



Poverty Environment Initiative (PEI) Framework in Lao PDR

By

Ministry of Planning and Investment, Lao PDR,
Water Resources and Environment Administration, Lao PDR
UNDP Lao PDR, UNDP/UNEP PEI



PEI Framework Brief

The Poverty-Environment Initiative (PEI) in Lao PDR aims to strengthen capacity of targeted central and provincial authorities to integrate poverty-environment concerns and opportunities in key development planning processes. The Initiative is not one stand-alone project but has been designed primarily to provide targeted support to ongoing programmes. The PEI framework outlines four outputs that will achieve the expected outcome of the project. Firstly, PEI will strengthen poverty-environment linkages in the 7th NSEDP, supporting evidence-based and policy relevant research in a manner that places environmental sustainability at the core of the government's development planning practices. Secondly, support will be provided to the Investment Promotion Department and provincial authorities to manage investments in a manner that seeks to maximize social benefits and minimize environmental impacts. Thirdly, a programme of support to WREA will seek to strengthen Environmental Social Impact Assessment (ESIA) processes. Finally, PEI will target the National Assembly to enhance their awareness of poverty-environment issues and to strengthen the capacities of National Assembly members to actively integrate poverty-environment considerations when reviewing policies and legislation. South-South learning is a cross-cutting theme that will be promoted in the areas of natural resource management and foreign direct investment targeting business and communities with the neighbouring GMS countries, including Thailand where PEI is under development. The proposed timeframe for PEI Framework Lao PDR is 31 months: May 2009 to end December 2011.

UNDAF Outcomes/Indicators: UNDAF Outcome 1: By 2011, the livelihoods of poor, vulnerable and food insecure populations are enhanced through sustainable development (within DMG framework)

Expected Outcomes/Indicators: Outcome 1.1: Improved and equitable access to land, markets and social and economic services, environmentally utilization of natural resources, with balance population growth.

Expected Outputs/Indicators: Output 1.1: Improved and diversified incomes of rural households, with a focus on increased market accessibility, through implementation of human development and infrastructure initiatives. Outcome 1.1.3: Enhance knowledge and management capacity of ecosystems, biodiversity, natural resources and environment, and population dynamics.

Programme period May 2009 – December 2011

Program

Component

TOTAL BUDGET

US\$ 3,300,363

Allocated Resources

- Government In-Kind
- PEF US\$ 900,000
- ISP US\$ 30,000
- UNDP (TRAC) US\$ 900,000
- UNEP DEPI (tbc) US\$ 150,000 (tbc)
- Funding shortfall US\$ 1,275,363

Project ID To be Assigned

Project Duration 1 May 2009 – 30 December 2011
(31 months)

Management Arrangements National Implementation

Output	Budget				
		2009	2010	2011	Total
Output 1. Integration of Poverty-Environment linkages into the 7 th NSEDP	Subtotal	155,000	105,000	80,000	340,000
	PEF	80,000	30,000	0	110,000
	UNEP DEPI (tbc)	75,000	75,000	0	150,000
	Funds required			80,000	80,000
Output 2. Investment Management at the national and provincial levels	Subtotal	357,500	372,500	390,000	1,120,000
	PEF	160,000	150,000	180,000	490,000
	TRAC	180,000	210,000	210,000	600,000
	ISP	17,500	12,500		30,000
Output 3. Support to the Environmental Social Impact Assessment of WREA at the national and provincial levels	Subtotal	445,500	415,507	634,356	1,495,363
	TRAC	120,000	90,000	90,000	300,000
	Funds required	325,500	325,507	544,356	1,195,363
Output 4. National Assembly awareness raising and advocacy on natural resource management for poverty reduction	No additional funds required	0	0	0	0
UNDP Env.	Subtotal	60,000	120,000	120,000	300,000
	Management support (PEF)	60,000	120,000	120,000	300,000
TOTALS by fund source	Total	1,018,000	1,013,007	1,224,356	3,255,363
	ISP	17,500	12,500		30,000
	PEF	300,000	300,000	300,000	900,000
	UNEP DEPI (tbc)	75,000	75,000	0	150,000
	TRAC	300,000	300,000	300,000	900,000
	Funds required	325,500	325,507	624,356	1,275,363






Agreed by MPI, Lao PDR:	 Bounthavy SISOUPHANTHONG
Agreed by WREA, Lao PDR:	 Khempheng PHOLSENA
Agreed by NA, Lao PDR:	 Khempheng PHOLSENA
Agreed by UNDP-UNEP PEI:	 Khempheng PHOLSENA
Agreed by UNDP Lao PDR CO:	 Stéphane Vigier B.H. Co.

TABLE OF CONTENTS

Table of Contents.....	4
ACRONYMS	5
1 EXECUTIVE SUMMARY.....	6
2 SITUATION ANALYSIS.....	7
3. STRATEGY.....	16
4. MANAGEMENT ARRANGEMENTS.....	23
5. MONITORING AND EVALUATION	24
6. LEGAL CONTEXT	25
7. RESULTS AND RESOURCE FRAMEWORK.....	26
8. ANNUAL WORKPLANS.....	43
Annex 1 List of institutions involved in the PEI Preparatory Phase.....	43
Annex 2 Key Agencies involved in Planning and Poverty Reduction Processes in Lao PDR.....	43
Annex 3 Key Planning Processes	46
Annex 4 Responsibilities of the Outcome Coordinating Forum.....	47
Annex 5 ToR of PEI International Advisor	
Annex 6 ToR of PEI National Expert for the NSEDP project	
Annex 7 ToR of PEI National Expert for the Investment Management project	
Annex 8 Draft Terms of Reference: Poverty Environment Outcome Board	

ACRONYMS

ADB	Asian Development Bank
AFD	French Development Agency
DPI	Department of Planning of Investment
DOF	Department of Forestry
ESIA	Environmental and Social Impact Assessment
FDI	Foreign direct investment
FIPD	Forestry Inventory and Planning Division
GDP	Gross Domestic Product
GIS	Geographic Information System/s
GoL	Government of Lao PDR
GPAP	UNDP Governance and Public Administration Reform programme
GPG	Good Practice Guidance
GTZ	German Agency for Technical Cooperation
HACT	Harmonised Approach to Cash Transfer
IFAD	International Fund for Agricultural Development
ISP	Integrated spatial planning
IUCN	World Conservation Union
Lao PDR	Lao People's Democratic Republic
M&E	Monitoring and Evaluation
MAF	Ministry of Agriculture and Forestry
MDGs	Millennium Development Goals
MEM	Ministry of Energy and Mines
MPI	Ministry of Planning and Investment
NAFES	National Agricultural and Forestry Extension Service
NAFRI	National Agriculture and Forestry Research Institute
NERI	National Economic Research Institute
NEX	National Execution
NGD	National Geography Department
NGPES	National Growth and Poverty Eradication Strategy
NLMA	National Land Management Authority
NSEDP	National Socio-Economic Development Plan
PAFO	Provincial Agriculture and Forestry Office
PEI	Poverty-Environment Initiative
PM	Project Manager
QPR	Quarterly Progress Report
SBAA	Standard Basic Assistance Agreement
SDC	Swiss Agency for Development and Cooperation
UNDP	United Nations Development Programme
UNDP CO	UNDP Country Office
UNEP	United Nations Environment Programme
WREA	Water Resources and Environment Administration
WREO	Water Resources and Environment Office

1 EXECUTIVE SUMMARY

Sound environmental management is key to the achievement of the Millennium Development Goals. This is particularly relevant in Lao PDR where more than 50% of GDP is derived from agriculture, forestry, livestock and fisheries; approximately 80% of the population rely on the natural resource base for their livelihoods; and almost 60% of Foreign Direct Investment is related to the country's environment and natural resources.

However, despite significant efforts by the Government to ensure sound environmental management, the pace of environmental degradation continues unabated with significant impacts on many poor people. Climate impacts will compound existing vulnerabilities and bring a whole additional set of challenges to the fight against poverty. Many of the processes and decisions that impact on the environment are outside the direct control of environment institutions, and as a result the achievement of pro-poor environment outcomes may be undermined. In this respect, it is of critical importance to further strengthen the capacities of key Government institutions in addressing poverty-environment linkages.

It is in this context that the Joint UNDP/UNEP Poverty Environment Initiative (PEI) was designed with the Ministry of Planning and Investment as well as other government agencies and provincial authorities from the four pilot provinces of PEI - Oudomxay, Phongsaly, Saravane and Savannakhet.

PEI Lao PDR has four distinctive but mutually reinforcing components to strengthen institutional capacity of targeted national and provincial government authorities to integrate the environmental concerns of poor and vulnerable groups into policy, planning and implementation processes for poverty reduction, pro-poor growth and achievement of the MDGs. PEI will achieve its objective by:

- Strengthening poverty reduction and environmental sustainability linkages in the 7th National Socio Economic Development Plan (NSEDP) 2011-2015 and facilitating policy maker's better access to policy relevant research products on poverty-environment linkages for their informed decision-making;
- Enhancing capacities of national and provincial authorities to plan and manage investments for poverty reduction and sound environmental management;
- Supporting the strengthening of the Environmental and Social Impact Assessment (ESIA) Department of WREA to ensure proper review and approval processes of environmental and social assessments and management plans based on the law and good science in effective coordination with the concerned line ministries and state enterprises;
- Increasing National Assembly members' understanding of poverty reduction and environmental management and their capacity in reviewing new legislation and policies related to environmental conservation, rural livelihoods and natural resource management.

PEI Lao PDR is not one stand-alone project but is designed to provide targeted support to the on-going programmes such as the programme of support to the NSEDP, the UN Joint Programme of Support to an Effective Lao National Assembly, the ADB-IFAD Sustainable Natural Resource Management and Productivity Enhancement Project, the Northern Uplands Core Coherent Programme and others. Furthermore, in line with the Vientiane Declaration on Aid Effectiveness, PEI will seek to strengthen linkages between the work of UN agencies and others in the field of environment and natural resource management.

2 SITUATION ANALYSIS

This situation analysis sets out a baseline assessment of poverty-environment linkages in Lao PDR which provide key analytical direction for PEI's support to the country. The analysis is based on multi-stakeholder consultations at the national and provincial levels undertaken as part of the PEI preparatory phase activities as well as on a number of analytical reports related to poverty, environment and natural resources produced by various development partners and government agencies.

2.1. Poverty Context

The economic growth of Lao PDR averaged 6.4% per annum from 2000-2006¹ and has been accompanied by significant poverty alleviation: from 46% in 1992 to 34% in 2002 (Table 1).²

Table 1 Progress on the specific development targets³

Indicator	Target by 2010	Achievement	
		Data	Most recent year
Ratio of poor households	Below 15%	Less than 30%*	2007
Seasonal hunger	Abolish	22%**	2006
Ratio of malnourished children under-five	Below 30%	37%	2006
Primary enrollment rate	90.6%	89.2%***	2007/08
Access to clean water	65% in rural areas	74%#	2007
Annual population growth	1.91%	7.5%##	
Forest cover	50%	42%	2002

Source: NSEDP Mid-term review 2008.

Despite the significant decline in poverty at the national level, poverty persists throughout the country and many people face challenges related to food security, access to clean water sources and sanitation, education and employment.

Poverty in Lao PDR has strong geographic and ethnic dimensions. Recent publications indicate that whereas poverty incidence tends to be highest in mountainous areas (particularly in the South), the greatest numbers of poor people live in the lowland areas of the Mekong River Corridor, where population density is much higher than the sparsely populated upland areas.⁴ Similarly, the poverty rates for all ethnic groups - except the Lao-Tai - are higher than the national average. The country has 49 official ethnic groups comprising of some 200 sub-ethnic groups⁵. Poverty incidence of Lao-Tai was estimated to be 28.6%, but the extent of poverty among other ethnic groups reaches 40-55%.

¹ World Bank, 2008. World Development Report 2008. World Bank, Washington D.C.

² (LECS, various issues)

³ * Preliminary estimates from LECS IV; ** Estimate for food poverty, or the proportion of households below the food poverty line; *** Net Enrollment Rate; # Estimate for the entire country; ## MDG Progress Report (2008)

⁴ Epprecht et al, 2008. The Geography and Poverty of Inequality in Lao PDR.

⁵ Ibid, Millennium Development Goals Progress Report: Lao PDR (draft)

The incidence of rural poverty is high. Over 73% of the poor people live in rural areas. While poverty rates have declined across both rural and urban areas, rural poverty is still much higher than the urban poverty. The urban poverty incidence was 20% in 2002, but the rural poverty head-count ratio at 38% was nearly twice that of urban poverty.⁶ The Comprehensive Food Security and Vulnerability Analysis in rural Lao PDR by the World Food Programme found that two thirds of the rural population included in their analysis are either food insecure or live on the edge of food security and could become food insecure should a shock occur during the year. The study findings also indicate that chronic malnutrition is as high today as it was ten years ago and that the poor are very vulnerable to natural hazards and extreme climatic events.⁷

The Participatory Poverty Assessment (PPA 2006)⁸ indicated that poverty is mainly caused by external events over which villagers have no control, especially unfavourable weather conditions, war, resettlement, poorly implemented development programmes and livestock disease. The primary cause of poverty in the PPA 2006 was identified by villagers as limited access to cultivation land, especially for rice production. This situation, villagers report, is due to attempts by local officials to carry out land reform, consolidate villages, and to reduce or eradicate swidden cultivation. These policies have led to localized population pressure and scarcity of land resources. The PPA 2006 draws two conclusions: poor villagers recognize improvements in infrastructure such as health clinics, school buildings, and roads; however, the essential elements of livelihoods, which include access to good land for agriculture, livestock, and forests, have either stayed the same or have worsened.

2.2. Contribution of the Environment and Natural resources to the Economy

The economy of Lao PDR is primarily based on natural resources. More than 50% of GDP is derived from agriculture, forestry, livestock and fisheries. Direct use of biodiversity resources in Lao PDR at household and commercial levels, has been estimated to be worth some US\$ 650 million a year.⁹ At the national scale, natural resources contribute three quarters of the per capita GDP, more than 90% of the employment, almost 60% of exports and foreign exchange earning, just under a third of government revenues and nearly half of foreign direct investment inflows.¹⁰

The mineral sector comprises 19.5% of the output of the entire Lao PDR industrial sector, and continued growth is expected at a rate of approximately 11% per year during 2006-2010 (MINDECO 2006). The export value of production by the mining sector was estimated to be 4.7 trillion kip (approx. US \$538 million) in 2007. It is expected that within the next 12 years mining sector will generate between USD\$1-2 billion and will comprise 25 per cent of Laos' GDP by 2020.¹¹ Hydropower will also be a major contributor to economic growth, government revenues, and export earnings. To date, only 623 Megawatts out of an estimated 18,000 MW of hydropower potential has been developed. Upon completion of the Nam Theun 2 Dam in 2010, exports are expected to increase to US\$354 million.¹² The government of Lao PDR has highlighted

⁶ Ibid, LECS III

⁷ Also see National Adaptation Programme of Action for Climate Change (NAPA), forthcoming.

