



Lao People's Democratic Republic
Peace Independence Democracy Unity Prosperity

Government of the Lao PDR

REF NO: 357/GOL
Vientiane Capital, 09th October 2019

DECREE
On the Management and Utilization of Official Development Assistance

- Pursuant to the Law on the Government of the Lao PDR, Ref No: 04/NA, dated 08/11/2016;
- Pursuant to the Law on Public Investment, Ref No:72/NA, dated 15/12/2015;
- Pursuant to the Law on International Treaties and Agreements, Ref No: 05/NA, dated 08/05/2017;
- Pursuant to the Law on State Budget, Ref No: 71/NA, dated 16/12/2015;
- Pursuant to the Law on Public Debt Management, Ref No: 46/NA, dated 18/06/2018;
- Pursuant to the Law on the Bank of the Lao PDR, Ref No: 47/NA, dated 19/06/2018;
- Pursuant to the request by the Minister of Planning an Investment, Ref No: 2007/MPI.DIC.AED.02, dated 06/09/2019.

The Government of the Lao PDR issues the Decree:

Chapter 1: General Provisions

Article 1: Objectives

This Decree outlines the principles, regulations and mechanisms pertaining to the management and utilization of Official Development Assistance by Development Partners to the Government of the Lao PDR. The objective is to ensure that funds are managed and utilized in a harmonized, efficient and transparent manner, contributing to the effective implementation of priority targets under the National Socio-Economic Development Plan, in line with the National Green Growth Strategy and the global development agenda.

Article 2: Official Development Assistance

Official Development Assistance, abbreviated as “ODA”, refers to the technical, financial and material support provided by Development Partners to the Government of the Lao PDR for the socio-economic development of the Lao PDR. ODA can consist of grants and/or soft loans.

Article 3: Terminology

The terms used in this Decree shall have the following meaning:

1. **“International Cooperation Framework”** refers to the instrument outlining short-, medium- and long-term international cooperation. The International Cooperation Framework links cooperation to specific or multiple priority sectors of the Government;
2. **“Development Partner”** refers to a government, government-nominated agency or international organization, which provides technical, financial and material support to the Lao PDR;
3. **“One Stop Service”** refers to the principle of a centralized process to which all forms of ODA must adhere to, with a macro-level organization in charge of management, coordination, prioritization, planning, monitoring and evaluation, as outlined in the National Socio-Economic Development Plan;
4. **“Macro-level organization”** refers to ministries and agencies at the government level tasked with a holistic-level management in accordance with the National Socio-Economic Development Plan. These organizations include: the Ministry of Planning and Investment, the Ministry of Foreign Affairs, the Ministry of Finance and other related ministries or agencies;
5. **“International Organizations”** refers to intergovernmental organizations;
6. **“Representative Office of the Lao PDR to a foreign country”** refers to the office of a diplomatic corps, consulate and permanent representative of the Lao PDR assigned to a country;
7. **“Foreign Representative Office in the Lao PDR”** refers to the office of a diplomatic corps and consulate and permanent representative assigned to the Lao PDR;
8. **“Project/Programme Steering and Management Committee”** refers to a committee consisting of representatives from the project/programme, concerned macro-level organizations and local authorities mandated with steering and managing the implementation of the project/programme; The Project/Programme Steering and Management Committee may also unanimously agree to include a representative from the development partner wherever required;
9. **“Multi Sectoral Project/Programme”** refers to a project or programme implemented across multiple sectors with one designated specific sector acting as the main implementing agency tasked with the overall management and coordination. The other sectors will implement activities corresponding to their respective mandates;
10. **“Government contribution”** refers to the contribution in kind or in cash made by the Government or the people of the Lao PDR for the implementation of the project/programme. Such contributions must be included in the budget proposed by the project proponent and reported to the Government for consideration and which in turn submits the budget to the National Assembly for endorsement;

11. **“Project/Programme Monitoring”** refers to the regular monitoring of activities at every level, in order to gather, sort and analyze information regarding the implementation of the project/programme and to provide timely advice in establishing mitigation plans to ensure that the project/programme is on track and conforms with the required standards;
12. **“Non-Governmental Organization, abbreviated as NGO”** refers to a legal entity with the purpose of providing development and/or humanitarian assistance;
13. **“Association” and its different connotations including “Union”, “Club” and others, hereinafter commonly referred to as “Association”** refers to a social organization consisting of members (with the exception of for-profit business associations)); and
14. **“Foundation”** refers to a legal, non-profit social organization which possesses separate funds and assets and which provides benefits to cultural, educational, environmental, health, sport, science, charity, humanitarian activities sectors, among others.

