



**Round Table Implementation Meeting 2024**  
**14<sup>th</sup> November 2024**  
**Vientiane, Lao PDR**

**Background Document**

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## Introduction

The Round Table Process (RTP) serves as an inclusive platform that unites government and development stakeholders to enhance the effectiveness of the National Socio-Economic Development Plans (NSEDPs). Its primary objectives are to facilitate dialogue between governments and development actors on key national development priorities, mobilize resources, and ensure efficient coordination and cooperation in evaluation, monitoring, and reporting.

In Lao PDR, the High-Level Round Table Meeting, held every five years, and the annual Implementation Meeting serve as key gatherings for representatives from all government ministries and provinces, international development partners, the private sector, and civil society. The Government of Lao PDR views the outcomes of these meetings as crucial to shaping policy options that reflect broad consultation and representation. Therefore, it is dedicated to making these Round Table Meetings result-oriented, effective, and interactive.

In 2024, the Round Table Implementation Meeting (RTIM) gains heightened significance as it marks the final year of implementing the 9<sup>th</sup> NSEDP for the period 2021-2025. This meeting will provide an opportunity to review progress made and challenges faced in the past year. Given the complex environment in Lao PDR, characterized by economic and financial difficulties stemming from external factors and recurrent natural disasters, it is essential to identify and prioritize strategies that can expedite progress toward achieving the goals of the 9<sup>th</sup> NSEDP. Additionally, this meeting will pave the way for the preparation of the 10<sup>th</sup> National Socio-Economic Development Plan (2026-2030).

Within the scope of Round Table Implementation Meeting 2024 (RTIM) objectives, this Background Document has been prepared to provide information, including the outlines and progress of key Government's strategies and policies in line with the RTIM 2024 agenda, for participants of the RTIM 2024 to familiarize themselves with the current context of development issues in Lao PDR and prepare for discussion at the RTIM 2024.

The RTIM 2024 will be organized with the theme: “**Enhance Partnership to Support the Implementation of the National Social Economic Development Plan**”.

Under this theme, the RTIM 2024 will be discussed with the following agenda items:

**1) Priorities for the remaining years of the 9<sup>th</sup> NSEDP (2021-2025) and Preparation of the 10<sup>th</sup> NSEDP (2026-2030).**

The Ministry of Planning and Investment has conducted the Mid-Term Review of the 9<sup>th</sup> NSEDP in 2023 assess the implementation of the 9<sup>th</sup> NSEDP in the first half. Through the Mid-Term Review, priorities for the remaining years of the plan were identified.

**Key priorities for the remaining two years of the 9<sup>th</sup> NSEDP:**

- **Economic Stabilization:** Addressing macroeconomic instability is paramount. This involves managing public debt, strengthening the financial sector, and improving the business environment to attract investment and boost exports. Short-term solutions that might harm long-term environmental sustainability should be avoided.
- **Human Capital Development:** Investing in human capital is critical. This means prioritizing education and healthcare spending, particularly focusing on preparing young people for the workforce. The demographic dividend presented by the country's young population should be leveraged through these investments.

- **Sustainable Livelihoods:** The long-term well-being of vulnerable populations depends heavily on natural resources. Improved management of these resources is essential for sustainable livelihoods.
- **Inclusive and Equitable Growth:** Balancing short-term stabilization needs with longer-term goals is vital. This includes tackling income inequality and addressing the climate crisis, aiming for an inclusive growth model that benefits all segments of the population.
- **Revenue Mobilization:** Increasing government revenue through tax reforms is needed to fund essential spending in education, health, and social protection, while ensuring that tax policies support equity and do not disproportionately burden the vulnerable. Targeted cash transfer programs are also a key part of this strategy.

The Mid-Term Review of the 9<sup>th</sup> NSEDP also lays foundation for development directions, particularly for the upcoming 10<sup>th</sup> NSEDP. The 10<sup>th</sup> NSEDP will prioritize macroeconomic stability as a fundamental precondition for sustainable development, ensuring sufficient funding for crucial investments, particularly in human capital. This necessitates a shift away from the previous model of capital-intensive, resource-dependent growth, often characterized by large-scale projects, towards a more environmentally friendly and job-creating approach. This transition will focus on generating formal, long-term employment opportunities and diversifying the economy beyond its reliance on specific sectors or resources. Significant investments in education and health will be strategically allocated, potentially leveraging cost-effective and sustainable policy responses such as targeted cash transfer programs.

## 2) Lao PDR's Progress toward LDC Graduation and Outcomes of the Participation in the Summit of the Future in New York.

The Lao PDR is proactively addressing the challenges of Least Developed Country (LDC) graduation through its "Smooth Transition Strategy." This strategy aims to mitigate the potential negative impacts of the loss of international support measures (ISMs) after 2026, ensuring continued progress toward the 2030 Agenda for Sustainable Development. The strategy's importance is highlighted by the global context of the "Summit of the Future," whose outcomes, the Pact for the Future, the Global Digital Compact, and the Declaration on Future Generations, are seen as opening new opportunities for sustainable and equitable development. The Lao government views these global initiatives as laying the foundation for a more just and peaceful world order, aligning with their national development goals. A presentation by the Vice Minister of Foreign Affairs will detail the Smooth Transition Strategy and its connection to the Summit of the Future's outcomes, followed by a discussion inviting participant feedback and reflections on the Lao PDR's approach to LDC graduation and its integration of global initiatives.

## 3) Panel Discussions

Reflecting the success of the panel discussion format introduced during the RTIM 2023, which enabled greater exchange of views and interaction between the Government and Development Partners, the same format will be adopted for the RTIM 2024. The themes of the RTIM 2023 panel discussions are still considered to be relevant. Continued focus on these themes will allow us to take stock of progress made and key challenges and to propose forward-looking solutions building on the recommendations made at the RTIM 2023.

The primary goal of the panel discussions is to provide a platform for stakeholders to strategically discuss, refine key recommendations and propose practical steps and forward-looking solutions to pressing development challenges. The panel discussions will promote inclusive development discussions by incorporating diverse perspectives from various stakeholders, thereby enriching the national formulation process.

The discussions are also intended to support the efforts of Sector Working Groups (SWGs) by addressing critical issues that intersect across sectors and encouraging strengthened collaboration cross-SWGs after the RTIM 2024.

The two critical development issues facing Lao PDR are:

- i. Sustainable Financing for Development Priorities: This panel discussion will explore different sources of development finance, including from the private sector. Therefore, this topic would involve how to diversify economy and increase revenue base for a more inclusive growth pathway.
- ii. Human Capital Development to Support Development Goals: This panel discussion will focus on how to utilize young population to facilitate and support the country's economic and social development objectives.

Leveraging the broad and senior participation in the RTIM, the salient recommendations emerging from the panel discussions will progress rapidly to presentation to senior national policymakers during the subsequent plenary session.

In line with the revised Roundtable Process Guidelines, these recommendations / action points will also be delivered to the Prime Minister in the debrief meeting following the RTIM.

The insights are also expected to contribute to the ongoing formulation of the 10th NSEDP and preparation for LDC graduation.

#### **4) Effective Development Cooperation (Fourth Round of Global Survey on Partnership for Effective Development Cooperation) and Final Review Report on the Implementation of Vientiane Declaration on Partnership for Effective Development Cooperation (2016-2025) and its Associated Country Action Plan Review**

In 2024, the Lao PDR government initiated its participation in the fourth round of the Global Partnership for Effective Development Cooperation.<sup>1,2</sup>

Data from the Global Partnership for Effective Development Cooperation's (GPEDC) monitoring exercise will inform progress tracking for the Vientiane Declaration on Partnership for Effective Development Cooperation's Country Action Plan (VDCAP). A session will present findings from the 4<sup>th</sup> round of the GPEDC Global Survey and the final review of the Vientiane Declaration (2016-2025) implementation, including the associated Country Action Plan Review, presented by Vice Minister of Planning and Investment. The session will conclude with an open discussion inviting feedback and suggestions to further strengthen development cooperation effectiveness in Laos.

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<sup>1</sup> The Global Partnership for Effective Development Cooperation (GPEDC) is the leading multi-stakeholder forum focused on improving development effectiveness. *Its core objective is to maximize the impact of all forms of development cooperation for the benefit of people, the planet, prosperity, and peace.* A key GPEDC instrument is the regular monitoring exercise and resulting report, which provides a crucial assessment of progress toward more effective development cooperation globally.

