

Concept Note

RTIM 2023 Panel Discussions

1. Background

The upcoming RTIM 2023 is scheduled for 13 February 2024 at the National Convention Centre.

This year marks an important milestone for the Lao PDR, with the Mid-Term Review of the 9th National Socio-Economic Development Plan (NSEDP) providing a critical examination of the priorities for the remaining years of the 9th NSEDP and the direction for the forthcoming development cycle, the 10th NSEDP.

Reflecting this, the agenda for RTIM 2023 includes two parallel panel discussion sessions aimed at creating space for substantive exchange between stakeholders on high-priority development issues for Lao PDR.

- i. Economic and Financial Situation and Way Forward for Environmental Sustainability and Resilient Economy;
- ii. Human Capital and Sustainable Development.

The outcome of these panel discussions will feed into a subsequent plenary discussion, with outcomes from that discussion informing the instructions that will be issued by the Prime Minister following the meeting.

2. Objectives

The 9th NSEDP Mid-Term Review makes clear recommendations for priorities for the remaining years of the current planning cycle, and for the approach to the development of the 10th NSEDP.

The panel discussions are intended to facilitate the further elaboration of how these recommendations could be carried forward, building on existing national policy frameworks.

This will complement the discussions that take place within individual SWGs by providing a space for discussion of key issues that cut across sectors and providing a direct channel for recommendations to reach senior national policymakers.

Discussions are intended to generate specific recommendations that could be included into workplans for the Roundtable Process Secretariat, SWGs, and the development of the 10th NSEDP.

3. Structure

The two panel discussions will be conducted simultaneously in separate rooms at the National Convention Centre. All RTIM participants are invited to join the discussions.

Stakeholders with two or more delegates joining RTIM 2023 are welcome to split participation across both panel discussions. There is no restriction on making interventions in both panel discussions.

Each panel discussion will begin with short welcoming remarks provided by the moderator (maximum 3 minutes), followed by a series of questions to each of the panelists. Panelists will keep their answers crisp and concise (3 minutes for the opening round and not more than a minute or two for subsequent questions). There will be no power point presentation during the panel discussions. It is suggested that panelists and moderator for each discussion panel meet prior to the event to discuss and have prior common understanding for more coherent and interactive discussions.

Panelists will be identified based on their leadership of relevant SWGs or national policy areas.

Following these questions, the moderator will lead a plenary discussion with the panelists and all participants joining the discussion.

Given limited time, participants are encouraged to limit interventions to a maximum of 3 minutes. Time keeping will be used to support panel discussions.

Pre-registration to make interventions during the discussions is not required.

4. Panel Discussion 1: Economic and Financial Situation and Way Forward for Environmental Sustainability and Resilient Economy

Potential Panelists: Ministry of Finance, Bank of Lao PDR, Ministry of Agriculture and Forestry, Lao National Chamber of Commerce and Industry, Development Partners (Bilateral and Multi-lateral) (TBC).

Moderator: Development Research Institute, Ministry of Planning and Investment

The 9th NSEDP Mid-Term Review notes that whilst external factors have contributed to and exacerbated macroeconomic challenges, Lao PDR's growth model was already showing limitations in the years preceding the 9th NSEDP. It recommends immediate, strong action to mitigate macro-economic challenges including raising revenues to protect social expenditure, improving expenditure allocation and efficiency, expediting debt negotiations, strengthening financial sector stability, and improving the business environment to promote investment and exports.

Proposed Discussion Questions:

Relevant SWG leads and panelists will be tasked to come up with discussion questions. Suggested questions may include:

- What are the keys to assure macroeconomic stability? And what kind of actions we can take during the remaining two years of the 9th NSEDP?
- What would be key elements of the approach that we can take to the development of the 10th NSEDP to address macroeconomic challenges and strengthen the links between planning and resource allocation?
- What would be the concrete measures to realize the economic transformation to a green and job-creating growth? How can we reflect these measures in the sector development plans and SWG discussions?

Key Reference Documents:

Key reference will be shared with SWG leads, panelists and the moderator. These include:

- **The National Agenda on Addressing Economic and Financial Difficulties** issued following the 11th Party Congress, which sets out urgent actions to address chronic causes of economic challenges. It identifies 5 core actions: promote production to substitute imports and support exports to build a strong and sustainable revenue base; strengthen tax revenue collection; promote frugality, tackle extravagance, enhance effectiveness of investment expenditure, and address domestic and foreign debt; create / maintain monetary stability; enhance public management governed by the rule of law.
 - o This is complemented by a set of practical recommendations on policy actions to implement the National Agenda proposed by the ADB and the World Bank in a **Macroeconomic Reform Roadmap**. Five policy reform areas are identified as the most urgent: cut costly tax exemptions to raise public revenue and protect social spending; improve the governance of public and private investment; restructure public debt through ongoing negotiations; strengthen financial sector stability through legal and regulatory tools; enhance the business environment via effective regulatory reforms. This Roadmap has guided discussions under the Macroeconomic SWG.

