



Lao PDR - United Nations Partnership Framework 2017-2021

A Partnership for
Sustainable Development



LAO PDR - UNITED NATIONS PARTNERSHIP FRAMEWORK 2017-2021

A Partnership for Sustainable Development

The Lao PDR – United Nations Partnership Framework (UNPF) 2017-2021 is the overall framework for the United Nations in Lao PDR. The United Nations Country Team (UNCT) is grateful for its partnership with the Government of Lao PDR and expresses its appreciation to all who participated in the development of the UNPF and their collective desires to enable Lao PDR become a modern middle income country whose people benefit equally from quality services.



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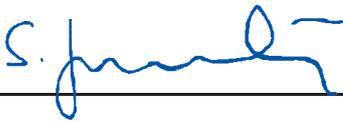
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THE LAO PDR – UN PARTNERSHIP FRAMEWORK

The Lao PDR – UN Partnership Framework (UNPF) is an articulation of the shared commitment of UN Country Team to work together as one, to maximize its resources and contributions in the best interests of the people of Lao PDR.

The success of the UNPF will be measured by Lao PDR's progress towards the graduation from Least Developed Country status and the achievement of the Sustainable Development Goals with equity.

The foundation for the realization of the UNPF is supported by three pillars: (1) Inclusive Growth, Livelihoods and Resilience; (2) Human Development; and (3) Governance, Rule of Law and Participation in National Decision-Making.

The UN presence and capacity is focused to provide high-level advice to improve the quality of public policy, strengthen the efficiency of governance and management systems, support data-driven real time evidence for better programming and policy, and facilitate innovation and gender in public policy and programming.



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LIST OF ACRONYMS

ASEAN	Association of Southeast Asian Nations
HDI	Human Development Index
Lao PDR	Lao People's Democratic Republic
LDC	Least Developed Country
M&E	Monitoring and Evaluation
MDGs	Millennium Development Goals
NSEDP	National Socio-Economic Development Plan
SDGs	Sustainable Development Goals
UN	United Nations
UNPF	Lao PDR - United Nations Partnership Framework
UXO	Unexploded Ordnance

UN System in Lao PDR

FAO	Food and Agriculture Organization
IAEA	International Atomic Energy Agency
IFAD	International Fund for Agricultural Development
ILO	International Labor Organization
IOM	International Organization for Migration (non-UN entity)
UN-Habitat	United Nations Human Settlements Programme
UN Women	United Nations Entity for Gender Equality and the Empowerment of Women
UNAIDS	Joint United Nations Programme on HIV/AIDS
UNCDF	United Nations Capital Development Fund
UNCITRAL	United Nations Commission on International Trade Law
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNFPA	United Nations Population Fund
UNHCR	United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund
UNIDO	United Nations Industrial Development Organization
UNODC	United Nations Office on Drugs and Crime
UNV	United Nations Volunteers
WFP	World Food Programme
WHO	World Health Organization

The Asian Development Bank (**ADB**), International Monetary Fund (**IMF**) and **World Bank** also have a presence in Lao PDR.



EXECUTIVE SUMMARY

The Lao People's Democratic Republic – United Nations Partnership Framework 2017-2021 reflects the collective contribution and intention of the United Nations to support Lao PDR achieve the development goals set by the government and in alignment with the 2030 Agenda and its Sustainable Development Goals, enabling Lao PDR to transition to an upper middle income country, whose people, especially the poor and vulnerable groups, benefit from quality services and enjoy rights.

The Partnership Framework was developed following extensive analysis and consultation outlined in a roadmap and jointly agreed to by the United Nations Country Team and the Government.

It provides a comprehensive response and encapsulates in its goals the need to prioritize United Nations support in the context of Lao PDR and the 2030 Agenda, assisting the country to graduate from Least Developed Country status in a dignified, equitable and inclusive manner; and ensuring Sustainable Human Development and the eradication of poverty in terms of its 8th National Socio-Economic Development Plan 2016-2020 and enhanced regional integration.

Lao PDR is a stable country with steady economic growth, and rich in cultural heritage and natural resources. The country has made significant strides to better integrate in both the regional and international systems and achieve the Millennium Development Goals, setting itself the ambitious goal to graduate from Least Developed Country status by 2020. Additionally, government capacity has strengthened in the area of public sector management and service delivery to citizens.

The United Nations is represented by 16 resident agencies and a number of regionally or headquarter-based agencies. The United Nations partners with the government to address the many challenges Lao PDR faces as a landlocked Least Developed Country, leveraging its expertise to improve the quality of public policy, promote modernization, innovation and effective public institutions, and support evidence-based and data-driven monitoring and dialogue.

Every effort was made to ensure national ownership of the Partnership Framework through an inclusive and engaged approach; with all United Nations Agencies, including non-resident and specialized agencies; alignment with national development priorities, strategies and systems primarily through the 8th National Socio-Economic Development Plan 2016-2020; integration of international commitments, including on human rights; and mutual accountability for development results.



This Partnership Framework is underpinned by the five programming principles of a human rights-based approach, gender equality, environmental sustainability, results-based management and capacity development. Additionally, it takes into account the specific context of Lao PDR, focusing on its cultural and national heritage, its diverse ethnic groups, a phased reform process and its agricultural economy with a pronounced rural-urban divide.

The vision of the United Nations Partnership Framework is to support the Government of Lao PDR in reaching its aspirations of becoming a modern upper middle income country, whose people benefit equally from quality services.

The Partnership Framework results, which form the core of the proposed actions, are built around three thematic pillars:

Pillar 1, focusing on Inclusive Growth, Livelihoods and Resilience, aims to increase opportunities for decent livelihoods and jobs, provide a comprehensive social protection policy framework, protect forests and other ecosystems and decrease vulnerability to climate change and disasters.

Pillar 2, focusing on Human Development, will contribute to increasing access to quality education and skills for children and youth, improving access to quality health services, water, sanitation and hygiene and improving food security and nutrition for the most vulnerable.

Pillar 3, focusing on Governance will target state institutions' abilities to deliver basic services and ensure improved access to justice, strengthened rule of law and more effective participation in national decision-making.

This Partnership Framework has also outlined the resource requirements, implementation, and monitoring and evaluation arrangements to ensure an accountable and transparent delivery. In the spirit of the United Nations Charter and the Quadrennial Comprehensive Policy Reviews of United Nations operational activities for development, and taking into full account international commitments, all United Nations Agencies in Lao PDR commit to increase coherence toward greater unity in action and to Deliver as One.

The Government of Lao PDR and the United Nations Country Team commit to joint ownership and responsibility for this Partnership Framework.





1. INTRODUCTION

The Lao People's Democratic Republic (Lao PDR) – United Nations Partnership Framework 2017-2021 (UNPF) reflects the ambition of the United Nations (UN) Country Team to support national development priorities and the government's aspirations for the country to develop into a modern upper middle income country.

The UNPF describes the collective response of the UN system to the national development priorities and will seek to avoid duplication of efforts and ensure synergies between UN Agencies. It is designed to improve coordination and coherence at country level; enhance transparency and predictability; and make available UN resources to the Government of Lao PDR. This will be achieved by building on the unique expertise of all UN funds, programs and specialized agencies working in the country.

The UNPF has been developed through consultation with government, international development partners, civil society, the public and others, including an analysis of progress towards the Millennium Development Goals (MDGs) 2015, a discussion paper on the Sustainable Development Goals (SDGs), the 8th National Socio-Economic Development Plan 2016-2020 (8th NSEDP) and an analysis of the comparative advantages of the UN.

Through the UNPF, the UN Country Team's strategic focus will shift to align with the 2030 Agenda for Sustainable Development and its SDGs. The consultations reaffirm that the UN in Lao PDR is well respected and viewed as impartial with a good long-term relationship with government that is based on trust and credibility, technical expertise and access to global networks.

Areas of improvement have been identified as the lack of coordination between UN Agencies, bureaucracy, lack of financial resources and the need to take stronger positions. These outcomes have been considered in the development of the UNPF.

The mission of the UNPF is aligned with the 8th NSEDP and its overall goals of sustainable inclusive growth, Association of Southeast Asian Nations (ASEAN) integration and graduation from Least Developed Country (LDC) status, as well as with the various sectoral policies and strategies. Within the overall context of the SDGs and based on the respective expertise and comparative advantages of the UN Agencies and that of other partners, the UN will support capacity development and assist the government and people of Lao PDR to implement these plans and policies.



The vision of the UN is to support the Government of Lao PDR to reach its aspirations of becoming a modern upper middle income country, whose people benefit equally from quality services.

The UNPF is anchored by the three key pillars that underpin its implementation: *Inclusive Growth, Livelihoods and Resilience; Human Development; and Governance.*

In the spirit of the United Nations Charter, the UNPF confirms the commitment of all UN Agencies in Lao PDR to work together coherently, avoid duplication and harmonize programs and policies, in alignment with the aspiration to Deliver as One.

1.1 Development of the Lao PDR – UN Partnership Framework

The UN Country Team⁴ and the government agreed on a roadmap to guide the UNPF development and ensure alignment to national development plans, with major milestones consisting of an evaluation of the UN Development Assistance Framework 2012-2016 (UNDAF), and a comprehensive country analysis. A National-UN Steering Committee ensured the inclusion of key partners in government and development partners. The Steering Committee established that the following elements of strategic focus were key to the development of the UNPF:

National ownership and alignment with national development priorities, strategies and systems, that is inclusive of all stakeholders in all stages of the process. Multi-stakeholder partnerships engage government and other key stakeholders; the UNPF, and the country analysis from which it emerges are based on and aligned with national development priorities and strategies;

Inclusiveness of the UN system with full involvement of specialized and non-resident agencies;

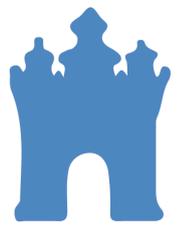
Integration of the five programming principles of a human rights-based approach, gender equality, environmental sustainability and other international commitments, as well as theory of change/results-based management, and capacity development, tailored to the Lao PDR context;

Mutual accountability for development results is interpreted, for the purpose of the UNPF, as the respective accountability of parties working together towards shared outcomes. Many stakeholders will contribute to the UNPF's outcomes and each will be accountable for its contribution. An Annual Progress Report will focus on UN Country Team contributions to these outcomes and as such, will address the respective accountability at the outcome level.

The rollout of the UNPF provided an excellent opportunity to develop a pragmatic and inclusive framework that will support the implementation of the 8th NSEDP 2016-2020. The 8th NSEDP's overall goal is continued poverty reduction, graduation from LDC status through realization of national development potential and comparative advantages, effective management and utilization of natural resources and strong regional and international integration and is structured around three outcomes and 17 outputs that have been linked to the UNPF. Additionally, the UNPF is aligned with the global SDGs, adopted in 2015.

