



Joint Programme 2021 Annual Progress Report

SDG Financing Portfolio - Component 1

Cover page

UNCT/MCO: Lao PDR

Reporting Period: 1 January - 31 December 2021

JP title: Efficiency and Optimization of Lao PDR's Public Budget to Finance the SDGs Through the National Plan

PUNOs: UNDP, UNCDF, UNFPA

Government partner: Ministry of Planning and Investment

Target SDGs: SDGs 17, 3

Gender Marker: 2

Approved budget: USD 900,170

Co-funding: USD 140,000

Total Disbursement by 2021: USD 900,170

Total estimated expenditures: USD 388,257 (est. Delivery rate: 43.1%)

Total estimated commitments (including expenditures): USD 709,333 (est. Committed rate: 78.8%)

RCO focal point name: Matthew David Johnson-Idan

RCO focal point email: matthew.johnson-idan@un.org

Executive Summary

- A shared understanding on development finance was reached: In addition to an updated DFA, a costing report with an adapted methodology, and the UNFPA health investment case, UNCDF (sovereign borrowing) and UNDESA (climate finance) developed two additional reports. These 5 studies were widely circulated, and their main findings presented by the Vice Minister of Planning at the High-Level Round Table Meeting (see ownership below). They underpin the scope and outline of the financing strategy, which was too endorsed in late 2021.
- Scope and outline of financing strategy developed and agreed with government, based on a shared understanding on development finance: there is a marked increase in buy-in from government. 2021 saw the consolidation of clear ways of working between the PUNOs and their government counterparts. Significant efforts were put by the RCO into the development (and the communication) of clear processes following the INFF guidance and the synchronization of PUNOs activities. Another significant result has been to further integrate the JP activities into the national development coordination systems. The Deputy Prime Minister

created a Technical Working Group on F4D in April 2021 and the JP achieved the successful integration of its activities (and aspirations) into the Round Table Process under the leadership of the RC. This helped to generate ownership of the financing strategy, in particular through the leadership of the Ministry of Planning, which champions F4D in Lao PDR, through one of its vice-ministers.

- UN's role in F4D expanded and partnerships were strengthened: intra-UN coordination and coherence increased. UN RCO and agencies regularly provided data or quality assurance. UNDESA, specifically, helped the JP to put the subject of environmental and climate finance high on the agenda. The WB, ADB, and IMF became regular contributors to the JP activities. This year's achievements successfully helped to strengthen the UN's role as a key convener on F4D.

Annual Progress

Overall JP self-assessment of 2021 progress:

Satisfactory (majority of expected results achieved; 1 to 3 months delay in implementation)

Comments on self-assessment: Over 2021, the JP took forward a thoroughly consultative process, building towards final results that are expected to exceed expectations. Whilst some deliverables are behind schedule (budget-tagging) and endorsement of the financing strategy, with the proposed no-cost extension, all the planned deliverables outcomes are expected to be completed reached in 2022.

Diagnostic studies' findings supporting the financing strategy were presented and endorsed by government at the beginning of Q4 2021 and the outline and scope of the financing strategy was adopted at the High-Level Round Table Meeting in November 2021. The diagnostic studies (UNFPA investment case, the DFA and costing report, presented as part of "compendiums" on development finance to two structured dialogues) were heavily consulted, benefitting from inputs from other agencies, development partners, and government, under the RCO's convening and strategic planning role. Additional complementary studies were conducted: by UNCDF, on sovereign borrowing, and by UNDESA, on climate finance.

Endorsement of the financing strategy did not yet take place, but a financing strategy with an improved scope, reach, and legitimacy should be finalized and endorsed in Q1-early Q2 2022.

While some delays were encountered on the budget tagging work conducted by UNCDF, technical work has progressed, and necessary stakeholder engagement should take place through 2022.

