



**Managing the relationship between the government and local Non-Government
Organisations in Laos.**

by

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Abstract

Since the 1990s, the Non-governmental organisations (NGOs) have become increasingly popular in global governance as important actors in development. Working alongside with the government, NGOs provide basic services, in developing countries where the governments are unable or incompetent to provide basic services to all. This paper seeks to better understand the nature of relationships between governmental and NGOs in Laos through the lens of the Four Cs of government-NGOs relationships framework: Cooperation, Complementarity, Co-optation, and Confrontation. It analysed annual reports of five None-Profit Associations (NPAs) 2018 to gain a deeper understanding about the ways in which the Lao government regulates and governs local NGOs in the development context, and how NGOs portray their relationship with the government. Based on the reports, the relationship can be classified as co-optation in the way that all local development NPAs in Laos have to comply with the government 's regulations and harmonise all their activities with the government policies. As well as coordinating with related government agencies in implementing their programs. Moreover, local NPAs are viewed as arms or implementers of the government's policies, they work as supplementary to the government agencies in providing basic services to the people in need where the government is incapable to reach due to lack budget and human resource. The thesis is also highlighting some challenges in managing the relationship between the government and local NPAs in Laos including 1) power asymmetry, lack of trust, inadequate resources. It argues that the relationship can be improved by 1) the country determined for achieving global development agenda 2030, 2) genuine donor support development projects to build trust and understanding between government and NGOs; 3) simplifying the registration process to allow more local NPAs to participate in development.

Key words: Forms of relationship between government and NGOs, None-Profits Associations in Laos, development NGOs, managing relationships

Note: in Laos, the terms NPAs, NGOs and CSOs are used in exchangeable, they all usually referred to as local development NPAs.

Declaration

“I certify that this thesis:

1. does not incorporate without acknowledgment any material previously submitted for a degree or diploma in any university; and

2. to the best of my knowledge and belief, does not contain any material previously published or written by another person except where due reference is made in the text.”

Kheuavanh Chanthaphouvong

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List of Abbreviations

NGOs	Non-Governmental Organisations
NPAs	Non-Profit Associations
CSOs	Civil Society organisations
SDGs	Sustainable Development Goals
MDGs	Millennium Development Goals
LDC	Least Developed Countries
ODA	Official Development Aid
Lao PDR	Lao's People Democratic Republic
GoL	Government of Lao PDR
MoHA	Ministry of Home Affairs, Laos
MoFA	Ministry of Foreign Affairs, Laos
UN	United Nations
UNDP	United Nations Development Programme
INGOs	International Non-Governmental Organisations
IOs	International Development organisations
OECD	Organisation for Economic Cooperation and Development
DAC	Development Assistance Committee
GDA	Gender Development Association
PEDA	Population Education and Development Association
SODA	Social Development Alliance Association
PHA	Positive Health Association
ARMI	Association for Rural Mobilisation and Improvement
RTP	Round Table Process
VDPEDC	Vientiane Declaration on Partnership for Effective Development Cooperation
CEGGA	Citizen Engagement for Good Governance Accountability and the Rule of Law Programme

Table of Contents

Abstract.....	ii
Declaration	iii
Acknowledgements.....	iv
List of Abbreviations.....	v
Chapter I: Introduction.....	1
1.1 Background Information	1
1.2 Goal and objectives	2
1.3 Structure of the thesis.....	3
Chapter II: Development NGOs, partnerships, and managing relationships.....	5
2.1.1 Development Non-Governmental Organisations (NGOs).....	5
2.1.2 Definitions of NGOs in this research	6
2.2. Partnerships between NGOs and International development organisations (IOs), INGOs in development	9
2.3. Relationship between Government and NGOs in development	11
2.3.1 Four Cs Government-NGOs relationships	12
Chapter III: The development context in Laos.....	18
3.1. Non-government organisations in Laos	18
3.2 Government mechanisms of managing NGOs	19
3.2.1 Rights and duties of Ministries, ministry-equivalent agencies.....	21
3.2.2 Rights and duties of the Ministry of Home Affairs (MOHA).....	22
3.2.3 Rights and duties of the Ministry of Finances	22
3.2.4 Rights and duties of the Ministry of Public Security	22
3.2.5 Rights and duties of the Ministry of Foreign Affairs	23
3.3 Non-profit associations (NPAs)	24
Chapter IV: Mapping the relationship between the Lao government and development NPAs	29
4.1 Introduction – forms of state engagement with NPAs.....	29
4.2 The NPAs annual report as a form of engagement.....	32
4.3. Analysing the annual reports	33
4.3.1 NPAs contribution in poverty reduction and humanitarian aid	34
4.3.2 Participation and engagement in developing government’s policies and regulations:.....	35

4.4. Analysis the annual reports considering the Four’s Cs Governments and NGOs relationships (Ends and Means)	39
Chapter V. Challenges in managing relationships between the government and NGOs in Laos.....	42
5.1. Challenges in managing the relationship.....	42
5.2 Trust and understanding.....	44
5.3. The power of donors	45
5.4. Opportunities for improvement the relationship	48
Chapter VI: Conclusion and recommendations.....	50
6.1. Conclusion.....	50
6.2. Recommendations	52
References	54
Annex 1: Duration and actual time spent in each process of registration of NPAs	61
Annex 2: Overview the five NPAs annual reports 2018	4

Chapter I: Introduction

1.1 Background Information

Non-Governmental Organisations (NGOs) or the non-profit sector have become important development actors in the effort to fill the gaps left by the state and the market failures to improve the wellbeing of the public (Salomon 1996; Lewis 2004; Lewis & Kanji 2009). The growth of NGOs has occurred in both the affluent nations of the 'North' and the low-income, aid receiving nations of the 'South' (Lewis 2004). Depending on the country, NGOs are alternatively referred to as non-profit, voluntary, independent, civil society, charities, philanthropies, associations, or third sector organisations (Najam 2000). In the Lao context, NGOs are mainly referred to as Non-profit Associations (NPAs). NGOs efforts are mainly to support the social and economic empowerment of vulnerable and disadvantaged groups through service delivery, advocacy and campaigning activities, and promote self-reliance community organisations to improve their living conditions (Lewis 2004; Lewis & Kanji 2009).

As many governments in developing countries remain incapable of providing universal public services to all, especially the poor, achieving the 2030 Sustainable Development Goals (SDGs) to end poverty, address inequalities, and climate change problems, remains a huge challenge for many least developed countries (LDC), including Laos (UN 2018; Lao CSO directory 2017). To address the key challenges and achieve the intended SDGs goals in time, the United Nations has called on all actors (governments, civil society, scientists, academia, and the private sector) to work together more effectively (UN 2018). SDG 17, 'Partnerships for Development', urges all nations to work together as partners so 'no one is left behind'. Affluent countries are asked to fulfil their official development assistance (ODA) obligations and to engage in partnership with developing countries to organise the resources required, including technology development, financial resources, and capacity building (UN 2018). For the Lao PDR, this presents opportunities and challenges to establish proper methods to create an enabling environment for the emerging Non-Profit Associations (NPAs). Only by working together in national development goals and ensuring that the resources are used effectively will the 2030 agenda be achieved.

According to a framework proposed by Najam (2000), relationships between governments and NGOs fall into four categories: cooperation, complementarity, co-optation or confrontation. Globally, there is an increasing trend in relationships between governments and NGOs towards cooperation rather than conflict (Najam 2000, p.1). However, the relationship between government and NGOs differs depending on the political, economic, cultural, and social context. In Laos, where civil society organisations have only recently emerged, there is still doubt about the role of these organisations in development. Non-Profit Associations (NPAs), as they are referred to in Laos, are viewed with some suspicion by the government as they receive international donor funding intended to strengthen civil society. Such funding could carry a hidden agenda to confront the government. Thus, the primary focus of the thesis is to provide a comprehensive understanding of the issues regarding the forms of relationship or engagement between development NPAs and the state agencies in dealing with community development matters through the case study of annual reports. By investigate and assess the relationship between the government and NGOs in Laos, with emphasis on the relationships between the government and development Non-Profit Associations. It will further investigate whether the relationship is efficient or restricting, and if restricting, what is the possible way to improve this relationship.

1.2 Goal and objectives

The goal of this research is to describe and evaluate the relationships between government and NPAs in Laos. Two questions inform this study. Firstly, what is the relationship between the Lao government and NPAs, and how is it currently managed? Currently there is limited information and understanding about the relationship between these sectors, and the mechanisms by which the government is managing NPAs. To answer this question the study will provide a discussion of the development of the NGO/NPAs sector and the government management tools in Laos, using government documents, reports, webpages and websites.

The second question this study seeks to address is this: What are the major constraints and tensions in the government-NGOs relationship, and what are the

opportunities for improving it? To explore this question, I will investigate the 2018 annual reports from five development NPAs to gain insights into the practical relationship between governments and NPAs in Laos. Najam's framework will guide this analysis.

The objectives of this research:

There are two objectives of this thesis research namely:

1. To describe and assess the current state of NGOs–government relationships in Laos; and
2. To identify the challenges and opportunities of the relationship and how it can be improved.

1.3 Structure of the thesis

This thesis is divided into six chapters in total, and the remainder of this thesis comprises five chapters.

Chapter two critically synthesises the existing literature on non-government organisations and how they relate with key stakeholders in the development context. This includes definitions of NGOs, their role in development in different countries and regions, and their relationships with government and donors.

Chapter three provides a brief overview of the Lao state and how it manages non-government organisations. This chapter comprises two parts. First it discussed the status and governance of Non-Government Organisations (NGOs), (when discuss about development NGOs in Laos the acronyms NPAs and CSOs will be used to refer to development NGOs in Laos). Then the chapter explains how the data were collected and analysed.

The chapter fourth is mapping different forms of relationships between the government and development NPAs in Laos through analysing selected annual reports produced by development NPAs reports in 2018. The focus is on their relationships with the government sectors through their working/contribution to social-economic development; challenges and needs, and funding sources and donors.

Chapter five discusses the challenges in managing of the relationship between government and NPAs in Laos. It identifies power asymmetry, trust, and donor

pressure as factors affecting the relationship between NPAs and the Government of Laos.

The concluding chapter summarises the main findings of this thesis and identifies some research limitations and suggestions for further research, as well as making recommendations for ways to improve the management of NPAs.

Chapter II: Development NGOs, partnerships, and managing relationships

2.1.1 Development Non-Governmental Organisations (NGOs)

There are many different types of NGOs which operate in various areas and activities beyond their narrow definitions of development (Lewis 2004). They become more recognised following their significant efforts in emergency relief and rebuilding after the 2004 tsunami tragedy in Indonesia, India, Thailand and Sri Lanka; and the 2005 Global Campaigns for aid and trade reforms like the 'Make Poverty History' campaign (Lewis & Kanji 2009). More importantly, NGOs have been recognised as an important development partner alongside governments since the Millennium Development Goals (MDGs) and extended to the post-2015 development agenda or the Sustainable Development Goals 2030. These events illustrate that NGOs seem to be best recognised in providing basic services delivery to groups of people in need, and organising policy advocacy and public campaigns for change (Lewis & Kanji 2009). Moreover, NGOs are also active in a broad range of other specific roles including: emergency response, democracy building, conflict resolution, human rights work, cultural preservation, environmental activism, policy analysis, research and information provision (Lewis & Kanji 2009; Begum, Zaman & Khan 2004; Deolalikar 2002; Haque 2004).

In many developing countries, active NGOs have been increasing with a great number of new organisations created to work in service delivery and growth, and to be involved in activism (Rugendyke, 2007, p.5). Since the 1980s, NGOs have made great efforts to help millions of the rural poor in many countries, for instance, Bangladesh, Indonesia, the Philippines and Thailand to improve their living conditions (Budhi 2016). In Bangladesh alone there were more than 20,000 NGOs by the end of the 1990s operating in 78 percent of the villages, and the Philippines showed a similar coverage (Deolalikar 2000, p.34). Because of their ability to better address the needs of the rural poor that the states and market have failed to deal with, NGOs have been alternative actors used to carry out development activities. NGOs step in to fulfil the gaps left by the government failures to provide adequate public services (Batley & Rose 2011). They (NGOs) are more bottom-up, effective and transparent compared with the governments (Batley & Rose 2011).

