



## 2010 Annual Work Plan

<b>Project Title</b>	<b>INVESTMENT IN LAO PDR: MINIMISING THE SOCIAL AND ENVIRONMENTAL IMPACTS</b>
<b>Project Number</b>	<b>00064088 (PEF Fund)</b> <b>00071859 (TRAC Fund)</b>
<b>UNDAF Outcomes:</b>	<b>UNDAF Outcome 1:</b> By 2011, the livelihoods of poor, vulnerable and food insecure populations are enhanced through sustainable development (within DMG framework)
<b>Expected UNDP Country Programme / CPAP Outcomes:</b>	<b>Outcome 1:</b> Improved and equitable access to land, markets and social and economic services, environmentally sustainable utilization of natural resources, with balanced population growth.
<b>Expected UNDP Country Programme / CPAP Outputs:</b>	<b>Output 1.2:</b> The role of biodiversity, agro-biodiversity, land management and environment in general in livelihood improvements and poverty reduction strengthened through enhanced knowledge management and management capacity. <b>Outcome 1.3:</b> Enhanced management capacity of the Government in meeting its international environmental obligations through strengthened implementation of multilateral environmental agreements and related national policies and legislation.
<b>Implementing Partner:</b>	Investment Promotion Department (IPD) of the Ministry of Planning and Investment (MPI)
<b>Responsible Parties:</b>	IPD/MPI and UNDP

### Brief Description

The Poverty-Environment Initiative (PEI) in Lao PDR aims to strengthen capacity of targeted central and provincial authorities to integrate poverty-environment concerns and opportunities in key development planning processes. The Initiative is not one stand-alone project but has been designed primarily to provide targeted support to ongoing programmes.

This project document – Investment in Lao PDR: minimizing the social and environmental impacts - corresponds to Output 2 of the overall PEI country programme, as set out in the 'PEI Framework for Lao PDR'. Output 2 aims to strengthen the capacity of national and provincial authorities to plan and manage investment in a manner that seeks to maximize pro-poor and pro-environmental outcomes. The project will work with the Investment Promotion Department in the Ministry of Planning and Investment and provincial authorities to strengthen skills to

design, negotiate, plan, monitor and enforce appropriate investment contracts. In particular the project will encourage central and provincial authorities to use integrated spatial planning resources, existing cost-benefit analysis material, community consultation mechanisms, close coordination with the Environment and Social Impact Assessment Department of WREA, and south-south learning events to produce integrated investment strategies that are beneficial at the provincial level and assist Lao PDR to graduate from Least Developed Country (LDC) status by 2020. These activities will support the government to implement the revised Investment Law for Lao PDR (currently under consideration by the National Assembly).

MPI has selected four provinces within which to focus PEI provincial activities – Oudomxay, Phongsaly, Saravane and Savannakhet. PEI will coordinate its provincial activities with two parallel development initiatives – the Northern Uplands Core Coherent Program (AFD/EC/GTZ/SDC) in Phongsaly, and the ADB-IFAD Sustainable Natural Resource Management and Productivity Enhancement project in Saravane and Savannakhet. Activities will also aim to link closely with the ongoing UNDP Governance and Public Administration Reform programme (GPAR) in Saravane.

#### **Annual key priorities**

Based on the key outputs of the project, the key priorities for 2010 are:

- (I) National level capacities strengthened to manage investment processes in a manner that minimizes negative environmental impacts and maximizes social benefits;
- (II) Provincial level institutional capacities strengthened for sound investment management;
- (III) Provincial level organizational and individual capacities strengthened for sound investment management;
- (IV) Community consultation in investment management strengthened.