<sup>2</sup> Latest update on the data collection and analysis can be found here: <https://www.effectivecooperation.org/Laos>

## II. Progress in the implementation of the 9<sup>th</sup> NSEDP in 2024 and Priorities for 2025

2024 marks a critical juncture and adjustment period for the 9<sup>th</sup> NSEDP. The focus in 2024 was on assessing progress, identifying challenges, and making necessary adjustments to ensure the plan's objectives are met by 2025. This involved reviewing the effectiveness of existing policies and strategies in light of macroeconomic instability, debt burdens, and the need for sustainable and inclusive growth. Key priorities and progress of the 9<sup>th</sup> NSEDP in 2024 included<sup>3</sup>:

- **Economic Growth Target:** The government is implementing measures to address macroeconomic instability, focusing on debt management, fiscal reforms, and improving the business environment. These efforts aim to stabilize the macroeconomic situation and enhance public revenue for development priorities. To achieve this, the government is accelerating the collection of export taxes on products with previously unestablished tax rates, according to presidential decree 001/PPT. Additionally, there is an emphasis on increasing royalty fees for natural resources, as outlined in presidential decree 002/PPT. Effective on 1 May 2024, the government has restored the Value Added Tax (VAT) to 10% (up from 7%) and adjusted excise tax rates for certain products, as stated in presidential decree 003/PPT. Furthermore, the government is intensifying efforts to combat smuggling and tax avoidance.
- **Human Capital Investments:** The government is initiating and expanding programs to enhance human capital development, with a strong focus on education and healthcare. These initiatives aim to prepare the young population for the workforce and capitalize on the demographic dividend. To improve healthcare quality and standards, the government has implemented the policy of “5 Good, 1 Satisfaction” nationwide. Additionally, efforts are underway to transform three central public hospitals into financially self-sufficient operational units, thereby strengthening the health service network and improving health infrastructure at both central and sub-national levels. The government is also providing medical equipment to central and local hospitals, with a particular emphasis on improving maternal and child well-being, nutrition, clean water access (currently at 94.41% coverage), and latrine sanitation (97.13% nationwide coverage). As a result of these efforts, the child mortality rate for those under one year old has been reduced to 6.77 per 1,000 live births, while the maternal mortality rate has decreased to 36.24 per 10,000 live births.
- **Natural Resource Management:** The government has enacted and strengthened policies to promote the sustainable management of natural resources, addressing issues such as land concessions, unclear land rights, and the impacts of climate change. In 2024, to facilitate effective land use management, the government has registered and issued land deeds for 38.29% of the annual plan, with an expectation to achieve 73.33% by year-end. Additionally, revenue collection from land tax has been modernized through data integration between the Ministry of Finance and the private sector, streamlining the land tax payment process. For natural resource management, the government is implementing a management plan for large reservoirs, having achieved 50% of the annual plan so far. Furthermore, the government has introduced the Long-Term Low Emission Development Strategy (LT-LEDS), which aims to reduce greenhouse gas emissions to net zero by 2050. The Nationally Determined Contributions (NDC) and the National Adaptation Plan are anticipated to be adopted in November 2024.

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<sup>3</sup> Detailed progress of the 9<sup>th</sup> NSEDP implementation in 2024 will be presented at the RTIM 2024.

The priorities for 2025, the final year of the 9<sup>th</sup> NSEDP, build on the 2024 review and adjustments. Key areas of focus would include:

- **Continued Macroeconomic Stabilization:** Sustaining the efforts to stabilize the macroeconomy, addressing remaining challenges, and ensuring fiscal sustainability.
- **Accelerated Human Capital Development:** Intensifying efforts to invest in education and healthcare, focusing on skill development aligned with labor market demands. This is crucial to fully realize the demographic dividend.
- **Sustainable Resource Management:** Further implementation and enforcement of policies aimed at sustainable resource management to mitigate environmental pressures.
- **Laying the Foundation for the 10<sup>th</sup> NSEDP:** Using the remaining time to ensure a smooth transition to the 10<sup>th</sup> NSEDP, preparing for the next development cycle, and aligning remaining 9<sup>th</sup> NSEDP activities with the long-term vision of the 10<sup>th</sup>.

### **III. Preparation of the 10<sup>th</sup> National Socio-Economic Development Plan (2026-2030)**

The Mid-Term Review of the 9<sup>th</sup> NSEDP (2021-2025) has shaped priorities and laid the groundwork for the 10<sup>th</sup> NSEDP (2026-2030). Immediate concerns include mitigating the impact of macroeconomic instability and unsustainable debt on pro-poor growth, protecting purchasing power, and ensuring access to public services. Balancing short-term stabilization with long-term goals of reducing income inequality and addressing the climate crisis is crucial, requiring policies that integrate economic, social, and environmental considerations—a foundational principle for the 10<sup>th</sup> NSEDP.

The 10<sup>th</sup> NSEDP (2026-2030) will build upon the six-outcome framework of the 9<sup>th</sup> NSEDP, but with a more integrated approach. Successful implementation will depend on a detailed strategy that clearly defines specific, interconnected goals, targets, and key tasks. Effective resource mobilization and strategic allocation will be crucial, alongside policies designed to improve both economic and social conditions.

#### **The followings are some of the specific priorities for the 10<sup>th</sup> NSEDP:**

##### **1. Creating an Independent and Self-Sustaining Economy**

- 1) The 10<sup>th</sup> NSEDP will promote broad-based economic growth by integrating all sectors of the economy into production and service activities, maximizing national and local development potential. This inclusive approach aims to foster sustainable, high-quality growth that increases incomes and improves the overall well-being of the population.
- 2) The 10<sup>th</sup> NSEDP will prioritize attracting and promoting investment in sectors with strong national and local potential, boosting domestic production and services. A key strategy will be to build local capacity and increase the use of Lao products both domestically and for export, aiming to reduce reliance on imports and improve the trade balance.
- 3) Maintaining macroeconomic stability is a critical foundation for achieving green and sustainable economic growth under the 10<sup>th</sup> NSEDP.
- 4) The 10<sup>th</sup> NSEDP will strengthen public financial management by rigorously enforcing the state budget system, improving revenue collection through accurate surveys, and modernizing income and expenditure management techniques. This includes standardizing accounting practices, exploring new revenue streams (e.g., property taxes in urban areas, income taxes, environmental taxes), and expanding the tax base by supporting the growth of micro, small, and medium enterprises (MSMEs) to boost economic activity and improve financial liquidity.

- 5) The 10<sup>th</sup> NSEDP emphasizes efficient and responsible budget spending, avoiding wasteful expenditure. This includes ensuring that public procurement and hiring processes adhere strictly to legal requirements and that strong financial planning and discipline are maintained throughout.
- 6) Ministries, government agencies, and local authorities are committed to implementing the directives of the 12<sup>th</sup> Central Party General Assembly and the 10<sup>th</sup> NSEDP (2026-2030). This will involve creating detailed project plans that align with sectoral development goals, ensuring consistency and synergy across all sectors.
- 7) The 10<sup>th</sup> NSEDP mandates strict adherence to public debt management laws, focusing on restructuring debt obligations to ease repayment burdens. Strong oversight of state investment projects will be implemented to improve project quality and prevent debt-related pressures on the macroeconomy, particularly the financial system and foreign currency reserves.
- 8) The 10<sup>th</sup> NSEDP calls for an independent monetary policy with clearly defined objectives and an exchange rate policy that reflects market forces. State intervention in foreign exchange markets will be minimized, promoting the use of the domestic currency and encouraging exporters to use the banking system for remittances. The plan targets maintaining non-performing loans (NPLs) within the banking system at or below 3% of total loans through robust and effective debt collection measures.
- 9) The 10<sup>th</sup> NSEDP aims to create a favorable environment for private sector investment by improving and enforcing regulations. It will also focus on mobilizing domestic resources for essential public infrastructure and utilizing Public-Private Partnerships (PPPs) with both domestic and foreign investors to develop crucial infrastructure that supports economic connectivity.
- 10) The 10<sup>th</sup> NSEDP promotes industrialization and modernization across all sectors—agriculture-forestry, industry and trade, energy and mining, technology and information, public works and transport, tourism, finance, banking, and investment—to improve the efficiency and effectiveness of production and services, thereby attracting investment, boosting trade, and stimulating tourism.
- 11) The 10<sup>th</sup> NSEDP will foster economic collaboration between sectors and regions, promoting linkages between businesses involved in integrated tourism, agricultural processing, handicrafts, and tourism-related products.

