



*Empowered lives.  
Resilient nations.*

File: 00083585

22 Oct 2012

Excellency,

**Subject: Budget Revision for 00083585 – Poverty Environment Initiative- National Economic Research Institute Project (PEI-NERI Project Phase II)**

I have the honour to attach herewith a duly signed Budget Revision for the project "Poverty Environment Initiative- National Economic Research Institute Project" for your record.

Please accept, Excellency, the assurances of my highest consideration.



Minh Pham  
Resident Representative

His Excellency  
Mr. Somdy Douangdy  
Minister of Planning and Investment  
Government of Lao PDR

cc: - Ms. Sisomboun Ounavong, Acting Director General, Department of International Cooperation, Ministry of Planning and Investment.  
- Mrs. Phavanh Nuanthasing, Director General, Department of International Organizations, Ministry of Foreign Affairs.  
- Dr. Leeber Leebouapao, National Project Director, PEI-NERI Phase II Project, Ministry of Planning and Investment

10/23/2012



## UN Development Programme Lao - Vientiane

Award ID: 00068329

Award Title: Poverty-Environment Initiative Phase 2  
Lao PDR, Research

Start Year: 2012

End Year: 2015

Implementing Partner  
(Executing Agency): National Execution

Budget (US\$) as of Last Revision on 22-October-2012		
Donor	Fund	Amount
UNDP	04000 TRAC (Lines 1.1.1 and 1.1.2)	163,000.00
SWI	30000 Programme Cost Sharing	380,000.00
Total Budget ( 2012 and Beyond )		543,000.00
Total Expenditure ( 2011 and Prior )		0.00
Award Total		543,000.00
Unprogrammed/Unfunded		0.00

### Responsible Party

(Implementing Agent): LAO-National Execution

Revision Type: General Revision 1

### Brief Description:

This project budget revision is made to apply new SDC contribution amounting USD62,852.00 to PEI-NERI Project Phase II for 2012, and multi-year budgeting for 2013-2015.

Agreed by:

Agreed by:

Agreed by:

Agreed by:



25/10/2012

## Annual Work Plan

Lao - Vientiane

**Award Id:** 00068329  
**Award Title:** Poverty-Environment Initiative Phase 2 Lao PDR, Research  
**Year:** 2012

**Report Date:** 10/22/2012

Project ID	Expected Outputs	Key Activities		Timeframe		Responsible Party	Planned Budget		
				Start	End		Fund	Donor	Budget Descr
00083585 PEI-NERI	1. Strategic Env.-Eco. Rese		LAO-National Execution	30000	SWI	73100	Rental & Maintenance-Premises		2,000.00
			LAO-National Execution	30000	SWI	71600	Travel		10,000.00
			LAO-National Execution	30000	SWI	74500	Miscellaneous Expenses		3,000.00
			LAO-National Execution	30000	SWI	72500	Supplies		2,500.00
			LAO-National Execution	30000	SWI	73400	Rental & Maint of Other Equip		5,000.00
			LAO-National Execution	30000	SWI	72400	Communic & Audio Visual Equip		2,500.00
	2. Increase Nat. Cap. in Env		LAO-National Execution	30000	SWI	71600	Travel		2,000.00
			LAO-National Execution	30000	SWI	72400	Communic & Audio Visual Equip		1,000.00
			LAO-National Execution	30000	SWI	74500	Miscellaneous Expenses		3,000.00
			LAO-National Execution	30000	SWI	73400	Rental & Maint of Other Equip		2,000.00
			LAO-National Execution	30000	SWI	72500	Supplies		2,000.00
			LAO-National Execution	30000	SWI	72400	Communic & Audio Visual Equip		1,000.00
			LAO-National Execution	30000	SWI	73100	Rental & Maintenance-Premises		2,000.00
			LAO-National Execution	30000	SWI	71600	Travel		5,000.00
			LAO-National Execution	30000	SWI	74200	Audio Visual&Print Prod Costs		5,000.00
			LAO-National Execution	30000	SWI	72400	Communic & Audio Visual Equip		500.00
			LAO-National Execution	30000	SWI	72800	Information Technology Equipm		200.00
			LAO-National Execution	30000	SWI	73500	Reimbursement Costs		4,102.00
			LAO-National Execution	30000	SWI	71300	Local Consultants		5,000.00
			LAO-National Execution	30000	SWI	71400	Contractual Services Individ		3,250.00
			LAO-National Execution	30000	SWI	74500	Miscellaneous Expenses		1,000.00
			LAO-National Execution	30000	SWI	72500	Supplies		500.00
			LAO-National Execution	30000	SWI	71600	Travel		300.00
									62,852.00
									62,852.00
									<b>GRAND TOTAL</b>



