreneurs; Strengthen women's financial literacy and empower them to participate more actively in economic development.

3) Child Rights Protection and Promotion

- Strengthen coordination with relevant sectors to promote children's rights to development, protection, survival and active participation.
- Enhance children's well-being to alleviate multidimensional poverty (Deprivation in nutrition, healthcare, child protection, sanitation, housing, early childhood development, education and access to information).
- Expand and implement the National Action Plan on Prevention and Elimination of Violence against Women and Violence against Children; Prioritize prevention and deterrence of gender-based violence, human trafficking and child marriage; Provide services on health, justice and other social services to violence victims; Strengthen

service providers' capacity to assist victims effectively; Establish and upgrade protection and support centres to ensure safe, accessible and quality care.

- Promote child protection, mediate disputes, offer guidance, and refer cases to appropriate services; Prevent harmful practices that violate children's rights, such as early marriage, corporal punishment and exploitation.

3.3.4 Output 4: Information Sector Modernised to Promote Unique Culture, Unity and Societal Advancement

1. Targets and Indicators

- Establish 94,150 cultural families, develop 394 cultural villages and create 80 model cultural villages; Develop more than 7 cultural districts.
- Nominate the national heritage site of Nakai–Nam Theun, the cultural heritage sites of the Standing Stone Pillars in Houaphanh Province and That Ing Hang for inclusion in UNESCO's World Heritage Tentative List.
- Nominate the intangible cultural heritage elements of "Lap (Minced meat salad), Baci ceremony, ancestor veneration rituals during Lao New Year, and traditional rice dishes (Khao Tom and Khao Larm)" for inscription as intangible cultural heritage of humanity.
- Conduct archaeological surveys at 10 sites and carry out excavations at 5 locations.
- Register ancient artifacts and Buddha images at 5 newly identified and reported sites.
- Survey, document and register 10 local cultural, historical and natural heritage sites for national recognition.
- Register 5 new artisan lineages.
- Register 15 local intangible heritage elements for national recognition.
- Survey and document museum artifacts, aiming to complete data collection at 5 national museums.
- Survey and delineate the boundaries of 10 cultural heritage sites.

2. Priority Activities

- Manage and promote the conservation, protection, restoration, and transmission of the nation's valuable cultural heritage to ensure its sustainability; Diversify cultural products and develop them into cultural industries that serve as platforms for learning and tourism services.
- Actively manage and enhance the value of world heritage and national heritage sites to ensure their social benefits; Protect and restore these heritage sites sustainably, while promoting public learning and understanding of their historical significance to ensure intergenerational transmission.
- Develop and standardise the correct usage of the Lao language to ensure linguistic integrity and unity.

- Revitalise and promote the country's artistic and literary identity as well as cultural value and national pride.
- Promote national unity and pride by fostering a culture of kindness and a strong learning spirit to enhance education and awareness of cultural values among new generations; Encourage creativity and productivity to cultivate refined tastes, national pride and a commitment to supporting domestically produced goods and services.
- Strengthen and revise laws and regulations in the cultural sector to align with contemporary realities to ensure effective implementation and widespread dissemination.
- Develop and improve cultural infrastructure to align with socio-economic development.
- Enhance human resources in the cultural sector by fostering strong political awareness, specialised expertise and high professional standards.

3.3.5 Output 5: Social Security and Protection Network Expanded with Enhanced Quality and Effectiveness

1. Targets and Indicators

- Strengthen awareness raising efforts on social security and social protection among government agencies, businesses and independent professionals, with the goal to increase outreach initiatives to 8,210 instances.
- Expand social security coverage by increasing the number of registered enterprises by 7,000 units; Expand social security memberships to 724,000 individuals, including 4,000 government employees, 350,000 private sector workers and 370,000 voluntary contributors; Boost revenue collection to LAK 13,572.63 billion, with LAK 9,426.86 billion from the public sector, LAK 4,145.76 billion from private enterprises and voluntary contributors; Manage social security and administrative expenditures to remain within LAK 11,859.45 billion, LAK 9,426.86 billion for the public sector and LAK 2,432.58 billion for the private sector and voluntary contributors; Projected social security fund reserves reaches LAK 1,713.17 billion, all of which from the private sector and voluntary contributors; Provide financial assistance for 269,425 individuals, including 154,172 public sector beneficiaries and 115,253 private sector and voluntary contributors.
- Implement policies to honour individuals who have contributed to the national revolutionary movement, aiming for 36,172 individuals.
- Train 250 social workers specialising in counselling for individuals recovering from substance addiction; Provide essential supplies to 416,000 individuals, including disaster victims, low-income families and socially disadvantaged groups; Enhance living conditions for 500 households.
- Expand child protection efforts at the village level to reach 3,752 villages, strengthening the capacity to provide basic psychological counselling to support at least 2,000 children; Provide vocational training, employment opportunities and entrepreneurship

support to 1,000 vulnerable individuals, including 550 disadvantaged individuals and former substance users, and 450 individuals at risk of human trafficking.

- Conduct labour law enforcement inspections and labour law dissemination efforts to reach 15,000 labour units.
- Expand awareness raising efforts to reach 8,389 villages to ensure they receive comprehensive legal education on the prohibition of hazardous child labour and the prevention of exploitation.
- Encourage the establishment of 300 workplace safety and health units in large-scale and high-risk labour units, while reinforcing efforts to ensure that 280 labour units conduct annual health check-ups for their workers.
- Enhance labour management and registration for both domestic and foreign workers to ensure seamless integration with relevant sectors.
- Promote the establishment of collective labour contracts and monitor wage payments to ensure that at least 80% of workers receive fair compensation through formal labour mechanisms.

2. Priority Activities

- Revise the Social Security Law and the Labour Law while drafting a new Workplace Safety and Health Law, along with related legislation, ensuring comprehensive content.
- Expand social security awareness raising through diverse formats and communication channels to maximise accessibility and foster strong engagement across all social groups.
- Enhance, refine and upgrade the social security database system to ensure seamless integration with relevant sectors to strengthen social security operations to be more efficient, transparent and accountable.
- Enhance the enforcement of social security related laws by ensuring strict compliance among registered enterprises. This includes strengthening collaboration with relevant sectors to monitor and inspect businesses that have yet to enrol in the social security system and ensure continued compliance among enterprises already participating in social security programmes.
- Strengthen coordination with relevant sectors to ensure efficiency, quality and satisfaction among insured individuals.
- Implement policies to honour individuals who have contributed to the national revolutionary movement by verifying records, confirming contributions and achievements to facilitate financial support, housing support and other benefits.
- Promote the development of funding mechanisms, information systems and community support to strengthen social services and child protection; Expand vocational training programmes to improve livelihood opportunities for target individuals, including disadvantaged groups and former substance users.

- Strengthen labour inspections and mechanisms to enhance efficiency and effectiveness by building inspector capacity, upgrading tools and methodologies; Certify enterprises that meet national labour standards; Enhance modern data recording and reporting systems.
- Enhance labour management and protection for high-risk workers, including informal labourers, women and youth in hazardous occupations; Eradicate child labour; Strengthen the registration and regulation of foreign workers to ensure legal compliance.
- Encourage labour units to conduct annual health check-ups for workers and enhance workplace safety through designated safety and health personnel or units, aimed at reducing labour accidents, overseeing risk prevention and monitoring workers' health status.
- Modernise labour management systems by transitioning to electronic and digital services, including digitising labour registration for both domestic and foreign workers, implementing electronic reporting systems for workplace safety and health monitoring, offering online consultation services and improving payroll management through automated wage collection and distribution.
- Strengthen tripartite labour cooperation at both the central and local levels to foster harmonious labour relations by revising relevant laws and regulations, setting minimum wage policies, establishing collective labour agreements and resolving labour disputes.
- Collaborate with international organisations and civil society organisations to enhance the effectiveness of social welfare programmes.
- Expand social assistance programmes to improve living conditions for disadvantaged people.
- Collect data on the impacts and needs of workers to support proposals for increasing the minimum wage and improving welfare benefits for both formal and informal sectors.
- Review and revise the draft collective labour contract to protect the rights and benefits of trade union members, workers and labourers; Strengthen legal safeguards and promote fair labour relations across sectors.
- Conduct nationwide awareness campaigns to promote safe labour migration and strengthen ties to anti-human trafficking efforts, targeting both formal and informal workers; Raise public consciousness to eliminate and prevent the use of child labour and gender-based violence in the workplace.

3.3.6 *Output 6: Unexploded Ordnance (UXO) Clearance Progressively Accelerated and More Lives Made Safe from UXO*

1. Targets and Indicators

- Continue UXO clearance on 16,450 hectares of agricultural land, community areas and economic centres.

- Conduct technical surveys to identify confirmed hazardous areas (CHA) on 49,250 hectares; Conduct non-technical surveys to identify CHA in 775 villages.
- Undertake mine risk education to inform communities about the risks and safe practices associated with UXO in 2,250 villages.
- Construct one exhibition centre for defused ordnance and build new offices for UXO Lao in two provinces.
- Reduce the number of injuries and fatalities from UXO across all categories by 190 cases (38 cases per year).
- Conduct technical surveys to identify UXO contamination points in at least 3,000 villages (600 villages per year).

2. Priority Activities

- Expand mine risk education across communities and deliver prompt support to victims, enabling them to sustain their livelihoods and actively participate in socio-economic development.
- Leverage innovative solutions to enhance non-technical and technical surveys, and increase UXO clearance operations.
- Enhance UXO clearance agencies by improving technical capacity, coordination, strategic planning and sector accountability, and increase mobilisation of domestic and international financial support.
- Enhance coordination among the government, development partners and civil society organisations, which play a vital role in assisting the government in the implementation of UXO clearance.

3.4 Outcome 4: Natural Resources and the Environment Safeguarded to Enhance Resilience Against Climate Change and Natural Disasters

Efforts must focus on the protection and management of natural resource utilisation in line with the National Land Allocation Master Plan to ensure maximum efficiency. It is essential to establish conditions that ensure a balance between socio-economic development and environmental protection under green and sustainable development principles. This includes promoting environmentally responsible investments, enforcing strict environmental standards to minimise impacts on nature and society, and strengthening mechanisms for the effective and sustainable use of natural resources while advancing clean energy initiatives – all requiring broad participation and ownership from society.

Additionally, improving systems for waste management, pollution control and environmental quality assurance is crucial, alongside creating clean cities in every province. A priority is also the sustainable utilisation of water resources in socio-economic development efforts, ensuring a balanced distribution for both productive purposes and livelihoods.

At the same time, mechanisms, procedures and monitoring systems must be enhanced to reinforce land use management. Attention shall be given to regulating land rental and concessions to ensure compliance with relevant laws and regulations, preventing scattered land encroachments to secure land as a stable source of government revenue.

Another key priority is the implementation of international climate and biodiversity commitments that Laos has endorsed, aimed at reducing greenhouse gas emissions and enhancing carbon sequestration to achieve net-zero emissions by 2050. This includes assessing climate-vulnerable areas to strengthen risk preparedness and build capacity for participation in carbon trading mechanisms.

Further emphasis must be placed on establishing systems to effectively manage droughts and floods through the modernisation of meteorological and hydrological operations to meet international standards and provide accurate, timely data. Accelerating efforts to promote clean energy development, renewable energy adoption and environmentally responsible production practices that result in lower carbon emissions is also critical.

