



# VOICES FOR INCLUSIVE AND SUSTAINABLE GROWTH

Lao PDR Country Partnership Strategy  
Civil Society Stakeholder Consultation

ASIAN DEVELOPMENT BANK



ADB

# **Voices for Inclusive and Sustainable Growth**

## *Lao PDR Country Partnership Strategy*

### *Civil Society Stakeholder Consultation*

## **Introduction**

As part of the preparation of the proposed country partnership strategy (CPS) 2017–2021 for the Lao People’s Democratic Republic (Lao PDR), the Asian Development Bank (ADB) organized stakeholder consultations with government, development partners, private sector, and civil society between 20 May and 20 June 2016.

The consultation workshop with civil society organizations (CSO) was held at the Learning House in Vientiane in May 2016. Throughout the consultations, ADB sought to share the proposed strategic direction of the new CPS that is aligned with the Government of the Lao PDR’s 8th Five-Year National Socio-Economic Development Plan (NSEDP) 2016–2020, and obtain ideas from CSOs about the relevance and effectiveness of proposed CPS strategic directions.

Discussions during the consultations focused on where and how ADB could be most effective in supporting the Lao PDR’s socioeconomic development, recognizing the added value CSOs bring to the development process.

The consultations also enabled ADB to update CSOs on the development lessons from the implementation of the current CPS 2012–2016. This publication summarizes the key discussions during the consultation.

ADB will endeavor to incorporate the suggestions to address development challenges identified during the consultation workshop into the new CPS to support the Lao PDR’s efforts to achieve poverty reduction through higher, inclusive, and sustainable economic growth.

Recommendations related to specific projects will be conveyed to relevant ADB project officers for their further consideration and implementation.

## **ADB values engaging with civil society**

ADB has a long tradition of interacting with civil society groups in different contexts through policy and country strategy-level consultation and in designing, implementing, and monitoring projects.

ADB works in partnership with a broad range of CSOs to strengthen efforts to reduce poverty. Working at the grassroots level, CSOs fill a vital space in the development process, giving voice to marginalized communities, providing expertise and knowledge, testing innovative approaches to poverty reduction, and ensuring beneficiary participation in projects.



*“In the Lao PDR, strategic engagement with civil society represents opportunities to increase effectiveness of ADB operations, drive more innovative and efficient projects, reach a wider population, and manage risks.”—Sandra Nicoll, country director, the Lao PDR Resident Mission*

The ADB Midterm Review of Strategy 2020 issued in 2014 states that “ADB will work with a wide range of partners, including the private sector, CSOs, and philanthropic agents. Business process constraints to engagement with CSOs, such as CSOs being subject to ADB’s standard consultant recruitment procedures and contractual arrangements, will be identified and addressed. Greater opportunities for direct engagement of CSOs (and international organizations) on knowledge activities and with ADB projects may then be explored, while ensuring transparency and competition. CSOs will be more actively involved in the design and implementation of projects, particularly those that use grassroots participatory approaches to development, and in the monitoring of project activities and outputs. Their inputs and advice will be sought on the implementation of ADB’s safeguard policies. CSOs will also be proactively consulted on major policy review.”

## CPS preparation and CSO consultation

ADB's CPS is the primary planning instrument guiding ADB operations in a member country.

The CPS is prepared through consultation with government and other country stakeholders, including the private sector, development agencies, and civil society.

Participation in ADB operations enables support and ownership by a range of stakeholders, improves project processing and quality of entry, improves project quality during implementation, and strengthens sustainability of development results. Civil society plays a key role with their expertise and knowledge of participatory processes to improve the quality of ADB operations.

ADB's CPS 2017–2021 for the Lao PDR will be aligned with the government's 8th Five-Year NSEDP 2016–2020. In preparing the CPS, the ADB Lao PDR Resident Mission hosted a CPS consultation workshop with CSOs at the Learning House in Vientiane in May 2016.

There were 22 CSOs represented from both international nongovernment organizations and nonprofit associations from Vientiane and Savanakheth province. Other CSOs submitted comments via e-mail, bringing to 25 the total number of organizations providing inputs.



In preparing for the civil society consultation, ADB staff and the external consultants considered many factors to ensure the discussions were fruitful, open, and mutually beneficial for ADB and CSOs alike.

