

**Country Action Plan for the  
Implementation of the Vientiane  
Declaration on Partnerships of Effective  
Development Cooperation**  
*Accelerating Sustainable Development  
through Enhanced Partnerships*  
**(VDCAP 2026-2035)**

The Country Action Plan for the Implementation of the Vientiane Declaration on Partnerships for Effective Development Cooperation (or VDCAP 2026-2035), signed by the Government of Lao PDR and its Development Partners at the 14<sup>th</sup> High Level Round Table Meeting in Vientiane, Lao PDR on 19<sup>th</sup> November 2025, is a strategic, action-oriented framework designed to facilitate transformative behavior change among all stakeholders involved in development cooperation in Lao PDR. By aligning with national priorities and the Sustainable Development Goals (SDGs), the VDCAP represents a commitment to enhancing the effectiveness and efficiency of development initiatives in Lao PDR, particularly in the context of the country's goal of graduating from Least Developed Country (LDC) status.

In particular, acknowledging that effective development extends beyond Official Development Assistance (ODA) to include public finance, private investment, and other official flows and others, the VDCAP emphasizes the need for enhanced country ownership and leadership. By empowering local governance and establishing an Integrated National Financing Framework, the plan aims to align diverse funding sources with national priorities, fostering a sense of shared responsibility and accountability among all participants in the development process.

Central to the VDCAP is the commitment to fostering quality and inclusive partnerships that engage a wide array of stakeholders, including government entities, civil society organizations, the private sector, and international partners. By revitalizing the Round Table Process (RTP) and enhancing mutual accountability through joint assessments, the VDCAP promotes a collaborative environment where diverse perspectives are valued and integrated into decision-making. This inclusive approach not only strengthens trust among stakeholders but also ensures that development initiatives are responsive to the real needs of communities, ultimately leading to more sustainable and impactful outcomes.

To support a transformative behavioral shift, the VDCAP calls for a fundamental rethinking of how indicators and monitoring and evaluation (M&E) systems are developed and utilized. Rather than focusing solely on output and activity levels, the plan emphasizes the necessity of outcome and impact-level indicators that truly reflect the effectiveness of development initiatives. This shift requires stakeholders to adopt a results-oriented mindset, prioritizing long-term impacts over short-term achievements. As such, fostering a culture of continuous learning and adaptation is integral to this process, as it encourages stakeholders to systematically evaluate the outcomes of their initiatives and share insights gained from their experiences. This iterative approach not only enhances the overall effectiveness of development efforts but also highlights the importance of utilizing national systems and expertise. By integrating local knowledge and resources into planning and execution, stakeholders can ensure that interventions are contextually relevant and sustainable, thereby maximizing their impact.

The VDCAP is designed to be a living document that adapts to the evolving context of development in Lao PDR. To maintain its relevance and effectiveness, the plan will be reviewed every two years by the VDCAP Secretariat. This regular review process will ensure that the plan remains responsive to emerging challenges and opportunities, allowing for continuous dialogue and collaboration among all partners involved in the development process.

<b>Principle 1: Country Ownership and Leadership</b>
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Action areas	Key Indicators	Baseline	Targets	Mean of Verification
<p><b>Action 1.1</b> – Accelerating reforms crucial for enhancing domestic resource mobilization. This action is vital for reducing dependency on external financing and fostering a sense of ownership among citizens and local stakeholders.</p>	<p><b>Indicator 1.1.1</b> - Ratio of total domestic revenue (tax and non-tax) to GDP (%).</p> <p><i>The ratio of total domestic revenue to GDP is a crucial indicator for assessing a country's ability to mobilize its own resources for development. This metric reflects the effectiveness of domestic revenue generation strategies, including both tax and non-tax revenues, and provides insight into the overall economic health and fiscal capacity of a nation</i></p>	13.6% (2022)	TBC	Government Finance Statistics report
	<p><b>Indicator 1.1.2</b> - Number of modernization reforms implemented in tax administration and public investment management</p> <p><i>This indicator tracks the number of modernization reforms implemented in tax administration and public investment management, is vital for understanding a country's approach to governance and fiscal management. By focusing on these reforms, governments not only enhance their capacity to mobilize domestic resources but also foster a culture of accountability and citizen engagement. This commitment to modernization is indicative of strong leadership, which is essential for building a resilient and empowered society where citizens feel a sense of ownership over their governance and development outcomes.</i></p>	TaxRIS, e-invoicing, DRMM, revised tax laws, PIMCAP action plan and procedures, GFIS+ /IFMIS, TSA	TBC	

