

LAO PEOPLE'S DEMOCRATIC REPUBLIC
PEACE INDEPENDENCE DEMOCRACY UNITY PROSPERITY

Prime Minister

No.16/PM

Vientiane Capital, 15/6/2012

PM Ordinance

on

**Piloting the Formulation of Provinces as Strategic Units, Districts as
Enhanced Capacity Units and Villages as Development Units**

Attention: Ministers of Line Ministries, Chair Persons of Ministry-Equivalent Organisations, Governors of Provinces, Vientiane Capital Governor country-wide.

In previous years, Based on evaluation and lessons learnt from implementation of the Guideline “Formulation of Provinces as Strategic Units, Districts as Planning-Finance Units, Villages as Implementing Units” this Guidance has strengthened our People’s Democratic State, concretely starting from grass-root level up, nevertheless, there are still some legal, organizational as well as personnel inconsistencies, and therefore, the implementation has not been so successful; in order to make it in line with current development situations under the Resolutions of IX Party Congress, there has been research and study to adopt the Guideline “Formulation of Provinces as Strategic Units, Districts as Enhanced Capacity Units and Villages as Development Units”. This Guidance is suitable to trends of governance improvement to increase local empowerment and accountability;

To address the above short comings as well as to interpret and implement the Resolution of IX Party Congress, dated 15/2/2012, the Law on Local Administration No. 03/NA, dated

21/10/2003 and the Resolution of the NA Standing Committee No. 050/NA SC, dated 13/6/2012 on Formulation of Provinces as Strategic Units, Districts as Enhanced Capacity Units and Villages as Development Units.

The Prime Minister

Instructs that:

I. Deep understanding of objectives, meanings and principles of Formulation of Provinces as Strategic Units, Districts as Enhanced Capacity Units and Villages as Development Units.

1. Objectives of the Instructions

These Instructions define principles, contents, responsibilities, power and coordination of Administrations at different levels, which are targets for piloting the formulation of Provinces as Strategic Units, Districts as Enhanced Capacity Units and Villages as Development Unit by enhancing ownership and accountability in State administration-economic administration; making services and governance smooth in close relation with grass-root level capacity building in holistic rural development according to the 4 Contents and 4 Targets and suitable to needs and conditions of development in order to summarize and draw lessons learnt across country in the future.

2. Meanings of Formulation of Provinces as Strategic Units, Districts as Enhanced Capacity Units and Villages as Development Units

Formulation of Provinces as Strategic Units, Districts as Enhanced Capacity Units and Villages as Development Units is a process of improvement State administration in order to:

2.1 Increase ownership and enhance accountability of local and grass-root levels in exploring, using potentials in political, economic, cultural and social administration, in use of human

resource, in use and preservation of national resources and environment and other resources, in national defense and security and in the foreign service at the local level on the basis of self-sufficiency, self-reliance and self-strengthening; build and enhance local and grass-root level administrative capacity;

2.2 Enable the continuous socio-economic growth of local level and regions, improve livelihoods of people of all ethnic groups, address poverty, especially of those living in rural and remote areas step by step, at the same time increase responsibility division and coordination between local administrations and regions to accelerate local development;

2.3 Interpret policy of the Party and government widely at grass-root level by encouraging people and families to get engaged in production and service, and get involved with ownership in household, community and country development and strengthening grass-root units of people's democracy.

3. Principles

Formulation of Provinces as Strategic Units, Districts as Enhanced Capacity Units and Villages as Development Units provide the following principles:

3.1 Ensure the implementation of principle of Democratic State under leadership of Lao People's Revolutionary Party by devising duties, responsibilities and governance between the central and local levels in details, clearly, reasonably and in an aligned manner;

3.2 Closely link with and serve the strategy for securing People's Democratic State of Lao PDR and capacity building for leadership at micro level of local administrations;

3.3 Work systematically, scientifically and in accordance with contexts and potentials for enhancement of ownership, creativity and responsiveness of people's interests in the locality;

3.4 Increase accountability of local administrations along with strengthening capacity of ministries-organizations at the central level in fulfilling duty to enforce legislations comprehensively and strictly on the ground of principle of Respect for Centralized Democracy and Legislations;

3.5 Ensure continuity of work with prudence, close supervision, and maintenance of national solidarity.

II. Contents and principles of Formulation of Provinces as Strategic Units, Districts as Enhanced Capacity Units and Villages as Development Units.

