



*Empowered lives.
Resilient nations.*

File: 00083584

8 November 2012

Excellency,

Subject: Budget Revision for 00083584 – Poverty Environment Initiative- Environment and Social Impact Assessment Project (PEI-ESIA Project Phase II)

I have the honour to attach herewith a duly signed Budget Revision for the project "Poverty Environment Initiative- Environment and Social Impact Assessment" 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.
- Mr. Phouvong Luangxaysana, National Project Director, PEI-ESIA Phase II Project, Ministry of Ministry Natural Resources and Environment

11/8/2012



UN Development Programme Lao - Vientiane

Award ID: 00068328
Award Title: Poverty-Environment Initiative Phase 2
 Lao PDR, ESIA
Start Year: 2012
End Year: 2015
Implementing Partner
(Executing Agency): National Execution

Budget (US\$) as of Last Revision on 07-November-2012		
Donor	Fund	Amount
UNDP	04000 TRAC (Lines 1.1.1 and 1.1.2)	162,000.00
SWI	30000 Programme Cost Sharing	775,000.00
Total Budget (2012 and Beyond)		937,000.00
Total Expenditure (2011 and Prior)		0.00
Award Total		937,000.00
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 USD85,426 to PEI-ESIA project Phase II for 2012, and multi-year budgeting for 2013-2015.

Agreed by:
 Agreed by:
 Agreed by:
 Agreed by:

Minh PHAM, RR

 08 NOV 2012

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Annual Work Plan

Lao - Vientiane

Award Id: 00068328

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

Year: 2012

Report Date: 11/8/2012

Project ID	Expected Outputs	Key Activities	Timeframe		Responsible Party	Planned Budget					
			Start	End		Fund	Donor	Budget Descr	Amount US\$		
00083584	PE-ESIA	1. Sup. Dev.&Cap. Tech&M/c			LAO-National Execution	30000	SMI	73400	Rental & Maint of Other Equip	3,497.00	
						30000	SMI	73100	Rental & Maintenance-Premises	4,995.00	
						30000	SMI	74200	Audio Visual&Print Prod Costs	7,656.00	
						30000	SMI	72400	Communic & Audio Visual Equip	87.00	
						30000	SMI	71600	Travel	12,119.00	
						30000	SMI	72500	Supplies	250.00	
						30000	SMI	72500	Supplies	174.00	
						30000	SMI	71600	Travel	4,492.00	
						30000	SMI	74200	Audio Visual&Print Prod Costs	2,700.00	
						30000	SMI	73100	Rental & Maintenance-Premises	1,748.00	
		2. Develop Capacity in, asse	30000	SMI	73400	Rental & Maint of Other Equip	1,498.00				
			30000	SMI	72100	Contractual Services-Companies	8,038.00				
			30000	SMI	73100	Rental & Maintenance-Premises	1,500.00				
			30000	SMI	72500	Supplies	1,340.00				
			30000	SMI	71600	Travel	500.00				
		3. Project administration cos	30000	SMI	73500	Reimbursement Costs	5,980.00				
			30000	SMI	72800	Information Technology Equipm	1,025.00				
			30000	SMI	73400	Rental & Maint of Other Equip	150.00				
			30000	SMI	72200	Equipment and Furniture	14,405.00				
			30000	SMI	74200	Audio Visual&Print Prod Costs	105.00				
TOTAL											85,426.00
GRAND TOTAL											85,426.00



Annual Work Plan

Lao - Vientiane

Award Id: 00068328
 Award Title: Poverty-Environment Initiative Phase 2 Lao PDR, ESIA
 Year: 2013

Report Date: 11/8/2012

Project ID	Expected Outputs	Key Activities	Timeframe		Responsible Party	Planned Budget			Amount US\$	
			Start	End		Fund	Donor	Budget Descr		
00083584	PEI-ESIA	1. Sup. Dev.&Cap. Tech&Mg 3. Project administration cos			LAO-National Execution LAO-National Execution	04000 30000	UNDP SWI	70000 70000	Operating Expenses Operating Expenses	60,000.00 300,574.00
TOTAL										360,574.00
GRAND TOTAL										360,574.00



Annual Work Plan

Lao - Vientiane

Award Id: 00068328 **Report Date:** 11/8/2012
Award Title: Poverty-Environment Initiative Phase 2 Lao PDR, ESIA
Year: 2014

Project ID	Expected Outputs	Key Activities	Timeframe		Responsible Party	Planned Budget				
			Start	End		Fund	Donor	Budget Descr	Amount US\$	
00083584	PEI-ESIA	1. Sup. Dev.&Cap. Tech&Mc			LAO-National Execution	04000	UNDP	70000	Operating Expenses	60,000.00
		3. Project administration cos			LAO-National Execution	30000	SWM	70000	Operating Expenses	249,000.00
TOTAL										309,000.00
GRAND TOTAL										309,000.00



