



Sustain Growth
Improve Social Outcomes
Develop Capacity and Partnerships
Support Nam Theun 2 Implementation

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EFFORTS TO COMBAT AVIAN FLU BEGIN

The Government of Lao PDR (GoL) received US\$8 million in grants from the World Bank as part of the international support for the National Avian Influenza and Pandemic Preparedness Plan. The World Bank support comprises funds from the **International Development Association** (US\$4 million), the **Japan Policy and Human Development** co-financing window (US\$2 million), and the **Avian and Human Influenza Facility** (US\$2 million)-a multi-donor trust fund administered by the World Bank and backed by eight donors including the European Commission.

The Government of Lao PDR has prepared the National Plan in collaboration with development partners, and has been guided by global strategies put forward by the World Health Organization, the Food and Agriculture Organization, and the World Organization for Animal Health. The Plan includes activities with short and medium-term actions.



Ministers of the Lao Government, Heads of International Agencies and Ambassadors Witnessed the Grant Signing

The fund will support the government's strategies on [avian influenza](#) which include planning an animal health system, disease surveillance, response measures during an outbreak, diagnostic procedures and curative services. The funds will be used to spread information about the disease to the public, improving their awareness and preparedness, for programme coordination and to improve the regulatory framework. In response to the first outbreak in 2004, the Government took measures to contain the outbreak including culling of poultry in the effected areas as well as raising the

"The measures that Government of Lao PDR is putting in place will help not only to protect the lives and livelihoods of this nation's population against Avian and Human Influenza but will also improve the country's resilience to similar threats that may emerge in the future." Ian Porter, World Bank Country Director for South East Asia.

public's awareness on how to prevent and protect themselves from this deadly disease. Recently, Prime Minister Bouasone Bouphavanh, issued an order to ministers and head of organizations to strengthen their readiness be ready, and urged all agencies to cooperate and coordinate in controlling and preventing the disease.

Global Sharing of Experiences

Representatives from Government health organizations and media from countries that have been affected by outbreaks of bird flu were connected via a video conference on Tuesday, September 26, 2006. They discussed ideas about how to deal with the virus and their challenges and achievements. Dr. Anothay Kongsayasak, Director of Center for Information and Education on Health, Ministry of Health, presented the Government's communication plan on avian flu as well as the establishment of the National Information, Education and Communication (IEC) Taskforce. The Taskforce has defined the roles and responsibilities of each agency that will prevent and cope with the disease during an outbreak. The presentation also covered the progress made since the implementation of the first phase of the National Campaign on Avian and Human Influenza. The First Phase of the campaign focuses on prevention and protection, and is currently being conducted country-wide via media organizations, and includes workshops, games, dramas, TV spots, leaflets and posters. The Second Phase of the campaign is currently being implemented.

"Protect Yourself Posters"



Phase II of National Campaign's Main Focus

- Scale-up IEC materials for the provinces;
- Outreach through schools;
- More media activities;
- Social mobilization through the mass organizations (Lao Women's Union);
- Use of drama and story telling to raise issues through different media including puppets, live theatre and radio.

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Sustainable Mining: Assessing Options

The sustainability of the mining sector was the focus of discussions at the [Stakeholder and Investor Consultation Workshop](#) held in Vientiane on September 26-27, 2006, organized by the Department of Geology and Mines. The workshop focused on the final draft of the “Sector Plan for Sustainable Development of Mining in Lao PDR,” which aims to improve the understanding of the current status of the Lao mining industry and to identify issues in order to formulate a sector plan for sustainable development. The study is being undertaken by consultants from Mitsui Mineral Development Engineering (MINDECO), funded by the Japan Trust Fund administered by the World Bank.

The sector study forecasts that over the next 20 years, mining could produce total revenues of about US\$1-2 billion and employ about 15,000 workers. The study also highlights the potential of the mining sector's contribution to economic growth, while underscoring the importance of environmental and social safeguards.

Nearly 50 participants discussed prospects and challenges for the mining sector, policy considerations, roles and responsibilities of government institutions, assessment of geological data, and coordination among government, donors and the private sector, among other topics. Presentations were combined with discussion sessions that gave participants an opportunity to make recommendations and work in coordination with other agencies. The final report is expected to be completed by the end of the year.

