MALI NIGER CAPE VERDE SENEGAL KOSOVO SERBIA BURKINA FASO MONGOLIA MONTENEGRO RWANDA EL SALVADOR NICARAGUA VIETNAM LAOS LUXEMBOURG

DEVELOPMENT COOPERATION
LAOS | Hanoi Regional Office

138/187 6,586,270
Human Development Index 2011 Population

1.655 %
Population Growth Rate

Vientiane 63
Capital Life Expectancy at Birth

73%
Literacy

236,800 km²
Area

Laos
The Luxembourg Development Cooperation is strongly committed to eradicate poverty, particularly in Least Developed Countries (LDC). Actions are designed and implemented in the spirit of sustainable development including its social, economic and environmental aspects – with women, children and men at their core.

Luxembourg’s cooperation aims primarily to contribute to implementing the Millennium Development Goals (MDGs) by 2015. The main intervention sectors for cooperation are: health, education, including vocational and technical training and access to labour markets, and integrated local development with a strong emphasis on water and sanitation. Relevant initiatives in the field of microfinance are encouraged and supported, both at the conceptual and operational levels.

From a geographic point of view, Luxembourg cooperation has a policy of concentration of interventions in a restricted number of ten partner countries in order to optimise effectiveness and impact. Two out of these 10 countries are in Asia, namely Laos and Lao PDR, and cooperation with these countries distinguishes itself by a strong sense of partnership with national and local authorities. This spirit of partnership, paired with a strong concern for ownership of cooperation programmes by the partners, is at the heart of the multi-annual development cooperation programmes, the Indicative Cooperation Programmes (ICPs).

Since the year 2000, Luxembourg has been one of the industrialised countries contributing more than 0.7% of their Gross National Income (GNI) to Official Development Assistance (ODA). In 2011, Luxembourg’s ODA reached just under 300 Million EUR representing 0.97% of GNI. This ODA is channelled through bilateral cooperation, multilateral cooperation, and cooperation through Non Governmental Organisations (NGOs), as well as through programme support.

Besides, whenever natural or man-made disasters occur, Luxembourg strongly supports rapid humanitarian assistance through crisis management and life saving operations. Disaster prevention and post disaster transition work are part of Luxembourg’s humanitarian assistance strategy.

In parallel, Luxembourg Development Cooperation is actively involved in discussions on new quality standards of international development aid. As such, Luxembourg, as the acting Presidency of the Council of the European Union in 2005, was instrumental in the negotiation and adoption of the Paris Declaration on Aid Effectiveness, and Luxembourg also endorsed the Accra Agenda for Action (AAA) and is committed to the European Code of Conduct on Complementarity and Division of Labor.

The general strategy and principles of Luxembourg Development Cooperation are complemented by ten sector strategies covering the main areas of the Luxembourg global cooperation, namely health, humanitarian action, agriculture and food security, local development, water and sanitation, education, training and employability, environment protection, climate change, gender, governance and microfinance.

Luxembourg’s development cooperation and humanitarian assistance policy is characterised by a constant and progressive effort in quantitative and qualitative terms at the service of the poorest. This policy is an expression of true international solidarity and as such an important vector of the Luxembourg’s government foreign policy.
On 25 September 2007, Laos and Luxembourg celebrated their 10th anniversary of diplomatic relations. The visit of Luxembourg’s Prime Minister to Laos in September 2006 and the visit to Luxembourg of the Lao Prime Minister in June 2007 testify of the excellent relationship that exists between the two countries. Since 1997, Luxembourg has proven a strong partner in development cooperation in the country. In fact, Luxembourg is the second most important bilateral donor in the health sector after Japan.

With 27% of the population living on less than a dollar a day and 74% on less than two dollars a day, the Lao People’s Democratic Republic (Lao PDR) is one of the poorest countries in South East Asia. It is classified as a LDC and is ranked 133 out of 182 countries according to the United Nations (UN) Human Development Index.

The development cooperation programme between Luxembourg and the Lao PDR is governed by a General Cooperation Agreement, which was signed in Vientiane on 12 February 2000. A first ICP was signed in 2003 and implemented over the period of 2003 to 2006.

A second Indicative Cooperation Programme for the period of 2007 to 2010 was signed during the visit of Luxembourg’s Prime Minister, Jean-Claude Juncker, and the Minister for Development Cooperation, Jean-Louis Schiltz, to the Lao PDR on 19 September 2006.

During the four-year period between 2007 and 2010, a total of 35 million EUR was allocated to different areas of cooperation, representing a near doubling in comparison with the previous four years. In order to increase impact, the programme focused on the poorest areas of Vientiane province, Bolikhamxay, and Khammouane, as well as the 47 poorest districts as identified in the Government’s National Growth and Poverty Eradication Strategy (NGPES).

The third ICP 2011-2015 is guided by a spirit of continuity of Luxembourg’s existing development cooperation, with the strong geographical and sector concentration, is pro-poor oriented and is aligned with the National Socio-Economic Development Plan (NSEDP) 2011-2015. It also focuses on the needs of a landlocked LDC aiming to meet the MDGs by 2015 and to graduate from LDC status by 2020.

