



**Round Table Implementation Meeting
13th February 2024
Vientiane, Lao PDR**

Background Document

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I. Introduction

The Round Table Process (RTP) is an inclusive mechanism that brings together government, development actors to maximize the development impact of the National Socio-Economic Development Plan (NSEDP). The RTP aims to exchange dialogue between governments and development actors on the key national development agenda, mobilize resources and ensure effective coordination and cooperation, evaluation/assessment, monitoring, and reporting. The High-Level Round Table Meeting (held every five years) and the Implementation Meeting (held annually) are the venues in Lao PDR that bring together representatives from all government ministries and provinces at the highest level, as well as all international development partners, the private sector and civil society among others. The Government of Lao PDR considers the outcome of the meeting to be the most representative and consultative in shaping policy options for the country's development. Therefore, the Government of Lao PDR is committed to ensuring that the Round Table Meetings are result-oriented and as effective and interactive as possible.

As 2023 marks the halfway point in the implementation of the 9th NSEDP for the period 2021-2025, the organization of the Round Table Implementation Meeting (RTIM) 2023 holds significant importance to review both the progress made, and the challenges encountered in the first half of the implementation of the 9th NSEDP. Given the complex circumstances and challenges in Lao PDR, including the prolonged and severe impact of the COVID-19 pandemic, economic and financial difficulties caused by external factors, and the frequent occurrence of natural disasters, it is important to identify and prioritize actions that will accelerate progress in the remaining years of the 9th NSEDP to achieve its goals.

Within the scope of Round Table Implementation Meeting (RTIM) objectives, this Background Document has been prepared to provide information, including the outlines and progress of key government's strategies and policies in line with the RTIM 2023 agenda, for participants of the RTIM 2023 to familiarize themselves with the current context of development issues in Lao PDR and prepare for discussion at the RTIM 2023.

The RTIM 2023 will be organized with the theme: **Accelerating the Implementation of the Results of the 9th National Socio-Economic Development Plan Mid-Term Review for Achieving SDGs and LDC Graduation.**

Under this theme, the RTIM 2023 will be discussed with the following agenda items:

1) The 9th NSEDP Mid-Term Review, 9th NSEDP Financing Strategy and Lao PDR Resilience Framework

As the 9th NSEDP 2021-2025 has reached the midpoint of its five-year implementation period, the Government launched the Mid-Term Review (MTR) process to take stock of progress to date and prioritize actions for the remainder of the implementation period to achieve the 9th NSEDP. In addition, the Financing Strategy was developed as a companion document to the 9th NSEDP, which aims to achieve high quality, sustainable, green, and focused development, and sets priorities to get back on track to achieve the Sustainable Development Goals (SDGs).

The session will report on the MTR of the 9th NSEDP and the 9th NSEDP Financing Strategy. The session will also integrate Lao PDR Resilience Framework, established to develop a broadly consulted prioritization and consolidation of short to medium term actions to sustainably recover from the so-called 4F crises (fuel, food, fertilizer, and

finance), the current economic challenges and the COVID-19 pandemic, as well as actions to build resilience to future crises. The presentation will be delivered by H.E. Mme. Phonevanh Outhavong, Vice Minister, Ministry of Planning and Investment.

Participants will be invited to share additional reflections on the progress and challenges of the 9th NSEDP MTR, its Financing Strategy and the integrated Resilience Framework, and to provide feedback on proposed directions for the future.

2) Third Voluntary National Review and the Lao PDR Smooth Transition Strategy for LDC Graduation (2022-2026 with a vision to 2030) and Beyond

The Voluntary National Review (VNR) is a process that countries assess and present national progress in the implementation of the 2030 Agenda for Sustainable Development and the SDGs. As we approach the mid-point of the implementation of the 2030 Agenda, the Government of Lao PDR has initiated a process to present the 3rd VNR in 2024, which is also timely as the Lao PDR is in the process of the MTR of the 9th NSEDP and the Committee for Development Policy (CDP)¹ will also conduct the triennial review of the Lao PDR's graduation path from the Least Developed Countries (LDCs) in 2024. The Government of Lao PDR has also developed the Lao PDR Smooth Transition Strategy for LDC Graduation, which aims to mitigate the potential impact of the loss of international support measures (ISMs), maintain a high-quality development path, and ensure continued development progress beyond 2026 and the achievement of the 2030 Agenda.

The session will report on the 3rd VNR and the Lao PDR Smooth Transition Strategy for LDC Graduation. The presentation will be delivered by H.E. Mr. Phoxay Khaykhamphithoune, Vice Minister, Ministry of Foreign Affairs.

