

Joint Programme Document

A. COVER PAGE

- 1. Fund Name:** Joint SDG Fund
- 2. MPTFO Project Reference Number:**
- 3. Joint programme title:** Leaving no one behind: Establishing the basis for social protection floors in Lao PDR
- 4. Short title:** Social Protection Floors in Lao PDR
- 5. Country and region:** Lao PDR, South-east Asia
- 6. Resident Coordinator:** Ms. Sara Sekkenes, UN Resident Coordinator in Lao PDR, sara.sekkenes@one.un.org
- 7. UN Joint programme focal point:** Ms. Sara Sekkenes, UN Resident Coordinator in Lao PDR, sara.sekkenes@one.un.org; Ms. Zumrad Sagdullaeva, Interim Head of UN Resident Coordinator's Office in Lao PDR, zumrad.sagdullaeva@one.un.org
- 8. Government Joint Programme focal point:** Ms. Baykham Khattiya, Vice Minister of Labour and Social Welfare (MoLSW), baykhamkhattiya@yahoo.com; Dr. Yangkou Yangleusay, Director General of Planning and Cooperation Department, MoLSW, dryangkou@hotmail.com
- 9. Short description:** The main objective of the UN Joint Programme (UNJP or JP) is to support the Government in the implementation of the new National Social Protection Strategy (NSPS), through an approach focused on systems development and implemented through the Mother and Early Childhood Grant (MECG). The JP is based on the new government-led NSPS with strong national institutional buy-in. The JP will include a focus on ensuring that SP funding is on-budget and that additional traditional and non-traditional sources of finance are mobilized and blended with public sector budget allocations to secure sustainability of the NSPS. The MECG will act as a model for SP provision which can be tested and scaled nationally in the future, with the learning from the experience feeding into potential subsequent interventions targeting other vulnerable groups including the elderly, persons with disabilities, migrants and informal workers.
 By the end of the programme, the main expected results are that:
 - Government planning, managerial, and implementation capacity (including leadership and co-ordination) to implement the NSPS is enhanced, and that
 - 1,400 children under 12 months are benefiting from a new integrated package of welfare services, including the new MECG, early childhood wellbeing services and support for birth registration.
- 10. Keywords:** Leaving No One Behind (LNOB), Lao PDR, Mother and Early Childhood Grant (MECG), Social Protection, SDG acceleration, early childhood wellbeing, Innovative Funding Solutions

11. Overview of budget

The budget overview below includes in-kind contributions from PUNOs.

Joint SDG Fund contribution	USD 2,000,000
Co-funding 1 (ILO), in-kind	USD 114,000
Co-funding 2 (UNICEF), including \$20,000 in-kind	USD 60,000
Co-funding 3 (UNCDF), in-kind	USD 66,432
TOTAL	USD 2,240,432

12. Timeframe:

Start date	End date	Duration (in months)
1 Jan 2020	31 Dec 2021	24

13. Gender Marker: 2

14. Target groups (including groups left behind or at risk of being left behind)

List of marginalized and vulnerable groups	Direct influence	Indirect influence
Women	X	
Children	X	
Girls	X	
Youth		X
Persons with disabilities		X
Older persons		X
Minorities (incl. ethnic, religious, linguistic...)		X
Indigenous peoples		X
Rural workers		X
Migrants		X

15. Human Rights Mechanisms related to the Joint Programme

The UN Joint Programme directly addresses issues identified in recommendations from

CEDAW/C/LAO/CO/8-9

CRC/C/LAO/CO/3-6

16. Participating UN Organisations (PUNO) and Partners:

16.1 Participating UN Organisations

- Conveying agency:
 - o ILO: Mr. Graeme Buckley, ILO Country Office Director for Thailand, Cambodia and Lao PDR, buckleyg@ilo.org, +662 288 2220; Ms. Khemphone Phaokhamkeo, ILO Coordinator, Lao PDR, khemphone@ilo.org, +856 (0)20 5662 1760
- Other PUNOs:
 - o UNICEF: Mr. Octavian Bivol, UNICEF Representative Lao PDR; email: obivol@unicef.org, +856 (0)21 315200-05; Mr. Irfan Akhtar, Chief of Social Policy, Planning, Monitoring and Evaluation, Lao PDR, iakhtar@unicef.org, +856 (0)21 315200;
 - o UNCDF: Mr. Paul Martin, Regional Technical Advisor ASEAN & Pacific, paul.martin@uncdf.org, +66 06 2692 7007; Mr. Thilaphong Oudomsine, UNCDF Programme Specialist, Lao PDR, thilaphong.oudomsine@uncdf.org, +856 (0)20 5551 0588

16.2 Partners

- National authorities:
 - o Ministry of Labour and Social Welfare (MoLSW): Ms. Keo Chanthavixay, Director-General, Social Security Department, likayya_souk@yahoo.com

- o National Social Security Fund Office: Mr. Bounnorth Chanthavone, Deputy Director-General, MoLSW, bgchanthavone@gmail.com
- o Ministry of Planning and Investment (MPI), Ms. Sisomboun Ounavong, Director-General, Department of International Cooperation, osisomboun@yahoo.com
- o Ministry of Finance (MoF): Dr. Bounleua Sinxayvoravong, Director-General of the Fiscal Policy and Regulation Department, sbounleua@gmail.com
- o Ministry of Health (MoH): Dr. Bounfeng Phoummalaysith, Director-General of the National Health Insurance Bureau, pbounfeng@gmail.com
- o Ministry of Home Affairs (MoHA): Mr. Nisith Keopanya, Director-General, Planning and Cooperation Department, keopanya@moha.gov.la
- o National Commission on the Advancement of Women, Mothers and Children (NCAWMC): Ms. Chongchith Chantharanonh, Deputy Permanent Secretary, chongchith@gmail.com
- o National Social Protection Committee [not yet established]
- Development partners:
 - o Department of Foreign Affairs and Trade (DFAT): Ms. Katie Smith, First Secretary – Development, Australian Embassy in Lao PDR, katie.smith@dfat.gov.au
 - o World Bank: Ms. Francesca Lamanna, Regional Social Protection Specialist, flamanna@worldbank.org
 - o Oxfam in Lao PDR: Mr. Khamphy Khammavong, Programme Manager of Social Protection, khamphy.khammavong@oxfam.org
 - o Japan International Labour Foundation: Ms. Yuki Otsuji, Deputy Representative, yotsuji@jilaf.or.jp
 - o Plan International Laos, Ms. Vimala Dejevongsa, Deputy Country-Director - Programs, vimala.dejevongsa@plan-international.org
- Private sector:
 - o TRIS Rating Co LTD: Kornkamol Thavisin (Kip), Business Development Department, sakda@trisrating.com, kornkamol@trisrating.com
- Regional partners:
 - o Royal Government of Thailand, Ministry of Finance: Mr. Weerapat Sangachit (Keng), Economist, International Cooperation Division, Policy and Planning Bureau, Public Debt Management Office, benjarat@pdmo.go.th
 - o Further partners to be determined based on coordination with the UN Country Teams in Cambodia, Thailand and Viet Nam on the similar Joint Programmes implementation.

SIGNATURE PAGE

<p>Resident Coordinator</p> <p>[Redacted Signature]</p> <p>Ms. Sara Sekkenes UN Resident Coordinator in Lao PDR</p> <p>Date: 21/10/2019</p>	<p>National Coordinating Authority</p> <p>[Redacted Signature]</p> <p>H.E. Dr. Khampheng Saysompheng Minister Ministry of Labour and Social Welfare</p> <p>Date: 25/10/2019</p>
<p>Participating UN Organization (lead/convening)</p> <p>ILO</p> <p>[Redacted Signature]</p> <p>Mr. Graeme Buckley ILO Country Office Director for Thailand, Cambodia and Lao PDR</p> <p>Date: 21/10/2019</p>	
<p>Participating UN Organization</p> <p>UNICEF</p> <p>[Redacted Signature]</p> <p>Mr. Octavian Bivol Representative, UNICEF in Lao PDR</p> <p>Date: 21/10/2019</p>	
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B. STRATEGIC FRAMEWORK

1. Call for Concept Notes: 1/2019

2. Relevant Joint SDG Fund Outcomes

- Outcome 1: Integrated multi-sectoral policies to accelerate SDG achievement implemented with greater scope and scale
- Outcome 2: Additional financing leveraged to accelerate SDG achievement

3. Overview of the Joint Programme Results

3.1 Outcomes

- Government planning, managerial and implementation capacity (including leadership and co-ordination) to implement the NSPS is enhanced
- At least 1,400 children under 12 months are benefiting from a new integrated package of welfare services, including the new MECG, early childhood wellbeing services and support for birth registration.

3.2 Outputs

- Output 1.1 - Members of the NSP Committee and other relevant national stakeholders better understand social protection-related topics and programs are designed
- Output 1.2 - Awareness and understanding of Government officials on the impact of SP and domestic resource allocation is enhanced
- Output 1.3 - NSPS M&E Framework developed and aligned with SDG 1.3 global measurement methodology
- Output 1.4 - Mechanisms for predictable public sector budget allocations and on-budget conduits for ODA earmarked budget support and IDA associated grants or loans are developed within the PFMR framework and introduction of the new PFMIS
- Output 1.5 - National Social Protection Fund (NSPF) proof of concept, development frameworks and implementation pathways formulated including NSPF capitalization plan to provide viability funding for the implementation of the NSPS
- Output 2.1 - Roadmap for the design and implementation of the MECG concluded
- Output 2.2 - Management Information System (MIS) for the MECG designed
- Output 2.3 - Institutions and different agents prepared for the implementation
- Output 2.4 - MECG piloted in at least one of the poorest districts
- Output 2.5 - MECG M&E framework developed and being implemented

4. SDG Targets directly addressed by the Joint Programme

4.1 List of targets

Goal 1. End poverty in all forms everywhere

- Target 1.3: Implement nationally appropriate social protection systems and measures for all, including floors, and by 2030 achieve substantial coverage of the poor and the vulnerable

Goal 2. End hunger, achieve food security and improved nutrition and promote sustainable agriculture

- Target 2.2: By 2030, end all forms of malnutrition, including achieving, by 2025, the internationally agreed targets on stunting and wasting in children under 5 years of age, and address the nutritional needs of adolescent girls, pregnant and lactating women and older persons

Goal 16. Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels

- Target 16.9: Provide legal identity for all, including birth registration

Goal 17. Strengthen the means of implementation and revitalize the global partnership for sustainable development

- Target 17.3: Mobilize additional financial resources for developing countries from multiple sources

4.2 Expected SDG impact

The interventions proposed under this JP have multiplying effects in several SDGs, expecting to directly impact on poverty reduction, nutritional gains, reduction of socio-economic inequalities, improvement of gender equality markers, and overall system sustainability.

In Lao PDR, more than 40 per cent of children under five years are affected by chronic malnutrition. The first 1,000 days of a child's life (from the onset of pregnancy to the child's second birthday) are critically important in preventing nutrition-related diseases. Many rural farming households are highly dependent on subsistence farming and continue to face temporary or seasonal food insecurity.¹

The innovative elements of this JP are:

- (i) the development of a consolidated system under the auspices of a single ministry that carries the unique mandate for social protection in Lao PDR,
- (ii) the link between cash transfers and other services, particularly community-based social welfare, child protection services, birth registration and parenting education and,
- (iii) the focus being placed on assuring that SP funding is on-budget and that additional traditional and non-traditional sources of finance are mobilized and blended with public sector budget allocations to secure sustainability of the NSPS.

This will deliver an integrated and systemic approach to supporting the implementation of the NSPS to catalyse the acceleration of progress to achieve the above-mentioned national SDG targets. By focusing on pregnant women and children, the UNJP will directly contribute to improvements on SDG targets 1.3, 2.2 and 16.9. Finally, by supporting the financial sustainability of the social protection system the JP will have a positive impact on target 17.3. Due to its system approach and demonstration effect, these impacts are expected to go beyond the UNJP implementation period.

¹ UN-Lao PDR (2017) Assessment Based National Dialogue on Social Protection

5. Relevant objective/s from the national SDG framework

Lao National Social Protection Strategy 2019–2025 (under adoption)

- Goal 1: the Health Insurance system is further developed and strengthened
- Goal 2: the Social Security system is further developed and strengthened
- Goal 3: the Social Welfare system is further developed and strengthened

8th Lao National Socio-Economic Development Plan (2016-2020)

Outcome 1: Expanding “social protection benefits to all people, especially the poor and to those working in the informal economy and to disseminate the Law on Social Security to the target audience”

Outcome 2: “Developing human resources, poverty reduction and universal access to quality education and health services”

- Output 2.5: Enhanced Social Welfare and improvement of access to social protection
- Output 2.1: Improved Living Standards through Poverty Reduction and “3-builds” implementation
- Output 2.2: Food Security Ensured and Incidence of Malnutrition Reduced
- Output 2.3: Access to High-Quality Education
- Output 2.4: Access to High-Quality Health Care and Preventative Medicine

The National Growth and Poverty Eradication Strategy: “Improving the well-being of the people through greater food security, (and) extension of social services.”

Strategy on Labour and Social Welfare Development (2016-2025) with the following objectives:

- Develop workforce in both quality and quantity in compliance with the country’s transition to the modernized industry,
- Every citizen receives the protection of their rights and basic interests by the social protection system through the development of the effective mechanisms, regulations, administrative system and social protection services.

National Health Insurance Strategy (2017-2020): Development of the National Health Insurance, strengthening of its legal status and development of the National Health Insurance Fund.

6. Brief overview of the Theory of Change of the Joint programme

6.1 Summary

The overall objective of the UNJP is to support the Government in the implementation of the new NSPS, through an approach focused on systems development. The UNJP supports two integrated components:

- (i) Institutional development through support to MoLSW,
- (ii) Design and implementation of the MCEG through a pilot initiative and grant demonstration.

The theory of change (ToC) of the project is that implementing the activities identified in the results framework and work plan will lead to the outcomes which will involve strengthened GoL capacity and improved policy; proof of concept of the MCEG and related services which

will be scalable; and the development of a funding envelope and innovative financing options for the future social protection system. The JP will thus assist the Government to build an overall system capitalized through blending public sector budget, ODA and non-traditional sources, to identify and test new channels for cash-transfers, immediately resulting in a positive impact on pregnant women, mothers, and children under 12 months multiplying its effects across SDGs targets.

6.2 List of main ToC assumptions to be monitored

The assumptions serving as the basis for this proposal are the following:

- i. Supporting the piloting of the MECG and respective monitoring/evaluation helps demonstrate the feasibility and impact of a cash transfer that can be introduced to legislators for additional funding that will secure buy-in and scale up of MECG;
- ii. An integrated mechanism that associates cash and in-kind services is the best approach to enhance the impact of social protection services in child and family wellbeing; including the impact on chronic malnutrition and responsive parenting;
- iii. The use of modern delivery options (including innovative and context-tailored payment mechanisms) will impact the efficiency, transparency and public perception of the system and enhance political support for the expansion of social protection;
- iv. The design of an innovative funding mechanism is essential to create the pathway towards a sustainable system; contribute to a more coherent use of ODA and create conditions for additional investment from the Government and the national long-term ownership of the system.

Both the policy and discrete financing areas of the project may be duly impacted upon by exogenous risks that reflect internal government decision-making and global economic trends respectively. Within this context two specific sets of assumptions have been identified during the design process in relation to the above-mentioned risks.

- i. Internal Government decision-making - Lao PDR has a socialist-based governance system built on the principles of power sharing across all levels of the government architecture. At the core of this system lies a system of central policy development, budgeting and financing but requires cross-system approval through a People's Party Congress. To enable the UNJP to deliver on its policy outputs requires policies that are developed and adopted internally at ministerial levels, passed and approved through the cabinet and then finally approved through the People's Party Congress. The project design assumes the relevant political capital to push through such policy that additionally includes a debt-financing component made available by the MoLSW and receives additional political capital support at the cabinet level to ensure that the SP strategy is mainstreamed into the 9th National Socio-Economic Development Plan (NSEDPP).
- ii. Global and Regional Debt Financing Trends - specifically, the financing component of the NSPF will be reliant upon the stability of regional and global economics. At the regional level, there are ongoing trends in debt financing witnessing large exposure to the US\$. Current levels of US\$ debt stocks in Thailand are nearing pre-ASEAN crisis levels. At the global level, the negativity of Bond yields coupled with pressures related to the expansion of repurchase agreements (REPO markets) may manifest into a rapid reduction of debt finance and global contagion. The underlying assumption is that further reductions of bond yields, which in turn will dampen investor confidence in the emerging markets, will not incur in the region and that regional capital markets will

retain their liquidity as the region's banks will not be impacted by the potential credit freezes related to higher REPO transactions.

Further breakdown of the JP assumptions is provided in section 2.2.

7. Trans-boundary and/or regional issues

Considering the fact that Lao PDR, Thailand, Cambodia and Viet Nam were selected to benefit from the SDG Fund, the UN team in Lao PDR, under the leadership of the RC, will explore with other RCOs the possibility of organizing a regional event not only to share the lessons from the UNJP implementation, but using the UNJP frameworks to promote sharing of challenges and best practices between countries in the sub-Mekong Region.