Overall progress and key developments to date (3 key JP milestones)

- b) research, assessments, and feasibility studies (see 21)

The majority of 2021 was dedicated to the production and validation of a series of diagnostics studies (roughly, from May to October 2021). While data gaps initially impaired progress, an early update of the research methods for some studies (while maintaining the initial objectives), increasing engagement with other UN agencies outside of the JP (inputs were received from UNICEF, UNEP, UNESCO, UNDESA, and others), and significant efforts from the RCO on stakeholder engagement unlocked progress. The resulting studies demonstrate three important characteristics:

1. The inclusivity of their development: these studies were discussed thoroughly within the JP and beyond and all part of two compendiums that were presented and endorsed (with some modifications from IFIs and government partners) in two structured dialogues (mid-October and mid-November, between which several smaller workshops took place).
2. Their legitimacy: the main findings of these studies were as mentioned endorsed through two structured dialogues. They were then presented by the Vice-Minister of Planning and Investment at the High-Level Round Table Meeting (HLRTM), which was chaired by the Prime Minister and the Resident Coordinator to Lao PDR.

3. Their current role in evidence-based policy formulation: the financing strategy outline – endorsed in November 2021 at the HLRTM – was built around the main conclusions of these studies (see below).

c) financial policy development and advocacy

Significant, important progress was made toward the development of the financing strategy for the 9th NSEDP, a first for Lao PDR at a time of significant financial challenges.

The fairly comprehensive and evidence-based outline of the financing strategy was presented and agreed in November 2021: 6 chapters are listed, corresponding to the 4 financing flows of the INFF, with an additional chapter dedicated to social and green sectors finance, and one dedicated to cross-cutting issues, including M&E, data management, and stakeholder engagement. Moreover, under these 6 chapters, 15 financing policy areas have already been identified with development partners and government, building upon the findings of the diagnostics phase. They have helped the JP put high on the agenda some urgent issues despite initial sensitivities (such as tax management, transparency, illicit finance) as well as key considerations on social sector finance (including budget allocation) and environmental and climate finance.

Another key point is the clarification of the specific scope of the financing strategy, in the context of much work being undertaken by government and DPs on development finance. The financing strategy was agreed to focus exclusively on practical and goal-oriented ways to finance the national plan within the original timeline, through better alignment of expenditures with national development priorities, or rapid increases in available development finance.

The process agreed with MPI to finalise the financing strategy will build upon the inclusive coordination mechanisms and legitimacy gained previously through the diagnostics studies, with the involvement of many DPs (see below).

f) mobilization of new partnerships

The JP made much progress in establishing the UN as a key actor in the work undertaken by the development community on development finance and economic issues, notably through the consolidation of existing partnerships and the development of new ones:

- The active participation and leadership of government partners in the work of the JP: several workshops involved the participation of no less than ten ministries, including most relevant ones (Finance, Planning, Environment, Health, Education, Labour) which provided feedback on all diagnostic studies conducted and the financing strategy outline and scope. The Vice-Minister of Planning took an important leadership role in taking the work of the JP forward and

Changes made to JP: Changes were made in line with the request for the three months no-cost extension to September 2022 (sent to the Fund at the end of January 2022). UNCDF required additional time to close the work undertaken on budget tagging and ensure inclusivity and buy-in from government counterparts, following the approach taken by the JP on stakeholder engagement.

Main Challenges: 1. COVID-19: caused delays, overcame through adaptation, additional staff hours, and the strong involvement of the RCO in strategy, coordination, trouble shooting and problem solving and stakeholder engagement, both with government and technical partners including the IFIs. The momentum gained on the INFF with the High-Level RTM, under the overall leadership of the RC, helped to catch up on progress.

2. Poor government engagement at a technical level. RCO-led mitigation measure usually consisted in securing a higher-level meeting and building relationships with specific individuals to unlock progress.
3. Political sensitivity: this was usually resolved by time dedicated by RCO to capacity building sessions, to desensitize issues, or referencing legitimate documents in the country (National Agenda on Macroeconomics, National Plan, IFIs research, etc.).

4. Data availability: this was managed by, when necessary, an update of deliverables (but importantly, not of expected outcomes), or RCO requesting request for support from other UN agencies and development partners.
5. Language: Progress is contingent on availability of Lao documents. Working closely with national staff and spending more than anticipated on translation helped to address this.

Updates on SDG financing framework

Inception phase	Assessment Diagnostics	Financing Strategy	Monitoring Review	Governance Coordination
Completed (100%)	Completed (100%)	Emerging (1-49%)	Emerging (1-49%)	Advancing (50-99%)

Descriptions on progress by INFF building blocks

Inception Phase: - A formal INFF Roadmap was not developed nor adopted by the government (this was not an expectation from the Joint Programme) but a clear process sequenced along the four phases of the INFF was agreed early on. The “inception-diagnostics-financing strategy-M&E” sequencing was then operationalized through the 2021 JP workplan agreed with government in July 2021.