The rise of NGOs has been closely connected to the rise of financial aid or Official Development Assistance (ODA) in developing countries. For example, within just one decade between 1991 and 2002, ODA to developing nations increased from US\$ 298 million to US\$ 1246 million (Banks & Hulme 2012). In addition, northern NGOs from nations who belong to the Organisation for Economic Cooperation and Development (OECD), the group of wealthy countries, increased their spending from US\$2.8 billion in 1980 to US\$5.7 billion by 1993, and to US\$10.4 billion by 2001 (Rugendyke, 2007, p.5). By 2000, about 35,000 NGOs were operating worldwide and had become 'big business' in the development arena (Rugendyke, 2007, p.5).

More recently, Moloney (2019) confirmed that NGOs are important global actors in the development era. There are tens of thousands of NGO actors who are essential channels of aid from fellow states of the Development Assistance Committee (DAC-OECD). Around 13 percent of aid from OECD-DAC is channelled through NGOs, and in some sectors, e.g. food and humanitarian assistance, NGOs receive more than 30 percent of the funding (Moloney 2019). Moloney states that 80,000 projects are carried out by over 56 donors' nations each year through 197 bilateral and 263 multilaterals organisations, and NGOs play an active part (Moloney 2019).

2.1.2 Definitions of NGOs in this research

Students face confusing terms and acronyms that are used to describe organisations working in development. While the term NGOs is commonly used, there are often references to other similar terms including: 'non-profit', 'volunteer', 'civil society' organisations or associations. All of these terms refer to organisations of civil society that can be referred to as third sector, alongside the state as the first and the market as the second sector (Salamon, 1996, pp.9-10; Najam 2000; Tadesse & Steen 2019). The institutional landscape is understood as constituting three different sets of organisations with a division of labour, as explained by Najam (2000, p.3):

Firstly, the "state sector is primarily concerned with the preservation of social order. It does so through its legitimate authority and coercive sanction from society; represents the interests of the majority (or dominant groups); and operates in the dominion of the political structure". Secondly, the "market sector relates to the

production of goods and services”. The market works through mechanisms of negotiated economic exchange and profit maximisation; symbolises individual-self-interest; and operates in the dominion of the economic system. Thirdly, the voluntary non-profit association sector is mainly connected with the desire and needs of specific social visions; by sharing common values of communities, members and clients; signifies the interests of those who consider their interests marginalised, and operates in the dominion of civil society (Najam 2000, p.3). This conception is applied to the developed as well as the developing world, and is applied to developed as well as developing countries, although the sizes of these sectors and their interconnections and overlaps may differ from one country to another. This thesis mainly focuses on the aspects of the government and NGOs relationship, which can take different shapes ranging from legislation to informal agreement. As will be showed in chapter IV the relationship between government and NGOs in Laos is based on legislation and regulation.

In regard to the terms employed to refer to different kinds of NGOs, in many cases the terminology does not reflect any specific content or role or type of organisation, but is a result of the different cultures and histories in which NGOs have emerged. For example, in the UK, the terms ‘voluntary organisation’ or ‘charity’ are commonly used, following a historical culture of volunteering and voluntary work informed by Christian values and charity laws. In the US, the term ‘non-profit organisation’ is generally used, because the market is dominant and citizen organisations are rewarded with financial benefits if they demonstrate that they are working for the public good and not for profit (Lewis & Kanji 2009).

In some contexts, NGOs are referred to as Civil Society Organisations (CSOs) which are seen as important forces for democratisation. As independent voluntary associations of civil society they can exert pressure on governments in bringing healthy democratic governance. This is identified as a defining feature of state-civil society relationships in the literature (Tadesse & Steen 2019), and informs analysis of states CSO relationships on a spectrum from cooperation to confrontation, as will be discussed below. Lastly, the term NGO is rooted in the history of the United Nations (UN) and the most commonly used term in the development field. When the UN Charter was drawn up in 1945, the designation ‘NGO’ was granted to international non-state organisations which received consultative status (Lewis & Kanji 2009).

In the context of Laos, development NGOs are referred to as local Non-Profit Associations (NPAs) or sometimes as civil society organisations. They are not for profit, voluntary organisations, and self-reliant in terms of resources (GoL 2017). The term NGO is not commonly used in the Lao context because it suggests opposition to the government. International non-governmental organisations (INGOs) are referred to as donors and not as CSOs in the Lao context, as their main role is to provide funding. When the government uses the term CSOs in development documents, it refers only to local NPAs. In the same cooperation documents, many development partners interpret CSOs to cover both INGOs and development NPAs, and this creates a lot of confusion and misunderstanding which can cause delays in implementing many development projects. In this thesis, CSOs and NPAs will be used interchangeably as appropriate when discussing NGOs in Laos.

To summarise, development NGOs are seen as effective vehicles for delivering social, economic and political development objectives. They have gained popularity with governments and official aid agencies for two main reasons that they respond to current developments in economic and political thought (Edwards & Hulme 2013, p.4). Firstly, NGOs are viewed as effective in reaching and working for poor people as they always provide public services to the vulnerable and the poor in countries where governments lacked resources to ensure universal coverage in health and education; the trend is that currently NGOs are viewed as the preferred channel for services provision instead of the government (Edwards & Hulme 2013, p.4; Bano, 2019, p.1271). With global development agendas and targets, official aid agencies are therefore keen to support NGOs in providing basic services to those who cannot access public services, or when governments are unable to assure universal coverage in healthcare and education (Hulme 2013). Secondly, NGOs are viewed as vehicles for 'democracy and important elements of a flourishing 'civil society', which in turn is viewed as important to the success of the development agenda; NGOs are theoretically to play the role as check and balance of the government power – protecting human rights, open up channels of communication and participation, and promoting pluralism (Edwards & Hulme 2013, p.4). In view of these expectations, and the quest for aid effectiveness, it is important to examine the relationship between the government and NGOs.

2.2. Partnerships between NGOs and International development organisations (IOs), INGOs in development

This research mainly focuses on the relationships between government organisations and development NGOs. However, as it focuses on Laos as a country that is highly dependent on Official Development Aid (ODA), it is important to touch on all actors that are involved in the development process as partners. According to Schech et al. (2015), relationships in international development cooperation are labelled partnerships. Initially conceived to describe relationships between Northern and Southern NGOs, the term was adopted by the OECD in 1996 to reconceptualise donors and recipients as partners in a more people-centred, participatory, sustainable development process (Schech et al. 2015). Later, in 2000, the term became institutionalised as the goal number eight of the Millennium Development Goals (MDGs), 'a global partnership' and continued in the Sustainable Development Goals (2015-2030) as goal number 17 'partnership for the goals'. In this agenda, partnership has become the key tool to implementing all the other goals.

Partnerships imply qualities of shared goals, balance of power, shared responsibilities, trust, mutual respect and accountability, reflecting the ideal of a mutually dependent relationship based quality (Elbers & Schulpen 2013, p. 50). Writing about partnerships between Northern NGOs (NNGOs) and Southern NGOs (SNGOs), Elbers and Schulpen give three reasons why they are important. Firstly, equal relationships are a prerequisite to ensuring local ownership of development interventions and strengthen CSOs (Elbers & Schulpen 2013, p. 51). Secondly, Northern NGOs derive part of their legitimacy from the claim that they – as opposed to bi- or multilateral aid agencies – are able to have high quality relationships with their partners. Edwards and Fowler 2002 as cited in Elbers and Schulpen (2013) point out that those NNGOs that are unable to maintain equitable relationships risk losing their added value in aid system. Thirdly, for some NNGOs, partnerships have an intrinsic value that is inseparable related to their values and identity (Elbers & Schulpen 2013, p. 51). It reflects the concept that development cooperation is about people from all over the world fighting together in the face of inequity (Elbers & Schulpen 2013, p. 51). However, the relationships between Northern NGOs (NNGOs) and Southern NGOs (SNGOs) are inevitably constrained by the power inequalities of the givers (donors)

and the local aid recipients. Managing and addressing this power differential is an important challenge (Elbers & Schulpen 2013, p. 51).

This is where common objectives come into play. Although relationships between givers and recipients of aid may not be equal, shared missions to help the poor and vulnerable groups in the global society can help in defining mutually beneficial relationships. International Organisations (IOs - donor government agencies like Australia Aid, multilaterals, like UN, EU, WB) and NGOs partnerships are essential international tools to carry out international development (Brinkerhoff & Brinkerhoff 2004, p.254). Some of the reasons to embrace partnerships are: a) to improve effectiveness and efficiency over a partner on comparative advantage and a rational division of human resources; b) to provide the multi-actors, integrated solutions needed by the scope and nature of the problems being solved; c) to step up from a no-win situation between multi-actors to a compromise and potential win-win situation; and d) to open decision-making processes to promote a wider operationalisation of public good (Brinkerhoff & Brinkerhoff 2004, p. 254). The key point of partnership between the donors and local NGOs is that they are considered to benefit the public good in developing countries.

Nevertheless, there is a growing concern and criticism about inadequate donor attention concerning partnership, capacity and accountability of NGOs and scarce essential funding (Moloney 2019, p. 282). In least developed nations particularly, genuine equal partnerships between donors and NGOs is not yet possible because of the unequal international aid structure issue. In the past decades, the OECD countries have held several high-level forums in Paris (2005), Accra (2008), Busan (2011), Mexico City (2014) and Nairobi (2016) to address unequal international aid structures which gave rise to replication, unequal purposes, loss of scale, surplus administrative problems for recipient countries, and uncertainty leadership between key donors (Moloney 2019, p. 280). The 2005 Paris Declaration on Aid Effectiveness and its 12 indicators to measure effectiveness for mutual accountability among donors and NGO partnerships, and the 2008 'Accra Agenda for Action' have been key documents seeking better dialogues with developing nations on the development agenda including civil society organisations (CSOs) and other stakeholders (Moloney 2019, pp. 280-281).

Promoting partnership among actors will help to direct the development literature away from more inflexible and specifically defined pro-market or pro-state solutions (Bano 2019, p. 1270). Most frequently it is not merely the government or civil society or NGOs actors, but a cross sector of arrangements connecting various actors by which social services are carried (Bano 2019, p. 1270). According to Bano (2019, citing Brinkerhoff 2002 and Coston 1998), despite increasing studies on co-production, synergy, collaboration, and partnerships, little is known about what factors and contexts enable NGOs and governments to forge an embedded partnership for effective social-service delivery for poor people.

To summarise, strengthening relationships with NGOs is expected to improve service provision, and is closely linked to the good governance agenda. It is believed that NGO involvement will increase the participation of the general public in the planning, implementation, and monitoring of the state-operation of public service delivery programs (Bano 2019, p. 1271). This, in turn, is expected to assist developing countries to achieve the 2030 development goals.

2.3. Relationship between Government and NGOs in development

Although NGOs are recognised at the global governance level to be important players in development, the civil society in Laos is still weak. Thus, many development partners and INGOs (including UNDP, EU, SDC, Oxfam) urge the Lao government to create a more enabling environment for the emergence of civil society by developing a legal framework to legalise and legitimate civil society organisations. The government has passed two decrees on Non-Profit Associations (NPAs), No.115 (2009) and No. 238 (2017), and a Decree on Foundations (Philanthropies) No.149. Legalising the status of NPAs and CSOs will enhance space for civil society to participate in policy dialogues and the decision-making process regarding national development issues in Laos. However, it can also constrain and limit the space for civil society and be used by the government as a tool to control NPAs.

Therefore, in this research, the author is determined to investigate the forms of relationships between the government and NGOs (non-profit sector) in the international context in order to obtain an in-depth understanding of this subject. The

author will apply Najam’s (2000) conceptual framework for understanding the government-NGO relationships which is explained next.

2.3.1 Four Cs Government-NGOs relationships

As governments and NGOs are interacting more, they are likely to experience various forms of relationships, including conflicting and cooperative relationships. Conflict relationships have featured in many academic studies, but cooperation could be more common, particularly where states fund NGOs to deliver services (Davies 2019). Nevertheless, operational demands and resources flows are just two likely to be powerful forces of NGO-governments relationships. According to Najam (2000), the relationship between governments and NGOs is usually categorised into one of the four models including: confrontation, cooperation, complementarity, and co-optation. These types of relationships can be differentiated by the ends (Goals) and means (Strategies) of governments and NGOs engaged (Najam 2000; Davies 2019). Cooperation occurs when NGOs and governments share both strategies and goals, whereas a conflict or confrontation relationship occurs when NGOs have different goals and different strategies to achieve it (Najam 2000; Davies 2019). A complementary relationship occurs where NGOs and governments share similar goals but use different methods to achieve them. Lastly, co-optation relationship will be present when one actor’s resources are used to serve the ends of another actor; in this relationship, the governments and NGOs will share strategies but have different goals (Najam 2000; Davies 2019).

