IMPROVING QUALITY INVESTMENT FOR ACHIEVING SUSTAINABLE DEVELOPMENT GOALS IN LAO PDR

Project Background

The Improving Quality Investment for Achieving Sustainable Development Goals in Lao PDR will build on the Lao PDR Poverty-Environment Initiative (PEI), which was designed in 2009 to support the central, provincial and district authorities in the effective promotion, regulation and enforcement of foreign, domestic and public investments. Main target areas include governance of natural resources (SDG 15), poverty reduction (SDG 1), enhancing development of human capital (SDG 8), minimising impact on the environment (SDG 15), adapting to climate change (SDG13), promoting clean energy investment (SDG7), supporting a diversified economy and providing a fair distribution of benefits to the population (SDG 5), and promoting partnership through knowledge exchange (SDG17).

The PEI programme has transformed into what the government now calls the “PEI approach” that addresses poverty reduction and environmental protection by supporting the Government’s national socio-economic planning and strategy formulation processes. The programme also focused on building investment regulatory tools and the knowledge to assess, measure and enforce financial, social and environmental obligations of developers. Another aspect includes strengthening the ability of Lao PDR’s National Assembly to deliver their constitutional oversight role on investment quality.

The current project will build on the package of tools already established by the PEI Programme while further expanding the PEI’s approach and tools to other important institutions that play a role in investment regulatory compliance.

The project will help the government to address and remove investment regulatory and business barriers that currently hinder the development of a healthy, vibrant and competitive business environment, while regulating compliance and obligation of investment projects to create more jobs for local people and building the skills of national staff.

The project will focus piloting efforts in the original six PEI provinces - Phongsaly, Oudomxay, Savannakhet, Saravan, Vientiane and Houaphan. However, other more advanced PEI Phase II supported tools will be scaled nationally during the implementation of this project.

Project Summary:
- Duration: 18 months
- Geographic coverage: Lao PDR
- National Designated Authority: Department of Climate Change, Ministry of Natural Resources and Environment
- Focus area: Climate Change and Disaster Risk Reduction
- Implementing partner: UNDP

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Main Objectives and Outcomes

Objective: To strengthen the government’s regulatory capacity to coordinate and promote higher quality investment, improving the business environment, transparency, accountability, and effectiveness of investment management in order to achieve the Sustainable Development Goals in Lao PDR.

Outcome 1: Promotion and monitoring of quality and responsible investment planning for sustainable development

Outcome 2: Strengthened assessments, regulations, approvals and inspections for investment promotion.

Results and Achievements to Date

The programme development of the project is still in its initial phase and the program delivery is ongoing.

Funding:

- Total project budget (2016-2022): USD 1,781,400
- Donors:
  - UNDP: USD 400,000
  - PEA: USD 1,200,000
  - Government (in-kind): USD 181,400

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Link to Sustainable Development and the 8th National Socio-Economic Development Plan

- Goal 1 on Poverty: End poverty in all its forms everywhere
- Goal 5 on Gender Equality: Achieve gender equality and empower all women and girls
- Goal 7 on Affordable and Clean Energy: Ensure access to affordable, reliable, sustainable and modern energy for all
- Goal 8 on Decent Work and Economic Growth: Promote inclusive and sustainable economic growth, employment and decent work for all
- Goal 13 on Climate Action: Take urgent action to combat climate change and its impacts
- Goal 15 on Life on Land: Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss
- Goal 17 on Partnerships for the Goals: Revitalize the global partnership for sustainable development

Outcome 3: Natural resources and the environment area effectively protected and utilized according to green-growth and sustainable principles; there is readiness to cope with natural disasters and the effects of climate change and for reconstruction following natural disasters