

Summary Notes, Conclusions and Recommendations

Pre-consultations to the Round Table Implementation Meeting on Partnerships for Effective Development Cooperation

15 November, 9:00 – 12:00, Vientiane Plaza, Vientiane

Objectives of the Pre-consultation

- Update participants on the final draft of the Vientiane Declaration Country Action Plan (VDCAP) 2016-2025 to be endorsed at the Round Table Meeting; and on the Prime Minister's Decree 75 on Official Development Assistance (ODA) currently under consultation by Government.
- Discuss priority areas for enhancing effective partnerships in 2017, as per the Vientiane Declaration and its Country Action Plan.

Vientiane Declaration 2016-2025 and its Country Action Plan

- The Vientiane Declaration is a forward-looking document, shifting attention from traditional donor – recipient relationship to broader partnerships that are more inclusive of other forms of financing, beyond ODA. These partnerships will become more relevant as Lao PDR graduates from Least Developed Country status. The Vientiane Declaration is fully aligned with Sustainable Development Goal (SDG) 17 on Partnerships and with the Global Partnership for Effective Development Cooperation agreed in Busan. The Country Action Plan will guide the implementation of the Vientiane Declaration, translating the commitments into practice. It includes a concise set of 14 action areas and indicators (reduced from originally 49).
- The Round Table Process, including the Sector Working Groups - which bring together all partners, including civil society and private sector - is a key forum to put the Vientiane Declaration and its Action Plan into practice.
 - **Integrate priorities set through Vientiane Declaration, VDCAP, NSEDP and SDGs into the work plans of the Sector Working Groups:** The VDCAP sets the priorities in terms of process, and the NSEDP, SDGs set the thematic priorities, with additional guidance from the annual Round Table meetings.
 - **Sector Working Groups contribute to monitoring the implementation of sector strategies in line with the 8th NSEDP M&E framework and the SDG indicator**
 - **Revise TOR of Sector Working Groups to take into consideration new principles for effective partnerships** such as south-south cooperation, business as partner in development and domestic resource mobilization.
 - **Strengthen the technical secretariats of the Sector Working Groups**, which are critical to their functioning.
 - **Measure impact of policy dialogue in Sector Working Groups** on policy development and implementation.
 - **Pursue harmonization among partners, including Sector-Wide Approaches, and simplification vis-à-vis the Government.** The top donors for instance are funding 5,000 activities, with high transaction costs for the Government.

Revised Decree 75 on ODA

- The revised decree sets out a clear division of labour on ODA and other flows. It is currently being consulted within Government. These consultations will be opened up to all partners.
 - **Align ODA decree with the Vientiane Declaration.**
 - **Agree on clear division of labor within the Government.** A national workshop on ODA management will be convened before the finalization of the decree in the second half of 2017.
 - **Link ODA decree with decree 115 on associations, decree 149 on foundations and decree 13 on INGOs.** The existing decrees provide the framework for ongoing collaboration until they have been revised.
 - **Provide clarity and guidance on how different sources of finance can be fully utilized.**

Partnerships with Private Sector

- **Ensure broader and deeper engagement of the private sector as a development partner** to improve ease of doing business and promote quality foreign investments in line with WTO and ASEAN commitments.
 - The Government gives high importance to the private sector as partner in development, and recognizes the need to improve the business environment, for instance through the creation of one-stop shops.
 - While ODA is expected to provide around 12-15 percent of the USD 27 billion required to achieve the 8th National Socio-Economic Development Plan (NSED) and graduation from Least Developed Country status, the private sector is expected to provide 54 percent.
- **Enhance engagement of private sector in policy development, ensuring involvement at an early stage,** for policies to be better adjusted to the requirements of the private sector, improving its operating environment.
- **Develop national capacity to assess the quality of Public Private Partnerships and related models and manage them.**
- **Revitalize the Lao Business Forum** to attract quality private investments.
- **Promote quarterly meetings between the different national chambers of commerce** to exchange views on how to strengthen the business environment.
- **Decentralize partnerships between private sector and government to provincial level.** ASEAN integration risks some areas being left behind. It will therefore be key to develop economic infrastructure and harness the private sector at the provincial level. This will require a phased approach, and capacity development. This aspect could be integrated into VDCAP.
 - **Expand public-private business fora to all provinces.**
 - The amended Investment law which is currently with the National Assembly states clearly the division of labour between central and local government. Investments in remote areas will be incentivized.

Partnerships with Civil Society

- **Include civil society as important partner in development** because of their unique capacity to engage community members in a meaningful manner, enabling citizens to voice their needs, engage in decision making and be part of the development conversation and action.
 - Non-Government partners such as Non-Profit Associations and INGOs can provide high-quality expertise complementary to the Government and should therefore be included in the development dialogue. This will be important to achieve the national objectives, leaving no one behind. It will be important to keep a fair balance.