“The work that has been done is very important for us and for other donors since it allows us to look at the status of the mining sector, identify the needs, and where we can come in. This is not a document that will stay on the shelf, it is the base of our roadmap for helping Lao PDR effectively explore and further expand its mining sector,” said **Craig Andrews, World Bank Lead Mining Specialist at the conclusion of the workshop.**

Youth Forum Discusses Educational Opportunities

A two-day [Open Space Forum](#) was held in Vientiane on September 9-10, 2006. The Open Space was a joint initiative of the Ministry of Labor and Social Welfare and the World Bank with the support of UNICEF, Save the Children Australia/UK, INGOs and local private sector. Open Space, a forum where people self-manage their agenda based on what they feel passionately about, provided a stage and a sense of freedom for over 160 disadvantaged youth from villages around Vientiane to discuss, share and talk about challenges and issues that are important to them and their future. Under the guiding



Girls discussed their interest in preserving Lao culture through art, music and education

theme “**Creating a Better Future for Us: Issues and Opportunities**”, young people created their own agenda for the two-day forum including issues, concerns, interests and challenges for discussion as well as proposed solutions. As a result of this event, a booklet containing issues raised and discussed, and actions and solutions proposed will be developed to help shape participating agencies’ activities, strategies and policies. Three priority areas have been identified by this group of young people, namely access to education, vocational training, and the desire for a mobile library. Follow-up actions are under discussion with stakeholders.

Trade Reforms Taking Shape

International agencies joined the Lao government in highlighting the importance of exports as a key driver for economic growth and poverty reduction at the [Validation Workshop](#) held in Vientiane on September 12, 2006. The purpose of the workshop was for the government and development partners to review the Diagnostic Trade Integration Study and the ‘Action Matrix’ and to mobilize resources for its implementation.

“The government has set a GDP growth target of 7.5 percent from 2006 to 2010 and export growth target of 18 percent per year is planned for labor intensive and higher value added products. The Government considers the private sector as key driver in reaching this target” **Dr. Nam Viyaket, Industry and Commerce Minister.**

The validation workshop is part of the Integrated Framework for Trade related technical assistance - a multi-agency, multi-donor programme that assists the least developed countries in expanding their participation in the global economy, thus enhancing their economic growth and poverty reduction strategies. The aim of the framework is to mainstream trade policy into national development and poverty alleviation strategies to make sure that the lowering of barriers to international trade and investment plays an effective role in national development

plans. It is expected that the framework will assist Lao PDR in addressing the supply-side constraints and ultimately mainstream the trade policy to national growth and poverty alleviation strategies in order to achieve the government's goal to graduate from least developed country status by the year 2020.

“We hope that the Government will highlight trade in the final version of its new National Socio-Economic Development Plan (2006-10), and articulate public policies and investments to promote trade, growth, economy, and reduce poverty.” **Joint Donor Statement by Alistair Maclean, Australian Ambassador to the Lao PDR.**

Gender Equality

The [Lao PDR Gender Profile](#) has compiled information on the current status of women to support the government's gender mainstreaming strategy. Addressing gender issues to improve social outcomes is a top government priority and a key objective of the World Bank's Country Assistance Strategy for Lao PDR.



(L-R) **Mme. Bundith Pathoumvanh, Vice-President of Lao Women's Union; Mr. Ian Porter, WB Country Director; Mme. Sisay Leudedmounsone, President of Lao Women's Union, Mr. Patchamuthu Illangovan, WB Lao PDR Country Manager**

The World Bank is committed to helping governments identify constraints and barriers to gender equality and assist in removing them. *“Our support to the Lao Women's Union in the preparation of this Gender Profile which identifies the constraints, barriers, and specific issues, is a first step in fulfilling this commitment,”* said **Ian Porter, World Bank Country Director for South East Asia.** Further research and improving the knowledge of government officials for gender mainstreaming, targeted socio-economic development for the rural poor, promoting small and medium-sized enterprise, and addressing issues of gender-based violence and human trafficking were recommended.

“This Gender Profile is a significant document which will help policymakers, planners as well as technical experts understand more clearly the gender situation. It is also an important source of information for implementing the Government's gender mainstreaming strategy into any project, at any level, in Lao PDR,” said **Mme. Sisay Leudedmounsone, President of the Lao Women's Union.**

Key findings:

- ♦ A large gap in the availability of gender information presented a challenge in compiling a comprehensive profile
- ♦ High levels of maternal mortality and low levels of education among some groups of women.
- ♦ High illiteracy rates especially among ethnic minorities

Nam Theun 2 Hydro Project Gains Momentum

The World Bank released on November 3 the latest semi-annual update on the implementation status of the Nam Theun 2 (NT2) Hydroelectric project in Lao PDR, prepared jointly with the Asian Development Bank (ADB). Nam Theun 2 is a US\$1.45 billion, 1,070 megawatt hydropower project in Lao PDR that aims to generate revenues for poverty reduction efforts and environmental protection.

