



# 4<sup>th</sup> Monitoring Global Partnership for Effective Development Cooperation in Lao PDR

**H.E. Mrs. Phonevanh Outhavong**  
**Deputy Minister of Planning and Investment**

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**Global  
Partnership**  
for Effective Development  
Co-operation

# Background



- **The GPEDC monitoring** – established in 2011 by 163 countries in Busan, Republic of Korea – is a multi-stakeholder platform that aims to advance the effectiveness of all development efforts and contribute to the achievement of SDGs by tracking the implementation of effective development cooperation commitments. Lao PDR participated in the 4th GPEDC monitoring (2023-2026) launched at the 3rd high-level meeting on international cooperation in 2022.
- The **Department of International Cooperation (DIC) of the Ministry of Planning and Investment (MPI)** serves as the **National Coordinator** for the implementation of the GPEDC monitoring exercise in Lao PDR.
- **The monitoring exercise is based on four principles of effective development cooperation:**
  - Country ownership
  - Focus on development results
  - Inclusive partnerships
  - Enhancing transparency and mutual accountability

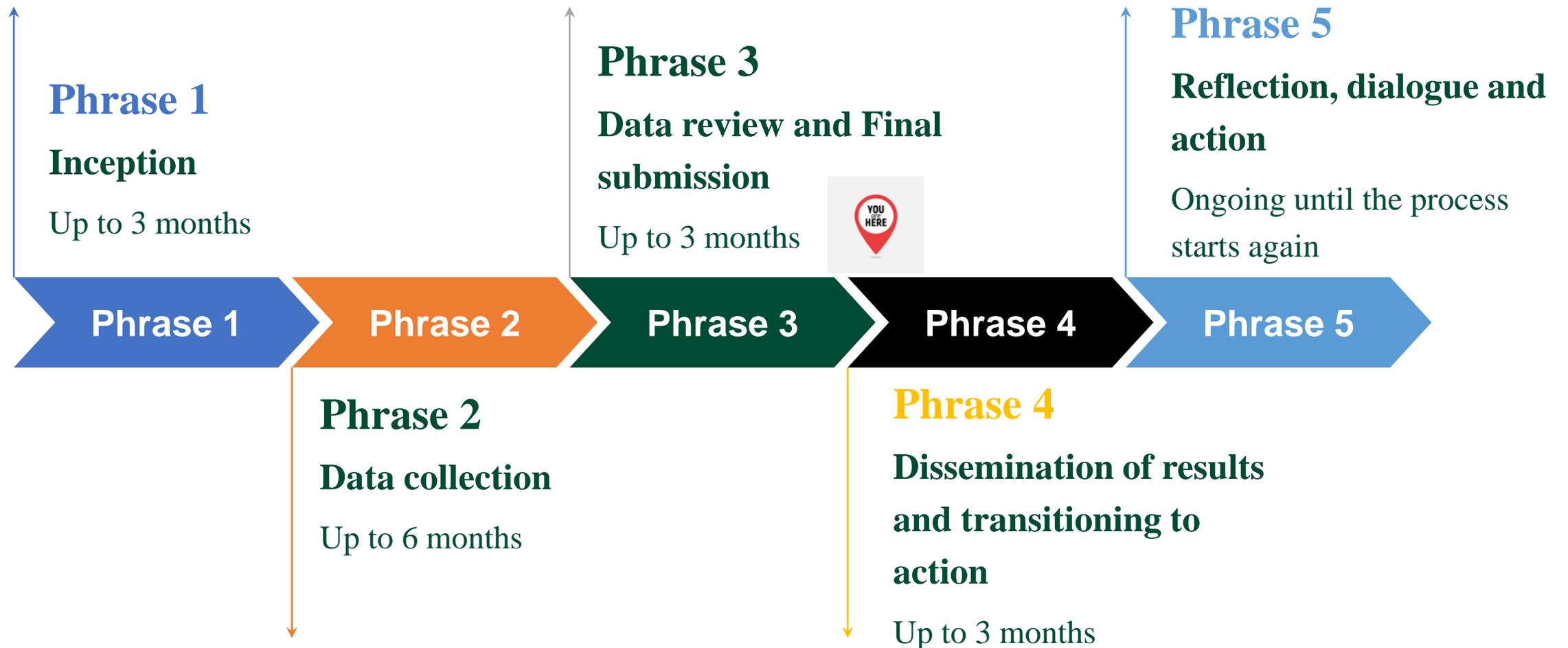
# Objectives



## **Enhance the coordination mechanism of development cooperation consistent with Vientiane Declaration on Effective Development Cooperation by:**

- Collecting data on development cooperation from stakeholders (through inclusive engagement) based on existing national systems.
- Analyzing the collected data to improve the coordination mechanism and design coherent policies on development cooperation.
- Utilizing the monitoring results to support efforts on the integration of development cooperation into the national socio-economic development strategies and plans such as NSEDP, SDG.
- Participating in GPEDC-related fora and meetings to share views on development cooperation.