1. Contents and goals of Provinces as Strategic Units

The contents and goals of Provinces as Strategic Units are as follows:

1.1 In terms of politics and administration; all organizations within the political system of the province are improved to make them more concise, suitable and operate efficiently in accordance their mandate and so they can mobilize people of all strata and ethnic groups as well to encourage and lead them as development forces;

1.2 In terms of national defense and security; implement guidance for national defense and security among general public deeply and widely; provincial national defense and security forces are unified and can become fundamental forces for social order and security; closely linking up the national defense and security with socio-economic development and cooperation with border provinces of neighboring countries;

1.3 In terms of economy; interpret guidelines and policies of the Party, and national socio-economic plan into strategic plans, programs and projects for provincial socio-economic development and defense and security for each period as appropriate to contexts and economic potentials of each province and them efficiently implement those strategic plans, programs and projects;

1.4 In terms of society and culture; put in place educational and health infrastructure and vehicle-equipment, techniques and expertise with strong basis and adequate; the legacy of fine heritage and traditions of people of all ethnic groups is well preserved and promoted; mobilize the solidarity among people of all ethnic groups;

1.5 In terms of Foreign Service; ensure capability to deal with neighboring countries with tactics, able to protect national interests as well as the interests of each locality, able to promote and attract international cooperation and solve issues with border provinces of neighboring countries.

2. Political contents and goals of Municipalities as Enhanced Capacity Units

The political contents and goals of Municipalities as Enhanced Capacity Units are as follows:

2.1 In terms of politics and administration; all organizations within the political system of at their level are strong in terms of organization, personnel, work plan and leadership, and each organization can operate efficiently in accordance their mandate and so they can mobilize people of all strata and ethnic groups as well to encourage and lead them as development forces;

2.2 In terms of national defense and security; forces for national defense and security for national defense and security are strong in terms of politics and ideology, revolutionary qualities and morality, organization, personnel and leadership, and can become independent and strong fighting forces for the provincial defense; and able to build and train, deploy, supervise and command village police and security forces to enable them to secure order and security at the village level;

2.3 In terms of economy; put in place transport and communication and telecommunication infrastructure that can reach out to the majority of villages; provide enabling factors for economic development; processes of commercialized production and holistic rural development are widely implemented; encourage application of new seeds, techniques and technology in

production in close relation to development of model families and appropriate processing of agricultural products; ensure food security;

2.4 In terms of society and culture; put in place educational infrastructure and vehicle-equipment, especially primary education adequately to accommodate all primary school-aged children; health vehicle-equipment, especially for disease prevention, promotion of certain quality of treatment; districts have appropriate measure to address social problems and ensure order and security of the district; legacy of fine heritage and traditions of people of all ethnic groups is well preserved and promoted; mobilize the solidarity among people of all ethnic groups and be aware of tricks by enemy forces trying to divide people of all ethnic groups;

2.5 In terms of Foreign Service; ensure capability to secure order and security along borders, build good relations and cooperation and exchange and trade between the district habitants with peoples of neighboring countries.

3. Contents and goals of Villages as Development Units

The contents and goals of Villages as Development Units are as follows:

3.1 In terms of politics and administration; strong political system, village administration, Lao Front and mass organizations regularly operate in accordance their mandate and can mobilize people of all strata and ethnic groups in the village as well to lead villagers as development forces to develop households and houses within the village;

3.2 In terms of society and culture; people within the village receive political and ideological education, politically energetic and participate in village tasks with ownerships as well as in livelihoods to reduce poverty and bring about well-being and prosperity for their family, and coexist in harmony, helping each other, be community that is tightly managed and able to fairly mediate disputes; all school-aged children go to school, adults of 15 years and above have at least primary education for adults and get educational advancement further and further; the

village is certified to be a health model village, well to do and hygiene families, village with order and good environment;

3.3 In terms of economy; availability of infrastructure or techniques and equipment to support production and livelihoods at the level, where the commercialized production and services can be guaranteed for people within the village to regularly generate income; families are self-sufficient and have normal livelihoods;

3.4 In terms of national defense and security; security, order, free of narcotic drugs and crimes with active participation of people within the village.

III. Deep understanding of duties and rights of administration at different levels in the implementation of the Guidance for formulation of Provinces as Strategic Units, Districts as Enhanced Capacity Units and Villages as Development Units.

