

UNDP Management Response

Evaluation Plan: January 2009-September 2012

Evaluation Period: Final Evaluation

Evaluation Title: Poverty-Environment Initiative Lao PDR Phase 1 (2009-2012)

Prepared by: Ms. Margaret Jones Williams, Environment Unit Chief, Environment Unit, UNDP Lao PDR

Cleared by: Ms. Azusa Kubota, UNDP Deputy Resident Representative, Lao PDR

Ms. Joyce Lee, PEI Senior Technical Advisor, UNDP Regional Office, Thailand

Mr. Manothong Vongsay, Director General of Investment Promotion Department, Ministry of Planning and Investment and Head of PEI Secretary, Lao PDR

Input into and update in ERC:

Position:

Unit/Bureau:

Overall comments: The programme is considered to be conceptually highly relevant and well designed. Lao PDR's PEI has a clear and strong focus on strengthening the institutions and mechanisms required to ensure quality investment across the country. The rationale for this is that foreign direct investment (FDI), which is focused on the natural resources sectors such as hydropower, mining and plantations, is and will continue to be a key driver in terms of the country's development and growth. Natural resources are at the same time essential to local livelihoods. It is therefore crucial that investments are appropriately planned and managed so that the sustainability of the country's natural capital is ensured and the livelihoods of the poor and vulnerable improved (not harmed by unaccounted or unmonitored social and environmental investment impacts).

For some components there have been delays in implementation due to difficulties in hiring international consultants (component 2 and 3), and in other cases the activities had to be dropped in response to a lower than anticipated budget allocation (e.g., component 3). In general PEI Phase 1 was an ambitious programme of work given the size of the budget and resources.

Overall however the program has been very effective in raising awareness and developing tools to manage investments. Key achievements of the programme include:

- Capacity building – PEI has been successful in changing how people think about the links between investment, environmental management and poverty
- The successful development of tools such as the Investment database and methodology for assessing the social and environmental impacts of investments
- The integration of PEI principles into the 7th NSEDP
- The development of the Draft National Investment Strategy

Recommendation 1:		Phase 1 has focussed on capacity building and developing the necessary processes and tools. Phase 2 needs to consolidate these and move more towards implementation keeping in mind the objective of achieving tangible outcomes in terms improved livelihoods and sustainable environmental management. The challenge for Phase 2 is therefore to turn the plans and visions developed in Phase 1 into actions that will lead to a tangible impact on poverty reduction and to sustain natural assets.		
Management Response:		Agreed		
Key Action(s)	Responsible Unit(s)	Due Date (Provide a specific date when the proposed key actions are expected to be completed. If due date is not the same as date when the key action is completed, this should be updated with date of completion)	Status (Provide status of the key action - whether it is "Not Initiated" or "Initiated" or "Completed" or "No Longer Applicable")	Comments (Further describe how the key action has been implemented by the responsible unit and what the results are)
1.1 Implementation of National Investment Strategy. This is considered to be a key focus for Phase 2	Environment Unit	December 2012	Completed	PEI Phase 2 Project Document includes continued development of the National Investment Strategy
1.2 Working on Socio-Economic Development Annual Plans (AP) and getting the right indicators in the AP which provincial level departments will strive to achieve, thereby driving the process forward.	Environment Unit	December 2012	Completed	PEI Phase 2 Project Document includes continued support to Socio-Economic Development Plans.
1.3 Increased activity at the provincial levels. Work in the provinces should follow a two-tiered approach: (i) more-in-depth studies in the phase 1 pilot provinces; and, (ii) the expansion of phase 1 activities into new provinces. The four PEI pilot provinces should continue to spearhead the strengthening of the investment approval and management process, which when tested and	Environment Unit	December 2012	Completed	PEI Phase 2 Project Document includes continued targeted interventions at the provincial level

refined can be introduced to other provinces.				
Recommendation 2:	Project components to be included in Phase 2			
Management Response:	Agreed			
Key Action(s)	Responsible Unit(s)	Due Date	Status	Comments
2.1 Component 1. Poverty reduction and environmental sustainability linkages strengthened in the 7 th NSEDP.	Environment Unit	December 2012	Completed	This component has been successfully included in PEI Phase 2 Project Document
2.2 Component 2. Strengthen capacity to plan and manage investments.	Environment Unit	December 2012	Completed	This component has been successfully included in PEI Phase 2 Project Document
2.3 Component 3 - Strengthening the ESIA Department.	Environment Unit	December 2012	Completed	This component has been successfully included in PEI Phase 2 Project Document
2.4 Component 4. Capacity building at the National Assembly on P-E linkages	Environment Unit	December 2012	Completed	This component has been successfully included in PEI Phase 2 Project Document
2.5 Component 5. Environmental Economic Research Studies	Environment Unit	December 2012	Completed	This component has been successfully included in PEI Phase 2 Project Document
Recommendation 3:	Key management issues need to be considered in PEI Phase 2 structure			
Management Response:	Agreed			
Key Action(s)	Responsible Unit(s)	Due Date	Status	Comments
3.1 What resources does PEI need? Over the last year the PEI has employed 2.25 International Full Time Equivalent (FTEs), 0.25 National FTE, 2 short-term consultant (20 working days on average), 2 national project staff (located in IPD and DESIA) and 1 communications officer (NERI). A bigger project would require more dedicated staff, such as a second Technical Advisor with slightly different expertise to help with the range of technical work, and the provinces are likely to need more local	Environment Unit	December 2012	Completed	PEI Phase 2 Project Document has included the recommended Technical Advisors, Short Term Consultants, staff at IPD and DESIA, dedicated Communications Officer

consultants (preferably based in the provinces).				
3.2 What is PEI's relationship with MoNRE? The recently established Ministry of Natural Resources and Environment has an expanded portfolio and will be responsible, for example, for conservation and protected forest and land management. PEI should determine a potentially expanded working relationship with MoNRE in Phase 2 given its closely aligned mandate.	Environment Unit	December 2012	Completed	PEI Phase 2 Project Document has included the recommended partnership with the newly established MoNRE, and MoNRE is listed as one of the Implementing Partners
3.3 What is the most efficient management structure for Phase 2? A clear finding of the evaluation of phase 1 is that there needs to be more coordination between components. Presently the components are all working more or less independently without a precise understanding of each other and how together they contribute to the overall objectives of the programme. There is also no overall PEI steering committee or programme board that presents an oversight, or reports an overview, of the programme.	Environment Unit	December 2012	Completed	PEI Phase 2 Project Document has included the recommendation for improved co-ordination among units and this is included in the management and implementations frameworks.