## **2. Development of Human Resources**

- 1) The 10<sup>th</sup> NSEDP prioritizes investment in human capital development, encompassing education from preschool to university and vocational training. The goal is to improve the quality of education and training systems, equipping the workforce with the skills needed to compete in the age of Industry 4.0 and digital technologies.
- 2) The 10<sup>th</sup> NSEDP includes research to identify sectors best suited for investment to effectively utilize the potential of Laos' young workforce.
- 3) The 10<sup>th</sup> NSEDP aims to cultivate a proactive and responsible workforce, emphasizing a commitment to lifelong learning and contributing to socio-economic development through diligent work.
- 4) The 10<sup>th</sup> NSEDP promotes improved nutrition through access to sufficient food, clean water, and sanitation, aiming to reduce maternal and under-five child mortality rates and improve overall health and longevity.
- 5) The 10<sup>th</sup> NSEDP incorporates long-term planning based on population trends, prioritizing the development of a high-quality workforce to support Laos' transformation into a strong society by 2030 and prepare for an aging population by 2052.

- 6) The 10<sup>th</sup> NSEDP emphasizes foreign language education for young people, aiming to develop proficiency that will enhance their personal development and contributions to national progress.
- 7) The 10<sup>th</sup> NSEDP integrates environmental education into curricula, combining theoretical learning with practical application to foster environmental awareness and stewardship from a young age. Additionally, it aims to align workforce development with the demands of socio-economic development, ensuring a balance between skills training and job opportunities.

### **3. Promoting Quality of Life and a Good Society**

- 1) The 10<sup>th</sup> NSEDP aims to increase investment in all economic sectors to drive rural development, effectively combat poverty, and deliver tangible economic improvements.
- 2) The 10<sup>th</sup> NSEDP will continue to address poverty, gender inequality, and the urban-rural gap, aiming to reduce income and consumption disparities (as measured by the Gini coefficient) and increase female labor force participation.
- 3) The 10<sup>th</sup> NSEDP will continue efforts to clear unexploded ordnance (UXO), reducing casualties, preventing future accidents, and ensuring the safety of affected communities.
- 4) The 10<sup>th</sup> NSEDP will focus on effective implementation of the national social protection strategy and the national strategy to promote rural employment.
- 5) The 10<sup>th</sup> NSEDP prioritizes child rights and well-being, working to combat child abuse, ensure young people's participation in decision-making, and amplify their voices in development initiatives.
- 6) The 10<sup>th</sup> NSEDP will implement policies to support the elderly and disabled, promoting their social inclusion and providing necessary infrastructure and services such as physical therapy.
- 7) The 10<sup>th</sup> NSEDP aims to establish a comprehensive social protection system ensuring equitable welfare for all citizens throughout their lives.
- 8) The 10<sup>th</sup> NSEDP seeks to improve societal safety through initiatives such as promoting safe driving, establishing emergency hotlines, increasing the use of surveillance technology, and enhancing emergency response systems.
- 9) The 10<sup>th</sup> NSEDP will foster stronger coordination among the agriculture-forestry, industry, and trade sectors, as well as between central and local stakeholders, to ensure a more integrated and effective approach to development.
- 10) The 10<sup>th</sup> NSEDP will provide the necessary technical and financial resources to monitor agricultural practices, support the formation of locally adapted production groups and cooperatives, and ensure effective oversight of these initiatives.

### **4. Protecting the Environment and Reducing Risks from Various Impacts**

- 1) The 10<sup>th</sup> NSEDP aims to foster a societal culture of environmental protection and sustainable natural resource management.
- 2) The 10<sup>th</sup> NSEDP will strengthen environmental and natural resource management through effective implementation of relevant legislation and mechanisms to support green and sustainable development.
- 3) The 10<sup>th</sup> NSEDP will improve disaster preparedness and response by enhancing the monitoring and reporting of weather, meteorological, hydrological, and seismic data, facilitating more effective recovery efforts.
- 4) The 10<sup>th</sup> NSEDP promotes a circular economy model to reduce reliance on natural resources, minimize environmental impact, and improve waste management and recycling, addressing issues such as air and water pollution.

- 5) The 10<sup>th</sup> NSEDP supports national efforts to reduce greenhouse gas emissions and actively participate in climate change mitigation and adaptation initiatives to minimize the impacts of climate change.
- 6) The 10<sup>th</sup> NSEDP will continue initiatives to expand forest cover and protect endangered biodiversity.
- 7) The 10<sup>th</sup> NSEDP emphasizes strict enforcement of environmental protection laws and regulations.

## **5. Creating Durable Infrastructure to Support Integration at All Levels**

- 1) The 10<sup>th</sup> NSEDP promotes domestic and international cooperation to stimulate trade and investment, increasing production, domestic consumption, and exports. It will also explore innovative ways to connect remote producers to online markets.
- 2) The 10<sup>th</sup> NSEDP aims to develop a comprehensive national transportation network encompassing roads, railways, waterways, and air routes to improve connectivity with regional markets, enhancing both the quality and quantity of transportation options.
- 3) The 10<sup>th</sup> NSEDP promotes sustainable energy infrastructure development, utilizing domestic energy resources to meet demand while mitigating overproduction. This includes promoting energy-efficient industries, such as electric vehicles, and expanding the use of renewable energy sources to reduce reliance on fossil fuels.
- 4) The 10<sup>th</sup> NSEDP aims to expand irrigated farmland to allow for year-round agricultural production.
- 5) The 10<sup>th</sup> NSEDP will implement comprehensive urban planning from the start to develop convenient and modern cities and towns with designated urban areas, focusing on safe, durable, and accessible infrastructure to manage population growth from rural-urban migration.
- 6) The 10<sup>th</sup> NSEDP will leverage modern IT tools to improve the accessibility and management of infrastructure, including the use of mobile applications for public transportation scheduling and mobile payment systems.
- 7) The 10<sup>th</sup> NSEDP emphasizes enhanced cooperation with ASEAN members, global partners, and international organizations, based on principles of peace, independence, friendship, and collaboration, to strengthen socio-economic development and improve the implementation, monitoring, and evaluation of aid programs.

## **6. Improving Public Administration Management**

- 1) The 10<sup>th</sup> NSEDP aims to foster national unity and inclusive participation in development, utilizing online platforms to effectively gather public feedback and ideas for improving public services.
- 2) The 10<sup>th</sup> NSEDP aims to improve governance to achieve a higher ranking on the International Transparency Index.
- 3) The 10<sup>th</sup> NSEDP will modernize state management and administration, developing clear funding plans for ICT and research to ensure effective resource allocation for development.
- 4) The 10<sup>th</sup> NSEDP aims to enhance public service capacity by clarifying roles and responsibilities, thereby building public trust and improving service delivery.
- 5) The 10<sup>th</sup> NSEDP will utilize ICT tools to streamline public transactions across sectors, improving efficiency, transparency, and timeliness. This includes enabling online tax tracking and payments via the banking system.
- 6) The 10<sup>th</sup> NSEDP emphasizes improved coordination between central and local governments to enhance administrative effectiveness, transparency, and accountability.

- 7) The 10<sup>th</sup> NSEDP will continue collaboration with the Joint Development Committee to ensure the successful implementation of the Vientiane Declaration, aligning it with national development priorities.
- 8) The 10<sup>th</sup> NSEDP promotes enhanced coordination and collaboration among all levels of government, the People's Council, and the justice sector, ensuring their complementary roles contribute to effective governance.
- 9) The 10<sup>th</sup> NSEDP emphasizes strict adherence to laws and regulations by all public sector employees, promoting a culture of accountability.
- 10) The 10<sup>th</sup> NSEDP will focus on developing and strengthening comprehensive laws and regulations to support effective public administration.
- 11) The 10<sup>th</sup> NSEDP emphasizes increased political accountability at all levels, ensuring timely law enforcement and effective oversight in upholding rights and responsibilities.
- 12) The 10<sup>th</sup> NSEDP prioritizes intensified efforts to combat and eradicate corruption throughout government and society.
- 13) The 10<sup>th</sup> NSEDP will enhance the statistical analysis system to support the planning, monitoring, evaluation, and reporting of socio-economic development, including dedicated budgetary allocations for data collection and monitoring.
- 14) The 10<sup>th</sup> NSEDP emphasizes that national defense and security are shared responsibilities, crucial for maintaining political stability and peace.
- 15) All sectors and local governments are responsible for monitoring, inspecting, evaluating, and reporting on the implementation of the 10<sup>th</sup> NSEDP (2026-2030), in accordance with their respective mandates.