Article 4: Government Policy regarding ODA

It is the policy of the Government of the Lao PDR to manage and utilize ODA as a key source of funding for the implementation of the National Socio-Economic Development Plan; and to implement this by setting up regulations on the use of ODA and by contributing staff time and financial resources to ensure the effectiveness and transparency of ODA management and utilization.

Article 5: Principles of ODA management and utilization

The ODA funds shall be managed and utilized according to the following principles:

1. It should be aligned with the policies, Constitution and laws and contribute to the Socio-Economic Development of the Lao PDR;
2. It should undergo a streamlined process under the One Stop Service, with the Ministry of Planning and Investment acting as coordinator for other concerned ministries, agencies and authorities for further implementation;
3. It should be aligned with the ODA strategy and the development partner cooperation framework;
4. Its use connotes ownership and requires high responsibility of ministries, agencies and authorities acting as project/programme owner;
5. Correct, effective and efficient use of ODA;
6. The financial management of the ODA project/programme must conform to both the laws and regulations of the Lao PDR and the agreement established with development partners;
7. Timely, transparent, fair and subject to audit; and
8. Coordination with stakeholders.

Article 6: Scope

This Decree applies to individuals, legal entities, institutions and bilateral cooperation entities involved in the implementation of ODA projects/programmes.

Article 7: International Cooperation

The Government of the Lao PDR promotes cooperation with foreign countries as well as with the regional and global community through ODA, including the exchange of lessons learned, information, and experiences related to the mobilization and the technology involved in managing and utilizing ODA.

Chapter 2: Types of ODA

Article 8: Types of ODA

ODA can consist of:

1. Grants; and
2. Soft Loans.

Article 9: Grants

A Grant refers to non-repayable aid in the form of a project or programme, the provision of technical support, financial support, funding for the preparation of a project/programme, a grant combined with a soft loan, material support and other support in the form of projects/programmes received during an international high delegation visit to the Lao PDR or during a visit of the Lao Government's high delegation to a foreign country;

Article 10: Soft Loans

A soft loan refers to a loan or financing which has below-market interest rates or other concessions such as longer repayment periods or longer grace periods. Soft loans are integrated into projects/programmes, in fields such as infrastructure development, social development, poverty eradication that do not directly generate revenue and high financial returns.

Article 11: Mobilization of ODA

The mobilization of ODA refers to a strategy and a cooperation framework between the Government and the development partners as established by the concerned ministries, agencies, local authorities and representative offices of the Lao PDR in foreign countries, as well as the output of a roundtable process according to the National Socio-Economic Development Plan.

Chapter 3: The Management and Utilization of ODA

Article 12: The Management of ODA

All ODA funds in the form of grants implemented in the country shall be comprehensively managed by the Government with the Ministry of Planning and Investment acting as the main agency responsible in taking the lead in coordinating with the Ministry of Foreign Affairs, the Ministry of Finance and other concerned ministries, agencies and local authorities.

Article 13: Objective of ODA Utilization

ODA funds shall be utilized to implement projects/programmes or priority projects as identified under the National Socio-Economic Development Plan.

Article 14: Approval of the ODA strategy

The Government approves a long-term cooperation strategy of ODA encompassing multiple sectors at national and regional levels, as proposed by the Ministry of Foreign Affairs.

Article 15: Approval of Grant projects/programmes

The approval of ODA projects/programme shall proceed as follows:

1. The Government approves a Grant encompassing multiple sectors at national and/or regional levels, as proposed by the Ministry of Planning and Investment;
2. The Ministry of Planning and Investment approves all Grant projects/programmes as proposed by ministries, agencies and local authorities;
3. The Ministry of Foreign Affairs approves the Grants from foreign NGOs, Associations, Foundations, Funds, Institutes, Individuals, Legal entities or other institutions as well as Grants given to Lao Civil Society organizations as agreed by ministries, agencies and the Ministry of Home Affairs according to the Decree Nr. 013/PM, dated 08 January 2010 on Non-Governmental Organizations, the Decree Nr. 238/PM dated 11 August 2017 on Associations and the Decree Nr. 149/PM, dated 19 May 2011 on Foundations.

Article 16: Implementation of Grant projects/programmes

Ministries, agencies and local authorities acting as Grant project/programme owners shall proceed as follows:

1. Establish a Project Steering and Management Committee at ministerial, agency or local levels, which shall comprise the Departments acting as main governing and implementing

body of the project/programme to ensure that the Grant is utilized in an effective, efficient, transparent and auditable manner and conforms to the laws and regulations of the Lao PDR, as well as to those of the development partner;

2. Establish a Project Implementing Unit that will prepare the implementation of the different components under the Grant project/programme, such as:
 - An annual workplan which shall include activities and tasks to be implemented under the Grant project/programme;
 - An annual budget and disbursement plan of the Grant as well as a Government Contribution Plan and budget for monitoring and evaluation of the Grant project/programme. These plans shall be reported to the leadership of the concerned agency before being submitted to the Ministry of Planning and Investment and the Ministry of Finance for review and budgeting. The consolidated plans shall then be submitted to the Government and the National Assembly for approval and endorsement;
 - A detailed personnel allocation plan to ensure smooth implementation of the project/programme;
 - A report on the progress of implementation, fund disbursement, Government contribution (if applicable) as well as problems and challenges encountered during the implementation of the project/programme within the mandate of the concerned agency.

