



## INITIATION PLAN FOR A GEF PROJECT PREPARATION GRANT (PPG)

**Country: Lao PDR (\*)**

**UNDAF Lao PDR 2007 - 2011 Outcomes:**

Outcome 1: By 2011, the livelihoods of poor, vulnerable and food insecure populations are enhanced through sustainable development (within the MDG framework)

Outcome 3: By 2011, strengthened capacities of public and private institutions to fulfill their duties and greater people's participation in governance and advocacy for the promotion of human rights in conformity with the Millennium

**CPAP Lao PDR (2007-2011) Outcomes:**

Outcome 1: Improved and equitable access to land, markets and social and economic services, environmentally sustainable utilization of natural resources

Outcome 2: Enhanced ownership and capacity for pro-poor planning, implementation and harmonized aid coordination, and disaster management

Outcome 8: Increased efficiency, effectiveness, transparency, and accountability of the public administration at both central and local levels.

**UNDP Strategic Plan 2008-2011 Primary Outcome:** Promote climate change adaptation, **Secondary Outcome:** Strengthened capacity of developing countries to mainstream climate change adaptation policies into national development plans

**Expected Project Outcome (s) and Indicator (s):** Increased awareness and capacity for small scale infrastructure development, disaster preparedness and eco-systems based adaptation in a changing climate

**Project Output(s) and Indicator(s):** Full size project on "Effective governance for small scale rural infrastructure and disaster preparedness in a changing climate"

\*: 2012-2015 UNDAF and CPD are not yet finalized and approved

Programme Period: Oct 2011 – July 2012  
 Programme Component: N/A  
 PPG Title: Effective Governance For Small Scale Rural Infrastructure And Disaster Preparedness In A Changing Climate  
 ATLAS Award: 00062401  
 Project ID: 00079881  
 PIMS Project ID: 4710  
 Duration: 9 months  
 Management Arrangement: DIM

Total budget:	381,500
Allocated resources:	
• LDCF	120,000
Co-financing	
• UNDP	15,000
• Government in kind	246,500
Total	261,500

**AGREED BY UNDP RESIDENT REPRESENTATIVE / UNDP DIRECTOR:**

Mr. Minh Pham  
 Resident Representative  
 UNDP, Lao PDR

Signature

Date: 21 September 2011

## **Brief Description of Initiation Plan**

This initiation plan is for development of a Full Sized Project (FSP) addressing priorities identified under Lao PDR's National Adaptation Plan of Action for Climate Change (NAPA, 2009) with the aim of providing and maintaining small scale rural infrastructure within the context of increasing climate risks, through a local governance approach. The main project components include: (i) strengthening planning, budgeting and budget implementation to reduce climate and disaster related risks; (ii) providing small scale rural infrastructure investments to address and minimize climate risks; and (iii) ensuring that infrastructure investment is linked to and underpinned by natural systems by securing critical ecosystem services and assets.

During the Project Preparation Grant (PPG) phase, local and international consultants will be recruited to produce results under each activity as per Total Budget and Work Plan. The PPG will be conducted in close collaboration with the new Ministry of Natural Resources and Environment (MoNRE) as well as the Ministry of Home Affairs (MoHA). The PPG will build on mechanisms and networks established during the development of the NAPA report, as well as the implementation of the first NAPA follow up projects which targets agriculture and food security issues, implemented by the Ministry of Agriculture and Forestry. The PPG phase will commence with a stakeholder consultation where the PPG work plan and consultancy Terms of References will be finalized, management arrangements and next steps agreed.