● **Outcome Level Targets and Indicators**

- Accelerate the translation of the National Land Allocation Master Plan into detailed action plans and expedite the implementation of local land allocation plans through comprehensive land surveys and allocation, aiming to complete the classification of land into 8 types by 2030.
- Accelerate land surveys and allocation for conservation and preservation, particularly forest land, to categorise into 3 types of forest land, covering a total area of 16.5 million hectares or equivalent to 70% of the country's land area. The remaining 30% will be designated for development purposes, focusing on agricultural production and other priority sectors. These targets are set to be achieved by 2030.
- Reduce greenhouse gas emissions by 60% compared to baseline; Enhance adaptation capacity to strengthen resilience to climate change; Assess climate change risks to develop detailed vulnerability maps of climate change impacts across the country.
- Strengthen mechanisms for effective river basin management to support the implementation of the management plans of 14 large-scale river basins.
- Assess water flow dynamics (minimum, maximum and recurrence cycles) across 10 river basins.
- Develop and implement groundwater management plans in at least 12 provinces.
- Expand meteorological stations in cities that currently lack them with a target to establish 35 new stations; Set up 25 new hydrological stations in flood-prone areas; Upgrade and repair 40 meteorological stations and 40 hydrological stations; Upgrade and repair seismic monitoring and warning stations; Establish 2 new meteorological radar stations.

3.4.1 Output 1: Forests, Land, Water and Mineral Deposits Sustainably Managed through Strategic Planning to Maximise Benefits and Ensure Sustainability

1. Targets and Indicators:

- Accelerate land registration to issue 550,000 land titles, while continuing the transfer of land title issuance responsibilities to 34 district-level offices of environment and natural resources and delegating land registration tasks to 60 district-level offices, out of the total of 148 districts.

- Survey and allocate forest land to be classified into one of the three forest types, covering a total area of 16.5 million hectares, which accounts for 70% of the country's total area. This includes: 8.2 million hectares of protected forest land (35%), 4.7 million hectares of conservation forest land (20%), 3.1 million hectares of production forest land (13%) and 0.1 hectares for tree planting. These targets are set to be achieved by 2030.
- Develop comprehensive plans for land allocation and the management of natural resources and the environment at the provincial level to be completed nationwide; Develop village-level land allocation plans in 3,167 villages within forested areas to serve as a foundation for recognising land use rights.
- Strengthen mechanisms for efficient management of investment projects and activities to ensure optimal natural resource and environmental protection; Promote the development of clean, green and aesthetically pleasing cities.
- Assess water flow dynamics (minimum, maximum and recurrence cycles) across 10 watersheds; Issue water usage permits and sustainable water flow certification for 50 projects; Issue permits for treated wastewater discharge for 30 projects (at the central and local levels).
- Develop and implement groundwater management plans in at least 12 provinces.

2. Priority Activities

1. Forestry Sector:

- Promote efforts to accelerate forest restoration and improve forest quality across 34 protected forests, 18 conservation forests, 7 national parks and 51 production forests.
- Strengthen efforts to review the boundaries of protected forest areas and propose to the government to issue a decree to establish 32 protected forests; Conduct surveys to designate 8 new national level protected forests and 1 provincial level protected forest.
- Promote and support the implementation of protected forest management plans such as installing 6,130 location signs, setting up 1,865 boundary markers and strengthening patrol and surveillance efforts to convert 4 forest areas into conservation forests. These include Phou Sithon - Phou Chomvoy forest (Borlikhamxay Province), Dong Khunthung forest (Champhasack Province), Phou Meud - Phou San Kheun - Phou Kai Khone forest (Vientiane Province) and Nam Lan forest (Phongsaly Province).
- Promote eco-tourism through the forms of leasing, concessional contracts and cooperative agreements to ensure sustainable livelihoods and forest preservation across 10 conservation forests and national parks.
- Propose 9 conservation forests to be included in the ASEAN Natural Heritage Parks list.

2. Land Management:

- Advance the development of comprehensive land allocation, natural resource management and environmental protection plans at all levels to integrate and align with the development zoning strategy under the direction of the national socio-economic development and sectoral development plans.

- Enhance mechanisms, procedures and oversight for state land management to ensure strict compliance with leasing and concession laws to achieve optimal resource use and guarantee the country's maximum benefits in line with legal frameworks and established policies for efficiency and sustainability.
- Actively modernise land management at scale through developing transformation strategies, assessing land database management system, and enhancing and developing ICT infrastructure for comprehensive land data management; Collaborate with private companies and relevant sectors to advance land registration systems (Lao Land Reg, LLR) and integrate land data into the government's public finance management systems to facilitate fee collection and improve service management for efficient land use.
- Focus on developing a systematic land title management system to streamline fee collection, service charges and land taxation, aiming to increase efficiency, transparency and modernisation; Enhance revenue generation from land resources to support the achievement of self-sufficient economy and socio-economic development targets.
- Prioritise the efficiency of land leasing and concession management to promote the efficient and sustainable utilisation of land resources in accordance with the laws and established policies.

3. Environmental Protection:

- Regulate and oversee investment projects and family businesses to ensure strict compliance with environmental protection measures, including pollution prevention and control, and impact mitigation measures; Improve monitoring, evaluation and reporting systems for systematic, accurate and timely assessments of environmental quality (Water, soil and air quality).
- Promote the adoption of clean technologies, waste reduction and 3R principles (Reuse, recycling and reduction) and circular economy principles to improve factory waste management and broader societal waste management practices; Support the establishment of standardised waste disposal sites to ensure efficient waste collection and disposal, contributing to waste reduction and pollution control.
- Identify sources of air and water pollution while monitoring air and water quality to effectively mitigate haze pollution issues; Disseminate information and enhance awareness raising initiatives to foster public understanding of and engagement in environmental and natural resource protection with a sense of responsibility and ownership.
- Promote the development of green, clean and aesthetically appealing cities and transform them into smart, attractive and sustainable urban areas, with an increased number of parks with green areas.
- Safeguard natural resources linked to ecotourism and inclusive community development modalities.

4. Water Resource Management:

Priorities are given to enhancing water resource management to establish a comprehensive and systematic approach, ensuring balanced and sufficient water allocation for productive activities across sectors. Some key targets include:

- Expand water quality monitoring points along the Mekong River to 8 locations, while increasing air quality monitoring stations to cover 148 districts; Improve the quality of laboratory facilities in the 3 regions to meet international standards.
- Develop flood risk mapping and hydrological modelling in flood-prone areas and assess flood vulnerability across the three regions to inform systematic water management planning.
- Establish an efficient and systematic water management framework that is resilient to droughts and floods; Monitor and regulate wastewater discharges to ensure water quality standards in watersheds and natural water bodies.
- Enhance the effectiveness of wetland management through strengthening the implementation of the Ramsar Convention and the 1995 Mekong Agreement.
- Utilise Laos' water resource potential and reinforce water and natural resource management through integrated governance principles to ensure comprehensive revenue collection from surface and groundwater usages by enterprises and development projects, including the usages in electricity generation, irrigation, industrial activities, mining extraction and processing, water supply services and tourism.
- Encourage the development of coordinated mechanisms for water management, allocation and utilisation of various sectors to ensure efficiency, effectiveness and sustainability in water resource management.

3.4.2 Output 2: Green Growth and Climate Actions Promoted to Reduce Greenhouse Gas Emissions and Enhance Carbon Sequestration

1. Targets and Indicators:

- Establish 35 new meteorological stations in districts currently lacking coverage; Establish hydrological monitoring stations in 25 flood-prone areas; Upgrade and repair 40 meteorological stations; Upgrade and repair 40 hydrological stations; Improve 5 seismic stations; Establish 2 radar meteorological stations.
- Monitor surface water quality at 10 watersheds at the minimum (1 point per watershed); Monitor groundwater levels and quality across the 18 provinces (At least 1 point per province); Manage wetland and peatland at least 2 sites.
- Construct 4 sanitary landfill sites in Luang Prabang Province, Vientiane Capital, Oudomxay Province and Luang Namtha Province.

2. Priority Activities

1) Green Growth

- Strengthen climate adaptation efforts and accelerate the development of governance mechanisms to reduce greenhouse gas emissions.
- Develop and improve governance mechanisms to reduce greenhouse gas emissions;

- Strategically assess the current situations to prepare for the continued and effective implementation of SEA-Green Growth Strategy Lao PDR until 2030.
- Encourage and promote domestic and foreign direct investment in afforestation and integrated, circular industrial tree plantations on deforested and degraded land, aiming to expand forest coverage, restoring land quality and meeting demands for domestic and international processing industries while driving economic growth, job creation and poverty reduction; Limit and reduce long-term monoculture plantations that negatively impact soil fertility.
- Protect and restore water resource quality, with a focus on wetland and peatland improvement; Effectively manage surface and underground water.

2) Climate Actions

- Strengthen the implementation of climate change strategies and action plans.
- Expand the air quality monitoring network for PM2.5 by deploying 148 small-scale sensors across 148 districts nationwide.
- Develop Lao Clean Air Strategy 2025 - 2030.
- Strengthen the implementation of climate adaptation efforts such as developing essential infrastructure that is resilient to climate change impacts.
- Promote the adoption of environmentally friendly technologies in production processes to minimise carbon emissions.
- Leverage Laos' potential to engage in carbon trading to ensure the preparedness to cope with and address climate change impacts, as well as generating income to improve people's livelihoods.
- Increase access to international funds for climate actions and other available financing to strengthen the implementation of climate priorities.

3.4.3 Output 3: Capacities for Disaster Prevention, Management and Recovery Enhanced

1. Targets and Indicators

- Improve the Emergency Operations Centre (EOC) at the central level and establish 5 new EOCs in the provinces.
- Encourage districts to establish disaster management funds in at least 80 districts, while strengthening existing disaster management systems.
- Develop provincial level Strategy on Disaster Risk Reduction for at least 11 provinces and action plans for at least 70 districts.
- Develop central-level and provincial-level Annual Disaster Preparedness and Response Plan (ADPRP), and identify and develop Disaster Risk Reduction Plans for 30 districts in 5 provinces.

2. Priority Activities

1) Natural Resource and Environment Sector

- Strengthen drought and flood management systems through enhancing early warning mechanisms and modernising meteorological and hydrological operations to comprehensively, accurately, clearly and timely respond to changing environmental conditions and weather events.
- Upgrade weather forecasting capabilities to meet regional and international standards to ensure accurate, timely and clear meteorological data for society and relevant sectors.
- Strengthen National Contingency Fund to ensure efficient disaster response and risk prevention while maintaining transparency and accountability.
- Modernise the statistical data systems of the natural resource and environment sector.

2) Agricultural and Forestry Sector

- Develop district- and village-level Plans of Action for Disaster Risk Management in the agriculture and forestry sector to address climate-related risks such as droughts, floods, pest outbreaks and livestock displacement. The plans should integrate measures to ensure readiness for droughts and floods by securing seeds, agricultural inputs, fertilisers, pest and disease control mechanisms, machinery and water pumps, and enhancing irrigation systems.
- Conduct research, analysis and projection on climate change impacts on agricultural production, particularly in high-risk areas prone to seasonal and future floods, droughts and pest outbreaks across the northern, central and southern regions.

3) Labour and Social Welfare

- Strengthen the capability of disaster management committees at all levels to effectively evaluate and respond to urgent disaster situations.
- Enhance the capacity of disaster management committees at all levels to efficiently assess impacts, formulate contingency plans, coordinate efforts, summarise findings and report on urgent measures, recovery strategies and post-disaster rehabilitation.
- Identify and assess high-risk provinces and districts to develop disaster risk maps.
- Develop and enhance disaster damage and loss data systems to ensure accuracy and alignment between central and local levels.

