

ສາທາລະນະລັດ ປະຊາທິປະໄຕ ປະຊາຊົນລາວ
Lao People's Democratic Republic



ອົງການສະຫະປະຊາຊາດເພື່ອການພັດທະນາ
United Nations Development Programme

**Government of Lao People's Democratic Republic
National Economic Research Institute (NERI),
Ministry of Planning and Investment (MPI)**

United Nations Development Programme

**PROJECT ID: 00074227 (UNEP Fund)
PROJECT TITLE: "POVERTY-ENVIRONMENT INITIATIVE,
OUTPUT 5"**

**QUARTER 4-2010 PROJECT REPORT
(QPR)**

October-December 2010

I. PROJECT INFORMATION AND RESOURCES

Project number and title:	00074227 Poverty Environment Initiative Output 5
Executing Agency:	National Economic Research Institute, Ministry of Planning and Investment
Implementing Partner:	Ministry of Planning and Investment
Donors:	UNEP

Project Starting date		Project completion date	
Originally planned	Actual	Originally planned	Current estimate
May 2009	June 2010	Nov 2011	Dec 2011

Period covered by this report:	01 Oct-31 Dec 2010
Date of quarterly review: <i>[Indicate if planned or actual]</i>	

Total Budget	Original Budget (US\$)	Latest Signed Revision (US\$)
	207,400	207,400

Resources	Donor	Amount(US\$)
	UNEP	207,400

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 United Nations Environment Program (UNEP) and the United Nations Development Programme (UNDP) Poverty Environment Initiative (PEI) in Lao PDR aims to contribute to poverty reduction and improved well-being of poor and vulnerable groups through mainstreaming the environment into national development and investment processes. 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.

The specific objective of PEI Output 5 is to enhance capacities of national and provincial authorities to plan and manage investments for poverty reduction and sound environmental managements.

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 1.2: The role of biodiversity, agro-biodiversity, land management and environment and environment in general in livelihood improvements and poverty reduction strengthened through enhanced knowledge management and management capacity. Outcome 1.3: 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.

III. PROJECT PERFORMANCE AND RESULTS

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

Output 1: To strengthen the capacity at the national and local level on mainstreaming MEA objectives into MDGs and national poverty reduction strategies [indicate if included in SRF]					
Progress towards achieving outcome [A brief analysis of the status of the situation and any observed change, any project contribution.]					
Annual outputs and indicators [According to project document and/or annual work plan]	Key activities completed during reporting period	Expenditures [Actual expenditures against activities completed]	Progress towards achieving outputs and targets achieved against indicators	Reasons if progress below target and response strategies [If applicable, explore underlying factors and reasons for gaps in output and target]	
<p>Output 1: Improved capacities at the national level in mainstreaming environmental obligations and Multilateral Environmental Agreements (MEAs) within national sustainable development plans and poverty reduction strategies</p> <p>Target:</p> <p>1.1 Establishment of one national group of experts</p> <p>1.2 Knowledge generated on economic valuation at the national experts group</p> <p>Indicators:</p> <p>1.1 At least 8 national experts are able to carry out economic valuations linking ecosystem</p>	<p>The workshop on Methodology for Ecosystem Valuation of Land Use Change in Lao PDR was held at the Napakuang resort, Keoudom District, Vientiane Province from 21-23 September 2010.</p> <p>The objective of the workshop was to introduce the concepts of environment, economics and possible methodologies to the multi-disciplinary expert group,</p>		<p>The National Expert group has been fully engaged in the research project, both in terms of participation in the discussion of environmental economic concepts and in the selection of research sites. It will be important to find the right types of incentives to maintain on the momentum and interest of the group, and ensure that there is strong ownership of the project.</p> <p>There is an immediate need to build the capacity of the team to be able to delve more</p>		

<p>services, natural capital, economic development and MDGs</p> <p>1.2 At least 3 key sectors will increase knowledge of</p>	<p>and was led by Dr. Vute Wangcharakul, the international consultant. A tentative timeline and outline of next steps for conducting the research were also developed. Furthermore, a case study on ecosystem service values of land use change from Northern Queensland, Australia was also highlighted. The total of participants was 20 persons including expert group and line ministries concerns.</p> <p>The monthly meeting among the expert group was also held on 30 September 2010 at NERI in order to brainstorm on ecosystem services with regard to the 4 type of land use (forest, corn, rice and rubber plantation)</p>		<p>deeply to the analytical aspects, which will be priority for Q4.</p>	
<p>Output 2</p> <p>Improved understanding of policy makers who are involved in the implementation of MEA</p>	<p>The first field study visit was conducted in Oudomxay province from 10-18 July,</p>			