#### **Framework for Formulating and Executing the 10<sup>th</sup> NSEDP (2026-2030):**

The government will enact an implementation decree, and the Ministry of Planning and Investment will deliver technical guidelines, emphasizing collaboration with central and local entities for detailed, efficient, and effective execution:

- Ministers, provincial governors, and district governors are tasked with fully translating targets into comprehensive plans that integrate tasks, financial, and personnel aspects. A three-tier management system—from central to local levels—will be employed to establish a robust foundation for successful, efficient implementation.
- Enhance strategic coordination among public entities (both vertically and horizontally), and between the public and private sectors, alongside the joint development team, for effective implementation and monitoring of the socio-economic development plan.
- Strengthen collaboration between the Ministry of Education and Sports, the Ministry of Labor and Social Welfare, labor organizations, and the Chambers of Commerce and Industry to enhance skills, drive production and business transformation, improve employment opportunities, and boost societal income—focusing on meeting market demands with higher quality.
- Foster active participation from public and private organizations, the United Nations, mass organizations, civil society, and domestic and international businesses for the successful realization of the national socio-economic development plan.
- The Ministry of Planning and Investment will collaborate with all sectors and localities to monitor and evaluate each phase of the 10<sup>th</sup> NSEDP. The ministry will report development progress, ensuring effective management of the monitoring and evaluation system.

#### **Division of Responsibilities for line ministries and sub-national authorities:**

1. **Ministry of Finance:** Accelerate the modernization of revenue collection and expenditure management; Adopt comprehensive measures to ensure uniform

- accounting systems across all business entities and active participation in the VAT system, thereby boosting government revenue; Increase the efficiency of state-owned enterprises.
2. **Bank of Lao PDR:** Maintain strict monetary management to ensure currency stability per the national plan; Mobilize resources to effectively promote production and services, supporting the government's priorities and strengthening the domestic production base for national income generation; Reinforce regulations for commercial banks and non-bank financial institutions to ensure strict legal compliance.
  3. **Ministry of Planning and Investment:** Collaborate with relevant sectors to refine business regulations and operational mechanisms; Streamline investment and business license issuance to attract high-quality domestic and foreign investments in line with the 2024 Investment Promotion Law, with a focus on enhancing investments in special economic zones.
  4. **Ministry of Industry and Commerce:** Coordinate with relevant parties to identify markets and compile product lists that cater to domestic and export needs, enabling stakeholders to develop responsive production plans; Regulate the pricing of consumer and essential goods to manage the cost-of-living effectively.
  5. **Ministry of Agriculture and Forestry:** In partnership with the Ministry of Industry and Commerce, enhance the production sector to meet domestic demand, support import substitution, and boost exports; Prioritize the production of goods to meet market demands, including quotas from China, Vietnam, Thailand, and others, focusing on products like meat, livestock, and plants.
  6. **Ministry of Information, Culture, and Tourism:** Promote tourism by targeting international and domestic tourists to stimulate the economy; Encourage tourism operators to improve sites, services, and diversify offerings; Enhance the "Visit Laos Year-Use Lao Products" initiative for better promotion.
  7. **Ministry of Education and Sports:** Develop a national human resources development strategy and refine the Education and Sports Sector Development Plan; Focus on improving education quality across levels, especially in remote areas, by providing necessary teaching tools, equipment, and policies for students.
  8. **Ministry of Health:** Strengthen capacity in promoting hygiene, reproductive health, and managing disease prevention; Develop a sustainable health insurance fund gradually, expand healthcare reach into remote areas, and upgrade medical personnel to maintain high professional and ethical standards.
  9. **Ministry of Labor and Social Welfare:** Work with the Ministry of Education and Sports, Youth, Women's Union, and Workers' Union to enhance labor skill development; Align workforce training with market demands, integrating with special economic zones and private sector projects; Upgrade training standards to meet international benchmarks, targeting the national labor shortage.
  10. **Ministry of Natural Resources and Environment:** Strengthen legislation for natural resource management and environmental protection for improved efficiency and effectiveness; Establish a systematic climate change monitoring and alert system to keep society informed and prepared for natural disaster impacts.
  11. **Sectors and Localities:** Conduct research and strategize production and services based on local strengths and potentials; Capitalize on opportunities like the Lao-China railway and new land ports; Coordinate regional development plans to create effective, complementary economic relationships, fostering simultaneous resolution of challenges and growth.

## **IV. Third Voluntary National Review on the implementation of the 2030 Agenda for Sustainable Development (VNR3)**

The Voluntary National Review (VNR) is a process through which countries evaluate and present their progress in implementing the 2030 Agenda for Sustainable Development and the Sustainable Development Goals (SDGs). The VNR aims to enhance government policies and institutions while fostering multi-stakeholder support and partnerships to accelerate the achievement of the SDGs. Beyond serving as a periodic reporting mechanism, VNRs function as a dynamic tool for ongoing reflection and improvement in the implementation of sustainable development initiatives.

The 3<sup>rd</sup> Voluntary National Review (VNR) for Lao PDR provides a comprehensive trend and track analysis, covering the progress and status of all 17 Sustainable Development Goals (SDGs) plus one national SDG focused on 'Lives Safe from UXO (Unexploded Explosive Ordnance)'. It includes an in-depth analysis of selected goals and targets identified as national priorities for Lao PDR. The findings of this VNR were presented at the High-Level Political Forum (HLPF)<sup>4</sup> in July 2024 in New York, led by H.E. Mr. Saleumxay Kommasith, Deputy Prime Minister and Minister of Foreign Affairs.

The 3<sup>rd</sup> VNR covers a wide range of topics, including:

- A snapshot and infographic of the status of the goals and targets;
- Achievements and good practices;
- The impact of country interventions at home and abroad;
- Gaps and challenges;
- Challenges and opportunities;
- Interlinkages, synergies and trade-offs with other goals;
- An analysis of emerging issues; and
- Plans for future enhanced implementation.

### **Findings of the 3<sup>rd</sup> VNR for Lao PDR:**

- Lao PDR has made progress across various SDGs, but significant challenges remain in achieving the 2030 targets. Many SDGs are not on track to meet their mid-point targets (2023), let alone the 2030 targets. Data availability for several SDGs is also insufficient for a thorough evaluation. Some SDGs are even regressing.
- Macroeconomic instability, high inflation, and limited revenue collection are significant challenges. The COVID-19 pandemic further exacerbated existing vulnerabilities, impacting poverty reduction, healthcare, education, and overall development.
- Data availability and disaggregation across several SDGs are limited, hindering accurate progress tracking and policy formulation. Granular data (by gender, location, etc.) is especially scarce.
- Significant disparities exist across various segments of the population (rural vs. urban, rich vs. poor, ethnic minorities, gender). Some groups are disproportionately affected by various development challenges, including access to education, healthcare, and economic opportunities.
- Climate change, biodiversity loss, and pollution pose significant threats to the country's development and sustainability. Resource-based development patterns have led to environmental degradation.

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<sup>4</sup> The [HLPF](#) is the central United Nations platform for the follow-up and review of the 2030 Agenda for Sustainable Development and the Sustainable Development Goals (SDGs) at the global level.

- While progress has been made, there's a need to strengthen partnerships across different stakeholders to support SDG implementation, particularly in addressing the needs of vulnerable populations (leave no one behind). The current system for addressing issues of vulnerability is fragmented.