- Governance and coordination mechanisms were agreed. A Technical Working Group (which could evolve towards a INFF committee) was created by the Deputy Prime Minister upon recommendation from the Vice-Minister of Planning and Investment. Specific ways of working (including specific smaller workshops followed by structured dialogues) were initiated.
- A workshop took place in April 2021 to build capacity on the key principles of the INFF and costing methodologies, led by MPI, with support from UNDP, and participation from government and IFIs. UNFPA presented their research design, the health investment case, to MoH.

Assessment & Diagnostics: - The DFA with mixed methods on available and accessible resources. - Two additional studies were conducted by UNCDF on sovereign borrowing and UNDESA (through a separate project) on climate finance. The collaboration provided UNDESA with more stakeholder engagement while strengthening analytics of the JP on a key theme. - A costing report. The realization during the summer 2021 that the initial statistical cost estimates envisaged were not possible due to significant data issues led to an important revision of the deliverables (agreed by government). The twofold revision was designed to ensure achievement of initial results with regards to the financing strategy and capacity building of government on costing. Literature reviews, referencing national (e.g. the UNFPA health investment case) and international cost figures to estimate financial needs across the national plan were developed. Six briefs (one for each outcome of the plan) were produced. The second deliverable was a report with an analysis on and recommendations to resolve the critical obstacles identified during the initial application of quantitative costing methodologies. - A health investment case, which contains estimates of the costs of priority health interventions as well as practical recommendations for budget allocations, which should support the health sector policies but also the broader financing strategy.

These studies are the analytical backbone of the upcoming financing strategy and were validated in two rounds following the structured process implemented in Lao PDR: 1. A first “compendium” was presented at a first structured dialogue (Oct 2021) to receive feedback and validate main findings identified, thereby closing the diagnostics phase. 2. A second “compendium” updated the findings with comments received and presented the future outline and scope of the financing strategy, thereby closing the “scoping” step of the “financing strategy formulation” phase of the INFF-inspired process applied in Lao PDR.

Financing Strategy: A key objective of the JP's is supporting the formulation of an evidence-based and practical financing strategy for the recently adopted 9th National Socio-Economic Development Plan (NSEDP).

Overall, progress achieved during 2021 has been positive, but with the specific steps taken to achieve this objective being adapted to fit the changing context and overcome challenges.

- Difficulties in finalizing statistical cost estimates, other than the health sector, meant that the assessment of financial needs was more qualitative than quantitative (through literature reviews of the national plan referencing national and international estimates). This exercise did not allow for a precise quantitative estimate or bracket, but did support a more thorough analysis of national development priorities, including synergies, situation of underfunding, and helped to build partnerships with other agencies, development partners, and line ministries. This also caused delays in the finalization of the diagnostics phase, and therefore to the beginning of the financing strategy phase.
- The financing strategy did however benefit from important momentum gained through the High-Level Roundtable Meeting, chaired by the Prime Minister and the UN Resident Coordinator, and planned and coordinated by the RCO, and supported by UNDP UNDP in particular and the UNCT in general. A series of meetings, workshops and a second structured dialogue helped to clarify the exact scope of the financing strategy and a provisional outline, with 6 chapters (4 financing flows, sectoral finance (education, health, and environment-climate change) and series of more focused financing options that will be further developed in Q1 2022. The JP begins 2022 with a clear set of directions and agreement with government over an outline and financing policy areas.
- Achievements were above expectations as for engagement from government counterparts, following increased involvement of the RCO in strategic planning and coordination, which resulted in with strong strengthened leadership from the Ministry of Planning and Investment, which has allowed the refinement of the purpose of the financing strategy towards more practical actions which could be endorsed and rapidly implemented, instead of more general policy recommendations.
- This is also true of engagement with development partners, with the regular active participation of IFIs. The JP hopes to see even more direct involvement in leading technical conversations in Q1 2022.

