LAO PEOPLE’S DEMOCRATIC REPUBLIC
Some Notes on the Criteria for Prioritisation and Sequencing of Programmes/Projects/Activities in the NGPES/NSEDP

1. Accelerated economic growth that reduces poverty and enables the equitable sharing of the benefits of growth is the overall goal of the National Growth and Poverty Eradication Strategy (NGPES). The National Socio-Economic Development Plans (NSEDPs) too focus on growth and poverty reduction, with the objective of moving up the Lao People’s Democratic Republic (Lao PDR) from the ranks of the Least Developed Countries (LDCs). The Government of the Lao PDR has the main responsibility for facilitating the delivery of services\(^1\) and promoting private sector activities in a sustainable manner to achieve the overall growth and poverty reduction objectives. The services include basic social services such as education, healthcare, clean water, safe sanitation, and social services for the disabled, orphans, widows and other vulnerable groups; essential economic services such as credit, technology, training and skill formation, inputs supply, marketing, and infrastructure (e.g. roads, electricity and communications); enabling laws and regulations and their enforcement (rule of law); protection from theft, coercion and expropriation (security); and empowerment of the people through promotion of popular participation including managing development by the communities.

2. The people of Lao PDR need many things including infrastructure, technology, capacity building, capital, credit and access to markets. The Government can’t provide everything in the next five to six years, even if it had twice the projected resources. Therefore, prioritizing the needs and sequencing the programmes, projects and activities is essential for implementation of the NGPES, the annual plan for 2005-06 and the next five-year NSEDP.

3. Keeping in mind the above, the following criteria for prioritisation and sequencing of activities are suggested for consideration:

   (i) Importance of the activity for improved service delivery in the next five to six years. Is it essential? Who are waiting for or demanding this service? Can we make do with the existing facilities/equipment, personnel, etc., to improve service delivery for the next five to six years?

   (ii) Is it needed now, two years from now, five years from now, ten years from now, or fifteen-years from now, to achieve the growth and poverty reduction objectives?

\(^1\) In many least developed countries, the Government is often the main actor in the delivery of essential services. However, keeping in view the capacity limitations in the Government and the increasing emphasis on promoting the private sector, the Government should encourage and facilitate the delivery of at least a significant proportion of the services by the private sector and civil society organisations including religious organisations (in such sectors as education, health care, banking and credit including micro-credit) to fill the (remaining) gaps in service delivery to meet the increasing demand.
(iii) Can the activity be undertaken with existing capacity in the Government? If capacity strengthening is required, what type, for how long and how much would it cost? How should we strengthen the capacity required before launching the activity?

(iv) Can the activity (or facility) be maintained and sustained? Will there be technical capacity/skills to repair, maintain and operate? Should we strengthen the capacity required as part of the activity?

(v) Will there be adequate funds to cover recurrent costs including operation and maintenance?

(vi) Does the success of the activity depend on actions (programmes) of other Government entities (e.g. building schools and health centers under a donor-funded project will yield benefits only if the Ministries of Education and Public Health appoint personnel and allocate funds for operation; Will the schools/clinics have access to roads, water supply, sanitation and electricity? etc.)? What arrangements have been made to ensure this?

(vii) Are the benefit flows from the activity dependent on actions by the private sector? (e.g. Technical and Vocational Education and Training courses must be designed based on the demand for skills identified by private sector employers)

(viii) Would other actors (e.g. private sector and civil society including religious organisations and/or communities) be willing and able to provide all or a part of the service(s)? How can Government actions be linked to actions of other actors in this area? Will Government actions encourage (crowd-in) or discourage/displace (crowd-out) actions by others?

(ix) Which groups of people (e.g. poor, women, other groups) will benefit from the activity?

(x) Can the beneficiaries afford to pay all or some of the costs? Are there suitable mechanisms and capacity to collect the revenue from the beneficiaries? How much of the cost can be recovered?

(xi) What will happen if the Government does not undertake the activity? Will some people provide the service for themselves (e.g. private wells for water supply and generators for electricity)? Can the Government activity be directed to serve better those that cannot provide the service for themselves (such as the poor and those in remote areas)?

(xii) Would the net benefits increase or decrease if the activity is postponed by, say two-years, five-years, etc. (based on a rough cost-benefit analysis)?

Most of the activities proposed for inclusion in the budget and the Public Investment Programme (PIP) could be assessed using the above criteria.