

Lao People's Democratic Republic
Peace Independence Democracy Unity Prosperity

Prime Minister's Office

No 13/PM
Vientiane Capital, 09/06/2008

Supplement to the Prime Minister's Order
On establishing of development villages and village clusters

- To: Ministers, Heads of State Organizations, Governor of Vientiane Capital, Provincial Governors and Chief Administrators of the districts in the entire country
- In order to implement the resolution of the Party Congress VIII on achieving the objective of rural development and addressing poverty according to plans, in order to ensure that the establishment of the political base is linked to the creation of development villages and village clusters, and that such work is carried out in accordance with the guideline No 09/PBPCC of the Political Bureau of the Party Central Committee issued on 08 June 2004, as well as in accordance with the supplement to the Order No 14/SPCC of the Secretariat of the Party Central Committee issued on 07 December 2007, and in applying the resolutions adopted at the 4th, 5th, and 6th Plenums of the Executive Committee of the Party CC (Congress VIII),
 - In order to successfully implement and materialize the 11 major programs and 111 focal projects as well as the 6th socio-economic development plan of the Government, in particular the project for rural development and the establishment of development villages and village clusters, thus contributing to economic growth, achieving targets on the basis of promoting production of commercial goods and services [that in turn] increases family incomes and links to ways for addressing poverty and improving/raising living conditions of the people of different ethnic groups, [and]
 - To supersede the instructive Order No 09/PM issued on 07 May 2007,

The Prime Minister of the Lao People's Democratic Republic issues the following supplement:

1. The Ministers, Heads of governmental organizations, the Mayor of Vientiane Capital, Provincial Governors, and district Chief Administrators shall pay more attention to implementing and guiding the creation of political base, development villages and village clusters, considering this as a basic, long-term and strategic measure for furthering the task of establishing and rehabilitating the people's democratic regime according to socialist goal, [in doing so] guaranteeing the four objectives and four substances as defined in the instructive Order No 09/PBPCC.

2. In establishing development villages and villager clusters, first of all attention must be given to realizing/creating focal model villages in the matter of development so as to set a good example or model that can be replicated in other villages[. These] can also be a destination for civil servants and the general public to see for themselves as they participate in study tour program in the area of building of [political] base, development villages and village clusters.
 - Focal model villages for development must be established in areas where conditions are favourable and where development potential is strong, i.e., there exist areas for production, irrigations, communication and transport facilities, market conditions, etc... The people must have a sense of ownership, be proactive and have hard-working tradition.
 - Establishing focal development villages must be carried out in a comprehensive manner; however most central of all [here] are efforts for addressing poverty faced by families, and promoting production of commodities for commercial purpose; in general term, socio-economic development should be considered as central in order to free villagers from the state of poverty, [allowing them] to have an ever improved living conditions from material and cultural point of view.
3. The Vientiane capital as well as provinces must provide the districts detailed direction for identifying focal model development villages, [doing this] in order to appropriately channel capital, personnel, and guidance/supervision in establishment of such development villages.

Identifying model focal development villages must be linked to the establishment of the overall development projects of the villages concerned by identifying terms of reference and job description to facilitate placement of responsible personnel. The deployment of personnel to build the [political] base must correspond with the tasks as defined in the overall plan for creating development villages and village clusters, first and foremost the model focal villages for development; only by such approach it can be considered that the deployment [of personnel] to the grassroots is on the right track.

The model focal villages for developments of the districts must be classified under the overall plans for creating development villages and village clusters of the capital and provinces. This means that the capital and provinces must support [them] in terms of funds, equipment/vehicles, personnel, and guidance/direction so that the districts can carry out such task.

The final outcome that testifies success in the building of the political base, the establishment of the development villages and village clusters is “the development villages” that come into existence.

4. Development villages are those that succeed in developing themselves in all aspects; they possess the following conditions and criteria:

- The organizations within the political system of the [development] villages are strong; particularly, they have strong Party cells that are capable of providing guidance in all aspects; they have village-level administrative power that is capable of managing the village; they have the front organization, mass organizations, arbitration/conciliation units, and all of these continuously carry out their different tasks that correspond to their roles and responsibility.
 - Villagers have a high sense of political conscience, there is solid security and peace; [villages] are drug free, free from crimes; people enjoy a state of unity and they mutually help each other.
 - Villages have base/foundation for engaging in production and services that facilitates stable and continual income generation; in such villages, households are well-to-do and rich; there are no poor families; people have stable livelihood.
 - No less than 95% of school-age children attend classes, literacy rate among adults, aged 15 and above, is no less than 85%; they are villages that have achieved basic requirements for becoming model sanitary villages, particularly these would be villages with good [natural] environment, people's houses are clean and are in good order; all families in the villages have access to clean water, latrines; the rate of immunization and vaccine drops is no less than 95%.
 - Development village clusters are clusters whose members are already developed.
5. The ministries, organizations of the government and all localities must apply the directive that was identified in the resolution of the 8th Party Congress that says: "combine rural development activities and projects into the overall scheme for creating development villages" in a strict manner; and in doing so, the ministries, organizations of the government and their corresponding vertical bodies at localities must incorporate their activities into the Party committee and the local administrative committee's overall plan for establishing development villages and village clusters. All activities and projects that are carried out at villages and village clusters (the creation of outpost villages, and fighting villages [new jargon?!], and the creation of cultural villages and others) must be fused into one unified project and come under the guidance/ supervision and control of the Party committees of village clusters, the Party cells and local administrative power of villages. This means that all activities carried out in villages and village clusters are activities that must contribute to efforts for creating development villages and village clusters that come under the guidance of the Party committees and under the management of administrative power at the grassroots. Vertical bodies must bring their projects into the overall schemes of the Party committees and local administrative power, they should not perform them on their own in a separate way.
6. Local administrative power must pay more attention to formulate detailed projects in establishing development villages and village clusters, in particular the project for creating model focal development village that corresponds with the four objectives and substances in which there are the following projects:

Political training projects must be closely linked to guaranteeing security and tranquility

Efforts for developing villages can be successful only when those villages and surrounding areas enjoy security, tranquility and safety; villagers understand and appreciate the policy and believe in development concept. To ensure that villagers have development idea, we must have realistic political propaganda and training project that is appropriate for different targets; and this must be executed in a continuous manner for the benefit of villagers, particularly core villagers who play principal role in villages. Villagers who have development idea are those with sensitivity and are active when it comes to the question of engaging in earning a living in such a way they can free themselves from poverty, and they want to be wealthy. These are villagers, who know the importance of unity and what it means to mutually help and together they are committed and united as they go through different hurdles and difficulties on the path of establishing development villages so as to improve their own living conditions. Generally speaking, these are villagers who are perceptive and active as they are fulfilling their roles and obligations. They contribute to the development of villages, the establishment of Party, improving administrative power and the national defence and protecting the state of security and peace.

Socio-economic base development projects and projects for promoting production of commodities for commercial purpose and for improving people's living conditions.

- a. Urgently design/formulate projects for developing socio-economic base at village and village cluster level, in particular [those concerning] roads, irrigation, stable alternative livelihood arrangement in order to address issues of poverty and stabilize slash and burn cultivation, construct and rehabilitate schools, health centres, living quarters for civil servants, etc...

The design/formulation of these projects must be done based on survey and cost effectiveness assessment. After this, there is a need for prioritization for the purpose of allocating investment and personnel requirement for implementation phase.

The districts together with the provinces and Vientiane capital must be unanimous in their applications for the use of funds for the purpose of implementing their prioritized projects, namely the use of local provincial funds, funds from the government's budget allocations, and the use of foreign loans, funds from local and foreign investors, credits from banks and funds from other sources.

To achieve this, the leadership at district, provincial and capital city levels must have technical personnel who have required skills to do the work and who must go to villages to carry out surveys and collect information and data, formulate projects and write feasibility studies. Only after that, local leadership will reach unanimity on the decision and submit [the plans] to the government.

Once there are prioritized projects as such, the government can [take turn] to prioritize and accordingly incorporate them into the annual development and budget plan. On the other hand, pool of information will be available for mobilizing local and foreign investors.

- b. Additional effort is needed for designing projects aiming for promoting production of commercial goods and improving the people's living conditions. At the present time, all localities in the country have conditions and infrastructure favourable for producing commercial goods, these are namely irrigation facilities, access roads. Additionally there are other potentials such as land suitable for animal husbandry, different crop and tree plantation. On top of that, people have long tradition in crop plantation and animal raising. What is lacking is promotion which results in incapacitation to produce commercial goods, and generate steady flow of income...

Ministries, line organizations of the government are to coordinate and work with local administrative power with a view to create promotional centres for the production of commodities, namely research and service centres on crop and animal seeds, veterinary service centres, credit service and produce buying/collection centres and others. [These centres] are to provide services in terms of funding, technical advice and market information, thus helping people to produce goods in a sustainable way.

In the future, designing projects for developing socio-economic base at the grassroots must be simultaneously done with investment allocation for promoting agriculture and animal husbandry for commercial purpose and appropriate provision of services to local people concerned.

Projects for political structure improvement/reform and on the job training for civil servants

Projects that are implemented in villages, village clusters, whether or not they will be successful, it is important to recognize that it depends partly on the leadership and guidance of the local Party committees, Party cell-administration power as well as villagers' contribution.

