



MDG1. Eradicate Extreme Poverty and Hunger



Poverty

The national poverty rate in Lao has declined steadily, having dropped by 40 per cent over the period 1992/93 to 2007/08. In terms of the international poverty line, Lao PDR shows a one-third decrease in poverty rate over the same period. The country has also seen a steady reduction in the poverty gap and poverty severity over time. The overall assessment is that Lao PDR is well on track to achieving the poverty target, or has already achieved this target.

Subnational analysis shows that poverty rates have declined across nearly all population groups over the 15-year period. Even so, the poverty rate in rural areas is still almost twice that of the urban areas, with mountainous areas and upland villages showing the highest incidence of poverty. The districts and villages targeted by the government's National Growth and Poverty Eradication Strategy have seen significant reductions in poverty.

On the other hand, the poverty gap analysis shows that the poor in geographically disadvantaged areas are poorer than the poor elsewhere. The severity of poverty has declined amongst most groups but has increased amongst the poorest in the 2002/03-2007/08 five-year period.

Consumption inequality in Lao PDR has increased by 5 percentage points from 1992/93 to 2007/08. Subnational trends indicate that consumption inequality has increased in practically all population groups. The share of consumption attributed to the richest quintile has largely driven the inequality trends. The rate of poverty reduction would have been even higher without adverse distributional changes.

Overall, therefore, the country's rapid economic growth has been beneficial for the majority of the population, decreasing not only poverty headcount ratio but also the poverty gap and the severity of poverty at the national level. However, the growth has not benefited some of the poorer groups, especially those in geographically disadvantaged areas, where the severity of poverty has increased. The rapid growth has also increased inequalities.

More equitable and inclusive growth needs to be promoted by reallocating revenues from the resource sector to broader economic and social development. Tailored interventions are needed for the poorest groups, where the lack of access to infrastructure, markets and services remains a barrier to growth and poverty reduction. Policies for consolidating villages and stabilizing settlements and livelihoods should ensure not only adequate infrastructure provision, but also capacity development and access to productive land for resettled groups.

Employment

Lao PDR has seen its labour productivity (defined by the International Labour Organization (ILO) as GDP per person employed) grow from 1995 to 2010, but largely because its high economic growth has outstripped the growth in employment levels. The GDP growth in recent years is resource-driven and capital intensive, which increasingly limits the creation of livelihoods and jobs for workers, risking a situation of "jobless growth." The high

growth rates of GDP per person employed will translate into benefits for the working population only if the economic growth can create a sufficient number of decent employment opportunities with fair and equitable remuneration.

Lao PDR has amongst the highest employment-to-population ratio (ETPR) in the region, which means that the quality of work may be a key concern. The country will be able to reap the benefits of its demographic dividend only if it addresses the issue of low human capital whilst ensuring the availability of decent work employment opportunities for the new "youth boom." The ETPR is highest in the remote rural areas without road access and lowest in urban areas.

The share of vulnerable employment in Lao PDR is very high. Own-account workers and unpaid family workers – defined by the ILO as "vulnerable employment" – constitute 84 per cent of total employment. The remaining 16 per cent are employers and paid employees. The country's high levels of vulnerable employment are due to the predominance of the agriculture and fishery sector, and the services sector (shop and market sales workers, and elementary occupations).

The 2010 Child Labour Survey, the first ever undertaken by Lao PDR, highlights the government's commitment to protecting children and implementing the ILO conventions on child labour. The survey findings underscore the inverse relationship between child labour and education. About 15 per cent of children aged 5 to 17 years are working children or children in employment. The proportion of working children rises to 35 per cent for the age group 14-17 years. In Lao PDR, child labour and working children are largely rural phenomena. Because they work in the informal sector and because of their age, child workers are highly vulnerable. Half the working children (49 per cent) work under conditions hazardous to health and well-being.

Overall, rural employment development strategies need to target the working poor and address the issue of vulnerable employment. Strategies to need to start with the agriculture sector because of its predominance in employment.

Nutrition

Stunting in children remains the biggest challenge in Lao PDR, with an estimated 44 per cent of children under five years of age who are stunted. Recent data from the Lao Social Indicators Survey (LSIS) suggest that the rate of decline in undernutrition is too slow (less than 1 percentage point per year) to meet national or international MDG targets. In fact, given an annual reduction in stunting of less than 1 per cent and an annual growth of 1.4 per cent for the population, the number of stunted Lao children is more likely to increase than to decrease. Stunting therefore needs urgent attention.

There are high inequities in stunting and underweight levels between children from the poorest and the richest quintiles. Stunting is more pronounced in rural areas and amongst children from ethnic groups living in remote mountainous areas.

Around one-quarter of the population was living under the food poverty line in 2007/08. Food poverty appears to have increased

in both urban and rural areas between 2002/03 to 2007/08, despite the generally declining poverty rates. At least some of Lao PDR's rise in food poverty may be attributed to greater spending on non-food items, such as consumer goods. However, the stunting is not caused solely by food poverty.

The mother's nutrition is crucial. The process of becoming a stunted child begins in utero, and continues up to two years of age, a period that may be called the first 1,000 days of life. After this age, some catching-up might take place, but it is too late to undo the damage of the early years. After birth, poor care and feeding practices are the main culprits that cause the high levels of child stunting in Lao PDR. The interventions to reduce undernutrition amongst young children are complex, must reinforce each other, and must be multi-sectoral in nature. In addition, strategic epidemiologic target-

ing is needed, particularly to improve women's nutrition and ensure proper care and feeding practices for children under the age of two. The answer is, therefore, not food alone, but also includes maternal nutrition, age-appropriate feeding practices, care and hygiene practices, and the quality of nutrients in the food.

Lao PDR has a number of opportunities to accelerate the progress in reducing malnutrition. First, the country's sustained economic growth provides fiscal space for new allocations to social sectors. Second, the country's health reforms provide an opportunity for prioritizing and rapidly scaling-up a selected package of direct nutrition interventions. Third, the interest from the private sector to support the expansion of nutrition interventions, such as multiple-micronutrient supplementation for young children, is highly promising.

