



**LAO PEOPLE'S DEMOCRATIC REPUBLIC**  
**Peace Independence Democracy Unity Prosperity**

**High-Level Round Table Meeting (RTM)**  
**Vientiane Capital, 20-21 October 2010**

**Building Partnerships for an Effective Implementation of the Seventh  
NSED**

**Report to the RTM**

**Ministry of Planning and Investment**  
**Department of International Cooperation**

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## Introduction

The tenth Round Table Meeting (RTM) organized by the Government of the Lao PDR (GOL) is a series of high level meetings held within the Round Table Process (RTP), to present to Development Partners (DPs) its future strategies, macro and sectoral policies and priorities for the coming five years. The Round Table Meeting builds upon the highly productive dialogue that has already taken place and will enable the Government to set out its priorities clearly and seek mobilization of predictable and coordinated financial resources to implement the country's development agenda. The strength and increased quality of this dialogue provide the foundation needed to make the most effective use of Official Development Assistance (ODA).

The seventh five-year National Socio-Economic Development Plan (NSEDP) 2011-2015 sets out the development agenda and provides the overall direction, strategic goals, specific targets and requirements for its implementation. The NSEDP focuses on accelerating Lao PDR's progress towards stronger, equitable, sustainable and broad-based growth as well as attaining the Millennium Development Goals by 2015. The successful implementation of the NSEDP will lay the foundation for Lao PDR to graduate from the Least Developed Country (LDC) status by 2020. The seventh Plan has seen a significant increase in stakeholders' involvement including national consultations with line ministries, provincial authorities and also with the Development Partners. The objective of these consultations was to ensure national ownership of the plan, common understanding of priorities and sound allocation of scarce development resources. The Sector Working Groups have also provided useful contributions to ensure a stronger NSEDP.

The Tenth RTM provides a critical opportunity to reinforce the policy dialogue on the country's main development opportunities and challenges and the most appropriate policy framework and allocation of domestic, private and ODA resources. This will lay the foundation upon which Government and DPs can make the most rapid progress towards reducing poverty, achieving the MDG targets and attaining sustained and equitable economic growth that benefits the government and people of Lao PDR.

The Government is putting in place possible measures to increase the contribution from Government revenues as a share of total public investment, and thereby to reduce the share of ODA to public investment from 84% during the 6<sup>th</sup> Plan to 76% during the 7<sup>th</sup> NSEDP. It is also committed to strengthening the enabling environment in order to attract increased flows of domestic private sector and foreign direct investment and strengthen their role as an engine for growth. Despite these efforts, the Government recognizes the critical contribution that Development Partners play in terms of providing expertise and ODA financing in support of the NSEDP's goals and targets. Significant levels of ODA financing remain essential for the goals of the NSEDP to be secured and the country to continue to make progress on its path towards greater financial self-reliance. In this respect a financing strategy of the 7<sup>th</sup> Plan is being prepared, including aspects relating to budget revenues, rationalizing public expenditures, prioritizing investments, and leveraging resources.

This report is presented to the RTM together with the 7<sup>th</sup> NSEDP. It focuses on action required to strengthen further policy dialogue with development partners; consolidate aid effectiveness achievements in the country; and enhance coordination mechanisms with the RTP for an effective implementation of the 7<sup>th</sup> NSEDP. It includes (a) key achievements and outcomes of the RTP, (b) challenges and lessons learned and (c) the way forward and conclusion.

## **PART I. Key achievements and outcomes of the RTP**

### **General considerations**

As a Least Developed Country (LDC), Lao PDR is facing significant challenges in terms of financial and human resources, with international assistance playing an important role in building capacity and supporting development activities. Therefore the GOL accords great importance to strong partnership with the international community, sustaining donor's support and enhancing aid coordination and effectiveness within the spirit of the Paris and the Vientiane Declarations and the Accra Agenda for Action in order to achieve its development goals.

