



Opening Statement by Mr. Finn Reske-Nielsen, UN Resident Coordinator

Co-Chair of the Roundtable Information Meeting, Lao PDR

Vientiane, 19 January 2006

Your Excellency, Deputy Prime Minister, Minister for Foreign Affairs, Mr.

Somsavat Lengsavad, Members of the Government, Excellencies, Ambassadors,

Distinguished Participants, Colleagues and friends.

Let me begin by thanking and congratulating the Government of Lao PDR, for the tremendous work that has gone into putting together a very comprehensive draft Sixth National Socio Economic Development Plan (2006-2010). This 5-year Plan provides the Donors and the UN system with an important framework to guide us in our support of Lao PDR's development priorities within the next 5 years.

The Round Table Process is significant, both in its process and substance – and it has provided us with an important platform to discuss the Government's draft 5-year plan by allowing a candid discussion of both the achievements and challenges that we, as development partners face. Having an open and frank dialogue to discuss Lao PDR's national development priorities is key to all of us



in our work. We very much look forward to spending time at this meeting, and other subsequent ones, to discuss how the development community can be of assistance to the government in reaching its various goals.

I am pleased to note, and as was shared by the Deputy Prime Minister during the previous Roundtable Information Meeting --- the informal Donor Working Group mechanism, which had been established in priority sectors mirroring the NGPES focus areas -- has now been strengthened, following the establishment of mirror-Government Working Groups. This would allow the Government of Lao PDR to engage their development partners on an ongoing and regular dialogue, through various issue-based deliberations. It is important that the Government working groups be formalized at the earliest, so as to commence and consolidate meaningful dialogue amongst all partners.

In 2003, a very important step towards poverty alleviation was undertaken when the Government presented its strategic plan for achieving economic growth and generating development, through its National Growth and Poverty Eradication Strategy (the NGPES). The efforts of the Government of Lao PDR and its development partners have since focused on ways to implement the NGPES and for it to be fully integrated into the country's sixth Five-year Socioeconomic



Development Plan (NSED) for 2006-2010. My colleagues and I are therefore very pleased to see that the NGPES has been substantially integrated into the draft 5-year Plan, and on behalf of the UN Country Team, I would like to commend the Government for leading an intensive and participatory process – both at the macro and micro levels – that has resulted in the incorporation of the NGPES into the 5-year plan. We look forward to cooperating with the government in offering our comments and feedback to the Plan -- for the Government's consideration, as appropriate.

It is encouraging to see that the draft 5-year plan is closely aligned and directly calibrated to the Millennium Development Goals (MDGs), as well as to the government targets for lifting the country from its Least Developed Status by the year 2020. The launch of the MDG Report in October 2004 and the Government's participation at the World/MDG Summit in September 2005 demonstrate the Government's commitment towards meeting the Millennium Development Goals. The draft 5 year plan provides an overall framework towards operationalising the MDGs, which now need to be furthered in two important ways – firstly, through the articulation of an implementation strategy, and secondly, through the establishment of a comprehensive monitoring system that would allow the Government to periodically evaluate its progress and to effectively fulfill its



reporting obligations to the development community using global and national indicators and standards.

In this regard, it gives me great pleasure to note the Government's commendable leadership in developing 'Laoinfo', an innovative database of social development indicators, the use of which is expected to increase the efficacy and cost-effectiveness of monitoring development activities in Lao PDR. Reliable and verifiable statistical information is key to the operationalisation of the 5-year Plan, and the Government is to be congratulated on the progress that has been made in developing the Laoinfo database. It is worth noting that the quality of statistical data has improved significantly in the recent past and this would need to be augmented by a further review of the draft Plan to eliminate certain statistical inconsistencies that currently exist.

As ODA trends are increasingly becoming more results and performance based, it is evident that reliable statistical data also plays an important role in improving the monitoring and implementation of ongoing plans and programmes, including the 5-year plan. Effective ODA management remains a high priority for the development community and one of the key challenges to achieving the targets that have been identified by the 5-year plan, will be to identify realistically, what



the resource envelopes are. The measures that will be undertaken by the Government in augmenting ODA through raising and allocating domestic resources, towards covering those resource gaps will also be crucial. The significant debt-burden that Lao PDR is faced with would also need to be factored into discussions on current and future ODA flows to the country.

The government has made substantial progress in improving aid coordination in recent years, and there remains much work to be done in achieving the required human and institutional resources necessary for efficient aid management. I am pleased that several agencies are now working alongside the Government to strengthen current capacities to handle aid management, including through the exploration of sector-wide approaches in selected areas.

I would like to strongly urge the Government to strengthen and finalise the process of costing, prioritizing and sequencing the NGPES and indeed the 5-year Plan. The funding of recurrent expenditures for infrastructure and maintenance of public assets remain critical to successfully achieving the poverty targets that the 5-year Plan proposes. The Plan would greatly benefit from a clear delineation of its operational and implementation modalities, including realistic financial projections and prioritized targets. I am sure that my colleagues and development



partners will join me in extending our unequivocal support to the Lao Government in this important task.

The role of the Private Sector in serving as an engine of growth is crucial for the Lao economy and this is highlighted in the draft Plan. The role of the Lao private sector is gaining importance within the context of Lao PDR's integration into a globalised economy and in view of increasing regional and economic cooperation. While several laws and regulations exist that seek to facilitate a greater role for the private sector and aim to maximize its potential for social and economic growth, it is desirable that a thorough analysis be undertaken to clearly outline the institutional and enforcement-related hurdles in optimizing the role of private sector, and how these can be overcome.

This country's economy has grown significantly in recent years – and this owes much to the development of a number of excellent new laws and policy frameworks, which have begun to provide a supporting and enabling environment for the government's reform and growth agenda. However, what needs to augment the formulation of new laws and policies is their enforcement and implementation. This is critical to the poverty eradication process, and ultimately to the achievement of development results. As greater transparency and



accountability are reflected in government structures and stronger monitoring and assessment mechanisms develop, the issue of governance is becoming ever more important. As you know, a round table meeting on Governance is taking place tomorrow to further deliberate on these topics.

Before I conclude, I would like to take this opportunity to briefly comment on a few issues that have figured in our dialogues and discussions over the past couple of months:

UXO contamination remains both a humanitarian and development issue -- as it continues to threaten physical safety and hinder socio-economic development in this country. In 2004, the government of Lao PDR established the National Regulatory Authority for the UXO sector, and we hope the NRA will soon be fully operational and would contribute to regulating the UXO sector in accordance with its 10-year UXO National Strategic Plan.

I would also like to draw your attention to a few emerging challenges related to disaster preparedness that Lao PDR is faced with today, and which the 5-year Plan might wish to highlight in greater detail – firstly, the social and economic



impacts and costs related to Human and Avian Influenza, and secondly, the rapid spread of HIV/AIDS.

I am sure my colleagues will speak at greater length on these issues and several others during the course of this meeting.

Ladies and gentlemen, it was in the spirit of participation and frank discussion that the NGPES and MDG documents were produced, followed by the integration of the main elements of these into Lao PDR's 5-year socio economic development plan. I would like to encourage everyone today to continue with this philosophy of sharing in constructive dialogue, and would hope that this spirit of participation translates into a joint commitment to engage in concrete action.

On behalf of the UN system in this country, allow me to wish everyone a most fruitful and successful meeting. I very much look forward to further discussions and dialogue on the important issues being tabled by the government.

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