Action areas	Key Indicators	Baseline	Targets	Mean of Verification
	<p><b>Indicator 1.1.3</b> – Share of government contribution to development projects/programmes</p> <p><i>The share of government contribution to development projects and programs is a critical indicator that reflects the commitment of a government to invest in its own development priorities. This metric not only highlights the extent of domestic financing for development initiatives but also underscores the role of government leadership in fostering sustainable economic growth and enhancing citizen ownership.</i></p>	Mostly in-kind	TBC	
<p><b>Action 1.2</b> – Developing and implementing an Integrated National Financing Framework covering various funding sources, including Official Development Assistance (ODA), domestic private finance, and international investments. By managing these resources effectively, Lao PDR can enhance its leadership in development processes and ensure that investments are strategically focused on areas that will yield the greatest impact.</p>	<p><b>Indicator 1.2.1</b> – With the existence of Integrated National Financing Framework and percentage of each type of development finance (ODA, domestic public/private finance, and international investments etc) is mobilized, tracked and reported through a unified financing platform or dashboard.</p>	Yes		
	<ul style="list-style-type: none"> <li>• Domestic public finance</li> </ul>	TBC		
	<ul style="list-style-type: none"> <li>• International public finance</li> </ul>			
	<ul style="list-style-type: none"> <li>• Domestic private finance</li> </ul>			
	<ul style="list-style-type: none"> <li>• International private finance</li> </ul>			
	<p><i>This indicator assesses the effectiveness of the INFF in mobilizing, tracking, and reporting various funding sources, including Official Development Assistance (ODA), domestic public and private finance, and international investments.</i></p>			

Action areas	Key Indicators	Baseline	Targets	Mean of Verification
	<p><b>Indicator 1.2.2</b> - Number of sectors or priority programs with integrated financing plans (e.g., health, education, climate resilience).</p> <p><i>This indicator supports strategic resource allocation, enhances coordination across sectors, and fosters accountability. It reflects the government's ability to align financial resources with strategic development priorities, ensuring that investments are made in areas that will significantly impact the country's socio-economic development.</i></p>	At least three: health, nutrition, and climate/NDC implementation	≥5	
<b>Action 1.3:</b> Enhancing national planning and its inclusive of results frameworks.	<b>Indicator 1.3.1</b> - Quality of national development planning	0.68		Country Report for the Global Survey
	<ul style="list-style-type: none"> <li>Existence of a national development plan/strategy</li> </ul>	1.00		
	<ul style="list-style-type: none"> <li>Extent of consultation with different stakeholders</li> </ul>	0.75		
	<ul style="list-style-type: none"> <li>Public availability of strategy</li> </ul>	0.00		
	<ul style="list-style-type: none"> <li>Comprehensiveness of national development plan/strategy (priorities, targets and results indicators)</li> </ul>	1.00		
	<ul style="list-style-type: none"> <li>Reference to SDGs in the national development plan/strategy</li> </ul>	1.00		
	<ul style="list-style-type: none"> <li>Alignment of sector and subnational strategies with the national development plan/strategy</li> </ul>	0.63		

Action areas	Key Indicators	Baseline	Targets	Mean of Verification
	<ul style="list-style-type: none"> <li>Existence and features of progress reports</li> </ul>	0.10		
	<ul style="list-style-type: none"> <li>Preparation of progress reports (involvement and responsibility of administrative units)</li> </ul>	0.50		
	<ul style="list-style-type: none"> <li>Reliance on national statistical system to report on results indicators</li> </ul>	0.50		
	<ul style="list-style-type: none"> <li>Extent of inclusion of indicative budget and information on public expenditure decision</li> </ul>	1.00		
	<ul style="list-style-type: none"> <li>Extent to which the national development plan/strategy informs dialogue with stakeholders</li> </ul>	1.00		
	<p><i>This indicator reflects the effectiveness and inclusiveness of national development planning in Lao PDR. By ensuring that planning processes are comprehensive, transparent, and aligned with both national priorities and global standards, this indicator supports the government's ability to lead effectively, engage citizens, and achieve sustainable development outcomes. Ultimately, high-quality national development planning is essential for empowering the country to navigate its development challenges and improve the well-being of its citizens.</i></p>			

Action areas	Key Indicators	Baseline	Targets	Mean of Verification
<p><b>Action 1.4:</b> Advancing the management of Public Financial Management (PFM) Systems</p>	<p><b>Indicator 1.4.1</b> - Execution rate at central and local government levels (% of approved annual budget actually spent).</p> <p><i>This indicator measures the execution rate of the approved annual budget at central and local government levels, is essential for evaluating the effectiveness of Public Financial Management systems. By assessing budget implementation, fiscal discipline, resource allocation, accountability, and policy effectiveness, this indicator provides critical insights into the efficiency and transparency of government financial operations. Ultimately, a high execution rate is indicative of strong governance and effective management of public resources, which are vital for achieving sustainable development goals and improving the well-being of citizens.</i></p>	93.5%	≥95%	official MoF statistics
	<p><b>Indicator 1.4.2</b> - Proportion of financial reports published on time and in accordance with international standards (%).</p> <p><i>This indicator measures the proportion of financial reports published on time and in accordance with international standards, is vital for assessing the effectiveness of Public Financial Management systems. By promoting transparency, enhancing accountability, facilitating informed decision-making, and supporting international credibility, this indicator plays a crucial role in strengthening governance and improving the management of public resources. Ultimately, timely</i></p>	PEFA finds significant delays in submission and limited disclosure, leading to low scores on the “quality and timeliness of annual financial statements” dimension and indicating that only part of the required reporting set meets	High Score	PEFA

