



The Lao People's Democratic Republic

Country results brief – Global Partnership 2023-2026 Monitoring Round

The Global Partnership for Effective Development Co-operation (Global Partnership) supports the implementation of the effectiveness principles. Its flagship instrument – the global monitoring exercise – helps country governments and development actors assess progress, opportunities, and obstacles to achieving more effective development co-operation. The monitoring promotes collective accountability through the lens of the four effectiveness principles: country ownership, focus on results, inclusive partnerships, transparency and mutual accountability. The evidence generated is grouped around the following thematic areas: Whole-of-society [approach to development], State and use of country systems, Transparency, Leaving no one behind.

This brief provides a snapshot of the Lao People's Democratic Republic's results from the 2023-2026 Global Partnership monitoring round*. When available, trends are presented to compare results with those from the 2018 round. Full data is published on the Global Partnership webpage dedicated to the Lao People's Democratic Republic**, including which actors reported for the country.

1. Whole-of-society

The 2030 Agenda calls for collective action by the whole of society to implement long-lasting development solutions. Governments have a unique responsibility to lead development, but their efforts cannot be successful without the inclusive and equitable participation of all actors.

Engagement and dialogue

Inclusive engagement of and dialogue with a diversity of stakeholders is essential in all aspects of the development process, from planning to implementing and monitoring national development strategies and accountability mechanisms.

The extent to which the Lao People's Democratic Republic (hereafter referred as Lao PDR) engages and dialogues with a diversity of stakeholder groups in development planning and accountability mechanisms is **limited** (score of 0.4 out of 1).



Figure 1



The parliament and development partners were consulted in the preparation of the national development strategy; domestic civil society organisations (CSOs), trade unions, domestic private sector and subnational governments were engaged through a participatory dialogue. Domestic philanthropic organisations were not consulted.



The government uses the national development strategy/plan (and/or its progress reports) to inform dialogue on development priorities and results with development partners and parliaments. It did not inform discussions with CSOs, trade unions, the private sector, domestic philanthropic organisations nor subnational governments.



Lao PDR has not set country-level targets for development co-operation that are specific to individual development actors, and, as a result, has not conducted an accountability assessment related to such targets (see figure 10, page 4).

Parliamentary oversight

Parliamentarians are fundamental to national development efforts. They enact legislation, adopt national budgets, and oversee the effective implementation of national and international commitments.

The extent of parliamentary oversight on development co-operation in Lao PDR is **limited** (score of 0.4 out of 1).



Figure 2

The government provides information on development co-operation to parliament once or less than once a year and only a small proportion of development co-operation flows (1%) are recorded in the national budget and therefore subject to parliamentary oversight as part of the budget approval.

*Lao PDR chose the fiscal year 2022 to report on the following elements: SDG 17.15.1, use of PFM systems, national budget. The remaining elements of the framework refer to the most recent information available at the time of reporting (2023-2024).

** <https://www.effectivecooperation.org/Laos> A note containing the methodology employed to produce the Country Results Briefs, links to the sources of data, and the detailed methodology used to generate the results can be accessed from this same web page.

***In Figures 1, 2 and 15, the number between 0 and 1, circled in orange, represents the average of the sub-elements presented next or below this number.

Enabling environment for civil society organisations (CSOs)

The political, financial, legal and policy context in which CSOs work, as well as how these development actors organise themselves and work with governments and development partners, profoundly affects their development effectiveness and contributions to achieve development results.

“Only minor comments provided by CSOs are taken into account by the government in national development policies.” [development partners]

“CSO co-ordination is weak, with mechanisms existing in only a few sectors. These mechanisms are primarily sustained by the interests of development partners or national governments in those sectors.” [government and development partners]

“Development partner CSO funding emphasises supporting CSO-defined initiatives, funding a diverse range of local CSOs, and tailoring requirements to different CSO types.” [CSOs]

“Registration is mandatory, challenging, time-consuming, costly, and required periodically, with the CSO law including vague prohibitions.” [development partners]

CSOs did not report on their enabling environment in the 2018 monitoring round, making it not possible to assess trends. However, the government reported an **improvement** in the CSO enabling environment compared to the previous round, while development partners observed a **decline**.