The Round Table Process (RTP) has been established to provide a forum for an open policy dialogue between the GOL and DPs on the development process, including strategy formulation, priority setting, resource mobilization and utilization, and monitoring of commitments taken by both sides.

The RTP is now fully led by the GOL and has been strengthened over the years with the support of the United Nations Development Programme (UNDP) and the cooperation of all DPs. It has evolved from a statistic, event oriented activity towards an institutionalized, dynamic and ongoing process targeting concrete results.

The RTP comprises three mutually reinforcing layers:

1. The Round Table Meeting (RTM) is a high level forum between the GoL and DPs, organizing every three-four years, its main purpose is to review GOL multi-year development strategies; build consensus on development priorities and requirements; and commit GOL and donor resources for their implementation.
2. The Round Table Implementation Meeting (RTIM) is an annual forum which provides the opportunity for dialogue between GOL and DPs to monitor the implementation of strategies and policies, the utilization of resources and to address emerging development and aid effectiveness issues.
3. Sector Working Groups (SWGs) are ongoing year-round mechanisms for in-depth consultation on sectoral development, alignment and coordination of donor assistance and facilitation of the implementation of the jointly-agreed commitments within the Vientiane Declaration's Country Action Plan (VDCAP) on aid effectiveness.

### **Achievements through the RTP**

The GOL leadership of the RTP, the genuine political support demonstrated by both the GOL and DPs to this process and the extensive dialogue and consultation within the three layers described above have resulted in significant achievements which will provide the basis for further improvement in the coming years. These achievements, which are largely due but not limited to the RTP, mainly stem from addressing development challenges and determining the most appropriate ways to meet them in accordance with continuously evolving national and international economic and social concepts as well as the changing aid environment. This is of particular importance as Lao PDR continues to ensure the application of a market-oriented economy under the leadership of the Government and in line with international standards. Other achievements related to the socio-economic progress are presented in the document of the 7<sup>th</sup> NSEDP and hence are not mentioned in this paper.

### *Enhanced leadership*

The enhanced leadership of the GOL over coordination mechanisms has reinforced the country's ownership of its strategic choices and priorities. This has been evidenced by (i) the strong overall direction provided by the Round Table Steering Committee chaired by the Prime Minister to addressing key issues emerging through dialogue with DPs; (ii) the involvement of national agencies at the central level and to some extent the provincial authorities in the conduct of the consultation process under the coordinating role of the Ministry of Planning and Investment and the overall political oversight of the Prime Minister Office; (iii) the preparation of comprehensive documents and reports to inform the dialogue process and facilitate discussion; (iv) consideration of the outcomes of the dialogue with DPs at the highest level of GOL, with MPI reporting to the Prime Minister's Office on recommendations put up by DPs and Prime Minister's instructions on implementing these recommendations provided to Line Ministries (LM); (v) the decisions taken at appropriate levels to accommodate advice and recommendations of DPs; and (vi) improved performance of Sector Working Groups, including in supporting sector strategy development and implementing the VD Country Action Plan.

### *Stronger policy dialogue*

The intensive, constructive and smooth policy dialogue at all three levels of the RTP on a wide range of socio-economic development issues, and the sense of responsibility demonstrated by all parties involved in the dialogue have resulted in strengthened mutual trust, common understanding, and convergence of views. This was evidenced by the effective cooperation throughout the Government led formulation of the seventh NSEDP, which saw the most extensive consultation process for the national development agenda undertaken in the country to date. The NSEDP which sets the development framework for the coming five years has significantly benefited from this unprecedented level of consultation, with the advice, suggestions and inputs offered by DPs helping to create a strong and comprehensive planning framework. The GOL has integrated most inputs in various parts of the Plan while maintaining its own strategic choices, balances and tradeoffs that must be made and taking account of the overall direction set by the Party and the GOL.

