

## Concept Note

### **RTIM 2024**

**Panel Discussion 2:** *Short- and long-term recommendations / solutions to support Lao PDR's human capital development and realize the full potential of the young population to drive sustainable national development.*

#### ***Background***

The upcoming RTIM 2024 is scheduled for 14 November 2024 at the National Convention Centre.

This year marks an important milestone for Lao PDR as they report and assess progress to date under the current 9<sup>th</sup> NSEDP and focus on the identification of priorities for the drafting of the next 5-year development cycle, the 10<sup>th</sup> NSEDP (2026-2030).

The agenda for the RTIM 2024 will include two parallel panel discussion sessions aimed at creating space for substantive exchange between stakeholders on high-priority development issues for Lao PDR.

1. Economic and Financial Situation and Way Forward for Environmental Sustainability and Resilient Economy;
2. Short- and long-term recommendations to support Lao PDR's human capital development and how to realise the full potential of its youthful population to drive sustainable and inclusive national development.

The results of these panel discussions will feed into a subsequent plenary discussion. The plenary discussions will culminate in instructions to be issued by the Prime Minister following this high-level meeting.

#### ***Objectives***

The stocktaking exercise of progress to date under the 9<sup>th</sup> NSEDP together with the identification of future priorities, will provide critical contributions towards the construction on the next 10<sup>th</sup> NSEDP for the period 2026-2030.

The panel discussions will focus on how recommendations could be carried forward, building on existing national policy frameworks and progress to date.

This will complement the discussions that take place within the 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 work plans for the Roundtable Process Secretariat, SWGs, and feed directly into the drafting of the 10<sup>th</sup> NSEDP.

#### ***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 2024 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.

## **Panel Discussion 2**

Suggest a maximum of 7 panelists, with due consideration to gender balance among the following:

### **Panellists**

1. Mr Sithong Sikhao, Acting Director General of Department of Planning, Ministry of Education and Sports.
2. Ms Phonesavanh Keonakhone, Director General of National Nutrition Center, Department of Hygiene and Health Promotion Ministry of Health and Secretariat General of Lao Nutrition Association, SUN Country Focal Point.
3. Mr Thiphasone Soukhathammavong, Deputy Director General, Department of Planning and International Cooperation, Ministry of Labour and Social Welfare.
4. Mr Somphet Chittavanh, Director General of Cultural and Social Affairs Department, National Assembly (in consultation with Ministry of Finance).
5. Ms Veerle Smet, Head of Cooperation, The European Union Delegation (development partners representative).
6. Mr Xaypaseuth Sounthavong, Student at Faculty of Law and Political Science, National University of Laos, also a member of Young People Action Team of UNICEF East Asia and Pacific Region Office (Lao Youth Representative).
7. Mr Phouxay Thepphavong, Secretary General, Lao National Chamber of Commerce and Industry (Private Sector representative).

**Moderator:** Ph.D. Mr. Vanxay Sayavong, Deputy Director General of Macroeconomic Research Institute, Lao Academy of Social and Economic Sciences.

**Time:** 1 hour 30 minutes

### ***Scene setter***

This panel will examine the relationship between human capital development, social sectors investments, and economic growth, highlighting the importance of fostering human development to support both current and future economic expansion, including pursuing the objectives of the 9<sup>th</sup> NSEDP and 10<sup>th</sup> NSEDP.

Human capital development (HCD) is fundamental for sustainable and inclusive growth in Laos. This is challenging due to the need to have a multi-sectoral approach to HCD that comprises economic, social, and institutional aspects.

Addressing HCD requires improving education and healthcare systems, reducing inequality, investing in infrastructure, and adopting forward-looking policies that prioritize human capital as a key driver of economic and social progress. With a youthful and growing population, there is potential for a skilled and educated workforce.

The panel will address challenges such as low learning outcomes, malnutrition, limited access to healthcare, poor vocational education and training and mismatch with private sector needs, high dropout rates, and increased internal and out-migration; all factors that are hampering sustainable development. Addressing these gaps can empower individuals and strengthen the country's capacity to thrive in the regional and global markets.

**The 9<sup>th</sup> NSEDP Mid-Term Review and the 2023 RTIM** both recommended increased social spending through greater revenue mobilization. There were specific recommendations in relation to increasing non-wage recurrent budget, on addressing the shortage of teachers, on prioritizing foundational skills, on ensuring nutrition sensitive planning and enhancing social protection schemes.

Laos' challenging economic and fiscal situation continued to limit the potential for greater fiscal space. High inflation combined with a depreciation of the Kip means that many households, especially low-income families, have less income to spend on health and education. Out-migration, labour shortages and a challenging business environment further hamper Laos' development progress.

The 10<sup>th</sup> NSEDP is critical to position human capital development at the core of its economic transformation strategy.

**Two Human Capital Summits have been held**, respectively in 2023 and 2024 to accelerate education and nutrition actions for human capital development, chaired by the Prime Minister.

Laos' first Human Capital Summit, organized in 2023, focused on Education in follow-up of the Transforming Education Summit (TES) in New York in 2022. This Summit led to the PM Decree No.9, which stipulates the government highest-level commitment to address poor learning outcomes, preventing school drop-out, strengthening teachers' continuous professional development (including the government's first-ever decision to pay volunteer teachers) and improving education finances.