3.5 Outcome 5: Regional and Global Integration and Connectivity Expanded and Optimised for Effectiveness

Laos' regional and international connectivity and integration efforts have delivered significant benefits, including market expansion, production integration with regional and global supply chains, and an increased influx of foreign direct investment. These advancements have supported job creation through the strategy of transforming Laos from a landlocked to a land-linked country, particularly through infrastructure development linked to special economic zones. This progress has driven growth in other sectors, such as strategic agricultural sectors, industrial activities, logistics, trade and tourism. Furthermore, enhanced connectivity and integration have accelerated the country's overall economic development, improved livelihoods, reduced

disparities between urban and rural areas, and fostered interconnected regional growth, promoting sustainable urban development.

Regional and international cooperation plays an increasingly vital role in Laos' national socio-economic development, particularly through strengthened partnerships with and assistance from strategic allies, as well as support from international partners in regional and global forums. Laos is focusing on increasing national ownership and the expansion of multilateral, multi-sectoral and multi-level collaboration with its allies, while continuing to reinforce its privileges and roles within various international commitments and cooperation frameworks to which it is a signatory.

- **Outcome Level Targets and Indicators**

- Ensure that the proportion of export value under trade privileges must not fall below 45% of total annual exports.
- Reduce the time required for issuing permits and certifying imports and exports by 45% by 2030.
- Expand passenger transport across all modes of transportation within regional integration and connectivity network:
 - Increase the annual volume of land freight and passenger transport by ...% and 5% respectively.
 - Expand rail freight and passenger transport by 5% per year.
 - Boost air freight and passenger transport by 8% annually.
 - Raise waterway freight and passenger transport by ...% per year.
- Expanding mobile network coverage to achieve 80% 4G coverage and 5G coverage in major urban centres by 2030.
- Digital economy generate government revenue equivalent to 7% of GDP.

3.5.1 Output 1: Infrastructures Improved for National, Regional and International Connectivity to Facilitate Production, Services, Trade and Investment

1. Targets and Indicators

- Expand national highways to meet ASEAN standards and be able to accommodate heavy trucks with a load capacity of 11 tonnes per axle from 974 kilometres to 1,410 kilometres.
- Upgrade and enhance infrastructure and facilities at 3 international border checkpoints at the minimum.
- Expand logistics zones that connect with regional and international transport networks by ...% compared to the 2025 baseline (Relevant sectors are contemplating this target).
- Update and improve bilateral transport agreements with neighbouring countries.
- Establish 1 digital postal development centre to digitalise the postal sector.
- Establish 1 satellite data service and management centre.
- Reduce the number of villages without mobile signal (currently 670) by half.

- Digitize 50% of public administration and service delivery systems.
- Establish one high-tech development zone to promote innovation and advanced technology.
- Develop three additional digital parks – one each in the northern, central and southern regions – to support learning, entrepreneurship, and digital services.

2. Priority Activities

1) Public Work and Transportation

Priority is placed on developing, upgrading, managing, maintaining and rehabilitating key transport infrastructure within economic corridors such as Laos-China, North-South and East-West economic corridors, ensuring alignment with ASEAN standards. Infrastructure projects will aim to enhance traffic capacity and safety while integrating multimodal transport systems that are resilient to climate change. These improvements are designed to facilitate domestic and cross-border trade efficiently, while also strengthening social services, land security and national sovereignty.

- Road transportation infrastructure: (1) Strengthen efforts to mobilise Official Development Assistance from development partners to upgrade key national highways and Mekong River bridges within major economic corridors, including Laos-China, North-South and East-West economic corridors, ensuring compliance with ASEAN technical standards. Priority roads and bridges include Road 2E-2W (Completion targeted with strategic focus), Road No. 12 (Completion targeted), Road No. 13 South (Km 21–Km 71, completion targeted) and Road No. 8 (Funding secured and loan contracts signed). Additionally, the government is conducting feasibility studies and prioritising the upgrading of Road No. 13 North (Phonephone–Vangvieng–Kasi), upgrading Road No. 13 South (Thakhek–Savannakhet), Road No. 14, Road No. 17 and Road No. 18. The survey and design for the sixth Mekong River bridge, linking Saravanh Province in Laos with Ubon Ratchathani in Thailand, have been completed; (2) Promote domestic and foreign investment to accelerate the completion of the fourth section of the Vientiane-Boten Highway from Oudomxay to Boten, the parallel R3 Highway from Boten (Luang Namtha Province) to Huaysay (Bokeo Province) and Vientiane-Xaysomboun-Xiengkhouang-Nam Suoy (Lao-Vietnam border) Highway; Continue to attract investors to support the development of other highway projects; (3) Prioritise the rehabilitation and maintenance of national and local roads to connect production zones, agricultural areas and tourism hubs to key economic corridors; and (4) Strengthen truck weight management by improving regulations, enforcement mechanisms and weighing station infrastructure along major transport routes.
- Rail transportation infrastructure: (1) Actively mobilise financing from overseas to develop and expand railway network to better connect with neighbouring countries, including Vientiane-Thakhek-Namphao (Khammouane Province) to connect with Vietnam's railway system; Thanalaeng-Nong Khai Railway Bridge – dedicated rail bridge to link with Thai's railway system; (2) Advance efforts to complete feasibility studies, surveys, design planning and boundary demarcation for key railway routes (Both North-South and East-West railway corridors); (3) Continue the efforts to develop legislation to govern railway operations and management nationwide; and (4)

Promote domestic and international private investors to increase their participation in railway related services.

- Water transportation infrastructure: (1) Prioritise riverbank protection along the Mekong River, including its islands, Nam Heung and its tributaries, as a vital measure to safeguard the country's land and sovereignty boundaries while mitigating the risk of severe flooding in flood-prone areas vulnerable to seasonal inundation; (2) Enhance port infrastructure and inland waterway transport to improve efficiency, convenience and safety to promote tourism and waterway logistics. This includes developing and upgrading infrastructure to establish waterway transport as a viable transport option while seamlessly integrating with multimodal transportation in an environmentally sustainable manner; (3) Expand Wharf No. 1, 2 and 3 at the Vung Ang Port to generate income and benefits for the Lao PDR.
- Civil Aviation: (1) Prioritise the continued upgrading of infrastructure and facilities, and strengthen regulatory frameworks in line with International Civil Aviation Organisation's (ICAO's) assessments to ensure high-quality civil aviation operations, safety and security; (2) Improve and expand Wattay International Airport, Luang Prabang International Airport and Pakse International Airport; (3) Advance efforts to upgrade Oudomxay, Lunagnamtha, Boun Neau and Xiengkhuang airports; and (4) Improve and modernise infrastructure and facilities for air traffic control to meet ICAO's standards.
- Transportation sector: (1) Prioritise the integration of road, rail, waterway and air transport to build a multimodal logistics network, while advancing transportation and logistics systems within economic corridors. This includes ensuring that infrastructure and facilities are adequate to meet demand, modernised for efficiency and designed for convenience and safety; (2) Strategically promote the private sector to participate in logistics sector development; (3) Update regulations and policies in the transportation sector to support the development of a modern multimodal system while streamlining centralised management for greater efficiency; (4) Enhance the integration of Laos' transport and logistics networks with the regional network to advance economic corridor development. This includes upgrading international border checkpoints and strengthening bilateral cross-border agreements to ensure alignment with national interests and maximise benefits.

2) Technology and Communication Sector:

- Modernise payment systems and revenue collection through electronic payment channels to reduce reliance on cash transactions, thereby supporting the new normal lifestyle and driving digital economic growth. This, in turn, facilitates the development of electronic marketplaces while integrating digital payments into warehousing, customs clearance and freight transport within the logistics sector.
- Promote the adoption of modern and secure telecommunications and information technologies across all socio-economic sectors from the central to local levels.
- Promote and develop modern and sustainable learning resources to support research works, foster technological innovation in the ICT sector and empower learners with strong technical expertise to transfer technical knowledge to the society.

- Leverage research findings, technology and innovation transfer to strengthen production, trade and service sectors to enable the creation of diverse, modern and high-value-added products that can compete regionally and internationally.
- Centralise communication systems and interconnected telecommunications and internet networks to link with ASEAN and other countries in the region.
- Enhance high-speed telecommunications, ICT and digital infrastructure that meet international standards and are equipped with modern management tools to ensure user security and provide services across all provinces while ensuring regional and international integration.
- Develop the Cybersecurity Operations Centre that aligns with regional and international standards to effectively counter cyber threats; Develop robust cybersecurity systems to anticipate and prevent cyberattacks, address the misuse of social media and online platforms that violate laws and regulations, while simultaneously enhancing cybercrime prevention.
- Create an enabling environment for the growth of the ICT industry and the operations of ICT start-ups as a key driver of economic development; Promote the adoption of digital technologies in service sectors; Establish conditions for the widespread use of ICT services and the expansion of ICT service providers to accelerate the transition to a digital society and economy, through strengthened coordination of relevant stakeholders and governance of the digital sector.
- Utilise satellite technology to improve land surveying and services, including agricultural and forest land assessment, traffic and transportation management, among others.
- Conduct the feasibility study of establishing the Digital Postal Development Centre to modernise postal services and create a comprehensive, integrated system.

3.5.2 Output 2: Regional and International Trade and Investment Cooperation and Integration Enhanced and Expanded

1. Targets and Indicators

- Increase total export value by at least 10% per annum while keeping the total import value growth at no more than 9% per annum.
- Streamline import-export processes and reduce processing time by 25% by 2030.
- Reduce the time required for the issuance of permits and the verification of import and export procedures by 25% by 2030.
- Reduce the time required for customs clearance of imported and exported goods and border crossing at international checkpoints by 25% by 2030.
- Reduce unnecessary checkpoints along transport routes to facilitate movement and cargo transportation by 25% by 2030.
- Promote the establishment of a single data portal for socio-economic development needs at the national and local levels by 2030, and encourage Lao government offices

abroad and relevant sectors to use the system (Targeting 20 portals out of 42 planned portals).

2. Priority Activities

- Strengthen the country's engagement in international conventions and agreements while deepening diplomatic relations with allied nations; Join regional and global organisations and participate in bilateral and multilateral socio-economic cooperation frameworks to create enabling conditions for fostering sustainable and continuous socio-economic development.
- Advance economic diplomacy while reinforcing the role of the country's missions abroad to enhance efficiency and effectiveness in supporting national socio-economic development.
- Create favourable conditions to enhance international cooperation based on mutually beneficial partnerships, including the development of an online platform that consolidates information about Laos' development potential, investment opportunities, trade promotion and tourism to support economic diplomacy and foreign missions.
- Enhance the business environment to promote trade, investment and tourism by strengthening regulations, reducing bureaucratic inefficiencies, eliminating redundant procedures and simplifying approval processes. Specific measures include refining export procedures to remove export obstacles, strengthening sanitary and phytosanitary standards to mitigate SPS-related barriers, improving technical trade measures to address technical barriers to trade and ensuring alignment with international conventions and agreements that Laos is a signatory to, safeguarding the nation's interests.
- Continue the implementation of programmes under regional and international cooperation frameworks in which Laos is a member, while monitoring and evaluating the implementation of frameworks such as WTO, ASEAN, GMS, CLV, CLMV, Mekong-Lancang Cooperation and other bilateral agreements, to inform improvements and enhance the effectiveness of cooperation.
- Enhance the governance of cross-border trade to prevent unauthorised activities while ensuring a systematic and regulated framework to facilitate trade for communities along the Laos-Vietnam, Laos-Cambodia and Laos-Myanmar borders.
- Regulate and oversee import-export enterprises to minimise the number of import-only businesses; Promote investment in domestic production or procurement of local products for export; Prevent tax evasion through the implementation of banking system payments to streamline payment settlements.