The third Indicative Cooperation Programme builds on the experiences of the past and strengthens the cooperation in the sectors where successful cooperation already exists, such as:

- health;
- education, vocational training, and strengthening of human resources;
- local development and local governance.

Within the framework of the third Indicative Cooperation Programme between the two countries, the health sector has been and remains one of the priority areas.

Furthermore, the areas of cooperation in banking and finance are further developed.

The third Cooperation Programme continues to support the Lao government’s efforts in developing the country and reducing poverty, in particular the Lao government’s NGPES. The ICP also aims to respond to the growing needs of a future middle income country (MIC) in key economic areas through institutional capacity
building and human resources development in the banking and finance sector and in the hospitality and tourism industry.

Luxembourg is also continuing to support the UN system in Laos, focusing on six main agencies: UNICEF, UNDP, UNFPA, UNODC, WFP and WHO. In addition, support is given to national and international NGOs and local associations in order to strengthen civil society in the Lao PDR. Luxembourg’s development cooperation continues to refine its aid efficiency by enhancing coordination with other donors.

The Lao Government pursues the efforts made over the past years and, building on achievements and progress in all development areas, its seventh NSEDP aims to achieve solid, equitable and sustainable economic growth, reduce poverty and inequality, attain the MDGs by 2015, and achieve further strides on the path of graduating the country from its LDC status by 2020.

1. **Bilateral Cooperation**

<table>
<thead>
<tr>
<th>Project</th>
<th>Total budget (Luxembourg)</th>
<th>Duration</th>
<th>Implementing Agency</th>
<th>Sector</th>
</tr>
</thead>
<tbody>
<tr>
<td>LAO/016 Banking and Finance Training</td>
<td>2,000,000 EUR</td>
<td>2008-2012</td>
<td>LuxDev</td>
<td>Finance</td>
</tr>
<tr>
<td>LAO/017 Lao-Luxembourg Health Initiatives Support Programme</td>
<td>16,750,000 EUR</td>
<td>2008-2013</td>
<td>LuxDev</td>
<td>Health</td>
</tr>
<tr>
<td>LAO/020 Strengthening of Human Resources in Hospitality and Tourism</td>
<td>9,325,000 EUR</td>
<td>2008-2013</td>
<td>LuxDev</td>
<td>Education</td>
</tr>
<tr>
<td>LAO/021 Bolikhamxay Livelihood Improvement and Governance Programme</td>
<td>6,000,000 EUR</td>
<td>2010-2014</td>
<td>LuxDev</td>
<td>Local development</td>
</tr>
<tr>
<td>LAO/023 Strengthening the Rule of Law through Legal University Education</td>
<td>5,000,000 EUR</td>
<td>2010-2014</td>
<td>LuxDev</td>
<td>Education / Governance</td>
</tr>
<tr>
<td>LAO/024 Khammouane Local Development Project</td>
<td>(TBC) 5,000,000 EUR</td>
<td>Formulation</td>
<td>LuxDev</td>
<td>Rural development</td>
</tr>
<tr>
<td>LAO/025 Strengthening the National Blood System</td>
<td>(TBC) 4,000,000 EUR</td>
<td>Formulation</td>
<td>LuxDev</td>
<td>Health</td>
</tr>
<tr>
<td>LAO/026 Technical Assistance to the IFAD Soum Son Seun Jai Programme</td>
<td>1,700,000 EUR</td>
<td>Formulation</td>
<td>LuxDev</td>
<td>Local development</td>
</tr>
<tr>
<td>Partnership for Research and Capacity Building in Infectious Disease Surveillance</td>
<td>2,486,226 EUR</td>
<td>2011-2015</td>
<td>Institute of Immunology Luxembourg</td>
<td>Health</td>
</tr>
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* Project financed by Luxembourg Ministry of Finance
### 2. Cooperation via NGO

<table>
<thead>
<tr>
<th>Project</th>
<th>Total budget (Luxembourg)</th>
<th>Duration</th>
<th>Implementing Agency</th>
<th>Sector</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cardiac Valvulopathy surgery</td>
<td>1,500,000 EUR</td>
<td>2010-2014</td>
<td>ADS</td>
<td>Health</td>
</tr>
<tr>
<td>Ecotourism with elephants</td>
<td>19,157 EUR</td>
<td>2009-2010</td>
<td>ALAL</td>
<td>Ecotourism</td>
</tr>
<tr>
<td>Handicap Prevention</td>
<td>278,007 EUR</td>
<td>2010-2013</td>
<td>HIL</td>
<td>Health</td>
</tr>
<tr>
<td>Saybouathong Food Security</td>
<td>64,000 EUR</td>
<td>2009-2011</td>
<td>CARITAS</td>
<td>Rural Development</td>
</tr>
<tr>
<td>Thathom District Rural Development</td>
<td>168,000 EUR</td>
<td>2010-2012</td>
<td>CARITAS</td>
<td>Rural Development</td>
</tr>
<tr>
<td>SOS Children’s Village, Savannakhet</td>
<td>1,384,655 EUR</td>
<td>2007-2012</td>
<td>SOS Interfonds</td>
<td>Education</td>
</tr>
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</table>

