

Terms of Reference
Multi-stakeholder Taskforce to study the Impact of COVID-19 to support a
Determination of the 9th NSEDP and SDG Localization in Lao PDR

Background

The COVID-19 pandemic has already imposed a major shock on Lao PDR and its neighbors, with effects that are likely to be felt for years to come. In Lao PDR, following years of GDP growth averaging in excess of 7 percent, growth in 2020 will be severely impacted. Economic performance in major regional economies has also been adversely affected, with implications for trade, investment, and regional employment opportunities. Globally, unprecedented investments in economic stimulus packages to respond to the socio-economic fallout from the pandemic will have significant implications for the availability of international support in coming years. Together, these factors will combine to create a markedly tighter financing constraint, and increased challenges in securing adequate funding for the national plan.

Lao PDR is part-way through the development of the 9th National Socio-Economic Development Plan (NSEDP), which will be the master document guiding Government policymaking from 2021 to 2025. The Politburo has identified the following four over-arching aspirations for the 9th NSEDP: high-quality, well-prioritized, sustainable, and green. The broad structure of the document has already been endorsed, and is built around 6 pillars. LDC graduation remains a Government priority. The next triennial review by the UN Committee for Development Policy will take place in early 2021 and could recommend that transition from the LDC category be completed within the timeframe of the 9th NSEDP. The SDGs set an ambitious development agenda, for which the world and the Asia-Pacific region were already off-track. With the shock from COVID-19, achieving targets by 2030 will become even more challenging.

The effects of COVID-19 therefore require a structured process to consider necessary adjustments to plans whilst they are being developed, both to ensure that they focus on the right priorities, and that targets remain achievable. To this end, the Ministry of Planning and Investment (MPI), on behalf of the Government of Lao PDR, has requested UN support in the convening of a multi-stakeholder taskforce to support the process of making the necessary recalibration.

Purpose

In line with the initial request, the taskforce will develop:

1. A set of core assumptions about significant shifts in context (including macroeconomic and fiscal circumstances; migration; and changes in livelihoods) with implications for the period of the 5-year plan that can be used to revise national and sectoral plans and targets including those relating to SDG indicators; and
2. A clear set of specific recommendations to be considered by relevant Ministries and Sector Working Groups, to complete the draft 9th NSEDP in light of the changing context and to inform the SDG localization.

The taskforce is intended to support the process of developing policy priorities for the 9th NSEDP including the SDG localization that appropriately reflect the changed circumstances, as a result of COVID-19, and can help to realize the ambition for the Plan. It will facilitate the development of a shared understanding of the key implications of COVID-19 and resulting policy priorities amongst a core set of national decision makers and development partners. Through this, it will provide high-

level guidance, which can then be used by MPI and the Sector Working Groups to calibrate sector-specific policies and targets that are consistent with the broader context.

Thematic areas will be agreed with taskforce members, but tentatively could include:

1. **Financing for sustainable development and effective development cooperation** (Lead: MOF, MPI, BOL, CMER/NIER and WB – in collaboration with relevant partners);
2. **Trade and private sector, value chains and tourism**; including agricultural productivity and connecting to regional trade opportunities, and logistic and transportation (Lead: MOIC, MAF, MPI, LNCCI, CEIR/NIER, ICT and related Associations (Bank Association in particular) – in collaboration with relevant partners);
3. **Green growth, resilience and risk management with respect to potential environmental, health, and economic shocks** (Lead: MPI, MONRE, CSPR/NIER and WB/ADB – in collaboration with relevant partners)
4. **Manage changes and enhance policy preparedness for decent work** (Lead: MOLSW, MPI and ILO/IOM and Japan – in collaboration with relevant partners); and
5. **Human capital**, including health and education (Lead: MPI, MOH, MOES and UN).

Consideration of those groups most vulnerable to the shock from COVID-19 and of necessary steps to ensure sufficient recognition of the impact on poverty and to ensure that no one is left behind would be mainstreamed across all discussion themes.

