

## UNDP IN LAO PEOPLE'S DEMOCRATIC REPUBLIC

Lao People's Democratic Republic has unique ethnic and environmental diversity. In recent years, it has achieved impressive economic growth and significant advances in human development but remains one of the least developed countries. Challenges persist related to inequalities among regions, high dependence on rich natural resources, and a legacy of unexploded ordnance that imposes human security and development constraints.

Political decision-making remains highly centralized and broader participation is limited.

UNDP programmes have covered issues in poverty reduction, democratic governance, energy and environment, crisis prevention and recovery, and HIV/AIDS. The Independent Evaluation Office of UNDP conducted an independent country programme evaluation that covered UNDP work from 1997 to 2006.

### TOTAL PROGRAMME EXPENDITURE, 2002-2005: \$33.4 MILLION

#### FUNDING SOURCES, 2004-2005



#### PROGRAMME EXPENDITURE BY THEMATIC AREA, 2005 (\$ MILLIONS)



## FINDINGS AND CONCLUSIONS

UNDP supported Lao People's Democratic Republic in moving towards its overarching national goal of leaving the ranks of the least developed countries by 2020 and halving extreme poverty by 2015. Much of its work focused on strengthening national capacities, fostering an enabling policy environment, seeking innovative local solutions and promoting gender equality.

Improved aid effectiveness through better donor coordination had a significant impact, given the country's reliance on aid, and has been one of UNDP's major achievements. The country is one of only three in Asia where the Round Table Meeting is the principal mechanism for aid coordination, rather than the Consultative Group Meetings organized by the World Bank. On the donor side, there were more effective structures for dialogue and communication, including eight thematic groups that facilitate concrete planning. This improved coordination with the Government, which recently formed its own thematic working groups to work with the donor ones. One significant result was the increasing alignment of donor activities with national priorities. All major donors were participating in the Round Table Meeting, although some new donors in the region had not yet been incorporated.

National capacity for policy research and dialogue,

particularly in relation to growth and poverty reduction, was enhanced through UNDP technical support on major planning and policy issues, and consistent advocacy for the inclusion of pro-poor aspects. Three National Human Development Reports shaped planning on top national priorities, including regional integration.

The Gender Resource and Information Development project with the Lao Women's Union achieved notable results integrating gender into national policy and data gathering. UNDP contributed to stronger capacities related to gender analysis and training, and gender mainstreaming in government ministries. A recent analysis of institutional capacity provided recommendations to significantly enhance the organization's capacity for gender mainstreaming across its own activities.

Governance reforms are the cornerstone of UNDP's programme, but progress was mixed. UNDP contributed to greater capacity in the National Assembly, for example, especially with regard to its procedures. Support to public administration and governance reform initiatives, however, while robust, were hampered by weak commitment at higher levels of the Government.

Among pilot projects implemented in poor districts of four provinces, the most notable accomplishment was Luang Prabang's adoption of the National Accounting

System to ensure proper financial transactions. This had a high probability of being replicable. Through training, important models for community participation in village development plans emerged, yet it was unclear that such exercises would empower everyone, including women. The programmes were still too new to provide evidence of improved service delivery to the poor.

UNDP supported the Government in fulfilling its obligations under multilateral environmental agreements, such as through support to the National Biodiversity Strategy and Action Plan. The regional Mekong wetlands programme helped link wetlands conservation and sustainable use to rural livelihoods and sustainable development models. Despite the centrality of natural resources to the economy and sustainable development, however, UNDP has shied away from coordinating policy dialogue in this area, missing opportunities to incorporate environment and natural resources management more explicitly into governance.

Through its ability to convene both donors and key national officials, UNDP helped resolve a funding crisis and put the national programme for the disposal of unexploded ordnance on a solid institutional and finan-

cial basis. A long-term strategic plan resulted in more efficient planning and a stronger case for continued international support. Other assistance helped develop a new multisectoral strategy to meet governance challenges poised by HIV/AIDS, and re-establish the important relationship between the Government and the Global Fund to Fight AIDS, Tuberculosis and Malaria.

Capacity development and national ownership were consistent strategies in all UNDP programmes, woven into goals such as policy development. UNDP, for example, helped develop the government office to liaise with the Association of Southeast Asian Nations, and orchestrate visits or other forms of exchanges with ASEAN neighbours that have been instrumental in influencing reforms and innovative programmes.

Overall, UNDP's approach built a level of trust with the Government, giving it a strategic niche in supporting governance reforms and helping develop national capacities. Yet all programming in Lao People's Democratic Republic is strongly influenced by the continued need for aid. And further progress will depend in part on deeper governance reforms, including towards ushering in a more stable, professional, civil service system.

## RECOMMENDATIONS

- UNDP should continue its role in aid coordination and the Round Table Meeting process.
- UNDP should maintain its current programme profile but pay greater attention to moving beyond policies and frameworks towards implementation. Results, such as greater service delivery to the poor are necessary to demonstrate that reforms do not remain only on paper and contribute effectively to the Government's capacity, in collaboration with other actors, to reduce poverty.
- UNDP should play a stronger role in incorporating natural resource management into its programme through the governance window.
- UNDP should fully implement the recommendations made in the Gender Assessment Report and Gender Mainstreaming Strategy.
- UNDP should promote South-South cooperation through ensuring the participation of neighbouring countries in donor coordination processes.
- UNDP should continue to develop national capacities to enhance development effectiveness, in line with the Paris Declaration on Aid Effectiveness and the UN reform process. To be effective, this will need to proceed hand in hand with governance reforms.
- UNDP should revise its use of external advisers to ensure that qualifications and modalities best contribute to capacity development. This includes flexible designs for expert input, greater reliance on regional experts and the development of local expertise.
- UNDP should assess various models and experiences in participatory planning, since the experiments in participatory planning taking place throughout the country could provide useful input into governance reform.
- UNDP should implement the proposed study on the use of lands cleared of unexploded ordnance and ensure that the terms of reference are broad enough to assess the development impact. The study could assess the planning capacity of local government and confirm that clearance will promote pro-poor development.

## ABOUT THE ICPEs

Independent country programme evaluations (ICPEs) are the backbone of the work of the Independent Evaluation Office. They capture evidence of UNDP's contributions to development results and the effectiveness of strategies supporting national development. They enable continued improvement in UNDP programmes, contribute to strengthened national ownership and evaluation capacity, and underpin accountability to national stakeholders and UNDP's Executive Board. To date, over 100 ICPEs have been conducted worldwide.

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