#### **Annual key deliverables**

In accordance to the key priorities specified above, the key deliverables for each key priority of the project are:

- (I)
  - Capacity needs assessment of Investment Promotion Department;
  - Training / awareness activities;
  - Technical briefs to support the development of the implementing decree of the new Investment Law;
  - Baseline assessment of investments and environmental impacts in the two southern provinces (outsourced);
  - Establish working group for coordination with WREA, MAF and other line ministries on PEI activities;
  - Consultation and progress review workshops as well as training and awareness raising on resource and investment databases and ISP
- (II)
  - Establish Provincial working group and hold regular meetings;
  - Develop and monitor coordination arrangements with resource and investment database and ISP development;
  - Review of national, provincial plans and policies;
  - Draft of provincial investment strategy.
- (III)
  - Assessment of national and provincial level institutional arrangements; capabilities, coordination needs and related issues;
  - Draft of institutional review report and recommendations;
  - Consultation workshops on draft report and recommendations.
- (IV)
  - Evaluation of consultation mechanisms to provide input on proposed investments

Programme Period:	2007 - 2011	2010 AWP budget:	USD 410,000
Key Result Area (Strategic Plan):	Goal 1 (Achieving the MDGs and reducing human poverty)	<b>Total resources required</b>	<b>USD 410,000</b>
Atlas Award ID:	<u>00058002</u>	Total allocated resources:	<b>USD 410,000</b>
Start date:	July 2009	• UNDP (TRAC)	<b>USD 210,000</b>
End Date:	December 2011	• PEF	<b>USD 200,000</b>
PAC Meeting Date:	26 March 2009	<b>Unfunded budget:</b>	<b>0</b>
Management Arrangement:	NIM (National Implementation)	In-kind Contributions from Government	



Agreed by Implementing Partner:

**Mr. Houmpheng Souralay**

Date:

Director General of Investment Promotion Department  
 Ministry of Planning and Investment  
 Lao Peoples's Democratic Republic

Agreed by UNDP:



*Sonam Yangchen Rana*  
**Ms. Sonam Yangchen Rana**

*16/3/10*

Date:

UN Resident Coordinator and  
 UNDP Resident Representative in  
 The Lao People's Democratic Republic

Project ID: 00064088 (PEF) / 00071859 (TRAC)

Project Name: Poverty Environment Initiative (PEI)

Output 2

2010 Annual Workplan

EXPECTED COMP OUTPUTS and indicators including baseline and annual target	Key Activities (List all the activities to be undertaken during the year towards stated output)	TIMEFRAME				RESP PARTY	PLANNED BUDGET		
		Q1	Q2	Q3	Q4		Source of Funds	Budget Description	Amount: USD
<b>Output 2 of PEI Framework: Capacities of national and provincial authorities to plan and manage investments for poverty reduction and sound environmental management increased</b>									
<b>Output 2.1: National level capacities strengthened to manage investment processes in a manner that minimized negative environmental impacts and maximizes social benefits</b>									
<b>Activity Result 2.1: Strengthen capacity of national officials to minimise social and environment impacts through improved investment management</b>									
<b>2.1 Targets:</b>									
1. Comprehensive understanding of the investment process at the national level, encompassing stakeholders involved, institutional arrangements and capacity needs									
2. Investment process significantly strengthened through key policy documents, that include an outline of a national investment strategy and one model contract for agriculture related investments									
3. Key Implementing Partners investment management capacity strengthened.									
<b>2.1. Indicators</b>									
1. Technical report outlining national level investment processes and associated capacity needs									
2. Model investment contract for concessions developed									
3. At least 10 government staff with enhanced knowledge of investment management to minimize negative environmental impacts and maximize positive social impacts.									
<b>Baselines:</b>									
1. Detailed technical report outlining investment processes and capacity needs not yet elaborated									
	Action 2.1.1. Undertake a capacity needs assessment of investment Promotion Department and plan training / awareness activities	X	X	X	X	UNDP	TRAC/00011	71100 International TA (full time advisor)	5,950
	Action 2.1.2. Support the development of the implementing decree of the new investment Law, through written comments and consultation	X	X	X	X	UNDP	PEF	71100 International TA (full time advisor)	4,500
	Action 2.1.3. Support the development of a national investment strategy and the 7th NSEDP with information on social and environmental impacts: prepare technical briefs, hold workshop	X	X	X	X	UNDP	TRAC/00012	71100 International TA (full time advisor)	16,130
						IPD	TRAC/00012	Miscellaneous for Workshop	4,000
						UNDP	TRAC/00012	71100 International TA (full time advisor)	25,500
						IPD	TRAC/00012	73100 Workshop	4,000
						IPD	TRAC/00012	71600 Travel and DSA	3,000
						IPD	PEF	74200 Printing (including communication material)	2,000
	Action 2.1.4. Support the preparation and implementation of model contracts for different types of agriculture-related investments; in cooperation with MAF and WREA	X	X			IPD	TRAC/00012	71600 Travel and DSA	6,000
	Action 2.1.5 Establish working group for coordination with WREA, MAF and other line ministries on PEI activities	X	X			IPD	TRAC/00012	73100 Workshop	8,000
	Action 2.1.6. Document and promote good private sector practices (eg. corporate social responsibility, codes of practice, fair trade and other certification)	X	X	X	X	IPD	PEF	74500 Miscellaneous for coordination	5,000
						IPD	PEF	73100 Workshops on CSR, etc.	8,000
						IPD	PEF	74200 Training Materials and printing	5,000