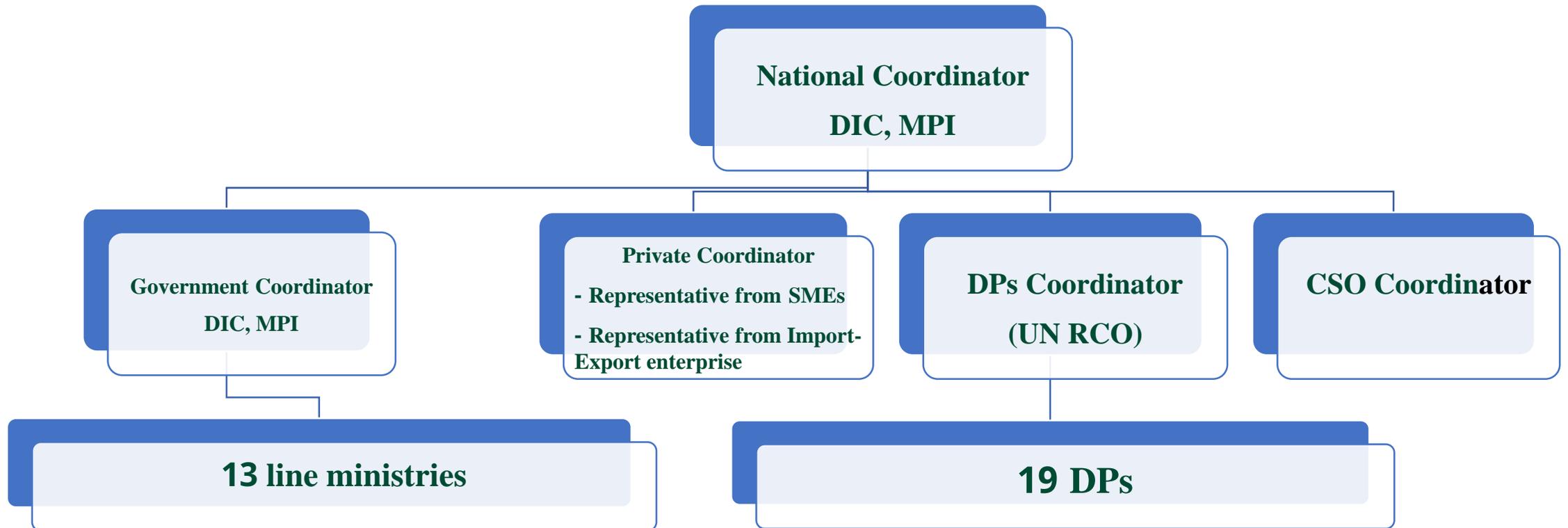
# GPEDC Process



# Methodology



- The GPEDC monitoring method is based on a cooperation mechanism from 4 parts: the Government of Lao PDR, development partners, business and social organizations.



