



9th NSEDP Financing Strategy

By

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Presentation Outline



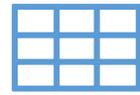
1. Financing Strategy Objectives
2. Formulation Process
3. Policies and Actions
 - Part 1: Domestic Public Finance
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4. Implementation Arrangements and Next Steps



1. Financing Strategy Objectives



Financing the 9th NSEDP: identification of policies and actions that accelerate/ do not compromise *quality, sustainable, green, and focused* development



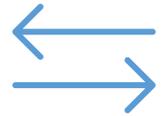
A rapid implementation within the 9th NSEDP timeline (2020-2025), enabled by the clear identification of responsibilities, timeline, coordination mechanisms, means of verification



Strengthened policy coherence, tackling trade-offs and competing priorities (e.g. natural resources extraction vs. sustainability or investment promotion vs. revenue generation)



Enhanced inter-ministerial and multi-stakeholder collaboration as a foundation for the formulation process and an outcome/objective of the strategy



A statement of policy change to regional and global audiences (markets, development partners) clarifying Lao PDR's commitments



2. Formulation Process



Between December 2020 and September 2022, 15+ days of multi-stakeholder workshops and dialogues, involving 70+ officials of the government



10 ministries and entities involved: MPI, MoF, BoL, MoNRE, MEM, MAF, MoES, MoH, MoIC, MoFA



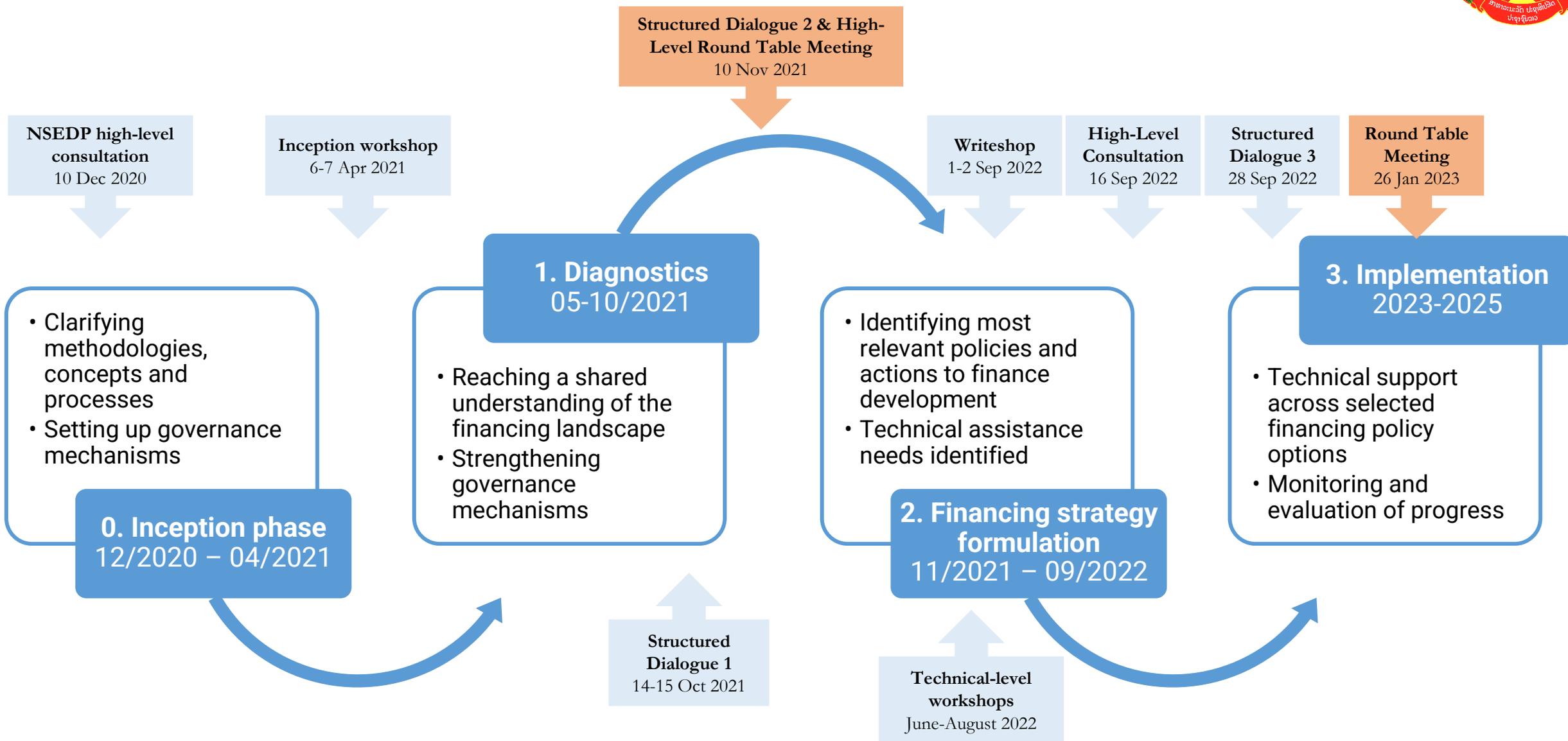
20+ government departments, LASES, research capacity and the private sector involved



