

United Nations Development Programme



PROJECT DOCUMENT
Lao People's Democratic Republic

Project Title: Climate Promise II: From Pledge to Impact (Lao PDR)**Project Number:** 00132455**Implementing Partner:** United Nations Development Programme (UNDP)**Start Date:** 19 December 2022**End Date:** 31 December 2024**PAC Meeting date:** 12 December 2022

Brief Description

UNDP continues to play a central role, globally, and nationally in Lao PDR, in supporting governments to implement Nationally Determined Contributions (NDC) to the Paris Agreement. The success of the Climate Promise programme has led to a follow-on global programme entitled Climate Promise II. This programme will support governments to achieve transformational change by using NDC implementation as a mechanism to scale up investments in climate change and deliver sustainable development objectives. Implemented in 120 countries, the Programme builds on UNDP's work supporting low-emission development to help countries to deliver on the commitments outlined in their NDCs and, through this, on the Paris Agreement and beyond to the Sustainable Development Goals (SDGs).

Specifically, the programme will build on UNDP's extensive foundational work supporting countries in financing institution building, policy design, women's empowerment and will help them to deliver their NDCs. In Lao PDR, Climate Promise II aims to implement 3 Global Outcomes, including:

- Outcome 1: Scale and Speed: Countries have effectively strengthened inclusive and gender-responsive governance and financing mechanisms to enable delivery and tracking of NDC targets across sectors.

- Outcome 2: Amplifying Ambition: Countries have established long-term net-zero and climate-resilient development pathways aligned with the goals of the Paris Agreement and;

- Outcome 3: Lasting Inclusivity: Key actors within society are systematically engaged and empowered to contribute to accelerate NDC implementation and long-term net-zero and climate-resilient development pathways.

The project will work closely with the Department of Climate Change, MONRE as the key stakeholder and beneficiary of the results of this project in implementing specific activities.

Contributing Outcome (UNSDCF, CPD):

Lao PDR – United Nations Sustainable Development Cooperation Framework (UNSDCF)- Outcome 4.



UNDP Lao PDR Country Programme Document – Outcome 2.

Indicative gender marker:

GEN2

Total resources required:	USD 540,000
Total resources allocated:	
UNDP TRAC:	-
Donor (Germany - ICI/BMUB):	USD 540,000
Government:	-
In-Kind:	-
Unfunded:	-

Agreed by:

Government	UNDP
Mr. Syamphone Sengchandala Director General, Department of Climate Change Ministry of Natural Resource and Environment 	Ms. Catherine Phuong Officer-in-charge UNDP Lao PDR DocuSigned by:  8B46E7FC81674ED...
Date: 08-Sep-2023	Date: 05-Sep-2023

Acronyms

BUR	Biennial Update Report
CEDAW	Convention on the Elimination of All Forms of Discrimination Against Women
CC	Climate Change
CC/DRR	Climate Change and Disaster Risk Reduction
CoP	Conference of Parties
CRM	Country Results Matrix
CSO	Civil Society Organizations
DCC	Department of Climate Change
DRM	Disaster Risk Management
DRR	Disaster Risk Reduction
FBUR	First Biennial Update Report
GDP	Gross Domestic Product
GEF	Global Environment Facility
GHG	Greenhouse Gas
ICI	International Climate Institute
IREP	Institute of Renewable Energy Promotion
INC	Initial National Communication
INDC	Intended Nationally Determined Contributions
IPCC	Intergovernmental Panel on Climate Change
LECB	Low Emission Capacity Building Programme
LWU	Lao Women's Union
MEM	Ministry of Energy and Mines
MONRE	Ministry of Natural Resources and Environment
MRV	Monitoring, Reporting and Verification
M&E	Monitoring and Evaluation
NAMA	Nationally Appropriate Mitigation Action
NAPs	National Adaptation Plans
NCAW	Lao National Commission for Advancement of Women
NDC	Nationally Determined Contributions
NGOs	Non-Governmental Organizations
PMU	Project Management Unit
PSC	Project Steering Committee
SNC	Second National Communication
TWG	Technical Working Group
UNFCCC	United Nations Framework Convention on Climate Change
UNDP	United Nations Development Programme

I. DEVELOPMENT CHALLENGE**Impact of climate change**

Lao PDR has been recognized as one of the most vulnerable countries to climate change impacts due to its particularly high dependence on climate-sensitive natural resources and low adaptive capacity. For example, the whole agriculture sector (farming, animal husbandry, forestry and fisheries), which represents 58 % of the total employment (World Bank, 2021) is directly dependent on land and climatic resources (temperature and rainfall). The industrial sector is also by and large natural resources-dependent with mining, agricultural processing, hydropower and wood processing as the main sub-sectors. Energy and Transport are particularly sensitive areas, where Laos' hydropower potential and strategic territorial position within one of the world's fastest-growing regions can contribute to regional sustainable solutions. Moreover, the poor intensely depend on biodiversity and natural resources for their livelihoods, such as the provision of fish and aquatic resources that make up to 90% of local diets, and the reliance on non-timber forest products (NTFPs), which account for an estimated 30% of Lao PDR's GDP. Thus, climate change is likely to pose formidable threats to the economy and the society at large.

As a land-linked country, Lao PDR is endowed with abundant natural resources, relative to many other Asian countries, especially water, forests and minerals. However, the forest cover has declined from 70% of the total land area in 1940 to 58% in 2020. As part of its efforts to conserve its biodiversity, Lao PDR currently has designated 16 million hectares of protected forest. The forest resources are indeed one of the main sources of livelihood for the poor and rural communities especially with regard to timber and non-timber forest products, herbal medicine and firewood. In 2007, The Government has committed itself to the ambitious target of increasing the proportion of forest cover to 70% of the total land area by 2020. Due to many challenges, the target has now been extended to 2035.

