



**Lao People's Democratic Republic**  
**Peace Independence Democracy Unity Prosperity**

**Ministry of Planning and Investment**

**No. 0457/MPI**  
Vientiane Capital, Date 27 Feb 2019

**The Instruction**  
**On Investment Approval and Land Management Mechanism**  
**For Leasing or Concession to Cultivate Crops**

- Pursuant to the Investment Promotion Law No.14/NA, dated 17 November 2016.
- Pursuant to the Land Law No.04/NA, dated 21 October 2003.
- Pursuant to the Agriculture Law No. 01/98 NA, dated 10 October 1998.
- Pursuant to the Environmental Protection Law No. 29/NA, dated 18 December 2012.
- Pursuant to the Decree of the Prime Minister on Land Lease or Concession, No.135/ PM, dated 25 May 2009.
- Pursuant to the Decree of the Prime Minister on Controlled Businesses and Concession in Laos, No. 03/PM, dated 10 January 2009.
- Pursuant to the Order of the Prime Minister on the Increase of the Land Use Management for Concessions of Industrial Plantation and Others across the Country, No.09/PM, dated 2 July 2018.

**The Minister issued the following instruction:**

**I. General Provisions**

**1. Objective**

This instruction is to implement the Law on Investment Promotion and the Decree of the Prime Minister on controlled businesses and concession activities in Lao PDR, and to identify the principles, rules and measures on investment approval considerations and land management mechanisms for leasing or concession to cultivate crops, which use the state land or the land owned by Lao citizens in order to conduct business in safely and environmental friendly manner aiming to ensure the legitimate rights and interests of investors, state, groups and people, to integrate into the regional and international economies contributing into the constant growth of the national socio-economy in the green and sustainable direction.

## 2. Investment in Cultivation

Investment in cultivation is the use of funds, vehicles, techniques and technical approaches into operating cultivation activities related to the leasing or concession of state or Lao citizens' lands in accordance with the laws.

Investment in cultivation must go through the process of feasibility study of economics-technical and environmental, social and natural impacts with the approval by the relevant sectors.

## 3. Definition

Terms used in this instruction shall have the following meanings:

1. **Investment** refers to capital, tangible and intangible assets that put into business operations in Lao PDR;
2. **Investor** refers to an individual or legal entity, domestic and foreign, lawfully investing in the Lao PDR or in a foreign country;
3. **Domestic investor** refers to an individual or legal entity, Lao or foreign legal entity registered to operate business under the Lao Laws;
4. **Foreign investor** refers to an individual or legal entity investing in the Lao PDR;
5. **Crop** refers to all types of crop or plant that have a process of cultivation, maintenance, harvesting and storage of products for domestic and exports to foreign markets;
6. **Annual plant** refers to a crop or plant that has a life cycle of less than one year, or can grow and harvest with many rotations per year;
7. **Standard** refers to identification of specific attributes of products, goods, services, processes, environment and others related to quality;
8. **Good Agriculture Practice "GAP"** refers to practices used to prevent or reduce the risk of hazards occurring during the production, harvest, post-harvest;
9. **Chemical substances** refer to the fertilizers, pesticides, hormones, coating substances and soil nutrient residues;
10. **Restricted chemicals** refer to chemicals that are not allowed to be imported and used in all areas of Lao PDR, which are identified determined by the Minister of Agriculture and Forestry regarding the control of pesticides, No. 2860 / DT, dated 11 June 2010;
11. **Plant varieties** refer to seed or part of the seed or soft tissues that use for planting;
12. **Investment Contract** refers to the agreement between investors and the state or private that owns the land by using land for conducting business in cultivation;
13. **Memorandum of Understanding** refers to a document recording the agreements between a legal entity and a designated Government agency to grant the rights to conduct a feasibility study of a project.
14. **Local Authority** refers to the authorities of provincial, district and village levels in accordance with the local authority law;
15. **Controlled business activities** refer to the type of business activities that have the impacts to national security, public order, national culture and tradition as well as social and natural environment in order to ensure the balance of economic and social development, which shall be through the consultation process by line sectors prior to the endorsement by the One Stop Service Office and/or by Investment Promotion and Management in different levels;
16. **Environmental protection for cultivation** refers to limit a negative effect on humans,

animals, soil, water, forests and air during the clearing, preparing and using land, water and manure as well as storage of pesticides;

17. **Lao citizen's land** refers to the land of the individual, family, legal entity, group and organization of Lao citizens, which have the legal rights;
18. **Lao citizen's land leasing** refers to the entry of land lease agreement between an investor and individual, family, legal entity, group and organization of Lao citizens for the purpose of using land into cultivating agricultural crops;
19. **State land leasing or concession** refers to the entry of leasing or concession agreement of the state land for the purpose of using land into cultivating agricultural crops;
20. **Land owner** refers to the person whose name is written in the land title issued by the government in accordance with the Land Law of Lao PDR.