### 3. Technical Assistance

<table>
<thead>
<tr>
<th>Project</th>
<th>Total budget (Luxembourg)</th>
<th>Duration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Study Fund</td>
<td>500,000 EUR</td>
<td>2011-2015</td>
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</table>

### 4. Multilateral Cooperation

<table>
<thead>
<tr>
<th>Project</th>
<th>Total budget (Luxembourg)</th>
<th>Duration</th>
<th>Implementing Agency</th>
<th>Sector</th>
</tr>
</thead>
<tbody>
<tr>
<td>Support to UXO Lao (Phase 1&amp;2)</td>
<td>750,000 EUR</td>
<td>2011-2015</td>
<td>UNDP</td>
<td>Rural Development</td>
</tr>
<tr>
<td>Maternal, Newborn and Child Health</td>
<td>8,100,000 EUR</td>
<td>2011-2015</td>
<td>UNICEF, UNFPA, WHO, WFP</td>
<td>Health</td>
</tr>
<tr>
<td>Joint UN Programme</td>
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</table>
Multilateral projects financed by Luxembourg are intended to complement bilateral projects and programmes and represent up to 20% of the ICP budget. Luxembourg successfully cooperates with UNFPA, UNDP, WFP, UNICEF, WHO, UNODC and UNCDF in the sectors of health, education, rural development and good governance.

In the health sector Luxembourg is funding a joint United Nations programme to support the Ministry of Health's implementation of an integrated maternal, newborn and child health services package. This programme will be implemented by UNICEF, UNFPA, WFP and WHO and will aim to reduce maternal, newborn and child mortality and morbidity and the high levels of malnutrition in women and children. In addition support is provided to UNFPA’s Skilled Birth Attendants programme contributing to the reduction of infant and maternal mortality. Luxembourg has supported two consecutive phases of an ILO led programme for strengthening the national social security system.

Luxembourg is co-funding WFP’s school feeding programme which improves access to primary school education in remote areas as well as an assistance programme to food insecure households affected by multiple livelihood shocks. Luxembourg supports further WFP’s innovative approach of local procurement (P4P) helping smallholder farmers and assisting them in gaining access to markets.

Moreover Luxembourg continues to support the demining efforts through the UXO Lao trust fund managed by UNDP.

In the area of good governance, a cross-cutting theme of the ICP, Luxembourg provides support to public administration reform implemented jointly by UNDP and UNCDF. To facilitate coordination and ensure greater effectiveness of international development assistance, as per the Paris Declaration on aid effectiveness, Luxembourg contributes to the Round Table process.
Evolution of disbursements in Laos (in thousand EUR)

<table>
<thead>
<tr>
<th>Year</th>
<th>Disbursements (in thousand EUR)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>3,540.94</td>
</tr>
<tr>
<td>2008</td>
<td>4,938.09</td>
</tr>
<tr>
<td>2009</td>
<td>3,350.23</td>
</tr>
<tr>
<td>2010</td>
<td>5,768.85</td>
</tr>
<tr>
<td>2011</td>
<td>7,150.85</td>
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</tbody>
</table>
Lux-Development in Laos

LuxDev is responsible for implementing the bilateral cooperation programme in Laos on behalf of the Luxembourg Government.

In addition to managing the programme, LuxDev is also in charge of the formulation of new projects and programmes, selected by the Luxembourg Government following requests from its Laotian counterparts.

The Agency is represented by its regional office, located in Hanoi. The regional office also overlooks the development programme in Lao PDR and provides a bridge between headquarters, the programmes and the national administrations.

Details of projects currently being implemented are given, by sector, in the following pages.

Distribution by sector of the 2011 disbursements:

- **Local Development**: 23.29%
- **Health**: 49.03%
- **Agriculture & Food Security**: 23.29%
- **Microfinance & Inclusive Finance**: 8.81%
- **Education - Vocational Training & Access to Employment**: 18.87%
Developing the banking and financial education to increase the level of qualification of banking staff is an indirect way of developing the economy and business in Lao PDR. What the project cannot confirm is whether low-income people can indeed have access to the educational institutes affected by this project, or in some way prove to be beneficiaries of financial services to improve their own financial situation.

However, banks certainly fuel the Lao development activity and small business development. Banks and microfinance institutes are cornerstones for developing business in Lao PDR - offering greater access to financial services all over the country and for a larger population.

With an annual GDP growth rate of 7.7% in 2010, Lao PDR needs financial institutions to contribute to its development. In 2011, the number of banks operating in the country increased from 26 to 29, confirming economic growth of the country.

