

Corporate Social Responsibility in Lao PDR:

Baseline Assessment
of Social and Environmental Regulations & Standards



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Corporate Social Responsibility in Lao PDR:

Baseline Assessment of Social and Environmental Regulations and Standards

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**DEUTSCHE GESELLSCHAFT FÜR INTERNATIONALE
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**FEDERAL INSTITUTE FOR GEOSCIENCES AND NATURAL
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Abbreviations

Term	Description
ADB	Asian Development Bank
ACF	ASEAN Coffee Federation
ACT	Agriculture Certification Thailand
AEC	ASEAN Economic Community
AFD	Agence Française de Développement
AFMA	ASEAN Federation of Mining Association
AGPC	Association des Groupements de Producteurs de Café du Plateau des Bolovens
AMCHAM	American Chamber of Commerce
ANZBA	Australia and New Zealand Business Association Lao PDR
ASEAN	Association of South East Asian Nations
ASEANTA	ASEAN Tourism Association
ASEM	Asia-Europe Meeting
BMZ	Federal Ministry for Economic Cooperation and Development
BGR	German Federal Institute for Geosciences and Natural Resources
CDF	Community Development Fund
COC	Chamber of Commerce
CPC	Coffee Producers Cooperative
CSR	Corporate Social Responsibility
DOR	Department of Roads
DOSMEP	Department of SME Promotion
ECCIL	European Chamber of Commerce and Industry in Lao PDR
EGAT	Electricity Generating Authority of Thailand
EIA	Environmental Impact Assessment
EPF	Environmental Protection Fund
ESIA	Environment and Social Impact Assessment
EU	European Union
EWEC	East West Economic Corridor
FDI	Foreign Direct Investment
FIATA	International Federation of Freight Forwarders Associations
FLO	Fair Trade Labelling Organisations
FT	Fair Trade
GAP	Good Agricultural Practices
GDP	Gross Domestic Product
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH

GMS	Greater Mekong Subregion
GOL	Government of Lao PDR
GRI	Global Reporting Initiative
GTZ	Deutsche Gesellschaft für Technische Zusammenarbeit GmbH
HRM	Human Resource Management
HRRC	Human Rights Resource Centre
HWG	Hydropower Working Group
ICT	Information and Communications Technology
IEE	Initial Environmental Examination
IFC	International Finance Corporation
IFOAM	International Federation of Organic Agriculture Movements
IHA	International Hydropower Association
ILO	International Labour Organisation
INGO	International NGOs
ISO	International Organisation for Standardization
JICA	Japanese International Cooperation Agency
LCB	Lao Coffee Board
LATA	Lao Association of Travel Agents
LANITH	Lao National Institute of Tourism and Hospitality
LCB	Lao Certification Board
LCL	Loose Container Load
LHRA	Lao Hotels and Restaurant Association
LIFFA	Lao International Freight Forwarders Association
LNCCI	Lao National Chamber of Commerce and Industry
MAG	Mines Advisory Group
MDG	Millennium Development Goals
MMG	Minerals and Metals Group
MOU	Memorandum of Understanding
MPDF	Mekong Project Development Facility
MRA	Mutual Recognition Arrangement
MTCO	Mekong Tourism Cooperation Office
NGOs	Non-government Organisations
NPA	Non Profit Associations
NSEC	North South Economic Corridor
NTPC	Nam Theun 2 Power Company
OBL	Outspan Bolovens Limited
OH&S	Occupational Health and Safety

PBM	Phu Bia Mining
PDR	Peoples Democratic Republic
PNPC	Xe-Pian Xe-Namnoy Power Company
PRF	Poverty Reduction Fund
RA	Rainforest Alliance
SDC	Swedish Development Cooperation
SME	Small and Medium Enterprises
SNV	Stichting Nederlandse Vrijwilligers
SPS	Sanitary and Phytosanitary
THPC	Theun Hinboun Power Company
UN	United Nations
UNCRD	United Nations Centre for Regional Development
UNESCO	United Nations Educational, Scientific and Cultural Organisation
UNESCAP	United Nations Economic and Social Commission for Asia and the Pacific
UNIDO	United Nations Industrial Development Organisation
UNWTO	United Nations World Tourism Organisation
WB	World Bank
WBCSD	World Business Council on Sustainable Development
WCD	World Commission on Dams
WWF	World Wildlife Fund
WTO	World Trade Organisation

EXECUTIVE SUMMARY

Introduction

This study on Corporate Social Responsibility (CSR) was commissioned by GIZ and BGR to inform the work of the Lao-German development cooperation programme 'Economic Development and Employment Promotion' (EDEP), in its projects 'Support for a Sustainable Development of the Mining Sector' (SDMS), 'Human Resource Development for a Market Economy' (HRDME) and 'Regional Economic Integration of Lao PDR into ASEAN, Trade and Entrepreneurship Development' (RELATED) and to contribute to the public debate on CSR in Lao PDR. Supporting the introduction of voluntary CSR and mandatory social and environmental regulations and standards in Lao PDR is a fundamental column of the development cooperation strategy of the financing German Federal Ministry for Economic Cooperation and Development (BMZ) and thus an integral part of the EDEP Programme.

CSR is widely recognised as an important aspect of doing business globally. The World Business Council for Sustainable Development (WBCSD) defines CSR "as the continuing commitment by business to contribute to economic development while improving the quality of life of the workforce and their families as well as of the community and society at large". In 2010, the International Organisation for Standardisation (ISO) released a standard for CSR, ISO 26000:2010 Standard: Guidance on Social Responsibility. The seven (7) core aspects of ISO 26000:2010 have been used as a framework for this study.

Membership to the World Trade Organisation (WTO) and upcoming integration with the ASEAN Economic Community (AEC) coupled with an influx of foreign direct investment in recent years has generated increasing interest in CSR in Lao PDR. Traditionally, CSR has been purely a business concern - a way for businesses to raise their profiles and demonstrate their willingness to contribute to the communities in which they operate. CSR has also emerged as a way for business to enhance competitiveness and drive development in countries where governments may lack resources and institutional capacity. More recently, there has been growing interest in strengthening environmental and social regulations to promote sustainable development and encourage responsible corporate behaviour and this has raised questions about the role that governments should play in fostering CSR.

To date, a number of attempts have been made to assess CSR in Lao PDR. CSR has been the subject of three small scale surveys (2008-11) and a cross country report conducted by GIZ and the Asian Institute of Management in 2011 (AIM 2011). A 2-day CSR workshop for government and business was also conducted in 2011 in preparation for the 2012 ASEM Summit. These initiatives have found that CSR is still embryonic in Lao PDR but there are a number of opportunities to incorporate CSR measures which could deliver a range of benefits for the country.

This study was limited to:

- A baseline assessment of social and environmental regulations and standards relevant to six (6) target sectors (coffee, tea, tourism, transport & logistics, mining and hydropower) in Lao PDR; and
- A rapid assessment of awareness, adoption and implementation of CSR measures in the target sectors.

The study was informed through desktop research and extensive meetings with key industry stakeholders and government representatives. Industry stakeholders were considered to be leaders in their field and demonstrated a high level of understanding and awareness about CSR. Due to their positions in industry, they were able to provide significant insight into the levels of CSR awareness, adoption and implementation across their specific sectors.

CSR Findings

The level of overall CSR awareness, adoption and implementation in Lao PDR is still generally low and highly dependent on market and stakeholder drivers. Large international companies that have embedded CSR into their operations tend to pursue a range of activities to reinforce their position as market leaders and maintain

their 'social license to operate'. Large international brands in the tourism industry have also imported many of the CSR policies of their parent companies and typically undertake a range of sustainability and training initiatives, including involvement in the development of Lao certification schemes. Other companies operating in Lao PDR have also incorporated CSR into their operations in order to gain market access (e.g. ecotourism and high value organic and fair trade products).

At the other end of the spectrum are businesses with relatively low awareness of CSR and limited incentives for adoption (e.g. transport & logistics sector). The dominance of a small number of companies in the transport & logistics sector coupled with the lack of support from government and financial institutions gives individual businesses little incentive to modify existing operations in order to raise standards across the sector.

A key issue raised across a number of sectors in the study were the challenges associated with the general business environment. Many businesses were of the view that government restrictions related to taxation, business administration and labour did not create an enabling environment for CSR.

Another dimension of CSR in Lao PDR is the propensity for small operators to 'greenwash' in order to gain access to premium international markets. Many operators do not have the resources or capacity to attain accreditation and in some instances may falsely align themselves with international certification schemes or self-nominate labels, awards or certification in order to gain market access.

Next Steps

This study highlights that although CSR is still in its early stages in Lao PDR, a number of operating companies already have well established policies and programs. The study identified a number of potential initiatives that can be implemented to foster the development of CSR in Lao PDR. Defining CSR in the Lao context and articulating what roles the business community and government should play is an important first step.

This study was limited in scope to a rapid assessment of environmental and social regulations and standards relevant to six (6) target sectors and interviews with key industry stakeholders. The industry stakeholders were able to provide key insights into their respective sectors and the current status of CSR awareness and adoption. However, the findings from this study need to be tested through engagement with a larger cross section of the Lao business community. A number of initial recommendations have been made and are discussed below.

RECOMMENDATIONS

A number of opportunities were identified during the study to encourage further adoption of CSR measures. These are summarised in Table 1-1 and Table 1-2 below.

Table 1-1 Overarching Recommendations for Provision of CSR Support and Leadership

General recommendations
Development Cooperation
<ul style="list-style-type: none"> » Coordinate with business leaders, LNCCI and international chambers to conduct in-country CSR training programs and activities » Work with local Chambers of Commerce to establish a stakeholder committee for in-country promotion of CSR » Integrate sector-specific CSR components in existing / up-coming development programmes
Business Community (business leaders, LNCCI and international chambers)
<ul style="list-style-type: none"> » Further engagement with government to enable country-specific understanding of CSR - develop a joint statement on CSR in Lao PDR » Cooperate with regional Chambers and business associations – develop an Memorandum of Understanding (MOU) for further development of CSR across Southeast Asian region » Attain membership of ASEAN CSR Network
Government
<ul style="list-style-type: none"> » Continue to strengthen implementation and enforcement of current legislative framework » On-going engagement with business community on the development of policy and regulations which are intended to mandate CSR » Incentivise businesses to go beyond mandatory CSR (i.e. tax deductions for additional investment into CSR activities)

It is recommended that the following opportunities be considered for advancing CSR across the target sectors (Table 1-2). A number of recommendations relate to creating the enabling environment for CSR initiatives and are cross-sectoral. Fundamental to the recommendations is the need to build off the work already undertaken by various donor-supported programs and private sector partnerships.

Table 1-2 Recommendations for Provision of CSR Support and Leadership by Sector

Sector-specific recommendations
Coffee
<ul style="list-style-type: none"> » Engage and encourage existing concession holders (i.e. Vietnamese and Thai) to import CSR practices from their country of origin » Support on-going development of Lao Organic Certification scheme (i.e. increased local awareness on certification requirements, stronger linkages to international organic initiatives, assist operators to determine costs and benefits of certification) » Facilitate local adoption of coffee-specific certification initiatives which are widely used by international competitors (i.e. Rainforest Alliance, UTZ, 4C)

Sector-specific recommendations	
Tea	
»	Support establishment of Lao Tea Association
»	Build on current and past sector initiatives to identify opportunities for promotion of Lao tea quality and capture value adding opportunities on international markets
»	Assist tea and tourism sectors further develop linkages - with a view to creating a unique visitor experience while building livelihoods for local farmers and enhancing the reputation of Lao teas
»	Work with local tea business operators to capitalise on historical and cultural heritage of Lao tea (e.g. geographical branding)
Tourism	
»	Support government and industry with tourism education and training programs that integrate training with work experience
»	Further support development of locally-relevant tourism standards, guidelines and labelling programs
»	Support local tourism associations with initiatives that capitalise on knowledge of ASEAN neighbours
Transport & Logistics	
»	Assist Ministry of Work and Public Transport (MWPT) integrate Environmentally Sustainable Transport strategy into National Strategy on Land Transportation
»	Work with government to reduce barriers to entry for international companies
»	Assist with the development of Lao-specific industry standards that promote a staged approach to sector improvements (e.g. training and accreditation programs, campaigns targeting safety and environmental issues)
Hydropower	
»	Assist Ministry of Energy and Mines (MEM) with development of hydropower policy that 'strikes a balance' between compliance and provision of an enabling environment for progressive companies to develop their own innovative CSR programs
»	Assist with the establishment of the proposed Community Development Fund (CDF) – ensure lessons learnt from existing examples (e.g. Poverty Reduction Fund) are incorporated
»	Support Hydropower Working Group (HWG) on sector-specific CSR initiatives and encourage establishment of a code of ethics
Mining	
»	Support ongoing development of Lao Mining Association (beyond 2015) as a platform for raising performance standards and CSR in the Lao mining sector
»	Develop 'emerging CSR mining program' - engage leading mining companies to share their experience and institutional knowledge with wider sector
»	Ensure that development of mandatory CSR aspects (e.g. contributions to CDF) continue to be developed in consultation with a variety of mining sector stakeholders. Ensure mandatory requirements create an enabling environment that facilitates innovation and adoption of international best practice
»	Consider adaptation of governance mechanisms being used by the Environment Protection Fund and Poverty Reduction Fund for pooled CDF programs at the provincial level
»	Consider adoption of the Extractive Industries Transparency Initiative (EITI) - engage with existing/actively pursuing EITI members of ASEAN countries

1 INTRODUCTION

There has been a growing interest within the Lao PDR business community in Corporate Social Responsibility (CSR) – “the concept whereby companies integrate social and environmental concerns in their business operations and interactions with their stakeholders” (UNIDO 2014).

While still in its infancy in Lao PDR, leading companies across a number of sectors are implementing CSR policies and programs. The majority of these companies are drawing on CSR concepts from abroad and applying them in the Lao context. For these organisations, CSR is an integral part of their operations and ‘license to operate’ in Lao PDR. There is also a burgeoning domestic CSR movement which is drawing on the religious belief that one should “do good deeds for others and making merits” (HRRC 2013). This form of faith based CSR has been dubbed ‘Buddhist CSR’ and consists mainly of donations and corporate philanthropy. The CSR movement is also capturing the attention of the Government of Lao PDR (GOL). A number of ministries are now actively incorporating this traditionally voluntary concept into government policy and legislation.

To date, CSR work in Lao PDR has been largely uncoordinated. However over recent years, business groups including the Lao National Chamber of Commerce and Industry (LNCCI); the European Chamber of Commerce and Industry in Lao PDR (ECCIL); the Australian and New Zealand Business Association (ANZBA); and the American Chamber of Commerce (AMCHAM) have all indicated a desire to better understand how CSR is being applied by their members and the potential for the further development of CSR in the Lao context.

This study, a Baseline Assessment of Social and Environmental Regulations and Standards in Lao PDR, has been commissioned by the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH in partnership with the Federal Institute for Geosciences and Natural Resources (BGR). The assessment is intended to inform the work of the Lao-German development cooperation programme “Economic Development and Employment Promotion” (EDEP), especially its projects “Support for a Sustainable Development of the Mining Sector” (SDMS), “Human Resource Development for a Market Economy” (HRDME) and “Regional Economic Integration of Lao PDR into ASEAN, Trade and Entrepreneurship Development” (RELATED) and specifically work being done with the Department of SME Promotion (DOSMEP), LNCCI and the ECCIL on mandatory and voluntary social and environmental standards in the coffee, tea, tourism as well as transport & logistic sectors. It is also intended to inform the SDSM Project being conducted in partnership of the BGR with the Ministry of Energy and Mines on respective standards in the mining and hydropower sectors.

This study is intended to assist GIZ, BGR and its Lao partners with the formulation of future strategies to efficiently foster the growth of CSR in Lao PDR. Objectives of the study are to provide:

1. A comprehensive review of mandatory and voluntary requirements in six (6) target sectors: coffee, tea, tourism, transport & logistics, hydropower, mining in Lao PDR;
2. A rapid assessment of the actual implementation of existing mandatory and voluntary requirements; and
3. An initial analysis of the potential to introduce new and/or further support for existing standards and regulations.

1.1 Methodology

The methodology used for the conduct of this study consisted of two phases which are outlined below.

1.1.1 Identification of Mandatory and Voluntary Social and Environmental Requirements

A desktop study was conducted to identify environmental, social, labour, anti-corruption and human rights requirements currently in use in Lao PDR. Meetings were then conducted with relevant government agencies, international agencies and peak industry bodies (e.g. LNCCI) to initiate engagement on this work; identify any new mandatory and voluntary requirements for each sector; and (for international voluntary requirements) confirm their current application in Lao PDR.

Mandatory and voluntary requirements were compiled into a Legal and Voluntary CSR requirements Repository (Appendix A) including:

1. National Legislation – including GOL approved laws, decrees, agreements, standards and guidelines;
2. International Laws and Agreements (i.e. relevant Association of South East Asian Nations agreements) to which Lao PDR is a signatory; and
3. International policy, guidelines or initiatives – including financier safeguards, industry codes, voluntary certification schemes.

1.1.2 Assessment and Analysis of the Implementation of Mandatory and Voluntary Requirements

An initial assessment of the implementation of mandatory and voluntary requirements was undertaken. This included an overview of the status and key successes/challenges in Lao PDR, followed by preliminary sectoral assessments – focused on priority areas identified during Phase 1.

Each sectoral assessment was conducted to provide the following baseline information:

1. Drivers for the development of mandatory requirements/adoption of voluntary requirements;
2. Successes and challenges experienced by government agencies, peak bodies and business in the enforcement / implementation of these requirements;
3. Work currently being undertaken to help support and improve the enforcement/implementation of these requirements; and
4. Future opportunities for new or improved implementation of mandatory and voluntary requirements.

The assessment was informed by a series of targeted interviews with thirty eight (38) government representatives from eleven (11) government ministries and departments as well as twenty eight (28) industry stakeholders representing twenty four (24) businesses and industry associations from the six (6) sectors. Further desktop research and analysis was also undertaken into the specific requirements under examination. Where possible, specific examples have been identified and documented.

A list of the key stakeholders from both the public and private sector that were interviewed during the course of this study is provided in Appendix B.

1.2 Scope and Limitations

This study is intended to provide initial information on the current status and implementation of CSR in Lao PDR. Key limitations of this study include:

1. Identification and analysis of mandatory and voluntary requirements – An emphasis was placed on the sourcing and cataloguing of these documents. Mandatory and voluntary requirements were assessed and classified as primary and secondary according to their relevance to the study. Detailed analysis was then confined to a rapid review of the primary documents relevant to each sector.
2. Stakeholder engagement – Consultations were limited to engagement with a number of key informants from government ministries, business groups and leading companies. Wider engagement with a more representative sample of stakeholders, particularly those companies without CSR agendas, was not possible.
3. Varying degrees of CSR Awareness – The level of CSR awareness amongst key informants impacted on the depth of discussion on CSR during consultations. In general, government officials had limited awareness of CSR while most business respondents had a strong understanding and were implementing CSR initiatives through their businesses.
4. Perceptions of CSR – This study gave equal weight to collection and analysis of information on both mandatory and voluntary requirements in Lao PDR. However consultations during the conduct of this study highlighted that while adherence to legal obligations is considered a critical starting point, CSR is viewed by most leading businesses to be a non-mandatory concept and more emphasis could be placed on CSR business initiatives and company CSR policies and programs in future work.

2 PERCEPTIONS OF CSR

2.1 Global Perspectives on CSR

CSR is widely recognised as an important aspect of doing business globally. The World Business Council for Sustainable Development (WBCSD), representing some of the world's largest and most successful businesses, defines CSR "as the continuing commitment by business to contribute to economic development while improving the quality of life of the workforce and their families as well as of the community and society at large."

CSR has both internal and external dimensions. Internal CSR dimensions include the consideration of human resource management (HRM), occupational health and safety (OH&S), change management and the internal environmental and social impacts associated with company operations. External dimensions include relationships with local communities, business partners, suppliers and consumers as well as human rights issues and global environmental and social impacts from company operations.

A recent global study on CSR conducted by GIZ (2011) identified (3) common approaches to CSR:

1. Ethical CSR – CSR is morally required and is beyond the company's fulfilment of its economic and legal obligations, going to the company's responsibility to avoid harm or social injuries even in cases where the firm does not benefit directly. As such, actions are taken not merely because they are required by law or profitable, but because they are right.
2. Altruistic CSR – also described as humanitarian/philanthropic CSR "involves genuine optional caring, irrespective of whether the firm will reap financial benefits or not". 'Buddhist CSR' is a term that has been used for this type of CSR across Southeast Asia.
3. Strategic CSR - "strategic philanthropy aimed at achieving strategic business goals while also promoting social welfare". Strategic philanthropy is aligned with business motivations and spending on CSR activities is expected, in the long run, to yield financial returns. The company therefore identifies activities and actions that will benefit both itself and society.

Implementation of effective CSR programs remains challenging. The ISO 26000:2010 Standard: Guidance on Social Responsibility has been developed by the International Organisation for Standardisation (ISO) to help guide businesses and organizations with translating CSR principles into effective actions. The ISO 26000 identifies seven (7) core aspects that need to be addressed (see Table 2-1)

Table 2-1 Core Aspects and Issues of Social Responsibility

ISO 26000:2010 Standard: Guidance on Social Responsibility
Core subject: Organizational governance
Core subject: Human rights
<i>Issue 1: Due diligence</i>
<i>Issue 2: Human rights risk situations</i>
<i>Issue 3: Avoidance of complicity</i>
<i>Issue 4: Resolving grievances</i>
<i>Issue 5: Discrimination and vulnerable groups</i>
<i>Issue 6: Civil and political rights</i>
<i>Issue 7: Economic, social and cultural rights</i>
<i>Issue 8: Fundamental principles and rights at work</i>

ISO 26000:2010 Standard: Guidance on Social Responsibility
Core subject: Labour practices
<i>Issue 1: Employment and employment relationships</i>
<i>Issue 2: Conditions of work and social protection</i>
<i>Issue 3: Social dialogue</i>
<i>Issue 4: Health and safety at work</i>
<i>Issue 5: Human development and training in the workplace</i>
Core subject: The environment
<i>Issue 1: Prevention of pollution</i>
<i>Issue 2: Sustainable resource use</i>
<i>Issue 3: Climate change mitigation and adaptation</i>
<i>Issue 4: Protection of the environment, biodiversity and restoration of natural habitats</i>
Core subject: Fair operating practices
<i>Issue 1: Anti-corruption</i>
<i>Issue 2: Responsible political involvement</i>
<i>Issue 3: Fair competition</i>
<i>Issue 4: Promoting social responsibility in the value chain</i>
<i>Issue 5: Respect for property rights</i>
Core subject: Consumer issues
<i>Issue 1: Fair marketing, factual and unbiased information and fair contractual practices</i>
<i>Issue 2: Protecting consumers' health and safety</i>
<i>Issue 3: Sustainable consumption</i>
<i>Issue 4: Consumer service, support, and complaint and dispute resolution</i>
<i>Issue 5: Consumer data protection and privacy</i>
<i>Issue 6: Access to essential services</i>
<i>Issue 7: Education and awareness</i>
Core subject: Community involvement and development
<i>Issue 1: Community involvement</i>
<i>Issue 2: Education and culture</i>
<i>Issue 3: Employment creation and skills development</i>
<i>Issue 4: Technology development and access</i>
<i>Issue 5: Wealth and income creation</i>
<i>Issue 6: Health</i>
<i>Issue 7: Social investment</i>

Source: ISO 26000

2.1.1 CSR in Lao PDR

Awareness of CSR

CSR is still a relatively new concept in Lao PDR. Significant variance exists in terms of awareness and perceptions of CSR across government and business sectors in Lao PDR. This includes:

- Strong awareness and implementation of CSR amongst a few large international companies with specific voluntary (internal and external) obligations to address core CSR issues relating to their operations;
- Moderate awareness and implementation of CSR amongst companies which are seeking to access international and/or niche markets which require specific CSR issues to be addressed; and
- Low awareness of or drive for CSR amongst the government and the majority of local and regional companies.

Three (3) recent surveys have been conducted in Lao PDR in relation to CSR. Key findings of these studies are presented below.

- *CSR and Responsible Tourism* (SNV 2008) - The Stichting Nederlandse Vrijwilligers (SNV) – a Dutch development cooperation agency - study consisted of a mail out questionnaire to hotel and restaurant businesses of varying size. 85 responses were received and responses seemed to indicate a high level of CSR awareness and activity. However, the survey was limited to a quantitative analysis, primarily consisting of answers requiring yes/no or Likert scale responses and survey design may have had a significant influence on the results.
- *CSR Survey* (DED 2010) - The 2010 CSR survey engaged 17 medium to large enterprises. The study found CSR awareness and implementation in Lao PDR to be embryonic with a large divide between the larger companies that often have CSR embedded into business practice and smaller companies that generally have a much lower level of CSR awareness. Companies in the study cited a number of areas where they could be assisted in terms of enhancing CSR awareness and adoption including: a) specific in-house training or workshops; b) internal consultations; c) internet and publications; d) assistance in formulating company strategy; e) a better connection and network among the companies that are interested in CSR; and f) more support or encouragement from the Government.
- *CSR survey* (ECCIL; LNCCI and GIZ 2013) – this CSR Survey interviewed 51 ECCIL members by phone, e-mail and face to face. As with the Deutscher Entwicklungsdienst (DED) – a former German development cooperation agency - study CSR was found to be in its infancy in Lao PDR. The study was not considered scientifically sound and as such, the results could not be utilized.

Perceptions of CSR

Interviews with key informants identified a number of perceptions about the definition and role of CSR in Lao PDR. Key informants were selected during the initial stages of the study and consisted of business and industry leaders for each of the target sectors.

- **CSR as a voluntary and business led initiative**

Leading businesses implementing CSR in Lao PDR generally shared a common view that CSR should primarily be a voluntary and business led initiative. While adherence to legal obligations was viewed as a crucial first step for any company, best practice CSR was defined by many as a voluntary decision by a company to go beyond compliance.

The 'space between' mandatory requirements and voluntary CSR continues to evolve as government policy and legislation is strengthened –often influenced by best practice CSR approaches. An example of this is the recent move by some government agencies to incorporate aspects of CSR in government legislation (e.g. requirements to contribute to various social and environmental development funds).