⁴ The UN Country Team in Lao PDR consists of FAO, IFAD, ILO, UN-Habitat, UN Women, UNAIDS, UNCDF, UNDP, UNFPA, UNICEF, UNIDO, UNODC, UNV, WFP and WHO. IOM participates in the UN Country Team as non-UN entity. ADB and World Bank are also part of the UN Country Team. Non-Resident Agencies include IAEA, ITC, ITU, OCHA, OHCHR, UNCITRAL, UNCTAD, UNEP, UNESCAP, UNESCO and UNHCR.

1.2 Situation Analysis



Lao PDR is a land-locked country bordering Cambodia, China, Myanmar, Thailand, and Viet Nam. About 6.5 million people live in its 18 provinces, with most people – 67 percent – still living in rural areas. However, urbanization is occurring at a rate of 4.9 percent each year. The country is largely mountainous, with the most fertile land found along the Mekong plains. The river flows from north to south, forming the border with Thailand for more than 60 percent of its length.

Despite still being an LDC, Lao PDR has made significant progress in poverty alleviation over the past two decades with poverty rates declining from 46 percent in 1992 to 23 percent in 2012. The country is on course to achieve its poverty targets; however, the challenge now is to ensure that all people benefit from the country's development.

Lao PDR, established in December 1975, is a stable country with steady economic growth, and rich in cultural heritage and natural resources. The Constitution of Lao PDR was adopted in 1991. The country has acceded to numerous international instruments. These, include seven out of the nine core human rights treaties which require active and meaningful engagement with international mechanisms, and creating a more conducive legal environment for civil society. In 2015, the government has accepted inter alia recommendations from the Universal Periodic Review on strengthening the enabling environment for civil society and media, promoting the administration of justice and combatting corruption.

The country is actively pursuing regional and global integration. Lao PDR joined ASEAN in 1997 and the World Trade Organization in (WTO) 2013. The ASEAN Economic Community came into force in 2015.

One of the main development challenges is ensuring that the benefits from high economic growth, averaging more than 7 percent Gross Domestic Product (GDP) for the past five years, are evenly distributed and translated into inclusive and sustainable human development. Widening gaps between rich and poor, women and men, ethnic groups, and residents of different regions of the country need to be addressed.

Key drivers of poverty in Lao PDR are largely attributed to the agricultural sector and analysis reflects key factors that contributed toward poverty reduction to be small sustained shifts to non-agricultural activities, expansion in education and targeted government investment in poverty related interventions.

Lao PDR's economic boom is driven primarily by foreign direct investment in natural resource extraction and hydropower. Ensuring that this is conducted in an environmentally sustainable way in respect of the rights of communities and individuals, and that the revenues generated benefit everyone, is critical for the development of the country.

A landmark achievement for Lao PDR was its formal accession to the WTO in 2013, resulting in closer integration into the regional and global economies with a substantial increase in trade of goods and services. Key issues for improvement relate to the country's skills deficit, reliance on the agricultural sector and much needed investment in machinery.

One of the main development challenges is ensuring that the benefits from high economic growth are evenly distributed and translated into inclusive and sustainable human development.



The presence of unexploded ordnance (UXO) from the Indochina War (1964-1973) in the country continues to destroy lives and limits agricultural production and expansion. More than 2 million tons of bombs were dropped on all provinces between 1964 and 1973, with 30 percent of those failing to detonate. The correlation between UXO contamination and the prevalence of poverty is clear, with 42 of the 46 poorest districts affected by UXO. The possibility of linkages between UXO clearance and livelihoods can be further explored and strengthened.

1.3 Summary Review of the Millennium Development Goals

In Lao PDR, the significant gains made in economic growth and social sectors over the recent years have paved the way for continual improvement in human development in the country. Between 1985 and 2012, substantial progress has been made in the main Human Development Index (HDI) indicators: life expectancy increased by 19 years, mean years of schooling increased by 2.5 years and Gross National Income per capita increased by 310 percent. Consequently, Lao PDR has seen steady improvement in its HDI value over time, making Lao PDR one of the HDI growth leaders in the medium human development category, where it currently sits. Lao PDR was ranked 141 out of 188 countries in the 2015 Human Development Report.

Lao PDR has the highest total fertility rate among the ASEAN countries with one of the youngest populations in the region. The country is projected to benefit from the 'demographic dividend' in the economy in the medium term. However, this is contingent upon young people being better equipped with the appropriate skills and knowledge and new jobs keeping pace with the growth of the working age population.

Lao PDR has achieved the poverty related MDG 1 by halving its national poverty rate during the past decade. However, poverty reduction and consumption growth lag behind GDP growth, and varies by location, education, ethnicity and occupation of household, resulting in increasing income inequality and a rural-urban gap. One third of the population in the uplands remains below the poverty line. While the MDG target of halving the proportion of the hungry was achieved, there is still a significant rate of hunger, with one fifth of the population - children in particular - being food insecure. The MDG 1 target of reducing underweight and stunting among children has not been achieved and requires concerted action. The MDG 2 target of achieving universal primary education has not been met and education from early childhood level to secondary education will have to be improved significantly. Special attention will have to be paid to early childhood education and ensuring retention rates from primary to secondary schooling.

In terms of meeting the MDG 3 target of promoting gender equality and empowerment of women, Lao PDR has done well. However special effort must be made to reach women and girls in rural areas, in certain ethnic cultures and migrant workers, and ensure greater participation in decision-making. Additionally, gender mainstreaming and integration are important future issues to implement. The MDG 4 target of reducing child mortality still requires effort. Despite a two thirds reduction in under-five mortality, Lao PDR is still lagging behind. The country has met the MDG 5 target of reducing the maternal mortality rate by three quarters. Both the child mortality rate and maternal mortality rate reflect the low coverage and inadequate quality of the health services.

Between 1985 and 2012, substantial progress has been made in the main Human Development Index indicators: life expectancy increased by 19 years, mean years of schooling increased by 2.5 years and Gross National Income per capita increased by 310 percent.

The MDG 6 target of combating HIV/AIDS, malaria and other diseases reflects that considerable effort is still needed in a variety of areas, including drug resistant malaria, wider distribution of bed nets, stronger tuberculosis (TB) detection and counterfeit drugs. While Lao PDR has a low HIV prevalence rate, the incidence of HIV is increasing and requires additional effort on prevention, prevention of mother to child transmission and reaching key high risk populations.



Lao PDR has achieved the safe water and sanitation MDG 7, but the high prevalence of open defecation, disparities in sanitation and issues related to water safety and sanitation remain critical to address. More investment is needed in water, sanitation and hygiene. In terms of MDG 8, and a global partnership for development, better coordination, less duplication and more innovative and results-oriented approach is necessary to optimize outcomes and implementation. The MDG 9 focuses on the unique challenge the country has to reduce the impact of UXO, the government is taking steps to address the challenges of demining, reporting and mine risk education.

The *Country Analysis Report for Lao PDR* provided a comprehensive review of progress toward the MDGs and identified major challenges, opportunities and new areas for action.⁵ It also provided an analysis of the vulnerable and disadvantaged groups, determinants for their lack of progress and several forward looking proposals for the UN Country Team to guide planning for the next cycle. This review coupled with the national SDGs, including the Lao-specific SDG 18 on UXO, reflect a far broader development agenda than in previous decades.

Significant discussions in the country to guide the implementation of the SDGs and incorporate the elements relevant to Lao PDR have been integrated in the 8th NSEDP and this UNPF. The Discussion Paper on the SDGs in the context of Lao PDR outlines the proposed national targets and indicators for each of the 17 SDGs, including the key outcomes and program areas, thereby providing comprehensive implementation guidance. Thus, the three Pillars and eight Outcomes prioritize the needs in the context of Lao PDR to both achieve the SDGs and graduate from LDC status.

The three Pillars and eight Outcomes of the UN Partnership Framework prioritize the needs in the context of Lao PDR to both achieve the SDGs and graduate from LDC status.

5 Country Analysis Report Lao PDR: Analysis to inform the Lao People's Democratic Republic-United Nations Partnership Framework (2017-2021)



2. RESULTS

The UNPF results for Lao PDR focus on three thematic pillars that support and complement the national development priorities. It will facilitate the realignment to the SDGs, supporting the graduation from LDC status and help achieve sustainable human development and eradication of poverty. It is intended that all UN Agencies, including non-resident, will work collaboratively, share knowledge and resources and make these available to the government. Additionally, the UN Agencies will respect the distinct mandate and independence of the government.

The UN Country Team is committed to implementing the UNPF in line with the five key elements crucial for delivery on the global 2030 development agenda taking into account the country context: universality, integration, equality, human rights and accountability, and creating a data revolution. The UNPF will also strengthen the UN's common vision and improve systems for working together with a phased approach to realizing the 15 core elements of the Delivering as One Standard Operating Procedures. This UNPF takes into account the particular challenges that Lao PDR faces in terms of its cultural and national heritage, diverse ethnic groups, the need for a phased reform process and the agrarian economy with a pronounced rural-urban divide.

In terms of achieving the UNPF, the UN has established the need for inclusive partnerships with government and all key stakeholders, working together as One UN, creating a basket fund for innovation and promoting equity and reducing vulnerabilities.⁶ The UN in Lao PDR is well placed as an active, engaged and respected partner that can contribute to improved public policy, promote modernization and innovation, support effective institutions, enable governance and provide the development of structured data-driven monitoring and dialogue.

While the three thematic pillars are buttressed by eight outcomes and 25 indicators, the UNPF implementation is dependent on addressing cross-cutting issues across all areas, such as equality and non-discrimination, including gender equality; universal access to quality services; youth development; the rule of law; planning, monitoring and evaluation; economic development; and livelihoods to facilitate improved results. The UN will also strive to build on its comparative advantages, and promote innovation across its interventions, in order to maximize outcomes.

The UN is committed to contribute to development that is based on dignity, equity and inclusiveness. Strong emphasis will be put on innovation and joint programming, monitoring and funding, that is founded on evidence-based structured dialogue.

The UN has established the need for inclusive partnerships with government and all key stakeholders, working together as One UN.

⁶ Vulnerable groups in the context of the UNPF include the poor, ethnic groups, unskilled and unemployed youth, self-employed and unpaid workers, migrant workers, people with disabilities and farmers without access to land. Women and children, and people living in remote rural areas are particularly disadvantaged.



PARTNERSHIP FOR SUSTAINABLE DEVELOPMENT

The UN is committed to contribute to development that is based on dignity, equity and inclusiveness.