Figure 2.1. The Four C’s of NGO-Government Relations

		Goals (Ends)	
		Similar	Dissimilar
Preferred strategies (Means)	Similar	Cooperation (What does this mean)	Co-optation
	Dissimilar	Complementarity	Confrontation

Source: Najam 2000

Cooperation:

A cooperative relationship refers to government organisations and NGOs sharing similar policy goals and similar strategies for achieving them. Najam (2000, p.7) calls this a convergence of ends and means. Cooperative relationships are characterised by a free flow of information between the parties, and neutral government policy towards NGOs, which in turn follow government rules. This is a limited form of working together, while 'collaboration' and 'coproduction' are more expansive and involve an acceptance of formal pluralism, common goals, and shared norms, open communication, and some coordination of activities (Najam 2000, p.7). These forms of working together imply a power balance between the government and the NGO. However, sometimes 'cooperation' and 'collaboration' are considered to be different forms of government-NGO relationships which require far greater power balance in collaborative structures and 'true collaboration is uncommon' because NGOs are viewed as only implementers of the governments' policies (Coston 1998 as cited in Najam 2000, pp.7-8). According to Coston (1998, p.375), cooperation is a more lesser concept in her typology which only requires: 1) there is free flow of information, 2) NGOs follow the government's rule, and 3) government policy is impartial towards NGOs. Another definition, nevertheless, is a much more comfortable such as is indicated by Waddel (1998, p.7) that 'the popular meaning of collaboration emphasise that although partners are working together, they have substantial differences'. Furthermore, the dictionary definitions states collaboration is 'to work jointly with others' and cooperation as 'to act jointly with others' (Najam 2000, p.8). Najam further advises that cooperation here does not consider perfect power equality between the government and NGOs as a requirement for collaboration or cooperation, therefore, this model does not consider power balance as an essential as long as the means or ends being pursued by both parties (Najam 2000, p.8). Sometimes cooperation can be viewed differently by the government and NGOs. For example, in the Lao context, the government applies a legal framework to regulate the relationships between the government and NGOs, and NGO activities have to align with government policies and procedures. While the government views this legal requirement as cooperation, NGOs may view this legal framework as control. For cooperation to work, a perfect power balance is less important than the absence of

seeming risks on the part of either NGOs or governments. Where both ends and means are held in common, cooperative actions are expected because no one will think of the other's intentions or actions as a challenge or threat (Najam 2000, p.8).

Confrontation:

A confrontative relationship is possible when government organisations and NGOs consider each other's goals and strategies to be opposed to their own (Najam 2000, p.8). This happens when NGOs oppose certain policies of the government or pressure for policy change. Governments may respond through acts of coercive control or repression of NGOs.

Examples of confrontation between governments and NGOs abound. One example is the Hongsa Power Plant and Mining Project in Laos, presented by the Lao and Thai governments as sustainable poverty reduction by improving the living conditions of local communities. The Hongsa project is a coal plant and mining project in Xayaboury Province, Laos, that includes a lignite coal mine, a 1878MW coal-fire power plant, a limestone mine and two dams (ERI n.d). This is the first coal-fired power plant in Laos and one of the largest lignite mines in Southeast Asia. Experts said the project put local communities at high risk of developing cancer, breathing problems, birth defects and other diseases from environmental contamination and air pollution (ERI n.d). Earthrights International (ERI) is working with a coalition of Thai NGOs and CSOs calling for transparency and accountability for Thai outbound investment. Additionally, communities in Nan province have submitted a complaint related to the transborder impacts of the projects and its transmission lines to the Human Rights Commission of Thailand (ERI n.d). In this example, both ends and means are contrasted. Although confrontation does frequently indicate opposition – particularly when states exert their coercive power and NGOs use public protest as a strategy, confrontation need not necessarily be hostile (Najam 2000, p. 9).

Complementarity:

A complementarity relationship between governments and NGOs refers to when governments and NGOs share similar goals but prefer different strategies. Najam (2000, citing Coston 1998 and Young 1998 p.10), identifies complementarity as 'a partnership or contractual relationship between government and NGOs to mutual advantage'. This may involve the government funding NGOs to provide public

services. Moreover, complementarity relationship can be seen as being similar to symbiosis, 'coexisting to mutual advantage, more often to the point of mutual exploitation' (Najam 2000, p.10).

In addition, the concept of the complementarity relationship is most reciprocal in the service provision scope where NGOs, in developing as well as developed nations, step in to fulfill a function that might otherwise be likely to be performed by governments but which governments are incapable or unwilling to perform (Najam 2000, p.10). For instance, in Pakistan, the Aga Khan Rural Support programme operating in the northern mountainous areas of the country shares many goals with the government, such as enabling the poor to access clean water, decent housing, and generate incomes. However, the preferred policy strategy for governmental organisations in the country is to attain these goals through top-down engineering and managerial mechanisms. For these NGOs, the preferred strategy is to reach the goals through bottom-up participatory community development. The result is an ongoing complementary relationship between these NGOs and the government where they have a tendency to work separately but not adversarialy (Najam 2000, p.10).

Co-optation:

A co-optation relationship refers to when governments and NGOs share similar strategies but have different goals (Najam 2000, p.10). Co-optation is usually seen as a negative action that governments attempt to do to NGOs, but arguably, there also exists a positive face of co-optation; as an important feature in the approach in the competition for ideas in the policy market. Whereas use of a specific tactic may be doubtful, influencing the opinions of others parties is a legitimate goal (Najam 2000, p.11). In practice, NGOs are less fruitful in their efforts to initially influence change in the governmental organisations, than the government using the legal means to influence or manipulate the NGOs actions or co-opting NGOs, despite NGOs having a long illustrated record of influencing government policy to represent their interest. Circumstances where governments and NGOs have similar preferences relating to means, but different ends, are likely to be unstable and one or both sides will try to change the goals of the other. The relationship can linger into mutual manipulation, turn into outright confrontation, or one could become convinced that its ends are a sub-set of the ends of the other. It is the power asymmetry that will decide whether and which side gives in or gives up (Najam 2000, p.11). But if, and when, that occurs

the unstable would be resolved as the relationship moved to one of the other three approaches. Najam cites an example from Kenya, where a number of organisations being targeted in a government clamp-down were, in practice, undertaking activities (means) mostly similar to government programmes – such as primary education, health services provision, etc. However, while the means were similar, the government's purpose was to solidify one-party-rule, while the goal being pursued by some NGOs was enticing people towards plural democracy (Najam 2000, p.11). As a result of the crackdown, a number of civil society organisations just gave up and dissolved, others gave in and turned into government organised NGOs (GONGOs), and a few organisations decided to brave the oppressive environment and stepped into a relationship of dangerous confrontation (Najam 2000, p.11). Najam contends that co-optation is a function of power, the source of power can be wide-ranging: financial, political, coercive, even believing. In studying government-NGOs interactions it is important to focus on the resulting relationship rather than only observing the specific attitudes of the one towards the other. Furthermore, it is contended that in understanding cooperation, complementary, confrontation or co-optation government-NGOs relationships as matters of strategic institutional choice, and explaining them by separating and joining institutional interests are likely to arrive at more applicable and healthy clarifications. However, it is recognised that the final form of relationships is the function of decisions made by governments as well as NGOs (Najam 2000, p.12).

A similar framework is proposed by Young (2006), who identifies three types of relationships: “complementary, supplementary, and adversarial. In the complementary mode, NGOs and governmental organisations (GO) jointly deliver public goods and services. For the supplementary mode, NGOs voluntarily provide public goods and services. In the adversarial mode, NGOs try to influence policy outcomes”.

In practice, there are substantial challenges facing government-NGO relationships and the concept of civil society participation is controversial or not widely implemented in a number of countries (Budhi 2016). In such countries, NGO's activities are highly restricted by the government (Budhi 2016). In some cases,

government-NGO cooperation does not occur willingly, but results from the influence of international donors or development partners, and sometimes there are donors' agendas, such as democratisation involved (Haque 2004). Another issue is that NGOs have to balance their goals and strategies with those of international donors on whose financial support they depend (Banks & Hulme 2012; Fowler 2000; Haque 2004). This means that NGOs tend to be accountable to their donors rather than to the host governments or to the rural poor they are supposed to help (Haque 2004; Banks & Hulme 2012).

Chapter III: The development context in Laos

Lao PDR is a one-party state located in South East Asia which shares borders with Myanmar, Cambodia, China, Thailand, and Vietnam. The Constitution of Lao PDR was endorsed in 1991. Politically, the country has opened noticeably in recent years by ratifying six out of nine core human rights agreements, building a more enabling environment for civil society and more active regional and international integration. The country joined ASEAN in 1997, the WTO in 2013 and the ASEAN Economic Community (AEC) in 2015 (UNDP Laos 2020; Sims 2018). Laos has approximately 6.5 million people, most of them (around 68 percent) living in rural and remote areas (UNDP Laos 2020). Although the country has made a substantial progress in poverty reduction over the past few decades, with poverty rates reducing from 46 percent in 1992 to 23 percent in 2015, Laos is still on the list of least developed countries (LDC) (UNDP Laos 2020; Sims 2018; ADB 2011). Despite achieving the MDG target of halving poverty, the huge challenge for Laos is to affirm that the country's development has benefitted all citizens equally (UNDP Laos 2020). In other words, the core development challenge for the country is to ensure the benefits from high economic growth rates, of around more than 7 percent for the past years, are equally shared and construed into inclusive and sustainable human development (UNDP Laos 2020). Therefore, it is important for the government to work as a long-term partner with civil society organisations to overcome challenges and attain the Lao National Social Economic Development Strategy (2016-2025) and the SGDs 2030 (Lao CSO directory 2017).

3.1. Non-government organisations in Laos

In Laos, the relationship between government and the non-profit associations (NPAs) is not well described. While there is increasing discussion about a space for participation in decision-making, development NPAs were not officially recognised and represented in the formal donor partnership mechanisms, such as the Round Table Process (RTP), or related sector working groups (ADB 2011). Whereas INGOs have received greater success in working with donors in these High-Level Forums, NPAs (local NGOs) remain excluded from the formal development coordination processes. Part of the problem is that NPAs are difficult to distinguish from other mass

organisations (Trade Unions, Youth Unions, Lao Women Union, Lao Front for National Construction) which are governmental organisations. It also shows the concern that NGOs are in opposition and may seek to criticise the government – particularly in a situation where this is not easily accepted in Laos.

The government Decree on Non-Profit Associations (NPAs), which articulates the government's operational view of civil society's potential role in development, does not respond fully to these doubts. This doubt about NPAs also affects the capability of NPAs to carry out development projects, and therefore NPA activities are only recognised by the government if they align with government policies and are carried out under the management or supervision of government organisations. Moreover, INGOs are unsure about their role and position in relation to the Lao government. Although several INGOs have strong technical relationships with line ministries and provincial and district authorities, there remains a degree of government distrust. INGOs, in some situations, are treated as donors that bring in welcome funding, but in other circumstances they are treated as CSOs that require strict control of their activities. The consequence of this, according to some INGOs, is that the project approvals and decisions can take a long time, as the concerned government organisations are not sure how to assess INGO support (ADB 2011).

3.2 Government mechanisms of managing NGOs

The Lao National Constitution of 1991 protects several fundamental rights of citizens. Article 44 of the Lao national constitution No. 25/NA dated 06 May 2003 clearly states that Lao people have the full rights to express their opinions verbally or in writing, to assemble, set up associations and hold mass gatherings in compliance with the laws (National Assembly 2003). The constitution has become a fundamental legal framework to ensure the right of association for Lao citizens. In 2009, the Decree on Non-profit Association No.115/PM was endorsed by the Prime Minister and an amended version was endorsed in 2017, No. 238/GoL. These two Decrees have become the main tools to legitimate and legalise the space for CSOs in Laos.

