



LDC5
5TH UNITED NATIONS
CONFERENCE ON THE
LEAST DEVELOPED COUNTRIES

LDC5 side event

05/03/2023 – 17:15-18:45

Unlocking SDG finance through
INFFs for
inclusive, sustainable and resilient
pathways in LDCs

A golden silhouette of various Lao PDR architectural structures, including traditional houses, stupas, and a large temple complex, set against a white background.

Formulating a Financing Strategy for the national plan: successes and challenges of the INFF experience in Lao PDR

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Deputy Minister of Planning and Investment
of Lao PDR

With the support of



Development and financing context of Lao PDR



Development situation

- LDC Graduation expected in 2026
- COVID-19 socioeconomic impacts: learning loss, fragile health systems, stunted private sector
- Fuel, food, finance, fertilizer crisis
- Climate change and environmental degradation



Financing difficulties

- Limited fiscal space
- Insufficient revenue, esp. tax base
- Misalignment budget & public investment with national development priorities
- Private finance not in support of SDGs
- Additional needs from crises

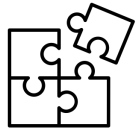
The 9th NSEDP Financing Strategy: key policies

20+ days of workshops between 10 ministries, UN system, IFIs, more DPs

- **Broaden the tax base and delink revenue gen & resource extraction**
- **Review and limit tax exemptions**
- **Reduce debt levels**
- **Increase volumes of public and private climate and social sector finance**
- **Dedicated policies addressing LDC graduation financing impacts**



3 successes and achievements



1. Increased policy coherence and
arbitrage on trade-offs

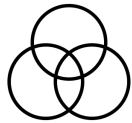


2. Evidence-based
policymaking

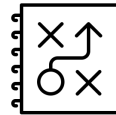


3. Effective tracking
and M&E of progress
of integration of
planning and financing
functions

3 shortcomings and challenges



1. Difficult translation of agreed financing policies at sectoral and local levels



2. Limited realignment of development programmes and projects to new policies



3. Insufficient financial and human resources for joint and coordinated implementation



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Thank you.