Participants will be invited to share reflections and feedback on the approach being taken to prepare the 3rd VNR and the LDC graduation.

3) Panel Discussions

As the Mid-Term Review of the 9th NSEDP provides clear recommendations for the priorities of the 9th NSEDP, two parallel panel discussion sessions will be held with the aim of creating space for a substantive exchange among stakeholders on high-priority development issues for the remaining years of the 9th NSEDP. The panel discussions will facilitate the further elaboration on how these recommendations can be taken forward, building on existing national policy frameworks. The discussions are intended to generate specific recommendations that could be incorporated into the development of the 10th NSEDP. During the panel discussions, all Round Table Implementation Meeting (RTIM) participants are invited to join the discussions. The concept for the panel discussions is shared separately.

Panel Discussion 1: Economic Situation and Way Forward to Sustainable and Green Growth

Panel Discussion 2: Human Capital and Sustainable Economic Development

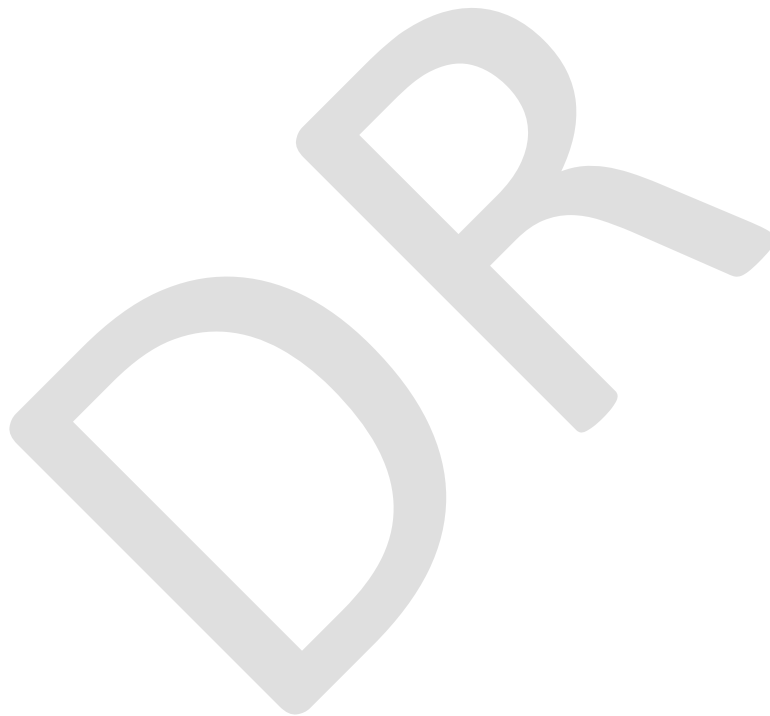
¹ The CDP is a subsidiary body of the United Nations' Economic and Social Council (ECOSOC). It periodically reviews the LDC category, recommends countries for inclusion or graduation, and monitors graduating and graduated countries, among other LDC-related tasks.

4) Development Cooperation (The 4th Round of Global Partnership for Effective Development Cooperation and the RTP guideline)

In 2023 the Government of Lao PDR has initiated the process of the 4th round of the Global Partnership for Effective Development Cooperation.² The results of the Global Partnership monitoring exercise will provide evidence to track the progress in the effective development cooperation by providing data for the Vientiane Declaration on Partnership for Effective Development Cooperation Country Action Plan (VDCAP). In addition, the Government of Lao PDR has taken steps to improve the efficiency and productivity of the RTP and its Sector Working Group (SWG) process based on the outcome of the 2022 RTIM, and has developed the RTP Guideline, which aims to strengthen the link between discussions at each SWG and national development priorities in line with the MTR of the 9th NSEDP.

The session will report on the progress of development cooperation (The 4th round of the Global Partnership for Effective Development Coordination and the RTP guideline). The presentation will be delivered by H.E. Mme. Phonevanh Outhavong, Vice Minister, Ministry of Planning and Investment.

Participants will be invited to share feedback and suggestions on the planned action and ways on how to further strengthen the effectiveness of development cooperation.



² The GPEDC is the primary multi-stakeholder vehicle for driving development effectiveness, to "*maximize the effectiveness of all forms of co-operation for development for the shared benefits of people, planet, prosperity and peace.*" The Global Partnership monitoring exercise and report is a flagship instrument of the GPEDC that provides a critical snapshot of progress toward more effective development cooperation.