3.5.3 *Output 3: Robust and Balanced Regional and Local Development Based on the Potential of Each Region*

Balanced and integrated regional development – leveraging geographic advantages, population distribution, natural resources and local strengths – is essential for driving national socio-economic progress. A unified and complementary approach to regional and local

development ensures that untapped potential becomes the foundation for sustainable production and income generation, in alignment with green growth and sustainable development principles.

A well-structured and effectively executed regional development plan not only accelerates economic growth but also addresses key challenges such as inefficient urbanisation, reducing provincial disparities, optimising natural resource management, mitigating environmental degradation and enhancing infrastructure development. Additionally, regional development plays a crucial role in advancing sectoral and provincial socio-economic plans by fostering collaboration and ensuring equitable growth distribution.

To achieve these ambitious targets, strategically planned investment promotion must focus on enabling infrastructure, diversifying economic activities, fostering complementarities among regional economies and strengthening Laos' competitiveness at both regional and international levels. A well-implemented regional development strategy is not just a necessity – it is the backbone of the 10th Plan's successful implementation.

1. Targets and Indicators

- Growth rate of gross regional domestic product (GRDP) to achieve...% per annum.
 - + The agriculture sector accounts for ...% of GRDP.
 - + The industry sector accounts for ...% of GRDP.
 - + The services sector accounts for ...% of GRDP.

2. Priority Activities

+ Northern region (Phongsaly, Bokeo, Luang Namtha, Oudomxay, Luang Prabang, Xayabouly, Huaphanh, Xiengkhouang and Vientiane provinces): Priority will be given to targeted regional development to position the area as a gateway to Lao PDR's largest markets—China, Thailand and Vietnam—by leveraging the Lao-China railway, strategic geographic location and other comparative advantages through integrated development approaches. Specific areas of prioritisation include: (1) Develop and enhance infrastructure for telecommunications, trade and transportation to ensure seamless connectivity with the Lao-China railway, economic corridors, the Vientiane–Xaysomboun–Xiengkhouang–Lao-Vietnam border highway and National Road No. 4 from Xayabouly District to the Nam Heung–Kaenthao border, and road networks linked to production hubs, agricultural zones, tourist destinations and international borders to promote convenience and create favourable conditions for investment, tourism and trade with neighbouring countries. Infrastructure priorities include the fourth section of the Vientiane–Boten Highway (Oudomxay to Boten), the parallel R3 Highway (Boten in Luang Namtha Province to Huaysay in Bokeo Province), Road 2E–2W, the route from Borlikhamxay to Xiengkhouang to Huaphanh, other strategic road networks, and the construction of the Mekong Bridge in Chomphet District, Luang Prabang Province; (2) Promote agricultural production based on regional comparative advantages in alignment with processing industries to meet domestic consumption needs and expand export potential; Prioritise crop cultivation and animal husbandry activities that have undergone technical negotiations with trade partners and are supported by initial trade agreements; Encourage the production of indigenous black-feathered native rice in Houaphanh and Xiengkhouang provinces, linked to the development of niche markets both domestically and internationally; Support the cultivation of heritage tea varieties—specifically 400-year and 1,000-year-old teas—in Phongsaly and Oudomxay provinces; (3) Promote the development and upgrading of food processing, rubber processing and mineral processing sectors linked to the

Smart City initiative by the Amata Group in Luang Namtha and Oudomxay provinces, positioning the region as an industrial development hub; (4) Develop border trade and logistics services along key border areas and within special economic zones (SEZs), with a focus on concentrating trade activities in the Boten–Mohan SEZ, and positioning the Golden Triangle SEZ as a central logistics hub serving Luang Namtha, Oudomxay and Luang Prabang provinces; (5) Promote the production of traditional fabrics—including heritage clothing and locally sourced silk—alongside the development of wood-based handicraft products with strong commercial potential; (6) Promote the development of eco-tourism and culture-based tourism to accelerate sustainable growth in key heritage and natural sites, including Luang Prabang Province, the Plain of Jars in Xieng Khouang Province and Viengxay Cave in Houaphanh Province; Support agro-tourism initiatives such as visits to the 1,000-year-old tea farm in Phongsaly Province, Nam Kat Yorlapa in Oudomxay Province, the Elephant Festival in Xayabouly Province, the Vangvieng–Meung Feung tourism cluster in Vientiane Province and other emerging tourist destinations.

- Priority investment projects in the northern region:

- 1) The Boten Expressway connecting Luang Namtha Province to Houayxay in Bokeo Province.
- 2) Section 4 of the Lao – China Expressway linking Oudomxay Province to Luang Namtha Province.
- 3) The Mekong hydropower project in Chomphet District, Luang Prabang Province.
- 4) The Mekong Pakbaeng hydropower project in Oudomxay and Xayabouly provinces, developed by Pakbaeng Electricity Co., Ltd., which has completed all final project documentation and is preparing for construction.
- 5) The Mekong Paklay hydropower project in Xayabouly Province, developed by Paklay Electricity Co., Ltd., which has also finalised all required project documentation and is preparing to begin construction.

+ Central region (Vientiane Capital, Borlikhamxay, Xaysomboun, Khammoune and Savannakhet provinces): The central region holds a strategic advantage with its production areas, serving as the core of economic development, trade, production, services, investment and cultural activities. Building on this foundation, the following priorities will be emphasised in the next five years: (1) Advance the development of urban areas, special economic zones and industrial zones to drive robust and sustained economic growth. This includes positioning the Thakhek Special Economic Zone, Xaysettha Development Zone and Savannakhet Special Economic Zone as industrial hubs integrated into regional and global value chains, and, in parallel, promoting the Thatluang Swamp and Thanalaeng Economic Zones as key service sector centres and residential zones; (2) Agricultural production will be strengthened to ensure food security and support the growth of commercial farming. The fertile plains of Savannakhet and Khammouane provinces will be leveraged for rice cultivation aimed at export markets. In addition, the production of sugarcane, cassava and timber will be promoted to supply domestic processing industries. These efforts will be supported by the development of irrigation infrastructure to boost productivity and resilience; (3) Promote the growth of processing industries, with a focus on mining-related sectors such as copper and gold processing plants in Savannakhet and Xaysomboun provinces; Support the expansion of paper manufacturing factories in Savannakhet Province and facilitate the completion of three fertiliser production facilities – one in Vientiane Capital and two in Khammoune Province; Promote the development of additional processing plants; (4) Enhance natural and cultural tourism destinations, including key sites in Vientiane Capital such as That Luang and Patuxay, Nam Pian

Yorlapa, Hin Nam Nor National Park, national conservation forests such as Phu Pha Man, Ing Hang Stupa, Phone Stupa and other significant heritage locations; (5) Promote and expand the generation of clean energy through hydroelectricity, wind power and other renewable sources. This includes advancing key initiatives such as the wind power project in Borlikhamxay Province; (6) Expand telecommunications and transportation infrastructure to strengthen connectivity between the East-West economic corridor with production hubs and key tourist destinations. This includes the development of highway (New route) from Ban Hai (Tha Ngon, Xaythany District, Vientiane Capital) to Sang Lek village (Tholakhom District, Vientiane Province) and the railway linking Vientiane Capital to Lao-Vietnam border, and the improvement of critical road networks such as Road No. 8, No. 9 and No. 13 South.

- Priority investment projects:

- 1) A tree-planting and biomass production initiative in Savannakhet Province, led by Sanpape Holding Co., Ltd., which currently operates a bagasse production plant for export. This project is a major driver of the provincial economic growth, complemented by a biomass-based power facility that supplies electricity to the plant and feeds into the national grid.
- 2) A gold and copper mining and processing project in Savannakhet Province aimed at enhancing value-added mineral production.
- 3) The construction of a livestock processing facility (Slaughter house) in Vientiane Capital by Kunsheng International (Lao) Co., Ltd., currently under development, with an expected annual production capacity of 120,000 heads. This project is anticipated to play a critical role in strengthening national food supply chains.
- 4) A second gold and copper mining project operating in Xaysomboun Provinc.
- 5) The construction of a wind energy project in Borikhamxay Province, currently underway, to support the country's renewable energy transition.
- 6) The development of a dry port and logistics hub in Vientiane Capital, which is currently in the implementation phase and expected to improve regional trade connectivity.
- 7) The proposed expressway from Pakxan District to Viengthong District, leading to the Laos-Vietnam border crossing at Thaengthui in Borikhamxay Province.
- 8) A new expressway linking Ban Hai in Tha Ngon area, Xaythany District, Vientiane Capital, to Ban Na Chang Lek, Thoulakhom District, Vientiane Province. This project is being implemented by Malini Sole Co., Ltd., with an estimated investment value of USD 150 million.
- 9) The Laos-Vietnam railway project, aimed at enhancing cross-border connectivity and strengthening regional integration.

+ Southern region (Champasack, Saravanh, Sekong and Attapeu provinces): The southern region holds significant development potential, with a comparative advantage in agricultural production, food processing and beverage manufacturing. Its strategic location, bordering Thailand, Vietnam and Cambodia, further enhances trade opportunities. Over the next five years, the following priorities will be emphasised: (1) Promote agricultural production to support both domestic consumption and exports, with a focus on vegetables for food supply and organic agricultural products such as coffee, fruits and vegetables; Promote animal husbandry, including cattle farming and fisheries, with special emphasis on perch bass aquaculture in the Sithandone region; (2) Promote the expansion of processing industries across key sectors, including agriculture and mining, alongside the development of wind power generation in areas with favourable conditions; (3) Promote trade and investment in border regions and special economic zones; (4)

Enhance Pakse’s role as a regional logistics hub to support trade and transportation with neighbouring countries; (5) Prioritise the expansion of telecommunications and transportation infrastructure to enhance both domestic and international connectivity, with a particular focus on key routes such as Road No. 15, No. 16 and No. 18; (6) Strengthen tourism by highlighting natural, historical and cultural attractions, including Wat Phu Champasak, waterfalls and the scenic islands of the Sithandone region.

- Priority investment projects:

- 1) **Bauxite Development and Aluminium Production:** A major initiative led by the Viet Phuong Group involves the development of bauxite resources and the establishment of alumina–aluminium production facilities in Sekong and Attapeu provinces. These plants are designed to process raw materials extracted from mining sites operating across three southern provinces—Champasak, Sekong and Attapeu—and are expected to play a catalytic role in stimulating regional economic growth.
- 2) **Coal-Fired Power Plant in Sekong Province:** Sekong Power Energy Co., Ltd. (Under the Ponsack Group) is constructing an 1,800 MW coal-fired power station with a total investment value of USD 4.25 billion. In March 2025, the company signed a construction equipment supply agreement with partners from China, followed by a groundbreaking ceremony on 1 April 2025. This project represents a significant boost to southern Laos’ industrial energy capacity.
- 3) **Integrated Agricultural and Eco-Tourism Development in Attapeu Province:** A 5,000-hectare conservation-driven agro-industrial initiative in Attapeu Province aims to develop full-cycle agricultural production alongside nature-based tourism. Planned activities include cultivation of fruit-bearing trees, hardwood species and the development of ecotourism attractions—contributing both to environmental preservation and local economic empowerment.
- 4) **Agro-Production and Livestock Development in Sekong Province:** Currently under implementation by NTB Agriculture Development Co., Ltd., this project supports integrated food production in Sekong Province—including beef, dairy and feed crops. The initiative enhances local food supply chains and strengthens the province’s contribution to national agricultural resilience.
- 5) **Rubber Cultivation and Processing:** A rubber plantation and processing factory project is being implemented in Champasak Province by the Viet–Lao Joint Venture Company Kaosu Youting. The facility is currently operational and focused on producing rubber products for export markets, contributing to regional economic growth.
- 6) **Coffee Plantation and Processing for Export:** A coffee cultivation and processing initiative led by Ousapen Boloven Co., Ltd. is underway in Champasak Province. The project involves the production of high-quality coffee beans for international export, including access to quota-based sales in European markets. This initiative is recognised as a key driver for economic stimulation in the province.
- 7) **Wind Energy Development in Sekong and Attapeu provinces:** Monsoon Wind Power Co., Ltd. is currently constructing a wind power generation project in the Sekong–Attapeu corridor, with expected completion by the end of 2025. The project is poised to generate sustainable revenue for southern provinces while advancing national clean energy objectives.

