

UNDP helps Laos reduce adverse impacts of development

Phonesavanh
Sangsomboun

With the help of a United Nations Development Programme (UNDP) project to minimise social and environmental impacts, the Lao government believes it will be better equipped to assess the suitability of major development projects.

Director General of the Investment Promotion Department of the Ministry of Planning and Investment, Mr Houmpheng Souralay, said the project would help officials understand the implications of concessions granted by the government, especially for very large projects.

"The project will relate to large-scale developments, especially in the mining and hydropower sectors, and land concessions. They are closely related to local livelihoods and should create income and jobs for local communities," he said.

Mr Houmpheng said up till now the government had not been able to evaluate accurately whether these projects had benefited local communities and how much local people's lives had improved.

He spoke last week in Vientiane at a workshop on Minimising the Social and Environmental Impacts of Investment in Laos, attended



Mr Houmpheng Souralay.

by high-ranking government officials and UNDP staff.

The new project is being implemented by the Ministry of Planning and Investment as part of the UNDP and United Nations Environment Programme for Poverty Environment Initiative.

The project will help Investment Promotion Department officials and provincial authorities in Phongsaly, Oudomxay, Saravan and Savannakhet to strengthen their skills in designing, negotiating, planning, monitoring and enforcing appropriate investment contracts.

The programme will help them to monitor projects that have already been approved to ensure they are being carried out in accordance with contracts. Officials will also evaluate whether projects are having a positive impact on the community, Mr Houmpheng said.

The new programme aims to strengthen the capacity of national and provincial authorities to plan and manage investment in such a way as to minimise negative social and environmental outcomes.

UNDP's Chief Resident Economist for Laos, Cambodia and Vietnam, Mr Robert Glofcheski, said that apart from a sustainable economy, a sustainable environment was crucial to Laos achieving the Millennium Development Goals by 2015.

Foreign investment and production have increased, but Mr Glofcheski said this did not mean it would improve GDP if the income generated did not go directly to local communities.

According to a UNDP press release, improperly managed investment can contribute to significant social and environmental costs for the country.

This includes the inappropriate use of agricultural chemicals which can affect the health of local people and natural ecosystems.

Further key challenges facing Laos include deforestation, loss of biodiversity, depleting fish stocks, rural populations' inadequate access to clean water and sanitation, climate change and natural disasters, the press release said.