

UNDP IN LAO PDR 2012-2015

OUR GOALS

People are the real wealth of nations and UNDP works to help build better lives and to ensure that all people in Lao PDR benefit from national development. We support growth that creates more and better economic and social opportunities without harming the environment. We also promote peace, human rights and security as a critical element of development, in Lao PDR and 176 other countries and territories. Overall, we offer both global perspective and local insight.



Working toward equity

Equity is central to development. It comes from the idea of moral equality: that people should be treated as equals. UNDP recognizes the concept of equity as a critical goal for our programming, helping us use our influence to ensure fair treatment for all. People should be given equal life chances; receive universal goods and services based on equal concern for their needs; and benefit from fair competition, based on effort and ability, for positions and rewards in society.

Yet in many developing countries, considerable inequity and inequality exists between social groups, genders and geographical regions – often resulting in chronic poverty. Available evidence on the scale of the challenge confirms a worrying picture of life chances dependent on inherited circumstances and inequitable access to services, as well as rising income inequality that may further deepen disadvantages. As well as being a bad thing in itself, this inequity has a negative effect on economic growth, poverty reduction, social cohesion and voice.

Applying the ideas of equity in a specific country context often involves hard choices. Solutions can include targeting actions to favour disadvantaged groups; expanding social protection; building a vibrant civil society and media; and widening political and policy debates to substantively discuss fair allocations of social benefits and burdens.

WHAT WE DO

UNDP's network links and coordinates global and national efforts to reach the eight global Millennium Development Goals (MDGs), which commit to the overarching goal of cutting world poverty in half by 2015. A ninth MDG specific to Lao PDR pledges to reduce the impact of unexploded ordnance (UXO) still remaining from the Second Indochina War. We are assisting Lao PDR with two critical transitions: (1) to a market economy that gives people more power of choice and (2) to becoming a middle-income country by 2020. Our focus is on:

- > Fighting poverty
- > Promoting effective governance
- > Encouraging improved environmental management and lessening negative effects from climate change
- $>\mbox{Reducing}$ disaster risks and assisting recovery, particularly from the impact of UXO

Our high-impact, low-cost efforts also enable women to have more voice and choice and strengthen skills of Lao people to deliver development results.

We serve as a trusted partner and advisor to the Government, helping bring together all parties interested in national development: Government, international development partners, the people, businesses, and the media. All this supports the country's 7th National Socio-Economic Development Plan 2011-2015, which has the principal aim of achieving, "Growth with Equity" that improves the lives of those in every part of society.





50% Proportion of MDGs on track to meet targets by 2015



Ensuring a smooth transition to Least Developed Country graduation

Graduation from Least Developed Country (LDC) to middle-income status reflects success in development and demonstrates countries' ability to achieve a transformation of their economies. However, abrupt withdrawal of benefits associated with LDC status can lead to disruption of national development.

The Government of Lao PDR has set an overarching goal of graduation from LDC status by 2020. Achievement of the Millennium Development Goals to way toward making this possible. UNDP is proactively assisting Lao PDR's efforts toward LDC graduation by helping to develop a "road map" – fully determined by national requirements and timetables – for effectively implementing a graduation strategy. This will enable the country to maintain its major achievements in human development and minimize the risk of reverting back to LDC status over an extended time frame.



PROGRAMME HIGHLIGHTS IN LAO PDR

The Global Environment Facility (GEF) Small Grants Programme, implemented by UNDP, supports sustainable livelihoods projects in 60 communities across Lao PDR. In Xayaboury, a micro-hydropower project provides electricity to villagers all year round.