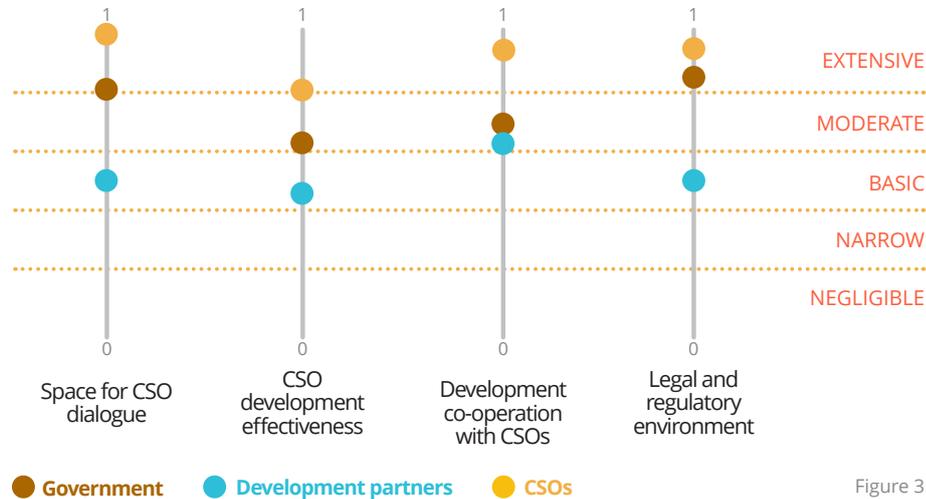


Figure 3

2. State and use of country systems

Strengthening the governance and functioning of core public sector institutions and systems is central to efforts to ensure that governments can manage resources effectively and efficiently to ensure greater development effectiveness. Using country systems allows development programmes to be better integrated with countries' own expenditure, reducing duplication of effort, and increasing the leveraging effect of development co-operation resources and the sustainability of activities and results.

Planning

National development strategies – inclusive of results frameworks – define the government's approach to setting development priorities and results. A high-quality strategy is developed in an inclusive manner and has a clear result focus. Progress is regularly and transparently tracked, and the strategy is linked to implementation resources.

The quality of national development planning in Lao PDR is **medium** (score of 0.68 out of 1).



Figure 4

The 9th Five-Year National Socio-Economic Development Plan:

- Is not publicly available.
- Includes development priorities, targets and results indicators to a very high extent.
- Refers to SDGs at goal and target level.
- Includes an indicative budget or costing information, which is used to inform the annual budget and the mid-term fiscal or expenditure framework.
- Progress reports on the strategy are produced every 5 (or more) years but are not available online.
- Data from the national statistical system to report on results indicators is available for some indicators. Overall, the data used to report on these indicators is updated regularly and accurate.



Respect country's policy space – SDG indicator 17.15.1

The extent to which development partners align their support with the partner country government's national strategies and country-owned results frameworks provides an indication of the policy space accorded to a country's leadership in establishing its own path and policies towards implementing the 2030 Agenda.

In Lao PDR, development partners use country-owned results frameworks and planning tools for developing their interventions to a medium extent (57%). On average, 88% of the outcome objectives of new development co-operation projects and programmes align to those defined in country-owned results frameworks. However, only 41% of the indicators in the new projects and programmes are drawn from country-owned results frameworks, and 43% of all indicators can be monitored using data from government monitoring systems and statistics.

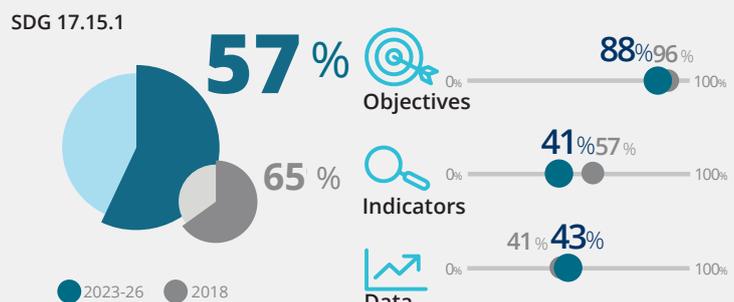


Figure 5

Public financial management (PFM)

Quality of PFM systems - Strong PFM systems are an essential element of good governance and vital to achieving development goals.