Monitoring & Review: The draft budget tagging methodology has been developed by UNCDF and shared with Ministry of Finance. It is currently under consultation. Testing and fine tuning of the methodology is currently on-going in parallel with the development of a training package for civil servants and line ministry budget departments. Difficulties in mobilizing the Ministry of Finance resulted in delays on the budget-tagging front and the three months no-cost extension request made by the JP.

As for the monitoring and evaluation of the financing strategy, there was a clear agreement to develop a chapter which would encompass data, information management, and the adequate monitoring and evaluation of progress made in implementation. The JP plans to synchronize the financing strategy monitoring and evaluation process with that of the national plan and the broader Round Table Process..

Governance & Coordination: Results achieved on governance and coordination include:

- The creation, by the Deputy Prime Minister, upon recommendation from the Vice Minister of Planning and Investment, of a Technical Working Group, composed of the JP PUNOs,] participating ministries (MPI, MoH, MoF), of relevant line ministries and IFIs. This took place during the inception phase, which begun in December 2020 and ended around April 2021 with a workshop in Vang Vieng.
- The systematization of clear ways of working to strengthen inclusivity and buy-in: the RCO developed clear plans and ways of working, synchronized workplans along the INFF process, secures government engagement through greater RC engagement. At a technical-level, each PUNO works closely with their government counterpart, before opening technical work to a small circle of most relevant actors (other PUNOs, UN agencies, line ministries as relevant), before a structured dialogue bringing together all relevant F4D stakeholders.

- The integration of the JP activities in the Round Table Process, and specifically the 2021 High-Level Round Table Meeting, which is a once in every 5 years high-level forum on sustainable development in Lao PDR between government, development partners, and to a certain extent, civil society.

Priority Cross-cutting Issues

How did the JP adapt to the COVID-19 context

Two main diagnostic studies (the DFA and the costing report) referenced the SERP and its findings, as well as other complementary studies from the IFIs, notably on the negative impacts of the pandemic on the budget. The focus on health, education, and environment/climate change finance given to the financing strategy in agreement with MPI and other stakeholders echoes the recommendations to prioritize sectors directly hit by the pandemic and building back better. UNFPA looked at the impact of COVID-19 on SRH services.

How did the JP apply the Gender Marker

- UNFPA's health investment case used gender disaggregated data and analyzed SRH service data for 2021 and highlighted impact of COVID-19 on the essential services to raise the issue of continuing investments to maintain SRH services.
- Literature reviews developed covered all outcomes of the national plan. Outcome 3 has a specific output on gender equality and women's empowerment. This was reflected in the related literature which reviewed integrated national and international estimates of achieving SDG 5 priorities.
- The financing strategy outline and focused financing policy areas include expenditure management, which should cover options on gender budgeting, but as well health and education sectors financing (in a dedicated chapter). This should allow further analysis on gender and women's empowerment within those sectors.

Estimated % of overall disbursed funds spend on gender: 20%

Alignment with cross-cutting UN issues (e.g. human rights, decent work, inclusion, LNOB)

UNFPA provided a quantitative explanation of the role played by SRH services in women empowerment, highlighting health and economic benefits. The geographic angle to LNOB was covered through an analysis of where priority health interventions should take place in Lao PDR in consideration of current coverage notably.

The issues of human rights, decent work, inclusion and LNOB were briefly covered through the literature review on the financial needs across the 9th NSEDP. These more specific analyses of national development priorities allowed the UN to put on the agenda specific priorities such as environmental and climate change management, decent economic growth, poverty alleviation, social protection (e.g. the JP referred to a study undertaken by ILO on the costs of social protection in Lao PDR for the window A), remittances (and their roles to support livelihoods).

How did the JP work to build ownership and buy-in of key stakeholders

- The organization of regular senior-level meetings: a launching event at the end of March 2021 allowed the JP to initiate the catch up on initial delays that occurred in 2021. A steering committee took place in July 2021 after an effort from the JP to consolidate activities against an INFF-sequenced process. At this time, the steering committee composition was formalized and membership extended to key line ministries. Regular meetings between the RC, RR, and the VM of MPI – who has been championing F4D work – have also been helpful to unlock progress.