Decree No. 238 authorises specific government agencies to approve the establishment and registration of different types NPAs (NPAs in Laos are categorised based on their areas of operations mainly have three categories according to the

Decree). Firstly, economic NPAs are approved by the Ministry of Industry and Commerce based on the comments from ministries and relevant sectors. Secondly, professional, technical and arts NPAs that are related to specific ministries and ministry-equivalent agencies and the ministers and heads of those ministry-equivalent agencies, approve the establishment based on the comments from ministries and relevant sectors. In both cases a request is then made to the Ministry of Home Affairs to register the Association. Thirdly, development NPAs or NPAs which have activities covered in two or more than two sectors are approved and registered by the Ministry of Home Affairs (MOHA) based on the comments from the relevant ministries or ministry-equivalent agencies. All types of NPAs can officially operate from the date they are properly registered with MOHA in accordance with the Decree 238.

According to the Decree No. 238, steps and procedures for consideration of the establishment of an NPA are divided into the four following steps:

1. Consider endorsing the nomination or reject the nomination of the Mobilizing Committee; takes 60 days:
2. Consider approving the opening of the inaugural assembly or reject the opening of the inaugural assembly of the Association; takes 30 days:
3. Consider endorsing or rejecting the Association's Charter and Board members; takes 60 days;
4. Register the Association, takes 15 days.

Although these above timeframes are clearly outlined in the Decree, in practice, these procedures are often delayed and take longer than the expected timeframe. The reasons for delay are varied depending on several factors in the applications or concerned organisations and the authorised agency.

In addition to keeping a tight restraint on the approval process, the Government also ensures central and uniform supervision of NPAs nationwide by mandating the following Government's agencies to directly supervise the NPAs. This includes ministries mandated to supervise NPAs in their sectors, provincial authorities and departments, district authorities and agencies, and village authorities.

3.2.1 Rights and duties of Ministries, ministry-equivalent agencies

The ministries and ministry-equivalent agencies have the following rights and duties:

1. To examine, provide comments, or consider the establishment, endorse the merger, separation and dissolution of Associations that are related to areas and sectors under their responsibilities;
2. To collaborate with other ministries, ministry-equivalent agencies, relevant local authorities and provincial departments to supervise, monitor, inspect the organisation, operations of the Associations in the sectors under their responsibilities;
3. To examine and consider the approval of programs [and] projects of the Association as well as encourage implementation;
4. To coordinate with line ministries, ministry-equivalent agencies to monitor and manage programs and projects of the Association;
5. To examine and consider addressing the Associations' proposals within the scope of their rights;
6. To disseminate to the Association policies, Laws and regulations relevant to the sectors under their responsibilities;
7. To advise and facilitate the Association to conduct activities in accordance with the objectives and role of the Association;
8. To approve or propose to relevant agencies or Government to award Associations with outstanding contributions to the development and assistance to society related to their sector;
9. To exercise other rights and perform other duties in accordance with the Laws and Government's regulations.

(Decree 238)

3.2.2 Rights and duties of the Ministry of Home Affairs (MOHA)

Together with the rights and duties as outlined in 3.3.1, the Ministry of Home Affairs also has the following rights and duties:

1. To act as a Chief of Staff and assist the Government in centrally [and] uniformly supervising the Association nationwide;
2. To coordinate with relevant parties to research [and] draft policies, Laws and Government regulations on Associations for further consideration and approval by higher authorities;
3. To register or expunge the Association from the list of registered Associations after the ministry and sector have approved or dissolved the Association;
4. To consider imposing disciplinary measures on Associations that the Ministry of Home Affairs has approved, or present to the relevant authorities in cases of violations of Laws, Government regulations and Association's Charter;
5. To exercise other rights and perform other duties in accordance with the Laws and Government's regulations.

3.2.3 Rights and duties of the Ministry of Finances

Together with the rights and duties as outlined in 3.3.1, the Ministry of Finances also has the following rights and duties:

1. To take the lead in examining regulations on financial management and use of Association's funds and provide advice on implementation;
2. To monitor [and] inspect the use of Association's funds and assets;
3. To consider proposals from the Association for tax and customs duty reduction or exemption, in accordance with the Laws and Government regulations;
4. To coordinate with relevant organisations to consider addressing the case of violation of Laws and Government regulations on Finances;
5. To exercise other rights and perform other duties in accordance with the Laws and Government regulations.

3.2.4 Rights and duties of the Ministry of Public Security

Together with the rights and duties as outlined in 3.3.1, the Ministry of Public Security also has the following rights and duties:

1. To inspect and certify the accuracy of personal data of the founder, Founding Committee, Mobilising Committee and Board members within 45 days from the date the letter is received from the relevant ministry [or] ministry-equivalent agency;
2. To monitor [and] inspect the activities of the Association;
3. To exercise other rights and perform other duties in accordance with the Laws and Government regulations.

3.2.5 Rights and duties of the Ministry of Foreign Affairs

Together with the rights and duties as outlined in 3.3.1, the Ministry of Foreign Affairs also has the following rights and duties:

1. To inspect, certify, and consider matters regarding the involvement and acceptance of funds and assets from foreign donators, INGOs, foreign legal entities, Associations, foundations, funds, institutes and clubs to carry out programs and projects of the Associations within 30 days from the date the letter from the relevant ministry [or] ministry-equivalent agencies is received;
2. To coordinate with relevant Ministries [and] ministry-equivalent agencies to monitor and supervise programs and projects of the Association that the Ministry of Foreign Affairs has approved the acceptance of funds;
3. To exercise other rights and perform other duties in accordance with the Laws and Government regulations.

The purpose of detailing these rights and duties is because the decrees spell out that different ministries have different areas of responsibilities to manage and coordinate with NPAs. The NPAs are obligated to coordinate and report their activities to different ministries and local authorities that are responsible for the areas in which they are operating. Decree 238 has made NPAs' reporting duties very complicated as they have multiple ministries to coordinate with and report to.

3.3 Non-profit associations (NPAs)

Since the Decree on Non-profit Association (Decree 115) was endorsed in 2009, the Government of Laos (GoL) has established a broad structure for registration and operation of NPAs. Since then, a total of 152 NPAs have been registered, with 42 NPAs of these were at the national level and 110 at the sub-national level. In 2018 about 60 applications for registration were still pending in the registration processes (GIZ 2018). In August 2017, a new Decree on Association (Decree 238) replaced Decree 115. This new Decree brings about considerable regulatory changes including greater decentralisation of responsibilities in management of NPAs from MOHA alone, to other sectoral ministries, as well as an obligation of NPAs to renew their registration annually (GIZ 2018). The annual renewal of registration is dependent on the NPA's performance and activities report annually. Funding must also be reported and an approval from MOFA is required before the NPA can receive it. This is questioned by many NPAs and development partners as the approval is complex and takes a long time. The length of time required for initial registration increased from 120 days under Decree 115 to 150 days under Decree 238 for the registration process, plus 15 days for the annual renewal. In practice, registration can take up to 27 months (see Annex 1). The differences between Decree 115 and Decree 238 are summarised in Table 3.3.

It is too early to tell whether Decree 238 will facilitate or limit the development of NPAs in Laos. Much will depend on how the Decree will be interpreted and implemented in practice. As of May 2020, the number of NPAs nationwide stood at 212 which includes 80 development NPAs. Of these, 50 are working nationwide and the remaining 30 are working in one province (MOHA 2020). These numbers indicate a slight increase compared with 2018 (Table 3.3.1).

Decrees 115 and 238 both defined Non-Profit Association (NPAs) as a civil society organisations (CSOs) established on a voluntary basis, permanently operational, not-for-profit, protecting full legal rights of the society, members and communities, and contributing to the socio-economic development of the nation (Prime Minister's Officer 2009; The Government of Lao PDR 2017). Decree 238 clearly explains that associations may have different names such as federal, unions, clubs, and other names with membership-based organisations, but that mass organisations like the Lao

Women’s Union (LWU); the Lao Federation of Trade Unions (LFTU); the Lao People’s Revolutionary Youth Union (LYU) are not included as these are part of the political party structure (Prime Minister's Officer 2009). International Non-Governmental Organisations (INGOs) have a specific decree to manage and facilitate their registration and operations in Laos, which is closely managed by the Ministry of Foreign Affairs. INGO is referred to as the international civil society organisation, not-for-profit, which has the purpose to aid humanitarian development (Prime Minister's Office 2010). INGOs act as both donors and implementing partners to local NPAs in Laos.

Table 3.3: Compared the differences in registration processes of NPAs between Decree 115 and 238

NPAs approval and management authorities	Decree 115	Decree 238
MOHA	Approval of establishment/merger, separation and abolition of national operational NPAs	Approval of development NPAs both operate at national and local levels; Approval of NPAs that operate in more than one field (eg. Education and Environmental Protection Association, Women and Community Development Association...)
Ministries/equivalent	Provide technical comments to PACSA on establish/merge, separate and abolish national operational NPAs operating in their related fields	Approval of NPAs operate in their related fields both national and provincial level
Provincial authorities/subnational level	Approval establishment/merge, separate and abolish NPAs that are operating at provincial and district level	Give comments and certify NPAs operate in their own provinces
Duration of Approval	120 days	150 days
Central registration	None	MOHA – 15 days MOHA is responsible for central register of all types of NPAs (development, vocational and business areas) Registration provides legal status.

		Registration is renewed annually based on annual performance reports.
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Source: Decree 115 and Decree 238

Table 3.3.1. NPAs in Laos, by number and types

Types	Nationwide	Subnational/ Provincial level	Total
Development	43	37	80
Economic	3	10	13
Professional	15	72	87
Charities/philanthropic foundations	26	6	32
Total	87	125	212

Source: (MOHA 2020).

The next paragraphs provide a brief overview of the mechanisms by which the relationships between the two sectors are managed, including: annual review meeting between governments and NPAs; Round Table Process (RTP), and the annual report.

First, the annual review meeting between the government and NPAs is an annual meeting which both governmental organisations and NPAs consider as an important interaction platform for dialogue between the two sectors. This meeting was established in 2012 to strengthen the relationship between governments and NPAs. It is led by the Ministry of Home Affairs, and all registered associations and charities under related decrees are invited to attend, as well as CSO focal points officers from all Ministries at central and provincial Home Affairs Departments. In 2017, for example, the 2017 meeting was attended by 248 participants including 53 women (Annual Review Meeting Report 2017). The topics of discussion include assessment of, and lessons learned from the achievements and weaknesses of the CSOs; reports on regulations and workshops, INGO management, and other topics, and sharing experience between governments and CSOs on collaboration (Annual Review Meeting Report 2017). The topics of discussion each year are based on the concerns of CSOs expressed through their annual reports sent to MOHA. Therefore, the annual report and annual review meeting are closely linked. All the annual reports are usually summarised and shared in the meetings for discussion. However, not all annual

reports are accessible by the public since many NPAs do not have webpages as well as MOHA.

The Round Table Process (RTP) is a high-level policy platform to promote collaboration, coordination and mutual understanding between governments and development partners on the development agenda of the country. It aims to strengthen development effectiveness (Lao CSO Directory 2017). In Laos, the RTP is led by the Ministry of Planning and Investment which brings governments and national development agencies, United Nations agencies, CSOs (development NPAs are part of the CSOs in RTP) and the private sector, together to ensure funds, time, and knowledge bring determined influence on development throughout the country. Laos has engaged in the RTP since 1983 and participated in an active in-country mechanism with the government of Laos in the steering seat, working with stakeholders to carry out a mutually agreed agenda on development. The RTP is designed to support effective planning and implementation of the National Social-Economic Development Plan (NSEDP) which is prepared during each five years term as the key development strategy for Laos. The NSEDP incorporates plans to attain the core development priorities of the nation (Lao CSO Directory 2017).

The chapter three provided the readers a brief overview about the development in Laos, as well as the relationship between the government and development NPAs, and how the government manages the NPAs, the NPAs categories, numbers and areas of operations. The next chapter will analyse the annual reports of five selected local NPAs in Laos as the mechanism through which the government-NPA relationship is managed.