3.5.4 Output 4: Urban Areas and Special Economic Zones Developed into Production, Investment, Trade and Tourism Bases for Regional and International Integration

1. Targets and Indicators

- Strengthen the efforts to develop urban areas along the Greater Mekong Subregion, with a focus on 2 urban areas: Thakhek (Khammouane Province) and Pakxan (Bolikhamxay Province).
- Attract high-quality investments from both domestic and international private sectors into special economic zones, with a goal of securing investment from over 700 companies within the next five years.
- Increase the export value of goods produced in special economic zones, targeting USD 5 billion (An average annual growth rate of 15%).
- Increase revenue collection from special economic zones, targeting at least LAK 1,100 billion (An annual growth rate of 20%).
- Create 3,800 jobs for Lao workers in manufacturing, tourism and services sectors.

2. Priority Activities

1) Urban Development:

- Prioritise the development of key urban centres, including Vientiane Capital, strategic urban areas and districts within economic corridors, to transform them into sustainably planned cities with distinct identities, leveraging the strategic advantages of each region. Urban development planning must incorporate essential infrastructure, land use planning, maps of infrastructure and public facilities, as well as designated public parks, green zones and conservation areas. These elements must fulfil the fundamental well-being of residents while ensuring environmental protection in line with green and sustainable development principles.
- Mobilise financial support from development partners to advance urban areas, their infrastructure and environmental sustainability facilities, with a focus on cities within economic corridors that hold strong potential to become hubs for production, investment, trade and tourism, in alignment with approved urban development plans.
- Enhance the monitoring and promotion of government-approved smart city development to serve as models for urban expansion into other regions, while ensuring regular evaluation of their implementation.
- Encourage and promote private sector participation in public service provision, including waste collection and management, urban public transport, running water services and other essential services, to foster competition, enhance service quality and offer citizens access to high-quality, safe and reasonably priced services.
- Enhance municipal water services to ensure high-quality, standardised and accessible water supply.

2) Special Economic Zone Development:

- Attract investment to develop 5 special economic zones, namely: (1) Lantuy special economic zone, Phongsaly Province; (2) Amata Smart and Eco City, Na Mo District,

Oudomxay Province; (3) Vientiane 450-Year Smart City, Vientiane Capital; (4) Amata Smart and Eco City, Xay District, Oudomxay Province; (5) Pak Ngum special economic zone to produce and export agricultural processed products, Vientiane Capital.

- Conduct research and studies to develop and revise decrees on investment promotion, as well as the development and management of special economic zones in line with the 2024 Investment Promotion Law, with the focus on enhancing investment policies for key partners, including Japan, South Korea and other countries in accordance with ASEAN+1, RCEP agreements and other cooperation frameworks.
- Prioritise the revision of legislation to promote and manage the development of special economic zones, ensuring flexibility to adapt to development needs in the new era. The focus is on fostering sectors with the potential to become fundamental for production base expansion and sustainable income generation; Develop investment promotion policies that maintain consistency across all special economic zones nationwide, while streamlining approval processes to enhance transparency, efficiency and effectiveness to ensure implementation feasibility.
- Enhance and modernise the single-window service mechanism within special economic zones to improve efficiency, transparency and modernisation. This includes implementing an electronic permit issuance system for business registrations and operations to streamline approval steps and enable authorisation on spot; Integrate advanced systems to optimise single-window services to ensure effective management and administration of special economic zones in alignment with international standards.
- Develop infrastructure within special economic zones to facilitate and strengthen regional and international integration across telecommunications, transportation networks, electricity transmission, water supply systems and logistics facilities – particularly Inland Container Depots (ICDs) that are connected to the Lao-China railway; Prioritise trade, investment and service cooperation in special economic zones, key border areas, and along the Lao-China railway to support the development of processing industries, trade and tourism.
- Prioritise the development of a skilled workforce to facilitate regional and international integration and drive Industry 4.0 advancement by encouraging investors and developers to establish vocational training centres tailored to industries within special economic zones to attract highly skilled Lao workers while promoting knowledge transfer to the broader workforce; Strengthen collaboration between government agencies and the private sector to align labour supply with market demands, ensuring an adequate workforce to support business operations within special economic zones.
- Encourage local stakeholders to participate in production processes that utilised locally sourced materials and foster collaboration with MSMEs by creating favourable conditions for special economic zones to integrate with the local economy. This initiative aims to support the growth of local industries and enable domestic MSMEs to become part of the supply chain by providing labour, raw materials, production inputs and services.

- Enhance conditions for labour in special economic zones to ensure access to justice and legal assistance through strengthened collaboration with relevant sectors. This includes reinforcing social protection systems, implementing structured migration policies, and combating illegal trade and cross-border crime.

3.6 Outcome 6: Public Governance and Administration Strengthened to Ensure Political Stability, Societal Order, Fairness and Civic Advancement

3.6.1 Output 1: Enhanced Efficiency of Public Governance and Administration and Deepened Implementation of the Sam Sang Directive

1. Targets and Indicators

- Advance efforts to establish at least 3 provinces as strategic planning units.
- Advance efforts to establish at least 18 districts as strengthened administrative units.
- Advance efforts to establish 600 sub-districts.
- Actively work to resolve district boundary issues across provinces and Vientiane Capital, targeting at least 7 provinces.
- Reduce the number of government employees to 2% of the total population.
- Strengthen efforts to achieve universal birth registration, aiming to achieve 100% coverage nationwide.
- Strengthen efforts to increase death registration coverage, aiming to achieve 80% of deaths nationwide.
- Strengthen efforts to establish 64 government's technical units, with 53 units at the central level and 11 units at the local level.

2. Priority Activities

- Improve governance and administration at the central and local levels to be more streamlined, efficient and modern to ensure responsive, equitable, fair and effective public services.
- Strengthen local administrative reforms by designating sub-districts as the lowest administrative units to align with current realities while reinforcing villages as stronger community-based units; Restructure the existing provincial and municipal leadership framework by replacing traditional roles, such as provincial governors and city majors, with governing committees for provinces and Vientiane Capital, districts, municipalities and sub-districts, to enhance efficiency and adaptability.
- Enhance legal frameworks by coordinating with relevant sectors at both central and local levels to strengthen the civil registration and population statistics system, with a particular focus on refining laws, decrees, guidelines, manuals and other documents related to family registration.
- Promote awareness about civil registration, population statistics and the legal documentation, using various campaign channels including brochures and posters, short plays, radio broadcasts, televised announcements, social media and other community outreach programmes.

- Regularly monitor, evaluate and promote the implementation of strategic policies, laws and legislation related to civil registration and population statistics management.
- Enhance public service delivery through one-door service initiatives to ensure that citizens and businesses can operate more effectively.
- Enhance the business environment and strengthen private sector development.
- Develop a strategy and a decree to enhance the government's organisational reforms and restructuring.
- Promote, monitor and evaluate the 10th government structure, with focus on ministries, equivalent agencies and local authorities.
- Reform governance laws.
- Develop an organisational database to collect comprehensive information on the government's structure and employment positions.
- Monitor, promote and evaluate the designation of positions across ministries, equivalent agencies and local authorities while reviewing and revising legislation on position designation; Strengthen capacity building initiatives for ministries, equivalent agencies and local authorities.
- Promote the dissemination of the Revised Local Governance Law (2025); Develop and improve legislations under the law, including the Decree on Vientiane Municipal Governance, Instructions for the Formation and Operations of Districts and Sub-Districts and Instructions for the Organisation and Operations of Provincial, District and Sub-District Authorities, while ensuring the dissemination, promotion, monitoring and evaluation of the implementation of these legislations.
- Develop and disseminate governance legislations on territorial management, protection, utilisation and dispute resolution; Strengthen coordination between the central and local levels to support provincial authorities on expert guidance for effective boundary dispute resolution across provinces and Vientiane Capital.
- Facilitate the establishment of sub-districts, starting with localities that meet the necessary conditions before implementing a nationwide rollout.
- Promote, monitor, inspect and evaluate the implementation of the Three Build Directive across central and local levels.
- Strengthen and deepen the implementation of the Three Build Directive by enhancing legal frameworks to ensure alignment with the Revised Local Governance Law (2025) and the Constitution.
- Disseminate the Three Build legislation for the 2026 - 2027 period and conduct the assessments and reviews of the 2026 - 2030 framework.
- Strengthen the modernisation of civil servant management, the improvement of public personnel evaluation frameworks to be more streamlined and precise and continue to enhance legal frameworks related to public personnel management.

- Continue to enhance the civil registration system to ensure comprehensive and efficient management of seven key vital events: Birth, death, marriage, divorce, name or surname change, migration and nationality change.
- Modernise public administration to align with Industry 4.0 Revolution by transitioning to e-government or digital government.
- Enhance the efficiency and quality of the public personnel management system, including statistical tracking and strategic workforce plans, to align with national priorities, ensuring an efficient and lean workforce.
- Further refine and reinforce the government's organisational structure to ensure alignment with legal frameworks and the Three Build Directive, while maintaining clarity in role assignments.
- Encourage and promote civil society organisations to participate in socio-economic development.

3.6.2 Output 2: Improved and Harmonised Coordination Mechanisms and Regulations within the Public Sector to Increase Efficiency

1. Targets and Indicators

- Establish new One Door Service Centres in at least 35 locations.
- Further modernise the One Door Service Centre mechanism while establishing at least 15 additional centres at district level.

2. Priority Activities

- Improve mechanisms, operational frameworks and the division of responsibilities between the central level and grassroots local authorities.
- Enhance legal frameworks, standards and public awareness of One Door Service Centres (ODSC) while clearly defining roles and responsibilities across different levels; Develop operational manuals and training curricula for ODSC personnel and strengthen their organisational structure; Advance infrastructure and operational conditions to modernise ODSC into SMART ODSC models and transition to digital platforms.
- Strengthen inter-ministerial coordination to monitor, inspect and support collaboration among ministries, improving efficiency and accountability across government agencies and local authorities while decisively addressing misallocation of responsibilities, lack of accountability and authority violations.
- Fully address the division of accountability between central and local levels, along with the allocation of responsibilities, tasks and roles across sectors, to ensure integrated collaboration and elimination of inefficiencies.
- Enhance governance coordination across all levels to improve efficiency and effectiveness; Enhance economic governance at both central and local levels to improve policy implementation and resource allocation by establishing clear economic management mechanisms with defined decision-making authority and regulatory

oversight, while reallocating certain economic governance responsibilities from the local level to the central level for greater consistency and oversight.

