



PRESS RELEASE

DRAFT

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Investing in Agriculture for Sustainable Livelihoods and Economic Growth

Coordination Workshop for Collaboration and Linkages through the Co-development Projects in Southern Province of Lao.

On September 25, 2009, the Department of Planning of the Ministry of Agriculture and Forestry (MAF) and the Investment Promotion Department (IPD) of the Ministry of Planning and Investment (MPI) worked together to strengthen operational linkages between the *Sustainable Natural Resource Management and Productivity Enhancement Project* (SNRMPEP) and the *Poverty Environment Initiative's (PEI)* support to improved investment management, and to discuss the promotion of household biogas in Lao PDR. In line with the Vientiane Declaration on Aid Effectiveness, which calls for closer integration of development initiatives under the leadership of the Government of Lao PDR, MPI and MAF will work together to implement project activities in Southern Lao PDR.

SNRMPEP aims to enhance institutional capacity at national and provincial levels to manage natural resource utilization in a sustainable manner, resulting in poverty reduction and enhanced market linkages. PEI's support to improved investment management strengthens capacities of national and provincial authorities to plan and manage investments for reducing adverse social and environmental impacts. Funding for the two programmes is being provided by the Asian Development Bank, the International Fund for Agriculture Development, the United Nations Development Programme and the United Nations Environment Programme.

Foreign Direct Investment (FDI) is an increasingly important source for government revenues and a driving force behind accelerated economic growth. Lao PDR is rich in natural resources and around 50% of GDP is derived from agriculture, forestry, livestock and fisheries. In rural Lao PDR, agriculture is of particular importance and continues to form the livelihood basis of over 70% of the rural population. Investment in plantation development is growing exponentially with the expansion of maize, rubber, sugar cane, and other crops across the country. There is an urgent need to strengthen Government capacity to manage these investments for the benefit of the Lao people.

Areas for collaboration will focus on strengthening capacities to evaluate investments according to environmental, social and economic impacts; elaboration of provincial investment strategies; integrated spatial planning; development of model sub-projects and investment contracts. Sub-projects aimed at increasing access to modern energy through household biogas, building on the existing Biogas Pilot Program in Lao PDR, are expected to be among the first to be implemented. The implementation of activities will begin in October 2009 in Salavanne, Savannakhet, Champasak, Sekong and Attapeu.