⁸ Participatory Poverty Assessment II (2006), National Statistics Center, ADB

⁹ SETA and World Bank 2007)

¹⁰ Emerton, L. Making the economic links between biodiversity and poverty reduction. The case of the Lao PDR. IUCN.

¹¹ Idem

¹² Strategic Framework for Lao PDR's National Sustainable Development Strategy (2008), WREA

ecotourism as an important driver of economic development and poverty reduction. Tourism was a main contributor to GDP, with a US\$120 million contribution estimate in 2004 (CPI, 2006). On average NTFPs were reported to contribute to rural households representing 44% of subsistence value, 55% of cash income, or 46% of the total household economy. Some estimates that NTFPs may be worth USD 182 million in total.¹³

2.3. Key Environmental Issues Affecting the Poor

The Millennium Development Goals 2008 Mid-Term Report for Lao PDR indicates that MDG7 is unlikely to be met by 2015 without significant and substantial efforts on behalf of the Government of Lao PDR and donors. Key environmental issues affecting the poor include deforestation, decline in non-timber forest products, loss of biodiversity and others.

a. Deforestation

Forests are under serious threats across the country in Lao PDR. Growing domestic and regional demand for timber, arising from the building boom, furniture and charcoal production, are placing severe and unsustainable pressure on Lao forests. Despite laws and regulations to protect the forests, control of illegal logging, mostly for export to countries that neighbour Laos, remains a significant challenge. Shifting cultivation and extensive clearing for investment purposes (e.g. rubber, maize, etc.) also present significant threats to the forests of Lao PDR. Protected areas are also being logged and encroached at an increasing rate. Deforestation is perhaps one of the largest poverty-environmental challenges facing the country. The majority of the rural population is heavily dependent on forests for their livelihoods. Forests provide critical environmental services including biodiversity conservation, carbon sequestration and watershed protection through regulation of water flow, maintenance of water quality and control of soil erosion and sedimentation. It is estimated that the country's forest resources have declined from about 70% of the total land area in the 1940s to about 41.5% in 2006. Deforestation in 1993–97 was highest in those districts with the highest poverty incidence, and a total of 1,118 km² of forest was lost during these four years in the North.¹⁴

b. Decline in Non-Timber Forest Products (NTFPs)

Food security in rural areas is heavily dependent upon forest resources and other NTFPs. NTFPs are major sources of both food and family cash income. It was estimated in the late 1990s that wild foods contributed between 61-79% of non-rice food consumption by weight. Decline in NTFPs, be it due to over-exploitation, conversion, homogenization, increasing agro-chemical use, and so on, is becoming a serious concern in rural communities. The impact of the decline has significant implications not only for household nutrition, but also for the workloads of women and children who are typically responsible for collecting NTFPs.

c. Loss of biodiversity

Logging and unregulated commercial exploitation, expansion of road networks and construction activities, extensive foreign investment in cash crop expansion, some shifting cultivation practices, prevailing hunting and fishing practices, and the illegal trade of wildlife, have

¹³ Drakenberg, O. *et al.* (2009), "Greening Development Planning: A Review of Country Case Studies for Making the Economic Case for Improved Management of Environment and Natural Resources", © OECD.

¹⁴ World Bank 2007, poverty environment nexus

accelerated the loss of the nation's biodiversity.¹⁵ Out of the known 1,140 animal and plant species in the country, 319 species are considered of national or global conservation significance. 48 species were listed as vulnerable and 21 critically endangered in 2004.¹⁶

d. Depleting fish stocks

Fish and fisheries play an important role in the country's development, with aquatic resources accounting for as much as 70 – 90% of protein intake in parts of lowland Lao PDR. Reliable statistics about the threat of depletion are not available, but increasing population, the unknown impacts of dams on fish migration patterns, and changing agricultural practices (e.g. increase chemical use) is putting pressure on catches.¹⁷

e. Access to clean water and sanitation

Even though Lao PDR has a large per capita volume of renewable water resources, the quality of both surface and groundwater is declining. In addition, access to clean water and sanitation is a major problem. In rural areas, access to clean water is about 60 percent, whereas access to sanitation is estimated at about 36 percent. There is a high incidence of diarrhoea, dysentery and other waterborne diseases.

f. Traditional biomass fuels for cooking and heating

Heavy dependence on traditional biomass fuels for cooking and heating is major cause of respiratory diseases in rural areas. The share of fuel-wood is about 80% in the total energy consumption in the country. Almost 99% of all households used wood for cooking in the group of poorest districts compared to 81% in the group of least poor districts. Eye and lung problems arising from fuel-wood smoke appear to be significant, especially among women and young children.¹⁸

g. Chemicals

Hazardous chemicals like heavy metals, herbicides and pesticides and other similar pollutants are also of concerns in Lao PDR. Although officially prohibited in many provinces, usage of chemicals is widespread and generates serious health problems. A detailed understanding of the environmental and social impacts of these chemicals is still not fully developed in Lao PDR.¹⁹

h. Climate change and natural disasters²⁰

Lao PDR is susceptible to the impacts of climate change especially from floods and droughts, which, in general, have severe adverse impacts on people's livelihoods and in particular the livelihoods of the vulnerable groups with low adaptive capacity and limited social safety nets. Priority vulnerable sectors include agriculture, forestry, water and public health. Lao PDR should also tap into increasing international financial and technical support for climate change mitigation which has good potential for generating co-benefits for the poor. SEA START²¹ predict that the

¹⁵ Ibid World Bank (2006) and Sinbandhit, Noulinh (Vice Minister to Prime Minister Office), "Biodiversity for Sustainable Development in Lao PDR". Paper presented at the Regional Seminar for the Parliaments of the Asia-Pacific States: Capacity Building for Parliaments on Sustainable Development, Vientiane, Lao PDR, 26-28 November 2007

¹⁶ Asian Development Bank (ADB) and United Nations Environment Programme (UNEP), 2008. "Lao PDR: National Environmental Performance Assessment Report". ADB, Manila and UNEP, Bangkok

¹⁷ Ibid

¹⁸ LECS 2002-03 and World Bank (2006)

¹⁹ Ibid World Bank (2006) and minutes of Sub-National Workshop in Oudomxai, 2008

²⁰ National Adaptation Programme of Action (NAPA) of Lao PDR, draft, 2008

²¹ <http://www.start.or.th/>

length of the dry season in the Mekong Region will be significantly longer in the future, accompanied by a trend of increasing precipitation. At the same time it is also predicted that the magnitude and frequency of extreme weather events will increase the risk of flooding and localized drought.²² According to the statistics maintained by the National Disaster Management Office (NDMO), during 2000-2007, more than 1 million people were affected by floods and some 97,000 people by droughts. The damage costs caused by floods during the same period was over 8 million US dollars, and by drought, 84,251 US dollars. In 2008, according to the report provided by the NDMO, 11 provinces were affected by the extreme floods impacting about 204,000 people.

2.4. Poverty-Environment Issues at the Provincial Level

The PEI Preparatory Phase encompassed a series of extensive meetings with Government at national and provincial levels, and in two sub-national level workshops. The table below summarizes the key findings of the consultations on poverty and environment linkages in two Northern provinces (Oudomxay and Phongsaly) and two Southern provinces (Savannakhet and Saravane) (See Annex 1).

Table 2. Summary of key findings of consultations on poverty-environment linkages in two Northern provinces (Oudomxay and Phongsaly) and two Southern provinces (Savannakhet and Saravane)

	North (Oudomxay, Phongsaly)	South (Savannakhet, Saravane)
State of environment and natural resource degradation	<ul style="list-style-type: none"> ▪ Decline in forest cover from industrial plantations, illegal logging, forest fires, shifting cultivation, and resettlement; ▪ Biodiversity loss and reduction in NTFPs due to unsustainable use and habitat destruction; ▪ Decreasing water quality and availability and declining land quality; ▪ Increased levels of urban waste and pollution 	<ul style="list-style-type: none"> ▪ Decreasing availability of land for food production, increasing soil erosion ▪ Forest degradation and decline in forest resources ▪ Decline in water availability ▪ Loss of wildlife and aquatic species ▪ Changes in climate, e.g. longer hot seasons and shorter cold seasons
Indirect and direct causes of the poverty and environmental degradation	<ul style="list-style-type: none"> ▪ Difficulties associated with the geographic location and topography of the two provinces, e.g. highland areas and remote locations; ▪ Limited road infrastructure and lack of market access for farmers; ▪ High dependence of local livelihoods on natural resources and lack of alternative employment opportunities; ▪ Limited access to appropriate land for agriculture and unplanned cash crop cultivation across the provinces; ▪ Improper use of agro-chemicals causing water contamination and health problems; ▪ Institutional, financial and capacity constraints such as low level of awareness in sustainable environmental management, 	<ul style="list-style-type: none"> ▪ Negative impacts of infrastructure development, industrial plantations e.g. rubber, eucalyptus and sugar cane, and large scale investment projects such as gold mine on rural livelihoods ▪ Low level of education ▪ Insufficient clean water supply and sanitation ▪ Lack of sustainable employment and income generating opportunities ▪ Inadequate land use planning and land allocation ▪ Limited capacity at the village level for environmental protection and natural resource management ▪ Inequitable distribution of benefits generated from exploitation of natural

²² Kiem et al, 2008.

	<p>environmental regulations and zoning at the village level, lack of qualified technical staff, poor environmental coordination system between different sectors, inadequate monitoring & evaluation system and insufficient development funds</p>	<p>resources to local communities</p> <ul style="list-style-type: none"> ▪ Insufficient financial resources for environmental protection and management ▪ Lack of up-to-date and accurate information and data for informed decision-making on investors and investment activities
--	---	--

2.5. Environment and Gender

There is clear evidence that in Lao PDR (NGPS 2004), women and men have quite different perceptions with respect to sources of socio-economic and environmental vulnerability.²³ In practical terms this makes it important that methods are developed that take account of the perspectives and priorities of both women and men.

Equally important is the acknowledgement that gender needs to be addressed in a highly culturally sensitive manner, especially with regard to the people who are members of non-Lao speaking groups (ethnic minorities) who make up almost half of the Lao population. It is the people who live in these upland communities who probably constitute the majority of the ‘poor’ in Lao PDR. Moreover, given their intimate relations with and dependence on their natural environment (e.g. wild foods), and the manner in which gender roles are intertwined with this relationship, it is vital that these traditional roles are understood, respected and factored into project design and implementation. Chamberlain (2006), on the basis of recent studies of three of the major groups (Khmou, Phong and Hmong) has called for an ecocultural approach to planning. One of the major reasons for doing this is Chamberlain’s observation that externally imposed ideas about gender roles almost always lead to the disempowerment of women, whose ‘power’ (as opposed to rights) in the community is directly linked with their productive and reproductive roles, and from which their cultural symbolic and spiritual power arises.

The NGPS (2004) summarise the results of a survey of women’s and men’s perceptions of vulnerability across three categories of issues. The survey of 12 villages was conducted in Luang Prabang, Vientiane and Savannakhet. On average both women and men considered that their perception agreed with the other on only about a quarter of the issues, and on many issues there appeared to be no belief that they would have the same perception. A significant proportion of the issues were environmental in nature, and almost all relate to livelihoods and economic vulnerability to poverty. This illustrated that perspectives are usually and importantly quite different between male and female respondents. For example, regarding drought, from the women’s perspective they only agree with men one third (33%) of instances, whereas men consider they agree with the women’s perspective on drought over half the time (58%).

2.6. Key Development Processes Affecting Poverty-Environment Issues

2.6.1. Trade and Investment in Key Sectors

²³ This difference is well illustrated in the nature of the responses by officials from the Women’s Union interviewed during field visits to Saravan and Savannakhet provinces; the Provincial PE Issues Paper

The recent rapid influx of FDI has been an important source for government revenues and force for accelerating economic growth. In 2008, USD 2,807 million of FDI has been implemented with a further USD 659 million approved over a combined 146 projects. By value of investment, the top 5 sectors in Lao PDR are hydropower electricity generation, agriculture, mining, industry and handicraft and services from Thailand, China, Vietnam, France and Japan.²⁴ The increasing demand from other countries for Lao PDR's abundant natural resources is further accelerating the pace of the exploitation of these resources frequently without adequate measures to prevent or mitigate the adverse impacts. Recognizing this challenge, on 8 May 2007 Laos' Prime Minister Bouasone Bouphavanh announced a moratorium on the granting of new land concessions of over 100ha.²⁵ In 2008, an Environment and Social Impact Assessment Department in WREA was created, strengthening the Lao Government capacity in this area. As part of the Government of Lao PDR's efforts to strengthen the legal framework for investment, the new Law on Investment is currently being drafted and revised.

a. Plantation agriculture

The availability of relatively 'cheap' land and long-term concessions (30-50 years) is proving very attractive to companies from neighbouring countries wanting to establish medium to large-scale commercial production of rubber, cassava, sugar, pulpwood, maize, etc. FDI in commercial plantations is a main source of investment after mining, representing 15 per cent of FDI in 2004.²⁶ There is a surge of rapid influx of foreign investments in commercial plantations, such as plantations of rubber, sugar, cassava, maize, jatropha and eucalyptus across the country. Lao PDR government is targeting by 2020 a total area of 500,000 hectares of industrial crop plantations.²⁷

Many of the concessions are established without sufficiently clear processes of investment appraisal, approval and monitoring. Conflicts may arise regarding land use, affecting local communities' access to and use of land for their livelihoods. It is observed that, to date, environmental impacts of these investments are not given sufficient attention in the investment management process in Lao PDR. In a growing number of instances plantations are exacerbating pre-existing (seasonal) food shortages, accelerating environmental degradation and causing adverse social impacts.

b. Mining

There is a continuing upsurge of mining projects in Laos, for precious and industrial metals and coal, with the possibility of oil and gas being discovered in the south. Private investment in the mineral sector has increased almost 34% per year over the past five years (2002-2006).²⁸ At present, the mineral sector comprises 19.5% of the output of the entire Lao PDR industrial sector, and continued growth is expected at a rate of approximately 11% per year during 2006-2010 (MINDECO 2006). As of 2007, over 200 companies of which 34 were foreign owned were engaged in exploration, development and operations of mining in the country and 55 new mines were under development.

²⁴ Ministry of Planning, PEI Sub-national workshop in Oudomxay, December 2008

²⁵ Land concessions, development for the poor? Cor. H. Hanssen, 2007

²⁶ Rapid Trade and Environment Assessment, IISD, IUCN 2007

²⁷ wwfgreatermekong.org, 2008

²⁸ Lao Country Report on Environmental Management in the Mining Sector, WREA, 2007

WREA, in its 2007 country report on environmental management in the mining sector, indicates the following key threats to environment and natural resources from activities associated with the mining sector.

