REPORT ON
REVIEW AND ASSESSMENT OF SECTOR WORKING GROUPS

(Final Report)

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Acronyms

DIC: Department of International Cooperation
DP: Development Partners
M&E: Monitoring and Evaluation
MPI: Ministry of Planning and Investment
NSEDP: National Socio-Economic Development Plan
ODA: Official Development Assistance
PWD   People with Disabilities
RT: Round Table
RTIM: Round Table Implementation Meeting
RTM: Round Table Meeting
RTP: Round Table Process
SDGs: Sustainable Development Goals
SWGs: Sector Working Groups
TA   Technical Assistance
TVET: Technical Vocational Education and Training
UNICEF: United Nations International Children's Emergency Fund
UNDP: United Nations Development Programme
UXO: Unexploded Ordnance
VD: Vientiane Declaration
VD-CAP: Vientiane Declaration-Country Action Plan
VD II: Vientiane Declaration II

Review and Assessment of Sector Working Groups

Table of Contents

Context

The national aid architecture in Laos PDR is based on the Round Table Process (RTP) at the national level and at the sector level through Sector Working Groups (SWGs). The ten SWGs were established in 2006 and are co-chaired by Government and Development Partners (DPs).

The stated goal of the SWGs, are to "serve as discussion forums, aim to build consensus on development priorities, and make development cooperation more effective, as set out in the Vientiane Declaration of 2015. A relevant Ministry Chairs each group while development partners, based on their expertise, serve as Co-Chairs. The Department for International Cooperation in the Ministry of Planning and Investment acts as an overall coordinating agency. The Department also manages the meetings of SWG Chairs and Co-Chairs."[1]

The Vientiane Declaration (VD) defines partnership for effective development cooperation as:
1. Ownership: respecting Government lead and using the SWGs to enable this lead through consultation, technical analysis, and cooperation. Ownership is also about operationalizing monitoring and evaluation based on and using "national statistical information"[2].
2. Alignment: focused on strengthening national systems and using "mutually agreed diagnostic tools, risk assessments and mitigation measures with a view to maximizing the use of such country systems."[3]
3. Harmonization and Simplification: moving towards a Program-Based Approach and simplifying Government and development partner processes to enable easier participation and integration.
4. Inclusive Partnership for Development Results: namely through, "greater participation of south-south partners, civil society, the private sector, and other actors under the existing consultation and dialogue process."[4]
5. Transparency, Predictability and Mutual Accountability,
6. Domestic Resource Mobilization,
7. South-South Cooperation, Triangular Cooperation and Knowledge Sharing and,
8. Business as a Partner in Development.

A 2015 review of the roundtable process concluded that, consideration is needed for:

- Firstly, the introduction of the Sustainable Development Goals (SDGs), which mark a shift in focus from aiding poor countries to a focus on sustainable, inclusive economic development and the ability of countries to address social challenges through effective partnerships.
- Secondly, the importance of traditional donors in total development financing in Lao PDR has reduced.
- Thirdly, the round table process has seen gradual improvements over the last five years. However, to remain relevant and improve effectiveness, it will need to evolve further.

Most stakeholders see the national aid architecture as useful in bringing together Government and DPs on a regular basis, promoting connections, exchanging information, providing a platform for discussion, and enabling networking. It is seen as a coordinating platform to develop mutual

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[1] https://rtm.org.la/about/the-vientiane-declaration/
[2] https://rtm.org.la/wp-content/uploads/2019/08/ENGVientiane-Declaration-II-1.pdf
[3] Ibid.
[4] Ibid.

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understanding on development issues. Some also see it as a platform to express support for (or disagreement with) development plans and proposed actions.

DPs say they would like to increase the relevance of the coordination process by making it more inclusive in practice and finding ways to better engage South-South cooperation partners, the private sector and civil society organizations. Sector working groups are seen as the appropriate venue for more substantive discussion of development policies and implementation. Partners would like to see increased efficiency and effectiveness of the resources used in the RTP. A more predictable process would dramatically increase the efficiency of the RTP. Meetings in general need to become more outcome focused and less formal.

During the Round Table Implementation Meeting (RTIM) in Luang Prabang, in November 2019 several recommendations were made to improve the SWGs. The Prime Minister's Instructions dated 31 July 2020 tasked all SWGs to improve their data collection and use as well as tasked each of the respective SWGs with specific items.

In 2022, two independent consultants (Dr Alexander O'Riordan and Dr Souklaty Sysaneth) were recruited on a short-term contract to review the effectiveness of the sector working groups and to make actionable recommendations for the groups' work going forward. The purpose of the exercise (as per the Scope of Work) is "to take stock of what has been achieved so far [with the SWGs], where challenges remain and, most importantly of all, to develop recommendations on how to strengthen the benefits from SWGs for government and DPs and their contribution to Lao's social and economic development."

Notably this review is not an evaluation: the SWGs are just a tool for sustaining and enriching the partnership between Lao PDR and its international development partners. As far as the needs of Government and its international development partners change with the changing context so too does the tool need to be adjusted to the challenge at hand. "If the only tool you have is a hammer, it is tempting to treat everything as if it were a nail" explained the psychologist Maslow in 1962. Along the same line, this review focuses on the SWG members' understanding of what they need from the group before prescribing what the groups should or should not do.

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Approach / Methodology

The approach involved data collection through desk review and interviews with Government and development partner Co-Chairs of the Sector Working Groups between April and May 2022. All Government Chairs were interviewed by the review team, as were all development partners available in this period. Additionally the consultants interviewed the Ministry of Planning and Investment (MPI) and specifically key officials in the Department of International Cooperation (DIC). On the request of Government, the consultants also interview representatives of local (provincial) government level.