The UNJP will take advantage of the ASEAN policy and financial networks currently in place under the broad umbrella of the ASEAN Economic Community (AEC) to further social protection (SP) in Lao PDR. The UNJP will support the Government of Lao PDR contribution to the ASEAN Declaration on Strengthening Social Protection (2018) and the associated action framework. In addition, applying the closer financial systems ties of ASEAN Member States (ASEAN Financial Integration - ASEAN Economic Community Action Plans 2025), the UNJP will also take advantage of the emerging trans-boundary financial instruments, such as the Thai Bond and other financial products, to identify and innovate new options to blend financial flows for SP.

Intra-ASEAN investments over the last six years for Lao PDR have approximately doubled from US\$ 104.61 million (2013) to US\$202.48 million (2018). This increase is also witnessed across the ASEAN region whereby a 1.4 x growth in Intra-ASEAN investment transactions has been witnessed over the same time period. These trends have been as a direct result of the development and implementation of the AEC policy and regulatory frameworks that has ushered in: (i) harmonization of investment laws, (ii) promotion of regulatory excellence, (iii) application of currency exchanges across ASEAN capital markets and (iv) reduction and removal of non-tariff barriers - financial (UNCTAD 2015).

The increase of Intra-ASEAN investments has also supported the development and issuance of sovereign general obligation bonds and project bonds, the former being for general government financing and debt servicing. To date, Lao PDR has issued bonds valued at over US\$1.2 billion (IMF Art IV 2018) with a majority being issued on the Thailand capital markets using the Thai Bond. This highlights the sophistication of transboundary transactions and verifies that government debt financing through bond issuance is growing and can provide a new innovative funding stream for the sustainable financing of SP in Lao PDR.

C. JOINT PROGRAMME DESCRIPTION

1. Baseline and Situation Analysis

1.1 Problem statement

Lao PDR is a lower middle-income country with a GDP per capita of US\$2,460 (2018). The country has a population of 7.2 million of whom over a third (36.7 per cent) are under 15 years and only 3.7 per cent are 65 or over.

The economy has seen significant growth with GDP growth averaging 7.7 per cent over the last decade. The Government is seeking to maintain macroeconomic stability by taking actions to improve domestic revenue collection, controlling expenditure, and strengthening public debt management, including fiscal consolidation leading to a reduction in the annual budget deficit. The current limited revenues being collected by the Government, combined with the tenure of loan commitments and debt service payments will place adverse strains on the public finance in the short to medium term. In comparison to the region's other lagging economies, Lao PDR is potentially the most advanced in terms of debt financing having issued in excess of US\$1.2 billion of sovereign and project bonds using the capital markets of Thailand, China and Europe. A large proportion of these securities have been issued in Thai Bhat on the Thai capital market, this minimizing US\$ exposure. This type of debt financing in local currency bonds and at advantageous terms (tenure and yield) has been utilized to stabilize the macro-economics and provide a healthier investment climate.

Poverty has fallen significantly (according to the national poverty measure) from 39.1 per cent (1997) but remains quite high at 23.4 per cent (2012), equiv. of 1.5 million people. Income poverty was lower among female-headed than male-headed households in 2012/13 (17 per cent compared to 24 per cent for male-headed households).² However, other indicators of deprivation, such as literacy and health status, were less favorable for women and girls. Research by UNICEF shows that 50 per cent of all children suffer from 3 or more indicators of deprivation further aggravated by persistent geographical disparities based on ethnicity, language, gender, age, educational attainment, disability, and social-economic status.

Malnutrition is a critical issue, with stunting affecting 33 per cent of children under five (2017). Stunting prevalence is lowest in Vientiane Capital (13.6 per cent) and highest in Phongsaly Province (54 per cent). Children in rural areas without roads, whose mothers have no education and from the poorest quintile are two to three times more likely to suffer from stunting than children in urban settings, with high educated mothers and from the richest quintile. Lao PDR has so far not achieved the social protection floor for children. Based on the Assessment-Based National Dialogue on Social Protection (ABND) conducted in Lao PDR 2015-2016 with support from the UN, while several schemes aim to provide access to nutrition, education and health care for children, due to the limited coverage and often inadequate amount of funding of these schemes, children do not yet enjoy adequate and guaranteed access to these essential goods and services. The existing schemes should be improved and expanded with additional funding.

The maternal mortality rate also remains high, at 197 per 100,000 births (2015), the highest in the region. While both men and women have limited access to health services, especially in rural areas, due to women's child-bearing roles, this lack of access to services disproportionally impacts women and their risk of dying. Studies on the causes of stunting in Lao PDR point to issues such as women's and mothers' socio-economic status, level of education, early marriage, and age of pregnancy, among others, as determinants of stunting.

Considerable differences in poverty rates persist among different geographic areas and ethnic groups with all three major non-Lao-Tai groups recording higher than average poverty rates. Child stunting is also above average amongst ethnic groups.

² A World Bank study noted that this is likely to be related not only to the gender of the household but to other characteristics shared by these households. For example, female-headed households are disproportionately likely to live in Vientiane where the rate of poverty is amongst the lowest in the country.

Lao PDR is at the initial stages of developing its social protection system. Existing social protection provisions consist mainly of the following:³

- contributory social security insurance for formal workers, including health insurance - National Social Security Fund (NSSF);
- social health protection schemes providing voluntary health insurance for the informal economy plus free health care for the poor, for those in maternity, and for children younger than five years;
- social assistance or social welfare, providing ad-hoc disaster relief and scattered in-kind support to specific vulnerable groups;
- education-related schemes providing free education, scholarships and school meals;
- poverty reduction and livelihood schemes, such as those of the Poverty Reduction Fund (PRF); and
- small-scale pilots of conditional cash transfers (CCTs) supporting education and health outcomes.

These schemes do not yet form part of an integrated on-budget strategic approach to SP but are planned and implemented by diverse line ministries and agencies, often with donor funding and support. The formal social security insurance scheme under the NSSF covers workers for medical benefits; pensions; employment injury; occupational disease and non-work-related disease (including long-term disability); sickness; maternity; and survivor's benefits. These schemes cover most of the public sector and, to a lesser extent, the formal private sector. The NSSF provides health coverage to the formal public and private sector, while the National Health Insurance Board provides health care coverage to informal workers.

The Lao Statistics Bureau reports that, in 2017, of the 4.8 million working age population, only 0.75 million were covered by a SP scheme. The NSSF constituted the biggest share of coverage (72 per cent of the covered population), followed by National Health Insurance Fund (21 per cent). This is highest in Vientiane Capital (24 per cent) and varies from 7-21 per cent in other, more rural provinces. Of those who reported they currently receive benefits (259,000), the bulk were mainly benefiting from health insurance coverage (85 per cent), followed by maternity benefits and survivors' pension benefits. Both coverage for social insurance and receipt of benefits was broadly equal by gender.

Coverage is extremely low by regional standards. 1.2 per cent of GDP is allocated to social protection – a mere 0.4 per cent, if health (0.8 per cent) is excluded. To date, Lao PDR's investment in social protection is still the lowest in the region and among the lowest in the world.

Amongst the challenges to the further development of the Lao social protection system identified in the ABND were:

- Fragmentation of the system
- Compliance problems/lack of enforcement in the formal economy
- Limited scope of social protection coverage (e.g. disability)
- Lack of social protection in the informal economy
- Inconsistent and unclear financing of non-contributory schemes.

The Government has recently agreed on a new NSPS to 2025 (formal adoption is expected shortly). This sets out a roadmap for the development of social protection in Lao PDR. It

³ This section draws on the Assessment Based National Dialogue prepared by ILO in conjunction with the GoL.

includes the establishment of a National Social Protection Committee (NSPC) which will be responsible for the general implementation of the NSPS; the coordination of the various implementing bodies and of the various levels of the government administration: central, provincial and district; coordination with development partners; the monitoring and evaluation of the NSPS implementation; and the assessment of the overall situation of social protection in the country including the identification of emergent issues. The NSPC includes members key ministries, Trade Unions, and other relevant governmental actors. The NSPC is assisted by its Secretariat (located at the MoLSW), which performs closer monitoring of the implementation of activities and helps to coordinate the implementing bodies, among other tasks.

The development of the NSPS sets new objectives and targets, including the prioritization of a new Flagship Program – the Mother and Early Childhood Grant (MECG) - that opens a unique window of opportunity and calls for reinforced support from the UN to take forward the momentum.

When the ABND process on social protection was initiated, the concept of social protection was relatively unknown to most Government units and the idea of any transfer of cash by the Government to the most vulnerable that was not based in a contributory scheme was refused by most of the participants in the dialogue. As a result of a long process it was possible to reach a consensus on priorities and for the first time there was an overture to include the provision of cash transfers as a Government responsibility. This was partially the result of the work done by development partners including the UN, but extremely important has been the witnessing by national partners of what other countries are doing in the region, particularly in ASEAN.

An effort is still required if these advances are to be consolidated and if this vision is to be extended to additional Governmental departments. The MoLSW needs the support of the UN and other partners to show the feasibility of implementing these programs in Lao PDR, their impact, and to advocate for additional resources for the implementation of the Strategy. Considering the capacity of the Ministry and lack of experience in this domain, the UNJP will be of paramount importance for the Ministry to effectively launch the implementation of the Strategy. If the initial years of the Strategy fall short of positive results this might be a lost opportunity to promote the social protection agenda in Lao PDR.

The JP aims to support the implementation of the NSPS both by building capacity in the social protection system (including addressing budgetary and fiscal issues) and by supporting a pilot project to implement a mother and child cash transfer in a selected district.

First, the JP will support enhanced Government planning, managerial and executing capacity (including leadership and coordination)⁴ in order to support the implementation of the NSPS. This will include ensuring that members of the NSPC and other relevant national stakeholders have a better understanding of social protection-related topics; the impact of SP and domestic resource allocation; developing a NSPS M&E Framework and aligning it with SDG 1.3 global measurement methodology; and enhancing the capacity of the social welfare workforce for case management and social protection services.

In addition, the JP will assess and present innovative financial solutions that will lead to development of sustainable options to finance the social protection system, particularly

⁴ PUNOs will build on the ongoing support targeting capacity strengthening on sub-national planning, monitoring and coordination in selected provinces.

regarding the need for investment capital. The programme foresees the development of (i) budget expenditure codes, (ii) the generation of a coherent business plan for the development of a National Social Protection Fund (NSPF), (iii) the development of an investor prospectus and investor matching event to attract new partners (traditional and non-traditional) to invest in the NSPF; and (iv) undertaking an credit rating for the fund as a pre-cursor for the development of a SPF Bond for the Thai market (Thai Bond issue).

In the case of the budget expenditure code for social protection, based on internal policy dialogues led by ILO, budget codes of each area of social protection will be identified and inbuilt into the new expenditure code. The project will therefore develop and generate a solution that is three fold: (i) it will reduce fragmentation of the finance architecture for social protection, assuring all projects link their finances to the budget, (ii) allow for the government to correctly and transparently provide predictable annual funds through the public sector budget for social protection and, (iii) provide a conduit for earmarked budget support ODA to directly support social protection expenditure.

Finally, at least 1,400 children under 12 months will benefit from a new integrated package of welfare services, including the new MECG, early childhood wellbeing services and support for birth registration. This will involve an integrated mechanism that associates cash and in-kind transfers and social services which has been shown to be the best approach to enhance the impact of social protection services in child and family wellbeing; including the impact on chronic malnutrition and responsive parenting. In addition to the benefits to the pilot area, it will help demonstrate the feasibility and impact of a cash transfer.

The JP is in line with the Lao PDR – United Nations Partnership Framework (UNPF) 2017-2021, Pillar 1, Outcome 2: More people have access to social protection benefits, in particular vulnerable groups and the poor. Achievement of the key JP results would have a significant impact on a number of SDGs. It will accelerate progress to achieving the national SDG targets 1.3, 2.2, 16.9 and 17.3.

1.2 Target groups

Target groups

The direct beneficiaries of the UNJP are pregnant women and children under 12 months benefiting from the MECG Program who will be receiving the cash transfer and the integrated system package. It is planned to cover 1,400 children under 12 months in a pilot district (to be selected at the UNJP inception stage).

Women and girls - as noted above, indicators of deprivation, such as literacy and health status, are unfavourable for women and girls (and, especially, for indigenous and rural women). The combination of the cash grant and access to appropriate services aims to improve the position of women during this vulnerable period and to improve outcomes, thus supporting women empowerment and gender equality supporting progress towards the national SDG targets.

Children - studies on the causes of stunting in Lao PDR point to issues such as women's and mothers' socioeconomic status, level of education, early marriage, and age of pregnancy, among others, as determinants of stunting. Again, the provision of the grant and related services aims to provide support to disadvantaged children during the most critical period to reduce stunting and infant mortality and to increase life chances.

Indigenous people - Poverty rates are significantly higher amongst 'minority' ethnic groups. Women from ethnic minorities have significantly higher total fertility rates and are more likely to become pregnant during their teenage years. Child stunting is also above average amongst these groups. Studies show that rural women from ethnic minorities are the most likely to report being in bad health, have the highest incidence of temporary health problems, and are less likely to seek treatment when ill. Therefore, women and children from ethnic minority groups are particularly likely to be affected by income poverty and broader deprivation including stunting.

Rural workers – Similarly, women and girls living in rural and remote areas of Lao PDR are often the most disadvantaged (indigenous groups are more likely to live in rural and remote areas). It is planned that the pilot area will be in a mainly rural district.

The JP focuses on the provision of a cash grant and related services and the improved capacity of government agencies to understand the role of social protection in addressing poverty and deprivation and to improve their capacity in being able to provide targeted services. Thus, the JP aims to act as a demonstration project which will prove the potential of cash transfers (and related services) to address poverty and to support the development of a broader approach to social protection in line with the objectives of the NSPS. The UNJP will generate crucial lessons learned and recommendations on scaling up the assistance to other groups such as the disadvantaged elderly and youth.

The JP is relevant to a number of human rights mechanisms. In particular, it responds to the recommendations of the CEDAW Committee (Committee on the Elimination of Discrimination against Women) and the CRC (Committee on the Rights of the Child) in relation to Lao PDR.

CEDAW recommends that:

- efforts to facilitate the timely birth registration of children, especially in rural and remote areas, should be intensified;⁵
- the coverage of and access to health services be improved throughout its territory and efforts to reduce the incidence of maternal mortality and malnutrition be intensified;⁶
- all women engaged in unpaid work or in the informal sector, both in rural and urban areas, have access to non-contributory social protection schemes and introduce for women in the informal and rural economies the cash benefits in case of maternity, disability and old age that are available under the formal economy social security scheme;⁷ and that
- the Government adopt gender-responsive social protection floors to ensure that all rural women have access to essential health care, childcare facilities and income security, in line with ILO Recommendation No. 202 concerning national floors of social protection.⁸

In addition, the CRC recommended that the Government should:

- take a range of steps to accelerate birth registration of children and the issuance of birth certificates;⁹

⁵ CEDAW/C/LAO/CO/8-9, para 34.

⁶ Para 40a.

⁷ Para 44a.

⁸ Para 44c.

⁹ CRC/C/LAO/CO/3-6, para 20.

- work with UN agencies and step up efforts to improve health care, in particular regarding child health;¹⁰
- allocate sufficient financial, human and technical resources for the implementation of the National Nutrition Strategy and Plan of Action, and ensure leadership and coordination, while adopting its envisaged new national food and nutrition policy, giving critical importance to maternal, infant and young child nutrition in rural areas;¹¹
- allocate sufficient funds to counteract persistent inequality, effectively reduce the disparities and improve the extremely low standard of living, in particular of families living in rural and remote areas;¹²
- seek technical cooperation from, inter alia, UNICEF for regular monitoring of the poverty of children and take urgent measures to address all negative indicators.¹³

1.3 SDG targets

Selected SDG targets that are the focus of the Joint Programme:

Goal 1 - End poverty in all forms everywhere.

- Target 1.3: Implement nationally appropriate social protection systems and measures for all, including floors, and by 2030 achieve substantial coverage of the poor and the vulnerable.

Goal 2 - End hunger, achieve food security and improved nutrition and promote sustainable agriculture.

- Target 2.2: By 2030, end all forms of malnutrition, including achieving, by 2025, the internationally agreed targets on stunting and wasting in children under 5 years of age, and address the nutritional needs of adolescent girls, pregnant and lactating women and older persons.

Goal 16 - Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels

- Target 16.9: Provide legal identity for all, including birth registration

Goal 17 - Strengthen the means of implementation and revitalize the global partnership for sustainable development.

- Target 17.3: Mobilize additional financial resources for developing countries from multiple sources. (note: for the purpose of this UNJP this target will be initially explicitly linked to SP expenditure and revenues as recorded in the Lao SNA)

SDG Target 1.3: Implement nationally appropriate social protection systems and measures for all, including floors, and by 2030 achieve substantial coverage of the poor and the vulnerable.