- **Approaches to CSR (Ethical, Altruistic and Strategic)**

All three (3) approaches to CSR identified in Section 2.1 are being implemented in Lao PDR. Ethical CSR approaches were observed in the Tea and Coffee sectors – e.g. Association des Groupements de Producteurs de Café du Plateau des Bolovens (AGPC) has formed the Coffee Producer Cooperative (CPC) specifically to develop a Fair Trade (FT) and organically certified business. Altruistic CSR approaches including ‘Buddhist CSR’ are reportedly most common amongst leading local/regional companies. Strategic CSR is being conducted by a number of leading companies in the coffee, tourism, transport & logistics, mining and hydropower sectors – driven by international CSR demand and supply side drivers.

- **Shared value**

Within the strategic approach, a number of businesses operating in Lao PDR have embraced the concept of shared value. The theory of shared value, developed by Professor Michael Porter of Harvard Business School, is the concept of “creating economic value in a way that also creates value for society by addressing its needs and challenges” (Porter and Kramer 2011). The adoption of concepts such as ‘shared value’ is an example of how progressive businesses can stay ahead of competitors in market sectors where ‘best practice’ is becoming more widely adopted.

CSR drivers in Lao PDR

Drivers for the development of CSR policies and practice vary from sector to sector. CSR drivers discussed here are largely confined to the six (6) sectors targeted in the study but general drivers from the current focus on Association of Southeast Asian Nations (ASEAN) integration and interest from sections of the business community are also discussed.

- **Hydropower and mining**

The growth in the hydropower and mining sectors in recent years coupled with the potential scale and risks associated with environmental and social impacts has led to heightened awareness of CSR amongst the public, government and businesses operating in the sector. Companies operating in these areas are becoming more aware that their reputations and their ‘social license to operate’ are dependent on their relationships with the local communities that are impacted by their projects. A significant driver is investor demand – as international financiers require borrowers to comply with strict environmental and social safeguard policies.

- **Tourism, coffee and tea**

Demand from international markets is the principal driver of CSR in these three (3) sectors. In the tourism sector the growing popularity of Lao PDR as an international tourist destination has influenced CSR type activities through visitor demand for eco-tourism which places an emphasis on environmental protection and development of communities in the vicinity of tourism activities. Demand for commodities such as Lao organic and FT coffee are also influencing CSR through the requirements of organic and FT standards which promote improved environmental, social and economic outcomes.

- **Transport & logistics**

Awareness of CSR is most limited in the transport & logistics sector where protectionist policies are supporting a largely inefficient and underdeveloped domestic sector. Restrictions placed on international transports & logistics companies in the sector prevent investment and championing of best practice systems and CSR from abroad.

- **ASEAN and GOL policy and legislative reform**

Lao PDR’s membership to ASEAN is driving significant policy and legislative reform across all six (6) sectors. The upcoming ASEAN Economic Community (AEC) which seeks to promote regional economic integration and is acting as a key catalyst for this change.

The AEC is built on three pillars, the sociocultural, political-security and economic pillars. CSR is an important focus of the socio-cultural pillar. Specific actions to foster CSR among ASEAN nations include (ASEAN CSR Network 2014):

- » Develop a model public policy on CSR or legal instrument for reference of ASEAN Member States by 2010. (Reference may be made to ISO 26000 titled "Guidance on Social Responsibility");
 - » Engage the private sector to support the activities of sectoral bodies and the ASEAN Foundation, in the field of CSR;
 - » Encourage adoption and implementation of international standards on social responsibility; and
 - » Increase awareness of CSR in ASEAN towards sustainable relations between commercial activities and communities where they are located, in particular supporting community based development.
- **Business community interest**

There is currently growing interest within sections of the business community about CSR awareness and adoption in Lao PDR as well as the wider region. Business leaders believe that adoption of CSR measures is a way to drive improvements in the Lao business environment where relevant government bodies may lack the necessary resources and institutional capacity to achieve these goals. Chambers of commerce and business associations have engaged in recent activities in order to better understand the level of awareness and adoption of CSR among the business community. These activities are intended to inform ways that they can assist with further implementation of CSR in the country going forward. LNCCI helped to facilitate a 2011 CSR workshop for the GOL and the business community in preparation for the Asia-Europe Meeting (ASEM) Summit in 2012 and plan to have a follow up workshop in late 2014. ANZBA is in the process of adopting a code of conduct for members operating in Lao PDR and is coordinating a CSR workshop with other Chambers of Commerce, GOL and business stakeholders, which is scheduled for November 2014.

The following sections will investigate the six (6) target sectors in more detail, particularly, mandatory and voluntary social and environmental legislation, guidelines and standards and their status, extent of influence on and implementations as well as enforcement within each sector. The CSR type activities that are currently being undertaken and could be undertaken in the future in each sector will also be covered.

3 CSR BY SECTOR IN LAO PDR - COFFEE

3.1 Sector Overview

The coffee sector plays an important role in the overall Lao economy. Production of coffee is concentrated on the Bolaven Plateau in the south of the country – although it is currently expanding into northern areas of the country. With an estimated 70,000 ha of planted area and a production of approximately 30,000 tonnes (green beans) per annum, coffee is the main source of income for 20,000 families on the Bolaven Plateau (IISD 2008; Philaphone 2011) and a key export commodity for Lao PDR.

Two main coffee species are grown, including *Coffea canephora* (Robusta coffee) and *Coffea Arabica* (Arabica coffee); and to a much smaller extent *Coffea liberica* (Liberica coffee). Traditional cropping systems are low intensive systems with minimal labour and fertiliser input requirements – typically under the forest canopy. Newer systems include the adoption of Catimor – a new dwarf variety of *Coffea arabica* and with it, more intensive farming practices including increased land and habitat clearance, labour and chemical input requirements.

The Lao Coffee Association is the peak industry body representing 39 coffee traders, six (6) roasters and five (5) farmer / producers groups (95% of coffee exports). Members are all located in the South of Lao PDR and are diverse in size (small, medium, and large production / trade volume), production techniques, value adding activities (e.g. washing, roasting, processing, product design, marketing) and markets (domestic, regional, international, niche).

Coffee producers identified in this assessment can be broadly categorised by the two main coffee production systems (see Table 3-1).

Table 3-1 Lao Coffee Producers/Traders

No.	Producer/Trader	Description	Key Players
1.	Low intensive systems: <ul style="list-style-type: none"> Traditional farmers Associations / cooperatives and social enterprises 	Farming communities employing traditional practices and coffee varieties. Emergence of farming cooperatives/social enterprises seeking premium quality coffee (European style roasted) and access to niche international markets. Organic and FT certification.	<ul style="list-style-type: none"> Sinouk Coffee Coffee Producers Cooperative (CPC, formally AGPC) Lao Mountain Coffee Bolaven Farms Jhai Coffee Farmers Cooperative
2.	High yield intensive systems: <ul style="list-style-type: none"> Traders and contract farmers Industrial plantations 	Farming communities adopting higher yield species and transferring to more intensive systems. Emergence of corporate sector including large scale concession farming, contract farming/processing. Seeking to maximise production for 'fair quality' coffee products (i.e. traditional roast and instant coffee) and domestic/regional markets.	<ul style="list-style-type: none"> Dao Heuang Group. Outspan Bolovens Limited (OBL) 59+ commercial coffee plantation projects both domestic and foreign (Vietnam, Thailand, Chinese) owned.

3.2 CSR in the Lao Coffee Sector

"CSR is a personal commitment as a businessman to nurture the environment, people and community around you and as you operate your business", Sinouk Sisombath, CEO Sinouk Coffee.

3.2.1 Awareness, Perceptions and Drivers of CSR

There is a relatively high level of awareness about CSR issues within the Lao coffee sector. Key drivers include consumer demand and public pressure from key coffee export markets.

Category 1 Producers/Traders

Awareness and adoption of CSR is most prevalent among organised associations/cooperatives and social enterprises who cater for international markets (i.e. Europe, United States, Australia and Japan) where strong legislative frameworks, corporate supply chain policies (driven by public pressure) and consumer demand for premium CSR products (i.e. organic and FT certified) exist. These producers/traders generally have a very good understanding of CSR issues and requirements they must meet to access these markets. Most have integrated CSR aspects into their businesses and signed up to varying forms of CSR certification (local and/or international). CPC is an example of a producer group that has signed up to FT certification.

Category 2 Producers/Traders

In general, less CSR awareness exists among Category 2 coffee producers/traders and perceptions and practice in their operations still vary considerably. The key differential is the lack of demand side pressure for these producers.

The Dao Heuang Group is one of the largest operators in the Lao coffee sector. With the largest instant coffee processing facility in Southeast Asia the company is seeking to encourage high production on the plateau. The company has adopted the 2+3 contract farming policy promoted by the GOL. Under this arrangement the landholder provides labour and land (2) (maintaining ownership) while the investor provides capital, technology and marketing (3). The company views this as a socially responsible arrangement, providing support for local farmers to develop their skills and ultimately their businesses. According to the company they also promote environmental awareness and organic farming practices and have a long term goal to obtain organic certification.

Coffee investors from Vietnam, Thailand and now China have secured land concessions from the Government to develop commercial coffee plantations. Large concessions prioritise the maximisation of yield. CSR awareness within these companies is reportedly low, despite often higher levels of awareness in their home countries. CSR is often confined to *ad hoc* donations to communities and the Government.

Some larger investors are displaying heightened awareness of CSR. Outspan Bolovens Limited (OBL), a subsidiary of the OLAM Group (a multinational agro-investment company based in Singapore), is developing 3,000 hectares for coffee on the Plateau. The company reportedly experienced issues concerning land acquisition from local farmers when the operation was first initiated (Corp Watch 2012). The company has since publically committed to produce high quality specialty coffee with Rainforest, UTZ and 4 C certifications (OLAM 2014).

3.2.2 CSR Issues in the Lao Coffee Sector

A number of CSR issues associated with the Lao Coffee sector were identified during the conduct of this study. These issues are summarised broadly by ISO 26000 'core subject' categories and outlined in Table 3-2.

Table 3-2 Overview of CSR issues in the Lao Coffee Sector

CSR Category	CSR Issue
Environment	<ul style="list-style-type: none"> • Lack of effective environmental and social assessment, planning and management • Land/habitat clearance, encroachment on protected areas and impacts on biodiversity • New varieties of coffee (i.e. Arabica semi-dwarf variety) and a movement away from traditional agroforestry (coffee under forest canopy) to more intensive farming systems • Use and handling of chemical fertilisers and insecticides

CSR Category	CSR Issue
	<ul style="list-style-type: none"> Water use and water pollution associated with wet processing
Social	<ul style="list-style-type: none"> Ability to form associations and cooperatives Poverty and socio-economic conditions in rural communities Subsistence food crops verses cash crops Employment creation and skills development Investment into and development of coffee producer communities Labour practices including child labour, health and safety and fair working conditions
Economic	<ul style="list-style-type: none"> Land conflicts between small holders and concession holders and with other sectors (i.e. mining) Contracts and prices between farmers, buyers, and processors Fair completion and corruption

Source: Earth Systems desktop review and key informant reviews (2014).

Note: This list is not exhaustive and is intended as a preliminary overview which can be built upon during future work.

3.2.3 Legal and Other (Voluntary) Requirements

A key element of this study was the identification and assessment of the environmental and social requirements, both legal and voluntary, that are currently influencing CSR in each of the target sectors. Requirements were categorised as either Lao or international as well as primary or secondary depending on the perceived level of influence that they are currently having on each sector. Section 3.2.3 lists and details the key (primary) documents/initiatives that are influencing CSR in the Lao coffee sector. All primary documents and initiatives listed in section 3.2.3 can be found in the document repository (Appendix A) along with the secondary requirements not covered in the body of the report.

National

- **Law on Agricultural (1998)** - Overarching law for the agricultural sector. CSR themes include protection of the environment, health and safety, as well as community development and involvement which are outlined in this document.
- **Coffee Sector Development Policy (2012/2014 draft)** - The Policy promotes sustainable development of the Lao coffee sector. CSR aspects are articulated in the common vision of “a growing coffee sector, oriented toward quality and respect of environment, providing sustainable and decent incomes for smallholder producers, as well as viable business conditions for private sector partners”.
- **Good Agricultural Practices Standards (2011)** – The Lao GAP Standards are voluntary and are based on the ASEAN GAP Standards for production, harvesting and post-harvest handling of fresh fruit and vegetables (2006). Lao GAP standards include:
 - » Environmental Management – requirements for the preservation and protection of the environment inside and surrounding farm areas;
 - » Food Safety – requirements for the safety of food for consumption in regional and global markets;
 - » Produce Quality Management – promoting a standard for the quality of fruit and vegetable production as well as ensuring quality of supply chains in fruit and vegetable production to meet the requirements of domestic and international markets;
 - » Worker Health Safety and Welfare – requirements for the protection of rights and benefits, safety and social welfare of workers.

- **Lao Organic Standards (2005)** - The Lao Organic Certification initiative was established by the Ministry of Agriculture with the support of Helvetas in 2005. The Standards give producers, traders and consumers a common definition of organic products. The Standards, which are voluntary, are based on the International Federation of Organic Agricultural Movements basic standards for certification of organic products. Sinouk Coffee and Jhai Coffee Farmer Association were certified in 2008.
- **Fair Trade Laos** - Fair Trade Laos is an emerging national FT initiative started in 2008 by a number of private companies and NGOs. The initiative has two basic forms of membership certification – company and product based. Minimum FT standards are focused labour and working conditions and are based on compliance with the Lao Labour Law and strong requirements (i.e. ILO) where available. CPC joined Fair Trade Laos in 2012.
- **Decree on Cooperatives (2010)** - This Decree outlines the rules for establishment and implementation of economic cooperatives in Lao PDR (e.g. farming cooperatives). This decree has enabled the establishment of coffee cooperatives (some previously registered as associations) in recent years such as CPC.
- **Environmental and Social Assessment and Management Framework (various)** - The national Environment and Social Assessment and Management Framework includes the Environment Protection Law 2013; Agreement on Environmental Standards (2010); Decree and Regulations on Compensation and Resettlement (2005); Technical Guidelines for Compensation and Resettlement (2010); and Public Involvement Guidelines (2013). Larger coffee plantations are required to undertake a formal environmental and social assessment and consultation process. Coffee plantations between 20 and 500 ha as well as all processing facilities are required to complete an initial environmental examination (IEE). Coffee plantations above 500 ha require an Environmental Impact Assessment (EIA).

International

- **International Federation of Organic Agriculture Movements (IFOAM) Standard for Forest Garden Products (2014) and IFOAM 'Family of IFOAM endorsed Standards' (2014)** - IFOAM is a global umbrella organisation for the promotion of organic agriculture. IFOAM has its own standard and has a family of IFOAM endorsed standards on a regional and country level. The following producers have been internationally certified with one or more IFOAM country or regional standards as organic: Jhai Coffee Farmers Cooperative (USA); Sinouk Coffee (Thailand and EU); and CPC (EU; IFOAM Asia, Canada and USA).
- **Fair Trade Standards Generic (various 2011 and 2014) and Coffee Producers (2011)** - FT aims to promote poverty alleviation and sustainable development through improved access to markets and better trade conditions. The Jhai Coffee Farmers Cooperative received FT certification in 2005. CPC is certified through Max Havelaar Fair Trade – the Dutch arm of the Fair Trade Organisation (FLO).
- **Rainforest Alliance Policy and Standards (2010 & 2014)** - The Rainforest Alliance (RA) Sustainable Agricultural Network has developed a number of standards for sustainable agriculture, group certification, chain of custody and pesticide use. The objective of these standards is to encourage farmers to conserve natural resources and ensure the long-term economic health of forest communities. Certified coffee is an established aspect of this program. Outspan Bolovens Limited (OBL) is currently pursuing RA certification.
- **UTZ Codes of Conduct (2014)** - UTZ is a European based sustainable agriculture certification initiative. It covers both farming practices and sourcing of products. The UTZ Code of Conduct (which includes a coffee module) outlines environmental and social criteria for coffee production and processing. Outspan Bolovens Limited (OBL) is currently pursuing RA certification.
- **4C Association Code of Conduct (2014)** - The 4C Association consists of coffee producers, traders, coffee industry and civil society members with a common goal for more sustainability in the coffee sector. The 4C Code of Conduct consists of 10 Unacceptable Practices (e.g. forced labour; primary forest destruction) and the 4C Code Matrix with 28 key principles for social, environmental and economic best practice.

ASEAN

Like in many other sectors, ASEAN and the establishment of the AEC in 2015 has been a major driver of national policy and legislative reforms and regional private sector engagement in the Lao Coffee Sector.

- ASEAN Good Agricultural Practices (GAPs)** – The ASEAN GAP Standards, developed in consultation with representatives from Malaysia, Thailand, Singapore and the Philippines, consist of four (4) modules – food safety, environmental management, worker health, safety and welfare and produce quality. As highlighted in Figure 3-1, the ASEAN GAP initiative has informed the development of Lao PDR specific GAP standards.
- ASEAN Coffee Federation** – The Lao Coffee Association is a member of the ACF. This organisation was formally established in 2013 with the aim of improving and developing the quality of coffee across the region and international promotion of ASEAN coffee via a common vehicle. Objectives include the establishment of a regional platform for regular dialogue; education of farmers on improved productivity opportunities; sharing of best farm practices through experiences with implementing certification and GAPs; sharing of information on the international coffee market; and promotion of ASEAN coffee to the world (ACF 2014).

Figure 3-1 ASEAN Good Agricultural Practice (GAP) Standards

Contents	Modules			
	Food safety	Environmental management	Worker health, safety, welfare	Produce quality
Site history and management	✓	✓		
Planting material	✓	✓		✓
Soil and substrates		✓		
Fertilisers and soil additives	✓	✓		✓
Water	✓	✓		✓
Chemicals	✓	✓		✓
Harvesting and handling produce	✓	✓		✓
Waste and energy efficiency		✓		
Biodiversity		✓		
Air		✓		
Working conditions			✓	
Produce quality plan				✓
Worker welfare			✓	
Traceability and recall	✓			✓
Training	✓	✓	✓	✓
Documents and records	✓	✓	✓	✓
Reviewing practices	✓	✓	✓	✓

Source: ASEAN Good Agricultural Practices (GAPs) 2006 [see Appendix B].

3.3 Enforcement and Implementation

A rapid assessment of the enforcement/implementation of the key legal and other requirements outlined in Section 3.1.3 was conducted - informed by a number of interviews with selected government and industry representatives (see Appendix A). Results from this exercise are outlined in Table 3-3.

Table 3-3 Enforcement and Implementation

Theme	Enforcement/Implementation Challenges
Lao Coffee Sector Development: <ul style="list-style-type: none"> Lao Coffee Sector Development Strategy 2012-2020 Strategy on the Development and Promotion of Lao Coffee to 2025 	<p>The Lao coffee sector consist of a diverse set of actors in terms of size and target markets, which makes it difficult to find commonality in the level of awareness and commitment to CSR across the sector. In general, promotion of CSR to larger concession owners is more difficult because of the lack of strong demand side CSR drivers for the coffee they produce.</p> <p>Despite these challenges the sector – led by the business community- has produced the Lao Strategy on the Development and Promotion of Lao Coffee to 2025 which promotes sustainable development, poverty alleviation and gives priority to quality/specialty coffees, small holder production and opportunities for value adding (i.e. processing) while at the same time placing limits on the amount of concession farming that can be developed (i.e. 25% of total production).</p> <p>Companies developing industrial coffee plantations in non-traditional areas of Lao PDR (i.e. Phongsaly) are not yet part of stakeholder cooperation processes like the LCA. Their commitment to the Lao Coffee Sector Development Strategy is therefore questionable. Work is being done to include them into the processes.</p>
Good Agricultural Practices	<p>The World Trade Organisation and ASEAN are both key drivers behind the development of GAP standards for Lao PDR. No coffee producers in Lao PDR have currently signed up to Lao GAP.</p>
Organic Certification	<p>The Lao Organic certification is recognised as an important initiative and a number of coffee businesses have gained certification. The scheme is cost effective for businesses and useful in terms of accessing domestic/regional and in some cases international organic markets.</p> <p>However there are concerns about the lack of capacity within the Government to effectively monitor and enforce these standards – and the potential for this to undermine the sector. The Lao Certification Body's links to Organic Agriculture Certification Thailand (ACT) is viewed as an important relationship, enabling the Lao Coffee Board (LCB) to receive technical assistance from its Thai counterpart (and the schemes it is linked to, i.e. IFOAM Asia, Canada and the EU).</p> <p>Due to the size and current capacity within the Lao coffee sector, organic certification is reliant on international donor support. Only those that are supported pursue certification. There is a perceived lack of continuity and coordination of development assistance.</p> <p>International Organic Certification schemes are generally perceived as more onerous and cost prohibitive to many of the producers in the Lao Coffee Sector. A number of producers have attained certification with IFOAM associated schemes (i.e. Thailand, Canada, USA, EU). Some, like Sinouk Coffee have let their certification lapse. A key issue is the ability for these small operations to produce the minimum quantities of certified coffee that these international markets require and obtain the economies of scale required for these schemes to be profitable.</p>
FT Certification	<p>FT certification is held by a number of producers in Lao PDR. Like organic certification, FT certification is difficult to implement without financial and technical support.</p> <p>According to FT certified groups like CPC, the major challenge in implementation lies in ensuring that members understand and comply with FT regulations (i.e. child labour, environment protection). Challenges also exist in the governance of the scheme which adopts a democratic model for decision making (i.e. on use of funds and activities) where it is sometimes difficult to gain consensus, and in developing the professionalism of the group. Technical assistance is available through the FLO and relationships with other NGOs operating in Lao PDR.</p> <p>Even as subsidies for FT initiatives like CPC phase out, these groups are typically still reliant on outside assistance for further development of their businesses.</p>

Theme	Enforcement/Implementation Challenges
2+3 Policy	The 2+3 policy promoted by the GOL and implemented by groups like Dao Heuang is difficult for smaller coffee businesses to implement. The GOL has not provided appropriate mechanisms (i.e. low interest loans) to encourage and support businesses in the uptake of this policy.
Environmental and Social Assessment and Management Framework (General)	<p>While a strong environmental and social management framework exists in Lao PDR, its implementation, particularly in the coffee sector, is approached by investors, consultants and government agencies as a rubber-stamp process rather than an effective means of understanding and addressing key potential impacts associated with these developments. Key issues include: lack of plantation specific guidance; lack of capacity of consultants and government to conduct and review IEE for plantation projects; and political influence in the process.</p> <p>The GOL together with UNDP is currently implementing the Poverty and Environment Initiative which is specifically addressing some of these issues.</p>

3.4 Future Opportunities for CSR

A number of opportunities for supporting the development of CSR in the Lao coffee sector have been identified during this study.

- Investor origin countries (Vietnam, Thailand and China) have burgeoning CSR sectors. In Vietnam, the 2nd largest coffee producer globally, many producers/processors have attained certification; sourced international finance (with strong environmental and social safeguard requirements) or are working with major multinationals (e.g. Nestlé) on CSR in the supply chain. There is an opportunity to encourage the export of these CSR drivers and better practices from investor countries to Lao PDR.
- The Lao Organic Initiative is considered by many businesses as a potentially important and effective certification tool. There is scope to continue to support the growth of this initiative including a) increasing awareness within the domestic market about what organic is and the requirements for certification; b) increasing the number of businesses that have signed up to the initiative (so that the initiative can link to other international initiatives); and c) continuing to strengthen the governance of the initiative.
- Certification initiatives that apply to the coffee sector such as the RA Policy and Standards (2010 & 2014); UTZ Codes of Conduct (2014); and 4C Association Code of Conduct (2014) are yet to be implemented in Lao PDR. These initiatives are being implemented in Vietnam and across the region. There is an opportunity to raise awareness of these initiatives in the Lao coffee sector – drawing on experiences of producers in neighbouring countries. Already one major coffee producer (i.e. OBL) has committed to pursuing certification from these schemes. There is also scope to learn from CPC's experience in attaining FLO-Cert accreditation and imitate their model.
- There is an opportunity to promote the above regionally linked opportunities through the ASEAN Coffee Federation which has recently been established.

4 CSR BY SECTOR IN LAO PDR - TEA

4.1 Sector Overview

Despite its ancient origins, the Lao PDR tea sector is relatively small and underdeveloped in comparison to other agricultural sectors.

The Lao tea sector consists of two main sub-sectors:

- 'Mao cha' (rough tea) used for the production of 'Pu-erh' (a fermented tea); and
- Other finished teas such as red tea, green tea, oolong tea (*Camellia sinensis*) and mulberry tea (*Morus*).

Production areas are spread out across the country and include traditional tea areas in the north (Phongsaly, Oudomsay, Luang Prabang, Xiengkouang and Houaphanh) and emerging tea areas in the south (Champassak, Salavan and Attapeu on the Bolaven Plateau). The vast majority (over 95%) of tea is produced in the north of the country and sold to the Chinese market. Northern tea consists of wild forest tea, ancient tea gardens and modern tea plantations. The spring picked tea from wild and ancient tea gardens ('450 year old tea trees') is highly sort after and are sold at significant premiums. The majority of this tea is used for the production of 'Pu-erh' a key product for the Chinese market. Finished tea is processed from the lower grade (wet season picked) ancient gardens and modern plantations (Care 2011). The majority of tea processing remains a traditional cottage industry (i.e. home based). Southern tea cultivation consists of a number of small plantations producing mainly green tea and oolong tea.

Tea producers and traders can be broadly categorised into the two main geographic groups (see Table 4-1). A national tea association is yet to be established. Organisation in the sector is confined to a number of local tea producer groups. A precursor to a potential national tea association has been established and has formed an advisory committee consisting of farmer representatives, processor representatives and officials from relevant ministries with support from international organisations including GIZ and Helvetas.

Table 4-1 Tea Producers/Traders

No.	Producer / Trader	Description	Key Players
1	Northern Tea	Traditional wild forest tea, ancient tea gardens and cottage processing industry. Growing modern cultivation sector including 'contract farming' supported by Chinese traders and concession investors. Larger processing facilities planned. Key product is Pu-erh. Majority of tea is sold to the Yunnan market.	<ul style="list-style-type: none"> • Numerous small holder tea producers and cottage processors across five (5) provinces • Yunnan tea traders • Social enterprises (i.e. Lao Eco-place) • NGO supported projects (i.e. Shantea Project) • International commercial investors
2	Southern Tea	Some traditional and a growing modern small holder and small scale cultivation. Finished products include Bolaven green, black and oolong tea.	<ul style="list-style-type: none"> • Batieng Products Processing Cooperative, farmer group (GCPSL) • Mai Savanh Lao, Tatieng Producer Group. • Dao Heuang

4.2 CSR in the Lao Tea Sector

4.2.1 Awareness, Perceptions and Drivers of CSR

There is relatively low awareness of CSR within the Lao tea sector. Major reasons for this include: a) the underdeveloped nature of the sector; and b) the lack of CSR demand in the Chinese tea market. However there is a growing realisation in the sector that the quality of Lao tea (i.e. wild and ancient garden) and its status as a 'pro-poor' and 'organic by default' product present significant opportunities to add value and enter new markets. The linkages between tea and tourism could also be further developed, building on the centuries old reputation of some geographical areas for their quality tea products.