In preparation for each thematic session, preparatory work would be completed by a combination of members of the core group, and specific technical experts brought in as appropriate to the session. This preparation work will include identification of key trends and changes in context as a result of COVID-19, and important outstanding questions for which high-level strategic policy direction is necessary for the framing of the 9th NSEDP.

Formal, written documentation from the process will be kept concise and easy to digest. Specifically, 2-3-page briefs will be prepared following the discussion under each theme, summarizing the strategic recommendations emerging from the discussion. These briefs can then be used by MPI and the SWGs to implement the determination of the 9th NSEDP master document and to inform the SDG localization.

Structure

The taskforce will be made up of specifically-identified individuals from key national institutions and selected international partners. The taskforce will be co-chaired by the Deputy Minister for MPI and the UN Resident Coordinator. The core working group for the taskforce will be made up of representatives from:

- Ministry of Planning and Investment (DOP will take a lead at macro level on integrating outputs of the taskforce (recommended actionable policy and others) into the 9th NSEDP. CDR will take lead in carrying out the actual study with the taskforce in collaboration with the presence of DOP).
- Ministry of Finance (a presentative to be determined);
- National Institute for Economic Research (COPA¹ will take a leading role in integrating outputs from relevant research centers within NIER; the CMER² will work in the thematic

¹ COPA stands for Office of Cabinet, Organization and Personnel Affairs

taskforce on the macro-fiscal framework and financing for sustainable development the CEIR³ will work in the thematic taskforce on trade and private sector, value chains and tourism; including agricultural productivity and connecting to regional trade opportunities, logistic and transportation; and the CSPR⁴ will work in the thematic taskforce on green growth, resilience and risk management with respect to potential environmental, health, and economic shocks);

- Asian Development Bank (Director Yasushi Negishi);
- Embassy of Japan (Ambassador, Mr. TAKEWAKA Keizo);
- United Nations (RC Sara Sekkenes); and
- World Bank (Country Manager Nicola Pontara).

Additionally, the reference group for the task force will include representatives from:

- Ministry of Foreign Affairs;
- Ministry of Industry and Commerce;
- Ministry of Labor and Social Welfare;
- Ministry of Public Works and Transport;
- Ministry of Health;
- Ministry of Education and Sports;
- Ministry of Information, Culture and Tourism
- Bank of Laos;
- Lao National Chamber of Commerce and Industry;
- Ministry of Agriculture and Forestry;
- International Monetary Fund; and
- Some other relevant agencies/partners could be invited to join as appropriate through the discussion process.

In the course of fulfilling its mandate, the taskforce will also consult with other parts of Government, development partners, and representatives from the private sector as appropriate.

Approach

The task force will convene a series of moderated thematic discussions, with appropriate background documentation and information drawing on existing research and analysis. Through these discussions, a shared understanding of the implications of COVID-19 on key issues related to the NSEDP will be built. The discussions will also aim to build consensus on high-level policy implications under each of the themes, with a focus on constructive, realistic policy directions. Shared conclusions and recommendations in each of these thematic areas will be developed over the course of the discussions, ultimately becoming the key output from the taskforce. An initial inception discussion would include presentations on the broad macroeconomic national, regional, and global context- drawing on existing analytical work that has been completed.

Timeline

² CMER stands for Center for Macroeconomic Policy and Economic Restructuring

³ CEIR stands for Center for Enterprise Development Policy and International Integration Research

⁴ CSPR stands for Center for Socio-Economic Science and Policy Research

The taskforce will convene consultations throughout July/August and is expected to deliver recommendations within 8 weeks, i.e. in August/September 2020. Key outputs of the taskforce will be highlighted during the upcoming meeting of chairs and co-chairs of SWGs to be organized sometimes in September 2020.

These recommendations will feed into the core 9th NSEDP drafting process, including consultation with Sector Working Groups (made up of representatives from Government, development partners, civil society and the private sector). It is expected that accepted recommendations will be fully reflected in the NSEDP draft by November 2020.

A detailed work-plan for the taskforce will be developed and adopted during the inception meeting. This will include identification of thematic areas and a timeline for discussions on each.