This target is measured by the percentage of population effectively benefiting from social protection. SDG 1.3 includes several indicators and most of the information is available from administrative data. However, the latest data compiled for Lao PDR is only available for three indicators:

¹⁰ Para 32.

¹¹ 35a.

¹² 37b.

¹³ 37d.

- Percentage of persons above statutory retirement age receiving old-age pension to persons above statutory retirement age – 5.6 per cent
- Percentage of active contributors to the pension system to working-age population – 1.6 per cent
- Percentage of persons covered in the event of work injury – 6.7 per cent

There is no information available for the “percentage of children/households receiving child or family cash benefits to the total number of children/households with children” and the “percentage of women receiving cash maternity benefits to women giving birth in the same year”.

The data available indicates a long path towards a more comprehensive coverage, but also in terms of data collection and processing. Progress will be measured through a compilation of administrative data available, preferably through the Social Protection Monitoring Framework to be developed within the new NSPS.

By the end of the JP, the progress in terms of the ratios measured under the different indicators within SDG 1.3 is not expected to be significant as the new program will still be in pilot mode. However, it is expected for the first time for a number of families with children to receive benefits. A number of new mothers receiving cash benefits is also expected, even if the impact in percentage will be limited due to the scale of the intervention proposed.

***SDG Target 2.2:** By 2030, end all forms of malnutrition, including achieving, by 2025, the internationally agreed targets on stunting and wasting in children under 5 years of age, and address the nutritional needs of adolescent girls, pregnant and lactating women and older persons.*

According to findings from Lao Social Indicator Survey (LSIS) stunting among children under five declined from 44.2 per cent in 2011 to 33 per cent in 2017 whilst wasting increased from 5.9 per cent in 2011 to 9.0 per cent in 2017. Whilst the reduction in stunting is appreciable, there are still wide disparities in prevalence of malnutrition among the provinces, districts, socio-economic groups etc. Almost all children who are too short for their age (stunted) suffer from multiple and overlapping deprivations such as inadequate housing and sanitation, lack access to health, nutrition and education.

Also, micronutrient deficiency among the population is above recommended thresholds. 44.1 per cent children under 5 years are anaemic (LSIS, 2017) and 30 per cent of preschool children are suffering from Vitamin A Deficiency (VAD) (NNSPA, 2016-2020). 39.8 per cent of women in reproductive age are anaemic and about 25 per cent of households do not consume adequately iodized salt (LSIS, 2017). Thiamine deficiency is reportedly high among pregnant and lactating women as a result of high consumption of diets low in Vitamin B1 (Save the children, 2014).

Investments in nutrition improve human and economic capital by ensuring that children grow to their fullest potential; will be productive in adult life and will be able to contribute to the country's development. Investments in nutrition will ensure that children today are better positioned to make their contribution and propel the country to develop and prosper when they grow up.

The UNJP provides an opportunity for enhancing joint advocacy for increased public financing of nutrition as well as strengthening the capacity of the Government at national and sub national levels to deliver high impact and evidence-based nutrition interventions as well as

strengthening accountability and monitoring of results by improving the routine information management system.

The National Nutrition Strategy and Plan of Action (2015-2020) results framework which has concrete national targets on key outcome and output indicators shall be used in monitoring the national progress.

SDG Target 16.9: Provide legal identity for all, including birth registration

This target is measured by proportion of children under 5 years of age whose births have been registered with a civil authority, by age.

According to the LSIS I and II, over the last five years, birth registration of children under the age of five has slightly declined from 75 to 73 per cent, which is the lowest in the region. Children from the rural households are less likely to be registered compared to those from the urban setting. Also, only 1 in 10 mothers/caretakers know how to register births with civil authorities. The education level of mothers also affects the rate: mothers with high education level have the highest birth registration rate (97 per cent) and mothers with no education, the lowest (56 per cent).

Through the JP, the link between the provision of MCEG and other social welfare services, including birth registration, will be strengthened. The JP provides a good opportunity to identify and reach mothers and children under five, who will be referred to birth registration and certificate issuance services. In addition, the Lao Women's Union parenting education package will be implemented in the target province, with an aim to sensitise parents, caregivers and community members on the importance of birth registration and utilizing available social welfare services.

During the process of implementation, progresses will be measured through administrative data collected by the Ministry of Home Affairs and the Ministry of Public Security. By the end of the JP, it is expected that all targeted children (1,400) under 12 months will be registered with birth certificates issued. Ultimately, this will contribute to safeguarding the child right to access social protection benefits and services.

SDG Target 17.3: Mobilize additional financial resources for developing countries from multiple sources.

Indicator 17.3.1: Foreign direct investments (FDI), official development assistance and South-South Cooperation as a proportion of total domestic budget.

The UNJP will help contribute, at a secondary level to the realization of SDG 17 that covers aspects of knowledge sharing, South-South cooperation and financial flows. In this context, it is anticipated that the JP will influence new financial inflows into the SP sphere, thus contributing to the national SDG target 17.3.

Currently the metadata and methodological approach for this target is yet to be fully defined to include financial flows that are not classed as ODA. The current metadata, as formulated by OECD, provides only for ODA data inputs.

The UNJP will explicitly link the associated indicator (17.3.1) to SP expenditure from the national budget law. Although it is noted that there appears to be a minor budget allocation, its actual use as described by the national accounts is not available. Today it is assumed that the baseline for this indicator is set at 0. During the inception period (year 1), the baseline for this indicator will be fully developed and set with appropriate Year 2 target set using an evidence generated as part of the output of this UNJP.

1.4 Stakeholder mapping

The UNJP will be implementing a sustainable capacity building strategy at the national level, contributing to and benefiting from the regional experiences to global discussions while at the same time promoting South-South cooperation between the countries in the region, placing a major emphasis on the role of regional peer-to-peer learning, which could allow to increase the geographical impact of the intervention.

Here is a preliminary stakeholder mapping, subject to further expansion to be determined at the UNJP inception stage.

Ministry of Labour and Social Welfare

The Ministry of Labour and Social Welfare (MoLSW) was created in 1993. Social protection development is under the responsibility of the Department of Planning and Cooperation of this ministry. Other functions of the Department include development of labour and social welfare vision, 5-year plan, and national plan. The Department has five divisions: planning, cooperation, ASEAN, labour statistic and, cabinet. MoLSW together with social partners – workers and employers organizations work together to promote decent employment in Lao PDR. In 2010, the tripartite committee on labour relations at the central level of Lao PDR was created consisting of tripartite partners – MoLSW, Lao Federation of Trade Unions (LFTU) and LNCCI. The Committee was established to promote industrial relations, employment services, vocational skills development, labour standards and skill development and recognition. The Committee meets every three to four months, and the social partners acknowledge that a dynamic of exchange of information and consultation on relevant issues on labour, employment, and wage, etc. have been established in the country. In 2016 the tripartite partners discussed on creating the national tripartite committee at the Minister and President level.

The MoLSW, through its Department of Planning and Cooperation, with collaboration from other ministries and ILO's technical support, conducted the first assessment based national dialogue on social protection in 2012 to inform the development of the national social protection strategy in 2018. The MoLSW also chaired the national drafting committee of social protection strategy.

National Social Security Fund Office

The National Social Security Fund (NSSF) was established to manage and harmonize the existing separate compulsory social security schemes: (1) formal private sector workers under the Social Security Organization (SSO); and (2) civil servants, military and police personnel under the State Authority for Social Security (SASS). Additionally, the NSSF Office for the first time offers legal (voluntary) coverage to informal and self-employed workers, with the stated objective of rapidly expanding membership. It is responsible for the collection of social insurance contributions and the administration of benefits and is, thus, centrally involved in the implementation of social protection in the Lao PDR.

Ministry of Finance

A critical stakeholder for the project is the Ministry of Finance (MoF), that includes as primary project stakeholders the Department of Fiscal Policy and Regulation, the National Treasury, the Department of Budget. UNCDF have established and maintained a long-term partnership of over 15 year with the Ministry and especially these two departments within the context of the fiscal decentralization support projects that entail small scale infrastructure capital grants. As a key stakeholder the MoF will technically support the MoLSW in terms of (i) budget planning and management, (ii) the allocation of new budget expenditure and income codes for SP which may include separate codes for child support, disabled support, vulnerable groups etc. (iii) the inclusion of new expenditure and income codes into the new public finance management information system, (iv) the legal establishment of the proposed NSPF, (v) analysis and technical support in capitalization of the NSPF and (vi) assistance to develop a credit rating for the NSPF.

Ministry of Health

As the National health authority in Lao PDR, the Ministry of Health (MoH) is responsible for the overall governance of the health sector. It develops, approves, monitors and evaluates health policies, as well as implement programmes to improve the overall health of the population, in line with the National Health Plan. The MoH also has a regulatory and normative role. Other key functions include licensing private health facilities as well as training, distribution and management of human resources for health and law enforcement under its jurisdiction.

Main provider of health care services in the country, the MoH is also managing the National Health Insurance scheme through the National Health Insurance Bureau which provides social health protection coverage to 94 per cent of the population of Lao PDR.

National Commission for Advancement of Women, Mothers and Children

The National Commission for Advancement of Women, Mothers and Children (NCAWMC) was created in 2017. It is mandated to be a secretariat of the government to study and develop policies, strategies, legislations, action plan and implementation of international and regional conventions to promote advancement of women and protection of the rights and interests of women and children in the country, to ensure gender equality, women's contribution and involvement in all sectors, promote and protect the rights and interests of women and children.

Ministry of Home Affairs

The Ministry of Home Affairs (MoHA) was established in 2011. The MoHA is mandated to manage development of public services, public administration at central and local level, public servants, civil society organizations, decentralization, land survey and map development, ethnic and religions, citizenship management. The MoHA are organized around 12 departments, 1 center, and one institute: Department of citizenship management is one of the 12 departments of the MoHA, in charge of birth registration.

The National Social Protection Committee

It will be responsible for the oversight of implementation of the NSPS and has yet to be formally established.

Development partners

UNJP will also be grounded on the establishment of partnerships with other institutions, including development partners such as World Bank, Oxfam, Plan International and others (see list in section 16.2) towards synergies and resource mobilization.

Furthermore, the JP will establish linkages and seek synergies and complementarities with initiatives of other partners such as Australian Aid which is supporting a pilot modality for the child grant, and World Bank. These will take place in different locations and use somewhat different modalities to inform the best approach for a national roll-out. This approach has been successful in Lao PDR in the case of health insurance whereby a number of different models of health cover were piloted by development partners. These were then evaluated, and the Government decided on the optimum approach to take to develop national health coverage. The JP will be developed and implanted in close discussion with the Bank and DFAT.

UN Country Teams in Thailand, Cambodia and Vietnam

Under the leadership of UN RCs, UN Country Teams in Lao PDR, Thailand, Cambodia and Vietnam will promote synergies and lessons learned in the design and implementation of the respective Joint Programmes (subject to programme endorsement by the Joint SDG Fund) through the organization of meeting of the respective teams and government counterparts (virtual or actual) and systematic sharing of challenges and best practices between countries in the Mekong Region, so as to contribute to a wider lessons learned in support of the SDGs.

TRIS Rating Co LTD, Thailand

Since its inception, TRIS Rating has played an important role in the development of the Thai debt capital market. Adhering to its core corporate value of independence and striving to continually improve its rating services, TRIS Rating has firmly established its reputation in the Thai debt capital market as the leading independent credit rating agency with high professional standards. By providing reliable, high quality rating services, the company has played a supporting role in attracting an increasing number of participants in the Thai debt capital market, from both the issuer and investor side.

TRIS Rating's path of development as a key pillar of the Thai debt capital market was marked with a crucial milestone in June 2016 when S&P Global Ratings, the world's leading provider of credit risk research services, acquired a 49% equity stake in TRIS Rating from its parent company, TRIS. The transaction signified the deepening of collaborations between TRIS Rating and S&P Global Ratings that started in 1993. S&P Global Ratings provided technical assistance when TRIS was first set up. The partnership with S&P Global Ratings, will help TRIS Rating strengthen its credit rating capability and broaden the range of services to better serve the Thai debt capital market. By the end of 2016, TRIS Rating had rated around 400 Thai companies, plus a number of foreign debt issuers, and total debt issues worth more than THB 3 trillion.

Public Debt Management Office, Ministry of Finance, Thailand

The Public Debt Management Office (PDMO) was established on 1st October 1999. The PDMO is made up of several departments from the Fiscal Policy Office (FPO) and from the Comptroller General Department (CGD). Establishing PDMO as a specialized entity overseeing public debt management operations was necessary in order to borrow and manage public debt in a more swift and efficient manner.

The PDMO additionally oversees the issuance of the Baht-denominated Bond or Debenture in Thailand for which Lao PDR has previously successfully applied and issued various bonds as a debt finance tool.

2. Programme Strategy

2.1. Overall strategy

The main objective of the UNJP is to support the Government in the implementation of the new NSPS by an approach focused on systems development and implemented through the application of the MECG. By the end of the programme, the main expected results are the following:

- Government planning, managerial and implementation capacity (including leadership and co-ordination) to implement the NSPS is enhanced
- At least 1,400 children under 12 months are benefiting from a new integrated package of welfare services, including the new MECG, early childhood wellbeing services and support for birth registration.

The direct beneficiaries of the UNJP are the government and national partners involved in the implementation of the NSPS at central and sub-national level, and the pregnant women and children benefiting from the MECG Program who will be receiving the cash transfer and the integrated services package.

This JP coincides with the launching of the NSPS and the first Government-funded cash transfers in Lao PDR. The JP is built on the work of the last three years, reflected in the ABND on social protection and the development of the NSPS. The process of developing this proposal has included discussions between UN agencies, the Government and international development partners. The elaboration of this proposal resulted from a concrete request from the Government to the UN to ensure the continuity of support provided during the elaboration of the NSPS. Considering the current government technical and financial resources, the support from the UN is timely - and essential to guarantee a successful implementation of the NSPS. The JP consultative process has benefited from a wide and high-level participation including the Minister and Vice Minister of Labour and Social Welfare; technical staff from the MoLSW and other line ministries including Finance, Agriculture and Forestry, Education and Sports, and Health; individual UN agencies and the entire UN Country Team.

The resulting JP combines the development of a sustainable social protection system with the implementation of the Government's flagship social welfare intervention. This approach will help build an overall system as well as channels for cash-transfers, and conduits for SP incoming financial flows immediately resulting in a positive impact on pregnant women, mothers, and children multiplying its effects across the SDG targets.

Trained social welfare workers will conduct regular home visits and provide counseling and make referral services. This combined approach of cash benefits with other social services (health, nutrition, early childhood development (ECD) & parenting education), childcare and in-kind benefits will maximize the impact on pregnant women, mothers, children and family well-being. The JP will support development of a Management Information System (MIS) on most vulnerable children for their timely identification, regular monitoring, referral and provision of social welfare services for MECG.

The pilot of design and implementation of the MECG by the JP in selected districts will produce the learning experience required to expand coverage to other geographic areas and at the national level potentially covering other target groups as part of the upscaling and expansion planned under the NSPS.

Additionally, the JP will also assess innovative financial solutions that will lead to development of sustainable options to finance the social protection system, particularly regarding the need for blending public sector finance, ODA and investment capital. The programme foresees, unique budget expenditure and income codes for SP, the development of a coherent business plan for the NSPF; development of an investor prospectus and investor matching event to attract new partners (traditional and non-traditional) to invest in the NSPF; and undertaking of a financial credit worthiness analysis that cumulates in the future issuance of an official credit rating for the NSPF to allow it to access capital markets through debt instruments (Thai Bhat and RMB Panda bonds).

The programme will also provide effective channels for Government to deliver the cash benefits and for beneficiaries to receive them, with possible introduction of FinTech payment solutions. It is expected that the early positive results of the NSPS implementation will kick off a cycle of investments on social protection.

ILO and UNICEF have been working with the Global Coalition for Social Protection Floors to devise model country interventions aiming to increase universal social protection coverage and contributing to the implementation of the 2030 Agenda.

ILO brings its experience in policy advice and technical assistance on national social protection systems allowing a privileged perspective to implementing a systems approach and building an efficient and sustainable national social protection system in Lao PDR.

UNICEF has proven expertise in combining child grant with child development and protection. In Lao PDR, UNICEF is playing a lead role in the development of comprehensive child wellbeing services through a child protection system strengthening approach and is in a unique position to support the establishment of necessary linkages.

UNCDF will contribute with its expertise to support the development of innovative funding mechanisms including development of a business case and investment prospectus for the fund, financing products and professional fund management, and will use its experience with private sector partners to take advantage of the most advanced technical solutions to sustainably finance the system using blended finance options that enable public sector budgets, ODA, debt finance capital to provide a consolidated predictable budget allocation to the MoLSW.

The main factor contributing to the scalability of the investment results from the fact that the UNJP focus on interventions that are part of an existing newly formulated Government plan – the NSPS. In this regard the scalability of the operation is primarily expected to result from the gradual up-take by the Government of the funding of the programs embedded in the Strategy. The experiences with the Health Equity Funds and the School Meals indicate the potential of this strategy. Both initiatives were at their early stages funded mainly through donor funding, and gradually the Government has been assuming the financial responsibility.

