Executive Summary

This is a background document for participants of the National Workshop on Rural Transport, Poverty Reduction and Livelihoods. It seeks to;

- Explore the links between rural transport and national development goals and targets,
- Identify contributions of the rural transport sub-sector to achieving goals and targets in other sectors, and
- Identify gaps in the rural transport system in the country which hold back the achievements of development goals and targets.

Significant poverty reduction achievements have been made in the Lao PDR and a proportion of this can be statistically attributed to improvements in rural transport access. The last decade has seen a substantial expansion in the quality and quantity of road networks within the country. With direct poverty reduction impacts, through increasing the income earning opportunities of the poor and reducing the costs of the goods they consume.

The National Growth and Poverty Eradication Strategy (NGPES) identifies four key sectors for focusing efforts to reduce poverty, namely; a) Agriculture and Forestry, b) Health, c) Education and d) Transport. The GoL rural development strategy further states that: “Development should be people-centered and the principle of community self-development should be the overarching goal; projects should facilitate the implementation of village development plans”. There is a strong sense of optimism surrounding the potential for improved coordination of planning at the local levels through the Kumban Pattana approach.

However, approximately one third of villages in the Lao PDR are, according to latest available statistics still without any road access and thus rely principally on walking to access markets and services. This is a major gap and remains a considerable challenge to poverty reduction goals.

River networks have provided traditional transportation routes for thousands of years, potential may exist for increasing focus on such methods in the future, particularly as dry season flows in some rivers will rise as a result of hydro-scheme development.

The Local Roads Division of the MPWT has developed a draft document that outlines a potential alternative rural transport infrastructure strategy to assist the expansion of the rural roads network and further integrate rural roads infrastructure within a broader community based rural development framework. This appears to have strong fit with the Kumban approach.

It is hard to overstate the importance of improved access to the achievement NGPES goals associated with agriculture and forestry. Both Education and Health services in remote areas suffer as a result of poor transport access but have made important adaptations to such conditions. The responsibility for meeting NGPES goals are shared by all sectors, and as shown above, all sectors need to address issues of rural transport if other, sectorally specific goals (e.g. stabilization of shifting cultivation) are to be achieved. Responsibility for improving rural transport is thus seen as a shared goal, implying a shared responsibility.

Sustaining improved rural transport access is critical, maintenance of basic road and track infrastructure remains of paramount importance if livelihood gains from access improvement are to be long term.
### Glossary

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Full Form</th>
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<tr>
<td>ADB</td>
<td>Asian Development Bank</td>
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<td>ADBI</td>
<td>Asian Development Bank Institute</td>
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<td>CRM</td>
<td>Community Roads Model</td>
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<td>GoL</td>
<td>Government of the Lao PDR</td>
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<td>IFAD</td>
<td>International Fund for Agricultural Development</td>
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<td>ILO</td>
<td>International Labour Organisation</td>
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<td>ITRTD</td>
<td>International Forum for Rural Transport and Development</td>
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<td>JICA</td>
<td>Japanese International Cooperation Agency</td>
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<td>LDCs</td>
<td>Least Developed Countries</td>
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<td>LECS</td>
<td>Lao Expenditure and Consumption Survey</td>
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<td>LRD</td>
<td>Local Rural Division</td>
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<td>MDG</td>
<td>Millennium Development Goals</td>
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<td>MPWT</td>
<td>Ministry of Public Works and Transport</td>
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<td>NGO</td>
<td>Non-Government Organisation</td>
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<td>NGPES</td>
<td>National Growth and Poverty Eradication Strategy</td>
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<td>NSEDP</td>
<td>National Socio-Economic Development Plan</td>
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<td>SEACAP</td>
<td>South East Asia Community Access Project</td>
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<td>UNDP</td>
<td>United Nations Development Programme</td>
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<td>WB</td>
<td>World Bank</td>
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<td>WFP</td>
<td>World Food Programme</td>
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INTRODUCTION

1.1 This is a background document for participants of the National Workshop on Rural Transport, Poverty Reduction and Livelihoods held by the Ministry of Public Works and Transport (MPWT) with the International Labour Organisation (ILO), International Forum for Rural Transport and Development (IFRTD) and Southeast Asia Community Access Programme (SEACAP) in September 2008. The objective of the workshop and document is to explore how rural transport as a sub-sector has and can contribute to poverty reduction in the Lao PDR in line with the National Growth and Poverty Eradication Strategy (NGPES, 2003) and thereby contribute to Laos’ progress toward achieving the Millennium Development Goals (MDG’s) and moving out of the list of Least Developed Countries (LDC’s) by 2020. Specifically it seeks to;

a) explore the links between rural transport and national development goals and targets,

b) identify contributions of the rural transport sub-sector to achieving goals and targets in other sectors, and

c) identify gaps in the rural transport system in the country which hold back the achievements of development goals and targets.

1.2 The workshop scheduled for September 25th will seek to build upon the above points and identify actions to increase the impact of the rural transport sector on poverty reduction.

1.3 This paper was developed through consultations with representatives from a range of Ministries and stakeholders involved in rural transport infrastructure and poverty reduction in Laos (refer Annex 2 - Consultation Schedule). Consultations took place between the 24th August – 8th September 2008 and were supplemented by a desk study of available literature regarding poverty reduction initiatives and the links to rural transport and accessibility.

1.4 The paper is structured in three parts;

a) A description of poverty in the Lao PDR, the NGPES and access,

b) The role of the core sectors, agriculture, transport, health and education in meeting NGPES objectives and linkages to access.

c) The rural access challenges faced in meeting the NGPES poverty eradication goals and gaps in doing so.

PART I: Poverty & Access

Issues of access and poverty are closely intertwined within the Lao PDR, with some of the successes in poverty eradication over the last decade being statistically attributable to access improvements. This section of the paper provides an over view of both poverty and access in the Lao PDR, the linkages between these and how this is reflected within NGPES strategies for eradicating poverty.
Poverty Eradication

2.1 The Lao PDR is currently ranked 133rd of 177 countries on the UNDP Human Development Index. In line with the MDG's, NGPES and the 6th National Social and Economic Development Plan 2006-2010 (NSEDP), Laos aims to stimulate economic growth and reduce poverty levels enough to no longer be identified as a Least Developed Country (LDC) by 2020.

2.2 In 2002 33.5% of the Lao population was living below the official poverty line (less than 85,000 Kip/month), and targets established aim to reduce this figure to 25% by 2010. Measurement of poverty in Laos is conducted in line with Prime Minister Instruction No. 10 which defines poverty as:

"... the lack of basic requirements in daily livelihood, such as the lack of food (less than 2,100 kilocalories per person per day), clothing, permanent shelter, inability to afford necessary medical treatments, inability to afford one's own education and the education of other members of the family and the lack of easy access... ." Prime Minister's Instruction No. 010 (extract)

It is worth noting that at village levels, poverty is usually defined according to livelihood factors rather than service access. For the poor, poverty is therefore more closely related to direct issues of resources (food, money etc) than social services.