- The adaptation, quality, coherence, and jointness of diagnostics studies all presented as part of series of compendiums in two structured dialogues and their linkages with the financing strategy formulation process.
- The successful integration of the JP activities into the High-Level Round Table Meeting. The financing strategy and LDC Smooth Transition Strategy were also linked to avoid duplications and both clearly linked to the national plan.
- The organization of capacity building sessions with technical staff.
- The progressive enlargement of involved stakeholders since the creation of the Technical Working Group by the Deputy Prime Minister.
- Regular communications on objectives, processes, communications, background documents.

Annual Reporting on Results

Results achieved in promoting the priority thematic SDG agendas

17.9 Enhance international support for implementing effective and targeted capacity-building in developing countries to support national plans to implement all the sustainable development goals - Integration of the JP activities around the financing strategy within the national development process (the Round Table Process) - Development of diagnostics studies that will support and locate needs for capacity building on the integration of planning and financing - Strengthening of partnerships with IFIs, DPs, and inclusion of UNDESA as a contributor to the financing strategy diagnostic studies - Capacity building sessions with technical staff on financing for development across the JP activities

17.14 Enhance policy coherence for sustainable development. - Integration of the JP activities around the financing strategy within the national development process (integration in the Round Table Process) - Coherence and joint presentation and validation of diagnostic studies which are the analytical backbone of the upcoming financing strategy, whose outline and scope was based on these studies' findings - Linkages established between the national plan, the LDC Smooth Transition Strategy and the financing strategy - Thorough reviews of existing studies assessing financial costs of sectors into six literature reviews (one for each outcome of the national plan) - Establishment of a Technical Working Group on F4D which has been progressively enlarged, setting the scene for a more formal INFF committee

17.15: Respect each country's policy space and leadership to establish implement policies for poverty eradication and sustainable development. - Establishment of a Technical Working Group on F4D which has been progressively enlarged, setting the scene for a more formal INFF committee - Integration of the JP activities around the financing strategy within the national development process (the Round Table Process) - SystematisationSystematization of ways of working through bilateral meetings, workshops, and structured dialogues, with feedback loops allowing active participation from government and DPs. - Stronger collaboration with the VM of Planning and Investment who champions F4D in Lao PDR.

3.c. Substantially increase health financing and the recruitment, development, training and retention of the health workforce in developing countries, especially in least developed countries and small island developing states. - Modelling of the health investment case was completed this year - Health financing chosen as an area of focus for the financing strategy to be formulated in Q1 2022 (already part of the outline and scope of the financing strategy agreed at the 2021 High-Level Round Table Meeting).

JP contributions to the Joint SDG Fund's global results (especially around Outcome 2 & Output 4)

Outcome 2 (additional financing leveraged): JP does not aim to directly leveraging additional resources. Rather, by building the foundations for an INFF it aims to support the most efficient possible use of available development resources. This may indirectly contribute to improved ability for the government to mobilize additional resources in support of national development priorities.

Outcome 4 (integrated financing strategies for accelerated SDG progress implemented): finalization of the financing strategy will be completed in 2022. Implementation should take place after the JP ends.

Progress against JP-specific outcomes

Outcome 1: Foundations laid for INFF (unique outcome)

While some results have not been achieved yet, important achievements took place in terms of government buy-in and the improved scope and role of the financing strategy in the country. Important foundations in place or being developed include: - Governance and coordination: the creation of a Technical Working Group and the formalization of ways of working and partnerships on F4D, including the central role of MPI and the integration of the JP activities into the RTP. - Diagnostics: the relevance, coherence, and role of diagnostic studies in the current financing strategy development. - Financing strategy: outline and scope agreed, including clear translation of the INFF approach, and integration of specific focus on social sectors and environment/climate change issues. - M&E: some delays on the budget-tagging work, which should support M&E of practical actions developed by the financing strategy in domestic public finance. Agreement on the inclusion of a section on M&E in the financing strategy (and hopefully, of a proper M&E framework aligned with the planning cycle).

Progress against JP-specific outputs

1.2, 1.2.1, 1.2.2. costing. Due to significant data availability issues (and most notably, the absence of a finalized M&E framework for the national plan), UNDP in collaboration with the UNRCO and under the guidance of MPI undertook literature reviews structured against the national plan outcomes and outputs, and provided important insights into financial costs, the nature of costs, situation of underfunding, from national and international sources. This contributed to increased coherence in F4D while recommendations were formulated to resolve blockages to ultimately cost sectors. For the health sector, estimates of financial needs required to reach key SDG3 target were included in the health investment case.