Action areas	Key Indicators	Baseline	Targets	Mean of Verification
	<p><i>and standardized financial reporting is essential for building public trust, fostering stakeholder engagement, and achieving sustainable development goals</i></p>	<p>timeliness benchmarks</p>		
	<p><b>Indicator 1.4.3</b> - Incidence of expenditure/payment arrears as a share of total public spending (%).</p> <p><i>This indicator measures the proportion of expenditure or payment arrears relative to total public spending. It provides insights into the efficiency and effectiveness of a government's financial management practices, particularly regarding its ability to meet its financial obligations in a timely manner</i></p>	<ul style="list-style-type: none"> <li>• domestic expenditure arrears at end-2022, equivalent to roughly 11 percent of GDP.</li> <li>• public expenditure around 20 percent of GDP in 2022, to one year's outlays), although this stock has accumulated over several years rather than in a single budget cycle.</li> </ul>		IMF Article IV

<b>Principle 2: Quality and Inclusive Partnerships</b>
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Action areas	Key Indicators	Baseline	Targets	Mean of Verification
<p><b>Action 2.1</b> – Enhancing Mutual accountability commitments and quality partnership through the revitalization of the Round Table Process including Sector Working Groups which will be moving toward results oriented and systematically include <i>all</i> major development finance flows (ODA, domestic budget, climate and environment finance, SOE/public bank finance, and private / blended finance), both in coverage and in decision-making.</p>	<p><b>Indicator 2.1.1</b> - Percentage of agreed joint commitments from different development forums (RTM, SWGs, LBF, etc) that are on track for their implementation (at least three key elements need to be in place after development forums: 1) instruction from high office, 2) availability of initial financial resources, and 3) technical commitment and human resources).</p> <p><i>This indicator is crucial for assessing the progress of agreed joint commitments from various development forums. By evaluating the implementation of these commitments, the indicator reflects the effectiveness of mutual accountability, strategic alignment, resource mobilization, coordination, and results-oriented approaches. Ultimately, tracking this indicator enhances the quality of partnerships in the development process, ensuring that all stakeholders work collaboratively toward achieving common goals.</i></p>	Not yet monitoring – only summary of PM’s instruction	TBC	Country survey
	<p><b>Indicator 2.1.2</b> - The percentage of development projects/programmes that receive funding from multiple sources, such as Official Development Assistance (ODA), domestic budgets, climate finance, and other external financing (e.g., loans, private sector contributions).</p> <p><i>This indicator measures the percentage of development projects and programs receiving funding from multiple</i></p>			Country survey

Action areas	Key Indicators	Baseline	Targets	Mean of Verification
	<p><i>sources, is essential for assessing the sustainability, effectiveness, and collaborative nature of development financing. By promoting financial diversity, encouraging comprehensive solutions, enhancing accountability, and facilitating risk mitigation, this indicator plays a critical role in ensuring that development initiatives are well-supported and capable of achieving their intended outcomes.</i></p>			
<p><b>Action 2.2</b> - Strengthen the inclusivity of dialogues on private sector and civil society engagement by ensuring broader participation and meaningful contribution from all relevant stakeholders, including parliaments, philanthropy, trade unions, and other civil society organizations.</p>	<p><b>Indicator 2.2.1</b> - Extent of engagement and dialogue with a diversity of stakeholders – (macro level)</p>	0.39		Country report for the global survey
	<p>a) Preparation of national development strategies</p>	0.83		
	<p>b) Dialogues on development priorities and results</p>	0.33		
	<p>c) Joint accountability assessments</p>	0		
	<p><i>This indicator evaluates the extent to which diverse stakeholders are engaged in the preparation of national development strategies, dialogues on development priorities and results, and joint accountability assessments. The rationale behind this indicator is rooted in the belief that inclusive engagement leads to more effective and sustainable development outcomes</i></p>			
<p><b>Indicator 2.2.2</b> - Percentage of Development Projects/Programs involving either Private Sector nor CSO Participation (or both) in at least any two of elements of 1) funding, 2) implementation, 3) partnership and 4) monitoring and reporting) (Micro-level)</p> <p><i>This indicator highlights the importance of leveraging diverse expertise, enhancing financial sustainability,</i></p>			Country Survey	

Action areas	Key Indicators	Baseline	Targets	Mean of Verification
	<i>improving project relevance, strengthening accountability, encouraging innovation, building sustainable partnerships, and promoting local ownership.</i>			
	<b>Indicator 2.2.3</b> - Alignment and closer perception among CSOs, Government (at national, sectoral and provincial level) and development partners on improvement in the CSO enabling environment across four key elements	GOL - 0.74 CSO – 0.93 DPs – 0.52  Diff GOL-CSO =0.19 GOL-DPs = 0.22		Country report for the global survey
	a) Space for CSO dialogue	GOL - 0.81 CSO – 1.00 DPs – 0.50  Diff GOL-CSO= 0.19 GOL-DPs=0.31		
	b) CSO development effectiveness	GOL - 0.63 CSO – 0.81 DPs – 0.44  Diff GOL-CSO = 0.18 GOL-DPs= 0.19		
	c) Development co-operation with CSOs	GOL - 0.69 CSO – 0.94 DPs – 0.63  Diff		