## Annual Work Plan

Lao - Vientiane

Award Id: 00068329

Award Title: Poverty-Environment Initiative Phase 2 Lao PDR, Research

Year: 2013

Report Date: 10/22/2012

Project ID	Expected Outputs	Key Activities	Timeframe		Responsible Party	Planned Budget			
			Start	End		Fund	Donor	Budget Descr	Amount US\$
00083585	PEI-NERI	1. Strategic Env.-Eco. Resec			LAO-National Execution	30000	SWI	Operating Expenses	130,000.00
		4. Project administration cos			LAO-National Execution	04000	UNDP	Operating Expenses	60,000.00
<b>TOTAL</b>								<b>190,000.00</b>	
<b>GRAND TOTAL</b>								<b>190,000.00</b>	



## Annual Work Plan

Lao - Vientiane

Award Id: 000068329

Award Title: Poverty-Environment Initiative Phase 2 Lao PDR, Research

Year: 2014

Report Date: 10/22/2012

Project ID	Expected Outputs	Key Activities	Timeframe		Responsible Party	Planned Budget			
			Start	End		Fund	Donor	Budget Descr	Amount US\$
000083585	PEI-NERI	1. Strategic Env.-Eco. Resea			LAO-National Execution	300000	SW	Operating Expenses	100,000.00
		4. Project administration cos			LAO-National Execution	040000	UNDP	Operating Expenses	60,000.00
		<b>TOTAL</b>							<b>160,000.00</b>
		<b>GRAND TOTAL</b>							<b>160,000.00</b>



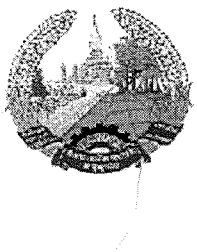
## Annual Work Plan

Lao - Vientiane

Award Id: 000668329  
Award Title: Poverty-Environment Initiative Phase 2 Lao PDR, Research  
Year: 2015

Report Date: 10/22/2012

Project ID	Expected Outputs	Key Activities	Timeframe		Responsible Party	Planned Budget				
			Start	End		Fund	Donor	Budget Descr	Amount US\$	
00063585	PEI-NERI	1. Strategic Env-Eco. Resear			LAO-National Execution	30000	SW	70000	Operating Expenses	87,148.00
		4. Project administration cos			LAO-National Execution	04000	UNDP	70000	Operating Expenses	43,000.00
		<b>TOTAL</b>								<b>130,148.00</b>
		<b>GRAND TOTAL</b>								<b>130,148.00</b>



## Phase II\_ 2012 Annual Work Plan (From October – December 2012)

<b>Project Title</b>	<b>POVERTY-ENVIRONMENT INITIATIVE, OUTPUT 5</b>
<b>Project Number</b>	00083585
<b>UNDAF Outcomes</b>	UNDAF Outcome 1: By 2015, more equitable and sustainable growth promoted for poor people in Lao PDR,  UNDAF Outcome 8: By 2015, the government and communities better adapt to and mitigate climate change and reduce natural disaster vulnerabilities in priority sectors.
<b>Expected UNDP Country Programme/CPAP Outputs</b>	Outcome 1.3: Ministry of Planning and Investment, sectors and provinces are better able to develop, implement, monitor and evaluate plans and policies based on up-to-date data and analysis,  Outcome 1.4: Central and local government have capacity to better screen, plan and monitor Foreign Direct Investments to ensure sustainable economic development,  Outcome 8.3: Government at national and sub-national level has developed and piloted programmes for climate change adaption and mitigation.
<b>Implementing Partner</b>	- Ministry of Planning and Investment: Investment Promotion Department (IPD); National Economic Research Institute (NERI) - Ministry of Natural Resources and Environment Department of Environmental and Social Impact Assessment (DESIA)
<b>Responsible parties</b>	Ministry of Planning and Investment, PEI- UNDP