### *Reform implementation*

Reform implementation has been one of the key focuses of the GOL/DPs' consultation process at the multilateral and bilateral level. Lao PDR has come a long way in bringing the management of the development process into widely adopted paradigms, as evidenced by the structural reforms in the public finance areas, several reforms in key economic and social sectors, and reforms in governance, which have been appraised by DPs and frequently highlighted as tangible results.

### *Enhanced institutions*

The GOL's efforts on enhancing institutional capacity through a wide range of programmes focusing on building and strengthening technical knowledge and professional skills to all levels of the government bodies have been put into government institutional improvement agenda. A part from these, accountability, transparency, good governance and better management of development process have been considered and being implemented for ensuring the development results.

### *Mainstreaming development practice*

The RTP has been mainstreamed into the national planning, programming, budgeting and national decision making processes. Growth with equity; the focus on social progress, human capital and the MDGs; the need to dedicate more resources to social sectors; fiscal sustainability; emerging issues such as nutrition, food security, civil society and environmental and climate change issues; sustainable management of natural resources; role of private sector, SMEs, balanced investment, quality FDI, business climate, and labour force productivity and competitiveness; sustainable alternatives to resource-based growth; land management and implications on livelihoods; gender equality; the impact of UXOs and illicit drugs on the achievement of development goals; rule of law; and appliance to international conventions and treaties have been adopted by the GOL in its strategic thinking as can be seen in the recent development plans, sectoral strategies,

national budget structure of revenues and expenditures, and in several laws and regulations enacted by the GOL.

#### *Managing the global financial crisis*

The GOL and DPs – particularly the international financial institutions - have thoroughly and to some extent collectively consulted and managed the implications of the global financial and economic crisis since it erupted in the second half of 2008. Safeguards measures have been agreed to limit the negative impact of the crisis on the economy and social gains.

#### *Strengthening bilateral cooperation*

Outcomes achieved through the multilateral consultations among stakeholders at all levels, especially in respect of programmes/projects development, implementation and regular reviews, have led to increased aid effectiveness and supports to development agenda. These have also minimized the risk of duplication and overlapping of programmes, and enhanced trust and confidence, resulting in opening new directions and avenues for bilateral cooperation.

#### *Strengthened ODA management and performance*

The GOL has formulated clear policies and programmes, putting in place systems and instruments to ensure better management of resources including enhanced information sharing through information technology, regular consultations and joint monitoring. As a result, DPs have continuously provided required financial and technical support to help the GOL implement these strategies and programmes. This has been illustrated by the increasing trends of ODA provided by more than 26 countries and 26 international organizations over the five-year period of the 6<sup>th</sup> NSEDP 2006-10, in accordance with development priorities and in financial terms that are in line with the national budget constraints and sustainable debt management as illustrated by the following table.

Table 1. ODA trends, commitments and disbursements (Million USD)

	Pledges/Commitments made at the 9 <sup>th</sup> RTM (annual average)	Actual Disbursements By Fiscal Year							
		2005-06	2006-07	2007-08	2008-09	2009-10 (estimation)	Total	Annual Average	% disb./pledgs.
Bilaterals	269	223	217	260	316	340	1356	271	100.7%
Multilaterals	132	44	57	97	106	99	403	81	61%
IFI	148	118	126	136	89	113	582	116	78%
Others	13	16	18	7	32	28	101	20	154%
Total	562 <sup>1</sup>	401	418	500	543	580	2442	488	87%

Source: MPI, DIC - Foreign Aid Implementation Reports(for disbursement), and 9<sup>th</sup> RTM report and donor profile for pledges/commitments.

Over the past five years of the 6<sup>th</sup> NSEDP the GOL has implemented more than 2,251 projects in the form of investment and technical assistance directed to various socio-economic areas in the public sector. The total expenditure on these projects was USD 3,170 million including USD 2,442 million from ODA (average USD

<sup>1</sup> Estimation only

488 million per year), and USD 728 Million from government budget resources (comprising USD 90 million in the form of counterpart funds and USD 638 million for investments entirely funded by government resources), giving an annual average of USD 146 million. This indicates the success of government in working with DPs to use ODA effectively in supporting investment efforts. However, it also points to the importance of making swifter progress towards more programmatic approaches in order to rationalize the high number of individual programmes and projects.

