

**LAO PEOPLE'S DEMOCRATIC REPUBLIC**  
**Report on Implementation of the Brussels Programme of Action for the**  
**Least Developed Countries (2001-2010)**

**Introduction**

In order to implement the Brussels Programme of Action for the Least Developed Countries (LDCs), the Government of the Lao PDR established a National Committee on LDCs chaired by the Deputy Prime Minister, Minister of Foreign Affairs, and appointed the National Focal Point on LDCs at the Ministry of Foreign Affairs. The National Committee is mandated to advocate, follow-up and mobilize resources for the implementation of the Brussels Programme of Action as well as to report on the progress made in its implementation. Over the past five years, the National Committee has made its utmost efforts to promote the implementation of the Brussels Programme of Action. This has clearly been reflected in this report.

It is important to note that most of the objectives and goals contained in the Brussels Programme of Action as well as in the Millennium Declaration have been incorporated in the Lao Government's poverty eradication strategy and medium and long-term socio-economic development plans. Therefore, most of the data sources used in this report have been drawn from the outcomes of the implementation of the fifth five-year socio-economic development plan (2001-2005).

This report presents an overall picture of the progress made in the implementation of the Brussels Programme of Action in the Lao PDR over the past five years (2001-2005). It reflects the country's efforts and achievements in meeting the objectives and goals of the Programme of Action. It also highlights some key challenges that need to be addressed through further efforts and support by its development partners.

**Commitment 1: Fostering people-centered policy framework**

There has been a considerable progress in the implementation of Commitment 1. A number of policy frameworks and measures have been adopted and implemented in this regard. In 2001, the 7<sup>th</sup> National Party Congress set out the ten-year Socio-Economic Development Strategy (2001-2010) that emphasized, among others, the promotion of rapid and sustainable economic growth, poverty reduction and protection of the environment. People's participation has been at the center of the Strategy. It set an ambitious GDP growth target of 7 percent per annum and cutting poverty by half by the end of the decade. The fifth Five-Year National Socio Economic Development Plan (2001-2005) and the associated Annual Plans were considered to be the primary vehicles for translating the Strategy into action.

The Government has undertaken various measures to implement the Fifth Five-Year Plan. GDP has steadily increased on average at 6.3 percent per annum. Although this rate was slightly short of the target, it was among the highest growth rates in the region. Overall investment increased rapidly from 19.7 percent of GDP in 2000 to about 26.6 percent in 2005. Government revenues grew at an average of 17 percent per annum. The monetary balance improved significantly and contributed to the moderation and reduction of inflation and the stabilization of the exchange rate for the local currency- the Kip. By 2005, the GDP per capita reached US\$ 491 and poverty has gradually declined from 39% in 1997 to 32% in 2005. In

2000, there were 304,100 poor households. About 135,000 of these households moved out of poverty during the five-year period.

In 2003 the Government of the Lao PDR launched the National Growth and Poverty Eradication Strategy (NGPES) - a localized Poverty Reduction Strategy Paper or PRSP. It has been formulated in a highly participatory manner involving people from the grassroots to the national and international stakeholders. It was well embraced by the country's external development partners. The NGPES had a dual objective that is to promote sustainable economic growth and reduce poverty, particularly in the 72 poor districts (of which 47 are poorest priority districts). Community-driven access-oriented rural development was at the centre of the strategy for development of the poor districts. The NGPES identified four main sectors (Agriculture, Health, Education and Infrastructure), several supporting sectors, a number of cross-cutting areas (gender, governance, environment, information and culture, population and social security) and a few poverty-focused National Programmes (HIV/AIDS, UXO and drug control).

In effort to implement the NGPES, the Government in collaboration with the communities has prepared focal area development plans for ten of the 47 poorest priority districts. By the end of 2005, focal area development plans have been completed for 18 poorest districts. The focal area development plans included the costing of priority programmes and projects. The process of preparation of the focal area development plans built significant local capacity (including training of trainers and training of local officials) for participatory planning with the involvement of stakeholders. In addition, the Government facilitated the estimation of the costs of priority programmes and projects in the four key sectors – Agriculture and Forestry, Education, Health and Infrastructure – that are critical for poverty reduction. Further, the Government promoted people's participation and poverty reduction through Village Development Funds that mobilized savings in addition to Government contributions. In parallel, the Poverty Reduction Fund (supported by an IDA Credit) was implemented. The NGPES document in the Lao Language was produced and disseminated widely.

