

Session 5: Making Public and Private Investments Work for Poverty Reduction

Talking Points

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Scope: to introduce and project the PEI Lao PDR video and proceed with highlighting key features, successes, and challenges and lessons learned from PEI Lao PDR's work over the past 10 years on promoting quality investments and informing investment screening, appraisals, approval, monitoring and policy and regulatory frameworks.

- Since 2009, the PEI has been working closely with the Government of Lao to strengthen tools, skills and knowledge of government counterpartes to effective planning, promote, manage and regulate for “quality investments”. PEI Lao PDR is structured around five specific outputs and partnered with fives government agencies: The Department of Planning, Investment Promotion Department, National Economic and Research Institute of Ministry of Planning and Investment; Department of Environmental and Social Impact Assessment of Ministry of Natural Resources and Environment; and National Assembly.
- The quality investment in the context of Lao PDR and PEI Lao is referred to the investment that help to reduce poverty, enhance human capital development, have least impact on the environment, support a diversified economy and provide a fair distribution of benefits for the population.
- Under PEI-IPD which refers to Output 2 of the Programme, there are four key activities including: 1) support the government in developing of the National Investment Strategy and six Provincial Investment Strategies; 2) Investment promotion; 3) Investment screening and appraisal; and 4) Investment monitoring.
- This year, with support from PEI Regional Communication team, we produced a short video to track results of investment monitoring activity. **Title: Screening and Monitoring of Investment for Sustainable Development in Lao PDR”.**
- This video tracks how sugar can investment project has negative impacts to villagers who lives in Nasang Villager, Savanakheth Province. The negative impacts were included: it posted the farmers under highly indebted, over used of chemicals and so on.
- After the government conducted a joint investment monitoring mission with support from PEI, it showed that investor was not compliance to their obligation. In promoting contract farming in the Village. It urgently called for cooperation between investor, local government agencies and villagers to work together to immediately improved the situation in Nasang Village, with specific timeframe.
- As a results of joint monitoring activity of PEI:

- the company intensified its work to train the community in contract farming and soil fertility.
 - stopped using illegal chemicals,
 - started storing chemicals properly and improved its Corporate Social Responsibility.
 - Today, 856 households in Nasang Village have started planting sugar cane and farmers' debt has fallen to 5%.
 - Beyond rice farming, they now have an alternative source of income.
- From our experience, joint monitoring between ministries is providing several advantages. First, this allow the government to improve coordination to work together and ensure investment project are compliance to their obligation and villagers are benefit to investment project. Secondly, using resources is more effectives in term of financial and human resource as government could share resources. Thirdly, the government could have heard from investors as well on any difficulty in term of their operation, and how the government should address to improve ease of doing business. Lastly, reduces duplication of work in term of conducting investment monitoring among the government agencies.
 - However, conducting a joint monitoring is also challenges. This is required proper government procedures and guideline to guide the implementation and coordination, as well as follow up on implementation of recommendations from the mission finding. In addition, several ministries are now trying to create channel for public to communicate any impacts from the investment project. For example, IPD open a hotline for public, which people can reach our staff 24 house.
 - In addition, several activities have been implemented to improve ease of doing business and manage investment project for quality investment. This included revised the investment promotion, strengthen capacity of government staff in using existing PEI tools such as: financing model for mining sector, temple of MOU and CA, reporting forms, and application of investment compliance database, to support screening, appraisal and monitoring activities of IPD.
 - Again, thanks to PEI for all supports. Enjoy the video!

Note: PEI regional team to open the video after Mr. Manothong finished talking. The one that Martha just produce for us. Thanks