Pillar I - Inclusive Growth, Livelihoods and Resilience

Outcome 1: All women and men have increased opportunities for decent livelihoods and jobs

Outcome 2: More people have access to social protection benefits, in particular vulnerable groups and the poor

Outcome 3: Forests and other ecosystems are protected and enhanced, and people are less vulnerable to climate-related events and disasters

Pillar II - Human Development

Outcome 4: Children and youth enjoy better access to inclusive and equitable quality basic education and vocational skills

Outcome 5: People enjoy improved access to quality health services, and water, sanitation and hygiene

Outcome 6: The most vulnerable people benefit from improved food security and nutrition

Pillar III - Governance

Outcome 7: Institutions and policies at national and local level support the delivery of quality services that better respond to people's needs

Outcome 8: People enjoy improved access to justice and fulfillment of their human rights



PILLAR 1: INCLUSIVE GROWTH, LIVELIHOODS AND RESILIENCE

This pillar aims to address the issues of increasing opportunities for decent jobs and livelihoods, social protection - especially for the poor and vulnerable, the protection of forests and ecosystems, and decreasing vulnerability to climate change and disasters. In so doing it will contribute to eradicate poverty, promote equality, empower women and ensure environmental sustainability.

While Lao PDR achieved strong growth since the acceptance and implementation of the MDGs, moving from a low income economy to an upper middle income economy and halving its poverty rate, significant improvement is required to diversify the economy, create a more inclusive labor force and achieve greater sustainability. Lao PDR remains one of the poorest countries in Southeast Asia and has a high skills deficit, with many workers functionally illiterate and 70 percent employed in the agricultural sector. The country is rich in land, forestry, water and mineral resources, and in the middle of a fast growing region. It has taken steps toward integration both regionally and internationally, providing a solid basis for economic expansion.

With a relatively large and increasing share of the population in working age, the country is poised to benefit from a demographic dividend. It is thus imperative that job creation and skills development are promoted to create a robust economy and sustainable growth. Additionally, taking into account challenges related to biodiversity, climate change and disasters as well as the commitment to the Paris Agreement, a strong focus on environmentally sustainable development is considered a priority.

Outcome 1: All women and men have increased opportunities for decent livelihoods and jobs

Lao PDR's economic growth remains dependent on natural resources, with the non-agricultural resource sector driving economic expansion. The long-term development challenge for the country is to pursue a human resource-based growth strategy which would create more job opportunities in higher-value production and services. Moreover, the Government recognizes that people living below the poverty line need support to improve their livelihoods. These priorities will require a coordinated approach by all sectors.

In the context of Lao PDR, the SDGs on ending poverty and reducing inequality will translate into policies and actions that reduce and mitigate the impact of poverty, and focus on the most excluded and the poorest groups. The SDG promoting full and productive employment and decent work for all stresses equal work for equal pay for men and women, inclusive sustainable growth and economic productivity, youth employment, eradicating child labor and human trafficking and protecting labor rights. These are outlined as actions under the 8th NSEDP to develop sustained and inclusive economic growth, improve living standards and reduce the instability of agricultural production.

The UN has an established structure and focus in the country and in terms of its comparative advantage has been actively engaged in poverty reduction, promoting sustainable and inclusive economic growth, developing capacities and supporting the diversification of the economy. Building on its expertise, the UN can also facilitate better integration into regional and global trading systems to promote sustainable growth and employment, for instance benefitting from the free movement of goods, services, skilled labour, and freer flow of capital within the ASEAN Economic Community.

Pillar 1 aims to address the issues of increasing opportunities for decent jobs and livelihoods, social protection - especially for the poor and vulnerable, the protection of forests and ecosystems, and decreasing vulnerability to climate change and disasters.



Poverty reduction will be supported by creating better economic opportunities - in the non-farm sector in particular - for the poor, attracting more investments and facilitating necessary skills. Additional programs will promote access to economic and financial resources and services, income growth, supportive laws, policies and procedures, and sustainable tourism and jobs to promote local culture and products. Technical support to UXO clearance will continue, including the strengthening of data management, to align the UXO sector with the country's poverty reduction goals.

In order to make Lao PDR more globally competitive, both tertiary and vocational skills development will be stressed so as to create a more vibrant and diversified economy. The country will also be encouraged to institutionalize development of the information technology sector to create a connected society and work force that will be able to do business locally and internationally in a more cost-efficient and timely way. Additionally, the UN will support the government to assess how to attract quality investment to address poverty.

Outcome 2: More people have access to social protection benefits, in particular vulnerable groups and the poor

It has been recognized that despite the rapid economic growth, the social and labor sectors did not keep pace, deepening the poverty of those left behind. Moreover, Lao PDR has a fairly young population, with a majority under the age of 25 and an increasing number of older people. Many fall outside the bracket of employment. The government has thus recognized the need for targeted programs and additional resource allocation for social safety. Measures include improvements in education, livelihood support and the development of rural infrastructure and access to markets. People still living below the poverty line will be targeted with these new social protection schemes.

The 8th NSEDP recognizes that more emphasis on social protection will enhance and improve the quality of life for the poorest, and contribute to inclusive growth. The development of a Social Welfare Fund, protection of children's rights, and establishment of a social work profession have all been recognized as critical interventions to support the most vulnerable and chronically poor. Lao PDR will also need to tackle issues of social protection through improved policies and laws that address income growth, inclusion and opportunities for all, and the development of disaggregated data that will inform decisions.

The strength of the UN is rooted in its strong partnership with the government, development partners and civil society organizations, and its understanding of social and operational issues in the country. It is also the custodian of international standards to which the Government is committed. Drawing on this, the UN will support the development of the National Social Protection Strategy, provide technical support to national counterparts to deliver and monitor the services, and facilitate national dialogue for the implementation of improved social protection programs and social safety nets. Once the Strategy is in place, the UN will continue to support the government through institutional capacity building.

The 8th NSEDP recognizes that more emphasis on social protection will enhance and improve the quality of life for the poorest, and contribute to inclusive growth.



Outcome 3: Forests and other ecosystems are protected and enhanced, and people are less vulnerable to climate-related events and disasters

Lao PDR has lost significant forest cover over the past decade, which has impacted negatively on greenhouse gas emission. In response, government has promoted community participation, payment for ecosystem services and sustainable forest management. Additionally, about one-fifth of the country's forests were placed under protection. However, limited improvements were seen and more species are threatened with extinction. The country also saw an increase in extreme weather with more intense and frequent droughts and floods with implications on agriculture, food security, infrastructure and the quality of lives.

While Lao PDR saw improvements in policy and regulatory frameworks, challenges remain in implementation and enforcement. Moreover, increasingly positive results were noted in private sector development and community benefit-sharing. These successes can be expanded to promote ecotourism and payment for environmental services. The country will also be encouraged to scale up its participation in the UN Programme on Reducing Emissions from Deforestation and Forest Degradation (UN-REDD+), to benefit from the incentives provided for sustainable use of natural resources. The government has prioritized in its 8th NSEDP environmental and sustainable natural resource management seeking to significantly improve its Environmental Performance Index and biodiversity in protected areas. This will require extensive technical support from the UN to help the country improve its low score of 40.37, ranking it 127 out of 178 countries.

Mitigating the impact of climate change and vulnerability to disasters will require resilience-building and the integration of climate change measures, education and awareness raising, and the mobilization of resources for action. Strong engagement with people in communities will foster their participation in ecosystem management, biodiversity conservation, disaster risk reduction, climate change adaptation and the development of new or alternative income-generating activities in order to improve their income generation potential and livelihoods opportunities.

The UNPF approach aligns well with the Government's intentions to reduce the effects of natural shocks as one of the key criteria for LDC graduation and to sustainably use natural resources. The UN has significant expertise on environmental protection and sustainable use of resources as well as preparedness for natural disasters and risk mitigation, and is able to swiftly respond to emergencies. It will prioritize its support to improve the management of natural resources, focusing on biodiversity and forestry conservation, sustainable production systems, chemicals and waste management, climate change adaptation and mitigation and disaster risk reduction.

PILLAR 2: HUMAN DEVELOPMENT

This Pillar seeks to strengthen human development by ensuring quality basic education and skills development, improving access to quality health services, water sanitation and hygiene and assisting the most vulnerable with improved food security and nutrition. The envisaged outcomes are improved access to quality education with better survival rates and more people trained in vocational skills as well as improved access to quality health services leading to reduced child and maternal mortality rates, and fewer stunted and malnourished children.

While Lao PDR saw improvements in policy and regulatory frameworks, challenges remain in implementation and enforcement.



Lao PDR has enjoyed strong economic growth but lagged on social development, leaving behind particular groups of people. Many who escape poverty remain close to or slip back under the poverty line. Agriculture and health shocks are the main drivers of household vulnerability with farming households twice as likely to fall back into poverty. Important determinants of poverty are the level of education, produce prices, livelihoods and geographical location, exacerbated by cultural differences and lack of social protection. In order to be an effective and competitive member of the ASEAN Economic Community, the people will need to become more healthy and educated.

A major focus of Lao PDR is to graduate from LDC status, with ambitious targets to further improving poverty eradication and social inclusion. In order to reduce dependence on natural resources, increase economic diversification and create more sustainable livelihoods for its people, the country seeks to improve human capacity development, with focus on improving education, health and food security and nutrition.

Outcome 4: Children and youth enjoy better access to inclusive and equitable quality basic education and vocational skills

Lao PDR has met the MDG target for universal primary education with a net enrolment of 98.5 percent. The survival rates up to grade five however are only 78 percent, with children dropping out of school or not progressing to the next grade level. Additionally, there is limited access to early childhood development and school readiness constraining primary school completion. This is exacerbated by the limited capacity of teachers, cost of schooling for families and limited investments in education. While the budget for education has increased, the biggest chunk is allocated to recurring salary expenditure, limiting improvement and investment in education for all. While secondary schooling has made gains, higher survival rates in primary education are necessary for an overall improvement.

With its agrarian-based economy and poverty varying by location and ethnic groups, targeted and specific interventions will be necessary in addition to the national targets. Currently school attendance varies based on location, the mother's education and poverty quintile. There is also the challenge of staffing schools in remote locations. Government has recognized the deficiencies and expanded non-formal programs to enhance opportunities for employment.

Taking the MDG lessons learnt and prioritizing actions under the SDGs expands the education focus to all levels, including skills development and vocational training for employment. In the context of Lao PDR this translates to free and equitable primary and secondary education, improved access to quality early childhood development, increased skills for employment and entrepreneurship and universal literacy among youth. Government has also expanded focus in the 8th NSEDP to target vulnerable youth and address gender disparities.

In terms of the UN comparative advantage, agencies have the requisite experience in supporting educational reforms and can draw from their significant expertise in the area. It has been recognized that the UN contributes to the development of accessible high quality education for all and the improvement of labor force capacity.

Agencies have committed to working in a collaborative manner to address the various aspects of education and skills development. Specifically, the UN will support the improvement of early childhood education, addressing low primary school completion and participation in vocational training programs

Pillar 2 seeks to strengthen human development by ensuring quality basic education and skills development, improving access to quality health services, water sanitation and hygiene and assisting the most vulnerable with improved food security and nutrition.



