



ສາທາລະນະລັດ ປະຊາທິປະໄຕ ປະຊາຊົນລາວ
Lao People's Democratic Republic



ອົງການສະຫະປະຊາຊາດເພື່ອການພັດທະນາ
United Nations Development Programme

**Government of Lao People's Democratic Republic
Water Resources and Environment Administration (WREA)
Environmental and Social Impact Assessment Department (ESIA Dept)**

United Nations Development Programme

**PROJECT ID: 00072674
PROJECT TITLE: "POVERTY ENVIRONMENT INITIATIVE,
OUTPUT 3"**

**THIRD QUARTERLY PROJECT REPORT
(QPR)**

Reporting period: July – September 2010

I. PROJECT INFORMATION AND RESOURCES

Project number and title:	00072674 “ Poverty Environment Initiative (PEI, Output 3)”
Implementing Partner:	Environmental and Social Impact Assessment (ESIA) Department of the Water Resources and Environment Administration (WREA)
Responsible Parties (if applicable):	
Donors:	UNEP - UNDP

Project Starting date		Project completion date	
Originally planned	Actual	Originally planned	Current estimate
May 2009	November 2009	December 2011	December 2011

Period covered by this report:	3 months (July – September 2010)
Date of annual review: <i>[Indicate if planned or actual]</i>	

Total Budget	Original Budget (US\$)	Latest Signed Revision (US\$)
	1,495,363	300,000

Resources	Donor	Amount
	UNDP	300,000

II. PURPOSE

[To be completed in cooperation with UNDP Programme Analyst; Summarizes Main objectives of the project and link to MDG/NSEDP/UNDAF as per the approved UNDP Country Programme Document and Country Programme Action Plan and/or project document]

The project “Environmental and Social Impact Assessment: Reducing Negative Social and Environmental Impacts of Investment in Lao PDR” is one of the four outputs of the Poverty Environment Initiative (PEI) Framework in Lao PDR. Supported by UNDP/UNEP, 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.

Corresponding to output 3 of the PEI Lao PDR, this project aims to support the Environmental and Social Impact Assessment (ESIA) Department of the Water Resource and Environment Administration (WREA) at the national and provincial level in order to address growing environmental threats and to prevent and minimize negative environmental and social impacts of the rapid development activities in key sectors, such as agriculture, hydropower, mining, industry and infrastructure.

The specific objective of the project is to enhance capacities of the ESIA Department of WREA to ensure comprehensive review and approval processes of environmental and social assessments based on the law and good science in effective coordination with the concerned line ministries and state enterprises.

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

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

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

III. PROJECT PERFORMANCE AND RESULTS FOR 1st QUARTER 2010

1. Contribution to the strategic goals *[To be completed in cooperation with UNDP Programme Analyst]*

Outcome 3:				
Capacities of the ESIA Department of WREA to ensure comprehensive review and approval processes of environmental and social assessments based on the law and good science in effective coordination with the concerned line ministries and state enterprises increased. <i>[Indicate if included in SRF]</i>				
Progress towards achieving outcome <i>[A brief analysis of the status of the situation and any observed change, any project contribution.]</i>				
Two guidelines (EIA reviewing guideline and monitoring guideline) had been prepared by international expert (Ms. Louise Grenior). The two guidelines had been secondly revised and completed through a consultation workshop during the reporting period. The two guidelines were translated and produced in Lao version. Internal discussion on the Lao version was organized to improve the guidelines. Consultation with other line ministries on the Lao version of the two guidelines is expected to be organized early next year. Beside the two guidelines, technical guideline on EIA had also been developed by international expert (Mr. Jean Foerster). The first draft was submitted in Q1 of 2010 and it was expected to get revised in Q2 and Q3 of 2010. However, the planned achievement was not realized due to the fact that the international expert has not been available from mid Q2 to Q4 of 2010 to perform the task according to the changed schedule set by ESIA Department. During a teleconference conducted early Q3 the international expert agreed to revise the draft and complete the tasks during Q1 of 2011.				
Quarterly outputs and indicators <i>[According to project document and/or quarterly work plan]</i>	Key activities completed during reporting period	Expenditures <i>[Actual expenditures against activities completed]</i>	Progress towards achieving outputs and targets achieved against indicators	Reasons if progress below target and response strategies <i>[If applicable, explore underlying factors and reasons for gaps in output and target]</i>
Output 3.1 A system for obtaining funds to substantially cover the cost of operating the ESIA Department	- Planned consultation workshop on the draft ESIA Financial and Accounting Management Manual, and Procurement	- The consultation workshop on the draft manual has not been implemented. However, there still	- The planned consultation workshop on the draft manual at director general level will be implemented in Q4 – 2011.	- This planned workshop has not yet been implemented because Director General (DG), Deputy Director General (DDG), particularly focal