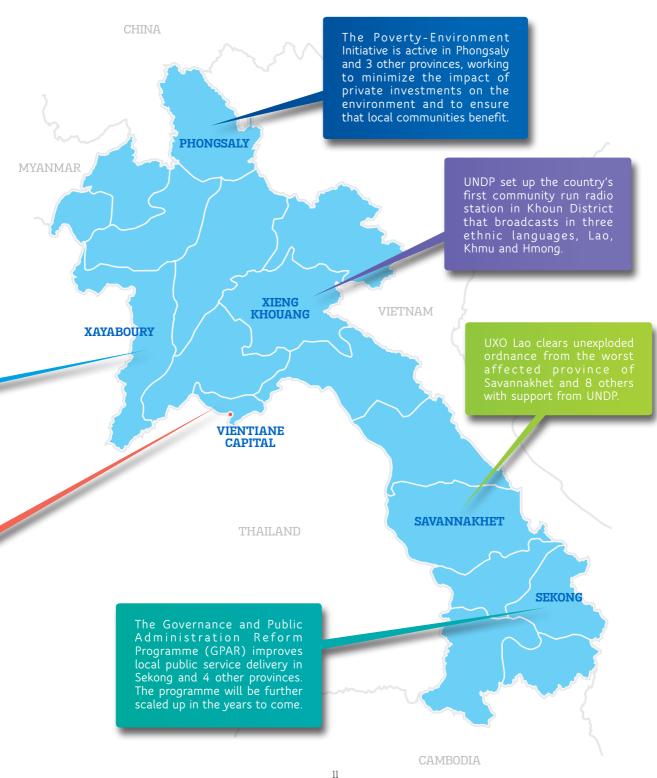
6.25 million

Population of Lao PDR (2010)

17

Provinces in Lao PDR

UNDP co-chairs the Round Table Process to improve aid effectiveness and ensure better coordination between government and development partners, ultimately contributing to development across the country.



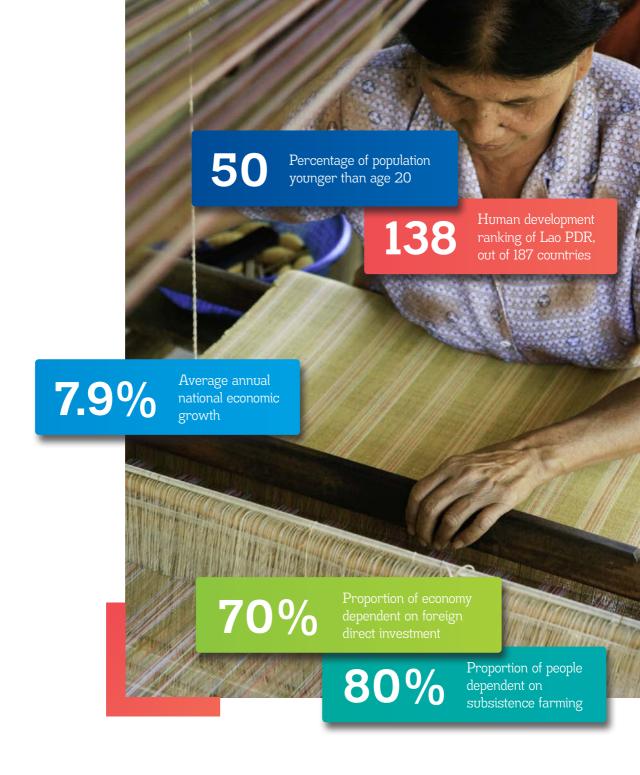
THE DEVELOPMENT SITUATION IN LAO PDR

Lao PDR is rated one of the 10 "top movers" in the world in terms of progress on human development – the non-income side of poverty reduction – during the past 20 years. Impressive gains have been achieved in decreasing numbers of poor people; increasing primary school enrolment; reducing child mortality; raising women's political representation at the national level to one of the highest in the region; taking action against tuberculosis and malaria; and ensuring access to safe drinking water and basic sanitation in urban areas.

At the same time, critical remaining challenges include a shortage of job opportunities outside of agriculture; lack of progress in reducing child malnutrition, as well as in ensuring students, particularly girls, complete a full course of primary education and proceed to secondary education; women's limited participation in decision making at the sub-national level; high maternal mortality; the quick rate of loss, or unsustainable management, of environmental resources, including forests, water resources and biodiversity; and reducing the recurrent impact of natural disasters.

Overall, the main development challenge in Lao PDR is ensuring that the benefits from high economic growth are evenly distributed and translated into long-lasting human development for all, including women, ethnic minorities, and the two-thirds of the population who live in rural areas. Widening gaps between rich and poor, women and men, ethnic groups, and residents of different regions of the country need to be urgently addressed if Lao PDR is to achieve all of the Millennium Development Goals (MDGs) by 2015. Efforts to accelerate achievement of the MDGs are under way in six priority areas.

Particularly critical is to help ensure that Lao PDR's economic boom – driven primarily by foreign direct investment in mining, forestry and hydropower – is conducted in an environmentally sustainable way and that the revenues generated benefit everyone. Climate change and natural disasters also may have a significant impact on the country and its economy. In a unique challenge to Lao PDR, the presence of unexploded ordnance (UXO) from the Second Indochina War continues to destroy lives and limits agricultural production and expansion.