2.3 Based on PM Instruction No. 10, the Government of the Lao PDR (GoL) classified a total of 72 out of 141 districts as poor. 47 of these 72 poor districts have been highlighted as the poorest districts and are specifically targeted for poverty reduction and development activities. The indicators used within the NGPES to identify the poorest districts and villages are shown in table 1 below. These criteria consist of;

a) Levels of food or cash equivalent,

b) Physical accessibility to key services and

c) Distance to dry season road.

Issues of ‘access’ (b & c above) are therefore central to both the formulation of the NGPES and, directly influence strategies to eradicate poverty in the Lao PDR.

Table 1: Indicators of Poverty;

<table>
<thead>
<tr>
<th>Household level</th>
<th>Village level</th>
<th>District level</th>
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<tbody>
<tr>
<td>- Income of less than KIP 85,000 (or rice equivalent) per person/month (Based on 2001 prices).</td>
<td>- At least 51% of all households are poor households.</td>
<td>- Over 51% of the villages are poor.</td>
</tr>
<tr>
<td></td>
<td>- Without school within the village or schools in nearby and accessible villages.</td>
<td>- Over 40% of the villages do not have local or nearby schools.</td>
</tr>
<tr>
<td></td>
<td>- Without dispensaries, traditional medicinal practitioner or requiring over 6 hours of travel to reach a hospital.</td>
<td>- Over 40% of the villages do not have a dispensary or pharmacy.</td>
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<tr>
<td></td>
<td>- Without safe water supply.</td>
<td>- Over 60% of the villages without Dry Season road access road, which can be used by car.</td>
</tr>
</tbody>
</table>

[Note: This sum allows purchasing 16 kilograms of milled rice per person/month, but the balance is insufficient to cover other necessary expenses, such as clothing, shelter, children's schooling costs and medical treatment.]

1 Due to inflation, exchange rate fluctuation and increase in the cost of living the minimum income figure and other aspects of the poverty indicators will be revised by the National Rural Development and Poverty Eradication Committee.
2.4 The National Growth and Poverty Eradication Strategy (NGPES) identifies four key sectors for focusing efforts to reduce poverty, namely: a) Agriculture and Forestry, b) Health, c) Education and d) Transport. Goals, strategies and targets of these sectors from within the NGPES and the 6th NSDP are summarized in Annex 5. Goals and selected objectives, strategies and targets from these plans are presented below by sector.

2.5 Agriculture and Forestry;

Goals:

a) Poverty Alleviation/poverty eradication through sustainable economic growth
b) Stabilization of shifting agriculture
c) Area-based rural development to reduce poverty

Selected objectives, strategies and targets:

- Support diversification of livelihoods
- Increase access to markets for increased income
- Creation of economic opportunities
- Strengthening of communities and improved village and community management and planning
- Stabilize shifting cultivation through land allocation and sustainable land use.

2.6 Health;

Goals:

a) A nation-wide health service that is fair and equal according to gender, age, social rank, tradition, religion, ethnicity, and geographic location.
b) Basic health services that respond to people’s needs and expectations and that gain people’s trust.
c) Substantial improvement in people’s health status, especially of the poor.

Selected objectives, strategies and targets:

- Expansion of the service network and health promotion in remote areas
- Upgrading the skills of health staff and increasing the number of staff from ethnic minorities
- Promotion of maternal and child health
- Immunization for women and children
- Water supply and environmental health

2.7 Education;

Goals:

a) Achieve Education for All by 2015
b) To combat hunger and poverty and improve the quality of life of the most vulnerable to access education
c) Facilitate economic growth through increased completion of appropriate education

Selected objectives, strategies and targets:
Transport, Poverty & Livelihoods in the Lao PDR

- Expand post primary schooling
- Increase access to complete primary schooling significantly, especially in 47 poorest districts
- Reduce opportunity cost for poor families to encourage attendance of poor students
- Reduce differences in major indicators between 47 poorest districts and national averages
- Multi-sectoral cooperation

2.8 Infrastructure;

Goal:

a) To fully integrate the economy, thereby providing an enabling environment for trade and commerce and access for all Lao people to basic services

Selected objectives, strategies and targets:

- Maintenance of transport facilities
- Investment in transport infrastructure
- Private/public Sector Development
- Transit and Trade Facilitation
- Develop Rural Transport Infrastructure (RTI), applying a Participatory Rural Transport Planning (PRTP) approach
- Develop, revise, disseminate, and implement/enforce the regulatory framework for the transport sector

2.9 The NGPES orients all rural development activity to be coordinated and integrated at the local district and/or village level, and to ensure rural development action is “owned” by the communities themselves (2003, NGPES). The GoL rural development strategy further states that: “Development should be people-centered and the principle of community self-development should be the overarching goal; projects should facilitate the implementation of village development plans”, (2003, NGPES).

2.10 The introduction of the Kumban Pattana (group of villages for development) model is increasing the localization of development planning. All stakeholders consulted in the development of this paper indicated that significant responsibility for ensuring coordinated and integrated planning is now at the Kumban Pattana level, facilitated by District and Provincial authorities. There is a strong sense of optimism surrounding the potential for improved coordination of planning at the local levels through such structures, although it is generally accepted that there is a need for capacity building and technical support initiatives for government staff appointed to live and work at the Kumban Pattana level.

Poverty & Access

3.1 The Lao Expenditure and Consumption Survey (LECS) III indicated an overall reduction in rural poverty by about 9.5% between 1997 and 2002. (2006, Warr & 2003, LECS III). Poverty reduction gains have been considerably higher in some of the poorest provinces. Phongsaly in the north for example reported 72% of the population as poor in 92/3, compared to 50.8% by 2002/3. As shown in table 2 below, the last decade has thus seen considerable progress in poverty reduction.
Table 2: Summary of changes to poor populations by region & provinces with highest poverty rates

<table>
<thead>
<tr>
<th>Region / Province</th>
<th>LECS I 92/93</th>
<th>LECS II 97/98</th>
<th>LECS III 02/03</th>
<th>% Change 92/3 to 02/3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lao PDR</td>
<td>46</td>
<td>39.1</td>
<td>33.5</td>
<td>-12.5</td>
</tr>
<tr>
<td>Northern Region</td>
<td>51.6</td>
<td>47.3</td>
<td>37.9</td>
<td>-13.7</td>
</tr>
<tr>
<td>Huaphanh</td>
<td>71.3</td>
<td>71.3</td>
<td>51.5</td>
<td>-19.8</td>
</tr>
<tr>
<td>Phongsaly</td>
<td>72</td>
<td>57.9</td>
<td>50.8</td>
<td>-21.2</td>
</tr>
<tr>
<td>Central Region</td>
<td>45</td>
<td>39.4</td>
<td>35.4</td>
<td>-9.6</td>
</tr>
<tr>
<td>Xiangkhuang</td>
<td>63</td>
<td>42.9</td>
<td>41.6</td>
<td>-21.4</td>
</tr>
<tr>
<td>Southern Region</td>
<td>45.7</td>
<td>39.8</td>
<td>32.6</td>
<td>-13.1</td>
</tr>
<tr>
<td>Sekong</td>
<td>67</td>
<td>49.7</td>
<td>41.8</td>
<td>-25.2</td>
</tr>
<tr>
<td>Attapeu</td>
<td>60.5</td>
<td>48</td>
<td>44</td>
<td>-16.5</td>
</tr>
</tbody>
</table>

Source: Adapted from Warr, P. (2005) calculations based on LECS III.