# Result of GPEDC in Lao PDR

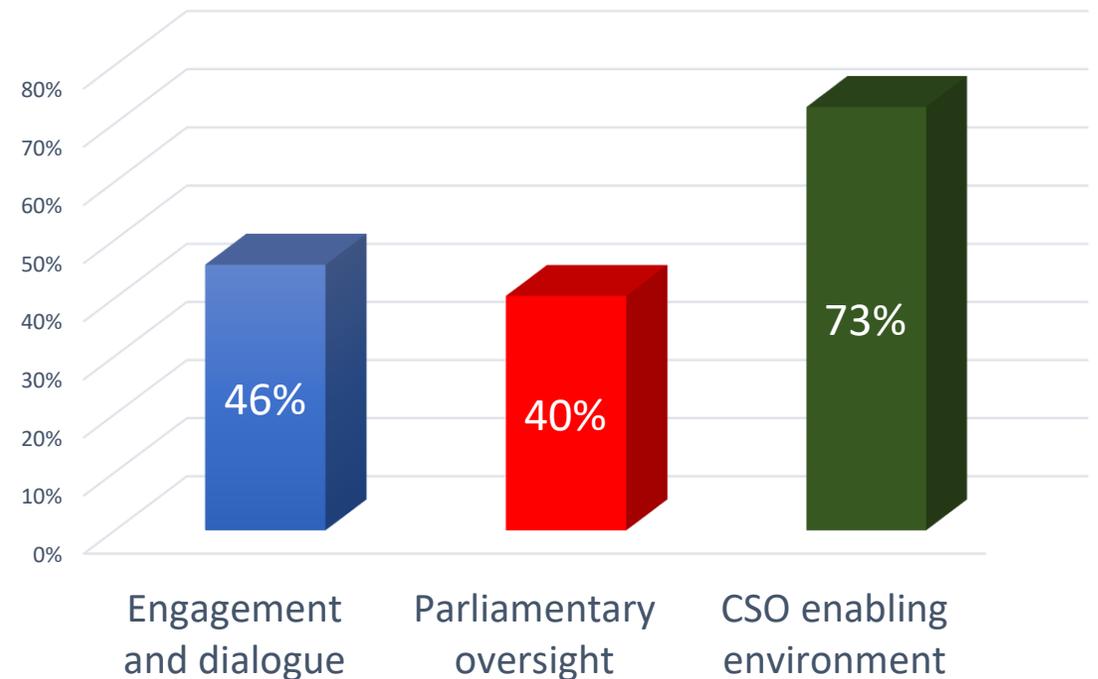


## Dimension 1: Whole-of-society

The participations in the development cooperation process in Lao PDR has been achieved at a moderate level.

- We have done quite well in increasing the participation of stakeholders in the process of creating the development plan of development partners and creating an environment conducive to the work of CSO.
- However what we can do is quite limited in increasing the participation of stakeholders in the process of creating and monitoring the Lao National Development Plan and the National Assembly's monitoring of development cooperation in the Lao PDR.

## Dimension 1: Whole-of-society



# Result of GPEDC in Lao PDR

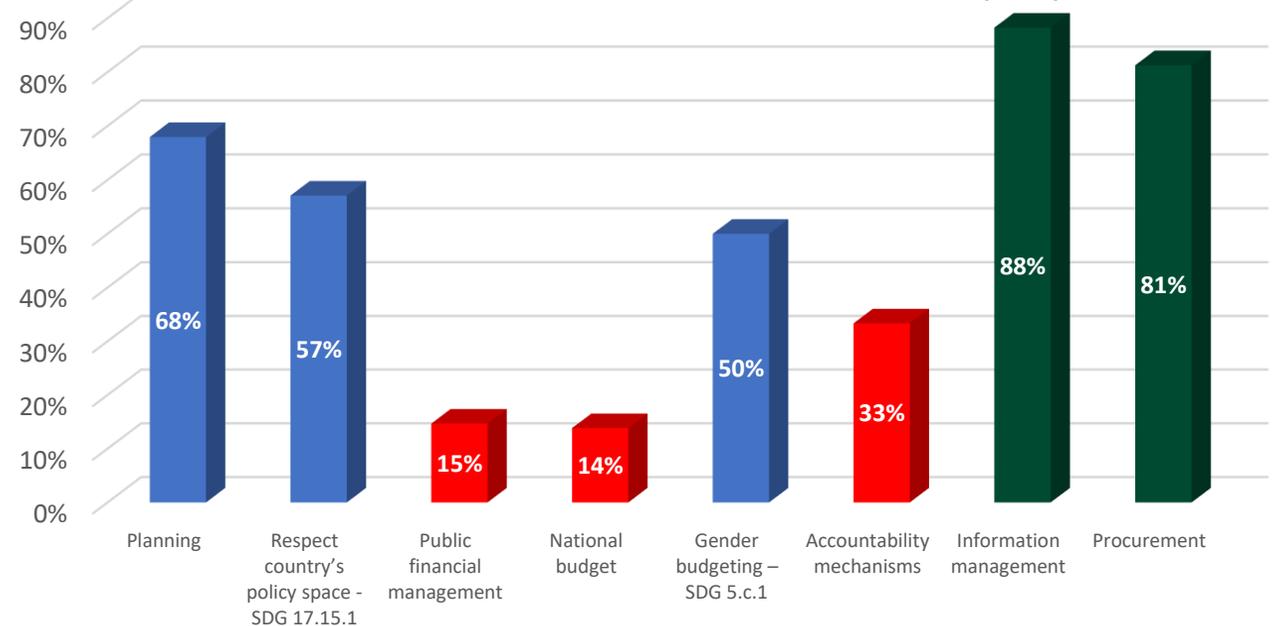


## Dimension 2: State and Use of Country Systems

The engagement of stage and use of country system process in Lao PDR has been achieved at a moderate level.