OUR IMPACT

FIGHTING POVERTY

We work toward achievement of the Millennium Development Goals (MDGs), the 7th National Socio-Economic Development Plan 2011-2015 and, more broadly, Lao PDR's graduation to middleincome status, through comprehensive assistance to the Ministry of Planning and Investment. This assistance is designed to increase attention to the achievement of equitable development, particularly through identifying key development focus areas during the Round Table Process. It helps the Government to access funding that may not otherwise have been available and to address emerging development issues through better targeted actions to serve people in need.

To support more informed policymaking, we are helping to improve the Ministry's planning and monitoring/evaluation functions, through establishment of a strengthened database, including genderdisaggregated data, and better-trained personnel for more reliable development statistics. As part of the smooth transition strategy for Lao PDR's graduation to middle-income status, we are building the country's capacity to receive maximum benefits from full integration into the Association of South East Asian Nations (ASEAN) by 2015. This will expand national competitiveness in the global economy; strengthen effective "economic governance" in Lao PDR in areas such as trade, finance and intellectual property; and accelerate poverty reduction.

Assessing people's long-term well-being

Fundamental to enlarging people's choices in Lao PDR is helping the poor to increase their prospects for wealth and happiness: making it easier for people to lead long and healthy lives, to be knowledgeable, to have access to the resources needed for a decent standard of living, and to be able to participate in the community. To do this in a strategic manner, it is important to understand the state of poverty in the country so that we and others can advocate for change.

UNDP's main tool for contributing to the debate on alternative development approaches in Lao PDR and helping to develop shared visions is the National Human Development Report (NHDR). Such reports, of which there have been four between 1998 and 2011, provide a balanced measure of human progress in the country by analyzing economic growth and social development, as well as strengthening national statistical and analytical capacity. In turn, they constitute an important vehicle Development Goals. Priority national development topics covered thus far include an introduction to the concept of human development; ways to advance rural development; the best path to simultaneously boost international trade and human development; and improving human development through promoting more employment and livelihood opportunities.







Putting people first

Promoting the development agenda and making international aid effective

The Round Table Process on strategic development directions has been the core of UNDP's special development partnership with Lao PDR. UNDP plays an especially important lead role as co-chair of the Round Table Process with the Government, helping ensure donor funds achieve the greatest development results based on national priorities. Overall, we use our trusted and strategic policy advisory role to assist the Government with preparations for the Round Table Meeting, held every three years, as well as for annual Round Table Implementation Meetings.

In particular, we help to ensure that Round Table working groups strengthen their results linked to major national development goals, including MDG achievement and graduation from Least Developed Country status. For example, as a result of attention by the Round Table Process to child malnutrition, the Government

developed a multi-sectoral nutrition plan. Sustained advocacy on the implications of economic growth based on natural resources is prompting the Government to more closely review the quality of foreign direct investment. Special focus is being given to ensure growth and development for both women and men, as well as more direct targeted assistance in other strategic gender equality areas such as female leadership training.

A "community of practice" approach is being piloted to facilitate information sharing and substantive policy dialogue within working groups; likewise, all development partners are being invited to contribute to a flexible pooled fund facility, which is intended to be effective in delivering "quick wins" and policy advice at a time of national transition. Donors thus are moving forward in a more coherent and timely way to further poverty reduction.

PROMOTING EFFECTIVE GOVERNANCE

UNDP promotes effective, open and transparent decision making to improve governance in Lao PDR, supporting the Government's strategic plan for effective governance through 2020. This is central to consolidating the impressive national development progress already achieved in many areas and ensuring that growth benefits all people and does not harm the environment. We work in governance and public administration reform, strengthening the legal sector, rule of law and access to justice, and enhancing people's participation. In all three, we promote opportunities for creating space for informed, helpful dialogue on critical development issues. We also serve as the international leader in the governance sector, including through co-chairing the governance working group of the Round Table Process.

Our flagship governance programme, the Governance and Public Administration Reform Programme (GPAR), addresses the challenges of local development and poverty reduction by strengthening capacities of district administrations in planning, management based on results, monitoring, and effective delivery of services. Particular attention is given to simplifying work processes. All this is especially pressing given the country's goal of graduating to middle-income status by 2020.