3.2 This period has also seen a substantial expansion in the quality and quantity of road networks within the country as shown below (table 3), with total road lengths increasing by some 141% between 2000 and 2006.

Table 3 - Road lengths by type 2000-2006, Lao PDR

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<tr>
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</thead>
<tbody>
<tr>
<td>Total</td>
<td>25,090</td>
<td>25,090</td>
<td>32,625</td>
<td>31,204</td>
<td>31,209</td>
<td>33,861</td>
<td>35,260</td>
<td>100%</td>
<td>141%</td>
</tr>
<tr>
<td>Tarred</td>
<td>3,897</td>
<td>3,897</td>
<td>4,592</td>
<td>4,491</td>
<td>4,497</td>
<td>4,586</td>
<td>4,548</td>
<td>13%</td>
<td>117%</td>
</tr>
<tr>
<td>Graveled</td>
<td>5,315</td>
<td>5,315</td>
<td>9,661</td>
<td>10,097</td>
<td>10,097</td>
<td>11,608</td>
<td>11,981</td>
<td>34%</td>
<td>225%</td>
</tr>
<tr>
<td>Earthen</td>
<td>15,878</td>
<td>15,878</td>
<td>18,372</td>
<td>16,615</td>
<td>16,615</td>
<td>17,667</td>
<td>18,731</td>
<td>53%</td>
<td>118%</td>
</tr>
</tbody>
</table>

Source: National Statistics Centre 2008

3.3 Warr (2005) has undertaken a statistical analysis of the LECS III and LECS II data and concluded that “about 13% (one sixth) of the reduction in rural poverty incidence that occurred between LECS II and LECS III can be attributed to improved wet season road access” (2006, War).

3.4 Further analysis by Menon (2007) on impacts of road improvement and construction on poverty concludes that; reducing transport costs through rural road improvement generates significant reduction in poverty incidence. It does this through increasing the income earning opportunities of the poor and reducing the costs of the goods they consume.

3.5 Improving rural transport for remote, poor rural communities clearly has benefits that cut across technical sectors; access to education, health, markets all benefit from better transport links. It is however worth considering what is meant by ‘access’ to help address remaining access constraints.

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3.6 Access includes considerations of a) Time, b) Effort and c) Cost to enable people and goods to reach required locations. If the time, effort and costs of access outweighs the value of the service to the client/user then it can be said that the service has failed to meet the needs of the user/client. Rural transport infrastructure improves mobility of people by helping to reduce the time, effort and cost required to access goods, services and facilities people need.

3.7 Although it is generally assumed that rural transport access is road based, planning for improved rural transport facilities and infrastructure needs to look beyond roads to other means of mobility and include consideration of river networks, vehicles used (hand tractors, bicycles, motorbikes etc), use of livestock (Cattle and Horses), and as is often the case in rural areas, the extent to which walking is the primary means of mobility. Rivers have traditionally provided transportation routes for people and goods in the Lao PDR and continue to do. The World Bank (2005) states that ‘Laos does not fully realize the potential of water transport along the Mekong river and its subsidiaries nor benefit from the reduced impact on the environment or overall lower transport costs for cargo. During the last decade waterway transport doubled its share of the market from 4% in 1990 to 8% in 2002.’ For remote, poor communities without road access, located along such rivers, they remain the principle transportation routes to market. In other areas roads may provide dry season access whilst rivers provide the same during the wet season. Different forms of access may therefore be used by communities at different times of year. The significant expansion in hydro-investments in Laos will increase dry season flows of many rivers (e.g. Se Bang Fai,) increasing their transport utility during the dry season.

3.8 Privately supplied public transport services rapidly enter into areas with new or improved road access so long as fares needed to be charged are able to be afforded by enough community members. In remote, poor and low density areas such factors do not always align. Is there a role for Government or Projects to ‘share risks’ associated with establishing such transport services?

3.9 How does new rural transport access result in livelihood improvements and poverty reduction gains at the household level? There are a number of important points to make on this before looking at the specifics for communities that previously relied solely on walking or animals.

3.10 For remote mountain communities, the arrival of a new road is perhaps the first time that the ‘world’ in its entirety is able to enter the community. This can and often results in a substantial livelihood transition with far reaching effects on all aspects of life. As one village woman of Akha ethnicity put it ‘strangers arrive now and we don’t know if they are good or bad’.

3.11 The effects of ‘markets’ are now felt much more strongly than before, traders arrive in the village looking to both buy and sell goods. This effects local traditions and motivates expansion in production beyond what was needed for subsistence. As one man from the Katang ethnic group put it ‘rice has a price now’.

3.12 Secondly, the way in which the world now enters the village and engages with it as an economy has profound effects on the results of this interaction. In some cases, results are negatives and farmers lose time, effort and resources. In others they benefit tremendously. The first few years are therefore a period of transition, with the key roles in such being played by village leadership, external investors and local government.

3.13 As rural transport access improves and farmers gain confidence that traders will come, specialisation in market oriented production increases and substance based production declines. In some cases farmers abandon low return subsistence agriculture for much higher return commercially oriented production (e.g. Oudomxay and Maize).
3.14 While results of improved transportation links have both positive and negative impacts, poor communities are unequivocal in their demand for such improvements. They understand the risks but demand to have the opportunity to engage with the global economy. Undertake a community needs assessment anywhere in rural Laos without road access and you are almost guaranteed that road access will appear within the top two community priorities.

3.15 Basic Access can be defined as the minimum level of accessibility required for a community to sustain socio-economic activity. Models for Basic Access focus on expanding rural transport infrastructure based on a transport and community needs assessment to determine the actual quality requirements of the infrastructure required. Basic Access initiatives aim to improve the mobility of communities, not to provide high quality transport infrastructure.

3.16 A more holistic understanding of mobility and access needs of rural communities is now beginning to form the basis for current rural transport action. Within this context "rural transport is more broadly seen as an input into successful rural livelihood strategies, within which access consists of three complementary elements: (a) means of transport, (b) location and quality of facilities, and (c) transport infrastructure" (2001, Lebo and Schelling).

3.17 The NGPES defines improving access as: "Improving access means improving access to production inputs, markets, human resources, social services and rural finance. These five categories include a wide range of factors, including rural infrastructure (roads, irrigation), technology, education and health services and natural resource management" (NGPES pp 9). Actions to address these five categories are included within the strategies of the 4 key sectors for poverty reduction; agriculture and forestry, health, education and transport.

