



## Managing investment through a poverty and environment lens

***Lao PDR's management of foreign investments in extractive industries has improved since 2009, helping to ensure benefits are spread to communities and decrease environmental impacts.***

**Vientiane Province, 27 April, 2016** - Like many developing countries in Southeast Asia, Lao PDR's economic growth is being driven by private investments, bringing the promise of greater opportunities and well-being to the people as well as challenges to environmental and rural livelihoods protection.

The wealth of Lao PDR's natural resources has attracted huge investment inflows in recent years, with hydropower facilities, mineral exploitation and large-scale agricultural investments leading economic growth since 1985. In 2013-2014 alone, foreign direct investment in Lao PDR accounted for almost 3.4 billion US dollars. With this rate of investment and an annual Gross Domestic Product growth rate of 8 percent, Lao PDR is on track to meet one of the three key criteria for graduating from Least Developed Country status by the mid-2020s.

Managing the influx of investments so that benefits are spread equally among communities to alleviate poverty, while protecting the natural wealth of Lao PDR's environment, is a major development challenge. The United Nations Development Programme (UNDP) and the United Nations Environment Programme (UNEP) are working closely with the Government of Lao PDR to improve the quality of planning, promotion and management of investments in extractive industries through the *Poverty Environment Initiative*.

Since 2009, the *Initiative* has been working towards strengthening Lao PDR's development plan and institutional framework to ensure that investments lead to sustainable development. Poverty and environment concerns are now integrated into the 8th National Social Economic Development Plan including in the Plan's monitoring and evaluation framework.

Tools to regulate investment quality have been adopted by central and provincial authorities to more effectively regulate the quality of concessionary land investments, a type of long-term lease of government land by private investors. Working closely with the National Economic Research Institute, the *Poverty Environment Initiative* has built research capacity to deliver quality data to inform investment management decisions. The *Initiative* has also been working with the Department of Environment and Social Impact Assessment and the National Assembly, to improve Environmental Impact Assessments, Initial Environmental Examinations and Public Involvement processes of proposed investments.

At the provincial level, knowledge of poverty and environment issues related to investments has increased and institutional strategies and investment tools are being introduced to better regulate the quality of concessionary investments.



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This week the Ministry of Planning and Investment hosted a delegation of global donors of the *Poverty Environment Initiative* along with environmental management experts in Vientiane Province. The visiting donors and experts met with the Vice Provincial Governor of Vientiane Province, Ms. Singkham Khoungsavanh to gain insight into the *Poverty Environment Initiative's* support to the province as well as some of the socio-economic and environmental issues related to hydro power, mining and agricultural land concessions.

The United Nations Resident Coordinator and UNDP Resident Representative, Ms. Kaarina Immonen joined Ms. Singkham and donors on a visit to a rubber plantation owned by foreign investors to see first-hand the impacts on local communities as well as the challenges and countermeasures taken by investors. The visit involved a meeting with community members to discuss the benefits and impacts of the investment on their lives and communities. Community members were also updated on how they can be involved in the investment approval process.

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**Notes to editors:**

For more information on the Poverty Environment Initiative in Lao PDR, please visit <http://bit.ly/1ri02pa>

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**The Poverty-Environment Initiative (PEI)** of the United Nations Development Programme (UNDP) and the United Nations Environment Programme (UNEP) is a global programme that supports country-led efforts to put pro-poor, pro-environment objectives into the heart of government by mainstreaming poverty-environment objectives into national development and sub-national development planning, from policymaking to budgeting, implementation and monitoring. PEI works in eight countries in Asia and the Pacific including Bangladesh, Bhutan, Indonesia, Lao PDR, Mongolia, Myanmar, Nepal and the Philippines.  
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