### **Recommendations of the 3<sup>rd</sup> VNR:**

To ensure greater empowering and effective implementation of various national, sectoral and provincial development frameworks, some of key next steps for SDG implementation in Lao PDR toward 2030 from the 3<sup>rd</sup> VNR include:

#### **1) National and sectoral policy frameworks**

It is recommended that Lao PDR strengthen the links between Agenda 2030 and the 10<sup>th</sup> NSEDP (2026-2030), building on reviews of the 9<sup>th</sup> NSEDP (2021-2025). This should include a focused effort on transitioning from Least Developed Country (LDC) status and restoring macro-economic stability. Moreover, it is essential to implement the Smooth Transition Strategy for LDC graduation in response to the Committee for Development Policy (CDP) LDC review in 2024. Additionally, synchronizing sectoral development frameworks with the Monitoring and Evaluation (M&E) framework of the 10<sup>th</sup> NSEDP and its financing strategy will enhance coherence and effectiveness in achieving these critical goals.

#### **2) Horizontal and vertical integration**

It is recommended that Lao PDR adopt a strategic approach to prioritize and sequence national Sustainable Development Goal (SDG) indicators, particularly those linked to LDC graduation and green growth, already integrated into the 9<sup>th</sup> NSEDP. To ensure effective tracking of progress, it is essential to establish a clearer division of labor for monitoring and reporting these SDG indicators within the national Monitoring and Evaluation (M&E) framework, encompassing the 10<sup>th</sup> NSEDP and relevant sectoral frameworks. Furthermore, ongoing promotion of inter-sectoral collaboration through the Round Table Process will facilitate the formation and strengthening of issue-based coalitions, enabling stakeholders to address critical challenges impacting multiple SDGs as highlighted in the Voluntary National Review (VNR).

In addition, strengthening institutional arrangements for SDG implementation—particularly the National SDG Secretariat in partnership with the Ministry of Foreign Affairs, Ministry of Planning and Investment, and the Lao Statistics Bureau—is vital for enhancing collaboration across sectoral ministries, provincial authorities, development partners, the private sector, civil society, and other relevant stakeholders. Finally, increasing financial and capacity support for local authorities to integrate sustainability criteria and agendas into their operations is crucial. This can be effectively achieved through existing mechanisms such as the Sam Sang Policy, ensuring that sustainability becomes a foundational element of local governance and development efforts.

#### **3) Data and statistics**

To enhance the effectiveness of development monitoring, it is crucial to improve, systematize, and ensure coherence in statistical systems and Monitoring and Evaluation (M&E) capacities of the government. This includes synchronizing the tracking of Sustainable Development Goal (SDG) implementation progress with the NSEDP implementation. Achieving this requires a robust coordination mechanism that actively involves government stakeholders from various ministries at both central and local levels, as well as private sector representatives, development partners (both traditional and non-traditional), civil society organizations, and non-governmental organizations. Such collaboration is essential to ensure policy coherence across different dimensions, leading to meaningful and impactful outcomes. Additionally, supporting the work of the Lao Statistics Bureau through

partnerships with national and international collaborators will be critical for effective SDG monitoring and reporting. While surveys and censuses provide valuable data for most SDG indicators, it is also important to strengthen the process of collecting quality administrative data for certain indicators. Enhancing these efforts will ensure a comprehensive and accurate framework for assessing progress toward sustainable development goals.

**4) Integrated financing**

To development, it is essential to reinforce the links between the national budget and national planning, utilizing the 2030 Agenda as a driving force. This strategy will ensure that financial resources are strategically allocated to meet developmental goals. Additionally, enhancing the alignment of international development cooperation with national priorities, while empowering the private sector to engage more actively in the sustainable development agenda, is crucial for creating a holistic approach to financing.

Integrating financing for the SDGs and NSEDPs into regular Round Table dialogue sessions will be vital for fostering collaboration. It is important to maintain an overview of the overall resource envelope and to understand the characteristics of diverse financial flows. This understanding will be instrumental in formulating long-term strategies for the effective and catalytic use of Official Development Assistance (ODA) and other forms of international public finance, ultimately enhancing the impact of investments in sustainable development.

**5) LNOB analysis**

To effectively advance the Sustainable Development Goals (SDGs) in Lao PDR, it is essential to conduct a thorough analysis of progress that goes beyond merely tracking overall goals. This should involve a focused effort to identify groups in vulnerable situations by enhancing the quality and disaggregation of data across key indicators.

Additionally, it is important to connect the efforts of human rights bodies, such as those related to the Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW), the Convention on the Rights of Persons with Disabilities (CRPD), and the Convention on the Rights of the Child (CRC), with the work of development actors. This alignment will facilitate prompt, tailored, and robust analyses that can inform targeted and effective policy-making, thereby ensuring that the commitment to Leave No One Behind (LNOB) is met.

**6) Partnerships with private sector**

To ensure sustainable economic growth, it is essential for Lao PDR to prioritize measures that guarantee macroeconomic stability. The 9<sup>th</sup> NSEDP presents a financing gap that is anticipated to be addressed through investments and loans, which can only be achieved if the country maintains a stable macroeconomic environment that fosters a safe and attractive investment climate.

Strengthening private sector participation and improving the business environment must be rooted in the rule of law and compliance with international commitments, including the International Labour Organization (ILO) conventions. The stability of Lao PDR is a significant asset in attracting both domestic and foreign investments. To capitalize on this stability, acceleration of efforts to market Lao PDR as an appealing investment destination is crucial. Actively seeking international investors can position Lao PDR and its Special Economic Zones as strategic hubs to access ASEAN markets. Collaboration among the Lao Chambers of Commerce, the Ministry of Planning and Investment, and the Ministry of Industry and Commerce will be instrumental in promoting Lao PDR to potential investors.

Furthermore, revitalizing the Lao Business Forum and enhancing its connection with sectoral private sector engagement is essential. This should involve forging stronger links to the national planning process, including the NSEDP and the national development cooperation forum (Round Table Process and Sector Working Group), ensuring that the private sector plays a vital role in shaping and implementing development strategies that drive economic growth and investment in Lao PDR.

#### 7) **Partnerships with civil society and citizens**

To effectively implement and monitor Sustainable Development Goals (SDGs) in Lao PDR, it is essential to involve authorities from provinces, districts, and villages in both the execution and reporting of SDG indicators. Building capacity at these local levels is crucial for fostering a deep understanding of the SDGs, which will be further supported by engaging Lao citizens and civil society to ensure that no one is left behind.

Continued inclusion of civil society representatives in consultations and institutional arrangements for SDG implementation and monitoring is also critical. The key recommendations from civil society, as highlighted in prior discussions, provide solid foundations for the government's efforts to achieve the SDG goals and targets by 2030.

Moreover, systematically involving youth and volunteers in the implementation and monitoring of SDGs will enhance participation across all segments of society. This inclusive approach will ensure that diverse perspectives and contributions are harnessed, ultimately strengthening efforts to achieve the SDGs and fostering a more equitable and sustainable future for all.

## **V. Progress in the implementation of the Lao PDR Smooth Transition Strategy for LDC Graduation in 2026 and beyond**

The Smooth Transition Strategy (STS) for LDC Graduation sets out Lao PDR's plans to manage the historic LDC graduation process.

Preparing for graduation is made all the more challenging by the international context since Lao PDR was recommended for graduation, stemming firstly from the COVID-19 pandemic, more recently from the ongoing consequences of the food, fertilizer, fuel, finance, and animal feed crisis, and the intensifying consequences of climate change and environmental degradation.

On the basis of these exceptional challenges, Lao PDR was granted an extended 5-year period to prepare, with graduation expected in 2026. Progress and developments will continue to be monitored closely throughout the preparatory period, including through the Enhanced Monitoring Mechanism recently established by UN DESA and the triennial review in 2024. Findings from this monitoring will be factored into graduation preparations, including by the UN Committee for Development Policy (CDP) that makes recommendations on countries' readiness to graduate.

The STS defines a successful graduation as being: **smooth**, in that it should not result in a disruption or reversal of development progress; **quality**, in that progress achieved is consistent with the vision set out in the; and **sustainable**, in that longer-term risks are adequately managed.

Through a careful consultative process with governments and other relevant stakeholders, 22 specific actions clustered across 4 thematic pillars and 9 policy areas were defined as

necessary to successfully manage the graduation process. Each policy area identifies the link to the existing policy frameworks and potential entities to be involved in taking action:

**Pillar 1: Macroeconomic Stability and Financial Sustainability;** Including measures to secure macroeconomic stability, and safeguard investments in human capital, the environment, and climate action.