Goal 1. Eradicate extreme poverty and hunger						
Target 1A: Halve, between 1990 and 2015, the proportion of people whose income is less than one dollar a day						
	1992	1997	2002/03	2007/08	Target 2015	
1.1 - Proportion of population below national poverty line	46.0%	39.1%	33.5%	27.6%	24%	
1.2 - Poverty gap ratio (% of poverty line)	11.2%	10.3%	8.0%	6.5%	6%	
	1992/93	1997/98	2002/03	2007/08		
1.3 - Share of poorest quintile in national consumption	8.8%	7.7%	8.5%	7.9%		
Target 1B: Achieve full and productive employment and decent work for all, including women and young people						
			1995-2005	2005-2010		
1.4 - Average annual growth rate of GDP per person employed			3.8%	5.9%		
		1995	2005	2010		
1.5 - Employment-to-population ratio		84.9%	80.4%	77.7%		
				2010		
1.6 - Proportion of employed people in two poorest quintiles*				37%		
		2005		2010		
1.7 - Proportion of own-account and contributing family workers in total employment		91%		84%		
Target 1C: Halve, between 1990 and 2015, the proportion of people who suffer from hunger						
	1993	1994	2000	2006	2011/12	Target 2015
1.8 - Prevalence of underweight children under-five years of age						
Calculated with NCHS reference data:	44%	40%	40%	37%	32%	22%
Calculated with WHO 2006 reference data:				31%	27%	
1.9 - Prevalence of stunting in children under-five years of age						
Calculated with NCHS reference data:	48%	47%	41%	40%	38%	34%
Calculated with WHO 2006 reference data:				48%	44%	
			1997/98	2002/03	2007/08	Target 2015
1.10 - Proportion of population below food poverty line**			32.5%	19.8%	24.6%	19%

Notes:

* Indicator 1.6 is a proxy for the international MDG indicator "Proportion of employed people living below \$1 (PPP) per day" as consumption data for this indicator is not available at the time of this report (see text).

** Indicator 1.10 is a proxy for the international MDG indicator "Proportion of population below minimum level of dietary energy consumption" as data for this indicator is not available at the time of this report (see text).

Data sources:

Indicators 1.1 to 1.3: Lao Expenditure & Consumption Surveys, 1992/93, 1997/98, 2002/03, 2007/08 (LECS 1-4), Lao Statistics Bureau (LSB), Ministry of Planning & Investment (MPI)

Indicator 1.4: 1995 and 2005 Population and Housing Censuses, LSB; Labour Force Survey (LFS 2010), LSB; and LSB estimates of GDP

Indicator 1.5: LFS 2010, LSB; Censuses 1995 and 2005, LSB; and LSB estimates of population

Indicator 1.6: LFS 2010, LSB

Indicator 1.7: 2005 Census and LFS 2010, LSB

Indicators 1.8 and 1.9: Lao Social Indicators Surveys (LSIS 1993, 2011/12), LSB, and Multiple Indicator Cluster Surveys (MICS 1994, 2000, 2006), LSB.

Indicator 1.10: LECS 2-4, LSB



MDG2. Achieve Universal Primary Education



Lao PDR has made steady progress towards universal primary education and has nearly achieved the national target of 98 per cent net enrolment ratio (NER) for both girls and boys. However, the efficiency of the education system is quite low: the primary schools have significant numbers of over-aged and under-aged pupils, because of early or late entrants and grade repetition. The survival rate to grade 5 has improved from just 48 per cent in 1992 to 70 per cent in 2012, but is still low compared to other countries in the region. The analysis of the administrative data by grade shows that the first year of school is the most critical. This is when the dropout rate is highest: most children drop out or do not progress to the next class.

Significant disparities lie in school attendance and survival rates. Survival rate to grade 5 is lowest in rural areas without road access, amongst children in the poorest quintile and children of mothers with no education.

The learning outcomes of primary grade 5 pupils vary strongly by subject, with students scoring least in mathematics. Learning assessments in 2006 and 2009 show that the factors associated with teacher characteristics appear to influence student learning outcomes more than classroom factors do.

The transition rate from primary to secondary education has steadily increased. The secondary gross enrolment ratio (GER) has increased from just above 20 per cent in the early 1990s to 46 per cent in 2012 (65 per cent for lower secondary). However, this is still too low to enable Lao PDR to graduate from LDC status if the current trends continue. One reason for the low secondary

enrolment, although not the only one, is the high loss and non-retention in primary school (around 30 per cent), especially in the first year. Other reasons relate to difficulties in access to and low demand for secondary education.

The education system is currently unable to fully meet the demands of society and the labour market. Both the relevance and quality of education need to be addressed. This is highlighted by the findings of the learning outcomes assessment, the high repetition and drop-out rates, and the low completion rates at both primary and lower secondary level. The transition to and retention in secondary education is an increasing priority, especially for LDC graduation.

Literacy rates amongst young people do not seem to have progressed in recent years, possibly because of the large proportion of children not continuing to secondary education. Adult literacy rate and gross secondary education rate are two of the components in the criteria for LDC graduation and both are dependent on primary education.

Overall, there has been steady and significant progress in Lao PDR's progress towards Universal Primary Education, although the low survival rates mean that Lao PDR risks not achieving this target by 2015. Slow progress in secondary education enrolment is another constraint to the country's progress towards LDC graduation if the present trends continue. Finally, despite the increases to the government education budget, financing continues to be a major concern, as there is still heavy reliance on external funding.

Goal 2. Achieve universal primary education

Target 2A: Ensure that, by 2015, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling

	1992	1995	2000	2005	2012	Target 2015
2.1. Net enrolment ratio in primary education	58.8%	65.2%	77.3%	84.0%	95.2%	98%
	1992	1998	2007	2009	2011	
2.2. Gross enrolment ratio in secondary education*	20.6%	29.6%	44.1%	45.7%	45.8%	
	1992	1998	2007	2009	2012	
Lower secondary education	28.9%	39.3%	53.3%	62.7%	64.7%	75%
Upper secondary education	11.0%	17.4%	34.6%	36.8%	34.7%	43%
	1992	2000	2005	2009	2012	
2.3. Proportion of pupils starting grade 1 who reach last grade of primary	47.7%	52.3%	62.0%	68.4%	70.0%	95%
	1995	2000	2001	2005	2011	
2.4. Literacy rate of 15-24 year-olds, women and men	71.1%	80.6%	78.5%	83.9%	73.1%	99%

Notes:

*Indicator 2.2 was adopted by the Ministry of Education and Sports (MoES) and UN partners at the MDG Workshop on 17 December 2012, Vientiane, in view of the importance of secondary education to the goal of graduating from LDC status by 2020.