Lao PDR experienced **no change** in the overall quality of its PFM systems when comparing the two most recent PEFA evaluations available. Most components of its PFM systems have remained at a low level of quality since the previous assessment.

Note: Figure 6 presents the results from nine elements of the PEFA assessment, organized into their respective four sub-categories. Detailed scores for each element can be found in the country dataset available at: <https://www.effectivecooperation.org/Laos-Monitoring-Results-2024>

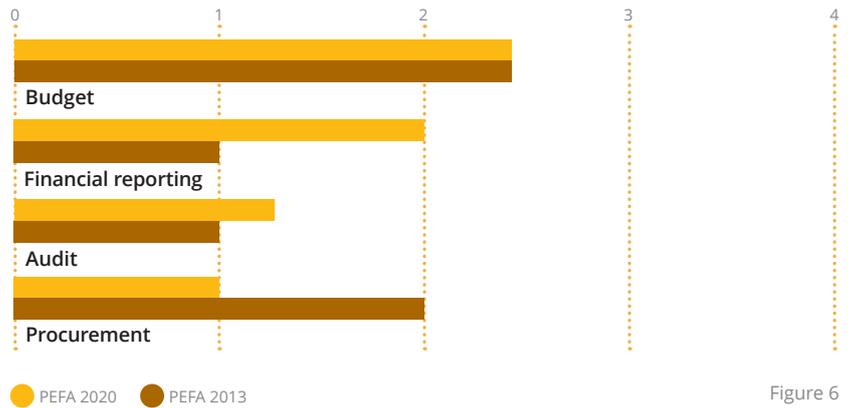


Figure 6

Use of PFM systems by development partners - Using country financial management systems allows better integrating development programmes with countries’ own expenditure, reducing duplication of effort, and increasing the leveraging effect of development co-operation resources and the sustainability of activities and results.

In Lao PDR, development partners use PFM systems to a **limited** extent. Only 47% of funding disbursed to the public sector used PFM systems, similar to the 2018 round. Improvements were observed in the use of auditing procedures, budget execution procedures and procurement systems. However, a decline was observed in the use of financial reporting procedures.

