

Human Capital for Sustainable Development

RTIM Panel Discussion 2

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Most Pressing Challenges

1. Lagging sector indicators

- Inequitable access/opportunities to education and training, health, social welfare/protection, and information and services, particularly for the poor and vulnerable populations (e.g., people with disabilities, marginalized groups...)
- Education: Low student learning outcomes, low preschool enrollment, increasing drop-out rates
- **Health:** Underweight and stunting among children under 5 years, and the National Health Insurance Coverage (UHC)
- Social: Limited social security coverage for informal workers and self-employed, High rates of Violence Against Children and of teenage/child marriage

Most Pressing Challenges (cont')

2. Inadequate and inefficient resource allocation in terms of budget and workforce

- Limited government budget allocation for education, health, and social protection compared to the government's commitment
 - o Education: The share of non-wage recurrent budget for quality improvement is very small
 - Health: Sustainability of the National Health Insurance scheme, limited funds for basic health supplies and vaccines
- Shortage and maldistribution of qualified/competent teachers + limited investment in teachers' professional development and healthcare workers, quality of workforce
- Social: Disconnected job placement efforts and training infrastructure to meet labor market needs, weak safety measures and limited incentives for workforce participation and skill development

Most Pressing Challenges (cont')

3. Weak coordination with other sectors and partners

- Education: Weak advocacy and engagement with parents and community and the private sector
- Health: Not all TWGs organize coordination meetings regularly with partners
- Social: Insufficient and outdated labor laws for effective workforce development and social protection across sectors, fragmented data management for effective policy planning and resource allocation across sectors and partners

Recommendations and Ways Forward

Immediate (9th NSEDP)

- 1. Prioritize key areas and do things differently with innovative approaches
- Strengthen the use of information systems and technology (learning materials, health information, health technology assessment, labor market information) and integrate databases across sectors for informed policy decisions
- Education: Prioritize Continuous Professional Development (CPD), strong school management and accountability, and equitable distribution of teachers; prioritization of early childhood education and primary education
- **Health:** Focus resources on key priorities, eliminate duplication with enhanced coordination within the health sector
- Social: Update labor laws for effective implementation; Expand social security coverage and social protection measures; Build infrastructure, create national standards; Improve work conditions; Develop labor skills per the actual needs of the work and positions of the labor unit using modern, fast and transparent methods

2. Align external support (donors, CSO, etc) with government priorities and strengthen collaboration through government formal coordination mechanisms (TWG, SWG, RTM) in planning, implementing, monitoring and evaluation

- Education: Coordinated prioritization of foundational learning, strengthen community awareness, empowerment and participation in student enrollment, learning support, and school development; Ensure efficient ODA allocation & utilization, effective use of the Vocational Education Development Fund, and alignment with education priorities; Maximize the collaboration with CSOs and Youth Union to engage youth and their communities
- Health: Integrate ODA plan with the priority programs annual and 5 years plan
- Social: Jointly monitor resource gaps and establish a forum for shared data-based planning and budgeting

Longer-term (10th NSEDP)

- 1. Mobilize additional resources from domestic and international sources and engage with the private sector in a regulated manner for sustainable financing for human capital, in the context of donor transition and LDC graduation
- Diversify funding sources with innovative approaches, including private sector engagement, self-financing mechanisms for education and health, pooled donor funding, new/emerging donor funding, standardized financial systems for transparent reporting and efficient budget management
- Coordinate with relevant sectors, especially the Ministry of Finance and the Ministry of Planning and Investment, the National Assembly to allocate enough budget for education, health, and social sectors according to the government's commitment

- Education: Strengthen Foundational Learning including socioemotional skills; Enhance TVET alignment with labor market needs, and mobilize resources for better employment outcomes; Work with the Ministry of Finance to propose a specific budget line for the continuous professional development of teachers for the quality of education
- Health: Increase health taxes and address the tobacco tax exemption under the Investment License Agreement for health improvement and revenue generation in the context of donor transition (Gavi from 2026 and Global Fund); Strengthen the national health insurance system with independent and sustainable funding mechanisms
- Social: Consider more pooled funding for a cohesive financial solution across public and external funding