1. Duties and rights of ministries-organizations at the central level

Line ministries and organizations have the following duties and rights:

- 1.1. Study and interpret Resolutions of each Party Congress and Resolutions of each Party Committee Meeting into detailed strategy, programs and detailed projects of ministries-organizations and the sector timely and appropriately to the real situations and potentials of the locality as well as take ownership in encouraging, monitoring and inspecting the step by step practical realization;
- 1.2. Study policies, technical standards, regulations and propose to amend concerned laws for their sectors to be in line with policy and guidance of the Party;
- 1.3. Define position criteria in their sector country-wide, plan to target succeeding personnel to educate and train them to succeed in different positions; train technical staff, and respond to development needs for each period as well as monitor quality of performance regularly and strictly;

- 1.4. Conduct scientific research and coordinate with local administration to test and disseminate the results of test of the scientific research and introduce the piloting of these results in their sector development at the central and local levels;
- 1.5. Encourage the development, support and monitor the implementation of laws, regulations and technical standards of their sector at the local level;
- 1.6. Study the re-assignment of responsibilities, decision making and interests in management of tasks of their sector to the local level to have more detailed and clear-cut division in relation to division of personnel, budget, necessary equipment and vehicles; any task or project, which is very sophisticated and requires high technology and which is above the head of local level, is to be direct responsibility of the ministerial level, local level is assigned with tasks that are more useful and brings benefits to the local level;
- 1.7. Review and improve different government administrative mechanisms and laws related to their sector to make them more simplified, understandable and easy to implement in order to facilitate the livelihoods and commercialized production of people as well as business operations for production, trade and services of domestic and foreign entrepreneurs and investors;
- 1.8. Fulfill other duties and rights as assigned by the Government.

2. Duties and rights of provincial administration

Provinces and Vientiane Capital have the following duties and rights:

- 2.1. Develop holistic development strategy of their locality in line with common national development strategy, appropriate to characteristics, conditions and potentials of their locality and make effort to realize that strategy;
- 2.2. Develop and implement plan and State budget in socio-economic development, national defense and security, preservation and use of resources and economic integration with neighboring countries each period;

- 2.3. Ensure order and security in their locality;
- 2.4. Organize, supervise and lead the formulation of districts as Enhanced Capacity Units and villages as Development Units as their priority tasks;
- 2.5. Coordinate with central-level ministries and sectors to establish the commercialized production and service centre such as industry, handicraft, agriculture, transport and other services, namely the research centre for crop seeds and animals; veterinary centre, credit service centre, product buying centre and others;
- 2.6. Coordinate with central-level ministries and organizations to organize skill enhancement programs, job creation, and preserve fine tradition and norms of the country and ethnic groups;
- 2.7. Supervise district administration to develop and implement plans, programs and projects for stable job creation, develop socio-economic infrastructure at the village level, namely roads, hospitals, schools, water and electricity supply;
- 2.8. Supervise and facilitate funding, public servants and others for development of provincial development focuses, appropriate model holistic district development;
- 2.9. Manage and facilitate the business operations of sectors as assigned by or responsibility division by the central level and take direct management of provincial projects;
- 2.10. Consider the approval and management of projects, investment activities of private domestic and foreign investors according to centralization arrangements;
- 2.11. Explore all possible income sources and collect revenues in tact; manage budget expenditure as approved by the National Assembly and strictly comply with monetary disciplines;
- 2.12. Review and improve regulations, government administration mechanism issued by provincial level to make them simplified, understandable and easy to implement to and easy to implement in order to facilitate the livelihoods and commercialized production of people as well as business operations for production, trade and services of

domestic and foreign entrepreneurs and investors according to centralization arrangements;

2.13. Manage and utilize vertical and horizontal organizational and personnel-public servant mechanism within their province in accordance with regulations and laws governing public servants. Appoint and remove staff at Provincial Office Director level or equivalent and below based on managerial position standards and criteria set by central-level ministries and organizations;

2.14. Cooperate with international community according to government assignments;

2.15. Fulfill other duties and rights as assigned by the Government.

3. Responsibilities and rights of District Administration

Districts and municipalities have the following responsibilities and rights:

3.1. Develop socio-economic plan of the district in line with common provincial strategy, appropriate to characteristics, conditions and potentials of their locality;

3.2. Fulfill duties as Provincial Second Planning and Budgeting Unit in socio-economic development, national defense and security, explore all possible income sources and collect revenues in tact; manage budget expenditure according to sectoral decentralization as assigned by the province and strictly comply with disciplines;

3.3. Ensure national defense, order and security in their locality;

3.4. Develop and implement plans and State budget in socio-economic and cultural development national defense, order and security, preserve and use natural resources of each district for each period;