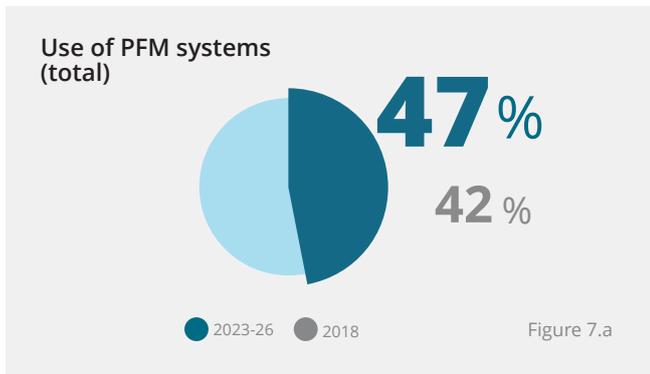


Figure 7.a

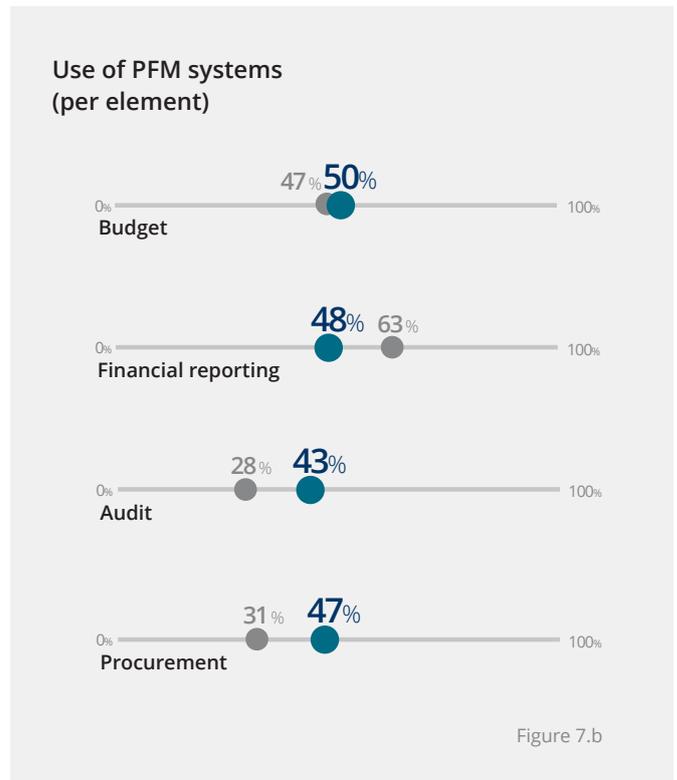


Figure 7.b

National budget

Predictable development co-operation enables the successful implementation of development plans and budgets.

Eighty-two percent of the funding scheduled to the public sector by development partners was disbursed within the same fiscal year, on average (annual predictability). This is an increase compared to the 2018 round*.

Lao PDR reported having received forward spending plans (medium-term predictability), for the three-year period forward, from none of its development partners. This is a **decrease** from the 2018 round, when the country reported having received such plans from 12% of its development partners.

Only a minimal fraction (1%) of development co-operation funding was recorded on the country’s national budgets, which is a **decline** in comparison to 24% in the 2018 round.

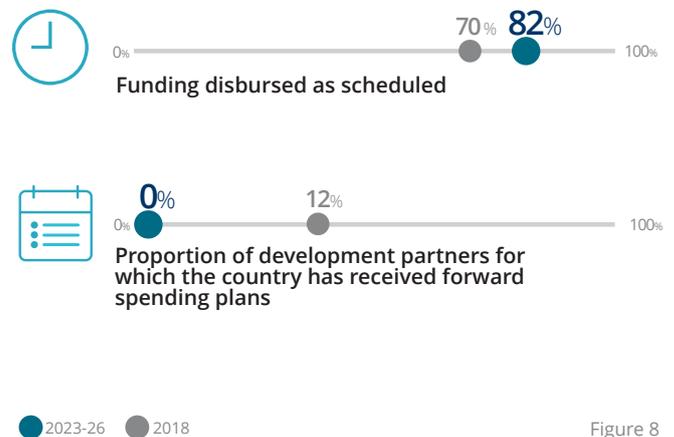


Figure 8

*Starting from this round, the methodology to calculate annual predictability has been adjusted to better reflect - now in a single measurement - the heterogeneity of the scheduled-disbursed relations between development partners and country governments and its impact on planning processes. To allow comparison, 2018 results have been recalculated with the adjusted methodology.

Gender budgeting – SDG indicator 5.c.1

By tracking and making public allocations for gender equality and women's empowerment, governments promote greater transparency and drive accountability.



Lao PDR approaches the requirements for having a system in place to track - and make public - budget allocations for gender equality and women's empowerment.

Lao PDR approaches the requirements for having a system in place to track - and make public - budget allocations for gender equality and women's empowerment.



Aspects of public expenditure are reflected in policies and/or programmes and their resource allocations.



Allocations for gender equality and women's empowerment are not made public.



PFM systems do not promote gender-related or gender-responsive goals.



Yes No

Figure 9

Accountability mechanisms

Accountability underpins development actors' efforts to meet joint commitments, improve how they work together and increase their development effectiveness. Accountability mechanisms are made up of multiple, reinforcing components that can help to enhance accountability for effective development co-operation at the country level.

Lao PDR does not have an accountability mechanism in place (only one out of five elements of an accountability mechanism in place).



Comprehensive policy framework for development co-operation

The policy framework provides guidance for bilateral, multilateral and south-south co-operation partners. It also provides guidance to CSOs and non-governmental organisations, private sector, private foundations, trade unions, parliament, and local governments.



Country-level targets for government and development partners

Targets are not specific to individual development actors.



Regular joint assessments of progress



Inclusive assessments



Timely and public availability of assessment results

✓ In place ✗ Not in place

Figure 10

Information management

The availability of information - at the country level - on resources provided through development co-operation is important to enhance the impact of development co-operation and to enable citizen participation in the long-term development of their country.