The interviews explored the expectations of participants in the SWGs and aimed to answer:

- What works, what does not and why?
- How and whether the SWGs contribute to the six pillars of the 9[-th] National Socio-Economic Development Plan (NSEDP)
- Which SWGs and sub-SWGs to retain, discontinue or create and what capacities the SWGs need for them to become functionally effective?

A detailed line of questioning had been developed based on the Vientiane Declaration II (VD II) commitments and the need for the SWGs to deliver value in planning, mobilizing resources for and contributing to development of the next Lao PDR NSEDP. This detailed line of questioning was based on incorrect assumptions about what members of the SWGs are committed to and what they expect from the SWGS. Herein lies a critical challenge related to the SWG members now 'owning' responsibility for coordinating dialogue and inputs for planning purposes most notably in contributing to the development of plans such as the National Socio-Economic Development Plan (NSEDP).

Findings:

SWGs Enjoy Notable Convening Authority that Could be the Basis of Mobilizing Capacity to Contribute to Planning

The impact of the Round Table Meetings as well as development effectiveness is highly impacted by the ability of development partners to coordinate inputs and dialogue in planning processes. This core function is enshrined in the Sector Working Group's Terms of Reference and is vital to critical functions such as:

- Information sharing to reduce duplication and identify orphaned priorities,
- Contributing to the NSEDP through evidence-based policy making creating dialogue between development partners, sector advocates and government through sharing evidence and contributing to shared understanding of sector priorities by pooling evidence such as national statistics (that rank most influential for line ministries) and in-depth project reports, evaluations and technical studies (that tend to be more influential for development partners and sector stakeholders),
- Monitoring return on investment, identifying available resources and advocating for funding to the sector.

A key finding is that the vast majority of key informants remain committed to the groups delivering on these core functions.

Capacity to deliver, though, is not uniformly mobilized. Development partners in the specific sectors should be called on to allocated project resources to ensuring these functions are performed well (although some of these functions are comparatively well performed in some groups).

Related to this is a major problem in that some key informants interviewed did not understand how significant the return on investment is when it comes to resourcing the SWGs to work effectively. The SWGs are the most important mechanism to avoiding duplication and ensuring development financing is aligned with local ownership. As such, investing the necessary resources to ensure the SWGs are a success should be counterbalanced with the catastrophic costs that come with duplication and/or delivering outputs that enjoy no ownership. As a priority, then the RTM should be used to explain what is at stake in ensuring the SWGs have the necessary capacity to fulfil their stated ambitions.

A related opportunity to improve impact is to better align the SWGs with the new 9th NSEDP pillars.

The knock-on effect, is that the valuable RTMs are under-utilized particularly in terms of using the RTM space to ensure ambitions political and policy dialogue nor even to contribute to efficient allocation of rare development cooperation resources.

A Technical Solution for a Political Challenge

The SWGs have well elaborated Terms of Reference (ToR) that task the group members with significant work in contributing towards sector programming. The details in the ToRs, however, only works as a contrast to the members' commitment and expectations from the SWGS. Both on the side of Government and the international development partners there is little evidence to suggest meaningful commitment to implementing the ToRs as prescribed.

Key informants interviewed explained that in most cases SWG meetings are called by Government annually, with invitations only being sent out a matter of days or weeks before the meetings. Agendas could be better consulted in advance and could also better represent a balance between development partner and Government needs. Late calling of SWG meetings impedes many development partners to contribute meaningfully in the SWG debates because DPs have not been afforded sufficient time to get approvals and inputs from their respective capitals.

Yearly meetings do not meet the need of Government nor of DPs with the result being coordination and information sharing is simply driven by these dynamics into informal spaces either in ad hoc donor meetings or informal meetings between Government officials and/or between Government and DPs.

Periodically, Government or Development Partner officials have voiced concerns about insufficient coordination. But criticism and complaint simply does not work to effect change because the SWGs are fundamentally a meeting point between sovereign governments and/ or international agencies. None of the members has the power to instruct each other. More importantly all the members involved have the primary responsibility of ensuring diplomatic lines of communication remain open. Exacerbating the situation, no official, neither in the employ of Government now of Development Partners gets promoted or disciplined based on the performance of the SWGs.

Put together this means the success of the SWGs is not addressable by technical means alone. No matter how many resources are allocated to supporting or strengthening the SWGs, the SWGs are likely to fail unless the soft political/organizing work of convincing members to participate is done.

In this regard, where SWGs do work well, Government and/or Development Partner officials have taken on the additional responsibility of championing the SWGs. This championing is organizing work. It is about ensuring that all members have a role, that the SWG delivers value for participants and allocating resources to ensure this organizing work is not ad hoc. Ideally this role would be played by the SWG secretariate. However, since none of the SWG secretariates play this role, it is the opinion of these consultants that the secretariates been tasked (or resourced) only with the secretarial aspects of calling SWG meetings, writing and circulating minutes.

This leads to the observation that Co-Chairs of the SWGs play an enormously influential role. When the Co-Chairs invest in organizing the sector value is delivered. On the contrary where Co-Chairs use their role to advance the narrow interests of their own organizations or their pet projects or even just a coalition of the larger financiers in the sector, then the SWGs work to fragment the development partner community and alienate members from the SWGs.

Accordingly, Co-Chairs of SWGs should specifically be tasked with organizing the work of the SWGs by ensuring that members needs are identified and actively met in the SWGs whether this be in the annual SWG or in ensuring regular monthly or quarterly meetings in preparation for the annual SWG. This organizing function could be financed by Co-Chairs or other development partners in the sector either through allocating specific project staff to support the group on a part-time basis or in financing technical assistants to support the organizing of the sector. Alternatively, if a Co-Chair opts to do this work with internal resources, the development partner in question should be required to change the job description of the official involved to report to the group.

Co-Chairs must be accountable to the group members. The Co-Chair's primary role needs to be ensuring the viability, capacity, and effectiveness of the group.