Data sources:

Indicators 2.1 and 2.2: Ministry of Education and Sports, Education Management Information System (MoES-EMIS) and UNESCO Institute of Statistics (UNESCO-UIS), based on yearly reports from MoES.

Indicator 2.3: MoES-EMIS

Indicator 2.4: Multiple Indicator Cluster Surveys (MICS 2000), Lao Statistics Bureau (LSB), Ministry of Planning & Investment (MPI); Population and Housing Censuses, 1995 & 2005, LSB; and Lao Social Indicators Survey (LSIS 2011/12), LSB; Lao National Literacy Survey (LNLIS 2001), MoES.



MDG3. Promote Gender Equality and Empower Women



Gender parity has steadily improved in all three levels of education in Lao PDR. The country is well on track to achieve parity between boys and girls in primary education. Higher levels of education also show progress although there is still some way to go. In secondary education, the gender gap (in favour of boys) is more pronounced in poorer groups than in wealthier groups and amongst those whose mothers have no education. In survival rates to grade 5, girls generally have a slightly better performance than do boys.

In literacy rates, gender inequality is also associated with poverty. In rural areas without road access, amongst the poorest quintiles and amongst the ethnic groups living in remote areas, females are proportionately less literate than are males. Younger people (ages 15 to 19) show less of a gender gap in literacy than do people slightly older (ages 20 to 24). This may be attributed to higher female school enrolment rates in more recent years.

The share of women in wage employment in the non-agricultural sectors has increased from around 20 per cent in 1990 to 34 per cent by 2010. This still-low proportion may be attributed at least in part to the high proportion of women in unpaid work for the family. Both labour force participation rates and ETPR are relatively high. However, this also applies to the whole population, not only to women, indicating possibly an abundance of poor quality jobs at which people work simply to survive.

The male workforce is better educated than is the female workforce. Women and men account for equal proportions (50 per cent) of the total workforce but are distributed unequally between different sectors. Sectors characterized by vulnerable employment have the greatest proportion of women, either self-employed or engaged in unpaid work for the family. Women make up a greater proportion of unpaid family workers (65 per cent) compared to men (35 per cent). The vulnerability of women workers is due to poor education, and limited access to resources. The most prevalent form of gender discrimination in labour markets is the wage gap between male and female workers.

At the decision-making level, Lao PDR has amongst the highest proportions of women in national parliaments in the region. The proportion of women in other decision-making institutions is still low, possibly because of having to balance family responsibilities with training and other constraints to participation.

Overall, Lao PDR has achieved significant progress in reducing gender disparities and empowering women, but much remains to be done.

Goal 3. Promote gender equality and empower women

Target 3A: Eliminate gender disparity in primary and secondary education, preferably by 2005, and in all levels of education no later than 2015

3.1 Ratios of girls to boys in primary, secondary and tertiary education*	1990	1995	2000	2005	2012	Target 2015
Primary	0.79	0.81	0.85	0.88	0.91	1.00
	1998	2000	2005	2008	2012	
Lower Secondary	0.70	0.72	0.79	0.84	0.89	
Upper Secondary	0.67	0.67	0.71	0.78	0.83	
Tertiary	0.42	0.52	0.7	0.71	0.77	
3.2 Share of women in wage employment in the non-agricultural sector**		1995	2005	2006	2010	
		38%	44%	-	34%	
3.3 Proportion of seats held by women in national parliament	1990	1997	2000	2005	2012	
	6.3%	9.4%	21.2%	22.9%	25.0%	

Notes:

*Indicator 3.1: Gross enrolment data for tertiary level was unavailable, so the Ministry of Education and Sports (MoES) calculated the tertiary gender parity index by dividing the number of female students by male students.

**Indicator 3.2: Data from the Economic Census (2006) was dropped as this Census related only to the formal sector.

Data sources:

Indicator 3.1: Ministry of Education & Sports, Education Management Information System (MoES-EMIS) and UNESCO Institute of Statistics (UNESCO-UIS), based on yearly reports from MoES

Indicator 3.2: Labour Force Survey (LFS 2010), Lao Statistics Bureau, Ministry of Planning & Investment and Population and Housing Censuses, 1995 & 2005, Lao Statistics Bureau, Ministry of Planning & Investment.

Indicator 3.3: Inter-Parliamentary Union, based on reports from the National Assembly of Lao PDR



MDG4. Reduce Child Mortality



From the early 1990s to 2011, Lao PDR saw significant declines in the infant and under-five mortality rates. The most recent survey data show that Lao PDR has achieved the previously set national MDG target for under-five mortality rate of 80 per thousand live births and can now set a more ambitious target for 2015. Nonetheless, Lao PDR still ranks amongst countries with the highest under-five mortality rates in the region.

To achieve child mortality targets that are more ambitious, Lao PDR will need to continue its current reduction rate of more than 4 percentage points a year. This will require tackling significant challenges. To date, much of the progress seen in reducing under-five mortality may be attributed to improvements in socio-economic conditions and the mortality reductions amongst groups that are less poor, better educated and more receptive to interventions. Comparison with 2006 MICS data suggests that the equity gap has widened or remained the same, with better-off and urban families recording faster progress. Therefore, achieving further reductions in infant and child mortality will require reaching the poorer segments of the population and the population living in remote areas. The cost and difficulty of providing services to these groups will be some orders of magnitude higher and will require corresponding investment in the health sector.

Most child deaths in Lao PDR are due to preventable and treatable conditions. An increasing number of children in Lao PDR now have access to high-impact child survival interventions (such as immunization and oral rehydration therapy) known to

be effective in reducing child deaths and childhood diseases. Implementing these high impact, low-cost interventions could reduce two-thirds of child deaths. Lao PDR shows good progress on some interventions but overall, the coverage is still low.

Immunization coverage has increased but remains low and inequitable. The main reasons of low coverage on immunization and other health services include difficulty in access and a reliance on unpredictable external funding sources for health outreach, supply distribution and cold chain.

The greatest challenge will be to ensure sustainable and predictable financing for maternal, neonatal and child health services. Another challenge will be to strengthen clinical and management capacity and develop better supply and logistics management systems.