**GEF PPG/PCB approved grant document**



**PROJECT PREPARATION GRANT (PPG)**

**PROJECT TYPE: Full-sized Project**  
**TYPE OF TRUST FUND: LDCF**

**Submission date: 06/09/2011**

**GEF PROJECT ID:**

**GEF AGENCY PROJECT ID: 4710**

**COUNTRY(IES): Lao PDR**

**PROJECT TITLE: Effective Governance For Small Scale Rural Infrastructure And Disaster Preparedness In A Changing Climate**

**GEF AGENCY(IES): UNDP,**

**GEF FOCAL AREA(s): Climate Change**

**A. PROJECT PREPARATION TIMEFRAME**

Start date of PPG	10/01/2011
Completion date of PPG	07/01/2012

**B. PROPOSED PROJECT PREPARATION ACTIVITIES (\$)**

Describe the PPG activities and justifications:

**COMPONENT 1: Technical Definition and Capacity Needs Assessment**

1. Project formulation will be based on guidance provided by UNDP's toolkit for the design adaptation initiatives (2010).

(a) Definition of project baseline

2. A detailed review of existing climate risk information and analysis relating to Lao PDR (specifically the Southern Provinces) will be undertaken. This analysis will take stock of the current state of community resilience to existing climate variability and projected climate change impacts. The baseline analysis will provide details about current and planned development initiatives in the target areas and outline climate-related challenges and opportunities that need to be addressed in order to make Lao PDR more resilient to key risks associated with the design and operation of small scale rural infrastructure.

3. The baseline analysis will include a review of ongoing development projects and produce an inventory of policies, laws, executive regulations and decrees that govern climate-related resilience issues. This review will focus on the strengths, weaknesses, opportunities and threats of existing decision making and sectoral planning systems. The information collected in this exercise will contribute to a detailed root-cause analysis of climatic and non-climatic drivers that exacerbate communal vulnerability in times of growing uncertainty and environmental change. This analysis will be the basis for the definition of tangible research and demonstration activities proposed under the full-sized project.

(b) Identification of current and projected climate change risks

4. PPG resources will be used to undertake a detailed climate change risk analysis within 3 Provinces and collect available materials on climatic projections for the upcoming decade. Building on the recently completed SNC findings of climate change impacts, resources will only be used to target additional analysis identifying the likely biophysical impacts, where they are likely to occur, on what scale, the timing of expected changes, and the socio-economic implications of the anticipated changes. The analysis will reflect the available range of climate and socio-economic scenarios on which impacts are projected, and define knowledge gaps that need to be addressed in the full-sized project.

5. PPG resources will be used to undertake a review of community vulnerabilities in order to guide the formulation of project interventions. In particular, resources will be used for the following:

- To outline a technically sound description of how climate change is projected to affect rural communities (taking into account gender disaggregation) and infrastructure in their current setup (i.e. without additional risk mitigation measures). This analysis will be based on existing climate change scenarios.
- PPG resources will then be used to estimate the likely costs and benefits of proposed project interventions (including probability of success) to mitigate identified climate change risks. Associated with this, a detailed description of expected project implications on existing institutional/policy/legislative frameworks will be made. This includes a review of relevant laws, regulations, responsibilities, and financing provisions that have a bearing on a conducive structural environment for climate change adaptation.

6. Stakeholder consultations, taking into account gender specifics, and validation with relevant governmental and non-governmental agencies, as well as other bilateral donors, will supplement the findings of the climate change risk review and inform the technical feasibility and needs assessment for the proposed project. PPG funds will not be used to duplicate work already completed through the SNC process.

(c) Identification of specific sites for intervention

7. Based on the information in (a) and (b), a selection will be made of specific pilot sites and communities that this project will focus on while ensuring full alignment with the GPAR programme. A thorough assessment of the location specific risks that this project will need to overcome will be clarified and inform the overall design of the project, including linkages between natural systems and functions and built infrastructure. A participatory stakeholder approach to site selection and definition of priority research needs (involving relevant local institutions, the private sector, research organisations and representatives of civil society) will be employed and outlined in the UNDP-GEF Project Document. The financial scope of the FSP will be aligned with the project's potential for wider regional impact and maximum replication of adaptation benefits.