Also, the banking and financial sector offers a real opportunity for new entrants into the country’s labour market. The amount of new entrants into the Lao PDR workforce is increasing significantly, especially in recent years, and the workforce - only within the banking sector - doubled from 2008 to 2011.

The revised Banking Training Institute organisation has increased its capacity to manage the rising number of students and improve the teaching skills and level of education of the teachers. In such way, the updated curriculum and all connections with banks and other international banking institutes in neighbour-
ing countries will enhance BTI’s capacity to upgrade its long-term development strategy.

The library as a learning place with a relevant and accessible collection of resource materials provides a range of information services encourages students to use information in the resource centre and helps students gain access to information from other sources. Teachers can organise a research programme for students through the technical and financial information in books and Internet. BTI has an open door to international financial knowledge for students to increase the quality of the curriculum and finally for a better integration of the future staff in the international financial sector.

BTI delivers the new “banking fundamentals” as a first step approach towards vocational training to start its new activity and confirm its link with professionals of the financial sector.

After having reviewed HR department practices, banks are modernising the major practices such as training management, recruitment process, staff appraisals and management.

It is hoped that skills’ training and capacity building at the BTI’s organisational level as well as new methods in HR will ensure a better performance of the banking and finance sector as a whole. The increased quality of the curriculum of the higher banking diploma is set to contribute to a better education and hence capacity for the future employees in the banking sector.

Luxembourg contribution:
2,000,000 EUR
An initial project LAO/017 was designed in 2007 with a budget of 8.5 million EUR, extended to 10.5 million EUR at the beginning of 2008, involving three components focusing on (i) supporting the provincial and district health authorities in Bolikhamxay and Khammouane, (ii) supporting the implementation of the five-year Strategic Plan, particularly by strengthening the management and supervisory capacity of the Expanded Immunisation Programme (EPI), and (iii) assisting in the establishment and management of health technical services in five selected provinces by establishing maintenance workshops and supporting focused human resource skills development in this area.

This 2nd health programme, called Lao-Luxembourg Health Sector Support Programme (LL-HSSP), is the result of the agreement of the Luxembourg Government in February 2009, to expand the LAO/017 project with the proposed next phase of the LAO/015 project, thus including health sector development in Vientiane Province, but also responding more adequately to the newly identified eight priority areas of the Ministry of Health, including an emphasis on the new Mother Neonatal and Child Health (MNCH) and Health Care Financing strategies. It also includes support for a consolidation phase of the Belgian Technical Cooperation programme to health sector development in Vientiane province with additional funds of 2.25 million EUR.
provided by the Belgian Government under the modality of delegated cooperation.

The prime focus of the programme was a geographical one i.e. to assist the provincial and district health authorities in Bolikhamsay, Khammouane and Vientiane provinces in achieving more effective and efficient health services in accordance with national policies, strategies and plans.

The other focus was a functional one, supporting the implementation of priority health programmes and the further strengthening of health systems. In an effort to contribute to the reduction of the current infant and maternal mortality rate throughout the country, the programme will support the implementation of the recently adopted MNCH service delivery package, which includes support for the EPI.

Furthermore the programme was to assist in the establishment and management of health technical services in five selected provinces as was initially foreseen.

Lastly the programme was to support the elaboration of an appropriate health care financing and insurance system at different levels that may inform the roadmap for the establishment of ‘Universal Coverage’.

Under the first result area, technical and financial support provided to the Provincial Health Directorates enables the provinces to formulate and implement in a coherent way a robust annual plan that is in line with the national health system policies and strategies. Health Management Information System reports are produced to aid in effectively managing the districts through monitoring and evaluation. Provincial Health and Management Advisers of the LL-HSSP are embedded within the Provincial Health Directorate. This ensures an integrated approach to programme planning and capacity building while safeguarding ownership and as such promoting sustainability. This systematic strengthening of planning, implementation, monitoring and evaluation capacities improves implementation of core priority programmes, especially those related to maternal, neonatal and child health and primary care services.

Financial support provision was reformed to Operational Partnership Agreements, which ensure sound alignment with the Paris Declaration on Aid Effectiveness. This is achieved by gradually transferring responsibilities to the counterpart, hereby enhancing ownership while concurrently building institutional capacities. Provincial Health Administrations received technical assistance in financial management to reinforce accounting skills through on-site capacity development. Upgrading of the health facilities through renovation and provision of necessary equipment has attracted more women to deliver at these facilities. This has contributed to reduced infant and maternal mortality rates. Health services have also become more accessible for the remote rural population through training of 120 Primary Health Care Workers who were recruited from these communities and posted there following their training.

Under a second result area, technical and financial support to the National Immunisation Programme (NIP) aids the government in realising the respective Five-Year Strategic Plan. The technical assistance helps establishing a reliable monitoring system that enables availability of accurate and timely data on stock control and vaccine coverage. Ongoing education through study tours and provision of scholarships to key staff of the NIP helps to internalise introduced changes, hereby ensuring durability. Provision of vaccines during the Programme’s duration should enable the government to secure reliable domestic funding sources. Refrigerators supplied by the LL-HSSP allow the cold chain system to operate whereby fewer vaccines are wasted as a result of poor storage and more target people can be vaccinated, as the consumables are readily available at health facilities. Motorbikes provided by the LL-HSSP in turn, facilitated outreach services to deliver preventive services to remote communities.

