



**LDC graduation for Lao PDR**  
**“ESCAP-WTO Regional Workshop on**  
**Graduation for LDCs in Asia, Bangkok,**  
**30 April-2 May 2019”**

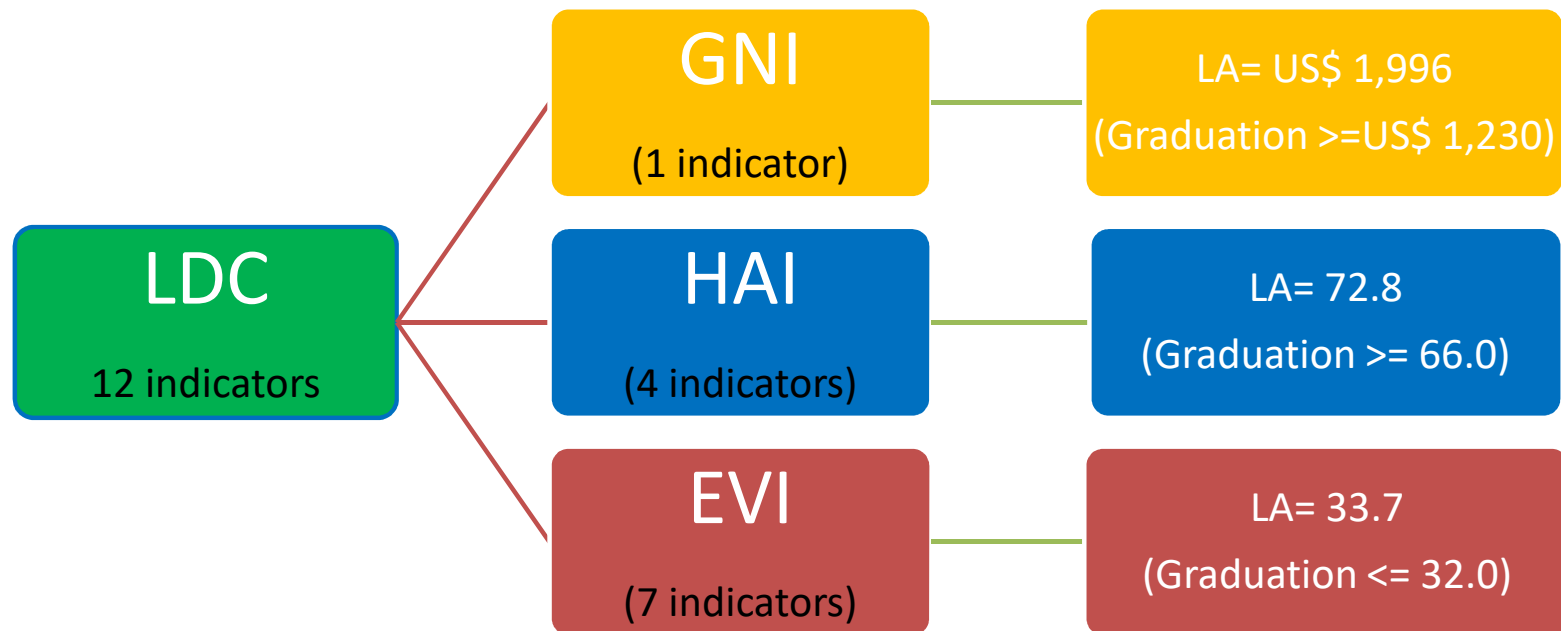
Presented by: Participants from Lao PDR.  
Mr. Santisouk Phounesavath  
Mr. Viengsavang Thippavong  
Mr. Kavin Saiyavong