- Availability of flat land is an increasing issue, with only 8% of total land area suitable for agriculture. Mining is also putting increasing pressures on the availability and quality of land;
- Increased pressure on water resources due to its increasing use for mining activities;
- Hazardous chemicals, including heavy metals such as mercury, lead, cadmium, arsenic, chromium, copper, and zinc;
- Potential impacts in downstream countries from improperly managed discharges.

c. Hydropower

Lao PDR is estimated to have a theoretical hydroelectric potential of about 26,500MW excluding the mainstream Mekong. Of this, about 18,000MW is estimated to be technically exploitable. Less than 2% of the country's hydropower potential has been developed over the past 30 years. In 2007 the Lao Government said that by 2015 it was committed to supply 7,000MW to Thailand, 5,000MW to Vietnam and 1,500MW to Cambodia. In addition to international commitments, domestic energy consumption is growing at 8% to 10% annually. The Government of the Lao PDR has to date signed MOUs or is undertaking research studies on a total of more than 70 hydropower projects.²⁹ Of these 15 are either operational or under construction. The Government intends to use hydropower revenues to support poverty reduction. Hydropower's social and environmental impacts may include flooding of forested areas; changes in natural water flows; loss of high productivity agricultural land (especially bottom land rice fields); biodiversity loss (including fisheries resources) as well as social impacts such as resettlement of the rural poor living in areas that will be inundated, the loss of their access to and control over water resources and conflicts over the use of water resources for power generation and for irrigation.

d. Wood and wood products

Growing demand for wood products, together with increasing development of forest areas, has led to deforestation and forest degradation which in turn threatens habitats, watershed protection, biodiversity, the tourism industry and the availability of non-timber forest products. Lao PDR's wood industry is still at an early stage of development, consisting mainly of small- and medium-sized sawmills, plywood mills and other wood processing plants. Some provinces such as Saravane have reduced exploitation of wood, as they have observed that declining forest cover has been closely associated with a decline in water quantity. In Savannakhet, there is a quota of wood for the province targeting 36 large scale wood processing factories and furniture factories. However, despite a ban in the export of raw timber, this illegal activity continues.

e. Organic agricultural products

Organic production could provide Lao PDR with a crucial competitive edge and 'green niche' vis-à-vis other agricultural producers in the region. To take advantage of these "green" market opportunities, efforts will need to focus on strengthening the investment environment and supporting certification systems and bodies.

²⁹ <http://www.poweringprogress.org>, Ministry of Energy and Mines

2.6.2. Major infrastructure and industrial development projects in PEI target provinces

The ADB Institute's analytical report on road development and poverty reduction suggests that about 13 per cent of this decline in rural poverty can be attributed to improved road access alone.³⁰ However, impacts on social and ecological environments should be carefully assessed and mitigated.

a. North-South and East-West Economic Corridors in the GMS

The objectives of the economic corridors are: (i) to facilitate trade and development between and among Cambodia, Lao PDR, Myanmar, Thailand, Viet Nam, and Yunnan Province, PRC; (ii) to reduce transport costs in the project influence area, and move goods and passengers more efficiently; and (iii) to reduce poverty, support development of rural and border areas, increase earnings of low-income groups, provide employment opportunities for women, and promote tourism in its influence area. There are potential conflicts between economic and social development, and environmental protection that may arise due to the construction of economic corridors. For example, UNHABITAT in Lao informed the PEI team of a preliminary assessment report whose key findings included the rise of poverty incidence and environmental degradation associated with the East West Corridor which can be attributed to the improved access and immigration. ADB has a number of activities that specifically address these impacts, including a Strategic Environmental Assessment of the North-South Economic Corridor that is being undertaken by the ADB Environment Operation Center (EOC).

b. Northern Master Plan

“Planning for Industrial Economic Development and Cooperation in Northern Part of Lao People's Democratic Republic” has been drafted by Northern Laos Industrial Economic Development and Cooperation Planning Preparation Group in 2008 and is currently being reviewed and revised. The Plan aims to provide the central and provincial governments in Northern Lao with references for making decisions. It focuses on development of “backbone” industries in Northern Lao (e.g. mining, agriculture, tourism) and provides strategy, policy and vision with objectives and key tasks. The Plan will support the achievement of the following economic growth objectives: by 2015, the GDP of North Lao will be close to 2.2 billion USD, and the per capita GDP will exceed 800 USD. In the period of 2008-2015, the average annual GDP growth rate will be over 9%. The Plan, if implemented, will have significant impacts on the environment and rural livelihoods.

c. Cambodia-Lao PDR-Vietnam (CLV) Development Triangle and Special Economic Zone

Increased attention will be paid to provinces located in this Development Triangle over the next fiscal year. This cooperation programme will be considered and implemented within the framework of the 7th NSEDP.

³⁰ Road development and poverty reduction: case of Lao PDR, Peter Warr, 2005

3. STRATEGY

3.1. Goal and Objective

In order to achieve its socio-economic development goals as defined in the National Growth and Poverty Eradication Strategy and the National Socio Economic Development Plan, pro-poor environmental considerations and natural resource management need to be systematically integrated into the current development planning processes in Lao PDR. The overall goal of PEI in Lao PDR is to support the effective integration of the the environmental concerns of poor and vulnerable groups into policy, planning and implementation processes for poverty reduction, pro-poor growth and achievement of the MDGs.

More specifically, PEI in Lao PDR aims to strengthen the capacity of targeted national and provincial government authorities to integrate environmental concerns and opportunities for poverty reduction in key development planning and implementation processes by:

- Integrating poverty reduction and environmental sustainability linkages in the 7th National Socio Economic Development Plan (NSEDP) 2011-2015 and facilitating policy maker's better access to policy relevant research products on poverty-environment linkages for their informed decision-making;
- Enhancing capacities of national and provincial authorities to plan and manage investments for poverty reduction and sound environmental management;
- Supporting the strengthening of the Environmental and Social Impact Assessment (ESIA) Department of WREA to ensure proper review and approval processes of environmental and social assessments and management plans based on the law and good science in effective coordination with the concerned line ministries and state enterprises;
- Increasing National Assembly members' understanding of poverty reduction and environmental management and their capacity in reviewing and discussing new legislation related to environmental conservation, rural livelihoods and natural resource management.

3.2. Key outputs and activities

PEI Lao PDR has four distinctive but mutually reinforcing components as outlined below which will be nationally implemented with support and oversight by the UNDP, largely by linking with existing programmes. The Ministry of Planning and Investment and the Water Resource and Environment Administration will be focal government agencies in coordinating PEI Framework Lao PDR through the Poverty-Environment Outcome Board.

Output 1: Integration of poverty-environment linkages in the 7th National Socio Economic Development Plan (NSEDP 2011-2015)

During the years 2009 and 2010, the 7th NSEDP will be developed by the Government of Lao PDR. This process will be led by the NSEDP Steering Committee and the Task Force within MPI, with support from the UNDP Poverty Reduction Unit. Given the importance of natural resources to the Lao economy and the livelihoods and well-being of the Lao people, it is considered critical that additional support be provided during the drafting process that strengthens capacities at national and provincial levels, and provides evidence-based research and policy guidance, for the integration of poverty reduction and environmental sustainability linkages into

the NSEDP. Through working together with MPI to develop these activities, PEI will facilitate a sustained shift in the way poverty-environment concerns are tackled by placing pro-poor environmental management at the center of overall national development and poverty reduction strategies, and sector planning and investment.

In this respect, PEI will seek to support the development of four key activities. Firstly, PEI will support development of technical briefs on six topics that analyse key poverty-environment issues and provide a set of recommendations for the NSEDP draft; secondly, planning guidelines will be reviewed for the inclusion of poverty-environment linkages and support will be provided to associated training processes at both the national and provincial levels; thirdly, support will be provided to the development of the monitoring and evaluation system (M&E) with specific focus on Poverty-Environment indicators; finally, jointly develop research on selected issues related to poverty reduction and natural resource management (with all research encompassing a gender perspective) will be realized with key partners such as NERI, EEPSEA, NAFRI, WREI. PEI will also seek to link the scientific results of UNEP’s Millennium Account Project on valuing ecosystem services to the national planning processes. South-South learning event will also be organized with focus on best practice investment management, integrated development planning and science-based policy making for sound national resource management in key development sectors.

Output 2: Managing investments: strengthening capacities to manage investments for pro-poor and pro-environmental outcomes

Consultations with the Oudomxay, Phongsaly, Savannakeht and Saravane Provincial authorities have indicated that investments, particularly foreign direct investments, can have serious adverse impacts on poverty and the environment if not effectively managed. The provincial authorities have expressed a need for assistance in strengthening their capacity to manage such investments, from the initial stages of planning through to monitoring and evaluation.

PEI’s interventions at the national and provincial level will aim to address this need, taking into consideration initiatives by multiple development partners and associated lessons learned. Table 3 details the full range of potential activities proposed by provincial stakeholders to be considered for PEI’s support in this area. Notably the requests differ only slightly between the two regions, and differences can be largely attributed to varied levels of awareness and understanding of poverty-environment linkages and related ecological, social and economic development factors.

Table 3 Poverty-Environment activities proposed by provincial stakeholders³¹

North (Oudomxay, Phongsaly)	South (Savannakeht, Saravane)
<ul style="list-style-type: none"> ▪ Promote sustainable FDI that results in both sound environmental management and development benefits to local people; ▪ Engage the private sector in environmental investment and conservation activities; ▪ Promote the economic potential of natural resources, particularly the economic value of 	<ul style="list-style-type: none"> ▪ Create economic opportunities for local populations to improve local livelihoods; ▪ Allocation of land and forest - people in mountainous areas practicing shifting cultivation do not have land available for their food production when concessions are given; ▪ Strengthen village organisation and establishing

³¹ PEI sub-national workshops in Oudomxay (Dec 2008) and Savannakhet (Jan 2009)

<p>forest protection and its benefits to local people;</p> <ul style="list-style-type: none"> ▪ Implement pro-poor ecotourism as priority industry; ▪ Support the integration of environmental considerations into resettlement and provision of sustainable income generating opportunities for the rural poor and resettled populations, as well as capacity building in negotiation skills; ▪ Support the development of investment strategies at a provincial level; ▪ Support the use of Integrated Spatial Planning (ISP) in policy, planning and practice; ▪ Revise land allocation procedures and develop land use conflict resolution guidelines and training; ▪ Improve environmental regulations and strengthen capacities to minimise negative impacts of development projects and strengthen environmental cooperation between sectors; ▪ Promote sound environmental management in urban areas, tourism and infrastructure projects and environmental investment and fiscal mechanisms; ▪ Improve climate disaster preparedness, recovery and response plans. 	<p>village regulations regarding environmental protection and natural resource management;</p> <ul style="list-style-type: none"> ▪ Gender-specific impacts of investment; ▪ Effective impact assessment and M&E of investment projects to ensure social and environmental impacts are mitigated or minimized and to ensure maximum generation of benefits to local communities.
---	--

On the basis of extensive discussions with national and provincial authorities, PEI will provide targeted support to the management of environment and investment through a series of inter-linked activities including:

- i) supporting better informed investment management through the use of integrated spatial planning resources;
- ii) promoting the application of existing analysis and research on the environmental and social costs and benefits of investment choices to develop strategic investment management approaches,
- iii) facilitating South-South learning on planning and investment,
- iv) supporting the Governor's offices of PEI target provinces to develop provincial strategies on sustainable investment management,
- v) strengthening existing institutional mechanisms and negotiation capacities at provincial level to manage social and environmental impacts of investment,
- vi) strengthening capacities to monitor and enforce investment compliance, and
- vii) strengthening role of community consultation (at district, kumban, village level) to inform investment decisions, management and monitoring.

Opportunities for sound investment can also be found in improving the existing plantation production models (e.g. concession models, smallholder production and contract farming models) to ensure equitable access to land and fair benefits to local communities. Support will also be conducted to identify pro-poor and pro-environment investment options in the selected provinces, including fair trade, organic farming and eco-tourism opportunities. Raising awareness on

Corporate Social Responsibility amongst the private sector and government will also be performed to promote the competitiveness of pro-poor and pro-environment investors. Finally, all activities developed under this component will be realized in close cooperation with the ADB-IFAD Sustainable Natural Resource Management and Productivity Enhancement Project and the Northern Uplands Core Coherent Program (AFD/EC/GTZ/SDC).

Spatial planning resources represent an important tool that can be used to facilitate sound investment management. PEI will also aim to promote the use of spatial planning resources in the investment planning and management process by raising awareness of their existence and encouraging knowledge sharing between the relevant sectors and authorities. Through training events, PEI further aims to improve the capacity of government authorities to interpret these spatial planning resources and use them in decision making processes. Additionally, the legal framework requiring all new investments to be in accordance with national, provincial and district development plans will be reviewed to look at opportunities for mandating the use of these resources in the ESIA and investment approval processes. These activities will be realized at the central level and at the level of the selected provinces and will complement ongoing activities aimed at raising the technical capacity of spatial data users and conducting landuse planning at the provincial level.

In undertaking provincial capacity building activities, PEI will seek to build on the current and planned activities of GPAR at the sub-national level, especially through GPAR's provincial presence in such provinces as Saravane which coincides with PEI's target province. Given GPAR's strength in improving local governance, PEI will try to coordinate its provincial-level capacity building in investment management with GPAR's work in supporting decentralized finance and planning systems, improving central-local relations and strengthening government policy analysis and formulation capacity.

Output 3: Support to the Environmental and Social Impact Assessment of WREA at the national and provincial levels

The Water Resources and Environment Administration (WREA) has established the Environmental and Social Impact Assessment (ESIA) Department in October 2008 in order to address growing environmental threats and to prevent and minimize negative environmental and social impacts of the rapid development activities in key sectors such as hydropower, mining, industry and infrastructure.

WREA as the main regulatory agency of Lao PDR in terms of environmental protection and compensation and resettlement, has proposed the Strengthening Environmental and Social Assessment and Monitoring in WREA (Sesam) program aimed at enabling the ESIA Department to fulfil its current and future mandates as the ESIA authority in Lao PDR. Sesam program seeks to develop capacity within the administration and its provincial offices to undertake the regulatory functions with respect to administrating the Environmental and Social Impact Assessment process and carrying out environmental monitoring and inspection of projects. The Sesam program is a reinforcement and expansion of one of the key components of the Strengthening Environmental Management Phase II Project (SEM II), which is currently being implemented in WREA and 8 Provincial Water Resources and Environment Offices, WREOs. The amendments to the Environmental Protection Law and the new ESIA Regulation are

expected to approved in 2009 and will give WREA and its provincial offices a stronger and clearer mandate on ESIA related issues.

Within the framework of the Sesam program, targeted support will be provided to the ESIA department through PEI in the following areas:

- i) development and implementation of the financial mechanisms and financial management regulations;
- ii) supporting the ESIA information centre;
- iii) development of technical guidelines and procedures including environmental and social guidelines for development projects;
- iv) capacity building support through training needs assessment and planning, implementation of technical and management training and regional cooperation such as twinning arrangements; and
- v) establishing and managing a panel of ESIA experts.

