

## Statement from the United States

*“All of us share this world for but a brief moment in time. The question is whether we spend that time focused on what pushes us apart, or whether we commit ourselves to an effort -- a sustained effort -- to find common ground, to focus on the future we seek for our children, and to respect the dignity of all human beings.”*

President Barack Obama “**A New Beginning**” Speech in Cairo, Egypt, 2009

Exceptional progress has been made toward achieving the Government of Lao PDR’s development objectives, although challenges remain, as the Mid Term Review of the 7<sup>th</sup> NSEDP has accurately highlighted. The United States is pleased to submit this statement outlining its perspective on how to move forward together on key issues.

### **Equitable Growth and Development**

Equitable and environmentally sustainable growth will require diversification into value added sectors that are internationally competitive, enabling expansion of export markets to a broader range of recipient countries.

The U.S. has supported programs to improve governance in the international trade sector and compliance with ASEAN and international standards. Starting in 2008, the U.S. LUNA-Lao project assisted Lao PDR to gain accession into the World Trade Organization (WTO) and prepare the country for entry into the ASEAN Economic Community (AEC). This past year, we provided \$1.4 million dollars to advance legislative reforms and capacity-building initiatives needed to meet WTO standards and the demands of an open market economy. Next year, the U.S. and the Ministry of Industry and Commerce will embark on a second five-year assistance program called “LUNA II”, which will continue and reinforce the collaboration that was pioneered through LUNA-Lao. The U.S. hopes to encourage more U.S. trade and investment in Laos and encourage good business behavior as a path towards achieving the country’s economic development goals.

U.S. is a major donor to the effort to remove unexploded ordnance (UXO) from the Vietnam conflict, which continues to hinder economic development and inflict casualties nearly 40 years after the conflict ended. The U.S. contributes more than \$9 million per year towards survey, clearance, victims’ assistance and risk education. The U.S. sees a need for an increased focus on a standardized survey process to enable a more accurate understanding of the contamination so that clearance can be prioritized in line with national development and humanitarian assistance goals.

### **Good Governance and Rule of Law**

Good governance and a sound legal framework that is applied equally to all citizens, regardless of socio-economic status or ethnic background, build a solid foundation for the success of all nations. The U.S. welcomes the government’s goal to become a Rule of Law state by 2020, ongoing development of the

Legal Master Plan and the leadership's receptivity to governance reform. The U.S. also endorses the government's continued efforts to comply with international standards and regulations on trade, investment, commerce, health, and environment. The U.S. is particularly impressed with the National Assembly's engagement in sincere debate on critical issues facing the country including land use policy. The government's evident desire to improve public administration, the efficiency of government, and compliance with the rule of law signals to the international community as well as those beyond the country's borders that Laos is ready to participate as an equal on the international stage.

Good governance and the rule of law are also critical for attracting high-quality foreign investment. Businesses with the technology and financial and human resources that can help Laos meet its development goals prefer to operate in a stable, predictable environment where decisions are made on the basis of clear and transparent rules.

Improving the lives of the Lao people, whether towards the Millennium Development Goals or National Economic and Social Development Plan, requires a sound governance environment where members of the Non-Profit Associations, Donor Partners, the private sector, and the government are able to collaborate in our sustained efforts. In this light, the abduction of Sombath Somphone nearly a year ago and the lack of progress in the investigation have sent the wrong message to the international diplomatic and business communities about Laos. Transparency and credible progress in the investigation would send the message that Laos is serious about the rule of law.

The United States has worked closely with Laos over the years to improve the rule of law in many areas. After successful collaboration to reduce the cultivation of opium poppy, our anti-narcotics team has focused on strengthening the justice system through law enforcement, the court system, and the legal framework for drug crimes. The threat has shifted to drug addiction and trafficking of methamphetamines and our efforts are now aligned towards training and equipping of Lao anti-narcotics law enforcement as well as the training of prosecutors and investigators to increase their ability to apprehend, convict and incarcerate drug criminals. The U.S. is also encouraging an increase of community-based drug treatment options.

## **Environment**

Experience in other countries has shown that exploitation of finite natural resources can result in environmental degradation and consequences that may be difficult or impossible to undo. Decline of forest cover leads to soil erosion and reduced agricultural productivity, and wildlife biodiversity is threatened by deforestation, poaching, and the illegal wildlife trade.