- We have done very well in procurement and information management on using country systems
- However what we can do is quite limited on public financial management and national budget

### Dimension 2: State and Use of Country Systems



# Result of GPEDC in Lao PDR

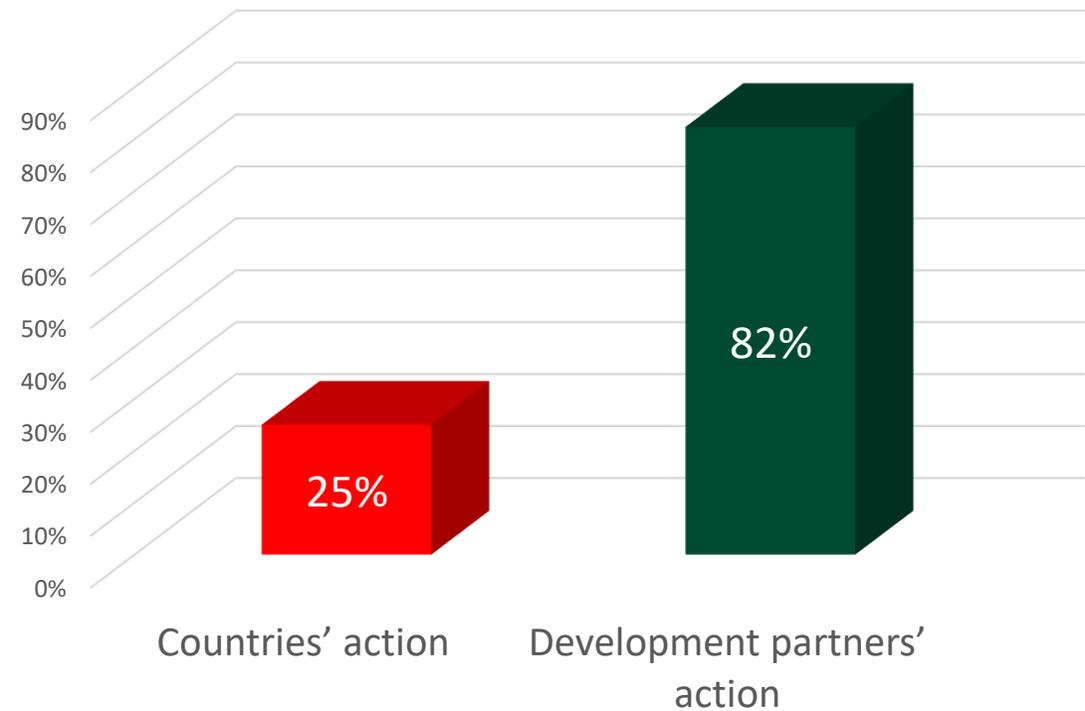


## Dimension 3: Transparency

The transparency process in Lao PDR has been achieved at a moderate level.

- We have done very well in developments' action
- However what we can do is quite limited on countries' action