II. The 9th NSEDP Mid-Term Review

With the implementation of the 9th NSEDP (2021-2025) reaching its midpoint in 2023, the MTR was conducted to review the priorities for the remaining years of the 9th NSEDP and the direction for the next development cycle, the 10th NSEDP (2026-2030). The MTR suggests the following overall directions until 2025.

Short-term prospects for pro-poor growth are clouded by the threat of continued macro-economic instability and the further compression of developmental expenditures by unsustainable debt obligations. The immediate objective is to protect purchasing power and access to public services from macroeconomic instability and fiscal pressure on social spending.

Policies and policy adaptations are needed that balance short-term stabilization needs against the longer-term challenges for tackling income inequality and the climate crisis. In effect, the aim will be to establish balance between economic, inclusivity and environmental imperatives. This aim will underpin the shaping of the 10th NSEDP.

There are opportunities that need to be seized. For example, the Lao PDR is in the early stage of its demographic transition, during which the number of people in productive age will exceed the number of dependent younger and elderly in need of care and support. This one-time demographic window of opportunity could drive higher economic growth if adequate investments are urgently made in human capital development. Public health and education spending fell from 4.4% to 3.1% of GDP over 2016-21. The risk of losing out on the potential of demographic dividend could result in increased vulnerabilities, poverty, and a demographic loss with severe implications on the development trajectory of the country as it moves towards graduation from the least developed country status.

During times of economic slowdown, policies to maintain demographic resilience and improve human capital development should be considered among the most urgent priorities of financing strategies and response plans. With over 80,000 new job seekers entering the labour market annually over the next decade, investments in the preparedness of young people are key to Laos' economic recovery and growth.

This will require continued reforms to strengthen governance, to promote economic diversification and competitiveness, to improve the business climate and foster private sector development, and to enhance investment in human capital, health, education and social protection.

While the Lao PDR's abundant natural resources represent a real comparative advantage if managed sustainably, the nation has not yet managed to decouple economic growth from the exploitation of its natural resources which are under genuine pressure due to land conversion, missing land rights and climate change.

The expanding economy can provide additional Government revenue, if public finance management systems become more efficient, accountable and transparent; public debt needs to be brought back to a sustainable level. In addition, the Lao PDR's young population and human capital creates the potential of a demographic dividend but only if their education and skills are of sufficient quality and appropriateness for the needs of the labour market.

Implementation of the 2nd half of the NSEDP should benefit from the well thought through responses to the challenges. Considering the various responses, the

recommendation of this Mid-Term Review is that, with immediate effect, strong action is taken to mitigate the worst effects of the macro-economic problems.

The aim is to use these measures in the 2nd half of the 9th NSEDP to lay the foundation for the 10th NSEDP, which is more focused and effective. It will require highly focused implementation of the 9th NSEDP in its remaining years and of the 10th NSEDP – re-allocating public spending into priority areas and recognising that human capital is a critical foundation of inclusive and sustainable development.

III. The 9th NSEDP Financing Strategy

The 9th NSEDP Financing Strategy was developed as a companion document to the 9th NSEDP. The Financing Strategy aims to put finance at the service of development. Practically, this means identifying policies that can increase the volume and /or alignment of all financial flows to the 9th NSEDP's 6 outcomes and 25 outputs.

To achieve this objective, the Financing Strategy applies the Integrated National Financing Frameworks (INFF)³ approach to Lao PDR, with a holistic – i.e., looking at all sources of finance – country-owned, i.e., complementary to the national plan – and goal-oriented, i.e., focused on accelerating the financing and achievement of national development priorities – action framework that covers the remainder of the current planning cycle (2023-2025).

The Financing Strategy consist of four core chapters structured along a dual classification (public/private and domestic/international) and one core chapter focusing on priority sectors that are instrumental to Lao PDR's sustainable development progress: human capital (health and education) and green and climate-resilient growth. This particular concern of the Government of Lao PDR is also mainstreamed across all actions, to ensure that development finance generation and spending are themselves inclusive, people-centered, and environmentally sustainable.

Chapters/Source of finance	Policy area
1. Domestic Public Finance	1.1 Revenue mobilisation
	1.2 Expenditure Management
	1.3 Debt Management
2. International Public Finance	2.1 ODA predictability, efficiency, and effectiveness
	2.2 LDC Finance
3. Domestic Private Finance	3.1 Business Environment for MSMEs
	3.2 Financial Inclusion
4. International Private Finance	4.1 FDI
	4.2 Illicit Financial Flows
	4.3 Remittances
5. Priority Sectors Finance	5.1 Health Finance
	5.2 Education Finance
	5.3 Green and Climate Finance

³ The INFFs are a planning and delivery tool to help countries strengthen planning processes and overcome obstacles to financing sustainable development and the SDGs at the national level.