Accordingly, a strong recommendation is that those Co-Chairs unwilling or unable to play an organizing role in a manner that is accountable to the members of the group, should step down in favour of other

Co-Chairs willing play this role. In the rare cases where no member so a SWG are willing or able to do the organizing work in the interests of the sector as a whole and the needs of the members of the SWG, that group should be retired or rendered dormant since it is not able to deliver value.

Role of the Chairs/Co-Chairs is to make the SWG work for the members.

Development partner key informant interviews most complained about Chairs and Co-Chairs of the SWGs not delivering what is needed for them to be effective at sector level. Similar frustrations were hinted at by GoL officials too but always respectful of Government hierarchies.

One influential development partner explained in confidence:

Many of these groups are criticized that they do not work well, basically because they don't meet regularly. And this is really the responsibility of the Chair, Co-Chairs and Secretariats of the Groups, who do not make it happen. DP Co-Chairing a group should come with a responsibility to provide support to the secretariat [like DPs do anyway when they are committed to the sector] to ensure that these meeting take place regularly, that we have agendas, invitations, and minutes. There should be an annual planning of meetings so that we can stick more or less to planned dates. Once we have meetings in place then we start discussing project coordination, alignment, policy issues, workplans, goals, etc.

Necessary functions of the SWGs needing more rigorous delivery by Chairs/Co-Chairs include:

- Ensuring a predictable calendar of meetings (even if just preparation meetings or official SWG),
- Designing meeting agendas that are evenly divided between Government and Development Partner needs,
- Active group building and organizing work to identify member needs and ensure that each member has a role and making this work for the group not the DP (e.g. a TA reporting to the group not the DP),
- Policing of the group to ensure it does not over-represent the interests of more powerful actors (e.g. when giving DP projects visibility, it should be for all or none),
- Identifying and acting on shared needs and opportunities (e.g. on data and reporting),
- Advocating for members to contribute to national level efforts to improve effectiveness (e.g. NSEDP commitments, VD II, SDGs and consulting business, civil society, labour).

The recommendation is that the above-mentioned functions be ensured as a pre-condition to planning for the SWGs to contribute in any meaningful way to higher aspirations such as those related to mainstreaming the Sustainable Development Goals, contributing to the National Socio-Economic Development Plan, and implementing the VD II.

Here it is important to note that key informants interviewed remain officially committed to mainstreaming the SDGs, contributing to the NSEDP, and implementing the VD II. However, none of the key informants rank these priorities as their top internal priority. Indeed no official interviewed measured their job performance against these commitments. In other words, the commitments to these policy aspirations are as 'nice to haves' not 'need to haves.' Aggravating this dynamic further is that because the role of the Chairs/Co-Chairs is not explicitly about building and encouraging the group to work in the interest of the sector there is no explicit incentive to deliver on these higher level policy commitments.

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At the same time, there is a structural problem in that support to the SWGs is often intertwined with support to these higher level policy aspirations. But again, support has been focused on the technical level with the result being that instead of the core functioning of the SWGs being ensured, resources have gone to related technical processes that enjoy little meaningful ownership by the SWGs themselves. Accordingly, it is highly recommended to separate support for the SWGs (and the aid architecture) from the goal of achieving the high level policy aspirations. Effective functioning of the SWGs will not guarantee implementation of the high level policy priorities. But if SWGs do not function well it is difficult to conceive of how high level policy priorities are translated in a coordinated manner into sector level outputs.

Capacity of SWGs

The concept of capacity is misused in relation to the SWGs. Since the SWG members control all the public resources in the sector, the SWGs have all the capacity available to them. The SWGs do not struggle because of a lack of capacity; they struggle because SWGs do not provide compelling reputational or other incentives to convince the members to resource the sector. Accordingly, the solution to apparent capacity gaps in the SWGs are less about fundraising than they are about adjusting the unspoken objectives and mandate of the SWGs to deliver sufficient value to the members such that they will invest resources in making the SWGs effective.

However, this is easier said than done: identifying what the SWGs need to deliver to incentivize members to invest in the SWG typically comes out of effective dialogue in the SWGs in the first place. Since this dialogue is not happening in many SWGs, there is a need to invest in low cost trust and relationship building activities that could help identify what is most needed to convince SWG members to invest in the SWGs and more effective sector coordination.

Some of the low-cost opportunities mentioned by key informants could include:

- Mobilizing monitoring and evaluation or research officers imbedded in project management teams to provide data and analysis on DP funding to the sector, availability of contingency or unused balances that can be used to address orphaned priorities. Similarly, project M&E officers can be mobilized to contribute to NSEDP and SDG commitments.
- Using technical assistants or project teams to develop annual joint reports for development partner funded projects in the sector. By keeping these reports focused only on what information is most needed and what information is most available (i.e. by excluding reporting from project teams unwilling or unable to contribute), annual reporting before the SWGs could function as an incentive for the members of the SWGs to work closer together if for no other reason than for the potential visibility gains.
- Investing in relationship building and development of a common narrative on what the sector's top priorities are such as planning joint field visits, joint consultations with influential local actors (e.g. business, organized labour) and joint visibility events.

These low cost activities could ostensibly be financed by most SWG Co-Chairs and thus represent low cost activities that could reinvigorate the SWGs.

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Alignment, Political, Policy and Technical Dialogue

Based on the key informant interviews there is an opportunity to better clarify the difference, roles and expectations between political, policy and technical dialogue and the capacity of SWGs to facilitate dialogue of these kinds. Misunderstandings in this space are problematic because it is apparent that many successes are often overlooked whilst unreasonable expectations placed on the work of other SWGs.

Political dialogue is a conversation about changing political priorities. Political dialogue is not the remit of development counsellors and most Government ministers do not have the authority to have such dialogue at least not in public settings like SWGs. Political dialogue is best done at the Round Table Meetings (RTMs), through demarches or in bilateral meetings.

