Socio-economic Development Planning in Lao PDR

Socio-economic Development Planning in Two Periods:

- 1^{st} Period: Centrally-planned System (1976-1985)

- 2^{nd} Period: “New Economic Mechanism” (Transition to a Market-oriented System) (1986-Now)
History of Committee for Planning and Investment (CPI)

• Former names of CPI:
  – State Planning Committee,
  – Ministry of Economy, Planning and Finance.
  – Committee for Planning and Cooperation and
  – Now: Committee for Planning and Investment (CPI)
1st Period: Centrally-planned System (1976-1985)

Durations of Planning: one year, 3 years and 5 years

• Plan from 1976-1977 was the first annual plan of the new regime which was aimed at recovering the economy after the war, improving the living standard of the people, recovering the agricultural and industrial production allowing people to make their living, and protecting and developing the nation and new regime peacefully.
Three-year Plan (1978-1980)

- The objectives of the plan were to:
  - reconstruct the nation after the war,
  - provide housing for people and permanent locations to make their living,
  - recover the farming land,
  - reconstruct some districts damaged by the war and,
  - repair and operate the existing industrial factories.
First Five-year Plan (1981-1985)

• It was formulated to translate the resolutions of the 3rd Party Congress into practice.

• The main objectives were to:
  – Support the agricultural-forestry production in order to achieve food sufficiency,
  – Repair the existing factories for regular operation and create a number of new industrial facilities and,
  – Construct basic infrastructure: Road No. 9, major bridges along Road No. 13.
“New Economic Mechanism” (1986-Now)

Five-year Plan II (1986-1990) was the first five-year plan after the introduction of “New Economic Mechanism”

• It was designed to implement the resolutions of the Fourth Party Congress held in 1986.
• The major objectives were to:
  – stabilize the national economy and politics,
  – continue to transform the economic structure with multiple sectors under the policy of moving from the subsistence and semi-subsistence economic system into a market-oriented economy under the Party-State leadership.

- It was designed to continue to transform the Lao economy into a market-oriented economy under the Party-State leadership.
- The key objectives were to:
  - Improve infrastructure and living standard of the people step by step,
  - Expand cooperation with foreign countries and,
  - Attract foreign investment into the national development.

- In addition, 8-year Plan (1993-2000) was formulated and aimed at ensuring stable and sustainable socio-economic development by implementing the 8 national priority programs set out during the period.
Five-year Plan IV (1996-2000)

• It was the period to continue the implementation of the Government plan until 2000 (8-year plan 1993-2000).

• Initially, it was aimed at implementing the 8 national priority programs as well as expanding cooperation with regional and international community in order to obtain assistance and necessary inputs for the national socio-economic development.
Five-year Plan V (2001-2005)

- It was the period that the globalization provided both several opportunities and challenges.
- The core issue in this period was poverty reduction that became the obligation of all countries in the world.
- Lao PDR successfully formulated the National Growth and Poverty Reduction Strategy (NGPES) that became the basis for reducing poverty, supporting the national policy on “Industrialization and Modernization”, and helping to achieve Millennium Development Goals (MDGs).
- Specially, it was designed as “Arrow (progressive) Approach” plan to ensure the successful implementation of the socio-economic development plan until 2020.
Five-year Plan VI (2006-2010)

- it was “Arrow (progressive) Approach” plan to ensure the successful implementation of the socio-economic development plan until 2020.
Functions of Committee for Planning and Investment (CPI)

• To translate the Party-State guidelines into the socio-economic development and poverty reduction strategies,
• To formulate mid-term, 5-year and annual plans and submit the plans to the Government for consideration,
• To carry out macroeconomic research and analysis and macroeconomic adjustment and management,
• To formulate policies and regulations in poverty reduction nation-wide and propose them to the Government for consideration,
• To apply and manage the implementation of the poverty reduction strategy in the local level after the approval by the Government or high-level authority.
Functions...(con’t)

• To monitor grant assistance and borrowings in the field of socio-economic development planning nation-wide,
• To study, compile, manage, monitor, coordinate, support and implement the policy on domestic and foreign investment promotion in Laos,
• To collect, study and analyze socio-economic data and publish the data to support the implementation of the Party and Government guidelines in all fields.
• To propose, in conjunction with the Ministry of Finance, the funding for the public investment of the sectors and local level (local government) to the Government for consideration.
Functions...(con’t)

• To act as the central agency to compile the socio-economic development and domestic and foreign investment plans from time to time and propose the plans to the Government for consideration and approval.

• To monitor, evaluate, guide and facilitate the implementation of the socio-economic development plans, public investment programs and domestic and foreign investment projects.
Rights of CPI

• To issue agreements, instructions, guidelines and notices to disseminate the laws, regulations and measures concerning the roles of the planning sector and investment.

• To select and prioritize public investment programs and domestic and foreign investment projects which are proposed by the planning sector and local level and then include them in the socio-economic development plans from time to time. In addition, in coordination with the concerned agencies propose the revision/adjustment of projects to the Government for consideration and approval.
Rights of CPI (con’t)

• To consider and find solutions to the problems occurred during the implementation period of the public investment programs, domestic and foreign investment projects and cooperation with and grant assistance from Vietnam and China as provided for by the laws and regulations and in consultation with the sectors and local level concerned.

• To suspend the public investment programs and domestic and foreign investment projects operating inconsistent with the set objectives, agreements, laws and regulations and propose them to the Government for solutions based on the procedures and regulations set out.
Rights of CPI (con’t)

• To undertake the appointment, promotion, transfer, recruitment, management, provision of training, employment, awards/appreciation, removal and disciplinary measures for the civil servants under its supervision.

• To issue the agreement on the establishment, the restructuring and abolishment of the taskforces and organizational units at the departmental and departmental-equivalent levels, provincial planning and investment departments and district planning and investment offices.
Organizational Structure of CPI

Central Level

- General Planning Dep.
- Investment M&E Dep.
- DDFI
- NSC
- NERI

Provincial DPI

- Cabinet
- Personnel Dep.
- Lao-Vietnamese Ass.
- Lao-Chinese Ass.
- Poverty Red. Fund

District OPI
Thank You Very Much for Your Attention