In June 2024, the second Human Capital Summit took place with the slogan 'Accelerated Nutrition Actions for Human Capital Development', in which the government made several commitments particularly in the area of nutrition linked to HCD.

### ***Proposed choreography:***

#### **1. Introduction by Facilitator (5 minutes):**

Human capital is the backbone of a nation's economic and social development. In the context of Laos, why is it urgent to invest in human capital now and what are the key areas we must focus on?

#### **2. Potential questions to panellists (5 minutes each – 30 minutes total)<sup>1</sup>:**

**MoES: Mr. Sithong Sikhao**, Acting Director General of Department of Planning, MoES

Education is crucial for equipping our youth with the skills needed for the future economy. What key reforms are being implemented to improve learning outcome, teacher shortages and poor foundational skills to ensure education's role in human capital development?

**MoH: Dr. Phonsavanh Keonakhone**, Director General of National Nutrition Center, Department of Hygiene and Health Promotion Ministry of Health and Secretariat General of Lao Nutrition Association, SUN Country Focal Point.

Malnutrition and limited access to healthcare limit human capital development. Under the National Plan of Action on Nutrition (NPAN), what actions is the Ministry of Health taking to improve nutrition and health outcomes, particularly among the most vulnerable populations?

**MoLSW: Mr Thiphason Soukhathammavong**, Deputy Director General, Department of Planning and International Cooperation, Ministry of Labour and Social Welfare.

We need to ensure that no one is left behind in human capital development. In what ways can we ensure that social protection schemes are accessible and implemented, also in remote areas?

**National Assembly (in consultation with Ministry of Finance): Mr Somphet Chittavanh**, Director General of Cultural and Social Affairs Department, National Assembly.

In a context of limited resources, how can we ensure that social sectors are adequately funded to address human development needs / skills development, to support socio-economic development?

Given the current fiscal constraints, how can the government strategically allocate resources to maximize returns on investments in education, health, and social protection?

**Youth Representative: Mr Xaypaseuth Sounthavong**, Student at Faculty of Law and Political Science, National University of Laos, also a member of Young People Action Team of UNICEF East Asia and Pacific Region Office

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<sup>1</sup> Choice of questions will depend on the final choice of panellists.

Youth represents a significant portion of our population and holds the key to our future development. From your perspective, what are the main opportunities and challenges that you face in accessing quality education and employment opportunities?

What do you feel you need to tackle the challenges?

**LNCCI: Mr. Phouxay Thepphavong**, Secretary General, Lao National Chamber of Commerce and Industry (Private Sector representative).

How can the education and training systems better prepare young people with the relevant skills for employment, and the future of work in an evolving labour market?

What role can businesses play in collaborating with the government to develop (and retain) a skilled workforce?

**European Union (DPs): Ms. Veerle Smet**, Head of Cooperation, The European Union Delegation (development partners representative).

How can development partners support Laos in implementing the commitments made during the Human Capital Summits?

What successful collaboration models and international best practices can we leverage to accelerate human capital development in the country?

### **3. Follow-up questions (3 minutes each - 15 minutes total):**

#### **Many priorities for limited funds available**

How can the government prioritize human capital development within the upcoming 10<sup>th</sup> NSEDP?

What strategies are in place to ensure effective coordination across ministries to implement a cohesive human capital development plan?

#### **Climate change poses significant risks to our development efforts.**

How can we integrate resilience and environmental sustainability into our human capital strategies to ensure long-term benefits and protect our investments in education and health?

#### **Inequality remains a barrier to inclusive growth.**

How can investments in human capital reduce disparities across regions, genders, and socio-economic groups to promote equitable development?

### **4. Q&A (15 minutes)**

### **5. Closing words (3 minutes)**

#### **Key Reference Documents**

- **The Financing Strategy for the 9<sup>th</sup> 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 Education and Sports Sector Development Plan 2021-2025** outlines several strategic priorities to enhance education quality, accessibility, and outcomes, as well as to promote sports development. The overall objective is to improve human capital, reduce poverty, and ensure sustainable national development.
- **The Inclusive Education Strategy 2030** aims to ensure that all children in Laos, regardless of background, disability, gender, ethnicity, or socio-economic status, have equal access to quality education. The primary focus is to eliminate barriers to education and create an inclusive environment for every learner.

- **The Health Sector Development Plan 2021-2025** outlines strategic priorities aimed at improving the health and well-being of the Lao population. The main aim is to guarantee universal health coverage, improving service delivery, reducing health inequalities, and strengthening the healthcare system.
- **The National Plan of Action for Nutrition (NPAN)** - addresses malnutrition in all its forms, with a particular focus on reducing stunting, wasting, undernutrition, and micronutrient deficiencies among children and vulnerable populations. The overall goal is to improve the nutritional status of the population to support better health, human capital development, and economic growth.
- **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 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.
- **Lao Social Indicator Survey III (LSIS III)** provides the first set of national data on the welfare of children and women in Lao PDR since the outbreak of the COVID-19 pandemic as well as essential insights into the social development strides and challenges within the country.
- **Lao PDR Economic Monitor, Accelerating Reforms for Growth, Thematic Section: Education for growth and development report.**