3.5. Build and improve organizational mechanism to have complete system, assisting district administration consisting of technical offices at district level; vertical organizations of the central level based at the district level (Custom, Tax, Treasury, Army, Police, People's Court, People's Prosecutor and Statistic Bureau);

- 3.6. Manage and utilize organizational and personnel-public servant mechanism within their district and municipality in accordance with regulations and laws governing public servants. Appoint and remove staff at District Office Director level or equivalent and below based on managerial position standards and criteria set by central-level ministries and organizations;
- 3.7. Supervise and implement tasks to formulate villages as Development Units, considering these tasks as district priority;
- 3.8. Establish centre to promote industrial, handicraft, agricultural and service commercialized production based on guidance or approval of the province such as centre to provide crop seeds, visionary centre, credit service centre, production buying centre and others;
- 3.9. Build socio-economic infrastructure development projects at the village level of their district, namely roads, irrigation, provide stable livelihoods to address poverty and stop slash and burn rice cultivation;
- 3.10. Define the focus for model for district development and allocate funding, staff, equipment and vehicles in realization;
- 3.11. Manage public projects carried out in their locality in accordance with assignment or decentralization of administration decided at the provincial level, directly manage projects at the district level; effectively manage and use the results of projects;
- 3.12. Consider and approve private domestic investment operations according to decentralization of administration as defined by laws;
- 3.13. Supervise and lead villages to set up people funds, monitor operations of those funds and actively maximize the benefits;
- 3.14. Review and improve regulations, government administration mechanism issued by district level to make them simplified, understandable and easy to implement to and easy to implement in order to facilitate the livelihoods and commercialized production of

people as well as business operations for production, trade and services of domestic and foreign entrepreneurs and investors according to centralization arrangements;

- 3.15. Coordinate with districts of along borders of neighboring countries according to provincial assignment;
- 3.16. Fulfill other duties and rights as assigned by the province.

4. Duties and rights of Village Administration

Village administration has the following duties and rights:

- 4.1. Disseminate policies, legislations; educate, encourage, mobilize solidarity among people of all ethnic groups to exercise their rights and duties correctly;
- 4.2. Develop economy and society and infrastructure, techniques and materials to improve livelihoods of villagers; preserve natural resources and environment sustainably;
- 4.3. Take ownership in national defense and security, manage Lao citizens, tightly foreigners settled down and moved to their village; build political grass-root to develop holistically in their locality according to instructions from higher authority;
- 4.4. Collect socio-economic data, development needs of the village, develop village development plan based on characteristics, potentials and village needs; advise families to know how to develop family income-generating plan and lead them to implement it in practice;
- 4.5. Facilitate implementation of production projects or activities and business activities of public sector, private domestic and foreign investors receiving official investment license in their locality. Monitor, follow up operations, use of resources, preserve environment, fine traditions and others to report to higher authority;
- 4.6. Take lead or propose to higher authority to establish strong villages according to rural or urban location of the village; encourage, promote and provide conditions for Lao Front,

mass organizations, civil-society organizations, all business sectors and general public of all ethnic groups to participate in implementation process of building political grass-root and rural development taken in their locality;

- 4.7. Protect and preserve fine traditions and norms of the country and of ethnic groups; encourage and promote people's livelihood to be in accordance with hygienic principles, literacy for adults, all school-aged children are in school; take ownership to prevent social problems for villagers;
- 4.8. Organize and facilitate revenue collection (fees and service charges...) and deposit in State Budget and Village Administrative Fund correctly and in tact, timely and strictly as defined by laws and regulations; manage and use Village Administrative Fund correctly and transparently and effectively, supervise the establishment and operations of village funds;
- 4.9. Address and mediate disputes, petition and requests of people within scope of their duties and rights;
- 4.10. Report on all village situations to district governor, chief of municipality regularly according to regulations;
- 4.11. Fulfill other duties and rights as assigned by the district governor.

