

LAO PDR: DRAFT HARMONISATION AND ALIGNMENT ACTION PLAN (as of May 30, 2006)

I. OWNERSHIP					
Goal	Actions	Responsible GOL Agencies	Lead Development Partner(s)	Milestones	Timeline(s)
1. The NSEDP guides Lao PDR development.	Formulated through a consultative process involving all stakeholders, the NSEDP VI is aligned to achieve the country's targets for the MDGs and the Brussels Programme of Action for LDCs (2001-2010), with a view to realise the 2020 Goal of graduating out of the ranks of the LDCs.	CPI, Ministries, Agencies and Provinces, Districts and Villages (Localities) Council of Ministers, National Assembly	Development Partners (DPs), domestic and foreign private investors, and mass organisations and communities	NSEDP VI approved by National Assembly	June 2006
2. NSEDP is realistically priced and prioritized taking into account with budget constraints.	A coordinated development program is developed and implemented with support from various development partners.	CPI, MOF	UNDP WB ??Others?? (tbd)	Development partners endorsed the costing and priorities established under the NESDP VII.	2010
3. GOL utilises NSEDP as the framework for the Public Investment Programme (PIP), resource mobilisation and allocation	(i) Public Investment Programme based on NSEDP (ii) Key NSEDP sectors develop/implement prioritized programs in line with NSEDP (ii) National budgets (domestic resources) identified (iv) External resource requirements and financing options discussed with DPs through the RTM	CPI, Ministries, Agencies and Localities MOH; MOE; MAF; MCTPC CPI; MOF CPI; MFA; MOF	Concerned DPs Respective SWG-DP leader UNDP and Concerned DPs	Public Investment Programme approved by Government 2 Sector Programs developed 4 Sector Programs developed PIP approved Agreement reached on option to finance the Plan	Annually For FY 2008 For FY2010 Annually Annually

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4. Management of ODA resources is strengthened.	(i) Implementation rules and regulation (IRR) on ODA Decree 168 are disseminated and implemented	MFA, CPI and MOF		IRR issued IRR dissemination	March- 2006 Before end 2006
	(ii) Implementation rules and regulations on ODA resources management are prepared and implemented	MOF		IRR issued	January 2007 (tbc)
5. Coordinated sector strategies are aligned with NSEDP and fed into the PIP.	(i) Donor Sector Groups are merged with Gvt working groups into Sector Working Groups (SWG) led by GOL.	MFA	Concerned lead DPs	Merge effective	Sept. 2006
	(ii) GOL leads SWGs.	Concerned Ministries		GOL leadership	From Sept. 2006 onwards
	(iii) SWGs coordinate DPs assistance.	SWGs	Concerned lead DPs	Effective coordination and dialogue	From Sept. 2006 onwards

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II. ALIGNEMENT					
Goal	Actions	Responsible GOL Agencies	Lead Development Partner(s)	Milestones	Timeline(s)
1. Donor policies/activities are aligned with Government strategies and policies within the framework of NSEDP and the PIP	DPs Country Assistance Strategies, Programmes and Plans are aligned with NSEDP, sector strategies and PIP	MFA, CPI, MOF, SWGs, concerned ministries, agencies, localities	All DPs	All new Country Assistance Strategies, Programmes and Plans by DPs aligned	From now on
2. ODA financed programs/projects are implemented by GOL regular structures and therefore contribute to building sustainable institutions	(i) NSEDP key sectors revisit project implementation arrangements	MOH; MOE, MAF	WB with ADB and Sida support All other concerned DPs	2006 JPER follow-up workshops recommendations implemented with partners support.	June 07
	(ii) All new ODA projects avoid creating parallel PIUs.	MFA; concerned ministries/agencies		All new projects	From now on
3. Capacity development is more effective	Comprehensive and coordinated capacity development frameworks are jointly prepared and implemented in NSEDP key sectors.	MOH; MOE; MAF	WB with ADB and Sida support All other concerned DPs	2006 JPER follow-up workshops recommendations implemented in two key sectors	June 2007 onwards
4. GOL Public Financial Management System is strengthened	DPs progressively rely on GOL PFM system.	MOF	WB (PME), ADB(Accounting), AfD (Revenues)	GOL publishes timely, transparent and reliable reports on budget planning and execution	FY 06-07 onwards
5. GOL procurement system is strengthened.	DPs progressively rely on GOL procurement system.	MOF-PrMO	WB	Standard National Competitive Bidding Documents for goods, works and services are prepared and used by DPs.	Jan. 07 onwards
6. GOL auditing function is strengthened.	DPs help GOL strengthen its auditing system	State Audit Office	ADB	SAO meets established International standards	2010 (tbc)