Output 4: National Assembly (NA)³²: strengthening capacities and raising awareness on poverty-environment linkages

The Constitution of Lao PDR, adopted in 1991 and amended in 2003, assigns the National Assembly (NA) as the highest organ of the State, vested with representative, legislative and oversight functions. As such, the NA has a pivotal role in the national policy with wide ranging duties and responsibilities. The NA is the legislative branch of the Government with the right to oversee the activities of the executive organs. Key functions, amongst others, include to prepare, adopt or amend the Constitution, to consider, adopt or amend or abrogate the laws, and to oversee the observance and implementation of the Constitution and laws, resolutions of the session of the National Assembly, resolutions of the National Assembly Standing Committee, the socio-economic development plan and the State budget, and projects that have national importance. The NA has six permanent committees each one responsible for a specific functional area: Law; Economics, Planning & Finance; Social & Cultural Affairs; Ethnic Affairs; Defence & Security; and Foreign Affairs. The Committees are responsible for reviewing bills, proposing amendments and scrutinizing the activities of the government.

Recognizing these fundamental roles of the NA and the need for its capacity development, the United Nations Joint Programme entitled “Support to an Effective Lao National Assembly (SELNA) 2008-2012” was launched in 2008 to enhance the effectiveness and efficiency of the NA. This Joint Programme approach presents a unified work plan and budget, which coordinates inputs from all development partners under a common management arrangement.

PEI will provide technical inputs to the on-going SELNA programme with a focus on raising awareness of the National Assembly members and supporting their legislative functions in the thematic areas of pro-poor natural resource management and environmental conservation. While detailed activities of PEI within the SELNA programme will be further defined through PEI’s participation in the regular SELNA Programme Assurance Group activities, indicative activities to be undertaken by PEI are outlined below.

³² Source: Joint UN Programme Document, Support to an Effective Lao National Assembly, 2008, www.na.gov.la

Over the next two years, the NA will be debating a series of legislative proposals that have critical implications for poverty and the environment – this includes the draft Fisheries Law, Investment Law, and others. PEI will work together with SELENA to achieve Programme Output 1 – Enhanced Parliamentary Capacity for Exercising Legislative and Oversight Responsibility, with a particular focus on strengthening capacities of NA members to guide national development processes in a sustainable manner and reflect the livelihood concerns of the rural poor in key legislations and plans. This will involve the provision of support to four key activities

- i) discussion of key poverty-environment issues during Inter-Session Meetings. This may involve, technical expertise, development and distribution of key policy-relevant documents (e.g. related to climate change, pro-poor investment, ESIA, etc.), and facilitation of a specific session on Gender, Poverty and the Environment addressing the gender and environment linkages.
- ii) dissemination of policy-relevant messages developed from scientific and technical research and knowledge related to poverty-environment.³³
- iii) the Committee on Social and Cultural Affairs, the Committee on Economics, Planning and Finance, and the Committee on Ethnic Affairs to analyse and review the poverty-environment implications of proposed legislation, with a particular focus on key legislation and policies related to investment and natural resource management, such as, the proposed Law on Promotion of Investment (MPI), proposed revision of the Environment Protection Law, proposed Fisheries Law, proposed Law on Land and Natural Resources (NLMA), and others.
- iv) monitoring the implementation of priority Multilateral Environment Agreements (MEAs) such as the United Nations Framework Convention on Climate Change and improving the current mechanisms for handling petitions and complaints related to environment and natural resources management.

Support may also be provided to improving appropriate representation of environmental stakeholders by reviewing the possibility for establishing a forum or caucus on environmental affairs in the National Assembly.

Across these four outputs of the PEI Framework, South-South learning activities will be implemented targeting central and provincial government authorities, business and communities to improve knowledge and information on how sustainable natural resource management and well-managed foreign direct investment can generate sustained benefits for local communities and a healthy environment.

3.3. Country Ownership

The government nominated MPI to lead the project design phase. MPI has led the design phase with extension consultation of Provincial stakeholders at workshops in Oudomxay in December 2008 and in Savannakhet in January 2009 and with Line agencies and development partners at a national workshop in March 2009. The project is in line with national priorities and strategies for socio-economic development, natural resource management and capacity development, as set out in the National Growth and Poverty Eradication Strategy (NGPES), the Sixth Five Year National Socio-Economic Development Plan (2006-2010), and the National Strategy on

³³ This may include the the results of the Environment Outlook report which is currently being finalized by WREA with the support of UNEP Division of Early Warning and Assessment, UNEP DEPI's economic valuation of ecosystem services and other research such as IUCN's scientific report on rubber investments in Lao PDR.

Environment to 2020. These documents all emphasize that planning and poverty reduction processes that actively consider poverty-environment linkages are essential to income generation, to livelihood development, to poverty alleviation and to economic development.

The objectives and activities of PEI Phase I also comply with UNDP's policies and strategies, specifically in the following key areas:

- Country Programme (CP) Outcome 1.1 (Improved and equitable access to land, market and social services, environmentally sustainable utilization of natural resources, with balanced population growth), 1.1.3 (Enhanced knowledge and management capacity of ecosystems, biodiversity, natural resources and environment, and population dynamics), and 1.5 (Enabled environment for growth with equity).
- UNDAF Outcome 1 (By 2011, the livelihoods of poor, vulnerable and food insecure populations are enhanced through sustainable development).
- CCA 1.11 (Strengthening Human Resource) and 1.18 (ensuring the sustainable use of natural resources).
- MDGs, namely Goal 1 (Eradication of poverty and hunger) and Goal 7 (Ensure environment sustainability).
- MYFF Goal 3 (Energy and environment for sustainable development, especially the service line 3.1, which refers to framework and strategies for sustainable development, and service line 3.5 which is concerned with conservation and sustainable use of biodiversity).

4. MANAGEMENT ARRANGEMENTS

National project implementation and implementing partners: The following implementing partners will be responsible for the PEI outputs:

- MPI Department of Planning within the existing management arrangement of the NSEDP project: development of Output 1
- MPI Investment Promotion Department and Provincial Governors Offices of PEI pilot provinces: development of Output 2
- WREA and WREO's of PEI pilot provinces : development of Output 3
- National Assembly within the existing SELNA programme board and the programme assurance group: development of Output 4

ANNUAL WORKPLANS

The Annual Work Plans for each of the components of PEI will be developed as follows:

- Output 1: Integration of poverty-environment linkages in the 7th National Socio Economic Development Plan (NSEDP 2011-2015). PEI supported activities will be integrated into the ongoing programme of support to the Department of Planning of MPI.
- Output 2: Managing investments: strengthening capacities to manage investments for pro-poor and pro-environmental outcomes. A programme of support from PEI has been developed based on extensive provincial and national level consultations realized during the PEI Preparatory Phase.
- Output 3: Support to the Environment and Social Impact Assessment Department of WREA at the national and provincial levels. Specific activities are currently being identified together with the Department of Environment and Social Impact Assessment of WREA.
- Output 4: National Assembly (NA): strengthening capacities and raising awareness on poverty-environment linkages. PEI supported activities will be integrated into the existing SELNA programme.

Annex 1 outlines the responsibilities of the key agencies involved in planning and poverty reduction processes in Lao PDR.

A **Poverty Environment Outcome Board** will be established with overall responsibility for monitoring the achievement of the expected outcome under the PEI framework. The Outcome Board will play an important role in supporting the achievement of PEI outcomes and enhancing coordinated national efforts in the area of natural resources management and environment. The Outcome Board will meet once a year, will be chaired by MPI and WREA, and participants will include UNDP, representatives from key sectors (e.g. MAF and MoF), and other development partners, such as the representatives of the ADB-IFAD Sustainable Natural Resource Management and Productivity Enhancement Project and the Northern Uplands Core Coherent Programme (AFD/EC/GTZ/SDC). The Terms of Reference are attached in annex 8.

PEI Staffing: The following full-time staff will be contracted specifically to lead the implementation of PEI activities in Lao PDR.

- Sr. International Technical Advisor on Environment and Investment (to provide support to all four components of PEI but focused on support to the implementation of Output 2): see ToR in Annex
- Sr. International Technical Advisor on Environment and Social Assessment (to be responsible for delivering the Output 3)
- National Consultant for Environment and Planning (Output 1): see ToR in Annex
- National Consultant for Environment and Investment (Output 2): see ToR in Annex

The project may also recruit short-term national and international experts if judged necessary for successful implementation of each output.

Financial Flow: All the donor funds will route through the implementing agency of the specific output of PEI Lao PDR. Principles of Harmonized Approach to Cash Transfer (HACT) to Implementing Partners will apply. Workplans and associated financial plans will be prepared in consultation with other stakeholders and approved by the Project Board responsible for each Output.

5. MONITORING AND EVALUATION

The project is to be reviewed and reported in accordance with standard procedures and common UNDP monitoring and evaluation practices for National Implementation projects.

External monitoring and evaluation: During the course of the PEI Lao PDR implementation, one monitoring and evaluation exercise will be carried out to assess the overall PEI Lao PDR performance, progress achieved so far and assess if the project outputs and deliverables need adjustment.

Detailed quarterly and annual work plans as well as progress reports on the activities realized will be prepared for each of the Outputs and, where appropriate, integrated into broader work plans to be agreed upon and certified by the designated Board structure. Coordination between the different Outputs and work plans will be ensured through the Outcome Board, and through the coordination of cross-sector activities. The International Technical Advisors will be responsible for supporting MPI to coordinate with the relevant sectors to compile one comprehensive

quarterly progress report as well as the annual progress report for the PEI Framework using a specific standard format.

Monthly and quarterly meetings: Will be realized as indicated in the Output-specific annual work plans. Where appropriate, UNDP/UNEP will participate in regular monthly and quarterly meetings associated with each Output of PEI Lao PDR. The contents of the meetings will focus on the monthly or quarterly work plan and problems encountered in implementation.

Annual meeting: The Outcome Board will meet at least once per year. The purpose of this meeting is to ensure effective coordination between Outputs and provide guidance for programme management and implementation. The meeting will also seek to enhance coordinated approach to poverty-environment related activities supported by different development partners in Lao PDR.

Final report: A final report will be compiled and submitted to UNDP within three months of the termination of the PEI Lao PDR Framework. This report shall give a summary of the actual outcomes, outputs and deliverables compared to the planned outcomes, outputs, and deliverables. The report shall also give an assessment of the efficiency of PEI Lao PDR.

Audit clause: Audits will be carried out in accordance with UNDP's rules and regulations.

6. LEGAL CONTEXT

This document, together with the CPAP signed by the Government of Lao PDR and UNDP which is incorporated by reference constitutes together a project Document as referred to in the Standard Basic Assistance Agreement and all CPAP provisions apply to this document.

7. RESULTS AND RESOURCE FRAMEWORK

Intended Outcome as stated in the Country Programme Action Plan Results and Resource Framework:
1. Improved and equitable access to land, markets and social and economic services, environmentally sustainable utilization of natural resources
Applicable Key Result Area (from 2008-11 Strategic Plan): By 2011, the livelihoods of poor, vulnerable and food insecure populations are enhanced through sustainable development (within the MDG framework)
Partnership Strategy: UNDP-UNEP PEI working with provincial and national government and selected development partners
Project title and ID (ATLAS Award ID): PEI Framework in Lao PDR (ID to be assigned)

Intended Outcome of the PEI Framework (2009-2011) in Lao PDR: Capacity of targeted national and provincial government authorities strengthened to integrate environmental concerns and opportunities for poverty reduction in key development planning and implementation processes

Output 1. Poverty reduction and environmental sustainability linkages are strengthened in the 7th National Socio Economic Development Plan (NSEDP) 2011-2015 and policy makers have better access to policy relevant research products on poverty-environment linkages for their informed decision-making.

INTENDED OUTPUTS	OUTPUT TARGETS (years)	INDICATIVE ACTIVITIES	RESPONSIBLE PARTIES/ PARTNERS	INPUTS
1.1. Formulation of NSEDP VII is undertaken through preparation of analytical research reports, consultation with public and private sector stakeholders.	Y1. Target: Technical briefs published and disseminated Y2. Poverty-Environment linkages integrated in key development sectors' strategies, and programmes of the final NSEDP	1.1.1. Provide pro-active technical advice on integrating pro-poor environmental considerations to the Steering Committee and Task Force 1.1.2. Support development of technical briefs on six identified topics providing the analysis of key poverty-environment issues and a set of recommendations for the	MPI/ PEI	International Expert, national expert, printing, translation, workshop, DSA

		<p>NSEDP draft</p> <p>1.1.3. Organize stakeholder workshops including key sectoral agencies within the framework of the NSEDP Project to discuss the results of the assessment and produce recommendations for policy improvement and alternatives to be approved by the NSEDP Steering Committee</p> <p>1.1.4. Support the Steering Committee and the Task Force in incorporating the recommendations into the final NSEDP document</p>		
1.2. Key poverty-environmental issues mainstreamed into national and sub-national planning guidelines	<p>Y1. Poverty-environment linkages mainstreamed in planning guidelines.</p> <p>Y2-3. Joint training workshops delivered in the four pilot provinces of PEI</p>	<p>1.2.1. Review the current planning guidelines (including participatory planning manual) and provide written inputs to the draft guidelines</p> <p>1.2.2. Undertake joint training workshops to provincial, district and Kumbar authorities</p>	MPI, Provincial Governors Offices / PEI	International Expert, national expert, printing, translation, workshop, DSA

<p>1.3. Poverty-Environment indicators included in the 7th NSEDP M&E system to demonstrate the impact of policy measures, share lessons learned, and guide both adjustments in policies and budget and resource allocation</p>	<p>Y1. Core P-E indicators developed Y.2 Selected Poverty-Environment Indicators (with a focus on natural resources, environment and climate change) included in the 7th NSEDP M&E system</p>	<p>1.3.1. Elaborate the selection criteria of P-E indicators through consultations with the NSEDP Steering Committee and Task Force 1.3.2. Develop a core list of P-E indicators and select priority indicators for approval by the NSEDP Steering Committee and Task Force and inclusion in the NSEDP monitoring system 1.3.3. Support the inclusion of the P-E indicators into the final NSEDP document and the design of reporting templates in consultation with line Ministries and Provinces</p>	<p>MPI, National Statistics Centre/PEI</p>	<p>International Expert, national expert, printing, translation, workshop, DSA</p>
<p>1.4. Support the integration of policy-relevant and action-oriented research related to poverty-environment linkages into the Research Master Plan</p>	<p>Y.1. Research Master Plan contains elements on poverty-environment linkages</p>	<p>1.4.1. Produce a quick assessment of research gaps and needs in the areas of policy-relevant research, addressing poverty environment linkages. 1.4.2. Conduct joint workshops to discuss the gaps and needs and develop a component on poverty-environment in the Research Master Plan</p>	<p>MPI, NERI/PEI</p>	<p>International Expert, national expert, printing, translation, workshop, DSA</p>
<p>1.5. Undertake joint research and dissemination activities in partnership with NERI, EEPSEA, UNEP DEPI to support stronger integration of poverty and environment considerations into the 7th NSEDP and other key plans</p>	<p>Y.1. Selected joint research projects designed and launched Y.2. Research results disseminated and inform the final 7th NSEDP document Y3. Relevant research undertaken and disseminated to feed into the development process</p>	<p>1.5.1. Design research projects jointly with NERI, EEPSEA, UNEP DEPI, IUCN, WWF on e.g. economic valuation of the environment and natural resources, cost-benefit analysis, environmental fiscal reforms, Foreign Direct Investment, community-based natural resource management 1.5.2. Undertake multi-partnership research to support the formulation of the</p>	<p>MPI, NERI / PEI, UNEP DEPI</p>	<p>International Expert, national expert, printing, translation, workshop, DSA</p>

