

RC Talking Points

Workshop on the Promotion of Intergenerational Equity for Sustainable Development

Tuesday 8th March, 20:00-22:00 (Lao time)

Colleagues, ladies and gentlemen- good evening from Lao PDR.

It's a pleasure to be part of this panel discussion, and have the opportunity to share some perspectives and experiences from our work here.

First, some context:

Lao PDR has the youngest population in mainland Southeast Asia. 69 percent are below the age of 25.2

At the same time, the offer of opportunities is limited to its young population seeking productive employment, decent work or educational advancement. The youth unemployment rate currently stands at 18.2%, and those Not in Employment, Education or Training at 42.1%.³

As also evidenced across the world, with changing patterns of fertility and mortality, Laos is now in the early stages of a demographic transition that should, and will see the structure, profile and needs of the national population change profoundly.

Between 2020 and 2030, it is projected that the share of the population below 15 years of age will fall from $33 \text{ to } 25 \text{ percent.}^4$

We know this because our collective investments in statistical capacity, including DESA's and ESCAPs support to monitoring the SDGs and support to the regular national census through UNFPA, for example, which are a crucial first step in building the conditions for greater intergenerational equity.

We also know that, with the right policies in place, this transition can create the potential for a one-off transformational shift in the national development trajectory.

But also that without these investments, it could easily become an unrecoverable missed opportunity leaving more people stuck in poverty and hardship, with higher levels of inequality that may, as seen elsewhere, set the stage for mounting economic frustrations and their potential consequences.

Lao PDR's development model, which has up until recent years consistently delivered very high rates of economic growth, has relied heavily on debt-financed investments in major infrastructure projects.

If selected, planned, designed, and implemented well, these can create the potential productive capacities to open up new opportunities for future generations that would not have been possible without these transformative investments.

¹ UN World Population Prospects, 2019

² Adolescence and Youth | UNICEF Lao People's Democratic Republic

^{3 (}aged 15-24) ILOSTAT

⁴ UNFPA, Demographic Change for Development: Window of Opportunity for Realizing a Demographic Dividend dd brief eng.pdf (unfpa.org)



But they could also risk creating unaffordable liabilities in the form of international debt, or unsustainably depleting natural assets, if not.

These consequences could play out in the space of one generation- considering how decisions being made now, will affect those growing up in just the coming decade or two.

However, importantly, these different possible trajectories would only continue thereafter, with the consequences of the choices we make now, for the lives of the Laotians of the future, only getting starker as time goes on.

So, in this context, it is critical to tackle some of the tough questions about how to factor considerations of inter-generational equity into decision making, as it determines the options and opportunities for the future.

This is well acknowledged in the national plan- the 9th National Socio-Economic Development Plan, which was endorsed last year and runs until 2025. This includes:

- a clear focus on making the investments in high-quality health and education, and
- expanded access to social protection to equip children and youth with the capabilities necessary to succeed.
- It commits to sustainably managing debt levels and ensuring macroeconomic stability.
- It also includes clear commitment to shifting the nature of growth in a greener and more environmentally sustainable direction- for example by sustainably using and managing natural resources, and building capacities for disaster prevention, management, and recovery.

The challenge comes in how to implement these policies in practice, when farsighted aspirations meet the harsh reality of immediate budget constraints and needs.

In Lao PDR, fiscal space was already severely constrained prior to the impact of the pandemic, and over the past two years we have seen the situation becoming ever more urgent. Government revenue as a share of GDP fell from 21 to 11 percent between 2016 and 2021.

So, despite the commitments made, we have seen government spending on education fall consistently short of plans, similarly for spending on health. In fact, budget analysis indicates that spending on health and education appear to have fallen by a third over the past 5 years.

Despite the aspiration to shift to a more environmentally sustainable growth trajectory, we still see discussions on increasing mining and building coal power plants to help the economy advance.

We see the expansion of unsustainable large-scale commercial farming practices which has led to increased use of pesticides contaminating water tables and soil, with toxic chemicals now detectable in blood samples among the urban population consuming the produce.

But in an economic situation that is struggling to overcome the consequences of COVID-19, and the truly pressing need to generate economic opportunities for the growing population- one can understand the challenge.

It is essential to promote a human-centred recovery to the pandemic, with gender-responsive and inclusive policies and programmes to close widening inequalities, providing social protection from infancy until old age.

And therein lies the central question that I'd like to raise today- how best can we work to support national authorities to best implement their much desired sustainable, long-term visions that take account of the



imperatives for intergenerational equity- as the Lao 9th NSEDP does- when confronted by urgent needs that push in another direction?

And how do we ensure that today's children and youth both benefit from and improve upon the lessons of their parents and the past, so they have the capacities and access to sustainable and equitable livelihoods, services and natural resources for the foreseeable future?

As the UN, we have tried to structure our efforts to work towards addressing this, aligning our support to initiatives that support the implementation of that longer-term perspective, for example:

- Integrated work by ILO, UNICEF, and UNCDF to support practical implementation of the National Social Protection Strategy, including thinking creatively about how this could be financed in the current fiscal environment,
- With UNDP's work to support provincial investment plans that take into account long-term territorial planning and spatial development, and
- FAO, IFAD, and WFP efforts in nutrition for all, and
- broader UNCT engagement in natural resource management and green investment schemes and trade opportunities within the agri- and forestry sector by UNEP, ITC, UNCTAD, et al. These are all also critical within the framework of the graduation strategy from LDC status anticipated in 2026.

But of course, there are no easy answers to this, but this is exactly the kind of practical question that we need to grapple with in order to find ways forward.

Thank you.