The relinking of fiscal policy with inclusive growth appears as the most important precondition to continued development progress in the context of a revenue to GDP ratio that is much below regional peers. This must be done without risking Lao PDR's environmental and climate objectives specified in the country's Nationally Determined Contributions (NDCs).⁴

Broadening the tax base to ensure sufficient revenues for development is paired with an imperative to make public and foreign financial flows contribute more directly to the country's development objectives. There is a consensus that current administrative and financial processes need to be reviewed to ensure the consistent alignment of annual budget allocations, medium-term budget frameworks, and public and private investments decisions, with the national plan.

Reducing current debt levels is another priority. This entails the continuation of ongoing negotiations, but also the exploration of debt relief initiatives, and improved debt management.

These core reforms are accompanied by a wide range of measures to improve the strategic planning, efficiency, and effectiveness of development aid, in particular in ODA-dependent sectors, improve access to finance for Lao businesses, manage risks in the financial sector, simplify the business environment, or curb illicit financial flows.

Improving coherence, efficiency, and effectiveness of all financing for development policies, programmes, and projects is another central purpose of the Financing Strategy. This requires scaling-up and solidifying multi-stakeholder partnerships.

The value added of the Financing Strategy largely lies in the fact that it is the result of progressive consensus built through series of technical and high-level workshops, engaging all key Government ministries, development partners, and the private sector. This inclusive approach, steered by the Ministry of Planning and Investment, with the support of the UN, facilitated open and evidence-based debates on the causes and drivers of complex development and financial challenges, whose origins are often found in unmanaged trade-offs, insufficient coordination, and siloes.

Maintaining this multi-stakeholder approach will be essential for a smooth and effective implementation. For this reason, the governance and monitoring of implementation, which began in January 2023, is the subject of a final chapter, primarily composed of an action matrix, providing much needed details on responsible entities, required partners, timelines, means of verification for monitoring, and coordination mechanisms.

IV. Lao PDR Resilience Framework 2022-2025

The Lao PDR Resilience Framework was established to develop a broadly consulted prioritization and consolidation of short to medium term actions to sustainably recover from the so-called 4F crises (fuel, food, fertilizer, and finance), the current economic challenges and the COVID-19 pandemic, as well as actions to build resilience to future crises.

The Resilience Framework was designed to:

⁴ The NDC is a climate action plan to cut emissions and adapt to climate impacts. Each Party to the Paris Agreement is required to establish an NDC and update it every five years

- Support the implementation of the 9th NSEDP and the further guidance provided by its financing strategy and sector plans as well as the National Agenda on addressing economic-financial difficulties issued by the Office of the Prime Minister and other existing documents addressing urgent national priorities;
- Align with other key documents including ASEAN Comprehensive COVID-19 Recovery Framework and its Implementation Plan, and the Smooth Transition Strategy for LDC Graduation;
- Focus on short to medium-term actions (period from now to ~2025) that may also transition into the next 10th five-year NSEDP;
- Focus on actions with leverage and comparatively low implementation costs as well as strengthening of already existing projects and programmes;
- Take into considerations the lessons learned from other countries; and
- Build on current data collection efforts such as the “high frequency data Joint Programme” led by the Lao Academy of Social and Economic Sciences (LASES) with support from the UN, which aims at better understanding how people’s wellbeing, especially of the most vulnerable, is being affected by the 4F crisis.

The Resilience Framework consists of 5 pillars with 20 components and 73 priority actions as well as three cross-cutting factors namely, gender equality, demographic transitioning, and institutional convergence. Each component identifies the lead entity responsible for implementing the priority actions, the partner entities to be involved in such actions, and the specific link to the 9th NSEDP at the outcome and output levels:

Pillar 1: Financing for sustainable development and effective development cooperation

Component	Lead Entity	Potential Partner Entities	Link to 9 th NSEDP
1. Fiscal Sustainability	Department of Fiscal Policy and Law, MoF	Investment Promotion Department (MPI), Tax Department (MoF), SME Fund and Enterprise Registration and Management Planning (MoIC), Macroeconomic SWG	Outcome 1 (Output 4), Outcome 6
2. Debt Management and Transparency	Debt Management Department, MoF	MoFA, MPI, Macroeconomic SWG	Outcome 1 (Output 4)
3. Financial Sector Stability	Commercial Banks Supervision Department, BoL	Lao Business Forum, Macroeconomic SWG, Monetary Policy Department (BoL), MEM	Outcome 1 (Output 4)