Most child deaths in Lao PDR are preventable but the coverage and quality of health service nationwide is still low.

to better match the supply of skills and qualifications in the workforce to the changing demands of the economy. These are all critical to ensure successful graduation from LDC status and the full realization of the demographic dividend. Awareness raising and advocacy on the prevention of early marriage and pregnancy, and the inclusion of comprehensive sexuality education in the curriculum, will contribute to these efforts.

Outcome 5: People enjoy improved access to quality health services, and water, sanitation and hygiene

Lao PDR has a life expectancy at birth of 66.2 years, which reflects small annual increments and progress in the health of its people. Lessons from the MDGs highlight the importance of overall improvements in health, in particular the reduction of child mortality and the improvement of maternal health. Most child deaths in Lao PDR are preventable but the coverage and quality of health service nationwide is still low. Integrated health outreach services need to be strengthened to reach vulnerable groups and to broaden the scope and impact of preventative health services.

While the Government has made significant investments in the rollout of free Maternal, Neonatal and Child Health Care, health sector financing and domestic resource allocation need to be increased to achieve Universal Health Coverage. Additionally, reach and quality of health care education and of health care itself need to be improved, with increased access to well-equipped and stocked health facilities and an effective referral system. While the country has a low HIV prevalence rate of below 0.5 percent for the general population and five percent for high-risk groups, it cannot afford to be complacent. Preventing mother to child transmission and reaching high-risk groups, including injection drug users and sex workers, is vital to keep the prevalence rates low. Another area of concern is multi-drug resistant malaria prevalent in the Greater Mekong sub-region, which needs to be addressed through regional interventions. Tuberculosis control and management in border areas and among migrants is another area of concern that requires regional action. With decreases in poverty, life-style diseases are on the increase, including those related to tobacco use.

The SDGs call for a broader intervention to ensure universal health and promote well-being. This includes the unfinished business of the MDGs, with additional targets related to infectious diseases, non-communicable diseases, accidents, substance abuse and mental health. The overall target of universal health care aims to address all these areas. A separate SDG on water and sanitation will require focus on ensuring access to safe drinking water, better sanitation and the elimination of open defecation, and better water resources management.

To achieve the above, the UN will support the transition towards a decentralized and results-based delivery of quality health services, integrating primary health care, improving maternal and child health and nutrition services and sexual and reproductive health, developing health human resources capacity and improving health sector financing, coordination and monitoring and evaluation.

Outcome 6: The most vulnerable people benefit from improved food security and nutrition

While Lao PDR halved the MDG target of the proportion of hungry people, it still has a significant level of hunger, as measured by the Global Hunger Index, with an estimated one fifth consuming less than the minimum dietary energy requirements. Critical underweight and stunting among children is a major



concern, with 44 percent stunted, 27 percent underweight and six percent wasted. There are strong disparities across regions, with hard-to-reach groups including communities in the uplands, poorer households and mothers with lower education levels especially affected. With stunting at 20 percent among the richest quintile, the focus needs to expand to broadly cover the entire society on issues of adequate and nutritious intake, feeding and preventing infectious diseases.

Lao PDR has committed to an MDG Acceleration Framework on fast-tracking progress towards improved nutrition for women and children, and to the Zero Hunger Challenge. This will require political commitment and sustained and sufficient resources to ensure nation-wide effective implementation and “reaching of the unreached”.

The UN has engaged in a number of different areas related to food security and nutrition, agricultural production and the expansion of markets. Focus will be put on strengthening coordination structures within the Government and among partners as well as data and monitoring and evaluation to ensure malnutrition is addressed in a coordinated, sequenced and targeted manner across the health, water, sanitation, agriculture and education sectors.

The UN will also support behavioral change campaigns. As global evidence points to the need to focus on the ‘1000-days window of opportunity’ from pre-conception to two years of age, emphasis will be put on infant and child feeding practices, promoting exclusive breastfeeding and complementary feeding practices.

In line with the Agriculture Development Strategy 2025 and Vision 2030 to ensure food security and improve the livelihoods of rural communities, the UN will support the country’s transition from subsistence-oriented to market-oriented agricultural production, adapted to climate change and focused on smallholder farmers. To achieve this, programs will support the increase of agriculture productivity, diversification and improvement of the agriculture sector, increase of farmer’s incomes, capacity development of farmers’ associations, promotion of the use of modern technologies, and access to markets, inputs and finance.

The UN will support the country’s transition from subsistence-oriented to market-oriented agricultural production.

PILLAR 3: GOVERNANCE

Taking into account the rapid economic growth, ambition to reach upper middle income status by 2030 and the governance gap, Pillar 3 will contribute to improving the functions, financing and capacities of national and sub-national institutions as well as facilitating access to justice and a stronger rule of law, and more effective participation in national decision-making.

The shortcomings in the areas of social development, poverty reduction, labour markets, health and education reflect the need for institutional capacity building, enhanced service delivery and a more accountable and responsive government. This underscores the important role the governance pillar would play in enabling the achievement of the other pillars’ objectives.

There is a need for increased engagement and dialogue with the population, as well as the need to strengthen their ownership of national development. The UN’s role as long-term, trusted and credible partner of the government has provided a strong basis to address those needs in a progressive and constructive manner.



Outcome 7: Institutions and policies at national and local level support the delivery of quality services that better respond to people's needs

The 8th NSEDP articulates in detail the commitment to public governance and administration, recognizing governance as a critical factor. Lao PDR has made significant advances in certain areas of governance. These include strengthening public administration capacity, decentralizing delivery of local services, and improving accountability, with clearer goals and a greater share of responsibility being taken by the National Assembly. Lao PDR's progress in improving governance was commended at the 2015 Universal Periodic Review. The deficit in capacity and skills as well as corruption however remain major areas of concern, impairing the implementation of programs and service delivery that is responsive to public needs, in particular for hard-to-reach parts of the country.

An efficient and effective public sector that is transparent, accountable and trusted by the people needs to be based on strong institutions and solid public sector management. This will require the strengthening of government capacities to plan, budget, coordinate, monitor and evaluate public sector programs at national and sub-national level.

The UN draws from extensive experience in supporting national planning and capacity building, including the development of the 8th NSEDP, ensuring results-focus and the establishment of a comprehensive and SDG-based Monitoring and Evaluation framework, as well as strengthening capacity of local administrations to ensure better delivery of services, in particular in rural areas.

Under the UNPF, the UN will continue to support evidence-based policy and decision-making. For instance, the UN will harness innovation and provide technical assistance to the government in generating, analyzing and using disaggregated data to support inter alia the monitoring of the 8th NSEDP, reports on which will be debated in the National Assembly. The UN will also continue to support dialogue on effective development cooperation, in particular through the round table process, including increased participation of civil society and private sector to contribute to the achievement of national goals.

The UNPF envisages a gradual shift from traditional support to the government at the central level to a more people-centered approach at a grass-roots level. Local governance interventions will continue to strengthen the capacities of local institutions and promote inclusive decision-making.

Outcome 8: People enjoy improved access to justice and fulfillment of their human rights

The sustainable development agenda envisages a world of universal respect for human rights and human dignity, the rule of law, justice and equality; of respect for race, ethnicity and cultural values; and of equal opportunity. Areas of focus under the SDGs relevant to the Lao PDR context include reducing discrimination and providing equal opportunities for women and girls, eliminating violence against women and girls in the public and private sphere, preventing early marriages and adolescent pregnancies, and recognizing the value of unpaid care and domestic work.

Pillar 3 will contribute to improving the functions, financing and capacities of national and sub-national institutions as well as facilitating access to justice and a stronger rule of law, and more effective participation in national decision-making.



In recent years Lao PDR has opened up, ratifying seven of nine human rights treaties, creating a more conducive legal environment for civil society and actively pursuing regional and global integration. The government expresses its commitment in the 8th NSEDP to underpin inclusive and sustainable growth. The plan articulates the government's intention to target the vulnerable and marginalized in an open and dignified manner. Non-Profit Associations play an important role in this endeavor. However, they have been primarily engaged in community development rather than advocacy. Work is required to strengthen the enabling environment for civil society and support the development of their capacities to better realize their development potential. Moreover, efforts are needed to strengthen the capacity of the government, including provincial and local administrations, to report regularly on the implementation of the international treaties and conventions.

The UN has been a key partner in facilitating improvements in the justice and legal sectors, providing advisory support to ensure participation and follow-up to human rights mechanisms such as the Universal Periodic Review, and promoting people's participation in national development. Recommendations of the Universal Periodic Review centered inter alia on the need to strengthen the administration of justice, combat corruption, and reform policies and legislation in a number of areas.

The UN will partner with the government in the development of systems and fora to receive public feedback on draft laws and enforcement, enhancing citizens' awareness of their rights, and increasing the number of people benefiting from access to formal and informal justice services, through inclusive and accountable institutions. This will include support to the implementation of the accepted recommendations of the Universal Periodic Review, as well as the finalization of the Penal Code. UN agencies will also work with their respective national counterparts to mainstream gender equality and human rights into relevant sectors and programs and promote women's political and economic empowerment.

Further advocacy and support will be needed to foster an enabling environment and increase the space for civil society to better realize their development potential.



3. IMPLEMENTATION

The key purpose of the UNPF is to make the work of the UN Agencies in Lao PDR more coherent and coordinated. Therefore, the UNPF preserves the distinct value-added nature of UN Agencies while delivering greater impact from a coherent system. Taking into account the fast changing development context, the proliferation of new partners and business models and South-South and Triangular Cooperation will require new and innovative approaches by the UN Country Team to deliver tangible results that will improve people's lives and leave no one behind.

The Delivering as One approach has been formally adopted and strongly supported by Lao PDR, providing the basis for the work of the UN Country Team to reduce institutional barriers, utilize shared data, analyses and advocacy to support integrated solutions, and improve standards and common operating systems.

Additionally, the UN presence provides high-level advice to improve public policy formulation and implementation, improve efficiency of governance through advice on governance reform and modern management systems, improve service delivery in sectors such as nutrition that needs disproportionate support from the international community, support data-driven evidence, facilitate innovation in public administration and service delivery, and integrate cross cutting issues on gender and values in all programming.

The UN Country Team has the primary responsibility and accountability for the management, implementation, monitoring, evaluation and oversight of the UNPF 2017-2021. The UN Resident Coordinator chairs the UN Country Team to ensure coherence, coordination and maximum effectiveness of the UN Agencies based in Lao PDR, including non-resident UN Agencies. Strategic oversight is provided by the joint Lao PDR - UN Steering Committee. The UN Country Team is committed to transparency, results and accountability, avoiding duplication and ensuring that coordination, synergies and reduced transaction costs are achieved.