## Dimension 3: Transparency



# Results of GPEDC in Lao PDR

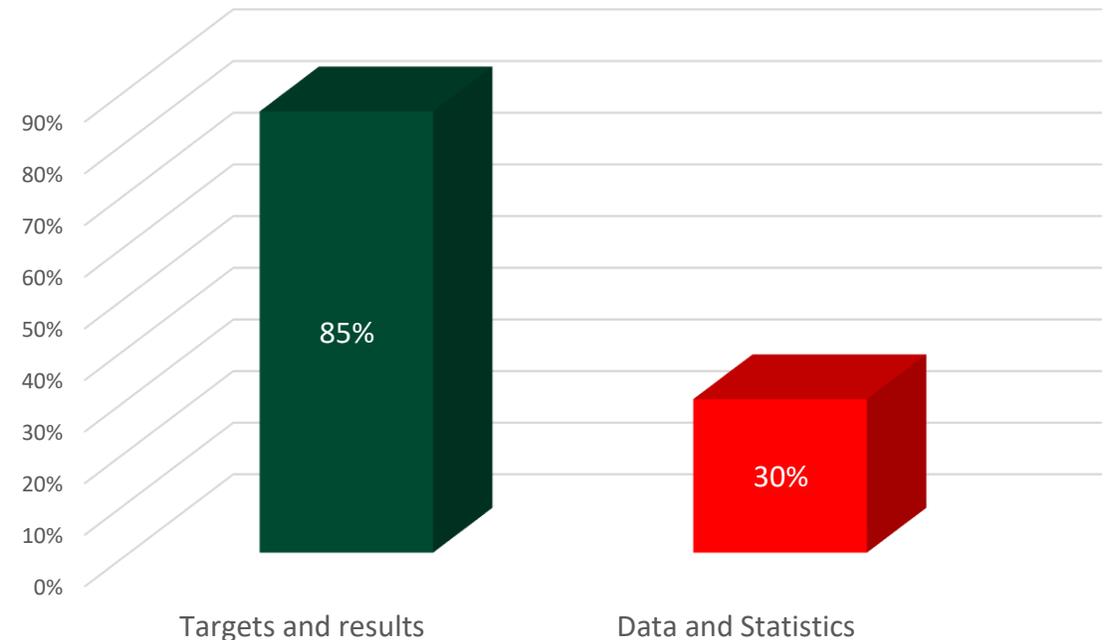


## Dimension 4: Leaving No One Behind

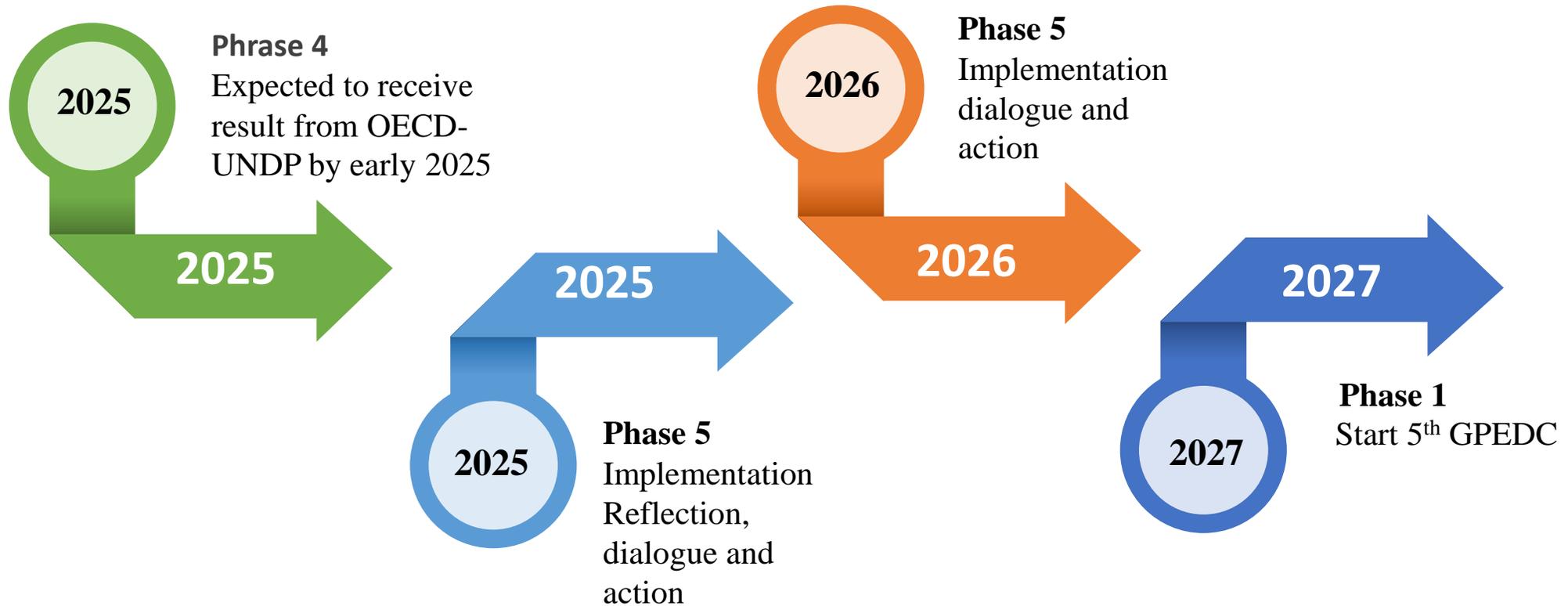
Leaving no one behind process in Lao PDR has been achieved at a moderate level