Action areas	Key Indicators	Baseline	Targets	Mean of Verification
		GOL-CSO = 0.25 GOL-DPs=0.06		
	d) Legal and regulatory environment	GOL - 0.85 CSO – 0.95 DPs – 0.50  Diff GOL-CSO=0.10 GOL-DPs=0.35		
	<i>This indicator ensures closer perception and alignment among CSOs, government, and development partners is vital for fostering collaboration, building trust, improving policy effectiveness, facilitating resource allocation, encouraging joint accountability, promoting inclusivity, strengthening the legal framework, and enhancing monitoring and evaluation. This alignment ultimately contributes to a more supportive environment for CSOs, enabling them to play a crucial role in achieving sustainable development goals and addressing the needs of communities effectively.</i>			
<b>Action 2.3</b> - Developing Knowledge Exchange Programs/initiatives for - Regional/Cross-Border Cooperation and South-South and Triangular Cooperation	<b>Indicator 2.3.1</b> - Number of Knowledge Exchange Programs/initiatives established/launched	Not counted	Double the number of the baseline when counted	Country survey
	a) Cross border			
	b) Regional			
	c) South-South			
	d) Triangular			
	<i>helps identify successful programs and best practices that can be replicated in other contexts. Also,</i>			

Action areas	Key Indicators	Baseline	Targets	Mean of Verification
	<p><i>understanding what works well allows for the scaling of effective strategies across regions and sectors. Understanding the landscape of knowledge exchange initiatives helps policymakers and development partners allocate resources more effectively. By identifying areas with significant activity or gaps, stakeholders can prioritize funding and support where it is most needed.</i></p>			
	<p><b>Indicator 2.3.2</b> - Existence of integrated revitalized data platform that captures information on regional and Cross-Border Cooperation and South-South and Triangular Cooperation alongside with ODA, Climate Finance, Public Finance, Investment etc)</p> <p><i>This indicator emphasizes the importance of having a centralized, comprehensive, and revitalized data repository that captures various aspects of development finance and cooperation. This centralization reduces fragmentation and ensures that all parties can easily find and utilize the information they need. It promotes collaboration among different actors and allows stakeholders to identify synergies and opportunities for joint initiatives.</i></p>	Not integrated yet	Fully integrated and functional	
<b>Action 2.4</b> - Administrative Efficiency of Development Cooperation	<b>Indicator 2.4.1</b> - Administrative and management costs as a share of total disbursements, by sources of development finance	TBC		Country survey
	<ul style="list-style-type: none"> <li>• Domestic public finance</li> </ul>			
	<ul style="list-style-type: none"> <li>• International public finance</li> </ul>			
	<ul style="list-style-type: none"> <li>• Domestic private finance</li> </ul>			

Action areas	Key Indicators	Baseline	Targets	Mean of Verification
	<ul style="list-style-type: none"> <li>• International private finance</li> </ul>			
	<p><i>Monitoring administrative and management costs as a share of total disbursements allows stakeholders to evaluate the cost-effectiveness of development finance. High administrative costs can indicate inefficiencies that divert resources away from program implementation.</i></p>			
	<p><b>Indicator 2.4.2</b> - Average working days for project/programme approval</p> <p><i>This indicator measures the average number of working days required to approve projects or programs within development cooperation initiatives. Monitoring this indicator is crucial for assessing the efficiency and responsiveness of administrative processes in project management.</i></p>	More than 365 working days	Cut the number by half	Government annual report on Development cooperation
	<p><b>Indicator 2.4.3</b> - Amount of additional public or private finance mobilized per dollar of concessional or ODA support (especially for climate and blended instruments).</p> <p><i>This indicator provides insights into the effectiveness of concessional financing in attracting additional investments. A higher ratio indicates that ODA and concessional funds are successfully mobilizing more substantial financial resources from other sources.</i></p>	No available	1:5 to 1:8 an ideal ratio	Government annual report on Development cooperation

<b>Principle 3: Results-Based Planning and Implementation</b>
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Action areas	Key Indicators	Baseline	Targets	Mean of Verification
<b>Action 3.1 - Institutionalizing Evidence-Based Policy and Planning</b>	<p><b>Indicator 3.1.1</b> - Percentage of Total National Budget Allocated to Research Activities:</p> <p><i>This can provide context on how much emphasis is placed on evidence-based activities relative to overall spending.</i></p>	Less than 1%		Government annual report to the National Assembly
	<p><b>Indicator 3.1.2</b> - Number of Evidence-Based Research Projects Funded Annually:</p> <p><i>Tracking the number of projects supported by the allocated budget can indicate the practical application of the funds.</i></p>	TBC		Government annual report to the National Assembly
	<p><b>Indicator 3.1.3</b> - Total Number of Research Papers/Reports Published by Recognized Institutions.</p> <p><i>This indicator measures the total number of research papers or reports published by well-recognized institutions (e.g., universities, research organizations, think tanks) within a specified period. It reflects the output of research activities and the capacity of institutions to contribute to evidence-based knowledge.</i></p>	TBC		Government annual report to the National Assembly
<b>Action 3.2</b> – Ensuring that data collection and analysis are disaggregated by demographics which is essential for identifying and addressing inequalities. This action supports the goal of "Leaving No	<b>Indicator 3.2.1</b> – Score of 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	0.1 out of 1		