The provision of trainings in Skilled Birth Attendance and Life Saving Skills upgrades the skills of those assisting deliveries and thus aims at reducing infant and maternal mortality. The facilities where these trainings take place are financially supported by the LL-HSSP.
Under a third and final result area, the National Medical Equipment Management Policy, dating from 2003, was reviewed. The reformulation of the Policy is a first step in establishing adequately functioning health technology services at central level, which enables the creation of uniform systems together with guidelines and procedures for physical asset management. Technical capacity for the health technology services increased considerably with the redeployment of twenty technicians who successfully completed their training course in Thailand, hereby addressing immediately a shortage of skills and competencies of health care technology managers at central and provincial level. Five workshops for medical equipment maintenance in the country were renovated.

Regular budget support by the LL-HSSP further enhances the capabilities of the respective units to operate more effectively by addressing budget constraints. As such, medical equipment in five provinces is regularly inspected and maintained. Facility designs for 10 health centres and one district hospital have been completed and contractors will soon be engaged for their construction.

A unique Health Financing Strategy consisting of three complementary interventions was implemented. The scheme addresses the LL-HSSP’s specific objective of reaching the poor and those at risk and living in more remote areas by subsidising their access to curative care, including indirect costs (health equity fund), promoting institutional deliveries to enable timely access to emergency obstetric care (voucher scheme); and promoting the delivery of preventive services to target groups. A third party is in charge for accounting and verification procedures related to the interventions. About 77,000 poor people—all women and children—are targeted with the interventions that in turn relate to three sub-objectives articulated in the forthcoming national health financing strategy. The health equity fund in Vientiane province, operational since 2006, underwent modifications to align it with contemporary health financing practices and make it more efficient.

The Minister of Health submitted a proposal for free deliveries and curative care for poor children and pregnant women to the National Assembly where it was approved for the 2011-2012 national budget. The LL-HSSP Health Financing Strategy was revised to align itself with these new developments.
This project is set to change the livelihoods of more than 100,000 people by directly and indirectly providing access to education and training opportunities that will enhance their skills and knowledge of the hospitality and tourism industry inside and outside of Laos.

The project, by nurturing a shift in tourism policy towards more quality tourism, will generate greater profit and favours a more sustainable form of tourism that will benefit a broader cross section of the Lao PDR population and at the same time work to mitigate the potential negative environmental and socio-cultural impacts of tourism.

Finally, the modalities and programmes piloted and implemented in the project may be replicable in other tourism destinations in south-east Asia such as Myanmar and Cambodia.

Implementation of the Project commenced on 1 July 2008. During the one and a half year inception phase the 10 initial milestones earmarked in the project document were completed. In 2009, the Government of the Lao PDR committed a prime parcel of river-front land to the project and throughout 2010 notable progress was made in planning and designing the Lao National Institute of Tourism and Hospitality (LANITH). A public private partnership (hotel) modality was also developed in partnership with the Asian Development Bank (ADB). In addition, a strong consultative framework has been established among stakeholders through the regular communication dispatches and quarterly symposia. The award-winning Passport to Success industry-training programme has been developed, piloted and
implemented with 700 passports issued to date. The LANITH Diploma, of over 30 subjects, has been developed and is currently being piloted. Both the Passport to Success and the LANITH Diploma are being implemented by the core team, which returned from a two-year overseas scholarship programme in late 2011. The LANITH Satellite Training Centre in Luang Prabang when operable in December 2012 will serve as the hub for Passport to Success training, tourism stakeholder partnership and community development.

It is critical that in the coming weeks and months the legal and institutional structures of LANITH are agreed between the Governments of Lao PDR and Luxembourg.

This is critical to ensuring the financial and operational sustainability of LANITH and its education and industry training programmes.

There is keen interest on the part of the Asian Development Bank (ADB) to serve as the transaction adviser for the PPP hotel and in order for this to transpire, the Government of Lao PDR will need to agree upon an execution mandate with the ADB.

Subsequent to this, associated land concessions will need to be organised as do financial arrangements to ensure that LANITH is the beneficiary of any land use rights lease awarded to a hotel development consortium.

The tender for construction of the LANITH school is also being finalised with construction set to occur in 2013 once all legal, financial and operational agreements are in place.

Project LAO/020 is positioning itself to contribute to enhanced sector service quality and profitability though supporting human capacity development within the tourism sector. This will potentially contribute to national export earnings and generate greater economic opportunity for a larger cross section of the Lao PDR population.

Unique governance structures and modalities (PPP) are also being introduced and piloted to establish their respective efficacy.