	<p>Y.3. South-South learning events undertaken on science-based policy making</p>	<p>NSEDP through its research activities and consultations</p> <p>1.5.3. Disseminate the research results targeting key line ministries and support the integration of the research findings into the final 7th NSEDP document</p> <p>1.5.4. Organize South-South learning events on science-based policy making for sound natural resource management in key development sectors</p>		
--	---	--	--	--

Output 2. Capacities of national and provincial authorities to plan and manage investments for poverty reduction and sound environmental management strengthened

Intended Output	Output Target (years)	Indicative Actions	Responsible parties	Inputs
<p>2.1 Strengthen capacity of national officials to minimise social and environment impacts through improved investment management</p>	<p>Y1: 1. Assessment of investment process, institutional arrangement and capacity needs undertaken (2.1.1.) 2. Regulations under the new Investment Law reflect social and environmental considerations (2.1.2) 3. Model investment contract for concessions prepared (2.1.4) 4. Technical briefs and guidance materials developed (2.1.5) 5. Proposal for a inter-sectoral online database developed (2.1.6) 6. Targeted national level government staff trained in the use of integrated spatial planning for sustainable investment management (2.1.7) 7. Recommendations for the cross-sectoral coordination mechanism developed and agreed (2.1.8) 8. One training workshop on the ESIA and Investment Law (2.1.9) Year 2-3: 1. Regulations under the new Investment Law reflect social and environmental considerations (2.1.2.), 2. Inputs on social and environmental impacts provided for the development and implementation of a National Investment Strategy (2.1.3.),</p>	<p>2.1.1. Review investment process and MPI's role; undertake a capacity needs assessment of Investment Promotion Department; and review project AWP & RRF accordingly 2.1.2. Support consultation events aimed at the development of regulations under the new Investment Law to effectively consider social (including gender) and environmental impacts of investments 2.1.3. Support the development of a national investment strategy with information on social and environmental impacts and appropriate policy and fiscal measures (including tax incentives) 2.1.4. Support the preparation and implementation of model contracts for different types of agriculture-related investments that incorporate best practices for monitoring and evaluation, environmental and social obligations, and which can be adapted to the provincial context (activity to be undertaken together with MAF, WREA, NLMA, MEM) 2.1.5. Develop and disseminate policy, technical briefs and guidance that apply existing analysis and research on the environmental and social costs and benefits - of which at least one includes a specific gender analysis - of investment choices 2.1.6 Support appropriate arrangements to populate, launch and maintain a publically accessible online database in Lao and English of concessions in Lao PDR (together with WREA, NLMA and MAF) 2.1.7 Undertake training events for key government staff at the national level to support better informed investment management through the</p>	<p>MPI, WREA, NAFRI, NLMA</p>	<p>International TA Printing Workshops National consultant Translator Maps etc. (Physical and digital integrated spatial planning materials and data) Travel</p>

Intended Output	Output Target (years)	Indicative Actions	Responsible parties	Inputs
	<p>3. Model contracts revised and implemented in PEI pilot provinces (2.1.4.),</p> <p>4. Online database of national concessions, designed, produced and operating in Lao and English (2.1.6.),</p> <p>5. Continued training support to national staff in the use of integrated spatial planning for sustainable investment management (2.1.7),</p> <p>6. Inter-ministerial coordination mechanism established and targeted national staff trained for the implementation of ESIA decree and the new Investment Law (2.1.8/9),</p> <p>7. Private sector investment's social and environmental best practices documented and disseminated (2.1.10),</p> <p>8. Two PEI South-South events featuring component on using integrated spatial planning held in Lao PDR (2.1.11)</p>	<p>use of integrated spatial planning (ISP) resources in accordance with the Investment Law including (i) raising awareness of existing spatial planning resources available; (ii) interpreting land use suitability maps and other spatial planning resources; and (iii) managing investment decisions through spatial planning (drawing on existing WREA, NLMA and other concessions databases)</p> <p>2.1.8 Establish mechanisms for coordination with WREA, MAF and other line ministries in the implementation of the new ESIA decree and Investment Law</p> <p>2.1.9 Conduct three joint training events for IPD, WREA, MAF and relevant line Ministries which focus on the implementation of the new ESIA and Investment Law</p> <p>2.1.10 Document and promote good practices in the private sector related to minimizing social and environmental impacts i.e. corporate social responsibility, together with MIC, Lao Chamber of Commerce, and other development partners</p> <p>2.1.11 Facilitate two South-South learning events to support planning and management of investment (i) lesson-sharing event and (ii) dissemination of lessons-learnt through knowledge management networks</p>		
<p>2.2. Strengthen institutions and processes to minimize social and environmental impacts of investment in selected provinces</p>	<p>Y1: 1. Investment management institutions and processes reviewed at sub-national levels</p> <p>2. Proposals for enhancing inter-sectoral coordination at the provincial level developed</p> <p>Y2-3: 1. Inter-sectoral coordination</p>	<p>2.2.1. Review existing institutions, processes and incentives related to investment management (including resulting social and environmental impacts, and mechanisms for community consultation / dialogue, see activity output 2.5) at Kumban, District and Provincial levels, considering opportunities for participation of both men and women in the analysis</p> <p>2.2.2. Strengthen coordination mechanisms on investment at the Provincial level to minimize</p>	<p>Governors' Offices, MPI, ADB-IFAD project committee, multi-donor Northern Uplands programme, DPI, PAFO, NLMA, GPAR, WREO</p>	<p>International TA Translator Workshops Travel National consultant</p>

Intended Output	Output Target (years)	Indicative Actions	Responsible parties	Inputs
	<p>enhanced at the provincial level</p> <p>2. Two fair trade expos organized</p> <p>3. Provincial investment strategy launched in PEI pilot provinces</p> <p>4. Above outputs replicated for two additional provinces</p>	<p>environmental and social impacts (including key stakeholders such as Governors' Offices, DPI, WREO, PAFO, Lao Women's Union, etc. and in collaboration with key development partners)</p> <p>2.2.3. Realize two fair trade expos to promote pro-poor and pro-environment investment options in coordination with PAFO and key development partners (one in the North and one in the South)</p> <p>2.2.4. Support the development of Provincial Investment Strategies in four provinces (2 in yr 2, 2 in yr 3) that incorporate environmental sustainability and minimize social and environmental impacts (in close coordination with key development partners)</p>		
<p>2.3. Strengthen provincial level capacities to appraise, locate and negotiate investment contracts to minimise social and environmental impacts</p>	<p>Y1: 1. Sub-national level capacity needs assessed for investment appraisal, location and negotiations</p> <p>2. 2 training sessions undertaken for 2 pilot provinces</p> <p>3. Technical inputs on social and environmental management through investment contracts provided to 2 pilot provinces</p> <p>Y2 -3: 1. 2 training sessions on the use of ISP undertaken for 2 pilot provinces,</p> <p>2. Provincial capacity improved in investment screening and negotiation for social and environmental safeguards,</p>	<p>2.3.1. Undertake an assessment of provincial and district level technical capacity needs for appraising, locating and negotiating investments including (i) integrated spatial planning; (ii) ESIA; (iii) village and kumban consultation (see activity output 2.5, in collaboration with key development partners); and (iv) review AWP accordingly</p> <p>2.3.2. Undertake training event for Governors' Office, DPI, PAFO, WREO, DEM, and others from 4 provinces (2 in yr 1, and 2 in yr 2) to promote the use of integrated spatial planning resources in accordance with the Investment Law including (i) raising awareness of existing spatial planning resources available; (ii) interpreting land use suitability maps and other spatial planning resources; and (iii) managing investment decisions through spatial planning (drawing on existing concessions databases)</p> <p>2.3.3 Provide joint technical advisory and capacity</p>	<p>MPI, Governors' Offices, WREO, PAFO, ADB-IFAD, multi-donor Northern Uplands programme</p>	<p>International TA</p> <p>National consultant</p> <p>Travel</p> <p>Field oriented training events</p> <p>Printing</p>

Intended Output	Output Target (years)	Indicative Actions	Responsible parties	Inputs
		<p>building to provincial officials to screen and negotiate investments to minimise social and environmental impacts including strengthening agreements on investor-financed monitoring requirements for ESIA's in future contracts (with key development partners)</p> <p>2.3.4 Review and raise awareness amongst provincial authorities of the legal context guiding the investment approval and management process in accordance with the anticipated new Investment Law</p>		
<p>2.4. Strengthen provincial level authorities capacity to monitor and enforce investment compliance</p>	<p>Y1: 1. Provincial capacity needs assessed for monitoring and enforcement of social and environmental safeguards</p> <p>2. A monitoring and enforcement plan developed</p> <p>Y2-3: 1. Monitoring and enforcement plan implemented through technical inputs and training in PEI pilot provinces</p>	<p>2.4.1. Undertake an assessment of monitoring and enforcement requirements at provincial and district levels for investment contracts, including an analysis of technical capacity needs (in collaboration with key development partners); and (iv) review AWP accordingly</p> <p>2.4.2. In conjunction with key line agencies at provincial and central levels, facilitate the development of a coordinated monitoring and enforcement plan for selected provinces (2 in yr 2, and 2 in yr 3), which would include (i) clarifying roles and responsibilities of monitoring offices; (ii) supporting information sharing across offices; (iii) encouraging use of relevant tools to verify compliance of investment activities; (iv) preparing baselines; (v) implementing mechanisms for monitoring activities (to be financed by investor)</p> <p>2.4.3. Support implementation of provincial monitoring and enforcement plan through the development of checklists / guidelines to monitor and enforce investors' compliance with</p>	<p>MPI, WREA, Governors' Offices, DPI, PAFO, National Leading Committee on Rural Development and Poverty Eradication, WREO, FIPD, NLMA</p>	<p>International TA</p> <p>Translator</p> <p>National consultant</p> <p>Maps etc. (Physical and digital integrated spatial planning materials and data)</p> <p>Field oriented monitoring and enforcement training</p> <p>Travel</p>

Intended Output	Output Target (years)	Indicative Actions	Responsible parties	Inputs
		<p>conditions of investment and relevant legislation</p> <p>2.4.4. Support implementation of provincial monitoring and enforcement plan through targeted technical training that strengthens capacities of provincial officials to monitor and enforce investors' compliance with conditions of investment and relevant legislation</p>		
<p>2.5. Strengthen role of community consultation (at district-kumban-village level) to inform investment decisions, management and monitoring</p>	<p>Y1: 1. Recommendations presented for appropriate mechanisms for strengthening community consultation to inform investment decisions, management and monitoring (institutional and informing) (2.5.1.-2.5.2.)</p> <p>Y2-3: 1. Piloting consultation mechanism in 2 districts per province in 2 provinces (2.5.1.-2.5.2.)</p> <p>2. Potential for replication of pilot mechanism assessed, modified and replicated in additional 2 districts per province in 2 provinces</p>	<p>2.5.1. Facilitate the development of mechanisms for local people (both men and women) to provide input to decision making processes on proposed investments, together with the Lao Front, Lao Women's Union, Provincial National Assembly Offices, and other relevant institutions</p> <p>2.5.2. Expand mechanism developed under output 2.5.1. for local people (both men and women) and government (village-kumban-district) to provide feed-back on performance of existing investors to relevant local officials and central authorities, together with the Lao Front, Lao Women's Union, Provincial National Assembly Offices, and other relevant institutions</p>	<p>MPI, Governors' Offices, DPI, WREO (including WREA-SEMII support), district offices, kumban and village level representatives</p>	<p>International TA National consultant</p> <p>Travel</p> <p>Materials (maps, participatory planning aids etc.)</p>

Output 3: The Environmental and Social Impact Assessment (ESIA) Department of WREA has strengthened capacity to ensure comprehensive review and approval processes of environmental and social assessments and management plans based on the law and good science in effective coordination with the concerned line ministries and state enterprises.

INTENDED OUTPUTS	OUTPUT TARGETS (years)	INDICATIVE ACTIVITIES	RESPONSIBLE PARTIES/PARTNERS	INPUTS
Institutional development				
3.1 WREA has developed and is implementing a system for obtaining funds to substantially cover the costs of operating the ESIA Dept. The system works and is audited in accordance with international standards for financial management	Y1: Funding mechanism developed and agreed upon by Government Y2-Y3: Funding mechanism fully operational	<p>3.1.1 Support the development and operation of a sustainable financing mechanism</p> <ul style="list-style-type: none"> - Identify and assess possible sources of funding for a sustainable financing mechanism, including i) contributions from developers through Concession Agreements; ii) Fees for ESIA reviews and monitoring; iii) Share of royalties and dividends from hydropower and mining projects; - Consultations with concerned ministries mainly Ministry of Finance and Ministry of Energy and Mines to come to agreement on principles; - Development of the financial mechanisms and financial management regulations that comply with international standards for periodic internal and external auditing; - Implementation of the financial mechanisms and management regulations including training; <p>(Activities will build on those already supported by SEMII and World Bank)</p>	WREA	International TA Translator Workshops Travel National consultant

<p>3.2 WREA/ESIA Dept has established an Environmental and Social Assessment Information Centre, which provides access to information about the environmental and social impacts and mitigation measures of projects</p>	<p>Y1: WREA/ESIA has established an Environmental and Social Assessment Information Centre, which provides access to information about the environmental and social impacts and mitigation measures of projects</p> <p>Y2-3: Information center serves as a resource for WREA and other interested parties, including the public</p>	<p>3.2.1. Establishment and operation of an ESIA Information Centre</p> <ul style="list-style-type: none"> - Development of public information materials 	<p>WREA</p>	<p>WREA International TA Translator National consultant Printing</p>
<p>3.3 WREA/ESIA Dept has developed and/or updated technical guidelines and procedures helping the ESIA Dept, concerned ministries, state enterprises and developers conform to best environmental and social assessment and mitigation practises</p>	<p>Y1 – Y3: On an annual basis, at least an average of three new and/or updated technical guidelines and procedures elaborated</p>	<p>3.3.1. Support materials and technical guidelines</p> <ul style="list-style-type: none"> - General Environmental and Social Guidelines - Specific Environmental and Social Guidelines <ul style="list-style-type: none"> ▪ Tourism Development Project ▪ Agro Processing Industry Project ▪ Forest Plantation Project - Procedures for reviewing Screening and Scoping Report - Procedures for reviewing Resettlement Action Plans - Procedures for reviewing Environmental and Social Impact Assessment - Procedures for pre-construction site visits; - Procedures for issuing Environmental Compliance Certificate - Procedures for monitoring and auditing project having received ECC - Procedures for disclosure of information to 	<p>WREA</p>	<p>International TA Translator Workshops Travel National consultant</p>

		the public		
Capacity Building and Training				
<p>3.4 Through the implementation of the capacity building program , the personnel of the ESIA Department is capable of carrying out their tasks and functions in accordance with the expected future mandate of the ESIA Department including:</p> <p>a. Administrating the environmental and social impact assessment procedures including reviewing and approving Environmental and Social Impact Assessments, ESIA's, Environmental Management Plans, EMPs, Resettlement Action Plans, RAPs and Social Development Plans, SDPs;</p> <p>b. Drafting and proposing to the Minister of WREA Environmental Compliance Certificates for EIA/EMPs, SIA/RAP/SDPs with clearly defined environmental and social requirements;</p> <p>c. Conducting efficient and</p>	<p>Y1: Training plans developed for each centre/division and each staff Training modules developed / updated</p> <p>Y2-Y3: At least three intensive technical training courses and two intensive management training courses, realized per year</p>	<p>3.4.1. Realize a comprehensive training needs assessment and plan</p> <ul style="list-style-type: none"> - Develop training plans for each centre/division and each staff; - Develop or update training modules; - Conduct training; - Support implementation of tasks: <ul style="list-style-type: none"> ▪ Review and approval of EIAs/EMPs/SIAs/SDPs/RAPs; ▪ Issuance of ECCs; ▪ Environmental field inspections and monitoring; ▪ Monitoring of implementation of Resettlement Action Plans and Social Development Plans; ▪ Review of social and environmental obligations in Concession Agreements; - Assess performance of tasks <p>3.4.2. Conduct key technical training courses that address the following areas</p> <ul style="list-style-type: none"> - Review and approval of EIA/EMPs; - Review and approval of SIA/SDP/RAPs; - Review of social and environmental obligations in Concession Agreements; - Planning, preparation and conductance of environmental monitoring and inspection of projects; - Determination of conditions in 	WREA	<p>International TA</p> <p>Translator Workshops</p> <p>Travel</p> <p>National consultant</p>