Category 1 Producers/Traders

Chinese traders and to a lesser extent Lao producers are aware of the potential value of Lao tea, however this comparative advantage has yet to be capitalised upon. However, while Lao tea often commands premium prices, it is generally not marketed as 'Lao origin' or 'organic' to consumers in the Chinese market. Limited CSR drivers in the Chinese market are perceived as a key factor. This extends to the operating practices of Chinese traders who reportedly utilise price and relatively unorganised contractual farming practices to secure their supply lines, over strong CSR business practices.

The sector currently lacks the structures (i.e. strong producer groups) and capacity (i.e. knowledge of requirements; strong internal control systems) to adopt formal CSR initiatives such as organic and FT certification. A number of international organisations and social enterprises are working to develop these opportunities. For example, the Swiss Agency for Development Cooperation's (SDC) Shantea Project has helped local farmers in Phongsaly to improve the quality of their tea production and processing while developing the value chain and assisting with market access. The social enterprise Eco-place is dedicated to preserving traditional knowledge, skills and biodiversity. They are undertaking projects which combine ecotourism with production and sales of tea and other organic products to promote sustainable village development. Other examples include the Laos Tea project and Laos Forest Tea project.

The emergence of large commercial tea cultivation and processing and its potential impact on the traditional sector is yet to be adequately understood.

Category 2 Producers/Traders

While only representing a small fraction of the Lao tea sector, tea producers and traders in the south of Lao PDR have strong awareness of CSR. This is likely a direct influence of developments in the Lao coffee sector. The Lao Farmers Products Association established the Batieng Producers Association, specifically to develop the organic and FT tea sector on the Bolaven Plateau. The association consists of over 800 members and operates a small tea processing plant. Similarly, Mai Savanh Lao produces organic and FT green and oolong tea in Sekong.

4.2.2 CSR Issues in the Lao Tea Sector

A number of CSR issues associated with Lao tea sector were identified during the conduct of this study. These issues are summarised broadly by ISO 26000 'core subject' categories and outlined in Table 4-2.

Table 4-2 Overview of CSR Issues in the Lao Tea Sector

CSR Category	CSR Issue
Environment	<ul style="list-style-type: none"> Lack of effective environmental and social assessment, planning and management land/habitat clearance, encroachment on protected areas and impacts on biodiversity Trader provision of agriculture inputs (unregulated) which may lead to sanitary and phytosanitary (SPS) issues and inappropriate use of chemical fertilisers and insecticides Water use and water pollution associated with tea processing

CSR Category	CSR Issue
Social	<ul style="list-style-type: none"> • Ability to form associations and cooperatives • Threats to culture and heritage of remote communities practicing traditional tea cultivation and processing • Poverty and socio-economic issues in rural communities • Subsistence food crops verses cash crops • Training and skills development • Investment into and development of tea producer communities • Gender dimensions – most pickers and household processors are women • Labour practices including child labour, health and safety and fair working conditions
Economic	<ul style="list-style-type: none"> • Land conflicts between small holders and concession holders and with other sectors (i.e. rubber and coffee) • Contracts and prices between farmers, buyers and processors • Fair competition and corruption

Source: Earth Systems desktop review and key information reviews (2014).

Note: This list is not exhaustive and is intended as a preliminary overview which can be built upon during future work.

4.2.3 Legal and Other (Voluntary) Requirements

A key element of this study was the identification and assessment of the environmental and social requirements, both legal and voluntary, that are currently influencing CSR in each of the target sectors. Requirements were categorised as either Lao or international and primary or secondary depending on the perceived level of influence that they are currently having on each sector. Section 4.2.3 lists and details the key (primary) documents / initiatives that are influencing CSR in the Lao tea sector. All primary documents and initiatives listed in section 4.2.3 can be found in the document repository (Appendix A) along with the secondary requirements not covered in the body of the report.

National

There is a lack of specific policy, regulations or standards for the Lao tea sector. However the following generic agricultural requirements and initiatives are applicable:

- **Law on Agricultural (1998)** - Overarching law for the agricultural sector. CSR themes including protection of the environment; health and safety; community development and involvement are outlined in this document.
- **Strategy for Agriculture Development 2020** – Sustainable development of the agricultural sector lies at the heart of this strategy. Tea and wild tea are recognised as one of the nation's agricultural comparative advantages as well as the potential for organic, geographic and FT products.
- **Good Agricultural Practices Standards (2011)** – The Lao GAP Standards are voluntary and are based on the ASEAN GAP Standards for production, harvesting and post-harvest handling of fresh fruit and vegetables (2006). There is no evidence to date that any producers in the Lao tea sector have adopted Lao GAP standards.
- **Lao Organic Standards (2005)** – As outlined in Section 3.1.3, the Lao Organic Certification initiative was established by the Ministry of Agriculture with the support of Helvetas in 2005. The majority of the tea sector is currently defined as 'organic by default'. A number of organisations are pursuing organic certification including Batieng Products organic green, black and oolong tea (2006) and Mai Savanh's

mulberry tea and oolong tea. These products are mainly sold to the domestic market as efforts to develop export markets have been hampered by quality issues.

- **Fair Trade Laos** - As outlined in Section 3.1.3, Fair Trade Laos is an emerging national FT initiative. Mai Savanah Lao is a founding member of FT Lao and the company's tea is FT certified.

International

There are few international CSR standards currently being applied in the Lao tea sector. These include:

- **International Federation of Organic Agricultural Movement Standard for Forest Garden Products (2014) and IFOAM 'Family of IFOAM endorsed Standards' (2014)** – The Lao Organic Standard is based on IFOAM. Only a handful of tea producers / have acquired international certification (i.e. Mai Savanh Laos has Thai certification for their Sekong tea farm).
- **Fairtrade Standards Generic (various 2011 and 2014) and Tea Producers (2011)** – As outlined in section 3.1.3, the FT movement aims to promote poverty alleviation and sustainable development through fair access to markets and better trade conditions. Batieng Products and its farming cooperative have been FT certified since 2007. Mai Savanh Laos is also a certified member of the World Fair Trade Organisation.

ASEAN

There is a lack of institutional structures within ASEAN, specifically for the promotion of sustainable development in the regional tea sector although one recent ASEAN initiative is being developed in the sector:

- **ASEAN +3 support for growth of new tea strains** – ASEAN +3 (China, Japan, Republic of Korea) have developed an action plan to support the growth of new high-yield tea strains. Another aspect of the action plan will be to reduce residual chemicals in the tea products as prescribed by the World Green Tea Association.

4.3 Enforcement and Implementation

A rapid assessment of the enforcement / implementation of the key legal and other requirements outlined in Section 4.1.3 was conducted - informed by a number of interviews with selected government and industry representatives (see Appendix B). Results from this exercise, including challenges and future opportunities are outlined in Table 4-3.

Table 4-3 Enforcement and Implementation

Theme	Enforcement/Implementation Challenges
Tea sector governance	There is an absence of a national association representing businesses in the local tea sector. Challenges to establishing such an association include lack of organisation in the sector (i.e. many small players, lack of a sufficient amount of producers groups, limited leadership, etc.); capacity of businesses and government agencies in the northern provinces; doubts within the sector about the potential benefits of an association and concerns about cost (both financial and time).
Non-profit organisations	<p>While there is a mechanism which allows for the establishment of a non-profit association (NPAs) it is a complicated process. There are exhaustive conditions set by the government that includes numerous requirements from different government ministries. This includes detailed financial reports and personal profiles of all members that need to be approved by the Ministry of Public Security before the application can progress. Once other requirements have been met, the final application needs to be approved by the Ministry of Home Affairs.</p> <p>Lao PDR has been seeking NPA status since its inception in 2008 and it currently has a temporary certificate while its application is pending.</p> <p>There is also no mechanism within Lao law that allows for the establishment of non-profit enterprises. Outfits such as Mai Savanh Laos, wishing to conduct their activities in this manner are required to establish an incorporated entity and operate as a non-profit generating business. This status places a number of restrictions on the organisation – particularly its ability to apply for NGO funding. There are no tax concessions afforded to them by the GOL. While this was initially difficult, companies operating under these conditions have found that their status</p>

Theme	Enforcement/Implementation Challenges
	<p>as a business has helped with the development of relationships with local farmers and government as well as decreasing reliance of stakeholders on donor funding. Support has also come from the growing awareness of the 'social enterprise' globally, and increasing support from international donors and NGOs who have recognised their importance in the development process.</p>
Organic Certification	<p>The Lao Organic certification is viewed as an important initiative and a number of local businesses such as Mai Savanh Laos have gained certification. Challenges include: maintenance of a robust and trusted brand; effective monitoring and enforcement of certified organisations; further development and growth of the initiative to obtain 'critical mass.'</p> <p>Companies like Mai Savanh Laos who have progressed to obtaining international certification (i.e. Agriculture Certification Thailand) are looking to extend this to certification in their destination markets where local and regional standards do not have the same impact.</p> <p>Challenges to on-ground implementation of organic certification in the tea sector include:</p> <ul style="list-style-type: none"> • Farmers have low awareness of requirements of international markets. Education levels of some farmers and farming communities makes it difficult to convey concepts. • Due to the cost and capacity development requirements, certification is unlikely without international donor support. • One non-conforming member can jeopardise certification of the cooperative. The Internal Member Control System is critical to the success of the group. • Access to organic markets is difficult and once access has been obtained, there are challenges producing quantities required. • Economies of scale are required to make certification viable. However the bigger the group, the more complex and challenging the management of the group becomes. • Quality is paramount. <p>A number of international development organisations (i.e. Helvetas, AFD, GIZ, SDC and Oxfam) continue to support the sector. Support to farmer groups (and certification) requires a clear understanding of the commercial realities for producers and traders; and a long-term, transparent commitment which can be incorporated into the business plan.</p>
Fair Trade Certification	<p>The Lao FT initiative is still developing momentum. There is still a general lack of awareness in the sector about the concept of FT – in the government, on the farm and in the wider domestic community.</p> <p>The development of the FT initiative is restricted somewhat by barriers to registration as a non-profit organisation however through dialogue with the GOL these are being overcome.</p> <p>Challenges to FT certification are similar to those listed above for organic certification.</p>

4.4 Future Opportunities for CSR

CSR in the Lao tea sector is currently limited by the lack of organisation in the sector and the absence of CSR demand from the major tea markets in China. At the same time there is increasing investment for larger scale tea production (and other plantations such as coffee and rubber) that presents challenges to the traditional sector.

Future opportunities for CSR relate to building the awareness and understanding of the value of current tea production and processing; and the sourcing of CSR related opportunities for realising this value financially. These include:

- Supporting the development and organisation of the Lao tea sector through initiatives such as the coalition of stakeholders and ultimately the establishment of a Lao Tea Association;

- Build on the work of projects and initiatives such as the Lao Forest Tea Project, the Shantea Project and activities by the company Eco-place to further identify opportunities for promotion of Lao tea quality and capture value adding opportunities for 'pro-poor' and 'organic by default' tea on international markets;
- Work needs to be done to better understand the Chinese tea market which includes demand for a range of tea products, perceived medicinal and other properties of some types of tea and export markets to which Chinese companies are currently on-selling Lao tea;
- The linkages between tea and tourism could be investigated further with a view to creating a unique visitor experience while building livelihoods for local farmers and enhancing the reputation of Lao teas; and
- More research could be done on the rich historical and cultural heritage of Lao tea. Key informants during this study observed that certain teas in northern Lao PDR have been famous in China for approximately 600 years taking on almost mythical proportions. This could present marketing opportunities for geographical/historical branding of high value tea products.

5 CSR BY SECTOR IN LAO PDR – TOURISM

5.1 Sector Overview

The tourism sector is integral to the Lao economy. Foreign visitor arrivals almost reached 3.8 million in 2013 generating over \$595 million for the Lao economy (TDD 2014). The report also stated that the arrivals figure represented a 13% increase on statistics for 2012. In contrast to these figures, a recent business confidence assessment conducted by ECCIL and LNCCI found the majority of tourism businesses surveyed reporting a decrease in turnover and profit between January and July 2014.

The Lao tourist sector features cultural, historical and natural attractions and caters equally to a range of tourists from high end guests to the backpacker market. The market is segmented with a large number of tourist visitors to Lao PDR (85%) being regional tourists from neighbouring countries that stay on average 1-3 days and spend a relatively small amount. Conversely, approximately 15% of the visitors to Lao PDR are other international tourists who tend to stay an average of 8 days and account for over half of all tourism revenue (TDD 2013). A small segment of the market consists of domestic tourists travelling within the country.

Businesses catering to the markets discussed above can be broadly described by the categories in Table 5-1.

Table 5-1 Types of Tourism Business in Lao PDR

No.	Tourism Operator	Description	Key Players
1	International and regional linked tourism businesses	<p>This category often caters to high end and ecotourism clientele and consists of international and regional tourism operators including:</p> <ul style="list-style-type: none"> • Major resorts, golf courses and casinos (regional investment); • Major Hotels (international franchises and regional investment); • Boutique resorts, hotels and guesthouses; • International travel agents; • NGO and INGO supported initiatives. 	<ul style="list-style-type: none"> • Best Western • Mercure • Chanthapanya • Green Park Boutique Hotel • Exotissimo Travel • Diethelm Travel
2	Domestic tourism businesses	<p>Domestic tourism businesses include travel agents, tourism operators, hotels, guest houses and restaurants. There is a diverse range of businesses in this category targeting different subsectors.</p>	<ul style="list-style-type: none"> • Members of the Lao Hotels and Restaurant Association • Members of the Lao Association of Travel Agents • Green Discovery • Nakarath Travel

The Ministry of Information, Culture and Tourism is responsible for developing and regulating tourism in Lao PDR and the Lao Association of Travel Agents (LATA) and Lao Hotel and Restaurant Association (LHRA) are the peak tourism industry bodies. Integration into the AEC has a number of future implications for the tourism sector in Lao PDR and attempts have already been made to adopt the 'ASEAN Tourism Standards'. There are six ASEAN Tourism Standards (refer section 5.1.3) and the Ministry of Information, Culture and Tourism have encouraged industry to adopt one of these, the 'Green hotel' standard. The Ministry is also in the

process of developing Lao versions of the ASEAN Tourism Standards for 'homestay' and 'ecotourism' (ASEAN 2014a).

5.2 CSR in the Tourism Sector

"Attempts to adopt the ASEAN Standard for Green Hotels have been problematic and not very successful....the modular nature of the standard is incompatible with Lao educational system capacity and the needs of Lao enterprises", Oudeth Souvannavong, President, Lao Hotel and Restaurant Association.

5.2.1 Awareness, Perceptions and Drivers of CSR

General awareness about CSR issues within the Lao tourism sector is high due to the consumer demand for green products and services from tourists and stakeholder pressure from international parent companies. Government pressure to align the industry with its tourism strategies is also a factor. A description of the types of CSR drivers in the Lao tourism industry and their influence on the sector is given below.

International/regionally linked businesses and initiatives

Internationally and regionally linked businesses tend to have a sophisticated understanding of their target markets as well as sufficient capacity to develop the kinds of products and services to satisfy customer demand. The level of CSR is dependent on the businesses target market. Most businesses that are franchisees of international parent companies meet at least a base level of CSR through initiatives such as water, energy and waste efficiency campaigns in hotels or staff training programs. Some go much further and make it an integral part of their business such as some ecotourism ventures (see below) that attempt to embed environmental and social considerations into all aspects of their operations.

NGO's and donor agencies have also influenced awareness and adoption of CSR through work with government and the private sector. Examples of this work include GIZ's tourism and community development project with the provincial government in Phongsaly (GIZ 2014) and their work on a homestay project with Exotissimo and the GOL tourism and forestry departments between 2006 and 2010. Other examples include SNV's pro-poor sustainable tourism project in Houaphanh Province with the United Nations World Tourism Organization (UNWTO), the European Union, the Mekong Private Sector Development Facility (MPDF) and NGOs such as the Wildlife Conservation Society (Mekong Tourism 2014) and the Xepian Ecotourism project undertaken by the World Wildlife Fund (WWF) for Nature in partnership with the Lao National Tourism Authority and the Ministry of Agriculture and Forestry.

Domestic businesses

As with the international players, the level of CSR exhibited by local tourism businesses is largely a product of market demand. However, there are a range of domestic tourism businesses from well organised, established operations to small, family run firms. This also means a significant difference in the levels of awareness about the tourism market in general and the ability of particularly the smaller companies to tailor their services to market forces.

Some of these smaller companies are short term market entrants that enter the market to fill a gap and tend to fade away as the market catches up. Other domestic businesses such as Green Discovery have a strong understanding of the market and have developed a reputation for quality service as well as commitment to community based tourism. Green Discovery develops ecotourism and adventure tourism packages. Company CSR commitments include a 'Green Care Fund' which sponsors ecotourism tours for Lao School children. They also pay \$2 per day per person for visits to National Protected Areas and set aside 10% of company income for training of guides, villagers and development of more community-based tourism programs (Green Discovery 2014).

Tourism Operators with CSR as a core business

Awareness and adoption of CSR is embedded into the operation of some tourist ventures catering specifically to ecotourism and green products and services in Lao PDR.

There are differing levels of commitment to ecotourism principles within this market segment with some operators using ecotourism simply as a marketing tool to generate business demand. At the other end of the spectrum are those businesses that demonstrate a strong sense of awareness and commitment to supporting and protecting the natural, cultural and social environments in which they operate and many operators have affiliations with international organisations and observe international standards as well as employing internal systems for contributing to local communities.

Exotissimo and Nakarath Travel are both examples of companies that have embedded CSR into their operations. Nakarath Travel embraces 'responsible travel' and they design their tour packages to promote Lao culture, utilise local suppliers and service providers and tourism operations with strong ecotourism credentials wherever possible. They have also aligned themselves with the Mines Advisory Group (MAG) and Cope International to raise awareness about victims of cluster bombs. Exotissimo is also a supporter of 'responsible travel' and actively supports community based tourism with a range of activities through its Exo Foundation. Exotissimo, as well as a number of other Lao businesses, are also pursuing accreditation with Travelife which aims to enhance the sustainability of holiday experiences through delivery of environmental and social improvements throughout the supply chain.

5.2.2 CSR Issues in the Lao Tourism Sector

A number of CSR issues associated with Lao tourism sector were identified during the conduct of this study. These issues are summarised broadly by ISO 26000 'core subject' categories and are intended as a preliminary overview which can be built upon during future work (Table 5-2).

Table 5-2 Overview of CSR Issues in the Lao Tourism Sector

CSR Category	CSR Issue
Environment	<ul style="list-style-type: none"> • Pollution – runoff into waterways, generation of solid waste and carbon emissions • Land degradation / habitat clearance, encroachment on protected areas and impacts on biodiversity • Resource use – water, energy and raw materials • Visual amenity – poor site-planning of some tourism developments has resulted in visual impacts for surrounding environments • Noise pollution – population influx can create negative noise impacts for local residents
Social	<ul style="list-style-type: none"> • Community health and safety issues (tourist safety, sex tourism, illicit substance sale & use, gambling and related social issues) • Labour (worker conditions, local / ethnic staff, foreign workers) • Cultural impacts (watering down of cultural values; tourist disregard for cultural values) • Supporting infrastructure • Flow down benefits to communities • Employment creation and skill development
Economic	<ul style="list-style-type: none"> • Respect for property rights • Price exploitation for local goods and services • Fair competition and corruption

Source: Earth Systems desktop review and key informant interviews (2014).

Note: This list is not exhaustive and is intended as a preliminary overview which can be built upon during future work.

5.2.3 Legal and Other (Voluntary) Requirements

A key element of this study was the identification and assessment of the environmental and social requirements, both legal and voluntary, that are currently influencing CSR in each of the target sectors. Requirements were categorised as either Lao or international and primary or secondary depending on the perceived level of influence that they are currently having on each sector. Section 5.2.3 lists and details the key (primary) documents / initiatives that are influencing CSR in the Lao tourism sector. All primary documents and initiatives listed in section 5.2.3 can be found in the document repository (Appendix A) along with the secondary requirements not covered in the body of the report.

National

The main government strategy for the tourism sector at present is the Lao PDR Tourism Strategy 2006-2020. The GOL also developed a National Ecotourism Strategy and Action Plan 2005-2010. Since 2010, ecotourism has been incorporated into government planning through annual implementation plans and according to officials interviewed at the Ministry of Information, Culture and Tourism, the next ecotourism strategy will be incorporated into the upcoming Tourism Master Plan 2016-2020. Another recent GOL tourism strategy is the Strategy on Tourism Development and Promotion of the Lao PDR 2012-2020. While these strategies have clear intentions for tourism development in Lao PDR, issues like competing forms of land use and a lack of co-ordination between different ministries and levels of government are a barrier to the achievement of this strategic direction.

Key policy, regulations and standards are listed below:

- **Law on Tourism (2013)** - Overarching law for the tourism sector. CSR themes include protection of the environment and preservation of culture; enhancing quality and efficiency in the tourism sector; community development and involvement through ecotourism and other types of sustainable tourism.
- **Lao PDR Tourism Strategy 2006 - 2020 (2012)** – The strategy sets out a pathway to develop natural and cultural tourism sites, encourage participatory eco-tourism, develop strong tourism business management and investment, human resource management and international co-operation. The strategy also seeks to link Lao provinces through tourism activities and link border provinces to neighbouring countries as well as engaging in tourism advertising and promotion both locally and globally. These activities are designed to build on the tourism sector's position as one of the strongest in the Lao economy and use tourism to tackle poverty, particularly in rural areas.
- **Lao Ecotourism Strategy 2005-2010 (2005)** – The Ecotourism Strategy was developed in order to capitalise on Lao PDR's rich natural and cultural heritage and establish localised socio-economic development through co-operation on tourism development that promotes conservation and sustainable growth. The Ecotourism Strategy stated 5 key objectives which resonate closely with the principles of CSR, the key objectives are to:
 - » Strengthen institutional arrangements for planning and managing ecotourism growth;
 - » Support training, capacity building and the promotion of good practice;
 - » Support environmental protection and nature conservation;
 - » Provide socio-economic development and cultural heritage protection for host communities; and
 - » Develop ecotourism research.
- **Strategy on Tourism Development and Promotion of the Lao PDR 2012-2020 (2012)** - The Strategy on Tourism Development and Promotion of the Lao PDR 2012-2020 builds on the Lao PDR Tourism Strategy 2006 – 2020. It reviews the overall performance of the latter strategy to date and formulates a 'Tourism Action Plan 2014-2020' to articulate in detail, the steps required in order to achieve the goals of the new strategy.

- **Draft Standard of Community-Based Tourism of the Lao PDR (2014)** – the Community-Based Tourism Standard (draft format at time of study) is a training manual that sets standards for both products and services related to: lodge, homestay, tour guides/programmes, supply chains, human resources and tourist sites. These standards build on the ASEAN Tourism Standards and prescribe specific requirements for each topic in relation to products and services. For example, the homestay standard covers topics such as the condition of villages and homes to be used in homestay arrangements as well as the hospitality of hosts.
- **Labelling/Certification Programmes** - The Green Elephant label is an initiative to create a certification system to promote safety and greener tourism. The system covers the areas of energy efficiency, waste and wastewater management and is being developed by the LHRA in partnership with the Ministry of Industry and Commerce and four hotels (Best Western, Vientiane Plaza, Settha Palace and Chanthapanya). This work is part of a Green Laos Marketing Strategy and builds on earlier work by UN/SDC in Luang Prabang. Another initiative being undertaken is 'the mark' program which certifies that dining establishments in Luang Prabang have passed a stringent food safety and hygiene audit and received certification.

The government has also undertaken periodic initiatives in the tourism sector. For example, in 2009 the Southeast Asia Games were held in Vientiane. In the lead up to the Games, the government worked with the Ministry of Public Health and local restaurants to develop and implement a food certification label so that visitors to the city could be confident that the food they were eating was safe.

- **Lao National Institute of Tourism and Hospitality (LANITH)** – partnership between the Lao Ministry of Education and Sports and the Luxembourg Agency for Development Cooperation (Lux-Development). LANITH also has a range of other international partners including hospitality institutes from around the world, the UNWTO and the International Labour Organisation (ILO). Its 'Passport to Success' training program is a modular program based on the ASEAN Tourism Standards. Lanith runs a guesthouse and restaurant in Luang Prabang which doubles as a learning centre for tourism professionals and is involved with the United Nations Industrial Development Organisation (UNIDO) and the Luang Prabang Safe and Green Tourism Scheme to operate 'the mark' program (discussed above).

International

Lao tourism ventures have aligned themselves with a large range of international tourism organisations, certifications, awards and programmes and they are too numerous to mention here. In many cases these are directly influenced by internal policies from internationally linked companies that guide best practice and influence CSR. Internal parent company initiatives adopted by Best Western include standards relating to the look of hotel rooms, staff capabilities such as English language proficiency and training programs such as their global online university for management staff. Another company operating in Lao PDR, Exotissimo, has improved their service performance through access to its parent company software which has improved their efficiency in response to customer demand for faster service.

Some key international influences in relation to CSR in the Lao tourism section are discussed below:

- **UN Global Code of Ethics for Responsible Tourism (1999)** – Adopted by the World Tourism Organisation in 1999, the Global Code of Ethics for Responsible Tourism are a set of 10 principles designed to guide key-players in tourism development including all UNWTO members. The Code's 10 principles are economic, social, cultural and environmental components of travel and tourism. Lao PDR has been a member state of the UNWTO since 1975.
- **Sustainable Tourism Certification Schemes** – Sustainable tourism certification schemes used by businesses in Lao PDR include, but are not limited to, the Rainforest Alliance Verification Standard for Tourism Services, the Green Globe Certification Standard, Eco Certification (Eco Tourism Australia), WWF, Earthcheck, Ecoclub, Pack for a Purpose and the Global Sustainable Tourism Guidelines for Hotels and Tour Operators. Examples of Lao businesses that have claimed affiliation with these standards include Kingfisher Ecolodge, Lanith, Rivertime Ecolodge Resort and All Lao Travel Service. Although many Lao tourism businesses align themselves to a range of certifications and programs and

display them on their websites, some of those contacted for this study conceded that they were yet to receive full accreditation for some of the programs.