<p>developed and implementing. The system works and is audited in accordance with international standards for financial management</p> <p>Indicators:</p> <ul style="list-style-type: none"> - Funding mechanism developed and agreed upon by Government - Funding mechanism fully operational 	<p>and Inventories/ Fixed Assets Management Policies at director general level has not been implemented. However, it is shifted to be implemented during Q4 – 2011.</p>	<p>have expenditure because project covered the cost for UNDP New Project Staffs' Orientation workshop on 27-29 July 2010 in the amount of 382.14 USD</p>	<ul style="list-style-type: none"> - It is expected that useful comments will be provided by the DG/DDG from concerned departments. The manual will then be revised according to the comments and submitted to WREA's minister for approval. - Trainings on application of the Financial and Accounting Management manual for EMU districts will be organized for effective budget used. 	<p>persons (head of Financial and Planning division and other financial staffs) who are responsible for and who involve in improving the financial manual from WREA and other relevant line agencies were not available due to other commitment of their engagement in political course. However, this activity will be implemented in the next quarter.</p>
<p>Output 3.2</p> <p>Technical guidelines and procedures that support the ESIA Department, concerned ministries, state enterprises and developers to conform to best environmental and social assessment and mitigation practices developed and/or updated.</p> <p>Indicators:</p>	<ul style="list-style-type: none"> - The revised draft reviewing and monitoring guidelines were submitted by international consultant (Ms. Louise Grenior). The two guidelines had been translated and produced in Lao version. - External consultation workshop with line ministries on the revised 	<ul style="list-style-type: none"> - The planned budget for these two implemented activities was 8,403\$. However, the actual expenditure was only 3,882\$. The remaining budget of 4,521\$ was not spent because the cost for translation and editing of the 	<ul style="list-style-type: none"> - The internal consultation workshop on the reviewing and monitoring guidelines in Lao version was implemented and several comments were provided. The guidelines will be revised accordingly before conducting the external consultation with line ministries which is expected to be done during 	<ul style="list-style-type: none"> - International expert for EIA guideline was not able to manage his time to complete his consultancy service during Q3 and Q4 of 2010 because he has other fixed assignment commitment. His service for EIA guideline was reset to complete in the first quarter of 2011. <p>As requested, the comments on the EIA report guideline were</p>