#### **4. Principles of Approving the Cultivation**

The approval processes for crop cultivation must comply with following principles:

1. The use of land and natural resources to ensure the effectiveness following the green and sustainable direction;
2. Comfortability, simplicity, expedition, transparency and compliance with the laws and regulations;
3. Public Participation into the management and monitoring of the investment;
4. Follow the instruction and regulations on good agriculture practices of Lao PDR or International;
5. Protect the legitimate rights and benefits of the state, groups, people and investors.
6. Ensure the security of the social order, especially the labor of the domestic or foreign must be strictly followed by laws.

#### **5. Scope of Instruction Application**

This instruction applies to the related government sectors responsible for consideration and management investment and investors who invest in crop cultivation business in Lao PDR including those who use their own land for cultivation as a commodity.

## **II. Consideration of Investment Approvals for Cultivation**

### **1. Submission of Investment Application**

Investors wishing to invest in crop cultivation on the state or Lao citizen's land shall submit an application and all supporting documents to the One Stop Service Office to present to the Central or Provincial Investment Promotion and Management Committee for consideration according to the supervision decentralization as specified in the investment promotion law, land law and decree of the prime minister on land lease or concession as follows:

- For the state land above 150 hectares, the application shall be submitted to the central One Stop Service Office at Ministry of Planning and Investment;

- For the state land below 150 hectares, the application shall be submitted to the One Stop Service Office at the Provincial level located at the Provincial/Capital Department of Planning and Investment;
- For the Lao citizen's land leasing, the application shall be submitted to the One Stop Service Office at the Provincial level located at the Provincial/Capital Department of Planning and Investment.

The request for concession of state land that exceeds the land size stipulated by the law shall not receive consideration. Any approval that is unlawful, use of steep land of more than 35 degree, replacement of rice in the approved paddies, beyond the scope of authorities, and/or division of land into many parcels shall be null.

## **2. Investment Applications**

Investment application and supporting documents must use Lao language as a basis for facilitating consideration, which includes:

1. An investment application as in the prescribed format;
2. A curriculum vitae (CV) and experiences of an investor or a company, identification card, criminal record (in case of a domestic investor), copy of passport, copy of enterprise certificate (in case of a legal entity);
3. A joint-venture agreement (in the case of two or more shareholders);
4. A letter of authorization to represent shareholders or company (in case the individuals who applies is not the head of the company);
5. A feasibility study or a business plan containing the following, namely: purpose of investment, estimated value of investment, project location, operation timelines, project effectiveness, manpower requirements, needs for a state/Lao citizen's land leasing or concession; financial and technical economic feasibility, projected benefit sharing, operation plan and procedures, document certifying the funding support from head quarter office;
6. The document certifies the land acquisition, land use map and agreement with the landowners approved by the village head office and natural resources and environment administration office of district where the investors propose to rent the land with people whose land must have a land title or a land use permit from the state;
7. A certificate of financial status or a supporting document from a financial institution or a bank, a certified financial statement of the last two years; Certificate or affirmation of experience from associations or related organizations;
8. Environmental, social and natural impact assessments study (if there is); and
9. Foreign affirmation or company registration in case of foreign investor.

After the investor completes the document, then he or she will submit to the One Stop Service Office at the Ministry of Planning and Investment or the Provincial/ Capital Department of Planning and Investment.

### **III. Procedures for Investment Approval and Security Deposit**

#### **1. Consideration of Investment Approval in Case of State Land Leasing or Concession:**

Consideration of investment approval in cultivation activities in the form of land leases or concessions shall be as follows:

1. The One Stop Service Office shall send the application to request opinions from relevant sector authorities and local administration within **two** working days for consideration and returning their written opinions within **thirty** working days.
2. After receiving opinions from relevant sector authorities and local administration, the One Stop Service Office shall present to the Investment Promotion and Management Committee at central or provincial levels for consideration within **thirty** working days.
3. After the Investment Promotion and Management Committee at central or provincial level agrees with the principles, the One Stop Service Office shall negotiate on the memorandum of understanding for a business feasibility study which involves relevant sectors and local authorities, then report the negotiation result to the investment and promotion management committee at the central or local level for their agreement, and prepare for the signing of memorandum of understanding with the investors by the planning and investment sector that authorized by the prime minister for the central level and authorized by the governor for the provincial level.
4. In case of obtaining the agreement, the One Stop Service Office shall notify the investor in written within 3 working days and then the investor shall provide the written response within 10 working days upon the date of receiving the written notice from the OSSO in order to inform the date and time for arranging the negotiation of MoU or agreement within 30 working days. If the investor does not provide the written response or arrangement the negotiation of MoU or agreement within the timeline, the investor shall waive the investment rights.
5. After the signing of memorandum of understanding, the investor shall make a security deposit as stipulated in the MoU or agreement and comply with the provisions of the Regulation No.2735/MPI, dated 2 Nov 2018 regarding the security deposit for concession activities.
6. After the investor completes the memorandum of understanding, they shall present the feasibility or economic-technical study of the project to the agriculture and forestry sector for the approval, then present the socio-environmental impact assessment and land survey to the natural resources and environment sector for the approval. Upon obtaining the approval from the relevant sectors, investor then proposes for the project development contract as defined under the law.

#### **2. Consideration of Investment Approval in Case of Lao Citizen's Land Leasing:**

Consideration of investment approval in cultivation activities in the form of Lao citizen's land leases shall be as follows:

##### **A. In case of using the land of more than 10 hectares:**

- 1) The One Stop Service Office shall send the application to relevant sectors for their opinions within **two** working days and returning with their opinions in writing within **eight** working days upon receipt of the application.
- 2) After receiving opinions from such authorities, the One Stop Service Office shall consider and propose to the Investment and Promotion Management Committees for consideration within **ten** working days.

- 3) After the Investment and Promotion Management Committees agree with the principles, the One Stop Service Office shall provide draft minute of project management and land lease contract to the investor for consideration and consultation with the land owners. After the investor accepts the conditions and signs the project management contract with the Department of planning and investment, then signs the contract with land owners, the planning and investment sector will issue the investment license while the industry and trade sector will issue the business license within five working days.
- 4) After signing the project management contract, the investor must put the security deposit for land rehabilitation as defined in the project management contract and then the investor shall bring the project management contract and the land lease agreement to the Provincial/Capital City of Finance Office where the project is situated for the official acknowledgement. The investor can withdraw the deposit upon the completion of land rehabilitation which is approved by the agriculture and forestry sector.

**B. In case of using the land of less than 10 hectares:**

- 1) The investor must request the enterprise license from the industrial and commercial sector to establish a legal entity.
- 2) After obtaining an enterprise license, the agriculture and forestry sector handles a draft project management document and issues a draft of land lease contract to the investor for consideration and discussion with the landowner. When the investor can agree to the terms and conditions of project management and sign a land lease agreement with the land owner, then the agricultural and forestry sector will issue the operation permit.
- 3) After signing the land lease agreement, the investor must provide the security deposit to restore the land as specified in the land lease agreement and bring this land lease agreement to the District Finance Office for official acknowledgement. The investor can withdraw the deposit upon the completion of land rehabilitation which is approved by the agriculture and forestry sector.

**C. In case of landowner using their land for crop cultivation:**

1. Landowner has to request the enterprise license from the industrial and commercial sector to establish a legal entity.
2. After obtaining an enterprise license, the landowner has to request the operation permit from the agriculture and forestry sector, and conduct the environmental impact assessment in accordance with regulations.
3. Landowner using their land for crop cultivation does not have to security deposit and money for restoration land and must comply with the Good Agricultural Practices standards (GAPs).

### **3. Expansion of Leasing or Concession Land:**

The investor who has the interest to expand the leasing or concession land to plant crops shall comply with the application process as defined in sector II (2) and procedures for investment approval as defined in sector III (1) of this instruction.

A land leaseholder or concessionaire cannot transfer its rights or transfer such ownership to others for crop cultivation without approval from related authorities.

### **4. Security Deposit to Secure the Implementation of MoU and State Land**

#### **Leasing/Concession:**

After signing the memorandum of understanding, lease or concession agreement, the investor must deposit the money in accordance with the laws as following:

- Land areas below 150 hectares: 30.000 US dollar;
- Land areas more than 150 hectares but less than 1,000 hectares: 50.000 US dollar; and
- Land areas more than 1.000 hectares: 70.000 US dollar;

The withdrawal of the security deposit must comply with the security deposit notification for concession project No. 2735/MPI, dated on 2 November 2018 and the conditions as indicated in the memorandum of understanding, lease or concession agreement.