Policy Area	Actions	Alignment with the existing policy frameworks
1.1 Macroeconomic stability	1: Rapidly increase fiscal space Actions 2: Alleviate the debt burden 3: Increase the resilience of the financial sector	<ul style="list-style-type: none"> <li>▪ NSEDP Outcome 1</li> <li>▪ NSEDP Financing Strategy 1.1, 1.3</li> <li>▪ Resilience Framework Pillar 1</li> <li>▪ National Agenda on Economic and Financial Difficulties</li> </ul>
1.2 Safeguarding investments in human capital, environment and climate action	4: Prioritise public investments in human capital and green and climate-resilient growth 5: Increase the volume and effectiveness of ODA support in priority sectors 6: Incentivise private sector investments in green growth 7: Plan the country's participation to global affairs	<ul style="list-style-type: none"> <li>▪ NSEDP Outcomes 2, 4</li> <li>▪ NSEDP Financing Strategy 5.1, 5.2, 5.3</li> <li>▪ Resilience Framework Pillar 4</li> <li>▪ Doha Programme of Action Priorities 1, 5</li> </ul>

**Pillar 2: Trade and Investments;** including measures for trade and FDI promotion, and improving the business environment for inclusive growth;

Policy Area	Actions	Alignment with the existing policy frameworks
2.1 Trade and FDI promotion	8: Reform investment promotion and management to attract quality FDI 9: Facilitate and develop quality trade relationships 10: Enhance and promote domestic production in line with international standards	<ul style="list-style-type: none"> <li>▪ NSEDP Financing Strategy 4.1 Resilience Framework 2.a</li> <li>▪ Doha Programme of Action Priority 4</li> </ul>
2.2 Business environment for inclusive growth	11: Make the business environment one of the	<ul style="list-style-type: none"> <li>▪ NSEDP Financing Strategy 3.1, 4.1</li> </ul>

	most attractive in Southeast Asia	<ul style="list-style-type: none"> <li>▪ Resilience Framework 2.a</li> <li>▪ Doha Programme of Action Priority 4</li> </ul>
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**Pillar 3: Human Capital Development and Structural Economic Transformation;** including measures to promote human capital development and decent jobs, rural development, and urban development.

Policy Area	Actions	Alignment with the existing policy frameworks
3.1 Human capital development and decent jobs	12: Urgently address learning poverty 13: Ensure access to basic social protection services 14: Improve employment opportunities and conditions 15: Make the country an attractive ecological and cultural tourism destination	<ul style="list-style-type: none"> <li>▪ NSEDP Outcomes 2, 3</li> <li>▪ Resilience Framework 4</li> <li>▪ Doha Programme of Action Priority 3</li> </ul>
3.2 Rural development	16: Greater efforts for enhancing rural development through a community-based approach essential for poverty reduction. 17: Accelerate the transition to sustainable/resilient food systems	<ul style="list-style-type: none"> <li>▪ NSEDP Outcome 3,</li> <li>▪ Resilience Framework 3.d,</li> <li>▪ Doha Programme of Action Priority 3</li> </ul>
3.3 Urban development	18: Strategically plan urbanisation	<ul style="list-style-type: none"> <li>▪ NSEDP Outcome 5,</li> <li>▪ Doha Programme of Action Priority 3</li> </ul>

**Pillar 4: Climate change and Disaster Management;** including measures for integrated and sustainable natural resources management for low-carbon development, and climate resilience and disaster risk reduction.

Policy Area	Actions	Alignment with the existing policy frameworks
4.1 Integrated and sustainable natural resources management for low-carbon development	19: Accelerate the energy transition 20: Manage natural resources in an integrated and sustainable way	<ul style="list-style-type: none"> <li>▪ NSEDP Outcome 4</li> <li>▪ Resilience Framework 5</li> <li>▪ Doha Programme of Action Priority 5</li> </ul>

4.2 Climate resilience and disaster risk reduction	21: Accelerate disaster risk management and reduction  22: Accelerate adaptation to climate change	<ul style="list-style-type: none"> <li>▪ NSEDP Outcome 4</li> <li>▪ Resilience Framework 5</li> <li>▪ Doha Programme of Action Priority 5</li> </ul>
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## VI. Outcomes of the 44<sup>th</sup> and 45<sup>th</sup> ASEAN Summits

The outcomes of the 44<sup>th</sup> and 45<sup>th</sup> ASEAN Summits and Related Summits under the theme “ASEAN: Enhancing Connectivity and Resilience”, held on 9-11 October 2024”.

The ASEAN convened 16 Summits:

- Within ASEAN convened two back-to-back Summits: the 44<sup>th</sup> ASEAN Summit and the 45<sup>th</sup> ASEAN Summits.
- On this occasion, the ASEAN leaders had interfaces with Representatives of ASEAN Inter-Parliamentary Assembly (AIPA), Representatives of ASEAN Business Advisory Council (ASEAN-BAC), Representatives of ASEAN Youth, separately.
- At the margin of the 44<sup>th</sup> and 45<sup>th</sup> ASEAN Summits and Related Summits, ASEAN Business and Investment Summit (ABIS) and other related events have been held.
- For External relations front, 10 ASEAN Related Summits were held, which include ASEAN Plus One Summits with Dialogue Partners, ASEAN Plus Three Summit, and the East Asia Summit.
- Additionally, the 2<sup>nd</sup> Asia Zero Emission Community Leaders Meeting and numerous bilateral meetings have also been convened.

### Key outcomes of ASEAN Summit and associated meetings are as follows:

- At the 44<sup>th</sup> and 45<sup>th</sup> ASEAN Summits, the Leaders reviewed progress made in the implementation of the ASEAN Community Vision 2025 and strengthening of cooperation with External Partners.
- The ASEAN Leaders were pleased with the progress made in implementation of the 9 priorities of Lao PDR’s ASEAN Chairmanship 2024, aiming at enhancing regional economic integration and connectivity, forging an inclusive and sustainable future; Accelerating digital transformation; Developing strategic plans to implement the ASEAN Community Vision 2045, namely ASEAN Political-Security Community (APSC) Strategic Plan, ASEAN Economic Community (AEC) Strategic Plan, ASEAN Social-Cultural Community (ASCC) Strategic Plan and ASEAN Connectivity Strategic Plan; Strengthening of ASEAN Centrality; Enhancing climate and environmental resilience; Promoting culture and arts; Advancing the role of women and children; and Strengthening health resilience.
- The ASEAN agreed to expedite the End-of-Term Review of the implementation of APSC, AEC and ASCC Blueprints, as well as ASEAN Connectivity. The best practices and lessons learned from the implementation of the ASEAN Community Vision 2025, when adopted, would lay the solid foundation for the development of strategic plans to implement the ASEAN Community Vision 2045 with the objective to build a resilient, innovative, dynamic, and people-centred ASEAN Community.
- Good progress was made in the implementation of the Roadmap for Timor-Leste’s Full Membership in ASEAN.

- Reiterated the importance of further enhancing cooperation with external partners, while strengthening ASEAN's unity and ASEAN Centrality in the ASEAN-led mechanism and in the evolving regional architecture. We welcomed the supports of ASEAN's external partners in the strengthening of ASEAN Community and the implementation of priorities of Lao PDR's ASEAN Chairmanship.
- Reviewed the implementation of the Five-Point Consensus (5PC) of the ASEAN leaders on Myanmar and agreed to uphold the ASEAN's commitment to assist Myanmar in finding a peaceful, durable, Myanmar-owned and Myanmar-led political solution through the implementation of the 5PC.

**During the 44<sup>th</sup> and 45<sup>th</sup> ASEAN Summits, we adopted and noted of 56 outcome documents which include:**

- ASEAN Leaders' Declaration on the development of strategic plans to Implementation of the ASEAN Community Vision 2045.
- ASEAN Leaders' Declaration on the ASEAN Outlook on the Indo-Pacific for the Future Ready ASEAN and ASEAN-Centered Regional Architecture.
- ASEAN Leaders' Declaration on Enhancing Supply Chain Connectivity. ASEAN Leaders' Declaration on Promoting Sustainable Agriculture.
- ASEAN Leaders' Declaration on Strengthening Regional Biosafety and Biosecurity.
- Vang Vieng Declaration on Promoting the Small and Medium-sized Cultural Enterprises Aligned with the Green Growth for Sustainable Development.
- ASEAN Leaders' Review and Decision on the Implementation of the Five-Point Consensus, which will serve as one of main references in addressing the crises in Myanmar.