Pillar 2: Trade and Private Sector, Value Chains, and Tourism

Component	Lead Entity	Potential Partner Entities	Link to 9th NSEDP
1. Investment and Business Environment	Investment Promotion Department (MPI), MoIC	MoF, MPI, BoL, MoPWT, MoFA, Development Partners	Outcome 1 (Output 4), Outcome 2, Outcome 5
2. Tourism	Department of Planning and cooperation (MoICT)	MPI, MPWT, MLSW, MONRE, MOIC, LNCCI, BoL, MoTC, MoH, Development Partners	Outcome 1, Outcome 4
3. Agriculture	Department of Planning and Finance (MAF)	MoNRE, MPI, MPWT, MOIC, LNCCI, LYU, MoTC, Development Partners	Outcome 1, Outcome 2, Outcome 3, Outcome 4 (Output 3)
4. Digital Transformation	MoTC	MOIC, LNCCI, MoFA, LWU, LYU, Development Partners	Outcome 1, Outcome 2 (Output 4)

Pillar 3: Manage changes and enhance policy preparedness for decent work

Component	Lead Entity	Potential Partner Entities	Link to 9th NSEDP
1. Social dialogues. legislation on wage, labour and migration governance and integrated border management	Department of Planning and International Cooperation (MoLSW)	LTU, LNCCI, MoPS (immigration), MoHA, MoFA, MoES, LWU, Development Partners	Outcome 1 (Output 1, 2 and 3)
2. Social protection system and	Department of Planning and International Cooperation	LWU, LTU, MoES, MoH, LNCCI, MoPS, MoFA, Lao Red	Outcome 3 (Output 5)

essential services	(MoLSW), Department of Planning (MPI)	Cross, MoF, MAF, MoHA, LFTU, LWU, MoPS, OSPP, Development Partners	
3. Public-private partnership on digital skills, reskilling and upskilling, employment services	Department of Planning and International Cooperation (MoLSW)	MAF, MPI, MoIC, LNCCI, LTU, MoES (TVET), LYU, MoTC, skill development institutions, Development Partners	Outcome 2 (Output 2.3), Outcome 3 (Output 3.4)
4. Food security and income generation, formal and decent employment and climate change resilience	Department of Planning and Cooperation (MAF)	MPI, MoIC, MoF, MoES, MoH, MPWT, MoLSW, Financial institutes, LNCCI, MoNRE, BoL, Development Partners	Outcome 3 (Output 3.1), Outcome 4
5. Local SMEs promotion, employment, migration and resource transfer	Department of Planning and Cooperation (MOIC)	MPI, MoLSW, MoF, MAF, LNCCI, LTU, LWU, MoPS, BOL, MoNRE, Development Partners	Outcome 1 (Output 1, 2 and 4)
6. Strengthen evidence-based decision-making through data	MPI (LSB)	MoPS, BoL, LNCCI, NUOL, LASES, MoF, MoLSW, Development Partners	Outcome 2 (Output 3), Outcome 3 (Output 5)

Pillar 4: Human Capital

Component	Lead Entity	Potential Partner Entities	Link to 9 th NSED
1. Education	Department of Planning and Cooperation (MoES)	MPI, MoF, BoL, MOLS, MoTC, NUOL, LNCCI, Development Partners	Outcome 2, Outcome 3
2. Health and nutrition	Department of Planning and Cooperation (MoH)	BOL, MPI, MoLSW, MoNRE, MoF, LNCCI, Development Partners	Outcome 1, Outcome 3

3. Gender Equity	Cabinet Office (LWU)	MoLSW, NCAWMC, LTU, LYU, CSO, LNCCI, Development Partners	Outcome 3
4. Demography and Data	LSB (MPI)	MPI (DRI, DOP, DIC), MoHA, LWU, MOLSW, LYU, MOH, University of Laos (NUOL), Development Partners	Outcome 2

Pillar 5: Green Growth, Resilience to Climate Change and Disaster Risk Management

Component	Lead Entity	Potential Partner Entities	Link to 9th NSEDP
1. Green Growth	Department of Planning and Finance (MoNRE)	BoL, MEM, , MoICT, MoTC, LNCCI, NUOL, Research institutes, GGGI, MOIC, MOF, MPI, MONRE, MAF, MPWT, LNCCI, Development Partners	Outcome 2, Outcome 4 (Output 1, 2 and 3)
2. Resilience to climate change	Department of Climate Change (MoNRE)	MAF, MOIC, MLSW, MoPWT, MEM, Bank of Lao PDR (BOL), MPI, LNCCI Development Partners	Outcome 1, Outcome 3, Outcome 4 (Output 1, 2 and 3)
3. Disaster Risk management	Department of Planning and International Cooperation (MoLSW)	MPI, MoF, MAF, MPWT, BoL, MoNRE, MEM, LNCCI, CSO, Development Partners	Outcome 4 (Output 1, 2 and 3)