- **International Organisation of Standardisation: Standards for Tourism and Related Services (2006)** - This ISO set of standards are specifically for tourism. As with the UN Global Code of Ethics for Responsible Tourism, ISO standards have a strong influence on tourism through adoption by the large multinational organisations that set industry benchmarks. Other ISO standards prevalent in the tourism industry are ISO 9001 Quality Management Systems and ISO 14001 Environmental Management Systems. Due to the costs of accrediting, monitoring and auditing ISO Standards, they are often only adopted by large firms. Examples of hotel companies in the Lao tourism sector adopting ISO standards in their global operations include Mercure (ISO9001) and Ibis (ISO14001).
- **Green Globe Certification Standard (2014)** – The Green Globe is a certification standard for sustainable tourism. Certification requirements include provisions for water and energy conservation and contribution to local communities. Hotels in Vientiane such as Best Western and Crowne Plaza are owned by parent companies that subscribe to the Green Globe Standard.
- **UN Educational, Scientific and Cultural Organization (UNESCO) World Heritage Convention (1972)** - The UNESCO World Heritage Convention 1972 was designed to safeguard natural and cultural heritage around the world which is becoming increasingly threatened by population growth and economic development. Luang Prabang was classified as a UNESCO World Heritage site in 1995 for its unique fusion of Lao traditional architecture and 19th and 20th century European colonial style buildings (UNESCO 2014). The World Heritage Convention has had a profound influence on the global tourism industry and this is also the case for Lao PDR.
- **Other affiliations (various)** – Companies operating in the Lao tourism sector are aligned with a wide range of other organisations, standards awards and programmes that require CSR type activities. Some of those are listed here:
 - » **Awards** – TripAdvisor Certificate for Excellence, ASEAN Green Hotel Award, Tourism Alliance Awards, Responsible Tourism Awards
 - » **Organisations** – Ecoclub, Travel For Aid, ElefantAsia, Pure Travel, Much Better Adventures
 - » **Standards** – Earth Check, Eco Certification program,
 - » **Programmes** – Sustainable Tourism Development Project, WWF Travel, Mekong Tourism Coordinating Office (MTCO), It's a Green World, Travelife.

ASEAN

The ASEAN Tourism Agreement 2002 (ASEAN 2014b) recognises the strategic importance of the tourism industry for sustainable socio-economic growth of the ASEAN Member States and the benefits that can be derived from co-operating and embracing the diversity in cultures and economies across the region. Some of the key ASEAN tourism initiatives are described below.

- **ASEAN Tourism Standards (2007)** – The ASEAN Tourism Standards, describe the standardisation of six tourism services considered integral to creating a 'single destination' for tourists across ASEAN member countries. In addition to a description of all standard requirements, the guidelines for certification are covered.
- **ASEAN Mutual Recognition Arrangement on Tourism Professionals (2013)** – The ASEAN Mutual Recognition Arrangement (MRA) on Tourism Professionals is designed to create a highly skilled tourism professional workforce across ASEAN member countries and promote the mobility of tourism labour across the region. (ASEAN 2014c). The MRA covers 32 different jobs within the tourism sector.

The MRA describes topics such as competency standards for tourism professionals, suggested curriculum, assessment of competence and recognition of professional qualifications. It also covers the implementation roadmap and the supporting bodies responsible for implementing the plan (ASEAN 2014c).

- **ASEANTA** – The ASEAN Tourism Association (ASEANTA) is a tourism body made up of public and private sector interests that promotes the growth of travel to and between ASEAN countries. ASEANTA also initiates and participates in marketing, manpower, community, research and representation projects that contribute to the goals of tourism across the ASEAN region.

5.2.4 Enforcement and Implementation

A rapid assessment of the enforcement / implementation of the key legal and other requirements outlined in Section 5.1.3 was conducted - informed by a number of interviews with selected government and industry representatives (see Appendix B). Results from this exercise, including challenges and future opportunities are outlined in Table 5-3.

Table 5-3 Enforcement and Implementation

Theme	Enforcement / Implementation Challenges
ASEAN tourism agreements <ul style="list-style-type: none"> • ASEAN Tourism Standards • ASEAN MRA on Tourism Professionals 	<p>Integration to the AEC will be a key challenge for the Lao tourism sector. Attempts are being made to adopt ASEAN Tourism Standards but problems have already been observed with use of the 'Green hotel' standard. The modular nature of the standard is incompatible with Lao educational system capacity and the inflexible nature of the standard is incompatible with the needs of Lao enterprises.</p> <p>Adoption of the MRA poses both challenges and opportunities. It is an opportunity to bring in highly skilled foreign workers which will raise industry standards as well as for Lao workers to train and work in other ASEAN countries. However, new competition will also put less skilled Lao workers at a disadvantage in the job market.</p> <p>Although there are small tourism and hospitality training institutions like LANITH, this is not sufficient to provide the industry wide level of skilled workers that will allow Lao PDR to fully take advantage of the MRA. More support is required in relation to education and training for the sector, particularly courses that provide a combination of training and work experience.</p> <p>Labour demand in the industry and the unfavourable image of the tourism sector in comparison with other sectors such as the finance and public sectors is also a challenge. Labour retention is low for young workers with skills and education who find better opportunities elsewhere and this discourages industry from investing in staff training. Steps need to be taken to attract and retain the best and brightest in the tourism industry.</p>
Policy development <ul style="list-style-type: none"> • Lao PDR Tourism Strategy 2006 – 2020 • Strategy on Tourism Development and Promotion of the Lao PDR 2012-2020 • The Labour Law 	<p>The GOL has developed Lao tourism policies with clear goals to develop the sector but as with many other sectors there are significant barriers to proper implementation. Central platforms to the Lao PDR Tourism Strategy 2006 – 2020 are to develop strong tourism business management and human resource management as well as encouraging investment. In order to do this, key industry players believe that there is a need to create a conducive business environment. Many tourism businesses feel that they have attempted to advise the Lao Government on how to achieve their stated goals but their attempts have been largely ignored.</p> <p>Tax and business administration laws are seen as being prohibitive for new market entrants. Approximately 90% of tourist operators in the country are Small and Medium Enterprises (SME) and many of those are opportunists, entering the market to fill a need and often exiting the market as opportunities dry up. Many SME's don't observe tax and business administration laws when establishing businesses and they often argue that they shouldn't have to pay significant tax when they receive minimal government support in terms of infrastructure and services. By definition, this makes them bad corporate citizens and coupled with minimal capacity and resources, gives them little incentive to implement CSR measures and contribute to a stronger sector.</p> <p>The Labour Law (Draft 2013) is seen by some businesses in the tourism sector as too rigid which doesn't allow for business flexibility. Conversely, workers have little protection because unions / associations aren't strong. Part time and casual workers are often required to reflect industry needs and regulations need to acknowledge that.</p>
Market regulation	<p>Challenges in the area of market regulation include competition with other forms of investment, coordinated planning to avoid the negative aspects of tourism and proper regulation of industry players.</p> <p>Although development of ecotourism is an important facet of the Lao PDR Tourism Strategy, the market</p>

Theme	Enforcement / Implementation Challenges
	<p>segment has found itself competing with the rapid growth of development projects in the areas of mining, hydropower and large scale plantations. One example of this was a homestay project conducted by GIZ, Exotissimo and the departments of forestry and tourism. The project was initially successful but eventually came to an end after which time, villagers started planting tree plantations around the villages and forests began to disappear. The area is no longer suitable for ecotourism and young people don't want to work on plantations so they have no option but to move to the city for other forms of work. This has resulted in an insufficient number of people left to manage the plantations.</p> <p>Industry players believe that a lack of co-ordination in planning between government departments and insufficient market regulation has created issues with the undesirable effects of tourism in recent years such as events in Vang Vieng and around the Bokeo Casino.</p> <p>The LATA also points to decreased regulatory oversight as a concern for the tourism sector. Before travel agents needed to register through the tourism department but now it is very easy to register to be a travel agent through the Foreign Investment Management Committee. LATA believes that this has led to too many travel agents and reduced control over standards and rogue operators.</p>
Lao tourism associations and other professional memberships	<p>The Lao tourism associations are seen by some members as lacking the necessary influence to further the industry. Many association board members represent larger companies and the association is seen by some members as not representative of the overall industry. The associations should be a conduit between members, government and other stakeholders but members believe that in some cases the associations are used by board members to further their own business interests and other member problems are ignored.</p> <p>There is also a need for better dialogue between government and the tourism sector so that tourism businesses can voice their concerns and needs. The sector has voiced many concerns and proposed solutions in the past these have not been acted upon.</p> <p>The LATA is now struggling to operate effectively since donor assistance was discontinued and tourism businesses are not encouraged to join because they receive no real benefits from membership.</p>
Certification/ labelling	<p>While many firms with large parent companies benefit from their association through access to international certification and memberships, the cost of developing, implementing and auditing certification schemes is a significant barrier for many SME's within the tourism industry. The LHRA is working with NGO's and industry on Lao specific certification schemes such as the 'Green Elephant label' and 'the Mark' but again the costs of certification and ongoing auditing will be prohibitive for many businesses in the industry once funding for these initiatives has been exhausted.</p> <p>Some companies claim affiliation to standards and certification programs purely for the purpose of 'greenwashing'. There are a proliferation of awards, memberships and certification programs in the tourism industry but not all of those help to provide meaningful contributions to the industry.</p> <p>Lao PDR was selected as the 'World best tourism destination for 2013' by the European Council on Tourism and Trade based on their 'principles on fair tourism, ethical tourism, safety standards and historic preservation of cultural sites' (ECTT 2014). The legitimacy of this award has been questioned by many in the industry and this enforces the point that many forms of certification and labelling in the industry are not beneficial and can even lead to consumer scepticism.</p>

5.2.5 Future Opportunities for CSR

There is a gap in the sector between businesses that actively engage in CSR and those with minimal awareness of the CSR concept. Opportunities identified during the study to address this gap include:

- Supporting the government to improve the business environment. Areas identified during the study were taxation, business administration and labour laws that are unable to address the specific needs of the sector. Lessons could be drawn from successful overseas case studies where governments have introduced measures in order to drive growth in tourism industry;
- Supporting government and industry with education and training programs. Integrating work experience into training programs was identified in the study as a specific industry need;

- Supporting Lao tourism associations to be more proactive in advocating for their members. This could be achieved through further development of international partnerships, staging promotional events, promotion of best practice and regulation tourism businesses in the industry;
- Labels and international certification - while some work is already being done to adopt Lao standards, labelling and certification schemes, further support is needed. International certification can be prohibitively expensive and is not always suited to the Lao context. There are opportunities to assist with the design of Lao tourism standards, guidelines and labelling programs based on international best practice but suited to local industry needs; and
- Support for more ASEAN initiatives in the lead up to the AEC. Specifically in the area of training and international work experience opportunities to capitalise on the knowledge and experience of ASEAN neighbours.

6 CSR BY SECTOR IN LAO PDR – TRANSPORT & LOGISTICS

6.1 Sector Overview

The transport & logistics sector in Lao PDR has grown significantly in the last decade with imports and exports averaging a 24% annual increase over the period and merchandise trade accounting for approximately 60% of GDP (World Bank 2014a). Road transport accounts for 98% of passenger kilometres and 86% of freight kilometres by weight moved in Lao PDR (ADB 2011). Road transport has been the focus of this study due to its position as the dominant form of transport.

Lao PDR's cross border trade is constrained by high costs due to its landlocked status, distance to ports and the volume of empty backhauls. Connectivity with Thailand and China, the country's principal trading partners, is being improved through investments in road and bridge infrastructure with initiatives such as the North-South (NSEC) and East-West Economic Corridors (EWEC). Development of logistics networks is limited by small trade volumes; and a lack of infrastructure and ICT systems to support sophisticated logistical chains. Only a few large companies (e.g. Phu Bia Mining and Beer Lao) have sophisticated supply chains which are internally managed.

The Lao International Freight Forwarders Association (LIFFA) is the peak industry body and it represents 37 national companies. Most of these businesses have limited in-house logistics and transport services and instead focus on facilitation services (i.e. document control and outsourcing to regional transport & logistics companies). Overall demand for freight forwarder services in Lao PDR is low due to the high costs and lack of timely service and many businesses prefer to keep their storage, consolidation and inventory management in-house (World Bank 2014a).

LIFFA has requested that the government restrict market entry to international companies to protect the local industry. International firms are required to have local representation and they participate in the domestic market in only a very limited capacity.

Transport & logistics providers can be broadly categorised into three types (Table 6-1).

Table 6-1 Types of Transport & Logistics Providers in Lao PDR

No.	Company Type	Description	Key Players
1.	Logistical islands	This category consists of large, internationally backed companies with significant transportation and logistics needs. They have introduced sophisticated in-house transport and logistical chains and safety systems in order to maintain the high standard of their operations.	<ul style="list-style-type: none"> Phu Bia Mining (PBM) Beer Lao
2.	International transport & logistics companies	International transport & logistics companies operating in Lao PDR under significant restrictions. Typically well-known brands that align themselves with, or outsource work to, local companies (i.e. TNT is aligned with domestic company Lao Freight Forwarder).	<ul style="list-style-type: none"> TNT DHL DB Schenker
3	Domestic companies	The domestic market is dominated by a few companies. Most of these businesses have limited in-house logistics and transport services and instead focus on facilitation services	<ul style="list-style-type: none"> Lao Freight Forwarder Societe Mixte De Transport

6.2 CSR in the Lao Transport & Logistics Sector

6.2.1 Awareness, Perceptions and Drivers of CSR

The level of awareness about, and concern for, CSR issues within the commercial transport & logistics sector is highly variable. Awareness and adoption of CSR is most prevalent among international companies or companies with international backing (see Table 6 1). CSR drivers originate from their parent companies and their financiers. These companies are used to dealing with strong legislative frameworks, stakeholder demand and public pressure for socially responsible operation in their own domestic markets. Many of these organisations have well developed internal systems based on a range of international best practice guidelines and standards to which they subscribe.

Category 1 Logistics Islands

Category 1 companies are large internationally backed businesses that require significant transportation and logistics needs. Their approaches to CSR issues are influenced by the origin of their international investors and the broader sectors in which they operate – i.e. mining or food and beverage.

PBM's parent company PanAust is an Australian Stock Exchange listed company and a signatory to the Minerals Council of Australia's *Enduring Value - Code of Best Practice*. The company's transportation and freight activities are guided by environmental and social management plans which cover aspects such as vehicle procurement and maintenance; safe driving practices; and community safety. As an international mining company, the company is implementing a holistic and integrative approach to CSR – influenced by best practice CSR in the mining sector globally. At the time of writing, PBM had recently contracted Australian company Linfox to service its Lao operations. Although Linfox operations will be headquartered in Vietnam and Thailand, the contract could potentially provide a boost for the transport & logistics sector in Lao PDR with the company committing to 'significant investment in state-of-the-art fleet and a well-trained team of drivers, support staff and management' (Asia Miner 2014).

Beerlao (50% owned by Carlsberg Asia) has adopted a range of ISO standards including those for quality (ISO 9001:2008), environmental management (ISO 14001:2004), OH&S (ISO 18001:2007) and food and beverage safety (ISO 22000:2005). Beer Lao's CSR approach is primarily focused on corporate philanthropy for social, cultural and sporting activities in the community (Beer Lao 2014).

Category 2 International Transport & Logistics Companies

At the global level these companies have significant CSR commitments which all their operations (including those in Lao PDR) are obligated to meet. For example, DHL has a Code of Conduct; has committed to a range of international policies (e.g. the UN Global Compact) and a number of initiatives (e.g. GoGreen initiative) which aim to improve environmental and social performance. The level of application of these commitments in Lao PDR is commensurate with the size and nature of their operations.

Category 3 Domestic companies

In general, less awareness exists among Category 3 domestic freight forwarders and CSR perceptions and practice in their operations are minimal. The key differentials are minimal demand side pressure, protectionism of the domestic sector and the lack of enforcement of government regulations.

Some of the larger domestic transport and logistic companies are more exposed to international best practice through the demands from their clients and/or relationships with international transports & logistics partners. For example, Societe Mixte De Transport has developed internal systems to manage environmental and social (safety) aspects of their business and is active engaging in international organisations (UNESCAP, FIATA, IFC/MPDF) on these matters. However, most domestic companies operate at arm's length from these demand-side drivers. Protectionism has stifled investment and development of the sector and domestic companies generally have poor management systems, aging truck fleets and limited capacity to address CSR issues associated with transport & logistics operations.

6.2.2 CSR Issues in the Lao Transport & Logistics Sector

CSR issues identified in the study that relate to the Lao transport & logistics sector are summarised below using the ISO 26000 'core subject' categories (Table 6-2).

Table 6-2 Overview of CSR Issues in the Lao Transport & Logistics Sector

CSR Category	CSR Issue
Environment and safety	<ul style="list-style-type: none"> • Non-compliance coupled with a lack of enforcement of rules designed to enhance health and safety as well as protect the environment. This applies to: <ul style="list-style-type: none"> » The adopted EURO III Standards on vehicle emissions; » Vehicle weight legislation; » Vehicle condition (state of repair, safety features); » Fuel quality; » Dust and noise issues; » Driver restrictions (to combat driver fatigue, appropriate licensing etc.); » Inspection relating to sanitary and phyto-sanitary measures; and » Inspection and transit of dangerous goods. • Minimal application of driver training relating to eco-driving (techniques to save fuel and wear and tear of vehicles).
Social	<ul style="list-style-type: none"> • Lack of industry association influence on government decision making • Labour issues such as: <ul style="list-style-type: none"> » Minimal application of driver health and safety training and health and safety protocols; » Employment creation and skills development; and » Fair working conditions. • Community safety due to: <ul style="list-style-type: none"> » Overladen trucks in unsuitable condition (pose danger for other road users and leave roads in state of disrepair); » Shortage of adequately trained drivers.
Economic	<ul style="list-style-type: none"> • Tightly controlled domestic market with little prospect of market entry • High prices due to small number of operators and unsophisticated logistical supply chains that are unable to achieve economies of scale • Little incentive to invest in modern truck fleets

Source: Earth Systems desktop review and key informant interviews (2014).

Note: This list is not exhaustive and is intended as a preliminary overview which can be built upon during future work.

6.2.3 Legal and Other (Voluntary) Requirements

A key element of this study was the identification and assessment of the environmental and social requirements, both legal and voluntary, that are currently influencing CSR in each of the target sectors. Requirements were categorised as either Lao or international and primary or secondary depending on the perceived level of influence that they are currently having on each sector. Section 6.2.3 lists and details the key (primary) documents / initiatives that are influencing CSR in the Lao transport & Logistics sector. All

primary documents and initiatives listed in section 6.2.3 can be found in the document repository (Appendix A) along with the secondary requirements not covered in the body of the report.

National

- **Law on Land Transportation (2012)** - Overarching law for road transport sector. The law covers general regulations on the administration of land transport, establishment of transport enterprises, international and cross-border transport, freight forwarding and measures against violators.
- **Strategy on Environmentally Sustainable Transport (2009)** - The strategy was developed in partnership with the United Nations Centre for Regional Development (UNCRD) and promotes sustainable development of the Lao transport sector. CSR aspects include safety and environmental initiatives such as reduced fatalities and health risks from transport, promotion of alternative forms of transport such as cycling, walking and public transport, a reduction of motorbike use and stabilisation of car use and a goal of 75% inspection of commercial and public transport vehicles by 2015. In addition, the strategy aims to promote environmentally friendly vehicles and introduce and apply EURO III standards on vehicle emissions by 2015. The latest version of this strategy is now part of the overall Strategy on Land Transportation.
- **National Strategy on Land Transportation (in progress)** – The new strategy which is currently being drafted will bring together all elements of land transportation and includes sections on road traffic safety; passenger transportation; transport & logistics; environmentally sustainable transport; and transport enterprises.
- **Manual on Environmental and Social Operation: Road Sector (2009)** – Covers the environmental and social context for the transport sector including environmental and social safeguards and ESIA guidelines for transport projects.
- **Transportation Regulations (various)** – A number of other legal requirements that also have an important influence on the transport & logistics sector include the Regulation on Technical Standards and Accessories of Vehicles that are Authorized for Import for Registering and Assembling for Using in Lao PDR (2002); and the Decree on Fines and other Measures Against Violators of the Law on Road and Road Transport and Protect Highway (2007); the Ministerial Decision on the Basic Principles for the Application of Sanitary and Phytosanitary Measures in Plant and Animal Product Administration (2012); and the Regulation on Maximum allowable Weight Laden for Truck (Truck-trailer) with 6 Axles (22 wheels) (2009).

International

- **Greater Mekong Subregion (GMS) Cross-Border Transport Facilitation Agreement (CBTA)** – The CBTA between Lao PDR, Vietnam and Thailand is designed to facilitate fast, efficient, environmentally sustainable transport and increase technical knowledge and professional standards through education and monitoring of transport systems within the GMS. CSR issues covered include safety (i.e. driver training, road regulations and licensing); carriage of dangerous goods; and the cross border movement of people. A key CSR initiative under the agreement is the GMS Green Freight Initiative.
- **GMS Freight Transport Association (FRETA)** – GMS FRETA is a regional coalition of carriers, freight forwarders, logistics associations and individual companies. FRETA is dedicated to developing and upholding industry standards by training companies, managers, drivers and staff on the proper and effective adoption of international best practices in transport & logistics (GMS FRETA 2014). Lao members of GMS FRETA are made up of members of LIFFA.
- **ISO Standards (various)** – ISO Standards used in the Lao transport & logistics sector cover a wide range of topics related to quality (ISO 9001), environmental management (ISO 14001), occupational health and safety (ISO 18001), 'intelligent transport systems', which are integral for efficient, sustainable transport systems, and standards for supply chain management. Due to the stringent requirements of these standards only the large companies with international backing are able to fully comply.

- **Global Sustainability Standards (various)** – A number of global sustainability standards inform the sustainability strategy (and transport operations) of some international companies operating in Lao PDR. These include the Equator Principles, IFC's Policy on Social and Environmental Sustainability, the Minerals Council of Australia 'Enduring Value – Framework for Sustainable Development' and the Global Reporting Initiative (GRI). Companies operating in the Lao transport & logistics sector that subscribe to one or more of these standards include PBM, Minerals and Metals Group (MMG), TNT and DHL.
- **International Associations and Organisations (various)** – International transport associations and organisations cited by Lao freight forwarders include the United Nations Economic and Social Commission for and the Pacific (UNESCAP) Transport Department, the International Federation of Freight Forwarders (FIATA), worldwide logistics provider and the IFC's Mekong Private Sector Development Facility (MPDF). Societe Mixte De Transport is a member of these organisations.

ASEAN

The establishment of the AEC in 2015 is expected to have significant implications for the transport & logistics sector in Lao PDR. A number of agreements and strategies have been developed in the lead up to the AEC. These include:

- **ASEAN Strategic Transport Plan 2011-2015** – The ASEAN Strategic Transport Plan 2011-2015 is a 5 year plan that covers all aspects of the regional ASEAN transport agreements. This plan specifically covers CSR topics including social and environmental issues, economics, labour issues and road safety.
- **Other agreements and strategies** which are intended to influence the development of a more modern, integrated and efficient transportation sector include the ASEAN Framework Agreement on the Facilitation of Goods in Transit (1998); ASEAN Agreement on multimodal transport (2005); ASEAN Roadmap for the Integration of Logistics Services (2005).

6.2.4 Enforcement and Implementation

A rapid assessment of the enforcement/implementation of key legal and other requirements outlined in Section 6.1.3 was conducted - informed by a number of interviews with select government and industry representatives (see Appendix B). Results from this exercise, including challenges and future opportunities are outlined in Table 6-3.

Table 6-3 Enforcement and Implementation

Theme	Enforcement / Implementation Challenges
ASEAN transport and logistic agreements and strategies	<p>ASEAN agreements and strategies to encourage the development of a more open and efficient sector have done little to date to address the protectionist policies of governments and industry associations across the region.</p> <p>Protectionism is a core barrier to the up-take of CSR in the sector. Key issues include: a) lack of capacity of domestic transport and logistic companies (e.g. Information and Communications Technology (ICT) capacity; Loose Container Load (LCL) systems etc.); and b) lack of international investment in the sector (both financial and knowledge-based).</p>
Policy development: <ul style="list-style-type: none"> • Strategy on Environmentally Sustainable Transport (2009) • National 	<p>The GOL is currently undertaking extensive work to review and update key transport policy (National Strategy on Land Transportation) and has received the benefit of international experience to formulate past policies such as the Strategy on Environmentally Sustainable Transport 2009 in partnership with the UNCRD) and with assistance from GIZ and SNV. However, government resources for policy formulation are reportedly constrained and co-operation within and between government ministries on cross-sectoral policy and implementation issues is challenging.</p> <p>An example of this is the integration of environmental and social aspects regarding transportation and logistics into policy. While the department has some contact with Ministry of Natural Resources and Environment on these issues, Ministry of Natural Resources and Environment is not on the National Transport Committee, the interagency decision making body for the transport sector (ADB 2011). Ministry of Public</p>

Theme	Enforcement / Implementation Challenges
Strategy on Land Transportation (in progress)	Works and Transport lacks the necessary experience, knowledge and resources to properly develop policy in this area and there are many different and competing ideas amongst the small team tasked with the job. Ministry of Public Works and Transport believe that there is a need for external specialist assistance in this area.
Transportation regulations (various)	<p>There are a lack of adequate resources to support implementation and enforcement of the government's regulative framework.</p> <p>There are currently no government requirements for driver log books and driving hours and there are insufficient vehicle inspection centres and weigh stations to support vehicle safety legislation.</p> <p>The government has identified the gap between inspections and enforcement as a key issue for the sector.</p> <p>Training and education across the sector has been identified as critical to industry development. LIFFA have made small steps in this area with periodic workshops and training initiatives such as the recent assignment of 5 Lao transport sector representatives to Japan for a train the trainer course as part of an ASEAN project but more needs to be done. LIFFA observed the need for government as well as donor agency support to set up comprehensive university or vocational training programs in the areas of driver training, vehicle safety and logistics/supply chain management.</p> <p>Corruption has also been identified as an issue for enforcement of regulations such as truck load weights and safety standards. By paying bribes, truck drivers and transportation companies can avoid following government rules and regulations and this is currently seen as a cost effective option.</p>
Manual on Environmental and Social Operation: Road Sector (2009)	The Ministry of Natural Resources and Environment sends many EIA's to the Department of Roads for review in relation to transport issues. Most of the EIAs have limited or no analysis of transportation aspects and there is not enough consideration for cumulative impacts. The process leans towards rubber stamping the EIAs rather than seeking input on best practice for impact mitigation.
International Standards (various)	<p>The lack of competition in the Lao transport & logistics sector creates little incentive to raise sectoral standards.</p> <p>Large international companies with sophisticated business systems and strong integration of CSR within their operations have been discouraged from participating within the domestic transport & logistics market.</p> <p>Some contracts undertaken by local service providers require compliance with international standards but these contracts are often subcontracted out and the extent of compliance with contract requirements is unknown.</p> <p>LIFFA has minimal influence on government decision making in the transport & logistics sector and a lack of meaningful participation from international players with strong CSR policies and programs is a barrier to information dissemination with regard to best practice in the industry.</p>

6.2.5 Future Opportunities for CSR

Future opportunities for the development of CSR in the Lao transport & logistics sector are largely dependent on the level of regional economic integration that the AEC and ASEAN specific transportation and logistics initiatives can achieve. A lot of effort has been taken on CSR measures such as Environmentally Sustainable Transport but before anything can really be done to clean up the sector, protectionism needs to be removed. Opportunities identified during the study for supporting the development of CSR in the Lao transport & logistics sector include:

- Working with the government to assess and reduce barriers to international companies;
- Engagement of international companies and logistical islands to assist local business with adoption of best practice systems and institutional knowledge that will help address CSR issues;

- Development of Lao specific industry standards that promote a staged approach to cleaning up the sector with regard to phased enforcement campaigns targeting safety and environmental issues such as truck weights, safe loads, vehicle technical inspections and vehicle emissions;
- Donor and government support for further introduction of integrated logistics infrastructure to benefit the sector; and
- Establishment of a transport training centre and a pathway to accreditation for transport professionals including drivers, fleet managers and logistics management.