Luxembourg contribution: 9,325,000 EUR
The project is assisting the authorities, communities and rural families in reducing the percentage of people in abject poverty in Khamkeut, Viengthong and Xaychamphone districts from 55% to below 15% by year 2015. Apart from higher incomes, this means improved health, educations, and job opportunities through access to schools, clean water, latrines, health facilities, markets and public services for 36,000 people in 60 target villages. The project will also contribute to the general income and living standard improvement in the priority districts and in the province at large. Furthermore, the improvements in planning, information management, monitoring and evaluation will help improve the planning and execution of the 2016-2020 SEDP – leading to additional socio-economic benefits.

Primary beneficiaries are the 36,000 people in the 60 poorest villages in the three poorest districts of Bolikhamxay province (Khamkeut, Viengthong and Xaychamphone Districts) living below the poverty line of 0.7 USD per day.

This target population live in very remote villages in areas of low agricultural productivity, difficult market access, and very limited social services.

Secondary beneficiaries are in general the rural population of Bolikhamxay Province along with other local stakeholders from government agencies, political bodies, and civil society engaged in rural development.

The goal of the project is for Bolikhamxay Province to meet the 2015 targets of the Millennium Development Goals (MDGs).

The specific objective is better livelihoods and quality of life for the primary beneficiaries.
The project will help improve governance, public services, social and productive infrastructure investment and income generation based on participation, empowerment and improved use of Lao Government regulations, systems and procedures.

It will help the villages in extreme poverty by improving incomes and access to services and facilities. The poverty orientation is ensured by focusing on the poorest districts, villages and households; by using pro-poor planning, monitoring and evaluation criteria; by choosing interventions with proven poverty reduction impact; by using participatory planning mechanisms; by empowering and capacitating the lowest possible level of decision-making; by continual monitoring and assessing the social and economic impacts; and by protecting and improving poor people’s rights and access to resources.

A high level of ownership and national execution is guiding the project-supported interventions. This has helped create not only practical development results in target villages, but also in strengthened governance and administrative capacity according to Government of Lao PDR laws, organizations and procedures.

So far, the social infrastructure component has or is about to finalize 42 schools, water supply, markets, meeting halls and bridges to the benefit of about 32,000 people in 38 villages.

These constructions are carried out by the provincial and district authorities according to Lao Government procedures, with technical and administrative support from the project.

Village development plans have been established in 44 villages, with an average fund allocation of 15,000 EUR per village, which are used for microcredit, water and sanitation, improved road access, and other communal investments. Concurrently, local democracy and capacity building is being supported in the villages, sub-districts and districts.

Provincial statistical and spatial information systems have been improved in terms of techniques and data reliability. Furthermore the functions of the Planning and Investment Department have been strengthened through better planning, information systems and capacity building. Planned improvement in the governance and service delivery in land management and education sectors are still pending more overall policy decisions.
The Project’s broad objective is “Strengthening the Rule of Law through Legal University Education” with as main beneficiaries lecturers and students of the Faculty of Law at the University of Vientiane.

In view of the Faculty of Law and Political Science’s (FLP) rapid evolution during the last four to five years, it appears that the Faculty is facing a series of challenges that are partly similar to the ones affecting the entire higher education system in Laos.

Addressing these challenges, the project’s specific objective is to improve the quality of higher education at the FLP. To achieve this, the project will focus on two main areas, namely (i) academic and (ii) institutional including organisational.

The project’s first expected result (academic) is the improvement of the Faculty’s teaching quality, giving students enhanced theoretical and practical knowledge, in coherence with labour-market needs. The second expected result (institutional) is the FLP’s strengthened physical and institutional capacity in the areas of management, effectiveness and sustainability through institutional strengthening and the construction of the dormitories as well as the faculty building including the equipment.

A wider context and reason to further develop the envisaged Lao-Luxembourg initiative are its links with other efforts made by the Lao PDR Government of improving governance, education and poverty eradication. The project seeks to contribute to the sustainability of
achievements and activities of a previous Sida-funded support to the Faculty of Law, ensuring a smooth transition between the two projects in the context of a phasing-out of Swedish development cooperation in Lao PDR, in line with the Paris Declaration on Aid Effectiveness and the EU Code of Conduct on Division of Labour in Development Policy.

Right now the project is being implemented according to plan. Capacity building is on-going with four PhD and 12 MA scholarships abroad plus MA scholarships in country. Exchange programs and trainings being organised on a recurring basis. Trainings and support to promote student centred learning are conducted. Even an English language learning program was established. About 10 student groups are operational to promote independent learning. Research grants were provided, textbook production started though with slow progress. Work on the information and communication systems focusing on capacity building and a physical foundation took place. and the networks and cost-sharing agreements put in place for much of the capacity building to ensure sustainability and further regional integration.

The construction of dormitories is on-going, classrooms being renovated and tendering for a learning building being concluded. Its construction is expected to start in late 2012. Finally, a vision 2020 for the Faculty is being elaborated in close concert with the stakeholders – be it nationally and/or regionally.

