

**Minutes**  
**2017 RTIM Pre-Consultation on SDG Integration and LDC graduation**  
**International Cooperation and Training Center (ICTC)**  
**10<sup>th</sup> November 2017**

The Government together with development partners and other stakeholders will closely work together to ensure the achievement of the goals and objectives of the 8<sup>th</sup> National Socio-Economic Development Plan (NSEDP), including LDC graduation and SDG achievement. To help Lao PDR in this important endeavour, we identified the following key policy issues that require further attention:

1. **Linkage between SDGs and LDC graduation criteria.** There is a close inter-linkage between the SDG indicators and the LDC graduation criteria, which both have the ultimate aim to improve people's lives and well-being. Therefore, these two goals will not be seen in isolation and efforts will ensure that they are complementing each other over the course of implementation of 8<sup>th</sup>, 9<sup>th</sup> and 10<sup>th</sup> NSEDP. In particular, LDC graduation is not a goal in itself, but an important milestone in the sustainable development of Lao PDR. The aim should be sustainable socio-economic development across the Agenda 2030.
2. **Reinforcing all LDC criteria.** While Lao PDR did not reach the LDC graduation thresholds during the 2015 review, we are optimistic the country will become pre-eligible for LDC graduation during the 2018 review. However, pre-eligibility will not resolve the vulnerabilities that made Lao PDR an LDC. Therefore, it is important for the country to continue addressing the LDC graduation criteria in order for its vulnerabilities to be reduced, its development to be sustainable and graduation to occur smoothly.
3. **Human Asset Index (HAI) and Economic Vulnerability Index (EVI).** A maximum increase in HAI would occur if the incidence of undernourishment in the population were to be reduced. This is followed by an increase in literacy, an increase in secondary school enrolment, and a reduction of under-5 mortality. An additional component of the HAI expected to be added in 2018 is maternal mortality. Addressing undernourishment however is the one key component that needs to be addressed to reach the HAI graduation threshold. For economic vulnerability index, immediate attention needs to be given to economic diversification and reducing the exposure of the population to natural disasters.
4. **Implication of graduation, challenges and transition.** The quality of development remains of high importance, to ensure smooth graduation from LDC status. Preparing for the transition is a long-term effort that requires great attention. Learning the lessons from past graduates, priorities for consideration include the following:
  - First, focus needs to be put on the impact graduation will have on external financing, trade preferences, and special and differential treatment.
  - Second, attention should be put on persistent commodity dependence, the risk of reversion of progress achieved and the middle-income trap.
  - Third, the impact of graduation on external debt, Official Development Assistance and Foreign Direct Investment needs to be carefully assessed, including the impact on poverty and inequality.

5. **Economic diversification.** Structural economic transformation and diversification are required for smooth LDC graduation. Therefore, greater efforts are needed to promote diversification and to enhance the competitiveness of domestic industries through systematic productivity improvements, particularly agricultural productivity.
6. **Preparation of the 2018 Voluntary National Review on SDGs.** Lao PDR has formally registered with the United Nations for presenting its Voluntary National Review during the 2018 High-Level Political Forum. The preparation of the Review will be government-led, involving ministerial and other relevant high-level participants. The preparation process will provide a platform for partnerships, including through the participation of national and international stakeholders at all levels. The work plan and an outline of the 2018 SDG Voluntary National Review has been shared with partners during the pre-consultation on SDG integration and LDC graduation on 10 November 2017.
7. **Data and statistics.** High quality disaggregated data is essential to ensure equitable progress against goals and targets. In particular, a broad set of SDG indicators is required, given the inter-linkages and integrated nature of the SDGs. Realizing our ambitions across the full extent of the Agenda will profoundly improve the lives of all men and women. Currently, over 200 SDG indicators are identified, of which 92 indicators are prioritized in the 8<sup>th</sup> NSEDP's Monitoring and Evaluation framework. The remaining indicators will be monitored throughout the 8<sup>th</sup>, 9<sup>th</sup> and 10<sup>th</sup> NSEDP. Special attention will be put on the standardization of national indicators and data collection to ensure proper assessment of results and outcomes - rather than different methodologies and processes. The Review "From Millennium Development Goals to Sustainable Development Goals: Laying the Base for 2030" provides useful data and statistics, and contributes to the technical basis of the Voluntary National Review. In addition, there is a need to identify key research activities to act on the identified priorities.
8. **Integrated nature of the 2030 agenda.** The 2030 Agenda is an integrated one. Its implementation will require integrated strategies to address the intertwined challenges of poverty eradication, inclusive and rapid economic growth, environmental sustainability and structural vulnerability in a coherent manner. Broad coalitions are therefore required to achieve the SDGs, including a whole-of-Government approach – across sectors and all levels of Government, and increased coordination also among the development partners to enhance efficiencies, improve division of labour and avoid duplications. Participation of all partners, including Government, development partners, civil society, private sector and academia will continue to be important.
9. **Horizontal and Vertical Integration** - Lao PDR was commended for its efforts to localize the SDGs and integrating them into the 8<sup>th</sup> NSEDP. The SDGs and their targets will continue to be integrated into sectoral and local strategies to guide the effective implementation, monitoring and reporting on SDGs at all levels.
10. **Equality.** The Agenda 2030 underlines that no one should be left behind. There is the need to ensure that the benefits of the rapid economic growth are evenly distributed and translated into inclusive and sustainable human development. Widening development gaps between rich and poor, urban and rural areas of the country, and ethnic groups need to be addressed. The development of infrastructure in rural areas is essential for improving livelihoods and creating equal access to public and private services. Particular importance should be attributed to SDG-5 on gender equality, which is one of the cross-cutting priorities of the 8<sup>th</sup> NSEDP. Disaggregating data by sex will allow the identification of priority areas. While there has been significant progress on gender

equality at central level, lead positions and local level positions remain dominated by men.

11. **SDG-18** - Lao PDR was the first country worldwide to adopt an 18<sup>th</sup> national SDG, on removing unexploded ordnance (UXO), which is a significant obstacle to national development. The presence of unexploded ordnance in the country continues to pose serious challenges, destroying lives and limiting agricultural productivity.
12. **Financing the SDGs and LDC graduation.** The 2030 Agenda and LDC graduation will require different types of resources. Building on the 8<sup>th</sup> NSEDP, further discussion is required on how the SDGs can be prioritized and on where it makes sense to focus efforts and resources. Attention needs to be shifted to domestic resource mobilization, including through tax collection. This is crucial in terms of funding national development and addressing public debt. Tax reforms, investments in modern tools for tax collections, and improving the efficiency of public financial management will ensure everyone benefits from Lao PDR's economic development, also outside the capital. Domestic resource mobilization is also important in view of the decline in ODA expected following LDC graduation.
13. **Advocacy and awareness-raising.** Public awareness raising and communications for SDG are important aspects of SDG implementation to gain support and promote partnerships which are essential for achieving the SDGs. Therefore, it is important to promote common awareness of the Agenda 2030 and the national priorities not only at national level but also at local level.
14. **South-South Cooperation.** Participants highlighted the continued importance of South-South cooperation. For instance, Cuba underlined the potential for collaboration in the areas of health, education and agriculture. Indonesia stressed the importance of a national marketing strategy to achieve the SDGs and LDC graduation, and for all public employees to learn how to market their country.