



PRESS RELEASE

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Assessing the economic benefits of land use changes and their impacts on the environment in Oudomxay Province



Participatory interview by one of national experts in Chormlaeng Village, Hun District, Oudomxay Province

In early April 2011, the National Economic Research Institute (NERI), Ministry of Planning and Investment (MPI), led a research team to conduct a survey and collect data for a study on the economic valuation of ecosystem services. The results of the survey will highlight the costs and benefits of different land use alternatives in Oudomxay Province; from forest to rubber plantation in Namor district, to maize plantation and upland rice farming in Hun district and Non-Timber Forest Products (NTFP) collection in Beng district.

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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 changes. Natural forests are often replaced by plantations and agricultural land. In conventional economic analysis the real value of forests is not always captured. This research takes important ecosystem services, such as 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.

Mr.Souphith DARACHANTHARA, the deputy director general of the National Economic Research Institute and the project manager emphasized that, “This research project is very essential and timely due to the fact that it will support development planning for poverty reduction and environmental management. This contributes to sustainable development goals as described in the 7th National Socio-Economic Development Plan as well as in the National Growth and Poverty Eradication Strategy”.

One important element of the project is to strengthen capacity of targeted central and provincial authorities in integrating poverty-environment concerns and linkages in key development planning processes. The research activity is carried out by a national expert group and involves many national institutions, government partners and academic institutions; such as the National Economic Research Institute of Ministry of Planning and Investment, Water Resources and Environment Administration, National Agriculture and Forest Research Institute, Forestry Department of Ministry of Agriculture and Forestry, Land Natural Research Resource and Information Centre of National Land Management Authority, Faculty of Economics and Business Administration and Faculty of Environmental Science of National University of Laos and governor’s office in Oudomxay Province. Moreover, junior experts from National Economic Research Institute and students from the university participate in the research process.

Mr. Khammany KHAMPHOUMY, from National Agriculture and Forestry Research Institute, one of co-chairs of the project said, “to have many experts with different expertise and with distinct knowledge enhances the quality of the research and helps us to look at the problems from different angles. Then, they see from the experience through the research how some poverty reduction activities, especially the dramatic change of land use, are linked to environmental degradation”

Once the national group of experts was established and all participants identified, the sites for each case study were selected in Oudomxay Province, which is a pilot province of the Poverty-Environment Initiative (PEI). 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 created and refined a comprehensive research questionnaire. By using a participatory approach, financial and socio-economic data was collected, and the environmental and health impacts on farmers and villagers in the pilot sites was assessed.

The data collected will be analyzed and the results, showing the benefits and the costs of these alternative land uses, will be disseminated at provincial and national level through workshops and publications in the middle of 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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