



PRESS RELEASE

By National Economic Research Institute (NERI) and
UNDP-UNEP Poverty-Environment Initiative (PEI)

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Lao-Thai exchange of experience

Lao research team visited Thailand to share lessons in the study of economic benefits from land use change and their impacts on the environment



Mr.Souphith DARACHANTHARA, the project manager discussed with locals on environmental problems they are facing.

From the 4th to 10th of May 2011, the National Economic Research Institute (NERI), Ministry of Planning and Investment (MPI), led a research team on a study trip to Thailand to share experiences in the economic valuation of ecosystem services from land use change. The NERI team is conducting research on the financial and environmental costs and benefits of four

different land uses in Oudomxay Province; forest and non-timber forest product use, rubber plantation, maize plantation and upland rice farming. A similar project is being conducted by the Poverty-Environment Initiative of Thailand in Nan province to assess the impacts of large-scale maize and rubber farming. The goal of the exchange was to share experiences between the two countries and to identify practical ways to do economic valuation of land use change.

Mr. Souphith DARACHANTHARA, the deputy director general of the NERI and the project manager emphasized that, “this study tour is very important to the national research team as it is an eye opener on what methodology and approaches similar projects are using and what lessons learnt from the trip can be used to adapt to the research in Laos”.

This research project started in June 2010 and is one of five components of the Poverty-Environment Initiative Project (PEI) in Lao P.D.R which is supported by United Nations Environment Programme (UNEP) and United Nations Development Programme (UNDP).

Lao PDR is currently experiencing rapid growth in domestic and foreign investments, which frequently results in land use change. Natural forests are often replaced by agriculture plantations and other industrial land use. In conventional economic analysis the real value of forests is not always captured. This research takes important ecosystem services provided by natural forests such as water quality maintenance, flood protection and protection for soil erosion into account. As a result, the study will provide policy makers with critical information that facilitates better informed and environmentally sustainable decision making, which is of great importance to poverty reduction.

This type of research is still very new to Lao P.D.R. To ensure that this methodology is widely available and understood across sectors, the project has established a national expert group that involves many national institutions, government partners and academic institutions in the economic and environmental sectors. Through this research, involved central and provincial authorities will strengthen their capacity to integrate poverty-environment concerns within key development planning processes.

Dr. Grace WONG, the PEI senior technical advisor who has been working closely with the project, highlights the importance of the research to development planning for poverty reduction and environment management: “having a full understanding of both the financial and environmental impacts of a development or investment project will be critical for policy makers to properly assess trade-offs between different development options. This information supports decisions on how best to use natural resources for Lao P.D.R. over the long term”.

With the strong leadership from MPI and continuous support from UNDP and UNEP, workshops and trainings for research and analysis on economic valuation of ecosystem services on land use change and its methods were successfully conducted. The team has created a comprehensive research questionnaire and collected field data in pilot sites in Oudomxay province early last month. They are currently in the process of consolidating data and carrying out the environmental-economic analysis. Results of the benefits and costs of these land uses

and their impacts on the environment will be disseminated at provincial and national level through workshops and publications later this year.

Notes for editors:

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The Poverty-Environment Initiative (PEI) in Lao PDR

The United Nations Development Programme (UNDP) and the United Nations Environment Programme (UNEP) support the Poverty-Environment Initiative (PEI), a program that aims to mainstream poverty and environmental issues into national level planning and development processes. The objective of PEI in Lao PDR is to ensure that the country's rapid economic growth generates inclusive and sustainable development. PEI supports the strengthening of institutional capacity in national development planning and private investment management, the development of guidelines for social and environmental impact assessments, and the generation of evidence-based research on the social and environmental costs of land use decisions. The project is coordinated by the Ministry of Planning and Investment with project components managed by Department of Planning, Investment Promotion Department, National Economic Research Institute of MPI and the Department of Environmental and Social Impact Assessment of WREA.

www.unpei.org/programmes/country_profiles/lao-pdr.asp

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