Chapter IV: Mapping the relationship between the Lao government and development NPAs

4.1 Introduction – forms of state engagement with NPAs

The important role of the civil society organisations (CSOs)/NPAs for the development of the nation has been highlighted by the Government of Lao PDR and Development Partners in the 2015 Vientiane Declaration on Partnership for Effective Development Cooperation. It highlights the innovative capacity of development NPAs and their ability to reach disadvantaged communities and acknowledges that their practical understanding and knowledge can enhance policy discussions (Vientiane Declaration 2015). The Vientiane Declaration emphasises the importance of an enabling environment where civil society organisations and the state can collaborate effectively. It encourages development NPAs to implement practices that strengthen their accountability, knowledge sharing and their contribution to development effectiveness, guided by international and national principles and frameworks (Vientiane Declaration 2015). As discussed in chapter III, the decrees on Non-Profit Associations (NPAs) reflect the recognition by the Lao Government that civil society can support the country's efforts to reach its development goals. If developed well over the longer term, these decrees can transform the government-service provider relationship that it is characterised by today, to that of a partnership by which civil society and the government work together in policy development and policy engagement with development partners. A critical aspect of this is how well the annual reporting mechanism works.

Associations Decree No. 238 requires NPAs to submit their annual reports to show the information on the poverty reduction impact, as well as the details on the financial utilisation of resources against planned activities and anticipated outcomes. Also, the work plan for the following year should be prepared in a way that supports measurement of results against an annual work plan. The annual report also provides a template for NPAs to express information on challenges experienced and how the NPA responds to challenges, what kind of support NPAs need to help them in their

work, etc. This provides significant information for the government to understand NPA perspectives and capacities, and to adjust or improve its policies. Under Article 44 of Decree 238, annual reports must be submitted to the authorising agency and relevant Government agencies before 15 December of each year and when the annual report is received, MOHA will renew registration within 15 working days. Although submit the annual report is obligated and required for renewal of the registration, not every NPA is submitted the annual report (Table 4.1). Table 4.1 shows an increase in reporting compliance since 2015.

The primary focus of this research is to provide a comprehensive understanding of the issues regarding the forms of relationship or engagement between development NPAs and the state agencies in dealing with community development matters through the case study of annual reports. Development NPAs, which are the focus for this thesis, usually work in cross-cutting areas including poverty reduction, community development, gender development, education, health, biodiversity, environmental protection, humanitarian, disability, youth, social-welfare, forestry, natural protection, culture, and more. As many development NPAs are operating across sectors they are approved and managed by MOHA (GoL 2017).

Table 4.1. Reporting by Development NPAs and funding

Reporting year	Nationwide	Reports	Source of funding	Funding (USD)	Staff
2018	47	31	51 donors with 71 projects	3.5 million	Not reported
2017	As the time of collecting information no reports 2017 can be found				
2016	42	22	58 donors with 80 projects	4.5 million	Not reported

2015	43	22	42 donors, 61 projects	3.0 million	Not reported
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Source: MOHA CSO annual reports 2015, 2016 & 2018

4.2 The NPAs annual report as a form of engagement

The annual report is a crucial form used to investigate the relationships between government and development NPAs in Laos. This section will describe the structure and the purpose of the report. The following section will then provide an analysis based on selected development NPA reports in 2018 and MOHA's report on management and operation of NPAs in 2018.

The annual report consists of five sections. In the first part, the report provides information about the administration and management of the NPA including its human resources (management team, monitoring team, director team etc.); organisation structure; office location, number of staff and volunteers. Secondly, the report lists the NPA's activities and what has been achieved according to the previous year's planning. This section includes details about sources, forms and amounts of funding, details of the projects implemented, and collaborations with government and INGOs. Table 4.1 shows that funding varies from year to year and for relatively small projects. NPAs are requested to identify which development goals their activities contributed to; what training they have received, whether they participated in policy processes, whether they attended meetings or seminars abroad, or whether they had applied or become a member of any supra-state associations.

In the third part of the report, the NPA must show the list of assets they have, such as office buildings, vehicles, laptops, computers, and other office equipment. The association is also asked about the income they have had previously, and earned for the current year, and what are the sources of income. Along with this they must report the expenditures for administration, activities, humanitarian, and other expenses that aligned with the objectives of their association. In part four, the association is required to present the next year's plan of activities that will be implemented. The government wants to know with whom the NPA plans to work, on what, and what funding proposals are in train. In the fifth section, the NPA has an opportunity to address the difficulties it has faced, and to propose solutions to improve the enabling environment for civil society.

The report has several purposes. First, it constitutes a tool of the government to follow up whether the NPAs do what they claim to be doing according to their

constitution. According to Decree 238, NPAs must ensure that they utilise all funds in accordance with the objectives, targets of the Association and strictly comply with the laws regarding accounting, auditing, and the Association's charter. However, there is no available mechanism for verifying the accuracy or credibility of the reports. Secondly, the information it provides can be used to improve the government work by coordinating and aligning development activities with different sectors and to develop more effective policies or strategies to support the CSO sector. As Decree 238 states, NPAs must:

fulfil their duties to properly operate in accordance with the Party's policy, NSEDP, laws, the government's regulations, and the Non-profit Association's Decree; to coordinate with line ministries, ministry-equivalent agencies, provincial departments, Vientiane capital, district, municipality, city offices that are connected with the areas and sectors in which the NPAs are engaged in the planning and operation at the local level; to mobilize and receive support, assistance, donations from individuals, legal persons, both domestic and foreign, based on the laws and government regulations (Decree 238).

Thirdly, knowing the amount and funding sources contributes to greater transparency of aid flows, and this assists in establishing Laos as a reliable development partner. It aims to prevent any conduct that will destroy public trust and confidence in the NPA, including financial mismanagement, terrorism, and failure to safeguard people. The annual report mechanism illustrates the cooperation relationship between the government and NPAs, where the NPAs are registered under the government rule and reporting their activities is the obligation and duty of the NPAs.

4.3. Analysing the annual reports

In order to gain further insight into the relationship between government and NPAs, five development NPA reports from the 2018 reporting period are investigated. The five development NPAs selected for this research are: 1) Association for Rural Mobilisation and Improvement (ARMI); 2) Positive Health Association (Kaplinsky); 3) Population Education and Development (PEDA); 4) Social Development Alliance

Association (SODA) and 5) Gender Development Association (GDA). These were selected from the 31 reports sent to MOHA in 2018 out of the total 47 (2018) NPAs registered under the None-Profit Association Decree (MOHA CSOs report 2019). These five NPAs were chosen based on their focus on community empowerment and improvement of the living conditions of the poor, as highlighted in their mission and vision statements. Secondly, they were chosen because information contained in the reports about their project activities and sources of funding is publicly available on their websites.

4.3.1 NPAs contribution in poverty reduction and humanitarian aid

In the MOHA report 2018, the CSOs sector contributed noticeably to helping people in various sectors such as women, vulnerable children, and the disabled. The most outstanding contribution of the CSO sector in 2018 was the flood relief for the people who were impacted by flooding in the rainy season, particularly during the collapse of hydropower dams in Attapeu province in July 2018 (southern part of Laos) which received estimated support and donation valued at about US\$244.186 (MOHA report on CSOs 2018). Moreover, many development NPAs are operating in various sectors including education, health, agriculture-forestry, environment, human rights, women, children, and social welfare. The main services include helping the people and communities create the production network of professional groups like agriculture production groups, handicraft and business development groups, promoting cultivation and livestock groups (tea planting groups, herbal planting groups, goat farming groups, pig farming groups, fish farming groups where the development NPAs provided funding and seeds to the mentioned groups as well as building capacity (knowledge and skills) in nutrition, sanitation, transmission of diseases and provide medications to communities, and local healthcare volunteers. For example, some NPAs are working with government partners in fighting to prevent and eliminate malaria, tuberculosis and HIV/AIDS (MOHA report on CSOs 2018).

Likewise, the development NPA reports from 2018 indicated that they helped to create funding for mothers and children, funding for village development which allows general citizens to have access and borrow money from the funds to create

secure jobs for their families like develop productions, farming and livestock. Similarly, development NPAs were also working in support of vocational training such as garment making, beauty salons, food preparation, planting flowers and decoration plants, capacity development for disabled people. As well they were constructing schools and providing education equipment, building toilets and water wells, expanding the electricity network, and football fields in several provinces. Some development NPAs also provided services in food security by providing rice seeds and helped the villagers improve productivity. The information from the reports can be seen as evidence that the None-profit sector, especially the development NPAs have played an essential role in supporting the government's mission to empower and improve better living conditions of Lao people, especially the poor in rural and remote areas. Nevertheless, currently there is no available information or report on exact percentage of NPAs efforts contribution to poverty reduction rate in Laos (See Annex 2: overview of five development NPAs' annual report 2018).

4.3.2 Participation and engagement in developing government's policies and regulations:

From the five NPAs reports 2018 analysed, it can be observed that the development NPAs are increasingly recognised at the government policy level. All five NPAs have indicated that they have engaged and participated in various policy dialogues and discussions with the governmental sectors. Furthermore, three NPAs stated that they cooperated with the government through several dialogues to improve the government's policies and regulations in various areas and topics including:

- Gender mainstreaming in Biodiversity strategy workshop;
- International Law and Human Rights workshop;
- National Strategy on children and youth workshop;
- the amendment of the forestry law, the negotiation workshop in implementing the law on forestry, the protection and trade of logging for trade partner agreement between Laos and EU;
- national report on biodiversity workshop;
- political, social and cultural rights workshop;
- Gender mainstreaming in strategic plan workshop;

- draft decree on the rights of disable people, ethnicity, and gender workshop;
- draft report on survey of wage of women and ethnicity in business in Laos;
- draft agreement on children rights and labour;
- and Standard of procedure on CSO registration workshop (SODA 2018; ARMI 2018; GDA 2018). See annex 2

Furthermore, one NPA also indicated that it participated in several seminars and workshops organised by government sectors. For example, the workshop on the Three Build policy and the District Development Fund; Review on the cooperation between government and INGOs workshop; workshop on monitoring and evaluation on national gender equality program; consultation workshop on national policy on population; Social protection for Youth; attended and co-chaired the Governance Sector Working Group annual meeting; Violence against women workshop (GDA 2018, See annex 2). This suggests that there is a cooperation relationship between the government and these development NPAs. From the five development reports investigated in this study (Annex 2), it can be indicated that there are three forms of engagement between the government and development NPAs in Laos including: legitimacy, coordination and harmonisation.

Legitimacy

The government legalised and legitimated the status of development NPAs in Laos by registering and maintaining their legal status, the development NPAs gained good support and facilitation from the Ministry of Home Affairs, and other Ministries related to the projects' activities as well as Provincial Home Affairs Departments regarding the procedures in preparing official documents, coaching and consulting when needed. Moreover, by being registered, NPAs gained more credit and trust with better chance to get funding and the development NPAs are entitled to participate in policy dialogues on development issues and influence decision making that impacts on the whole society.

Nevertheless, some sectors still lack supporting budgets, particularly at local levels and still relied solely on development NPAs and did not take the initiative or ownership in encouraging participation by people or their contribution in implementing the NPAs' activities. Furthermore, two NPAs are facing difficulties in understanding and implementing the decree No. 238, and the implementation guidelines from MOFA on article. 55 on the required procedure for receiving funds from international

organisations: as the procedure for funding approval is complex and can be delayed due needing to seek feedback from various sectors, as a result the projects implementation was delayed. In addition, many international donors have outlined challenging criteria for access to funding, so this required NPAs staff who have expertise and language capability to complete the application.

These constraints could be eliminated if the MOHA and MOFA gave support and facilitated by giving advice related to the government policies to help NPAs to attract funding, and reduce red tape during the approval funding procedure: MOHA should provide support in recruiting international volunteers to help development NPAs in searching and applying for funding as well as strengthening the capacity of the NPAs. In addition, MOHA should be a focal point in collecting information and funding (both internal and external funding) to support the operations of NPAs to ensure the achievements of SDGs. In addition, MOHA should facilitate the tax exemption procedure of imported vehicles for use by development NPAs. MOHA should consider giving recognition certificates for outstanding performance NPAs as a contribution to the national development mission; also, MOHA and concerned ministries should give regular supervision and facilitate the activities NPAs at community levels.

Coordination with government agencies

Annual reports indicate that the development NPAs coordinate their activities with the local government at all levels (provincial, district and village levels). The government agencies always give advice and facilitate implementation of the projects' activities, monitoring and encouraging the villagers to have a sense of ownership in their management. Moreover, most NPAs considered in this case study received good collaboration from related government sectors and mass organisations, INGOs, UN, CSOs and donors. Many of these NPAs already have a good relationship with line departments at local levels to carry out their activities; for example, PHA and PEDAs work closely together and are supported by the Ministry of Health, especially the Centre for Fighting AIDS, Tuberculosis and Malaria at central, provincial and district levels to smooth the implementation of the NPA programmes.

