

# Lao progress toward the Millennium Development Goals:



## MDG 1: Eradicate Poverty & Hunger

Lao PDR has a population of approximately five million people, 80 percent of whom live in rural areas. An estimated 39 percent (1.9 million people) are living below the national poverty line (1997 data), the vast majority of whom belonging to the country's many ethnic minorities. Goal 1 seeks to reduce this number to only 24 percent by 2015. Over recent years Lao PDR has experienced periods of economic growth and made encouraging developmental gains. But like in many other parts of the world, growing inequality is exacerbating poverty. In some cases the situation of the poorest is getting worse rather than better, and disparities are becoming more acute. In its National Growth and Poverty Eradication Strategy (NGPES) the government has set itself targets that are more ambitious than the MDGs to eradicate basic poverty by 2010. Significant efforts will be needed in education, infrastructure (including roads, electricity and piped water), and support to the agriculture sector to reduce poverty and achieve the MDG targets.



## MDG 2: Achieve Universal Primary Education

Education is a powerful instrument for reducing poverty and inequality, improving health and social well-being, and laying the groundwork for sustained economic growth. Although quantitative and qualitative progress in education has been made in Lao PDR in recent years, a significant proportion of children, especially girls and ethnic groups in remote areas, are not guaranteed an equal opportunity to basic education. Access to secondary and tertiary education is particularly limited and a significant proportion of the adult population is illiterate. Goal 2 seeks to ensure that by 2015, all Lao primary school age boys and girls are enrolled in school. However economic growth coupled with rapid population growth is increasing the demand for education services and vocationally qualified people. The quality of education available is currently inadequate, even for the few who complete it. The NGPES presents education as a key focus area to assist in poverty eradication efforts. Although more investments will be needed to provide the physical infrastructure, significant attention will need to be paid to recurrent expenditure in the education sector. Efforts will need to be made to improve the quality and availability of education material, as well as to improve the quality of teachers. Furthermore, ethnic diversity poses specific learning challenges regarding language mediums for classrooms.



## MDG 3: Promote Gender Equality

Consistent with trends in most developing countries, women and girls in Lao PDR experience a lower general status of living than men. Goal 3 calls on countries to ensure that girls have equal access to education by 2015 and that women are more empowered. There are still many gender disparities in Lao PDR. Females have poorer access to educational opportunities, with fewer girls than boys enrolled in school, and the proportion falls steadily as the level of education increases. In Lao PDR the status of women and girls' education, health, and income opportunities is generally poorer in rural areas, especially among ethnic groups. Although the government has subscribed to the Beijing Platform for Action and other gender related conventions, gender mainstreaming still remains a challenge. While the NGPES proposes to mainstream gender more fundamentally, specific support to the relevant institutions will be necessary to achieve this.



## MDG 4: Reduce Child Mortality

Around the world, thousands of children die every year from preventable causes: illnesses caused by contaminated water, inadequate immunisation, injuries from war and civil conflict, high levels of poverty and malnutrition, HIV/AIDS, malaria and tuberculosis. In 1999 the under five mortality rate in Lao PDR was 106 per 1,000 live births. Goal 4 sets out to reverse this trend by cutting the mortality rate of children under five to only 55 deaths per 1,000 live births by the year 2015. This goal is inextricably tied to the fight against poverty because the poor are the least likely to receive the health services needed to protect the lives of their children. Currently, only half of the population have access to safe drinking water, and less than half to safe sanitation facilities. Specific programmes in water and sanitation are under way, however to date, most of these have focused on urban areas, further highlighting rural - urban disparities. Meeting the needs of rural and remote populations is challenging; the provision of medical services is complicated and costly, maintenance of infrastructure difficult, and qualified medical staff in poor supply. Considerable strategies will be required to ensure this MDG is met, including improving access for rural communities, and ensuring ethnic and language dimensions are considered.



## MDG 5: Improve Maternal Health

Despite considerable improvements in the quality of life over the past two decades, the general health status of the Lao population remains low, particularly for rural communities, and women continue to experience inadequate levels of care in pregnancy and childbirth. In 2000 the maternal mortality ratio was 530 deaths per 100,000 live births. Goal 5 calls for reducing this to 185 deaths per 100,000 live births by the year 2015. Given the current population growth rate, the Lao population of approximately five million is expected to double in 25 years, as people under 20 years of age, who currently comprise 54 percent of the population, enter their reproductive years. Currently 89 percent of rural women deliver without a trained attendant, and most live a long distance from any services. Maternal mortality in remote areas is often due to relatively minor complications that could be easily addressed if care was available and accessible. To achieve this goal, more investment, particularly in the quality of services and better management of health systems, is needed.