- Transform the Party's directives into actionable plans at both central and local levels to ensure coherent implementation and tangible results; Scientifically evaluate and assess the effectiveness of vision development, strategic and comprehensive planning, action plan formulation and the implementation of Party's directives across sectors and local authorities.
- Modernise and digitise government administration at all levels to ensure accurate and timely data collection and streamlined public service delivery.
- Develop and expand Open Government Data to provide access to government data for citizens, businesses, researchers and the general public.
- Establish the government reporting dashboard as the standard platform for delivering statistical data to the public.

3.6.3 Output 3: Ensured Political Stability, Peace and Order, Unity, Democracy, Justice and Civilisation within the Society

1. Targets and Indicators

+ Justice Sector

- Enhance at least 3 economic dispute resolution laws or legislation to align with the international standards and ensure comprehensiveness.
- Enhance the enforcement of court rulings, aiming to achieve an 85% execution rate per year.
- Resolve economic disputes, aiming for a 75% resolution rate per year.

+ People's Court of Lao PDR

- Enhance legal mechanisms and procedures for case investigation, adjudication and trial processes to ensure judicial transparency and accountability, enabling public scrutiny while guaranteeing fairness and equal treatment under the law. Specific targets include achieving a 90% resolution rate for criminal cases, a 75% resolution rate for civil, commercial, labour, a 75% resolution for family cases, an 85% resolution for juvenile cases, an 85% resolution for administrative cases and limiting the appeal rate to no more than 15% of total cases.
- Advance judicial reforms to enhance accessibility, efficiency and fairness in legal proceedings, with plans to establish 5 new regional courts, 1 dedicated juvenile court, 1 military court in Vientiane Capital and 1 - 2 military courts across provinces.

+ Office of the People's Prosecutor of Lao PDR

- Strengthen prosecutorial oversight and judicial compliance, aiming for at least 95% adherence rate to prosecutorial statements in court rulings.

+ Prevention of Human Trafficking

- Resolve human trafficking cases by 85% annually; Increase the accuracy, transparency and timeliness of identification procedures; Increase numbers of offenders prosecuted under strengthened enforcement mechanisms annually.

2. Priority Activities

1) Justice Sector

- Develop and refine laws based on scientifically grounded principles that align with the Party's policies and national socio-economic conditions; Strengthen public awareness of laws and legislations through comprehensive outreach campaigns utilising diverse methods – visual, interactive and culturally relevant – to effectively reach all ethnic communities, taking into consideration their knowledge and livelihoods.
- Establish favourable conditions for public participation in law-making, monitoring law enforcement and ensuring access to legal systems and services.
- Enhance public awareness campaigns on economic dispute resolution to improve service management and delivery, ensuring effective resolution of economic disputes; Strengthen coordination with relevant sectors to refine mechanisms and optimise dispute resolution services, ensuring operational efficiency, transparency and fairness.
- Modernise legal and judicial data systems to provide timely, accurate and accessible legal and judicial statistics for government agencies and the public.
- Continue to enhance and elevate the efficiency and quality of one-door service for the justice sector to ensure faster and more accessible legal services for the public.
- Further strengthen the judicial enforcement by establishing 5 new dedicated enforcement units.
- Develop and refine legal training curricula to strengthen the capacity and expertise of legal professionals to ensure alignment with legal standards and professional development frameworks. This includes intensive 3-month and 45-day legal training courses designed to meet socio-economic development needs.
- Enhance legal education curricula across all academic levels (Higher diploma, bachelor's and master's programmes) to strengthen knowledge across all branches of law and align with socio-economic needs, with a focus on training 15 bachelor's-level legal educators, 5 master's-level legal educators, 2 doctoral-level legal scholars and 30 master's-level legal professionals annually.
- Strengthen inter-agency coordination in judicial proceedings to ensure efficient, structured and independent case management.

2) Supreme People's Court of Lao PDR

- Enhance public trust in the People's Court by raising awareness of its roles, rights and responsibilities, as well as the Law on the People's Court; Upgrade court infrastructure and facilities, including office spaces, specialised equipment and transportation services, to improve case management efficiency.

- Develop skilled and highly principled judiciary personnel by strengthening political integrity, ethical standards and professional expertise.
- Enhance relevant legislation.
- Modernise judicial administration and case management through the dissemination of information and knowledge on anti-corruption practices.
- Continue strengthening the institutional mechanisms for implementing court decisions in a systematic, rigorous and effective manner to ensure the consistent enforcement of obligations and duties with high accountability
- Strengthen collaboration with regional and international partners as a vital framework for judicial advocacy for Lao PDR.
- Enhance the independence of case management.
- Advance gender equality in alignment with international commitments.

3) Office of the People's Prosecutor of Lao PDR

- Strengthen organisational structure and prosecutorial systems at the regional, district, municipal and urban levels to align with current realities and conditions, ensuring the full implementation of their roles and responsibilities in monitoring, inspecting law enforcement, case tracking and resolution in full compliance with judicial procedures – comprehensively, objectively and in accordance with the law.
- Strengthen oversight of prosecutorial personnel in judicial procedures, ensuring their role is effectively implemented; Apply corrective measures based on findings to align practices with current realities and uphold justice in society.
- Strengthen coordination mechanisms among investigating and law enforcement officers – including police, prosecutors, courts, the justice sector and the State Inspection Authority – to ensure seamless operations, efficiency and harmony; Align efforts with the directives and policies of the Party, the Constitution and the law, guaranteeing justice and the enforcement of court verdicts as prescribed by law.
- Improve the infrastructure supporting both civilian and military prosecution processes while modernising technical and technological systems to establish an advanced information network.

4) National Defence and Public Security

- Enhance national defence and public security at all levels to ensure transparency, strength, resilience, integrity and discipline – reinforcing the loyalty to the Party, government, country and people – while serving as an armed force with revolutionary spirit, strict discipline and modern strategic planning in terms of organisational structure, personnel capacity, and complete and sufficiently resourced equipment and vehicles.
- Further reinforce national defence and public security infrastructure, advancing political foundations and enhancing the strategic and comprehensive development of national defence and public security systems in collaboration with relevant sectors; Integrate socio-economic development, poverty alleviation and rural

development with the Three Build Directive, in alignment with the Four Contents and Four Expectations, to ensure full ownership by local authorities and communities.

- Implement comprehensive anti-crime measures to prevent and eliminate the root causes of national and public security threats, political instability, economic and cultural harm and social disorder – addressing issues such as drug trafficking, organised crimes, human trafficking and other risks.
- Further enhance national defence and public security capabilities to ensure political stability, social order and public safety, while strengthening disaster preparedness and emergency response mechanisms.

5) Prevention of Human Trafficking

- Strengthen legal enforcement, and domestic and cross-border coordination systems to combat trafficking in persons; Rapidly and accurately identify victims; Strengthen efforts to bring offenders to justice under stricter legal frameworks.
- Conduct multi-format awareness campaigns, especially through diverse social media platforms to reach society at large, with targeted outreach to women, children and at-risk groups; Raise awareness to ensure target groups recognize the harms and impacts of human trafficking, develop self-protection awareness and actively participate in anti-trafficking efforts.
- Provide protection and support services to victims and at-risk groups that are vulnerable to human trafficking; Promote access to education, vocational training, workforce development and labour protection to prevent exploitation and trafficking.
- Develop and revise the National Plan of Action on Anti-Trafficking in Persons and related legal frameworks to ensure coherence and completeness.
- Strengthen bilateral and multilateral cooperation at both international and regional levels to strengthen joint anti-human trafficking efforts.

6) State Audit and Inspection

- Enhance the organisational structure and personnel capabilities of the State Audit Organisation to strengthen political integrity to ensure honesty, conscience, transparency and discipline; Develop first- and second-tier auditors in a proportionate manner to align with over staffing requirements.
- Enhance state audit efforts to ensure government operations align with the Party's and government's policies, with a focused approach on specialised audits and implementation reviews.
- Prioritise legislative development while promoting and rigorously overseeing the implementation of audit findings in a comprehensive and stringent manner to ensure unwavering adherence to audit conclusions.

**PART 3: IMPLEMENTATION
MEASURES AND
MECHANISMS FOR THE 10TH
NATIONAL SOCIO-ECONOMIC
DEVELOPMENT PLAN
(2026 - 2030)**

I. Measures for the Implementation of the 10th Five-Year National Socio-Economic Development Plan

To effectively and efficiently implement the 10th Five-Year National Socio-Economic Development Plan (2026 - 2030), sectors at both central and local levels must focus on translating the six outcomes of the Plan into sectoral and local development plans. This process involves defining outcomes, targets, outputs and programmes in detail. At the same time, sectors and local authorities must mobilise funding to support development initiatives and establish policies that promote the construction of infrastructure with a clear strategic focus. Additionally, sectors and local authorities must prioritise the implementation of key policies and measures as outlined below:

1. Building Self-Sufficient Economy

- 1) Encourage all economic sectors to actively engage in productive activities that align with both national and regional potential, ensuring responsible and sustainable development; Foster collaborative and deepened efforts to support economic recovery, driving high-quality growth with the capacity to generate income and improve people's well-being based on the country's development potentials.
- 2) Promote and effectively manage investments in high-potential sectors at both national and regional levels to strengthen domestic production and service provision; Ensure a clear strategic focus that is aligned with local and regional development potential to enhance economic resilience; Support the use of domestically produced goods while fostering the growth of export industries to reduce trade deficits.
- 3) Maintain macroeconomic stability as a foundation for fostering continuous, sustainable growth that aligns with green development principles.
- 4) Continue reforming the public finance and revenue system to ensure robustness and comprehensiveness which will be achieved through systematic surveys, data collection and the development of accurate databases; Strengthen revenue collection to ensure full compliance with relevant laws and regulations, while modernising the management of public revenue and expenditure; Uniformly enforce measures to require businesses to implement standardised accounting systems; Enforce the revised tax law and proactively expand new revenue bases – such as property tax in major urban areas, income tax and environmental tax – while modernizing tax and fee collection at strategic border checkpoints and economic zones using digital tools; Implement the decree on tax governance for enterprises exposed to price volatility and other fiscal risks to strengthen domestic resource mobilization and ensure equitable compliance; Strengthen existing revenue bases by promoting the development of micro, small and medium enterprises (MSMEs). Increasing MSME participation in economic activities will contribute to higher income generation and improved liquidity for the public finance sector.
 - Revise tax legislation – including laws on general taxation, value-added tax, corporate income tax, resource tax and import-export duties – to incentivize investment and business operations in government-promoting zones; Promote domestic economic self-reliance and support value-added industries by expanding Lao PDR's productive base, limiting raw mineral extraction and unprocessed

exports, curbing excessive imports of luxury goods and encouraging domestic production that meets national demand.