Lao PDR has in place an operational information management system for tracking development co-operation. The comprehensiveness of the systems is **high** (score of 0.8 out of 1). It requires development partners (bilateral and multilateral) to report on international grants, concessional loans, non-concessional flows with development objectives and technical development co-operation. Development partners are asked to report yearly.

Development partners report to the system as requested by the country to a **very high** extent (score of 1 out of 1). All development partners report to the system. Out of those reporting, all provide the information requested at the frequency requested by the government.

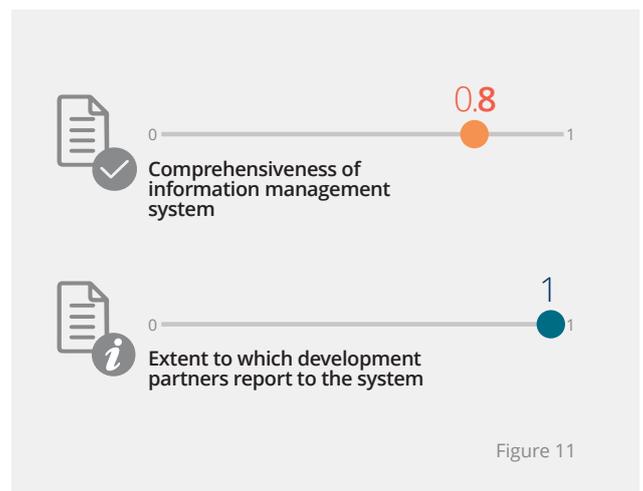


Figure 11

Procurement

Untying development assistance increases its effectiveness by reducing transaction costs for partner countries and providing better value-for-money. It also enables development partners to better align their development programmes with partner countries' objectives and financial management systems.

According to OECD-DAC data, 81% of Official Development Assistance (ODA) disbursed to Lao PDR was untied in 2022. This is an **improvement** since the 2018 round, when ODA figures for the year 2017 indicated that 70% of ODA was untied.



Figure 12

3. Transparency

Transparency is a precondition for building trust and accountability and is critical for building inclusive partnerships. Sharing information publicly generates domestic pressure for continuous improvements. Transparency also helps development partners to co-ordinate their support, promoting synergies while avoiding fragmentation and duplication of effort.

Country-level action

Lao PDR scores **low** on making information related to development co-operation publicly available (score of 0.25 out of 1):



Figure 13

Most development partners (89%) have a country strategy in place. Seventy-four percent make this strategy publicly available online. The government has indicated that all development partners report to the information management system in place for tracking development co-operation in the country.

4. Leaving no one behind

In the Nairobi Outcome Document of the 2nd High-Level Meeting of the Global Partnership (2016), partners reaffirmed the 2030 Agenda's pledge to leave no one behind (LNOB) and recognised that "development co-operation must leave no one behind to be effective". It also stressed that more and better data are required to generate knowledge about who is being left behind. In Nairobi, partners also recognised the need to continue to support gender equality and women's empowerment as being critical to effective development co-operation as well as the importance of focusing on children and youth to achieve inclusive, equitable and sustainable development for present and future generations.

Consultation

Consulting a diversity of actors can help bring in the perspectives of the vulnerable and marginalised to ensure that their interests and needs are represented in development policies and strategies.

The extent of consultation, engagement, and dialogue with a diversity of population groups in development planning and accountability mechanisms is **very low** in Lao PDR (score of 0 out of 1).

	National development strategies	Dialogue on development priorities and results	Joints assessments towards targets
CSOs representing women and girls	No	No	No
CSOs representing youth and children	No	No	No
CSOs representing vulnerable and marginalised	No	No	No

Legend: Yes (red checkmark), No (grey X)

Figure 14

Targets and results

Setting disaggregated targets and indicators is important to achieve specific results for women and girls, youth and children and for the most vulnerable and marginalised.

The national development strategy of Lao PDR includes development priorities, targets and results indicators for a diversity of population groups to a **medium extent** (score of 0.6 out of 1).



Figure 15

The national development strategy defines specific development priorities for the poorest, women and girls (including for the youngest women, and women with disabilities), youth and children, people with disabilities, people in disadvantaged geographical areas, internally displaced people and populations vulnerable to climate change.