To strengthen participation by the people in the institutions and systems that govern their lives, we focus on supporting a more effective National Assembly; opening up space for civil society to enhance wider and more informed debate; and giving all people, especially women and ethnic minorities, more public voice and information through scaling up the establishment of community radio stations.







Putting people first

Strengthening a pro-poor focus at district level

Thirty-seven-year-old Timchai is loading her tractor with home grown products for the market with a renewed vigor these days: She knows that, whether it rains or the sun shines, she will make it to the market. A road now links remote Hor Kong village, 800 kms south of the capital, Vientiane, to the main road.

"With this road access I am able to bring more of my coconuts, watermelons, pumpkins and all that to sell at the market," says Timchai. In the past, during the rainy season she would often lose money when the village track was impassable and her products would go rotten before she could reach the market. "After the road was developed I generated more income, and with that income I've bought books and school uniforms for my children to go to school."

The new road is a direct result of improved capacity among the local district administration to carry out small-scale infrastructure projects. Timchai and the villagers of Hor Kong identified the need for a road as a development priority through a community vote. Finances were then mobilized by the local administration through the District Development Fund (DDF), one component of the Governance and Public Administration Reform Programme (GPAR) in Saravane Province, supported by UNDP and other development partners.

The programme focuses on developing institutional, managerial and technical capacities among local authorities to ensure better public service delivery. New roads, such as that in Hor Kong village, not only improve access to markets but also to Government services like One Door Service Centres, which offer services such as vehicle registration, business licenses and land titling.

In a highly encouraging sign of sustainability of the GPAR programme, the achievements, lessons learned and best practices are now being continued under Government leadership. This will ensure that the focus on enhancing existing Government systems results in an impact felt for years to come.

SUPPORTING IMPROVED ENVIRONMENTAL MANAGEMENT

Natural resource-based economic growth - mining, timber, hydropower, and industrial crop plantations - is putting new pressure on the environmental assets on which rural communities traditionally depend. Deforestation is severe, while unsustainable land and water use are rising, as are concerns about land security for families and rural communities of Lao people. The high dependence of most rural people on agriculture and natural resources, together with continued gaps in adaptation to changing climatic conditions, make the country highly vulnerable to the effects of climate change and to increasing natural disasters.

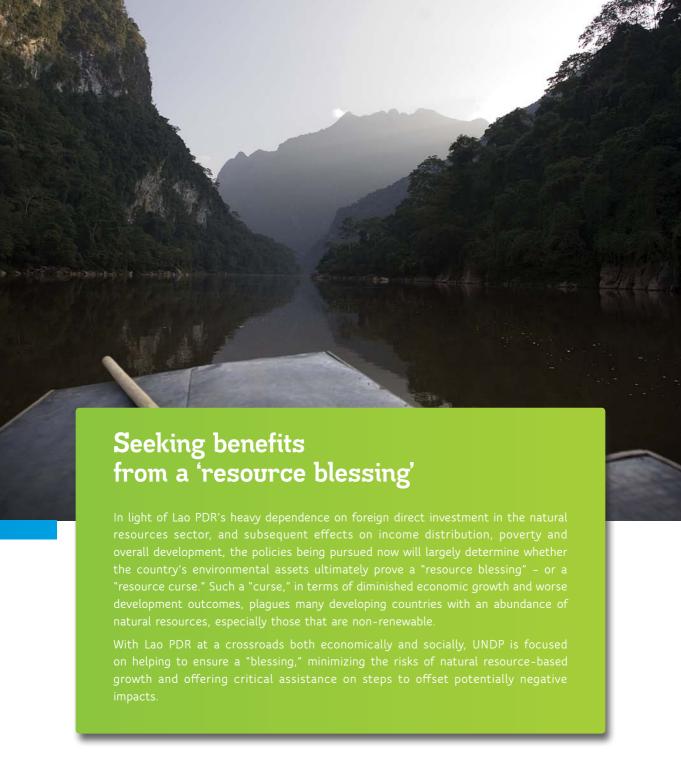
UNDP supports growth that does not harm the environment. We encourage all national development policies and planning to recognize links between environmental harm and poverty, including through development of a set of poverty-environment indicators for the national monitoring and evaluation system. In particular, we help the Government to increase the proportion of quality investments, including foreign investments, with the most benefits