Article 17: Monitoring of Grant projects/programmes

The monitoring of Grant projects/programmes shall proceed as follows:

1. The Ministry of Planning and Investment shall take the lead in drafting Monitoring and Evaluation Guidelines to serve as a reference for effective monitoring and evaluation and the implementation of Grant projects/programme at macro level. These Guidelines shall be disseminated to the concerned ministries, agencies and local authorities as well as development partners;
2. The ministries, agencies and local authorities acting as Grant project/programme owners shall utilize the system and templates for monitoring and evaluation created by the Ministry of Planning and Investment which will serve as a common reference for the Government and development partners;
3. The ministries, agencies and local authorities acting as Grant project/programme owners shall adhere to the regulations regarding the Evaluation of Public Investment Projects;
4. The Ministry of Planning and Investment shall take the lead in coordinating with development partners and organizing the review meeting of Grant projects/programme in order to monitor and evaluate the progress of implementation or any challenges encountered during implementation;

5. The ministries, agencies and local authorities shall monitor, advise and facilitate the implementation of the Grant project/programme to ensure its effective and successful completion.

Article 18: Evaluation of Grant Project/Programme

The evaluation of Grant projects/programme shall be headed by the Ministry of Planning and Investment, which shall be tasked with the following:

1. Lead in coordinating with development partners in informing the ministries, agencies and local authorities acting as Grant project/programme owners on the initial evaluation of the Grant project/programme documents;
2. Lead in coordinating with development partners in informing the ministries, agencies and local authorities acting as Grant project/programme owners on the midterm evaluation of the Grant project/programme; this shall be conducted as soon as the project reaches its midterm in order to assess the status of the implementation against the timeline of the project/programme and to make necessary adjustments to the workplan and budget;
3. Lead in coordinating with development partners in informing the ministries, agencies and local authorities acting as Grant project/programme owners on the end-of-term project evaluation; this shall be conducted immediately after project completion to assess the results of implementation and to provide a report on the success of the project/program; and
4. Lead in coordinating with development partners in informing the ministries, agencies and local authorities acting as Grant project/programme owners on the post-project evaluation to assess the effectiveness, sustainability and impact of the project against the initial objectives of the project.

Article 19: Completion and Extension of Grant Projects/Programmes

The ministries, agencies and local authorities acting as project/programme owners shall prepare a summary of the results of the project/programme six months before project completion and submit a report to the Ministry of Planning and Investment, the Ministry of Foreign Affairs and the Ministry of Finance;

The Ministry of Planning and Investment, the Ministry of Foreign Affairs and the Ministry of Finance shall organize a meeting to consider the content of the report before organizing another meeting with the concerned ministries and development partners;

The ministries, agencies and local authorities acting as Grant project/programme owners shall submit a summary and a list of assets to be transferred to the Ministry of Finance after completion of the project/programme according to the Law on State Assets, as well as inform the Ministry of Planning and Investment of such transfer. The Ministry of Finance shall allocate the assets as instructed by the Government.

In case of a project/programme extension, the ministries, agencies or local authorities shall submit a request for extension to the Ministry of Planning and Investment detailing the achievements made under the project/programme as well as the reasons for the requested extension.

Article 20: Implementation Report of ODA Projects/Programmes

The Implementation Report of ODA projects/programmes shall consist of the following:

1. The ministries, agencies or local authorities acting as project/programme owners along with development partners shall report on the implementation of activities, actual disbursement, disbursement plans and the contribution of the ministries, agencies or local authorities to the Ministry of Planning and Investment in order to monitor the progress made and to include the contribution to the national budget before the 15th June of every year;
2. The Project Steering and Management Committee shall report on the implementation and progress of the project/programme on a quarterly, semi-annual and annual basis and seek advice;
3. The Implementation Unit of Grant and/or Soft Loan projects/programmes shall report on implementation progress, disbursement plan, actual disbursement and achievements of the project/programme to the Steering and Management Committee on a monthly, quarterly, semi-annual and annual basis;
4. Projects/programmes supported by NGOs, Associations and Foundation shall proceed according to the Decree 013/PM, dated 08/01/2010, Decree 238/PM, dated 11/08/2017 and the Decree 149/PM, dated 19/05/2019.