- Revise the tax administration law to accelerate reform and modernize fiscal governance; Digitize tax management systems to reduce revenue leakage and lower implementation costs; Create a transparent and business-friendly environment that facilitates compliance for citizens and enterprises.
- 5) Promulgate the revised State Budget Law, the new State Treasury Management Law and updated legislation on accounting and auditing to strengthen fiscal decentralization, enhance accountability and authority, and incentivize provincial and capital-level administrations to reform investment environments; Attract inclusive business development and production, promote a socially driven economy by mobilizing talent for economic and social advancement – especially in education, vocational training, public health, culture and sports – and improve local economic-social infrastructure to effectively address livelihood challenges in rural communities.
 - 6) Research and enact the Law on Budgetary Savings and Anti-Wastefulness to regulate state expenditures and promote fiscal discipline across government, enterprises and society; Encourage cost-saving practices and expand societal savings to mobilize resources for national development investment.
 - 7) Revise and enforce the Law on State Asset Management and Utilization to establish strict, context-responsive standards for managing public property – including land, buildings, educational and health facilities, vehicles and technical units nationwide; Define rigorous systems for investment oversight, procurement, asset use and settlement procedures; Issue binding regulations to recover misused assets and correct cases of improper or unauthorized private use to ensure transparency, accountability, and optimal public benefit.
 - 8) Formulate and implement a land finance management policy that increases budgetary investment in cadastral surveys, financial audits and land valuation to accelerate the issuance of land use certificates and lease rights for citizens and enterprises; Create an enabling environment for productive investment and business development by generating 20-30% of revenue from land leasing and transfer of use rights, and enforce non-agricultural land use taxation to support this strategic initiative.
 - 9) Draft and enact the State-Owned Enterprise Reform Law to restructure governance mechanisms for public capital in state-owned enterprises, with key priorities as follows:
 - + Implement the renewed strategy for structuring state capital in SOEs by allocating public investment to SOEs operating in core economic sectors, such as energy, national power transmission, telecommunications and trade finance, while divesting from non-essential sectors where state ownership is no longer required to ensure efficient capital deployment and stronger economic foundations.
 - + Establish a dedicated law on the management and utilization of state capital and assets within SOEs to support reforms; Delegate strategic, operational and financial decision-making authority to SOEs while enhancing business productivity and competitiveness; Strengthen transparency, oversight mechanisms and compliance systems to ensure disciplined governance and sustainable performance.
 - + Redesign the governance model for state-owned enterprises.

- + Separate governance, management and ownership roles within state-owned enterprises to ensure clarity and accountability; Enhance transparency and public reporting obligations across all SOEs; Require annual independent audits – without exception – for enterprises with over 51% state capital, conducted by internationally recognized firms; Publicly disclose audit findings to strengthen public trust and institutional discipline.
 - + Establish legal frameworks for converting state-owned enterprises into joint-stock companies to mobilize public and societal capital; Enable citizen participation in enterprise ownership and strengthen SOE competitiveness in key economic sectors through diversified investment, improved governance and market-responsive operations.
 - + Convert state-owned enterprises into joint-stock companies under the principle of preserving majority state ownership (Not less than 65%) over the long term; Mobilize public and societal capital through transparent valuation of enterprise finances, brand equity and land-based benefits; Strategically select investors, conduct independent audits by internationally recognized firms and register IPOs on the Lao Securities Exchange to raise an additional 30–35% in domestic capital through competitive, transparent pricing mechanisms.
- 10) Implement a zero-compensation recovery policy for all foreign direct investment (FDI) projects under BOT contracts upon expiration, without extending operational rights, to safeguard national interests; Conduct full asset valuation and independent audits by internationally recognized firms, convert the project into a 100% state-owned enterprise and initiate an IPO on the Lao Securities Exchange to divest 40–45% of equity within 3–5 years; Allocate part of the proceeds to the state budget for public debt repayment and reinvest the remainder into strategic economic sectors through SOEs.
 - 11) Accelerate the review and amendment of the Securities Law and related legislation - including laws on enterprises, state capital and asset management, accounting and auditing – to modernize the legal framework for capital markets; Develop a robust securities ecosystem that enables public and societal investment, with the strategic goal of expanding market capitalization to 30-50% of GDP by 2030, thereby mobilizing domestic capital for national development.
 - 12) Issue a decree on the governance of government borrowing for development to ensure strict discipline and high efficiency, especially for foreign loans extended to or guaranteed for state-owned enterprises; Reform the entire loan management process by clearly assigning responsibilities to relevant entities (Contract negotiation bodies, public debt management agencies, authorized financial institutions and implementing enterprises); Enforce debt ceiling regulations to safeguard national financial stability, ensure productive business outcomes, and guarantee full and timely repayment of principal and interest; Mitigate credit risks and establish a dedicated debt service reserve fund to fulfil all repayment obligations to foreign creditors, including contingent liabilities.
 - 13) Enhance the efficiency of public expenditure by promoting fiscal responsibility, frugality and eliminating unnecessary costs; Strengthen the management of public procurement by ensuring strict adherence to legal frameworks and financial discipline.

- 14) Ministries, equivalent agencies and local authorities play a key role in transforming the Resolution of the 12th Party Congress and the 10th National Socio-Economic Development Plan (2026 - 2030) into specific programmes and projects. These initiatives must align with each entity's development objectives while ensuring cohesion and integration across different sectors and governance levels.
- 15) Manage public debt in adherence to the established public debt management strategy, ensuring responsible borrowing practices and minimising financial risks. Financing options must be carefully prioritised to secure low borrowing costs, optimising debt sustainability. Additionally, public investment projects should undergo comprehensive assessments, with a focus on enhancing quality and efficiency to prevent unnecessary debt accumulation, which could have financial strain that impacts the macroeconomy and the broader public finance system.
- 16) Implement an independent and results-oriented monetary policy with greater clarity and transparency; Manage exchange rates through a market-based mechanism under state oversight, reduce reliance on foreign currencies and incentivize exporters to repatriate earnings via the banking system; Strengthen cross-border payment controls, enhance financial institution capacity, and ensure safe and efficient operations; Maintain non-performing loan (NPL) ratios below 3% of total credit and enforce strict, high-efficiency debt recovery measures.
- 17) Continue to utilise macroeconomic units and debt management entities at the central level to closely monitor economic conditions, ensuring timely and appropriate policy responses.
- 18) Encourage the public to support and use Lao-made products under the “Lao Produces, Lao Uses” initiative to promote domestic production and help save on foreign currency reserves.
- 19) Establish favourable conditions to attract private sector investments by implementing targeted incentives and modernise investment promotion mechanisms to enhance efficiency; Strengthen the enforcement of relevant laws and regulations to ensure a transparent and predictable investment environment; Develop mechanisms to mobilise domestic funding for the construction of critical public infrastructure; Leverage Public-Private Partnerships (PPP) to secure funding from both domestic and international private sectors to invest in connectivity infrastructure to enhance regional integration and economic competitiveness. Investment approvals for mineral exploration and extraction must be preceded by thorough assessments of economic, environmental and social impacts to avoid adverse consequences on ecosystems and local communities.
- 20) Drive modernisation across key sectors – including agriculture and forestry, industry and commerce, energy and mining, science, finance, banking and investment – by leveraging scientific research, advanced technology and innovation. These improvements aim to enhance productivity and efficiency in both manufacturing and service industries. Additionally, modernisation efforts aim to streamline investment, trade and tourism processes, creating a more efficient and competitive business environment.
- 21) Strengthen sectoral complementarities at both central and local levels by fostering strategic linkages between key industries, such as comprehensive tourism, agricultural processing, handicrafts and other related sectors.

2. Developing Human Resources and the Labour Force

- 1) Enhance human capital development from early childhood education to higher education and vocational training through strengthened curricula and teaching methodologies to align with regional and international standards; Modernise education systems to prepare the workforce to thrive in the industry 4.0 era and the digital economy.
- 2) Develop a strategic approach to harness youth potential as a driving force for long-term development; Conduct research and studies to guide investment in priority sectors such as investing in curriculum development and training programmes that equip learners with critical skill sets, including problem-solving, leadership, time management and innovation – essential competencies for a dynamic future workforce; Address school dropout issues; Expand access to healthcare services; Strengthen job creation initiatives while developing the workforce that aligns with labour market demands.
- 3) Foster a collective mindset that encourages greater job responsibility, a passion for lifelong learning and enhanced resilience to overcome challenges; Cultivate a forward-thinking attitude that empowers individuals to fulfil their duties effectively and actively contribute to socio-economic development.
- 4) Encourage health nutrition practices by promoting food consumption based on sound nutritional principles; Enhance access to nutritious food sources; Strengthen efforts to provide clean drinking water and improve sanitation quality; Lower maternal and child mortality rates, especially for children under five; Extend people's life spans.
- 5) Develop long-term strategic plans based on population trends to enhance human capital quality, ensuring Laos is well-prepared for a matured population society by 2030 and an aging population society by 2052.
- 6) Enhance foreign language skills among young people to enable effective communication in international settings, supporting both personal growth and national development.
- 7) Integrate environmentally focused subjects into curricula and training programmes to help learners build a deep connection with nature from early ages through the employment of a balanced approach combining theoretical learning with practical experiences. This aims to develop a strong sense of ownership of the people in protecting nature and ecosystems.
- 8) Ensure a balance between labour demand and supply to align workforce availability with socio-economic needs.
- 9) Address labour issues through the following approaches: (1) Relevant government entities and the private sector collaborate to establish policies, legislation, approaches and mechanisms that provide detailed and accurate labour insights, forming a basis for balanced labour supply and demand within the country. Additionally, compensation structures – including wages, welfare benefits, employment terms and working conditions – should be set in alignment with cost of living, employee capacity, experience and actual job responsibilities. A well-calibrated labour framework will serve as a catalyst for socio-economic development; (2) Encourage and support relevant sectors in developing labour that is aligned with market demand by utilising data on labour needs, both domestically and internationally, to refine and enhance curricula, training programmes and skill development initiatives; (3) Enhance labour market mechanisms to effectively balance supply and demand, ensuring market equilibrium; (4) Encourage workforce participation

through targeted promotional efforts and incentives; Foster collaboration and cooperation with relevant domestic and international stakeholders to facilitate the legality of outward migration of Lao labour, ensuring their rights and benefits are safeguarded under the legal frameworks of both exporting and receiving countries.

3. Promoting Well-Being and a Prosperous and Just Society

- 1) Enhance investment mobilisation across all economic sectors to accelerate rural development and poverty alleviation, particularly in remote rural areas, former revolutionary strongholds and border regions.
- 2) Promote youth development, women's advancement and gender equality, while addressing development disparities between urban and rural areas, and between wealthy and poor population through strengthening policies and initiatives that aim at reducing income inequality, as indicated by the Gini Coefficient; Encourage higher workforce participation among women.
- 3) Continue tackling the issue of unexploded ordnance (UXO) to minimise casualties, prevent incidents and protect people's livelihoods.
- 4) Enhance the implementation of the National Social Protection Strategy and the National Rural Employment Strategy to promote sustainable employment opportunities in remote rural areas.
- 5) Strengthen the protection of children's rights and welfare by systematically reducing and eliminating all forms of violence against children; Promote inclusive mechanisms that empower children to ensure that their voices are heard and their participation is actively encouraged, enhancing their ability to contribute meaningfully to national development.
- 6) Implement policies to support the elderly, people with disability as well as increasing their participation in socio-economic development; Incorporate inclusivity into infrastructure development for people with disability; Ensure access to rehabilitation services for those in need.
- 7) Establish a robust and efficient social protection system that guarantees equitable well-being for all, offering security and comprehensive support across every stage of life, from birth to death.
- 8) Improve public safety by promoting efficient, organised and secure traffic management; Reinforce security measures through the expansion of emergency hotlines, deployment of CCTV surveillance systems and establishment of effective mechanisms to address public safety challenges.
- 9) Strengthen coordination among agricultural and forestry sector, industrial and commerce sector and other relevant sectors at the central and local levels to improve efficiency, coherence and strategic alignment across all relevant sectors to promote people's well-being.
- 10) Provide adequate technical expertise and budget allocation to support crop cultivation, livestock farming, the establishment of production groups and cooperatives based on development potential of each region; Establish a structured and systematic framework for monitoring and promoting these activities.