### **5. Security Deposit to Restore the Land back to Original Conditions in Case of Land Leasing with Lao Citizen:**

The Investor investing in crops cultivation on the Lao citizen's land shall make a security deposit for the rehabilitation of land back to the original conditions based on the land types as following:

- For crop cultivation of more than one year, it is necessary to make a security deposit for the rehabilitation of land at least 750\$/hectare. The security deposit can be divided into three instalments: first instalment is 30%, second instalment is 30% and third instalment is 40% of total amounts of security deposit and these amounts of money will be kept in the commercial bank by agreement between landowner, investor and the planning and investment sector.
- For an annual plant of less than one year, it is necessary to make security deposit for the rehabilitation of land at least US \$ 100/hectare. The security deposit is fixed in a single installment, and the money will be kept in the commercial bank by agreement among landowner, investor and planning and investment sector. (For cultivation of legumes, it is exempted from land rehabilitation deposit).

The investor can withdraw the security deposit for the rehabilitation of land with the interest rate when they complete the rehabilitation of land back to original conditions. In the event that the investor does not fulfil the obligations on land rehabilitation that is back to the original conditions, then the landowner, the planning and investment sector, and the

agriculture and forestry sector shall seize the deposit and its interests for rehabilitating the land parcel back to original conditions for the landowner.

## **IV. Recording Information and Reporting**

### **1. Recording Information:**

Investor must record detailed information of business operation into the form of the relevant sectors based on the guidelines and the good agriculture practices standards (GAPs) of the ministry of agriculture and forestry, for instance recording the use of chemicals, sources of chemical, number and amount of usage, annual plant seeds, products and crop disease occurrences.

### **2. Reporting:**

The company must report the business operation and record information of crop cultivation every six months to the relevant sectors within 30 (thirty) days in the last date of the sixth month for monitoring in accordance with the schedule of the concerned laws and regulations.

In case of disease outbreak or serious problems with production, the investor or company must immediately report to the local authorities.

## **V. Investment Incentives and Use of Labour**

### **1. Investment Incentives:**

Consideration and provision of the investment incentives is pursuant to the Article 11,12,14 and 15 of the law on investment promotion no.14/NA, dated on 17 November 2016 and specific regulations that have been issued in each period.

### **2. Use of Labor:**

All business units are requested to make a labor contract with their workers, which form the agreement between the workers and employers or between the representative of workers and the representative of employer on the conditions of employment, monthly salaries or wages, welfares and other promoting policies. Labor contracts must be built on the principle of equality and mutual agreement between the employee and employer in accordance with the laws and regulations.

The content of the labor contract consists of: 1). The name and surname of the employer and employee; 2). Work position, rights, obligations, responsibilities and duties of the workers; 3). Monthly salaries or wages of workers; 4). Duration of labor contract (date of commencement and termination of the contract); 5). Current address of employer and employee; 6). Payment method of salary or wages; 7). The labor test schedule of workers; 8). Welfare and other policies of workers; 9). Working days, resting time and holidays; 10). The benefits that the workers will receive after the end of the labor contract; 11). Other issues that both parties think that deem necessary in accordance with the labor law and other relevant regulations.



The employer shall arrange the health-checks at least twice a year for the employee especially one health-check prior to the employment whereas the other is prior to the termination of employment. The worker who is exposed to health risks or hazards and/or take the night-shift must have at least three times of health-check per year.

### **3. Request to Import and Use of Foreign Workers:**

The production, operation and service units related to cultivation can request to import and use the foreign labor by receiving the granted quotas in each period that is through the Ministry of Labor and Social Welfare, Provincial/Capital City Office of Labour and Social Welfare for consideration and approval based on the law and regulations.

## **VI. Environmental Protection**

### **1. Measures to Prevent Against Impacts:**

The investor has obligations to protect the environment in the cultivation and disposal of waste, as follow:

- Preserve, protect and restore the environmental conditions as set out in the contract and relevant legislations;
- Compensate in the event of negative impacts resulted from the investment project in accordance with the relevant legislations; and coordinate with the relevant organizations to solve the environmental issues;
- List down the chemical name lists and hazard materials, devalued or expired materials and store in the appropriate and safety places;
- Reuse any recyclable waste; and in case of using organic fertilizer, such the fertilizer must go through the processes of the technical principles to prevent against the diseases transmitted to human; and record the data on how to use and date of the fertilizer production;
- Keep and store before the disposal and follow the appropriate procedures of the disposal waste and comply with the management plan for wastes as defined in the approved environmental impact assessment; and
- For goods that do not conform to the Good Agricultural Practices Standards (GAPs), there must be the enforcement of the other relevant regulations.