3.18 Several authors have identified that there may be a correlation between the reduction in poverty levels over the past decade, increase in non-rice crops (particularly in the upland areas) and the expanded all weather road network (2008, Oraboune, & 2005, Warr). Warr explains that there appear to have been considerable gains in poverty reduction during the period 1997-1998 to 2002-2003, when the focus for rural road transport infrastructure was on upgrading dry-season access roads to all-weather roads. Despite the success of this strategy, Warr points out that by focusing on upgrading access has meant that the most remote, those without any road access, continue to be isolated and face significant obstacles participating in the market economy. Warr claims that by providing these villages with dry season only road access, “rural poverty incidence could be reduced permanently from the present 33% to 29.7%” (2005, Warr).
3.19 Given the comparatively mobile nature of rural populations in the Lao PDR, and the traditional nature of such amongst some ethnic groups, improving transport access is typically addressed through three strategies:

a) The creation or improvement of access from an existing road network to a village site (roads to people) and

b) The movement of populations from existing village sites to a new site with road access (people to roads).

c) The establishment of services in areas without roads (services to people).

3.20 All three strategies are occurring concurrently within the Laos PDR and there significant evidence of large scale movement of populations towards new sites along roads. Given the social and economic benefits that can accrue from improved access such movement is unsurprising. However, where the population density along a road site exceeds the agricultural ‘carrying capacity’ of the area, traditional agricultural livelihoods are being progressively replaced or supplemented by less secure livelihood systems, often reliant upon the sale of wage labour.

**Case Study: Khammoune,**

A socio-economic assessment of the impact of rural roads in 4 villages found significant positive impacts on cash incomes and assets. Although households with more capital prior to the road construction benefited more than others, a quarter of ‘low-income’ households were able to progress to become ‘middle-income’ households since the road was built. Communities reported a natural progression to more diversified production systems as traders began accessing the village year round. Sales to these traders was preferred to previous practices of households directly transporting goods to market for sale themselves because of lower transaction costs. In addition to economic benefits, villagers reported that access to health care improved significantly.

![The Breakdown of Income Groups Before and After the Road Construction](chart1.png)


3.21 However, alternatives to roads do exist and in many cases river transport can and does offer a valid alternative. In some cases, communities with both river and road access will choose to use the river because of lower costs. To what extent do these alternative strategies, such as increased use of rivers and non-road access tracks, paths etc offer realistic opportunities for poverty reduction?
PART II: Sector Strategies and Access

This section of the paper explores the strategies of key sectors within the NGPES and how these link with issues of rural access.

Transport

4.1 The goal of the transport sector as described within the NGPES is to ‘To fully integrate the economy, thereby providing an enabling environment for trade and commerce and access for all Lao people to basic services’ (my emphasis).

4.2 The Lao government transport priorities “include maintaining the existing primary and rural road networks, through increasingly decentralised road management, and further developing of the rural road network and all-weather road provincial/district linkages” (2003, NPEP).

4.3 Some commentators have ‘guesestimated’ that to achieve access for all villages would require over 1,000km of new roads would need to be constructed per year from now until 2020. This is not a particularly expensive undertaking; at $6,000/km suggesting a budget allocation of perhaps US$6 -10 million per year for the next 12 years. How accurate is this ‘guesstimate’?

4.4 The Local Roads Division of the MPWT has developed a draft document that outlines a potential alternative rural transport infrastructure strategy to assist the expansion of the rural roads network and further integrate rural roads infrastructure within a broader community based rural development framework. The LRD’s proposed Community Roads Model (CRM) is based on the experiences gained in Laos through ILO supported initiatives such as the Labour Based Roads projects, and the Integrated Roads Accessibility Planning (IRAP) project.

4.5 This alternative mechanism is founded in community development principles of ownership and participation of local communities and a holistic approach to meeting demand-driven community needs. According to the Local Roads Division, basic access currently falls outside the road classification included in the Roads Law, as this lack of standardization or institutional framework has meant there has been a lack of strategic funding targeting basic access infrastructure. The Community Road Model (CRM) is intended to focus on access links between Kum Ban and villages, and village to arterial roads/village. CRM is also designed to ensure ownership of road maintenance through use of capacity (resource and skill) appropriate technical designs.

4.6 One of the options for improved basic access that is increasingly being made possible through the South East Asia Community Access Project (SEACAP) project is the research and development of alternative cost-effective and appropriate construction techniques for rural roads. Manuals for trialed construction tools are available and clearly outline requirements for construction and maintenance of some of the main problem areas for rural roads. The LRD through their CRM also supports the promotion of a minimum standards approach to the expansion of a basic access rural roads network.

4.7 CRM identifies a need to gradually develop the rural transport infrastructure network through a
step-by-step approach that improves access using minimum technical standards that reflect the intended or developing nature and level of rural road traffic. For example, a village that is only accessible by walking, could upgrade their footpath to a track that has width and carrying capacity for a hand-tractor with cart. This would enable increased amount of goods to be brought in/out of the village, facilitate easier accessibility/mobility for the community by reducing traveling time. As the village transportation needs grow, the track/road can be upgraded according to these developing needs. There is some debate about whether provision of a high quality road initially is more cost-effective in terms of maintenance in the long-term, however, the financial up-front need for funding a rural road project to this standard is estimated to cost approximately 6000 USD/km (Local Roads Division), not including the required capacity building required for ensuring adequate maintenance.

4.8 The use of labour based, machine assisted construction techniques for rural roads or tracks as well as bridge construction has been widely and successfully used in Laos. There are however specific issues with such approaches, these include:

- Population densities in some areas are so low as to make labour based construction almost impossible.
- Labour contributed for such road construction needs to be paid for at adequate local rates.
- In highly mountainous areas, maintenance issues are significant with such ‘maintenance’ can be way beyond the capacity of a village or group of villages to complete themselves by hand. In many cases such maintenance can be better described as ‘re-construction’.

4.9 The ability to enforce tonnage restrictions on roads is another key issues. Failure to do so resulting in roads being destroyed by overloaded trucks (typically linked to logging) or other vehicles. During the preparatory consultations for the workshop there was support expressed for a minimum standards approach to basic access networks but concerns were expressed about ensuring that such tracks s were not abused beyond their tonnage capacity. However, in some cases the major community demand for such tracks is precisely to enable large tonnage vehicle access (e.g. to buy maize), and then perhaps only once a year.

### Agriculture and Forestry

5.1 It is hard to overstate the importance of improved access to the achievement NGPES goals associated with agriculture and forestry. These goals being:

a) Poverty alleviation/ poverty eradication through sustainable economic growth
b) Stabilization of shifting agriculture
c) Area-based rural development to reduce poverty

5.2 In terms of achieving these objectives, improved access;

a. Facilitates market entry, in turn driving permanent cash cropping, esp. of low value-to-weight commodities (e.g. Maize, Cassava).

b. Facilitates entry of private sector investment in agricultural production e.g. rubber plantations.

c. Enables farmer specialization in crops suited the specific local conditions, through improved market access.
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Through improved access rice has become a cash crop, enabling sale of surplus production and in some locations driving significant expansions in production.

Improved access, enabling trader entry to village sites has reduced farmer transaction costs associated with marketing allowing increased focus on production.

Increased availability and use of agricultural inputs (fertilizers) and technologies (mechanical plowing etc), itself driving improvements in productivity.

Accessibility is integrated into the NGPES matrix for the agriculture and forestry sector, emphasizing its importance to improving livelihoods and reducing vulnerabilities of rural communities. Specific activity targets related to improving accessibility are integrated into objectives focused on improving access to markets, improving extension services, improving access to credit services, and to assist in reducing the use of shifting cultivation agriculture. Feeder track/rural road improvement is intended to facilitate economic growth and commercial agricultural production (refer table 4).