Action areas	Key Indicators	Baseline	Targets	Mean of Verification
One Behind" by enabling targeted interventions for marginalized groups.	<b>Indicator 3.2.2</b> - Inclusion of development priorities, targets and results indicators	0.6 out of 1		Country report for the Global Survey
	<ul style="list-style-type: none"> <li>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.</li> </ul>	1 out of 1		
	<ul style="list-style-type: none"> <li>Targets and results indicators are disaggregated for a diversity of population groups</li> </ul>	0.3 out of 1		
	<b>Indicator 3.2.3</b> - The percentage of the total national statistics budget specifically allocated to initiatives focused on disaggregated data collection and analysis.	Less than 1%		Government annual report to the National Assembly
	<b>Indicator 3.2.4</b> – Number of national surveys, censuses, and administrative systems that systematically publish data disaggregated for marginalized and vulnerable groups	TBC		Government annual report to the National Assembly
<b>Action 3.3 - Leveraging Digital Monitoring and Evaluation Systems</b> enabling real-time reporting on development outcomes which are continuously assessed and adjusted based on performance, leading to more effective outcomes.	<p><b>Indicator 3.3.1</b> - Existence of and operationalization of an Integrated Digital Platform for Reporting on Development Finance with Revitalized M&amp;E Framework</p> <p><i>This indicator measures the existence and functionality of an integrated digital platform that consolidates various reporting systems for different sources of</i></p>	Not integrated yet	Fully integrated and functional	Government annual report on development cooperation

Action areas	Key Indicators	Baseline	Targets	Mean of Verification
	<i>development finance and incorporates the revitalized national M&amp;E framework for enhanced monitoring and evaluation.</i>			
	<b>Indicator 3.3.3</b> – Frequency/timeliness of project/programme monitoring reports generated and published via digital platforms (average reporting lag in days, % of reports published on time).	Note available		Government annual report to the National Assembly
	<b>Indicator 3.3.2</b> - 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.	57%		Country report for the Global Survey
	<ul style="list-style-type: none"> <li>the outcome objectives of new development co-operation projects and programmes align to those defined in country-owned results frameworks.</li> </ul>	88%		
	<ul style="list-style-type: none"> <li>the indicators in the new projects and programmes are drawn from country-owned results frameworks</li> </ul>	41%		
	<ul style="list-style-type: none"> <li>all indicators can be monitored using data from government monitoring systems and statistics.</li> </ul>	43%		

Action areas	Key Indicators	Baseline	Targets	Mean of Verification
<b>Action 3.4 - Transitioning the focus of monitoring and evaluation frameworks from activities and outputs to outcomes and sustained impacts</b>	<b>Indicator 3.4.1</b> - Existence of revitalized national M&E framework with clearly defined and measurable outcome indicators which is clearly linked and matched the measures and indicators of the Party direction at sectoral and provincial level.	Partially achieved / under implementation”: the framework exists and is politically anchored, but harmonization of indicators and consistent use across all sectors and provinces is still work in progress		Government annual report on development cooperation
	<b>Indicator 3.4.2</b> - Proportion of development programs and projects’ indicators classified by different types of development finances that adhere and contribute to the achievement of the national indicators specified by the national M&E framework.	The baseline proportion is, tentatively described qualitatively as “partial alignment, improving but not yet systematic.”	At least half	Country survey
	<b>Indicator 3.4.3</b> - Percentage of annual development reports by different sources of development finances at national, sectoral and provincial levels that emphasize outcome indicators over activities and outputs.			Country survey

<b>Principle 4: Transparency and Mutual Accountability</b>
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Action areas	Key Indicators	Baseline	Targets	Mean of Verification
<p><b>Action 4.1 - Digitalizing an operational information management system for tracking development co-operation which includes different types of development finance</b></p> <p>This upgrade will integrate domestic public finance, international public finance, domestic and international private investment, climate finance, and other information, allowing for real-time reporting and public access.</p>	<p><b>Indicator 4.1.1</b> - Quality of Data Integration and User Experience in the Upgraded Information Management Platform on Development Cooperation.</p> <p><i>This indicator assesses the qualitative aspects of the Aid Management Platform upgrade, focusing on the effectiveness of data integration, user experience, and the perceived value of the platform for stakeholders.</i></p>	Under discussion	High	Country survey
	<ul style="list-style-type: none"> <li>• <b>User Satisfaction with Data Accessibility</b> - Evaluate the satisfaction of users regarding the ease of accessing integrated financial data (national budget, climate finance, private investment etc...). <i>Conduct qualitative surveys or interviews with users to gather feedback on their experiences accessing and utilizing data from the platform.</i></li> </ul>	Not yet monitored	High	Country survey
	<ul style="list-style-type: none"> <li>• <b>Perceived Effectiveness of Real-Time Reporting</b> - Assess users' perceptions of how effectively the platform provides real-time reporting on financial flows and development initiatives. <i>Gather qualitative feedback on the responsiveness and reliability of the reporting features through surveys or interviews.</i></li> </ul>	Not yet monitored	High	Country survey
	<ul style="list-style-type: none"> <li>• <b>Stakeholder Engagement in Platform Development</b> - Measure the level of stakeholder involvement in the design and</li> </ul>			Country survey

