

# The Contribution of National Assembly on LDC Graduation and Ways Forward

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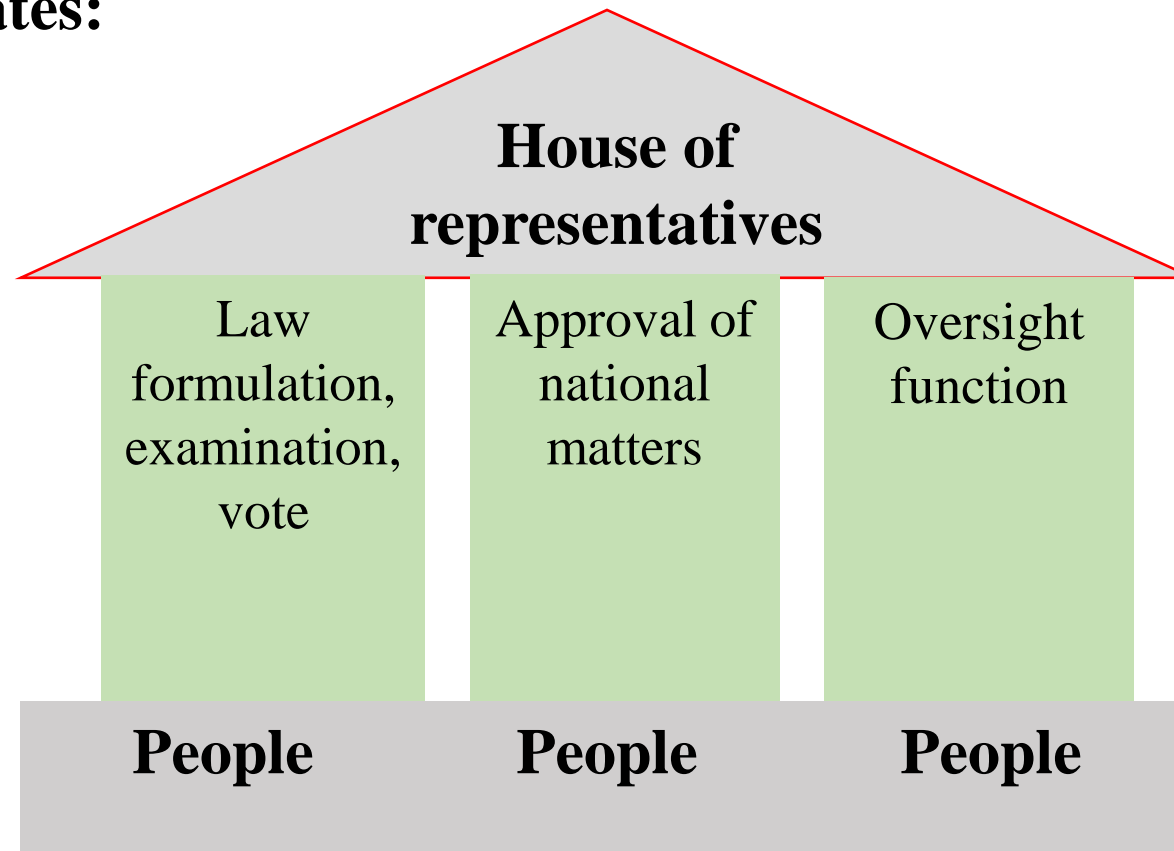
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# **Content of Presentation**

- 1. Review of the NA consecutive roles**
- 2. Contribution of NA to LDC graduation list**
- 3. Challenges and constraints for LDC graduation list**
- 4. Way forward to smooth transition out of the status of LDC list**