With encouragement from donors, the Government undertook to integrate the NGPES in the Sixth Five-Year National Socio-Economic Development Plan (2006-2010). The Sixth Plan is being formulated in a highly participatory manner, based on a bottom-up approach. For the first time, the Government shared the draft Sixth Plan with donors at the Annual Round table meeting in January 2006. The donors complimented the Government on the quality and coverage as well as the participatory process adopted in formulating the Plan. They offered a number of suggestions for further improvement of the draft Plan. The Government intends to share the draft Plan with domestic and foreign private investors and Lao researchers and mass organisations in the coming weeks. The feedback from the various stakeholders will be incorporated in the final version of the Plan before its submission to the National Assembly for approval.

## **Commitment 2: Good Governance at the national and international levels**

The Lao Government has recorded steady progress in the implementation of commitment 2. Over the past five years, it has embarked on public administration by presenting a policy paper on governance at the 8<sup>th</sup> Round Table Meeting, indicating its intention to pursue an ambitious reform agenda in this area. The policy paper provided a comprehensive overview of major governance activities including the four themes of public service reform, people's participation, the rule of law and sound financial management. This paper and the government's commitment to undertaking associated reform represent exceptional progress in

Lao PDR and offer a central vehicle for development partnerships to address governance issues. As a result, a number of legislations have been adopted such as Law on the Government, Law on Local Administration (2003) and Law on Anti-Corruption (2005).

In addition, the role of the National Assembly as the central legislative organ and primary oversight body of the Government has been further strengthened. Since 2000, the National Assembly has approved a number of laws intended to improve financial oversight at both central and provincial levels. A number of parallel guidelines and tools have further enhanced the National Assembly's capacity to oversee the legislative process. Methods for public consultation during the drafting process have been developed, though are yet to be fully implemented. There have also been some improvements in the process by which people are able to lodge a complaint against a court decision or maladministration, through recourse to the Assembly's Division of Complaints and Nationalities.

Human Rights and the rule of Law have been broadly promoted. This is reflected in measures and legislations adopted by the Lao PDR recently. A number of Constitutional amendments were passed in 2003. A new tier of courts, the Appellate Courts, was established bringing appellate justice closer to the people. Judges are now appointed, transferred and dismissed by the National Assembly Standing Committee on the recommendation of the President of the Supreme Court (formerly a government responsibility). Similarly, the administration of local courts (formerly the responsibility of the Ministry of Justice) now resides with the Supreme Court. Both the Supreme Court and Supreme People's Prosecutor report to the National Assembly. A new initiative to strengthen the Lao Bar Association (LBA) and thereby the legal profession came into action in 2004. This aims to improve public awareness about the role of lawyers and the LBA. The Supreme Court, Office of General Prosecutors, Ministry of Justice, and Ministry of Public Security have their long-term strategies (up to 2020) and at present are in the process of developing a general strategy in the legal sector including better compliance with international conventions and agreements.

In May 2002, the Government established the Lao National Commission for the Advancement of Women (Lao NCAW). This is a high-level body and the central institution to promote gender equality and to eliminate discrimination against women in Lao PDR. The commission's main tasks are to assist the Government in formulating national policy and strategic plans to promote women's advancement and gender equality in all spheres and at all levels of society. In 2003, the National Assembly adopted a constitutional amendment, which places emphasis on increasing the responsibility of all sectors to promote the advancement of women, in compliance with the Lao Government's international commitments, including the Convention on the Eliminations of All Forms of Discrimination against Women, the Beijing Platform for Action and the International Conference on Population and Development. The Government is currently developing a National Strategic Plan for the Advancement of Women (2006-2010). In addition, the National Law on Development and Protection of Women has recently passed and a Law on the Protection of the Rights and Interests of Children is currently being drafted.

Despite enormous efforts by the Lao Government and considerable progress made, the country still encounters a numerous challenges and constraints such as inadequate institutional capacity, technical expertise, personnel and financial resources. This certainly limits the government's capacity to make all such commitments a reality.

### **Commitment 3: Building Human and Institutional Capacity**

The Lao Government always attaches great importance to the social infrastructure development. This is clearly reflected in the National Growth and Poverty Eradication Strategy that incorporated all goals and targets set by the Millennium Declaration and Brussels Programme of Action. The Government has made considerable efforts to increase its public expenditure and promote private investment in the social infrastructure development. Efforts are also being made to develop primary education at the national level with particular emphasis on isolated areas. The primary enrolment rate increased from 77.3 percent to 84.3 percent. The lower secondary enrolment rate increased from 51.9 percent to 54.4 percent, and the upper secondary enrolment rate rose to 32.4 percent in 2005 compared to 30 percent in 2000. By 2005, the literacy rate increased to 73 percent. Vocational, university and higher education are also being expanded. Since 2002 a number of new branches of the National University have been set up in Provinces. As a result, over the past five years the enrolment rate at all levels of education has increased.