<table>
<thead>
<tr>
<th>Goal/Sub-Sector</th>
<th>Objective</th>
<th>Measure/Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Poverty Alleviation/Poverty Eradication through sustainable economic growth</td>
<td>1.2 Provide an enabling environment for agricultural development</td>
<td>Construction of rural infrastructure based on the plans with beneficiary participation</td>
</tr>
<tr>
<td></td>
<td>1.3 The production of paddy for food security through the Food Production Program</td>
<td>Improve rural access roads</td>
</tr>
<tr>
<td></td>
<td>1.5 Income Generation</td>
<td>Improve market access roads</td>
</tr>
<tr>
<td></td>
<td>1.6 Livestock Development</td>
<td>Improve access roads and access to credit for livestock production</td>
</tr>
<tr>
<td>2. Stabilization of shifting agriculture</td>
<td>2.3 Stabilization of shifting agriculture in Northern Upland and Highland Areas</td>
<td>Opening community market access through feeder road upgrading and expansion and market delivery system</td>
</tr>
<tr>
<td></td>
<td>2.5 Cottage and Other Off-far Income Development:</td>
<td>Capital investment in providing district/ village mobility</td>
</tr>
</tbody>
</table>

The MoAF has a clear focus on improving productivity of both commercial and food oriented agricultural systems and move beyond subsistence production. As described briefly above, the NGPES outlines the mandate of MoAF in rural road/feeder track construction for better market access. Rural roads help provide access to new market based opportunities. (2008, Oraboune)

Agriculture and Forestry NGPES goal to improve market access clearly links them to the efforts of the Ministry of PWT. There has been collaboration between the 2 ministries at the
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Provincial and District levels, and through various integrated rural development programs designed by UN agencies, ADB, and NGOs. However formal coordination and policy alignment between the two ministries has been more limited. This has resulted in numerous approaches and methods being used for construction and inconsistent measurement of the impact of basic access on livelihoods. Several stakeholders have requested that the MPWT issue a policy or technical framework regarding standards for basic transport access infrastructure.

Health

6.1 The health sector generally describes access in both terms of providing access to villages, and of villages’ access of health services. The NGPES indicates that every village should be no more than 6 hours travel time from a hospital facility. The National Poverty Eradication Program document (PEP) approved by the 8th Party Congress in 2003 describes that 30% of the northern population (where most of the poor population is located) are on average 16km from a health centre. During consultations with the Ministry of health it was not indicated if means of access/transport to the location of their health services is used as an indicator or measurement of service but was considered something that could be considered together by both the Ministries of Health and PWT.

6.2 As with the other sectors the focus of Health initiatives are targeted at 72 poor districts, with emphasis on the 47 poorest districts. The health sector’s pro-poor strategy outlines plans to expand health services networks to rural areas by building capacity at the district and village level to provide basic health services. The need for resources to be allocated to capacity building initiatives is described in the NGPES however, as discussed with representatives from the Ministry of Health during workshop preparation, provision of adequate technical/capacity building support for village health workers is difficult due to the limited access of many rural villages, particularly in upland areas.

6.3 There are a number of areas where issues of health service delivery and rural access intersect, these include;

a) High travel costs and the opportunity costs associated with undertaking such travel often means that households are unwilling to access higher level health services until the need is clear. Unfortunately this means that such services are provided too late.

b) Staff recruitment and retention in remote off-road sites is difficult, physical access to clinic sites thus mitigating against service delivery quality.

c) Difficult access results in low levels/inadequate technical support for Village Health Workers and supervision of Drug Revolving Funds (DRF), both key aspects of the health sector’s PHC network and therefore impacts on the quality of service provided at the village level.

d) Vaccination/Immunization campaigns are difficult to implement in areas where communities have limited access, particularly with those communities only accessible by foot. Refrigeration requirements for some vaccines making such campaigns complex.

e) Disease surveillance networks are reliant on communication from village to district, and district to province. There have been cases (e.g. Samet/Saysana in Sayabouly District, Sayabouly Province -2005) where disease outbreaks were unable to be reported in time due to poor/impassable wet season access issues. As such, health authorities were alerted too late.
and were not able to respond to the situation in time to assist the sick, and help prevent further infection.

6.4 During the preparatory consultations with the health sector it was discussed to what extent the health sector considered or coordinated with PWT to identify access issues related to new health centre (or other health infrastructure) construction designs. In general, while some coordination between the Health and PWT sector has taken place, it was agreed that this could be taken further. Discussions were had that indicated in general health infrastructure location selection was determined by existing road networks, and number of population the centre/service could provide for (approximately 1000 people per health centre).

6.5 Ministry representatives from both PWT and Health felt that with the Kum Ban structure there is optimism that basic access/transport considerations concerning health service infrastructure and service provision will be integrated Kum Ban Pattana Development plans.

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**Education**

7.1 The NGPES outlines that the education sector will focus on the 47 poorest districts and will aim to achieve 70% enrollment rates for these districts, and increase literacy rates to 67%. In order to do this the Ministry of Education has outlined that a pre-school and the first two years of primary school will be available in every village. Although flexible in urban areas where populations are denser, the Ministry of Education reports that the following indicators are used to identify locations for school facilities:

i. Pre-school and primary school: no more than 2km radius from school

ii. Junior secondary school: no more than 3km radius

iii. Senior secondary school: no more than 4km radius.

7.2 There is also an emphasis on developing vocational training facilities to support labour market needs. This includes the provision of vocational training or education in rural areas through Community Learning Centers which will be established in each Kum Ban Pattana focal site. With improved accessibility it is likely that differing labour skills will be required and that the education sector will need to ensure they are adequately informed by plans and progress within the trade and investment, employment and other sectors to ensure skills taught are reflective of real needs.

7.3 Education services in remote areas suffer as a result of poor access and have a made a number of important adaptations to such conditions;

a) Poor access and the lack of Lao language skills in remoter villages makes attracting and retaining qualified teachers in such locations problematic. This constraint is being addressed by increasing focus on local recruitment of teachers from such areas.

b) Opportunity costs (in terms of lost household labour) from allowing children to attend school are exacerbated by poor access and a semi-subsistence household economy. Improved access and associated possibilities for production that gives a greater return to labour reduces the need for children to assist parents.

c) Poor access between villages and secondary schools makes daily travel to school by many students impossible. As such many schools have established simple dormitories for their students. Such an approach however increases the costs of education to
families (children need to be provided with food) and may even contribute to issues of low enrollment and attendance rates in rural areas.

### Accessibility, Modernization and Industrialization

8.1 The linkages between improved access, commercialization and modernization of agriculture and rising rural incomes within much of upland Laos are profound. The recent boom in maize cultivation in northern Laos in response to strong market signals provides an excellent example of the way in which rural access can lead to dramatically increased local incomes through market oriented production.

8.2 In some upland areas farmers have now ceased rice production, focusing solely on commercial cash crop production. In such villages, the primary driver for having improved access is to be able to take advantage of opportunities for hybrid maize cultivation and sale. Such cultivation generates income levels at least double that of upland rice yet requires perhaps only a third of the labour.