Chapter 4: Management and Utilization of Soft Loans

Article 21: Management of Soft Loans

All ODA funds in the form of soft loans implemented in the country shall be comprehensively managed by the Government with the Ministry of Finance acting as main agency responsible in taking the lead in coordinating with the Ministry of Planning and Investment, the Ministry of Foreign Affairs as well as other concerned ministries, agencies and local authorities, in accordance with the Law on Public Debt Management.

Article 22: Objective of Soft Loan utilization

Soft loans are integrated into the projects/programmes in fields such as infrastructure development, social development, poverty eradication, which do not directly generate revenue and high financial returns.

In order to maintain a balanced budget, soft loans shall refer to the state budget as endorsed by the National Assembly.

Article 23: Soft loan projects/programmes

Soft loan projects/programmes shall fulfill the following conditions:

1. They must be included in the National Socio-Economic Development as endorsed by the National Assembly;
2. They must include a Feasibility Study which has been accepted by the concerned ministries and approved by the Government through the Ministry of Planning and Investment, with projects/programmes with a value equal to or higher than 400 billion LAK requiring endorsement by the National Assembly;
3. They must be included in the Annual Loan Plan and Midterm Loan Plan consolidated by the Ministry of Finance and approved by the Government; and
4. They must be included in the state budget as endorsed by the National Assembly in order to maintain a balanced budget.

Article 24: Approval of Soft Loan projects/programmes

The endorsement of a soft loan project/programme shall proceed as follows:

1. Ministries, agencies or local authorities shall conduct a feasibility study of the project/programme and request an endorsement from the concerned authorities;
2. The Ministry of Planning and Investment shall review the feasibility study and include the project/programme in the Investment Plan;
3. The Ministry of Finance shall establish a Review Committee comprising all concerned stakeholders and discuss the necessity of the loan for the implementation of the project/programme; and
4. The Ministry of Finance shall assess the sources of the loan, the potential impacts and related risks to the status of public debt, confirm the ability to service the loan, and consolidate the loan projects and programmes when requesting Government approval.

Article 25: Inquiry and negotiation of Soft Loan Agreements

Inquiry and negotiation of Soft Loan Agreements shall proceed as follows:

1. The Government considers and approves the Loan Plan;
2. The Ministry of Finance initiates the process of loan inquiry as proposed by the ministries, agencies, local authorities and development partners; and
3. The ministries, equivalent ministries and local authorities shall coordinate with the Ministry of Planning and Investment, the Ministry of Finance and other concerned ministries and establish a taskforce to formulate the project after the loan has been confirmed by the donor, report the final evaluation of Grant projects/programmes proposed by the concerned ministries, agencies and authorities to the Government for approval and request the nomination for the Ministry of Finance to negotiate the signing of the Loan Agreement with development partners.

Article 26: Implementation of Soft Loan Projects/Programmes

The implementation of Soft Loan projects/programmes shall proceed as follows:

1. The implementation of the project/programme must be in line with the objectives, goals and terms of the Loan Agreement and must comply with the laws and regulations of the Lao PDR. The procurement process shall refer to the Law on Procurement, unless otherwise stated in the Loan Agreement of the project/programme, in which case the process shall refer to the regulations of development partners;
2. The financial implementation of the project/programme must comply with the relevant laws and regulations of the Ministry of Finance such as: the Law on State Budget, the Law on Management of State Assets, Law on Taxes and the relevant regulations related to the financial management of ODA and others.
3. The ministries, agencies or local authorities implementing the project/programme shall submit an Annual Withdrawal Plan to the Ministry of Finance and the Ministry of Planning and Investment to be included in the budget plan which is to be reported to the National Assembly for endorsement; and the implementing agencies shall also assess the implementation of the project/programme in each period and submit the resulting report as well as the financial report to the Ministry of Finance on a monthly, quarterly, semi-annual and annual basis;
4. The monitoring and evaluation of the project/programme shall be conducted on a regular basis with the participation of the Ministry of Finance, the Ministry of Planning and Investment as well as ministries, agencies and local authorities to ensure the effective and efficient utilization of the loan in line with the objectives; and
5. Six months prior to the completion date of the project, the Ministry of Finance shall elect a committee to inspect and assess the project assets then compile into a list and submit to the Government to seek advice regarding the use of the project asset after the project's completion;
6. After the project's completion, the Ministry of Finance shall coordinate with the concerned parties to evaluate the outcomes and reassess the effectiveness of the utilization of the loan project/programme to exchange lessons learned and to provide reference for the consideration of future loan projects.