# Outline

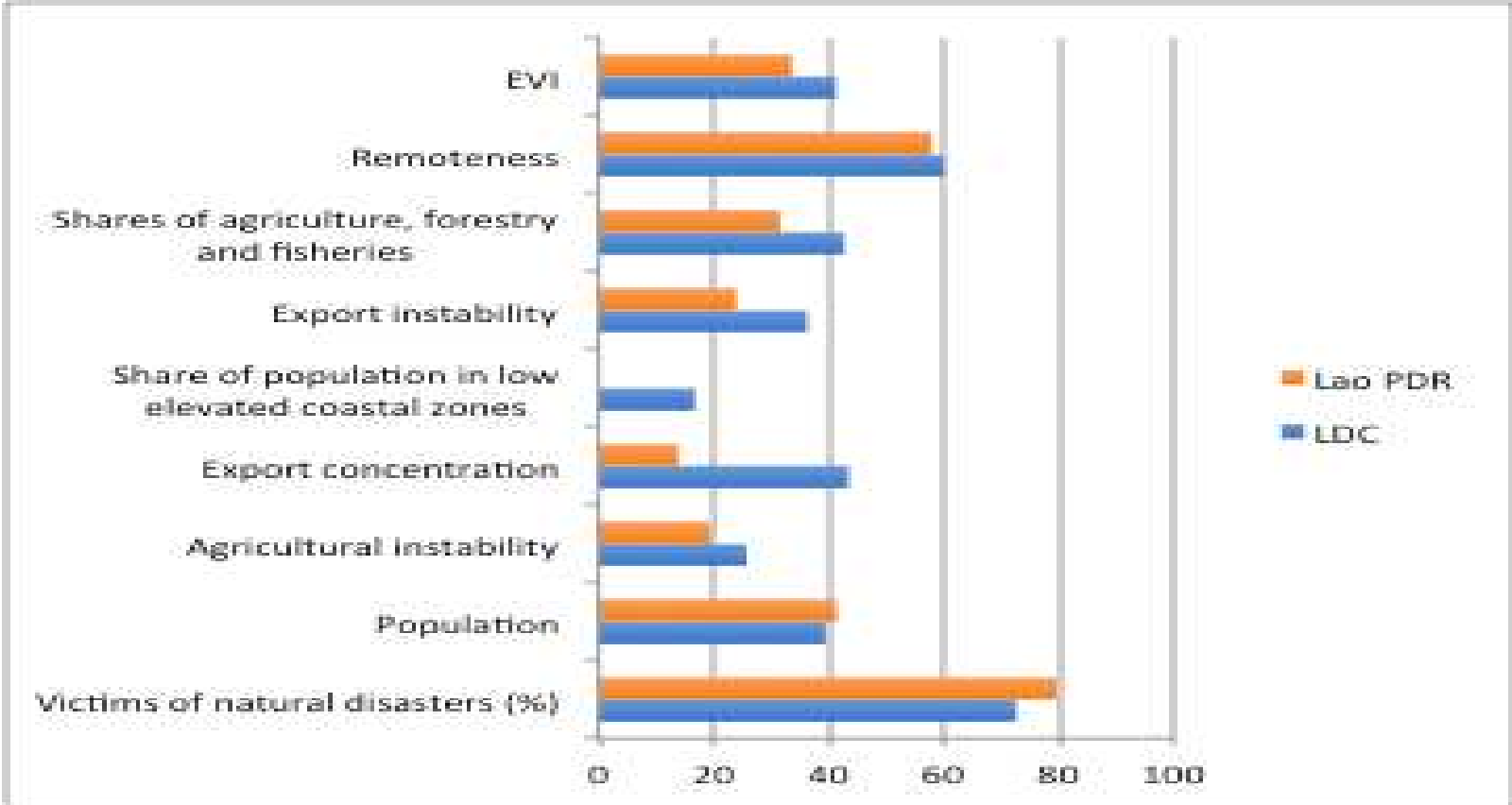
- LDC Status of Lao PDR, 2018
- The Challenges of the LDC graduation
- Address graduation-related to Challenges
- Key Challenges and Support
- Policy recommendations
- Supporting from UNESCAP/ WTO

# LDC Status of Lao PDR, 2018

(8 Plan or NSESP 2016-2020 goal 2020)



# Lao PDR compared to the other LDCs taken as an average



LAO PDR's position in LDCs in 2018  
number of LDCs= 47

EVI	17
Economic structure index	3
Export concentration	3
Share of agriculture	14
Victims of natural disasters	26
remoteness	26
population	31
Agriculture instability	21
Export instability	20