The ASEAN Summits with Dialogue Partners and External Partners, including China, Republic of Korea, Japan, India, Australia, the United States of America, Canada, and the United Nations were held separately. Each Summit, the leaders of ASEAN and Dialogue Partners and External Partners reviewed their respective cooperation over the past years and agreed to further enhance a more effective and efficient, and mutually beneficial cooperation in all areas.

- ✚ The ASEAN Plus Three Summit and the East Asia Summit were also convened.
- ✚ The key outcomes of the ASEAN Summits with external partners are as follows:
  - The 27<sup>th</sup> ASEAN-China Summit, we welcomed the conclusion of the ASEAN-China Free Trade Area (ACFTA) 3.0 Upgrade Negotiations, which will serve as a strong foundation to promote and enhance the economic cooperation between ASEAN and China, and we also adopted five outcome documents namely, the ASEAN-China Joint Statement on Combating Telecommunication Network Fraud and Online Gambling, ASEAN-China Joint Statement on Deepening Cooperation in People-to-People Exchanges, ASEAN China Joint Statement on Promoting the Development of Smart Agriculture, Joint Statement on Facilitating Cooperation in Building a Sustainable and Inclusive Digital Ecosystem, and Joint Statement on the Substantial Conclusion of the ASEAN-China Free Trade Area (ACFTA) 3.0 Upgrade Negotiations.
  - The 25<sup>th</sup> ASEAN-Republic of Korea (ROK) Summit, we commemorated the 35th Anniversary of ASEAN-ROK Dialogue Relations and agreed to elevate the Dialogue Relations to a Comprehensive Strategic Partnership through the adoption of the Joint 3 Statement of the Establishment of the ASEAN-ROK Comprehensive Strategic Partnership.

- The 27<sup>th</sup> ASEAN-Japan, we reiterated our commitment to implement initiatives and ASEAN-Japan Plan of Action in strengthening the ASEAN-Japan Comprehensive Strategic Partnership which was elevated last year.
- The 4<sup>th</sup> ASEAN-Australia, we reaffirmed our commitment in strengthening the Comprehensive Strategic Partnership in the years to come as well as implementing the 2 outcome documents of the ASEAN Special Summit to Commemorate the 50th Anniversary of ASEAN-Australia Relations in Melbourne, Australia 2024 and ASEAN Australia Plan of Actions.
- The 21<sup>st</sup> ASEAN-India Summit, we adopted two outcome documents namely: 1). Joint Statement on Strengthening the ASEAN-India Comprehensive Strategic Partnership for Peace, Stability, and Prosperity in the Region in the Context of the ASEAN Outlook on the Indo-Pacific (AOIP) with the Support of India's Act East Policy (AEP) and 2). ASEAN-India Joint Statement on Advancing Digital Transformation. Additionally, we welcomed the designation of the year 2025 as ASEAN-India Year of Tourism.
- The 12<sup>th</sup> ASEAN-U.S. Summit, we adopted the ASEAN-U.S. Leaders' Statement on Promoting Safe, Secure and Trustworthy Artificial Intelligence.
- The 14<sup>th</sup> ASEAN-U.N. Summit, we reaffirmed our commitment to promote multilateralism, including the commitment to materialize ASEAN-U.N. Comprehensive Partnership. We also view that the complementarities between ASEAN Community Vision 2025 as well as ASEAN Community Vision 2045 and the UN 2030 Agenda for Sustainable Development should be further promoted.
- The ASEAN-Canada Special Summit on Enhancing ASEAN Connectivity and Resilience, the Leaders adopted the ASEAN-Canada Joint Leaders' Statement on Enhancing ASEAN Connectivity and Resilience to further strengthen the ASEAN-Canada Strategic Partnership.
- The 27<sup>th</sup> ASEAN Plus Three, we reiterated the importance of ASEAN Plus Three mechanism in enhancing cooperation in East Asia region and reaffirmed our commitment to the effective implementation of the ASEAN Plus Three Cooperation Work Plan and other cooperative activities. In this regard, the Meeting adopted the ASEAN Plus Three Leaders' Statement on Strengthening the Connectivity of Regional Supply Chains.
- The 19<sup>th</sup> East Asia Summit (EAS), the Summit reiterated the importance of the EAS as the premier leader-led forum for constructive dialogue and cooperation on various areas, including strategic, political and economic matters of common interest and concern, and reiterated our commitment to strengthen the EAS framework for cooperation.

During the 44<sup>th</sup> and 45<sup>th</sup> ASEAN Summits and Related Summits, we adopted and noted more than 90 outcome documents and had frank, candid, and constructive discussions on regional and international issues of common interest and concern.

## **VII. Effective Development Cooperation (Fourth Round of Global Survey on Partnership for Effective Development Cooperation).**

**The Global Partnership for Effective Development Cooperation is a primary multi-stakeholder vehicle for enhancing the effectiveness of all forms of development cooperation for the shared benefits of people, planet, prosperity and peace.** It brings together governments, bilateral and multilateral organizations, civil society, the private sector and representatives from parliaments and trade unions among others, who are committed to

strengthening the effectiveness of their partnerships for development. The Global Partnership monitoring is a **partner country-led** exercise to enhance **collective accountability** on the effectiveness of development co-operation. It is guided by the four internationally agreed **principles for effective development co-operation**, including country ownership, focus on results, inclusive partnerships, and transparency and mutual accountability.

**Results of the Global Partnership monitoring are used to monitor the progress of implementing the sustainable development goals (SDGs) and strengthen national development cooperation.** The Global Partnership monitoring exercise has two fundamental objectives. First, it assesses the extent to which governments have established a conducive environment to lead national development efforts and enable the full participation of the whole of society and maximize the impact of joint efforts. Second, it measures the extent to which development partners deliver their support in a way that is focused on country-owned development priorities and that draws on existing country systems and capacities to reduce burden and ensure sustainability of results. Since 2011, 99 partner countries have led the monitoring exercise in collaboration with hundreds of development partners and other actors. The first three global monitoring rounds took place in 2014, 2016, and 2018. Such monitoring results are the official data source for three SDG targets, including respecting each country's policy space and leadership (SDG 17.15), enhancing multi-stakeholder partnerships for development (17.16), and strengthening sound policies and enforceable legislation for the promotion of gender equality and the empowerment of all women and girls (SDG 5.c).

**The current (4<sup>th</sup>) round of Global Partnership monitoring will take place from 2023 to 2026.** It promotes collective accountability through the lens of the four effectiveness principles by measuring progress around four thematic areas. First, the whole-of-society measures the extent to which sub-national governments, parliaments, civil society organizations, the private sector, foundations, and trade unions are included in the development process. Second, the state and use of country systems measures the current state of countries' core systems for development co-operation, and the extent to which development partners align and use them. Third, transparency measure the extent to which actions of partner countries and development partners make information of their development planning and implementation results publicly available. Fourth, **leaving no one behind** measures the extent to which everyone in the society is consulted and targeted in development co-operation.

**At the country level, the monitoring exercise is organized in five phases.** These include (1) inception, (2) data collection, (3) data review and final submission, (4) dissemination of results and transitioning to action, and (5) reflection, dialogue and action. Phases 1-3 involve preparation and data collection. Phases 4-5 focus on an action-oriented process that can help institutionalize effectiveness through concrete actions and dialogue based on the monitoring results, which emerge from the data collected. Laos is in stage (3) of this round of Global Partnership monitoring, with development data collected from 19 development partners and 13 line ministries. Analysis results are expected to be available in the first quarter of 2025.

## **VII. Final Review Report on the implementation of Vientiane Declaration on Partnership for Effective Development Cooperation (2016-2025) and its associated Country Action Plan Review.**

The Vientiane Declaration Country Action Plan (VDCAP) 2016-2025 is undergoing a final review. The review employed a comprehensive mixed methods approach to gather and analyze data on the progress and challenges of implementation. The methodology was designed to ensure a thorough and balanced evaluation, incorporating both quantitative and qualitative data from a wide range of sources. Final review report will be available on the RTM website soon.

Some key results, including the review methodologies are as follows.