The UNJP offers the UN the opportunity of taking a lead role in such a crucial moment. This role will also increase the visibility and credibility of the UN in this regard, what is expected to facilitate the access to additional sources of funding – namely ODA - for the continuation of UN support in this area.

2.2 Theory of Change

a) Summary

The overall objective of the UNJP is to support the Government in the implementation of the new NSPS, through an approach focused on systems development. The UNJP supports two integrated components; (i) institutional development through support to MoLSW, (ii) implementation of the mother and child grant – linked to services - through a pilot initiative and grant demonstration.

Various underlying assumptions for the UNJP have been identified that can both positively and negatively impact the project. The flexible design of the project implementation will support mitigation and utilization of the opportunity offered by a majority of the assumptions to expedite project delivery. However, it is noted that some assumptions clearly reside outside of the operational influence of the UNJP and as such can only, at best, be addressed by the project steering committee. For ease of reference the assumptions are presented in terms of their source and influence, i.e. exogenous (that consider issues outside of the immediate operational environment) and endogenous (those that are found within the immediate project environment).

b) Detailed explanation:

Social protection and its national ownership as a public service is a relatively new policy focus for the Government of Lao PDR, particularly in relation to its strategic importance within the national planning and budget systems. Through the development of the NSPS the architecture of a sustainable SP system and government delivery capability is clearly set out. The approved NSPS will form the basis for national SP as core strategic area in the context of the upcoming 9th National Socio-Economic Development Plan 2021-2025 (9th NSEDP). As the NSPS is embedded it is essential that the initial years of its successful implementation of the NSPS will be essential in order to create the conditions for the consolidation and future expansion of an integrated social protection system that leaves no one behind.

Thus, this UNJP is designed through its direct partnerships with key government ministries to generate quick win solutions that are designed to: return high levels of integrated results, demonstrate world class systems, and test out new innovations. This quick win approach will allow the MoLSW to translate the outputs of the UNJP into the development of cross ministry confidences that are needed to drive and sustain the new national SP system.

The ToC is based on a broad range of inputs that were identified during the initial stakeholder consultations and by the PUNOs in partnership with the RCO. Other UN Agencies provided technical and other relevant socio-economic inputs which were underscored with support and consensus from the UNCT. The inputs of the UNCT assured high levels of quality in relation to the adoption of a HRBA for the intervention, and the recognition of the political capital requirements for the implementation of the NSPS.

This coalition of critical stakeholders included international and national staff from the PUNOs, senior government officials from line ministries that included MoLSW, MoF, MPI and MoHA, National Commission on Women and Children, development partners operating and contributing in the NSP sphere, various CSOs and academia and private sector actors working within the domestic and regional capital markets.

The ToC illustrates the use of a mix of institutional, technical and human capacity development solutions to deliver the UNJP that include; (i) a Capacity Development Programme to create new competencies within national and sub national institutions, (ii) External consultancies, especially in relation to capital market access, (iii) Government to Government Peer to Peer Meetings (ASEAN and GMS), (iv) Grant Finance (MECG), (v) Training Packages for service

delivery (MECG), (vi) Policy support for MoLSW and MoF and, (vii) Legal and Financial Advisory services including PFM TA support. These solutions will be provided through the UNJP to support the two inter-connected components as described in section 2.3.

Outcome 2 will involve the demonstration of how the NSPS can be implemented in one policy area (MECG) (as described in section 2.3). A system development approach, with a focus on the design and implementation of the NSPS program, lies at the core of this intervention. The learning from the implementation of the integrated system of MECG is expected to lead to future interventions, including leveraging for other schemes covering vulnerable groups such as older people, persons with disabilities, migrants and informal workers, with UN Agencies developing additions to this proposal in a modular manner.

The ToC observes that the SP system requires a number of discrete building blocks to be developed and not only the traditional ones that build human capacity. The ToC views institutional capacity and competency as a pre-requisite for the development of a coherent sustainable SP system but additionally recognizes that the financial related building blocks that allow and support for sustainable implementation are equally a much-needed feature. Given current public sector budget constraints that sees the Government's fiscal policy addressing debt sustainability through fiscal consolidation financing of the SP system will require the generation of innovative supply side solutions. Given this fiscal consolidation policy the ToC highlights that the public sector budget is highly unlikely to address the funding needs for a sustainable nationwide SP system and that additional sources of finance such as earmarked ODA and capital market equity need be blended with the public budget.

Thereby, the ToC related and limited to the SP building blocks suggests that, in order to develop institutional capacity to implement the NSPS then institutional competency (policy, human skills and internal architecture) need be developed in parallel to fiscal competencies that include sustainable and predictable budget inflows and new finance architectures.

The core thread that the ToC is anchored to is the conversion of the MoLSW NSPS into a mainstreamed government policy which requires government wide capacity and competency to deliver. To develop such capacities and competences two work streams are supported by the UNJP – an institutional stream and a fiscal stream. It is only through the successful development of a new modernized institutional architecture combined with capacity development of the associated civil servants and the provision of a new fiscal space that a nationwide sustainable SP system can be realized.

c) ToC assumptions

The assumptions that were the basis for this proposal were the following:

- i. Supporting the piloting of the National Social Protection Flagship Program - the MECG – help demonstrate the feasibility and impact of a cash transfer;
- ii. An integrated mechanism that associates cash and in-kind services is the best approach to enhance the impact of social protection services in child and family wellbeing; including the impact on chronic malnutrition and responsive parenting;
- iii. The use of modern delivery options (including innovative payment mechanisms) will impact the efficiency and image of the system and enhance political support for the expansion of social protection;
- iv. The design of an innovative funding mechanism is essential to create the pathway towards a sustainable system; contribute to a more coherent use of ODA and create

conditions for additional investment from the Government and the national long-term ownership of the system.

It is assumed that the assumptions that were identified during the design and development of this proposal will potentially hold true for the project cycle of the UNJP. The PUNOs and the UNJP stakeholders will be monitoring the assumptions, which are presented in terms of their source and influence, i.e. exogenous and endogenous.

Endogenous		Impact
Full political support at policy level	Support for the mainstreaming of the NSPS into government policy	High
Full political support at fiscal policy level	Inclusion of SP expenditure and income via the national accounting system	High
	Predictable budget allocations committed by the government	High
Full political support at monetary policy level	Debt finance instruments are approved to provide viability gap funding for the NSPF	High
Full political support at ministry policy level	New internal architectures and associated policy and by-laws are internally developed by MoLSW to deliver on the NSPS	High
Full political support to test through demonstration of MECG	Includes the establishment of systems to support MECG design, implementation and impact monitoring	Med
The use of proven cash distribution systems	May require slight updates and new technology introductions to optimize MECG payments in terms of transparency and time lags	Low
Quality TA and Project Management is maintained	Effectiveness of the steering committee will assure project alignment to government policy. PUNOs will assure quality of technical inputs	Low

Exogenous		Impact
Full political support at regional level	Support for peer to peer exchanges related to SP with neighboring countries and within ASEAN	High
Debt Sustainability	Consolidation of public sector finance rebukes proposals for SP funding	High
	Credit risk and associated currency devaluation impacts public budgets	High
Natural Disasters	Natural disasters related to climate and other causes require emergency response from MoLSW that limit project implementation and restrict funds	Med
ASEAN Policy Directives	Lao PDR commitments to ASEAN policy directives impede on local policy within the SP sphere	Low
Technology availability	Limited technologies and technical knowhow that cannot be addressed in the short-term impact SP delivery and M&E	Med
Connectivity	Limited connectivity physical, financial and technology delays MECG payments	Med

2.3 Expected results and impact

The activities identified in the results framework and work plan will lead to the following outcomes (i) strengthened government technical and fiscal capacity combined with improved policy environment for SP, (ii) proof of concept of the MECG and related services which will be designed to be scalable and continual via the uptake of the system by the Government. The key risks to the project and how these will be addressed are set out in detail in Annex 8. PUNOs, through the UN RC Office, will coordinate with PUNOs in the neighbouring countries who will be implementing similar UNJPs supported by the Joint SDG Fund, to ensure knowledge transfer and maximum impact from the interventions at the regional level.

Outcome 1: Government planning, managerial and implementation capacity (including leadership and coordination) to implement the NSPS is enhanced

The core feature of this component is that it provides focus through various activities and actions to support the implementation of the NSPS. It offers two distinct work-streams that will pool the capacities of ILO and UNCDF to provide the institutional, human resource capacity and fiscal building blocks for the implementation of the NSPS and the building blocks to deliver and sustain SP services nationwide in Lao PDR.

The proposed activities envisaged under this component to support institutional development will include:

- (i) capacity and competency development for MoLSW,
- (ii) gender-sensitive policy support to implement the NSPS and to remove fragmentation of the SP function across government,
- (iii) advocacy and promotion of SP using the MECG demonstration to secure predictable public sector funding for the implementation of the NSPS,
- (iv) JP coordination reporting and M&E; in the context of the mainstreaming of SP in the implementation of 9th NSEDP.

The UNJP aims to enhance fiscal competences in the SP sphere with UNCDF bringing in its international public sector finance and capital markets expertise and government partnerships to help create additional fiscal space for SP by developing blending options to provide predictable budgets. The associated work will be two-fold that incorporate facets of; (i) Public Finance Management (PFM) enhancement and (ii) innovative blended funding for NSPS.

In the context of PFM, UNCDF in partnership with MoF and MoLSW will develop budget expenditure assignments, revenue assignments for NSPS covering four or five groups as defined by the JP in its policy work, under-scoring the NSPS. The JP will provide advocacy for predictable SP funding from annual budget. Within this area of work, the JP will develop a forward-looking analysis that costs the NSPS and SP service delivery to allow short- and medium-term expenditure planning and public sector investments to be determined. This will lead to the following outcomes: funding envelopes for SP developed in the national accounts; an initial indicative budget of SP funding [0.25] per cent GDP secured (2021), being based on the findings of ILO and UNICEF cost analysis for the NSPS.

The JP will assist the government to develop innovative blended finance options for the implementation of the NSPS. At the center of this approach is a feasibility study for a proposed NSPF. The capitalization options for the NSPS will be developed as an output of this component, using various scenarios such as blending public sector budgets and ODA delivered through direct budget support and accessing capital markets to attract long term institutional

investors via bond issue. Using blended finance options and long-term capital market offerings (typically using bonds) will provide options for the funding for adequate SP in Lao PDR.

Adopting a mix of in-house expertise combined with external consultants, the JP will enable MoLSW and other stakeholders to undertake business planning for the NSPF; developing a credit rating for the NSPF; analysis and exploration of debt financing for NSPS and development of legal instruments required to inaugurate the NSPF as a legal entity. By completing these activities, it is identified that the financing building block for SP in Lao PDR will be completed allowing for the flow of external funds into an on-budget fund with its internal expenditure and income being recorded on the national accounts through the treasury system.

The above actions will lead to the following outputs within the Outcome 1 results area that in turn contribute to the overall objective of the JP.

- Output 1.1 - Members of the NSP Committee and other relevant national stakeholders better understand social protection-related topics and programs are designed
- Output 1.2 - Awareness and understanding of Government officials on the impact of SP and domestic resource allocation is enhanced
- Output 1.3 - NSPS M&E Framework developed and aligned with SDG 1.3 global measurement methodology
- Output 1.4 – Mechanisms for predictable public sector budget allocations and on-budget conduits for ODA earmarked budget support and IDA associated grants or loans are developed within the PFMR framework and introduction of the new PFMIS
- Output 1.5 – NSPF proof of concept, development frameworks and implementation pathways formulated incusing NSPF capitalization plan to provide viability funding for the implementation of the NSPS.

This outcome will contribute, in particular, to SDG targets 1.3 and 17.3.

Outcome 2: At least 1,400 children under 12 months are benefiting from a new integrated package of welfare services, including the new MECG, early childhood wellbeing services and support for birth registration.

Social protection and child protection systems are very fragmented within Lao PDR. Various on-going interventions have partnered with different ministries to deliver solutions for SP, with all of these solutions which in a majority of cases include grant support operate off the national budget.

The JP will pilot a SP solution for Mother and Early Childhood Support, being based on experience gained within the country and internationally. This concept is bringing together the fragmented approach to Mother and Early Childhood Support that is currently in operation in Lao PDR. This outcome will address gender issues through its focus on support for pregnant women and mothers.

The NSPS identified the MECG as a priority area from which to develop and create a national SP system. The MECG will develop a coherent system through a combination of phased activities that includes; (i) the development of modality assessment and roadmap for the design and implementation of MECG, (ii) registration requirement and linkages, and (iii) monitoring – finance, reach, inclusion and impacts.

Included within this process will be various capacity development and training initiatives for immediate service providers in the province and additionally as a value-added item, sensitization campaigns will be developed and delivered to the beneficiaries.

This component features the grant component of the UNJP. Linking this activity to component 1, it will enable the use of the foreseen developed SP budget code for Mother and Early Child Support and potentially used to leverage a percentage of public sector budget to allow for further outreach of the demonstration. The payment mechanism will be finalized during the UNJP cycle and will benefit from lessons learnt by the UNCT and specific UN Agencies from existing best practice with emergency payments.

Overall, as a result of the combined delivery of the sequenced activities that will be conducted by UNICEF and ILO, the associated outcome 2 of the UN JP will be realized and at an impact level the work will assure that the basis for an on-budget nationwide MECG system is tested through demonstration and delivery of much need social protection financial support to the last mile communities.

- Output 2.1: Roadmap for the design and implementation of the MECG concluded;
- Output 2.2: MIS for the MECG designed;
- Output 2.3: Institutions and different agents prepared for the implementation of the MECG;
- Output 2.4: MECG piloted in at least one of the poorest districts;
- Output 2.5: MECG M&E framework developed and being implemented.

This outcome will contribute, in particular, to SDGs 2.2 and 16.9.

The JP will lead to a position in 2022 where the GoL capacity to implement the NSPS and to roll out the SP coverage to further groups (including scaling up the MECG) is expanded having developed the capacity of the NSPC and other key partners; learned from the experience of the MECG pilot; and developed a more sustainable financial basis for the SP system. By creating the conditions to expand social protection coverage beyond 2022, the UNJP is also expecting to contribute to accelerate Lao PDR capacity to reach the targets expressed under SDG 2.2.

2.4 Financing

The transformational nature of the JP arises from the fact that it is built on a Government-lead initiative – the new NSPS. This is the first time that the country is putting in place an integrated approach to Social Protection and the first time that the Government plans the transfer of cash to vulnerable groups. In this regard, the UNJP combines the support to the development of a sustainable system with the implementation of the MECG. The approach will assist the Government to build an overall system capitalized through blending public sector budget, ODA and non-traditional sources, and to identify and test new channels for cash-transfers, immediately resulting in a positive impact on pregnant women, mothers, and children multiplying its effects across the SDGs' targets.

There are a number of innovative elements including the link between cash transfers and other services, particularly community-based social welfare, child protection services, birth registration and parenting education. The application of case management approach will also contribute positively to the social workforce development. In order to address the limited fiscal capacity of the Government, another innovative element is the creation of an innovative

funding mechanism, i.e. a capitalized Fund that aims to function in a similar manner to a sovereign fund. Concurrently, and recognizing that two years is a short period to move towards full funding from domestic resources, the UNJP proposes the development of an innovative funding mechanism in the form of a capitalized Fund. This mechanism, based on the development of innovative financial solutions, will tap into regional capital markets using bonds as the core capitalization and funding instrument. A particular focus will be in investment capital needed to develop and sustain the system. In this regard, the UNJP foresees development of a coherent business plan for the proposed fund; development of an investor prospectus and investor matching event to attract new partners (traditional and non-traditional) and the development of a Bond issue that is underwritten in Thailand, following previous government financing examples in Lao PDR. The UN, through UNCDF, have established working partnerships with key institutions in neighboring countries to open up cross-border financing solutions. Such practices have previously been undertaken in Lao PDR for other investments' opportunities.

Finally, the UNJP will also include advocacy efforts to enhance additional public finance for social protection. It is expected that (i) the continuous work of the UN in terms of advocacy; (ii) the evidence produced during the UNJP implementation and, (iii) the credibility created by a sound implementing system will contribute to leverage additional political and fiscal space for social protection. With SP being a relatively new topic, the importance of the work to be carried out by the UN in the coming two years will be of great importance for the political space that SP will be able to get in the national agenda.

The interventions proposed under this JP have multiplying effects in several SDGs, expecting to directly impact on poverty reduction, nutritional gains, reduction of socioeconomic inequalities, improvement of gender equality markers, and overall system sustainability. The PUNOs will not only contribute their individual knowledge and combined expertise, but also bring to the table mechanisms to promote coordination with other development partners.

The main innovation in the JP is the integrated program design, particularly the combination of policy and fiscal support at a national level with the piloting of cash and non-cash support to pregnant women and children at local level, which is expected to lead to an acceleration of impact. The programme design has been selected for its critical innovations with the potential to transform the social and economic landscape; for responding to the Government's priorities; for its capacity-development potential; the multiplying accelerator effects contributing to reaching SDG targets; and for delivering immediate quick-win results for pregnant women, mothers and children.