7 CSR BY SECTOR IN LAO PDR – HYDROPOWER

7.1 Sector Overview

The hydropower sector is playing a key role in the development of the Lao economy. There are currently 17 small to large projects in operation; 17 under construction and numerous others in the pipeline (MEM 2014). Total installed capacity is currently 2,975 MW. A large percentage of the electricity generated is exported to neighbouring countries and the remainder is used domestically. The Ministry of Energy and Mines was contacted for the study but was unable to disclose figures for the total volume of electricity exports and total revenues. With untapped hydropower potential of around 26,500 MW, and export MOUs with Thailand and Vietnam for 7,000 MW and 5,000 MW respectively, the sector is expected to continue to grow rapidly over the next decade (IFC 2014).

Hydropower developments are classified into three (3) main categories based on installed generating capacity including large hydropower (>15 MW); small hydropower (<15 MW); and micro hydropower (<1 KW). Large hydropower projects in Lao PDR range from the 15 MW threshold up to 1,070 MW – the installed capacity at Nam Theun 2 Hydropower Project. Other aspects considered when determining the category of a project include the size of the reservoir (if present) in both capacity (volume) and surface area (MONRE 2010).

Of the 17 projects currently in operation, Electricite du Laos (EDL) owns and operates seven (7) and holds shares in another four (4). Two of the country's largest projects, Thuen Hinboun (490 MW) and Nam Theun 2 (1,070 MW) are owned by consortiums of local, regional and international developers and have sourced financing from a range of international financial institutions. The Nam Ngum (615 MW) is owned by Thai interests. The next wave of 14 projects (currently under construction) is dominated by regional investors. Major projects include Xayaboury (1285 MW), Nam Ou cascade 2, 5 & 6 (540 MW), and Xekhaman cascade (570 MW) with developers from Thailand, China and Vietnam respectively. The Xepian Xenamnoy and Nam Ngiep 1 are partly owned by Korean and Japanese companies and have sourced international financing.

The International Finance Corporation (IFC) and LNCCI recently established a Hydropower Developers Working Group with a number of hydropower companies operating in Lao PDR. The inaugural meeting was held in February 2014 with key hydropower industry representatives in attendance.

7.2 CSR in the Hydropower Sector

7.2.1 Awareness, Perceptions and Drivers of CSR

CSR in the Lao hydropower sector has been influenced by the journey of hydropower development globally. International experience demonstrates that in many cases the assumptions that hydropower will contribute to local or national economic and social development have not been realised. A large part of this has been the failure to adequately understand and mitigate significant environmental and social impacts (World Bank 2010). Poor developments in the past have led to increased scrutiny from the public and in turn increased regulation and requirements from governments and financiers. CSR perceptions and practice in the Lao hydropower sector vary considerably.

Internationally financed projects

Investor demand is a key driver. Those developers with international financing are usually required to follow international safeguards in the development of the project. The level of CSR demand from financiers is also largely correlated with the level of government pressure placed upon developers to comply with the national legislative framework. Internationally financed projects are generally more transparent and less open to political influence and as a result government authorities are more likely to strictly apply the law. Other factors that determine the level of government pressure include the size of the project, capacity of government agencies and the level and origin of technical assistance being afforded to them.

Internationally financed hydropower developers in Lao PDR tend to make the distinction between mandatory obligations and voluntary CSR. They view mitigation of environmental and social impacts as an integral part of the project. This includes what could be defined as ‘mandatory CSR’ in the form of significant contributions to the community and environmental programs (e.g. Nam Theun 2 Power Company’s 1.3 million USD p.a. watershed management contribution).

CSR is primarily a private sector initiative. It is self-driven (by the company) and understood to benefit both the company (i.e. public relations, employees, shareholders) and its external stakeholders (i.e. impacted communities, government, wider Lao community). It can include self-designed and -run community activities, donations to government, philanthropic donations, and support for staff participation in community activities. Funding streams, separate to environmental and social program budget are usually developed for these purposes.

“In a company that has a dynamic CSR program, staff feel they are part of an organisation that does more than one thing. I think humans need that, I think people like to feel they have a worth, they are making a difference”, Bobby Allen, Theun Hinboun.

Leading hydropower companies in Lao PDR continue to evolve their approaches to CSR – particularly as their projects complete contractual commitments for impact mitigation and mature into the longer-term operation phase. A key aim of these companies is to continue to effectively engage project stakeholders and maintain the project’s social license to operate.

Domestic or regionally financed projects

Developers with local or regional financing tend to have less pressure to address environmental and social impacts of their operations and integrate CSR aspects into their business. While these companies seek to comply with the national legal framework many lack experience and are ill equipped to meet such stringent requirements. CSR for these companies has traditionally been limited to corporate philanthropy, involving direct contributions to the GOL to support ad hoc requests, government managed funds and other service delivery.

There is however evidence of a growing awareness of CSR among some of the larger regional investors. A number of Thai (e.g. EGAT) and Chinese companies (e.g. Sinohydro and Datang) with interests in Lao PDR have developed internal environmental and social policy frameworks to guide their overall activities and have committed to publically report on their CSR activities through the Global Reporting Initiative. Drivers of this change may vary across the region. For Chinese companies, pressure from the Government to address CSR issues has been increasing; for Thai companies, increased public pressure both at home and abroad may be a contributing factor.

7.2.2 CSR Issues in the Lao Hydropower Sector

A number of CSR issues associated with the Lao hydropower sector were identified during the conduct of this study. These issues are summarised broadly by ISO 26000 ‘core subject’ categories and outlined in Table 7-1.

Table 7-1 Overview of CSR Issues in the Lao Hydropower Sector

CSR Category	CSR Issue
Environment	<ul style="list-style-type: none"> • Management of watersheds • Changes to natural water flow and quality (i.e. reservoirs, diversion of water between catchments etc.) • Habitat loss and impacts to terrestrial and aquatic biodiversity • Hazards (i.e. floods) • Construction specific impacts (e.g. air quality, noise, erosion and sediment transportation)

CSR Category	CSR Issue
Social	<ul style="list-style-type: none"> • Resettlement • Loss of private and public land, infrastructure and assets • Community development, local economies and livelihoods • Vulnerable and disadvantaged people (including women and ethnic minorities) • Community health, nutrition and safety • Loss of cultural, natural and archaeological heritage
Economic	<ul style="list-style-type: none"> • Benefit sharing • Transparency with concession agreements • Corruption related to securing of contracts

Source: Earth Systems desktop review and key informant interviews (2014).

Note: This list is not exhaustive and is intended as a preliminary overview which can be built upon during future work.

7.2.3 Legal and Other (Voluntary) Requirements

A key element of this study was the identification and assessment of the environmental and social requirements, both legal and voluntary, that are currently influencing CSR in each of the target sectors. Requirements were categorised as either Lao or international as well as primary or secondary depending on the perceived level of influence that they are currently having on each sector. Section 7.2.3 lists and details the key (primary) documents / initiatives that are influencing CSR in the Lao hydropower sector. All primary documents and initiatives listed in section 7.2.3 can be found in the document repository (Appendix A) along with the secondary requirements not covered in the body of the report.

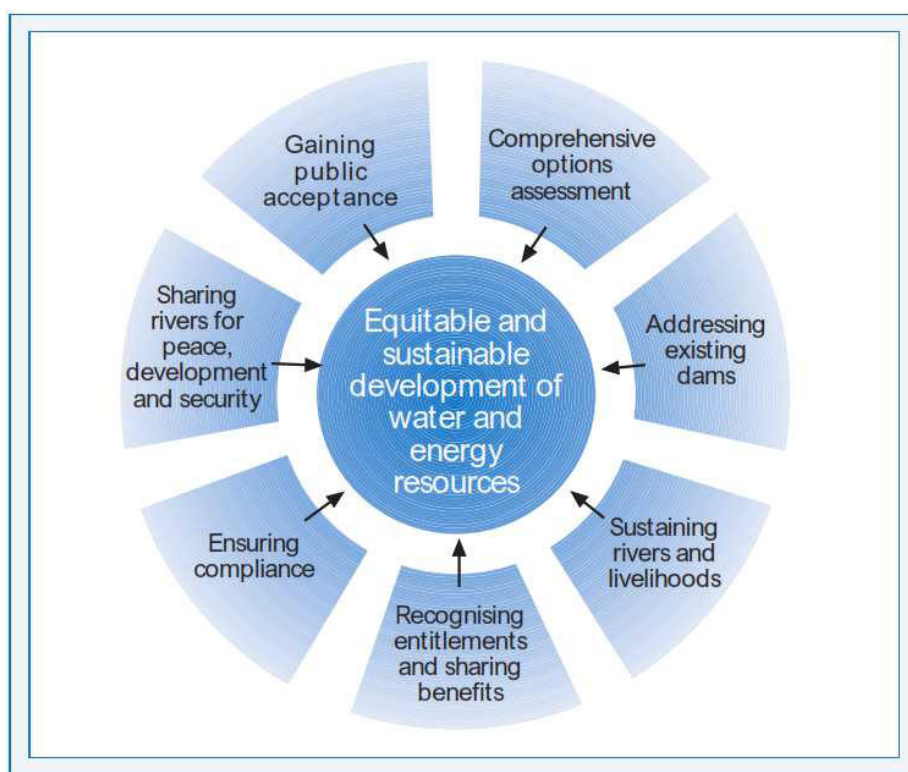
National

- **National Policy for Sustainable Hydropower (2006, DRAFT 2014)** – This policy which applies to large hydropower projects (>15 MW), has recently been revised. The overall objective of the policy is to promote hydropower development based on the principles of economic, social, ecological, and technical sustainability. It reiterates requirements for environmental and social assessment; consultation; information dissemination; water resource management; compliance monitoring and reporting; revenue and benefit sharing outlined in other key GOL legislation. The Policy confirms GOL requirements for ‘mandatory CSR’ – outlining obligations of companies to contribute to environmental and social funds. The Policy also encourages the adoption of the Equator Principles and IHA Assessment Protocol (see below).
- **Electricity Law (amended 2012)** – The amended Electricity Law includes a number of provisions relating to developers environmental and social obligations. These include, but are not limited to: a) conduct of environmental and social assessment and implementation of appropriate impact mitigation measures; b) provision of training and technical capacity building of staff; c) contribution to socio-economic development in the local area; d) contribution to environment protection in the local area.
- **Environmental and Social legislative framework (various)** – Specific policies, standards and regulations for environmental management of energy projects were developed by the (then called) Ministry of Industry and Handicrafts between 2000 and 2003. These have now been superseded by the present environmental and social legislative framework administered by the Ministry of Natural Resources and Environment and other key line ministries.

International

- **World Commission on Dams (2000)** – The WCD’s Final Report titled “Dams and Development: A new framework for decision making” outlines a series of strategic priorities and an operational approach for the development of water and energy resources. At the centre of this framework is a rights and risk approach to decision making. The WCD outputs have guided the development of Lao PDR’s legislative framework for the sustainable development of the country’s hydropower sector (see Figure 7-1).

Figure 7-1 World Commission on Dams Seven Strategic Priorities



Source: World Commission on Dams website, 2014.

- **Hydropower Sustainability Assessment Protocol (2009)** - The Sustainability Assessment Protocol (Figure 7-2) was produced by the International Hydropower Association and is intended as an assessment tool to measure and guide sustainability performance across four stages of hydropower development: i) early stage; ii) preparation; iii) implementation; and iv) operation. The Protocol does not specify guidelines or minimum standards, instead it is intended as an assessment step to understand and inform pathways to better performance. In Lao PDR, the government has started to include the implementation of the Protocol as a requirement in individual hydropower concession agreements. A number of hydropower developers (i.e. Sinohydro, NTPC, PNPC, NN1PC) have committed to implementing the Protocols. While a number of awareness and training events have been held in Lao PDR, it is understood that formal assessments for specific projects have yet to be undertaken.

Figure 7-2 IHA Sustainability Assessment Protocol Themes

The Protocol encompasses all aspects of sustainability				
TECHNICAL	ENVIRONMENTAL	SOCIAL	ECONOMIC AND FINANCIAL	INTEGRATIVE
Siting and design	Downstream flows	Project affected communities and livelihoods	Economic viability	Demonstrated need and strategic fit
Hydrological resource	Erosion and sedimentation	Resettlement	Financial viability	Communications and consultation
Reservoir planning, filling and management	Water quality	Indigenous peoples	Project benefits	Governance
Infrastructure safety	Biodiversity and invasive species	Cultural heritage	Procurement	Integrated project management
Asset reliability and efficiency	Waste, noise and air quality	Public health		Environmental and social issues management

Source: IHA website, 2014.

- **Equator principles (2013)** – The Equator Principles are used by the financial industry (including potential financiers of hydropower projects in Lao PDR) to determine, access and manage environmental and social risk in projects. The Principles are high level and cover requirements for assessment, management systems, stakeholder engagement, grievance resolution, monitoring and reporting, and transparency. Similar to the IHA Protocols, the Equator Principles are often directly referenced in individual concession agreements between the GOL and developers.
- **IFC / World Bank and ADB Safeguards (various)** – IFC/World Bank Performance and ADB Safeguards are commonly used as benchmark standards by the government and financiers of hydropower developments in Lao PDR. The implementation of these standards varies across the sector. During feasibility studies, many developers seek to comply to maximise potential investor options. Compliance post financial closure is dependent on individual financing arrangements. Those projects with direct IFC or ADB financing are required to address safeguards thoroughly.
- **Chinese Standards (various)** – The Chinese Government has developed a number of standards specific to Chinese companies operating internationally. These include:
 - » *Guidance on Environmental Protection in Foreign Investment and Cooperation* (MOFCOM and MEP 2013) which aim to guide Chinese companies operating abroad “to actively perform their social responsibilities of environmental protection, set up good international images for Chinese enterprises, and support the sustainable development of the host country”;
 - » *Green Credit Guidelines* (CBRC 2012) which encourage Chinese banks to consider environmental and social aspects in their lending cycle and develop green credit facilities; and
 - » *Guideline for Environmental and Social Impact Assessments of the China EXIM Bank’s Loan Projects* (2007) – which outlines requirements for the integration of Environmental and Social impact assessment and risk consideration in the project evaluation process and ongoing monitoring requirements of the Bank’s investments. The EXIM Bank’s guidelines are particularly relevant to Lao PDR as many Chinese backed hydropower projects (e.g. Nam Khan 2, Nam Khan 3 and Nam Ou 2, 5 and 6), have sourced financing from this institution.
- **Global Reporting Initiative** – GRI provides a comprehensive framework for CSR/sustainability reporting. Members of GRI are required to follow the Initiative’s Reporting Principles and Standard Disclosures and disclose information on the GRI website. GRI has been adopted to varying degrees as

a standard for best practice sustainability reporting by companies such as the Electricity Generating Authority of Thailand, Kansai Electric Power, Sinohydro Corporation and Datang International Power Generation who are operating in Lao PDR.

- **Other international standards (various)** – Various other international standards are used by the hydropower sector in Lao PDR. Examples include: ISO 14001:2004 Environmental Management Systems (promoted by the GOL and financiers in concession agreements and contracts with hydropower developers), ISO 9001:2008 Quality Management Systems and UNESCO/IHA GHG Measurement Guidelines for Freshwater Reservoirs.

ASEAN

The ASEAN energy development (including hydropower) is guided by the *Agreement on ASEAN Energy Cooperation* (amended 1997) and the *ASEAN Plan on Energy Cooperation 2010-2015*. The Plan outlines a program on renewable energy including a regional renewable energy target of 15% installed capacity and strengthened regional cooperation (including hydropower). Environmental and social aspects are referred to in this plan and the *ASEAN Declaration on Environment Sustainability* is referenced.

Institutional structures relating to energy established at the regional level include:

- ASEAN Centre for Energy;
- ASEAN Hydropower Competence Centre;
- New and Renewable Energy sub-sectoral Network; and
- Regional Energy Policy sub-sector network.

7.2.4 Enforcement and Implementation

A rapid assessment of the enforcement/implementation of the key legal and other requirements outlined in Section 7.1.3 was conducted - informed by a number of interviews with selected government and industry representatives (see Appendix B). Results from this exercise, including challenges and future opportunities are outlined in Table 7-2.

Table 7-2 Enforcement and Implementation

Theme	Enforcement/Implementation Challenges
National Hydropower Policy 014 and Electricity Law 2012	<p>There is a general culture in Lao PDR (and developing countries in general) which encourages the provision of private sector finances to the government (e.g. per diem allowances, ad hoc donations)</p> <p>Over recent years there has been a trend by government ministries (supported by the donor community) to mandate CSR (i.e. obligations to provide funds to various government managed funds). This approach has drawn from experience in the mining sector and project specific examples (e.g. Theun Hinboun Power Company's contribution to the Environment Protection Fund or in Nam Theun 2's case, the government managed Social and Environment Restoration Fund and the Watershed Management Fund). The purpose of this regulation has been to raise the bar across the sector by adopting CSR concepts and practices from leading companies. Line ministries and sub-national governments also view this as an important revenue stream for the delivery of environment and socio-economic programs.</p> <p>While there is general agreement in the hydropower sector that measures need to be taken to maximise social, environmental and economic outcomes of projects for all stakeholders, many developers feel that mandating these aspects is not 'CSR' (a voluntary above and beyond regulation concept) but instead an additional tax and should be treated as such.</p> <p>The models being promoted by the government (and supported by many regional investors) tend to encourage direct private sector contributions; government management/implementation; and wider zones of influence, whereas traditional CSR models tend to be more private sector driven, targeted to the most affected people, and focused on win-win outcomes for the company and its stakeholders. The latter often requires heightened awareness of CSR and capacity for CSR program delivery within the company. The former often presents real challenges in terms of capacity and technical expertise.</p>

Theme	Enforcement/Implementation Challenges
	<p>Governance of government funds is a key concern. In many cases, funds which source private sector funds provide little information about the management and use of these funds. The EPF (which sourced funds from developers such as Theun Hinboun) has been cited as a well-run initiative, with low administration costs and targeted use of funds. Support from the World Bank is viewed as critical here.</p> <p>There is also a view in the sector that mandatory CSR models need to consider sector specific contexts (i.e. mining is shorter term, has different environmental and social impacts and operates on different financial models than hydropower).</p>
International Safeguards Standards (various)	<p>Leading companies with international financing usually demonstrate strong commitments to their environmental and social obligations and are more likely to adopt voluntary CSR practices. These companies are accountable to a range of investor monitoring and oversight groups (i.e. Lenders Technical Advisers; Panel of Experts) who monitor compliance to contractual obligations. These companies have commonly commissioned robust assessments; developed effective management plans; and appropriately financed and developed the required capacity to meet these obligations. Relationships with monitoring groups are typically positive, jointly identifying and working through issues to ensure obligations are met.</p> <p>Other regional and domestic companies who are interested in potential international financing will often consider safeguard requirements in the feasibility stage of a project. While some then actively pursue this form of financing, the majority find the standards and cost of compliance too onerous and seek alternative finance options.</p> <p>Efforts have been made by a number of regional companies in recent years to strengthen internal capacity for meeting international safeguard standards. In 2009 Sinohydro worked with MIGA to strengthen environmental and social management of the Nam Ngum 5 Project in preparation of MIGA political risk insurance – however the Project eventually proceeded without MIGA. More recently the Electricity Generating Authority of Thailand (EGAT) entered into a joint venture with KANSAI Electric Power Co. to build and operate the Nam Ngiep 1 Hydropower Project. This project has been working closely with ADB to develop the project in compliance with ADB safeguards and has recently secured financing.</p>
Environmental and Social legislative framework (various)	<p>The current environmental and social legislative framework has been developed based on experiences of internationally financed projects such as Theun Hinboun and Nam Theun 2. As such, International financed hydropower developments that comply with international standards also comply with national regulations. In addition to existing compliance to often more stringent international standards, these companies also typically have the culture and capacity to respond to GOL requirements. These companies also acknowledge the capacity issues within the GOL and actively support (financially and non-financially) relevant ministries to more effectively monitor these projects. For these reasons, internationally financed developments are usually the focus of GOL attention.</p> <p>Other hydropower developers without the demands of international financiers tend to be weaker in terms of meeting GOL legislative requirements. It is common for many of these companies to treat this as a 'rubber stamp' process rather than an integral part of the development process. These companies often lack the awareness and the capacity to drive compliance. The government has generally tolerated this situation – in part to encourage investment and development and also because of its own capacity issues to effectively engage developers on these issues.</p>
Chinese Safeguards Standards (various)	<p>Chinese hydropower investments in Lao PDR and across the region are often large and present significant environmental and social risks. Poor management of these risks is resulting in increasing challenges to many project's 'license to operate'. In response to this, the Chinese government and some leading companies have developed improved E&S policies, guidelines and implementing frameworks. The challenge now is the translation of these policies into on-ground implementation.</p> <p>The new MOFCOM/MEP <i>Guidance on Environmental Protection in Foreign Investment and Cooperation</i> lack regulatory rigour. Companies are 'encouraged' rather than 'required' to meet these standards. There is a lack of monitoring and enforcement mechanisms specific to these guidelines.</p> <p>The China EXIM Bank's Guidelines for Environmental and Social Impact Assessments present a more detailed and compliance based approach. The Bank makes explicit its right to require inclusion of E&S responsibilities in the loan contract and to monitor compliance. Financial consequences of non-compliance are also noted. Despite this, continued issues with major EXIM Bank financed hydropower</p>

Theme	Enforcement/Implementation Challenges
	projects in Lao PDR suggest that adequate monitoring and enforcement mechanisms are lacking.
Working group	<p>The Hydropower Working Group has only recently been established by the IFC/LNCCI and its agenda is still being refined. Key priorities for the Working Group include strengthened and common approaches to technical design; financial and contractual arrangements; and environmental and social impact mitigation. Discussions to-date have focused on raising the standard of environmental and social impact management. Discussions regarding voluntary CSR have been limited to issues concerning requests for donations and how to best handle these.</p> <p>A strong relationship with government will be important for the Working Group. As with other sectors, companies are not always invited to participate in the policy development process or are given very short notice and this can lead to poor policy development.</p>

7.2.5 Future Opportunities for CSR

A number of opportunities for supporting the development of CSR in the Lao hydropower sector have been identified during this study.

- Strike a balance between raising the bar through regulation and encouraging progressive companies to develop and implement innovative CSR programs. CSR has traditionally been a company activity but is increasingly becoming government controlled. While government initiatives such as mandatory CDF's can help to raise the overall industry standard, it can also be viewed by industry leading businesses as a tax or extra cost to business. Naturally, businesses argue that they are better equipped than government to deliver meaningful community development.
- Ensure that hydropower sector specific considerations are incorporated into mandatory requirements. Hydropower projects are unique in that they generally have fixed construction and operational costs as well as stable revenues unlike other sectors such as the extractive industries and establishment of the concessional agreement determines the viability of the project. For this reason, introduction of new requirements by the government once the project is underway can threaten project viability and weaken the sector.
- Consider similar models as the EPF and Poverty Reduction Fund (PRF) with strong governance mechanisms (supported by the World Bank) including transparent reporting of the use of funds. The PRF has been seen by many as successful due to World Bank oversight. The Lao Government itself acknowledges its shortcomings in relation to resources and institutional capacity and the PRF model could be considered when adopting a community development fund in the hydropower sector to ensure that the fund delivers optimal community benefits.
- The Hydropower Working Group has the potential as a platform for sharing information and experiences about E&S best practice; and to raise awareness towards a common understanding of what CSR is (i.e. distinguish between impact mitigation obligations and voluntary CSR).
- A large number of projects in the hydropower sector are being undertaken by Chinese companies. There is an opportunity to work with these companies and the Chinese Chamber of Commerce in Lao PDR to assess the level of awareness/adoption and promote further implementation of Chinese standards such as *Guidance on Environmental Protection in Foreign Investment and Cooperation* and the *Green Credit Guidelines*.

8 CSR BY SECTOR IN LAO PDR – MINING

8.1 Sector Overview

Lao PDR has over 570 mineral deposits consisting of metals (base metals, iron, precious metals and rare metals), industrial materials, construction materials and dimension stones, gems, and solid fossil fuels (MINDECO 2006). Over the last decade, development of these resources has transformed the Lao PDR economy. The value of mineral production has grown from a modest US\$ 10 million in 2003 to an estimated US\$1.3 billion in 2011 (IMF 2011). The sector now directly contributes between 8-11 percent of the Gross Domestic Product (GDP) and between 15–20 percent when indirect induced effects are accounted for (MPI 2010; ICMM 2011).