<ul style="list-style-type: none"> - Three technical guidelines drafted, including guidelines for EIA, for reviewing, and for monitoring. - Number of consultation workshops realized - Number of ESIA reviewed 	<p>draft reviewing and monitoring guidelines was conducted during this reporting period.</p> <ul style="list-style-type: none"> - Internal consultation between DESIA staffs on the reviewing and monitoring guidelines in Lao version had been implemented. - Consultation workshop on the revised draft EIA report writing guideline has not been conducted during the reporting period because there were some delays of the work of international consultant (Mr. Jean Foerster) in revising the draft. 	<p>reviewing and monitoring guidelines has not yet been paid during this reporting period.</p>	<p>the first quarter of 2011.</p> <ul style="list-style-type: none"> - The revision of the draft EIA guideline has not yet been submitted. A follow-up of this work had been done through teleconference with the international consultant at UNDP office. - Initial and additional comments on the draft EIA guideline were resent to the international expert by the ESIA Department and it is expected to receive the revised draft guideline at the end of this year before holding the consultation meeting in early next year. - A follow-up of the revised draft guideline will be done. 	<p>resent to the international expert via email by EIA Department after the teleconference in regard to the revision of the draft EIA guideline.</p> <ul style="list-style-type: none"> - Follow-up on the works of international consultant on revision of the draft EIA guideline and work plan will be done by ESIA team with the assistance of UNDP.
<p>Output 3.3</p> <p>Through the implementation of the capacity building</p>	<ul style="list-style-type: none"> - The development of the technical training and awareness raising materials 	<ul style="list-style-type: none"> - The planned budget for this activity was 	<ul style="list-style-type: none"> - Since the training material on EIA guideline has not yet been 	<ul style="list-style-type: none"> - Training and awareness raising materials on EIA guideline have to be developed

<p>program, the personnel of the ESIA Department is capable of carrying out their tasks and functions in accordance with the expected future mandate of the ESIA Department.</p> <p>Indicators:</p> <ul style="list-style-type: none"> - Number of training in financial management - At least three intensive technical training courses and two intensive management training courses, realized per year. 	<p>on EIA guideline has not yet been developed by the international expert (Jean Foerster).</p> <ul style="list-style-type: none"> - A planned training on technical guidelines for reviewing EIA report and monitoring EMMP was conducted. - Training materials on reviewing EIA report and monitoring EMMP of development project were finalized in power-point format by the international expert (Louise Grenier) and submitted to ESIA during this reporting period. - Training of Trainer (TOT) on the reviewing and monitoring guidelines has not yet been implemented during this reporting period and will be implemented in the next quarter. 	<p>6,464.56 \$. However, the actual expenditure was only 4,789.50\$. The remaining budget of 1,675.06 \$ was not spent because the actual cost for conference was lower than the estimated one.</p>	<p>developed. A follow-up of this work will be done by ESIA team with the assistance of UNDP staff. The ESIA Department expects to receive the draft material at the end of the Q4 - 2010.</p> <ul style="list-style-type: none"> - Trained documents are on review process and an additional requested fund for implementing TOT has been submitted to the UNDP for further action. 	<p>based on the EIA guideline. Currently, the training and awareness raising materials have not yet been developed. Follow-up the international consultant's works will be done with assistance from UNDP.</p> <ul style="list-style-type: none"> - The TOT has not yet been implemented due to budget shortage and trained documents are on review process. This activity will be implemented in the next quarter after additional fund approval by the UNDP and the trained documents are finalized.
---	--	---	---	---

2. Update on implementation of the Vientiane Declaration and its Action Plan

[Brief update on any achievement and/or problem related to the implementation of the Vientiane Declaration. It should also include issues related to the introduction of HACT and actions planned for the following period.]

N/A

3. Update on partnerships *[Brief update on any achievement and/or problem in developing partnerships and inter-agency collaboration. It should also include strategies for south-south cooperation]*

- Staffs of ESIA Department and PEI project participated in orientation workshop for New Project's staff funded by UNDP at Ban Keun, Vientiane province on 27 – 28 July 2010.
- Collaboration between PEI team (national consultant from output 1, 2, 3, and 4) meeting had also been conducted during this periods. Several internal meetings and meetings with PEI-UNDP were organized to ensure smooth implementation of the project. Monthly meeting between PEI-ESIA and PEI-UNDP teams has been done and will further continue.

4. Update on gender mainstreaming *[Brief update on any achievement and/or problem in terms of mainstreaming gender within the project activities. Strategy for the following period]*

N/A

5. Update on audit recommendations *[Brief update on progress achieved and problems encountered. Actions planned for the following period]*

There was no audit for this project. A UNDP spot check was carried out on 20 September 2010. Key recommendations include:

- The project should establish a Project Board as soon as possible.
- Surprise petty cash count should be done at least twice a month by PM and documented accordingly
- Pre-employment medical check-up performed: it must be done before commencement of the job (not after starting job)
- Initial signature on the TOR by project staff must be done
- Workshop/training (evaluation) report issued after the workshop/training are required
- Variance analysis between budget and actual expenditure done, signed by PM and submitted to UNDP; and variance of more than 10% have to be justified and agreed by UNDP: it is done but not clear
- List of maintenance of IT equipment should be available.