IV. Deep understanding of coordination between local administrations and central-level ministries-organizations in developing plans, budgeting and managing personnel

1. Coordination in developing plans, projects and budgeting

1.1 Technical units at village, district, provincial levels have duties to provide all data and information pertaining to their technical sectors to higher level of their respective sectors, but the data and information to be supplied must be correct and officially recognized at their level first;

1.2 Socio-economic development strategic planning of administration at each level.

The socio-economic development strategic planning of administration at each level is as at follows:

- A. The national socio-economic development strategic planning is based on development of socio-economic development strategic plan of each ministry-organisation in charge of the sector at the central level, and the Ministry of Planning and Investment complies all the plans according to planning regulations;
- B. The provincial socio-economic development strategic planning is done based on development of socio-economic development strategic plan of each sector at the provincial level, and the Provincial Planning and Investment Office complies all the plans according to planning regulations;
- C. The district socio-economic development strategic planning is based on development of socio-economic development strategic plan of each sector at the district level, and the District Planning and Investment Office complies all the plans according to planning regulations;

1.3 Development and project strategic planning of technical sectors at each level, the development and project strategic planning of technical sectors at each level is as follows:

- A. The development and project strategic planning of ministries-organisations at the central level is based on development strategy of each sector in the province and country wide and with the comments by provincial governors and the governor of Vientiane Capital, covering the tasks under responsibility of respective ministries-organisations;
- B. The development and project strategic planning of technical sectors at the provincial level, Vientiane Capital level is based on development strategy of each technical office in the district and province wide and with the comments by district governors and the chief of municipalities, covering the tasks under responsibility of respective sectors;
- C. The development and project strategic planning of technical sectors at the district level, municipality level is based on characteristics and potentials related to tasks of each sector in the district, covering the tasks under responsibility of respective sectors;

1.4 Annual, bi-annual and quarterly planning and budgeting formulation

(1) The annual, bi-annual and quarterly planning and budgeting of administration at different levels is consolidated by Planning and Investment and Finance Sectors at each level of concerned administration, making sure that the annual, bi-annual and quarterly planning and budgeting of their level cover all tasks, projects and Budgeting units, which are under direct responsibility of their level of administration and each level takes charge of supervision of their own level tasks, projects and Budgeting units that propose the plan for consideration of their administration before submitting to the next higher level for consideration according to planning and budgeting regulations as follows:

- A. The State annual, bi-annual and quarterly planning and budgeting is formulated based on annual, bi-annual and quarterly plan and budget of ministries, provinces, Vientiane Capital, and all plans are consolidated by the Ministry of Planning and Investment and Ministry of Finance in accordance with the mandate of each ministry and according to State planning and budgeting regulations;
- B. Planning and budgeting to support annual, bi-annual and quarterly socio-economic development at the provincial level is formulated based on annual, bi-annual and quarterly plan and budget of technical sectors at provincial level and of provinces, Vientiane Capital concerned, and then all plans are consolidated by Planning and Investment and Finance Sectors according to their mandate and according to planning and budgeting regulations;
- C. Planning and budgeting to support annual, bi-annual and quarterly socio-economic development at the district level is formulated based on annual, bi-annual and quarterly plan and budget of technical sectors of districts, municipalities concerned, and then all plans are consolidated by Planning and Investment and Finance Offices according to their mandate and according to planning and budgeting regulations;

(2) The annual, bi-annual and quarterly planning and budgeting of technical sectors of administration at different levels is formulated by the concerned sectors, making sure that the annual, bi-annual and quarterly planning and budgeting of their level cover all tasks, projects and Budgeting units, which are under direct responsibility of their level of administration.

As for the tasks assigned to lower level administration to manage, the planning and budgeting for those tasks are responsibility of that administration as follows:

- A. Central-level ministries-organisations formulate their plan and budget to support annual, bi-annual and quarterly socio-economic development that cover only tasks, projects and budget, which are implemented by each ministry-organisation, the tasks assigned to lower level to manage, the planning and budgeting for those tasks are responsibility of that level;
- B. Provincial technical sectors formulate their annual, bi-annual and quarterly plan and budget that cover only tasks, projects and budget, which are implemented by each sector, the tasks assigned to lower level to manage, the planning and budgeting for those tasks are responsibility of that level;
- C. District technical sectors formulate their annual, bi-annual and quarterly plan and budget by consolidating needs and potential capacity of their concerned tasks in their district.

2. Coordination in approval of plan and budget

Upon approval by the National Assembly, the Government notifies and assigns annual plan and budget to central-level ministries-organisations and provinces, Vientiane Capital to implement according to regulations.

The central-level ministries-organisations divide and assign State annual plan and budget to organs under their direct supervision to implement.

Provinces, Vientiane Capital and districts, municipalities assign plan and budget to the provincial sectors, Vientiane Capital sectors and district and municipality sectors at the provincial level under their direct supervision according to approval of the National Assembly and Notice by the Government to implement; at the provincial level, the provincial governors, governor of Vientiane Capital authorize the disbursement of budget, and in some cases of emergency, the provincial governors, governor of Vientiane Capital authorize the concerned director of sector to authorize the disbursement as appropriate.