# The Challenges of the LDC graduation

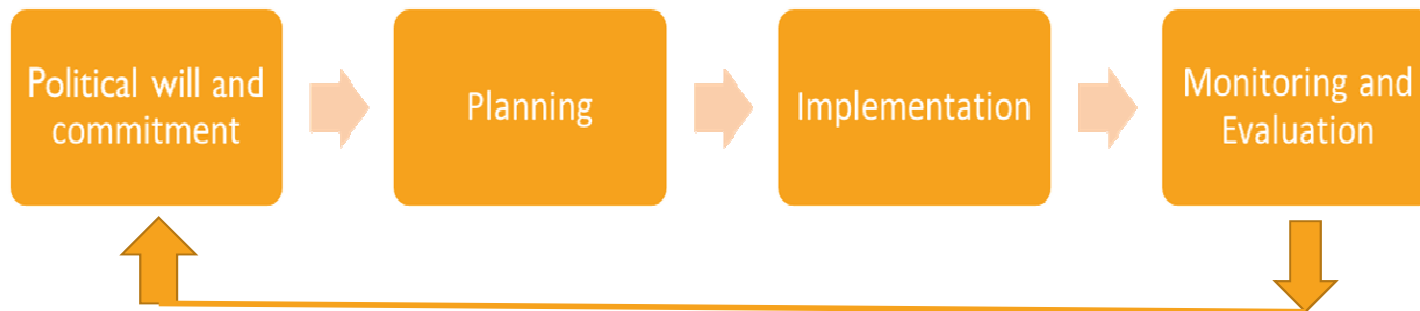
- **Skills gap**
  - Unable to meet demand for medium and high skilled workers
  - Need to upgrade the education and skills of young population
  - Resolve the mismatch between labor market needs and young people's education and skills - potential of youth
- **Low productivity** - need more competitive and diversified economy
- **Weak institutional capacities**
  - Poor coordination and consistency of the plans among government agencies
  - Lenient mechanism and enforcement of regulations and laws
- Preferential market access for Textiles and Clothing export to the EU
- Access to concessional financing (including a risk of indebtedness)
- Access to climate financing
- Requirements to implement WTO provisions (including TRIPS).

# LDC graduation and financial challenges

- Lao government has set itself the goal of graduating from LDC status by 2021 and reaching upper-income country status by 2030
- National development goals emphasize sustained social and environmental principles alongside economic progress
- Over a decade, Lao PDR have made the progress in socio-economic development
- Economic continues to growth averagely 7 percent since 2010
- Poverty has declined almost double over the last few decades
- In 2018, Lao PDR met two of three LDC criteria for the first time
- However, Lao PDR still faces many challenges
- Economic growth does not generate high level of employment and reduce income inequality
- Quality of health and education is questionable and access to public service is uneven between rural and urban
- Meeting these challenges require a sizable increase in all financial resources.

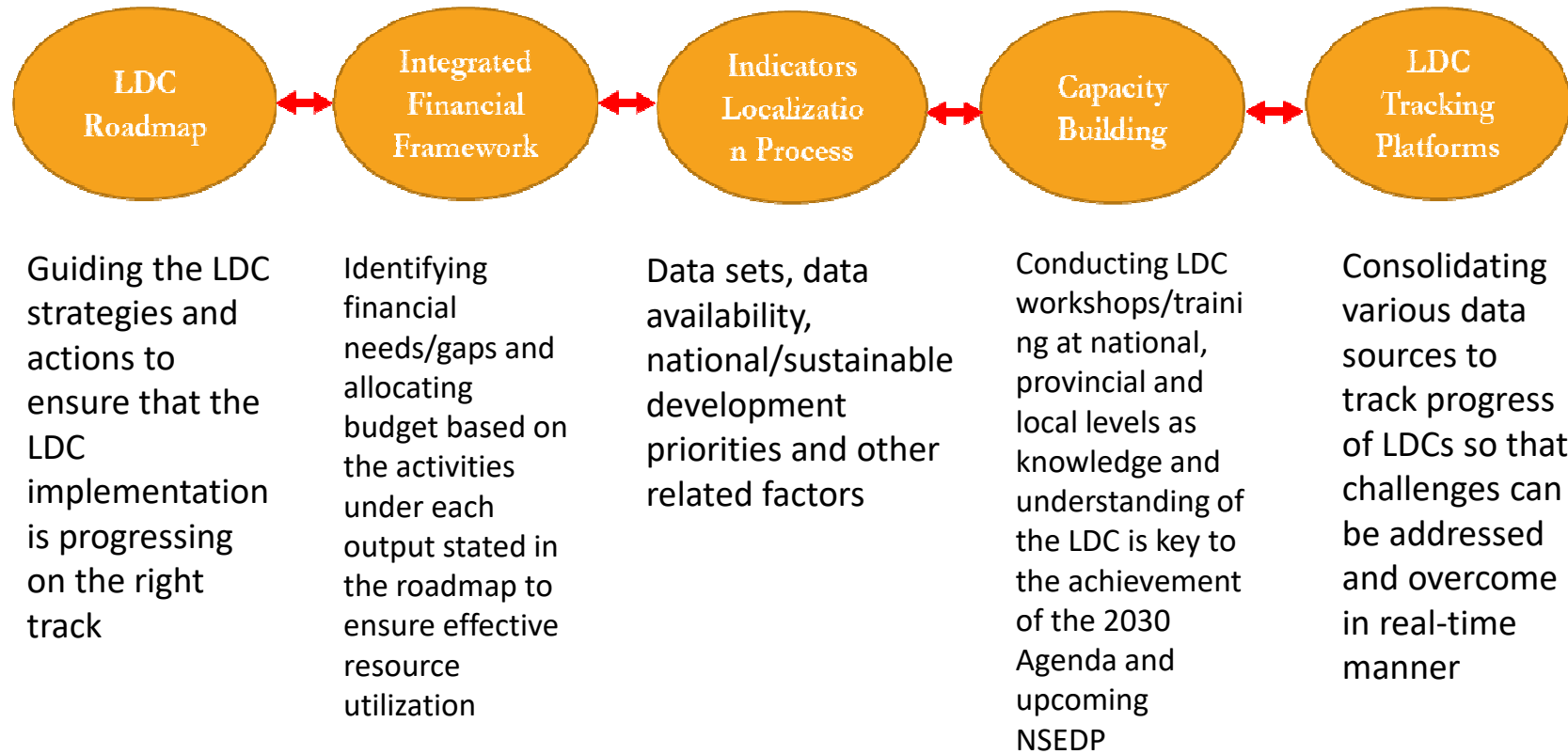
# Address graduation-related to Challenges