(d) Clarifying additionality of proposed Outcomes and interventions

8. The additionality of the proposed project, relative to baseline development needs, will be clarified in the context of the proposed Outcomes as outlined in the PIF. A detailed description will be provided on how LDCF resources will be directed towards the additional cost of ensuring that baseline activities to promote improved planning and decision making for rural small scale infrastructure provision incorporate climate change concerns, within the context of improved ecosystem management. Towards this end, stakeholder consultations will be undertaken to assess the current range of resilience-enhancing and/or mal-adaptive activities that are already taking place across the target Provinces. This assessment will clarify a) where additional climate-proofing components are required to increase the resilience of activities proposed under existing development planning, and b) which districts have the greatest potential for technical enhancement

and modification to effectively provide added value in increasing resilience to climate risks.

9. This review will include an inventory of who is doing what, at which scale and in which districts. This information will ensure that the design of the full-size project document links to other, planned and ongoing activities. The inventory will contribute to explicitly describing specific urgent and immediate adaptation actions that require additional responses to account for climate change-induced risks. It will also inform key activities in alignment with UNDP's core competencies and comparative advantage.

10. The review and stakeholder consultations will facilitate discussions with other local and international institutions pursuing similar objectives/outcomes, and identify important partnerships including co-financing opportunities. It will also facilitate discussions with other agencies such as ADB, WB, EU, SIDA, IUCN, WCS, WWF and others on potential partnerships whereby the comparative advantage of these agencies can be brought in to bear on the design and implementation of this project.

(e) Integration with development plans, policies and complementary projects

11. The project will integrate climate change concerns into relevant province and district development plans and policies and also align itself with other core UN system and UNDP activities in Lao PDR. In order to identify linkages of climate change concerns into sub-national development plans and policies, a targeted policy review will be undertaken. The project will need to build on existing planning processes which are developed at village, district and provincial level for a five year intervals, which will need to be further elaborated in terms of concrete measures to address related risks and to measure and monitor effects.

Close collaboration will be sought with other development efforts in particular the WB/ADB supported Integrated Water Resources Management Programme and UNDP's Governance and Public Administration Reform Programme. As it is anticipated that future large scale climate funding has to be channeled through government, the project will deliver essential TA to streamline development planning processes as well as integrate efforts to institutionalize climate proofing and procedures for climate finance options within existing public finance management mechanisms.

(f) Design of district level financing mechanism

12. UNDP is supporting the government with implementing a local development funding mechanism providing discretionary resources linked to more transparent local planning. The PPG consultants will work with UNDP/UNCDF governance and fiscal management specialists to assess the potential for implementing a climate adaptation financing mechanism linked to these LDFs, based on a UNCDF-LoCAL model. LoCAL provides a mechanism to help local governments address the incremental costs to infrastructure resulting from climate change.

COMPONENT 2: Institutional arrangements, Monitoring and Evaluation

13. The outputs of Component 1 will be used as technical input for the formulation of a full-sized UNDP-GEF compliant Project Document for the proposed project. Technical assistance will be required by national and international consultants who are (i) experienced in GEF project formulation; (ii) familiar with UNDP project implementation requirements; (iii) technically competent in the analysis of climate change impacts and adaptation options in the context of the project scope outlined in the PIF; and (iv) familiar with the institutional setting in Lao PDR.

(a) Finalization of a Strategic Results Framework and definition of monitoring and evaluation provisions

14. PPG resources will be invested into a participatory approach to finalize a detailed Strategic Results Framework, which includes revision and confirmation of the project goal, objective, outcomes, outputs, and their corresponding indicators of success. Qualitative and quantitative monitoring and evaluation indicators to measure and verify successful delivery of Project Objective and Outcomes will be communicated to stakeholders. The FSP will furthermore contain a work plan to guide the project implementation phase. A Monitoring and Evaluation strategy will be defined including clear identification of responsibilities and institutions, as well as an appropriate budget allocation (based on best practices and UNDP guidelines). This will also reflect the requirements of the Implementing Agency vis-à-vis its standard reporting and evaluation mechanisms. The Monitoring Plan will make reference to the above described qualitative and quantitative indicators that will measure the state of adaptive capacity at various stages of project implementation. Provisions for independent evaluation and provisions to ensure learning of lessons from implementation will be included.