Districts, municipalities divide and assign plan and budget to district/municipality technical offices based on actual approval to implement; the district governors, governors of municipalities authorize the disbursement of budget.

3. Coordination in public service management

3.1 The central-level ministries-organisations define positions and standards of different managerial positions of their own sectors. The central-level ministries-organisations, in collaboration with provincial administration, formulate plan to train different managerial position successors at provincial and district levels; train and educate and develop potential public servants for provincial and district levels;

3.2 The central-level ministers, organisation presidents/chairpersons monitor performance of directors of their technical sectors at the provincial level in implementation of laws, in event, the sector directors concerned are not competent or breach laws governing their sectors, the ministers and propose to the provincial governors concerned to consider transfer from the duty, sanction or removal from the position;

3.3 The Provincial governors, governor of Vientiane Capital, appoint, transfer, remove, promote, sanction heads and deputy heads of divisions of technical sectors or equivalent positions and below based on standards and criteria of managerial positions issued by ministries-organisations as proposed by Provincial Personnel and Organisation Office and with the consent from ministers, organisation presidents/chairpersons concerned at the central level and provincial divisions concerned; in the event of disagreement between central-level ministers, organisation presidents/chairpersons and provincial governors, governor of Vientiane Capital, they should consult the Ministry of Home Affairs and concerned organizations to consider and approve appointment, transfer, removal, promotion or sanction public servants under their organizational structure of their administration as defined by concerned laws, and if agreement still cannot be reached, the matter must be reported to higher authority for further guidance;

3.4 The District governors, chiefs of municipalities, appoint, transfer, remove, promote, sanction directors and deputy directors of district offices of technical sectors or equivalent positions and below based on standards and criteria of managerial positions issued by ministries-organisations

as proposed by District Personnel and Organisation Office and with the consent from directors of technical sectors concerned at the provincial level and concerned offices at the district level; in the event of disagreement between directors of provincial offices and the district governors, chiefs of municipalities, the matter must be proposed to the provincial governors, governor of Vientiane Capital to consider and approve appointment, transfer, removal, promotion or sanction public servants under their organizational structure of their administration as defined by concerned laws.

V. Implementing Approach

In order to ensure the implementation of contents and essence of these Instructions all parties concerned must successfully implement according to their mandate and responsibilities as follows:

5.1 The central-level ministries and ministry-equivalent organizations, which are assigned to participate in the piloting (target piloting ministries and ministry-equivalent organizations) the formulation of Provinces as Strategic Units, Districts as Planning-Finance Units, Villages as Implementing Units must implement and deeply understand these Instructions and across sector of all target piloting ministries and ministry-equivalent organizations; collaborate with local administrations concerned to revive legislations concerned of their sectors related to past decentralization of responsibilities and together improve them in line with guidance, policy of the Party as mentioned above no later than 31 August 2012; the decentralization of administration must define clearly rights to authorize, responsibilities and interests of local level to be benefited as well as the coordination mechanism; improve work-plan, budget plan and staff plan management system to make them aligned;

5.2 Target piloting ministries and ministry-equivalent organizations at all level organize the dissemination of these Instructions and broadly and successfully re-arrange the decentralization of administration at the central ministerial level by 31 September 2012;

5.3 The Ministry of Home Affairs issues the Implementing Instructions of these Instructions, take lead in coordination with and encouragement of sectors at the central level and local administrations who are target piloting ministries and ministry-equivalent organizations in

piloting the decentralization of administration, disseminate different documents and instruments related to the piloting successfully by the date line;

5.4 Assign the Piloting Committee for Formulation of Provinces as Strategic Units, Districts as Planning-Finance Units, Villages as Implementing Units, ministers and presidents/ chairpersons of ministry-equivalent organizations, provincial governors, governor of Vientiane Capital, organizations within political and civil society systems at provincial, district and village levels country-wide must be aware and take ownership in interpreting and implementing the piloting of Formulation of Provinces as Strategic Units, Districts as Planning-Finance Units, Villages as Implementing Units under supervision of Piloting Committees at each level to realize this piloting in practice;

5.5 These Instructions are effective since the signature and replace Prime Minister's Instruction No. 01/PM, dated 11 March 2000 on Formulation of Provinces as Strategic Units, Districts as Planning-Finance Units, Villages as Implementing Units.

Prime Minister

Thong Sing Tammavong