There are several opportunities for accelerating progress towards national targets for under-five mortality rate and infant mortality rate. First, Lao PDR has good overall policies that aim at expanding child survival interventions and reducing inequities in health services utilization among different groups. Second, the health reforms prioritize the expansion of high impact, low-cost interventions to reach the MDGs. Large scale implementation will be needed so that these interventions reach high levels of population coverage. Finally, Lao PDR's steady economic growth provides growing fiscal space, which would allow an increased national budget allocation for recurrent costs. This should be sufficient to cover vaccines, other essential supplies and functioning of primary health care facilities, including health outreach.

Goal 4. Reduce child mortality

Target 4A: Reduce by two-thirds, between 1990 and 2015, the under-five mortality rate

	1993	1997	2003	2007	2011	Target 2015
4.1. Under-five mortality rate (per 1,000 live births)	170	150	131	106	79	70
4.2. Infant mortality rate (per 1,000 live births)	114	118	104	87	68	45
				2006	2012	Target 2015
4.3 (a) Proportion of 1 year-old children immunised against measles (%) (survey data)				33%	55%	90%
	1997	1999	2003	2008	2012	Target 2015
4.3 b) Proportion of 1 year-old children immunised against measles (%) (administrative data)	67%	71%	43%	52%	72%	90%

Data sources:

Indicators 4.1 and 4.2. Lao Social Indicators Survey (LSIS 2011/12), Lao Statistics Bureau (LSB), Ministry of Planning & Investment.
Indicator 4.3 a: LSIS 2011/12 and Multiple Indicator Cluster Survey (MICS 2006), LSB.
Indicator 4.3 b: Ministry of Health (MoH) administrative data.



MDG5. Improve Maternal Health



Lao PDR still has one of the highest maternal mortality ratios (MMRs) in the region although the ratio has declined over the years to 357 per 100,000 live births: which means that for every 1,000 children born alive, four women die during pregnancy, delivery, or within two months of childbirth.

All maternal health indicators show a positive trend but still have low coverage:

- The proportion of births assisted by trained health personnel continues to increase but is still below 50 per cent
- The facility-based delivery rates (38 per cent) are still too low.
- The percentage of pregnant women who received antenatal care by health personnel improved from 35 per cent in 2006 to 54 per cent in 2011/12 – an impressive achievement over 5 years. However, the quality of antenatal care services still needs improvement

Recent assessments show that the country now has basic emergency obstetric and newborn care (BEmONC) available in every district and that major hospitals can provide caesarean services. This is a significant achievement. On the other hand, the quality of services remains a challenge. The referral system needs to be further improved and strengthened, with a special focus on road access in remote areas and the promotion of pro-poor policies for the poorest groups. Social and cultural concerns also need to be taken into consideration.

Disparities in delivery assistance and other indicators are pronounced between the different groups. Urban areas show a safe delivery rate that is twice the national average and over six times that in remote rural areas. The safe delivery rate was three times higher amongst the ethnic groups living in accessible areas than that amongst the groups living in remote areas. The difference in

safe delivery is eight times between the richest and poorest quintiles, and about six times between women who have completed secondary education and those with no education. The Caesarean section rate is still low at 4 per cent of all births. This indicates that some women whose lives could have been saved by caesarean section were not able to have this intervention.

Reproductive health shows significant progress with an increase in modern contraceptive usage, consistent with the decline in fertility in Lao PDR. The unmet need for contraception has gone down by half over the past decade, showing not only increased access to contraceptives, but also changing behaviour patterns. A far greater proportion of women who want to use contraceptives are now able to do so. Despite this progress, the adolescent birth rate in Lao PDR is still high, at 94 live births per thousand adolescent women. Avoiding such pregnancies will require satisfying the unmet need for family planning amongst the population

Despite the positive trend of maternal and reproductive health service indicators, the country's progress towards this goal is not on track. The issues are (i) the still-low levels of achievements in all these indicators; (ii) the relatively low rate of facility-based delivery; and (iii) the poor quality of health services. Interventions required are those that can achieve high population coverage, improve the quality of services, promote facility-based delivery and prevent high-risk and unwanted pregnancies. Family planning alone could cut maternal deaths by almost a third and is, therefore, one of the most cost-effective interventions to help reduce maternal mortality. On the demand side, advocacy, mobilization and health education activities will need to target women and men from communities in the remote rural areas, often the same groups as those in the poorest quintiles and those with the lowest education.

Goal 5. Improve maternal health						
Target 5A: Reduce by three-quarters, between 1990 and 2015, the maternal mortality ratio						
	1995	2000	2003	2005	2009	Target 2015
5.1 Maternal mortality ratio (per 100,000 live births)	796	530	433	405	357	260
		1994	2000	2005	2011	
5.2 Proportion of births attended by trained health personnel		14%	17%	23%	42%	50%
Target 5B: Achieve, by 2015, universal access to reproductive health						
	1990	1994	2000	2005	2011	
5.3 Contraceptive prevalence rate, any method	13%	20%	32%	38%	50%	55%
Contraceptive prevalence rate, modern methods			29%	35%	42%	
		1992	1997	2005	2011	
5.4 Adolescent birth rate (per 1000)		115	102	110	94	
		2000	2005	2006	2011	
5.5 Antenatal care coverage (%)		21%	29%	35%	54%	60%
at least one visit by trained health personnel					NA	
at least four visits by any trained health personnel*			2000	2005	2011	
5.6 Unmet need for family planning			40%	27%	20%	

Notes:

*Indicator 5.5. The definition of "Trained health personnel" does not include traditional birth attendants. See text on this indicator.

Data sources:

Indicator 5.1. Population and Housing Census, 1995 & 2005, Lao Statistics Bureau (LSB), Ministry of Planning & Investment (MPI). Lao Reproductive Health Survey (LRHS 2000), LSB. Lao Health Survey (LHS 2003), LSB. Lao Social Indicators Survey (LSIS 2011/12), LSB (for the seven years preceding the survey).
 Indicator 5.2. Lao Fertility and Birth Spacing Survey (LFBS 1994), LSB. LRHS 2000 & 2005, LSB. LSIS 2011/12, LSB for the two-year period preceding the survey.
 Indicator 5.3. Round Table Implementation Meeting (RTIM 2012) for 1990. LFBS 1994, LSB. LRHS 2000 & 2005, LSB. LSIS 2011/12, LSB
 Indicator 5.4. UN Statistical Division for earlier years. <http://unstats.un.org/unsd/databases.htm> (accessed April 2013). LSIS 2011/12, LSB.
 Indicator 5.5. LRHS 2000 & 2005, LSB. Multiple Indicator Cluster Survey (MICS 2006), LSB. LSIS 2011/12, LSB.
 Indicator 5.6. LRHS 2000 & 2005, LSB. LSIS 2011/12, LSB.