Ministries and government organizations working hand in hand with local Party committees and administrative power shall design projects and implement such projects aiming at benefiting civil servants who work at the grassroots, in particular Party secretaries and deputy secretaries of the local Party committees and cells, village heads and members of village administration. They are to be trained and have their educational level and political-administration knowledge raised. [They are to acquire] basic knowledge on agriculture and animal husbandry, on hygiene /sanitation and disease prevention, and others. In addition, efforts must be done to seek support from important personalities in the villages, such as *singsao* [?!] leaders, clan leaders, teachers, medical persons and monks to achieve development activities in villages and village clusters.

Training and capacity raising must be short, tailored specifically for different target groups and must bear in mind appropriate time, seasonally speaking, when it is to be conducted.

One must understand and appreciate the directive that demands that any development activity wherever that exists, local people who lead their lives there must experience a sense of ownership and participate in the activity; and they must benefit from such activity. Only through this approach, can development endeavour meet success and sustainability. Therefore, special attention must be paid to training and capacity building for personnel at the grassroots so that they will become “developers”.

7. Between 2008-2009, the Ministry of Planning and Investment and the Ministry of Finance are to take it that the task of political base building, the establishment of development villages and development village clusters is a separate task of its own that is to be incorporated in the socio-economic development plan and treat it as a specific budget line in the annual budget plan of the state.
8. The Mayor of Vientiane capital and the provincial governors are assigned to guide/supervise the districts and technical staffs concerned to look into and estimate the cost of constructing office building and living quarters in focal village clusters in order to accommodate political and technical personnel who work at the grassroots, so that they would have suitable work place; all of which shall make the assigned personnel feel at satisfied while performing their new assignments. The Mayor of the capital and provincial governors will incorporate [the task] in their annual budget plan under the line specified for [political] base building, the creation of development villages and village clusters.

The ministry of public works and transport shall design the office and living quarter facilities for personnel working in focal model villages and to come up with a prototype with reasonable unit cost, guaranteeing lasting and optimal use quality, compact and economical.

9. The national committee for rural development and poverty alleviation will step up their supporting role as the government’s secretariat to look into the question of allocating funds for projects that concern themselves with focal development of localities, [it] will play coordinating role between sectors-organisations at central and local level in the implementation of different projects and activities that aim at alleviating poverty while playing the role of monitoring and assessing different problems and reporting to the government so that ways for addressing problems can be considered on a timely manner.
- All projects of ministries/government organizations that deal with rural development and poverty alleviation that are implemented at different localities must be recognized by local administration and relevant localities that must participate in the management of these projects, or else localities will directly control/manage the projects by themselves.

- The National Committee for Rural Development and Poverty Alleviation is assigned to study and formulate a set of regulation and management mechanism governing the use of funds from different sources that are used for rural development and poverty alleviation, namely the use of loans from the World Bank and other financial institutions including the use of grant aid from friendly countries and NGOs to ensure more speedy application and effectiveness.
 - These funds will be transferred and used for the implementation of focal projects for establishing development villages and village clusters of different localities. Extensive monitoring of the implementation will be done in order to identify the positive and negative aspects of the situation that need to be addressed in a timely manner.
10. The National Committee for Rural Development and Poverty Alleviation is to urgently work with line ministries and economic research institutions in order to re-determine poverty criteria in our country which can be based on lessons drawn from other fraternal countries and criteria used by UN agencies; then, submit the proposal to the government for adoption.
 11. There is a need to reexamine the issue of village development funds that have been established in 47 poorest districts, transferring the funds into the budget line used for the establishment of the political base, development villages and village clusters of different localities; the provinces and Vientiane capital shall be responsible for deciding on appropriate use of funds for focal task that corresponds to different objectives.
 12. The Bank of Lao PDR is assigned to provide guidance and regularly monitor the operation of *Nayobai* Bank. This is to ensure that basically the latter provides credits according to the set objective, namely to grant credits to individual poor families or groups of poor families that have been identified in the poorest districts of the country; but credits should not be given to other targets.

The decision to release credits for the benefit of poor families or groups of poor families must be based on ideas expressed by villages concerned. This means that villages or village clusters shall decide what families or group of families are entitled to receive credits. At the same time, villages and village clusters, together with the bank, are responsible for managing and supervising families or family groups with regard to the question of how loans (or credits) are fruitfully used and that repayment can be possible.

Nayobai Bank together with local administration are to examine and identify targets for releasing credits in order to ensure that the focal objective in the endeavour for alleviating poverty as well as the intention to establish the districts' development villages is served.