### Brief Description

The Poverty-Environment Initiative (PEI) Phase I in Lao PDR was implemented over 2009-2011 with a focus on addressing the impacts of foreign direct investments on poverty and environment. The overall goal of PEI Phase I was to support the effective integration of the environmental concerns of poor and vulnerable groups into policy, planning and implementation processes for poverty reduction, Pro-poor growth and achievement of the MDGs. The PEI-Phase II programme builds on this body of work and lessons from the initial Phase I, with the ***objective to strengthen capacity of targeted central and provincial authorities to integrate poverty-environment concerns in development planning for sustainable and inclusive growth.*** This goal is embedded

in the overall UN Development Assistance Framework (UNDAF) for 2012-2015. Specially, the PEI-Phase II Programme is critically designed to deliver output 1.4 of UNDAF and contributes towards Output 1.3 and 8.3.

As in Phase I, PEI Phase II is not a stand-alone project. It is a multi-output programme that is also designed to provide targeted support to ongoing UNDP Programmes. Although the overall PEI programmes covers five output, this framework document outlines the result and resource framework and detailed annual work plans for three output: Output2 to be implemented by the investment promotion department of MPI, Output by Department of Environmental and Social Impact Assessment of MoNRE, and Output 5 by the National Economic Research Institute of MPI. Output 1 and 4 are implemented through the existing UNDP support to the MPI and SELNA Programmes.

The timeframe for PEI-Phase II frame work Lao PDR is 39 Months, from October 2012 to December 2015. PEI will continue to work in the original four pilot provinces (Phongsaly, Oudomxay, Savannakhet and Saravan) and extend to two additional provinces, Vientiane and Houaphan.

**Project aims to achieve the Output 5: Investment decisions are better informed by targeted economic and environmental research and policy analyses**

Achievement of the above three output will be done through delivering below activities:

***Act 1: Strategic Environmental economic research on critical investment or development projects***

- 1.1. Carry out assessment of the financial and environmental economics of agricultural investment with contract farming models.

***Act 2: Increase national capacity in environmental economic valuation and related studied to make better informed decisions***

- 2.1 support the development of a series of formal capacity building modules in environmental economic valuation using and ecosystem service approach
- 2.2. institutionalize capacity building within government training centers to educated both technical officers and policy makers (organize a training on the basic method for economic valuation on the ecosystem service)

***Act 3: improve communication and dissemination of research with NA, MPI, MONRE and other policymakers***

- 3.1. improve communication and dissemination of research and other policymakers
  - 3.1.1. organize international study exchange on contract farming
  - 3.1.2. Joint P&E workshop with other PEI component
  - 3.1.3. Participate in PEI regional workshop
  - 3.1.4. Develop and finalize the report on the economic valuation for the ecosystem services on the land use change.
- 3.2. Dissemination and Communication Outreach Event
  - 3.2.1. Organize at least 3 provincial policy workshops for disseminate the final result of the study on the economic valuation for the ecosystem services on the land use change in 3 potential provinces
  - 3.2.2. communication and outreach events to support research uptake
  - 3.2.3. communication activities to support coordination and exchange overall PEI components

***Act 4: Project Administrative cost***

Total budget estimation that support by UNDP and SDC for Phase II from October 2012 – December 2015 is 783,000 USD (from October – December 2012 is 122,852 USD (Budget available)

**Annual key priorities:**

1. Assessment of the financial and environmental economics of agricultural investment with contract farming models.
2. support the development of a series of formal capacity building modules in environmental economic valuation using and ecosystem service approach
3. Joint P&E workshop with other PEI component
4. Develop and finalize the report
5. Dissemination of research reports
6. communication and outreach events to support research uptake

**Annual key deliverables:**

In accordance to the key priorities specified above, the key deliverables for 2012 are:

1. Assessment of the financial and environmental economics of agricultural investment with contract farming models:
  - Organize workshop for questionnaire formatting;
  - Pre-test questionnaire in potential provinces;
  - Data Collection in 5 Provinces.
2. Support the development of a series of formal capacity building modules in environmental economic valuation using and ecosystem service approach.
3. Joint P&E workshop with other PEI component.
4. Develop and finalization of the research reports:
  - Organize at least 2 expert group workshops for finalizing the report on the economic valuation for the ecosystem services for the sustainable land use
  - Develop and finalize the report.
5. Dissemination of research reports by  
Organize at least 3 provincial policy workshops for disseminate the final result Design and carry out new environmental economic studies
  - Brainstorming session
  - Focus on studies that are directly linked to the outputs/needs of other PEI components. This will include an assessment of the financial and environmental economics of Contract Farming Model in agriculture.
6. Communication and outreach events to support research uptake.

<p>Programme Period: October - December 2012 (Including preparation for project Phase II period)</p> <p>Key Result area (Strategic Plan): Improved capacities at national level, improved understanding and awareness of policy makers on MEAs and MA</p> <p>Atlas Award ID: 0068329            Atlas Project ID: 00083585            Duration: October 2012- December 2015            PAC Meeting Date: February 15,2012            Management Arrangement : NIM (National Implementation)</p>	<p>Estimated annualized budget: USD 62,852 (Budget available)</p> <p><b>Total allocated resources:</b></p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 5%;">- SDC</td><td style="width: 95%;">\$62,852</td></tr> </table>	- SDC	\$62,852
- SDC	\$62,852		



Agreed by Implementing Partners: \_\_\_\_\_

Date: 09 OCT 2012

Dr. Leeber LEEBOUAPAO

Director General

National Economics Research Institutes

Ministry of Planning and Investment

Vientiane, Lao PDR

Agreed by UNDP: \_\_\_\_\_

Date:

Mr. Minh Pham

UN Resident Coordinator and

UNDP Resident Representative

Vientiane, Lao PDR

25/10/2012



## Annual Work Plan and Budget for 2012

Project ID and Title: 00083585 PEI-NERI

Period: Phase II Q4 (October to December) 2012

EXPECTED OUTPUT(S) AND INDICATORS, INCLUDING ANNUAL TARGETS	KEY ACTIVITIES	RESPONSIBLE PARTY	PLANNED BUDGET				
			Q4	Source of Funds	Budget Code	Budgetary account code	Budget Amount
List all the activities, incl. M&E activities, to be undertaken during the year towards stated CP output							25,000
<b>Output 5: Investment decisions are better informed by targeted economic and environmental research and policy analyses</b>	<b>1. Strategic Environmental economic research on critical investment or development projects</b>	X	NERI	SDC	30000	71600 Travel and DSA	10,000
<b>Baseline:</b> There is emerging capacity and strong interest in environmental economic research to inform investment and development decisions	carry out assessment of the financial and environmental economics of agricultural investment with contract farming models. - Organize workshop for questionnaire formating, questionnaire in potential provinces, Collection in 5 Provinces - Pre-test - Data - Mini grand for supporting study on contract farming and environmental economics	NERI	SDC	30000	72400 Communication and Audio Visual Equipment		2,500
		NERI	SDC	30000	72500 Supplies	Rental and Maintenance - meeting room renting	2,500
		NERI	SDC	30000	73100		2,000
		NERI	SDC	30000	73400	Rental and Maint of other equipment	3,000
		NERI	SDC	30000	73400	Audio visual and printing prod costs	2,000
		NERI	SDC	30000	74500	Miscellaneous Expense	3,000
	<b>Indicator</b>						3,000
By 2012, decision makers from MPI and NA are part of the process in identifying topics for environmental economic studies , financial analysis of 1 plantation agriculture investment produced, synthesis study or meta analysis on a current policy issue completed.	<b>2. Increase national capacity in environmental economic valuation and related studies to make better informed decisions</b>	X	NERI	SDC	30000	71600 Travel and DSA	2,000
▪ By 2012, financial analysis of 1 plantation agriculture investment produced,	2.1. support the development of a series of formal capacity building modules in environmental economic valuation using and ecosystem service approach	NERI	SDC	30000	72400 Communication and Audio Visual Equipment		1,000
▪ By 2012, at least 1 synthesis study or meta analysis on a current policy issue completed.	2.2. institutionalize capacity building within government training centers to educated both technical officers and policy makers (organize a training on the basic method for economic valuation on the ecosystem service)					Total Activity 2.1:	3,000
▪ By 2012, a updated and cohesive communications strategy for PEI phase 2 is developed and being implemented,						Total Activity 2.2:	-
▪ By 2012, a new structured National Experts Group is formulated and engaged in environmental economic research							
	<b>3. Improve communication and dissemination of research with NA MPI/MONRE and other policymakers</b>						20,000
	<b>3.1. improve communication and dissemination of research and other policymakers</b>						9,000
	3.1.1 organize international study exchange on contract farming	X					Total Activity 3.1.1: -
	3.1.2. Joint P&E workshop with other PEI component	X	NERI	SDC	30000	71600 Travel and DSA	2,000
		NERI	SDC	30000	72500 Supplies		1,000
		NERI	SDC	30000	74500 Miscellaneous Expense		1,000
						Total Activity 3.1.2:	4,000
	3.1.3. Participate in PEI regional workshop	X					Total Activity 3.1.3: -