By 2012, there were fifty eight (58) companies with ninety three (93) active production agreements in Lao PDR (DOM 2012). Nineteen (19) of those companies were domestic companies owning and operating 29 active sites. The remaining 39 companies with 64 production sites are foreign-owned or Lao-foreign joint venture companies (DOM 2012).

Companies operating in the Lao mining sector can be broadly categorised into four (4) groups - internationally financed, smaller international and regionally financed, domestic and artisanal (See Table 8-1).

The two largest operations - Phu Bia Mining Limited (PBM) and Minerals and Metals Group (MMG) contribute approximately 90% of mining production value in Lao PDR (ICMM 2011). Vieng Phouka Coal Mine Co. Ltd is currently the largest producer of coal (annual capacity of 300,000 metric tonnes).

A mining industry association was established in the lead up to the ASEAN Federation of Mining Association (AFMA) meeting held in Lao PDR in 2004; however this was disbanded shortly after the meeting. A new mining association is being established to enable Lao PDR to host the 2015 AFMA meeting – the association is expected to remain after the conference.

Table 8-1 Mining Operators in Lao PDR

No.	Category	Description	Key Players
1.	Internationally financed projects	Large international companies mining gold and copper. Established systems and operational processes based on international best practice. Account for 90% of mining production in Lao PDR.	<ul style="list-style-type: none"> PanAust/Phu Bia Mining MMG/Lang Xane Minerals [Rio Tinto and Dominion/Kingsgate currently exploring potential for bauxite and gold/copper respectively]
2.	Smaller international and regionally financed projects	Joint ventures between Lao investors and regional or smaller international companies. Main commodities include coal, potash, gypsum, zinc, tin, lead, limestone and iron. Little available information about production figures. Less sophisticated environmental and social safeguards in place.	<ul style="list-style-type: none"> Vieng Phouka Coal Mine Company Ltd. Banpu/Hongsa Power Company. Lao SPG CMC Mining Co. Ltd. First Pacific Mining Lao Co Ltd.
3.	Domestic companies	History of state and military involvement. Some involvement of large construction companies that have diversified into mining. Little available information about production figures. Less sophisticated environmental and social safeguards in place.	<ul style="list-style-type: none"> Pethongkham Co. Savan Gypsum Company Ltd. Gypsum Public Company Savannakhet Phonesack Group
4.	Artisanal miners	Up to 50,000 people engage in artisanal mining	not applicable

No.	Category	Description	Key Players
		in Lao PDR and approximately 75% of that figure is made up of women. Generally family scale activities to supplement rural incomes. Limited experience with recognition and mitigation of impacts related to excavation and processing activities.	

Source: EITI Scoping Study (World Bank / GOL 2013).

8.2 CSR in the Mining Sector

8.2.1 Awareness, Perceptions and Drivers of CSR

While internationally financed companies have integrated CSR measures throughout their operations and demonstrate a strong commitment, less is known about CSR perceptions and drivers for most other companies in the Lao mining sector.

Large internationally financed projects

Investor and stakeholder pressure are key drivers in this category. As discussed above, PBM and MMG account for the majority of mining production in Lao PDR. Both demonstrate a strong commitment to mitigating the environmental and social impacts of their operations as well as contributing to the sustainable development of the communities in which they operate.

MMG, formerly Oz Minerals, is now majority Chinese-owned and continues to maintain and further develop the high standards of its predecessor. Both companies have adopted international best practice standards throughout their operations over long periods of time and have now in many areas developed company systems that go beyond external requirements. They practice a form of strategic CSR, continually developing their approach in order to differentiate themselves from other companies in a sector where CSR activities are often becoming operational requirements.

PBM adheres to the Minerals Council of Australia's 'Enduring Value' framework for sustainable development. The framework provides a set of strategic guidelines that advises companies on how to integrate social, health, safety, environmental and economic issues into their operations in order to promote sustainable development in the mining industry (MCA 2005).

"PanAust recognises that sustainable business development is essential for our ongoing success. We strive to ensure that our activities are financially profitable, technically appropriate, environmentally sound and socially responsible....", Pan Aust Sustainability Policy, 2013.

PBM and MMG are members of the International Council on Minerals and Metals. All ICMM members are required to subscribe to the ICMM Sustainable Development Framework and incorporate the framework's ten (10) principles into their corporate policy (ICMM 2014). The 10 principles cover considerations for business ethics, cultural sensitivity, human rights, environmental management, community development and contributions to socio-economic development in areas that companies operate in.

Smaller international and regionally financed projects

There are now a number of companies operating in the Lao mining sector that are either regionally financed or are being developed in partnership with smaller international companies. Examples include Vieng Phouka Coal Mine Company Ltd (Rox Resources), Lao SPG CMC Mining Co Ltd (Gimpex), and Hongsa Lignite Power Company (Banpu).

There is a lack of publicly available information about the perceptions, awareness and adoption of CSR within these companies. Information from the websites of regional companies associated with these operations offer some insights. Rox Resources, a joint venture partner with Vieng Pouka Coal, has policies for continuous disclosure and employee diversity. Banpu Coal, the majority shareholder of Hongsa Power Company has an established CSR policy and implements a range of CSR programs at its operations in Thailand, China and Indonesia.

The GOL recognises that the challenge of broadening CSR across the mining sector lies with these smaller mining companies and MEM is currently developing legislation to further require a base level of CSR performance.

Domestic projects

There is generally less awareness of CSR amongst domestic miners. This is correlated with the lack of CSR demands (investor, regulatory and public pressure) placed on these operators due to their domestic financing arrangements, small scale nature and general lack of transparency. Domestic companies also tend to have less sophisticated management systems and lack capacity to address CSR issues.

More effective regulation is viewed by Ministry of Energy and Mines as the key to improving CSR performance of these operators. Barriers to effective regulation include enforcement capacity of responsible government agencies; a focus on regulation of larger and perceived higher impacting projects; and the potential for political influence.

The size of domestic operations may be an important factor in determining the level of CSR amongst these companies. The Phonesack Group, a wholly owned Lao company with a range of commercial interests including forestry, mining and power generation is publically pursuing a CSR agenda. The company presents its commitment to the “future of our people, community and country” in its 2014 Company Profile and its CSR program including sponsorship of sporting events, education grants and scholarships and the Chaleun Agricultural Development Project (Phonesack 2014).

Artisanal miners

Artisanal mining is less of a formally managed business activity and CSR is not a concern for panners trying to supplement rural incomes. It is understood that artisanal mining involves middlemen, refiners and assayers that tend to operate with little oversight and enforcement which makes them hard to manage from a governance perspective. Implementation of government regulations and enforcement are important for driving CSR type measures in this category.

8.2.2 CSR Issues in the Mining Sector

A number of CSR issues associated with Lao mining sector were identified during the conduct of this study. These issues are summarised broadly by ISO 26000 ‘core subject’ categories and outlined in Table 8-2.

Table 8-2 Overview of CSR Issues in the Lao Mining Sector

CSR Category	CSR Issue
Environment	<ul style="list-style-type: none"> • Deforestation • Land, groundwater and surface water contamination • Construction and operation specific impacts (e.g. air quality, noise, dust, erosion, sediment transportation) • Habitat loss and impacts to terrestrial and aquatic biodiversity • Transport issues (road compaction and deterioration, vehicle emissions, run-off from project roads)
Social	<ul style="list-style-type: none"> • In-migration

CSR Category	CSR Issue
	<ul style="list-style-type: none"> • Loss of private and public land, infrastructure and assets • Community development, local economies and livelihoods • Vulnerable and disadvantaged people (including women and ethnic minorities) • Community health, nutrition and safety • Loss of cultural, natural and archaeological heritage • Lack of observation of Lao employment quotas
Economic	<ul style="list-style-type: none"> • Transparency with concession agreements • Benefit sharing • Corruption related to securing of contracts

Source: Earth Systems desktop review and key informant interviews (2014).

Note: This list is not exhaustive and is intended as a preliminary overview which can be built upon during future work.

8.2.3 Legal and Other (Voluntary) Requirements

A key element of this study was the identification and assessment of the environmental and social requirements, both legal and voluntary, that are currently influencing CSR in each of the target sectors. Requirements were categorised as either Lao or international as well as primary or secondary depending on the perceived level of influence that they are currently having on each sector. Section 8.2.3 lists and details the key (primary) documents and initiatives that are influencing CSR in the Lao mining sector. All primary documents and initiatives listed in section 8.2.3 can be found in the document repository (Appendix A) along with the secondary requirements not covered in the body of the report.

National

- **Law on Minerals (2011)** – The Law on Minerals defines the principles, regulations and measures regarding the management, protection, utilization of Lao PDR's mineral resources. Article 61 outlines requirements for the sustainable development of operations including consistency with national socio-economic development objectives; balancing economic, environmental and social aspects; mitigation of negative environmental and social impacts; and community development. The Law also requires companies to make direct contributions to the Environment Protection Fund and community development, human resource development and project management in the mining area.
- **Decision on the Implementing Rules and Regulations of the Community Development Funds (CDF) Derived from Contributions of the Mining Sector (Draft)** – is currently being developed to provide further guidance on requirements regarding community development fund contributions (i.e. specific contributions during prospecting and exploration); and the management/administration and use of pooled CDF contributions at the provincial level. The Draft Decision currently allows mining companies to self-manage CDF's during operations.
- **Environmental and Social legislative framework (various)** – There are numerous government environmental and social regulations dealing with high impact projects such as mining which are administered by the Ministry of Natural Resources and Environment and other key line ministries. Key legislation related to the mining industry that is currently being drafted by Department of Mines include the *Guideline on Environmental Protection for the Mining Sector (Draft)* and *Guideline on Social Protection for the Mining Sector*. These documents provide guidance to government inspectors and companies on the implementation and inspection of key environmental and social protection provisions in Lao PDR law and international best practice. The environmental guidelines covers: management

systems; stakeholder consultation and grievance; sustainable use of resources; water management; wastewater management; solid waste management; hazardous materials; air, noise and vibrations; and land and biodiversity management. The social guidelines covers: management systems; cultural and historical heritage; mine closure; human rights; security; ethnic minorities; community engagement; resettlement, community development; and labour rights. An assessment matrix outlining specific provisions, indicators and documents/evidence required is outlined in each guideline.

International

- **Equator principles (2013)** – The Equator Principles are used by the financial industry (including potential financiers of mining projects in Lao PDR) to determine, access and manage environmental and social risk in projects. The Principles are high level and cover requirements for assessment, management systems, stakeholder engagement, grievance resolution, monitoring and reporting and transparency. Similar to the IHA Protocols, the Equator Principles are often directly referenced in individual concession agreements between the GOL and developers.
- **IFC/World Bank and ADB Safeguards (various)** – IFC/World Bank Performance and ADB Safeguards are commonly used as benchmark standards by the government and financiers of mining developments in Lao PDR. The implementation of these standards varies across the sector. During feasibility, many developers seek to comply to maximise potential investor options. Compliance post financial close is dependent on individual financing arrangements. Those projects with direct IFC or ADB financing are required to address safeguards thoroughly.
- **ICMM 10 Principles (2003)** – The ICMM 10 Principles are based on key mining sector issues identified by the International Council on Mining and Metals and have been benchmarked against leading international standards, including the Rio Declaration, the GRI, the Global Compact, OECD Guidelines on Multinational Enterprises, World Bank Operational Guidelines, OECD Convention on Combating Bribery, ILO Conventions 98, 169, 176, and the Voluntary Principles on Security and Human Rights. Department of Mines has now adopted 7 out of the 10 ICMM Principles for their mining company scoring system. This system will be used for an annual assessment and ranking of investors in the mining sector.
- **'Enduring Value' - the Australian Minerals Industry Framework for Sustainable Development (2005)** – The Enduring Value Framework is designed around the concept that companies operating in the mining industry need to earn and maintain their 'social licence to operate'. The stated aim of the framework is to assist industry operators manage social, health, safety, environmental and economic issues around their operations in order to create 'enduring value' for all stakeholders. PBM subscribes to this framework.
- **Global Reporting Initiative** – The GRI provides a comprehensive framework for CSR/sustainability reporting. Members of the GRI are required to follow the Initiative's *Reporting Principles and Standard Disclosures* and disclose information on the GRI website. GRI has been adopted to varying degrees as a standard for best practice sustainability reporting by both MMG and PBM.
- **Extractive Industries Transparency Initiative (EITI)** – The Extractive Industries Transparency Initiative (EITI) is increasingly being adopted by ASEAN nations who see it as good for economic development. A number of international mining companies operating in Lao PDR support the adoption of EITI. MMG sponsored a Lao Government delegation to Sydney, Australia for the AusAID Mining in Development Conference in 2013 and they plan to sponsor another Lao delegation to an upcoming conference in Melbourne, Australia. The World Bank staged an EITI Workshop and EITI scoping study in Vientiane in 2012 and more recently, a second EITI workshop August 2014. The World Bank hosted a delegation from Myanmar on the latter occasion to share their experiences with adoption of EITI and the workshop also featured presentations from experts on EITI implementation. Upcoming EITI initiatives include a World Bank EITI Workshop in Myanmar with Lao Delegates in October 2014 and a GIZ coordinated EITI Conference in Mongolia with participants from Lao PDR in November 2014.
- **Chinese Standards (various)** – The Chinese Government has developed a number of standards specific to Chinese companies operating internationally (see Hydropower Section 7.1.3). It is unknown if

these standards are currently being adopted by Chinese companies participating in the Lao mining sector but they could serve as a key CSR driver for companies in the future.

- **Other Standards** – Various other international standards are used by the mining sector in Lao PDR. Examples include: ISO 14001:2004 Environmental Management Systems (promoted by the GOL and financiers in concession agreement and contracts with miners), ISO 9001:2008 Quality Management Systems and ISO 18001: 2007 Occupational Health and Safety.

Both PBM and MMG have also adapted internal standards based on best practice. PBM has a comprehensive code of conduct for employees, *The PanAust Way* (PanAust 2013b). MMG has developed nine (9) Safety, Health, Environment and Community (SHEC) Standards that govern their operations (MMG 2014).

ASEAN

ASEAN agreements related to mining are focussed on knowledge sharing through research and development initiatives, regional private sector investment and environmentally and socially responsible mining. Some ASEAN initiatives related to the mining sector are listed below:

- **ASEAN Minerals Cooperation Action Plan 2011-2015** – Lao PDR is a signatory to the ASEAN Minerals Cooperation Action Plan 2011-2015. The plan sets out a range of activities that are designed to develop mining across the region through cooperation between ASEAN countries. Lao PDR has specifically agreed to contribute research related to remediation and rehabilitation of abandoned and closed mines/sites.
- **ASEAN Federation of Mining Association (AFMA)** – Lao PDR is hosting the AFMA Conference in 2015 and the requirement for host countries to have a mining association will facilitate the re-establishment of a mining association in Lao PDR with potential benefits for the sector.

8.2.4 Enforcement and Implementation

A rapid assessment of the enforcement/implementation of the key legal and other requirements outlined in Section 8.1.3 was conducted - informed by a number of interviews with selected government and industry representatives (see Appendix B). Results from this exercise, including challenges and future opportunities are outlined in Table 8-3.

Table 8-3 Enforcement and Implementation

Theme	Enforcement/Implementation Challenges
Law on Minerals 2011 Decision on the Implementing Rules and Regulations of the Community Development Funds (CDF) Derived from Contributions of the Mining Sector (Draft)	<p>The Law on Minerals 2011 requires mining companies to directly contribute funds for environment protection, community development and mining management. The Government is currently drafting regulations to outline community development fund contributions and their administration.</p> <p>Implementation challenges concerning CDFs in Lao PDR to date generally revolve around different perspectives between and amongst businesses and government about who should manage funds, how they should be used, where they should be used (i.e. directly impacted villages or more broadly) and who should decide (community, government or company). Some companies seek to directly manage and implement community development initiatives in directly affected villages; others prefer to and leave implementation to the government's discretion. Local governments are in favour of government managed funds and supporting broader community development across their respective jurisdictions.</p> <p>Mandatory CDFs are viewed by leading mining companies as positive in terms of raising CSR standards across the sector however a number of concerns have also been raised and addressed in the current draft regulations:</p> <ul style="list-style-type: none"> • The potential of this as a rent seeking measure by the government and in turn the risk of less revenue distribution to provincial/district governments receiving high CDF contributions; • The need for all contributions to be tax deductible; • The administration and management of pooled CDF's at the provincial level and the need for the type of

Theme	Enforcement/Implementation Challenges
	<p>external oversight that has contributed to the success of the World Bank supported Poverty Reduction Fund (PRF) and Environment Protection Fund (EPF); and</p> <ul style="list-style-type: none"> The need for flexibility in CDF management and implementation (i.e. allowance for self-managed CDF's and programs) - particularly for leading companies that are striving to implement international best practice community development programs.
Environmental and Social Legislative Framework (various)	<p>The number of smaller companies engaged in mining in Lao PDR poses a challenge for regulators with insufficient resources to implement and enforce rules. The Ministry of Energy and Mines in 2011 estimated that about 30% of domestic and regional companies were not compliant with regulations (ICMM 2011). The Department of Mines has recently developed a new scoring system based on a number of the ICMM 10 Principles to review mining companies operating in Lao PDR. A regional pilot review of forty five (45) companies using the scoring system found that an estimated 68% of companies were meeting environmental and community development obligations to at least some extent.</p> <p>Current environmental and social legislative frameworks governing the mining sector are currently under review with assistance from international donors and development organisations (e.g. World Bank, United Nations and BGR). This is designed to raise the minimum acceptable standard to provide for improved national social and environmental outcomes.</p> <p>Minimum standards do not apply to the internationally financed projects, particularly MMG and PBM, who go well beyond the basic requirements and are continually leading the industry with innovative approaches to best practice.</p> <p>Domestic and regionally financed projects are often not equipped or motivated to implement best practice and often struggle to meet GOL legislative requirements. A key challenge for the Lao mining sector is to cooperate with the government as well as these companies and assist them to treat environmental protection and community development as an essential part of any project as opposed to a 'rubber stamp' process that will enable their project to proceed.</p>
International Safeguards Standards (various)	<p>Leading companies in the sector like PBM and MMG demonstrate strong commitments to their environmental and social obligations and are more likely to adopt voluntary CSR practices. These companies are accountable to a range of investor monitoring and oversight groups (i.e. Lenders Technical Advisers; Panel of Experts) who monitor compliance to contractual obligations. These companies have commonly commissioned robust assessments, developed effective management plans, and appropriately financed and developed the required capacity to meet these obligations. Relationships with monitoring groups are typically positive, jointly identifying and working through issues to ensure obligations are met.</p> <p>Domestic and regionally financed companies who are interested in potential international financing often consider safeguard requirements in the feasibility stage of a project. While some then actively pursue this form of financing, the majority find the standards and cost of compliance too onerous and seek alternative finance options.</p> <p>Many companies, particularly those with small scale production, cite the prohibitive costs of adopting international safeguards. Some domestic and regionally financed companies reportedly perceive the institution of CSR requirements in legislation as an unfair advantage for internationally financed companies who have more resources and experience in dealing with CSR issues.</p> <p>A challenge for the sector is to assist these companies with low cost initiatives and approaches to enable them to meet their obligations and contribute to socio-economic development at a level commensurate with the size of their operations.</p>
Extractive Industries Transparency Initiative (EITI)	<p>Despite the significant potential contribution of the mining sector to the Lao economy, there is currently limited publicly available information on the production and revenue contributions from individual mining companies. A recent EITI scoping study (World Bank 2013) found that in many cases, this information is not recorded to or not widely shared amongst government agencies.</p> <p>In recognition of these challenges/shortfalls, the GOL has engaged in a series of initiatives to strengthen the management of the mining sector and the management of revenue accruing from mineral capital. This commitment is reaffirmed in the National Socio-Economic Development Plan 2011-2015 which highlights the need for better regulation, effective management and transparency in the sector to ensure the highest returns</p>

Theme	Enforcement/Implementation Challenges
	and benefits for the country (GOL 2010). EITI is viewed by many in the sector as a potential tool for supporting these efforts.
Mining Association	<p>The Lao Mining Association was first established in 2004 in the lead up to the Vientiane AFMA meeting that same year. However, GOL support for the association waned and the association was discontinued shortly after the meeting was conducted. Since this time, the two leading mining companies PBM and MMG have been active members of the Australian New Zealand Business Association and through this association have actively engaged the government and community on best practice in the mining sector. In 2014, a code of conduct for all members of ANZBA was developed. The Code has been adopted and will now come into force as memberships are renewed.</p> <p>The Lao Mining Association will be re-established in order for Lao PDR to host the AFMA Meeting in 2015. The GOL and leading mining companies are reportedly committed to continuing the association beyond the 2015 conference.</p>

8.2.5 Future Opportunities for CSR

A number of opportunities for supporting the development of CSR in the Lao mining sector have been identified during this study. These include:

- Support the development of the Lao Mining Association beyond 2015. Utilise the association as a platform for raising performance standards and CSR in the Lao mining sector. Develop a code of conduct for association members.
- Develop an 'emerging CSR mining program' which actively engages and supports regional and domestic companies to understand and build capacity to meet GOL requirements and address CSR issues within their operations. Utilise the draft guidelines on environment and social protection in the mining sector. Engage leading mining companies such as PBM and MMG to share their experience and institutional knowledge and assist companies newer to the sector with adoption and implementation of operational standards at a level appropriate to the scale of their operations.
- Ensure that development of mandatory CSR aspects (e.g. contributions of CDF) continue to be developed in consultation with a variety of mining sector stakeholders including other government agencies, mining companies and development organisations. Ensure mandatory requirements create an enabling environment that facilitates innovation and adoption of international best practice.
- Consider the adoption/adaptation of governance mechanisms being used by the Environment Protection Fund and Poverty Reduction Fund for pooled CDF's at the provincial level. Consider close alignment with or the possible use of the PRF for the management and implementation of pooled CDF programs.
- Consider the adoption of EITI as a means of supporting existing GOL efforts to strengthen management of the minerals sector. Engage other ASEAN countries who are existing EITI members or are actively pursuing EITI adoption.

9 CONCLUSION

This study was intended to capitalise on growing interest in CSR and build on initial research to identify opportunities for future development of CSR in Lao PDR. The study was limited to:

- A baseline assessment of social and environmental regulations and standards relevant to six (6) target sectors (coffee, tea, tourism, transport & logistics, mining and hydropower) in Lao PDR; and
- A rapid assessment of awareness, adoption and implementation of CSR measures in the target sectors.

The study was informed through desktop research and extensive meetings with key government and industry stakeholders. Industry stakeholders were considered to be leaders in their field and as expected showed a high level of understanding and awareness about CSR. Due to their positions in the industry they were able to provide significant insight into the levels of CSR awareness, adoption and implementation across their specific sectors.

The level of CSR awareness, adoption and implementation in Lao PDR is still low in government circles and for business it is highly dependent on market and stakeholder drivers. Large international companies that have embedded CSR into their operations as a result of drivers in their own domestic markets tend to exhibit at least a base level of CSR type activities with some pursuing a range of activities to reinforce their position as market leaders and maintain their 'social license to operate'. Other companies operating in Lao PDR have also incorporated CSR into their operations in order to gain market access in areas such as ecotourism and high value organic and FT market sectors.

At the other end of the spectrum are businesses with less awareness and understanding of CSR and little incentive for adoption of CSR measures. One example of this is in the transport & logistics sector which is dominated by a small number of companies. It receives government support in the form of market protectionism but little support with development of the infrastructure, training and awareness raising programs required to make it a more competitive sector. The dominance of a small number of companies coupled with the lack of support from government and the financial institutions gives businesses little incentive to change the way that they currently operate in order to raise standards across the sector.

A key issue that businesses of all types and sizes in the study identified is the general business environment. An important component of CSR is transparent and ethical behaviour but many businesses believe that government restrictions related to taxation, business administration and labour coupled with a lack of support from financial institutions does not encourage this behaviour from industry.

A number of opportunities were identified during the study for encouraging the further adoption of CSR in Lao PDR both generally and within each of the target sectors. The following are our key recommendations for the next steps:

9.1 General Recommendations

9.1.1 Development Cooperation

It is recommended that GIZ and BGR (and other development agencies) support the Lao business community to develop CSR in the Lao PDR context by:

- Coordinating with business leaders, LNCCI and international chambers to conduct CSR training programs and activities in Lao PDR (i.e. regular multi-stakeholder forums and roundtables on CSR topics) to allow companies and government to share CSR experience;
- Working with local Chambers of Commerce to establish a stakeholder committee for promotion of CSR in the country (this approach has proved successful in Thailand); and

- Developing sectoral CSR components to existing/up-coming development programmes (see sectoral recommendations below).

9.1.2 Business Community

It is recommended that business leaders, LNCCI and international chambers lead the development of CSR in the Lao PDR context through:

- Engaging further with government to enable a better understanding of CSR in the Lao context and develop a joint statement on CSR in Lao PDR;
- Cooperating with regional Chambers and business associations to create a MOU for further development of CSR across the wider Southeast Asian region; and
- Attaining membership of the ASEAN CSR Network either as a strategic or corporate partner to better engage on CSR issues with other ASEAN member states.

9.1.3 Government

It is recommended that the Government considers opportunities for further supporting the business community to advance CSR in Lao PDR including:

- Continuing to strengthen implementation and enforcement of current legislative framework – adherence to which is a necessary first step for any business wishing to practice CSR;
- Ensuring meaningful and constructive engagement with the business community on the development of policy and regulations which are intended to mandate CSR; and
- Encourage leading businesses to go beyond mandatory CSR by providing incentives (i.e. tax deductions, etc.) for additional investment into CSR activities and the adoption of 'international best practice' CSR.

9.2 Recommendations by Sector

It is recommended that the following opportunities be considered for advancing CSR across the target sectors. A number of recommendations relate to creating the enabling environment for CSR initiatives and are cross-sectoral. Fundamental to the recommendations is the need to build off the work already undertaken by various donor-supported programs and private sector partnerships.