(b) Definition of project roles and responsibilities

15. A delivery strategy with clearly identified roles and responsibilities of specific institutions for the overall management of the project will be specified. A coarse capacity assessment will be undertaken with relevant Ministries and/or other appropriate local institutions that could implement the full size project. Details on oversight of technical activities, including requisite reporting procedures, will be established. UNDP guidelines as articulated in the Results Based Management Framework will be followed in formulating and describing these details.

(c) Exit Strategy (Sustainability)

16. A detailed sustainability strategy will be defined in order to ensure replication of project benefits beyond the lifetime of the project. The PPG phase will focus on tangible milestones and agreements within the project cycle to ensure propagation of additional investment decisions for the replication of project benefits.

COMPONENT 3: Stakeholder Consultations

17. PPG resources will be utilized to engage key stakeholders at the national/sub-national and community level during the project design phase. In alignment with the approved project objective, a comprehensive stakeholder dialogue will be initiated to determine stakeholder needs vis-à-vis adaptation to potential climate change impacts, existing barriers to adaptation, expertise that might be helpful in designing and evaluating the project, and mapping of stakeholders who have been involved in similar initiatives or planning processes. The following activities will be undertaken:

(a) Mobilize and engage stakeholders

18. Participatory development of a general project framework will be followed by approval and endorsement by key stakeholders. The successful completion of the preparatory phase will require participation by a diverse range of number of key stakeholders:

- Public, private, and international institutions that monitor and produce information related to climate change impacts in Lao and in the target provinces. A mechanism for sharing information on climate risk management and technical capacities of communities and relevant institutions on the integration of climate risks into rural infrastructure planning, including ecosystem management, will be developed during the preparatory phase;
- A wide array of national agencies, local authorities, NGOs and international technical cooperation bodies, and communities will be consulted in order to establish an effective framework for the proposed

project;

- A plan for project management during the implementation phase of the FSP will be discussed and finalized during the preparatory phase.

(b) Definition and extension of partnerships

19. The PPG phase will include participatory negotiations with local communities and stakeholders to map existing adaptation requirements and knowledge gaps. Partnership requirements for support and co-funding at various levels (including government, NGO, private sector (infrastructure), and bilateral partnership arrangements) will be explored and outlined in the project document. Public-private partnerships and institutional-community partnerships which are beneficial to achieving the project objective will be defined. Involvement of the media will be clarified and summarized under a defined communication strategy aimed at performing policy advocacy and dissemination of lessons learned.

(c) Community Mobilization

20. A detailed work plan based on a participatory stakeholder approach will be developed to mobilize local communities to contribute to the definition, implementation, monitoring and evaluation of relevant project components. This may include community participation in tracking the delivery of specific project Outcomes.

COMPONENT 4: Financial planning and co-financing definition

(a) Facilitation and support of Government negotiations and consultations on project-related issues

21. PPG resources will be used to finance the cost of facilitating and supporting the government of Lao PDR to reach agreement on project objective, outcomes, outputs and indicators and finalize government contributions and partnerships for support and co-funding of the envisaged project results.

(b) Exploration of Multilateral and Bilateral co-funding opportunities

22. PPG resources will be used to finance the cost of partnership development and the pursuit of co-financing opportunities at various levels with bilateral and multi-lateral funding institutions. The PPG will enable networking at the global and national level in order to ensure a coherent and sustainable financing approach with perspectives beyond the project lifetime.