A broad coalition of DPs providing technical assistance and quality assurance: including UN Country Team, World Bank, GGGI, DFAT, EU.



A structured process building on the Integrated National Financing Framework



Domestic public finance policies and actions



1.1 Revenue Mobilisation

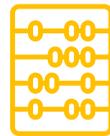


Policy objective 1.1.1:
State revenues primarily increase through a fiscal policy shift to broaden the tax base, in line with inclusive growth priorities

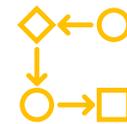


Policy objective 1.1.2:
revenue generation does not compromise the 9th NSEDP environmental sustainability directions and priorities

1.2 Expenditure Management



Policy objective 1.2.1:
2023-2025 budget allocations and public investments (...) support the achievement of the 9th NSEDP



Policy objective 1.2.2: transparent and modern public financial management improves the allocative efficiency and 9th NSEDP-alignment of the budget

1.3 Debt Management



Policy objective 1.3.1: immediate debt relief is needed to free fiscal space for development investments



Policy objective 1.3.2: transparent and evidence-based debt management will progressively create the conditions for sustainable debt issuance

International public finance policies and actions



2.1 ODA predictability, efficiency, and effectiveness



Policy objective 2.1.1:
the efficiency and effectiveness of ODA increases through enhanced planning, monitoring, and coordination

Policy objective 2.1.2:
ODA delivery can accelerate through harmonization and simplification of regulations and the management the absorptive capacity of national entities

2.2 LDC Finance



Policy objective 2.2.1:
urgently mobilise LDC-specific funds to finance national development priorities

Policy objective 2.2.2:
prioritise financing sustainability in the forthcoming LDC Graduation Smooth Transition Strategy

Domestic private finance policies and actions



3.1 Business environment for MSME development



Policy objective 3.1.1:

improve the business environment to unlock domestic private finance flows in priority sectors

3.2 Financial inclusion



Policy objective 3.2.1:
increase access to finance for MSME development



Policy objective 3.2.2:
improve the financial sector's sustainability and credit availability for priority investments in line with macroeconomic stabilisation priorities

International private finance policies and actions



4.1 Foreign Direct Investments



Policy objective 4.1.1:

quality FDI contributing to national development priorities increase through a focused investment promotion strategy based on non-fiscal incentives and reforms of the business environment

4.2 Illicit Financial Flows



Policy objective 4.2.1:

completing the FATF's Mutual Evaluation and implementing the associated action plan is a first step towards curbing illicit financial flows, increasing government revenue, and improving Lao PDR's international profile

4.3 Remittances



Policy objective 4.3.1:

as the region reopens, rapidly defining a policy framework for remittances will help identifying actions needed to facilitate their contributions to livelihoods

Policies and actions to finance priority sectors



4.1 Health Finance



Policy objective 5.1.1:

health priorities are financed through sustainably increasing budget allocations for quality and inclusive essential health services, enhanced allocative efficiency of all public funding, and the regulated mobilisation of private resources

4.2 Education Finance



Policy objective 5.2.1:

education priorities are financed through sustainably increasing budget allocations, the enhanced allocative efficiency of all public funding, and the regulated mobilisation of private resources

4.3 Green and Climate Finance



Policy objective 5.3.1:

green growth and climate-resilient development are financed through sustainably increasing budget allocations, improved green budgeting, strategic mobilisation of ODA, and increasing private investments in an enabling business environment

4. Implementation Arrangements and Next Steps



Nominated lead entities within government, down to the department level



Identified existing coordination mechanisms for continued collaboration and monitoring progress:
MPI-MoF meetings,
Round Table Process,
Lao Business Forum,
Sector Working Groups, LDC Taskforce, etc.



Timeframe identified for each action and policy



Implementation to begin by 2023 and guide the 9th NSEDP Mid-Term Review



**Endorsement - MPI
reviewing for further
guidance**



**Implementation
require support of
Development
Partners, MPI and
UNRC to jointly lead
the development of a
new integrated joint
programme, with
support from all
stakeholders**



Thank you