

Talking Points

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Excellencies, distinguished guests, ladies and gentlemen

It is my pleasure to take part in this regional workshop, to have a chance to meet and exchange with colleagues from various countries in the same region. Most importantly, I am honour to share with you our Country's perspectives as a LDC and uniquely willing for graduating from the LDC status by 2020.

(i) Let me start from briefing you what the Government of Lao PDR has done in preparing ourselves to this graduation target. Our Government set a target of qualification for graduation from LDC status by 2020 in its vision that was issued in 2000. This vision contains a goal for the government's decision to graduate from the LDC and how the country sets its policy priorities for transitioning to the new status.

The Government has set the goal in successive 5-year plans, including the latest NSEDP VII which covers the period 2011-2015. The Government has characterized the next 5-year plan (NSEDP VIII, 2016-2020) as focused on achieving further progress toward graduation, while the current plan (7th NSEDP) is very much focused on achieving the MDGs

by 2015 while also driving forward structural transformation that will lead to meeting the LDC graduation criteria – GNI, Human Asset Index as well as Economic Vulnerable Index by 2020.

So where we are toward the Graduation? Based on the assessment from UNCTAD in 2012, in terms of GNI, the country has achieved nearly 86% of the requirement for graduation, while in terms of Human Asset, Lao PDR is also closer to graduation threshold especially more work still required for attaining the MDGs and I will elaborate more detail shortly. On EVI, although some progress was made, renewed efforts for EVI are required. Therefore to prepare us for this graduation status, the Country sees the importance of not only making us meeting the graduation eligibility, but to ensure that with the change or growth that we are gaining, we will ensure the equitable growth, and the well-being of the people in the Country. Likewise, as being a member of the WTO last year and for entering into the ASEAN Economic Community (AEC) by 2015, the Government has put priorities in strengthening its readiness for the regional integration by promoting the private sector development through boosting the business competitiveness, improving access to finance as well as enhancing the skilled labours and employment.

In terms of the ODA potential trend, in May 2012, we held the first national workshop for the Government officials to discuss and enhance a better understanding of the LDC graduation criteria, and clarify the likely impacts on ODA and trade. Based on the analysis from this workshop, the ODA supply will be mostly independent of LDC status and therefore the graduation will only bring limited impact on ODA flows. So the country's prospect in medium term is to continue receiving priority support from bilateral partners whose currently cover the vast majority of ODA support to Lao PDR as well as accessing to loan.

The level of access to funds will depend on performance and as the Gross National Income¹ (GNI) is increasing, the country shall gradually transition more toward concessional financing and the volumes will be determined by the country's capacity to borrow. Nevertheless, this is still a preliminary analysis and the Government of Lao PDR is planning to conduct a more in-depth study on the LDC graduation and its likely impacts especially on the development financing in the near future.

(ii) On the MDGs, this year has come at a very opportune time where the Government has completed a mid-term implementation review of the 7th NSEDP as well as the recent MDG progress report which will be presented to the UN General Assembly in September. Based on the MDG report, Lao PDR has been gaining a steady progress in overall MDGs implementation, for instance the poverty rate has declined overtime, primary school enrolment is increasing and likely meeting the target, and the country is able to improve the gender disparity at all levels of education. Nevertheless, there are areas that the Country still needs to accelerate the achievements. One is being the malnutrition, estimated 44% of children under 5 years of age is stunted and the reduction rate is still slow. MDG 2 through making a steady progress in primary education coverage, the low survival rates pose a risk to MDG achievement. MDG4 and 5 are also still needs more efforts. Apparently, Lao PDR stands at the highest maternal mortality rate in the region (357 per 100,000 live births). Additionally, Lao PDR has established a localized MDG 9 on UXO (Unexploded Ordinance) in 2010. As you

¹ In 2012, Lao PDR was found to stand at 86% of the requirement for graduation in terms of GNI achieved (UNCTAD report). According to World Bank, Lao PDR GNI was US\$1,260 per capita for 2012.

know Lao PDR is one of the most heavily bombed countries in the world, and the remaining UXO in country still poses significant challenge to the development of the country.

Taking stock of where the Country at in terms of the MDG achievement, the Government has been working on addressing the above off track areas in a more collaborative manner. The National Committee on Food and Nutrition Security under the leadership of the Deputy Prime Minister has been established to steer the work on improving the nutrition in the Country. In addition, the Government in collaboration with development partners will develop a convergent programme on Food and Nutrition Security and this has recollected the efforts and coordination among relevant stakeholders from both the government at national and local levels, support from development partners including the international and local NGOs as well as potential private sector.

(iii) In addition, Lao PDR is one of the two countries in Asia that implements the Round Table Process mechanism as a national platform for development coordination. The Round Table Process consists of (1) High Level Round Table Meeting which is held every 3 years to present and discuss the country's priorities and strategy, e.g. National Development Plan, and MDGs; (2) Annual Round Table Implementation Meeting with the aim to review the progress of implementation of annual development plan and discuss any emerging issues; and (3) Sector Working Groups which is a forum to enhance collaboration between government sector ministries and development partners active in the sector and to discuss and exchange knowledge at sectoral field.

The Government of Lao PDR acknowledges the supports provided by development partners to achieve the national development objectives over times. One of the successful factors enabling the country to sustain the national progress has been the alignment of their assistance to our priorities and programmes especially the MDGs and a strong sense of mutual accountability of both the Government and Development Partners. At this RT development dialogue, all development stakeholders have been engaged and taken part in the meeting/discussions. In the future, we realize the importance to strengthen and expand the partnerships and to look into potential sources of development funding. Most importantly, this development trend will go beyond ODA financial support, but we recognize the possibility of knowledge exchange through various south south cooperation activities. The country has had conducted some training courses in the past and has been proven useful. We continue to explore and expand this opportunity in the future.

Overall, this is the experience and how we envision our partnership trend will be. At this meeting, I look forwards to learning more on the Global Partnership and different tools and elements that will help to strengthen the effective development cooperation.

Thank you very much for your attention.