Policy dialogue is about translating political priorities into policy. Policy dialogue is the primary ambition of the SWGs, and this is what the SWGs need to deliver on if they are to attract the interest of Development Counsellors and Government Ministers.

Technical dialogue is about implementing policy commitments. This includes information sharing and debate on how to 'get things done'. Buried in the SWGs are many examples of where technical dialogue delivers wins, however it is more often recognized at the sub-sector level. Nonetheless, technical dialogue is a visibility win and is the bread and butter of effective cooperation. Technical dialogue successes such as are common-place in SWGs on UXOs, agriculture, education and health could be better highlighted and used for visibility purposes.

Incorporating New Voices to Attract Attention of Decision Makers

The fact that most SWG meetings are only called annually implies that the SWGs could do more to demonstrate their value in contributing to Government's political and policy priorities. In this regard, a simple rebranding exercise could be used to better communicate how development partners make meaning contributions to priorities identified by the electorate (as well as on the SDGs, most of which have not percolated into local political narratives). The National Assembly[5] confirmed the importance of the six proposed NSEDP pillars but it also emphasises the importance of the following seven priorities that could be better incorporated in the descriptions of the SWGs and the definitions of projects and objectives:

1. Poverty and social inequality (gap between rich and poor and urban and rural areas): access to public goods (health and education) in remote areas **(well aligned with Development Partner priorities and goals of the SWGs)**
2. Economic vulnerabilities: overreliance on economic growth based on natural resource exploitation, low quality of growth, poor distribution of wealth, weak manufacturing capacity **(poorly emphasized in the SWGs e.g. on agriculture, education's role in building skills and health as a growth sector in its own right)**
3. Fiscal vulnerabilities: high public debt, low state revenue collection capacity, financial leakages, the insufficient state budget for development requirements (due to the need to service the public debt) **(well aligned with the macroeconomic SWG but irregular meeting so the SWG implies it is not seen as contributing to this Government priority)**
4. Monetary supply vulnerability: trade is seen as having a surplus, but the balance of payment has a tendency to decline; prices tend to rise (inflation), and exchange rates fluctuate at times,

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[5] https://laotiantimes.com/2021/01/14/eleventh-party-congress-discusses-6-targets-and-7-issues/

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leading to informal markets **(well aligned with the macroeconomic SWG but irregular meeting of the SWG implies it is not seen as contributing to this Government priority)**

5. Covid-19: high unemployment rate, business sectors hit by the epidemic **(opportunity to reinvigorate the SWGs by tasking them with releasing contingencies and unspent balances to the COVID-19 recovery)**

6. Lack of rule of law: poor investment climate **(a stronger focus on attracting investment could make the macroeconomic working group more appealing)**

7. Low-quality labour force: difficulty in adapting to the new normal and the fourth industrial revolution **(the education SWG could better emphasise its contribution to this through TVET)**

Aside from acknowledging commitment to working on shared priorities with the government, the SWGs have earned a reputation of being closed-door forums for government to government dialogue that is too often disconnected from the interests of politically influential constituencies in Lao PDR. One way to reinvigorate the SWGs is to identify local voices that decision makers want more ad hoc (not membership) consultation with such as would be in line with the Busan Declaration commitment to improve Democratic Country Ownership. Notably the SWGs could raise their profile by creating consultation events with:

- Big business and the private sector even in SWGs like education (e.g. skills) and health (e.g. workplace productivity,
- Local collaborative civil society (e.g. no critical engagement and focusing on influential civil society e.g. People With Disability (PWD) associations, alumni associations and academia, business clubs, etc.)
- Organized labour (especially in health and education where support from the Unions is essential to effective sector policy and planning) and,
- Elected officials – researchers or Chairs on thematic parliament working committees.

At the same time, interviews with government officials uncovers a real desire to improve consultation with local and provincial government representatives. Whilst these representatives do not need to feature regularly in the SWG meetings, it is a good opportunity to demonstrate DPs responsiveness to government needs by committing to greater consultation with these government officials. For example, this could be done by SWGs on an annual basis prior to the Round Table Meetings perhaps focusing on priorities related to territorial planning, access to services and the belt and road initiative. Development Partners are also keen to see more participation from China, Vietnam and Thailand in the relevant SWGs. Here the RTM could be used to initiate dialogue through Government with these emerging development partners on how the SWGs could better deliver value to their needs.

These consultations and the rebranding could together feature in the context of tasking the SWGs to coordinate consultations and inputs to the next NSEDP.

Update Expectations for the SWGs to the Current Context

For many of us the SWGs seem archaic, from a different time, we hardly discuss aid effectiveness anymore, I have not read the [Vientiane] Declaration since taking up post.

The debate around aid and now development effectiveness has dramatically changed since 2005, the year the Paris Declaration on Aid Effectiveness was agreed. To many development partners, the SWG structure appears more fit to past aspirations than current needs as quipped by a development counsellor (above).