V. Third Voluntary National Review

The Voluntary National Review (VNR) is a process that countries assess and present national progress in the implementation of the 2030 Agenda for Sustainable Development and the SDGs. The VNR also seeks to strengthen policies and institutions of governments and to mobilize multi-stakeholder support and partnership for SDG acceleration. VNRs

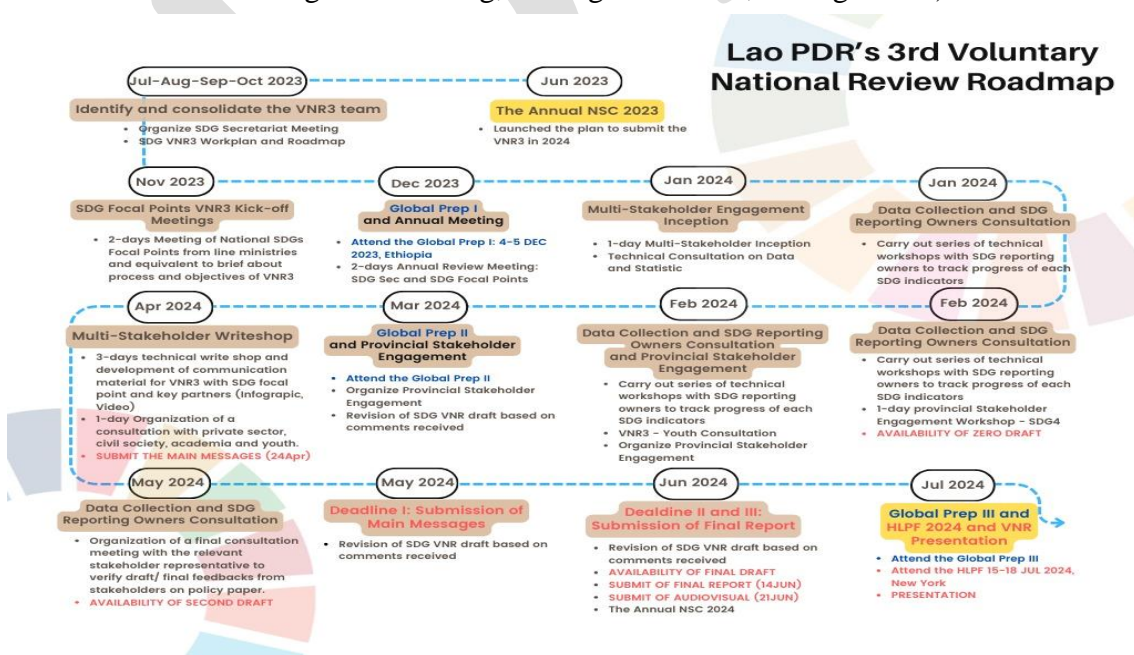
are not only a reporting mechanism to periodically take stock, but also a tool to continuously reflect and improve on the SDG implementation process itself.

The 3rd VNR in Lao PDR will provide both trend and track analysis, which will include information on the progress and status of all 17 SDGs + one national SDG on ‘Lives Safe from UXO (Unexploded Explosive Ordnance)’, as well as more in-depth analysis of several selected goals and targets that are considered as national priorities in Lao PDR. The results of the 3rd VNR will also be presented at the High-Level Political Forum (HLPF)⁵ in July 2024 in New York, as VNRs serve as a basis for the regular global reviews.

The 3rd VNR will cover the goals and targets in a range of different ways, including providing:

- a snapshot and infographic of the status of the goals and targets;
- achievements and good practices;
- the impact of country interventions at home and abroad;
- gaps and challenges;
- challenges and opportunities;
- interlinkages, synergies and trade-offs with other goals;
- an analysis of emerging issues; and
- plans for future enhanced implementation.

There are a number of key steps and components that are essential for the successful preparation of the VNR, including the development of a work plan/roadmap with key deliverables in line with the HLPF deadline and appropriate time allocation to organize relevant stakeholder engagement and consultations, in parallel with outlining and gathering information from new and existing reports and data. In addition, as per the previous VNR submission, Lao PDR has a well-established coordination structure and national SDG mechanisms (namely the SDG Secretariat, focal points, and national steering committee for SDGs implementation) that will lead and guide the VNR process, including working closely with all development partners and UN agencies in identifying and mobilizing resources, technical support, and possible funding for the implementation and writing of the reviews (namely organizing stakeholder consultations, participating in the international and regional meeting, writing the review, among others).