13. Provinces and districts are to pay more attention to the question of creating different funds of villagers. At the same time, they are to increase their monitoring of the funds in order to ensure that these funds can better

maximize their usefulness more so than before, prevent negative manifestations that might affect the state of unity and solidarity among villagers as well as the overall movement for establishing development villages and village clusters.

For the purpose of ensuring security and growth of the funds, the local administration together with the services units of *Nayobai* Bank as well as other sectors concerned are to advise villagers or conduct training for their benefit in the subject of fund management, in particular the subject concerning accounting and monitoring and inspection of fund use. The production and services sectors concerned on the other hand must also monitor, promote and build/enhance capacity of members of the fund in relation to production and service provision.

14. The Public Administration and Civil Servants Authority plays a core role in coordinating with line ministries and government agencies, principally with Ministry of Agriculture and Forestry, the National Land Management Organisation, Ministry of Defence, Ministry of Planning and Investment, working hand in hand with the provinces and Vientiane capital, but most important here is localities where there is improper migration, must design projects for livelihood arrangement, employment and resettlement that are suitable for localities concerned. Then, a general design for the country can be defined that aims at addressing problems in a firm manner; people will feel settled in their everyday life.
 - Relocation plans of different localities must be explicit on how the resettlement will be carried out, where people are to be relocated, what people will do, and how much investment and budget will be required.
 - The detailed plans must be correctly prioritized for the purpose of implementation that involves investments made by the state, banks, or whether or not they shall be linked to investment projects by local and foreign companies that operate nearby; in this aspect, special care must be given to the status of people who participate in agriculture/animal husbandry schemes that concern the use of land, and here whether the 1+4 formula, 2+3 or other formula that are suitable for local reality are to be applied; together with this, the traditional way of life of people living in the locality (documents on the use of different formulas are attached).
15. The Public Administration and Civil Servants Authority is to examine and come up with a regulation on issuance of annual quota and recruitment of civil servants that correspond with the directive on assigning sufficient number of civil servants to work at grassroots as the development task requires, and doing so it requires close coordination with all localities and corresponding vertical organizations. In this endeavour, special attention is needed for recruiting personnel from ethnic [minority] background and skillful political communication and training personnel in addition to the need for technical personnel in agriculture and animal husbandry, teachers and medically trained persons[. These newly recruits] will be working in districts and villages.
 - Vientiane capital and the provinces must assist the districts in identifying jobs [?! the meaning not clear] for different projects that corresponds to need identification with regard to personnel who will fill in different job

positions. Then proposals are to be made to the Public Administration and Civil Servants Authority for compilation and submission to the government.

- Come up with the incentive regime that will encourage civil servants who work under difficult conditions in remote areas of the country.

16. Ministry of Agriculture and Forestry plays a central role in coordinating with different ministries and organizations at central and local levels in the entire country for the purpose of detailed study on the creation of promotional centres of agriculture produce for commercial intention in focal development areas in different localities; [this is aimed at] promoting higher productivity in agriculture and animal husbandry activities by people. Doing this, one is to bear in mind special features of local people as well as other potentials in terms of existing natural resources and infrastructure.

- Agriculture extension centres must operate in such a way that are relevant to production activities of people in villages and village clusters, doing so with an aim to promote efficient and sustainable agriculture production for commercial purpose.

They must fulfill the following basic requirements:

- + Providing advice and encouraging the use of new efficient seeds together with general promotion of production and propagation of new seed varieties.
- + Providing technical advice and services in the matter of effective methods of agriculture and animal raising.
- + Assisting in the water administration and management in addition to advice on the use of fertilizers and plant care.
- + Assisting in preventing and treating sick animals; assisting in the prevention and control of pests.
- + Assisting in providing advice on harvest, storage, processing of products and marketing.
- + Assisting in purchasing equipment and other factors necessary for production, including funding sources for promoting and others.

17. The capital and provinces are to conduct annual surveys for assessing the result of work performed at grassroots level, the creation of development villages and village clusters in order to identify villages in whatever localities that have become “development/developed villages”, then announce the result on the occasion of annual national day celebration, December 2.

18. The ministries, government organizations and local administration in the entire country are to study this supplementary order in depth and make sure that members of the Party, especially those working at grassroots level, are aware of and understand the order.

Whatever topic and issue that concern the role and responsibility of a given organization, that organization must take upon itself to study it in depth and elaborate it into detail for the sake of implementation, and this must be done in an urgent manner to ensure a good result following implementation.

19. The ministries, equivalent organizations, administrative bodies at all levels and other relevant sectors must recognize and implement this order with a high sense of responsibility.
20. This order replaces the instructive order No 09/PM, issued on 07 May 2007 and [this current order] is effective from the date it is signed.

The Prime Minister of Lao PDR

Bouasone Bouphavanh