### **Review methodologies:**

- 1. Desk Review:** An extensive review of relevant documents was conducted, including:
  - The 2021 mid-term review of the VDCAP.
  - National Socio-Economic Development Plans (8<sup>th</sup> and 9<sup>th</sup> NSEDP).
  - Annual progress reports on NSEDP implementation.
  - Round Table Meeting and Round Table Implementation Meeting reports (2021-2024).
  - Foreign Aid Implementation Reports (2019-2022).
  - Global Partnership for Effective Development Cooperation (GPEDC) monitoring reports.
  - Sector-specific strategies and action plans.
  - Decree 357/GOL, dated 19 October 2019, on ODA Management and Utilization in Laos.
  - Reports and assessments from development partners and international organizations.
- 2. Quantitative Data Analysis:** Rigorous analysis of quantitative data was conducted using information from various sources, including:
  - Official Development Assistance Management Information System (ODA-MIS).
  - Relevant statistics from the Ministry of Planning and Investment and Lao Statistics Bureau.
  - OECD Development Assistance Committee (DAC) databases.
  - World Bank and Asian Development Bank country datasets.

The quantitative analysis focused on key indicators related to aid flows, budget allocations, project implementation rates, and development outcomes. Time series analysis was employed to track changes over the VDCAP implementation period, with particular attention to trends since the 2021 mid-term review.

- 3. Stakeholder Consultations:** A series of semi-structured interviews and focus group discussions were conducted with a diverse range of stakeholders, including:
  - Government officials from key ministries (e.g., Planning and Investment, Finance, Foreign Affairs).
  - Representatives from provincial and district-level administrations.
  - Development partners (bilateral and multilateral).
  - Civil society organizations.
  - Private sector representatives.

These consultations provided valuable insights into the practical implementation of the VDCAP, challenges faced on the ground, and perspectives on the effectiveness of various

initiatives. A total of 30 individual interviews and 3 focus group discussions were conducted, ensuring a broad representation of viewpoints.

4. **Sector Working Group (SWG) Reports Analysis:** Detailed analysis of progress reports from the 10 Sector Working Groups was undertaken to capture sector-specific developments and challenges. This included:
  - Review of annual SWG reports from 2021 to 2024.
  - Analysis of sector-specific indicators and targets.
  - Assessment of coordination mechanisms within each sector.
5. **Comparative Analysis:** A systematic comparison was conducted between the findings of this final assessment and those of the 2021 mid-term review and 2018 Global Survey on Effective Development Cooperation. This analysis aimed to:
  - Identify trends in progress across different VDCAP principles.
  - Highlight areas of significant improvement or persistent challenges.
  - Assess the effectiveness of recommendations made in the mid-term review.
6. **Validation Workshop:** A two-day validation workshop was held with key stakeholders to present preliminary findings and gather feedback. This participatory approach ensured that the assessment's conclusions and recommendations were grounded in the realities of Lao PDR's development context and reflected a consensus among diverse stakeholders.

This comprehensive methodology allowed for a thorough and nuanced assessment of VDCAP implementation, providing a solid evidence base for evaluating progress, identifying challenges, and formulating recommendations for future development cooperation efforts in Lao PDR.

The implementation of the Vientiane Declaration Country Action Plan (VDCAP) 2016-2025 has led to significant improvements in development cooperation effectiveness in Lao PDR. Notable progress has been made in areas such as national ownership, alignment with country systems, inclusive partnerships, and domestic resource mobilization. The introduction of new modalities like South-South Cooperation and enhanced private sector engagement has broadened the scope of development partnerships.

However, challenges persist in several areas, including aid fragmentation, capacity constraints, and the need for more robust results measurement frameworks. As Lao PDR moves towards the conclusion of the VDCAP period, it is crucial to build on the achievements while addressing the remaining challenges.

**Some suggested way forward from the review report include:**

1. **Integrating long-term strategy for Development Cooperation Effectiveness (2025-2035) into the 10<sup>th</sup> and 11<sup>th</sup> NSEDPs.** Crafting a new long-term strategy for development cooperation effectiveness is essential, particularly by integrating lessons learned from the Vientiane Declaration on Aid Effectiveness (VDCAP) with the objectives of the 10<sup>th</sup> NSEDP for 2025-2030 and the 11<sup>th</sup> NSEDP for 2031-2035. This strategy should aim to align development cooperation with national priorities and incorporate it into the broader national financing strategy.
2. **Moving toward tangible ownership for development results involves ensuring that all stakeholders, particularly national and local governments, actively engage in and take responsibility for the success and sustainability of development initiatives.** Engagement and participation are key components of ownership. Governments, civil society, the private sector, and communities should be involved in every stage of the development process—from planning and design to implementation and evaluation. This inclusive approach ensures that diverse

perspectives and expertise inform decision-making, leading to more effective and contextually appropriate solutions.

3. **Regular measuring of the impact and effectiveness of multi-stakeholder engagement through the Round Table Process (RTP) and Sector Working Groups (SWGs) in Lao PDR, it is crucial to consistently monitor the implementation of policy recommendations over time.** Key policy recommendations, established during the High-Level Round Table Meeting held every five years, should guide ongoing efforts. Maintaining steady guidance from the highest levels of leadership and avoiding frequent changes in directives is essential for ensuring stability in policy directions. Regular evaluation against established priorities should be conducted to inform adaptive management, fostering a more coordinated and impactful development cooperation framework that supports evidence-based decision-making in Lao PDR.
4. **Strengthening National Capacities for Result-Based Monitoring and Reporting.** Results-based monitoring and reporting require a fundamentally different mindset that shifts focus from inputs and activities to outcomes and impacts which requires adopting significant changes in organizational culture, systems, and individual behaviors, as well as building new skills in areas such as developing theories of change, selecting appropriate indicators, and analyzing contribution to outcomes. This also involves changing how success is defined and measured across government agencies.
5. **Enhancing the use of country systems by development partners.** Encouraging development partners to enhance the use of country systems requires continued improvements in public financial management and procurement systems. It is important to strike a balance between using country systems and maintaining project implementation units to ensure efficiency and accountability.
6. **Strengthening the ODA Management Information System (ODA-MIS).** Strengthening the ODA management information system (ODA-MIS) is vital for improving decision-making and policy formulation. Ensuring that coordination and standardized procedures are in place to create a link between the national ODA database and records at the sectoral and global levels is essential. An effective ODA-MIS can provide comprehensive and up-to-date data on aid flows, project progress, and outcomes.
7. **Quality engagement of non-state actors over mere representation.** Developing robust mechanisms for engaging civil society, the private sector, and other non-state actors in development processes is crucial for fostering inclusive and participatory development. The focus should be on quality engagement and contribution rather than mere representation. Establishing multi-stakeholder platforms, consultation forums, and partnership frameworks can enable diverse actors to contribute their perspectives, expertise, and resources to development efforts.
8. **Strengthening Cooperation across traditional, non-traditional, emerging and other partners through coordination and results measurement of SSC and TrC initiatives:** Strengthening the coordination and results measurement of South-South Cooperation (SSC) and Triangular Cooperation (TrC) initiatives is essential, with a focus on information sharing and knowledge management. Establishing clear frameworks for coordination among participating countries and organizations can ensure that efforts are aligned and complementary. Additionally, developing robust monitoring and evaluation systems can help assess the effectiveness of SSC and TrC initiatives, providing valuable insights for improvement.
9. **Developing a comprehensive strategy for leveraging private sector resources:** Developing a comprehensive strategy for leveraging private sector resources and expertise is crucial for sustainable development. Key measurements need to be in place to track the results of private sector involvement, ensuring accountability and transparency. This strategy should outline approaches for engaging the private sector in development initiatives, such as public-private partnerships, corporate social responsibility programs, and impact investing.

**10. Enhancing focus on cross-cutting issues.** Enhancing the focus on cross-cutting issues such as gender equality, climate change resilience, and good governance is vital across all development cooperation efforts. Integrating these issues into development planning and implementation ensures that initiatives are inclusive, sustainable, and equitable. For instance, gender-sensitive approaches can be incorporated into project design, while climate resilience measures can be embedded in infrastructure development.

The experiences and lessons learned from implementing the VDCAP (2016-2025) provide a strong foundation for Lao PDR to develop its next phase of development cooperation strategy in light of the roll out of the 10<sup>th</sup> NSEDP preparation. As the global development landscape continues to evolve, Lao PDR is well-positioned to adapt its approaches and partnerships to meet the challenges and opportunities of the coming decade.

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