Action areas	Key Indicators	Baseline	Targets	Mean of Verification		
	<p>implementation of the upgraded platform, reflecting collaborative efforts and needs assessment.</p> <p><i>Analyze the number and diversity of stakeholders engaged in consultations or feedback sessions during the upgrade process.</i></p>					
<p><b>Action 4.2 - Modernize Public Financial Management (PFM) Systems</b></p> <p>Expanding the implementation of the Financial Management Information System (FMIS) will be crucial for improving budget preparation, execution, and reporting at all levels of government. This modernization will facilitate a shift from a top-down budgeting approach to a more responsive and flexible system that aligns budget allocations with national priorities. Additionally, digitalizing procurement processes and publicizing procurement activities—such as contract awards and performance results—will enhance transparency and reduce opportunities for corruption.</p>	<p><b>Indicator 4.2.1 - Quality of PFM systems and improvement of PFM systems over time as per PEFA evaluations which will be carried out at least two times from 2026 to 2035</b></p> <p><i>Baseline - Most components of remained at a low level of quality and the overall quality of PFM systems has remained largely unchanged, with most components still assessed as low</i></p>			Public Expenditure and Financial Accountability Framework		
		<b>PEPA categories</b>	<b>2010</b>		<b>2019</b>	At least two points change
		• Budget - Aggregate expenditure outturn	B		A	A
		• Budget - Expenditure composition outturn by function	D*		D*	B
		• Budget - Budget classification	C		C	A
		• Budget - Public access to fiscal information	C		D	A
		• Budget - Timing of legislative budget approval	A		A	A
		• Procurement - Procurement methods	C		D*	B
		• Audit - Coverage of internal audit	D		D	B
		• Audit - Audit coverage and standards (external)	D		D	B
• Financial reporting - Completeness of annual financial reports	D	C	B			
<p><b>Action 4.3 - Strengthening Oversight and Accountability Mechanisms</b></p> <p>Enhancing parliamentary engagement and public financial reporting will improve</p>	<p><b>Indicator 4.3.1 - Status of five elements of the Accountability Mechanism for Development Cooperation</b></p>			Country report for the global survey		

Action areas	Key Indicators	Baseline	Targets	Mean of Verification	
oversight of development initiatives. This action is crucial for ensuring that funds are used effectively and that stakeholders are held accountable for their commitments. Strong oversight mechanisms promote transparency and build public confidence in the government's ability to manage development resources responsibly.	<ul style="list-style-type: none"> <li>Comprehensive policy framework for development co-operation</li> </ul>	Yes			
	<ul style="list-style-type: none"> <li>Country-level targets for government and development partners</li> </ul>	No			
	<ul style="list-style-type: none"> <li>Regular joint assessments of progress</li> </ul>	No			
	<ul style="list-style-type: none"> <li>Inclusive assessments</li> </ul>	No			
	<ul style="list-style-type: none"> <li>Timely and public availability of assessment results</li> </ul>	Yes			
	<i>By evaluating the status of these five elements, stakeholders can assess the effectiveness of their collaborative efforts, ensure alignment with national and global development goals, and promote a culture of transparency and accountability.</i>				
	<b>Indicator 4.3.2</b> - The extent of parliamentary oversight on development co-operation in Lao PDR		0.4 out of 1		Country report for the global survey
	<ul style="list-style-type: none"> <li>Regular provision of information to parliament</li> </ul>		0.8 out of 1		
	<ul style="list-style-type: none"> <li>Development co-operation recorded on budget</li> </ul>		0.01 out of 1		
<i>When parliament receives regular information about development cooperation, it ensures that stakeholders are aware of the funding sources, allocation, and intended outcomes of development initiatives. recording development cooperation on the national budget is a critical practice for effective governance and development. It enhances transparency, accountability, and alignment with national priorities, ensuring that external assistance is used effectively to address the country's development needs. By integrating development cooperation into the budget, governments can strengthen public financial management, promote sustainable development, and</i>					