(c) Preparation of official endorsement letters and guarantees

23. An official endorsement letter will be prepared by the GEF Operational Focal Point of the Government of Lao PDR. A co-financing guarantee will be collected from participating government institutions, bilateral development partners, multilateral development partners and NGOs who provide in cash or in kind contributions to this project.

List of Proposed Project Preparation Activities	Output of the PPG Activities	Trust Fund	Grant Amount (a)	Co-financing (b)	Total c = a + b
Technical definition and capacity needs assessment	1. Project goal, objective, outcomes, outputs and activities defined. 2. Description of	LDCF	58,000	102,000	160,000

	<p>geographical breakdown of project across provinces and districts.</p> <p>3. Specification of all adaptation activities to be financed by LDCF and their adaptation rationale.</p> <p>4. Collation and synthesis of supporting documentation to justify project interventions</p> <p>5. Review and analysis of current and past donor, government and donor projects relating to strengthening resilience in rural Lao PDR.</p> <p>6. Clear description of baseline activities and related sources of financing with a focus on the south of Lao PDR.</p>				
<p>Institutional arrangements, monitoring and evaluation</p>	<p>1. Project management and reporting arrangements defined</p> <p>2. Workplan with detailed roles, responsibilities and timeline for project implementation</p> <p>3. Strategic results framework and M&amp;E system defined with quantifiable and verifiable impact indicators.</p> <p>4. Review and summary of policy and regulatory framework for governance, ecosystem management and rural infrastructure.</p>	<p>LDCF</p>	<p>25,000</p>	<p>53,000</p>	<p>78,000</p>



Stakeholder consultations	1. Stakeholder involvement plan with focus on community level beneficiaries 2. Detailed list of all stakeholder consultations during PPG	LDCF	30,000	32,500	62,500
Financial planning and cofinancing	1. Endorsement letters and letters confirming co-financing commitments obtained 2.	LDCF	7,000	14,000	21,000
PPG Management	1. List of all PPG activities including financial reconciliation 2. UNDP-GEF compliant full-sized project document for submission to LDCF including AMAT framework.	(select)		60,000	60,000
		(select)			0
		(select)			0
		(select)			0
		(select)			0
		(select)			0
		(select)			0
		(select)			0
<b>Total Project Preparation Financing</b>			<b>120,000</b>	<b>261,500</b>	<b>381,500</b>

**C. FINANCING PLAN SUMMARY FOR PROJECT PREPARATION GRANT: (\$)**

	Project Preparation	Agency Fee
Grant Amount	120,000	12,000
Co-financing		
<b>Total</b>		

**D. PPG AMOUNT REQUESTED BY AGENCY(IES), FOCAL AREA(S) AND COUNTRY(IES)<sup>1</sup>**

Trust Fund	GEF Agency	Focal Area	Country Name/ Global	(in \$)		
				PPG (a)	Agency Fee (b)	Total c = a + b
LDCF	UNDP	Climate Change	Lao PDR	120,000	12,000	132,000
(select)	(select)	(select)				0
(select)	(select)	(select)				0

(select)	(select)	(select)				0
(select)	(select)	(select)				0
(select)	(select)	(select)				0
(select)	(select)	(select)				0
(select)	(select)	(select)				0
(select)	(select)	(select)				0
(select)	(select)	(select)				0
(select)	(select)	(select)				0
(select)	(select)	(select)				0
(select)	(select)	(select)				0
<b>Total PPG Amount</b>			<b>120,000</b>	<b>12,000</b>	<b>132,000</b>	

<sup>1</sup> No need to provide information for this table if it is a single focal area, single country and single GEF Agency project.