Chapter 5: Rights and Duties of Government Agencies

Article 27: Rights and Duties of the Government

The Government has the following rights and duties:

1. Determine the guidelines, policy and strategy for the mobilization, negotiation and management of ODA;
2. Consider, agree to and approve the following:
 - Strategies, main agreements or cooperation frameworks pertaining to overall development assistance and related to macroeconomic policies, as proposed by the Ministry of Foreign Affairs following unanimous consent from the Ministry of Planning and Investment, the Ministry of Finance as well as other concerned ministries, agencies and authorities;
 - Results of the appraisal of Grant projects/programmes as proposed by the Ministry of Planning and Investment and loan projects/programmes as proposed by the Ministry of Finance;
 - Results of negotiations for loan projects as reported by the Ministry of Finance;
 - The signing of agreements, amendments or cancellation of ODA projects/programmes;
 - The provision of Government contributions to the implementation of ODA projects/programmes under the National Socio-Economic Development Plan and the Annual Government Budget Plan as reported by the Ministry of Planning and Investment; and
3. Approve and grant power to the Ministry of Finance or any representative nominated by the Ministry of Finance to sign the Loan Project Agreement on behalf of the Government.

Article 28: Rights and Duties of the Ministry of Planning and Investment

The Ministry of Planning and Investment shall take the lead in performing the following rights and duties:

1. Establish periodic Official Development Assistance Strategies;
2. Consolidate and establish periodic lists of ODA requirements from concerned ministries, agencies and authorities for the implementation of the National Socio- Economic Development Plan according to the Sustainable Development Goals and National Green Growth Policies;
3. Coordinate with the Ministry of Foreign Affairs, the Ministry of Finance as well as other concerned ministries, agencies and authorities regarding the implementation of Government policies and guidelines related to the mobilization of ODA;

4. Coordinate with the Ministry of Foreign Affairs, the Ministry of Finance as well as other concerned ministries, agencies and authorities regarding consultations with development partners for the establishment of cooperation frameworks as well as identifying new projects/programmes and their implementing agencies;
5. Sign Project Agreements encompassing multiple sectors;
6. Coordinate with concerned ministries, agencies and authorities for the consolidation of ODA projects/programmes to be approved by the Government;
7. Coordinate with the Ministry of Foreign Affairs, the Ministry of Finance as well as other concerned ministries, agencies and authorities regarding the review and the endorsement of the list of ODA projects/programmes;
8. Report the final evaluation of Grant projects/programmes proposed by the concerned ministries, agencies and authorities to the Government for approval;
9. Consolidate and identify priority areas for ODA as proposed by development partners and inform concerned ministries, agencies and authorities to further consult with development partners;
10. Participate in the formulation process of ODA projects/programmes with concerned ministries, agencies and authorities;
11. Hold meetings with development partners, ministries, agencies and authorities to review the implementation of ODA projects/programmes on a quarterly, semi-annual and annual basis;
12. Coordinate with concerned ministries, agencies and authorities in promulgating and promoting the implementation of ODA-related legislations and regulations;
13. Coordinate with concerned ministries, agencies and authorities in consolidating and verifying the Government contributions for ODA projects and report to the Government for consideration and submit to the National Assembly for endorsement;
14. Establish a nationwide database for ODA and coordinate with the Ministry of Finance, the Ministry of Foreign Affairs as well as concerned ministries, agencies and authorities to provide a common report on ODA fund disbursement to the Government for consideration and submit to the National Assembly for endorsement;
15. Summarize ODA disbursement in the form of Grants, in coordination with the Ministry of Finance, Ministry of Foreign Affairs as well as concerned ministries, agencies and authorities in order to report to the National Assembly;
16. Participate in the process of drafting a Master Plan for ODA projects/programmes as proposed by concerned ministries, agencies and authorities;
17. Sign the agreement regarding technical support for the preparation of the project and other work by concerned agencies supported by development partners;
18. Coordinate with ministries, agencies or local authorities regarding the acceptance and management of foreign experts, volunteers and interns dispatched under ODA projects/programmes;

Take the lead in establishing regulations related to the management of foreign experts, volunteers and interns dispatched under ODA projects/programmes to ensure a timely and transparent process;

19. Coordinate concerned ministries, agencies and authorities for the provision of Certificates of Honor to representatives of bilateral cooperation agencies and to experts, volunteers and interns who have completed their mission under ODA; and
20. Provide a report on the implementation of ODA projects/programme to the Ministry of Foreign Affairs for information and monitoring.