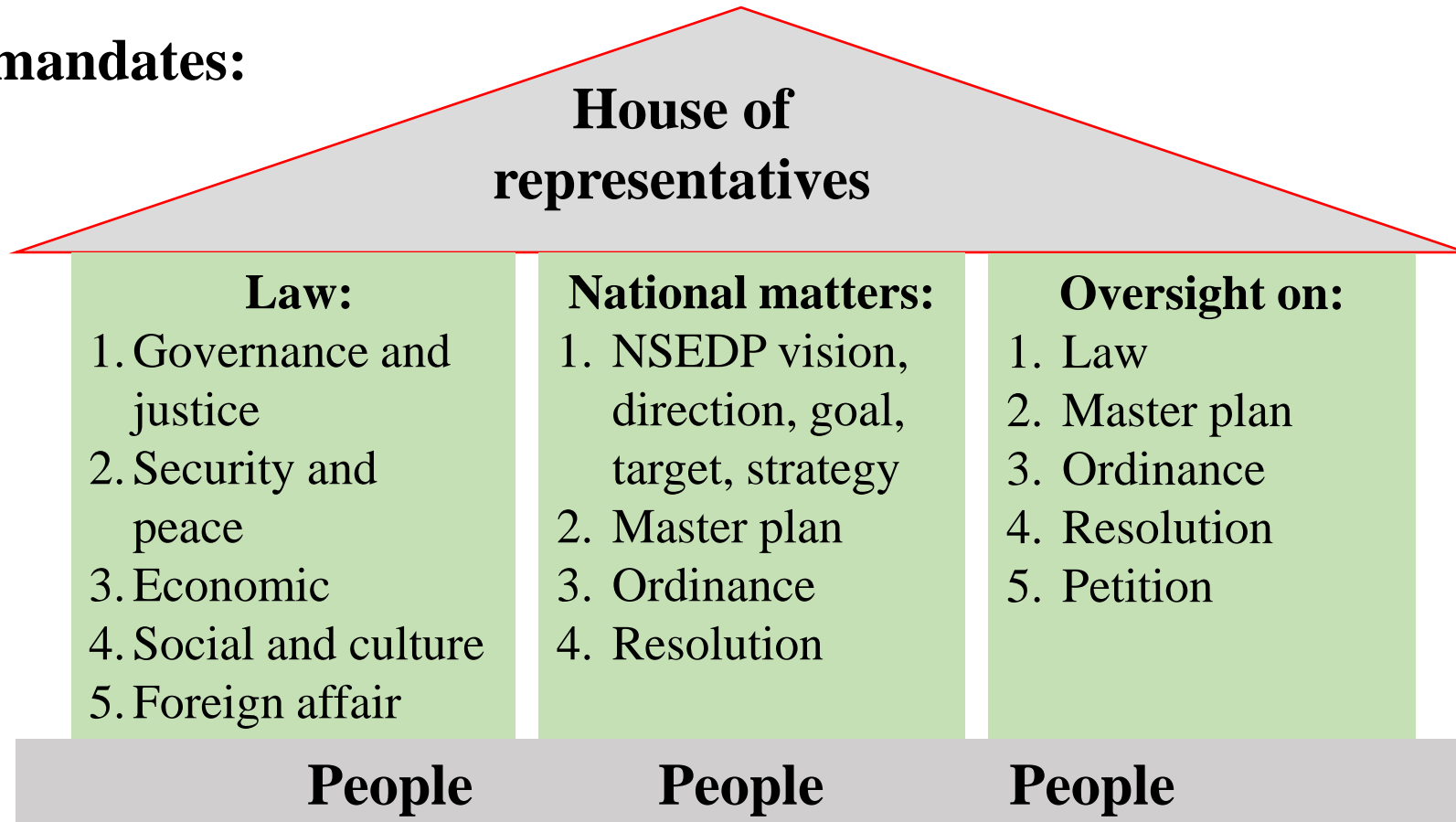
# Review of the NA consecutive roles

➤ **3 mandates:**



# Review of the NA consecutive roles

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# **Contribution of NA to LDC graduation list**

1. Legal framework support
2. Adoption of NSED, LDC vision, direction, goal, target and measurements
3. Budget allocation for the implementation
4. Oversight on the implementation

# Contribution of NA to LDC graduation list

1. **Legal framework support:** Law formulation, examination, and vote twice a year in the plenary session
  - Related laws support of graduation out of the status of LDC list:
    - 1) Economic sector: PIP, FDI, Budget, Bank, Tax, Custom, Agriculture, Land, Energy, Mining, Water, etc.
    - 2) Social and culture sectors: Education, Health Care, Medicine and Pharmaceutical product, Food, Hygiene and Health Promotion, Preventable and diseases control, Vaccine preventable diseases, Health Security

**<https://na.gov.la/?lang=en>**

# **Contribution of NA to LDC graduation list**

## **2. Adoption of NSEDP five years plan, annual plan, LDC vision, direction, goal, target and measurements:**

- Government reports NSEDP five years plan and annual plan to the NA plenary session
- Member of Parliaments (MPs) scrutinize the plans and reports
- A resolution is adopted containing of vision, direction, goal, target and measurements of NSEDP five years and annual plans
- LDC vision, direction, goals, targets and measurements are included in NSEDP plan, no specific resolution.