The value for money from this proposal results from its potential impact on future budget allocations, mainly from the Government, but also leveraging funding from other development partners. The collaboration with private sector actors offers also additional opportunities to widen the funding window. As part of the planning for the implementation of the MCEG, UN agencies are in discussions with other development partners to leverage additional funding to support acceleration of progress in this area.

Two years are limited considering the challenges that affect the SP sector in Lao PDR. The JP needs to be seen as the first step towards opening opportunities for a stronger partnership between the Government and development partners towards the establishment of a comprehensive and sustainable social protection system protecting the most vulnerable. The UN is thus playing a key role in this regard through supporting the implementation of the JP. A substantial effort during the next two years will be in identifying potential partners to

strategically support the continuity of this effort by the Government beyond the Project duration.

The JP and the NSPS to which it offers support have mainstreamed gender equality with the aim to equally represent women among the beneficiaries of the interventions and to provide extra coverage due to the inequalities and socioeconomic constraints suffered by this group. Activities of the UNJP that more specifically contribute to women's empowerment and gender equality include those related to the mother and child grant, the social welfare referral system, the work on women's financial inclusion and the improvement of the birth registration system.

2.5 Partnerships and stakeholder engagement

The Government of Lao PDR has provided in the NSPS for the creation of a National Social Protection Committee (NSPC) which includes among its activities the coordination with development partners. In view of this, the NSPC and its Secretariat will be the focal point in the coordination with the JP Steering Committee (SC) and the individual PUNOs. The MoLSW is expected to lead the UNJP implementation in collaboration with the RCO and the PUNOs.

The NSPC and its Secretariat will be the focal point in the coordination with the JP Steering Committee and the individual participating UN organizations. During the UNJP inception phase, the final constitution of the SC will be agreed with the NSPC. The main reference will be the current members of the Committee, including the MoLSW and other line ministries such as the MPI; MoF; MoH and MoE and the NCAWMC.

The NSPS foresees the creation of local level Committees of the NSPC chaired by the Vice Governor. Representatives of the local level Committees for areas in which the UNJP will be active will be included as members of the SC.

Beyond a restricted group within the MoLSW the understanding of social protection is still limited even across government ministries. The UNJP will need to promote capacity building activities and reach beyond MoLSW officials to ensure the sustainability of these efforts. The involvement of the academic institutions and local researchers will be essential.

Multiple development partners have been involved in the development of the NSPS. The SC meetings and the coordination with the NSPC will be central in bringing together the efforts of Government, UN and other partners for the success of the NSPS and the JP. These partners will be now engaged through the SC during the implementation of the JP. Therefore, the role of the SC will be to facilitate the coordination with relevant development partners in Lao PDR, including the Australian Embassy and the World Bank, among others, and with line ministries involved in the NSPS implementation.

Currently, there are two main external partners involved in the area of social protection in Lao PDR: the World Bank (which is currently in the process of developing a MECG in northern provinces) and Australian Aid (DFAT). Both partners are expected to be involved in the implementation of the MECG program. It has been agreed that a strong collaboration will be promoted to ensure a maximum of synergies and the development of common approaches. Information will be shared between the different teams involved in design and implementation. Whenever possible same systems will be used. At the end, the learning from the different modalities will allow the Government to decide on what aspects of each pilot were more successful and feed the decisions on the final programme design.

During the roll out of the UNJP, participating UN organisations will actively engage with both partners to ensure that duplication of efforts is avoided, and that the inception is as much as possible aligned.

The private sector will be engaged through the activities initiated by the UNCDF during the JP, which will focus on the development and capitalization of the fund. Similar exploratory meetings with capital market actors (securities exchanges, banks and financial institutions) have been conducted through a rapid capital markets review of the region). These same actors will act as advisories to the SC upon actual activities in progress and through a demand-driven approach with MoLSW and MoF respectively. Additionally, to solve the challenges associated with the geographical remoteness of some areas and the underdevelopment of communications and infrastructure in rural areas, UNCDF will support through demand-driven advisory UNICEF-facilitated private sector collaboration to establish channels for cash transfers and to help vulnerable populations claim their benefits.

In the context of capital market access and debt financing as a realistic financial instrument to in-build sustainability for the implementation of the NSPS and associated SP payments, UNCDF have examined and verified that there exist such examples that have been realized by the Government of Lao PDR. The assumption gathered though UNCDF regional and global research provides a sound basis to assume and verify with high levels of certainty that financing through private sector investments (debt financing) can and does work. UNCDF has taken up this opportunity building direct relationships with critical actors in Lao PDR and Thailand to assure a deep dive and delivery of options and associated technical papers to support the government to develop a blended financing option for SP.

Finally, the NSPS plans capacity building activities including South-South cooperation within the ASEAN framework with the objective to learn from successful social protection interventions of neighbor countries. The PUNOs will help the Government find the best practices in –and outside- the region to enhance national partners’ knowledge and capacity.

At decentralized level the capacity of implementation is anticipated to be limited. To maximize the chances of success, the UNJP plans to invest in child protection system strengthening and the development of the capacity of District Welfare Officers as the main pillars in the implementation of the MECG and other future programs and services. The development of a curriculum is planned, and a training program will take place.

These local government officers will play a central role in the program, particularly in ensuring that the beneficiaries of the Program can have access to other services (health, education, early childhood and nutrition services). The design of the Program and its case management procedures will have to be done with the close involvement of these group of professionals, taking into account their unique experience in dealing with beneficiaries.

In addition, the UN, together with the MPI and MoHA, has already been working on strengthening sub-national planning, coordination, monitoring and budgeting for localizing SDGs and including forms of social protection especially servicing the last mile communities. This mechanism, which also forms part of the current UN portfolio of projects in Lao PDR provides a potential intersectoral platform to support the implementation and mainstreaming of social protection initiatives.

One of the strategies to be foreseen will be the involvement of experts from neighboring countries taking into consideration their proximity and the fact that Lao PDR values significantly the experience of, in particular, ASEAN states and especially Thailand when

designing their own policies. It is anticipated that through direct partnerships that have been established by the JP team with the Thai government, regional support and consultation in the form of peer-to-peer exchanges will be realized. It is anticipated that the associated Thai government ministries will include MoLSW and MoF and the neighborhood technical support office (TICA).

As mentioned previously, with Thailand, Cambodia, Lao PDR and Viet Nam being selected to benefit from the SDG Fund, the UN team in Lao PDR - under the leadership of the RC - will explore with other UN CTs in these countries the possibility of organizing a regional event not only to share the lessons from the UNJP implementation, but using the UNJP frameworks to promote sharing of challenges and best practices between countries in the Mekong Region.

3. Programme implementation

3.1 Governance and implementation arrangements

The UNJP brings together three UN agencies, in excess of four government ministries and entities, private and financial sectors actors, women's representative groups, development partners and academia. This broad array of stakeholders all needs the ability to interact and inform the UNJP in the context of SP, finance, policy and current trends that may impact on the project and SP in Lao PDR in general.

The proposed governance and implementation arrangements for the UNJP will center around a project SC that in essence provides for four functions, to:

- (i) provide a platform that creates a safe space and encourages inclusive voice across the project management and implementing structures,
- (ii) provide policy level guidance and steering to the implementing agencies and counterparts,
- (iii) provide knowledge, data and information linkages to the UNCT to assure SDG localization and
- (iv) undertake monitoring and reporting functions to optimize the effectiveness efficiency transparency and sustainable impact of the UNJP.

The PSC will be chaired by a senior official (vice minister level and above) with the co-chair being the UN RC for Lao PDR. MoLSW as the lead agency will provide a secretariat service. The project partners, during the design phase of this UNJP, mapped out the governance arrangements in relation to function, and partnerships within the framework of SP.

The UN RC is expected to take the lead in terms of political dialogue, in the coordination of the program implementation and in ensuring the technical contribution from other Agencies currently not selected as participating UN organizations. Due to the need to raise the social protection agenda beyond the ministries directly involved in program implementation the role of the UN RC will be central to amplify the UNJP impact.

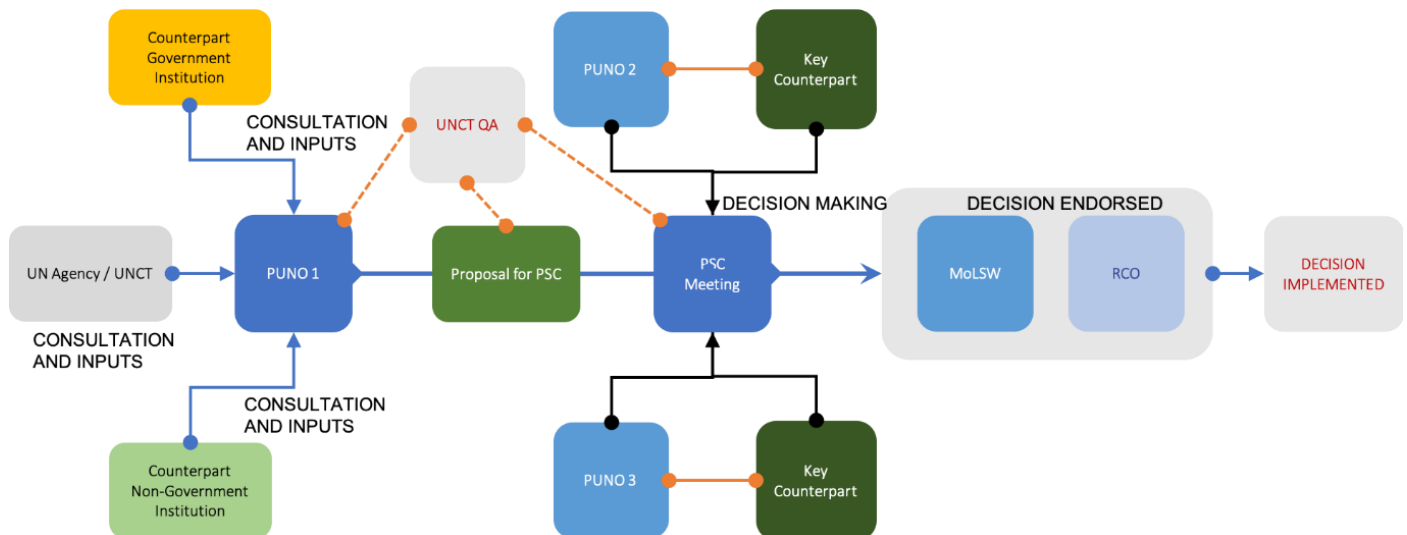
Decision making

In the context of decision making the UNJP considers a two-tiered approach that integrates: (i) internal project decision making in the context of implementation, the timely attainment of outputs and the delivery of the two project outcomes and (ii) the internal decision making within government, which in essence will translate the outputs of the UNJP to the outcomes as critical government decisions and policy action will need be undertaken. The recognition of the latter decision-making process will ultimately have enormous impacts on the policy,

regulatory and finance sustainability of the intervention at objective level and the development of a SP system in Lao PDR.

The internal UNJP decision making process will utilize, in whole, the SC with final decisions being endorsed by the chair and co-chair. Proposals, activities and outputs that require either or SP related policy, regulatory or project activity-based decisions will be submitted to the SC by the respective lead PUNO within their agreed operational area as defined within the project document. These proposals will be generated by the associated lead PUNO with their national counterparts that include other line ministries, local governments, private sector actors and citizen groups and their representatives.

In essence, each PUNO throughout the course of their work will gather and consult with relevant actors to generate, where necessary, such proposals to the SC for broad census-based consideration. Thus, the role of each PUNO in the decision-making process related to the implementation of the UNJP will be as a “sector” lead that represents each of its associated stakeholders and counterpart institutions. Additionally, the PUNOs will consult with other UN Agencies that form the UNCT to enrich the proposal offered. The SC meeting will allow for the engagement of other PUNOs and associated key counterparts to fully discuss and advise on the final decision related to the submitted proposal. Likewise, the UNCT through relevant UN Agency inputs can offer impartial quality assurance to the processes ensuring alignment with SDG localization and normative requirements and reinforcement at UN policy level. The endorsement of any SC decision related to proposals submitted by PUNOs that address issues as previously set out will be undertaken by the two co-chairs.

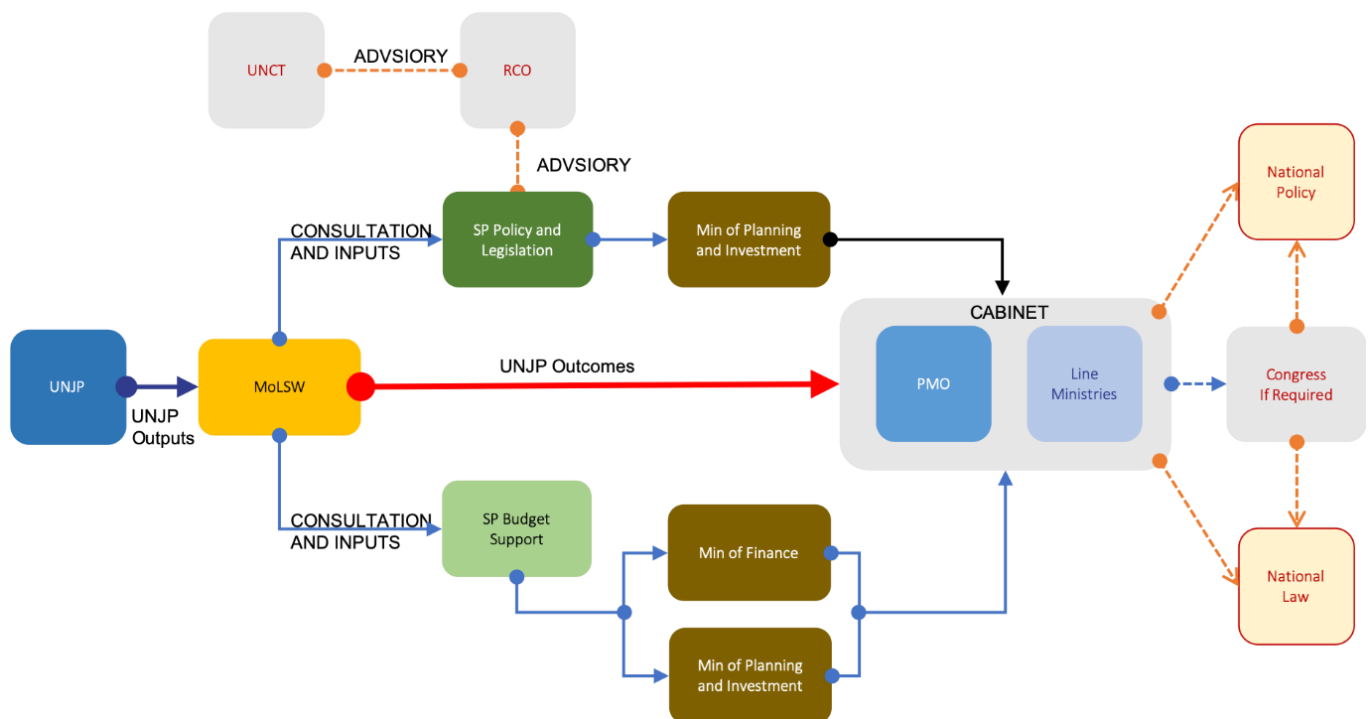


TIER 1 – INTERNAL PROJECT DECISION MAKING TREE

The second-tier decision making tree that has been identified provides a supporting mechanism for the UNJP PUNOs and the UN RC to influence and advocate within the government level decision-making process based on deliverable outputs and local, regional and international trends in the SP sphere. In doing so, the UNJP allows for the UNCT through the UN RC and the SC to advocate and support the projects lead government counterpart - MoLSW - to push through policy, legislation and budget allocations at national level. In this context the UNJP decision-making capacities will positively impact through the empowerment

of MoLSW and through advocating with other key institutions to drive the framework and finance for a nationwide SP system.

As illustrated, the UNJP will provide support to and advocate within other areas of national government on behalf of MoLSW to mainstream the implementation of the NSPS through policy and fiscal areas. Through such actions the outcomes of the UNJP will provide a case for MoLSW to reduce fragmentation of the SP in Lao PDR that is currently witnessed through the mainstreaming of the NSPS within the core government policy (the 9th NSEDP). In parallel MoLSW will need to convince and secure predictable fiscal transfers to either fund or part fund SP services provision and implementation of the NSPS. Through a careful and thorough design approach the UNJP outputs will provide an evidence base to address both SP policy and legislative issues and the fiscal demands related to the implementation of the NSPS.