#### *Progress in aid effectiveness agenda*

The national aid effectiveness agenda embodied in the Vientiane Declaration and its Country Action Plan has stemmed from the global debate on the need to enhance both development partners (donors) and developing countries' commitment to ensure that resources devoted to development are provided and managed consistently and efficiently.

The endorsement of the Vientiane Declaration during the Ninth RTM of November 2006 is a main achievement of the RTP, providing the opportunity for GOL and DPs to reach a common consensus on what should be done collectively and individually at the country level to improve aid effectiveness. The issue of aid effectiveness is thus gaining prominence from both government authorities and DPs' agencies.

Progressing the aid effectiveness agenda has broadly addressed several ramifications and dimensions including the implementation of effective resource planning and budgeting, and the development of national systems to facilitate aid integration, operational intra-government coordination mechanisms, and fundamental changes in donors' policies, operations and procedures.

The recent Prime Minister's Decree no. 75 of 20 March 2009 on utilization and management of Official Development Assistance defines the roles and responsibilities of the core and line ministries and local administration authorities. It aims to strengthen intra-government coordination, enhance accountabilities of Government agencies, simplify administration processes and further promote government ownership and leadership over ODA management and coordination processes and outcomes.

Within the spirit of the Vientiane Declaration, a Country Action Plan (CAP) was formulated in May 2007 and revised in 2010 and is currently under implementation by respective government ministries and institutions with support from Development Partners<sup>2</sup>. The 2010 revision saw activities in the VDCAP prioritized and streamlined, reducing actions from 73 to 40 and providing clearer measures to achieve them. A guidance note on integrating the VDCAP into programmes is ensuring enhanced on-the-ground application of VDCAP targets. The CAP provides a common framework comprising monitorable actions to make aid more effective and help the country achieve its development goals. The CAP identifies specific actions to be undertaken and time-bound targets under each of the five pillars of VD, namely ownership, alignment, harmonization, managing for results and mutual accountability.

Progress achieved to date has seen more tangible progress in ownership and alignment than in harmonization and managing for results. Progress has been achieved towards moving to programme-based approach at the sectoral level in areas of education and transport, as well as at the programme level in public financial management, trade, upland agriculture, UXO and HIV/AIDS.<sup>3</sup> Work has commenced on conceptualizing capacity development frameworks within the four priority sectors, namely education, health, transport and agriculture. ODA information management system has seen some progress. DPs are increasingly aligning their programme cycles to the NSEDP cycle; no parallel implementation units have

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<sup>2</sup> All DPs signatory to the Vientiane Declaration have been providing support to the implementation of the VDCAP; a Secretariat led by DIC has been established to facilitate monitoring VDCAP; more particularly ADB, EC, Luxembourg and UNDP have been providing coordinated technical support to DIC in areas of aid coordination, management and effectiveness; co-chairs of SWGs are also helping in coordination and other related areas at sectoral level

<sup>3</sup> Refer to preliminary report of the study "Implication of Programme-based Approaches in Lao PDR, commissioned by DIC and funded by the Delegation of the European Commission, June 2010

been established since 2007 and a number of implementation units incorporated into the concerned agency structure; progress has been made in strengthening GOL public financial management and procurement systems, with systems being slowly adopted by DPs.

#### *Specific achievements within the SWGs*

SWGs have been acting as key platforms for providing advice and support and strengthening the GOL decision making process. They are not a substitute to the corresponding line ministry (ies). In this respect and in accordance with their terms of reference, SWGs have been active in shaping sectoral strategies, policies, action plans and programmes, as well as focusing on harmonizing the utilization of resources, matching budget funds with external assistance, and monitoring the implementation of the agreed policies and programmes.