Many of the challenges for this project, as can be noted from the results to be achieved, are not unique to the legal sector but are primarily challenges as faced by most tertiary education institutions aiming to provide sustainable quality education meeting market needs.

The project will take three dimensions into account.

The general higher education context and the reform being promoted by the Ministry of Education with the support of Asian Development Bank (ADB) and other donors. The FLP, being part of the National University of Laos, will be affected by the higher education reform and will have to implement it. The project will support the Faculty in this process and make sure its actions are consistent with the reform’s goals and approach. The project will therefore maintain a dialogue with the Ministry of Education, the National University of Laos and the donors who are active in the higher education sector.

Secondly, the FLP organization and institutional setting is being assisted. Most of the issues being similar to the ones identified at national level, the project’s support should be seen as an opportunity for the Faculty to respond to the national challenges and become a pilot institution in implementing change. However, this requests that the Faculty staff not only participate but also develop a sense of ownership of the entire process. Progress in this respect remains limited.

Finally, the evolution of the legal sector and the implications regarding the rule of law and good governance make up the third dimension that the project has to take into account. Project staff will thus maintain a dialogue with the legal sector stakeholders, the country’s legal institutions, the private sector and the civil society. Essential to coordinate with efforts made by the Ministry of Justice, with support from UNDP, to enhance human resource development in the legal sector.

Luxembourg contribution: 5,000,000 EUR
The project will concentrate on enhancing local administrations with technical and institutional capacities to prepare, implement and manage local development plans.

In addition, strengthened community engagement in decision-making processes and basic goods and services oversight will be promoted. The improved access, use and quality of basic infrastructure and services provision at village level will be the final major capital investment component of the envisaged assistance.

It is expected that the project will have a positive impact on addressing poverty concerns in terms of providing training, improved farming techniques, skills development, and funds for feeder road and social infrastructure. Infrastructure will open opportunities for economic initiatives even for the poorest of farmers. Inclusiveness sets the framework: if participation in general training and extension proves less effective, special focused activities will be used. Poorer households that solely depend on agriculture (from limited agricultural resources) will be stimulated to diversify income sources from non-agricultural activities for income improvement and for reducing livelihood risks. Appropriate employment opportunities and support micro-business, formation of micro-business/farm clubs, micro-saving and credit are example means to this end. Further, the active participation in project planning and implementation will enhance the ability of all households to negotiate market issues, to defend their rights and to organise themselves. Land-use planning and allocation will provide the basis for productive undertakings.

Luxembourg contribution:
(TBC) 5,000,000 EUR
In collaboration with the Ministry of Health and the Lao Red Cross:

Under a first result, the project will supplement, complete and balance the National Blood System (NBS) by:

• transforming the existing National Blood Transfusion Committee (NBTCO) into a National Blood Authority (NBA) for governance of the system;
• starting up a Blood Regulatory Unit (BRU) as an independent body;
• developing the existing network of LRC centres into a consolidated national blood transfusion service as the unique producer under the responsibility of LRC for operations in the system;
• set up a national plasma programme (NPP) aiming at self-sufficiency of the country for plasma derived medicinal products obtained through plasma collected locally and fractionated abroad.

The second component will ensure that patients have better access to blood transfusion through increased national supply and easier availability of blood products. In other words, the project will strengthen the network of blood establishments, blood centres and hospital blood banks and render it operational through a single operator and unique producer of blood and blood products.

A final component will improve quality and safety of blood products and related services in the National Blood System.

This project will not have a direct major impact on poverty, nonetheless, an indirect impact of the project will be seen through:

• survival of patients with urgent and vital need of blood transfusions;
• improvement of health of transfused patients;
• reduction of length of diseases (mainly in patients with trauma, with obstetric complications, with malaria and Dengue fever, etc.); and
• shortening of recovery during and after illness.

Luxembourg contribution: (TBC) 4,000,000 EUR
LuxDev’s mission in Luxembourg in the partner countries and on the international stage

Our mission is applicable both in Luxembourg and in the Luxembourg development cooperation partner countries.

In Luxembourg: a reliable partner for the Luxembourg state

In Luxembourg, our mission is to enable the Luxembourg state to implement its proactive and ambitious development cooperation policy, which aims to eradicate poverty and achieve sustainable development, including the social, economic and environmental aspects of development. As a government agency, LuxDev aims to be the bilateral channel by which the government of the Grand Duchy of Luxembourg expresses its international solidarity that forms the basis for its external affairs. LuxDev also constitutes a centre of competence available to the Luxembourg state, and particularly the ministry responsible for development cooperation, to help it accomplish its task of setting out political and strategic guidelines, as well as negotiating the ICPs. LuxDev supplies the ministry responsible for development cooperation with the data required for the better provision of information and improved answerability to the parliament and to the public.

In the partner countries: capacity-building

In the field, LuxDev seeks to maximise ownership of development by the partner countries - in other words, their capacity to have genuine control over their development policies and strategies by coordinating the development support provided to them by technical and financial partners. LuxDev thus seeks, in each of its interventions, whatever form they may take, to develop the capacities of those with whom the Agency is cooperating.