4. Safeguarding the Environment and Building Resilience Against Shocks

- 1) Translate the 10th Five-Year Plan outcomes and outputs into action plans of sectors and local authorities and ensure systematic implementation from the outset. Sectors and local authorities will need to establish a framework for monitoring, evaluation and periodic lesson-learning to enhance effectiveness and efficiency.
- 2) Foster a collective awareness within society to encourage individuals to take ownership in environmental protection and sustainably utilise natural resources.
- 3) Strengthen the management of natural resources and environmental protection by effectively implementing mechanisms and enforcing laws and regulations to promote development that aligns with green and sustainable directions.
- 4) Modernise meteorological, hydrological and seismic data reporting systems, as well as reinforcing early warning mechanisms for natural disasters to ensure precise, clear, efficient and responsive climate-related alerts to enhance disaster preparedness, reduce impacts and support effective recovery efforts.
- 5) Promote circular economy to reduce dependency on natural resource consumption and minimise environmental degradation. Key measures include waste reduction, air pollution mitigation, wastewater treatment, and the establishment of effective management and treatment systems to increase recycling.
- 6) Relevant sectors must collaborate to implement greenhouse gas emission reduction efforts in alignment with the Nationally Determined Contribution and other national plans to address climate change. Relevant sectors should promote investment in mitigation and adaptation initiatives to enhance resilience against and reduce damages from climate-related challenges.
- 7) Implement the National Master Plan on Land Allocation and Manual on Land Allocation Plan at the Village Level to ensure sustainable land management; Strengthen the effective governance of natural resources and environmental protection while advancing efforts to expand forest areas, promote reforestation and safeguard endangered species.
- 8) Strengthen intersectoral coordination and collaboration between central and local levels, while promoting cooperation with regional and international partners to mobilise funding and technical assistance for climate actions by creating favourable conditions for accessing the Global Climate Fund and other vertical financing mechanisms to support the implementation of climate priorities.
- 9) Strictly enforce international commitments, international laws and regulations related to environmental protection.

5. Building Resilient Infrastructure to Enhance Connectivity and Integration at All Levels

- 1) Strengthen collaboration, connectivity and integration within the country, as well as at regional and global levels, through trade and investment cooperation to drive increased production, domestic consumption and exports, while expanding market access for producers in remote rural areas via online marketing and other innovative solutions.
- 2) Encourage and promote investment across all sectors, with a particular focus on utilising Public-Private Partnerships (PPP) modality in the development of national transportation

infrastructure, including roads, railways, waterways and air routes to strengthen connectivity with regional markets and large-scale trade hubs.

- 3) Promote the sustainability of the energy sector to meet domestic needs while identifying energy-intensive usage to minimise waste. This includes encouraging the adoption of electric vehicles and advancing the development of alternative clean energy sources.
- 4) Expand the areas of irrigated agriculture to enable year-round production.
- 5) Integrate urban planning in development plans from the outset to support the development of cities and towns to ensure the convenience, safety, durability, accessibility and modernisation of residential zoning, aiming to ease urban congestion caused by rural-to-urban migration.
- 6) Use modern IT tools to improve accessibility and management of certain public services. For example, use mobile applications for public transportation schedules and digital payment systems for bus fare collection.
- 7) Strengthen cooperation with ASEAN member states, global partner countries and international organisations in alignment with foreign policy objectives to promote peace, sovereignty, friendship and collaboration. These efforts aim to build economic and social development capacity and ensure the country's ownership to implement, monitor and evaluate assistance programmes for maximum impact.

6. Improving Public Governance and Administration

- 1) Strengthen unity and solidarity and create conditions for participation from all members of society in development efforts. This includes utilising online platforms to gather responsible, innovative ideas and feedback for public service improvement.
- 2) Continue reducing outstanding issues to enhance the country's ranking on the global transparency index by 2030.
- 3) Modernise governance and public administration while ensuring targeted and appropriate budget allocation for the ICT sector and development research works.
- 4) Enhance the knowledge and capabilities of public personnel while improving the collective mindset of the public service sector to ensure a correct understanding of public service delivery, aiming to strengthen public trust in the government.
- 5) Explore the feasibility of integrating ICT tools into various sectors to save time, increase efficiency and tracking. For example, implement secure and well-managed banking systems for tax payments.
- 6) Enhance public administration and improve coordination mechanisms between central and local authorities to improve efficiency, transparency and accountability.
- 7) Continue to collaborate with development partners to implement the Vientiane Partnership Declaration to ensure that Official Development Assistance aligns with national development priorities.
- 8) Enhance coordination and collaboration among all levels of the government, the National Assembly and the judiciary in accordance with their respective roles in an integrated manner.

- 9) Promote a strong social consciousness of respect for the law to ensure strict adherence to the laws and regulations.
- 10) Develop a comprehensive legal framework to serve as an effective tool for public governance and administration.
- 11) Enhance political accountability at all levels in the implementation of rights and responsibilities while strengthening oversight mechanisms and law enforcement.
- 12) Prevent and address corruption issues at all levels.
- 13) Improve statistical data systems to support the formulation, monitoring, evaluation and reporting of socio-economic development plans while ensuring budget allocation to support effective and systematic tracking.
- 14) Continue to strengthen a collective responsibility of the people in national defence and public security to safeguard political stability, social order and public security.
- 15) Sectors and local authorities must take ownership of monitoring, inspecting, evaluating and reporting on the implementation of the 10th Five-Year National Socio-Economic Development Plan (2026 - 2030) in accordance with their respective rights, responsibilities and mandates.

II. Mechanisms for the Implementation of the 10th Five-Year National Socio-Economic Development Plan (2026 - 2030)

- The Government issues the Implementation Decree. The Ministry of Finance issues technical guidelines and acts as the central agency in coordinating with the central and local levels on the implementation and translation of the 10th Five-Year Plan into detailed work plans, with maximum efficiency and effectiveness.
- Ministers, Provincial Governors and the Mayor of Vientiane Capital must increase their responsibilities in translating the Plan's targets and outputs into detailed actions according to their respective responsibilities, ensuring consistency between planning, budgeting and staffing, and in accordance with the Three Build Directive management mechanisms from the central to the local level, in order to facilitate and enable successful and effective implementation.
- Improve coordination within the public sector – both vertically and horizontally – as well as between the public and private sectors to ensure the effective implementation and monitoring of the Plan.
- Strengthen the coordination mechanism for building, developing and upgrading labour skills between the Ministry of Education and Sports, the Ministry of Labour and Social Welfare, the Lao Trade Union and the Lao National Chamber of Commerce and Industry to improve production and business operations, boost employment and income generation and ensure a more targeted and high-quality response to labour market demands.
- Strengthen the role of all public and private organisations, the Front, mass organisations, the people, civil society organisations and domestic and foreign investors, to participate in the implementation of the 10th Five-Year Plan.
- The Ministry of Finance, in collaboration with all sectors and local authorities, monitors and evaluates the implementation periodically in accordance with the Five-Year Plan

objectives, and reports on the status of the implementation of development plans in each period by using and managing the Monitoring and Evaluation framework efficiently and effectively.

III. Delegation of Responsibilities to the Sectors and Local Authorities

1) The Prime Minister's Office continues to collaborate with relevant sectors to revise regulations and business operation mechanisms, streamlining investment permission and business licensing processes to attract high-quality domestic and international private investment. These efforts should align with the revised Investment Promotion Law of 2024. Meanwhile, the promotion of both the quantity and quality of investments in special economic zones remains a priority.

2) The Ministry of Finance shall urgently modernise revenue collection and expenditure management to enhance timeliness and comprehensiveness. Measures shall be implemented to ensure business units adopt a uniform accounting system and participate in the Value Added Tax system to increase budget revenue. Productivity and efficiency of state-owned enterprises shall be improved. The Ministry shall collaborate with relevant stakeholders to promote, monitor and oversee the implementation of the 10th Five-Year Plan (2026 - 2030) to achieve its targets and ensure macroeconomic stability. This includes enhancing public investment quality, refining public investment formulation and management mechanisms and mobilising Official Development Assistance (ODA) through the Round Table Process and Laos' bilateral cooperation with development partners to ensure ODA effectiveness.

3) The Bank of the Lao PDR continues to uphold currency stability within established frameworks while fostering conditions that channel funding into productive activities to generate national income. Additionally, it will strengthen the management of commercial banks and non-bank financial institutions to ensure strict compliance with the laws and regulations.

4) The Ministry of Industry and Commerce collaborates with relevant sectors to identify market opportunities and align domestic production with domestic and international demand, fostering export growth and enabling strategic planning for production sectors. Additionally, the Ministry will develop pricing policies while systematically monitoring and managing prices to ensure fairness, particularly in consumer goods.

5) The Ministry of Agriculture and Environment, along with the Ministry of Industry and Commerce, will lead efforts to promote domestic goods production as substitutes for imports, while advancing export-oriented production. Special attention will be given to enhancing the quality of export products with existing markets – such as export quotas from China, Vietnam, Thailand and other countries – to meet market demand and required standards. Key export products include rice, cattle, vegetables and other agricultural products. These efforts will serve as the foundation for strategic production planning and new investment to fulfil market demands. The two ministries will take the lead in strengthening the development and implementation of legislation on natural resource management and environmental protection. The ministries will also oversee systematic surveillance, remain vigilant and provide timely public reporting on climate change developments – ensuring that society stays informed and prepared for natural disasters.

6) The Ministry of Culture and Tourism leads the advocacy and promotion of the tourism sector, targeting both international and domestic tourists to boost the economy. The Ministry will take the lead in guiding tourism businesses to improve tourist destinations, hospitality facilities

and tourism products to ensure quality and diversity. Additionally, the Ministry will lead in promoting and upgrading the 'Lao visit Lao' campaign.

7) The Ministry of Education and Sports leads the implementation of the National Human Resource Development Strategy (2025), the Science and Technology Development Strategy (2015-2025) and other key priorities in education, science and sports to enhance the quality of human capital in Laos. The Ministry will focus on enhancing curricula across all educational levels, improving research quality and advancing the development and application of science, technology and innovation. Additionally, the Ministry will provide essential equipment and laboratory tools and develop policies to support teachers and students, especially in remote rural areas.

8) The Ministry of Health strengthens efforts to promote sanitation, women's reproductive health and child care. The Ministry will systematically manage, monitor, evaluate and implement measures to prevent, control and address disease outbreaks in a timely manner. Additionally, the Ministry will continue to focus on establishing a self-sufficient National Health Insurance Fund, expanding healthcare networks to remote rural areas and enhancing the quality and ethical standards of healthcare personnel.

9) The Ministry of Labour and Social Welfare takes the lead in coordinating with the Ministry of Education and Sports, the Lao Youth Union, the Lao Women's Union and the Lao Trade Union to enhance mechanisms for labour skill training and development, ensuring alignment with market demand. Additionally, the Ministry will collaborate with special economic zones, private sector investors and other relevant sectors to assess labour market needs and refine training programmes accordingly. The Ministry will also spearhead efforts to elevate training courses to international standards and address labour shortages in Laos.

10) Sectors and local authorities take the lead in developing strategic plans for production and service provision, leveraging each region's potential to identify opportunities for economic integration with other areas. This aims to maximise the benefits of the Lao-China railway and dry port facilities. Additionally, sectors and local authorities will collaborate seamlessly to implement regional development plans, fostering a productive and focused economy. This approach will minimise duplication of productive processes while enhancing complementarities between each region, driving progress towards development targets.

11) The State Inspection Authority and the State Audit Organisation will continue to fulfil their respective roles in overseeing the management of public finance and state assets. The two organisations will provide recommendations to enhance planning and financial discipline for budget units within ministries, ministry-equivalent organisations and local authorities.