However, three out of five NPAs suggested that there is a lack of a uniform collaboration mechanism between and among the government agencies at central and local levels. These challenges could be addressed by all government sectors from central and local levels regularly organising meetings (at least one a year) with NPAs that are operating under their fields for which they are responsible to share experience and develop implementation plans for the next year with partners from related sectors. Furthermore, concerned ministries should regularly coordinate and report to MOHA regarding the NPAs operating under their auspices. In addition, the government (MOHA) should organise more training and workshops on CSO matters for central ministries and local levels and publish more manuals and information related to the CSO sector, especially the development NPAs and ensure accessibility by local levels. MOHA and concerned ministries should also regularly supervise and facilitate the NPA activities at the community levels.

Harmonise government policies and NPAs' activities

All the five NPAs in this case study have indicated that they coordinated or harmonised their objectives and functions with NSEDP and the strategies of relevant Ministries where NPAs used those policies as direction and interpretation for activities and programmes. For example, PHA is using the monitoring tools (DHIS2) which were developed by the Ministry of Health to increase effectiveness in collecting information and evaluation. However, some ministries and organisations at central and local levels do not fully understand the role and functions of the CSOs, especially the development NPAs, so the government authorities are unwilling to coordinate with the NPAs. This problem could be improved by the government (MOHA) developing a working procedure manual for both government sectors and NPAs to ensure a consistent procedure countrywide. As well as giving advice and raising awareness on the government's direction and policies related to NPAs to ensure their members understand and interpret these into the NPAs' activities. They should also organise regular platforms for discussion and sharing information among CSOs, development partners and related Ministries to smooth the implementation of the development projects (e.g. share lessons learnt, improve coordination mechanism, harmonise implementing procedure).

4.4. Analysis the annual reports considering the Four's Cs Governments and NGOs relationships (Ends and Means)

Although the five selected NPAs cannot represent the entire development NPAs and CSO sector, they can demonstrate the practical relationship between the state and the NPAs that is carried out through the four Cs framework - cooperation, complementarity, confrontation and co-optation (Najam 2000; Stroup 2019, pp.34-35). So, the question here is that what information does the report provide about the relationship between the government, which has designed the report, and the NPA that is completing the report? The first point of the report relates to the compliance of the NPAs with the government regulations. In 2018, 66 percent of development NPAs submitting a report (31 NPAs out of 47), demonstrating their desire to remain or become registered under the government rule. In the 4Cs framework, this relationship is falling into co-optation because they are more likely to achieve their goals as registered organisations even if this means that they have to share operational information with the government.

Based on the selected reports, it can be surmised that the relationship with the government is active at various levels from local to national, and most NPA activities are aligned and harmonised with the development strategy of the country. In the Four C's model of the government-NGO relationships from Najam (2000), the engagement between the Lao government and development NPAs will fall into the cooperation relationship, when both sectors share similar goals and strategy (Ends and Means). The government and the development NPAs in Laos are working with collaboration and co-production. For example, ARMI is working with the Department of Science and Technology to produce and quality test the effectiveness of a cooking stove, and we can see a division of labour where the NPA provides the resources and funds, while the government sector provides the technical knowledge and skills. SODA works in partnership with MOHA to provide technical support and funding in drafting the Decree on disability children, ethnic and gender to the Department of Ethnic and Religious, MOHA. This cooperation indicates an acceptance of common goals, and shared norms, open communication through the annual reports and dialogues, and some close coordination of activities.

In Laos, the government is viewed by the development partners as strictly regulating NPAs by making the registration process complicated to limit the number of approvals; however, from Najam (2000), the cooperation model does not concentrate on who has more power. If the ends and means are in harmony, cooperative actions are expected. All the five NPAs selected in this research indicate that they are satisfied with the government support and space they have been given in the policy participation process.

Furthermore, all five NPAs selected in the case study in this research are working to address the government failure in delivery of public services. In Laos, the government lacks the budget and capable human resources to provide public services to all citizens, and therefore, the NPAs step in to fulfil the government functions. For example, PHA and PEDDA, both NPAs have capable health experts (human resources) and funds to carry out public health interventions related to HIV/AIDS, tuberculosis and Malaria in remote areas where the government is incapable of reaching due to lack of financial and human resources. Likewise, ARMI's food security programme and 1000 Days Nutrition programme – addresses SDGs focused on food security, income generation and, jobs creation. GDA's aims to strengthen gender equality and empower young mothers in rural and remote villages are shared with the government's goals, but the preferred means of the government sectors to achieve those goals is through top-down engineering and managerial mechanism, while the NPAs preferred means is to reach the targeted groups at the community levels through bottom-up participatory community development. This reflects the complementarity relationship between the government and NGOs according to Najam (2000, p.10). However, many NPAs in Laos still need government intervention to encourage community participation because the understanding about the role and function of the NPAs is limited, and many village authorities and villagers follow the government order. Therefore, the villagers are quite hesitating about cooperating or working with the NPAs in their communities unless those organisations are legitimated or certified by the government.

Through the five reports the NPAs not only inform the government about what they are doing in their work in the local communities, but also request and voice their need for improvement that the government should listen to and be accountable for. For instance, all five reports urged the government to improve coordination among the

government sectors from central to local levels and facilitate and raise awareness on the NPA's role and functions in national development. They also complain about the overly bureaucratic process of registration and management. The annual report, on the one hand, serves as compliance to the government regulation by the NPAs but on the other hand it is a platform for communicating the desire of the NPAs to the government.

Based on the analysis of the five reports it can be argued that the government sectors and development NPAs in Laos are working in partnership which fits with Najam's (2000) cooperation and complementarity types. They are working as partners which share goals and mutual interest in the public service provision to achieve the national development goals, including eliminating poverty, inequality and dealing with climate change issues. Although NPAs indicated some challenges and constraints in their operations in the current situation, those challenges are discussed, rather than creating a conflict or confrontation.

It is difficult to perceive CSOs, especially the development NPAs in Laos as confrontational to the government, but it is important to note that these reports are designed by and for the government. Thus, the selected NPAs in this study may not divulge all the information they have, or they may hesitate to complain the government policies, as doing so may result in cancellation or revoking of their registration.

The CSOs, specifically the development NPAs, are not seeking to change the government system but instead they are just protecting their right to exist. To achieve this, they follow the government's regulations. Rather than a liberal perspective of civil society, the relationship with the government is shaped by the principal political environment and defined by Lao style, which involves close supervision by the government. However, NPAs depend on donor money to operate. In this context, development NPAs must satisfy both the government's and the donors' agenda. This could put substantial challenges on the relationships between the two sectors which will be discussed further in the next chapter.

Chapter V. Challenges in managing relationships between the government and NGOs in Laos.

Laos is similar to many developing countries, governments are likely to regulate all activities of NGOs. Consequently, some critical challenges in managing the relationships between the government and local NPAs, are mainly: decision making process, lack of resources and power inequality. According to Haque (2004), the above mentioned challenges are common in many countries in the world; for examples, in some cases, government-NGO relationships do not occur willingly, meaning that such relationships result from the influence of international donors, and sometimes these are attached with hidden agendas. This means that some government sectors and NGOs may not want to collaborate with each other but are pushed, by international donors, to collaborate. For instance, competition over financial support from international donors, and the fact that donors prefer to fund local NGOs rather than governments in some sectors, is another issue affecting the relationship (Banks & Hulme 2012; Fowler 2000; Haque 2004), as pointed out in chapter IV. Ideally, local NPAs should be financially independent from both the government and the international donors. The problem with inadequate resources of local NPAs may lead to the loss of independence of NPAs as they may become dependent on the resources' provider's priorities rather than their original objectives or desires. Furthermore, in some countries NGO activities are very restricted by the government (Najam 2000), and this may explain the relatively small number and scope of NPAs in Laos, with only 212 local NPAs registered nationwide (MOHA 2020). Compared with countries like Bangladesh, the Philippines and the neighbouring Thailand which have more than 20,000 NGOs registered (Deolalikar et al. 2002, pp.33-34), the development impacts of Lao NGOs is far more lower (ADB 2011; Delnoye 2010). These challenges will be discussed in the next sections.

5.1. Challenges in managing the relationship

One challenge in managing the relationship between the government and NPAs is that the government continues to closely regulate the development NPAs in Laos. This is despite calls from international human rights organisations for the Lao

government to allow citizens to freely form NPAs, to join NPAs without going through a complex legal procedure, and limit the power to revoke registration of NPAs on the grounds of differences in political views (Kaur 2018, p.20). The amended Decree on NPAs in 2017 to allocate more power to all the government sectors is seen as the main challenge for a healthy enabling environment as this put more complex procedure rather than simplify the process (Kaur 2018, p.20).

The new decree has reinforced the power asymmetry which is one of the main challenges in the relationship between the government and the NPAs. The relationship between the government and NPAs in Laos is similarly to that in China's authoritarian state, which Spires (2011) describes as a dependent relationship. The preference of many NPAs in Laos to work within the structure imposed on them by the political regime could be interpreted as acceptance of its supplementary and limited role in the relationship and a result of the political system in the country (Kaur 2018, p.13). This relationship between the government and NPAs can also be classified as interconnected rather than distinctive (Beckman, 2002), in an authoritarian state, the government and NPAs are intertwined rather than independent forces with their own operating space. While the government regulates the legal framework and other basic social conditions for the operation of NPAs in Laos, the NPAs are likely to take over the government's responsibilities by using different means. Sometimes these are informal; such as when the government is incapable of providing service delivery to those in need; or at other times formal relationships, by which the government by legal means sets conditions where under legitimacy the NPAs take on the role of provisioning public service delivery (Kaur 2018, p.13). NPAs are more like an arm of the government, co-opted, according to (Najam 2000, p.11) through the exercise of political and coercive power.

From the development partners' and INGOs' perspectives, they recognise that local NPAs have a key role to play in development. However, they are conscious that the NPAs' role in Laos, as well-defined by the Government, is as service implementers more than partners in socio-economic development (Jensen 2016, p.28). In light of the 4Cs framework on government-NGO relationships from Najam (2000), the relationship between the government and NPAs in Laos is likely to falling into co-optation more than cooperation. Some INGOs might expect local NPAs to take on a more varied role, such as advocacy, that moves beyond service delivery; nevertheless, most INGOs are

understood of the fact that the current abilities of NPAs in Laos are not strength enough to take on this role. Relatively, many development partners and INGOs are emphasising on strengthening the internal competences of local NPAs for them to be able to be effectively operational and to implement projects successfully (Jensen 2016, p.28).

This reality conflicts with the concept of cooperative partnership, which is based on shared goals, power balance, shared responsibilities, trust, mutual respect and accountability, reflecting the ideal of a mutually reliant relationship based on neutrality (Najam 2000; Elbers & Schulpen 2013, p.50). From a practical perception, partnerships are a solution to complex problems by which partnerships can build on each other's qualified advantages via a rational division of labour; through their complementary roles, partners can attain goals they could never achieve by themselves (Elbers & Schulpen 2013, p. 50).

5.2 Trust and understanding

Development NPAs in Laos are relatively new, and therefore the understanding of the roles, functions, responsibilities and capabilities is still unclear and not uniform in different governmental organisations, as well as among the NPAs themselves. NPAs are seen by international donors as a vehicle to bring development into Laos, and many international governments want to encourage development goals (Purin 2015, p.13). This has led to the main role of development NPAs in Laos focused on the delivery of services in partnership with the governmental organisations, and with support from development partners (Jensen 2016, p.28). Thus, NPAs are understood as economic implementers with no liberation or autonomy from the state, where the government outlines the legal framework and other basic social conditions for the operation of the CSOs, local NPAs in Laos (Kaur 2018, p.13).

Since the civil society context in Laos is new, the Government is generally very cautious towards CSOs because it is worried that CSOs are driven by political interests and might ultimately engage themselves in advocacy for human rights and democracy (Belloni 2014, p. 358). Looking over the border to Thailand, where large-scale people movements frequently occurred, so the Lao government is concerned about “the large

scale of people movements”, as it is connected to violence protests (Jensen 2016, pp.27-28). Fearful of the advocacy role of NPAs and sceptical about the real intention of NPAs in Laos, it will take some time to build the trust between the government and development NPAs.