⁵ The HLPF is the central United Nations platform for the follow-up and review of the 2030 Agenda for Sustainable Development and the Sustainable Development Goals (SDGs) at the global level.

VI. Smooth Transition Strategy for LDC Graduation

The Smooth Transition Strategy (STS) for LDC Graduation sets out Lao PDR's plans to manage the historic LDC graduation process.

Preparing for graduation is made all the more challenging by the international context since Lao PDR was recommended for graduation, stemming firstly from the COVID-19 pandemic, more recently from the ongoing consequences of the food, fertilizer, fuel, finance, and animal feed crisis, and the intensifying consequences of climate change and environmental degradation.

On the basis of these exceptional challenges, Lao PDR was granted an extended 5-year period to prepare, with graduation expected in 2026. Progress and developments will continue to be monitored closely throughout the preparatory period, including through the Enhanced Monitoring Mechanism recently established by UN DESA and the triennial review in 2024. Findings from this monitoring will be factored into graduation preparations, including by the UN Committee for Development Policy (CDP) that makes recommendations on countries' readiness to graduate.

The STS defines a successful graduation as being: **smooth**, in that it should not result in a disruption or reversal of development progress; **quality**, in that progress achieved is consistent with the vision set out in the; and **sustainable**, in that longer-term risks are adequately managed.

Through a careful consultative process with governments and other relevant stakeholders, 22 specific actions clustered across 4 thematic pillars and 9 policy areas were defined as necessary to successfully manage the graduation process. Each policy area identifies the link to the existing policy frameworks and potential entities to be involved in taking action:

Pillar 1: Macroeconomic Stability and Financial Sustainability; including measures to secure macroeconomic stability, and safeguard investments in human capital, the environment, and climate action.

Policy Area	Actions	Alignment with the existing policy frameworks
1.1 Macroeconomic stability	1: Rapidly increase fiscal space Actions 2: Alleviate the debt burden 3: Increase the resilience of the financial sector	<ul style="list-style-type: none"> ▪ NSEDP Outcome 1 ▪ NSEDP Financing Strategy 1.1, 1.3 ▪ Resilience Framework Pillar 1 ▪ National Agenda on Economic and Financial Difficulties
1.2 Safeguarding investments in human capital, environment and climate action	4: Prioritise public investments in human capital and green and climate-resilient growth	<ul style="list-style-type: none"> ▪ NSEDP Outcomes 2, 4 ▪ NSEDP Financing Strategy 5.1, 5.2, 5.3 ▪ Resilience Framework Pillar 4

	<p>5: Increase the volume and effectiveness of ODA support in priority sectors</p> <p>6: Incentivise private sector investments in green growth</p> <p>7: Plan the country's participation to global affairs</p>	<ul style="list-style-type: none"> ▪ Doha Programme of Action Priorities 1, 5
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Pillar 2: Trade and Investments; including measures for trade and FDI promotion, and improving the business environment for inclusive growth;

Policy Area	Actions	Alignment with the existing policy frameworks
2.1 Trade and FDI promotion	<p>8: Reform investment promotion and management to attract quality FDI</p> <p>9: Facilitate and develop quality trade relationships</p> <p>10: Enhance and promote domestic production in line with international standards</p>	<ul style="list-style-type: none"> ▪ NSEDP Financing Strategy 4.1 Resilience Framework 2.a ▪ Doha Programme of Action Priority 4
2.2 Business environment for inclusive growth	<p>11: Make the business environment one of the most attractive in Southeast Asia</p>	<ul style="list-style-type: none"> ▪ NSEDP Financing Strategy 3.1, 4.1 ▪ Resilience Framework 2.a ▪ Doha Programme of Action Priority 4

Pillar 3: Human Capital Development and Structural Economic Transformation; including measures to promote human capital development and decent jobs, rural development, and urban development.