**E. PPG BUDGET**

Cost Items	Total Estimated Person Weeks for Grant (PW)	Grant Amount (\$)	Co-financing (\$)	Total(\$)
Local consultants *	50.00	40,000	104,000	144,000
International consultants*	20.00	60,000	75,000	135,000
Travel		15,000	15,000	30,000
Technical workshops		5,000	7,500	12,500
Management			60,000	60,000
				0
<b>Total PPG Budget</b>		<b>120,000</b>	<b>261,500</b>	<b>381,500</b>

\* Annex A for Consultant cost details should be prepared first before completing this table. See notes on Annex A for the required detailed information. This table is the sum of all local and international consultants presented in Annex A.

**F. GEF AGENCY(IES) CERTIFICATION**

This request has been prepared in accordance with GEF policies and procedures and meets the GEF LDCF/SCCF Trust Fund criteria for project identification and preparation.

Agency Coordinator, Agency Name	Signature	Date (Month, day, year)	Project Contact Person	Telephone	Email Address
Yannick Glemarec, UNDP/GEF		June 9, 2011	Angus Mackay	+6622882784	angus.mackay@undp.org

**Annex A**

**Consultants Financed by the Project Preparation Grant (PPG)**

Type of Consultant	Position / Titles	\$/ Person Week <sup>1</sup>	Estimated PWs <sup>2</sup>	Tasks to be Performed
International	Project Development Specialist, Climate Change	3000	45.00	<ul style="list-style-type: none"> <li>- Guide implementation of the PPG phase including inception meeting;</li> <li>- Oversee finalization of a Results Framework and definition of indicative project activities;</li> <li>- Define a project work plan and coordinate input by the national consultant;</li> <li>- Quality control for the FSP in line with UNDP/GEF requirements;</li> <li>- Assist in verifying climate risks associated with the project's target areas;</li> <li>- Validate problem analysis of the project;</li> <li>- Guide the determination of the scope and strategy of the project;</li> <li>- Finalize project Outcomes, Outputs and their corresponding verifiable indicators of success;</li> <li>- Ensure additionality of the project and guide/facilitate respective discussions;</li> <li>- Ensure that the project approach is cost-effective;</li> <li>- Contribute to the definition of UNDP-GEF compliant management arrangements;</li> <li>- Facilitate the process of co-financing design and ensure that co-financing letters are obtained;</li> <li>- Facilitate stakeholder consultations on project preparation, including finalization of a detailed budget and TOR for all inputs in line with UNDP-GEF criteria and eligibility principles</li> </ul>
Local	Ecosystems Specialist	800	60.00	<ul style="list-style-type: none"> <li>- Compile and collate existing assessment of ecosystem status and health in project area</li> <li>- Review climate risk information and assess likely impacts on ecosystems</li> <li>- Identify critical ecosystem functions and provide an inventory of key assets.</li> <li>- In consultation with local communities identify vulnerable sites and functions to climate related risks.</li> <li>- In collaboration with the rural</li> </ul>

				<p>infrastructure specialist, prepare problem analysis and identify options to promote ecosystem resilience to climate change.</p> <ul style="list-style-type: none"> <li>- Carry out baseline assessment of specific sites contributing to AMAT development.</li> <li>- Support project development specialist to prepare project documentation.</li> </ul>
Local	Rural Infrastructure And Communities	800	120.00	<ul style="list-style-type: none"> <li>- Identify and review existing vulnerability studies with a focus on rural infrastructure.</li> <li>- Propose a suitable approach and methodology for vulnerability assessment.</li> <li>- Carry out selected community based consultations to assess existing vulnerabilities to help support project design including selection of sample districts and proposed adaptation interventions on the ground.</li> <li>- undertake baseline survey contribution to elaboratio of AMAT framework</li> <li>- identify possible adaptation investments and contribute to the development district level adaptation financing mechanism</li> <li>- Capacity assessment of key province and district level institutions in climate change and risk management related to rural infrastructure.</li> <li>- Provide support to the Project Development Specialist in completing project documentation</li> </ul>
(Select)				
(Select)				
(Select)				
(Select)				
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<sup>1</sup> Provide dollar amount per person week.

<sup>2</sup> Provide person weeks needed to carry out the task