8.3 The NGPES outlines an expectation that a significant growth in microfinance institutions and their services will enable rural communities to participate in micro-credit or other pro-poor banking/credit facilities to help stimulate rural trade and economic growth. As outlined in the Agriculture and Forestry section of the NGPES improved basic access through construction or rehabilitation of feeder roads are expected to support rural communities to increase their participation in markets and receive affordable credit support to develop their local economy through increasing production and trade capacity thereby potentially resulting in increased income and stronger livelihoods. From the case study from Khammouane province presented above, it is described that although road access did help to improve the income and asset base for all wealth categories in the benefiting villages, the ability to take advantage of the opportunities to access markets was closely linked to the amount of capital or assets each household had prior to road construction. Access to pro-poor credit services combined with the improved accessibility to markets could help to give poorer families the additional ability to participate in local trade for increased income generation.

8.4 Tourism is identified as a key area for potential rapid growth in the NGPES with recognition that tourism services and facilities need to be developed further including access to tourist sites and through encouraging community based tourism projects. Basic access improvement, together with strategic environmentally and culturally friendly support systems, has the potential to develop tourism as a community level income generation option.
PART III: Challenges & Gaps

This final section of the background paper seeks to highlight the key challenges faced in achieving NGPES goals from an ‘accessibility’ perspective.

**The Access Challenge:**

9.1 As presented above there is now considerable evidence and analysis that improving rural access in the Lao PDR is having a direct, significant positive impact on poverty. It is also clear that considerable access challenges remain if the NGPES goals are to be achieved.

9.2 The Local Roads Division quotes that in 2005, 66% of all villages in the Lao PDR were connected to a road network. Thus one-third of villages are estimated to currently be without either dry or wet season road access. This largely confirms the data presented below from LECS.

9.3 The National Statistics Centre states that in 2006 the Lao road network totaled 35,260km, of which nearly 90% are either graveled or earthen. As shown in table 3 (page 5), while all road types have shown significant growth since 2000, such growth is most apparent in graveled roads with the length of such roads more than doubling over this period. No current data is available but the results of the LECS III (2002/2003) shown below indicate that 31.6% of households had no access at all, with only 16.1% only accessible in the dry season.

Table 5 - Statistics of accessibility

<table>
<thead>
<tr>
<th>Items</th>
<th>Numbers of Households</th>
<th>Percent of Households</th>
</tr>
</thead>
<tbody>
<tr>
<td>No access in any season</td>
<td>2,146</td>
<td>2,052</td>
</tr>
<tr>
<td>Dry season access only</td>
<td>1,934</td>
<td>1,050</td>
</tr>
<tr>
<td>Dry and wet season access</td>
<td>2,794</td>
<td>3,386</td>
</tr>
<tr>
<td>All households</td>
<td>6,874</td>
<td>6,488</td>
</tr>
</tbody>
</table>


9.4 What is unclear is the scale of the challenge, in kilometer terms, in providing track access to the one third of villages without such access.

9.5 The main transportation networks in rural Laos are rural/community road and river networks that are used to facilitate both mobility of goods and people. In rural areas of Laos a significant number of people travel by foot, motor-scooter, hand tractor pulled carts, and where available public buses (which can be trucks, or buses depending on the terrain), boats. Wherever there is possible vehicle transportation there is usually a form of public transport available either in the form of a tractor-cart people carrier, truck or boat.

9.6 While progress has been made in reducing poverty and its link to the expanding rural road network clearly shown, there is still
a consistent profile of poorer villages with much poorer levels of accessibility. The ADBI’s 2006 Lao PDR Poverty Assessment Report states that;

"...village characteristics are consistently worse for the poor. Most striking is the distance to road. In 2002/3, the poor were on average 6.7 kilometers away from a road, compared to only 2.9 for the non-poor.

[The gap in road coverage between the poor and non-poor] increased from 40 percent to around 140 percent between 1997/8 to 2002/3, as the road network was expanded more quickly for the non-poor than the poor." (2006, ADBI).

Questions and Gaps

10.1 From a poverty reduction perspective the key challenge identified is how best to assist the one third of rural villages that still have no road access.

Shared Responsibility and Coordination

10.2 The responsibility for meeting NGPES goals are shared by all sectors, and as shown above, all sectors need to address issues of rural transport if other, sectorally specific goals (e.g. stabilization of shifting cultivation) are to be achieved. Responsibility for improving rural transport is thus seen as a shared goal, implying a shared responsibility.

10.3 Improved rural transport is a key consideration in the design of rural development activities led by sectors other than PWT. However, most sectors continue to believe that addressing transport needs is the primary responsibility of the MoPWT or their Provincial and District counterparts. As such there is often a lack of adequate consideration of transport issues within other sectors in the design and planning process for rural development activities.

10.4 The development of proxy indicators for ensuring adequate consideration of basic transport access across all sectors is considered possible. Further discussion is required to identify whether this would be a useful means of promoting further integration, and if so, what indicators would be of most use for all sectors involved. For example, a proxy indicator of time/distance and type of transport used to access services from a particular location could be used to measure and indicate any improvement to rural transportation and access and how that impacts on client access to services and improvements to extension and service provision in villages.

10.5 The Local Roads Division document outlining the Community Roads Model, together with the experiences of the IRAP, technical research and manuals of SEACAP and established poverty reduction coordination mechanisms could be used as a basis for development of rural transport infrastructure standards and their means of dissemination and implementation.

10.6 How to best ensure coordinated, national level responsibility for rural transport access improvement between the key sectors? Should all key sectors include rural transport issues in their strategies and plans in the same way as Agriculture & Forestry has done?

10.7 How to best ensure coordinated action from Donors and International Agencies in support of poverty reduction goals? As shown in this paper, rural transport access plays a crucial
enabling role in poverty alleviation. How best to ensure that improving rural transport access receives the attention it deserves from all donors and agencies?

Kumban Pattana Level Focus

10.8 The Kumban Pattana ‘model’ is reported to require that each kumban in the country is to be connected to the national road network. The scale of this task is, as yet, unclear. With integrated planning to be focused at the Kumban Pattana and village level there are likely to be gaps in planning skills and capacity both within the Kum Ban Pattana development planning committees and junior staff based at these sites. How to best address such issues?

10.9 The formulation and implementation of integrated, multi-sector, Kumban level development plans is now occurring. However, it appears likely that such plans will initially focus on these areas with already reasonable access. Given the rising importance of local level planning and multi-sectoral coordination, what is needed at central levels to support or facilitate this further? What are the limits of local level planning vis-à-vis improved rural transport access?

10.10 There are now a wide range of ‘funds’ available for the support of locally identified infrastructure and development activities (e.g. village development funds, District Development Funds, Poverty Reduction Fund, Synergy fund, Rural Development Committee Fund). How much is available from such funds each year? To what extent is improvements to rural transport access able to be financed through such funds and how are they best accessed?

10.11 Centralized data collection on total budget and achievement of rural access improvements is required as it can often be integrated into rural development projects that the Ministry of PWT is not involved in.

