
Investing in the Human Capital of Lao PDR

28 Sept 2020

Pillar 5: COVID19 Taskforce on determination f
draft 9th NSEDP

Lao PDR's Context and outlook

- **Human capital remains lower** than international peers, and investment in the human capital sector remains low.
- **Early stages of a demographic transition** (the changing pattern of mortality, fertility and growth rates) with growing urbanization, key to building human capital and harnessing the demographic dividend.
- **Urbanization** - a role in boosting human capital, due to the link between the urban area and population density,
- **COVID19 impact**
 - COVID-19 impact and response strategies have significantly affected the accumulation of human capital.
 - The COVID-19 pandemic posed significant challenges to the health system in Lao PDR

Strategic policy recommendations

- The COVID-19 pandemic - **an opportunity to build crisis-resilience** through strengthened and more systemic health and social protection measures for all
- **Prioritise critical interventions and programmes** along
 - The life cycle, and
 - Recognise the need for coordinated multi-sectoral solutions.
- **Greater use of detailed disaggregated data** to inform more targeted policies
 - Help improve efficiency in the increasingly resource-constrained environment.
- **Digital connectivity**
 - Technically possible to cost-effectively deliver more services remotely, but investments are needed to ensure sustainability and equity in access.

Pillar 1 - Investing in education, starting from early childhood to tertiary education

- A pressing need to **stabilize the fiscal situation**, especially given government revenue lost due to COVID-19.
- Recognize and invest in **the most cost effective interventions**
 - (e.g., early childhood education) that guarantee the highest impact on learning and skills development as core human capital assets.
- These investments - **generating diverse range of jobs** and provide a mechanism through which **the working age people** can
 - generate enough income to support themselves,
 - contribute to poverty reduction, and
 - ultimately improved fiscal stabilization with GDP growth sustainably.
- **Investments in education** are protected over the course of the 9th NSEDP if the demographic dividend is to be realized.
 - given the critical stage in the demographic transition that Lao PDR is currently in, it is crucial that

Pillar 2: Investing in technical, vocational, skills and competencies development in urban and rural settings

- **Seizing the economic opportunities** - over the course of the 9th NSEDP and beyond, including - investments in improving regional integration,
 - Require appropriate **skill sets and broader competencies**.
- This could be pursued through
 - The expansion and strengthening of **targeted technical and vocational training programmes**, and
 - **Investment in 21st century skills development** from primary education priority (also includes ICT, financial literacy and communication).
 - **Strengthening Micro, Small, and Medium-sized Enterprise development initiatives**, including necessary skills development, would support the creation of new livelihood opportunities.
- Strengthen **private engagement and investment in skills development** - links with wage and employment policies for better employment opportunities and decent work.
 - Policies to systematically increase trainee, apprenticeship, and mentorship programmes in both domestic and foreign enterprises.

Pillar 3: Investing in primary health services, including sexual and reproductive health, and nutrition services

- **Investments in Sexual and Reproductive Health and Rights, as well as Nutrition, Maternal, Newborn, Adolescents and Child Health** - positively impact human capital and macroeconomic performance.
- Maintaining sufficient investment in human capital requires a sustainable and efficient health financing system.
 - built on a stable government budget, recognising anticipated donor transitions, in close collaboration and coordination with development partners based on the Health Financing Strategy.
- Prioritisation of the implementation of the essential health service package with service delivery - more resilient to disruptions during crises, and ensure equitable access to quality healthcare.
 - Policies - protect gains in infant and maternal mortality.
 - The 2020-25 National Plan of Action for Nutrition - the delivery of interventions and activities for the multifactorial determinants of stunting particularly the key proximal determinants of child growth.

Pillar 3: Investing in primary health services, including sexual and reproductive health, and nutrition services (continued)

- Building resilience for the health system to respond to COVID-19 and prepare for future public health emergencies include
 - Building systems for mental health and psychosocial support for COVID-19 patients and other target groups.
 - The 9th NSEDP should also consider necessary steps to build the competence of the health workforce through long-term investment in pre-service and in-service training.

Thank You