MDG6. Combat HIV/AIDS, Malaria and Other Diseases



HIV and AIDS

The number of new HIV cases has steadily increased at an estimated rate of three new infections a day, and 1,000 cases each year. There is thus little reason for complacency, although current HIV prevalence is low.

Heterosexual contact fuels much of the epidemic in Lao PDR. The patterns of groups engaging in high-risk behaviour influence the geographic spread of HIV. Such groups include men who migrate for work without families; returning migrant workers, especially females; and sex workers, who are at highest risk, especially those not working in entertainment establishments. The clients of sex workers are a heterogeneous group, and are at intermediate risk of HIV.

The inequities seen in other MDG areas extend to HIV knowledge as well. Men are better informed on HIV than are women. The knowledge levels have not increased significantly over the past decade. The higher groups at higher risk of HIV exposure have greater levels of HIV knowledge. Condom use rates are high in commercial sex, but lower in casual sex. Stigma and discrimination make it much harder to control the epidemic. Only 17 per cent of women and 14 per cent of men who were surveyed expressed accepting views of people living with HIV.

Anti-retroviral therapy (ART) coverage has increased but still needs to improve. The problem appears to be inadequate reporting and identification, and insufficient demand. People come for treatment only when they are sick, as they are not accustomed to testing. Adherence and survival rates are reportedly good, but intake for treatment is low. To reach the national targets by 2015 on HIV and AIDS, a number of actions are recommended. These include building on the momentum created by the health reforms, building partnerships with key affected populations, groups and networks, strategically addressing the needs related to mother-to-child transmission, securing access to treatment for all, and increasing the domestic financial contribution.

Malaria

Recent years have seen steep declines in malaria mortality and incidence. Malaria incidence has decreased to one-third of 2000 levels. The malaria mortality per 100,000 population declined from 7.1 in 2000 to 0.3 in 2011, meaning that the country has almost achieved its 2015 MDG target. Malaria prevention strategies are also achieving success, leading to the widespread use

of bed nets amongst adults and children. The National Bed Net Survey found that 81 per cent of children under five years of age slept under insecticide-treated bed nets and that 98 per cent of children slept under one kind of bed net or another. Nearly all children with confirmed malaria were treated.

Since December 2011, malaria outbreaks in the five southern provinces have become a concern. The outbreaks are associated with large-scale development projects. There is a strong probability of drug-resistance malaria strains amongst certain local populations. The expansion of certain livelihoods is increasing the exposure to malaria.

The impressive scale and pace of development in the country needs to be matched by the required investments in health to tackle the new challenges brought by rapid development. Effective strategies are needed to address the external (non-health) risks to health, such as changes in land use. In the malaria-endemic areas, the achievable objective would be to ensure 100 per cent prevention coverage for populations at risk and establish zero tolerance measures for stock outs and malaria-associated mortality.

Tuberculosis

The incidence, prevalence and mortality rates of tuberculosis in Lao PDR show a steady decline. Both the detection and cure rates have surpassed the earlier targets set for 2015. In 2010-2011, Lao PDR successfully completed the first-ever national TB prevalence survey in the country conforming to an international standard. The findings of the survey indicated the scale of challenges faced by the national TB programme. The prevalence has been found to be nearly two times higher than previously estimated. The survey and the programme review suggest that many TB cases remain undiagnosed and untreated.

Strategies recommended include:

- ensuring universal access to quality TB control services for all types of TB, particularly for children and vulnerable groups;
- strengthening the management capacity of the National Reference Laboratory;
- urgently implementing drug resistance surveillance; and
- strengthening overall programme management and planning capacity to ensure timely availability of anti-TB drugs and laboratory supplies and to ensure adequate support at all levels.

Goal 6: Combat HIV/AIDS, malaria and other diseases

Target 6A: Have halted by 2015 and begun to reverse the spread of HIV/AIDS

	2000	2005	2009	2010	2012	Target* 2015
6.1 a) HIV prevalence amongst population aged 15-24 years			Female	0.20%		<1%
			Male	0.10%		
6.1 b) HIV prevalence in general population aged 15-49 years	0.10%	0.18%		0.25%	0.28%	<1%
6.1 c) HIV prevalence in female sex workers (FSWs) aged 15-49 years	0.03%	1.83%		1.38%	1.20%	<5%
6.1 d) HIV prevalence in men having sex with men (MSM) aged 15-49 years	0.38%	1.26%		2.12%	2.44%	<5%



		2000	2005	2010	2012	
6.2 Condom use at last high-risk sex: Percentage of female sex workers aged 15-49 years reporting the use of a condom with their most recent client		91.4%	78%	95%	92.5%	95%
					2012	
6.3 Proportion of population aged 15-24 years with comprehensive correct knowledge of HIV/AIDS						
Young women aged 15-24					24%	
Young men aged 15-24					28%	
Target 6B: Achieve, by 2010, universal access to treatment for HIV/AIDS for all those who need it						
			2005	2010	2012	Target* 2015
6.4 Percentage of eligible adults and children currently receiving antiretroviral therapy			40.8%	50.8%	55.4%	>90%
Target 6C: Have halted by 2015 and begun to reverse the incidence of malaria and other major diseases						
	2000	2003	2005	2010	2011	Target* 2015
6.5 Incidence and death rates associated with malaria						
Malaria incidence (per 1,000)	8.1	3.5	2.4	3.5	2.7	0.6
Death rate associated with malaria (per 100,000)	7.1	3.5	1.4	0.4	0.3	0.2
			2000	2006	2011	Target* 2015
6.6 Incidence and death rates associated with malaria						
Insecticide-treated bed nets			18%	41%	81.2%	90%
Any bed net			82%	87%	97.9%	
			2009	2010	2011	
6.7 Proportion of children under age 5 testing positive for malaria who are treated with appropriate anti-malarial drugs**			98%	95%	93%	
	1990	1995	2000	2005	2011	Target* 2015
6.8 Incidence, prevalence and death rates associated with tuberculosis (per 100,000)						
Tuberculosis incidence	492	403	330	270	213	240
Tuberculosis prevalence	1490	1220	961	739	540	750
Death rate associated with tuberculosis	41	29	21	16	11	22.5
	1990	1995	2000	2005	2010	Target* 2015
6.9a Proportion of tuberculosis cases detected under directly observed treatment (DOTS) short course	50%	20%	49%	74%	72%	70%
	1994	2000	2005	2007	2009	Target* 2015
6.9b Proportion of tuberculosis cases cured under directly observed treatment (DOTS) short course	48%	77%	90%	92%	93%	85%

Notes:

*Targets for HIV will need to be reviewed in line with Lao PDR's commitment to the 2011 Political Declaration at the United Nations

**Indicator 6.7 replaces "Proportion of children under 5 with fever who are treated with appropriate anti-malarial drugs," following WHO recommendation.