# Contribution of NA to LDC graduation list

➤ **Vision 2030:** secure legal enforcement in all sectors, ensure citizen's rights are protected by law strictly, tighten people's solidarity, promote peaceful society, justice, democracy and civilization.

**(NA Resolution number 011/NA, dated 4<sup>th</sup> May 2016)**



# Contribution of NA to LDC graduation list

## ➤ **Direction 2021-2025:**

1. Socio-economic development that balances 3 pillars of economic, social and environmental matters:
  - Increasing GNI, equal income distribution, poverty eradication
  - Ensuring inclusive, quality, sustainable and green growth development
  - Job creation, improve people's livelihood to ensure rights and benefits for all equally and justice
  - **Build economic foundation to fulfil criteria and standard of graduation status out of LDC list in 2025 and achieving high middle-income country in 2030.**

# Contribution of NA to LDC graduation list

## ➤ Direction 2021-2025:

2. Address weaknesses and drawbacks of development, cope with emerging new challenges, solving economic and financial difficulties, reduction economic vulnerabilities, encourage saving and anti luxurious consumption, form national agenda
3. Mobilize national potential resources by turning Covid-19 crisis and the difficulties into opportunity and optimal maximization benefits in follow aspects:

# Contribution of NA to LDC graduation list

## ➤ **Direction 2021-2025:**

- Transition of economic structure to modernized, industrialized, diversified economy, build up strong competitiveness capacity for export markets and import substitution, raise foreign currency income, strengthen foreign currency reserve and exchange rate with Lao Kip
- Promote land-lock to land-link policy with regional and global connection, as regional and global trade and logistic service hubs

(NA Resolution number 20/NA, dated 26<sup>th</sup> March 2021)

# Contribution of NA to LDC graduation list

## ➤ **Goals 2021-2025:**

1. Economic growth constantly with quality, stabilization and sustainability
2. Human resource development with high quality
3. Increasing materials and well-being of people
4. Environmental protection and reduction of disaster risks
5. Build up strong infrastructure, as an opportunity for regional and global network and cooperation
6. Strengthen effectiveness of public administration, social equality, justice and rule of laws strictly

(NA Resolution number 20/NA, dated 26<sup>th</sup> March 2021)

# Contribution of NA to LDC graduation list

## ➤ **Targets 2021-2025:**

### **1. Macroeconomic**

- 1) Economic growth
- 2) Monetary
- 3) Fund for development
- 4) Budget
- 5) International trade

### **2. Economic sector**

- 1) Agriculture
- 2) Industry and commerce
- 3) Energy and mining
- 4) Service

## **Targets 2021-2025:**

### **3. Social and culture**

- 1) Education and sport targets
- 2) Health care targets
- 3) Labor and social welfare
- 4) Information, culture and tourism

### **4. Rural development and poverty reduction**

### **5. Environment and natural resources**

### **6. Gender targets**

### **7. Public administration**

## Key index of the 7<sup>th</sup>-9<sup>th</sup> NSEDP (2011-2025)

Items	Unit	Achievement		Plan	Implementation		
		2011-2015	2016-2020	2021-2025	2021	2022	2023
GDP	%	7.94	5.8	4	2.8	4.5	4.2
GDP per capita	USD	1,548	2,479	2,880	2,640	1,841	1,824
GNI per capita	USD		2,020	2,280	2,488	1,729	1,712
M2 supply	%	26.87	13.48	20	19	40	29
Inflation	%	5.0	2.6	6.0	3.3	38.5	31.6
Investment funds	Bill Kip	249,057	213,874	204,599	31,100	46,893	90,838
Investment funds	%	61	28	19	17	24	39
Revenue	Bill Kip	99,548	120,672	179,500	26,957	32,447	38,448
Revenue	%/GDP	25	16	17	15	15	16
Export	Mill USD	14,229	26,429	38,043	6,582	7,834	8,036
Import	Mill USD	17,629	26,547	32,927	6,384	6,635	6,937