- **The Financing Strategy for the 9th NSEDP** endorsed by the Prime Minister sets out cross-government policy actions to either increase the volume or improve the alignment of resources to achieve the policy priorities of the NSEDP. Actions are structured into 5 chapters: domestic public finance (including revenue mobilization, expenditure management, and debt); international public finance; domestic private finance; international private finance; and priority sector finance (health, education, and green and climate finance).

- **The national Green Growth Strategy** sets policies to integrate green growth into the formulation of sector and local strategies in order to balance economic growth, environmental protection, and social development.

- **The Smooth Transition Strategy for LDC Graduation** endorsed by Cabinet sets out national policy actions necessary for a successful LDC graduation transition. This acknowledges that if Lao PDR faces recurrent or extended macroeconomic instability, then it will not be possible to achieve a smooth, quality, and sustainable graduation. The first chapter of policy actions focuses on steps necessary to address macroeconomic instability. Actions are consistent with the 9th NSEDP Financing Strategy.

- **The Lao PDR Resilience Framework** was developed by MPI in collaboration with other ministries and development partners to identify the steps needed to respond the economic consequences of COVID-19 and more recent inflationary shocks and build resilience to future shocks. Pillar 1 of the Framework is focused on financing for sustainable development and effective development cooperation, actions are consistent with the 9th NSEDP Financing Strategy. Pillar 2 focuses on trade and private sector, value chains, and tourism- identifying actions to promote investment and economic diversification.

5. Panel Discussion 2: Human Capital and Sustainable Economic Development

Potential Panelists: Ministry of Education and Sports, Ministry of Health, Ministry of Labor and Social Welfare, Lao Youth Union, Development Partners (Bilateral and Multi-lateral) (TBC).

Moderator: National University of Laos.

The 9th NSEDP Mid-Term Review recommends that protecting spending on education, health, and social protection is an urgent priority for the remaining years of the 9th NSEDP. It recommends the reallocation of public spending into these priority areas as a critical foundation for inclusive and sustainable development and recommends that the 10th NSEDP set a clear objective of economic transformation underpinned by investment in human capital.

Proposed Discussion Questions:

Relevant SWG leads and panelists will be tasked to come up with discussion questions. Suggested questions may include:

- What are the prioritized areas to provide investment in human capital, education, health, social protection and sustainable economic development in order to maximize the benefits from the demographic dividend?
- What would be the concrete steps to ensure the investment in the prioritized areas? And how we can incorporate them into the sector development plans and sector working group discussions?
- What approaches to the development of the 10th NSEDP could help to ensure adequate investments in human capital?

Key Reference Documents:

Key reference will be shared with SWG leads, panelists and the moderator. These include:

- Under the dedicated priority sector finance the **Financing Strategy for the 9th NSEDP** details a set of specific actions intended to increase funding available for the health and education sectors. It also includes a specific action (action 9) on strengthening the alignment of the Medium-Term Budget Framework and Public Investment Plans with the policy priorities of the NSEDP.
- **The first Human Capital Summit** held in 2023 and chaired by the Prime Minister focused on accelerating learning recovery following COVID-19, and reassessing how Lao PDR can accelerate learning and allocate enough resources to bring its schools and learning outcomes up to the standard needed to build a strong economy. A second Human Capital Summit in 2024 will focus on nutrition.
- **The Health Sector Development Plan** and **Education and Sports Sector Development Plan** set out policy priorities over 2021-2025 within their respective sectors.
- **The National Social Protection Strategy Mid-Term Review** assesses progress and identifies the key challenges to accelerating the implementation of the strategy to broaden and deepen social protection coverage.
- **The Lao Youth and Adolescent Development Strategy**, endorsed by the Prime Minister, identifies long-term national priorities to invest in its young population to be able to be able realize the potential of a demographic dividend.

- **The National Policy on Population and Development**, developed by MPI, includes priorities on reducing poverty, ensuring access to education, enhancing opportunities for disadvantages and vulnerable young people, and reducing disparities in dimensions related to birth and mortality rates.
- **The Macroeconomic Reform Roadmap** places a high priority on the reprioritization of spending towards the social sectors (education, health, and social protection).
- **The Smooth Transition Strategy for LDC Graduation** notes that the structural economic transformation necessary for a successful graduation process will only be possible with sufficient investments in human capital. Specific actions in the Strategy call for efforts to urgently address learning poverty and ensure access to basic social protection services.
- **The Resilience Framework** includes a pillar dedicated to the development of human capital, with actions relating to education, health and nutrition, gender equity, and demography and data.