Action areas	Key Indicators	Baseline	Targets	Mean of Verification
	<p><i>foster stakeholder engagement, ultimately leading to improved outcomes for citizens.</i></p>			
	<p><b>Indicator 4.3.3</b> - Existence of public audit review mechanism (yes/no) and audit reports published within 6 months of FY end</p> <p><i>The presence of a public audit review mechanism is fundamental for ensuring that government expenditures, including those related to development cooperation, are subject to independent scrutiny. An effective audit mechanism helps to verify that funds are used appropriately and in accordance with established laws and regulations. The timely publication of audit reports is crucial for ensuring that stakeholders have access to relevant information regarding the use of public funds. In particular, access to up-to-date audit information enables legislators and government officials to make informed decisions regarding budget allocations and resource management, ultimately leading to better governance and service delivery.</i></p>	Yes – more than a year		Government report to the NA
	<p><b>Indicator 4.3.4</b> - The extent of information related to development co-operation publicly available</p>	0.25 out of 1		Country report for the global survey
	<p><b>Indication 4.3.5</b> – # of joint government–partner–CSO–private sector reviews conducted annually</p> <p><i>Joint reviews increase accountability among stakeholders by creating a shared responsibility for development outcomes. When different actors participate in the review process, they collectively assess progress and identify areas for improvement. At the same time, it encourages transparency and trust among partners.</i></p>			Country survey

Action areas	Key Indicators	Baseline	Targets	Mean of Verification
<b>Action 4.4 - Digitalizing Procurement Process</b>	<p><b>Indicator 4.4.1</b> - the availability and accessibility of procurement information (e.g., bidding opportunities, awarded contracts) to the public through digital platforms.</p> <p><i>Providing access to bidding opportunities and awarded contracts through digital platforms ensures that all interested parties, including businesses and citizens, can obtain relevant information. This openness reduces the risk of corruption and favoritism in procurement decisions.</i></p>	Partially yes		Government report to the NA

<b>Principle 5: Predictability and Harmonization</b>
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Action areas	Key Indicators	Baseline	Targets	Mean of Verification
<b>Action 5.1 - Strengthening Medium-Term Financing Frameworks</b> Developing and implementing a comprehensive medium-term financing framework that aligns with national planning cycles and sector strategies is essential. This framework will facilitate regular consultations between government agencies and development partners, ensuring that financing aligns with national priorities. By fostering a predictable and cohesive development environment, stakeholders can better plan and allocate resources effectively.	<b>Indicator 5.1.1</b> - Percentage of funds scheduled to the public sector by development partners was disbursed within the same fiscal year, on average (annual predictability).			Country report for the global survey
	<ul style="list-style-type: none"> <li>• International public finance</li> </ul>	82%		
	<ul style="list-style-type: none"> <li>• Domestic private investment</li> </ul>	NA		
	<ul style="list-style-type: none"> <li>• International private investment</li> </ul>	NA		
	<b>Indicator 5.1.2</b> - Percentage of development partners who have shared forward spending plans (medium-term predictability), for the three-year period forward, with the Government.  <i>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.</i>	0%		Country report for the global survey
<b>Action 5.2 - Enhancing Parliamentary Oversight</b>	<b>Indicator 5.2.1</b> – The extent of the Extent of parliamentary oversight	0.4 out of 1		Country report for the global survey
	<ul style="list-style-type: none"> <li>• Extent of development cooperation funding recorded in the national budget.</li> </ul>	0.01 out of 1 (or 1%)		
	<ul style="list-style-type: none"> <li>• Extent of Regular provision of information to parliament</li> </ul>	0.8 out of 1		

Action areas	Key Indicators	Baseline	Targets	Mean of Verification
	<i>When more development cooperation is channelled off-budget or through parallel mechanisms, strong parliamentary oversight is needed to safeguard transparency and accountability for the use of public resources, including ODA and climate finance. Tracking the extent of parliamentary oversight therefore shows whether the National Assembly is in a position to scrutinize government-partner agreements, budgets and performance reports, reinforcing mutual accountability commitments under the Vientiane Declaration framework</i>			
<b>Action 5.3 - Promoting Harmonized Planning and Reporting Procedures and Facilitating Joint Programming Initiatives</b>	<b>Indicator 5.3.1</b> - Percentage of development partners using country-owned results frameworks and planning tools for developing their interventions to a medium extent	57%		Country report for the global survey
	<ul style="list-style-type: none"> <li>• % of the outcome objectives of new development co-operation projects and programmes align to those defined in country-owned results frameworks.</li> </ul>	88%		
	<ul style="list-style-type: none"> <li>• % of the indicators in the new projects and programmes are drawn from country-owned results frameworks, and</li> </ul>	41%		
	<ul style="list-style-type: none"> <li>• % of all indicators can be monitored using data from government monitoring systems and statistics.</li> </ul>	43%		
	<i>This indicator is chosen because it directly measures whether development partners are actually aligning their planning, monitoring and reporting to Lao PDR's own national results and planning systems, which is the core objective of Action 5.3 on harmonized procedures and joint programming</i>			

Action areas	Key Indicators	Baseline	Targets	Mean of Verification
	<p><b>Indicator 5.3.2</b> - Number of joint programmes/projects/activities (proxy for transaction burden on government systems), differentiated for ODA, climate funds, and private blended instruments.</p> <p><i>This indicator is chosen because a higher number of genuinely joint programmes directly signals that development partners are coordinating and pooling efforts, which reduces the number of separate projects government must negotiate, manage and report on. Counting joint programmes/projects/activities provides a tangible measure of whether partners are moving from fragmented, bilateral operations towards coordinated, jointly designed and implemented support aligned with government plans</i></p>	Not counted yet		Country survey
	<p><b>Indicator 5.3.3</b> - Percentage of funding allocated to joint programmes/projects/activities</p> <p><i>This indicator is used because it shows not only how many joint initiatives exist, but how financially significant they are within the total cooperation portfolio, which is critical for assessing whether Action 5.3 is actually shifting resources into harmonized, joint approaches.</i></p>	Not counted yet		Country survey