The report, to the World Bank's and Asian Development Bank's Board of Directors, notes that construction is moving forward with improved alignment with environmental and social mitigation measures. However, the report also stresses the importance of continued focus on the implementation of local livelihood programs and continued monitoring of environmental impacts. The Update benefited from recent visits from a World Bank technical team, the Environmental and Social Panel of Experts and the Lender's Engineer.



District Working Group reviewing compensation payments with villagers of Ban Lao

"We are very engaged in this supervision process," said **World Bank Country Manager for Lao PDR, Patchamuthu Illangovan**. "We are working closely with the Government of Lao PDR, the Nam Theun 2 Power Company (NTPC), the Asian Development Bank and other financing institutions, to ensure that this project meets its development objectives of social and environmental protection, as well as generating revenues to achieve poverty reduction in the country."

In the Nakai Plateau, the area where the reservoir is being formed, nearly 600 households from eight villages have moved into their resettlement sites. Among other things, the resettled villagers have been provided with pumped water supplies, schools, health programs and rice and protein supplements, and are taking part in the construction of their new houses while participating in livelihood restoration programs. The livelihood programs are designed to advance activities in areas such as forestry, fishery, livestock, non-farm employment, education and health, thereby raising the income of villagers living in the project area. The report urges closer monitoring of these programs in order to address issues early on and to quickly resolve any grievances.

Main Highlight of the Update:

- Lao PDR has maintained relatively stable macroeconomic conditions with **growth expected to reach 7.5 percent in 2006**
- **Public Expenditure Management Strengthening Program** is progressing well.
- **Physical implementation of the project is on track** and construction is better synchronized, with environment and social mitigation measures.
- The **Nakai resettlement has gained momentum** and nearly 600 households have moved into their new sites.
- The **livelihood program development is beginning to show progress** but requires close monitoring.
- Pilot programs in 21 **downstream villages** are being implemented.
- In response to **compensation issues** that have been raised in villages in the Project Lands, NTPC and the Government are reviewing the payments.
- The **International Advisory Group** has been strengthened and cooperation among international financial institutions has been described as 'exemplary'.
- **Capacity development is viewed as a priority** and NTPC has mobilized additional expertise in rural and social development and environmental protection.
- The Government's **Watershed Protection Management Authority (WMPA)** is performing well, and its continued efforts to strengthen capacity are recognized by all.
- **Options for additional biomass clearance** in the future reservoir are being reviewed as a priority.
- **Salvage logging** has begun.

For more information including **Frequently Asked Questions**, visit www.worldbank.org/laont2

UPCOMING EVENTS

Events	Venue/Province	Date
Sustainable Forestry for Rural Development Project (SUFORD): Supervision Mission	Vientiane/Field Visits	Oct. 23-Nov. 12
Poverty Reduction Fund: Supervision Mission	Vientiane/Field Visits	Nov. 1-7
Provincial Workshops on Economic Analysis of Projects Conducted by National Economics Research Institute (NERI)	Houaphan, Xieng Khuang Attapeu, Xekong	Nov 13-17 Nov. 20-24
Land Titling Project: Supervision Mission	Vientiane/Field Visits	Nov. 15-22
Financial Management Training Simplified Disbursement and Agreements	Lao Plaza Hotel	Nov 16-17
Poverty Reduction Support Operation 3 (PRSO 3): Preparation Mission	Vientiane/Field Visits	Nov. 15-18
Nam Theun 2: International Financial Institutions Review Mission	Khammouane	Nov. 20-25
9 th Round Table Meeting	Don Chan Palace	Nov. 28-29

PUBLICATIONS OF THE MONTH

Lao PDR Gender Profile	Executive Summary	Full Report
World Development Report 2007 "Development and the New Generation"	Website	Report Overview
Doing Business "How to Reform"	Website	Report Overview
Governance Indicators 2006	Website	
Semi-Annual Update on Nam Theun 2 – available from November 8, 2006 at www.worldbank.org/laont2		

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