Annual Work Plan

Lao - Vientiane

Award Id: 00068328

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

Year: 2015

Report Date: 11/8/2012

Project ID	Expected Outputs	Key Activities	Timeframe		Responsible Party	Planned Budget			Amount US\$	
			Start	End		Fund	Donor	Budget Descr		
00083584	PEI-ESIA	1. Sup. Dev.&Cap. Tech&M&C 3. Project administration cos			LAO-National Execution LAO-National Execution	04000 30000	UNDP SWI	70000 70000	Operating Expenses Operating Expenses	42,000.00 140,000.00
TOTAL										182,000.00
GRAND TOTAL										182,000.00



Lao PDR

2012 Annual Work Plan

Project Title	PEI-ESIA Phase II
Project Number	00083584
UNDAF/CP Outcome(s):	Outcome 1: By 2015, more equitable and sustainable growth promoted for poor people in Lao PDR. Outcome 8: By 2012, the government and communities better adapt to and mitigate climate change and reduce natural disaster vulnerabilities in priority sector.
Expected Output(s):	Output 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. Output 1.4: Central and local governments have capacity to better screen, plan and monitor Foreign Direct Investments to ensure sustainable economic development. Output 8.3: Government at national and sub-national level has developed and piloted programmes for climate change adaptation and mitigation.
Implementing Partner:	Environmental and Social Impact Assessment Department (DESIA) of Ministry of Natural Resources and Environment (MONRE)
Responsible Parties:	DESIA and 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. Specifically, the PEI Phase II programme is critically designed to deliver Output 1.4 of UNDAF and contributes towards Outputs 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 programme**

covers five outputs, this framework document outlines the Results and Resources Framework and detailed annual workplans for three outputs: Output 2 to be implemented by the Investment Promotion Department of MPI, Output 3 by Department of Environmental and Social Impact Assessment of MONRE, and Output 5 by the National Economic Research Institute of MPI. Outputs 1 and 4 are implemented through the existing UNDP Support to the MPI and SELNA programmes.

The PEI-ESIA Phase II aims to support the Department of Environmental and Social Impact Assessment (DESIA) of the Ministry of Natural Resources and Environment (MONRE) to strengthen the environmental and social impact assessment (ESIA) review and monitoring processes, particularly for agriculture and forestry plantation sector, as a safeguard for sustainable and climate-resilient development.

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

Key priorities

Based on the key outputs of the project, the key priorities for October - December 2012 are:

Support the development and operation of sustainable ESIA funding system through finalizing the "financial management manual" for DESIA as well as assist DESIA with the implementation of the manual, by supporting specific training on financial management and budgeting as needed by different levels within the department.

Support materials and finalize general technical guidelines such as monitoring procedure guidelines (Lao version) as well as EIA report writing guidelines for developers and consultants for the preparation of EIA reports. The finalization of the two guidelines will be conducted through extensive consultation.

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

1. Workshop on initial result of DESIA sustainable financing assessment study;
2. Workshop to finalise sustainable financing assessment study;
3. External consultation workshop with concerned line agencies on the updated EIA report writing guidelines Lao-version;
4. 2nd joint monitoring between DESIA (PEI-Output 3) and IPD (PEI-Output 2) on Rubber Tree Plantation Development Project in Champasack province;
5. Internal consultation workshop within DESIA staff to finalise EIA report writing guidelines Lao-version;
6. Short-term training on accountant (Lao CPA) for staff of Financial and Planning Division, DESIA;
7. Short-term training on application of financial management software for staff of Financial and Planning Division, DESIA;
8. PEI Phase II inception workshop.

Programme Period:	Oct 2012 – Dec 2015
Key Result Area (Strategic Plan):	Goal 1 (Achieving the MDGs and reducing human poverty)
Atlas Award ID:	<u>00083584</u>
Start date:	October 2012
End Date	December 2015
PAC Meeting Date	
Management Arrangement NIM (National Implementation)	

Oct – Dec 2012 budget:	USD 85,426
Total resources required	USD 85,426
Total allocated resources:	USD 85,426
• SDC fund:	USD 85,426
In-kind Contributions from Government:	



Agreed by Implementing Partner:

10 OCT 2012

Mr. Phouvong Luangxaysana

Date:

A. Director General of Environmental and Social Impact Assessment Department

Ministry of Natural Resources and Environment
Government of the Lao People's Democratic Republic

Agreed by UNDP:



Mr. Minh Pham
Resident Representative
UNDP, Lao P.D.R.