<p>effective environmental monitoring and inspection of projects and activities that may have a negative impact on the environment;</p> <p>d. Conducting efficient and effective monitoring of Social Development Plans, SDPs and Resettlement Action Plans, RAPs;</p> <p>e. Enforcing compliance with ECCs, EMPs, SDPs, RAPs and environmental standards;</p> <p>f. Reviewing and approving the environmental and social obligations in Concession Agreements;</p> <p>g. Ensuring proper coordination and harmonization of management of environmental and social issues in particular with respect to the hydropower and mining sectors with the PWREOs, line Ministries and other concerned agencies;</p>		<p>Environmental Compliance Certificates;</p> <ul style="list-style-type: none"> - Determination of conditions in certificates for Social Impact Assessments and Resettlement Action Plans; - Training on spatial and non-spatial environment data analysis (GIS, GPS, Remote sensing application); - Training on development environmental assessment and monitoring indicators; - Economic assessment of environmental measures; - Environmental auditing <p>3.4.3. Support the implementation of management training;</p> <ul style="list-style-type: none"> - Leadership; - Team building; - Negotiation; - Financial management; - Staff management; - Regional cooperation improved through the development of twinning arrangements 		
<p>3.5 WREA has established and is managing an expertise network in environmental and social assessment and management. The expertise network functions as a resource base for independent reviews</p>	<p>Y1: Members for the experts network identified and confirmed; workshop realized to launch the experts network Terms of reference and operational procedures for the Expert Review Panel approved</p>	<p>3.5.1. Establish and manage a panel of ESIA experts:</p> <ul style="list-style-type: none"> - Seek members for the expertise network and launch the network in a workshop; - Conduct workshop launch - Develop work plan for the network management and procedures 	<p>WREA</p>	<p>International TA Translator Workshops Travel National</p>

(expert review panel) of ESIA's, EMPs, SDPs and RAPs as well as a forum for sharing of knowledge and expertise;	Y2-Y3: Meetings / workshops held at least twice per year	<ul style="list-style-type: none"> - Develop Terms of References and operational procedures for the Expert Review Panel; - Conduct regular meetings/workshops with the members of the network 		consultant
3.5 Management support to WREA (estimate)				

Output 4. National Assembly members have improved their understanding of the poverty-environment linkages and capacity to influence national development processes towards sound natural resource management.

INTENDED OUTPUTS	OUTPUT TARGETS (years)	INDICATIVE ACTIVITIES	RESPONSIBLE PARTIES/PARTNERS	Inputs from PEI
<p>4.1. Members and Committee Department Staff improved their awareness and understanding of key poverty-environment linkages in planning, budgeting and legislative processes.</p>	<p>Y1. At least 2 joint awareness raising activities undertaken</p> <p>Y2. At least 2 workshops on relevant research results and launching of a knowledge network with components on natural resource management for poverty reduction</p> <p>Y2. At least one workshop on environment and gender linkages undertaken</p> <p>Y3. 60% of Members have participated in at least one awareness raising workshop on sound natural resource management and environmental conservation</p>	<p>4.1.1. Carry out joint awareness raising activities on sustainable natural resource management, poverty-environment linkages, social and environmental impacts of foreign direct investment</p> <p>4.1.2. Enhance access to policy-relevant technical researches through workshops and creating a knowledge network between the NA and relevant research institutions at the national and regional levels</p> <p>4.1.3. Provide technical inputs to include a component on poverty and environmental sustainability in the training module to be developed within the framework of the Joint UN Support for the NA</p> <p>4.1.4. Support the gender sensitisation workshop with technical inputs to the linkages between gender and environment</p>	<p>National Assembly, PEI</p>	<p>International Expert</p>

<p>4.2. Promote the institutionalized representation of poverty-environment stakeholders in the National Assembly</p>	<p>Y1. Consultation reports with recommendations developed and disseminated</p> <p>Y2. A number of Members of the NA identified as members of potential environment-related Committee, or a Caucus</p> <p>Y3. Thematic focus on environmental sustainability integrated in at least one international exchange programme</p>	<p>4.2.1. Undertake consultations to explore the possibility of establishing a Committee, caucus or a forum on poverty and environment composed of the Members of the National Assembly and renowned experts and non-government actors</p> <p>4.2.2 Provide technical recommendations on the institutional strengthening of the environmental governance of the National Assembly</p> <p>4.2.3. Facilitate the international exchanges and lessons learning on best practices of the National Assembly's contribution to mainstreaming environmental sustainability into development processes</p>	<p>National Assembly, PEI</p>	<p>International Expert</p>
<p>4.3. The National Assembly's capacity for substantive involvement in law making and monitoring of the key poverty-environment related policies is improved.</p>	<p>Y1. Legislation on priority topics related to environmental management drafted or reviewed (e.g. Law on Investment)</p> <p>Y2-Y3. Implementation of key development sector policies and legislations reviewed by relevant Committees and its review results disseminated to the NA, Government and the general public</p>	<p>4.3.1. Assist the Committees in drafting or reviewing legislation on specific topics, e.g. Law on Investment</p> <p>4.3.2 Assist the Committees to scrutinize key development sectoral policies and monitor the implementation of environmental regulations in key development sectors</p>	<p>National Assembly, PEI</p>	<p>International Expert</p>
<p>4.4 The National Assembly is better able to monitor the implementation of priority Multilateral Environment Agreements (MEAs)</p>	<p>Y1. Members of the targeted Committees have improved their understanding of priority MEAs and their</p>	<p>4.4.1. Support the review of the implementation of priority MEAs (e.g. United Nations Framework Convention on Climate Change, Convention on Biological Diversity)</p>	<p>National Assembly, PEI/WREA</p>	<p>International Expert</p>

	<p>implications to poverty reduction</p> <p>Y2. Technical assistance provided to the reviewing sessions of targeted MEAs</p> <p>Y3. National Assembly's review results and recommendations on at least two MEAs produced and fed into the relevant government agencies</p>			
<p>4.5. Assess and improve the current mechanisms for handling petitions and complaints related to environment and natural resource management by the National Assembly</p>	<p>Y1. Analysis report on environmental petitions produced and disseminated to National Assembly members</p> <p>Y2-Y3. Technical support to the implementation of the agreed recommendations through the development of guidelines</p>	<p>4.5.1. Analyse the current mechanisms of petitions and complaints related to environment and natural resources</p> <p>4.5.2. Propose the recommendations for the effective petition process in the areas of environment and natural resource management</p> <p>4.5.3. Support the development of guidelines for effective handling of environmental petitions</p>	<p>National Assembly, PEI/WREA</p>	<p>International Expert</p>

8. ANNUAL WORKPLANS

The Annual Work Plans for each of the components of PEI will be developed as follows:

- Output 1: Integration of poverty-environment linkages in the 7th National Socio Economic Development Plan (NSED 2011-2015). PEI supported activities will be integrated into the ongoing programme of support to the Department of Planning of MPI.
- Output 2: Managing investments: strengthening capacities to manage investments for pro-poor and pro-environmental outcomes. A programme of support from PEI has been developed based on extensive provincial and national level consultations realized during the PEI Preparatory Phase.
- Output 3: Support to the Environment and Social Impact Assessment Department of WREA at the national and provincial levels. Specific activities are currently being identified together with the Department of Environment and Social Impact Assessment of WREA.
- Output 4: National Assembly (NA): strengthening capacities and raising awareness on poverty-environment linkages. PEI supported activities will be integrated into the existing SELNA programme.

Annex 1 List of institutions involved in the PEI Preparatory Phase

Key institutions involved in the PEI Preparatory Phase have included, but not been limited to, MPI, WREA, MAF, MoF, NCRDPE, Governor's offices of pilot provinces, sector authorities in pilot provinces, MEM, LMA, NA, Women's Union, Lao National Front, development partners (including IFAD, ADB, EC, GTZ, WB, Ausaid, FAO, and so on) and INGOs (IUCN, WWF, etc.).

Annex 2 Key Agencies involved in Planning and Poverty Reduction Processes in Lao PDR

Ministry of Planning and Investment

MPI and its Department of General Planning is responsible for the preparation of the 5-Year National Socio-Economic Development Plan at all administrative levels. MPI also plays a central role in coordinating the Government decision in investment proposals at the central and provincial levels and provides a one-stop service to investors through the Committee for Promotion and Management of Investment (CPMI). At the provincial level, the Department of Planning and Investment and the provincial division of planning and investment provide a one-stop service coordinating the local government agencies' inputs. Under the MPI, the National Statistics Centre is strengthening national databases and management systems including core indicators for monitoring impacts of NSEDP. The National Economic Research Institute (NERI) is also working in the areas of economic monitoring, research and analytical support for the overall policy formulation and planning processes. Currently, MPI's interest in strengthening the consideration of environment and climate change in the 7th NSEDP warrants a programme of support to increase their technical capacity. Together with a recent initiative to undertake full costing of the MDGs (including MDG 7), the Ministry requires technical assistance in developing knowledge of environmental planning, environmental economics and climate change. The importance of strengthening capacity in environment-related issues may result in the establishment of an environment unit within the Department of Planning, with technically competent staff who develop activities in close coordination with WREA. National Committee on Rural Development and Poverty Eradication under the Prime Minister's Office is primarily responsible for overseeing the implementation of all poverty reduction programmes including the Poverty Reduction Fund. It is not an implementing body, but a reporting body for the Prime Minister's Office. The Committee's core functions include coordination between sectoral agencies as well as central and provincial levels for rural development, the Monitoring & Evaluation of implementation of poverty reduction programmes, recommendations and advisory role for strategic planning for poverty reduction and coordination of international development cooperation including domestic and international fund raising such as ODA and private sector investment. Established in 2007, the Committee members are Vice-Ministers from 16 line Ministries. In order to ensure that the Committee's recommendations are considered by the government, the Committee can draft a PM decree or order, take part in the agenda setting for government meetings and submit regular reports. For the fiscal year 2008-2009, the committee was assigned the task to study fund management policy to maximize fund utilization (including Poverty Reduction Fund, Environment Protection Fund and Forestry Fund). The Committee completed compliance of 12 provinces in managing and coordinating smoothly. As a result of the

Committee's efforts, areas of slash and burn forest for unplanned shifting cultivation have reduced and activities to combat tobacco plantations accelerated.³⁴

National Land Management Authority (NLMA)

This relatively new organisation is responsible for overall land-use management policy, land administration, land registration and titling and land reallocation programmes. The NLMA has 4 departments (land use, policy, statistics, planning) and one cabinet. Statistics include information on natural resources and these feed into the planning department which then provides information to the land use department for land allocation and certification of different uses. The policy department identifies problems and improves approaches. This structure is replicated also at the provincial level. Land titles are given for individuals, government, organizations, and villages. The NLMA also supports the attainment of the national goal of achieving 70 percent forest cover through designating land for conservation and rehabilitation. The agency puts emphasis on resettling populations in the Northern part of the country through zoning and promoting alternative livelihoods. Stakeholder consultations and a number of reports indicate that there exist many areas of overlap and redundancy between NLMA and MAF. A computerized nation-wide land use master plan is being developed to be approved by the Government and the new law on Land has sections on zoning, land use and conservation. NLMA has a strong need for reinforcing its capacity and coordinating all the different planning exercises at different Ministries.

The Water Resource Environmental Administration (WREA)³⁵: is mandated with ensuring source water resource and environmental management in Lao PDR. WREA is currently working closely with MAF on developing a new Water Law, in which integrated watershed planning will be a key element. In parallel WREA is developing a National Water Resource Policy and Strategy, and an inventory and assessment of national water resources information. The Department of Environmental and Social Impact Assessment is responsible for reviewing Environmental Impact Assessment (EIA) and Social Impact Assessment (SIA) reports, and issuing environmental compliance certificates for projects. The Department of the Environment houses the Climate Change Office, houses the GEF Political and Operational Focal Points and acts as the secretariat to the coordinating National Environment Committee (NEC).

Ministry of Agriculture and Forestry (MAF)³⁶: The MAF plays a leading role in rural development efforts, given that some 73% of the rural population rely on agriculture and forests for its livelihoods. In the past, MAF has developed policies in the following areas related to poverty eradication: food security, agribusiness development, watershed conservation, forest production, producer group formation, developing small food related SMEs, and income generation. MAF is responsible for land-use planning in the agricultural land and forestry. MAF works closely with NLMA to ensure effective land use planning and land rights to local communities. MAF also coordinates closely with MPI to ensure well-coordinated planning as well as with WREA, MEM and MIC to ensure effective social and environmental impact assessment of mining, hydropower, industrial development on food security. Under the MAF, NAFRI was established in 1999 and has the task of designing, implementing and coordinating all agriculture and forestry research in Lao PDR. NAFRI is now one of the leading agencies in the agriculture and natural resource sector as its roles have quickly evolved from a focus on providing technical research results to informing national debate on poverty alleviation and agricultural development.

³⁴ Mid-term review of the NSEDP 2006-2010, 2008

³⁵ Source: Diagnostic Study on Northern Uplands Development Programme, 2008

³⁶ Idem

Ministry of Finance (MOF): There are two budgetary processes: capital expenditure (handled by MPI) and recurrent expenditure (by MOF) although there is not necessarily a strong linkage between the two. The budget system is not computerized, with over 200 budget headings. A new computerized system is estimated by some to cost about \$30M. Immediate needs include strengthened bottom-up, top-down integration, improved accounting, and strengthened capacities.