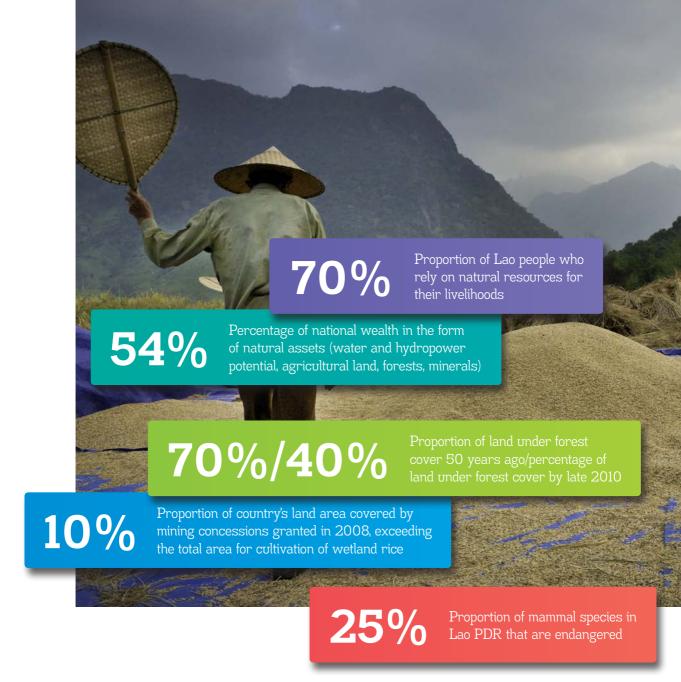
for all people and the least impact on the environment. This begins with support to the selection of appropriate investors.

We also are strengthening the policy backbone of the Government's comprehensive national response to climate change, particularly in priority sectors such as agriculture, water resources and forestry, and to disaster risk reduction

Lastly, UNDP focuses on improving environmental governance and promoting community-based natural resource management. A core challenge is to strengthen people's participation in the management of forests, watersheds and wetlands. This is being achieved, for example, through promoting more sustainable use by communities of agricultural biodiversity in upland areas, with an emphasis on food security and sustainable economic development.

Our support includes strategic policy and technical advice, medium-sized to large projects implemented by Government organizations and small grants provided to community-based organizations and non-profit associations.







Putting people first

Microhydro power helps achieve sustainable livelihoods among minority community

In remote Houay Ngou village, northern Lao PDR, 48-year-old Keupkku is settling down to the evening news on his new color television. On the other side of the room, two of his daughters turn on the lights to continue their studies. Just a month earlier, this would not have been possible. But a newly installed 7.5kW hydropower turbine now supplies electricity to the Hmong ethnic community of 290 people.

These benefits are a result of the villagers' initiative in proposing construction of the microhydro system to the Sayaboury provincial authorities. After securing funding from the Global Environment Facility (GEF) Small Grants Programme, implemented by UNDP, the villagers voluntarily participated in constructing the small water catchment area, installing pipes and transporting building materials. The GEF Small Grants Programme directly supports community-level initiatives for environmental protection and sustainable rural development.

Most of the villagers in Houay Ngou cultivate rice, raise animals and collect non-timber forest products. The remote community has few opportunities for income generation, and the continued degradation of forest and agricultural lands affects farmers' livelihoods. However, with access to 24-hour power, villagers like Keupkku are now able to save money and time. More women are using their evening hours to produce exquisite handicrafts for sale. Villagers no longer need to cut down trees to burn for cooking and can use electric stoves instead. In addition, the watershed forest is now a protected area, since it holds the water resource for the hydropower.

"The hydropower has changed our lives," declares Keupkku. Now, he is saving up to realize his dream of buying a refrigerator and a fan.

REDUCING DISASTER RISKS AND ASSISTING RECOVERY

Lao PDR was heavily bombed during the Second Indochina War, with more than 2 million tonnes of bombs dropped on all provinces between 1964 and 1973. Up to 30 percent of these bombs failed to function and remain live and dangerous in the ground as unexploded ordnance (UXO). The presence of UXO negatively affects national development and poverty reduction by constraining livelihoods in rural areas, where the vast majority of people still live, through delayed land clearance and increasing costs of investment. Acknowledging the long-term negative impact of UXO on the development potential of affected communities, the Government has committed to achieve a new national Millennium Development Goal 9 on reducing UXO impact by 2020.