The UNPF aims to focus the efforts of the UN Country Team to support the 8th NSEDP by drawing on the full range of UN expertise through a fully integrated approach to deliver results. Joint work plans will guide inter-agency collaboration to translate the outcomes of the UNPF into concrete and measurable outputs that the UN agencies will implement.

The UNPF preserves the distinct value-added nature of UN Agencies while delivering greater impact from a coherent system.



The three thematic pillars will be supported by three results groups that will serve as coordination mechanisms at the operational levels and will be co-chaired by heads of UN agencies. The results groups will have the flexibility to merge or split as needed to support the implementation of the UNPF outcomes or cross-cutting issues.

Under the guidance of the UN Country Team, the UN Communications Group through its Communications Strategy will create awareness and advocate for key issues under the thematic pillars and outcomes of the UNPF. Communication messages will be targeted to all stakeholders in Lao PDR including partners, the private sector, donors, media, civil society, academic and research organizations and all levels of the population. The Communications Strategy will also help national partners communicate their results and create a national ownership and a drive to achieve the UNPF, under the banner of, “A Partnership for Sustainable Development”.

Through the UN Business Operations Strategy, the Operations Management Team, working under the guidance of the UN Country Team, will harmonize business practices, reduce operational costs and duplication, enhance effective and efficient delivery and maximize economies of scale. Systematic effort will be made to reduce overhead and transaction costs and to benchmark the efficiency and effectiveness of UN programs to the best of public and business standards. A strengthened system of transparency and accountability will be instituted across the UN programs.

This UN-wide framework for implementation and reporting is supported by a UN-wide resource and funding framework, and is a joint accountability mechanism for the UN Country Team in Lao PDR. This is a move towards a more integrated framework that provides upstream integrated support for Lao PDR to achieve the SDGs in line with the Quadrennial Comprehensive Policy Review.

Through the UN Business Operations Strategy, the Operations Management Team, working under the guidance of the UN Country Team, will harmonize business practices and reduce operational costs and duplication.



4. MONITORING & EVALUATION

The UN Country Team and the government will jointly monitor the progress of the UNPF as part of their commitments to aid effectiveness and accountability. The UNPF centers around three thematic pillars with eight outcomes that will be monitored through 25 indicators. The joint UN - Lao PDR Steering Committee will conduct an annual review that will form the basis for the annual country results report, drawing from and informing the monitoring of the 8th NSEDP and outlining the UN contribution. It is envisaged that the UNPF will be evaluated in 2020 to assess how the UN has substantively contributed to the national priorities under the eight outcomes.

The UN Country Team assumes the main responsibility for oversight and action and will meet regularly to strengthen partnerships and improve collaboration. A Monitoring and Evaluation Working Group will be established. Capacity building to strengthen national monitoring and evaluation will enhance data driven and evidence-based decision making.

The indicators and targets established in the UNPF Results and Resources Framework will form the basis to measure progress and determine if the UN has impacted in a meaningful way on the lives of the people of Lao PDR. The UN Country Team reiterates its commitment to working together as one, to maximize its resources and contributions in the best interests of the people of Lao PDR. The success of the UNPF will be measured primarily by Lao PDR's progress towards the graduation from LDC status and the achievement of the SDGs and other international commitments.

The UN Country Team will ensure that mechanisms for accountability and feedback are integrated into UN-supported programme design and implementation, promoting transparency, participation and learning from affected populations.

The UN Country Team and the Government will jointly monitor the progress of the UNPF as part of their commitments to aid effectiveness and accountability.



5. ESTIMATED RESOURCES

The United Nations entities are primarily providers of technical cooperation rather than funders per se. The estimated financial resource requirements are a costing of the results of the UNPF. These are met through core resources of UN organizations; non-core resources from bilateral, multilateral and private sources; government cost-sharing; and community contributions.

The estimated resource requirements total **US\$ 426,453,500** for the period 2017 - 2021, of which **US\$ 291,013,800** remains to be mobilized. The distribution of the resources as per the three thematic pillars is:

1. Inclusive Growth, Livelihoods and Resilience: **US\$ 169,833,000**
2. Human Development: **US\$ 188,920,000**
3. Governance: **US\$ 67,700,500**

The estimated resource requirements for each of the Outcomes is shown in the Financial Resources Matrix in Annex 2. These amounts are indicative. The UN is aware that while development needs for the country are still significant, the stress and slow recovery of the global economy and transition to a modern country will provide challenges related to mobilizing resources. The ambitious agenda of the UNPF will require coordinated and innovative resourcing modalities and implementation, taking into account the ongoing efforts of the respective UN agencies to achieve their mandates.

The United Nations entities are primarily providers of technical cooperation rather than funders per se.

LIST OF ANNEXES

Annex 1: UNPF Results and Resources Framework

Annex 2: Financial Resource Matrix

Annex 3: Legal Supplement for the implementation of the UNPF

Annex 4: Illustration of World Bank Group and Asian Development Bank complementarity to the three pillars of the UNPF

ANNEX 1: UNPF RESULTS AND RESOURCES FRAMEWORK 2017 - 2021

Outcome	Indicators, Baselines, Targets	Means of Verification	Partners	Indicative Resources (USD) ¹
Pillar I: Inclusive Growth, Livelihoods and Resilience				
<p>Outcome 1: All women and men have increased opportunities for decent livelihoods and jobs</p> <p><i>Decent Livelihoods</i></p> <p>IFAD, ILO, IOM, UN Women, UNCDF, UNCTAD, UNDP, UNESCO, UNFPA, UNICEF, UNIDO, UNV, WFP</p>	<p>1.1. Percentage of total population living below the national poverty line Baseline: 23.2% (2012-2013) Target: 16.2% (2020)</p> <p>1.2. Gini coefficient Baseline: 36.2 (2012/13) Target: TBD (2021)</p> <p>1.3. Percentage of labour force in formal sector as a share of total employment rate, female/male Baseline: 15.6% (female: 15% / male: 75%) (2010) Target: 30% (female: 30% / male: 70%) (2021)</p>	<p>1.1. Lao Expenditure and Consumption Survey (2017/18)</p> <p>1.2. Lao Expenditure and Consumption Survey (2017/18)</p> <p>1.3. National Labour Force Survey data (2016, 2021)</p>	<p>Government: Ministry of Planning and Investment, Ministry of Labour and Social Welfare and other line ministries, Lao National Chamber of Commerce and Industry, Lao Federation of Trade Unions, Bank of Lao</p> <p>Other partners: World Bank, ADB, bilateral agencies, other development partners</p>	<p>IFAD: \$8,540,000 ILO: \$1,145,000 IOM: \$1,000,000 UN Women: \$1,339,000 UNCDF: \$6,500,000 UNCTAD: \$1,000,000 UNDP: \$37,700,000 UNESCO: \$40,000 UNICEF: \$3,000,000 UNIDO: \$3,957,000 UNV: \$50,000 WFP: \$1,000,000</p>
<p>Outcome 2: More people have access to social protection benefits, in particular vulnerable groups and the poor</p> <p><i>Social Protection</i></p> <p>ILO, IOM, UNDP, UNFPA, UNICEF, UNV, WFP, WHO</p>	<p>2.1. Number of formally employed workers enrolled in Social Security Fund (excluding army officials) Baseline: 230,000 (2015) Target: 300,000 (2021)</p> <p>2.2. Percentage of poor covered by social protection schemes Baseline: 80% (2015) Target: 95% (2021)</p>	<p>2.1. Annual Records of the Social Security Fund Office</p> <p>2.2. Annual Health Equity Fund data</p>	<p>Government: Ministry of Labour and Social Welfare, Ministry of Health, Ministry of Education and Sports, and other line ministries, Lao National Chamber Of Commerce And Industry, Lao Federation of Trade Unions</p> <p>Other partners: Australia DFAT, Oxfam, CARE International, Non-Profit Associations</p>	<p>ILO: \$1,015,000 IOM: \$1,500,000 UNICEF: \$2,000,000 UNV: \$70,000 WFP: \$8,100,000 WHO: \$1,000,000</p>

¹ Budgets are indicative and may be subject to changes by the governing bodies of UN Agencies and by internal management decisions.

<p>Outcome 3: Forests and other ecosystems are protected and enhanced, and people are less vulnerable to climate-related events and disasters</p> <p><i>Climate Change, Disaster Management and Environment</i></p> <p>FAO, IFAD, IOM, UN-Habitat, UNDP, UNESCO, UNEP, UNICEF, UNV, WFP, WHO</p>	<p>3.1. Proportion of land area covered by forest Baseline: 46% (2015) Target: 70% (2020)</p> <p>3.2. Number of persons per 100,000 directly affected by natural disasters Baseline: Being established by Ministry of Natural Resources and Environment Target: Being established by Ministry of Natural Resources and Environment</p> <p>3.3. Agricultural value affected by natural disasters and climate change Baseline: Being established by Ministry of Agriculture and Forestry Target: Being established by Ministry of Agriculture and Forestry</p> <p>3.4. (a) level of hydrochlorofluorocarbon consumption and (b) signature and ratification of the Minamata Convention on Mercury Baseline: (a) hydrochlorofluorocarbon consumption of 2.3 Ozone Depleting Potential Tonnes (2010); (b) Minamata Convention on Mercury not signed (2010) Target: (a) hydrochlorofluorocarbon consumption of 1.5 Ozone Depleting Potential Tonnes (2020); (b) Minamata Convention on Mercury signed and ratified (2021)</p>	<p>3.1. Forest Cover Assessment Report (2016, 2021)</p> <p>3.2. Annual Ministry of Natural Resources and Environment Reports</p> <p>3.3. Ministry of Natural Resources and Environment and Ministry of Agriculture and Forestry reports on 8th NSEDP</p> <p>3.4. (a) National Ozone Officer (annual); (b) Montreal Protocol Secretariat (annual).</p>	<p>Government: Ministry of Natural Resources and Environment, Ministry of Agriculture and Forestry, Ministry of Planning and Investment</p> <p>Other partners: World Bank, Asian Development Bank, International NGOs</p>	<p>FAO: \$17,750,000 IFAD: \$11,597,000 IOM: \$500,000 UN-Habitat: \$4,050,000 UNDP: \$43,430,000 UNEP: \$2,000,000 UNICEF: \$2,000,000 UNV: \$50,000 WFP: \$7,000,000 WHO: \$2,500,000</p>
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Outcome	Indicators, Baselines, Targets	Means of Verification	Partners	Indicative Resources (USD) ¹
Pillar I: Inclusive Growth, Livelihoods and Resilience				
<p>Outcome 1: All women and men have increased opportunities for decent livelihoods and jobs</p> <p><i>Decent Livelihoods</i></p> <p>IFAD, ILO, IOM, UN Women, UNCDF, UNCTAD, UNDP, UNESCO, UNFPA, UNICEF, UNIDO, UNV, WFP</p>	<p>1.1. Percentage of total population living below the national poverty line Baseline: 23.2% (2012-2013) Target: 16.2% (2020)</p> <p>1.2. Gini coefficient Baseline: 36.2 (2012/13) Target: TBD (2021)</p> <p>1.3. Percentage of labour force in formal sector as a share of total employment rate, female/male Baseline: 15.6% (female: 15% / male: 75%) (2010) Target: 30% (female: 30% / male: 70%) (2021)</p>	<p>1.1. Lao Expenditure and Consumption Survey (2017/18)</p> <p>1.2. Lao Expenditure and Consumption Survey (2017/18)</p> <p>1.3. National Labour Force Survey data (2016, 2021)</p>	<p>Government: Ministry of Planning and Investment, Ministry of Labour and Social Welfare and other line ministries, Lao National Chamber of Commerce and Industry, Lao Federation of Trade Unions, Bank of Lao</p> <p>Other partners: World Bank, ADB, bilateral agencies, other development partners</p>	<p>IFAD: \$8,540,000 ILO: \$1,145,000 IOM: \$1,000,000 UN Women: \$1,339,000 UNCDF: \$6,500,000 UNCTAD: \$1,000,000 UNDP: \$37,700,000 UNESCO: \$40,000 UNICEF: \$3,000,000 UNIDO: \$3,957,000 UNV: \$50,000 WFP: \$1,000,000</p>
<p>Outcome 2: More people have access to social protection benefits, in particular vulnerable groups and the poor</p> <p><i>Social Protection</i></p> <p>ILO, IOM, UNDP, UNFPA, UNICEF, UNV, WFP, WHO</p>	<p>2.1. Number of formally employed workers enrolled in Social Security Fund (excluding army officials) Baseline: 230,000 (2015) Target: 300,000 (2021)</p> <p>2.2. Percentage of poor covered by social protection schemes Baseline: 80% (2015) Target: 95% (2021)</p>	<p>2.1. Annual Records of the Social Security Fund Office</p> <p>2.2. Annual Health Equity Fund data</p>	<p>Government: Ministry of Labour and Social Welfare, Ministry of Health, Ministry of Education and Sports, and other line ministries, Lao National Chamber Of Commerce And Industry, Lao Federation of Trade Unions</p> <p>Other partners: Australia DFAT, Oxfam, CARE International, Non-Profit Associations</p>	<p>ILO: \$1,015,000 IOM: \$1,500,000 UNICEF: \$2,000,000 UNV: \$70,000 WFP: \$8,100,000 WHO: \$1,000,000</p>