9.2.1 Coffee

- Engage and encourage existing concession holders (i.e. Vietnamese and Thai) to import CSR practices from their country of origin – e.g. supply chain and certification initiatives being implemented in Vietnam.
- Support the development of the Lao Organic Certification scheme by increasing local awareness on organic certification requirements, encouraging further adoption of the scheme and developing stronger linkages to other international organic initiatives. Assisting operators to determine the costs and benefits of certification could be an important component of this support.
- Encourage and facilitate the adoption by Lao coffee businesses of other certification initiatives specific to the coffee sector which are widely used by international competitors (i.e. Rainforest Alliance, UTZ, 4C).

9.2.2 Tea

- Continue to support the development and organisation of the Lao tea sector through the Tea Alliance, with the goal of establishing a Lao Tea Association.

- Build on current and past sector initiatives (e.g. Lao Forest Tea and ShanTea Projects) to further identify opportunities for promotion of Lao tea quality and capture value adding opportunities for 'pro-poor' and 'organic by default' tea on international markets;
- Assist the tea and tourism sectors to further develop linkages between tea and tourism with a view to creating a unique visitor experience while building livelihoods for local farmers and enhancing the reputation of Lao teas; and
- Work with local tea business operators to capitalise on the historical and cultural heritage of Lao tea. Geographical branding can potentially open new high value markets (i.e. medicinal properties of tea from a specific area in northern Lao PDR have an existing reputation in China).

9.2.3 Tourism

- Support government with the design and implementation of measures to improve the business environment in the sector (e.g. taxation, business administration/regulation and labour laws that currently do not meet the specific needs of the sector);
- Support government and industry with tourism education and training programs that integrate training with work experience to better meet industry needs;
- Further support the development of Lao tourism standards, guidelines and labelling programs based on international best practice but suited to local industry needs; and
- Support Lao tourism associations with more ASEAN initiatives (e.g. training, international work experience opportunities to capitalise on the knowledge of ASEAN neighbours) in the lead up to the AEC.

9.2.4 Transport & Logistics

- Assist Ministry of Work and Public Transport with incorporating the existing Environmentally Sustainable Transport strategy into the new National Strategy on Land Transportation with an emphasis on clear, actionable items and the establishment of an implementation framework.
- Work with government to reduce barriers for international companies in the sector and promote cooperation between international and local businesses to facilitate adoption of best practice systems and institutional knowledge that will help address CSR issues.
- Assist government and industry with the development of Lao-specific industry standards that promote a staged approach to targeted improvements in the sector (e.g. training and accreditation programs, enforcement campaigns targeting safety and environmental issues).

9.2.5 Hydropower

- Assist the Ministry of Energy and Mines with development of hydropower policy that 'strikes a balance' between raising standards through regulation and allowing progressive companies the flexibility to develop and implement their own innovative CSR programs. Ensure that hydropower sector specific considerations are incorporated into mandatory requirements;
- Assist the Lao government with the establishment of the proposed CDF by incorporating lessons learnt from existing examples (e.g. Poverty Reduction Fund where strict World Bank oversight has been integral).
- Support the HWG on sector-specific CSR initiatives and encourage establishment of a code of ethics that set a minimum standard for the business activities of members.
- Through the HWG, facilitate engagement with the Chinese Chamber of Commerce in Lao PDR; Vietnamese Chamber of Commerce in Lao PDR and leading individual companies to assess the level of CSR awareness/adoption and promote the implementation of CSR standards which are specific to

these companies (i.e. Chinese Guidance on Environment Protection in Foreign Investment and Cooperation).

9.2.6 Mining

- Support the development of the Lao Mining Association beyond 2015. Utilise the association as a platform for raising performance standards and CSR in the Lao mining sector - develop a code of conduct for association members.
- Develop an 'emerging CSR mining program' which actively engages and supports regional and domestic companies to understand and build capacity to meet GOL requirements and address CSR issues within their operations. Utilise the draft guidelines on environment and social protection in the mining sector. Engage leading mining companies (e.g. PBM and MMG) to share their experience and institutional knowledge and assist companies newer to the sector with adoption and implementation of operational standards at a level appropriate to the scale of their operations.
- Ensure that development of mandatory CSR aspects such as contributions of CDF continue to be developed in consultation with a variety of mining sector stakeholders including other government agencies, mining companies and development organisations. Ensure mandatory requirements create an enabling environment that facilitates innovation and adoption of international best practice.
- Consider the adoption of governance mechanisms being used by the Environment Protection Fund and Poverty Reduction Fund for pooled CDF's at the provincial level. Consider close alignment with or the possible use of the PRF for the management and implementation of pooled CDF programs.
- Consider the adoption of EITI as a means of supporting existing GOL efforts to strengthen management of the minerals sector. Engage other ASEAN countries who are existing EITI members or are actively pursuing EITI adoption.

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11 APPENDICES

APPENDIX A

Please see the separate document Repository CD containing a library of relevant Lao and international legislation, guidelines and standards, which is attached to the physical edition of this study. An overview (Document Repository Catalogue) is listed below.

National Legislation:

Year	Ministry	Document Title	Type	Library		CSR Relevance				Sector					
				Lao	English	Primary	Secondary	General	Coffee	Tea	Tourism	Transport	Hydro-power	Mining	
1990	NA	Law on Property Rights	Law	Yes	No	X		X							
1993	PM Office	Decision of Prime Minister Office on Establishment and Operation of Tour Businesses	Decision	Yes	No		X				X				
1994	NA	Law on Bankruptcy of Enterprises	Law	No	Yes		X	X							
1994	NA	Law on Business	Law	Yes	No		X	X							
1994	PM Office	Regulation of the Prime Minister Office on Entry and Exit of Foreign Visitors	Regulation	Yes	No		X	X							
1995	PM Office	Order of the Prime Minister on Improvement of Organization and Management of Tourism Authority	Order	Yes	No		X				X				
1996	NA	Law on Water and Water Resources	Law	Yes	Yes	X		X							
1997	Lao Govt	Decree on the Preservation of Culture, Historical and Natural Heritage	Decree	Yes	No		X	X							
1997	PM Office	Regulation of the Prime Minister Office on Management of Hotel and Guesthouse	Regulation	Yes	No		X				X				
1999	NA	Law on Public Roads	Law	Yes	Yes		X					X			
1999	NA	Law on Urban Plans	Law	No	Yes		X					X			
1999	MOCT	Regulation of the MOCT on Tourguide	Regulation	Yes	No		X				X				
2001	MONRE	Decree on Implementation of Water and Water Resource Law	Decree	No	Yes	X		X							
2001	MEM	Guideline on the Provision of Safety for Labourers Working in Mining Lao	Guideline	Yes	No	X								X	
2001	MAF	Regulations on the Management of NBCA, Aquatic and wild Animals	Regulation	No	Yes	X		X							
2001	MPWT	Decree on National Road Maintenance Fund	Decree	Yes	No		X					X			
2002	MOIC	Regulation on the Import and Export Licensing Procedures of Controlled Goods from Trade Authorities	Regulation	No	Yes		X	X							
2002	MOIC	Decree on Management of Commodity	Decree	Yes	No		X	X							
2002	MOIC	Decree on Management of Import and Export	Decree	Yes	No		X	X							
2002	MOIC	Decree on Patent, Petty Patent and Industrial Designs	Decree	No	Yes		X	X							
2002	NA	Law on State Assets	Law	Yes	Yes		X					X			
2002	MPWT	Regulation on Technical Standards and Accessories of Vehicles that are Authorized for Import for Registering and Assembling for Using in Lao PDR	Regulation	Yes	Yes	X						X			
2003	NA	Law on Land and Decree	Law	Yes	Yes	X		X							
2003	NA	Law on Constitution of Lao PDR	Law	Yes	Yes		X	X							
2003	NA	Law on the Local Administration of the Lao PDR	Law	No	Yes		X	X							

Corporate Social Responsibility in Lao PDR
Baseline Assessment of Social and Environmental Regulations and Standards

Year	Ministry	Document Title	Type	Library		CSR Relevance				Sector					
				Lao	English	Primary	Secondary	General	Coffee	Tea	Tourism	Transport	Hydro-power	Mining	
2004	NA	Law on Development and Protection of Women	Law	Yes	Yes	X		X							
2004	STEA	National Biodiversity Strategy to 2020 and Action Plan to 2010	Policy	No	Yes	X		X							
2004	MONRE	National Environmental Strategy to the Year 2020	Policy	Yes	No	X		X							
2004	MEM	Regulation on Environmental Protection and Management in Mining	Regulation	Yes	No	X								X	
2004	NA	Law on Civil Procedure	Law	No	Yes		X	X							
2004	MOH	The National Strategy for the Rural Water Supply and Environmental Health Sector	Policy	No	Yes		X	X							
2004	STEA	Regulation on Control of Import, Exports and Consumption of Ozone Depleting Substances	Regulation	Yes	Yes		X	X							
2005	MONRE	Decree on Compensation and Resettlement of the Development Project	Decree	Yes	Yes	X		X							
2005	NA	Law on Resolving Public Complaints	Law	Yes	No	X		X							
2005	LATA	National Ecotourism Strategy and Action Plan 2005-2010	Strategy	No	Yes	X					X				
2005	NA	Law on the Anti-Corruption	Law	No	Yes	X		X							
2005	MAF	Strategy on Forestry to the Year 2020 of the Lao PDR	Policy	No	Yes	X		X							
2005	MONRE	Regulations for Implementing Decree 192/PM	Regulation	Yes	Yes	X		X							
2005	MPWT	Agreement on Petrol Trade Management	Agreement	Yes	No		X					X			
2005	MOH	Decision on the Management Standard of Drinking Water Quality and Household Water Use	Decision	Yes	No		X	X							
2005	MICT	Guideline on Designing and Operating an Ecotodge in the Lao PDR	Guideline	No	Yes		X				X				
2005	NA	Law on Civil Aviation	Law	No	Yes		X					X			
2005	NA	Law on Enterprises	Law	Yes	Yes		X		X	X	X	X			
2005	NA	Law on Health Care	Law	Yes	Yes		X	X							
2005	NA	Law on Penal	Law	No	Yes		X	X							
2005	NA	Law on Resolution of Economic Disputes	Law	Yes	Yes		X	X							
2006	MOIC	Regulations of the MoIH on the Release of Waste Water and Contaminated Water from Industries	Regulation	Yes	No	X		X							
2006	NA	Law on Labour	Law	Yes	Yes	X		X							
2006	NA	Law on Protection of the Rights of Children	Law	Yes	Yes	X		X							
2006	MOICT	Lao PDR Tourism Strategy 2006-2020	Policy	No	Yes	X					X				
2006	MOIC	Notification on List of goods subject to import-export control and prohibition	Notification	No	Yes		X					X	X	X	
2006	MOH	National Policy on Health Impact Assessment	Policy	Yes	Yes		X	X							
2007	MPWT	Decree on Fines and other Measures Against Violators of the Law on Road, Road Transport and Protect Highway	Decree	Yes	No	X						X			
2007	NA	Law on Aquatic and Wildlife	Law	Yes	Yes	X		X							
2007	MOIC	Agreement on Establishment and Roles of the Committee for WTO Accession	Agreement	Yes	No		X	X							
2007	PM Office	Agreement on Management of Restaurant, Resort and Pub	Agreement	Yes	No		X				X				
2007	PM Office	Agreement on Standard Rating of Hotel and Guesthouse in Lao PDR	Agreement	Yes	No		X				X				
2007	MLSW	Decision of Minister on the Permission for the Importing Foreign Workers to Work in Lao PDR	Decision	Yes	No		X	X							
2007	NA	Law on Labour Union	Law	Yes	No		X	X							
2007	NA	Law on Standards	Law	Yes	Yes		X	X							
2007	NA	Law on Union	Law	Yes	No		X	X							

Corporate Social Responsibility in Lao PDR
Baseline Assessment of Social and Environmental Regulations and Standards

Year	Ministry	Document Title	Type	Library		CSR Relevance				Sector					
				Lao	English	Primary	Secondary	General	Coffee	Tea	Tourism	Transport	Hydro-power	Mining	
2007	NA	Law on Value-added Tax	Law	Yes	Yes		X	X							
2008	MONRE	Decree on the Implementation of the Land Law	Decree	No	Yes	X		X							
2008	NA	Law on Forestry	Law	Yes	Yes	X		X							
2008	STEAM/MP	Strategic Framework for Sustainable Development Strategy for Lao PDR	Policy	No	Yes	X		X							
2008	PM Office	Agreement on Establishment and Implementation of Tourism Authorities in Provinces and Districts Levels	Agreement	Yes	No		X				X				
2008	MEM	Decree on Export Mining Products	Decree	Yes	No		X							X	
2008	NA	Law on Contract and Tort	Law	Yes	No		X	X							
2008	NA	Law on Education	Law	Yes	No		X	X							
2009	MPWT	Manual on Environmental and Social Operation on Road Sector	Guideline	No	Yes	X						X			
2009	MPWT	Strategy on Environmentally Sustainable Transport	Policy	No	Yes	X						X			
2009	MONRE	National Environmental Standards	Standard	Yes	No	X		X							
2009	MOIC	Agreement on Dust Pollution Limits from Industry	Agreement	Yes	No		X	X				X	X	X	
2009	MOIC	Agreement on Noise Pollution Limits from Industry	Agreement	Yes	No		X	X				X	X	X	
2009	MPWT	Agreement of the Minister on Maintenance and Repair of National Roads	Agreement	Yes	No		X					X			
2009	MOIC	Decision on Management of Fuel Importing Business and Fuel Wholesale Service	Decision	Yes	Yes		X					X			
2009	MPWT	Ministerial Decision for the Administration and Maintenance of Public Roads	Decision	Yes	No		X					X			
2009	PM Office	Decree on Associations	Decree	Yes	Yes	X			X	X	X				
2009	PM Office	Handbook on Associations (DRAFT)	Guideline	No	Yes	X			X	X	X				
2009	PM Office	Decree on State Land Lease or Concession	Decree	No	Yes		X	X							
2009	NA	Law on Construction	Law	Yes	No		X	X							
2009	NA	Law on Fishery	Law	Yes	Yes		X	X							
2009	NA	Law on Government Investment	Law	Yes	No		X	X							
2009	NA	Law on Investment Promotion	Law	Yes	Yes		X	X							
2009	NA	Law on Water Supply	Law	Yes	No		X	X							
2009	MOH	National Food Safety Policy	Policy	Yes	Yes		X		X	X	X				
2009	MPWT	Regulation on Maximum allowable Weight Laden for Truck (Truck-trailer) with 6 Axles (22 wheels)	Regulation	Yes	No	X						X			
2010	MONRE	Draft Policy on National Water Resources	Policy	No	Yes	X		X							
2010	MOND	Decision of the Minister of National Defense on the Management of Industrial Explosive Matrials	Decision	Yes	Yes		X					X	X	X	
2010	MAF	Decree on Cooperatives	Decree	Yes	Yes	X			X	X	X				
2010	MOIC	Decree on Declaring and Providing Information for Trade	Decree	Yes	No		X	X							
2010	MOIC	Decree on Goods and Services Cost Management	Decree	Yes	No		X	X							
2010	MOFA	Decree on NGOs	Decree	Yes	No		X	X							
2010	MOIC	Decree on Origin of Import and Export of Goods	Decree	Yes	No		X		X	X		X		X	
2010	MAF	Decree on the Protection Forest	Decree	No	Yes		X	X							
2010	NA	Law on Consumer Protection	Law	No	Yes		X	X							

Corporate Social Responsibility in Lao PDR
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Year	Ministry	Document Title	Type	Library		CSR Relevance				Sector				
				Lao	English	Primary	Secondary	General	Coffee	Tea	Tourism	Transport	Hydro-power	Mining
2010	NA	Law on Prevention and Treatment of HIV/AIDS	Law	Yes	No		X	X						
2010	MAF	Master Plan on Agriculture from 2011-2015	Plan	No	Yes		X		X	X				
2010	MONRE	Draft National Water Resources Strategy and Action Plan for the Years 2011 to 2015	Policy	No	Yes		X	X						
2010	MOIC	National Export Strategy 2011-2015	Policy	Yes	Yes		X	X						
2010	MOIC	Strategy on Development of the Processing Industry and Commerce of the Lao PDR for the period of 2011-2020	Policy	Yes	No		X		X	X			X	
2010	MLSW	Strategy on Labour Development 2011-2020	Policy	Yes	Yes		X	X						
2010	MLSW	Strategy on Social Welfare Development 2011-2020	Policy	Yes	Yes		X	X						
2011	NA	Customary Law and Practice in Lao PDR	Law	Yes	Yes	X		X						
2011	MPI	Decree on Implementation of Investment Promotion Law	Decree	Yes	Yes		X	X						
2011	MOIC	Decree on Import and Export of Goods	Decree	Yes	No		X	X						
2011	MOFA	Decree on Permanent Residence in Laos of Foreigners, Lao Origins and Non-Nationalities	Decree	Yes	No		X	X						
2011	MLSW	Decree on Technical and Vocational Education and Training and Skills Development	Decree	Yes	Yes		X	X						
2011	NA	Law on Minerals (Supercedes 2006 Law)	Law	Yes	Yes		X							X
2011	MOIC	Strategic Plan for Trade Facilitation of Lao PDR from 2011-2015	Plan	No	Yes		X	X						
2011	MPI	The Seventh Five-Year National Socio-Economic Development Plan (2011-2015)	Plan	No	Yes		X	X						
2011	NCAW	National Strategy on Promotion of Advancement of Women - The Second 5 Year 2011 2015	Policy	Yes	No		X	X						
2012	MOH	Decision on Food Inspection	Decision	Yes	Yes	X			X	X	X			
2012	MONRE	Guideline on Public Involvement in Environmental Impact Assessment	Guideline	Yes	Yes	X		X						
2012	MOND	Guideline on Procedure for Importation of Explosive Substances	Guideline	Yes	Yes		X					X	X	X
2012	MONRE	Decision of the Minister on the Ozone Depleting Substances Management	Decision	Yes	Yes		X	X						
2012	MEM	Decision on Import and Export Licensing Procedures of Minerals and Mineral Products	Decision	Yes	Yes		X							X
2012	BOL	Decision on Procedures for Importation and Exportation of Gold Bar	Decision	Yes	Yes		X							X
2012	MEM	Ministerial Decision on Buy-Sell Mine and Mining Products	Decision	Yes	No		X							X
2012	MOIC	Decision on the Procedures for Car Import and Distribution in the Lao PDR	Decision	Yes	Yes		X					X		
2012	NA	Law on Business on Electronics	Law	Yes	No		X	X						
2012	NA	Law on Customs	Law	Yes	Yes		X	X						
2012	NA	Law on Hygiene, Disease Prevention and Health Promotion	Law	Yes	No		X	X						
2012	NA	Law on Irrigation	Law	Yes	No		X		X	X			X	
2012	NA	Law on Multiple Transportation	Law	Yes	No		X					X		X
2012	NA	Law on Traffic Road	Law	Yes	No		X					X		
2012	NA	Law on Tax	Law	Yes	No		X	X						
2012	NA	Law on Land Transportation	Law	Yes	No	X						X		X
2012	PM Office	Order on Halting Investment Projects related to Mining, Rubber and Eucalyptus	Order	Yes	No		X							X
2012	PM Office	Ordinance of the President on Fees	Ordinance	Yes	No		X	X						

Year	Ministry	Document Title	Type	Library		CSR Relevance				Sector					
				Lao	English	Primary	Secondary	General	Coffee	Tea	Tourism	Transport	Hydro-power	Mining	
2012	LNMC	Lao National Indicative Plan (2011-2015) for Implementation of the IWRM-Based Basin Development Strategy	Plan	No	Yes		X	X							
2012	PM Office	National Strategy on Anti Corruption to the Year 2020	Policy	Yes	No		X	X							
2012	MOICT	Strategy on Tourism Development and Promotion of the Lao PDR for the year 2012-2020	Policy	Yes	No	X					X				
2013	MONRE	Ministerial Decision on the Approval and Declaration of list of Investment Projects and Activities that shall Conduct IEE or EIA	Decision	Yes	No	X		X							
2013	MONRE	Ministerial Instruction on EIA of the Investment Projects and Activities	Guideline	Yes	No	X		X							
2013	MONRE	Ministerial Instruction on IEE of the Investment Projects	Guideline	Yes	Yes	X		X							
2013	NA	Law on Accounting	Law	Yes	No		X	X							
2013	NA	Law on Children Procedure	Law	Yes	No		X	X							
2013	NA	Draft Law on Labour	Law	Yes	No		X	X							
2013	NA	Law on Environmental Protection	Law	Yes	Yes		X	X							
2013	NA	Law on Food	Law	Yes	Yes		X		X	X	X	X			
2013	NA	Law on National Heritage	Law	Yes	No		X	X							
2013	NA	Law on Vocational Education	Law	Yes	No		X	X							
2013	NS	Law on Industrial Processing	Law	Yes	No		X		X	X				X	
2013	NA	Law on Social Security	Law	Yes	No		X	X							
2013	NA	Law on Tourism	Law	Yes	No	X					X				
2013	NA	Law on Value-Added Tax Article 19	Law	Yes	No		X	X							
2014	MEM	Draft Guideline on Environmental Protection for the Mining Sector	Guideline	No	Yes	X								X	
2014	MEM	Draft Guideline on Social Protection for the Mining Sector	Guideline	No	Yes	X								X	
2014	MEM	Draft Regulation on Mine Closure	Regulation	No	Yes	X								X	
2014	MOJ	Decision of the Minister on the Impact Assessment of Draft Legislation	Decision	Yes	Yes		X	X							
2014	MLSW	Decree on Disabled People	Decree	Yes	No		X	X							
2014	MOF	Guidelines of the Minister on the Implementation of Insurance Law	Guideline	Yes	No		X	X							
2014	NA	Law on Biotechnology Safety	Law	Yes	Yes		X		X	X					
2014	NCAW/N CMC	National Action Plan on Protection and Elimination of Abuse on Women and Children in Lao PDR for 2014-2020	Policy	Yes	No		X	X							
2014	MICT	Draft Standard of Community-Based Tourism of the Lao PDR	Standard	Yes	No	X					X				
2014	CNCC	Lao Coffee Sector Development Strategy 2020	Policy	No	Yes	X			X						
1998	NA	Law on Agriculture	Law	Yes	Yes	X			X	X					
2002	MOIC	Decree on Goods Distribution Businesses	Decree	Yes	No		X		X	X					
2004	MEM	Lao Electric Power Technical Standard for EDL	Standard	No	Yes		X						X		
2005	MAF	Decision of the Minister of Agriculture and Forestry on Organic Agriculture Standards	Decision	Yes	Yes	X			X	X					
2006	MEM	National Policy on Environmental and Social Sustainability of the Hydropower Sector in Lao PDR	Policy	Yes	Yes	X							X		
2008	NA	Law on Plant Quarantine	Law	Yes	No		X		X	X					
2008	NA	Law on Plant Protection	Law	Yes	Yes		X		X	X					

Year	Ministry	Document Title	Type	Library		CSR Relevance				Sector					
				Lao	English	Primary	Secondary	General	Coffee	Tea	Tourism	Transport	Hydro-power	Mining	
2009	MOIC	Agreement on Roles and Responsibility in Management and Inspection of Processing Industry and Handicraft	Agreement	Yes	No		X		X	X					
2010	MOIC	Decree on Promotion and Development Fund for Small and Medium Enterprises	Decree	Yes	No		X		X	X	X				
2010	MAF	Guideline on the Principle and Method for Issuance of Phytosanitary Certificate	Guideline	Yes	Yes	X			X	X					
2010	MAF	Strategy for Agricultural Development 2011 to 2020	Policy	No	Yes	X			X	X					
2010	MAF	Regulation on the Control of Pesticides in Lao PDR	Regulation	Yes	Yes	X			X	X					
2010	MPWT	Decision on the Rule of Management of Construction Activities in River in Lao PDR	Decision	Yes	No	X						X	X		
2010	MONRE	Guidelines for Biomass Removal from Hydropower Reservoirs in Lao PDR	Guideline	No	Yes	X							X		
2010	MONRE	Step by Step Guidelines for Biomass Removal from Hydropower Reservoirs in Lao PDR	Guideline	No	Yes	X							X		
2011	MAF	Agreement of the Minister on Good Agriculture Practices for Environmental Management Standard	Agreement	Yes	Yes	X			X	X					
2011	MAF	Agreement of the Minister on Good Agriculture Practices for Food Safety Standard	Agreement	Yes	Yes	X			X	X					
2011	MAF	Agreement of the Minister on Good Agriculture Practices for Produce Quality Management Standard	Agreement	Yes	Yes	X			X	X					
2011	MAF	Agreement of the Minister on Good Agriculture Practices for Worker Health Safety and Welfare Standard	Agreement	Yes	Yes	X			X	X					
2011	MAF	Ministerial Decision on the Organization and Operation of Sanitary and Phytosanitary Enquiry Point	Decision	Yes	Yes		X		X	X					
2011	MAF	Application Manual for Lao Organic Agriculture Certification	Guideline	Yes	Yes	X			X	X					
2011	MEM	Strategy on Renewable Energy Development in the Lao PDR	Policy	No	Yes	X							X		
2012	MAF	Ministerial Decision on the Basic Principles for the Application of Sanitary and Phytosanitary Measure in Plant and Animal Product Administration	Decision	Yes	Yes	X						X			
2012	MAF	Agreement of the Minister on the Management and Use of Plant Variety	Agreement	Yes	Yes	X			X	X					
2012	MAF	Decree on the Implementing the Law on Plant Protection	Decree	Yes	Yes	X			X	X					
2012	MOIC	Regulation on One District, One Product (ODOP)	Regulation	Yes	No		X		X	X					
2012	MEM	Law on Electricity	Law	Yes	Yes	X							X		
2013	MAF	Notification on Sanitary and Phytosanitary Measures (SPS) for EU Countries	Notification	Yes	Yes	X			X	X					
2013	MAF	Ordinance of the Minister on the Issuance of Phytosanitary Certificate	Ordinance	Yes	Yes	X			X	X					
2014	MAF	Strategy on Development Promotion of Lao Coffee to the Year 2025	Policy	Yes	Yes	X			X						
2014	MEM	National Policy on Sustainable Hydropower Development in Lao PDR (DRAFT)	Policy	No	Yes	X							X		
2014	MEM	Decision on the Implementing Rules and Regulations of the Community Development Funds (CDF) Derived from Contributions of the Mining (Draft)	Policy	No	Yes	X									

International Laws and Decrees:

Year	Body	Document Title	Type	CSR Relevance				Sector					Library / Web link
				Primary	Secondary	General	Coffee	Tea	Tourism	Transport	Hydro-power	Mining	
2011	ASEAN	ASEAN +3 Co-operation Strategy for food, agriculture and forestry 2011-2015	ASEAN Agreement		X		X	X					Library
2014	WTO	WTO list of trade agreements	International Agreement		X		X	X					http://rtais.wto.org/UI/PublicMaintainRTAHome.aspx

Year	Body	Document Title	Type	CSR Relevance			Sector						
				Primary	Secondary	General	Coffee	Tea	Tourism	Transport	Hydro-power	Mining	Library / Web link
2008		Memorandum of Understanding on ASEAN Co operation in agriculture and forest products promotion scheme	International Agreement		X		X	X					Library
1995	WTO	WTO Agreement on Agriculture	WTO Agreement		X		X	X					Library
1995	WTO	WTO Agreement on the Application of Sanitary and Phytosanitary Measures	WTO Agreement		X		X	X					Library
1998	ASEAN	Strategic Plan of Action on ASEAN Cooperation in Food, Agriculture and Forestry	Policy		X		X	X					Library
2007	International Coffee Organization	International Coffee Agreement	International Agreement		X		X						Library
1990	UN	Convention on rights of the child	International Law		X	X							Library
1992	UN	Convention on Biological Diversity	International Law		X	X							Library
1998	ILO	ILO Declaration on fundamental principles and rights at work	International Law		X	X							Library
1998	UNFCCC	UNFCCC Kyoto Protocol	International Law		X	X							Library
2000	UN	Cartagena Protocol	International Law		X	X							Library
2000	UN	United Nations Millennium Declaration	International Law		X	X							Library
2007	UN	Declaration on the Rights of Indigenous Peoples	International Law		X	X							Library
1972	UN	World Heritage Convention	International Law	X		X							Library
2007	ASEAN	ASEAN Declaration on the Protection and Promotion of the Rights of Migrant Workers	ASEAN Agreement		X	X							http://www.asean.org/communities/asean-political-security-community/item/asean-declaration-on-the-protection-and-promotion-of-the-rights-of-migrant-workers-3
2007	ASEAN	ASEAN Declaration on Environmental Sustainability	ASEAN Agreement		X	X							Library
2012	ASEAN	ASEAN Declaration on Human Rights	ASEAN Agreement		X	X							Library
2002	ASEAN	The ASEAN Approach to Regional Environmental Management	ASEAN Agreement		X	X							Library
2014	WTO	WTO Preferential Trade Arrangements	International Agreement		X	X							http://ptadb.wto.org/ptaList.aspx
2014	ASEAN	ASEAN list of free trade agreements	ASEAN Agreement		X	X							Library
2010	UNDP	Lao PDR List of Bilateral and Multilateral Treaties	International Agreement		X	X							http://www.ilp.gov.la/treaties.asp
2010	GIZ	Implementation Agreement for asean-german programme on response to climate change	International Agreement		X	X							https://www.giz.de/en/worldwide/16408.html
2014	UNESCO AP	APAC Agreement Database	International Agreement		X	X							http://www.unesco.org/resources/asia-pacific-trade-and-investment-agreement-database-aptiad
2009	ASEAN	ASEAN Trade in Goods Agreement	ASEAN Agreement		X	X							Library
NA	WTO	WTO Agreement on Rules of Origin	WTO Agreement		X	X							Library
1995	WTO	WTO Agreement on Technical Barriers to Trade	WTO Agreement		X	X							Library
2013	ASEAN	ASEAN Mutual Recognition Arrangement on Tourism Professionals	ASEAN Agreement	X					X				Library
1988	ASEAN	Agreement of the Establishment of the ASEAN Tourism Information Centre Kuala Lumpur	ASEAN Agreement		X				X				Library
2002	ASEAN	ASEAN Tourism Agreement	ASEAN Agreement		X				X				Library

Year	Body	Document Title	Type	CSR Relevance			Sector						Library / Web link
				Primary	Secondary	General	Coffee	Tea	Tourism	Transport	Hydro-power	Mining	
2006	ASEAN	ASEAN Visa Exemption agreement	ASEAN Agreement		X				X				Library
	ASEAN	Vientiane Declaration on Enhancing ASEAN Tourism Cooperation	ASEAN Agreement		X				X				Library
2008	ASEAN	ASEAN-UNWTO Memo Of Understanding	ASEAN Agreement		X	X							Library
2008	ASEAN	ASEAN Economic Community Blueprint	ASEAN Agreement		X	X							Library
2014	UN	UN and other Multilateral agreements	UN Agreement		X	X							Library
2005	ASEAN	ASEAN Road Map for Logistics	ASEAN Agreement		X					X			Library
2005	ASEAN	ASEAN Transport Action Plan 2005-2010	ASEAN Agreement		X					X			Library
2014	GMS	GMS Cross-Border Transport Facilitation Agreement	GMS Agreement	X						X			Library
2005	ASEAN	ASEAN Agreement on multimodal transport	ASEAN Agreement		X					X			Library
1998	ASEAN	ASEAN Framework Agreement on the Facilitation of Goods in Transit	ASEAN Agreement		X					X			Library
1995	MRC	1995 MRC Agreement	MRC Agreement		X						X		Library
2011	ASEAN	The ASEAN Framework for Equitable Economic Development	ASEAN Agreement		X	X							Library
2011	ASEAN	Hanoi Declaration on Sustainable ASEAN connectivity in minerals 2011	ASEAN Agreement		X							X	Library
2008	ASEAN	Manila Declaration on Intensifying ASEAN Minerals Cooperation	ASEAN Agreement		X							X	Library
1996	ASEAN	ASEAN Mekong Basin Development Cooperation	Other		?	X							http://www.asean.org/communities/asean-economic-community/category/asean-mekong-basin-development-cooperation-ambdc

International Guidelines and Standards

Year	Body	Document Title	Type	CSR Relevance			Sector						Library / Web link
				Primary	Secondary	General	Coffee	Tea	Tourism	Transport	Hydro-power	Mining	
1987	WCED	The World Commission on Environment and Development - Our Common Future	Other		X	X							Library
1995	IEA	IEA Hydropower Agreement	Other		X						X		http://www.ieahydro.org/
1998	WB	WB General Environment Guidelines - Pollution Prevention and Abatement Handbook	Guideline	X		X							Library
1999	UN	UN Global Code of Ethics for Responsible Tourism	Standard	X					X				Library
2000	WCD	The World Commission on Dams	Other	X							X		Library
2002	IUCN	IUCN Tourism in Protected Areas	Guideline		X				X				Library
2003	ISO	ISO 18513:2003 Tourism services - Hotels and other types of tourism accommodation - Terminology	Standard		X				X				ISO website (free download unavailable)
2003	ICMM	ICMM 10 Principles	Other	X								X	http://www.icmm.com/our-work/sustainable-development-framework/10-principles

Year	Body	Document Title		CSR Relevance					Sector				Hydro- power	Mining	Library / Web link
				Primary	Secondary	General	Coffee	Tea	Tourism	Transport					
2004	ISO	ISO 14001 - 2004 Environmental management systems -- Requirements with guidance for use	Standard	X		X									ISO website (free download unavailable)
2004	WB	WB OP 4.04 Natural Habitats	Guideline	X		X									Library
2004	WB	WB OP 4.12 Involuntary Resettlement	Guideline	X		X									Library
2004	WB	WB OP 4.36 Forests	Guideline	X		X									Library
2004	ISO	ISO 21101:2004 Adventure tourism - Safety management systems - Requirements	Standard		X				X						ISO website (free download unavailable)
2005	ASEAN	ASEAN Road Map for Logistics		X						X					Library
2005	MAFF	Japanese Agriculture Standard (JAS)	Standard		X		X	X							Library
2005	ASEAN	2005 ASEAN Strategic Plan of Action on Water Resources Management	Policy			X									Library
2005	WB	WB OP 4.10 Indigenous Peoples	Guideline	X		X									Library
2005	Minerals Council of Australia	Enduring Value' Australia Minerals Industry Framework for Sustainable Development	Guideline	X									X		Library
2006	ASEAN	ASEAN GAP Standard	Standard	X			X	X							Library
2006	GRI	Global Reporting Initiative - Sustainability Reporting Guidelines	Guideline	X								X	X		Library
2006	MIGA	MIGA Sanctions - Definitions and interpretative guidelines	Guideline		X	X									Library
2006	MIGA	MIGA Sanctions Board Statute	Guideline		X	X									Library
2006	MIGA	MIGA Sanctions-Procedures	Guideline		X	X									Library
2006	WB	WB OP 4.11 Physical Cultural Resources	Guideline		X	X									Library
2007	ISO	ISO 18001 - 2007 Standard for Occupational Health and Safety Management Systems	Standard	X		X									ISO website (free download unavailable)
2007	IFC	IFC - Environmental, Health Safety Guidelines (General)	Guideline	X		X									Library
2007	MIGA	MIGA Draft Policy on Social and Environmental Sustainability	Policy		X	X									Library
2007	MIGA	MIGA EIA Policy	Policy		X	X									Library
2007	MIGA	MIGA Policy on Disclosure of Information	Policy		X	X									Library
2007	WB	WB OP 4.01 Environmental Assessment Guidelines (in WB OP 1-17)	Guideline	X		X									Library
2007	MIGA	MIGA Environmental & Social Review Procedures	Guideline		X	X									Library
2007	MIGA	MIGA Environmental Guidelines General	Guideline		X	X									Library
2007	MIGA	MIGA Environmental Guidelines Health & Safety	Guideline		X	X									Library
2007	MIGA	MIGA Environmental Guidelines Overview	Guideline		X	X									Library
2007	MIGA	MIGA Environmental Guidelines Hazmat	Guideline		X								X		Library
2007	ASEAN	ASEAN Tourism Standards Book	Standard	X					X						Library
2007	China EXIM	Guideline for Environmental and Social Impact Assessment of China EXIM Bank's Loan Projects	Guideline	X								X	X		Library
2007	ASEAN	ASEAN Social Forestry Network	Other		X	X									Library
2008	ISO	ISO 9001:2008 Quality Management Systems - Requirements	Standard	X		X									ISO website (free download unavailable)
2009	GMS	2009 GMS-Sustainable Tourism Development Plan in Lao PDR - Project's HRD Action Plan	Policy		X				X						Library

Year	Body	Document Title	Document Type	CSR Relevance					Sector				Library / Web link
				Primary	Secondary	General	Coffee	Tea	Tourism	Transport	Hydro-power	Mining	
2010	RA	Sustainable Agriculture Standards	Standard		X		X	X					Library
2010	IHA	Hydropower Sustainability Assessment Protocol	Standard	X							X		Library
2010	ISO	ISO 26000 Guidance on social responsibility	Standard		X	X							ISO website (free download unavailable)
2010	IFC	IFC Human Rights Impact Assessment and Management	Guideline		X	X							Library
2010	RA	Rainforest Alliance Policy and Standards for Sustainable Agriculture	Standard	X			X						Library
2011	RA	Group Certification Standard	Standard		X		X	X					Library
2011	RA	List of Prohibited Pesticides	Standard		X		X	X					Library
2011	FT	Fairtrade Standard for coffee for small producer organisations	Standard	X			X						Library
2011	FT	Fairtrade Standard for tea for small producer organisations	Standard	X				X					Library
2011	FT	Fairtrade Standard for tea for hired labour	Standard	X				X					Library
2011	ASEAN	ASEAN CSR Network Policy Statement	Policy		X	X							http://www.asean-csr-network.org/c/component/phocadownload/category/1-resources
2011	GMS	The Greater Mekong Subregion Economic Cooperation Program Strategic Framework 2012-2022	Policy		X	X							Library
2011	ISO	ISO 1446:2001/Amd 1:2011 Green coffee -- Determination of water content -- Basic reference method	Standard		X		X						ISO website (free download unavailable)
2011	ISO	ISO 8455:2011/DAM 1 Green coffee -- Guidelines for storage and transport	Standard		X		X						ISO website (free download unavailable)
2011	ASEAN	ASEAN Strategic Transport Plan 2011-2015	Policy	X						X			Library
2011	ADB	ADB Lao transport assessment and road map	Other		X					X			Library
2011	ASEAN	ASEAN Minerals Cooperation Action Plan 2011-2015	Policy		X							X	Library
2011	ASEAN	ASEAN Tourism Strategic Plan 2011-2015	Policy		X				X				Library
2011	FSC	FSC Chain of Custody Certification	Standard		X		X	X		X			Library
2012	ACT	Organic Standards	Standard		X		X	X					Library
2012	IFC	IFC Policy on Social & Environmental Sustainability	Policy	X		X							Library
2012	IFC	IFC Policy Disclosure of Information	Policy	X		X							Library
2012	IFC	IFC Sustainability Framework	Policy	X		X							Library
2012	IFC	IFC Sustainability Framework (update implementation)	Policy	X		X							Library
2012	IFC	IFC Performance Standards	Standard	X		X							Library
2012	FSC	FSC International Standard for Forest Stewardship	Standard		X	X							Library
2012	RA	Rainforest Alliance Verification Standard for Tourism Services	Standard		X				X				Library
2012	ASEAN	ASEAN Tourism Marketing Strategy 2012 - 2015	Policy		X				X				Library
2012	CBRC	Green Credit Guidelines	Guideline	X							X	X	Library
2012	ADB	ADB Planning Sustainable Investments in the GMS	Policy		X	X							Library

Year	Body	Document Title	Document Type	CSR Relevance					Sector				Hydro-power	Mining	Library / Web link
				Primary	Secondary	General	Coffee	Tea	Tourism	Transport					
2013	IFOAM	IFOAM Family of Standards	Standard	X			X	X							Library
2013	EU	EU Organic Logo and Regulations (package)	Standard		X		X	X							Library
2013	FAO	International Code of Conduct on Pesticide Management	Standard		X		X	X							Library
2013	ASEAN	ASEAN Standard for Coffee Bean	Standard		X		X								Library
2013	Starbucks	Starbucks C.A.F.E. Practices (Score card - Smallholders)	Standard		X		X								Library
2013	Starbucks	Starbucks C.A.F.E. Practices (Score card - General)	Standard		X		X								Library
2013	EP Assoc.	Equator Principles III	Guideline	X								X	X		Library
2013	IFC	IFC Good Practice Handbook Cumulative Impact Assessment	Guideline		X	X									Library
2013	ISO	ISO/TR 21102:2013 Adventure tourism -- Leaders - Personnel competence	Standard		X				X						ISO website (free download unavailable)
2013	GRI	GRI Reporting Principles and Standard Disclosures	Guideline	X		X									Library
2013	GRI	GRI Implementing Manual	Guideline		X	X									Library
2013	MOFCOM and MEP	Guidance on Environmental Protection in Foreign Investment and Cooperation	Guideline		X	X						X	X		Library
2014	IFOAM	Norms for Organic Production and Processing	Standard	X			X	X							Library
2014	FT	Fairtrade Certification (General Producer and Trade Standards Package)	Standard	X			X	X							Library
2014	RA	Chain of Custody Policy	Policy		X		X	X							Library
2014	RA	Chain of Custody Standard	Standard		X		X	X							Library
2014	ASEAN	ASEAN Coffee Federation	Other	X			X								Library
2014	UTZ	Core Code of Conduct - Group Certification	Standard		X		X	X							Library
2014	UTZ	Core Code of Conduct - Individual Certification	Standard		X		X	X							Library
2014	4C Assoc.	4C Code of Conduct	Standard	X			X	X							Library
2014	UTZ	Code of Conduct - Coffee Module	Standard	X			X								Library
2014	Nespresso	Nespresso Ecolaboration	Standard		X		X								http://www.nespresso.com/ecolaboration/au/en/home.html
2014	UTZ	Code of Conduct - Tea Module	Standard		X			X							Library
2014	ETP	Ethical Tea Partnership Global Tea Standard	Standard		X			X							Library
2014	ICEM Asia	Environmental and Social Impact Assessment Guidelines for Small-Scale Hydropower in Lao PDR	Guideline		X							X			Library
2014	ASEAN	ASEAN Corporate Social Responsibility Network	Other		X	X									http://www.asean-csr-network.org/c/
2014	UN	UN Global Compact	Other		X	X									https://www.unglobalcompact.org/
2014	Green Globe	Green Globe Certification Standard	Standard	X					X						http://greenglobe.com/standard/
2014	Ecotourism Australia	Eco Certification	Standard		X				X						http://www.ecotourism.org.au/our-certification-programs/ecocertification
2014	UNEP	UNEP Sustainable Tourism Programme	Other		X				X						http://www.unep.org/10yfp/Programmes/ProgrammeConsultationandCurrentStatus/Sustainabletourismincludingecotourism/tabid/106269/Default

Year	Body	Document Title		CSR Relevance				Sector				Hydro- power	Mining	Library / Web link
				Primary	Secondary	General	Coffee	Tea	Tourism	Transport				
														aspx
2014	World Bank	PPP in Infrastructure Resource Center (list of international transport laws and agreements)	Law		X						X			http://ppp.worldbank.org/public-private-partnership/sector/transportation/laws-agreements-conventions
2014	ASEAN	ASEAN Tourism Association	Other	X	X				X					http://www.aseantourism.org/
2014	GMS	GMS Freight Transport Association	Other	X						X				http://www.gms-cbta.org/gms-freight-transport-association
2014	ISO	ISO 14785:2014 Tourist information offices - Tourist information and reception services - Requirements	Standard		X				X					ISO website (free download unavailable)
2014	ISO	ISO 21103:2014 Adventure tourism - Information for participants	Standard		X				X					ISO website (free download unavailable)
2014	UNEP	The International Ecotourism Society	Other		X				X					https://www.ecotourism.org/
2014	Sustain EU/ASEAN	Sustain EU-ASEAN website	Other		X	X								http://www.sustain-eu-asean.eu/
2014	UNESCO	Green growth E-learning	Other		X	X								http://www.greengrowth-elearning.org/
NA	ISO	ISO Suite of standards for tea	Standard		X			X						ISO website (free download unavailable)
NA	WTO	WTO Standards and Trade Development Facility	Other		X	X								http://www.standardsfacility.org/
NA	ISO	ISO Suite of standards for transport and logistics	Standard		?					X				ISO website (free download unavailable)
NA	ASEAN	ASEAN Federation of Mining Association	Other	X									X	NA
NA	ASEAN	ASEAN Tourism website	Other		X				X					http://www.aseantourism.travel/
NA	ASEAN	ASEAN Tourism Lao website	Other		X				X					http://www.aseantourism.travel/country/detail/lao-pdr
NA	ASEAN	ASEAN Journal on Hospitality and Tourism	Other		X				X					http://www.aseanjournal.com/
NA	GIZ	GIZ Sustainable Urban Transport project website	Other		X					X				http://www.sutp.org/
NA	ISO	ISO/CD 13810 Industrial tourism	Standard		X				X					ISO website (free download unavailable)
NA	UNEP	The International Cyanide Management Code	Standard		X								X	Library
NA	ICMM	International Council on Mining and Metals	Other		X								X	http://www.icmm.com/
NA	ISMSP	International Society of Mine Safety Professionals	Other		X								X	http://www.ismsp.com/
NA	UN	UN Environmental Guidelines for Mining Operations	Guideline		X								X	Library
Ongoing	ISO	ISO/DIS 17680 Natural Protected Areas - Tourist services for public use provided by Natural Protected Areas Authorities - Requirements	Standard		X				X					ISO website (free download unavailable)
Ongoing	ISO	ISO/CD 17679 Wellness spa - Service requirements	Standard		X				X					ISO website (free download unavailable)

APPENDIX B

Appendix B - List of meetings to inform on CSR in Lao PDR

No.	Organisation	Date	Attendees
Phase 1 meetings			
1.	Ministry of Industry and Commerce	17th June 2014	Mr. Saysana Sayakone, Deputy Director General, Mr. Kingsadone, Director of Trade Service and Cooperation Division, Mr. Sengphanomchon, Division Director, Ms. Souvanny, Ms. Lany, and Ms. Souksaphone Lien Project Officer, GIZ – Related.
2.	Ministry of Public Works and Transport	17th June 2014	Mr. Sengsavang Phandanouvong, Director of Transport Techniques and Environment Division, Mr. Manikham, Technical Officer, Vehicle Management and Assembly Division, Ms. Tingkham Sichampha, Deputy Director of Road Transport Division, and Ms. Xaysomnuk Souvannavong, Technical Officer.
3.	Ministry of Information, Culture and Tourism	17th June 2014	Mr. Boutsady Khanthavong, Deputy Director, Mr. Vandy, Technical Officer.
4.	Ministry of Planning and Investment	18th June 2014	Ms. Thavichan Thiengthepvongsa, Director of Legal Division, Mr. Souliya Pouangpadith, Deputy Director of Legal Division.
5.	Ministry of Energy and Mines	18th June 2014	Mr. Khamtant Vongphansipaseuth, DOM Deputy Director General, Mr. Vithounlabandit Thoummabout, Acting Director of Environmental Engineering Division, Department of Energy Policy and Planning.
6.	European Chamber of Commerce	18th June 2014	Mr. Ramon Breusseler, Executive Director
7.	GMS Freight Transport Association	18th June 2014	Mr. Paul Apthorp, Vice-Chairman, Mr. Joh Quarmby, International Resource Person.
8.	Ministry of Natural Resources and Environment	19th June 2014	Mrs. Bouakham Soulivanh, Deputy Director General of Planning and Cooperation Department, Mr. Souksamone Pathammavong, Division Director, Ms. Setouvanh Phathavongsa, Acting Director of EQMC, Mr. Somchit Pheppanya, Division Director of Land Titling and Information, Ms. Toun Inthavong, Technical Officer, Dr. Leevameng Bouapao, Assistant to Cooperation and Treaty Division, Mrs. Ounkham Phommachit, Technical Officer.
9.	Lao National Chamber of Commerce and Industry	19th June 2014	Ms. Sengdavone Bangonesengdet, Deputy Secretary General.
10.	Ministry of Justice	20th June 2014	Mr. Vannakone, Division Director of Department of Laws, Mr. Soukkhee, Deputy Director of National Law Science Research Institute.
11.	Ministry of Agriculture and Forestry – Department of Planning and Co-operation & Department of Forestry	20th June 2014	Mr. Xaypladeth Chounlamany, Director General of Planning and Cooperation Department, Mr. Soudchay Nhouyanisvong, Director of International Cooperation Division.
12.	Ministry of Health, Food and Drug Department	23rd June 2014	Mrs. Viengxay Vansilalom, Director of Food Control Division, Ms. Viengsamay Syleuxay, Director of Narcotic and Cosmetic Control Division, Dr. Souksomkhouan

No.	Organisation	Date	Attendees
			Chanthamath, Deputy Director of Service Division, Ms. Phouthavanh Inlorkham, Technical Officer of Drug Control Division, Mr. Vongsakhoun Somsanouk, Technical Officer.
13.	Ministry of Information, Culture and Tourism – Tourism Development and Marketing Department	23rd June 2014	Mr. Saly Phimphinit, Director General of Tourism Marketing Department, Mr. Kettasone Sundara, Director of Tourism Marketing Division, Thonpane Silipannya, Director of Public Relations Division, Chatpasong Soulideth, Deputy Director of Tourism Marketing Research, Bounpheng Souliyanth, Director of Eco-tourism Division, Sengsoda Vanthanouvong, Director of General Affairs and Tourism Information Service, Somxay Sipaseuth Deputy Director of Tourism Development Division.
14.	Ministry of Labour and Social Welfare – Skill Development and Employment Department	25th June 2014	Mr. Khornsy Mahavong, Director of Skills Development Division.
Phase 2 meetings			
15.	Lao Hotel and Restaurant Association	14th July 2014	Oudet Souvannavong
16.	NamTheun Power Company	15th July 2014	Pat Dye
17.	Peter John Meynell	15th July 2014	Peter John Meynell
18.	World Bank	15th July 2014	Satoshi
19.	Lao Association of Travel Agents	15th July 2014	Khamtanh Keuangpangna
20.	Theun Hinboun Power Company	16th July 2014	Bobby Allen
21.	Lao Coffee Association	16th July 2014	Sinouk Sisombath
22.	Exotissimo Travel	16th July 2014	Duangmala Phommavong
23.	UNDP technical adviser to PEI	16th July 2014	Dr. Nathan Liebel
24.	Diethelm Travel	17th July 2014	Michael Roehrig
25.	Pan Australian Resources (Phu Bia Mining)	17th July 2014	Richard Taylor
26.	Mai Savanh Lao	18th July 2014	Dr. Phillippe Schmidt
27.	JICA	18th July 2014	Akiko Kishiue, Project Formulation Advisor, Yuzurio Susumu, Senior Representative
28.	MMG	23rd July 2014	Robin Hamilton Coates and Steve Gimpel
29.	BGR	23rd July 2014	Wolfgang Schirmacher
30.	CPC	24th July 2014	Ratthanapraseuth
31.	Kingfisher Ecolodge	25th July 2014	Massimo Mera
32.	Dao Heuang Group	28th July 2014	Sisouphan Sihalath
33.	Societe Mixte De Transport	29th July 2014	Prachit Sayavong
34.	ASDSP	1st August 2014	Dr. Sisaliao Savengseuka and Mr. Chansamone
35.	Helvetas	13th August 2014	Rakesh Munakami and Ms. Nithaphone



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The Lao People's Democratic Republic is experiencing rapid economic growth but still is among the least developed countries. The Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, as part of the Lao-German Development Cooperation, is supporting the Lao Government in reaching its ambitious development goal to raise its standing by 2020. GIZ is a German federal enterprise that is implementing projects primarily on behalf of the German Government. It offers demand-driven, tailor-made and effective services for sustainable development.

GIZ has been active in Laos since 1993 and is currently running numerous projects in two main priority areas: supporting rural development and economic cooperation. Moreover, we participate in regional programmes, for example with the Mekong River Commission.

More than 250 staff members bring our projects to life. GIZ has been operating in Laos primarily on behalf of the German Federal Ministry for Economic Cooperation and Development (BMZ), but also implements projects on behalf of the German Federal Ministry for the Environment, Nature Conservation, Building and Nuclear Safety (BMUB). We work closely together with German KfW and cooperate with a number of other development partners in Laos, including the Swiss Agency for Development and Cooperation (SDC), Australian Aid and MMG/Lane Xang Minerals Ltd.

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On behalf of the
German Federal Ministry for Economic
Cooperation and Development (BMZ)

Federal Institute for Geosciences and
Natural Resources (BGR)

Lao-German Project
"Support for the Mining Sector"
Department of Mines (DOM)
Ministry of Energy and Mines (MEM)

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