UNDP helps people in Lao PDR be free of fear of being injured or killed by bombs and other leftovers of war. We also help people better protect their lives and property from natural disasters. Through the Government's National Unexploded

Ordnance Programme (UXO Lao), UNDP and other partners help to clear land with improved technology, training de-miners and offering community-based UXO risk education and surveys, particularly in the most UXO-affected provinces. Our support to the First Meeting of States Parties to the Convention on Cluster Munitions, held in Vientiane in November 2010, brought together countries that have joined this new global standard for humanitarian law, United Nations Agencies, international organizations, civil society, and cluster bomb survivors.

In disaster risk management, UNDP works to develop national and local capacities to better prepare for and respond to recurrent natural disasters such as floods, drought, tropical storms and landslides. These natural hazards particularly result in deaths and economic losses in poor rural communities that depend heavily on agriculture. Our disaster management work, in turn, promotes effective governance and development that does not harm the environment.







25%

Proportion of villages in Lao PDR contaminated with unexploded ordnance (UXO)

20,000

Number of people killed or injured as a result of UXO accidents since the end of the Second Indochina War

1.3 million

Number of items of UXO destroyed

30,000

Number of hectares of land made safe from UXO, equivalent to 300 square kilometers



Amount of time between two severe floods that struck Lao PDR in June-July 2011, causing US\$100 million in damage/average time between severe floods (1966-2001)



Putting people first

Tackling the deadly legacy of war

Rice planting season is a nerve-wracking time for 49-year-old farmer Vongphone of Xieng Khouang Province. He was disabled when he accidentally set off an unexploded cluster bomb in 2006. Vongphone, who lost his left hand, is one of hundreds maimed or killed each year by explosive weapons originally dropped across the country by American aircraft between 1964 and 1973.

"I'm still afraid," says Vongphone. "It's hard for us, because when we farm there are unexploded bombs. But we have to farm – otherwise, we have no income."

Lao PDR remains the world's most affected country in terms of UXO, as the remnants of war are known. More than 200,000 hectares of prime agricultural land in some of the country's poorest areas remain to be cleared.

A 10-year Government plan focusing on clearing land in the 42 poorest at-risk districts, supported by UNDP and other development partners, is part of Lao PDR's commitment under the 2008 Convention on Cluster Munitions. An action plan adopted at the First Meeting of States Parties to the Convention, in 2010, provides additional support to all countries dealing with UXO, and the Government is hoping that the action plan likewise will result in more funding for national clearance efforts.

IS THE UN'S GLOBAL DEVELOPMENT NETWORK

With a presence on the ground in 177 countries and territories, UNDP is in a unique position to advocate for change, connect countries to knowledge and resources, and coordinate broader efforts at the country level.

In Lao PDR the UNDP Resident Representative also serves as the Resident Coordinator of development activities for all United Nations Agencies. A total of 23 United Nations organizations are represented in the country. We work together as the United Nations Country Team (UNCT) to support national development and better lives for all people, especially the poorest and most vulnerable.



OUR PARTNERS

We work with a wide variety of national and international partners, including Government Ministries and other authorities at central, provincial and local levels; international financial institutions and donors; non-Government and civil society organizations; and numerous United Nations Agencies.

SOURCES

All figures/numbers from 7th National Socio-Economic Development Plan 2011-2015; United Nations Country Analysis Report 2010; Millennium Development Goals Lao PDR Progress Report 2009; World Bank, Lao PDR Development Report 2010; Prime Minister's Office and Public Administration and Civil Service Authority, District Development Fund: Strengthening District Administrations for Pro-Poor Development (March 2011 update); Lao PDR Forestry Investment Plan; IRIN News Service.





Photo captions and credits

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p.2/3 There are 49 officially recognized ethnic groups in Lao PDR
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p.4/5 Villagers check the information board in Kamkok village, Sekong province © UNDP LaoPDR/Philippe Pernet

p.6/7 Travelling to the market on a new road in Hor Kong village,
Saravane province © UNDP LaoPDR/Philippe Pernet

p.11 Manufacturing, including garment production, accounts for only 3.9% of the workforce © UNDP LaoPDR

p.13 Preparing the rice fields, 80% of the population is engaged in subsistence farming © UNDP LaoPDR

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p.22/23 Less than 5% of the country's land area is used for agriculture
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p.24/25 All 17 provinces of Lao PDR suffer from UXO contamination
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p.26/27 Clearing UXO in the south of the country

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p.30/31 UNDP Administrator, Helen Clark, and Deputy Prime Minister and Minister of Foreign Affairs, Dr. Thongloun Sisoulith, during a break at the 2010 Round Table Meeting © UNDP LaoPDR/Laophoto

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