Date:

08 NOV 2012

EXPECTED CP OUTPUTS and indicators including baseline and annual target	Key Activities (List all the activities to be undertaken during the year towards stated output)	TIME FRAME Q4	RESPONSIBLE PARTY	Source of Funds	PLANNED BUDGET		Funded Amount in USD	
					Code	Budget/Description Name		
Output 3: Improved effectiveness of ESIA system, particularly for agriculture and forestry plantation sector, as a safeguard for sustainable and climate-resilient development Baseline: General review guidelines and legal framework for ESIA's produced, but not yet fully implemented due to lack of resources and technical capacity Indicators: • By 2012, IEE guidelines produced • By 2012, Standard Environmental & Social Obligation (SESO) for agriculture sector produced and incorporated into model agricultural concession template (under Output 2) • By 2012, joint IPD-DESIA monitoring are carried out on selected case study investments • By 2012, at least 1 policy brief produced Targets: • IEE guidelines produced • Draft of ESIA monitoring procedures and checklists for provincial and local level produced • Field test or monitoring and review guidelines carried out • Draft sustainable financing study produced 1. Support development of, and capacity in, technical guidelines for reviewing and monitoring ESIA's - Consultation workshop with DESIA staff and concerned line agencies on the update EIA report writing guidelines (Lao version) - Internal consultation workshop within DESIA staff to finalize the EIA report writing guidelines (Lao version) - Second joint monitoring between DESIA and IPD 2. Develop capacity in, and assess options for sustainable financing of, ESIA monitoring - Workshop on initial result of sustainable financing assessment study - Workshop to finalize sustainable financing study - Short term training on Lao CPA - Short term training on application of financial management software for staff of Financial and Planning Division, DESIA 3. Project administrative costs	x	ESIA	SDC/00232	71600	Travel and DSA	12,119		
	x	ESIA	SDC/00232	72400	Communication charge	87		
	x	ESIA	SDC/00232	72500	Office supplies/stationery	250		
	x	ESIA	SDC/00232	73100	Conference room rental	4,995		
	x	ESIA	SDC/00232	73400	Bus/van rental	3,497		
	x	ESIA	SDC/00232	74200	Copying hand-out and report	2,047		
	x	ESIA	SDC/00232	74200	Editing and publication of EIA guidelines (Lao version)	5,609		
	Sub-total 1							28,604
	x	ESIA	SDC/00232	71600	Travel and DSA	4,492		
	x	ESIA	SDC/00232	72500	Office supplies/stationery	174		
	x	ESIA	SDC/00232	73100	Conference room rental	1,748		
	x	ESIA	SDC/00232	73400	Bus/van rental	1,498		
	x	ESIA	SDC/00232	74200	Copying hand-out and report	700		
	x	ESIA	SDC/00232	74200	Printing and publication	2,000		
	x	ESIA	SDC/00232	72100	Tuition fee	749		
	x	ESIA	SDC/00232	72100	Software and training cost	7,289		
	Sub-total 2							18,650
	x	ESIA	SDC/00232	71400	Salary for Project Accountant	3,961		
	x	ESIA	SDC/00232	71400	Advertisement cost for national project staff	662		
	x	UNDP	SDC/00232	71200	Advertisement cost for P3	437		
x	ESIA	SDC/00232	71400	Salary for Assistant to PM	7,416			
x	UNDP	SDC/00232	73500	GMG charge 7%	5,980			
x	UNDP	SDC/00232	72800	Informatic equipment	800			
x	UNDP	SDC/00232	72200	Equipment	11,500			
x	ESIA	SDC/00232	72200	Equipment and furniture	2,905			
x	ESIA	SDC/00232	72500	Flip chart	740			
x	ESIA	SDC/00232	71600	Travel (NIM) training	500			
x	ESIA	SDC/00232	73100	PEI Phase II inception workshop	1,500			
x	ESIA	SDC/00232	72400	Communication charge	480			
x	ESIA	SDC/00232	72500	Stationery	600			
x	ESIA	SDC/00232	72800	IT maintenance	225			
x	ESIA	SDC/00232	74200	Copy document for management	105			
x	ESIA	SDC/00232	74500	Bank charge and sundry	211			
x	ESIA	SDC/00232	73400	Maint. oper. of transport equip	150			
Sub-total 3							38,172	
Total: Sub-total 1 + Sub-total 2 + Sub-total 3							85,426	
To be transferred to the project							66,709	
To be implemented by UNDP							18,717	
Fund from SDC							85,426	

Date: 10 OCT 2012



Certified by:

(Signature)

Mr. Lamphoukeo Kettavong
 Alternate Project Manager

Prepared by:

(Signature)

Nidalone VISSAPRA
 Project Accountant