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II. ALIGNEMENT

Goal	Actions	Responsible GOL Agencies	Lead Development Partner(s)	Milestones	Timeline(s)
				and DPs use their services.	
7. GOL Social and environmental safeguards are strengthened	Carry out a joint assessment of GOL social and environmental safeguards policies, procedures and practices and identify an improvement action plan	STEA and concerned line ministries, local authorities	WB with ADB, Sida, UNDP and others (tbc)	Capacity development action plan is finalized and funded to be identified.	June 2007.
8. GOL M&E systems are strengthened	National monitoring and evaluation system established.	CPI and concerned ministries/agencies	UNDP	Piloted in selected line ministries and provinces	2007-2011

III. HARMONIZATION

Goal	Actions	Responsible GOL Agencies	Lead Development Partner(s)	Milestones	Timeline(s)
1. DPs assistance strategies are better coordinated	DPs consult all other concerned DPs during the development of their strategies	CPI, MFA, MOF	Concerned DPs		Onwards
2. Missions' burden on GOL is rationalized	(i) Decentralization and delegation of authority to the Country Offices is maximized for each DP. (ii) Quarterly submission DPs mission plans to DIC-MFA.	MFA	DPs	Number of missions decrease. Increase joint mission in all sectors	Onwards
3. Core economic and analytical sector reviews are more effective	(i) Core economic and analytical sector reviews (CPAR, CFAA, PER, CCA, Social and Environmental Safeguards Reviews,) ¹ will be done jointly.	Concerned ministries and agencies	Concerned DPs	Joint economic and sector work will form at least one-third of the total	2010

¹ CPAR- Country Procurement Assessment Review
 CFAA – Country Financial and Accounting Assessment
 PER – Public Expenditure Review
 CCA – Common Country Assessment

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III. HARMONIZATION

Goal	Actions	Responsible GOL Agencies	Lead Development Partner(s)	Milestones	Timeline(s)
	(ii) Other AAAs will all be shared and be done jointly to the extent possible. (iii) All AAAs are coordinated through respective SWGs				
4. Increase aid effectiveness through Program Based Approach and Sector Wide Approach agenda.	Expand application of SWAPs and PBA modalities in appropriate sectors	Line ministries	Concerned DPs	SWAP/PBA in : Transport Education Health Land management PFM Agriculture & Forestry	(tbc) 2007 2008 2009 2008 2007 2008
5. Monetary incentives do not create distortions.	Carry out a review of current practices and recommend policy/practice to harmonize monetary incentives	MOF, MFA	ADB (tbc)	Study recommendations	June 2007

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IV. MANAGING FOR RESULTS					
Goal	Actions	Responsible GOL Agencies	Lead Development Partner(s)	Milestones	Timeline(s)
1. GOL aid coordination functions are strengthened	(i) ODA database is improved and used	MFA	UNDP	Database effective	January 2008
	(ii) Carry out a study on ODA impact	MFA	UNDP	Recommendations	January 2008
	(iii) Short-term training for senior officials on aid coordination and management	Ministries and Agencies	UNDP	Senior officials trained	2006 onwards
2. Results-oriented framework improve aid effectiveness	Develop and use results framework to assess the performance of the NSEDP and sector programmes, building on the existing tools such as the Lao Info database and MDG Reports.	NSC/CPI	UNDP	Updated LaoInfo data base MDG Reports	Annual tbc

V. MUTUAL ACCOUNTABILITY					
Goal	Actions	Responsible GOL Agencies	Lead Development Partner(s)	Milestones	Timeline(s)
1. Progress over agreed commitments on aid effectiveness is assessed	Joint assessment on the progress of the Action Plan conducted through the RTM mechanism	MFA	UNDP	Revised H&A Action Plan	Annual
2. GOL is informed of DPs activities	(i) DPs provide transparent and comprehensive information to GOL on ODA flows (including contributions to NGOs) in a timely fashion, to enable integration into budget cycle	CPI, MFA, MOF	UNDP All DPs	Publish Foreign Aid Report	Annual
	(ii) DPs permit GOL to freely disseminate information on ODA				