The international indicator on "Ratio of school attendance of orphans to school attendance of non-orphans aged 10-14 years" is not relevant for Lao PDR.

Data sources:

Indicator 6.1. a) UNAIDS Report on The Global AIDS Epidemic, 2010, AIDS data hub: UNAIDS, UNICEF, WHO & ADB <http://www.aidsdatahub.org/>. b) Spectrum projection of country data, UNAIDS. c) and d) Asian Epidemic Model (AEM) projection, UNAIDS.

Indicator 6.2. Lao PDR Integrated Behavioural Biological Surveillance (IBBS 2011), Ministry of Health, 6 programme provinces.

Indicator 6.3. Lao Social Indicators Survey (LSIS 2011/12), Lao Statistics Bureau (LSB), Ministry of Planning & Investment

Indicator 6.4. Programme Report & Spectrum projection of country data, UNAIDS

Indicator 6.5. Malaria Information System (MIS), Centre for Malariology, Parasitology and Entomology, Ministry of Health (CMPE-MoH)

Indicator 6.6. National Bed Net Survey, December 2010, CMPE, MoH. Multiple Indicator Cluster Surveys (MICS 2000 & 2006), LSB

Indicator 6.7. Malaria Information System (MIS), CMPE-MoH

Indicator 6.8. WHO TB database and National Tuberculosis Control, Ministry of Health. Recalculations following the first National TB Prevalence Survey in 2010/12, WHO TB database.

Indicator 6.9 a and b: National Tuberculosis Control, Ministry of Health, Lao PDR



MDG7. Ensure Environmental Sustainability



Forests and biodiversity

Forest cover in 2012 stood at 9.5 million hectares or an estimated 40 per cent of the area of the country. The forest cover has declined, although the rate of loss seems to have slowed from that between 1992 and 2002. Overall, the Ministry of Agriculture and Forest calculates that the loss of forest cover is 1.4 per cent per annum. The main drivers of forest degradation are unsustainable wood harvesting, a result of illegal logging, poorly regulated timber harvesting by rural households and shifting cultivation. The main contributors to deforestation are agricultural expansion, hydropower, mining, infrastructure and urban expansion.

Lao PDR is rich in biodiversity; however, several species are threatened with extinction. Protected Areas now cover 14.2 per cent of the country's area. If the areas under provincial and district protection are added, the coverage increases to around 20.2 per cent of the land area. The drivers of deforestation and forest degradation also lead to biodiversity loss.

Efforts to address deforestation and environmental degradation focus on protecting forests for sustainable ecosystem services, smallholder forestry projects and participatory sustainable forest management. Community livelihoods are closely linked to forests and the participation of forest-dependent communities is consequently crucial for successful forest management. The 2012 Presidential Decree on benefit sharing of timber revenue harvested from production forest areas will significantly increase the flow of regular revenue to these communities as well as to the local government for forest management. The role of communities is being expanded to all types of forests.

Sustainable forest management plans are being promoted to address deforestation. The Government has committed to bringing all 51 production forest areas under sustainable forest management plans that apply Forest Steward Council standards. In 2012, 1.3 million out of 3.1 million hectares in 18 production forest areas were under sustainable forest management with approved Forest Management Plans. The Government aims to expand this into other production forest areas.

The long-term management of Lao PDR's hydropower potential is critical to meeting the country's socio-economic development and poverty reduction goals. Thus, the Government's strategy is to develop hydropower resources to earn export revenues as well as to meet rising domestic needs. The challenge lies in working with the private sector to maximize the benefit generated from infrastructure and hydropower development projects while achieving sustainable natural resource management. To this end, the Government has undertaken several innovative measures to compensate for the loss of forests from such development projects. The measures include an introduction of payment for ecosystems services and the 2010 Prime Ministerial Decree on Protection Forests requiring projects that affect protection forests to contribute funds for the management, maintenance and development of the protection forests and protection forestry land. In particular, hydropower projects are required to contribute one per cent of the total value of the sale of the electricity per annum.

The Forest Resource Development Fund established in 2005, forms the primary funding source of long term investments in sustainable forest management. It is funded by the Govern-

ment's annual budget with added contributions from timber revenues from harvesting of Production Forests; the fees obtained for forest, forest land and forest resources; a share of the sale of illegal timber seized by the Department of Forest Inspection; and contributions from businesses and organizations engaged in forestry, forest products and wildlife. The Forest Resource Development Fund holds much promise. For its long term financial sustainability, it will be crucial to operationalize benefit sharing from production forests and enhance revenue stream collection from private sector investment in forest resources and infrastructure projects. The future holds opportunities for the Government to further develop a system that captures and shares benefits from revenues derived from the Payment for Ecosystems Services and REDD+.

Summing up, a start has been made in terms of processes and institutions for limiting the loss of forests, but the country is not yet on track to achieving the targets for increased forest cover.

Emissions of greenhouse gases

Lao PDR was a net sequester of CO₂ in 1990. The second greenhouse gas inventory showed that the country had become a net emitter of CO₂ by year 2000. The Government is undertaking several mitigation strategies – amongst these, reforestation and other land use changes – to reduce carbon emissions. The main challenges lie in financial and capacity constraints. Clearly, progress in this area is linked to progress in reversing the loss of forests.

Ozone-depleting substances

The consumption of ozone-depleting substances declined to near-zero in 2012 in line with the phase-out of these substances under the Montreal Protocol, and as part of the Government's socio-economic plan. Lao PDR is on track with this target.