- We have done very well on targets and results
- However what we can do is quite limited on data and statistics and consultation

### Dimension 4: Leaving No One Behind



# Way forward





# **Final Review Report on the Implementation of the Vientiane Declaration (2015) and Vientiane Declaration on Partnership for Effective Development Cooperation VDCAP (2016-2025)**

**H.E. Mrs. Phonevanh Outhavong  
Deputy Minister of Planning and Investment**

# Content



1. Background and objective
2. VDCAP Principle
3. Conclusion-overall progress
4. Way forward



# Principle 1: Ownership



## Achievements

- **SDG Alignment-** Enhance alignment of national planning with Sustainable Development Goals.
- **Financial Strategy-** Developed comprehensive financial strategy for national development
- **National Assembly Oversight-** Strengthened role in development planning and budgeting process

## Challenges

- **Capacity constraints-** sub-national level face limitations in implementing development plans
- **COVID-19 Disruptions-** Pandemic impacted progress on development initiatives.
- **Coordination Issues-** Challenges in coordinating across different sectors persist.

## Way Forward

- **Sub-national Capacity-** Strengthen capacity building at local levels.
- **Cross-sector Coordination-** Improve coordination mechanisms across different sectors.
- **ODA Data system-** Enhance quality of Official Development Assistance data systems.



# Principle 2: Alignment



## Achievements

- **Country Systems**-Increased use of national systems for development projects.
- **Financial Management**- Enhanced public financial management practices.
- **Procurement Reform**-Implemented reforms in national procurement processes.

## Challenges

- **Parallel Units**-Parallel implementation units remain a challenge in development projects.
- **Sub-national Alignment**-Difficulties in aligning development efforts at sub-national levels.
- **Policy-Practice Gaps**-Discrepancies between policies and their practical implementation persist.

## Way Forward

- **Capacity building**-Strengthen efforts to build national capacity for project implementation.
- **Reduce Parallel Units**-Develop phased approach to reduce parallel implementation units.
- **Central-Local Coordination**-Enhance coordination between central and local governments.



# Principle 3: Harmonization



## Achievements

- **Join programming-** Increased joint programming initiatives among development partners.
- **Sector Working Groups-** Strengthened Sector Working Groups for better coordination.
- **Common Results Framework-** Adopted common results framework for national development plan.

## Challenges

- **Aid Fragmentation-** Persistent fragmentation in development assistance delivery.
- **Diverse Procedures-** Varying procedures among different development partners create coordination challenges.
- **Limited Pooled Funding-** Insufficient use of pooled funding mechanisms for development projects.

## Way Forward

- **Aid Fragmentation Strategy-** Develop national strategy to address aid fragmentation.
- **Expand Pooled Funding-** Increase use of pooled funding mechanisms for development projects.
- **Strengthen Working Groups-** Further enhance Sector Working Groups for improved coordination.



# Principle 4: Inclusive Partnership



## Achievements

- **Constitutional Framework-** Strengthened legislative bodies at national and provincial levels.
- **Round Table Process-** Advanced towards more effective development cooperation through Round Table Process.
- **Civil Society Engagement-** Increased civil society participation in development dialogue.

## Challenges

- **Engagement Quality-** Improving the quality of stakeholder engagement remains a challenge.
- **Capacity Constraints-** Limited capacity of some stakeholders hinders effective participation.
- **Cross-Sector Coordination-** Coordination between different sectors and working groups is complex.

## Way Forward

- **Civil Society Strategy-** Develop comprehensive strategy for civil society engagement.
- **Local CSO Capacity-** Implement capacity building programs for local civil society organizations.
- **Government Training-** Train government officials on inclusive stakeholder engagement practices.



# Principle 5: Transparency



## Achievements

- **ODA-MIS-** Operationalized Official Development Assistance Management Information System.
- **Aid Predictability-** Improved medium-term planning for aid allocation.
- **M&E Framework-** Adopted comprehensive M&E framework for national development plan.

