What does this all mean for policymakers?

Introducing the policy dialogue

Mr. Matthew Johnson-Idan, Senior Economist, UN Resident Coordinator’s Office to Lao PDR
1. Taking stock of the findings
What new data was produced and analysed?

**Bulletin 1: Vulnerable Groups**
- Number of counselling services provided by LWU, LYU, and VYC
- Number of calls to VYC, disaggregated by issue

**Bulletin 2: Food Security & Livelihoods**
- Food insecurity by province
- Food prices
- Household response
- Herd/ cattle size
- Area of land cultivated and harvest expectation
- Coping strategies

**Bulletin 3: Macroeconomic Outlook**
- Consumer sentiment index
- Business tendency index
- Disaggregated inflation data
- Prices of essential foods and animal feed
- Fertiliser prices
A specific context

**Limited fiscal space for government response**
- There is limited room for the rapid mitigation of impacts

**Demographic transition**
- There are 80,000 new entrants in the labour market

**Limited social safety nets to cushion impacts**
- Social protection systems are being developed but cannot yet help to maintain livelihoods

**Global economic disruptions**
- Prices are affected by exogenous factors, from war to climate change
<table>
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2. Exploring the findings
## Exploring the Findings (9th NSEDP)

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**LDC Graduation Smooth Transition Strategy**
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Exploring the findings (by mandate)

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- F2: Increase in demand for MHPSS

MoES
- F3: Reversal trend of girls’ school dropout

MoLSW
- F4: Poor urban and rural households are disproportionately burdened
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MPI
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MAF
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LWU/LYU
- F1: Reversal trend in accessing SRH services
- F2: Increase in demand for MHPSS
3. Policy implications
Policy implication 1

The combination of learning loss, food insecurity, decreasing access to social services together represent a **systemic threat to livelihoods** that needs to be immediately addressed.

- Investing in human capital is a prerequisite for a successful demographic transition
- The one-off window to realise a successful demographic transition is rapidly closing

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Policy implication 2

Urgently expand of **fiscal space** to invest in the mitigation of socioeconomic impacts, Lao livelihoods are at risk of new/deteriorating exogenous shocks

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- **9th NSEDP Financing Strategy: 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
  - Corporate income tax’s contribution to the budget is one of the lowest in the region
  - Tax exemptions have generated significant fiscal costs
Because (1) imported products’ prices cannot be controlled and (2) economic structures cannot change rapidly to substitute imports with domestic production, prioritise establishing efficient and effective social protection.

- Entirely dependent on expanding fiscal space immediately
- Implementation to National Social Protection Strategy
- Specific focus on identified vulnerable groups as a priority
Policy implication 4

Strengthen the systems for the creation and analysis of disaggregated data production to feed into policy decisions to anticipate, prepare for, and address changes in the development context.

- There are still significant data gaps in the understanding of the impacts of the 4F crisis.
- This policy dialogue is ad-hoc and is not integrated in the current planning cycle.
- More data is needed on negative coping mechanisms and current policy effectiveness.
Thank you for your attention