However, the Government capacity is constrained by many factors. Lack of adequate resources to finance education system and meet the goals set has been the major obstacle. High population growth and increasing interest in educating their children shown by the small ethnic groups living in remote and isolated villages have increased the demand for educational services. A scattered and predominantly rural population combined with considerable ethnic, cultural and linguistic diversity overstretched the capacity of the education system. Traditional pedagogy and educational standard needs to be updated to ensure that Lao people acquire necessary skills. Acute poverty within the community and inadequate budgets within schools severely limit resources for students.

In the health sector, the Government is committed to making public health service an integral part of the national socio-economic development. To this end, the health care system has developed during the last five years under the Government's guidance with the participation of communities and international cooperation. A number of health related legislations were adopted, namely the Law on Drugs and Medical Equipment (2000), the Public Health Law (2003) and the law on Hygiene, Disease Prevention, and Health Promotion. The health system has improved and gradually expanded to form a complete network from the central level to the districts and villages. In the areas of prevention, attention is given to primary health care with emphasis on high risk groups; child immunization; recommendations on the use of safe and sanitized water; management and the control of communicable diseases, such as diarrhoea, malaria, dengue fever, tuberculosis, leprosy and HIV/AIDS; and the close monitoring of other diseases caused by drug addiction. Centres for disease prevention and health care were set up in eight areas throughout the country.

Initial coordination was made with different agencies, authorities and line Ministries in charge of cultivation and communications to promote hygienic lifestyles and protection from diseases, combat superstitions, and encourage infected people to access to medical treatment at hospitals. Child polio was eradicated in 2000. Immunization was expanded to children less than one year old for various diseases such as coughs, measles, tetanus, tuberculosis and others. Efforts made in the prevention of communicable diseases such as malaria, dengue fever and HIV/AIDS have shown positive results.

The private health network has also developed since 2001. There are currently 484 private clinics, 244 of which are located in the Capital, Vientiane and 240 in provinces. This has contributed to the diversification of health care services. In the last five years, 4,463 drug kits

have been provided to the villages in the 72 poor provinces identified in the NGPES; this means that about 94 percent of villages have been provided with health kits. As a result, by 2005, the infant mortality rate has been reduced to 60 per 1,000 live births and child mortality to 80 per 1,000 live births. The maternal mortality was also reduced to 350 per 100,000 live births. The country has been able to meet 48 percent of the local population's demand for medicines from local production and provided health packages to 28 percent of the villages.

#### **Commitment 4: Building productive capacities to make globalization work for LDCs**

Socio-economic Infrastructure development has always been one of the Government's priorities. In the National Growth and Poverty Eradication Strategy the role of infrastructure is its direct impacts on poverty through services and its supports to the economic growth on which poverty reduction relies. Over the past five years, significant efforts have been exerted by the Government to develop transportation system, telecommunications and electricity as well as rural roads, water supply and sanitation, which are considered critical to poverty reduction among the poor. Substantial external support has been devoted to rehabilitate and modernize Lao PDR's transport infrastructure. Most primary highways and the major airports are now in good or fair condition but many secondary and tertiary roads and most of the minor airports are not. Road travel is the dominant mode of transport in Lao PDR, whereas air traffic and inland water traffic play only a minor role. Located in the centre of the Greater Mekong Subregion (GMS), Lao PDR can turn itself from "land-locked" to "land-linked" by connecting South Asia and People's Republic of China to Southeast Asia. The East-West Economic Corridor connecting Vietnam with Thailand via central Laos is scheduled for completion soon. Construction of the section through Lao PDR of the North-South Economic Corridor from Kunming to Chiang Mai has commenced with financing from People's Republic of China, Thailand and the Asian Development Bank.

The Mekong River and other rivers in Lao PDR provide local communities with easy and efficient access to markets and social services which otherwise are inaccessible or difficult to reach over land and helps improve trade with neighbouring countries. The Governments of Lao PDR and Thailand have agreed to extend the railway in Thailand across the Mekong River, using the Friendship Bridge, and establish a new railhead near Vientiane. The poor in the Lao PDR are heavily burdened by lack of access to goods and labour markets and social services. Access deprivation results in high transportation costs that reduce the mobility of people and goods produced by the poor who mostly live in the rural areas. Access deprivation also results in reduced access to or lack of consumer goods, social services, information, and market and livelihood opportunities for labour, with consequent implications for income and socioeconomic welfare.