newly structured national Experts Group to support research formulated  
PEI communications materials produce or awareness events held

- At least 2

3.1.4. Develop and finalize the report on the economic validation for the ecosystem services on the land use change	X	NERI	SDC	30000	74200	Layout making for the final report	1,000
		NERI	SDC	30000	74200	Printing main report	4,000
<b>Total Activity 3.1.4:</b>							
<b>11,000</b>							
<b>3.2. Dissemination and Communication Outreach Event</b>							
3.2.1. Organize at least 3 provincial policy workshops for disseminate the final result of the study on the economic validation for the ecosystem services on the land use change in 3 potential provinces	X	NERI	SDC	30000	71600	Travel and DSA for Expert group	3,000
	NERI	SDC	30000	72400	Communic & Audio Visual Equip	1,000	
	NERI	SDC	30000	72500	Supplies(stationeries)	1,000	
	NERI	SDC	30000	73100	Renting meeting Room	1,000	
	NERI	SDC	30000	73400	Renting car	1,000	
	NERI	SDC	30000	73400	Translation cost	1,000	
	NERI	SDC	30000	74500	Miscellaneous Expenses	1,000	
<b>Total Activity 3.2.1:</b>							
<b>9,000</b>							
3.2.2. communication and outreach events to support research uptake	X	NERI	SDC	30000	73100	Rental and Maintenance - meeting room rentaing	1,000
	NERI	SDC	30000	74500	Miscellaneous Expense	1,000	
<b>Total Activity 3.2.2:</b>							
<b>2,000</b>							
3.2.3. communication activities to support coordination and exchange overall PEI components	X						-
<b>Total Activity 3.2.3:</b>							
<b>-</b>							
<b>4. Project Administrative Cost</b>							
	X	NERI	SDC	30000	71300	National Consultant- National Researcher	5,000
		NERI	SDC	30000	71400	Project Support staffs (Project Accountant)	3,250
		NERI	SDC	30000	71600	Travel and DSA	300
		NERI	SDC	30000	72800	Information Technology-License Software	200
						Communication and Audio Visual	500
		NERI	SDC	30000	72400	Equipment	500
		NERI	SDC	30000	72500	Supplies	500
		UNDP	SDC	30000	73500	7% GMS cost	4,102
		NERI	SDC	30000	74500	Miscellaneous Expenses	1,000
<b>Grand Total for Q4 2012:</b>							
<b>62,852</b>							
<b>Total amount from SDC:</b>							
<b>62,852</b>							
<b>Total amount to UNDP:</b>							
<b>4,102</b>							
<b>Total amount to NERI:</b>							
<b>58,750</b>							

Prepared by: \_\_\_\_\_  
Project Coordinator

Date: 09 OCT 2012

\_\_\_\_\_  
*Souphit DARACHANTHARA*

Certified by: \_\_\_\_\_  
Project Manager

*Souphit DARACHANTHARA*



Approved by: \_\_\_\_\_  
National Project Director

*Dr. Leeber LEEBOUAPAO*