

Concept Note

Sustainable Investment Forum

Organizers: Investment Promotion Department, Ministry of Planning and Investment, and
UNDP-UNEP Poverty-Environment Initiative
18-19 May 2011

The Investment Promotion Department of Ministry of Planning and Investment will present their new National Investment Strategy and 2011-15 action plan. The strategy will act as a guide for promoting and selecting quality investments, and strengthening effectiveness and institutional coordination between all involved ministries in managing investments.

The objectives for the Forum are to solicit feedback on the Strategy and action plan, and to highlight results from recent assessments of economic, social and environmental impacts from investments.

Investment decisions can have lasting implications on development goals and growth trajectories in the country beyond the immediate timeframe of the investments itself. A strategic framework for promoting and selecting quality investments that maximize returns to the national economy and societal wellbeing will be imperative to ensuring that investment decisions have lasting positive impacts.

Quality Foreign Direct Investment

The 7th NSEDP continues to have a high reliance on foreign direct investment (FDI) to meet its ambitious growth targets and development goals. With the benefit of past experiences, the Plan has emphasized the need to mobilize *quality FDI* that¹:

1. Generates sufficient government revenues to help finance social and human development;
2. Creates new sustainable jobs and incomes to reduce poverty and increase prosperity;
3. Transfers valuable skills to Lao workers and technology for development of the indigenous business sector; and
4. Safeguards environmental assets.

As such, the Investment Promotion Department now seeks to attract quality investments and to manage them in a way that enhances the development of human capital and safeguards the environment.

Strengthening Investment management

The UNDP-UNEP Poverty-Environment Initiative (PEI) is supporting IPD to develop a *National Investment Strategy* and an action plan to meet these goals under its mandate as set forth in the Law on Investment Promotion 2009. The goal of the Strategy is “*To increase the proportion of quality investments into Lao PDR that reduce poverty, enhance development of human capital and have least impact on the environment*”.

¹ 7th National Socio-Economic Development Plan (2011-2015), Abridged version October 2020, Ministry of Planning and Investment (MPI), Vientiane, Lao PDR.

Proposed Agenda

Opening speeches: Vice Minister/Minister MPI and UNDP Resident Representative (9.00-9.30)

Day 1: Development of a Strategic Approach to Investment Management

Session 1: Directing Investments to meet National Goals (9.30-10.30)

- National Investment Strategy: objectives and goals (Houmpheng Souralay, IPD, TBC)
- Quality investments for meeting MDGs and graduating from LDC status (Robert Glofchesky, UNDP, TBC)
- Q&A

Coffee break

Session 2: Policy Context for NIS (10.45-12.15)

- Public-private partnerships and investment targets in 7th NSEDP (Phonevanh Outhavong, Dept of Planning, MPI, TBC)
- Changes to investment management under the 2009 Investment Law and Decree (Director of Legal Division, IPD, TBC)
- The role on National Assembly in planning and monitoring investment decisions (National Assembly, TBC)
- Q&A

Lunch

Session 3: Opportunities and Challenges in Lao's Investment Management Process (1.30-3.30)

- Key aspects of the NIS and Action Plan (Grace Wong, PEI/IPD)
- Investment promotion: Investment calling lists as a mechanism for identifying/prioritizing sustainable investment opportunities (Phoutasack Souvannasao, IPD, TBC)
- Investment review: Assessing social and environmental impacts within the investment appraisal process (Phakkavanh Phissamay, WREA/ESIA)
- Investment monitoring and enforcement: Applying an integrated framework for monitoring (Savannakhet Department of Planning and Investment)
- Q&A

Coffee break

What are missing pieces of the investment management puzzle: Q&A session (3.45-4.30)

Book launch *Managing Private Investment In Natural Resources: A Primer For Pro-Poor Growth And Environmental Sustainability*, presentation by Paul Steele (UNDP Regional Advisor), followed by happy hour hosted by UNDP-UNEP Regional Center Bangkok (4.30)

Close of Day 1

Day 2: Strategies to maximize benefits and minimize costs from investments

Session 4: Lessons from an assessment of costs and benefits of investments (8.30-10.30)

- 4 case studies from Saravan and Savannakhet – IUCN and NERI
- Short break-out session to identify practical compliance and mitigating actions

Coffee break

Session 5: Determining quality investments (10.45-12.00)

- Criteria for identifying quality investments and appropriate policy and fiscal incentives (Manothong Vongsay, IPD, TBC)
- Sustainability criteria in loans to private sector (IFC, TBC)
- Q&A

Lunch

Session 6: Discussion forum: Institutionalizing experience and best practices as standards for the private sector (1.30-3.30)

- Lessons from hydropower (World Bank/Theun Hinboun/MRC), mining (MMG), agriculture (Stora Enso), biofuels (LIRE), Global Environmental Institute, TBC

Closing Speeches: MPI and UNDP, followed by coffee break