Pillar II: Human Development

<p>Outcome 4: Children and youth enjoy better access to inclusive and equitable quality basic education and vocational skills</p> <p><i>Basic Education</i></p> <p>ILO, UN Women, UNESCO, UNFPA, UNICEF, UNV, WFP, WHO</p>	<p>4.1. Percentage of new entrants in Grade 1 of primary education with pre-school experience Baseline: 51% (girls: 52% / boys: 50%) (2015) Target: 75% (girls: 75% / boys: 75%) (2021)</p> <p>4.2. Survival rate in primary education (girls/boys) Baseline: 78% (girls: 80% / boys: 77%) (2015) Target: 93% (girls: 93% / boys: 93%) (2021)</p> <p>4.3. Proportion of youth (female/male) employed as a result of participation in vocational training programmes Baseline: 30% (2015) Target: 70% (2021)</p>	<p>4.1. Annual data by Ministry of Education and Sports: Education Management Information System</p> <p>4.2. Annual data by Ministry of Education and Sports: Education Management Information System</p> <p>4.3. Annual Reports by the Ministry of Education and Sports, and Ministry of Labour and Social Welfare; Employers' survey (2020/21)</p>	<p>Government: Ministry of Education and Sports, Ministry of Health, Nam Saat, Ministry of Labour and Social Welfare, Lao Women's Union, Lao National Chamber of Commerce and Industry, Lao Federation of Trade Unions</p> <p>Other partners: World Bank, Australian Embassy, European Union, Japan International Cooperation Agency, Save the Children, Plan International, World Vision, Child Fund, Catholic Relief Services, Southeast Asian Ministers of Education Organization</p>	<p>ILO: \$1,000,000 UN Women: \$380,000 UNESCO: \$700,000 UNICEF: \$13,000,000 UNV: \$90,000 WFP: \$15,500,000 WHO: \$750,000</p>
<p>Outcome 5: People enjoy improved access to quality health services, and water, sanitation and hygiene</p> <p>Health, Water and Sanitation</p> <p>IAEA, IOM, UN-Habitat, UNAIDS, UNESCO, UNFPA, UNICEF, UNODC, UNV, WFP, WHO</p>	<p>5.1. Maternal mortality ratio Baseline: 197 per 100,000 (2015) Target: 160 per 100,000 (2020)</p> <p>5.2. Under-five mortality rate, girls/boys Baseline: 79 per 1,000 (girls: 83 per 1,000 / boys: 95 per 1,000) (2012) Target: 40 per 1,000 (girls and boys) (2020)</p> <p>5.3. Percentage of population using an improved drinking water source and sanitation facility Baseline: 76% water supply coverage (2015); 71% sanitation coverage (2015) Target: 90% water supply coverage (2020); 80% sanitation coverage (2020)</p>	<p>5.1. Annual global UN estimate</p> <p>5.2. Lao Social Indicator Survey (2016/17)</p> <p>5.3. Annual UNICEF/WHO Joint Monitoring Programme estimates; Annual Ministry of Public Works and Transport data; Annual Ministry of Health data</p>	<p>Government: Ministry of Health; Mother and Child Health Commission; Ministry of Public Works and Transport</p> <p>Other partners: ADB, World Bank, Luxembourg Government, Japan International Cooperation Agency, Korea International Cooperation Agency, Korea Foundation for International Healthcare, Korea Ministry of Health and Welfare, Department of Foreign Affairs and Trade/Australia, Commission on Information and Accountability for Women's and Children's Health, Global Fund, GAVI Alliance</p>	<p>IAEA: \$900,000 IOM: \$700,000 UN-Habitat: \$2,400,000 UNAIDS: \$1,000,000 UNESCO: \$30,000 UNFPA: \$16,625,000 UNICEF: \$18,000,000 UNODC: \$750,000 UNV: \$50,000 WFP: \$9,550,000 WHO: \$14,750,000</p>

<p>Outcome 6: The most vulnerable people benefit from improved food security and nutrition</p> <p><i>Food Security and Nutrition</i></p> <p>FAO, IAEA, IFAD, UN-Habitat, UNDP, UNICEF, UNODC, UNV, WFP, WHO</p>	<p>6.1. Percentage of children under 5 years of age affected by stunting Baseline: 44% (girls 43% / boys 46%) (2012) Target: 34% (girls and boys) (2021)</p> <p>6.2. Prevalence of undernourishment in the population Baseline: 22% (2014) Target: 10% (2021)</p> <p>6.3. Percentage of rural households with poor and borderline food consumption Baseline: 11.2% (2013) Target: 8% (2021)</p>	<p>6.1. National Nutrition Survey (2016); Lao Social Indicator Survey (2016-2017)</p> <p>6.2. Annual FAOSTAT data</p> <p>6.3. Annual Risk and Vulnerability Survey, and biennial Government/ WFP Food Security Assessment</p>	<p>Government: Ministries of Public Health, Agriculture and Forestry, Education and Sports, Planning and Investment, Lao Women Union</p> <p>Other partners: European Union, World Bank, USAID, Swiss Development Cooperation, Save the Children, Plan, Care International, World Vision, Helvetas, Oxfam</p>	<p>FAO: \$13,000,000 IAEA: \$660,000 IFAD: \$18,285,000 UN-Habitat: \$2,200,000 UNDP: \$3,570,000 UNICEF: \$13,000,000 UNODC: \$7,480,000 UNV: \$50,000 WFP: \$33,250,000 WHO: \$1,250,000</p>
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Pillar III: Governance

<p>Outcome 7: Institutions and policies at national and local level support the delivery of quality services that better respond to people's needs</p> <p><i>Institution Building</i></p> <p>FAO, IFAD, IOM, UN-Habitat, UNCDF, UNCITRAL, UNDP, UNFPA, UNICEF, UNV, WFP, WHO</p>	<p>7.1. Number of new households receiving 2 or more basic services from their districts Baseline: 373,948 households (2015) Target: 600,000 households (2021)</p> <p>7.2. Percentile rank on the aggregate Government Effectiveness Indicator Baseline: 39.4 (2014) Target: 45 (2021)</p> <p>7.3. Extent to which National Socio-Economic Development Plan monitoring informs evidence-based policy making Baseline: Limited extent (2015) Target: Large extent (2021)</p>	<p>7.1. Governance and Public Administration Reform Project Annual Progress Reports</p> <p>7.2. Annual World Bank Worldwide Governance Indicator</p> <p>7.3 Annual progress reports on the National Plan implementation</p>	<p>Government: Ministry of Home Affairs, Ministry of Finance, Ministry of Planning</p> <p>Other partners: State Audit Organization, Non-Profit Associations, European Union</p>	<p>IFAD: \$11,733,000 IOM: \$1,000,000 UN-Habitat: \$550,000 UNCDF: \$2,700,000 UNCITRAL: \$30,000 UNDP: \$9,600,000 UNFPA: 3,375,000 UNICEF: \$3,000,000 UNV: \$120,000 WFP: \$10,600,000 WHO: \$1,250,000</p>
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<p>Outcome 8: People enjoy improved access to justice and fulfillment of their human rights</p> <p><i>Access to Justice</i></p> <p>ILO, UN Women, UNCITRAL, UNDP, UNFPA, UNICEF, UNODC, UNV</p>	<p>8.1. Number of people's grievances redressed through courts and village mediation units using legal aid services Baseline: Formal Courts 4,000; Village Mediation Units 4,746 (2015) Target: Formal Courts: 7,000 Village Mediation Units: 8,000 (2021)</p> <p>8.2. Number of Laws certified by the Ministry of Justice that are compliant with requirements of drafting / amending and public consultations Baseline: 0 (2014) Target: 8 (by 2021)</p> <p>8.3. Percentage of accepted recommendations of the second Universal Periodic Review cycle implemented Baseline: 0 (2015) Target: 60% / 70 of 116 (2021)</p> <p>8.4. Percentage of women in National Assembly, and in leadership positions in state and party Baseline: 27.5% in National Assembly (2016); 6.06% in leadership positions in state and party (2013) Target: 35% in National Assembly and 20% in leadership positions in state and party (2021)</p>	<p>8.1. Annual data from Peoples' Supreme Court and Ministry of Justice</p> <p>8.2. Law-making Baseline Report (2015); annual reports foreseen</p> <p>8.3. Annual Reports on the Universal Periodic Review Action Plan</p> <p>8.4. Annual National Assembly Reports; Ministry of Home Affairs Reports</p>	<p>Government: Ministry of Justice, Ministry of Foreign Affairs, Ministry of Public Security, Office of Supreme People's Prosecutor, People's Supreme Court, National Commission for the Advancement of Women</p> <p>Other partners: Lao Bar Association, International Development Partners</p>	<p>ILO: \$220,000 UN Women: \$930,000 UNCITRAL: \$12,500 UNDP: \$9,000,000 UNICEF: \$6,000,000 UNODC: \$7,500,000 UNV: \$80,000</p>
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ANNEX 2 – UNPF FINANCIAL RESOURCES MATRIX 2017-2021¹