Six key questions were posed to the CSOs to encourage discussions around sustainable and inclusive growth, sector-specific results and improvements, and CSO-ADB engagement in the Lao PDR.

These questions include:

- In line with the 8th NSEDP and CPS objectives, how can ADB effectively support the Government of the Lao PDR in the country's development?
- What are the main constraints to achieving inclusive and sustainable growth in the Lao PDR? In what ways can ADB improve its operations to achieve this more effectively?
- In what sectors has ADB had the biggest impact (both positive and negative) on the development of the Lao PDR?
- How could ADB further improve effectiveness in these sectors?
- Given ADB's portfolio and mandate to support the Government of the Lao PDR, where are opportunities for enhancing ADB-CSO collaboration?
- What important lessons have CSOs learned from their work and beneficiaries about successful, sustainable, and inclusive growth development?

## Keys for inclusive and sustainable development growth

The consultations gave ADB an opportunity to hear from CSOs about prominent key areas for ADB strategic directions to support the government's agenda for inclusive and sustainable development growth.

Overall, CSOs commended ADB for being on the right track in supporting the Government of the Lao PDR to achieve its development objectives, in particular recognizing ADB's emphasis on gender, climate change, quality education, and the commercialization of agriculture.



*“ADB should create opportunities for CSOs to participate in ADB-financed projects, particularly small-scale projects where CSOs could help coordinate and work with community at a grassroots level.”— Khanthone Phanuvang, director, Environment Conservation and Community Development Association*

To achieve inclusive and sustainable growth in the Lao PDR, some recommendations for ADB raised during the civil society consultations include the following:

- Disabled people should be clearly identified as beneficiaries of ADB-financed projects.
- ADB should improve its operations to address balanced development in education, economics, culture, and environment, rather than only focusing on economic growth.
- CSOs are concerned about financial transparency and corruption and noted that small grants or loans, instead of large national scale project-size loans, could potentially reduce such risks of centralization in a few hands. Involving relevant stakeholders to participate in projects helps increase transparency and competitiveness.
- ADB could amplify its development results and achieve proposed strategic objectives in the CPS by engaging more closely with CSOs in the Lao PDR. CSOs can help reach remote areas and bridge gaps that other development partners cannot. Most CSOs work with communities at the grassroots level and deliver outcomes effectively and efficiently with less cost.
- ADB should support policy dialogue that contributes to legitimizing the presence of CSOs and their role in realizing the 8th NSEDP. CSOs are very open and willing to be involved in ADB operations, and are looking for ways to engage rather than just consultation and dialogue.
- ADB may consider stipulating conditions as a part of ADB's financial agreements for loans, grants, and/or technical assistance that include having partnerships with civil society in project implementation to have a clear direction for CSO engagement in the ADB operations at the project level.

*“ADB should emphasize stakeholders participation in implementing projects to ensure transparency and competitiveness. ADB should work directly with government by collaborating with other organizations who have skilled and experienced staff to monitor and evaluate its projects.”—Douangprachanh Champaphonevilay, executive director, Green Community Alliance*

## **Social impact assessment and proper actions are needed in road projects to protect migrants and reduce adverse effects on people's health**

A significant issue raised by CSOs was related to migration and health issues affecting communities as a result of road projects.



*“ADB should consider a holistic approach to road building which provides education about the risks of human trafficking, spread of diseases, and road safety. ADB should not only invest in roads but also further increase investment in the social sectors around these roads to reduce potential negative impacts.”—Vieng Akhone Souriy, chairperson, Positive Health Association*

CSOs agreed that infrastructure projects have contributed to the economic development of the Lao PDR, and roads have linked rural areas to markets, facilities, and social services they would otherwise not be able to access.

However, at the same time, ADB needs to carefully consider the social impacts and mitigate the negative effects of such projects.

For example, the negative impacts of increased migration as a result of road building is an issue to be addressed. ADB can help the government in terms of policies and laws to protect migrants. CSOs have access to parts of the population to which the government cannot provide assistance.