<p>and/or environmental objectives and poverty reduction strategies on the links among ecosystem services, natural capital, economic development and human development, and their importance for achieving the MEA and/or environmental obligations</p> <p>Target:</p> <p>2.1 Case study finalized</p> <p>2.2 Increase knowledge of the national group of experts</p> <p>2.3 Increase knowledge and capacity of the key stakeholders as NERI, WREA and University</p> <p>2.1 At the end of the project implementation one economic valuation report is finalized with the participation of the national group of experts.</p> <p>2.2 Increased number of references of links between ecosystem services and MDGs in MEA COP and/or environmental policy documents.</p> <p>2.3 Increased number of reference of links between ecosystem services and MDGs</p>	<p>2010 in order to select sites for the study on Evaluation of Ecological Values of Land Use Change. Consequently, Houne, Beng and Namor districts of Oudomxay province were chosen as the possible sites for the study.</p> <p>The meeting between UNDP and members of the expert group was held at NERI on 24 Aug in order to discuss characteristics of the selected sites and results from the first field visit.</p>		
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<p>in macroeconomic planning frameworks. Baseline: 2.1 Limited environmental economic studies supported by EEPSEA with a comprehensive evaluation Means of verification: 2.1 Report finalized 2.2 Assessment before and after of the case study of capacity and knowledge levels. 2.3 Review of MEA COP and/or environmental policy documents 2.4 Review of macroeconomic planning documents of pilot countries</p>				
<p>Output 3: Improved awareness of policy makers on the MA and its recommendations for effective environmental and development policy making, and their capacities to integrate them into actual policy making processes Target: 3.1 Case study report and findings disseminated and distributed at the national level, policy makers and public in</p>	<p>In this output, Project members had attended the financial management workshop in Luangprabang Province which was held by UNDP/DIC This workshop was very useful for the project management.</p>			

<p>general Indicators: 3.1 Copies of the report, publications and information distributed. Consultations held at national and international level to present the report. Baseline: 3.1 Level of awareness of policy makers on MA recommendations and economic valuation of ecosystem services Means of verification: 3.1 Pre and post project evaluation- Questionnaire survey targeting selected countries and participants of outreach events</p>				
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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]*

N/A

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]*

N/A

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

7. Rating on progress towards results

Output: [From table 1. Contribution to Strategic Goals]	
Output 1	<input checked="" type="checkbox"/> Positive change <input type="checkbox"/> Negative change <input type="checkbox"/> Unchanged
Output 2	<input checked="" type="checkbox"/> Positive change <input type="checkbox"/> Negative change <input type="checkbox"/> Unchanged
Output 3	<input checked="" type="checkbox"/> Positive change <input type="checkbox"/> Negative change <input 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.

N/A

V. FUTURE WORK PLAN

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

Priority activities for Quarter 1 of 2011 includes:

Output 1:

- Training on Evaluation of Ecological Values of Land Use Change (With Emphasis on Forest and Agriculture) for undertaking the valuation exercise (before the case study) for National Group of Experts to enhance their capacities to conduct detailed economic valuation of land use options in broader development frameworks.
- Conduct training on data collection prior the finalized questionnaire for junior staff of NERI or students from National University of Laos.
- Monthly meeting for the National Group of Expert

Output 2:

- Conduct the study visit in Oudomxay province in cooperation with the international consultant, expert group, NERI-PEI members and the local authorities.

- Conduct field survey or data collection in Oudomxay province after the methodology training and questionnaire is finalized

- Continue the IT maintenance monitoring

Output 3:

- Gather some series of publications, including training modules, analysis textbook, case study reports, brochures and a document of policy recommendations that related to the project activities
- Support the general operating expenses, miscellaneous, printing, internet, phone card for senior experts
- Prepare to recruit the national outreach consultant
- Act on spot-check recommendations in order to implement the project based on National Implementation Guideline (NIM).

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

No major adjustments.

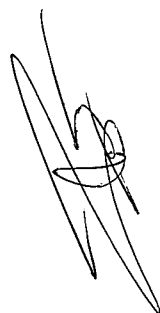
3. Estimated total budget required for the quarter 4: USD31,656.00

VI. ANNEXES

1. Q1 work plan 2011
2. Q4 risk, issue and communication logs

PREPARED BY

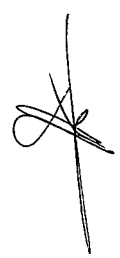
Prepared by:



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6.1.2011
Date

Certified by:



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MUSAYEAY Oraboune
PEI-NERI Assistant to National Project Director