Here, there is good reason to believe development partners do not see Official Development Assistance (ODA) in the same way as Government decision makers do, a dynamic that may explain why the SWGs still resemble aid architectures in aid dependent countries. The table below form the World Bank's data portal illustrates that ODA per capita has more than doubled in Lao PDR in the last two decades.
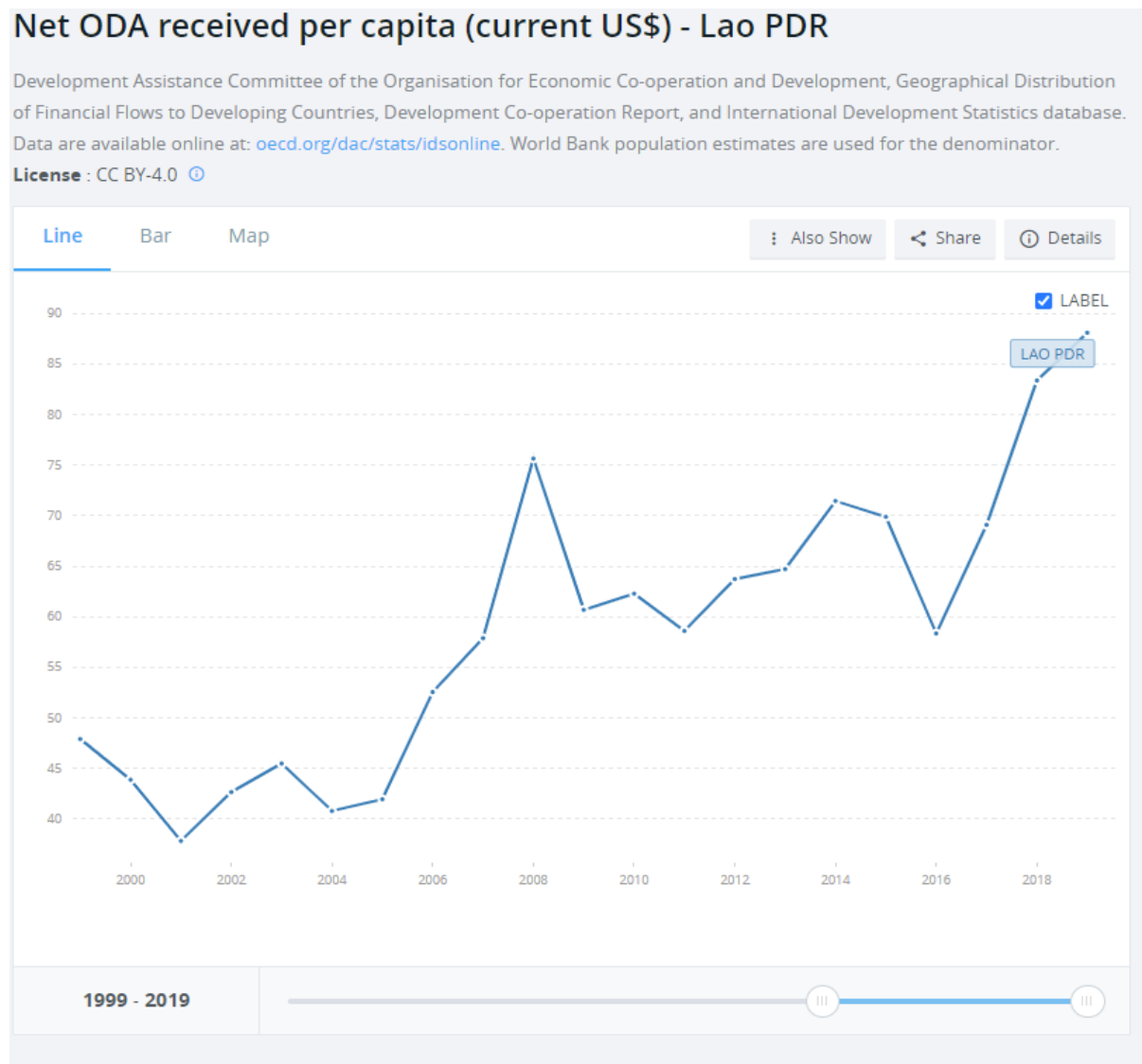

Figure 1: Net official development assistance and official aid received during 1999 - 2019
Source: https://data.worldbank.org

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At the same time, however, the graph below from the World Bank's data portal is clear evidence that development partners are operating in a dramatically different context than was the case in Lao PDR two decades ago. ODA in 1999 was close to 18% of Gross National Income (GNI). Running now at less than 4% of GNI, the latest data on file shows that ODA provides less than a quarter the proportional resources than it did as little as two decades ago.
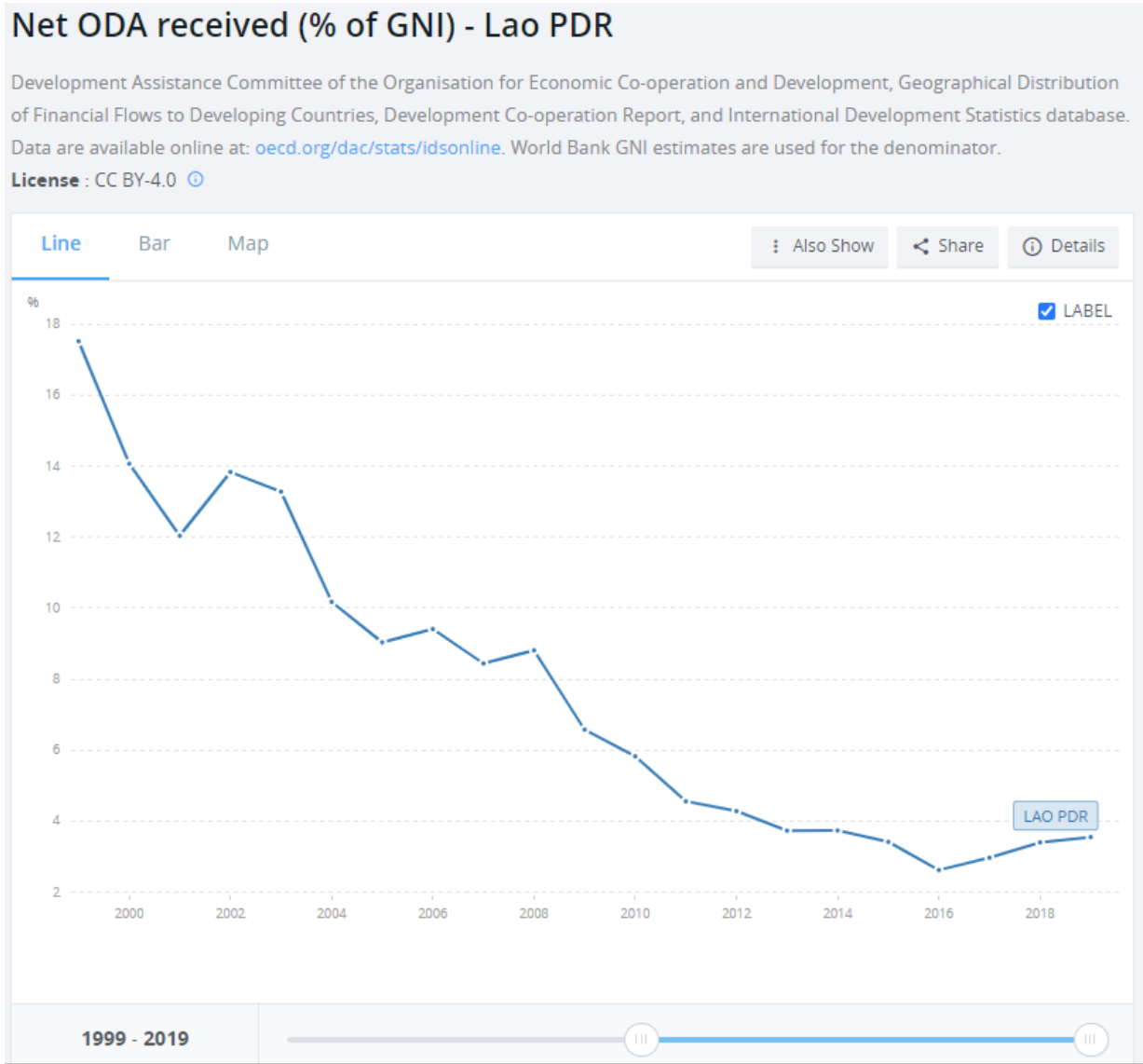