*“Increasing agriculture production alone is not enough. ADB can work with the government to improve standards for products in the Lao PDR to meet international quality for export.”—Sisaliao Savengseuksa, president, Association to Support the Development of Peasant Societies*

## **Boosting agricultural productivity and quality for commercialization needs an integrated planning approach in agriculture projects**

A significant challenge discussed during the consultation workshop for the agriculture sector in the Lao PDR was to promote agricultural production for commercialization. The CSOs felt that ADB’s further support for agricultural development remains relevant to the Lao PDR’s priority development needs, but ADB has to take an integrated planning approach to boost agricultural productivity and product quality for commercialization.



CSOs recognized that ADB's intervention in agriculture development in the Lao PDR has had a positive impact, especially the construction of irrigation systems and roads linking rural areas to urban areas which increase farmers' production and enhance access to markets. However, CSOs noted that many farmers across the country are struggling to expand their products for commercialization.

Even though there is a high demand for agriculture products in regional and global markets, farmers are currently unable to increase their productivity for export due to the limited arable land areas, limited rights to the land, low agricultural product quality, undiversified crops, and limited access to finance.

To address these challenges, ADB must work with the government as well as all project stakeholders including development partners, farmers, CSOs and beneficiaries, particularly in project planning and implementation stages. In addition, ADB needs to emphasize the importance of promoting diversified crop production, developing value chains, enhancing access to finance where possible, improving weak microfinance policy and legislation, and discussing land access and land tenure openly.

## **Nonformal education and quality of education should be promoted**

One of the main concerns in the Lao PDR's education sector is the low level of nonformal education, as an alternative and/or complement to formal education within the process of lifelong learning for individuals, and quality of education.

Nonformal education is very important to encourage people to stay in their own communities with opportunities to work in meaningful professions. ADB should promote instilling a sense of dignity and pride in achievement in young people. Without dignity, it is hard to tackle the issue of transparency and corruption.

## **Strong stakeholder participation and partnership can maximize opportunities for all**

There is room for CSOs to partner with ADB and participate in ADB-financed projects. CSOs believe they can play a significant role in the country's development, and much of the discussions centered on trying to understand ADB's process for engaging civil society in a meaningful and mutually beneficial way. Some comments recommended during the discussions include:

- CSO consultation during the CPS preparation was a critical first step to further engage CSOs meaningfully in ADB operations.
- Involving selected CSOs in ongoing quarterly or annual portfolio review meetings with ADB, the government, and development partners may help maximize CSOs' opportunities for their interaction with the government agencies and ADB staff who implement ADB-financed projects.
- Engaging relevant CSOs in projects including fact-finding, project design, and implementation, to ensure quality of the project results and achievements of development targets.
- Increasing the role of CSOs as implementers, monitors, and evaluators of some project components based on their specific skills, knowledge, and experience.

*“Given the fact ADB is a bank and makes loans to clients (the government), ADB can set the terms of its loan and push for civil society inclusion and engagement as part of the loan conditions.”—*  
Christopher Herink, national director,  
World Vision Laos



## Acknowledgment

The civil society consultation process benefited significantly from the strong participation of international nongovernment organizations and nonprofit associations under the overall guidance of Sandra Nicoll, country director, the Lao PDR Resident Mission.

Shunsuke Bando, the Lao PDR Resident Mission senior country specialist, and Souphavanh Phonmany, resident mission external relations coordinator, supported the consultation workshop. Elaine Thomas, social development specialist (Civil Society and Participation) of ADB's Southeast Asia Department (SERD), provided technical support and advice for the workshop. Phoukham Manipakone, operations assistant, provided administrative support to the consultation process. ADB consultant Samantha Pike facilitated the workshop and supported the preparation of this publication.

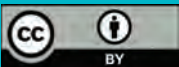
## Voices For Inclusive And Sustainable Growth

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### About the Asian Development Bank

ADB's vision is an Asia and Pacific region free of poverty. Its mission is to help its developing member countries reduce poverty and improve the quality of life of their people. Despite the region's many successes, it remains home to a large share of the world's poor. ADB is committed to reducing poverty through inclusive economic growth, environmentally sustainable growth, and regional integration.

Based in Manila, ADB is owned by 67 members, including 48 from the region. Its main instruments for helping its developing member countries are policy dialogue, loans, equity investments, guarantees, grants, and technical assistance.



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PSNARM178687



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