The PEI-Output 3 project team will address all the spot check recommendations in the coming quarter.

6. List main challenges and issues (if any) faced during reporting period [as well as response strategies adopted]

- Delay in the submission of the revised draft EIA report writing guidelines caused the delay of activities implementation. The consultation workshop and training on the EIA guideline were rescheduled to do in the Q1 of 2011.

- According to the third quarterly workplan, a consultation workshop on the three revised draft guidelines shall be conducted back-to-back. However, this planned activity was not fully realized because one international expert who is responsible for developing EIA technical guideline was not available to accomplish his task until early next year. So far, only consultation workshop on the revised draft guidelines for reviewing and monitoring had been implemented. For the EIA technical guideline, it was agreed that the international expert shall deliver the final product during Q1 of 2011.

- Budget shortage for implementing some activities in Q3 and Q4 due to changed plan in Q2 and increased activities such as TOT, consultation workshop on reviewing and monitoring guidelines for Lao version, and training on application of DESIA financial and accounting management manual to EMU districts. This causes the increase in budget expenditure, the delay in some activities implementation. Some activities have to move to implement in the next quarter.

7. Rating on progress towards results

Output: [From table 1. Contribution to Strategic Goals]		
Output 3.1	<input checked="" type="checkbox"/>	Positive change
	<input type="checkbox"/>	Negative change
	<input type="checkbox"/>	Unchanged
Output 3.2	<input checked="" type="checkbox"/>	Positive change
	<input type="checkbox"/>	Negative change
	<input type="checkbox"/>	Unchanged
Output 3.3	<input type="checkbox"/>	Positive change
	<input type="checkbox"/>	Negative change
	<input checked="" type="checkbox"/>	Unchanged

IV. ADDITIONAL ACTIVITIES WHICH CONTRIBUTE TO THE OUTCOME AND/OR OUTPUTS

Provide information about any activities undertaken by the project that were NOT envisaged in the work plan but which contributed to the outcome and/or outputs? E.g. advocacy and policy dialogue.

- Teleconference with the international consultant to discuss on the comments and work plan for the revision of the draft EIA technical guideline
- Internal discussion on the revised Q3, Q4, and annual work plan 2011 which will be attached with addition fund request to the UNDP
- Project monthly meeting between PEI-ESIA and PEI-UNDP.
- Discussion meeting with PEI-UNDP on activities budget allocation.
- Participated in orientation workshop for New Project's staff funded by UNDP.
- PEI Regional mission to Vientiane, Laos on 24 September 2010.

V. FUTURE WORK PLAN

1. What are the priority actions planned for the following year to overcome constraints, build on achievements and partnership, and use of the lessons learned during the previous year?

- Follow-up progress with international consultant on revision the draft EIA guideline.
- Consultation workshop on draft DESIA Financial and Accounting management Manual at Director General level.
- Training on application of the DESIA financial and accounting management manual to EMU districts (Hinboun, Khamkeuth, and Nakhai districts).
- Training of Trainer (TOT) on the general reviewing and monitoring guidelines for WREA target provinces.
- Annual reviewing meeting.