Outcome	Available Funds	Funding Gap	Total
Outcome 1: All women and men have increased opportunities for decent livelihoods and jobs	\$16,562,000	\$48,709,000	\$65,271,000
Outcome 2: More people have access to social protection benefits, in particular vulnerable groups and the poor	\$1,945,000	\$11,740,000	\$13,685,000
Outcome 3: Forests and other ecosystems are protected and enhanced, and people are less vulnerable to climate-related events and disasters	\$30,172,200	\$60,704,800	\$90,877,000
Outcome 4: Children and youth enjoy better access to inclusive and equitable quality basic education and vocational skills	\$4,830,000	\$26,590,000	\$31,420,000
Outcome 5: People enjoy improved access to quality health services, and water, sanitation and hygiene	\$20,515,000	\$44,240,000	\$64,755,000
Outcome 6: The most vulnerable people benefit from improved food security and nutrition	\$41,005,000	\$51,740,000	\$92,745,000
Outcome 7: Institutions and policies at national and local level support the delivery of quality services that better respond to people's needs	\$18,318,000	\$25,640,000	\$43,958,000
Outcome 8: People enjoy improved access to justice and fulfillment of their human rights	\$2,092,500	\$21,650,000	\$23,742,500
Total	\$135,439,700	\$291,013,800	\$426,453,500

¹ The United Nations entities are primarily providers of technical cooperation rather than funders per se. The estimated financial resource requirements are a costing of the results of the UNPF. These are met through core resources of UN organizations; non-core resources from bilateral, multilateral and private sources; government cost-sharing; and community contributions. The estimated resource requirements total US\$ 426,453,500 for the period 2017-2021, of which US\$ 291,013,800 remains to be mobilized.

ANNEX 3 - LEGAL SUPPLEMENT FOR THE IMPLEMENTATION OF THE UNPF

Whereas the Government of Lao PDR (hereinafter referred to as “the Government”) has entered into the following:

- a) With the Food and Agriculture Organization (FAO) of the United Nations the Agreement for the opening of the FAO Representation in Lao PDR on 29 August 1978.
- b) With the International Atomic Energy Agency (IAEA) the Revised Supplementary Agreement Concerning the Provision of Technical Assistance by the IAEA (RSA) on 16 January 2014.
- c) With the International Fund for Agricultural Development (IFAD) the ratification of the Agreement establishing IFAD on 13 December 1978 and the Host Country Agreement establishing country office on 23 July 2012.
- d) With the International Labour Organization (ILO) the Agreement between the UN, ILO, FAO, UNESCO, ICAO, WHO and the Government of Lao PDR relating to Technical Assistance signed in Vientiane and in New York on 1 and 18 June 1954 (came into force on 18 June 1954).
- e) With the International Organization for Migration (IOM) a Memorandum of Understanding between the Ministry of Labour and Social Welfare and IOM of 4 April 2016. It is also noted that the IOM Office was opened in Vientiane in April 2007 following the signing of a Memorandum of Understanding between the Ministry of Labour and Social Welfare, Lao Women’s Union and IOM. It is further noted that IOM enjoys privileges and immunities in Lao PDR based on the above-mentioned MoUs, its nature as an international organization and Council Resolution No. 1266 (CIII) of 26 November 2013 on Improving the Privileges and Immunities Granted to the Organization by States. Nothing stated in UNPF affects the privileges and immunities of IOM as an international organization.
- f) With the United Nations Human Settlements Programme (UN-Habitat) an exchange of letters dated 22 November 2004, and subsequent Memorandum of Understanding with the Government of Lao PDR, dated 7 September 2009.
- g) With United Nations Entity for Gender Equality and the Empowerment of Women (UN Women) through the Standard Basic Assistance Agreement (SBAA) signed by UNDP and the Government of Lao PDR on 10 October 1988, to be applied, mutatis mutandis, to UN Women.
- h) With the United Nations Programme on HIV/AIDS (UNAIDS) through the Standard Basic Assistance Agreement (SBAA) signed by UNDP and the Government of Lao PDR on 10 October 1988, to be applied, mutatis mutandis, to UNAIDS.
- i) With the United Nations Capital Development Fund (UNCDF) through the Standard Basic Assistance Agreement (SBAA) signed by UNDP and the Government of Lao PDR on 10 October 1988, to be applied, mutatis mutandis, to UNCDF.
- j) With the United Nations Commission on International Trade Law (UNCITRAL), established by the General Assembly in 1966 (Resolution 2205(XVI) of 17 December 1966) with the mandate to further the progressive harmonization, unification and modernization of the law of international trade, as Non-Resident Agency, through its Regional Centre for Asia and the Pacific (UNCITRAL-RCAP), established at UNCITRAL’s forty-fourth session (A/66/17), and welcomed by the UN General Assembly (A/RES/66/94), with the mandate to provide technical assistance and capacity building to States in the region on international trade norms and standards, in particular those elaborated by UNCITRAL, and to coordinate activities with international and regional organizations active in trade law reforms.
- k) With the United Nations Development Programme (UNDP) a basic agreement to govern UNDP’s assistance to the country (Standard Basic Assistance Agreement (SBAA), which was signed by both parties on 10 October 1988. Based on Article I, paragraph 2 of the SBAA, UNDP’s assistance to the Government shall be made available to the Government and shall be furnished and received in accordance with the relevant and applicable resolutions and decisions of the competent UNDP organs, and subject to the availability of the necessary funds to the UNDP. In particular, decision 2005/1 of 28 January 2005 of UNDP’s Executive Board approved the new Financial Regulations and Rules and along with them the new definitions of ‘execution’ and ‘implementation’ enabling UNDP to fully implement the new Common Country Programming Procedures resulting from the UNDG simplification and harmonization initiative. In light of this decision this Lao PDR – UN Partnership Framework (UNPF) together with a work plan (which shall form part of this UNPF, and is incorporated herein by reference) concluded hereunder constitute together a project document as referred to in the SBAA.
- l) With the United Nations Environment Programme (UNEP) through the United Nations Environment Assembly (UNEA) and the UNEA’s approval of UNEP’s Medium Term Strategy 2014-2017, 2018-2021 and related programmes of work.
- m) With the United Nations Educational, Scientific and Cultural Organization (UNESCO) through the Memorandum of Understanding between the Government of Lao PDR and UNESCO on cooperation in the domain of UNESCO’s competences, signed on 26 December 2002.
- n) With regard to the United Nations Population Fund (UNFPA), through the Standard Basic Assistance Agreement (SBAA) signed by UNDP and the Government of Lao PDR on 10 October 1988, to be applied, mutatis mutandis, to UNFPA, as confirmed in the Agreement between the Government of Lao PDR and UNFPA dated 4 April 2014.
- o) With the United Nations Children’s Fund (UNICEF) a Basic Cooperation Agreement (BCA) concluded between the Government and UNICEF on 23 August 1995.
- p) With the United Nations Industrial Development Organization (UNIDO) pending the conclusion of a Standard Basic Cooperation Agreement between the Government and UNIDO, the Government shall apply, mutatis mutandis, the provisions of the Standard Basic Assistance Agreement between the United Nations Development Programme and the Government, signed and entered into force on 10 October 1988.
- q) With the United Nations Office for Drugs and Crime (UNODC) through the Standard Basic Assistance Agreement (SBAA) signed by UNDP and the Government of Lao PDR on 10 October 1988, to be applied, mutatis mutandis, to UNODC.
- r) With the United Nations Volunteers (UNV) through the Standard Basic Assistance Agreement (SBAA) signed by UNDP and the Government of Lao PDR on 10 October 1988, to be applied, mutatis mutandis, to UNV.

- s) With the World Food Programme (WFP) a Basic Agreement concerning assistance from the WFP, which Agreement was signed by the Government and WFP on 23 August 2005.
- t) With the World Health Organization (WHO) a Basic Agreement for the provision of technical advisory assistance signed on 12 July 1960 in Vientiane and on 4 August 1960 in Manila, and a revised Basic Agreement between the Government and WHO signed on 27 February 1973 in Manila and on 7 May 1973 in Vientiane.

Assistance to the Government shall be made available and shall be furnished and received in accordance with the relevant and applicable resolutions and decisions of the competent governing structures of UN system agencies, funds and programmes.

The UNPF will, in respect of each of the United Nations system Agencies, Funds and Programmes signing, be read, interpreted, and implemented in accordance with and in a manner that is consistent with the basic agreement between such United Nations system Agencies, Funds and Programmes and the Host Government.

Programme Management and Accountability Arrangements

The programme will be nationally executed under the overall co-ordination of the Ministry of Foreign Affairs. Government Ministries, Non-Profit Associations, International Non-Governmental Organizations and UN system Agencies, Funds and Programmes will implement programme activities. The UNPF will be made operational through the development of joint work plans in key areas of joint UN support, and agency/funds/programme-specific work plans and project documents as necessary, which describe the specific results to be achieved and will form an agreement between the UN system Agencies, Funds and Programmes and each implementing partner as necessary on the use of resources.

All cash transfers to an Implementing Partner are based on the Work Plans (WPs) agreed between the Implementing Partner and the UN system Agencies, Funds and Programmes².

Cash transfers for activities detailed in work plans (WPs)¹ can be made by the UN system Agencies, Funds and Programmes using the following modalities:

1. Cash transferred directly to the Implementing Partner:
 - a) Prior to the start of activities (direct cash transfer), or
 - b) After activities have been completed (reimbursement);
2. Direct payment to vendors or third parties for obligations incurred by the Implementing Partners on the basis of requests signed by the designated official of the Implementing Partner;
3. Direct payments to vendors or third parties for obligations incurred by UN system Agencies, Funds and Programmes in support of activities agreed with Implementing Partners.

Direct cash transfers shall be requested and released for programme implementation periods not exceeding three months. Reimbursements of previously authorized expenditures shall be requested and released quarterly or after the completion of activities. The UN system agencies shall not be obligated to reimburse expenditure made by the Implementing Partner over and above the authorized amounts.

Following the completion of any activity, any balance of funds shall be refunded or programmed by mutual agreement between the Implementing Partner and the UN system Agencies, Funds and Programmes.