Targets and results indicators are disaggregated by sex and geographical area.

Data and statistics

To define development objectives, targets and indicators for the vulnerable and marginalised, it is important to identify those vulnerable and marginalised through data-based assessments. The availability of disaggregated data is also crucial to monitor progress towards the defined targets. The national statistical system plays a key role in providing the data needed to track progress.

The availability of data and statistics in support of the identification of the most vulnerable and marginalised as well as to monitor progress on results indicators for a variety of population groups is **low** in Lao PDR (score of 0.1 out of 1).

The country has undertaken an official data-driven assessment to identify the most vulnerable in 2018. The information included in this assessment is available at the district and provincial levels.

Disaggregated information to monitoring progress on results indicators is available at different degrees for the following disaggregation levels:

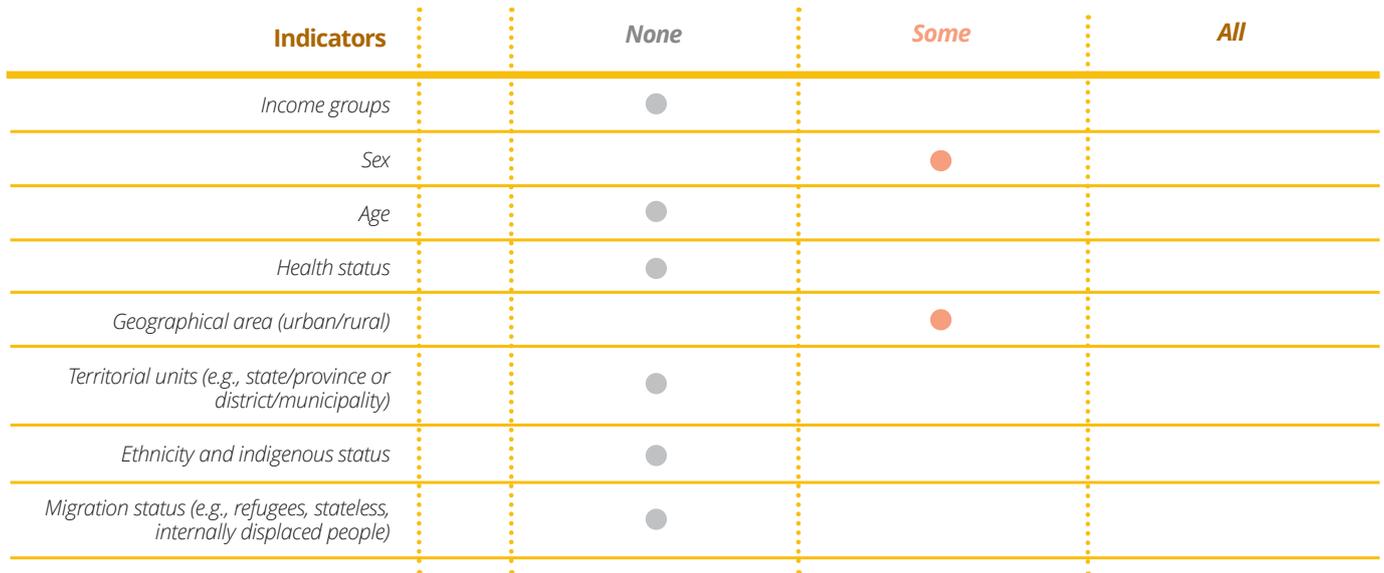


Figure 16

17 PARTNERSHIPS FOR THE GOALS



Through its reporting in the Global Partnership monitoring, Lao PDR generated results for SDG Indicator 17.16.1: number of countries reporting progress in multi-stakeholder development effectiveness monitoring frameworks that support the achievement of the SDGs.

Since the 2018 monitoring round, Lao PDR reported no overall progress* in multi-stakeholder development effectiveness monitoring frameworks.

In the 2023-26 round, the country has reported progress in the enabling environment for CSOs (space for dialogue and legal and regulatory environment) and approaches the requirements for having in place a system to track and make public allocations for gender equality and women's empowerment. However, a decline is observed in the share of development co-operation recorded on national budget, and on the quality of its national development strategy. Furthermore, the country does not have in place a mutual accountability mechanism for development co-operation.