*Source: NSEDP and NA resolutions*

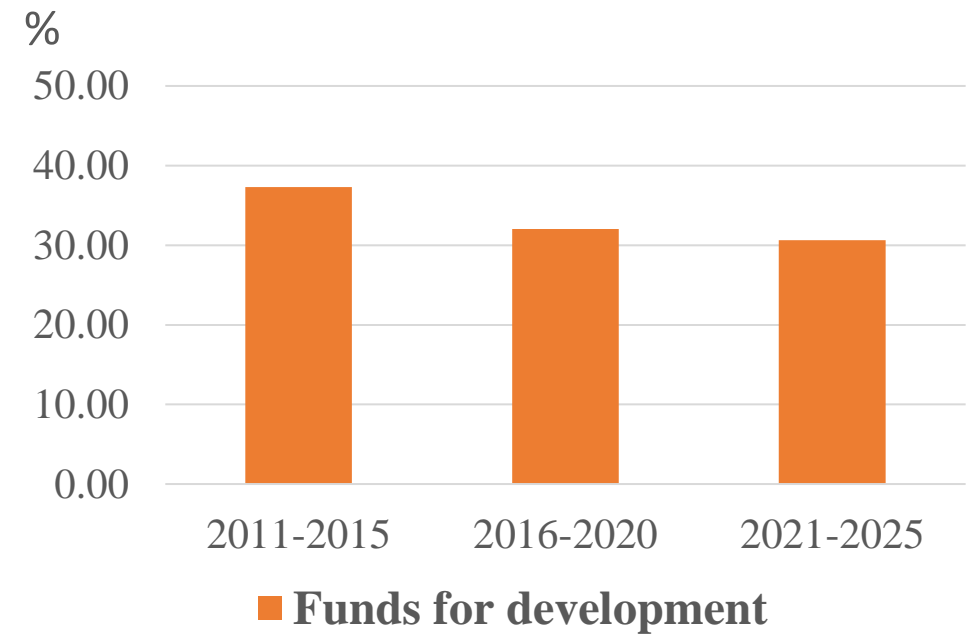
# List of LDC index adopted in the NA resolution:

No	Items	Unit	Plan	Implementation		
			(2021-2025)	2021	2022	2023
1	GNI per capita	USD	2,280	2,488	1,729	1,712
	Human Asset Index (HAI)					
2	Under-five mortality rate	per birth rate	30/1000	38	13.5	13.5
3	Percentage of population undernourished					
4	Maternal mortality rate	per live born	110/100.000	150	59.8	40.95
5	Gross secondary school enrollment ratio	%	74	70.1	68.1	65.3
6	Adult literary					
	Economic Vulnerability Index (EVI)					
7	Population					
8	Remoteness					
9	Merchandise export concentration	USD	38,043	10,063	7,834	8,036
10	Sharing of agriculture, forestry and fishing in GDP					
11	Sharing of population in low elevated costal zone					
12	Instability of exports of goods and services					
13	Victim of natural disaster					
14	Instability of agricultural production					

# Contribution of NA to LDC graduation list

## 3. Budget allocation for implementation of NSEDP, LDC at national, sectoral and local development

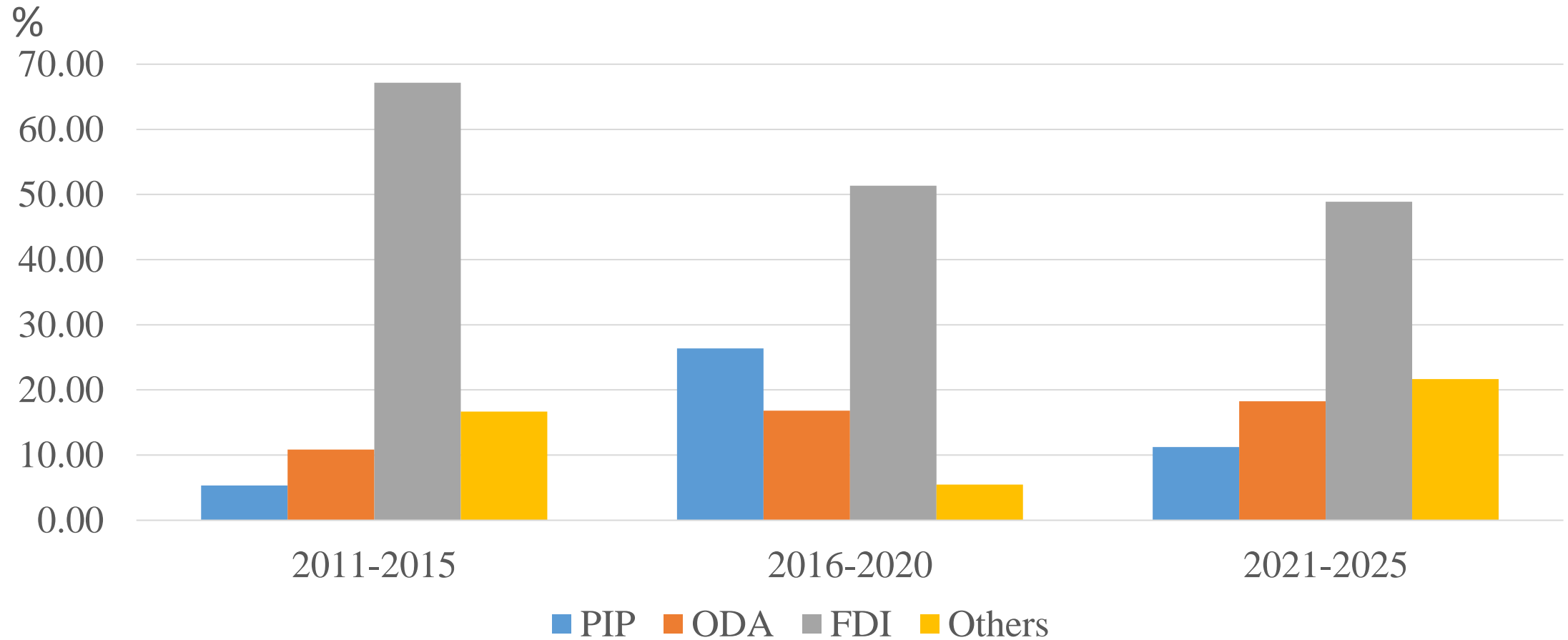
Fund	2011-2015		2016-2020		2021-2025	
	Bill Kip	%/GDP	Bill Kip	%/GDP	Bill Kip	%/GDP
PIP	13,314	5	56,381	26	22,950	11
ODA	26,981	11	35,981	17	37,344	18
FDI	167,269	67	109,777	51	100,000	49
Others (Bank)	41,494	17	11,736	5	44,305	22
Total	249,058	100	213,874	100	204,599	100