Figure 2: Net ODA received (% of GNI) during 1999 - 2019
Source: https://data.worldbank.org

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Government and the economy are less dependent on ODA today than two decades ago. And Lao PDR also has access to significant cooperation resources from non-traditional development partners like China, Viet Nam and Thailand.

At the same time the role and influence of the private sector and civil society has grown in Lao PDR but calls by many development partners as well as both the Vientiane Declaration and NSEDP commitments to consult regularly and methodically with these actors through the SWGs has largely been unimplemented.

The COVID-19 pandemic exposed an important dynamic: in principle the SWGs should have been the first to rally the development partner community in response to the pandemic. But, instead the first year of the COVID-19 response is perceived to have seen SWG functions slow with coordination only appearing to improve when the World Health Organization secured funding for the pandemic. Additionally, the COVID-19 pandemic was most likely a once in a generation opportunity to advocate for greater spending on health and education, an opportunity that appears to have not been effectively capitalized on by the SWGs.

Put together, it would appear the time is ripe to revisit the role and the ambitions of the SWGs. In this regard, this review has uncovered several low cost functions that the SWGs could provide to deliver value to Government officials involved in the SWGs. These 'unwritten' Government needs should be codified and incorporated into the functioning of the SWGs. Additionally, the SWGs would benefit from understanding how to deliver value to the financiers of cooperation in Lao PDR (i.e. donors not development partners). The UN system and MPI could be well positioned to facilitate such a data collection exercise but should do so in the spirit of the UN system and MPI being service providers and facilitators (not leaders/norm setters) to the financiers of cooperation (i.e. Government and donors).

Digressing Views Between Development Partners and Government Counterparts

Interviews with DP and Government officials uncovered divergent perspectives on the official roles of the SWGs and the extent to which the SWGs are performing against these stated roles. These are laid out below in the table. The finding, though, is not that there is a contradiction but more that Government officials are still wedded to the aspirational goals of the SWGs whilst the DPs tend to be of the opinion that the SWGs are 'going through the motion' more than delivering meaningfully. This aligns with the overall finding that the core functioning of the SWGs has been underinvested in but the consequences of this have not been sufficiently considered by actors striving to deliver on national level policy commitments such as in relation to developing the NSEDP and/or mainstreaming the SWGs or indeed continuing the VD II calls for SWAps and budget support.

Stated Function of SWG	Dominant View from Government Key Informants	Dominant View from DP Key Informants
Sector strategy formulation	All sectors used SWGs as the platform to develop NSEDP, many to deliver inputs to sector plans and legislation.	SWG contributions are largely about validating existing proposed policy and meaningful dialogue on policy change or targets is rarely impactful.
Strategy costing, prioritization, and sequencing	Government identifies available domestic resources	Unclear which ODA data is used combined with concerns

Stated Function of SWG	Dominant View from Government Key Informants	Dominant View from DP Key Informants
	and available DP resources *on budget.*	over budget transparency and domestic resource mobilization, concerns that are not sufficiently engaged with in SWGs and the RTM.
Track and align ODA and mobilize resources	Only private sector and trade SWG reported confidence in ODA data due to the pooled fund mechanism.	SWG secretariates do not collate and share collected data. Concerns about multiple submissions of ODA data to different Government ministries and where this data goes, how it is used.
Programme-based approaches	Programme Based Approaches are still the preferred option.	Scepticism on the effectiveness of pooled funds and budget support (often associated as out of date for the current context) except in sectors like education where the EU is still using budget support.
Capacity Development: jointly assess current capacities to develop, implement and monitor sector strategy, etc.	In most sectors Government complained of having sufficient capacity (time for officials) to effectively oversee implementation decisions and monitoring in the sector. Notable exception SWG Trade and Private Sector.	SWGs are not capacitated to deliver as needed; secretariate services provide secretarial role but the critical work of organizing and acting as a champion is not institutionalized nor understood by many co-chairs, to the detriment of the SWGs
Cross-sectoral and sub-national coordination, implementation and monitoring.	Decree on the Management and Utilization of Official Development Assistance, No. 357, dated 9th October 2019 commonly cited to explain sub-national authorities having a role to play in SWGs.	SWGs' value is in enabling policy dialogue; subnational authorities should be consulted but the priority and condition for this is establishing meaningful dialogue with national authorities on policy, a competency that is not common in most SWGs.