LuxDev sets out to be a reliable partner and wants to be fully conversant with and adopt various cooperation approaches and procedures that are consistent with the principles of international agreements. The Agency applies them in line with the mandates given to it by the Luxembourg state.

LuxDev seeks to back up its partners, without taking their places, in making the changes they wish to in complex situations. In order to do this, the Agency develops its skills in the priority sectors and cross-cutting issues of Luxembourg development cooperation as well as in development cooperation approaches and procedures. In addition, the Agency equips itself with analytical and conception skills which enable it to base its decisions and risk-taking on solid foundations and to position its interventions properly.

LuxDev considers itself to be mutually responsible, together with its operational partners, for the results obtained. The Agency seeks to develop its management approach so that it is based on results rather than on methods.

On the international stage: an actor recognised by its peers

Internationally, LuxDev participates in the studies carried out by its peers and is actively involved in international networks, particularly European ones, where its expertise is useful. The Agency makes good use of opportunities for operational collaboration, especially within the framework of the European Union Code of Conduct on Complementarity and the Division of Labour in Development Policy.
LuxDev identity

LuxDev is the Luxembourg Agency for Development Cooperation. A private limited company (société anonyme) with its head office in Luxembourg, its shareholders are the Luxembourg state (98%) and the Société nationale des Crédits à l’Investissement (2%). Its private status makes it possible for the Agency to work in a dynamic and flexible way. Its board of directors is made up of representatives of the Luxembourg government, professional associations, unions, the federation of development NGOs, two private individuals and the Agency’s managing director.

In 2008, the Agency celebrated its 30th birthday. Over the last 15 years it experienced continuous and sustained growth. It now has approximately 60 staff members working at the head office in Luxembourg as well as about 30 staff members working at the six regional representations and on the programmes. Just under 100 professional consultants and eight junior technical assistants also contribute their skills as part of the implementation of the projects and programmes in the field.

LuxDev manages most of the resources allocated by the Luxembourg government to public development aid, within a strictly bilateral framework. In addition to this main task, the state may call upon the Agency to carry out one-off operations relating to emergency aid, other tasks within the sphere of development cooperation and any other international cooperation missions. LuxDev also manages programmes funded by other bilateral donors and by the EC through mechanisms such as ‘indirect centralised management’ or ‘facilities’.

The Agency concentrates mainly on Luxembourg development cooperation’s nine privileged partner countries, which is a list defined by the Luxembourg government primarily on the basis of the Human Development Index (HDI) as published by the UNDP: Burkina Faso, Mali, Niger, Senegal, Cape Verde, Laos, Vietnam, Nicaragua and El Salvador. It should be noted that six of these nine countries are in sub-Saharan Africa. LuxDev also works with other countries receiving support from Luxembourg Development Cooperation: in Africa (Rwanda), in the Balkans (Serbia, Kosovo and Montenegro) and in Asia (Mongolia). It should be noted that a policy of geographical concentration will be continued with the programmed withdrawal from El Salvador.

Taking its inspiration from the MDGs, Luxembourg Development Cooperation focuses on three key sectors:

• health;
• education, including vocational training and job integration;
• integrated local development, including various aspects such as water and sanitation, decentralisation and microfinance.

LuxDev naturally developed these sectors, as well as three cross-cutting issues selected by Luxembourg development cooperation (gender equality, the environment and good governance) into its spheres of specialisation.
The relationship between LuxDev and the Luxembourg state is governed by a convention, which was renewed in October 2008. This convention stipulates that in carrying out its tasks, the Agency shall abide by the political commitments made by the state at the international level, including the Paris Declaration on Aid Effectiveness, the Accra Agenda for Action, the European Consensus on Development and the European Union Code of Conduct on Complementarity and the Division of Labour in Development Policy.

Our values

LuxDev believes that development cooperation should be guided by respect for shared values which ought to inform both its relations with others and its own day-to-day organisation. The Agency's staff members base their commitment on the following values:

- respect for others
- integrity
- solidarity
- effectiveness

The first value refers to our wish to promote a world made up of diversity.

The second value is explained in the Agency's code of conduct.

The third value affirms LuxDev's adherence to the fundamental basis for the significant efforts made by Luxembourg in terms of ODA. Since 2000, Luxembourg has been one of the five industrialised nations devoting over 0.7% of GNI to development cooperation. In 2010, this figure reached 1.05% of GNI.

The fourth value expresses LuxDev's desire to continue the efforts to achieve a high level of quality that have enabled it to obtain ISO 9001:2000 certification. LuxDev wants to continue to be seen as a committed institution that has a close relationship with its partners, and which is reliable, responsive, flexible and innovative, able to adapt to the diverse situations that it encounters. The concept of effectiveness refers to the roadmap in the Paris Declaration; this value thus encourages us to take ownership of the principles contained in that declaration.
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