06.01.2011
Date

06.01.2011
Date



OFFLINE RISK LOG

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

Project Title: PEI-NERI Project (National Economic Research Institute, MPI)/00074227	Award ID:00039579	Date: 07 Oct 2010
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#	Description	Date Identified	Type	Impact & Probability	Countermeasures / Mngt response	Owner	Submitted, updated by	Last Update	Status
1	Enter a brief description of the risk <i>(In Atlas, use the Description field. Note: This field cannot be modified after first data entry)</i>	When was the risk first identified <i>(In Atlas, select date. Note: date cannot be modified after initial entry)</i>	Environmental Financial Operational Organizational Political Regulatory Strategic Other Subcategories for each risk type should be consulted to understand each risk type (see Deliverable Description for more information) <i>(In Atlas, select from list)</i>	Describe the potential effect on the project if this risk were to occur Enter probability on a scale from 1 (low) to 5 (high) P = Enter impact on a scale from 1 (low) to 5 (high) I = <i>(In Atlas, use the Management Response box. Check "critical" if the impact and probability are high)</i>	What actions have been taken/will be taken to counter this risk <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>	Who has been appointed to keep an eye on this risk <i>(In Atlas, use the Management Response box)</i>	Who submitted the risk <i>(In Atlas, automatically recorded)</i>	When was the status of the risk last checked <i>(In Atlas, automatically recorded)</i>	e.g. dead, reducing, increasing, no change <i>(In Atlas, use the Management Response box)</i>
	Unavailability of operational equipments (computers, vehicle and etc..)	June 2010	Operational	Impact on the activities and project operations P=2 I=2 (P×I=4)	This stiffens up the Project operations. Project has used old computers from NERI Office and rent some IT equipment from shops	UNDP	PM	11 August 2010	Completed

2	Delay in the recruitment of International Consultant	June 2010	Operational	This will affect the budget and the implementation of project P=3 I=4 (P×I)=12	Negotiation with International Consultant on the consultancy fees	UNDP Programme Officer	PM	September 2010	Completed
3	Need more project support staff such as assistant to Project Manager or Communication Officer	July 2010	Operational	Effect on the activities and output P=4	Negotiation with UNDP and possibly ask more fund	PM	PM	September 2010	pending

OFFLINE ISSUES LOG

Project Title: PEI-NERI Project (NERI, MPI/00074227) Award ID:00059379 Date: 07 Oct 2010

#	Description	Date Identified	Type	Impact & Priority	Countermeasures / Mngt response	Owner	Submitted, updated by	Last Update	Status
	Enter a brief description of the issue	When was the issue first identified	Request for Change Problem Other	Describe the potential effect on the project Enter priority on a scale from 1 (low) to 5 (high) Priority	What actions have been taken/will be taken to address this issue	Who has been appointed to address this issue	Who submitted the issue	When was the status of the issue last checked	e.g. pending, solved
1	Unavailability of operational equipments (computers, vehicle and etc..)	June 2010	Problem	Impact on the activities and project operations P = 3	Follow up with UNDP	UNDP Programme Officer	PM	10 August 2010	Completed
2	Delay in the recruitment of International Consultant	June 2010	Problem	Effect on the activities and output P=5	Negotiation with International Consultant on the consultancy fees	UNDP Programme Officer	PM	September 2010	Completed
3	Need more project support staff such as	July 2010	Problem	Effect on the activities and output	Negotiation with UNDP and possibly ask for more support fund.	PM	PM	September 2010	pending

assistant to Project Manager or Communication officer		P=4	Alternatively, modify the TOR of the Communication Officer to cover some relevant administrative tasks.			
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Annex: Initial Monitoring and Communication Plan

Project Title/Project ID: PEI-NERI Project(NERI,MPI)/00074227	Award ID: 00039579	Date: 07 Oct 2010
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Types of Monitoring and Communication Action	Types of Stakeholders	Method of Monitoring and Communication	Due/Timeline for Each Type of Monitoring and Communication	Date of Completed Action	Status of Action
Annual Work Plans 2010	Project→UNDP	Report	Annually	30/03/2020 (This project started June 2010)	Completed
Annual Procurement and HR Plan	Project→UNDP	Report/document	Annually	Jun-10	Completed
Quarter 4 2010 work plans and Quarter 3 2010 progress reports	Project→UNDP	Report	07 Oct 2010	07 Oct 2010	Completed
Monthly project meeting	Project—UNDP	Face-to-Face	Monthly (signed minutes to be submitted within 5 working days)	Joint monthly meeting for June and July	Completed
Project Board Meeting Report	Project Board→UNDP	Minute of project board meeting	Quarterly	N/A as the project doesn't have project board	In the process of setting up the project board
Updated risk, issue, lessons learned logs and communication and monitoring plan	Project→UNDP	Report	Quarterly	07 Oct 2010	Completed
Audit	UNDP→Project	Visit, Report	Annually	N/A	N/A
Audit Implementation Action Plan	Project→UNDP	Report	At least quarterly	N/A	N/A

Spot Check	UNDP → Project	Visit, Report	Quarterly per IP	Will do in Sept 2010	Pending
Annual review meeting and progress reports	Project → UNDP	Report	Annually	N/A	N/A
Quarterly Project Combine Delivery Report	UNDP → Project	Report	Quarterly	30 Oct 2010	On-going
FACE (Fund Authorization and Certificate of Expenditures) Form and other POA documentations, including monthly Bank Reconciliation record, advance record	Project → UNDP	Report/documents	Quarterly	07 Oct 2010	Completed
UNDP Monthly Exchange Rate	UNDP → Project	Document	Monthly	First week of the month There were some Direct payment this quarter. The list will be attached to Financial Report	On-going
Quarterly Project Direct Payment List	Project → UNDP	Report/document	Quarterly		Completed