In addition, NPAs describe “themselves as ‘the right arm of the Government’ and NPAs see themselves as service deliverers to support the Government in helping to implement the regulations in the local communities”. Most NPAs in Laos perceive their advantages as supporting agents in carrying out the government policies and effectively provision of the basic services delivery in rural and remote villages (Jensen 2016, p.28). They are honoured “since they feel that they are contributing to the welfare and wellbeing of the poor in the country” (Jensen 2016, p.28). In this manner, with different expectations for NPAs to take the role in the society, “many NPAs are experiencing pressure from both the government side and the donors’ side”. “They are likely to fall into difficult circumstances, since NPAs need the government registration in order to operate legally, and thus facing pressured to emphasis on eradicating poverty and be cautious about their actions and programs that will go against the government policies (Jensen 2016, p.28).

5.3. The power of donors

Laos is one of the most aid-reliant nations in Asia for its social-economic development investment. Official Development Assistance (ODA) is largely funded infrastructure, education, health, governance, and CSOs (ADB 2017). In recent years, the amount of ODA has increased. For example, in 2019, the ODA net flows increased from US\$743 million in 2016 to US\$914 million in 2019 (Ministry of Planning and Investment report 2016-2020). NPAs also rely heavily on foreign aid to run their functions in Laos. In the past few decades, the donors invested substantially in development non-profit organisations which aimed to strengthen the good governance agenda and find an efficient channel to fulfil gaps in service delivery (Banks, Hulme & Adwards 2015, p.707). This trend is increasing in Laos, since many key development partners attached one component in promoting people participation in decision making and strengthening CSOs as required condition in their development cooperation

programs in Laos; therefore, it could be argued that NPAs are likely to have financial power in the relationship with the government. This is clearly shown in the Vientiane Declaration that will be discussed next.

In Laos, the arrangement of external support with national priorities and goals is debated between the government and development partners in RTP, which forms a crucial national forum for meaningful dialogue on strategic development planning, aid effectiveness and ownership issues. According to the Vientiane Declaration on Aid Effectiveness (2006) and the Vientiane Declaration on Partnership for Effective Development Cooperation 2016-2025 (VDPEDC), local development NPAs and INGOs are engaged in helping the government to (1) resolve serious social and environmental problems that affect vulnerable people in society, (2) network with civil society and draw on grassroots experience, and (3) facilitate multi-stakeholders dialogue and consensus building on policy issues (ADB 2017). This can be interpreted to push the government towards promoting NPAs engagement (Bano 2019, p. 1271). However, compulsory partnerships often fail to produce lasting benefits, and the donors' capability to promote partnerships under good governance agenda is, hence, highly unconvincing (Bano 2019, p.1271).

Another important point to mention is that in Laos, NPAs are limited in both number and capability. These limits put more challenges in relationship to carrying out service delivery along with the government, particularly as partners. As stated earlier, in Laos, CSOs or NPAs concept was just officially introduced in 2009, when the development NPAs were given legitimacy to register under the Non-Profit Association decree No. 115. Under this regulation all NPAs require government approval for their formal titles and board members as well as all objectives should be aligned with the direction and policies of the government. On the contrary, these requirements are likely to violate the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Culture Rights which ratified obligations by the Lao government (HRW 2015). However, the government seeks to reinforce its political and economic partnerships with aid and investment partners which aim to achieve the country's goals of exiting from LDC status and eradicating poverty by 2030. Under these identified goals and political pressure, the government is inevitable attempting to improve citizens' participation, by which NPAs are engaged

in decision-making process and all development programmes funded by donors under the VDPEDC.

The main source of funding for the operation of development NPAs in Laos comes from the international donors both inside and outside the country. From the five development NPA 2018 reports investigated in this study (Annex 2), it can be seen that most of the funding for implementing their activities came from international donors or INGOs, including UNDP, the European Union (EU), Oxfam, and USAID. Although donors and stakeholders do not have obvious ownership over the outcomes of the NPA activities, the organisations' choices are highly affected by their expectations due to the uncertainties in the future funding opportunities which are connected to the NPAs' survival and achievements (Jang & Feiock 2007, p.176). Therefore, when the main funding source of NPAs comes from international development donors, it can challenge the relationship and trust between the government and NPAs due the fact that the donors could influence or alter the NPAs from their original intentions or change their independent characteristics. At the same time international donors, who are funding these local organisations, may push them towards more politically sensitive activities (Jensen 2016, p.28).

According to Jensen (2016, p.28), the development NPAs sometimes feel they are trapped between the demands from the Government and from the international partners. It is a dilemma which means often the NPAs do not know whom they are accountable to. Being uncertain between the extensive needs of both the Government and donors, NPAs hence may have little time or resources left to respond to the needs of their members or local communities (Jensen 2016, pp.28-29). Although, the five annual reports investigated in this study do not directly mention the pressure NPAs have from both the government and the donors, they did mention the challenges in the complex funding approval procedure that impacts negatively on project implementation as well as their challenges and limited capacity to seek funding in international stage.

5.4. Opportunities for improvement the relationship

Although substantial challenges remain in managing the relationship between the government and development NPAs in Laos, there is an opportunity to improve the relationship between the two. The government is in need of pooling all possible resources available to fulfil its Vision 2030 and National Social-Economic Development Strategy (2016-2025) which aims to remove the country from LDC status by 2025, as well as the 2030 development agenda (SDGs) to eradicate poverty, inequity and climate change. In order to achieve these determined goals, it is necessary to reform the government and pursue good governance by improving the effectiveness of the public sector, promoting people's participation in decision making and building the state of the rule of laws (GIDP 2017). Promoting people's participation in decision making is believed to build good governance and effective public administration; thus most development partners that fund the government in Laos, usually engage NPAs as vehicles for building equity and playing an important part of prosperous 'CSOs'. In theory, as NPAs they should be acting as a 'check and balance' on the government's power – by protecting human rights, opening up conduits of communication and participation, providing training grounds for activists and promoting pluralism (Edwards & Hulme 2013, p.4). More importantly, are the outstanding features of NPAs, such as effective provision of public services to the vulnerable and the poor in the countries where governments have inadequate funds to ensure universal coverage of basic services, like health and education. Therefore, NPAs are currently perceived as the favoured means for service-provision rather than the government (Edwards & Hulme 2013, p.4). Promoting the enabling environment for NPAs will speed up the process of development at grassroots levels which will be beneficial to the Lao PDR as a whole.

As a consequence of these development trends, the government has been prepared to channel increasing amounts of ODA to and through NPAs. Moreover, there is a great deal of evidence to recommend that the increase and growth of NPAs is directly connected to the growing accessibility of ODA under the development agenda (Edwards & Hulme 2013, p.4). Although it is hard to obtain accurate data on the amounts of ODA achieved by NPAs in Laos, there is a clear evidence that there has been an increasing trend of funds flowing to NPAs. For example, in 2018 there

was about US\$3.6 million of funding received by the development NPAs, and in 2019 this increased nearly three-fold to US\$9 million (MOHA report on CSOs 2018; 2019). This can be interpreted that financial assistance to NPAs is increasing gradually as international development agencies have viewed NPAs as becoming more capable in carrying out development activities at the grassroots level. In other words, the bottom-up approach of NPAs seems to be easily accessible by the grassroots level than a top-down approach from the government.

Therefore, under the VDPEDC, there is a growing trend that ODA coming from development partners to Laos will be organised through an MOU between the government, and donors then engage NPAs as the implementing partners to carry out the development programmes in the field. This method will promote cooperation relationships between the government and NPAs, where both are working in collaboration and coordination of the development activities with shared goals and values, and open communication. For example, in the past years, the GoL and development partners signed the cooperation agreements (MOU) and assigned NPAs to implement or benefit by those development programs such as the Citizen Engagement for Good Governance Accountability and the Rule of Law programme (CEGGA) signed by the government (MOHA) and EU in 2017. Under CEGGA, NPAs and INGOs are the implementing partners where the program emphasises promotion of “the legal and administrative environment for CSOs engagement and rule of law as well as implementation of international human rights conventions into the government and administrative system of Laos”. One key component of CEGGA is to improve the environment and capacities of local NPAs in cooperation with INGOs such Cord Global, who are responsible to tailor made “training and complementary coaching measures are developed to enable NPAs to implement their projects more effectively and professionally”. Moreover, CEGGA provides small grants directly to support the operation of NPAs under the competitive approach. Likewise, the UNDP and government support programme on Governance for Inclusive Development programme (GIDP) – promotes inclusive local service delivery and development; accountability and citizens’ feedback; expanding partnerships and policy dialogues, with CSOs engagement, for development effectiveness (UNDP 2017). Australia’s development cooperation program in Laos also provides direct support through registered NPAs in Laos (Lao Civil Society 2019). Promoting the government and

NPAs working together in partnership in development will soon improve trust and understanding as both are shared experience and lessons learnt along the way. Ultimately, both parties could develop a more enabling framework to promote relationship between the two sides.

Chapter VI: Conclusion and recommendations

6.1. Conclusion

This thesis aimed to gain an in-depth understanding about the importance of the NGOs in the international development context and describe and assess the current relationship between the government and non-profit associations in Laos considering the 4Cs of government-NGO relationships. It also further identifies challenges and opportunities in managing the relationships between the government and NPAs in Laos.

The introduction outlined the development of NGOs in the international development era, and their important contribution in public service delivery in developing countries, where the governments are unable to provide universal public service coverage to all citizens, NGOs will step in to fulfil the gaps left by the government's failure. As well, the chapter outlined the potential NGO/NPAs contribution to achieving the development agenda in Laos in order to end poverty, address inequity and confront climate change by 2030.

The literature review chapter two provided a discussion of the relationship between the government and NGOs from the lens of Najam (2000) in the 4Cs framework – cooperation, confrontation, complementarity, and co-optation. The partnerships between the NGOs, and donors, development partners and INGOs from the development international context were also outlined.

The country situation in Laos chapter, chapter three, provided insight into the special characteristics of the Lao PDR with only one single political party, located in Southeast Asia with shared borders with Myanmar, Cambodia, China, Thailand and Vietnam. Even though the country is poor, its economic development progress has been around 7 percent for the past years. Over the past decades, the poverty rate has been reduced considerably from 46 percent in 1992 to 23 percent in 2015. However, the inequity gap remains high as the benefits from economic improvement are not

shared equally in society. The NGO or Non-profit sector are viewed as effective vehicles for the delivery of the economic and political agenda's objectives. According to the law, politically, the 1991 Constitution signalled an opened space for citizens to associate and express their voice in public. The NGOs/CSO sector in Laos, what legal framework they have, how many are they, where are they working, and how the government manage them are also discussed.

Chapter four, the case study chapter, mapped the relationship between the government and NGO/development NPAs in Laos. This chapter provided an in-depth understanding about the relationship between the government and NPAs (political system – who is regulated and the citizens: who are compliant). It explored the forms of state engagement with NPAs – the annual review meeting as the technical level, the Round Table process as high ranking policy level dialogues, and the annual reports as a means the government uses to check that NPAs cooperate with the government policies in compliance and harmonise their activities to the government policies. In this chapter, five NPA annual reports were selected to investigate if their relationship with the government is falling into any part of the 4Cs framework of Najam (2000). By investigating the five annual reports thoroughly, the relationship between the government and NPAs in Laos is seen to fall into a cooperation relationship since most NPAs work in coordination and are closely supervised by the government. However, because the government has sole power to regulate the NPA operation and all NPA activities must harmonise and align with the government policies and direction, this is likely to fall into a co-optation rather than cooperation relationship. The power between the two parties are not in balance and the NPAs registration could be revoked at any time if the NPAs failed to send in their annual reports on time without proper clarification to the authorised agency. Although there is no available report on the number of NPAs' registrations which were revoked, this criterion is clearly defined in the NPAs Decree 238.

In chapter five, the author highlights some challenges in managing the relationship between the government and NPAs in the international context and in Laos. The most common challenges can be observed in three areas – power asymmetry, lack of trust, unwillingness and lack of funding. The government tightening of regulations to manage the operation and limit the number of NPAs has been viewed as a challenge to the flourishing of the development of the non-profit sector in Laos.

Moreover, some government sectors do not properly understand the role and functions of the NPAs, so they are worried that NPAs will take away their jobs and funding, and finally, some government officers will lose their jobs. There is also concern from observing the NGOs from neighbouring countries, like Thailand, that they are often involved in street protests to change the government. As a result, the Laos government does not fully trust the NPA and has doubts about their real intentions. Moreover, both the government and NPAs rely heavily on financial aid to carry out basic public services activities, most often the relationship between them is not based on willingness but pressure by the conditions under the MOU. These three challenges are critical in influencing the relationship between the two parties.