PIP: Public investment project  
 ODA: Official development assistance  
 FDI: Foreign direct investment



### 3. Budget allocation for implementation of NSEDP, LDC at national, sectoral and local development



# **Contribution of NA to LDC graduation list**

## **4. Oversight on the NSEDP implementation at national, sectoral and local levels**

- Law on Oversight of NA and Provincial People Assembly (PPA) 2016
- Oversight on the NSEDP resolution, national agenda targets and measures at ministerial and provincial levels twice a year
- Scrutinize government's reports for the plenary session
- Site visits for some specific socio-economic development projects at provinces, districts, villages.

# Challenges and constraints for LDC graduation list

- Quantitative economic growth (GDP) is dampened by level of inflation
- GNI, a proxy of purchasing power parity (PPP) is declining by the depreciation of Lao Kip
- Revenue collection has been increased, but the proportion to GDP is dropped down, so budget for PIP target is not fulfil
- Fund for development is also shown declining trend, particularly from FDI
- Foreign trade has gained surplus in recent years, but mainly from cross border trade
- Gross secondary school enrollment ratio is decreasing, due to economic and financial difficulties, students prefer working rather than studying.

# Ways forward for smooth transition out of the status of LDC list

- **Legal framework support:** Provides specific laws and regulations for LDC graduation list voted at the national assembly plenary session
- **Adoption of ex-post LDC plan, targets and measurements:**
  - Economic growth (GDP, GNI, other economic index)
  - Human asset index and other social culture indicators;
  - Economic vulnerability index and other economic indicators
- **Budget allocation:** for development in before and after graduation of LDC, mobilizing more sources of fund for development from public, private sectors, regional and global funds
- **Oversight and report:** on NSEDP and LDC implementation, including evaluation of the impact of laws on the LDC graduation
- **Economic re-structuring:** transform agriculture to diversified industry, trade, service sector and logistic hubs, regional and global connection

# Ways forward for smooth transition out of the status of LDC list

- **Investment in education and health care:** allocate budget by law and NA resolution 18% of GDP for education, 16% for health care
- **National agenda priorities in 5 areas:**
  - 1) Promote import substitution and export promotion, more processing, GVCs
  - 2) Strengthening revenue collection capacity
  - 3) Raising the effectiveness of public expenditure
  - 4) Stabilizing financial sector
  - 5) Raising the efficiency of rule of law
- **Combat inflation and urgent economic and financial issues by 5 measures:**
  - 1) Monetary policy
  - 2) Financing-budgeting policy
  - 3) Production policy
  - 4) Trading policy
  - 5) Social awareness policy.

- **Thank you for your attention**

- **Q & A**