



Round Table Implementation Meeting

Vientiane, Lao PDR

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Closing Remarks

by

Dr. Ajay Chhibber

UN Assistant Secretary General

UNDP Regional Director for Asia and the Pacific

Your Excellency Minister Soulivong Daravong,

Other Excellencies, Distinguished Participants,

Let me start by saying that this day long consultation has been **truly enlightening, enriching and highly motivating**. So I'd like to begin by thanking and congratulating all participants for their insightful and rich contributions throughout the day.

I also found **quite remarkable** the **convergence of views** expressed by government and development partners on critical issues throughout this dialogue. Clearly this **reflects very strong partnerships** developed over the past decade.

Given the limited time available for this closing session, it would be **impossible to adequately summarize** all of the rich ideas, observations and suggestions offered throughout the day. I leave this for **the full proceedings to be prepared** following this meeting.

Instead, allow me to **provide a brief overview** of the day's dialogue, and offer **a few perspectives** on what I understood to be some of the **most pressing priorities** ahead and some of the **related suggestions**.

His Excellency Prime Minister Bouasone Bouphavanh opened with a succinct review of Lao PDR's many achievements since the last RTIM and outlined a number of the emerging challenges ahead. His Excellency The **Prime Minister** also **invited participants to offer** perspectives and suggestions based on **best practices** to help Lao PDR ensure sustainable development with stability.

Development partners have consistently expressed high appreciation for the impressive achievements of Lao PDR over the recent past as well as offered further

strong support in the years ahead. Moreover, development partners responded with a wide range of suggestions and expressions of related assistance.

Throughout the day, many government presenters and development partners expressed great concern about the **potential impact on Lao PDR of the unfolding global financial crisis** and the need for the country to be prepared in advance so that the impressive gains in poverty reduction, and progress towards the MDGs are secured and built upon in the coming years.

Protecting budget allocations for social programs, ensuring **strong emergency response capacity, better coordination mechanisms** and exploring the use of **conditional cash transfers** should form part of those preparations.

The **critical importance** of collecting and making available **reliable and timely data** in a range of areas also becomes especially important during times of unfolding crisis in order to inform and guide the country's leadership in timely decision making.

Concerns were also expressed about the **longer-term implications** to financial stability of the **unusually high growth of rates of credit** from the banking system, and the need to monitor the quality of related loans and investments.

Participants **applauded the progress** towards many of the socio-economic goals in the NSEDP, including a good progress towards a number of the country's **millennium development goals**.

At the same time, **grave concern** was expressed about the **still alarmingly high rates of maternal mortality** and **child malnutrition** where much greater support and urgent action were needed. The **government has clearly articulated a well thought out cross-sector approach** to addressing this serious challenge. This will **require development partner support and technical expertise** to accelerate progress in this important area and better ensure a sustainable solution,

There was clear recognition and support that the **MDGs be placed firmly** at the **centre** of the formulation of the **next NSEDP 2011-15**. Participants applauded the growing participatory approach pursued in recent years in the formulation and review of the current NSEDP, and **supported the finalization and application of the decree for Civil Society Organizations** and NGOs who could also **contribute valuable insights and practical suggestions from the field**, especially in rural areas.

The dialogue throughout the day also pointed to **the urgent need to further improve governance in the areas of land, mining and forestry**. A review of **land management policy** is needed to ensure **efficient and equitable land use**. Especially important will be further progress in accelerating land titling especially in rural areas, and ensure that the growth in contract farming and plantations are not inadvertently compromising the **country's food security**.



Many excellencies and distinguished participants voiced strong support for **greater investments in effective social service delivery, especially education, vocational skills and human resource development** needed to increase the country's competitiveness and to sustain development beyond the resource base.

In this context, the importance of the **domestic private sector** was highlighted, especially the **need to cultivate entrepreneurship** and further improve the **investment environment** for **labour intensive SMEs**. The **Lao Business Forum** has provided an **extremely valuable forum** for **highlighting challenges** and **offering practical solutions** to support domestic private sector development.

Greater transparency in the **investment approval process** would also serve to attract the kind of **high quality foreign investment** that **generates sustainable employment, transfers valuable knowledge and skills**, and **safeguard's the country's environmental treasure chest**.

Many development partners congratulated the government of Lao PDR for showing **strong leadership** at the regional and global level in **signing the Oslo Convention on Cluster Munitions**. The situation in Lao PDR remains gravely serious, and much greater support and action is urgently needed to eliminate the high number of deaths and permanent injuries incurred by **UXO**.

The relationship between **climate change and disaster management** was also raised, along with the need for **strong and responsive institutional capacity** to respond quickly and comprehensively to disasters in a **coordinated manner** across sectors when needed. There was a **suggestion** to place the **NDMO** within the **Prime Minister's Office** to facilitate coordination across sectors, as well as develop **early warning systems** and efficient **communications systems**

There is still a need for a much greater strengthening of the **public finance system** including the further development of an efficient and **equitable transfer system** to finance the delivery **of basic social services** and arrest **growing inequalities** especially between **rural and urban areas**, and within rural areas, especially **the Uplands areas**.

In addition, ensuring a **rationale balance between recurrent and capital budget expenditures** through a **Medium Term Expenditure Framework (MTEF)**, as well as more effective **coordination between MPI and the Ministry of Finance** would better facilitate a smooth transition from the MPI managed Public Investment Program to a financially sustainable set of operating projects.

The possibility of eventually tighter ODA availability at the global level due to the global financial crisis highlights the need to intensify efforts on aid effectiveness and

further prioritize development investments. Here Lao PDR is well placed to accelerate implementation of its Vientiane Declaration on Aid Effectiveness and related Country Action Plan. The **Sector Working Groups** have an important role to play and need to meet more regularly throughout the year to both review and advance progress.

Trade reform was advancing with **deeper integration into ASEAN/AFTA** and planned accession to WTO accession, but closer coordination and collaboration among development partners under government leadership within the Integrated Framework (IF) was needed to accelerate progress. The important role of Lao PDR within the **Great Mekong Sub-region (GMS)** group of countries was highlighted, including in the **coordination and development of efficient economic infrastructure** for the sub-region.

Greater transparency in the natural resource sectors would help better ensure that Lao PDR avoids the kind of resource curse that has plagued so many other resource rich developing countries. To better ensure that Lao PDR enjoys **a resource blessing**, a top priority should be **transforming natural resource wealth into human resource wealth** in order to sustain the development process to increasingly higher levels well after the natural resources are depleted and/or commodity prices collapse further.

Excellencies, Distinguished Participants,

This is a very brief overview that attempts to capture at least some of the richness of today's dialogue.

A full proceedings of this Round Table Implementation Meeting will be **drafted and distributed** to all participants. So please provide the Secretariat with an electronic or hard copy of your official statement before departure.

I would like to first **thank the Chair** of this meeting His Excellency Soulivong Daravong for so **effectively guiding this day long dialogue** to such a **successful conclusion**.

Special thanks and congratulations are also owed to the **Government of Lao PDR** and especially Mr. Somchit and his great team at the **Department for International Cooperation at the Ministry of Planning and Investment** for organizing such an **enriching and fruitful Round Table Implementation Meeting** in terms of both the **quality of the presentations and dialogue**, and in terms of the strengthening of partnerships for the effective implementation of the National Socio-Economic Development Plan.

I also wish to **thank the many other excellencies** who provided **enlightening presentations** on the various subject of the agenda, as well as to **development**



partners for their many helpful suggestions and offerings of support throughout the day.

Thank you all, and very best wishes in our collective effort under government leadership to follow-up on the many valuable proposals and suggestions offered throughout this remarkable day long consultation.