Stated Function of SWG	Dominant View from Government Key Informants	Dominant View from DP Key Informants
Share information	SWGs useful for sharing information.	SWGs useful for sharing information although in some cases the legitimacy of SWGs is undermined when DP information shared is not about all DPs in the sector but rather about show-casing one particular DPs contribution to the sector.
Contribute to RT Meetings	SWGs report progress and coordinate with MPI to contribute to the RTMs. Signs that core SWG responsibilities to planning and monitoring of the NSEDP are not prioritized.	SWGs called too late to provide meaningful contribution to RTM dialogue. Serious concerns that core SWG responsibilities to planning and monitoring of the NSEDP are not operationalized.
VD-Country Action Plan	Believe implemented because the SWGs are 'functional' from a Ministerial perspective.	VD-Country Action Plan needs to be revisited and updated in the context of validating the role of the SWGs within the current context – many observe the VD-Country Action Plan and SWGs may be out-dated to the current Lao PDR context for development cooperation.

Actionable Recommendations

1. **Pre-condition:** Development partner members of the SWGs should hold a meeting with the Co-Chair and agree a new role for the Co-Chairs that involves Co-Chairs taking on responsibility for providing necessary technical resources to ensure effective functioning of an SWG. In this regard, a specific ToR for the Co-Chairs should be considered that includes to the extent feasible and possible the following clauses:

> In each of the Sector Working Groups (SWGs), one or more development partners have volunteered to coordinate the joint sector work in the role of a Co-Chair. In the context of being accountable to the development partners in the SWG, the **role of the SWG Co-Chair** will be to:
>
>   1. Ensure that his/her immediate supervisor is aware of the coordination role being played and has to the extent possible given approval for the coordination work as part of their core duties,
>   2. Identify secretariate capacity (estimated 8 hours a month) to ensure the administrative work of monthly/quarterly preparation meetings are effective through scheduling meetings, setting agendas, and circulating minutes. Secretariate capacity should ideally be resourced from a project in the sector, as part of the job of a technical assistant,
>   3. Set a date 11 months in the future to allow for election of a new Co-Chair and/or to confirm the continuation of the current Co-Chair,
>   4. Map the available project resources that can support the visibility ambitions in the sector,
>   5. Develop a work plan to progressively develop and advance on priorities of the members of the SWG,
>   6. Consider ad hoc meetings/events with influential private sector and civil society, etc. to invigorate the group and demonstrate relevance to the electorate.
>
> The **role of participants** in the group is to:
>
>   1. Support the Co-Chair including, if possible, with securing the support of project resources,
>   2. Ensuring visibility activities, monitoring, evaluation, project design activities, research and scoping studies are launched in consultation with the group and that to the extent possible these activities include components that work towards the priorities of the sector,
>   3. Ensure visiting high level missions related to the group activities participate in the group meetings, if possible,
>   4. Report to respective heads of cooperation / development counsellors / country directors and/or heads of mission with the goal being to raise the visibility of the joint work at the sector level as a feature of high-level policy and other dialogue (and when necessary, preparing for participation in the RTMs),
>   5. Agree to step in as a Co-Chair in the event the Co-Chair cannot lead a meeting or participate in a key joint activity.

In the event a co-chair does not agree to the desires of the SWG members, the co-chair should either be replaced by a member that can play this role or alternatively the members agreed that the SWG be downgraded to only play an information sharing or publicity role.

Organize the SWG members through consulting the members on their interests and then develop a work plan or road map to deliver on those interests built around quarterly or monthly meetings of the SWG. Should it prove too difficult to officially schedule quarterly or monthly meetings of the SWGs brand the meetings as being informal or about preparation and have them led by the co-chairs.

To facilitate the functioning of the SWGs separate out support for the functioning of the SWGs from any related activities like supporting the development and implementation of the NSEDP. The effective functioning of the SWG is a pre-condition to contributing to the NSEDP and should be treated as such. Here it is important to note that the secretariats are providing a secretarial role; these secretariates are not sufficiently resources nor sufficiently authoritative to play an organizing/championing role, a role that needs to be played or ensured by the co-chair.

2. **Constitute NSEDP Pillar Aligned Policy Dialogue Groups:** These groups could be constituted to contribute more meaningfully to planning and priority setting in the NSEDP. The groups would be best constituted by making participation in the group conditional on an allocation of human/technical resources to the group even if that is a pledge by DP or Government officials or sector advocates to allocate a day or two a month to the work of the group. Those groups that are able to attract sufficient DP, government and sector advocate support to be viable could then be supported by giving the group a standing agenda item in the RTM and setting an ambitious agenda to ensure the groups do the work necessary in time to contribute to Government planning and financial management cycles.

Should these groups demonstrate their value then it would be advisable to assess the viability of continuing the function of the SWGs at the policy dialogue level: notably groups that do effective technical dialogue should be continued and show-cased regardless of if they do not deliver meaningful inputs to policy dialogue.

3. **Consult with Sub-National decision makers, civil society, and the private sector:** Government requests for greater consultations with sub-national decision makers are largely unheeded. As are development partner requests to better consult civil society and the private sector. For those SWGs that are functional, it is suggested to initiate consultations on an annual basis in preparation for the Round Table Meetings. These consultations could be used to bolster visibility and also to demonstrate the value of partnership with local decision makers, civil society and the private sector.