## Challenges

- **Data Quality-** Ensuring quality and timeliness of aid data remains challenging.
- **System Utilization-** Limited use of aid information system across government levels.
- **Accountability Framework-** Fragmented accountability mechanisms hinder effective monitoring.

## Way Forward

- **ODA-MIS Capacity-** Strengthen capacity building programs for ODAMIS use.
- **Communication Strategy-** Develop framework to promote effective use of aid information.
- **Sector Accountability-** Enhance sector-specific accountability mechanisms for better transparency.



# Principle 6: Domestic Resource Mobilization



## Achievements

- **Government Contribution-** Increased financial contribution to development activities.
- **Tax Collection-** Implemented Revenue Management Information System, increasing tax revenue.
- **SME Formalization-** Expanded tax base through strategic SME formalization efforts.

## Challenges

- **Resource Constraints-** Limited financial resources constrain government's ability to co-finance projects.
- **Revenue Volatility-** Dependency on natural resources leads to revenue volatility.
- **Tax System-** Challenges in implementing a progressive tax system persist.

## Way Forward

- **Revenue Enhancement-** Implement strategies to enhance domestic revenue mobilization.
- **Budget Prioritization-** Improve prioritization of budget allocations for development projects.
- **Capacity Building-** Strengthen capacity for effective public financial management.



# Principle 7: South-South Cooperation



## Achievements

- **Expanded Partnerships**-Broadened scope of South-South cooperation projects.
- **Coordination Mechanism**-Established coordination mechanism for South-South Cooperation.
- **Triangular Cooperation**-Emerged as a powerful tool in development strategy.

## Challenges

- **Traditional Aid Coordination**-Integrating SSC with existing aid coordination mechanisms is challenging.
- **Results Measurement**-Developing appropriate frameworks for measuring SSC results is difficult.
- **Resource Mobilization**-Mobilizing adequate financial resources for SSC initiatives remains challenging.

## Way Forward

- **National Strategy**-Develop comprehensive national strategy for South-South and Triangular Cooperation.
- **Strengthen SSC Center**-Enhance capacity of South-South Cooperation Center for better coordination.
- **Results Framework**-Establish tailored results framework for SSC and TrC initiatives.



# Principle 8: Business as Partner



## Achievements

- **Private Sector Engagement-** Launched Public-Private Dialogue Platform for policy discussions.
- **CSR Framework-** Adopted national Corporate Social Responsibility framework.
- **SDG Business Forum-** Launched forum to engage private sector in sustainable development goals.

## Challenges

- **Local Business Capacity-** Limited capacity of local businesses hinders effective participation.
- **Regulatory Environment-** Business regulatory environment presents substantial challenges despite reforms.
- **Access to Finance-** Access to finance remains a critical constraint for businesses.

## Way Forward

- **Capacity Building-** Strengthen programs for local businesses on sustainable practices.
- **Regulatory Reforms-** Continue reforms to improve ease of doing business.
- **Financing Mechanisms-** Develop innovative financing mechanisms to support SMEs and startups.



# Conclusion Overall Progress



## Overall Progress

- **Significant Improvements**-Notable progress in national ownership, alignment, and inclusive partnerships.
- **New Modalities**-Introduction of South-South Cooperation and enhanced private sector engagement.
- **Persistent Challenges**-Aid fragmentation, capacity constraints, and results measurement remain challenging.

## Strategic Recommendations

- **Long-Term Strategy**-Develop long-term strategy for development cooperation effectiveness (2025-2035) – integrated into the financing strategy
- **Tangible Ownership**-Move towards tangible ownership for development results.
- **Impact Measurement**-Enhance measurement of multi-stakeholder engagement impact.

## Capacity Building

- **Results-Based Monitoring**-Strengthen national capacities for result-based monitoring and reporting.
- **Country Systems**-Enhance use of country systems by development partners.
- **ODA Management**-Further strengthen ODA Management Information System (ODA-MIS).

# Conclusion Overall Progress



## Stakeholder Engagement

- **Non-State Actors**-Focus on quality engagement of non-state actors rather than representation.
- **Cooperation Strengthening**-Enhance cooperation across traditional, non-traditional, and emerging partners.
- **Private Sector Strategy**-Develop comprehensive strategy for leveraging private sector resources.

## Final Thoughts

**Lao PDR is well-positioned to adapt its approaches and partnerships to meet future challenges.**

**The experiences from VDCAP provide a strong foundation for the next phase of development cooperation strategy.**



**Thank you**