1.1., 1.1.1, and 1.1.2. financing. The financing strategy timeline was extended to allow sufficient time to generate buy-in and ensure the quality of diagnostics and policy formulation. Both government and DPs engagement have been important and expected to remain so. The DFA was updated and presented (and its conclusions endorsed) in two structured dialogues in October and November 2022.

1.3. and 1.3.2. health investment case. The latter was developed and was critical in positioning health financing high on the agenda, which is reflected in the outline of the financing strategy. For SRHNMNCAH, in the next five years, most investments are needed for Family Planning, followed by Child Health and Maternal Health (Antenatal and Delivery care). Family Planning has the highest benefit-cost ratio by a significant margin. The accompanying policy paper will be developed in 2022, as data updates were awaited.

2.1, 2.1.1, 2.1.2, 2.1.3, 2.1.4. budget-tagging. Technical work progressed, with the mapping of the CoA and the policy paper developed. The budget tagging methodology and the paper on SDG reporting on IFMIS have been delayed. Engagement with MoF has been slower to develop.

JP contributions to strengthening UN coherence, partnerships and reducing duplications of efforts

The JP has substantially contributed to increased collaboration and coherence on F4D, on analytics, policy, and partnerships. This is an important success of the JP in 2021. Four specific examples include: - Coherence on diagnostics studies: in preparation for the July 2021 steering committee, the three PUNOs agreed to synchronize diagnostic studies research, consultations, and validations. This united front on research generated legitimacy and buy-in and helped to generate partnerships and improve the quality of studies. Many agencies participated to the literature reviews undertaken by UNDP and the UNRCO. A decision was too made to circulate the findings of these studies in advance of structured dialogues in one single “compendium”. - Cooperation on health financing: UNFPA’s health investment case, despite its focus on sexual and reproductive, maternal, and neonatal health priorities, was a key driver of internal cooperation. Initial results were presented in a meeting to UNICEF and WHO, and results obtained were referenced in UNDP’s literature reviews on the costs of the 9th NSEDP. - Cooperation on climate finance: UNDESA was progressively integrated into the JP diagnostics phase at the initiative of UNDESA and the UNRCO in the summer 2021, after the RCO learned of UNDESA’s plan to undertake a short desk research on

climate finance. The collaboration was a win-win, providing additional visibility and engagement from government for UNDESA (not being present in country) and supporting the UN’s efforts to position environmental and climate finance high on the agenda. - UN positioning on F4D and UN role in the financing strategy: the JP has substantially contributed to render visible the specific UN value add on F4D and economic issues, with a focus on social sectors, SDG alignment, and the holistic approach of the INFF. Several UN agencies have been mobilized to take a larger role in the financing strategy now that more narrowed financing policy areas have been identified and agreed (UNODC on illicit finance, UNEP and UNDESA on environmental and climate finance, WHO on health financing, UNICEF on education financing).

Strategic Partnerships, Documents and Communications

How did the JP facilitate collaboration with diverse stakeholders in the SDG financing space

As core stakeholders in the work, partnerships with the Ministries of Planning and Investment and Health have been further strengthened through the implementation of the JP, in particular due to the structured and collaborative approach taken developed by the RCO.

Beyond this, a large majority of line ministries has been consulted towards the end of the year, including Ministries responsible for the environment, labour and social welfare, foreign affairs, education, health, finance, industry, and commerce. Through the engagement of these ministries as part of a structured process (culminating in the two structured dialogues), the JP is aiming to ensure that the financing strategy adequately reflects constraints and existing initiatives. This in turn will support the appropriate calibration of the strategy, and support its relevance and legitimacy.

Putting the development of the finance strategy at the core of the agenda for the High-Level Roundtable Meeting in November, served to ensure very broad awareness and engagement in the work amongst sub-national government and Lao PDR’s development partners. This included a dedicated side event presenting the work on the financing strategy to date, as well as a presentation by the Ministry of Planning and Investment to the plenary.

Amongst the IFIs, the World Bank Group, ADB, and IMF have been consulted through the inception, diagnostics, and initial financing strategy phases. They contributed to updating main findings of the diagnostics phase that are the backbone of the financing strategy and have emphasized repeatedly their willingness to focus the financing strategy on the State budget primarily. The World Bank in particular has committed to technical engagement in the development of the financing strategy, drawing on their technical expertise in country.