## LDC localization





# Planning



# Implementation

## LDCs Indicator Implementation

**Main responsibilities:**

1. To mainstream the localized indicators into their sectoral strategies and development priorities
2. To report progress and challenges of LDC indicator implementation to LDC Reporting by sector responsibility

## LDC Reporting Owners

**Main responsibilities:**

1. To track the progress and challenges of the implementation
2. To submit the LDC reports to National LDCs Secretariat

## National LDCs Secretariat and Focal Points

**Main responsibilities:**

1. To support the LDC owners to ensure they are on the right track to implementing LDCs
2. To compile LDC reports to present to the national, regional and international stages



Strategy and NSEDP /Sector, province Plan

# Monitoring and Evaluation

Monitoring and Evaluation Tools:

1. M&E Framework
2. LDC Data Dashboard
3. Dialogue and Consultation through existing and potential platforms

This is a critical process to ensure that the LDC implementation is progressing on the right track, and it has to be implemented on a consistent and sustainable basis so that the challenges can be addressed and overcome in real-time with a smooth transition to LDC graduation.

# Key Challenges and Support

## Advocacy and Awareness

Government sectors, Non-government sectors and provinces are still unaware of the 2030 Agenda and LDCs criteria

## Capacity Building

Inadequate level of understanding of LDCs and the 2030 Agenda among some line ministries/LDCs Focal Points/provinces

## Funding

Insufficient funding for LDC indicators that are not integrated into the 8<sup>th</sup> NSEDP yet and will discuss more in the next NSEDP

## Collaboration

Collaboration and coordination across line ministries and between central and local levels are key to LDC implementation to reach the goals

# **Key socio-economic development goals**

- Achieving SDG goals by 2030
- Becoming upper middle income by 2030
- Graduating from LDC status by 2024
- Promoting inclusive growth

# Policy recommendations

- To support smooth graduation in coming years, Lao PDR will require a sizable increase in all sources of financial resources and the outlook for financing is uncertain.
- EVI strategy and development priorities.
- Strengthening implementation of Vision 2030, 10th Strategy and NSEDP
- LDC, SDC and Green Growth should go hand in hand towards inclusive growth with sustainable manner
- Identify leading sectors with a comprehensive plan, regularly monitor and report timely
- Allocating annual budget and international assistances (ODA, grants and TA) on building business competitiveness, human capital development and effective system of disaster relief
- Strongly promote business friendly environment and businesses' participation in regions and global value chains

## (Cont')

- Jointing LDCs newly graduated group for negotiating
  - the extension of S&D under WTO framework and TRIPS waiver commitments
  - a new criteria for assessing and granting trade preferences for market access to new LDCs graduate by developed countries
  - case by case assessment criteria of international financial institutions and WTO for reduction of financial assistance and TA that previously new LDC graduate used to get under LDC status

# Supporting from UNESCAP/ WTO

- To support implementation of the EVI strategy and development priorities.
- International Support Measure ( ODA, Trade measures and Participation International forum).
- Budgetary Contributions.
- Access to technical assistance.
- To support for expanding market access opportunities for export to major preference-granting market.
- To support about developments and opportunities in services trade for graduating LDC.





**Thank You  
For Your Attention**