2. List major adjustments in the strategies, targets or key outcomes and outputs planned.

N/A

3. Estimated total budget required for the following quarter:

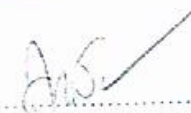
38,532.46 USD

VI. ANNEXES

1. Annex 1: Project Risk Log
2. Annex 2: Project Issues Log
3. Annex 3: Lessons learned log


PREPARED BY

Prepared by:


.....
Arouna Vongsakhamphouy
Assistant Project Manager
PEI-Output 3

Date: 05/10/2010

Approved by:


.....
Mr. Lamphoukeo Kettavong
PEI-Output 3, Assistant to National Project Manager

Date: 15 Oct 2010



.....
Mme Boukham Vorrachit
PEI-Output 3, National Project Director

Date: 07 OCT 2010

**Annex 1
OFFLINE RISK LOG**

(see [Deliverable Description](#) for the Risk Log regarding its purpose and use)

Project Title: Poverty Environment Initiative	Award ID: 00072674	Date: 27 September 2010
--	---------------------------	--------------------------------

#	Description	Date Identified	Type	Impact & Probability	Countermeasures / Mngt response	Owner	Submitted, updated by	Last Update	Status
	<p>Enter a brief description of the risk</p> <p><i>(In Atlas, use the Description field. Note: This field cannot be modified after first data entry)</i></p>	<p>When was the risk first identified</p> <p><i>(In Atlas, select date. Note: date cannot be modified after initial entry)</i></p>	<p>Environmental Financial Operational Organizational Political Regulatory Strategic Other</p> <p>Subcategories for each risk type should be consulted to understand each risk type (see Deliverable Description for more information)</p> <p><i>(In Atlas, select from list)</i></p>	<p>Describe the potential effect on the project if this risk were to occur</p> <p>Enter probability on a scale from 1 (low) to 5 (high) P =</p> <p>Enter impact on a scale from 1 (low) to 5 (high) I =</p> <p><i>(in Atlas, use the Management Response box. Check "critical" if the impact and probability are high)</i></p>	<p>What actions have been taken/will be taken to counter this risk</p> <p><i>(in Atlas, use the Management Response box. This field can be modified at any time. Create separate boxes as necessary using "+", for instance to record updates at different times)</i></p>	<p>Who has been appointed to keep an eye on this risk</p> <p><i>(in Atlas, use the Management Response box)</i></p>	<p>Who submitted the risk</p> <p><i>(In Atlas, automatically recorded)</i></p>	<p>When was the status of the risk last checked</p> <p><i>(In Atlas, automatically recorded)</i></p>	<p>e.g. dead, reducing, increasing, no change</p> <p><i>(in Atlas, use the Management Response box)</i></p>
1	One of the international experts who is responsible for developing EIA guideline has not	July 2010	Financial Operational Organizational	Cause the delay in other activities implementation such as consultation workshop and training on the EIA guideline	It was agreed that international expert will accomplish the assignments including the revised draft guideline of	ESIA Department and UNDP	PM	27 September 2010	Pending

	been available to revise the draft guideline until early of 2011			P = 5 I = 5	EIA, conducting consultation workshop and training in early 2011.				
2	Finalization of EIA guideline is pending until early 2011	July 2010	Organizational Regulatory	Long pending of the guideline finalization may cause poor quality of the final guideline as international expert may lose interest because he may require more time to resume the old work. P=5 I=5	Follow-up the comments made by ESIA Department to ensure that the comments are incorporated in the revised guideline.	ESIA Department and UNDP	PM	27 Sep 2010	Pending
3	Consultation workshop on the three guidelines was planned to conduct back-to-back in July 2010 to save cost. However, one of the international experts was not available throughout Q3. Only consultation workshop for two guidelines was organized.	July 2010	Financial Operational Organizational	Cause the increase of budget expenditure as two events of consultation workshop are required. Consultation workshop for EIA guideline will be conducted during Q1 of 2011. P=5 I=5	Request additional fund	ESIA Department and UNDP	ESIA Department	Sep 2010	Ongoing
4	There were some required additional activities implementation	August 2010	Financial	Cause the increase of budget expenditure as additional activities will require additional budget.	Request additional fund	ESIA Department and UNDP	ESIA Department	Sep 2010	Ongoing

such as TOT, consultation workshop on reviewing and monitoring guidelines for Lao version, and training on application of DESIA financial and accounting management manual to EMU districts.			P=5 I=5					
--	--	--	------------	--	--	--	--	--