Drinking water and sanitation

Lao PDR has steadily increased the access to safe drinking water, but will need to accelerate progress to achieve its 2015 target. In 2011/12, some 70 per cent of the total population had access to improved sources of drinking water, an increase of two-and-a-half times from the coverage in 1990. Both the urban and rural areas have made steady progress, but the rural-urban gap has not decreased since 2005.

The coverage by improved sanitation has increased three-fold from the 1990s. The urban sanitation coverage has progressed rapidly and has already achieved a high coverage of 88 per cent. The rural coverage, however, has lagged behind. The high prevalence of open defecation (38 per cent) means that sanitation targets and plans will need to address this risk. Even if Lao PDR achieves the MDG target of 60 per cent, the proportion of the population practising open defecation will still be large. Consequently, the Government is stepping up initiatives to reduce this risk. The approach called Developing Model Healthy Villages will contribute significantly to improving the sanitation, hygiene and health of the villages and will bring the sanitation goal closer.

Goal 7. Ensure environmental sustainability

Target 7A: Integrate the principles of sustainable development into country policies and programmes and reverse the loss of environmental resources

	1982	1992	2002	2010	Target 2015	
7.1. Proportion of land area covered by forest	49.10%	47.20%	41.50%	40.34%	65%	
	1990		2000		Target 2015	
7.2 a Net CO ₂ emissions in gigagram (Gg)*	-104,570 Gg		+41,764 Gg			
7.2 b CO ₂ emissions (Gg)	+10,291 Gg		+43,811 Gg			
7.2 c CO ₂ emissions removal /sink (Gg)	-121,614 Gg		-2,047 Gg			
	1995	2003	2005	2006	2010	Target 2015
7.3 Consumption of ozone-depleting substances (in Ozone-depleting potential-weighted metric tons)	43.3	23.1	23.3	19.4	2.5	0

Target 7B: Reduce biodiversity loss, achieving, by 2010, a significant reduction in the rate of loss

	2011	Target 2015
7.4.* Number of fish conservation zones	197	
7.5. * Proportion of renewable internal freshwater resources used	1.3%	
7.6. * Proportion of land area under protection:		
a) Conservation forests (national, provincial, district), of which:	20.18%	
b) Protected Areas	14.2%	
	2012	
7.7. * Number of species threatened with extinction		
Mammals	44	
Reptiles	8	
Birds	36	
Fish	7	
Amphibians	1	

Target 7C: Halve, by 2015, the proportion of people without sustainable access to safe drinking water and basic sanitation

	1990	1995	2000	2005	2011	Target 2015
7.8 Proportion of population using an improved drinking water source	28%	39%	45%	57%	70%	80%
	1995	2000	2005	2011	Target 2015	
7.9 Proportion of population using an improved sanitation facility	17%	26%	45%	57%	60%	

Target 7D: By 2020, to have achieved a significant improvement in the lives of at least 100 million slum dwellers

	2011	Target 2015
7.10* Proportion of urban population living in inadequate housing	20%	

*Notes:

Indicator 7.4 replaces "Proportion of fish stocks within safe biological limits" to adapt to the Lao PDR context as agreed by Government and UN representatives at the MDG Report workshop, 17 December 2012.

Indicator 7.5: Data on total (external + internal) water resources is not available; the calculation includes only internal water resources.

Indicator 7.6 replaces "Proportion of terrestrial and marine areas protected" as agreed by participants at the MDG Report workshop, 17 December 2012, to adapt to the Lao PDR context.

Indicator 7.7 replaces "Proportion of species threatened with extinction" since the denominator was not available.

Indicator 7.10 replaces the global indicator "Proportion of people living in slums" and is measured by the proportion of urban population living in households lacking one or more of the following: an improved drinking water source; improved sanitation facilities; a roof and proper flooring.

Data sources:

Indicator 7.1. Department of Forest Resource Management, Ministry of Environment & Natural Resources (MoNRE)

Indicator 7.2. Lao PDR First Communication Report & Second Communication Report to United Nations Framework Convention on Climate Change (UNFCCC)

Indicator 7.3. UNEP Ozone Secretariat, based on country reports

Indicator 7.4. Department of Livestock and Fishery, Ministry of Agriculture and Forests (MoAF)

Indicator 7.5. FAO AQUASTAT, based on 2005 withdrawal data. http://www.fao.org/nr/water/aquastat/countries_regions/LAO/CP_LAO.pdf

Indicator 7.6. Department of Forest Resource Management, MoNRE

Indicator 7.7. MoNRE

Indicator 7.8. Lao Social Indicators Survey (LSIS 2011/12), Lao Statistics Bureau (LSB), Ministry of Planning & Investment and Joint Monitoring Programme (JMP) of UNICEF and WHO, based on country reports

Indicator 7.9. LSIS 2011/12, LSB and JMP (UNICEF & WHO) based on country reports

Indicator 7.10. LSIS 2011/12, recalculated by LSB.



MDG8. Develop a Global Partnership for Development



Enhancing market access

Lao PDR has made significant progress in integrating within the global trading system, becoming the 158th member of the World Trade Organization (WTO) on 2nd February 2013. It is also actively setting the pace of ASEAN integration. At the centre of many economic and transport corridors, Lao PDR is the only country to border all other countries in the Greater Mekong Sub region. Lao PDR has market access opportunities under unilateral and reciprocal preferences from 47 developed and developing countries. As an LDC, Lao PDR is granted the unilateral tariff preferences under the Generalized System of Preferences (GSP) from 36 countries. This Report looks at the tariffs imposed on exports of Lao products by two developed market economies – the European Union and the USA. Lao PDR is granted the unilateral tariff preferences under GSP from the EU but not from the USA. On the other hand, developed market economies admit free of duty a high proportion (by value) of imports from Lao PDR. Thus, in terms of value, 99.9 per cent of agricultural products, 85.7% of clothing and 89.7% of textiles from Lao PDR were admitted in 2010 into developed market economies free of duty.

Border costs for import to and export from Lao PDR are still high: cross-border transactions in Lao PDR took longer and were costlier to conduct compared to the average cost and time for landlocked developing countries. The government is making significant improvements to facilitate the movement of goods into and out of the country, committing to making Lao PDR become 'land-linked' rather than landlocked. The Government has also taken several steps to enhance the overall business-enabling environment.