Other key development agencies include the Ministry of Energy and Mines (MEM) and the Ministry of Industry and Commerce (MIC). The Lao National Chamber of Commerce (LNCCI) is an organization of people from the private sector that includes more than 1000 members.

Annex 3 Key Planning Processes

National level

Lao PDR is currently implementing the Sixth National Socio Economic Development Plan (NSEDP) (2006-2010). Environment is considered a cross-cutting issue within the Plan. The Plan was formulated on the basis of strategic framework developed by the National Growth and Poverty Eradication Strategy. Each sectoral government agency develops and implements sectoral strategies and programmes in line with the NSEDP.

Key Environmental Planning:

Lao PDR is developing a sound legal framework for environmental protection and natural resource conservation with the introduction of the Environmental Protection Law of 1999 supported by its Implementing Decree of 2002. This is the main legislation for environment in the country. In addition, there are a number of legislations and regulations impacting environment that includes the Forest Law, 1996; the Environment Protection Law, 1999; and, the Decree on Environmental Impact Assessment, 2002. Enforcement of these laws and regulations together with skills to implement and enforce legislation and policies has to be strengthened. The Environmental Protection Law and the Decree on Environmental Assessment are in the process of redrafting. MAF is working together with multiple sectors to achieve Government targets of 70% forest cover by 2020.

Land allocation policy

Land allocation (with agricultural area of 4.21 million ha and forestry area of 6.65 million ha) has been completed for 443,523 households in 7,130 villages. Areas of slash-and-burn forest for unplanned rice cultivation have been reduced from 14,400 ha in 2006 to about 8,025 ha in 2007 due to the expansion of industrial trees plantation which increased up to 6,000 ha in some provinces such as Luangphabang, Oudomxay, Bokeo, Bolikahmxay, Savanakhet, Champasack and Saravan.³⁷

Environmental budgeting:

Public environment expenditures (PEEs)³⁸ account for only 0.7 percent of total public expenditures and declined by 36 percent between 2002 and 2005. This decrease was driven by a

³⁷ Mid-term review of the NSEDP 2006-10, 2008

³⁸ Source: Lao Public Expenditure Review 2007, WB, IMF, ADB and EC, Government of Lao PDR

sharp reduction in foreign grants. Recurrent expenditures on environment related activities have not kept pace with capital expenditures. Foreign aid makes up more than 90 percent of public environment expenditures. Historically, more than 90 percent of public environment expenditures has been made by only two key agencies, the Ministry of Construction, Transport, Post, and Communication (MCTPC) (36 percent) and the Science, Technology, and Environment Agency (STEA– now WREA) (58 percent)³⁹.

Provincial level

On the basis of NSEDP, provinces and districts identify projects and programmes in Kumban (village clusters) and districts by utilizing Participatory Planning Manual and district planning procedures. At the provincial level, DPI and the Committee on Rural Development and Poverty Eradication play a role in the overall coordination with provincial-level line departments for the preparation, implementation and monitoring of annual socio-economic development plans. DPI provides guidelines to line agencies for their sectoral plan formulation. Provincial departments receive guidance from the respective ministries to ensuring coherence of the priorities of the provinces with those of the NSEDP. The annual sectoral development plans from line departments are compiled, by DPI and constitute the Provincial development plan. Provincial committees exist under National Leading Committee for Rural Development and Poverty Eradication (NLCRDPE) with representatives from DPI and other line departments to guide poverty reduction programmes in provinces.

Kum Ban Pattana⁴⁰ (cluster of villages that allow planning and the delivery of public services at an intermediary level between village and district): The KBP is not a formal administrative level like the commune but rather a cluster of villages administered by a district committee with village level representation. Under the NSEDP support project which began in 2006, the General Planning Department in the MPI has developed a participatory planning manual to guide the development of poverty reduction plans at *kum ban phattana* level, and to date has prepared plans for 40 of the 47 poorest districts. Subsequently, MPI intends to develop plans for the 25 ‘poor’ districts also. The Assessment of the Participatory Planning Manual indicates a very poor level of linkages with NSEDP, key sectoral strategies and other key development plans and activities as well as poor consideration of gender.

Annex 4 Responsibilities of the Poverty Environment Outcome Board

Detailed ToRs for the Poverty Environment Outcome Board are to be elaborated and approved by MPI, WREA and UNDP. The Outcome Board will meet at least once per annum and will provide oversight and guidance to the development of activities by the UNDP/UNEP Environment Unit in Lao PDR. The Outcome Board will be chaired by MPI and WREA and will include UNDP, and representatives from other key sectors (e.g. MAF and MoF), and donors.

Annex 5 Terms of Reference: International Technical Advisor on Environment and Investment

³⁹ Public Expenditure Review: Integrated Fiduciary Assessment, World Bank, IMF, ADB, EC, 2007

⁴⁰ This information is based on the Participatory Planning Assessment Report supported by UNDP, 2008

I. Post Information	
Post Title:	Environmental Economist (Technical Advisor)
Type of Contract:	ALD 4
Location:	Vientiane, Lao PDR
Vacancy Type:	External
Application Deadline	24 April 2009
Time Frame:	12 months with possibility of extension
Start date:	Immediate

II. Background

Lao PDR is situated at the heart of the Greater Mekong Sub-region (GMS) bordering all the other five GMS countries (Cambodia, People’s Republic of China, Myanmar, Thailand and Viet Nam). Lao PDR is currently classified as a ‘Landlocked and Least Developed Country’ (LLDC) and is considered by the international community to be one of the poorest countries in the world. The country’s human development ranking is 133rd among 179 countries. With an estimated per-capita income of US \$580, a population of around 5.7 million, and a land area of 236,800 km², Lao PDR has significant natural resources, including forestry and minerals, as well as hydropower potential. In spite of a declining share, agriculture is still the largest sector in the Lao economy, contributing 42 percent to the country’s Gross Domestic Product (GDP) in 2006 and employing nearly 80 percent of the labour force. At the national scale, natural resources contribute three quarters of the per capita GDP, more than 90% of the employment, almost 60% of exports and foreign exchange earning, just under a third of government revenues and nearly half of foreign direct investment inflows.

Lao PDR is currently faced with key environmental challenges including deforestation, biodiversity loss, depleting fish stocks, inadequate access to clean water and sanitation to rural populations, inappropriate use of chemicals and climate change and natural disasters. The Millennium Development Goals 2008 Mid-Term Report for Lao PDR indicates that MDG7 is unlikely to be met by 2015 without significant and substantial efforts on behalf of the Government of Lao PDR and donors. Given the close linkages between environmental health and poverty, levels of malnutrition, health, income and others, sustainable natural resource management is critical for the Lao PDR to achieve the MDGs.

The recent rapid influx of Foreign Direct Investment has been an important source for government revenues and force for accelerating economic growth. In 2008, USD 2,807 million of FDI has been implemented with a further USD 659 million approved over a combined 146 projects. The increasing demand from other countries for Lao PDR’s abundant natural resources is further accelerating the pace of the exploitation of these resources frequently, with many associated challenges. This rapid development of investment activities is putting increasing pressure on the environment and the natural resource base upon which many rural people rely for their livelihoods. These investments currently include agricultural plantations, mining, hydropower, wood and wood products as well as major infrastructure and industrial development projects.

In order to support the efforts of the Government of Lao PDR in addressing these poverty-environmental challenges, the Joint UNDP-UNEP Poverty Environment Initiative (PEI) will focus on strengthening capacity of targeted central and provincial authorities to integrate poverty-environment concerns and opportunities in key development planning processes. The Initiative is not one stand-alone project but has been designed primarily to provide targeted support to ongoing programmes. The PEI Framework outlines four outputs to

achieve the expected outcome of PEI Lao PDR. Firstly, PEI will strengthen poverty-environment linkages in the 7th NSEDP, supporting evidence-based and policy relevant research in a manner that places environmental sustainability at the core of the government's development planning practices. Secondly, support will be provided to the Investment Promotion Department of the Ministry of Planning and Investment (MPI) and provincial authorities to manage investments in a manner that seeks to minimize social and environmental impacts. Thirdly, a programme of support to WREA will seek to strengthen ESIA processes. Finally, PEI will target the National Assembly to enhance their awareness of poverty-environment issues and to strengthen the capacities of National Assembly members to actively integrate poverty-environment considerations when reviewing policies and legislation. The proposed timeframe for PEI Lao PDR is 31 months: May 2009 to end December 2011.

III. Duties and Responsibilities

Under the overall guidance of Director of the Investment Promotion Department of the Ministry of Planning and Investment and supervision of the UNDP Deputy Resident Representative, the Environmental Economist will be responsible for the effective delivery of the PEI Framework, in particular, the Output 1 (Strengthening Poverty-Environment Linkages in the 7th National Socio Economic Development Plan), Output 2 (Management of investment for poverty reduction and environmental sustainability) and Output 4 (Awareness raising and capacity strengthening of the National Assembly in environment and natural resource management). The Environmental Economist will be situated within the Investment Promotion Department of the Ministry of Planning and Investment to perform day-to-day management of the Output 2 and provide advice and support to the effective implementation of the Output 2. The Environmental Economist will also provide expert inputs to the PEI component of the existing NSEDP project as outlined in the Output 1 and the Joint UN programme on support to effective Lao PDR National Assembly (SELNA) as defined in the Output 4. The Environmental Economist will perform the following functions:

1. Programme Development, Planning and Implementation

1.1. Strategic guidance and advice to the Government of Lao PDR to develop effectively consider poverty-environment in national planning and budgetary processes;

- Provide technical, capacity building and institutional strengthening support to the Government on poverty-environment linkages and the importance of their consideration within national planning and budgetary processes.
- Provide policy advice, strategic guidance and knowledge-sharing related to poverty-environment linkages to the Government.
- Ensure the development of cross-project linkages with other relevant projects and programmes for mutually reinforcing impact.
- Promote information sharing and facilitate dialogue within the donor community by supporting the Government to initiate consultative meetings and prepare briefs and policy papers on poverty-environment linkages.

1.2. Provision of technical, capacity building and institutional support to the Government to develop the Poverty-Environment Initiative in Lao PDR

- Draft necessary strategic documents concerning project implementation, such as policy papers, and work plans etc.
- Ensure the participation and involvement of relevant stakeholders in project activities.
- Ensure the timeliness and quality of the outputs as well as timely preparation of reports on

achievements and challenges faced within the project.

- Ensure delivery of resources and results according to planned targets.
- Ensure the development of cross-project linkages with other relevant projects and programmes for mutually reinforcing impact.
- Promote identification and synthesis of best practices and lessons learned for organizational sharing and learning.

- Key activities to be undertaken by the Incumbent under Output 2 may include:
 - Undertake training for key government staff at the national level to support better informed investment management through analysis and research on social and environmental costs and benefits of investment choices;
 - Assess provincial and district level capacities to manage investments, identify pro-poor and pro-environment investment options, developing Provincial Investment Strategy for selected provinces, propose and support the implementation of model investment contracts, provide joint technical advisory and capacity building to screen and negotiate investments and to monitor and enforce investment compliance and strengthening the role of community consultation (at district-kumban-village level) to inform investment decisions, management and monitoring.

- Key activities to be undertaken by the Incumbent under Output 1 within the framework of the existing NSEDP project may include:
 - Support development of technical briefs on six identified topics providing the analysis of key poverty-environment issues and a set of recommendations for the NSEDP draft.
 - Strengthen capacities to integrate key poverty-environmental issues into national and sub-national planning guidelines and support the implementation of the guidelines through joint workshops at the sub-national level.
 - Support the development of a core list of P-E indicators for approval by the NSEDP Steering Committee and Task Force and support their inclusion in the NSEDP monitoring & evaluation system.
 - Design and undertake research projects jointly with relevant national research institutes and the UNEP Division of Environmental Policy Implementation on e.g. economic valuation of ecosystem services, cost-benefit analysis, environmental fiscal reforms, community-based natural resource management and support the integration of the research findings into the final 7th NSEDP.

- Key activities to be undertaken by the Incumbent under Output 4 within the framework of the existing SELNA programme may include:
 - Undertake awareness raising activities to improve National Assembly members' awareness and understanding of key poverty-environment linkages in planning, budgeting and legislative processes.
 - Support the National Assembly's substantive involvement in law making and monitoring of the key poverty-environment related policies.
 - Assess and improve the current mechanisms for handling petitions and complaints related to environment and natural resources management by the National Assembly.

2. Advocacy and Partnerships

- Strengthen partnerships/coordination with key stakeholders, particularly the donors, private sector, and the government fora to identify opportunities, formulate joint initiatives with maximum impacts and efficiency, minimize duplication of efforts and reduce transaction costs.

- Provide leadership on poverty-environment issues within the UN in collaboration with other key UN partners such as FAO, UNHCR, WFP, UNICEF, World Bank.
- Perform other duties as assigned by Management

The Environmental Economist will play an oversight role of the national consultants who will assist the delivery of output 1 and output 2.

IV. Competencies

Corporate Competencies:

- Demonstrates integrity by modelling the UN's values and ethical standards
- Promotes the vision, mission, and strategic goals of UNDP
- Displays cultural, gender, religion, race, nationality and age sensitivity and adaptability
- Treats all people fairly without favoritism
- As strong understanding of political sensitivities and ability to work positively with all partners in a politically dynamic environment

Functional Competencies:

Knowledge Management and Learning

- Demonstrated capacity in knowledge sharing and knowledge management and ability to promote a learning environment in the office through leadership and personal example
- In-depth practical knowledge of inter-disciplinary development issues
- Ability to conduct research and analysis and strong synthesis skills.

Development and Operational Effectiveness

- Ability to lead strategic planning, results-based management and reporting
- Ability to develop innovative approaches to program design, implementation, monitoring evaluation of development programmes and projects.
- Ability to mobilize resources
- Ability to work with minimal supervision

Management and Leadership

- Builds strong relationships with clients, focuses on impact and result for the client and responds positively to critical feedback; consensus-oriented
- Encourages risk-taking in the pursuit of creativity and innovation
- Leads teams effectively and shows conflict resolution skills
- Consistently approaches work with energy and a positive, constructive attitude
- Demonstrates good oral and written communication skills
- Demonstrates openness to change and ability to manage complexities
- Proactive and have the ability to discuss openly with all senior government staff
- Results-orientation and efficiency in a multi-tasking environment
- Capacity to perform effectively under pressure and hardship conditions
- Highly develop inter-personal, negotiation and teamwork skills, networking aptitude, ability to work in multi-cultural environment

<ul style="list-style-type: none"> Highly developed inter-cultural communication and skills;

V. Required Skills and Experience	
Education:	Master degree or advanced degrees in business and environment, environmental economics, environmental management/policy or other related fields
Experience:	<ul style="list-style-type: none"> A minimum of 7 years of relevant professional experience working on environment/ natural resources management related to the private sector and/or economics Experience in conducting policy analysis and providing policy advice on sustainable natural resource management at senior level in low income countries; Proven record in the writing of research papers, policy analysis and recommendations, reports and publications; Excellent computer skills, including full working knowledge of standard word processing, spreadsheet and presentation software packages; Knowledge and professional experience in private sector natural resource management (eg mining, hydropower and agricultural plantations) and corporate social responsibility is desirable Previous work experience in Lao PDR and South East Asia is desirable
Language Requirements:	<ul style="list-style-type: none"> Excellent oral and written communication skills in English; knowledge of Lao language is an asset.