## MDG 6: Combat HIV AIDS, Malaria and other Diseases

The rampant spread of infectious diseases threatens to reverse development progress, reduce life expectancy and cut productivity. HIV/AIDS poses an unprecedented health, economic, and social challenge on a global scale. Half of all new HIV infections are among people aged between 15 and 24 years. By infecting young people disproportionately, the epidemic undermines local and international stability. According to official case reports, HIV/AIDS prevalence is still low in Lao PDR, with an estimated adult HIV rate of around 0.06 percent. There are, however, several risk factors that make the country particularly vulnerable including: proximity to countries with higher HIV/AIDS prevalence; steadily increasing travel and migration, both internal and trans-boundary; high incidence of poverty and low living standards; increase in the use of illicit drugs and the regular use of alcohol; inadequate access to effective STD treatment; relatively low awareness about the existence, causes, and prevention of HIV/AIDS; poor implementation of universal precautions against HIV/AIDS transmission in health facilities; and lack of universal screening for HIV of blood transfusions or blood products before use. The government's National Strategy and Action Plan to combat HIV/AIDS aims to support widespread, multi-sectoral efforts to ensure the low prevalence rate continues.

Other infectious diseases also seriously threaten development priorities. In Lao PDR, malaria has consistently been among the top three causes of reported morbidity and mortality, and around 70 percent of the population live in areas where they are at risk. Furthermore the tuberculosis prevalence rate has been estimated at 144 cases per 100,000 which makes Lao PDR a high-prevalence nation.

## MDG 7: Ensure Environmental Sustainability

The natural environment is the unequivocal basis of human survival, the foundation for economic and, more importantly, human development. Goal 7 calls for upholding the principles of sustainable development and systematically integrating them into country policies and programmes, and mandates reversing and replenishing the loss of environmental resources. Lao PDR is endowed with a diverse, productive and ecologically unique forest (estimated at 47 percent of total land area) which is a vital economic resource. Some 60 percent of Gross Domestic Product depends directly on natural resources. Eighty percent of the population live in rural areas and are highly dependent on their local environment for subsistence farming and livelihoods, however the large majority of rural households do not have access to clean water and sanitation facilities. "Pioneering" shifting cultivation (a type of slash-and-burn agriculture), poorly implemented environmental policies, inequality of access to fertile land, and increasing pressure on land-use contribute to the challenges for sustainable futures. Environmental management, is thus one of the core issues in poverty reduction. Key policy elements of the NGPES concern land allocation, elimination of shifting cultivation and resettlement, however they require significant support and strengthening to be achieved. Greater recognition of the importance of biodiversity and protection of natural resources will be needed.

## MDG 8: Develop a Global Partnership for Development

Without key partnerships between rich and poor countries, the previous seven goals may not be achievable. Great opportunities for growth and development exist in today's fast-changing global economy, but many poor countries have been left behind, lacking access to new technologies as well as the resources to participate in the globalisation process. Recent international events clearly show that poverty/unequal distribution of wealth affects peace and order in all societies across the globe. In order to achieve all MDGs, a new global partnership for development based on stronger policies, good governance and a real sense of shared responsibility among stakeholders in both rich and poor countries is crucial.

The Lao economy remains significantly dependent on official development assistance (ODA). In 2001/02, bilateral and multilateral donors disbursed a total of US\$389.62 million to Lao PDR. Of this, 29 percent was directed towards health, education and social welfare. Lao PDR relies on natural resources for exports, particularly hydro-power and forestry, although garment manufacture is growing in significance. Almost half of all imports are consumer goods, bought by the private sector, with much of the remaining imports consisting of capital goods and inputs for the garments industry. The private sector is beginning to grow more rapidly - particularly in privately operated agricultural activities. Lao PDR's main trading partners are its neighbours, Vietnam and Thailand. Engagement farther afield, both regionally and globally, is difficult due to both geographic and economic constraints. However, the country is making efforts to integrate further into ASEAN and has applied for admission to the WTO. Significant efforts will be required to ensure appropriate and equitable sustainability and growth.

In the last few years a number of bilateral agencies have left the country, including NORAD, DANIDA and others. This is perhaps a reflection of the changing development priorities of these organizations. This is unfortunate since in the immediate future Lao PDR will continue to depend on external assistance for realising the MDGs. Increased expenditure both from national resources and ODA will be needed to provide social services and safety nets for communities, households and individuals, and also to build up the 'social capital' necessary for national development. In view of the limited resources the government will be able to mobilize internally, the country will continue to depend on external assistance to realise the MDGs.