### **2. Storage of Chemicals and Hazardous Wastes:**

Hazardous wastes and chemicals are wastes caused by contamination, products, uses or other products with dangerous chemical residues that are not wanted for further uses or may affect health, lives, properties and environment.

Hazardous wastes and chemicals must be kept in accordance with the safety standards such as sorting of waste types, separating the waste storing places, putting wastes in containers and having specific storage facilities based on the technical standards, laws and regulation.

Using of the hazardous chemicals that affect the environment and life shall strictly follow the related laws and regulations.

### **3. Treatment of Waste Water:**

The investors have the obligations to protect the environment in cultivation and treatment of waste water, as follow:

- Provide the management and treatment of waste water caused by the activities including the washing, water from bathroom and waste water sources from the process of planting, harvesting and producing in order to reduce the risks of environmental impact inside the area and in the vicinity; and
- Cooperate with relevant stakeholders in collecting water samples in the production process or in the case of having the risk of environmental impacts.

## **VII. Responsibilities of Relevant Sectors**

### **1. Responsibilities of the Ministry of Planning and Investment (One Stop-Service):**

- Receiving investment proposals for land leasing or concession of state land for crop cultivation;
- Coordinating with relevant sectors and local authorities to receive feedbacks on the investment proposals; and
- Analyzing and reporting the results to the Central Investment Promotion and Management Committee to consider or reject project proposals with the timeline as specified in the Investment Promotion Law.

### **2. Responsibilities of the Provincial/Capital City Department of Planning and Investment (One Stop Service):**

- Receiving the investment proposals for land leasing and concession of state land with less than 150 ha and leasing of Lao citizen's land for crop cultivation;
- Coordinating with related provincial departments/offices and district authorities to receive feedbacks the on the investment proposals; and
- Analyzing and reporting the results to the Provincial Investment Promotion and Management Committee to consider or reject project proposals with the timeline as specified in the Investment Promotion Law.

### **3. Responsibilities of the District/Municipality/City Office of Planning and Investment:**

- Participate as the witness of the land lease agreement signing event between the investor and Lao citizen;
- Encourage, monitor and evaluate the implementation of the project, investment activity and the implementation of the laws and relevant regulations based on its responsibilities; and
- Report the project progress to the Provincial Investment Promotion and Management Committee.

#### **4. Responsibilities of Line Sectors:**

- Study and provide feedbacks on the investment proposal, land lease or concession for crop cultivation based on the management level;
- Manage, monitor and evaluate the project implementation, and investment activities based on the mandate and management level;
- Support and facilitate the solutions of constraints and issues based on the mandate;
- Monitor importing of fertilizers, herbicides, pesticide, chemicals and the use of chemicals in crop cultivation based on the mandate;
- Summarize and report on the investment promotion and management to the Planning and Investment sector; and
- Exercise other duties based on the assignment and the organizational mandate.

### **VIII. Rights and Obligations of Investor**

#### **1. Rights of Investor:**

- To apply for concession rights from the government or relevant provincial/capital city authorities based on the specific conditions to develop a project for crop cultivation;
- To be protected of the legitimate rights and interests of the investment;
- To receive support from the government in various aspects of the investment;
- To receive benefits from leasing or concession activities in accordance with the laws and regulations of Lao PDR;
- For the leaseholder or land concession, he or she has the rights in accordance with the leasing/concession term and can continue revalidating the term based on the relevant laws and regulations;
- To have ownership over their assets, including buildings, facilities and other structures on the concession land; and have the rights to transfer such ownership to Lao nationals or foreigners in accordance with the laws and regulations and the remaining period of leasing contract or concession agreement;

#### **2. Obligations of Investor:**

- Paying duties, taxes, fees, charges in full and timely according to the relevant laws and regulations;
- Practicing the accounting principles in accordance with the Accounting Law of Lao PDR, in case of necessity, an international accounting system may be used upon the approval from the financial management sector of Lao PDR;
- Cooperating and coordinating well with local authorities in business activities;
- Promoting employment of Lao labor, especially women and ethnic people; focusing on labor skills development and protection, upgrading professional education and technology transferring to Lao employees;