2. Investment policy documents strengthened through the integration of environmental and social considerations

3. Limited training on environment and social implications of investments

<p><b>Activity 2.1.7.</b> Support the development of resource and investment data bases and ISP planning tools in cooperation with MAF and other agencies  <b>Sub activities:</b> 1/ Establish agreement and working group with MAF (SNMPEP) and provinces; 2/ Develop workplan and schedule; 3/ Hold consultation and progress review workshops; 4/ Training and awareness raising on resource and investment databases and ISP</p> <p><b>Activity 2.1.8.</b> Carry out baseline assessment of investments and environmental impacts in the two southern provinces (outsourced)</p> <p><b>Activity 2.1.9.</b> special study / report on investment management at national and provincial level.</p>	X	X	X	X	X	X	X	X	UNDP	PEF	71100	International TA (full time advisor)	17,250
	X	X	X	X	X	X	X	X	IPD	PEF	71300	National consultant (full-time)	5,000
	X	X	X	X	X	X	X	X	IPD	PEF	73100	Consultation workshops	8,000
	X	X	X	X	X	X	X	X	IPD	PEF	74500	Miscellaneous for Workshop	3,000
	X	X	X	X	X	X	X	X	IPD	PEF	71600	Travel and DSA	9,000
	X	X	X	X	X	X	X	X	IPD	PEF	73400	Rental & Maint of Other Equip	1,250
	X	X	X	X	X	X	X	X	IPD	PEF	74500	Miscellaneous (Insurance)	2,000
	X	X	X	X	X	X	X	X	UNDP	TRAC/00012	71100	International TA (full time advisor)	22,000
	X	X	X	X	X	X	X	X	UNDP	PEF	71400	Outsourcing	59,420
	X	X	X	X	X	X	X	X	UNDP	TRAC/00012	71400	Outsourcing	5,000
	X	X	X	X	X	X	X	X	UNDP	PEF	71100	International TA (full time advisor)	17,670
	X	X	X	X	X	X	X	X	IPD	PEF	74200	Audio Visual&Print Prod Costs	2,000
	X	X	X	X	X	X	X	X	IPD	PEF	72400	Communication for project	1,400
X	X	X	X	X	X	X	X	IPD	PEF	74500	Miscellaneous for Workshops	3,200	
X	X	X	X	X	X	X	X	IPD	PEF	74500	Miscellaneous for Workshop (Annual Meeting Review)	1,500	
X	X	X	X	X	X	X	X	IPD	PEF	72800	IT equipment	6,300	
X	X	X	X	X	X	X	X	IPD	TRAC/00012	72200	Office equipment and furniture	2,000	
X	X	X	X	X	X	X	X	IPD	PEF	73400	Rental & Maint of Other Equip	4,000	
X	X	X	X	X	X	X	X	IPD	PEF	71400	Driver	2,000	

By funding sources:

PEF	157,490
TRAC	101,580
ISP	

**Output 2.2. Provincial level institutional capacities strengthened for sound investment management**



Activity result 2.3. Provincial level capacities assessed and targeted training events undertaken																		
<p><b>2.3 Targets</b></p> <p>1. Comprehensive understanding of the investment process at the level of two provinces (Saravanne and Savannakhet), encompassing stakeholders involved, institutional arrangements and capacity needs</p> <p>2. Key Implementing Partners investment management capacity strengthened in Saravanne and Savannakhet provinces</p> <p><b>2.3 Indicators</b></p> <p>1. One detailed report outlining provincial and district level technical capacities and associated capacity needs for sound investment management</p> <p>2. Enhanced technical knowledge of at least 20 provincial authorities about investment management to minimize negative environmental impacts and maximize positive social impact</p> <p><b>2.3 Baselines:</b></p> <p>1. Limited knowledge concerning specific technical capacities and capacity needs of provincial and district level officials for investment management</p> <p>2. Limited training on environment and social implications of investments at provincial level</p>	<p><b>Action 2.3.1.</b> Carry out an assessment of national and provincial level institutional arrangements, capabilities, coordination needs and related issues. <b>Sub-activities:</b> 1/ Prepare outline, coordinate with Investment Baseline, hold consultation. 2/ Carry out interviews and literature review. 3/ Draft institutional review report and recommendations. 4/ Hold consultation workshops on draft report and recommendations, finalize report. (should move to the Noth in Q3 and/ or Q4)</p>																	
	X	X	X	X	X	IPD	PEF	71600	Travel and DSA	-	-							
	X	X	X	X	X	IPD	TRAC/00012	73100	Consultation workshops	4,000	4,000							
	X	X	X	X	X	IPD	TRAC/00012	71600	Travel and DSA	11,940	11,940							
	X	X	X	X	X	IPD	PEF	71300	National Consultant (accountant support)	4,000	4,000							
	X	X	X	X	X	IPD	PEF	74200	Printing materials	2,840	2,840							
	X	X	X	X	X	IPD	PEF	73100	Rent/Maintenance	1,500	1,500							
	X	X	X	X	X	IPD	PEF	72400	Communication	1,000	1,000							
	X	X	X	X	X	UNDP	TRAC	71100	International TA (full time advisor)	35,000	35,000							
	X	X	X	X	X	IPD	PEF	71300	National Consultant (full-time)	5,000	5,000							
<p>By funding sources:</p> <table border="1"> <tr> <td>PEF</td> <td>14,040</td> </tr> <tr> <td>TRAC</td> <td>50,940</td> </tr> <tr> <td>ISP</td> <td>50,940</td> </tr> <tr> <td><b>Total</b></td> <td><b>115,920</b></td> </tr> </table>											PEF	14,040	TRAC	50,940	ISP	50,940	<b>Total</b>	<b>115,920</b>
PEF	14,040																	
TRAC	50,940																	
ISP	50,940																	
<b>Total</b>	<b>115,920</b>																	
<b>Output 2.4. Community consultation in investment management</b>																		

Activity Result 2.4: Strengthen role of community consultation (at district-kumbar-village level) to inform investment decisions, management and monitoring										
2.4 Targets:	Action 2.4.1. Evaluate and strengthen consultation mechanisms to provide input on proposed investments					UNDP				
	X	X	X	X	X	IPD	TRAC/00012	TRAC/00012	TRAC/00012	International TA (full time advisor)
1. Appropriate mechanisms for strengthening community consultation to inform investment decisions, management and monitoring (institutional and informing) identified, documented, and piloted. 2.4 Indicators: 1. At least one province pilots community consultation mechanisms to inform investment decisions. 2.4 Baselines: 1. No effective mechanism for consistent local participation in investment approval and management processes	X	X	X	X	X	IPD	TRAC/00012	TRAC/00012	TRAC/00012	20,000
			X	X	X	IPD	TRAC/00012	TRAC/00012	TRAC/00012	5,000
				X	X	IPD	TRAC/00012	TRAC/00012	TRAC/00012	5,480
										2,000
Subtotal Activity Result 2.4: 32,480 Total: Act.2.1+Act2.2+Act2.3+Act2.4: 410,000										
By funding sources: PEF 32,480 TRAC 12,480 ISP 20,000										
Total: Act.2.1+Act2.2+Act2.3+Act2.4: 410,000 Fund From UNDP 157,830 Fund From PEF 253,170 Fund From TRAO 200,000 Fund From ISP 210,000										

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8-Jan-10



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