Key sectoral strategies have been formulated by line ministries and facilitated in most cases by the SWGs and through other GOL/DPs consultations. They include Public Financial Management Strengthening Programme; National Statistical Development Strategy; Draft Strategic plan for Governance; Legal Sector Master Plan, Transportation Master Plan; Agricultural Development Master Plan; Trade Strategy; National Strategic Plan for the UXO sector “The Safe Path Forward II”; Guidelines on Compensation and Resettlement of People Affected by Development Projects; Climate Change Mitigation Strategy and Action Plan; Rural Electrification Plan; National Strategy of the Advancement of Women; Education Sector Development Framework; Maternal and Neonatal Child Health Strategy; National Nutrition Policy and Plan of Action; Labour and Social Welfare Master Plan; the National Drug Control Master Plan and the MDG Acceleration Framework.

SWGs have broadly provided insights to resource mobilization process and allocation of funding for an effective implementation of sectoral strategies; harmonization although at a varying degree of DPs’ interventions; acceleration of project and programme implementation; facilitating decision making to address bottlenecks facing sector development; reporting progress and challenges; and contributing to the implementation of VDCAP actions.

#### **Part II. Challenges and Lesson Learned:**

The achievements above demonstrate the joint efforts of GOL and DPs in effectively enhancing coordination mechanisms, strengthening dialogue, consolidating government coordination and leadership, and progressing the aid effectiveness agenda. However, many challenges lie ahead, and there is a need to further enhance the Round Table Process, its mechanisms and outcomes and to capitalize on the GOL and DPs willingness to create optimal conditions for an effective implementation of the seventh NSEDP. Successful implementation of the seventh NSEDP and its adequate resourcing demands that the existing challenges be addressed.

In this respect, the Sector Working Groups as a whole have yet to develop and establish linkages between sectoral and provincial development plans and programmes. Key issues such as capacity development, proper financing of recurrent costs generated by ODA funded projects and long-term integration of these into general Government-funded planning procedures need to be addressed. In addition, commonly agreed indicators and benchmarks to systematically monitor progress and ensure appropriate utilization of resources must be strengthened.

Likewise, the capacity of SWG secretariats must be enhanced with the possible financial and technical support of concerned co-chairs. The Department of International Cooperation (DIC), Ministry of Planning and Investment will need to further strengthen its capacity for more effective management and coordination of the SWGs including: organizing information flows between SWGs; strengthening links between all coordination mechanisms, enhancing the mechanism of the Chairs and Co-chairs meeting; and



better dissemination of ODA-related information (project information, statistics and data) to stakeholders, and providing a single one-stop service.

Furthermore, greater coordination among ministries as well as central and local levels is required to effectively address more complex sector and cross-sector opportunities and challenges.

In this respect, there is a need to involve sub-national authorities in the coordination process in order to better align overarching programmes with local priorities, leverage resources and ensure coordination between public, private and community activities. Horizontal and vertical coordination mechanisms must be strengthened through enhancing the role of provincial planning departments.

It is equally important for DPs to continue to align and harmonize procedures to reduce ODA fragmentation and ensure maximum of aid effectiveness in line with the principles of the Vientiane Declaration. The Accra Agenda for Action also calls for DPs to remove aid conditionality and enhance aid predictability as effective implementation of national strategies requires clear indication on resources that could be available over the entire timeframe of the concerned strategies.

### **Part III: The Way Forward and Conclusion**

In light of the above-mentioned challenges and the requirements to ensure a proper implementation of the seventh NSEDP it is becoming clear that the GOL and DPs should provide additional efforts and attention to mobilize resources and further improve the institutional and operational environment that impacts the mobilization and utilization of resources. The following are concrete actions that the GOL will implement to this end.