Policy Area	Actions	Alignment with the existing policy frameworks
3.1 Human capital development and decent jobs	<p>12: Urgently address learning poverty</p> <p>13: Ensure access to basic social</p>	<ul style="list-style-type: none"> ▪ NSEDP Outcomes 2, 3 ▪ Resilience Framework 4 ▪ Doha Programme of Action Priority 3

	<p>protection services</p> <p>14: Improve employment opportunities and conditions</p> <p>15: Make the country an attractive ecological and cultural tourism destination</p>	
3.2 Rural development	<p>16: Greater efforts for enhancing rural development through a community-based approach essential for poverty reduction.</p> <p>17: Accelerate the transition to sustainable/resilient food systems</p>	<ul style="list-style-type: none"> ▪ NSEDP Outcome 3, ▪ Resilience Framework 3.d, ▪ Doha Programme of Action Priority 3
3.3 Urban development	<p>18: Strategically plan urbanisation</p>	<ul style="list-style-type: none"> ▪ NSEDP Outcome 5, ▪ Doha Programme of Action Priority 3

Pillar 4: Climate change and Disaster Management; including measures for integrated and sustainable natural resources management for low-carbon development, and climate resilience and disaster risk reduction.

Policy Area	Actions	Alignment with the existing policy frameworks
4.1 Integrated and sustainable natural resources management for low-carbon development	<p>19: Accelerate the energy transition</p> <p>20: Manage natural resources in an integrated and sustainable way</p>	<ul style="list-style-type: none"> ▪ NSEDP Outcome 4 ▪ Resilience Framework 5 ▪ Doha Programme of Action Priority 5
4.2 Climate resilience and disaster risk reduction	<p>21: Accelerate disaster risk management and reduction</p> <p>22: Accelerate adaptation to climate change</p>	<ul style="list-style-type: none"> ▪ NSEDP Outcome 4 ▪ Resilience Framework 5 ▪ Doha Programme of Action Priority 5

VIII. Development Cooperation (The 4th Round of Global Partnership for Effective Development Cooperation and RTP guideline)

Lao PDR has long been a proponent of more effective partnerships for development. Since 2006, the Government of Lao PDR, together with development partners (DPs), has engaged in building effective partnerships based on the Vientiane Declaration on Aid Effectiveness, and its mutual accountability framework - the Vientiane Declaration Country Action Plan (VDCAP) which lays out clear actions, indicators, targets and responsible parties for development.

In 2015, the government and development partners renewed this commitment through the Vientiane Declaration on Partnership for Effective Development Co-operation, and established the Vientiane Declaration Country Action Plan (VDCAP) 2021-2025 which consists of eight principles with 14 action areas guiding a broad development coordination framework with various development stakeholders for achieving national development goals.

The mid-term review of the VDCAP was carried out during the last quarter of 2021 as part of the preparation for the 13th High-Level Round Table Meeting (HL-RTM). It summarized the achievements and the lessons learnt since the adoption of the Declaration in 2015. The mid-term review, based on various monitoring and survey reports, including the Global Partnership monitoring exercise in 2018/19, covered successes and challenges during the last five years (2015-2020) to identify key actions for further enhancing effective development cooperation in the country in light of the implementation of the 9th NSEDP (2021-2025).

In late 2023, the Government of Lao PDR has initiated the process of the 4th round of the Global Partnership for Effective Development Cooperation (GPEDC). The results of the Global Partnership monitoring exercise will be used as evidence to track the progress in the effective development cooperation by providing data for the VDCAP.

In addition, the Government of Lao PDR has taken steps to improve the efficiency and productivity of the RTP and its SWG process. SWGs are the main coordination platforms for development thematic areas in Lao PDR. The SWGs aim to build consensus on development priorities and make development cooperation more effective. The SWGs are led by the government and include various development stakeholders. Currently, the



RTP includes 10 SWGs to coordinate actions among different stakeholders by theme. The groups serve as important links between local progress and national plans and policies.

The Government of Lao PDR has facilitated discussions and conducted a review of the RTP and SWGs on how to strengthen the effectiveness of the RTP and its mechanisms to further contribute to the NSEDP. An independent review of the effectiveness of the SWGs was carried out in 2022 to take stock of what has been achieved to date and to develop recommendations on how to enhance the benefits of the SWGs for government and development partners in contributing to the NSEDP. The results of the review highlighted that while the RTP is recognized as a useful and effective mechanism for the government of Lao PDR and development partners to engage in dialogue on the key national development agendas, mobilize resources and ensure effective coordination and cooperation, it is important that the process continues to adapt and evolve to remain relevant and improve its effectiveness.

Based on the recommendations from the further discussions, the Government of Lao PDR has developed the RTP Guideline, which aims to provide information on the RTP and SWG consultation processes and guidance on how to effectively implement the SWG process, and to strengthen the link between the discussions at each SWG and national development priorities in line with the MTR of the 9th NSEDP to contribute to the achievement of the NSEDP. The RTP Guideline also provides tools for effective management of the SWG process, including a checklist of actions needed to manage the SWG process, and templates for an annual SWG work plan, an SWG stakeholder contact list, SWG meeting minutes and a SWG progress report.

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