Article 29: Rights and Duties of the Ministry of Foreign Affairs

The Ministry of Foreign Affairs shall take the lead in performing the following rights and duties:

1. Coordinate with the Ministry of Planning and Investment, the Ministry of Finance and concerned ministries as well as agencies regarding the establishment and signing of official documents with development partners for short-, medium-, and long- term cooperation frameworks encompassing multiple sectors or specific to a single priority sector of the Government;
2. Act as focal point for the coordination and liaison with foreign governments and international organizations regarding requests for ODA and emergency aid in all forms, in accordance with the mandate of the Ministry of Foreign Affairs on the comprehensive management of foreign affairs in the Lao PDR;
3. Coordinate with the Ministry of Planning and Investment, the Ministry of Finance, the Ministry of Home Affairs and other concerned ministries and agencies regarding the provision of guidance to representative offices in foreign countries to implement policies, directions, programmes or projects for the mobilization of ODA as well as the implementation of the Government's and the Party's policies pertaining to foreign relations
4. Establish strategies, plans, programmes and projects in cooperation with NGOs, Associations, Institutes, Funds, Foundations, individuals and legal entities from foreign countries and consider the requests made by ministries, agencies and local authorities regarding the approval of the project/programme as stated in Article 15, paragraph 3 of this Decree;
5. Participate in the negotiation, inspection of the International Cooperation Strategy and project/programme agreement with the Ministry of Planning and Investment, the Ministry of Finance and other concerned ministries and agencies;
6. Follow the diplomatic process of issuing Powers of Attorney to concerned ministries and agencies for the signing of ODA projects/programme as approved by the Government;
7. Participate in the monitoring of ODA projects/programmes along with concerned ministries and other stakeholders;

8. Coordinate with ministries, agencies and local authorities regarding the organization and participation in training related to the management and implementation of ODA projects/programmes;
9. Coordinate with ministries, agencies and local authorities regarding the provision of Certificates of Honor to officials of Representative Offices to the Lao PDR, representatives of international organizations, head of regional offices as well as heads of NGOs, Associations, Institutes, Funds, Foundations, individuals and legal entities from foreign countries who have achieved outstanding work contributing to the development of the Lao PDR;
10. Coordinate with ministries, agencies and local authorities regarding the consolidation of data from ODA projects/programmes supported by development partners or cooperation projects with NGOs, Associations, Institutes, Funds, Foundations, individuals and legal entities from foreign countries to be reported to the Government and integrated into the ODA database managed by the Ministry of Planning and Investment;
11. Consolidate ODA data from the projects/programmes supported by development partners and international organizations through NGOs, Associations, Institutes, Funds, Foundations, individuals and legal entities from foreign countries according to Article 15 paragraph 3 of this Decree; and
12. Participate in the monitoring of the implementation of ODA projects along with ministries, agencies and local authorities.

Article 30: Rights and Duties of the Ministry of Finance

The Ministry of Finance shall take the lead in performing the following rights and duties:

1. Coordinate with development partners and inquire regarding possible funds for cooperation projects/programmes;
2. Coordinate and participate in the formulation process of ODA projects/programmes in the form of soft loans or related to soft loans with ministries, agencies and local authorities;
3. Report the results of the appraisal of ODA projects or programmes in the form of loans or related to soft loans in line with the National Socio-Economic Development Plan to the Government for approval;
4. Negotiate and sign financing agreements for ODA loans as authorized by the Government and proceed as necessary to ensure that the agreements are in effect;
5. Coordinate with ministries, agencies and local authorities responsible for the project/programme and organizing kickoff meetings or dissemination of regulations related to the management of finance, revenue and expenditure of the project;

6. Manage the finances as well as the implementation of procurement, tax commitments, disbursements or contributions and in the inspection of the utilization of assets of the ODA projects/programmes in the form of loans or related to soft loans;
7. Approve the list of materials and vehicles to be utilized under the ODA project/programme as agreed in the cooperation agreement, loan agreement or related documents;
8. Consolidate periodic plans for the utilization of ODA funds as provided by ministries, agencies and local authorities and include the plans in the state budget as well as coordinating with the Ministry of Planning and Investment, Ministry of Foreign Affairs and concerned ministries, agencies and local authorities regarding the report of ODA funds (loans, ODA related soft loans, grants disbursed through the Ministry of Finance) to the Government and the National Assembly;
9. Organize meetings with the concerned sector responsible for the project/programme in order to monitor and review the financial disbursement on a quarterly and annual basis or as required;
10. Coordinate with development partners and concerned stakeholders in organizing trainings pertaining to financial management, procurement and other related regulations;
11. Review the terms of loans and signing subsidiary loan agreements with state enterprises, monitoring and inspecting the implementation of the subsidiary loan agreement, establishing revenue plans and summarizing revenues related to the subsidiary loan;
12. Receive visits of Boards of Directors from international finance institutions such as directors or deputy directors, vice-presidents or higher;
13. Coordinate with the Ministry of Planning and Investment, the Ministry of Foreign Affairs as well as concerned ministries, agencies and development partners regarding the monitoring of the implementation of ODA projects/programmes; and
14. Consolidate assets of the projects/programmes and report to the Government for consideration.

