

LAO PDR

PRSP and the Lao Socio-economic Development Plan: From Policy to Implementation

Synopsis

This programme resulted in the formulation of Lao PDR's first PRSP, which sought to coordinate all anti-poverty efforts within the identified poorest districts in Lao PDR. The PRSP is currently being integrated into the country's next 5-year Socio-economic Development Plan (NSEDP).

Objective

To fully integrate Lao PDR's PRSP within the country's 5 year Socio-economic Development Plan, through a participatory approach involving key line ministries to rationalize and align sector plans, that focus on Lao's poorest districts, with the national budget.

Brief Description

The Lao Government's PRSP, or the National Growth and Poverty Eradication Strategy (NGPES) represents an articulation of the Lao Government's strategy for poverty eradication and serves as the country's first PRSP. The Government of Lao PDR presented it to the donor community at the Eighth Roundtable Meeting on September 2003, as a medium-term operational framework for poverty reduction.

The NGPES contains a list of key sectoral and cross-sectoral indicators that are being refined by four core ministries (Agriculture, Health, Education, Transport). The cross-sector issues include: gender mainstreaming, environmental conservation, population strategy, social security system, information and culture, and capacity building. An overall system for monitoring NGPES implementation is also being formulated, which is to be harmonised with the country's nationalised and comprehensive database that includes MDG and NHDR-related indicators, developed as a result of a joint initiative of the Government and the UN Country Team (this initiative is referred to as DevInfo).

The implementation of the NGPES is currently being undertaken by the Government of Lao PDR, as is its full integration into the country's next 5-year Socioeconomic Development Plan (NSEDP). UNDP, along with the World Bank and other partners had provided extensive support to the

Government in the preparation of the NGPES and are currently involved in aiding the Government to implement the NGPES in the 47 poorest districts (including 10 pilot districts), which have been identified as the focus for poverty reduction efforts.

The project will assist the Government to achieve the following:

- Strengthening capacity and dialogue for NGPES implementation within different line ministries and across the central, provincial and district levels
- Longer-term assistance geared towards the incorporation of the NGPES into appropriate National Plans and Strategies
- Enabling effective monitoring of NGPES implementation
- Developing long-term assistance for a systematic mechanism for NGPES monitoring and implementation.

Results to date:

- First of a series of workshops was held in October 2004 and June 2005, with technical assistance from UNDP and World Bank, on "Prioritization and Costing of the NGPES", focusing on the four priority areas as identified by NGPES
- Strengthened dialogue and capacity for NGPES implementation undertaken by the Committee for Planning and Investment
- Costing and Prioritization of sectoral plans encased within the NGPES by relevant line ministries, in close coordination with the Ministries of Finance and Planning.

This programme has resulted in the formulation of Lao PDR's first PRSP, which identified priority districts that were poorest and in need of coordinated development assistance and a planned response. An initial implementation phase involved a comprehensive 'costing and prioritization' exercise, which sought to cost and prioritize the sector plans of 4 core Ministries: Health, Education, Agriculture and Infrastructure, following which a rationalization and iterative process was undertaken with the Ministry of Finance in aligning the costings within the scope of the Government's MTEF (Medium

Term Expenditure Framework). Such an exercise is being embarked upon for the first time by the Lao Government and it is anticipated that the full integration of the PRSP into Lao's NSEDP will result in highlighting a demonstrated pro-poor focus within Laos' next 5-year development plan.

Lessons Learnt and Replicability

- Adopting a participatory and transparent process involving key line ministries and the development community is critical.
- Lao, being a RTM country, the Roundtable Mechanism was used as a strategic forum to meaningfully involve all partners during all levels of the PRSP formulation.
- Lao's Donor Working Groups were used as a platform for exchange of ideas and a continuous review of the PRSP formulation and implementation, including that of the integration of the PRSP into the country's 5-year socio-economic development plan.

Project Information

Duration

January 2004 to March 2006

CO Focal Points

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Partners

Committee for Planning and Investment (CPI),
Core Line Ministries, World Bank, ADB, SIDA

MYFF Service Line

Pro-Poor Policy Reform to Achieve MDG Targets