**Annex 2
OFFLINE ISSUES LOG**

(see [Deliverable Description](#) for the Issues Log regarding its purpose and use)

Project Title: Poverty Environment Initiative	Award ID: 00072674	Date: 27 September 2010
--	---------------------------	--------------------------------

#	Description	Date Identified	Type	Impact & Priority	Countermeasures / Mngt response	Owner	Submitted, updated by	Last Update	Status
	Enter a brief description of the issue <i>(In Atlas, use the Description field. Note: This field cannot be modified after first data entry)</i>	When was the issue first identified <i>(In Atlas, select date. Note: date cannot be modified after initial entry)</i>	Request for Change Problem Other <i>(In Atlas, select from list)</i>	Describe the potential effect on the project Enter priority on a scale from 1 (low) to 5 (high) Priority = <i>(in Atlas, use the Management Response box)</i>	What actions have been taken/will be taken to address this issue <i>(in Atlas, use the Management Response box)</i>	Who has been appointed to address this issue <i>(in Atlas, use the Management Response box)</i>	Who submitted the issue <i>(In Atlas, automatically recorded)</i>	When was the status of the issue last checked <i>(In Atlas, automatically recorded)</i>	e.g. pending, solved <i>(in Atlas, use the Management Response box. If solved, check the "Solved" box)</i>
1	One of the international experts who is responsible for developing EIA guideline has not been available to revise the draft guideline until early of 2011.	July 2010	Request for change	Cause the delay in other activities implementation such as consultation workshop and training on the EIA guideline Priority = 5	International expert agreed to accomplish the task during Q1 of 2011	ESIA Department and UNDP	ESIA Department	27 Sep 2010	Pending
2	Consultation	July 2010		Cause the increase of budget	Request UNDP for	ESIA	ESIA	27 Sep 2010	Ongoing

	workshop on the three guidelines was planned to conduct back-to-back in July 2010 to save cost. However, one of the international experts was not available throughout Q3. Only consultation workshop for two guidelines was organized.		Problem	expenditure as two events of consultation workshop are required. Consultation workshop for EIA guideline will be conducted during Q1 of 2011. Priority = 5	additional fund	Department and UNDP	Department		
3	During Q3 there were some required additional activities implementation such as TOT, consultation workshop on reviewing and monitoring guidelines for Lao version, and training on application of DESIA financial and accounting management manual to EMU districts.	August 2010	Problem	Cause the increase of budget expenditure as additional activities will require additional budget. Priority = 5	Request UNDP for addition fund	ESIA Department and UNDP	ESIA Department	Sep 2010	Ongoing

**Annex 3
LESSONS LEARNED LOG**

(see [Deliverable Description](#) for the Lessons Learned Log regarding its purpose and use)

Project Title: Poverty Environment Initiative	Award ID: 00072674	Date: 27 September 2010
--	---------------------------	--------------------------------

#	Type	Date Identified	Successes	Shortcomings	Recommended Solutions	Submitted, updated by
	Project Management Project Results Human Factor Other		<i>Describe what has worked well. What factors supported this success?</i>	<i>Describe the challenges or areas for improvement and what was unanticipated</i>	<i>How were challenges overcome and how should things have been done differently/better?</i>	
1	Project Management Project Results	July 2010	Two guidelines on EIA reviewing and monitoring have been completed during the reporting period.	Two guidelines on EIA reviewing and monitoring were translated into Lao language but require further simplification and editing for easy understanding.	Internal discussion on the first draft of Lao version was organized among ESIA Department team. External discussion on the revised draft of Lao version for further revision will be conducted with concerned line ministries during Q1 of 2011	ESIA Department
2	Project Management Project Results Human Factor	July 2010	Training material on the reviewing and monitoring guidelines was developed based on the revised draft guidelines in power point format	Training of Trainer for EIA reviewing and monitoring guidelines have not yet been implemented because of time and budget.	Training of Trainer for EIA reviewing and monitoring guidelines will be implemented during Q4 of 2010.	ESIA Department