Roads and Tracks:

10.12 Menon⁴ (2007) states that with respect to Laos ‘it is important to consider the type of road improvement – whether dry season only to all weather or no road to dry season only. Although both forms of road improvement are important, and contribute to overall poverty reduction, reducing transport costs for households without road access is highly pro-poor. But such roads are more costly, however, unless it is 17 times more expensive then future investment should shift to providing road access where there is currently none, if the focus is on poverty reduction.’ To maximize the impact of available funds on NGPES goal achievement; how should investment in rural access be prioritized, using what criteria and by whom?

10.13 Sustaining improved rural transport access is critical, maintenance of basic road and track infrastructure remains of paramount importance if livelihood gains from access improvement are to be long term. How best to ensure this when most proposals from local levels for ‘funds’ prioritize new construction rather than maintenance. Only 10% of the national level Road Maintenance Fund is allocated to minor roads so how to address issues of maintenance that are beyond community capacities?

10.14 Specifications within the low-volume rural road design manual remain reasonably high and thus expensive when compared to the reality of many basic tracks that are actually being constructed by projects or farmers themselves. Is this a problem? Will standards address the key problems or limit expansion of rural transport access because adhering to ‘standards’ is too expensive?

**Low-Cost Solutions**

10.15 Are roads always required? To what extent do river networks offer an alternative in some areas? What are the experiences to date?

10.16 To what extent do alternative strategies, such as increased non-road access tracks, paths etc offer realistic opportunities for poverty reduction?

10.17 What are the cheapest ways to improve transport access to those 30% of villages currently without road access? Are there innovative low cost, low maintenance solutions to improved transport access to ‘open up’ such communities?

**Public-Private Opportunities**

10.18 Is there a role for Government or Projects to ‘share risks’ associated with establishing rural transport services where the private sector has not done so? How can government and projects best encourage the establishment of such private sector services?

10.19 The private sector is investing in access road construction to investment sites. These ‘special roads’ offer opportunities for linking larger areas into the national network. How can these opportunities be better grasped?
Annex 1 - Overview of stakeholders in rural transport and poverty reduction

The following is an overview of some of the key organizations, projects or agencies working towards improved integration of rural transport infrastructure into overall rural development planning and action:

**Local Roads Division, Ministry of Public Works and Transport:** The Local Roads Division (LRD) of the Ministry of PWT is responsible for the strategic direction and oversight of rural road infrastructure. The LRD has been the key division working with the SEACAP project to research and develop a number of simplified rural access technical guidelines for rural road construction that address the limited technical skills, resources available as well as ensure rural roads are designed to meet the tonnage capacity they are intended to carry.

**Poverty Reduction Fund (PRF):** The Poverty Reduction Fund Phase I has been in operation for almost 5 years in 5 provinces with a budget of 20 million USD. Recently a second phase was approved by the World Bank for an additional 3 years, and expansion into 1 additional province. The fund is an opportunity for Districts together with village authorities to prepare proposals for small-scale infrastructure projects and submit them for consideration to the MoPI Poverty Eradication Committee to allocate Poverty Reduction Fund support. According to the CEO of the PRF, a large proportion of the proposals are for rural roads. Construction of the rural roads is conducted by the PRF themselves sometimes in line with the local Provincial and District PWT offices. The intention of the PRF is for labour based construction so the community can contribute to the construction activity. However there are options for the community to forgo the labour payment allocation for the project and instead hire a contractor or labour force to do the construction work. Proposals are received by the PRF through the Poverty Eradication Committee and they are intended to be based on District and Kumban Pattana development plans (if completed).

**ADB:** ADB supports the Ministry of Tourism in a tourism growth project. A component of this looks at access to tourism sites and the MPWT is the partner for these activities. The ADB is committed to improving rural access in Laos and identifies it as one of the major challenges of development in the country. A step-by-step approach to expanding the roads network is supported with initial investment into arterial roads, then gradually increasing the reach of the road network into rural areas from the major highways/ national or Provincial roads. Although primarily involved in supporting the arterial road network investment in Laos, they have also supported the rural access network off route 13 south.

**Lao-Swedish Road sector Project (Basic Access Component):** is on track to complete 1,000km of basic access track/ rural roads by the end of project in 2009. Supported the Local Roads Division to initiate development of standards and strategy for rural transportation infrastructure. Synergy fund of 1,000,000 USD was made available to facilitate improved integration of basic access into other sector development action. The intention of this fund was to ensure basic access was included in initial design work, however except in partnerships with NGOs this level of collaboration (or synergy) has not been achieved.

**Non-Government Organizations:** Many non-government organizations have integrated rural access issues into their integrated rural development programs. NGOs such as ACF, CARE and
GAA undertake activities in partnership with the World Food Program’s Food For Work program or undertake FFW/ Cash For Work construction activities within their project budgets. NGOs work in partnership with the local authorities from their line ministry and public works and transport for road infrastructure activities.

**World Bank:** The bank has supported the development of the transport Master Plan.

**Private Sector:** There examples of the private sector undertaking rural road improvement or widening rural roads in order to gain access to villages with land or produce they are interested in procuring. There is also potential for large-scale investment projects with funds for supporting communities impacted by their investment to consider expanding rural road networks in the area or to agricultural fields for improved produce transportation. During consultations it was highlighted that a percentage of the income to the Government from the Nam Theun II project will be allocated to rural transport infrastructure.
## Annex 2 - Consultation Schedule

<table>
<thead>
<tr>
<th>Date</th>
<th>Sector</th>
<th>Position</th>
<th>Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>25/8/08</td>
<td>Ministry of Public Works and Transport: Department of Roads</td>
<td>Director General</td>
<td>Mr. Laokham Sompheth</td>
</tr>
<tr>
<td>26/8/08</td>
<td>Ministry of Public Works and Transport: Department of Planning and Cooperation</td>
<td>Deputy Director</td>
<td>Mr. Onida</td>
</tr>
<tr>
<td>26/8/08</td>
<td>Ministry of Public Works and Transport: Local Roads Division</td>
<td>Director of Division</td>
<td>Mr. Sengdarith Kattignasack</td>
</tr>
<tr>
<td>26/8/08</td>
<td>Ministry of Public Works and Transport: Local Roads Division</td>
<td>Deputy Director of Division</td>
<td>Nolasack Sisouphan</td>
</tr>
<tr>
<td>26/8/08</td>
<td>Ministry of Public Works and Transport: Local Roads Division - Lao-Swedish Road Sector Project III (Road Maintenance Component)</td>
<td>Team Leader</td>
<td>Per Olof</td>
</tr>
<tr>
<td>26/8/08</td>
<td>World Bank</td>
<td>Senior Infrastructure Specialist</td>
<td>Mr. Sombath Southivong</td>
</tr>
<tr>
<td>26/8/08</td>
<td>Ministry of Agriculture and Forestry: Division of Planning</td>
<td>Deputy Director</td>
<td>Mr. Oukham Phiathep</td>
</tr>
<tr>
<td>2/9/08</td>
<td>Ministry of Planning and Investment: Poverty Eradication Planning Division</td>
<td>Director</td>
<td>Mr. Lienthong Souphany</td>
</tr>
<tr>
<td>3/9/08</td>
<td>Poverty Reduction Fund</td>
<td>Executive Director</td>
<td>Mr. Sivixay Saysanavongphet</td>
</tr>
<tr>
<td>3/9/08</td>
<td>Prime Minister’s Office: National Committee for Rural development and Poverty Reduction - Planning and Cooperation Division</td>
<td>General Director</td>
<td>Mr. Kongkeo Vongpaseuth</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Director</td>
<td>Mr. Thipasone Soukhathammavong</td>
</tr>
<tr>
<td>4/9/08</td>
<td>Ministry of Public Health: Department of Planning</td>
<td>Senior Planning Officer</td>
<td>Dr. Somphet Vanitkhachone</td>
</tr>
<tr>
<td>5/9/08</td>
<td>Asian Development Bank</td>
<td>Country Director Senior Officer</td>
<td>Gil-Hong Kim Khamtanh Chanthy</td>
</tr>
<tr>
<td>6/9/08</td>
<td>Ministry of Public Works and Transport: Local Roads Division - Lao-Swedish Road Sector Project III (Basic Access Component)</td>
<td>Team Leader - Rural Accessibility Advisor</td>
<td>Mr. Belal Hussain</td>
</tr>
<tr>
<td>8/9/08</td>
<td>Ministry of Education: Department of Planning</td>
<td>Director of Division</td>
<td>Mr Mixaykone Vannachith</td>
</tr>
</tbody>
</table>
Annex 3 - Documents Consulted