In this regard, also consider targeting beyond the 'usual suspects'. For example big business has a very influential relationship with Government decision makers yet the tendency is to consult small business operators. Considering the context and Lao PDRs need to prepare for the 4th industrial revolution, develop standalone consultation events with big business many of whom are most likely to be investing in industrialization and digital technologies. Additionally with civil society broaden out form consulting just grant recipients: consider consultations with civil society that does not rely on development partners for policy influence such as organized labour (Trade Union), youth organizers (The Lao People's Revolutionary Youth Union), veterans' organisations,

People With Disabilities (PWDs), the media, business chambers (The Lao National Chamber of Commerce and Industry or LNCCI), alumni associations, academia and public intellectuals.

Additionally, local government representatives interviewed for this review complained at the difficulty of understanding development partner processes and programming concepts. Here, it would make sense to task SWGs with capacity to produce brochures and communication products explaining to 'the street' what development partners do to add value and how citizens can voice their opinion on programming priorities.

4. **Improve transparency and access to information:** During this review many concerns came to light both from Government and Development Partners on the purpose of various processes, where development partners provided data on ODA goes and how it is used and on donor conditionalities, especially on when development partners mobilize resources that can only be managed or disbursed by international paying agents/implementing partners.

   Additionally key informants expressed significant concern, on the one hand, that the SWGs are not providing sufficient input into the NSEDP process and, on the other hand, that when SWGs want to contribute to the NSEDP, they are side-lined.

   It is recommended that resources allocated to supporting the work of MPI be directed to addressing these concerns. First and foremost, this would mean ensuring that MPI has a standing agenda item on all SWG meetings to report on progress, disseminate information and appeal for inputs to planning and reporting processes. In this context, it might also be opportune to initiate dialogue with MPI on digitalizing reporting on the NSEDP results, more periodically sharing ODA data and possibilities for more transparent budgeting (e.g. in line with the Open Budget Initiative).

   Regarding aid data, each SWG should maintain its own operational, open source, excel sheet on ongoing projects and availability of contingency and unused balances. This data should be used to inform discussions in the SWGs on an operational level. The more 'academic' process of producing consolidated data that captures ODA from all sources such as those hard to access should be treated as a separate exercise, one that is not the core job of the SWGs.

   More importantly, the resources in the any sector are disproportionately housed in project and project management units. These resources are often unnecessarily siloed with the result being a negative impact on the quality of policy dialogue and missed opportunities to mobilize project human/technical resources when needed in the interests of the sector as a whole. Here it is proposed to map the majority of project managers, M&E officers, and Technical Assistance (TA) in each sector and, when necessary, task them with part time activities to help the sector as a whole (e.g. establishing standard reporting, following up on new ideas, advocating for participation in the SWGs).

5. **MPI and UNDP to facilitate dialogue on how the SWGs could deliver value:** When SWGs do not deliver what is needed, many Government officials and DPs simply resort to coordinating and dialogue done informally. These are good practices and should be encouraged. However, they also should be identified and to the maximum extent possible used to reform the SWGs so that they deliver value to their members.

   In this regard, it is strongly recommended that MPI and UNDP or another intermediary launch a consultation and 'lite research' process to identify the informal organizing work that delivers value to the financiers in the sector, meaning Government and the donors. The goal here is to identify

what is of value to the officials concerned and to ensure that this value is delivered in the everyday work of the SWGs.

In this regard, this review has uncovered several low cost functions that the SWGs could provide to deliver value to Government officials involved in the SWGs such as in tasking a project implementation unit in the sector with developing a manageable joint reporting format and providing resources to develop an annual joint report on the major development partner financed activities in the sector. These 'unwritten' Government needs should be codified and incorporated into the functioning of the SWGs. Other low cost examples are conducting joint field visits to enable Government and Development Partners to do policy dialogue based on the same evidence base (and in conversation with what Government statistics say in relation to the evidence on the ground: i.e. bringing qualitative data typically cited by development partners and quantitative data, the prime source of information for Government, into conversation with each other). Equally and more important, is that groups work to the extent that all members feel they have a role and that there is sufficient attention paid to relationship building so that members feel confident enough to share and collect information from each other and most importantly to raise concerns about intervention logics and approaches. This relationship building is also low cost (e.g. through arranging working breakfasts to engage with influential stakeholders, planning retreats, etc.) but is largely not done in the SWGs despite being needed.

Additionally, the SWGs would benefit from understanding how to deliver value to the financiers of cooperation in Lao PDR (i.e. donors not development partners). The UN system and MPI could be well positioned to facilitate such a data collection exercise but should do so in the spirit of the UN system and MPI being service providers and facilitators (not leaders/norm setters) to the financiers of cooperation (i.e. Government and donors).

6. **COVID Stock taking:** The stated objective of all SWGs is policy dialogue and in this the implication that better policy promises exponentially better development results. When it comes to advocacy crises such as the COVID-19 pandemic offer generational opportunities to advocate for policy change. Here it appears that the opportunity to use the COVID-10 crises to attract higher level commitments to health and education were not exploited. This points to a capacity gap in the SWGs in that the SWGs primary purpose is to advocate for policy change but when the opportunity presented itself it appears most SWGs were unable to respond. This also exposes a potential gap in financing to civil society in Lao PDR at least in terms of those advocating for health and education.

The aftermath of the COVID-19 crisis represents a decisive opportunity for dialogue with the development community in Lao PDR. In the context of revisiting the roles and expectations for the SWGs it would be advised to plan a retreat of development partners using 'Chatham House' rules. The retreat should focus on lessons learned from the COVID-19 pandemic, opportunities missed and implications for how SWGs should be approached and resourced going forward. Here the opportunity is to work on developing a shared vision for what development partners most need from coordination in Lao PDR and how to go about delivering this through the SWG and RTM architecture.