Over the coming years, the GMS Economic Cooperation Programme is going to implement regional power interconnection and telecommunications backbone projects. The Lao PDR's hydropower potential is very considerable and its development offers extensive benefits for the country. Hydropower is already a major contributor to economic output, government revenues and export earnings. However, only 623 Megawatts (MW) of the estimated 18,000 MW of hydropower potential has so far been developed. The level of electrification in the Lao PDR is still low, only 40% of the households have access to electricity. Therefore, the development of the country's hydro-electrical potential and rural electrification is thus integral to the national development framework. The Lao government is now giving more attention to the small-size power plants for supplying electricity to the rural areas and making every effort to ensure that by 2020, 70% of households would have access to electricity. Since export of hydropower is

the largest single foreign exchange earner for the country, the Government thus emphasizes development of export-oriented hydropower projects and mobilizing private sector investment. Hydropower can generate the much needed foreign exchange income that can be channeled to poverty reduction projects and pro-poor sustainable environment protection.

Tourism is also a fast growing economic sector in the Lao PDR and has constituted a major contributor to the national income (7-9% of GDP) and employment. The number of tourists increased from only 14,400 in 1992 to about 1 million people in 2005. In fact, giving stunning natural environment, history, cultural heritage and rich ethnic diversity, there is still considerable potential for greater expansion of tourism in the country. The Lao PDR's tourism strategy favours pro-poor, community-based tourism development, enhancement of specific tourism-related infrastructure improvement and sub-regional tourism cooperation.

### **Commitment 5: Enhancing the role of Trade in development**

A favourable foreign policy has allowed the Lao PDR to begin to gradually integrate into the regional and international economies and helped to diversify its markets. The Lao PDR has access to several preferential treatments in many countries. The Lao PDR's exports receive preferences from industrial countries and from the original members of ASEAN. The country has GSP access to the EU under the Everything But Arms (EBA) arrangement and also has a special textile agreement that exempts exports from EU quotas. Since July 2003, all exports to Australia and New Zealand are admitted free of duties and quotas. The Lao PDR signed a bilateral trade agreement with the US in 2003 and was granted Normal Trade Relations (NTR) in November 2004, opening the door for extensive import/export relations with the US market. The country has been yet to take full advantage of these assistance schemes and arrangements. WTO membership could offer an opportunity to quickly accelerate the economic reform process. The Lao PDR applied for WTO accession in 1997 and the Working Party met for the first time in October 2004.

Trade policies have been reassessed, strengthened and integrated into the National Growth and Poverty Eradication Strategy. Preparation for participation in the Integrated Framework initiative and Integration into ASEAN and AFTA is being further enhanced through the preparation of a VAT to compensate for losses through tariff reduction; capacity building in various areas for managing ASEAN issues; active investments in regional infrastructure projects to enhance trade relations

The Government has attempted to address customs concerns through an amendment to the Customs Law passed very recently by the National Assembly (May 2005). The amendment included several articles that provide greater clarity regarding the rights and roles of the central and provincial customs offices and introduces the concept of regional offices. Such changes should facilitate the establishment of a National Customs Administration and the implementation of the vertical lines of reporting. The amended customs law meets a number of international standards (such as WTO requirements and GATT valuation) and provides greater clarity regarding the role and rights of customs officials and traders.

The Government is seeking ways to diversify the national economy and reduce the economic vulnerability of the country. Currently, nearly 70 percent of official Lao exports of goods remain concentrated in wood products and garments. Electricity, mining and coffee have also predominantly driven export growth. Mining, in particular, has appeared to grow very rapidly. In 2003-2004, 24 exploration agreements were signed involving a total investment of US \$312

million. Overall, at the end of 2004, there were 68 mining venture companies, including 43 local companies. Gold, copper and gypsum are being mined and exported on an increasing scale. During 2001-2005, the aggregate value of exports is estimated to reach US\$ 1.79 billion, achieving an average growth rate of 5.5 percent per year. While this is significantly higher than that achieved in the previous five-year period 1996-2000 (average of 1.6 percent per year), it is lower than the Plan target of 8.7 percent per year. The average value of exports per capita was US\$78 in 2005, which is an increase of 16.4 percent over that in 2000; but it remains far lower than that in other countries in the region. The total value of imports over the past five years amounted to US\$ 2.82 billion with an average annual increase of 3.8 percent, exceeding that in 1996-2000. The trade deficit as a proportion of GDP declined from 11 percent in 2001 to 8 percent in 2005.