Did the JP secured additional financing (co-funding/co-financing) from the following stakeholders:

Government	Donors & IFIs	Private Sector	PUNOs	Other Partners
No	No	No	Yes	No

Comments on additional financing secured: As core stakeholders in the work, partnerships with the Ministries of Planning and Investment and Health have been further strengthened through the implementation of the JP, in particular due to the structured and collaborative approach taken developed by the RCO.

Beyond this, a large majority of line ministries has been consulted towards the end of the year, including Ministries responsible for the environment, labour and social welfare, foreign affairs, education, health, finance, industry, and commerce. Through the engagement of these ministries as part of a structured process (culminating in the two structured dialogues), the JP is aiming to ensure that the financing strategy adequately reflects constraints and existing initiatives. This in turn will support the appropriate calibration of the strategy, and support its relevance and legitimacy.

Putting the development of the finance strategy at the core of the agenda for the High-Level Roundtable Meeting in November, served to ensure very broad awareness and engagement in the work amongst sub-national government and Lao PDR’s development partners. This included a dedicated side event presenting the work on the financing strategy to date, as well as a presentation by the Ministry of Planning and Investment to the plenary.

Amongst the IFIs, the World Bank Group, ADB, and IMF have been consulted through the inception, diagnostics, and initial financing strategy phases. They contributed to updating main findings of the diagnostics phase that are the backbone of the financing strategy and have emphasized repeatedly their willingness to focus the financing strategy on the State budget primarily. The World Bank in particular has committed to technical engagement in the development of the financing strategy, drawing on their technical expertise in country.

JP organized events in 2021

JP Launch Event	Annual Donor Event	Partners Event
Yes in 2021	No	Yes in 2021

Number of strategic documents produced by the JP: 13

Number of strategic documents contributed by the JP: 3

Number of communication materials produced: 6

2022 Plans & Way Forward

JP priority activities & expected results for 2022

The expected outcome of the JP remains the consolidation of INFF foundations in Lao PDR, through the adoption of a financing strategy specifying clear policies to unlock SDG progress through better alignment or increased resources, and processes and structures in place for implementation.

Priority outputs include, for the JP as a whole: - Finalization of a practical financing strategy under government leadership and in close collaboration with relevant F4D stakeholders - Agreement reached on governance, coordination, and M&E structures, preparing implementation

Per agency: - UNDP: finalization of the financing strategy. - UNFPA: finalization of the policy paper on the health investment case and support provided to the health financing chapter of the JP. - UNCDF: finalization of the budget tagging activities, preparing for implementation of the financing strategy

3 major transformative results that will be achieved by the end of the JP

1. Improved coherence of development interventions on F4D: a majority of development interventions undertaken (in general but specifically on F4D) are conducted without proper coordination, despite the existence of a macro-finance Sector Working Group. The JP hopes that improved coherence will be brought by the formulation of the financing strategy, which progressively structures interventions on the various issues within F4D. The action matrices that the JP wishes to develop should be composed of new policies and projects that build upon existing initiatives.
2. Improved shared understanding of the state of development finance in Lao PDR: while most stakeholders had a similar understanding of the most important concerns with regards to F4D and macroeconomic stabilization in Lao PDR, the JP will hopefully have been instrumental in facilitating the emergence of a consensus on priority actions. The agreement found on main findings across the F4D spectrum at the High-Level Round Table Meeting should be consolidated by the financing strategy formulation.

3. More evidence-based planning cycle, considerate of budget constraints: UNFPA's example of conducting a diagnostic study in a collaborative fashion to inform policymaking could hopefully be an example set for a variety of sectors (many line ministries' planning and financing departments are involved in the work of the JP). The financing strategy, at a more macro level, will be developed against the shared understanding on development finance reached at the end of last year, and should become an essential piece of the planning cycle in Lao PDR. The JP hopes that for the next planning cycle, discussions on financing and budgeting can take place in parallel to discussions on development planning.

Estimated rate of completion for each result as of 31 Dec 2021

Result.1	Result.2	Result.3
Emerging (1-49%)	Advancing (50-99%)	Advancing (50-99%)