#### *Actions related to enhancing the RTP*

- Ensure systematic consultation with DPs not only on overall and sectoral strategies but also on the Public Investment Programme and the national budget framework that support these strategies.
- Strengthen the SWGs' mandates, including enhancing coordination mechanisms, linkages between SWGs and local administrations, inter-ministerial coordination and monitoring and evaluation mechanisms.
- Introduction of clear benchmarks and indicators for joint monitoring of sectoral strategy implementation, as the basis of the SWG deliberations and part of the overall dialogue within Round Table Meetings and Round Table Implementation Meetings.
- Greater discussion between GOL and DPs on leveraging public and private resources, ensuring complementarity and effectiveness in utilizing these resources and strengthening public-private partnership.
- Sector Wide Approaches (SWAP) and Programme Based Approaches (PBA) to be considered for all sectors in order to facilitate stakeholder coordination, promote sector oriented assistance and the use of more appropriate aid modalities such as budget support, pooling resources and trust funds.
- Better sharing of and access to information through improved communication infrastructures and channels.

#### *Measures related to the management of development resources*

Mobilizing, managing and coordinating development resources are of particular importance for the NSEDP given its ambitious targets and the amount of funding required to achieve these targets and maintain GDP growth, not less than 8% per year. As illustrated in the 7<sup>th</sup> NSEDP, the overall financial cost of the five-year Plan is estimated at USD 15 Billion. Details of this cost and financing scheme are presented in the following table.

Table 2. 7<sup>th</sup> NSEDP financing scheme (public and private investment) – In Million USD

Fiscal Year	Source of funding				Total
	GOL Budget	ODA	FDI	Domestic credit	
	8%	26%	54%	12%	100%
2010-2011	185	600	1242	276	2301
2011-2012	209	706	1404	312	2631
2012-2013	236	794	1586	353	2969
2013-2014	266	894	1793	398	3351
2014-2015	301	1006	2026	450	3782
Total 5 years	1196	4000	8050	1790	15034
Average per year	239	800	1610	358	3006

Source: Investment Projection 2010, MPI

It is clear that, when compared to the previous Plan the 7<sup>th</sup> NSEDP will require more resources from the private sector, the GOL and DPs. The private sector including FDI contribution is estimated at 66% of total investment, with the remaining 34% to be provided by the public sector including 26% from ODA and 8% from national budget.

As Government revenues, especially tax receipts and non-tax revenues, are projected to increase gradually, its contribution to public investment is expected to increase significantly in the coming five years, reducing the ODA to public investment ratio from 84% during the 6<sup>th</sup> Plan to 76% during the 7<sup>th</sup> NSEDP.

A multi-year indicative ODA support form has been circulated to all DPs invited to the Tenth RTM in order to request an indication about the future financial and technical support they intend to provide to the 7<sup>th</sup> NSEDP. The GOL is requesting DPs to provide at least an average of USD 800 million per year in the form of actual disbursement and requires the support of DPs to collectively mobilize this amount.

The GOL will take necessary actions and measures to ensure an adequate financing of the Plan and a thorough implementation and monitoring of its various policies and programmes<sup>4</sup>. These actions include the following:

- Prioritization, annualization and scrutiny of public investments to ensure resource matching, accordance with the NSEDP objectives and priorities, and balanced resource allocation among sectors and sub-sectors.
- Strengthening linkages between programming process (including investment prioritization) and resource budgeting (projections of budget revenues and expenditures/MTEF<sup>5</sup> and national budget).
- Use of systematic and institutionalized result-oriented monitoring and evaluation frameworks and the adoption of effective tools to track physical progress of projects as well as progress in achieving economic and social targets, and fund utilization<sup>6</sup>; and build capacities across sectors and implementing agencies.
- Improve statistics and information management through enhancing the instrument Laoinfo and making it fully operational to collect and disseminate accurate and timely socio-economic data to all users and ensuring the Aid Management Platform meets the needs of government and development partners in systematically tracking resources and results. This will facilitate the adjustment and update of the NSEDP on annual basis and improve reporting processes, as well as

<sup>4</sup> A financing strategy is being prepared; it will provide more details on means and ways to ensure adequate funding from GOL budget and PS.