Cash transfer modalities, the size of disbursements, and the scope and frequency of assurance activities may depend on the findings of a review of the public financial management capacity in the case of a Government Implementing Partner, and of an assessment of the financial management capacity of the non-UN³ Implementing Partner. A qualified consultant, such as a public accounting firm, selected by the UN system Agencies, Funds and Programmes may conduct such an assessment, in which the Implementing Partner shall participate. The Implementing Partner may participate in the selection of the consultant.

Cash transfer modalities, the size of disbursements, and the scope and frequency of assurance activities may be revised in the course of programme implementation based on the findings of programme monitoring, expenditure monitoring and reporting, and audits.

Resource Mobilization

The UN system Agencies, Funds and Programmes will provide support to the development and implementation of activities within the UNPF, which may include technical support, cash assistance, supplies, commodities and equipment, procurement services, transport, funds for advocacy, research and studies, consultancies, programme development, monitoring and evaluation, training activities and staff support. Part of the UN system agencies/funds/programmes' support may be provided to Non-Governmental organizations as agreed within the framework of the individual work plans (WPs) and project documents and in line with the national legal framework.

Additional support may include access to global information systems of UN Agencies, Funds and Programmes, the network of the UN system Agencies, Funds and Programmes country offices and specialized information systems, including rosters of consultants and providers of development services, and access to the support provided by the network of UN agencies, funds and programmes.

¹ Refers to results Groups' or agency specific annual, bi-annual or multiyear work plans

² All clauses relating to Cash Transfers and the Harmonized Approach to Cash Transfers (HACT) - specific mechanisms and requirements apply only to those UN system agencies which adopted the HACT Framework as sole framework for transferring cash to partners.

³ For the purposes of these clauses, "the UN" includes the IFIs.

The UN system Agencies, Funds and Programmes shall appoint staff and consultants for programme development, programme support, technical assistance, as well as monitoring and evaluation activities.

Subject to annual reviews and progress in the implementation of the programme, the funds of the UN system Agencies, Funds and Programmes are distributed by calendar year and in accordance with the UNPF. These budgets will be reviewed and further detailed in the work plans (WPs) and project documents. By mutual consent between the Government and the UN system Agencies, Funds and Programmes, funds not earmarked by donors to the UN system Agencies, Funds and Programmes for specific activities may be re-allocated to other programmatically equally worthwhile activities.

In case of direct cash transfer or reimbursement, the UN system Agencies, Funds and Programmes shall notify the Implementing Partner of the amount approved by the UN system Agencies, Funds and Programmes and shall disburse funds to the Implementing Partner in as per schedules of UN system Agencies, Funds and Programmes.

In case of direct payment to vendors or third parties for obligations incurred by the Implementing Partners on the basis of requests signed by the designated official of the Implementing Partner; or to vendors or third parties for obligations incurred by the UN system Agencies, Funds and Programmes in support of activities agreed with Implementing Partners, the UN system Agencies, Funds and Programmes shall proceed with the payment within the number of days agreed by the UN system Agencies, Funds and Programmes.

The UN system Agencies, Funds and Programmes shall not have any direct liability under the contractual arrangements concluded between the Implementing Partner and a third party vendor.

Where the UN system Agencies, Funds and Programmes and other UN system Agencies, Funds and Programmes provide cash to the same Implementing Partner, programme monitoring, financial monitoring and auditing will be undertaken jointly or coordinated with those UN system Agencies, Funds and Programmes.

Monitoring and Evaluation

Implementing Partners agree to cooperate with the UN system Agencies, Funds and Programmes for monitoring all activities supported by cash transfers and will facilitate access to relevant financial records and personnel responsible for the administration of cash provided by the UN system Agencies, Funds and Programmes. To that effect, Implementing Partners agree to the following:

1. Periodic on-site reviews and spot checks of their financial records by the UN system Agencies, Funds and Programmes or their representatives, as appropriate, and as described in specific clauses of their engagement documents/ contracts with the UN system Agencies, Funds and Programmes
2. Programmatic monitoring of activities following the UN system Agencies, Funds and Programmes' standards and guidance for site visits and field monitoring, special or scheduled audits.

Each UN Agency, Fund and Programme, in collaboration with other UN system Agencies, Funds and Programmes (where so desired and in consultation with the respective coordinating Ministry) will establish an annual audit plan, giving priority to audits of Implementing Partners with large amounts of cash assistance provided by the UN system Agencies, Funds and Programmes, and those whose financial management capacity needs strengthening. The audits will be commissioned by the UN system Agencies, Funds and Programmes and undertaken by private audit services.

Commitments of the Government

The Government will support efforts of the UN system Agencies, Funds and Programmes to raise funds required to meet the needs of this UNPF and will cooperate with the UN system Agencies, Funds and Programmes including: encouraging potential donor Governments to make available to the UN system Agencies, Funds and Programmes the funds needed to implement unfunded components of the programme; endorsing efforts of the UN system Agencies, Funds and Programmes to raise funds for the programme from other sources, including the private sector both internationally and in Lao PDR; and by permitting contributions from individuals, corporations and foundations in Lao PDR to support this programme which will be tax exempt for the Donor, to the maximum extent permissible under applicable law.

Cash assistance for travel, stipends, honoraria and other costs shall be set at rates commensurate with those applied in the country, but not higher than those applicable to the United Nations system (as stated in the ICSC circulars).

The Government will honour its commitments in accordance with the provisions of the cooperation and assistance agreements outlined above.

The Government shall apply the provisions of the General Convention and the Specialized Agencies Convention on the Privileges and Immunities of the United Nations Agencies, Funds and Programmes to their property, funds, and assets and to its officials and consultants. In addition the Government will accord to the UN system Agencies, Funds and Programmes and their officials and to other persons performing services on behalf of the UN system Agencies, Funds and Programmes, the privileges, immunities and facilities as set out in the cooperation and assistance agreements between the UN system Agencies, Funds and Programmes and the Government. In addition, it is understood that all United Nations Volunteers shall be assimilated to officials of the UN system Agencies, Funds and Programmes, entitled to the privileges and immunities accorded to such officials under the General Convention

or the Specialized Agencies Convention. The Government will be responsible for dealing with any claims, which may be brought by third parties against any of the UN system Agencies, Funds and Programmes and its officials, advisors and agents. None of the UN system Agencies, Funds and Programmes nor any of their respective officials, advisors or persons performing services on their behalf will be held responsible for any claims and liabilities resulting from operations under the cooperation and assistance agreements, except where it is mutually agreed by Government and a particular UN system Agency, Fund or Programme that such claims and liabilities arise from gross negligence or misconduct of that UN system Agency, Fund or Programme, or its officials, advisors or persons performing services.

Without prejudice to the generality of the foregoing, the Government shall insure or indemnify the UN system Agencies, Funds and Programmes from civil liability under the law of the country in respect of vehicles provided by the UN system Agencies, Funds and Programmes but under the control of or use by the Government.

Nothing in this Agreement shall imply a waiver by the UN or any of its Agencies, Funds and Programmes of any privileges or immunities enjoyed by them or their acceptance of the jurisdiction of the courts of any country over disputes arising of this Agreement.

Nothing in or relating to this document will be deemed a waiver, expressed or implied, of the privileges and immunities of the United Nations and its subsidiary organs, including WFP, whether under the Convention on the Privileges and Immunities of the United Nations of 13th February 1946, the Convention on the Privileges and Immunities of the Specialized Agencies of 21st November 1947, as applicable, and no provisions of this Note Verbale or any Institutional Contract or any Undertaking will be interpreted or applied in a manner, or to an extent, inconsistent with such privileges and immunities.

A standard Fund Authorization and Certificate of Expenditures (FACE) report, reflecting the activity lines of the work plan (WP), will be used by Implementing Partners to request the release of funds, or to secure the agreement that UN system Agencies, Funds and Programmes will reimburse or directly pay for planned expenditure. The Implementing Partners will use the FACE to report on the utilization of cash received. The Implementing Partner shall identify the designated official(s) authorized to provide the account details, request and certify the use of cash. The FACE will be certified by the designated official(s) of the Implementing Partner.

Cash transferred to Implementing Partners should be spent for the purpose of activities and within the timeframe as agreed in the work plans (WPs) only.

Cash received by the Government and national NPA Implementing Partners shall be used in accordance with established national regulations, policies and procedures, in particular ensuring that cash is expended for activities as agreed in the work plans (WPs), and ensuring that reports on the utilization of all received cash are submitted to the UN system Agencies, Funds and Programmes within six months after receipt of the funds. Where any of the national regulations, policies and procedures are not consistent with international standards, the UN system Agency, Fund or Programme financial and other related rules and regulations, policies and procedures will apply.

In the case of international NGO/CSO and IGO Implementing Partners cash received shall be used in accordance with international standards in particular ensuring that cash is expended for activities as agreed in the work plans (WPs), and ensuring that reports on the full utilization of all received cash are submitted to the UN Agencies, Funds and Programmes within six months after receipt of the funds.

To facilitate scheduled and special audits, each Implementing Partner receiving cash from UN Agencies, Funds and Programmes will provide UN system Agencies, Funds and Programmes or its representative with timely access to:

- All financial records which establish the transactional record of the cash transfers provided by UN Agencies, Funds and Programmes, together with relevant documentation;
- All relevant documentation and personnel associated with the functioning of the Implementing Partner's internal control structure through which the cash transfers have passed.

The findings of each audit will be reported to the Implementing Partner and relevant UN system Agency, Fund or Programme. Each Implementing Partner will furthermore:

- Receive and review the audit report issued by the auditors.
- Provide a timely statement of the acceptance or rejection of any audit recommendation to the UN system Agency, Fund or Programme that provided cash (and where the SAI has been identified to conduct the audits, add: and to the SAI) so that the auditors include these statements in their final audit report before submitting it to the UN system Agency, Fund or Programme.
- Undertake timely actions to address the accepted audit recommendations.

Report on the actions taken to implement accepted recommendations to the UN system Agency, Fund or Programme (and where the SAI has been identified to conduct the audits, add: and to the SAI), on a quarterly basis (or as locally agreed).

ANNEX 4. ILLUSTRATION OF WORLD BANK GROUP AND ASIAN DEVELOPMENT BANK COMPLEMENTARITY TO THE THREE PILLARS OF THE UNPF

Under the Lao PDR – UN Partnership Framework (2017-2021), the UN Team will collaborate with the World Bank Group under its Country Partnership Framework (2017-2020) and the Asian Development Bank under its Country Partnership Strategy (2017-2021) towards the achievement of common objectives as spelled out in the 8th National Socio-Economic Development Plan (2016-2021) and the Sustainable Development Goals. Below the tentative linkages are outlined¹.



¹ The information is as of 30 June 2016 and is subject to change based on the World Bank Group's Country Partnership Framework 2017-2020 and ADB Country Partnership Strategy 2017-2021.





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