TIER 2 – EXTERNAL DECISION-MAKING TREE (GOV) TO MAINSTREAM NSPS USING UNJP EVIDENCE BASE, UNCT ADVOCACY AND KNOWLEDGE BASE

Government Leadership to Reduce Fragmentation and Parallel Systems

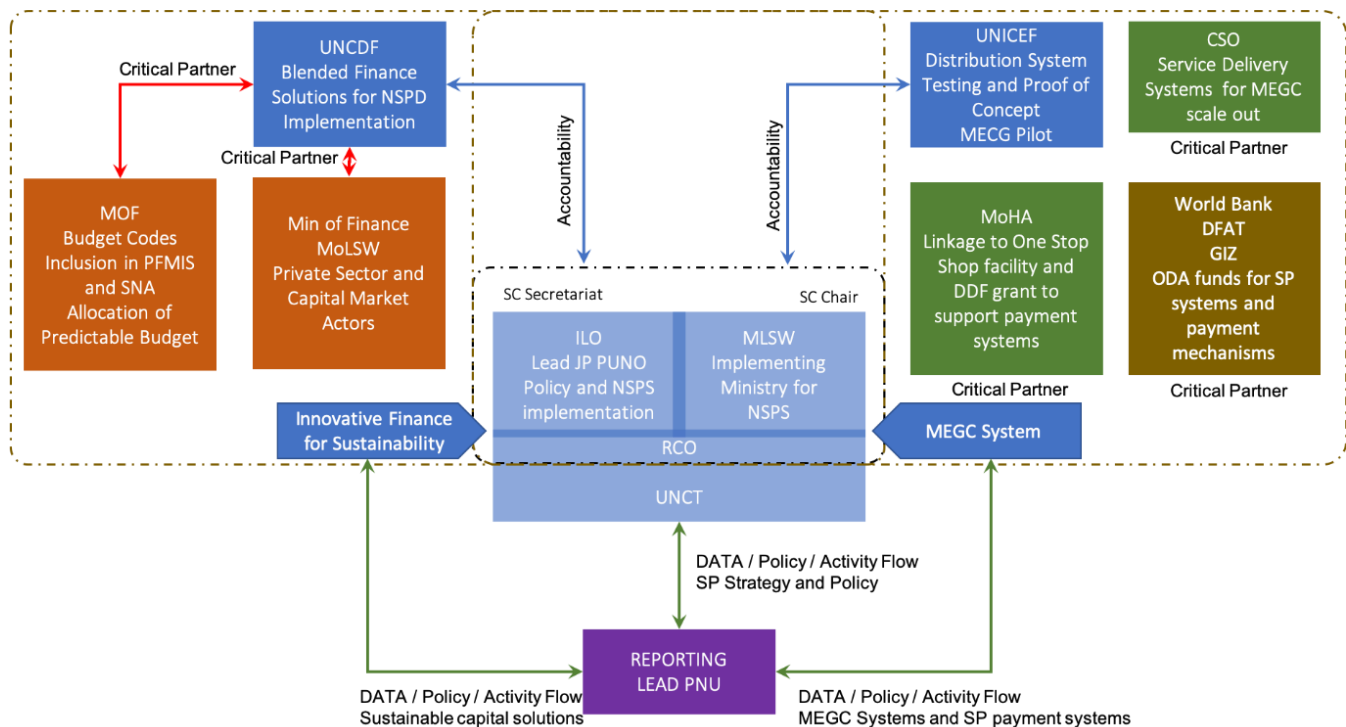
The underlying design principle of the decision-making system will fully support MoLSW to address SP using an evidence-based approach at cabinet level. The combination of the two-tiered system follows this basic premise, in that Tier 1 generates the policy and regulatory evidence base which is supported through an actual demonstration (of the MECG) to mainstream and finance the NSPS, whilst Tier 2 provides the mechanisms to translate the outputs of the UNJP to actual outcomes and uptake of national ownership.

As a national SP policy is incorporated within the 9th NSEDP formulation and passed into law (2021/2022) this model will assist the Government to introduce policy actions that merge large scale current off-budget parallel SP service projects into the NSPS. By doing so, fragmentation and off-budget parallel systems can be addressed, with the core regulatory, oversight and service delivery of SP being aligned to the mandate of MoLSW.

The UNJP also notes that the current ODA policy promulgated through [the Vientiane Partnership Declaration \(2015\)](#) calls for the avoidance of parallel structures and the requirement for development partners to develop and reinforce the capacity of national systems reducing the need for separate project implementation units (Chapter 2, paragraph 15). Further, it is under the same chapter (paragraph 16) that requires that development partners transition parallel off-budget solutions into country systems as capacity becomes available. This latter statement, that has been agreed by all development partners, provides a policy requirement that is supportive of the governance system for the UNJP and more importantly will allow the Government to minimize fragmentation in the SP sphere.

Leveraging the knowledge base and advisory capacity of the UNCT

The entire governance system applies the specific comparative competencies of the PUNOs, with each agency bringing unique capacities, skill sets and solutions that coalesce through the PSC and the lead of ILO and the UN RC. In essence, the governance structure for the UNJP is underpinned through these unique PUNO competencies that also are applied to anchor other ministries and stakeholders as active project partners, as illustrated below.



UNJP GOVERNANCE STRUCTURE USING SYSTEMS APPROACH BASED ON COMPETENCY NETWORKS

Thus, the governance system matches competency areas that, as identified during the UNJP stakeholder consultations, provide the pre-requisites for the introduction of a sustainable SP system. This system brings together different sector areas and actors to provide a networked systems approach to the problem, being in alignment to SDG planning systems and processes. This was clearly visualized both by the UNCT and more importantly the Government during the project design process.

In addition, since this new approach to UN country programming is being initially tested using an SDG systems-based approach it was additionally recognized that by leveraging inputs at knowledge and technical levels of other UN Agencies, greater impact and improved quality of programming could be attained. Therefore, the governance system supports the inclusion of the advisory capacity of the UNCT as a whole and supports improved coordination amongst key resident and non-resident UN agencies at technical levels in specific work spaces such as finance, legislation and service delivery.

3.2 Monitoring, reporting, and evaluation

Reporting on the Joint SDG Fund will be results-oriented, and evidence based. Each PUNO will provide the Convening/Lead Agent with the following narrative reports prepared in accordance with instructions and templates developed by the Joint SDG Fund Secretariat:

- *Annual narrative progress reports*, to be provided no later than one (1) month (31 January) after the end of the calendar year, and must include the result matrix, updated risk log, and anticipated expenditures and results for the next 12-month funding period;
- *Mid-term progress review report* to be submitted halfway through the implementation of Joint Programme¹⁴; and
- *Final consolidated narrative report*, after the completion of the joint programme, to be provided no later than two (2) months after the operational closure of the activities of the joint programme.

The Convening/Lead Agent will compile the narrative reports of PUNOs and submit a consolidated report to the Joint SDG Fund Secretariat, through the UN RC.

The UN RC will be required to monitor the implementation of the joint programme, with the involvement of Joint SDG Fund Secretariat to which it must submit data and information when requested. As a minimum, joint programmes will prepare, and submit to the Joint SDG Fund Secretariat, 6-month monitoring updates. Additional insights (such as policy papers, value for money analysis, case studies, infographics, blogs) might need to be provided, per request of the Joint SDG Fund Secretariat. Joint programme will allocate resources for monitoring and evaluation in the budget.

Data for all indicators of the results framework will be shared with the Fund Secretariat on a regular basis, in order to allow the Fund Secretariat to aggregate results at the global level and integrate findings into reporting on progress of the Joint SDG Fund.

PUNOs will be required to include information on complementary funding received from other sources (both UN cost sharing, and external sources of funding) for the activities supported by the Fund, including in kind contributions and/or South-South Cooperation initiatives, in the reporting done throughout the year.

PUNOs at Headquarters level shall provide the Administrative Agent with the following statements and reports prepared in accordance with its accounting and reporting procedures, consolidate the financial reports, as follows:

- Annual financial reports as of 31st December each year with respect to the funds disbursed to it from the Joint SDG Fund Account, to be provided no later than four months after the end of the applicable reporting period; and

¹⁴ This will be the basis for release of funding for the second year of implementation.

- A final financial report, after the completion of the activities financed by the Joint SDG Fund and including the final year of the activities, to be provided no later than 30 April of the year following the operational closing of the project activities.

In addition, regular updates on financial delivery might need to be provided, per request of the Fund Secretariat.

The joint programme will be subjected to a joint final independent evaluation. It will be managed jointly by PUNOs as per established process for independent evaluations, including the use of a joint evaluation steering group and dedicated evaluation managers not involved in the implementation of the joint programme. The evaluations will follow the United Nations Evaluation Group's (UNEG) Norms and Standards for Evaluation in the UN System, using the guidance on Joint Evaluation and relevant UNDG guidance on evaluations. The management and implementation of the joint evaluation will have due regard to the evaluation policies of PUNOs to ensure the requirements of those policies are met and the evaluation is conducted with use of appropriate guidance from PUNOs on joint evaluation. The evaluation process will be participative and will involve all relevant programme's stakeholders and partners. Evaluation results will be disseminated amongst government, development partners, civil society, and other stakeholders. A joint management response will be produced upon completion of the evaluation process and made publicly available on the evaluation platforms or similar of PUNOs.

The cost needs to be budgeted, and in case there are no remaining funds at the end of the joint programme, it will be the responsibility of PUNOs to pay for the joint final independent evaluation from their own resources.

3.3 Accountability, financial management, and public disclosure

The Joint Programme will be using a pass-through fund management modality where UNDP Multi-Partner Trust Fund Office will act as the Administrative Agent (AA) under which the funds will be channeled for the Joint Programme through the AA. Each Participating UN Organization receiving funds through the pass-through has signed a standard Memorandum of Understanding with the AA.

Each Participating UN Organization (PUNO) shall assume full programmatic and financial accountability for the funds disbursed to it by the AA of the Joint SDG Fund (Multi-Partner Trust Fund Office). Such funds will be administered by each UN Agency, Fund, and Programme in accordance with its own regulations, rules, directives and procedures. Each PUNO shall establish a separate ledger account for the receipt and administration of the funds disbursed to it by the AA.

Indirect costs of the Participating Organizations recovered through programme support costs will be 7 per cent. All other costs incurred by each PUNO in carrying out the activities for which it is responsible under the Fund will be recovered as direct costs.

Funding by the Joint SDG Fund will be provided on annual basis, upon successful performance of the joint programme.

Procedures on financial transfers, extensions, financial and operational closure, and related administrative issues are stipulated in the Operational Guidance of the Joint SDG Fund.

PUNOs and partners must comply with Joint SDG Fund brand guidelines, which includes information on donor visibility requirements.

Each PUNO will take appropriate measures to publicize the Joint SDG Fund and give due credit to the other PUNOs. All related publicity material, official notices, reports and publications, provided to the press or Fund beneficiaries, will acknowledge the role of the host Government, donors, PUNOs, the AA, and any other relevant entities. In particular, the AA will include and ensure due recognition of the role of each PUNO and partners in all external communications related to the Joint SDG Fund.

3.4 Legal context

Agency name: International Labour Organization (ILO)

Agreement title: MOU on collaboration to promote and advance decent work in Lao PDR

Agreement date: 30 May 2017

Agency Name: the UN Capital Development Fund (UNCDF)

Agreement title: SBAA signed between UNDP and the Government of Lao PDR

Agreement date: 10 October 1988.

Agency name: the United Nations Children's Fund (UNICEF)

Agreement title: Country Programme Document (CPD 2017-2021) between the Government of Lao PDR and UNICEF

Agreement date: 24 Jun 2016

D. ANNEXES

Annex 1. List of related initiatives

Name of initiative/project	Key expected results	Links to the joint programme	Lead organization	Other partners	Budget and funding source	Contact person
Reducing Rural Poverty and Malnutrition Project	To contribute to reductions in stunting rates among children under five years in project provinces	Similar objectives but not directly related	World Bank	Ministry of Agriculture	World Bank	TBC
Partnership for improved nutrition in Lao PDR - Strengthening nutrition governance	To contribute to improvements in nutritional status of Lao children and women	Support access to nutrition	EU	UNICEF	EU	TBC
Safety and Health in Lao PDR Supply Chains	To reduce the number of fatal and severe occupational accidents and diseases in the coffee and garment supply chains	Support GoL in improving capacity for social protection	ILO	Ministry of Labour and Social Welfare, National Social Security Fund, Lao Federation of Trade Unions, Lao Chamber of Commerce and Industry	Vision Fund Zero	TBC
Support to the Extension of Social Health Protection in South-East Asia	To help more women and men in Lao PDR, Myanmar and Viet Nam access adequate social health protection	Support GoL in improving capacity for social protections	ILO	Ministry of Labour and Social Welfare, National Social Security Fund, Ministry of Health, National Health Insurance Bureau, Lao Federation of Trade Unions, Lao Chamber of Commerce and Industry	Luxembourg	Marielle Phe Goursat
UN Joint Programmes in Cambodia, Thailand and Vietnam	To support rollout of the social protection floors, benefiting the most vulnerable.	Similar objectives, opportunity to learn/exchange experience	ILO	UN Country Team members participating in each JP	Joint SDG Fund and donors	UN RC(O)s

Annex 2. Overall Results Framework

2.1. Targets for Joint SDG Fund Results Framework

Joint SDG Fund Outcome 1: Integrated multi-sectoral policies to accelerate SDG achievement implemented with greater scope and scale

Indicators	Targets	
	2020	2021
1.1: integrated multi-sectoral policies have accelerated SDG progress in terms of scope ¹⁵	0	0
1.2: integrated multi-sectoral policies have accelerated SDG progress in terms of scale ¹⁶	0	1

Joint SDG Fund Output 3: Integrated policy solutions for accelerating SDG progress implemented

Indicators	Targets	
	2020	2021
3.1: # of innovative solutions that were tested ¹⁷ (disaggregated by % successful-unsuccessful)	0	1
3.2: # of integrated policy solutions that have been implemented with the national partners in lead	0	1
3.3: # and share of countries where national capacities to implement integrated, cross-sectoral SDG accelerators has been strengthened	0	1

Joint SDG Fund Outcome 2: Additional financing leveraged to accelerate SDG achievement

¹⁵Scope=substantive expansion: additional thematic areas/components added or mechanisms/systems replicated.

¹⁶Scale=geographical expansion: local solutions adopted at the regional and national level or a national solution adopted in one or more countries.

¹⁷Each Joint programme in the Implementation phase will test at least 2 approaches.

Indicators	Targets	
	2020	2021
2.1: Ratio of financing for integrated multi-sectoral solutions leveraged in terms of scope ¹⁸ (disaggregated by source)	N/A	N/A
2.2: Ratio of financing for integrated multi-sectoral solutions leveraged in terms of scale ¹⁹ (disaggregated by source)	National budget increase for MoLSW by 1.2% Sub-national budget increase for MoLSW by 0.8%	National budget increase for MoLSW by 1.4% Sub-national budget increase for MoLSW by 1%

Joint SDG Fund Output 4: Integrated financing strategies for accelerating SDG progress implemented

Indicators	Targets	
	2020	2021
4.1: # of integrated financing strategies that were tested (disaggregated by % successful / unsuccessful)	0	0
4.2: # of integrated financing strategies that have been implemented with partners in lead ²⁰	0	1
4.3: # of functioning partnership frameworks for integrated financing strategies to accelerate progress on SDGs made operational	0	1

Joint SDG Fund Operational Performance Indicators

- Level of coherence of UN in implementing programme country²¹

¹⁸Additional resources mobilized for other / additional sector/s

¹⁹Additional resources mobilized for the same multi-sectoral solution.

²⁰ This will be disaggregated by (1) government/public partners (2) civil society partners and (3) private sector partners

²¹ Annual survey will provide qualitative information towards this indicator.