Improving aid effectiveness

In line with the International Aid Transparency Initiative, the Aid Management Platform (AMP) monitors, coordinates and reports on development financing in a transparent way. Net official development assistance (ODA) and official aid to Lao PDR have increased in amount and in per capita terms over the past two decades, but have declined in terms of the proportion of GDP and GNI, owing to Lao PDR's strong GDP growth. With respect to sectors, infrastructure received the most in ODA funding in 2011/12, followed by education, then agriculture and rural de-

velopment. The AMP needs to capture better the development assistance that flows through non-profit associations (NPAs) and international non-governmental organizations (INGOs).

Much more support is needed to strengthen government systems for monitoring and reporting ODA, so that development partners become more confident about direct budget support. Strengthening the Government's ability to improve the link between national planning and budgeting processes will require a higher degree of aid predictability. The imminent launch of the AMP public portal is a sign of the Government's continuing commitment to open data, transparency, and accountability.

Addressing debt

Lao PDR's debt service ratios remain comfortably within the policy-dependent indicative thresholds of the debt sustainability framework set by the World Bank and International Monetary Fund (IMF), due to the high level of concessionality of official borrowing. The World Bank and IMF assessment noted that key indicators of Lao PDR's external public and publicly guaranteed (PPG) debt stock had improved due to strong macroeconomic performance. Lao PDR has been reclassified from a high risk to a moderate risk of debt distress. The Government's position is that an important part of Lao PDR's external debt is related to viable large projects in the resource sector, which are expected to generate high economic returns upon completion. In addition, the relatively long maturity profile of the loans also helps to mitigate risks of debt distress.

Benefitting from new technologies

Lao PDR continues to show rapid progress in improving access to information communication technologies (ICT). By 2011, 87 per cent of the population had mobile cellular subscriptions. The rate of the expansion of internet access has been even more rapid, having grown at an average rate of 51 per cent annually, up to 9 per cent of the population in 2011. After mobile telephones, television has the highest penetration, reaching 76 per cent of the population. Radio reaches a third of the population. Lao PDR's rapid economic growth and increasing openness have therefore translated into rapidly expanding use of mass media and ICT, even amongst the poor.

Goal 8. Develop a global partnership for development					
Target 8A: Develop further an open, rule-based, predictable, non-discriminatory trading and financial system					
	1997	2000	2005	2010	2011
8.1. Average tariffs imposed by the EU (under GSP)					
On Lao exports of clothing (HS 62)	13.14%	12.37%	11.72%	11.70%	0.00%
On Lao exports of coffee/tea/spices (HS 09)	1.25%	3.97%	0.80%	2.14%	0.00%
Average tariffs imposed by USA (non-GSP)					
Lao exports of clothing (HS 62)	13.34%	8.48%	13.12%	14.05%	10.83%



	1997	2000	2005	2010	2011	
8.2. Proportion of exports of agricultural products, clothing and textiles (by value) to developed market economies from Lao PDR admitted free of duty (%)						
Agricultural products	99.34%	98.22%	99.15%	97.60%	99.93%	
Clothing	82.65%	90.95%	98.28%	93.51%	85.71%	
Textiles	95.28%	84.67%	90.44%	35.50%	89.68%	
	2005	2008	2010	2011	2012	
8.3. Border cost related to importing one container (US\$ per container)	\$1,690	\$2,040	\$2,040	\$2,035	\$2,125	
8.4. Border cost relating to exporting one container (US\$ per container)	\$1,420	\$1,860	\$1,860	\$1,880	\$2,140	

Data sources:

Indicator 8.1. United Nations Conference on Trade and Development (UNCTAD) - World Trade Organization (WTO) database <http://www.mdg-trade.org/Index.aspx>

Indicator 8.2. UNCTAD - WTO database <http://www.mdg-trade.org/Index.aspx>

Indicator 8.3. World Development Indicators (WDI) database, World Bank

Indicator 8.4. World Development Indicators (WDI) database, World Bank



MDG9. Reduce the Impact of UXO



In per capita terms, Lao PDR is the most heavily bombed country in the world. Four decades after the Indochina war ended, unexploded ordnance (UXO) continues to pose a major humanitarian threat and a significant obstacle to the development of the country. Reducing the impact of UXO on communities has become the ninth Millennium Development Goal specific to Lao PDR. Effective action in this area will contribute significantly to the achievement of most MDGs as well.

The 2008 National UXO Survey indicated some 50,136 casualties from 1964 to 2008, with the bulk of casualties between ages 15 and 35 years. The survey recorded approximately 20,000 survivors, and there are an estimated 12,000 survivors alive today. The National Regulatory Authority for UXO/Mine Action in Lao PDR (NRA) established the UXO Survivor Tracking System in 2010. Effective risk education and the clearance of high-risk areas have led to a significant reduction in casualties in recent years.

However, the most daunting challenge remains the magnitude of the UXO problem in the Lao PDR. In the past 40 years, less than 2 per cent of contaminated areas have been cleared. The Government of Lao PDR has set a clearance target of 20,000 hectares a year. This target, however, is still far from being met. Meeting it will require almost a four-fold increase in survey and clearance activity.

Overall, meeting the national UXO targets will require a significant scaling up of resources and capacities, with greater attention to the principles of the Vientiane Declaration on Aid Effectiveness. The challenge in the longer term will be to maintain national capacity whilst gradually reducing international support, and mainstreaming UXO action into sustainable socio-economic development strategies and programmes

Goal 9: Reduce the Impact of UXO in Lao PDR in accordance with the National Strategic Plan for the UXO sector “The Safe Path Forward II”

Target 9A: Ensure the complete clearance of UXO from priority / high value agricultural land by 2020

	1999	2005	2007	2009	2011	Target 2015
9.1. Number of hectares released from UXO contamination (hectares per year)	580.77	1,575.95	2,557.43	7,834.14	6,034	20,000

Target 9B: Reduce substantially the number of casualties as a result of UXO incidents

	1999	2005	2007	2009	2011	Target 2015
9.2. Number of casualties reported as result of UXO incidents (casualties per year)	257	258	250	120	99	< 75

Target 9C: Ensure that the medical and rehabilitation needs of all UXO survivors are met in line with treaty obligations under the Convention on Cluster Munitions

					2012	Target 2015
9.3. Provision of proper assistance to UXO survivors* Percentage of UXO survivors having received immediate medical treatment					NA	100%

Notes: *Indicator 9.3. requires other indicators, which are still being developed.

Data sources: Indicators 9.1 to 9.3. National Regulatory Authority for UXO/Mine Action sector in Lao PDR (NRA)