### **Commitment 6: Reducing vulnerability and protecting the environment**

During the past few years the Government of the Lao PDR has introduced number of strategies and action plans for the environment. Key policy papers include, among other things, the National Environmental Strategy 2020, the Forestry Strategy 2020 and the National Biodiversity Strategy and Action Plan. The importance of the environment and natural resources is also recognized in the NGPES. The Lao PDR is also party to several environmental related agreements such as the Convention on Biological Diversity, the Convention on Climate Change, the Kyoto Protocol and CITES. Law on water resources has been approved. Regulations on environmental protection have also been issued.

Despite this increased social and political attention the understanding of environmental issues (and linkages to the socio-economic development) remains low. In many instances, the rights and obligations outlined in environmental agreements and laws remain unfulfilled. Furthermore, local authorities lack sufficient control mechanisms, management systems and procedures, qualified staff, and adequate financial resources needed to undertake environmental awareness building activities and enforce the existing legislation.

Forest cover has been declining. The decline has been mainly due to forest clearance for permanent lowland agriculture, pioneering (slash and burn) shifting cultivation, illegal and unsustainable logging practices, infrastructure development and forest fires. Various regulations are yet to be further reinforced and the recently developed forestry strategy to be made effective. Forests that contain rich biodiversity in flora and fauna, including many endangered species, are generally exploited in an unsustainable manner. This situation threatens to further downgrade and/or deplete valuable forest resources.

Deforestation is having a serious economic and environmental impact and has increased vulnerability for large sections of the rural population. Many rural and urban communities wholly or partially depend on forests and non-timber forest products for their living. Forests provide an essential source of food, traditional medicines, energy for cooking and heating, building materials, tools and other implements. Small scale harvesting and selling of non-timber products is also an important source of cash income for many households. WFP estimates that approximately one quarter of all villages in the Lao PDR are forest dependent. Unsustainable use and depletion of such resources both reduces the opportunity for generating income and increases the time required to access them, which directly affects the living standards and conditions of many communities. Women, children, ethnic groups and the extremely poor are most affected by the changes. Deforestation has also increased soil erosion in highland areas, weakened water catchments, increased surface runoff and made lowland areas more vulnerable to flooding and habitat destruction.

Water resources provide great potential for development. Expansion of irrigation is essential to increase agricultural productivity and diversification, however this must be pursued in a cost-effective and environmentally sustainable manner. Abundant water resources also provide potential for aquaculture. Exports of electricity already represent the country's second largest export item and an expansion of hydropower facilities represents the greatest potential economic benefit from water resources. Whilst the Water and Water Resources Law of 1997 provides quality standards and general provisions for the protection of water resources, implementation is facing a number of constraints. In particular, progress is limited by the lack of a national water policy and legal framework, the weak maintenance of existing irrigation schemes and the lack of available credit for more efficient usage of water resources. In addition to abundant forest and water resources, the Lao PDR also possesses rich mineral resources that have begun to provide significant economic benefits to the country but remain largely unexplored.

### **Commitment 7: Mobilising financial resources**

Official Development Assistance (ODA) plays a central role in the Lao economy, constituting a major part of the Public Investment Programme (PIP). In the financial year 2002/03, ODA amounted to 61 percent of the total amount of the PIP. The majority of donor assistance has been concentrated in the economic sectors such as agriculture, forestry and communication (63 percent of ODA in 2002/03). Although only 10.3 percent and 7.8 percent of foreign funds were allocated to the education and health sectors respectively, these funds made up 72.4 percent (41.2 percent for Education and 31.2 percent for Health) of the total public expenditure in the socio-cultural sectors. Any failure to maximize the full potential of ODA represents a considerable loss of resources. The challenge for the Government and its partners is to balance distribution of ODA and secure basic social services for the people, while planning for a future that is less dependent on aid. The ODA commitments during the first four years of the Fifth Plan (2001-2005) continued to be relatively stable at around US\$ 390 million and increased significantly in 2005 due largely to the approval of the projects associated with Nam Theun 2 Hydropower Project. In comparison, the ODA commitments (US\$ 1,750 million in total) during the Fifth Plan period (2001-2005) were significantly higher than those received during the previous five-year plan.