Annex 6 Terms of Reference: PEI National Expert for Environment and Planning (for the output 1 under the NSEDP Project)

Position: PEI National Consultant for Environment and Planning (draft)

Level: Local Consultant
Duty station: Vientiane, Lao PDR
Start Date: 01 May
Duration: 12 months
Supervision: NSEDP Project Manager, Department of Planning, MPI (1st reporting officer) and Head, Environment Unit (2nd reporting officer)

1. BACKGROUND

Environmental management is key to the health, livelihoods and vulnerability of poor people in Asia and the Pacific. Mainstreaming seeks to improve environment outcomes that contribute to achieving the MDGs. Governments and other stakeholders improve environment outcomes that matter to poor people by mainstreaming poverty environment issues into key processes and their

implementation – including national plans, sectoral strategies, environmental policies, economic decision making and subnational planning. The UN and other development partners can encourage mainstreaming by expanding knowledge and strengthening capacity, incentives and institutional processes to give a higher priority to environment issues that matter to poor people.

The Joint UNEP and UNDP Poverty-Environment Initiative (PEI) was formulated in Lao PDR to integrate pro-poor environmental concerns and opportunities in the national development planning, implementation and budgeting processes. PEI will provide targeted support to the Government of Lao PDR's on-going efforts to achieve poverty reduction through sustainable natural resource management. PEI programme will be implemented over a period of 31 months (May 2009 – December 2011) by the Ministry of Planning and Investment, Water Resources Environment Administration and provincial authorities in targeted provinces with support from the UNDP CO Lao PDR. Its expected outputs include the integration of poverty-environment linkages in the 7th National Socio Economic Development Plan (NSEDP), awareness raising of the National Assembly in the areas of natural resource management and sustainable management of investment for poverty reduction and environmental sustainability.

UNDP wishes to recruit a consultant for 12 months to provide support to the implementation of the PEI country programme, in particular, the achievement of the output on the 7th NSEDP.

2. DUTIES

Support the implementation of the Lao PDR Poverty Environment Initiative, with focus on the 7th NSEDP formulation process

The Consultant will be a member of the NSEDP project team that assists the Ministry of Planning and Investment with the formulation of the 7th NSEDP as well as its monitoring and evaluation framework and development of related research. Within the context of the PEI country programme, he/she will have the following duties:

- A. Coordinate PEI's support to the NSEDP project in the Ministry of Planning and Investment under the guidance of the NSEDP Project Manager and the PEI international advisor.
- B. Promote increased awareness in the Lao PDR on the importance of poverty-environment linkages drafting of communications materials and other essential documentation.
- C. Provide comprehensive support including technical services, logistical assistance, and basic translation to implementation of the Poverty and Environment Initiative (PEI) in Lao PDR.

Overall output expectations:

- A. Substantial technical, administrative and logistical assistance to the implementation of the PEI country programme (May 2009-December 2011).
- B. Effective achievement of the PEI outputs detailed in the workplan
- C. Effective liaison role between the PEI support and the Ministry of Planning and Investment

Responsibilities

1. Coordinate PEI's support to the NSEDP project in the Ministry of Planning and Investment under the guidance of the NSEDP Project Manager and the PEI international advisor:

- Provide technical inputs to the development of technical papers, poverty-environment indicators and research projects.
 - Assist with the process of costing MDG7.
 - Assist the consultations with national and provincial stakeholders and the delivery of training sessions at national and sub-national levels.
 - Support the development of the PEI components of regular reports (e.g. annual report, quarterly reports).
 - Participate in monthly meetings.
 - Assist the organization of workshops and logistics associated with the NSEDP project.
 - Support the day-to-day operation of the PEI's component of the NSEDP support project in the Ministry of Planning and Investment.
2. Promote increased awareness in the Lao PDR on the importance of poverty-environment linkages drafting of communications materials and other essential documentation:
- a. Preparation of awareness raising and communication materials.
 - b. Drafting of materials including relevant official letters, speeches, media coverage.
 - c. English – Lao – English translation of materials.
3. Provide comprehensive support including technical services, logistical assistance, and basic translation to implementation of the Poverty and Environment Initiative (PEI) in Lao PDR:
- Collection, analysis and presentation of background information for the implementation of PEI Programme.
 - Drafting of PEI related documents, as required and requested.
 - Assistance in the organization of meetings, drafting correspondence and logistics associated with the PEI.
 - Maintain the counterpart and partner contact list for the Unit with respect to PEI.
 - Develop and maintain PEI files and archives.
4. Other activities as assigned.

3. TECHNICAL OUTPUTS AND DUE DATES

Technical outputs	Due Date	Payment date
Brief progress report to be provided on a monthly basis which states activities undertaken, problems encountered and activity plan for the following monthly	On the last day of month	Monthly basis
Technical outputs as defined in the monthly work plan	Within given deadlines	
Total		

4. ELIGIBILITY REQUIREMENTS

A. Education

Post graduate qualification preferred but not essential. University degree in environment and development related field (natural resources management, environment/development economics, law, public policy and management, project management) with knowledge of socio-economic aspects of sustainable development. Experience and knowledge of poverty environment issues and preferably environment mainstreaming into national planning processes would be an asset.

B. Work Experience

At least seven years of programme/project experience is required at the national or international level. Experience working in the area of rural development, poverty and / or environment required.

C. Other Skills/ Competencies

- Strong interpersonal skills with ability to establish and maintain effective work relationships with people of different national and cultural backgrounds;
- Excellent coordination skills, with ability to work under pressure and handle multiple activities and projects concurrently,
- Ability to work independently and to participate effectively in a team based information sharing environment;
- Knowledge of UNEP, UNDP and the UN system, including the UN common country programming process an advantage;
- Strong communication skills with ability to express ideas clearly, both orally and in writing;
- Fluency in spoken and written English is essential;
- Full computer literacy.

Annex 7 Terms of Reference: PEI National Expert on Environment and Investment (for the Output 2 on Investment Management)

PEI National Consultant on Investment

Location :	Vientiane, Lao PDR
Application Deadline :	24 April 2009
Type of Contract :	Local Consultant (based within the Investment Promotion Department, MPI)
Post Number :	
Supervision:	Director of Investment Promotion Department (1st reporting officer); International technical advisor working within MPI (2nd reporting officer)

Languages Required :	Lao, English
Duration of Initial Contract :	One year (with possibility of extension)

1. Background

Environmental management is central to the health, livelihoods and vulnerability of poor people in Asia and the Pacific. Mainstreaming seeks to improve environment outcomes that contribute to achieving the MDGs. Governments and other stakeholders improve environment outcomes that matter to poor people by mainstreaming poverty environment issues into key processes and their implementation – including national plans, sectoral strategies, environmental policies, economic decision making and subnational planning. The UN and other development partners can encourage mainstreaming by expanding knowledge and strengthening capacity, incentives and institutional processes to give a higher priority to environment issues that matter to poor people.

The Joint UNEP and UNDP Poverty-Environment Initiative (PEI) was formulated in Lao PDR to integrate pro-poor environmental concerns and opportunities in the national development planning, implementation and budgeting processes. PEI will provide targeted support to the Government of Lao PDR's on-going efforts to achieve poverty reduction through sustainable natural resource management. PEI programme will be implemented over a period of 31 months (May 2009 – December 2011) by the Ministry of Planning and Investment (MPI) and provincial authorities in targeted provinces with support from the UNDP CO Lao PDR. Its expected outputs include the integration of poverty-environment linkages in the 7th National Socio Economic Development Plan (NSEDPP), awareness raising of the National Assembly in the areas of natural resource management and sustainable management of investment for poverty reduction and environmental sustainability.

UNDP wishes to recruit a consultant for 12 months (with an option to extend the contract until December 2011) to provide support to the implementation of the PEI programme in Lao PDR, in particular, the achievement of Output 2 – focusing on improving capacity of national and provincial authorities to plan and manage investment in a manner that minimizes social and environmental impacts. This consultant will be based within the Investment Promotion Department (IPD) of the Ministry of Planning and Investment (MPI).

2. Duties and Responsibilities

Summary of Key Functions:

Support the implementation of the Lao PDR Poverty Environment Initiative, with focus on activities that build government capacity to plan and manage investment.

The Consultant will be a member of the PEI team that assists IPD and provincial authorities with the implementation of training and policy activities related to planning and managing investment as well as developing related research. The consultant will be located within IPD in the Ministry of Planning and Investment for the duration of his/her contract with frequent travel to selected provinces. Within the context of the PEI country programme, he/she will have the following duties:

- Coordinate PEI's support to the IPD in the Ministry of Planning and Investment under the guidance of an international technical advisor.
- Promote increased awareness in the Lao PDR on the poverty-environment linkages and the economic benefits of investment that minimizes social and environmental impacts – drafting of communications materials and other essential documentation.
- Provide comprehensive support including technical services, logistical assistance, and basic translation to implementation of PEI in Lao PDR.

Overall output expectations:

- Substantial technical, administrative and logistical assistance to the implementation of the PEI country programme (April 2009-December 2011)
- Effective achievement of the PEI sub-outputs for Output 2 of the PEI workplan
- Effective liaison role between the PEI support and other government partners

Responsibilities

1. Coordinate PEI's support to the Investment Promotion Department in the Ministry of Planning and Investment and the provincial authorities on the Investment component of PEI under the guidance of the Project Manager and the international technical advisor based at MPI:
 - Provide technical inputs to the development of technical papers, investment strategies and research projects
 - Assist the consultations with national and provincial stakeholders and the delivery of training sessions at national and sub-national levels over a range of topics including: drafting investment strategies, designing investment contracts, monitoring investment compliance, promoting and attracting investment that minimizes environmental and social impacts, implementing the new Investment Law (2009) etc.
 - Assist the organization of workshops and logistics associated with the investment component of PEI
 - Support provincial, district and village based planning, training and investment management exercises.
 - Support the development of regular reports (e.g. annual report, quarterly reports).

- Participate in project monthly meetings.
2. Support the day-to-day operation of the PEI's component of the investment support project in the Investment Promotion Department and the Provincial authorities
 3. Support MPI to apply existing analysis and research on the environmental and social costs and benefits of investment choices to develop a strategic approach to investment at the national level
 - Provide research and technical inputs to the development of technical papers and support international technical advisor based within MPI
 - Support MPI to apply existing analysis and research on the environmental and social costs and benefits of investment choices to develop a strategic approach to investment at the national level
 - Work with contractors and technical staff, in coordination with the National Land Management Authority, WREA to design and manage an online database in Lao and English of concessions in Lao PDR
 4. Promote increased awareness in the Lao PDR on the importance of poverty-environment linkages drafting of communications materials and other essential documentation:
 - Preparation of awareness raising and communication materials.
 - Drafting of materials including relevant official letters, speeches, media coverage.
 - English – Lao – English translation of materials.
 5. Provide comprehensive support including technical services, logistical assistance, and basic translation to implementation of the Poverty and Environment Initiative (PEI) in Lao PDR:
 - Collection, analysis and presentation of background information for the implementation of PEI Programme.
 - Drafting of PEI related documents, as required and requested.
 - Assistance in the organization of meetings, drafting correspondence and logistics associated with the PEI
 - Logistical and translation support for workshops and training activities
 6. Other activities as assigned.

3. Technical Outputs and Due Dates

Technical outputs	Due Date	Payment date
Brief progress report to be provided on a monthly basis which states activities undertaken, problems encountered and activity plan for the following monthly	On the last day of month	Monthly basis
Technical outputs as defined in the monthly work plan	Within given deadlines	
Total		

4. Qualifications

Education

Post graduate qualification preferred but not essential. University degree in business, economics, development related field and/or planning with knowledge of macro economic trends and investment in Lao PDR, socio-economic aspects of sustainable development and corporate social responsibility. Experience in private sector and knowledge of poverty environment issues, natural resource management and the principles and application of integrated spatial planning would be beneficial.

Work Experience

At least seven years of programme/project experience is required at the national or international level, preferably working with investment and concessions approval and management process, or alternatively of senior private sector experience with a background. Experience working in the area of corporate social responsibility (CSR), macroeconomic management, rural development, poverty reduction and / or environmental management required.

Other Skills/ Competencies

- Strong interpersonal skills with ability to establish and maintain effective work relationships with people of different national and cultural backgrounds;
- Excellent coordination skills, with ability to work under pressure and handle multiple activities and projects concurrently,
- Ability to work independently and to participate effectively in a team based information sharing environment;
- Knowledge of UNEP, UNDP and the UN system, including the UN common country programming process an advantage;
- Strong communication skills with ability to express ideas clearly, both orally and in writing;
- Fluency in spoken and written English is essential;
- Full computer literacy

Annex 8 Draft Terms of Reference: Poverty Environment Outcome Board

Poverty Environment Outcome Board

Terms of Reference (draft)

The Poverty-Environment Initiative (PEI) in Lao PDR aims to strengthen capacity of targeted central and provincial authorities to integrate poverty-environment concerns and opportunities in key development planning processes. The PEI framework outlines four outputs that will achieve the expected outcome of the project. Firstly, PEI will strengthen poverty-environment linkages in the 7th NSEDP, supporting evidence-based and policy relevant research in a manner that places environmental sustainability at the core of the government's development planning practices. Secondly, support will be provided to the Investment Promotion Department and provincial authorities to manage investments in a manner that seeks to maximize social benefits and minimize environmental impacts. Thirdly, a programme of support to WREA will seek to strengthen Environmental Social Impact Assessment (ESIA) processes. Finally, PEI will target the National Assembly to enhance their awareness of poverty-environment issues and to strengthen the capacities of National Assembly members to actively integrate poverty-environment considerations when reviewing policies and legislation. South-South learning is a cross-cutting theme that will be promoted in the areas of natural resource management and foreign direct investment targeting business and communities with the neighbouring GMS countries, including Thailand where PEI is under development. The timeframe for PEI Framework Lao PDR is 31 months: May 2009 to end December 2011.

The Poverty-Environment Outcome Board will constitute a coordination forum for the PEI. The Outcome Board is responsible for:

- Monitoring the realization of the expected outcomes in of the PEI by managing interdependency of the annual work plans for the following three projects: Support to the National Socio Economic Development Plan and Investment Promotion Department, Strengthening Environment and Social Impact Assessment and Monitoring in WREA, and Support to an Effective Lao National Assembly (SELNA), all of which contribute to the realization of the PEI outcomes;
- Providing advice and decisions regarding coordination of the portfolio of projects within the PEI; and
- Programme level assurance.

The members of the Outcome Board will be selected in consultation with the Department of International Cooperation, and will include:

- Representative of Ministry of Planning and Investment (Co-chair of the Board)
- Representative of WREA (Co-chair of the Board)
- Representative of NA (Representative of beneficiaries)
- Representative of UNDP (Supplier)
- Donors
- Senior experts

The Outcome Board is expected to meet at least annually.