<sup>5</sup> Medium Term Expenditure Framework

<sup>6</sup> MPI is working with line ministries on developing a comprehensive M/E framework for the 7<sup>th</sup> NSEDP

strengthen the leadership of MPI in coordinating various aspects, relating to the NSEDP implementation and reporting to the Government and the National Assembly.

- As the MDGs, which must be met by 2015, are considered as the heart of the NSEDP, significant resources should be devoted to their implementation, and specific monitoring of these goals is required.
- Increase the absorptive capacity of the country to ensure greater utilization of available funds from both public and private providers. Key elements will include strengthening capacities across the country, enhancing accountability in managing funds, improving project design and implementation, timely decision making to address bottlenecks facing the implementation process, and creating strategies to reduce the reliance on ODA in the long-term.
- Promote the most appropriate resource implementation and management modalities, including pooling resources and trust funds.
- Accelerate the implementation of the revised VDCAP with a focus on key issues such as the use of country systems, capacity development frameworks and Programme Base Approach (PBA).

#### Actions to increase ODA effectiveness

- MOFA, MPI and MOF will undertake systematic consultation with line ministries to prioritize proposals of ODA projects and programs; ensure that domestic resources and international assistance are consistent with the NSEDP objectives, needs and requirements; and increase resources dedicated to development projects, especially in social sectors, while securing counterpart funds to ODA-supported projects.
- Enhance aid predictability and synchronize DPs programming with national planning, programming and budgeting frameworks.
- Design and implement clear strategies for capacity development across government at national and sub-national levels.
- Strengthen the national budgeting, procurement, auditing and reporting systems including developing internationally accepted standards and ensure that these systems are used for ODA operations to enhance ODA integration into the budget system.

#### Requirements for building capacities

Technical Assistance (TA) is currently providing alternatives to the improvement of national capacities in many areas of the development management process. Technical advisers funded by several donors are posted in government agencies to ensure that projects are implemented and resources used in line with required standards. Notwithstanding the important role TA is playing, concerns are rising among Government and DPs with regard to the practices of capacity substitution (vs. capacity development), and the potential perverse effects of TA on the nationals' involvement and the sustainability of development activities and results in the longer term.

To address this issue, the GOL will develop individual, institutional and organizational capacities across the government and the country as a whole. These will require stronger leadership and ownership by the government, including undertaking the required planning, coordination, implementation and managerial capacity in order to ensure sustainability.

In conclusion, this document underscores the priority that the Government of Lao gives to strong, open and effective partnership with its development partners. It summarises the clear evidence of significant progress in using the Round Table mechanism as a key resource for ministries and their DPs in tackling the critical challenges involvement in translating policy aspirations into concrete development gains. Ministries and DPs testify to increased levels of trust and mutual confidence which has enabled some sectors to develop joint strategies which enjoy shared ownership and to begin to align resources and monitoring mechanisms behind them. In making this progress, the readiness to jointly commit to periodically and

mutually monitoring progress against the VD Country Action Plan has been a valuable spur to action – though SWGs need to do more to apply it systematically at sector level.

While recognising the very real achievements since the last RTM, the paper underlines several areas where continued efforts are needed both by government and by DPs. The benefits of partnership need to be better spread across sectors and also be realised more fully at sub-national level. However, the tools, joint commitments and mutual accountability mechanisms are in place and recommendations for action identified. This provides a truly solid basis for the mobilisation of the additional resources needed for NSEDP to be adequately financed and its ambitious socio-economic goals achieved.

The tenth Round Table Meeting will provide an excellent forum for these achievements, challenges and recommendations to be discussed, and for development partners to come together to reaffirm their continuing political and financial support for the national development efforts. The GoL looks forward to productive dialogue and consultation at the RTM and in the subsequent joint follow-up on the decisions and next steps that are agreed.