Article 31: Rights and Duties of the Bank of Lao PDR

The Bank of Lao PDR shall have the following rights and duties:

1. Manage foreign currencies in compliance with the relevant laws;
2. Maintain and manage foreign currency reserves;
3. Open bank accounts for the Bank of Lao PDR and the Government in foreign central banks, international finance organizations and international finance institutions;
4. Provide services in opening bank accounts for foreign governments, finance institutions and organizations; and
5. Provide comments regarding the domestic or international loan processing of foreign currencies.

Article 32: Rights and Duties of the Ministry of Justice

The Ministry of Justice shall have the following rights and duties:

1. Participate in the negotiation process for the content of agreements pertaining to ODA projects/programmes; and
2. Review and provide comments from a legal perspective to ODA Agreements.

Article 33: Rights and Duties of Line ministries and agencies

Line ministries and agencies shall have the following rights and duties:

1. Coordinate with the Ministry of Planning and Investment, the Ministry of Foreign Affairs and the Ministry of Finance to establish strategies, frameworks and plans for international cooperation, including the mobilization of ODA in the respective sector strategies, in each period;
2. Inquire regarding ODA from development partners to contribute to the respective sector strategies and inform the Ministry of Planning and Investment to include the inquiry in the mobilization plan, or request for approval from the Government;
3. Formulate the ODA projects/programme relevant to the respective sectors, initiate the process of negotiation and the signing of implementation agreements with development partners as agreed by the Ministry of Planning and Investment;
4. Formulate and conduct feasibility studies for ODA projects/programmes in the form of loans, report to the Ministry of Planning and Investment and the Ministry of Finance to submit to the Government for approval;
5. Establish government contribution plans for ODA projects/programmes under their assigned responsibilities according to the project agreement and report to the Ministry of Planning and Investment for their inclusion in the annual budget, coordinate with local authorities to establish provincial contribution plans for ODA projects/programme;
6. Coordinate with local authorities and the concerned sectors regarding management and monitoring and submit a request to the Ministry of Home Affairs to award certificates of honor to expatriate experts or volunteers deployed under ODA projects/programmes who have made outstanding contributions to the development of the Lao PDR;
7. Submit the request to the Ministry of Finance regarding imported materials and vehicles to be used under ODA projects/programme as agreed in the cooperation agreements, loan agreements or any correspondence signed with development partners with the authorization of the Government;
8. Implement ODA projects/programmes and report the progress of implementation as well as the operation of expatriate experts and volunteers deployed under ODA projects/programmes to the Ministry of Planning and Investment;
9. Report the actual disbursement of ODA funds received from development partners to the Ministry of Planning and Investment and the Ministry of Finance on a quarterly and annual basis.

Article 34: Rights and Duties of Local Authorities

The Local Authorities shall have the following rights and duties:

1. Provide information regarding the strategy of the province to the Ministry of Planning and Investment, the Ministry of Foreign Affairs and the Ministry of Finance to establish the strategy, framework and plans for cooperation with development partners as well as the mobilization of ODA;
2. Inquire regarding ODA from development partners to contribute to the respective provincial strategies and inform the Ministry of Planning and Investment to include the inquiry in the Mobilization plan or request for approval from the Government;
3. Formulate the ODA projects/programme relevant to the respective provincial strategies, initiate the process of negotiations and signing of implementation agreements with development partners as agreed by the Ministry of Planning and Investment;
4. Formulate and conduct feasibility studies for ODA projects/programmes in the form of loan, report to the Ministry of Planning and Investment and the Ministry of Finance to submit to the Government for approval;
5. Participate in the formulation process of the ODA project/programme, specifically the project design and implementation plan with the ministries, agencies and development partners;
6. Establish government contribution plans for ODA projects/programmes under their responsibilities according to the project agreement and report to the Ministry of Planning and Investment for inclusion in the annual budget, coordinate with the corresponding ministry to establish contribution plans for projects/programme to be implemented at provincial level;

7. Manage and request from the Ministry of Home Affairs to award certificates of honor to expatriate experts or volunteers deployed under ODA projects/programmes of the provinces who have made outstanding contributions to the development of the Lao PDR;
8. Submit the request to the Ministry of Finance regarding the import materials and vehicles to be used under ODA projects/programme as agreed in the cooperation agreements, loan agreements or any correspondence signed with development partner with the authorization of the Government;
9. Implement ODA projects/programmes;
10. Report the actual disbursement of ODA funds received from development partner to the Ministry of Planning and Investment and the Ministry of Finance on a quarterly and annual basis; and
11. Appoint a coordination and management unit at provincial/Vientiane Capital level to be chaired by the Vice-governor and consisting of representatives from concerned departments as well as the Department of Planning and Investment as secretariat.