In its effort to improve aid management and coordination, the Lao Government has issued the Decree (No. 168/PM) pertaining to the management and effective use of ODA. This would clearly identify the role and responsibilities of various government agencies in the management and use of ODA. Eight Government Sector Working Groups were also established to work closely with the donor community on the issue of aid coordination. Furthermore, in order to streamline the work of the National Steering Committees and further improve the coordination among the government agencies, the Lao Government has decided to merge the three National Steering Committees, namely the Committee on the Roundtable Process, on National Growth and Poverty Eradication Strategy and on Millennium Development Goals; into one Committee under the chairmanship of the Prime Minister.

There has been some progress in the improvement of investment environment. The NGPES notes that efforts towards realizing the 2020 goal of exiting LDC status will require high levels of investment and savings. The necessary investment level has been estimated at 26-28 percent of GDP, of which about 10-11 percent will be from the public sector and the remaining 16-17 percent will need to be filled by the private sector, including FDI. To this end, a strong business

environment remains critical for enhancing growth and eradicating poverty. Investment policies and incentives are expected to contribute to improving the business environment, notably for export production, while development of natural resource based industries are expected to directly and indirectly create new jobs and income opportunities in poor and remote areas of the country.

In an effort to promote the role of the private sector in the national economic development and encourage more public-private sector dialogue, in 2004, the Small and Medium Sized Enterprise Promotion and Development Committee (SMEPDC) was established. In addition, the Mekong Private Sector Development Facility (MPDF) and the Committee for Planning and Investment have agreed to set up a public-private Lao Business Forum. Furthermore, the Lao Government has amended its domestic and foreign Investment law, which was approved by the National Assembly in October 2004. The Law has provided further incentives and created a more favorable environment for investors. These initiatives have indicated a positive step in the right direction of an enabling business environment.

Despite considerable efforts made by the Government to promote the private sector, there are still a number of constraints that have hindered the expansion of the private sector. These constraints can be associated with underdeveloped financial system including the lack of access to credit in rural areas, weak contract enforcement and inadequate professional services. It is clear that the private sector in the Lao PDR remains predominantly associated with agriculture, which is largely limited to subsistence activities. Therefore, the private sector growth is further restricted by limited human resource capacity, weak institutional capacity and management ability as well as inadequate incentives for profit. The physical constraints include poor infrastructure, particularly roads in rural areas, and the small size of the Lao population and market. A more comprehensive and diverse private sector, that is more outward-looking and export-oriented must be developed if economic growth and employment is to be maintained.

### **Conclusion:**

Despite significant progress made in all commitments in meeting the objectives and goals of the Brussels Programme of Action, there are a number of constraints and challenges faced by the Government of the Lao PDR. The major constraints and challenges are a lack of capacity and resources. In order to address these constraints it requires the strengthening of a genuine partnership between the Lao PDR and its development partners. The Lao Government has reiterated its commitment to make ODA effective through setting up a management and coordinating mechanism. There is also a need to enhance coherence among donors, which should provide untied aid and ODA more than loan or soft loan as the latter would drive the nation into a heavy indebted country.

The Lao Government has incorporated all goals and targets of the Brussels Programme of Action and the Millennium Development Goals into its National Growth and Poverty Eradication Strategy, which has been mainstreamed into the Sixth Five-Year Socio-Economic Development Plan (2006-2010). The Sixth Five-Year Plan would focus, among other things, on accelerating economic growth, strengthening financial and monitoring system and building a harmony in economic, social and cultural development. It would give major priority to human resource development. It would promote market economy; accelerate the process of integration into the regional and global economic system, particularly through ASEAN and WTO. It would carefully manage natural resources and protect environment and continue to strengthen socio-economic infrastructure. It would also promote private sector, enhance quality and effectiveness of enterprises. It would emphasise on social issues, accelerate public

administration reform. As indicated above that the Sixth Plan is being formulated in a highly participatory manner, based on a bottom-up approach. The Government shared the draft Sixth Plan with the donor community, which in turn provided comments and inputs to the draft. The feedback from the various stakeholders will be incorporated in the final version of the Plan before its submission to the National Assembly for approval in mid 2006.

In this context, the effective implementation of the Brussels Programme of Action for the next five years would largely depend on the successful implementation of the National Sixth Year-Plan. To this end, the Lao PDR would need a greater support from the international community in its effort to meet the objectives and goals of the Sixth Five-Year Plan, thus contributing to the attainment of the goals of Brussels Programme of Action.