

Draft
Opening remarks by Ms. Ricarda Rieger,
UNDP Resident Representative

GSWG Chair / Co-Chair Meeting and Annual Review Meeting

At ICTC, 13th November 2019

(8.30 am-12.15pm)

- His Excellency Khammanh Sounvileuth, Minister of Home Affairs
 - His Excellency Xaysy Santivong, Minister of Justice
 - (my co-chair) Mr. Jean-François, Regional Director of SDC Mekong Region representing Switzerland
 - Representatives of Line Ministries,
 - Excellencies, Ambassadors, representatives of the diplomatic corps,
 - Development partners, representatives of civil society,
 - Distinguished guests,
 - Ladies and gentlemen
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It's my great pleasure to co-chair our governance sector meeting this morning. I'm aware that we have a full agenda today, which embraces our Governance Sector Working Group's report on status of key governance topics in 2019; a presentation on the findings from the recent Capacity Assessment of GSWG Secretariat; and then looks at the proposed draft GSWG work plan for 2020.

Today's meeting is being held against the backdrop of the RTiM that will take place in Luang Prabang on 25 and 26th of November. And indeed the essence of the GSWG progress report has already been shared with the Ministry for Planning and Investment, as inputs to the RTiM documentation and as a contribution to identify

key governance issue for 2020 and beyond into the new 9th NSEDP, which is being developed for the period 2021-2025. The timing of the 5 year 9th NSEDP makes it a critical document to guide both the government's efforts and that of its partners, in achieving SDGs and the Agenda 2030.

Within that broader context, please allow me to just highlight a few points today.

[LDC –Governance]

Driven by strong economic growth and rapidly improving health and education, Lao PDR looks set to leave the group of LDCs – as soon as 2024. The country will be considered for official 'graduation' from the UN category at the next review of the UN CDP in 2021. Apart from its very positive aspects, we are also very much aware that this graduation also bears some risks of the country falling in the MIC trap, by losing special trade arrangements/loans and decreased ODA. Hence the urgency to support the most vulnerable people and prevent them from being left behind.

As we look forward to the 9th NSEDP and the global Agenda 2030, it good to know that the Government is preparing a smooth LDC transition strategy, supported by the UN, development partners and the broader national and international community, including the private sector, to guide the country through the process. This strategy will help the country to manage the phasing out of certain international support measures put in place to help LDCs, as well as to further improve governance, transparency, the rule of law and aid effectiveness.

Ladies and Gentlemen, Empowered Lives and Resilient Nations are not built solely on GDP! And governance plays a critical cross-cutting role in achieving enhanced human development, inclusive society, social justice, peace and order, - brought about by improved livelihoods and better living standards, reduced disparities in development outcomes between people, and universal access to quality social services through an enhanced administrative system.

[LEGAL SECTOR]

Please allow me some comments first on the Rule of Law and access to justice for all as a core principle of governance. Achievement of a true Rule of Law State is a priority condition for creating a prosperous and stable society.

I note that progress continues to be made in 2019 through the forum of the Legal and Institutional Oversight Sub-sector. I welcome the thematic discussions on Penal Code, Criminal Procedure Law and access to justice for vulnerable group addressing gender and People with Disabilities that discussed the new Law on Disabilities and ways to improve access to justice for women. Furthermore, the promulgation of the Penal Code is a significant event.

I also congratulate the Government of Lao PDR for its recent submission of 3rd UPR report. It is noteworthy that the report was developed through a consultative process engaging various stakeholders including International Organizations, INGOs and NPAs. The report captures the government's efforts made to respond the recommendations from 2nd cycle. In the governance sector, I acknowledge the progress on improved access to justice for multi-ethnic groups through various tools such as community radios as well as continued efforts in promoting gender equality & sensitivity in the legal sector (ie. Criminalizing limiting women's participation in political/economic/social activities & the new Law on Gender Equality under NA's consideration for adoption, Sensitizing legal chain & system to eliminate Violence against Women and Children).

Despite all these notable achievements, challenges remain. Legal services need further expansion and law enforcement should be further strengthened to ensure real progress towards a Rule of law State is accelerated, and that gains are quickly realized and felt equally by all people across the country. Indeed, given the critical importance of legal sector reforms and the substantial and sustained supports required, - this is an area that deserves our renewed, collective and increased supports – as Laos ties to meet its goal of establishing the Rule of Law State, and draft the 9th NSEDP.

[DECENTRALISATION/ SERVICE DELIVERY]

The general debate amongst economists and governments is not whether to decentralize or not, - but rather how to design the most appropriate inter-governmental relations for effective decentralization. There is of course no one correct answer, as each situation is unique, with different environmental, political, economic, cultural and social norms and experiences. In Laos, the government policy is that local administration must become better able to manage and implement local economic development and priority service delivery with a greater level of financial, administrative and representational self-reliance. Following a 2-year trial period with Sam Sang, a number of enabling governance and public administration reforms were addressed, with the support of development partners. The updated Budget Law 2016 provides the legal basis for greater fiscal decentralisation and clearer inter-governmental financial relationships and processes. But progress has been slow in scaling up fiscal decentralisation to match administrative de-concentration. We are grateful for the special support of the Swiss Agency for Development Cooperation (SDC), which enabled the GSWG to host a special 2-day technical workshop on this important topic of fiscal decentralization, which also provided lessons and experiences from neighboring countries on key elements of decentralization.

The District Development Fund (DDF), which was introduced by the Ministry of Home Affairs in 2006, was originally designed to strengthen districts' own capacity to deliver key basic services. Following a forward-looking technical assessment of the DDF process in April-May 2019, DDF now has the capability to target, co-fund and thereby accelerate the implementation of localized SDG priorities included in Provincial and District Socio-Economic Development Plans. The DDF provides districts with finance and technical support that simultaneously strengthens the districts service delivery and their public financial management; - thus helping them to achieve a "comprehensive district" status in accordance with the Sam Sang policy.

Excellences, Chairs / Co-chair, thank you again for finding the time to hold this annual review meeting and I wish you all good health, success and fruitful discussions today.

Thank you.