- The Istanbul Principles for CSO Development Effectiveness should be promoted in the Lao context.
- For some forms of international support the Government channels may be more suitable, while for other forms, civil society may be more suitable. Evidence for such decisions would be useful, for instance an evaluation on how Government implementation compares to INGO/NPA implementation.
- Economic Growth is currently not inclusive. Every percent of GDP growth leads to 0.4 percent reduction in poverty in Lao PDR, compared to a 1.2 percent reduction in Cambodia for instance.
- **Revitalize Village Development Committees.** Given a clear mandate and provided with the necessary resources, they present a structured means for community members to be involved in decision making that concerns their everyday lives. Village Development Committees would provide a conduit through which less formal self-organised groups such as farmer or weaving house collectives, social enterprises and youth groups could make their voices heard.
- **Continue quarterly meetings between the INGO Network and MoFA,** to enhance communication and mutual understanding.
- **Introduce a similar regular exchange between Non-Profit Associations and MoHA,** which could contribute to streamlining and accelerating their registration, enabling them to participate in the formulation, consultation and implementation of development policies and programmes, for instance in the Sector Working Groups and other elements of the Round Table process.
- **Enhance capacities of NPAs** through mentoring, coaching, accompaniment, training and awareness raising from partners such as the Government, INGOs and other partners.
- **Streamline MoU review and approval process** to enhanced partnerships that result in more effective development cooperation.

South-South, Regional and Local Partnerships

- **Ensure clear coordination and reporting arrangements to understand better the nature and modalities of south-south collaboration.** South-South cooperation constitutes an important form of knowledge exchange, complementing remittances and other flows.
- **Reflect ASEAN and regional dimension in national and sub-national policy dialogue**
- **Include sub-national authorities in national policy dialogue and promote policy dialogue at local level.**

Financing for Development and Public Financial Management

- Continued improvement of fiscal management will be crucial to achieve the 8th NSEDP.
 - **Introduce Medium-Term Expenditure Frameworks by 2018,** to ensure better management of resources.
 - **Link planning and budgeting to Medium-Term Expenditure Frameworks.**
 - **Introduce rolling investment plans** for achieving the 8th NSEDP.
 - **Conduct regular Public Expenditure and Financial Accountability (PEFA) Assessments** to measure progress in this area.
- **Systematically integrate financing for SDGs and NSEDP into the round table dialogue,** taking into consideration different forms of partnership and finance.
- **Develop an integrated financing framework for Lao PDR,** including a financing strategy linked to results that illustrates how different forms of finance can be used more effectively.

Recommendations for the RTIM

Vientiane Declaration 2016-2025 and its Country Action Plan

- Integrate priorities set through Vientiane Declaration, VDCAP, NSEDP and SDGs into the work plans of the Sector Working Groups
- Sector Working Groups contribute to monitoring the implementation of sector strategies in line with the 8th NSEDP M&E framework and the SDG indicator
- Revise TOR of Sector Working Groups to take into consideration new principles such as south-south cooperation, business as partner in development and domestic resource mobilization.
- Strengthen the technical secretariats of the Sector Working Groups
- Measure impact of policy dialogue in Sector Working Groups on policy development and implementation.
- Pursue harmonization among partners, including Sector-Wide Approaches, and simplification vis-à-vis the Government.

Revised Decree 75 on ODA

- Align ODA decree with the Vientiane Declaration.
- Agree on clear division of labour within the Government.
- Link ODA decree with decree 115 on associations, decree 149 on foundations and decree 12 on INGOs
- Provide clarity and guidance on how different sources of finance can be fully utilized.

Partnerships with Private Sector

- Ensure broader and deeper engagement of the private sector as a development partner
- Enhance engagement of private sector in policy development, ensuring involvement at an early stage
- Develop national capacity to assess the quality of Public Private Partnerships and related models and manage them.
- Revitalize the Lao Business Forum
- Promote quarterly meetings between the different national chambers of commerce
- Decentralize partnerships between private sector and government to provincial level; expand public-private business fora to all provinces.

Partnerships with Civil Society

- Make civil society a central partner in development.
- Revitalize Village Development Committees.
- Continue quarterly meetings between the INGO Network and MoFA.
- Introduce a similar regular exchange between Non-Profit Associations and MoHA.
- Enhance capacities of NPAs.
- Streamline MoU review and approval process.

South-South, Regional and Local Partnerships

- **Ensure clear coordination and reporting arrangements on south-south cooperation.**
- **Reflect ASEAN and regional dimension in national and sub-national policy dialogue.**
- **Include sub-national authorities in national policy dialogue and promote policy dialogue at local level.**

Financing for Development and Public Financial Management

- **Introduce Medium-Term Expenditure Frameworks by 2018**
- **Link planning and budgeting to Medium-Term Expenditure Frameworks.**
- **Introduce rolling investment plans.**
- **Conduct regular Public Expenditure and Financial Accountability (PEFA) Assessments.**
- **Systematically integrate financing for SDGs and NSEDP into the round table dialogue.**
- **Develop an integrated financing framework for Lao PDR.**