

**Joint Annual Review Meeting of
The Programme for realizing the MDGs in Lao PDR
“a Consolidated Programme of Support to MPI for the Achievement of the Valuable Goals of
the 7th NSEDP 2011-2015”,
The Poverty Environment Initiative Programme (NERI and IPD Component) and
The Capacity Development for National Implementation Project**

MINUTES OF MEETING

Introduction and proceedings:

The Joint Annual Review Meeting (ARM) of the programme for realizing the MDGs in Lao PDR, a consolidated support to the Ministry of Planning and Investment for achieving valuable goals of the 7th NSEDP 2011-2015, the Poverty Environment Initiative Programme (NERI and IPD components) and terminal review meeting of the Capacity Development for National Implementation (NIM) project was jointly organized by the MPI and UNDP on Thursday 19th January 2012, at Lao Plaza Hotel in Vientiane with the participation of total 80 representatives from Government agencies in line ministries and Development Partners.

The meeting was chaired by H.E. Mr. Somchith Inthamith, Deputy Minister of Planning and Investment and co-chaired by H.E. Mr. Minh Pham, UN Resident Coordinator and UNDP Resident Representative to Lao PDR. *Please refer to enclosed speeches.*

The main objectives of the Joint ARM are to:

1. Review progresses, key challenges and issues of the implementation of the programme activities implemented by MPI relevant departments under the MPI Support Programme and Poverty – Environment Initiatives (PEI) in 2011 and discuss 2012 main priorities.
2. Undertake a final review of the Capacity Development for National Implementation Project and propose for its future direction.

Presentations:

1. Support to the 7th NSEDP implementation by the Department of Planning
2. Strengthen statistics for NSEDP monitoring by the Department of Statistics
3. Support to advancing Human Development through Policy - Information Applied Research on Human Development Issues especially relevant for achieving valuable goals of NSEDP/MDGs by National Economic Research Institute
4. Support to the Round Table Process, and termination of the capacity development for national implementation and further direction by the Department of International Cooperation
5. Poverty environment initiative by the Department of Investment Promotion and National Economic Research Institute.

Summary of discussions and comments:

1. **Millennium Development Goals (MDG) Report:** There is a concern about the availability of sufficient data to produce a full MDG Report, especially relevant to the off-track goals that need to be at least discussed in the 2012 RTIM which will take place in October 2012. In this connection, it is recommended that the preparation process should start as soon as possible as it normally takes at least two years to complete the report.
2. **Linkages between publication of NHDRs and LDC Graduation Strategy:** There is a need to link the next National Human Development Reports (NHDRs) to the LDC Graduation Strategy. NHDR will be used as a tracking and monitoring mechanism towards graduating the LDC status by 2020. MPI programme team will afford to produce four NHDRs over the next eight years in respect to data availability. In this connection, smaller group within MPI is required to further discuss areas where support from UNDP and other DPs is needed to the NHDRs production.
3. **NHDR production:** It is noted that there are challenges facing the Government in preparing NHDRs, especially relevant to the identification of their themes and focused areas that should be related to the LDC graduation strategy, as well as compilation of relevant indicators. In this connection, greater understanding on big picture of LDC strategy, national ownership, active participation and effective coordination among key Government agencies, national institutions and other stakeholders concerned in preparing coherent and consistent NHDRs are strongly required. The target of producing four NHDR for the next eight year seemed to be very ambitious.
4. **NHDR production process:** As the nature of NHDR which is a participatory approach process while coordinating with all relevant agencies including at central and local level is needed. In the NHDR 2012 Annual Work Plan, there are many dissemination workshops and activities to be conducted in provinces. Therefore, NHDR component team request for a positive consideration of procuring vehicle (car) for the component.
5. **Local planning process:** It is recommended that local planning process particularly at the provincial level needs further support in terms of both technical and financial aspects to ensure the plans have been realistic and effectively implemented. In this connection, GPAR programme according to the Government's planning process is planning to expand its DDF to support local level in planning.
6. **NSEDP M&E framework:** It is recommended and agreed that the NSEDP M&E framework, under the leadership of DOP, should be finalized as soon as possible. DOS stand ready to provide necessary support required by DOP.
7. **ODA database:** The ODA database captures the actual flow of ODA and its expenditure. In this connection, it is recommended to link the ODA database to NSEDP M&E framework. This will give a picture on amount of ODA has been spent in each outcome of NSEDP. In addition, it is recommended to involve Bank of Laos and Ministry of Finance in the ODA database establishing process.

8. **Interconnected Database System:** It is noted that MPI has developed several database systems and websites within different departments. For instance, ODA Database System under DIC, LaoInfo, DevInfo and DI Monitoring under DOS, FDI database etc. In this regard, it is advised that all MPI relevant departments' activities should be streamlined to a single database system/website to ensure greater reliability, accuracy, transparency and accessibility of data.
9. **Launching of ODA Database System:** It is noted that though the ODA Database System (Aid Management Platform) has been developed within DIC since February 2010, there is still a delay in rolling out the system on a timely basis. This is due to both technical and administrative problems. Technically, the system itself has a problem with reporting capacity that cannot report on indirect funding figures. Therefore, there is a need for DIC, Development Gateway and UNDP to discuss, agree and upgrade the current version of AMP from version 1.6 to 2.xx version to ensure proper reporting and meeting the Government's reporting requirements. Administratively, it is understood that MPI is responsible for coordinating and managing ODA database whereas MOF is responsible for managing revenues and disbursements. However, there is also a need for MPI, MOFA and MOF to further discuss and agree on their mandate, roles and responsibilities in coordinating and managing ODA related programmes and projects. Again, full operation of ODA Database System needs to follow the MOF's Decree 2695 on the management of all grants, aid and loan utilization.
10. **VDCAP revision:** It is recommended that relevant outcomes of Busan HLF4 on Aid Effectiveness and other new requirements such as Climate Change Finance related issues should be integrated into the revised VDCAP and implemented accordingly as reaching financial resources is now considered difficult since other countries in various regions also need funding support. Therefore, Lao PDR Government through MPI support programme and MoNRE's revised framework should ensure that funding and support have been utilized in an effective way Initial work which UNDP could support in this regards is related to Climate Change Fiscal Framework to help Government identify how the resource for climate change has been allocated and managed.
11. **HACT implementation:** It is proposed to continue advocating and raising awareness of the HACT implementation as it is an important monitoring tool for effective monitoring and implementation of aid, grants and loans programmes and projects in Lao PDR. In this connection, MOF has issued a Decree 2695 on the management of all grants, aid and loan utilization, requesting all sectors to submit to MOF their quarterly report on budget and actual disbursements **as to report** in the National Assembly Session to ensure greater transparency and accuracy of fund utilization.

Conclusion:

1. Despite the improvement of data quality and information, access to reliable, accurate ODA and FDI related data is still a challenge for both the Government and Development Partners. An interconnected database system is required to ensure the availability of reliable and accurate data and information. In this connection, Government itself needs further internal discussion to identify the areas where support is needed, and Development Partners are also encouraged to

provide support to the development and improvement of the reliable database system. UNDP is ready to support this area.

2. It is agreed that all the programme/project activities, in 2012 AWP, need to be properly implemented to ensure the achievement of the valuable of the 7th NSEDP, and focus on the results-based management. An assessment and evaluation should be in place.
3. The Government will consult Development Partners about the issues related to NSEDP, MDGs, NHDRs, LDC and Database System to ensure greater coordination and alignment of the programme implementation.

01 JAN 2012

Vientiane, dated: _____

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