- Reduced transaction costs for the participating UN agencies in interaction with national/regional and local authorities and/or public entities compared to other joint programmes in the country in question

2.2. Joint programme Results framework

Result / Indicators	Baseline	2020 Target	2021 Target	Means Verification of	Responsible partner
Outcome 1. Government planning, managerial and implementation capacity (including leadership and coordination) to implement the National Social Protection Strategy (NSPS) is enhanced					
Outcome indicator 1.1: Fully operational NSPC	No	yes	yes	Reports of the Committee meetings	MoLSW
Output 1.1. Members of the NSP Committee and other relevant national stakeholders better understand social protection-related topics and programs are designed					
Output indicator 1.1.1: Number of capacity building events organized	0	3	3	Reports of the events	MoLSW/ILO
Output indicator 1.1.2: # of participants in capacity building events (broken down by gender)	0	75 (at least 40 women)	75 (at least 40 women)	Reports of the events	MoLSW/ILO
Output indicator 1.1.3: Adoption of a Roadmap on implementation of the NSPS	0	The Roadmap to implement the NSPS is developed	The Roadmap to implement the NSPS is adopted	Final version of the adopted Roadmap	MoLSW/ILO
Output 1.2. Awareness and understanding of Government officials on the impact of SP and domestic resource allocation is enhanced					
Output indicator 1.2.1: Research on the role of SP in Lao PDR completed	0	0	1	Study published	MoLSW/ILO
Output indicator 1.2.2: Gender-issues addressed in research	n/a	0	1	Separate discussion of gender issues in plan	MoLSW/ILO
Output indicator 1.2.3:	0	0	1	Plan published	MoLSW/ILO

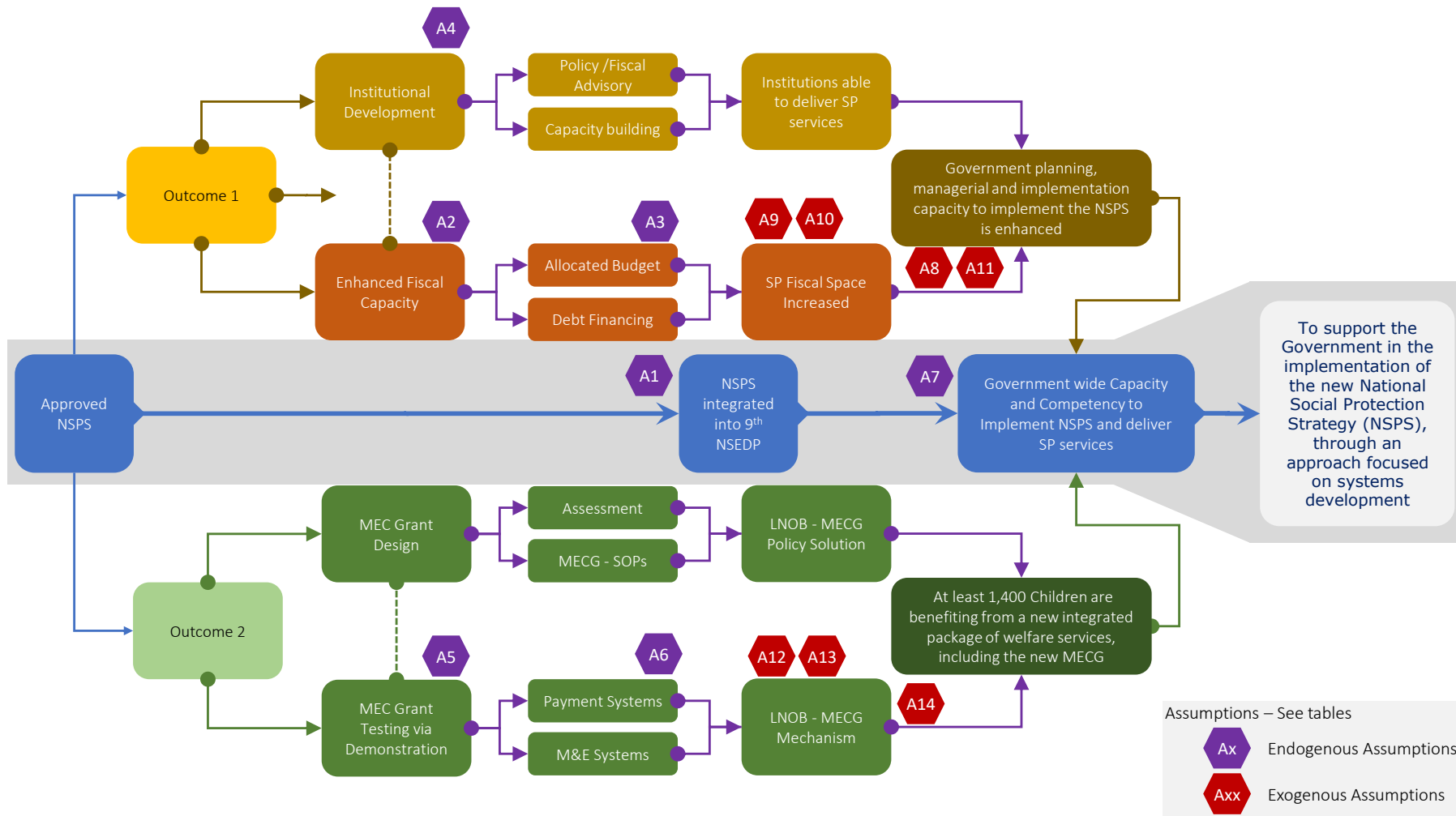
Costed plan prepared					
Output indicator 1.2.4: Gender-issues addressed in the costed plan	n/a	0	1	Separate discussion of gender issues in plan	MoLSW/ILO
Output indicator 1.2.5: # of public events organised	0	2	2	Reports of the Events	MoLSW/ILO
Output 1.3. NSPS M&E Framework developed and aligned with SDG 1.3 global measurement methodology					
Output indicator 1.3.1: Adoption of the NSPS M&E Framework	0	1	1	Report of the adopted framework	MoLSW
Output 1.4. Mechanisms for predictable public sector budget allocations and on-budget conduits for ODA earmarked budget support and IDA associated grants or loans are developed within the PFMR framework and introduction of the new PFMIS					
Output indicator 1.4.1: # of Expenditure Assignment Codes adopted for SP	0	1	3	SNA and PFMIS	UNCDF
Output indicator 1.4.2: Medium Term Expenditure Forecast for NSPS	0	0	1	Internal Policy Document	ILO /UNCDF
Output indicator 1.4.3: Budget Allocation for NSPS	n/a	n/a	Initial annual tranche (x% of GDP) to be determined 2020	Annual budget law	MoLSW
Output 1.5. National Social Protection Fund (NSPF) proof of concept, development frameworks and implementation pathways formulated incusing NSPF capitalization plan to provide viability funding for the implementation of the NSPS					
Output indicator 1.5.1: Adoption of a Business Plan for NSPF	n/a	n/a	Business Plan	Internal document	UNCDF / MoLSW
Output indicator 1.5.2: Adoption of a Pathways report for NSPF establishment	n/a	Initial mapping complete	n/a	Internal document	UNCDF / MoLSW
Output indicator 1.5.3: Completion of Debt financing study for NSPF capitalization	n/a	-	Report issued	Internal document	UNCDF / MoLSW

Output indicator 1.5.4: Availability of draft Legal documents for NSPF	n/a	-	Document set issued	Internal document	UNCDF / MoLSW
Output indicator 1.5.5: Launch of NSPF Prospectus	n/a	-	Document set issued and event organized and implemented	Internal document and Matching Event for NSPF potential investors	UNCDF / MoLSW
Output indicator 1.5.6: Availability of the agreed Business Plan for NSPF	n/a	n/a	Business Plan agreed	Internal document	UNCDF / MoLSW
Outcome 2. At least 1,400 children under 12 months are benefiting from a new integrated package of welfare services, including the new Mother and Early Childhood Grant, early childhood wellbeing services and support for birth registration.					
Outcome indicator 2.1: # of children receiving cash grant in the targeted district(s)	0	0	1400 children under 12 months received cash grant	MoLSW Reports	UNICEF/ILO
Outcome indicator 2.2: # of children with access to related social services	0	500 children under 12 months access related social services	1400 children under 12 months access related social services (cumulatively)	Programme reports	UNICEF
Output 2.1. Roadmap for the design and implementation of the MCEG concluded					
Output indicator 2.1.1: MEC Grant Modality assessment	no	assessment is undertaken	(target achieved in Year 1)	Report	MoLSW/ILO
Output 2.2. Management Information System (MIS) for the MCEG designed					
Output indicator 2.2.1: Operations Manual for the MCEG available and approved	no	yes	yes	Operations Manual	MoLSW/ILO
Indicator 2.2.2: Proposal for the definition of the model of integration finalized	no	ye	yes	Technical Note	MoLSW/UNICEF
Output 2.3. Institutions and different agents prepared for the implementation					
Output indicator 2.3.1:	0	50	100	Training Reports	MoLSW/ILO

# of staff trained at central and local level					
Output 2.4. MEGC piloted in at least one of the poorest districts					
Output indicator 2.4.1: # of children registered	0	0	1400	Program Reports	UNICEF
Output indicator 2.4.2: # of children assessed for social welfare needs	0%	0%	100%	Program Reports	MoLSW/UNICEF
Output 2.5. MEGC M&E framework developed and being implemented					
Output indicator 2.5.1: M&E Framework for the MEGC adopted and being implemented	no	yes	yes	Annual MEGC Program Reports	MoLSW/ILO
Output indicator 2.5.2: MEGC evaluation	no	no	MEGC evaluation is undertaken	Evaluation Report	MoLSW/ILO

- Annual % of financial delivery
- Joint programme operationally closed within original end date
- Joint programme financially closed 18 months after their operational closure
- Joint programme facilitated engagement with diverse stakeholders (e.g. parliamentarians, civil society, IFIs, bilateral/multilateral actor, private sector)
- Joint programme included addressing inequalities (QCPR) and the principle of "Leaving No One Behind"
- Joint programme featured gender results at the outcome level
- Joint programme undertook or draw upon relevant human rights analysis, and have developed or implemented a strategy to address human rights issues
- Joint programme planned for and can demonstrate positive results/effects for youth
- Joint programme considered the needs of persons with disabilities
- Joint programme made use of risk analysis in programme planning
- Joint programme conducted do-no-harm / due diligence and were designed to take into consideration opportunities in the areas of the environment and climate change

Annex 3. Theory of Change graphic



Annex 4. Gender marker matrix

Indicator		Score	Findings and Explanation	Evidence or Means of Verification
<i>N°</i>	<i>Formulation</i>			
1.1	Context analysis integrate gender analysis	2	Analysis includes gender across all sectors including underlying causes; and includes gender sensitive data.	PRODOC
1.2	Gender Equality mainstreamed in proposed outputs	3	Gender equality is mainstreamed across all outcome areas and one outcome (re pregnant women) specifically targets empowerment of women	PRODOC
1.3	Programme output indicators measure changes on gender equality	1	Over 20% of the indicators measures changes in gender equality	PRODOC
2.1	PUNO collaborate and engage with Government on gender equality and the empowerment of women	2	PUNO have consulted with key government agency on gender equality which has participated in program consultations and JP contributes to GoL engagement in SDG gender implementation	PRODOC; progress reports
2.2	PUNO collaborate and engages with women's/gender equality CSOs	1	PUNO collaborated at least with one GEWE CSO and women's rights advocates on elaborating the project.	Minutes of the consultation(s)
3.1	Program proposes a gender-responsive budget	2	Over 30% of the Budget is allocated to gender equality issues	PRODOC, annex 7
Total scoring (average)		2		

Annex 5. Communication plan

1) Overall narrative of the joint programme

The main narrative to be communicated will be the role of the UN in Lao in supporting the GoL to expand social protection coverage to vulnerable groups (such as mothers and children) to ensure that no one is left behind and to support the achievement of the SDGs. The lead agency (in this case the ILO) will take the responsibility of coordinating the implementation of the Communication Plan.

The Communications plan will be integrated into the Joint UN Communication Strategy 2017-2021 and the annual UN Communications Group Action Plan and will be based on the following guiding principles.

- **Human stories and visual communications:** All messages and information materials will use clear and non-jargon language; communication will not focus on meetings and internal processes but on the impact on beneficiaries and the human stories of those whose lives are impacted by the work of the UNJP. Photos will favour beneficiaries in real-life situations rather than meetings and officials at work. Diagrams and infographics will be used to illustrate results in a clear and accessible way.
- **Openness and transparency:** The UNJP will be open, transparent and easy-to-reach – e.g. by implementing an open-door-policy, allowing two-way communications on social media, providing access to data in open formats, making information on jobs, contracts or grant opportunities timely available on relevant websites, clearly identifying staff responsible for specific areas and providing opportunities for contacting them.
- **Encouraging participation:** The UNJP will strive to go beyond one-way broadcasting of UN messages and to engage citizens in two-way communication, participatory meetings in communities, using digital technologies and face-to-face meetings.
- **Going local:** the UNJP will strive to reach, with its communications activities, different areas of the country and different segments of the population.
- **Diversity and accessibility:** The UNJP will promote and celebrate diversity in its communication products by ensuring balanced representation of different categories of population in communication products, conference panels etc. (e.g. women and men, ethnic groups, people with special needs etc.); it will avoid reinforcing gender stereotypes; and it will make all efforts to ensure its communication is accessible to people with disabilities, including selecting accessible venues for events and developing accessible communications products.
- **Working in partnership:** Synergies across UN agencies and strategic partnerships with existing local, national and international actors that share the values and messages of the UNJP will be sought, as a way to leverage and amplify messaging. Issue-based partnerships with the private sector will be pursued.
- **Innovative tools:** Innovative and state-of-the-art technologies and tools will be considered for each communication action in order to increase outreach and participation, as well as to support internal processes. In outreach actions, particular attention will be provided to mobile technologies and content formats that increase accessibility (visual, infographics, audio etc.).

2) Strategic approach to key audiences

The communications plan will address a number of key audiences:

- 1) Key stakeholders including the Government and development partners and private sector (i.e. all those listed at A16.2)
- 2) Broader civil society and the general public.
- 3) UN agencies including those not directly involved in the JP.

In the case of the Government, National Assembly (NA) members and high-level staff in key line ministries (above) will be key audiences.

In relation to the key stakeholders, the communications plan will aim to (i) keep them informed about the progress of the JP (additional to direct operational communications); and (ii) play an advocacy function in relation to issues such as the importance of the SDGs, the role of social protection in achieving the targeted SDGs.

Communications with the general public and broader civil society will involve the same objectives. Finally, communications with UN bodies will also aim to (i) keep them informed about the progress of the JP (additional to direct operational communications); and (ii) to allow other UN agencies to assess where there is potential for them to work in synergy with the UNJP or to build on the achievements of the JP.

3) Objectives of strategic communication plan

The overall objective of the communications plan will be to ensure that key audiences (above) are aware of the activities of the UNJP and, more broadly, of the importance of the SDGs and the NSPS.

Progress in implementation of the communications plan will be measured in line with the indicators set out in this plan.

The implementation of the communications plan will be evaluated as part of the overall evaluation of the project (section 3.2 above) (including measurement of the output indicators and qualitative interviews with key stakeholders) in addition to ongoing internal monitoring.

4) Main activities

The main communication activities will be as follows:

Description	Methods and channels	Responsible organization and focal point	Resources to be invested	Timeline: milestones and/or deadlines	Monitoring Indicators & data sources
Website	Photo stories Regular updates	PUNOs	0	Ongoing	No of users
Social media	Facebook & Twitter updates and stories	PUNOs	0	Ongoing	No of followers
Online media		PUNOs	0		No of hits
TV/radio	Community radio	PUNOs together with UNDP	0	Ongoing	No of viewers/listeners
Print media	Press releases; Press briefings	PUNOs	0	2 per annum	No of releases/briefings
Briefings	Personal briefing of key stakeholders, e.g. National Assembly members	PUNOs	0	1 per annum	No of briefings

In addition, the PUNOs will take responsibility for communicating those aspects of the JP for which they are responsible through their normal communications channels, e.g. <https://www.social-protection.org>

PUNOs will establish a focal point who will be responsible for overseeing implementation of the communications plan and for overall monitoring and reporting on the communication plan.

UNJP communications will respect Joint SDG Fund brand guidelines, including information on donor visibility requirements.

Annex 6. Learning and Sharing Plan

1) Strategic approach to learning and sharing

The learning and sharing plan focusses on how the lessons from the UNJP can be identified and shared with relevant stakeholders, including the PUNOs at regional level. The lead agency (ILO) will assume the coordination in the implementation of this plan.

The target groups for the plan are:

- 1) Key stakeholders including Government, development partners, civil society and private sector (i.e. those listed at A16.2)
- 2) UN agencies including those not directly involved in the JP.

2) Objectives of learning and sharing

The objective of the learning and sharing plan is to identify key lessons from the implementation of the UNJP and to ensure that these are shared with and learned by the relevant stakeholders (above).

As set out above the overall objective of the UNJP is to support the Government in the implementation of the NSPS, through an approach focused on systems development and implemented through the implementation of the mother and child grant. In order to achieve this objective, it is essential to identify the lessons learned from the UNJP and emerging good practices should be identified and disseminated.

A *lesson learned* is an observation from project or programme experience which can be translated into relevant, beneficial knowledge by establishing clear causal factors and effects. It focuses on a specific design, activity, process or decision and may provide either positive or negative insights on operational effectiveness and efficiency, impact on the achievement of outcomes, or influence on sustainability. The lesson should indicate, where possible, how it contributes to 1) reducing or eliminating deficiencies; or 2) building successful and sustainable practice and performance. A lesson learned may become an *emerging good practice* when it additionally shows proven results or benefits and is determined by the evaluator to be worthwhile for replication or up-scaling.



This process should be carried out on an ongoing basis as part of the implementation of the UNJP and will also form part of the final evaluation.

Progress will be monitored on the basis of the indicators set out below and, on a more qualitative basis, in the final evaluation.

3) Main activities

The main learning and sharing activities will be as follows

Description	Methods, instruments and tools	Responsible organization and focal point	Resources to be invested	Timeline: milestones and/or deadlines	Monitoring Indicators & data sources
Documenting activities	Knowledge management system	PUNOs	No additional resources	As per reporting deadlines	Project reports
Identifying lessons learned	Part of periodic reporting process	PUNOs	No additional resources	As per reporting deadlines	No of lessons learned identified
Flagging emerging good practices	Included in periodic reporting	PUNOs	No additional resources	As per reporting deadlines	No of emerging good practices identified
Disseminating and sharing lessons learned	See Communications Plan	PUNOs	As Communications Plan	As Communications Plan	No of relevant communication activities

PUNOs will establish a focal point who will be responsible for overseeing implementation of the learning and sharing plan and for overall monitoring and reporting on the plan.