Nevertheless, there are still some possibilities for improving the relationship between the government and NPAs, with genuine effort from the development partners to boost development in Laos - especially in ending poverty and narrowing the inequity gap between the rich and the poor; between the urban and rural areas. In order to fulfil the determined national development goals in the given time, the government still needs to find appropriate measures and pool all resource potential to move forwards with the development.

6.2. Recommendations

As the outstanding qualities of the none-profit organisations are that they have expertise and are effective in providing service delivery, the relationship between government and development NPAs in Laos can be improved as follows:

- Sharing this research with the MOHA management team and other governmental sectors as well as the development NPAs in Laos;
- Learning from the current 238 Decree limitations and developing or improving the legal framework to facilitate and gradually open more space and making the registration process simpler and shorter;
- Applying new information technology to turn the registration application and reporting system into an online platform. This will help to improve information accessibility and all information related to NPA operations, reports and as well as making the government reports available online – this

could promote transparency and trust between and among the government and NPAs as well as the public;

- Learning from the lessons learnt of other countries that are successfully in managing the NPAs, for example: Australian Charities and Non-profits Commission, in developing and managing the non-profit sector and adapting it to use in Lao context – for example online registrations and statements or annual reports.

The most urgent work to be done in order to manage the relationship between the government and local NPAs in Laos, is to create a uniform coordination mechanism between and among the governmental organisations who are responsible to manage the NPAs, as well as the coordination mechanism between the government and local NPAs. This can be done through setting up one stop service on registration and reporting online. However, developing online platform is not easy task for Lao government to responsible for the funding and technical support, this will need the determined support from development partners to make it happened and ensure sustainability of the coordination mechanism.

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Annex 1: Duration and actual time spent in each process of registration of NPAs
(removed because copyrights)

Annex 1: Duration and actual time spent in each process of registration of NPAs in Decree 115

#	Association	Month of application filing	Months at Stage 1 (30 days) ¹	Mobilization committee authorized (Initiation of Stage 2)	Months at Stage 2 (60 Days)	Temporary license issued (Initiation of Stage 3)	Months at Stage 3 (30 days)	Approval	Total processing Months (4 months)	'Old' (in existence prior to Decree 115)
1	Life Skills Development Association (LSDA)	5/2010	3	8/2010	1	8/2010	4	12/2010	8	
2	Community Development and Environment (CDEA)	6/2010	2	8/2010	5	1/2011	2	3/2011	9	Old
3	Samakom Gounka Lao (SGL)	4/2011		-		-		8/2011	4	Old
4	Lao Coffee Association (LCA)	7/2010	2	9/2010	5	2/2011	4	6/2011	11	Old
5	Association for Poor People (APP)	5/2010	1	6/2010	10	4/2011	2	6/2011	13	
6	Lao Association for Disadvantaged People (LADP)	8/2010	3	11/2010	5	4/2011	2	6/2011	10	
7	Lao Culture Preservation and Promotion Association (Lao Culture PPA)	9/2010	0	9/2010	7	4/2011	3	7/2011	10	
8*	Lao Biodiversity Association (LBA)	10/2010	1	11/2010	5	4/2011	5	9/2011	11	Old
9	Lao Disabled People Association (LDPA)	3/2010	8	11/2010	5	4/2011	5	9/2011	18	
10	Environment Conservation and Community Development Association (ECCDA)	4/2010	12	4/2011	3	7/2011	4	11/2011	19	Old

¹ Decreed maximum time spans in red.

	Association	Month of application filing	Months at Stage 1 (30 days)²	Mobilization committee authorized (Initiation of Stage 2)	Months at Stage 2 (60 Days)	Temporary license issued (Initiation of Stage 3)	Months at Stage 3 (30 days)	Approval	Total processing Months (4 months)	'Old' (in existence prior to Decree 115)
11	Clean Agriculture Development and Food Processing Association (CADPA)	8/2010	6	2/2011	5	7/2011	4	12/2011	15	
12	Association des Producteurs de Café du Plateau des Bolovens (APC)	7/2010	1	8/2010	14	10/2011	2	12/2011	17	Old
13	Association for Community Training and Development (ACTD)	4/2010	0	4/2010	19	11/2011	2	1/2012	21	
14	Vulnerable Youth Development Association (VYDA)	11/2010		-	8	7/2011	0	7/2011	8	Old
15	Positive Health Association (PHA)	1/2011	5	6/2011	4	10/2011	4	2/2012	13	
16	White Charcoal Producer for Export Group (WCPEG)	6/2010	9	3/2011	6	9/2011	6	3/2012	21	
17	Association Autism (AFA)	8/2010	17	1/2012	2	3/2012	7	10/2012	26	
18	Green Community Development Association (GCDA)	5/2010	2	7/2010	3	10/2011	5	3/2012	10	
19	Youth to Youth Peer Workers in Health Education and Development Association (YPHA)	4/2010	5	9/2011	1	10/2011		listed as registered NPAs but case appears pending		

		Month of application filing	Months at Stage 1 (30 days)³	Mobilization committee authorized (Initiation of Stage 2)	Months at Stage 2 (60 Days)	Temporary license issued (Initiation of Stage 3)	Months at Stage 3 (30 days)	Approval	Total processing Months (4 months)	'Old' (in existence prior to Decree 115)
	Association									
20	Association of Breast Cancer Disease (ABCD)	1/2010	8	9/2011				6/2012	26	
21	Association to Support the Development of Peasants Society	10/2010		-		10/2011	7	5/2012	19	Old
22	Promotion Family Health Association (PFHA)	7/2010	2	9/2010	13	10/2011	8	6/2012	23	
23	Association of People Living with HIV/AIDS (APLHIV)	8/2010	6	2/2011	12	2/2012	4	6/2012	22	
24	Social Development Alliance Association (SODA)	9/2010	5	2/2011		6/2012		7/2012	19	
25	Association for Assistance the Poor Multi-ethnic people (AMP)	4/2010	4	8/2010				7/2012	27	
26	Gender Development Association (GDA)	5/2010	1	6/2010	19	1/2012	6	7/2012	26	Old
27	Association for Rural Mobilization and Improvement (ARMI)	5/2010	2	7/2012				8/2012	27	Old

Source: UNDP Laos 2012, Capacity Assessment Report 2012

² Decreed maximum time spans in red.

³ Decreed maximum time spans in red.

Annex 2: Overview the five selected NPAs annual reports 2018

Table 1: PHA and PEDA

Name of NPAs	Areas of support	beneficiaries/activities	Project coverage
PHA	Malaria	<ul style="list-style-type: none"> - Raising awareness and educating 4,041 people who are at risk to Malaria in 150 villages in rural and remote areas of four districts: Salavan, Vapi, Konedon and Lakonpheng, Salavan province. - 4,041 people received health check-up with detected 113 people with Malaria and dengue fever which caused by mosquitos. - Provided basic medical and first aid-kits 150 sets for 150 villages; - Provided five trainings to 150 health volunteers at those 150 villages; - Mobilised health check-up point in 18 targeted areas 	Salavan province
	Tuberculosis	<ul style="list-style-type: none"> - Provided two trainings to 25 health volunteers on Reach-Recruit-Test-Treat-Retain (R-T-T-R) in four targeted provinces. - Accessed 2.302 people who are in risk groups have been assessed. Detected 109 patients with tuberculosis and received treatments and monitor in 	Khammouane Salavan Savanaket Champasak

		four provinces (remote areas). 64 patients are monitored at their communities.	
	HIV/AIDS	<ul style="list-style-type: none"> - Health volunteers disseminate and raise awareness on community hygiene, motivation skills, HIV/AIDS to 2,335 people in Vientiane Capital City; 1,356 people in Savannaket province; and 1,240 people in Champasak province. - Referral people with potential risk of HIV/AIDS to access health check-up: 1,777 people in Vientiane Capital; 719 people in Savannaket; and 774 people in Champasak province. - Organised four activities to educate LGBT groups on to fight HIV/AIDS in the above-mentioned provinces. - In 2018 about 4,951 people who are at risk to HIV/AIDS in three targeted provinces have accessed necessary information (with 2,335 in Vientiane Capital; 1,376 in Savannaket, and 1,240 in Champasak). - in risk community groups (how to live and support people living with HIV/AIDS); - Referral 3,270 people who were voluntary have blood test for HIV/AIDS; - Detected 163 new HIV/AIDS patients which 108 from Vientiane Capital; 35 from Savannaket, and 20 from Champasak. 	Vientiane Capital, Savannaket, Champasak,
PEDA	Malaria	<ul style="list-style-type: none"> - Provided training to villager volunteers to detect and provide treatment for malaria patients in 150 villages as well as supplied medicines for malaria in the community of those 150 villages. - Raising awareness about Malaria to 2,295 people (1,149 female) especially risk groups like ethnic 	Champasak Sekong

		groups who are usually finding food and work in the forest.	
	Tuberculosis	<ul style="list-style-type: none"> - Provide knowledge and information to prevent and treatment of Tuberculosis to 4,455 people in the communities; - Monitoring and provided treatment to 137 Tuberculosis cases 	Sayabouly, Laungpabang
	HIV/AIDS	<ul style="list-style-type: none"> - Provided training to volunteers' friends help friends, - Accessed and assessed 2,998 people in targeted groups. - Provided blood test to 1,005 in risk groups 	Khammouane, Savannaket, Champasak

Table 2. SODA

SODA	Areas of support	beneficiaries/activities	Project coverage
	Gender profile in Laos	Developing the survey report on wage of women and ethnic groups working with business sector in Laos	Vientiane Capital
	Enhance working partnership with multi-stakeholders to support ethnic groups children with disabilities	Providing technical support and funding in drafting the Decree on disability children, ethnic and gender to the Department of Ethnic and Religious, MOHA.	Vientiane capital, Xiengkhouang, Bolikhamsay, Sekong
	Survey for child protection	Drafting the report on child rights in three targeted districts (Nhoy, Viengkham and Laungpabang)	Laungpabang
	Promote community forest	Raising awareness (Educate) villagers in four villages and community leaders as well as district and provincial officers on	Sekong

		market information of forest products and sustainable use of forest resources	
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Table 3. ARMI

ARMI	Areas of support	beneficiaries/activities	Projects coverage
	Food Security programme	1)Promote villagers in growing diversity plants, commercial plants; 2)Production chains; 3)Livestock and fishing; 4)Vocational training and job creations; 5)Management and use of forest products; 6)Water and sanitation	10 villages in Thapangthong district, 13 villages in Atsaphon Savannaket province and 10 villages in Saybouathong, Khammouane province
	Improve Cook Stove Programme in Laos	Provided training to Cook Stove producers and tested quality in collaboration with Department of Science and technology, Savannaket province; together with Renewable institute Vientiane capital city	Savannaket, Vientiane Capital
	1000 Day Nutrition	1)Capacity building for volunteer nurses in villages and Women Union at village level to understand the important of nutrition; 2) gender mainstreaming and nutrition	Working in partnership with District authorities such as health office, Agriculture and forestry, Lao women Union, Community Healthcare centre, committee for

			promotion and advance women and children

Table 4. GDA

GDA	Areas of support	beneficiaries/activities	Project coverage
	Empowerment opportunities for youth and women in Laos	Working in partnership with Lao Women Union (signed MOU)	Vientiane Capital, Vientiane province
	Voice of women under CEDAW	Working in partnership with National Assembly, Local Assembly at provincial level, and related government organisations, as well as NPAs partners	Bolikhamsay, Xiengkhouang, Phongsaly,
	Raising awareness on stop violence and discriminations against women in schools	Working in partnership with PHA and <u>Association for Development of Women and Legal Education (ADWLE)</u> , Ministry of education, Lao Women Union	Oudomxay, Bokeo,
	Strengthening young families on Nutrition and Gender equality in	Working with health sector at provincial, district level and community healthcare centres to provided training on nutrition for 20 families (13 women) and training of trainers in 16 villages with 52 participants (23 women)	Vientiane province

	Mad and Feuang District		
	Young mother empowerment in phonhong and Thoulakhom district	Working in partnership Lao Women Union at provincial and district level to provide training lessons on nutrition and family economic development plan for young mothers	Vientiane province