<b>Principle 6: Capacity Development for Sustainability</b>
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Action areas	Key Indicators	Baseline	Targets	Mean of Verification
<b>Action 6.1 – Strengthening institutional capacity for managing complex development cooperation landscape and Implementing New Financing Mechanisms</b>	<b>Indicator 6.1.1</b> – Percentage of development co-operation funding was disbursed using national PFM systems	47%		Country report for the global survey
	• Budget	50%		
	• Financial report	48%		
	• Audit	43%		
	• Procurement	47%		
	<i>Using country PFM systems (budget formulation, execution, accounting, reporting, audit) is both a signal and a driver of stronger national capacity: it reduces fragmentation and creates incentives to invest in reforms of those systems. Therefore, The percentage of development cooperation funding disbursed using national PFM systems shows to what extent partners actually trust and rely on those systems, rather than bypassing them with parallel project implementation and fiduciary arrangements.</i>			
	<b>Indicator 6.1.2</b> – Number of New Financing Mechanisms Developed and amount of Funds Mobilized Through New Financing Mechanisms			Country survey
<i>This indicator is used because it directly tracks whether Lao PDR is not only designing but actually operationalizing new financing instruments and how much</i>				

Action areas	Key Indicators	Baseline	Targets	Mean of Verification
	<p><i>additional funding these instruments are bringing into the national financing mix, which is the core aim of Action 6.1.</i></p> <p><i>Counting the “number of new financing mechanisms developed” shows whether policy and institutional work (INFF, NSEDP Financing Strategy, green finance frameworks, blended structures) is translating into concrete mechanisms such as green bonds, blended facilities, guarantee schemes, impact funds or pooled financing vehicles.</i></p> <p><i>For Lao PDR, measuring volumes mobilized helps assess whether new tools are closing the identified financing gaps for the 9th NSEDP and SDGs, and whether they are crowding in private and climate finance rather than only reshuffling existing ODA.</i></p>			
<p><b>Action 6.2 - Enhancing Digital Transformation Competencies and</b> Equipping government officials with the skills needed to navigate and leverage digital technologies will streamline processes, improve transparency, and enhance citizen engagement.</p>	<p><b>Indicator 6.2.1</b> – Percentage of national budget allocation for digitalized public services</p> <p><i>Measuring the percentage of the national budget allocated to digitalized public services captures the degree to which digital transformation is treated as a core, cross-cutting investment in state capability rather than a small, donor-funded add-on.</i></p>	Less than 1%		Government report to the NA
	<p><b>Indicator 6.2.2</b> - Number of public services digitized</p> <p><i>Counting the number of public services digitized provides a direct output indicator that digital skills, systems and investments are being applied to concrete, citizen- and business-facing processes, not only to internal ICT upgrades.</i></p>	TBC		Not counted yet

Action areas	Key Indicators	Baseline	Targets	Mean of Verification
	<p><b>Indicator 6.2.3 – User Satisfaction with digital public services</b> – Evaluate the satisfaction of users regarding the ease of accessing integrated financial data (national budget, climate finance, private investment etc...).</p> <p><i>This indicator is used because it measures whether digital tools are actually delivering a better experience for citizens and stakeholders when they try to access integrated financial information, which is central to Action 6.2’s objective of transparency and engagement, not just automation.</i></p>	Not available		Country survey
<p><b>Action 6.4 - Addressing Staff Turnover Challenges and Fostering Culture of Learning</b> by emphasizing institutional memory and knowledge management.</p>	<p><b>Indicator 6.4.1</b> - Number of knowledge management systems (from different types of development cooperation) implemented within government institutions.</p> <p><i>This indicator is used because it shows whether government is putting in place concrete tools and platforms to capture, store and share knowledge from different development cooperation streams, which is the main way Action 6.4 aims to protect institutional memory against staff turnover. Counting the “number of knowledge management systems implemented” indicates whether ministries and coordination bodies are moving beyond ad hoc personal files and emails towards structured repositories, portals or databases covering ODA, climate finance, South-South cooperation and other modalities.</i></p>			Not counted yet

Action areas	Key Indicators	Baseline	Targets	Mean of Verification
	<p><b>Indicator 6.4.2</b> - Percentage of Development Initiatives Utilizing National Expertise in Planning and Implementation</p> <p><i>Measuring the percentage of development initiatives that utilize national expertise in planning and implementation reflects whether projects are helping to build and retain domestic capacities, making it more likely that knowledge stays in the country when external support or specific staff rotate out. A higher share of initiatives using national expertise (government specialists, national universities, think tanks, local CSOs, local experts ) therefore serves as a proxy that development cooperation is contributing to endogenous capacity and intellectual capital instead of perpetuating dependency.</i></p>			Not counted yet