Annex 7. Budget and Work Plan

7.1 Budget per UNSDG categories

4.2 Budget per SDG Targets

SDG TARGETS		%	USD
1.3	Implement nationally appropriate social protection systems and measures for all, including floors, and by 2030 achieve substantial coverage of the poor and the vulnerable (<i>JP outputs 1.1, 1.2, 1.3, PM output</i>)	32%	710,270
2.2	By 2030, end all forms of malnutrition, including achieving, by 2025, the internationally agreed targets on stunting and wasting in children under 5 years of age, and address the nutritional needs of adolescent girls, pregnant and lactating women and older persons (<i>JP outputs 2.1, 2.3, 2.4</i>)	37%	822,443
16.9	Provide legal identity for all, including birth registration (<i>JP outputs 2.2, 2.5</i>)	12%	265,039
17.3	Mobilize additional financial resources for developing countries from multiple sources (<i>JP outputs 1.4, 1.5</i>)	20%	442,680
TOTAL		100%	2,240,432

4.1 Budget per UNDG categories

TOTAL

UNDG BUDGET CATEGORIES	ILO		UNICEF		UNCDF		TOTAL	
	Joint SDG Fund (USD)	PUNO Contribution (USD)	Joint SDG Fund (USD)	PUNO Contribution (USD)	Joint SDG Fund (USD)	PUNO Contribution (USD)	Joint SDG Fund (USD)	PUNO Contribution (USD)
1. Staff and other personnel	350,000	114,000	0	60,000	134,879	66,432	484,879	240,432
2. Supplies, Commodities, Materials	15,503		22,000		0		37,503	
3. Equipment, Vehicles, and Furniture (including Depreciation)	5,100		10,000		0		15,100	
4. Contractual services	200,918		376,150		184,383		761,451	
5. Travel	8,000		0		7,841		15,841	
6. Transfers and Grants to Counterparts	178,000		370,785		0		548,785	
7. General Operating and other Direct Costs	5,600		0		0		5,600	
Total Direct Costs	763,121		778,935		327,103		1,869,159	
8. Indirect Support Costs (Max. 7%)	53,418		54,525		22,897		130,841	
TOTAL Costs	816,539	114,000	833,460	60,000	350,000	66,432	2,000,000	240,432
1st year	425,668	57,000	356,936	30,000	163,011	33,216	945,616	120,216
2nd year	390,871	57,000	476,525	30,000	186,988	33,216	1,054,384	120,216

2020

UNDG BUDGET CATEGORIES	ILO		UNICEF		UNCDF		TOTAL	
	Joint SDG Fund (USD)	PUNO Contribution (USD)	Joint SDG Fund (USD)	PUNO Contribution (USD)	Joint SDG Fund (USD)	PUNO Contribution (USD)	Joint SDG Fund (USD)	PUNO Contribution (USD)
1. Staff and other personnel	175,000	57,000	0	30,000	97,847	33,216	272,847	120,216
2. Supplies, Commodities, Materials	8,503		2,000		0		10,503	

3. Equipment, Vehicles, and Furniture (including Depreciation)	5,100		10,000		0		15,100	
4. Contractual services	107,418		185,400		52,000		344,818	
5.Travel	6,000		0		2,500		8,500	
6. Transfers and Grants to Counterparts	92,000		136,185		0		228,185	
7. General Operating and other Direct Costs	3,800		0		0		3,800	
Total Direct Costs	397,821		333,585		152,347		883,753	
8. Indirect Support Costs (Max. 7%)	27,847		23,351		10,664		61,863	
TOTAL Costs	425,668	57,000	356,936	30,000	163,011	33,216	945,616	120,216

2021

UNDG BUDGET CATEGORIES	ILO		UNICEF		UNCDF		TOTAL	
	Joint SDG Fund (USD)	PUNO Contribution (USD)	Joint SDG Fund (USD)	PUNO Contribution (USD)	Joint SDG Fund (USD)	PUNO Contribution (USD)	Joint SDG Fund (USD)	PUNO Contribution (USD)
1. Staff and other personnel	175,000	57,000	0	30,000	37,032	33,216	212,032	120,216
2. Supplies, Commodities, Materials	7,000		20,000		0		27,000	
3. Equipment, Vehicles, and Furniture (including Depreciation)	0		0		0		0	
4. Contractual services	93,500		190,750		132,383		416,633	
5.Travel	2,000		0		5,341		7,341	
6. Transfers and Grants to Counterparts	86,000		234,600		0		320,600	
7. General Operating and other Direct Costs	1,800		0		0		1,800	
Total Direct Costs	365,300		445,350		174,756		985,406	
8. Indirect Support Costs (Max. 7%)	25,571		31,175		12,233		68,978	
TOTAL Costs	390,871	57,000	476,525	30,000	186,988	33,216	1,054,384	120,216

7.3 Work plan

Outcome 1.																		
Output	Annual target/s		List of activities	Time frame								PLANNED BUDGET				PUNO/ s involve d	Implementi ng partner/s involved	
	2020	2021		Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Overall budget description	Joint SDG Fund (USD)	PUNO Contrib utions (USD)	Total Cost (USD)			
Output 1.1 - Members of the NSP Committee and other relevant national stakeholders better understand social protection- related topics and programs are designed	Better capacity of MoLSW to manage the NSPS and SP in Lao PDR	Availab ility of roadm aps for imple mentat ion of new progra mme	A1.1.1 Capacity building organized and delivered for members of the NSP Committee, line Ministries, trade unions, members of the National Assembly, employers and other civil society organizations in basic concepts on social protection				x	x	x	x	x	x	Main types of costs include but not limited to the following: - Organizational costs of workshops, info sessions and consultations with the national counterparts (including the NSP Committee) and civil society; - Costs associated with advocacy and outreach, e.g. national media contest on the importance of the SP; - Expert support costs as required.	150,014		150,014	ILO, UNICEF	MoLSW, MoF, MPI, NA, MoH & other members of SP committee
			A1.1.2 Support NSP Committee in the development of roadmaps for the implementation of the new programs proposed under the NSP Committee			x	x	x	x									
			A.1.1.3 Support NSP Committee in the organization of information sharing sessions related with the design and implementation of the flagship program				x	x	x	x	x	x						

Output 1.2 - Awareness and understanding of Government officials on the impact of SP and domestic resource allocation is enhanced	SP mainstreamed as a public service based good in 9th NSEDP	Knowledge sharing materials have been published and available for use	A 1.2.1 Support the development of a research on the potential impact of social protection in Lao Economy and Society			x	x	x	x	x		Main types of costs include but not limited to the following: - Expert support costs as required; - Preparation of the knowledge sharing materials and their publication; - Organizational costs of public events and other type of outreach activities	152,582	152,582	ILO, UNCDF	MoLSW, MoF, MPI, NA, MoH & other members of SP committee
			A 1.2.2 Development of a detailed cost plan for the implementation of the new social protection benefits (including the system investment required) to support the development of the 9th NSEDP			x	x									
			A 1.2.3 Support NSP Committee in assessing the features of the cash-transfer pilots being implemented and the dialogue on the best options for the post-pilot phase					x	x	x	x					
			A 1.2.4 Support the NSP Committee in the organization of a series of public events (including with members of the National Assembly, Universities) to discuss the developmental role of social protection, including during the formulation of the 9th NSEDP			x	x	x	x	x	x					
Output 1.3 - NSPS M&E Framework developed and aligned	Availability and adoption of NSPS M&E	Effectively monitoring is	A.1.3.1 Support the NSP Committee on the development of an M&E Framework for the NSPS		x	x	x	x	x			Main types of costs include but not limited to the following: - Expert support	127,242	127,242	ILO	MoLSW, MoF, MPI, NA, MoH & other members of SP committee

with SDG 1.3 global measurement methodology	framework	ensure d	A.1.3.2 Support the NSP Committee on the collection of data and production of annual reports		x	x	x					costs as required with the preparation of the M&E Framework for the NSPS and potentially data collection/analysis , among others;- Training costs on the SP M&E Data Analysis as required;- Support with the NSP Committee annual reporting costs					
			A.1.3.3 Training NSP Committee members on SP M&E Data Analysis (including the SDG 1.3)		x	x	x	x	x								
Output 1.4 – Mechanisms for predictable public sector budget allocations and on-budget conduits for ODA earmarked budget support and IDA associated grants or loans are developed within the PFMR framework and introduction of the new PFMIS	Funding envelopes for SP developed in the national accounts	Fundin g envelopes for SP developed in the national accounts; Medium Term Expend iture Forecast for NSPS is developed	A1.4.1 Budget expenditure and income codes developed and approved by MoF	x	x	x					Main types of costs include but not limited to the following: - Expert support costs as required on the budget expenditure and income codes development; - Costs associated with advocacy and outreach activities, including any publications, events, consultations, etc.	209,597		209,597	UNCDF	MoF (Primary); MoLSW (Secondary)	
			A1.4.2 Budget forecasting for medium term expenditure plan for NSPS service delivery		x	x	x										
			A1.4.3 Predictable budget allocations for NSPS advocated and negotiated (MLSW - MoF)	x	x	x	x										
Output 1.5 – NSPF proof of concept, development	Initial mapping of NSPF establish	Compl etion of Debt financi	A1.5.1 Business planning for NSPF including stakeholder consultations			x	x				Main types of costs include but not limited to the following:	233,083		233,083	UNCDF	MoLSW (Primary); MoF	

frameworks and implementation pathways formulated including NSPF capitalization plan to provide viability funding for the implementation of the NSPS.	ment pathways is done	ng study for NSPF capitalization; Availability of draft Legal documents for NSPF; Launch of NSPF Prospectus and Availability of the agreed Business Plan for NSPF	A1.5.2 NSPF structure, legal entity formation and capitalization plan developed						x				- Organizational costs of consultations with the stakeholders on NSPF; - Expert support costs on Debt financing study, NSPF Prospectus, etc, if required; - Study tour(s) for the national stakeholders for knowledge transfer as required; - Costs associated with advocacy and outreach activities around NSPF.					(Secondary); PM office
			A1.5.3 Exploration of blended finance option for NSPF including debt financing				x	x										
			A1.5.4 Legal document set for NSPF formation an legal government entity inclusive of Min Instruction setting out NSPF mandate						x	x								
			A1.5.5 Exploration of blended finance option for NSPF and options for bond issues						x	x								
			A1.5.6 NSPF prospectus and partner search								x	x						

Outcome 2.								
Output	Annual target/s	List of activities	Time frame	PLANNED BUDGET			PUNO/s involved	Implementing partner/s involved

	2020	2021		Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Overall budget description	Joint SDG Fund (USD)	PUNO Contributions (USD)	Total Cost (USD)		
Output 2.1: Feasibility assessment and roadmap for the design and implementation of the MEC Grant concluded	Strategic concept and targeting system for MECG finalized	MECG proof of concept tested and made ready to scale out	A2.1.1 Feasibility study and roadmap for the definition of the MECG,		x	x	x					Main types of costs include but not limited to the following: - Expert support costs for the feasibility study, roadmap development and other activities, as required; - Costs of consultations on the institutional arrangements and the MECG proof of concept; - Organizational costs of events and other type of advocacy/outreach activities and materials.	127,865		127,865		MoLSW, MoF, MPI, NA, MoH & other members of SP committee
			A2.1.2 Development of a detailed cost plan for the implementation of the new social protection benefits		x	x	x	x	x								
			A2.1.3 Identification of the institutional arrangements for the implementation of the grant (functions, responsibilities and roles) at central and local level		x	x	x										
			A2.1.4 Support NSP Committee in assessing the features of the cash-transfer pilots being implemented and the dialogue on the best options for the post-pilot phase						x	x	x						
Output 2.2: MEC Grant Designed	Availability of operation manual and capacity for MEC grant		A2.2.1 Production of operational manuals for the MEC Grant including identification and registration procedures, case management, payment modalities, monitoring and revision of access									Main types of costs include but not limited to the following: - Expert support costs for development of the operational manuals, systems and procedures, as required; - Design costs of	139,421		139,421	UNICEF, ILO	MoLSW, MoF, MPI, NA, MoH & other members of SP committee
			A2.2.2 Definition of MIS system and data management		x	x	x	x	x	x							

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Output 2.5: MEGC M&E framework developed and being implemented	MEGC M&E framework developed	Knowledge product developed for MEGC	A2.5.1 Development of an M&E Framework for the MEGC M&E		x		x	x	x			Main types of costs include but not limited to the following: - Expert support costs for the M&E Framework development/rollo ut as required; - Costs of the knowledge products development, production and outreach/advocac y activities.	125,618		125,618	UNICEF, ILO	MoLSW, MoF, MPI, NA, MoH & other member s of SP committ ee		
			A.2.5.2 Delivery of formative evaluation on the process and implementation during the first year to feed the program adjustment																
			A2.5.3 Dissemination and communication of results								x							x	x
Joint Programme Management																			
	Annual target/s		List of activities	Time frame								PLANNED BUDGET				PUNO/s involved	Imple mentin g partner /s involve d		
	2020	2021		Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Overall budget description	Joint SDG Fund (USD)	PUNO Contrib utions (USD)	Total Cost (USD)				
The Joint Programme is successfully implemented with oversight and independent final evaluation ensured.	Effective monitorin g and timely quality reporting of the UNJP is ensured	Effectiv e monito ring and final indepe ndent evaluati on	A3.1.1 The UNJP monitoring and reporting	x	x	x	x	x	x	x	x	Costs of the UNJP oversight, monitoring and reporting		240,432	240,432	All PUNOs	MoLSW, MoF, MPI, NA, MoH & other member s of SP committ ee		
			A3.1.2 Planning of the Joint Programme final evaluation								x	Costs of the independent final evaluation of the Joint Programme and the relevant consultations with				UNCDF (funding allocated to UNCDF to administer			
			A3.1.3 Implementation of the Joint Programme final evaluation								x	x	39,999		39,999				

conduc ted

A3.1.4 Completion of the Joint Programme final evaluation (dissemination of the report and the Management Response may fall beyond the project completion date)

x

the purpose to inform future actions by stakeholders and the UN programming.

the joint evaluation)

Annex 8. Risk Management Plan

As part of the development of this UNJP document, a detailed risk assessment was carried out leading to identification and assessment of key risks and identification of mitigation measures. This is set out below in the form of a risk register. This risk register will be monitored as part of the implementation of the project and an updated assessment of risk and necessary actions will be set out in the periodic reports.

Amongst the risks to the impact of the proposal are the ability of the Government to earmark public finance to provide a predictable cash transfer towards social protection. The current status of the public sector budget and the Government's commitment to reduce budget deficits and overall public sector debt is factored into the proposal, for which the initial grant financing will help plug finance gaps and have the potential to crowd in other development partners.

Another risk is the limited capacity to implement a cash grant and related the new services and programs planned under the Strategy. For this reason, the UNJP proposes an innovative approach at the delivery level through an investment in social workforce development via the training of social welfare workers and the use of private sector partners to handle the payments.

Risks	Risk Level:	Likelihood: Certain - 5 Likely - 4 Possible - 3 Unlikely - 2 Rare - 1	Impact: Essential - 5 Major - 4 Moderate - 3 Minor - 2 Insignificant - 1	Mitigating measures	Responsible Org./Person
<i>Contextual risks</i>					
GoL unable to earmark public finance to provide a predictable cash transfer towards social protection	Medium	4	2	JP develops innovative funding solutions	UNJP
Geographical remoteness of some areas & underdevelopment of communications and infrastructure in rural areas	High	4	3	Choice of pilot area	UNJP & GoL
<i>Programmatic risks</i>					
GoL decides not to proceed with childhood grant or delays implementation	High	2	5	UN agencies will use close relationships with key GoL agencies to advance project	ILO, UNICEF, UNCDF, UNRC

Capacity to implement cash grant limited	High	4	4	Capacity building and training activities	UNJP
Capacity to provide related social worker visits and services limited	High	3	3	Capacity building and training activities	UNJP
GoL does not co-operate with efforts to develop innovative financial solutions	High	3	3	Evidence-based advocacy	UNJP
GoL does not co-operate with efforts to develop budget classifications	High	3	4	Evidence-based advocacy	UNJP
NSPC is not fully established or has limited influence	High	3	3	JP will adopt multi-agency approach working with existing key stakeholders	UNJP
Government agencies delay in engaging with the project	High	5	3	JP will prioritise planning and feasibility studies during the inception period	UNJP
Capacity building activities not translated into concrete actions	High	4	4	Test and evaluate effectiveness of capacity building initiatives	UNJP
Lack of co-ordination amongst PUNOs	Medium	3	2	UN RC will play a lead role in coordinating JP	UNRC
Project period will be insufficient to implement all activities	High	5	3	PUNOs will seek to leverage additional resources to ensure continuation of aspects of project work	ILO, UNICEF, UNCDF