Menon, J & Warr, P (2007). Does Road Improvement Reduce Poverty - A CGE Analysis for Lao PDR, ADBI.


Annex 4: Summary of selected Key Sector objectives and targets from the NGPES

<table>
<thead>
<tr>
<th>Sector</th>
<th>Goals</th>
<th>Objectives</th>
<th>Key strategy/ targets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture and Forestry</td>
<td>1. Poverty Alleviation/ poverty eradication through sustainable economic growth</td>
<td>Increase production for improved food security through crop diversification, paddy extension and improved cultivation techniques&lt;br&gt;2. Stabilisation of shifting agriculture&lt;br&gt;3. Area-based rural development to reduce poverty</td>
<td>- Increase paddy production&lt;br&gt;- Support diversification of livelihoods&lt;br&gt;- Increase access to credit in rural areas&lt;br&gt;- Increase access to markets for increased income&lt;br&gt; - Creation of economic opportunities&lt;br&gt;- Strengthening of communities and improved village and community management and planning&lt;br&gt;- Stabilize shifting cultivation through land allocation and sustainable land use.</td>
</tr>
<tr>
<td>Health</td>
<td>A nation-wide health service that is fair and equal according to gender, age, social rank, tradition, religion, ethnicity, and geographic location.</td>
<td>Expansion of the service network and health promotion in remote areas&lt;br&gt;Upgrading the sills of health staff and health promotion in remote areas</td>
<td>- Multi-sectoral cooperation&lt;br&gt;- DRF established in 5960 villages in remote areas by 2005. DRFs are supervised.&lt;br&gt;- 2013 trained VHV</td>
</tr>
</tbody>
</table>
### Transport, Poverty & Livelihoods in the Lao PDR

<table>
<thead>
<tr>
<th>Basic health services that respond to people's needs and expectations and that gain people's trust.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Substantial improvement in people's health status, especially of the poor:</td>
</tr>
<tr>
<td>Increasing the number of staff from ethnic minorities</td>
</tr>
<tr>
<td>Promotion of maternal and child health</td>
</tr>
<tr>
<td>Immunization for women and children</td>
</tr>
<tr>
<td>Water supply and environmental health</td>
</tr>
<tr>
<td>Communicable disease control</td>
</tr>
<tr>
<td>HIV/AIDS/STD control</td>
</tr>
<tr>
<td>Drug Revolving Fund expansion</td>
</tr>
<tr>
<td>Improved food and drug safety</td>
</tr>
<tr>
<td>Promotion of traditional medicine</td>
</tr>
<tr>
<td>Strengthened financing, management, quality assurance and legal framework</td>
</tr>
</tbody>
</table>

- 85% of rural and remote villages are reached by IEC activities and behaviour change occurs
- 80% of district hospitals and health centers have essential equipment and staff
- Health education for all (including HIV/AIDS education)
- 80% of rural and remote villages have a village health provider, essential drug kit, and a village health committee.
- Improve and integrate surveillance system from village to center
- Improve/expand PHC to remote level with 150 new health centres, 3 regional hospitals, with focus on poorest districts.
- To increase the proportion of health workers at village and district levels by 75%
- Infant mortality reduced to 58/1,000
- Child mortality reduced to 80/1000
- Maternal mortality reduced to 355/100,000
- Contraceptive prevalence increased to 45%
- 65-70% clean water access
- 45-50% hygienic latrine access
- 19-22% hygienic latrines in primary schools
- 90% coverage of mothers and children in remote areas with core antigens

### Education

1. Achieve Education for All by 2015
2. To combat hunger and poverty and improve the quality of life of the most vulnerable to access education
3. Facilitate economic growth through increased completion of appropriate education

- Increase access to complete primary schooling significantly, especially in 47 poorest districts
- Reduce illiteracy, especially among adult women and disadvantaged target groups
- Reduce opportunity cost for poor families to encourage attendance of poor students
- Increase children's concentration by providing a healthy meal
- Strengthen the capacity for the sexual

- Ensure primary school access in all villages
- Secondary school facilities to be available in all districts Use formal and non formal teachers to conduct literacy classes
- Review and nominate which incomplete schools are to be upgraded to complete schools
- Train villagers related to local market demands to improve their production and increase their income by using existing potential and resources focusing on agriculture and livestock
- Establish and improve Community Learning Centres in suitable locations
- More students in target sites will have more opportunities to attend school
Transport, Poverty & Livelihoods in the Lao PDR

| 1. To fully integrate the economy, thereby providing an enabling environment for trade and commerce and access for all Lao people to basic services | Maintenance of transport facilities | - Develop Rural Transport Infrastructure (RTI), applying a Participatory Rural Transport Planning (PRTP) approach
- Rehabilitate and/or construct district and provincial roads and bridges in accordance with a participatory planning process and in line with national priorities
- Rehabilitate and/or construct National roads, inland waterways, and bridges in accordance with national priorities
- Implement routine maintenance programs on all roads (national, prov district, local)
- Develop, revise, disseminate, and implement/enforce the regulatory framework for the transport sector
- Develop capacity of PWT staff at all levels
- Develop and apply procedures for addressing cross-cutting issues |
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|  | Investment in transport infrastructure | - Train target communities on food management and healthy food cooking
- Targeted assistance for girls in 47 poorest districts to encourage enrolment and completion
- Establish pre schools within existing primary schools
- Develop basic skill/vocational training including development of the model Community Learning Centres |
|  | Capacity Development | - Expand the enrolment of inclusive education
- Increase primary completion rate, especially in 47 poorest districts
- Reduce differences in major indicators between 47 poorest districts and national averages |