



UNITED NATIONS
LAO PDR



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



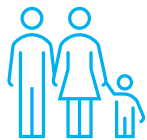
Limited fiscal space for government response

- There is limited room for the rapid mitigation of impacts



Limited social safety nets to cushion impacts

- Social protection systems are being developed but cannot yet help to maintain livelihoods



Demographic transition

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



Global economic disruptions

- Prices are affected by exogenous factors, from war to climate change

The findings

F1: Reversal trend in accessing SRH services

F2: Increase in demand for Mental Health and Psychosocial Counseling (MHPSS)

F3: Reversal trend of girls' school dropout

F4: Poor urban and rural households are disproportionately burdened

F5: Threat to food security

F6: Cost of living crisis

F7: Cascading effect of the increasing agricultural input prices

F8: Consumer confidence has declined, but still shows cautious optimism

F9: Cautiously rebounding business confidence

F10: Controlling the inflation rate will be a significant challenge for policymakers

F11: Exogenous factors play a key role in determining the price of key commodities



2. Exploring the findings

Exploring the Findings (9th NSEDP)

01: Stable and sustainable growth	02: Strengthened human capital development	03: Enhanced People's Wellbeing	04: Env & Climate	05: Regional integration	06: Good governance
<p data-bbox="71 404 453 594">F8: Consumer confidence has declined, but still shows cautious optimism</p> <p data-bbox="71 611 453 801">F9: Cautiously rebounding business confidence</p> <p data-bbox="71 818 453 1008">F10: Controlling the inflation rate will be a significant challenge for policymakers</p> <p data-bbox="71 1025 453 1215">F11: Exogenous factors play a key role in determining the price of key commodities</p>	<p data-bbox="593 404 975 594">F3: Reversal trend of girls' school dropout</p> <p data-bbox="593 611 975 801">F5: Threat to food security</p>	<p data-bbox="1116 404 1498 594">F1: Reversal trend in accessing SRH services</p> <p data-bbox="1116 611 1498 801">F2: Increase in demand for Mental Health and Psychosocial Counseling (MHPSS)</p> <p data-bbox="1116 818 1498 1008">F4: Poor urban and rural households are disproportionately burdened</p> <p data-bbox="1116 1025 1498 1215">F6: Cost of living crisis</p> <p data-bbox="1116 1232 1498 1422">F7: Cascading effect of the increasing agricultural input prices</p>			

Exploring the findings (by recent commitments)

9th NSEDP Financing Strategy

F1: Reversal trend in accessing SRH services

F2: Increase in demand for MHPSS

F3: Reversal trend of girls' school dropout

F4: Poor urban and rural households are disproportionately burdened

F5: Threat to food security

F6: Cost of living crisis

F9: Cautiously rebounding business confidence

F10: Controlling inflation will be a challenge for policymakers

Resilience Framework

F1: Reversal trend in accessing SRH services

F2: Increase in demand for MHPSS

F3: Reversal trend of girls' school dropout

F4: Poor urban and rural households are disproportionately burdened

F5: Threat to food security

F6: Cost of living crisis

F7: Cascading effect of the increasing agricultural input prices

F8: Consumer confidence has declined, but shows optimism

F9: Cautiously rebounding business confidence

F10: Controlling inflation will be a challenge for policymakers

F11: Exogenous factors play a key role in the price of commodities

LDC Graduation Smooth Transition Strategy

F3: Reversal trend of girls' school dropout

F5: Threat to food security

F6: Cost of living crisis

F9: Cautiously rebounding business confidence

F10: Controlling inflation will be a challenge for policymakers

F11: Exogenous factors play a key role in the price of commodities

Exploring the findings (by mandate)

MoH

F1: Reversal trend in accessing SRH services

F2: Increase in demand for MHPSS

MoES

F3: Reversal trend of girls' school dropout

MoLSW

F4: Poor urban and rural households are disproportionately burdened

F 6: Cost of living crisis

MPI

F4: Poor urban and rural households are disproportionately burdened

MAF

F4: Poor urban and rural households are disproportionately burdened

F5: Threat to food security

F7: Cascading effect of the increasing agricultural input prices

MoIC

F 6: Cost of living crisis

F8: Consumer confidence has declined, but shows optimism

F9: Cautiously rebounding business confidence

F11: Exogenous factors play a key role in the price of commodities

BoL

F10: Controlling inflation will be a challenge for policymakers

Local Gvt

F1: Reversal trend in accessing SRH services

F2: Increase in demand for MHPSS

F3: Reversal trend of girls' school dropout

F4: Poor urban and rural households are disproportionately burdened

F5: Threat to food security

F5: Threat to food security

F6: Cost of living crisis

F7: Cascading effect of the increasing agricultural input prices

F8: Consumer confidence has declined, but shows optimism

LWU/ LYU

F1: Reversal trend in accessing SRH services

F2: Increase in demand for MHPSS



3. Policy implications

Policy implication 1

F1: Reversal trend in accessing SRH services

F2: Increase in demand for MHPSS

F3: Reversal trend of girls' school dropout

F4: Poor urban and rural households are disproportionately burdened

F5: Threat to food security

F6: Cost of living crisis

F7: Cascading effect of the increasing agricultural input prices

F8: Consumer confidence has declined, but shows optimism

F9: Cautiously rebounding business confidence

F10: Controlling inflation will be a challenge for policymakers

F11: Exogenous factors play a key role in the price of commodities

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

Policy implication 2

F1: Reversal trend in accessing SRH services

F2: Increase in demand for MHPSS

F3: Reversal trend of girls' school dropout

F4: Poor urban and rural households are disproportionately burdened

F5: Threat to food security

F6: Cost of living crisis

F7: Cascading effect of the increasing agricultural input prices

F8: Consumer confidence has declined, but shows optimism

F9: Cautiously rebounding business confidence

F10: Controlling inflation will be a challenge for policymakers

F11: Exogenous factors play a key role in the price of commodities

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

- **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

Policy implication 3

F1: Reversal trend in accessing SRH services

F2: Increase in demand for MHPSS

F3: Reversal trend of girls' school dropout

F4: Poor urban and rural households are disproportionately burdened

F5: Threat to food security

F6: Cost of living crisis

F7: Cascading effect of the increasing agricultural input prices

F8: Consumer confidence has declined, but shows optimism

F9: Cautiously rebounding business confidence

F10: Controlling inflation will be a challenge for policymakers

F11: Exogenous factors play a key role in the price of commodities

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

F1: Reversal trend in accessing SRH services

F2: Increase in demand for MHPSS

F3: Reversal trend of girls' school dropout

F4: Poor urban and rural households are disproportionately burdened

F5: Threat to food security

F6: Cost of living crisis

F7: Cascading effect of the increasing agricultural input prices

F8: Consumer confidence has declined, but shows optimism

F9: Cautiously rebounding business confidence

F10: Controlling inflation will be a challenge for policymakers

F11: Exogenous factors play a key role in the price of commodities

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