*A country reports progress in SDG 17.16.1 if the number of elements showing a positive trend is higher than the number of elements showing a negative trend. In the 2023-26 round, Lao PDR reported on six out of the six Global Partnership monitoring elements that make up SDG Indicator 17.16.1.

Kampala Principles Assessment

The Kampala Principles Assessment (KPA) is part of the Whole-of-Society dimension of the monitoring framework. It collects evidence on the status of private sector engagement in development co-operation (PSE in DC) at the country level, by looking at four key metrics. Data is collected from five stakeholder groups: government, development partners, private sector (small and large firms, respectively), civil society, and trade unions. In Lao PDR, of 19 development partners who reported to the overall monitoring exercise, 12 indicated they have PSE in DC and reported data to the KPA as well.

Key Metric 1. State of policies on private sector engagement in development co-operation

Lao PDR has a policy/strategy that articulates how the private sector should be engaged in development co-operation to achieve sustainable development. This policy is largely comprehensive:

	Outlines the rationale for working with the private sector in development co-operation		Defines target groups that are priority for PSE in DC, including vulnerable and marginalised
	Defines specific sectors that are a priority for PSE in DC		Outlines the roles and responsibilities of stakeholder groups engaged in PSE in DC
	Defines regions that are a priority for PSE in DC		

The process to develop the policy/strategy was **moderately inclusive** (score of 0.6 out of 1) with participation of domestic civil society organisations, private sector, subnational governments, and development partners.

Eleven development partners, out of twelve with PSE in DC in Lao PDR, have a PSE in DC-related policy/strategy. On average across development partners, such policies/strategies are moderately comprehensive and moderately inclusive. Most development partners have included the domestic private sector and the national government in the development of the policy/strategy. Domestic philanthropic organisations, CSOs and trade unions were included less frequently.



	CSOs	Trade unions	Small firms	Large firms
Awareness of government's national policy/strategy on the private sector's role in development co-operation	Yes	Yes	Yes	Yes
Awareness of development partners' policies or strategies to guide their PSE in DC	Yes	Yes	Yes	Yes

Yes No

Figure K2

Key Metric 2. Inclusive dialogue on private sector engagement in development co-operation

The government organised a national dialogue on PSE in DC. The inclusiveness of such dialogue is **medium** (score of 0.6 out of 1) with participation of subnational governments, development partners, the private sector and civil society organisations. However, the parliament, philanthropic organisations and trade unions were not included.

Six development partners, out of the twelve with PSE in DC in Lao PDR, have organised dialogues and/or consultations with country-level stakeholder groups on PSE. On average across development partners, such dialogues are moderately inclusive. Most development partners have included the domestic private sector as well as the national and subnational governments. Philanthropic organisations, the parliament, CSOs and trade unions were included less frequently.



Figure K3

Dialogue organised by...	... the government		... development partners	
	... addressed the issues that are important to you	... resulted in joint collaboration with other stakeholder groups	... addressed the issues that are important to you	... resulted in joint collaboration with other stakeholder groups
Government		Yes		
Development partners	Yes	Yes		Yes
CSOs	Yes	Yes	Yes	Yes
Trade unions			Yes	Yes
Small firms			Yes	Yes
Large firms			Yes	Yes

No Somewhat Very much

Figure K4

Key Metric 3. Quality of private sector engagement in development co-operation

Government perceives the PSE in DC is adding value by contributing to development in the country and delivering results where needed the most, to a **very high extent** (score of 0.9 out of 1).

On average, development partners perceive that PSE in DC is adding value by contributing to development in the country and by delivering results where needed the most to a slightly lower extent compared to the government (score of 0.87 out of 1).

Extent to which PSE in DC is adding value and delivering results where needed the most



Figure K5

How is PSE in DC delivering results?



Figure K6

Is PSE in DC...	Government	Development partners	CSOs	Trade unions	Small firms	Large firms
...building the capacity of CSOs?	✓	✓	✓	⊗	⊗	⊗
... building the capacity of trade unions?	✓	✓	⊗	✓	⊗	⊗
... building the capacity of domestic private sector?	✓	✓	⊗	⊗	✓	✓

✓ Yes ⊗ No

Figure K7

According to the government, PSE in DC projects/programmes supported by development partners are aligned with national and international standards to a **very high extent** (score of 1 out of 1).