- Allocating budgets for investment monitoring and evaluation;
- Summarizing and reporting their business operations to the One Stop Service Office and relevant authorities on a quarterly, semi-annually and annual basis;
- Contributing funds for local development and monitoring of the projects through the consultations between the investor and the provincial/capital city departments as stipulated in the project management agreement;
- Implementing insurance and social security regimes for employees of their enterprises to comply with the relevant laws and regulations;
- Facilitating the formation and operation of mass organizations within their enterprises, especially the Lao Federation of Trade Unions;
- Recognizing and respecting the local fine traditions, customs and cultures;
- Compensating those who are affected by their business operations;
- Promoting domestic businesses and contributing to poverty reduction for the people and developing localities where their investment projects are located;
- Contributing financially to social development in general;
- Repairing utilities in the project area and surrounding areas in case of having impacts from the project such as irrigation, water pipes, electricity cable and roads;
- Strictly complying with environmental obligations; promoting the green development and growth; giving importance to the protection of environment accordance with the laws, regulations and national standard of environment;
- In case of the environmental issue, concerned investors are obliged to take necessary measures to solve the issue in a timely and in accordance with the laws, regulations and national standard of environment;
- Fulfilling environmental obligations according to international conventions and agreements which Lao PDR is a party with;
- Contributing financially to environmental work in general.
- Conducting the cultivation project using safe approaches such as the application of manure, fertilizers, pesticides, herbicides, machinery, equipment and others;
- At the end of the project, the rest of the land must be restored to the boundary of the land by the land title, the land use title and land map before returning the original owner; and
- Performing other obligations as set out in the relevant laws and regulations.

In the case that an investor violates the concession agreement, project management contract, project management records or restrictions and regulation of the government, the investor will be warned for improvement within 30 working days from the date of issued warning letter. If there is no improvement, the termination letter will be issued for 45 days. After that if still no improvement within proposed date, this issue will be proposed to the Promotion and Management Committee in the central and provincial level to terminate the investment license in accordance with the Investment Promotion Laws and relevant legislations.

## **IX. Responsibilities of Local Authorities**

- Facilitate and cooperate with the relevant sectors in implementing the monitoring of investment projects in accordance with the laws and regulations and good agricultural practices (GAP) set out in the investment contract, with emphasis on the use of water resources, land, hazardous materials, production processes, production factors, seeds, materials, harvesting, equipment and labor health;
- Draft the contract and participate in a negotiation process to protect the legitimate rights of the people and investors on the basis of land use right;
- Conduct consultations with the people in the concerned areas, and coordinate with relevant sectors and investors in managing and resolving conflicts in investment projects;
- Report and propose to the relevant sectors on business activities, which do not comply with the investment contract or regulations and affect people, society and the environment during the preparation, the period of operation or after the termination of the business.

## **X. Participation of People**

- Participate in the process of project feasibility study with investors and local authorities;
- Receive a copy of information from a project owner such as project profile, results and consequences of business operation;
- Communicate with the community, including gender equality with the use of information, maps, brochures, posters or videos in order to promote the common understanding on the project benefits and disadvantages;
- Negotiate with investors to ensure community benefits on a voluntary basis;
- Seek out legal and technical advice to assist decision-making and negotiation;
- Make the decision and reach the community consent based on the majority vote and legally written memorandum; and
- Communicate with the investor continuously at each stage of the project, monitor and report the business operation to its authorities.

## **XI. Management and Monitoring**

All investment activities in crop cultivation are managed and monitored by related authorities who are led by the planning and investment sector to monitor and evaluate the system regularly, monitor with advance notification and without notification, which have the monitoring contents as follows:

- Monitoring the compliance of investment contract, land lease agreement and project management report;

- Monitoring the implementation of investment procedures as required in the economic and technical feasibility study;
- Monitoring the environment protection in accordance with the environmental and social management plan, including the impacts on properties of a state, citizen, investors and developers (monitoring the use water source, land for production, hazardous materials in production, quality management in production, harvest process, packaging venue and process of waste storage, transportation and equipment storage);
- Monitoring the implementation of labor safety measures, health, wages and welfare of workers; and
- Monitoring the enforcement of the relevant laws and regulations, especially the Good Agricultural Practices (GAP) standards.

## **XII. Final Provisions**

### **1. Implementation**

Designating the Investment Promotion Department, One Stop Service Office, the Provincial/Capital City Department of Planning and Investment to lead the collaboration with investors, local authorities and line sectors towards the exact implementation of this Instruction.

### **2. Effectiveness**

This Instruction shall enter into force from the date of signing.

**Minister**

*[Sign and Seal]*

**Dr. Souphanh KEOMIXAY**