

# Lao Civil Society Statement on Aid and Development Effectiveness

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## Preamble

As a Least Developed Country (LDC) aiming to graduate off the LDC list by 2020 and reach 9 Millennium Development Goals (MDG) by 2015, the Government of Lao PDR together with Development Partners has committed to a 'Growth with Equity' framework. Integral to this framework are a number of agreements aimed to strengthen the joint impact of 'aid'. The Aid Effectiveness Agenda resulted in two key cooperation agreements for the Lao PDR: the Paris Declaration in 2005 followed by the Vientiane Declaration in 2008.

Since, the Lao PDR has made significant strides in the implementation of its National Growth and Poverty Eradication Strategy (NGPES) achieving much in way of *national growth* with 8% GDP, graduating to lower-middle income status and ascending to the WTO. What of poverty eradication?

This question has been debated both inside Laos as well internationally by LDC government leaders, development partners and civil society, most recently during the 4th High Level Forum in Busan, S.Korea in 2011. The question of development effectiveness, where the balance between economic and social/environmental sustainability was first raised in 2008, in Accra<sup>1</sup>, resulting in the Accra Agenda for Action (AAA) which the Lao PDR became signatory to. The AAA shifts from Aid Effectiveness to Development Effectiveness aiming to strengthen the delivery of aid and implementation of development policies and strategies by increasing the participation of civil society as a partner in development.

As part of its commitments to the AAA but more importantly to the sustainable and equitable growth of the country, the Lao PDR government enacted the Decree on Associations in 2009.<sup>2</sup>

Per the 2009 Non Profit Association (NPA) Decree, Lao civil society, both registered and unincorporated are recognized and promoted under specific laws and regulations by the Government of the Lao PDR.

Under the NPA Decree, Lao civil society organizations are mandated:

*'to build solidarity and mutual assistance between members and extend assistance to the society; protect the legitimate rights and interest of the association, its members or the community; participate in national construction and development, and poverty eradication.'*  
Article 17

And have among their rights and duties:

- *Protect the legitimate rights and interest of their associations, members or communities;*
- *Provide advice and recommendations, report and verify equity issues in their fields or sectors of activities in line with the laws and regulations;*
- *Cooperate with foreign parties and international organizations as approved by the licensing agency and within the scope permitted by the laws and regulations;*
- *Exercise other rights and perform other duties set out in the associations' charters and in the laws and regulations.*

As partners in development and to strengthen human resource capacity, over 40 representatives from 29 Lao civil society organizations (CSOs) held a pre-consultation workshop on the 15<sup>th</sup> of November 2011; followed by a multi-stakeholder consultation organized on the 16<sup>th</sup> of November 2011 at the Lane Xang Hotel, Vientiane Capital, Lao PDR where 54 representatives from governmental & non-governmental development partner organizations joined to discuss the issue of "Aid and Development Effectiveness".

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<sup>1</sup> Accra is the capital and largest city of Ghana in Africa

<sup>2</sup> No. 115/PM Vientiane, 29 April 2009

# Lao Civil Society Statement

## on Aid and Development Effectiveness

In line with the Lao PDR's 'Growth with Equity' policies and strategies; the 2009 NPA decree and the integration of the Accra Agenda for Action (AAA) into the Vientiane Declaration and Country Action Plan (VDCAP), Lao Civil Society wishes to strengthen the full implementation of these with following requests:

### **Request to the Government of the Lao PDR:**

1. It is proposed that the Government of the Lao PDR (GoL) provide opportunities for Lao CSO's to participate in the country's strategy planning and contribute to policy formulation in all sectors of development, at all levels, from planning, to implementation thru evaluation.
2. It is proposed that the GoL supports and promotes an enabling environment for the Lao CSO's to increasingly participate in the consultation process for development at the national and international levels.
3. It is proposed that the GoL provides a forum for Lao CSO's to present their experiences and gain acknowledgement for their work and successes in promoting national social and economic development policies and poverty.
4. It is proposed that the GoL provides a mechanism or policy framework to enable Lao CSO's to access autonomously development assistance domestically and internationally similar to the official mass organizations with similar roles and responsibility, but independent of the government's pay roll.
5. At present the process for registering NPAs or CSOs is complicated and time consuming, it is proposed that adjustments be made to expedite the process. If there should be any incompliance after official registration, appropriate policy & law enforcement should be applied to resolutely deal with the involved CSOs or individuals.
6. It is proposed that the GoL deals resolutely with investors who do not comply with the rule of law and who do not practice good Corporate Social Responsibility (CSR) guidelines. These guidelines should be developed and incorporated into law.
7. It is proposed that the GoL revises and readjusts its development practices and adopt a more balanced approach between 4 key areas of development: economic development, social harmony, happiness (or wellbeing) and environmental protection. Such balanced development approaches should also be incorporated into the education process starting from primary school level upward.
8. It is proposed to organize joint activities between CSOs, donor agencies and the GoL to celebrate important or historical days, be it Lao or international.

## Requests to the Donor Community:

1. It is proposed that the donor community coordinates and works out a common policy, standards and guidelines regarding grants support and to make access to funding more flexible for Lao CSO's; accepting proposals and reports in Lao language, and to provide small grant facilities to support more experienced CSOs to mentor or fund emerging CSOs.
2. It is proposed that donors set clear policy for direct funding support for CSOs and to provide more long-term support of 3-5 years or more to provide enough time for an uninterrupted learning from real life practices. It will be best if CSOs are provided with endowment or a system of capital development fund to provide some financial security and institutional sustainability.
3. It is proposed that donors support the strengthening of human resource capacity building for Lao CSO's in the areas of organization building, governance, project writing, report writing, administration and financial, project management, and other skills deemed necessary.

## In line with the 'Istanbul Principles'<sup>3</sup> on CSO Effectiveness

### Lao CSOs agree to:

1. Organize a coordination/management committee representing Lao CSOs; this committee will be recognized by the relevant department of the GoL.
2. Building a common vision and master plan with clear division of roles and responsibilities according to sectorial experience and preference of each member organization to facilitate good coordination and smooth operation.
3. Setting up a system for coordination, experience exchange and information sharing between the GoL, donors, INGOs and members of Lao CSOs.
4. Organizing activities promoting solidarity among government officials, INGO's, donors and Lao CSOs.
5. Building a database of Lao CSO's including following information: organizational profile, success stories, human resource development plans.
6. Learning to be transparent, systematic and effective in doing development work.

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<sup>3</sup> Istanbul Principles are a set of 8 Principles adopted by Civil Society organizations representing over 80 countries. The adoption of these principles demonstrates the joint commitment by the global civil society community to promote inclusiveness, accountability and effectiveness in their work and cooperation as partners in development.