Across development partners, the extent to which PSE in DC projects/programmes supported by development partners are aligned with national and international standards is **high** (score of 0.8 out of 1).

More than half (58%) of development partners with PSE in DC conduct assessments of the potential environmental, social and governance risks of PSE projects/programmes as part of due diligence processes.

Extent to which PSE in DC projects and programmes align with relevant national and international standards

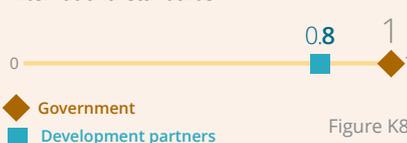


Figure K8

The government of Lao PDR tracks and makes publicly available the results of PSE in DC projects/programmes. It also has a process or mechanisms for sharing grievances or complaints on PSE in DC in place.

Eighty-two per cent of development partners with PSE in DC track and make public the results of PSE in DC projects/programmes. Sixty-seven per cent have in place a process or mechanism for sharing grievances or complaints.

Proportion of development partners

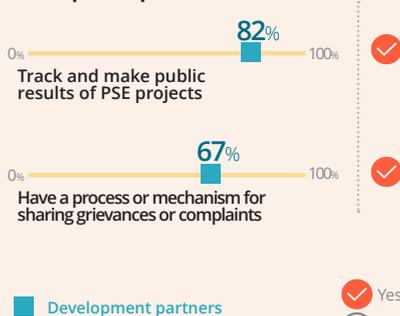


Figure K9

Key Metric 4. Ease of partnering

How easy is it for the private sector to access resources from development partners and engage in related partnerships in Lao PDR?

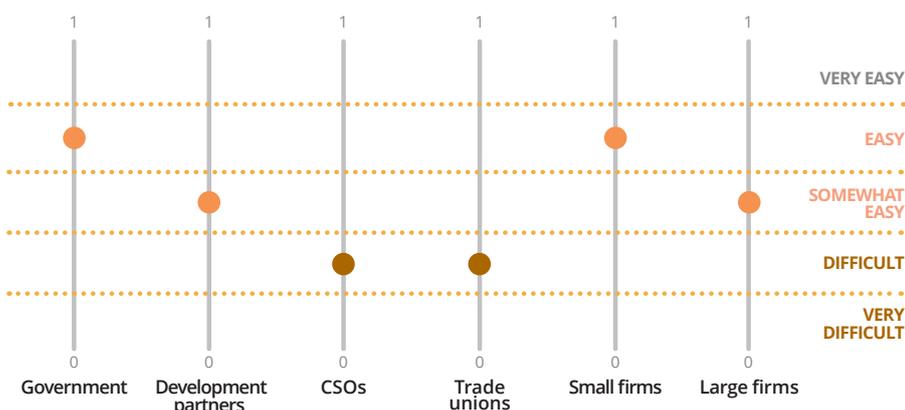


Figure K10

What would make it easier to partner in PSE in DC in Lao PDR?

Clearer communication on what PSE opportunities are available



Clearer information on how a PSE project can also be commercially successful for the private sector partner



More dialogue on PSE to increase mutual trust



Deeper understanding of domestic businesses by development partners



More funding opportunities from development partners



Easier procedures for the private sector to apply for funding from development partners



Greater focus on the capacity building of the private sector to measure and report project outcomes and results



More information-sharing across stakeholders (on funding opportunities, challenges encountered, etc.)



Faster responses from development partners to queries from private sector partners



More time for private sector partners to deliver projects



More support/guidance for the private sector to complete funding applications to development partners



Flexible payment cycles which recognise private sector partners' liquidity concerns



Fewer requirements for the private sector to report to development partners



More information-sharing and harmonisation across development partners to streamline processes and procedures required of private sector partners



Less documentation required by development partners for due diligence to approve funding

Level of co-investment required by development partners from private sector partner tailored to a business' size



Note: Each symbol indicates the type of the corresponding stakeholder group which has chosen the option as response.

Figure K11