In order to address the environment impact of rapid economic development, the U.S. has assisted Laos in promoting responsible practices in timber trade, supply chain management, and sustainable land and forest management. Sustainable water resource development is important to all the Lower Mekong Basin countries, and the U.S., along with the Mekong River Commission, is assisting Laos and these countries to strengthen capacity in planning for hydropower development and sediment management of hydropower dams. The U.S. is also making efforts to strengthen law enforcement, foster regional cooperation in wildlife trafficking, and reduce consumer demand for illegal wildlife species and products.

Additionally, as climate change issues become more prominent on the national development agenda, the USG and GOL have recently instituted a new program to support regional capacity-building in

national and corporate-level greenhouse gas (GHG) accounting, to develop GHG market readiness, and investigate low emission strategies.

### **Health**

The U.S. has an extensive health program totaling \$9 million dollars annually in Laos. Working closely with the Lao government, our health programs have addressed the prevention and control of infectious diseases, including HIV/AIDS, malaria, influenza and tuberculosis for civilians and the military. In direct response to the surge of malaria this year, the U.S. President's Malaria Initiative provided emergency assistance to help control the malaria outbreak in Lao's southern provinces.

U.S. assistance has also contributed to much needed improvements in maternal and child health, although much more is needed and remains to be done. Health facilities recently constructed by the U.S. provide antenatal care to pregnant mothers, support delivery by trained health practitioners, and serve as immunization centers for women and children. The United States is also a strong advocate for addressing malnutrition and stunting among children. The stubbornly high rate of malnutrition among the under five years of age population is a serious concern. These high levels of chronic malnutrition contribute to the perpetuation of poverty and are likely to impede economic growth in the long run. Disaggregated data found in the 2011 Lao Social Indicator Survey makes clear that the challenge facing the Lao government is bringing health services to poor, less educated people living in remote rural areas where health service coverage is low and maternal/child mortality and under-nutrition are high. The LPDR and its development partners need to turn the tide in the most effected regions towards permanent positive health outcomes for mothers and their children.

### **Education**

Effective human resource development will open up opportunities for Lao citizens to better compete for jobs that already exist today as well as those that will become available as the Lao economy continues to grow. However, today virtually all sectors suffer from the dearth of qualified staff. As Lao PDR becomes more integrated into the world and regional economy and prepares to attain middle income status, it will need to diversify its economy from agriculture and natural resource extraction to manufacturing and services. This will require a productive, educated work force that can compete in a global economy. To achieve equitable and inclusive economic growth, it will be critical to reinvest revenues from responsible natural resource extraction to preparing the Lao workforce for the future.

Qualitative improvements in education are essential for developing a workforce that can attract FDI in value added in-country processing and employment-intensive manufacturing that will guarantee more equitable growth. Curricula at all levels of education should help develop the skilled workers needed for a more diversified economy. In higher education, degrees offered should align with professional positions available in the market so that Lao citizens can compete for jobs currently going to foreigners.

The U.S. provides support through English language training and resources, scholarships, a school meals program, and construction of schools and other education infrastructure. The School Meals Program encourages children to stay in school and progress further in their studies by providing a nutritious snack each day. In 2012, more than 150,000 school children in six provinces benefited from this activity. The U.S. is further supporting the education sector by building schools and other education infrastructure projects in a number of provinces.

The U.S. sponsors the National University of Laos's annual Teachers of English as a Second Language (TESOL) conference which trains teachers from all 17 provinces. Additionally, the U.S. provides the Government of Laos with nine English language experts who are strengthening English language capacity and teaching methodology at the university level and among government officials through university courses and intensive seminars. These programs are complemented by a joint U.S.-Brunei professional exchange program that teaches Lao educators to train their counterparts in academia and government. The ACCESS Micro-scholarship program provides English tutoring to 60 disadvantaged secondary school students.

### **Closing**

Laos has made impressive progress in achieving its national development goals. Sustained economic growth and a stable economic environment have been the cornerstones of that progress. The government's efforts to integrate into the international trading environment and its emphasis on governance and public administration reform have provided a much improved legal framework for a modern economy and society. The Government of the United States is pleased that it can assist and support the Lao government in its efforts to implement this framework and achieve its MDG goals.