Chapter 6: Prohibitions

Article 35: General prohibitions

Individuals, legal entities or organizations shall be prohibited to commit the following:

1. Misappropriate ODA funds and reallocate ODA funds without the consent of the concerned ministries and agencies;
2. Exploiting rights, duties or authorities for personal benefits through ODA, leading to damages;
3. Obstruct the processes of inspection, resolution in case of breach and any implementation of regulations related to ODA project/programme management;
4. Provision of late, incomplete and inaccurate information when reporting on the implementation or the resolving of issues related to the implementation of ODA projects/programme; and
5. Other illegal behavior.

Article 36: Prohibition for concerned officials and staffs

Concerned officials and staffs shall be prohibited from undertaking the following:

1. Appointing a spouse, child or close family member as a treasurer or finance officer of the ODA project/programme;
2. Disclosing confidential information of the Government, related to the Government and financial information of confidential nature of individual, legal entities pertaining to the budget of the ODA project/programme;
3. Disregarding responsibilities in the different review processes before or during the implementation of the ODA project/programme;

4. Delaying processes, falsifying documents and disregarding the assigned responsibilities;
5. Opening a bank account for the implementation unit of the ODA project/programme without the authorization of the respective organization and the Ministry of Finance;
6. False disbursement of funds against the budget, illegal calculations, misappropriation of funds;
7. Conducting illegal tendering processes, procurement processes using Government funds as well as funds from ODA; and
8. Other illegal behavior.

Chapter 7: Management and Inspection of ODA

Article 37: Organization in charge of ODA management

All ODA funds implemented in the country shall be comprehensively managed by the Government with the Ministry of Planning and Investment acting as the main responsible agency in coordinating with the Ministry of Foreign Affairs, the Ministry of Finance as well as other concerned ministries, agencies and local authorities.

The rights and duties of the Government, the Ministry of Planning and Investment, the Ministry of Foreign Affairs, the Ministry of Finance, the Ministry of Justice, the Bank of Lao PDR, ministries, agencies and local authorities have been outlined in Chapter 5: Articles 27, 28, 29 30, 31, 32, 33 and 34 of this Decree.

Article 38: Organization in charge of ODA inspection

The ODA projects/programme shall be inspected by the following organizations:

1. Internal inspection organization, namely the Department of Inspection of the organizations managing ODA; and
2. External inspection organization, namely the National Assembly, Provincial People's Assembly, Government Inspection bodies and the State Audit Organization.

Article 39: Content of Inspection

The content of the inspection of ODA shall consist of the following:

1. The implementation of laws and regulations related to ODA;
2. The operation of organizations in charge of managing ODA projects/programme; and
3. The exercising of rights, duties and responsibilities of concerned officials.

Article 40: Inspection modalities

The ODA inspection shall consist of the following three (3) modalities:

1. Routine inspection, which shall be conducted at determined intervals and which must be conducted at least two times per year;
2. Pre-announced inspection, which is an inspection not determined prior and is conducted if deemed necessary. The inspection shall be announced at least 24 hours before being conducted; and
3. Impromptu inspections, which are emergency inspections wherein the organizations to be inspected are not informed. This inspection shall be comprised of a document inspection as well as a field inspection and which must strictly comply with the laws.

Chapter 8: Incentives for Outstanding Achievements and Measures against Violations

Article 41: Incentives for outstanding achievements

Individuals, legal entities and institutions that have displayed outstanding achievements implementing this Decree, particularly the successful, effective and efficient implementation of ODA projects/programmes shall be honored according to the relevant regulations.

Article 42: Measures against violations

Individuals, legal entities and institutions that have violated this Decree, particularly the Article related to prohibitions, shall be reprimanded, disciplined, fined, claimed for damages or punished according to the gravity of the violation.

Chapter 9: Final Provisions

Article 43: Implementation of this Decree

The Ministry of Planning and Investment shall act as the focal point for the dissemination of this decree in coordination with all concerned parties and shall report to the Government in each period;

The concerned ministries, agencies and local authorities shall recognize as well as strictly and effectively implement this Decree.

Article 44: Date of Effect

This Decree shall take effect 15 days from the date of its signing and following the issuance of the Government Notice.

Official Translation

This Decree shall repeal the Decree Nr. 75/PM, dated 20/03/2009 on the Management and Utilization of ODA.

The Government of the Lao PDR

Prime Minister

H.E Mr. Thongloun Sisoulith

(Signature and Stamp)