Over the years, Lao PDR has made considerable progress in strengthening and reforming its policies and instruments for enhancing environmental sustainability in the country. Regarding, Climate Change, the Government of Lao PDR ratified the UNFCCC in 1995 and the Kyoto Protocol in 2003. The country completed its first greenhouse gas (GHG) inventory as part of the Initial National Communication (INC) to the UNFCCC in 2000 for 4 out of 6 areas identified in the IPCC Greenhouse Gas Inventory Guideline namely agriculture, energy, land use change and forestry (LUCF) and waste. The inventory did not cover activities of the industrial sector, because the sector was assessed as having made only negligible contribution to the emissions in the base year.

The 1990 level inventory concluded that Lao PDR was a net sink of carbon dioxide (CO₂) with the net CO₂ annual removal of 121,641 Gg (121.6 million tons) compared to 24.18 million tons of CO₂ equivalent (tCO₂-e) emitted all over the country. The land use change and forestry (LUCF) was the largest emitter of CO₂ contributing some 17 million tCO₂-e (72%) mainly from the onsite burning of forests for slash-and-burn cultivation.

The Second National Communication on Climate Change for Lao PDR based on data for the year 2000, concluded that the country's status changed from a net sequesterer to a net emitter. The recorded emissions were a total of 43,811 Gg of CO₂ and the removal of about 2,047 Gg, for a net CO₂ emission of about 41,764 Gg. This represents a substantial increase compared to the year 1990, only 10 years earlier. This is believed to be due in part to rapid socioeconomic development, and in part to improved technical capacities and data availability.

As noted above, Lao PDR is not a major contributor to climate change, and is likely to be disproportionately affected¹. The country remains concerned about the serious consequences of climate change on its economic development, human capacity, poverty reduction and environmental sustainability, which could reverse several years of gains.

Relevance to international and national development priorities

Lao PDR has a long-term goal for national development, which is set out in the 9th Five Year National Socio-Economic Plan (2021-2025), with a Vision to 2030. According to this vision, Lao PDR's goal is to transition from a Least Developed Country (LDC) to a middle-income country by 2030 supported by inclusive, stable and sustainable economic growth whilst alleviating poverty. Lao PDR recognises the strong link between economic development, sustainability and the need to mainstream environmental considerations, including action on climate change into its development plans.

This long-term vision complies with the ratification by Lao PDR in 1995 of the United Nations Framework Convention on Climate Change (UNFCCC). Since then, the country ratified a series of legal and regulatory frameworks, institutional arrangements as well as particular strategies designed to ensure ecological sustainability have been put in place.

In this context, the high-level inter-agency National Steering Committee on Climate Change (NSCCC), chaired by a Deputy Prime Minister and Chairperson of the National Environment Committee has been providing insight and guidance for climate change policies and programs; and Eight Technical Working Groups were also established in 2008 to assess the impacts and outline priority actions for adaptation and mitigation.

As a consequence, Lao PDR, with support from UNDP, initiated the Intended National Determined Contribution (INDC) preparation activities in 2015 and has successfully submitted its INDC to the United Nations Framework Convention on Climate Change (UNFCCC) on 30th September 2015. To date, Lao PDR is implementing the 2nd NDC in the terms of 2021-2025. As set out in the vision for the NSCCC, Lao PDR intends to balance its need for development without compromising its environment. For mitigation, Lao PDR has identified a number of actions which the country intends to undertake in order to reduce its future GHG emissions, subject to the provision of international support. Regarding climate change adaptation, this translates into the 3 key goals, (i) to increase the resilience of key economic sectors, (ii) to enhance cooperation and national and international partnerships and (iii) to improve public awareness and understanding of various stakeholders about climate change.

In addition, the National Adaptation Plan of Action (NAPA) was released in May 2009 and contains 45 priority projects totalling US\$ 85 million within four identified sectors of priority for climate change adaptation, namely agriculture, forestry, water and water resources and health. The National Capacity Self-Assessment (NCSA) also identifies the needs and assesses the capacity of the country in the implementation of the Rio Conventions, which the Government has ratified (e.g., the UN Convention on Biological Diversity, UN Framework Convention on Climate Change, UN Convention on Combating Desertification).

Lastly, the [National Strategy on Climate Change \(NSCC\) to the year 2030](#) was approved in early 2023, and states a vision on how to address climate change. This overarching strategy set out in the NSCC defines mitigation and adaptation actions in the sectors of agriculture, forestry, land use change, water resources, energy and waste.

II. STRATEGY

A follow-on project of UNDP long-lasting support to the Government

In line with the Lao PDR United Nations Sustainable Development Cooperation Framework (UNSDCF) 2022-2026 – Strategic Priority 4² (Environment, Climate Change, And Resilience), and in line with UNDP Lao PDR Country Programme Document 2022-2026 – Outcome 2 (Accelerate structural transformations for sustainable development), the Climate Promise II project aims to support the implementation of Lao PDR’s climate change adaptation & mitigation priorities including achieving NDC goals and targets. The national and international strategies described above (part I) define a true pathway and a national theory of change to tackle Lao PDR development challenges and to achieve the national development priorities, notably related to climate change. As such, the Climate Promise II project in Lao PDR is also in line with this pathway.

Part of a larger national and international strategy, the Climate Promise II project is also the continuity of several past and current climate change mitigation and adaptation initiatives supported by UNDP and by other development partners. The knowledge and lessons learnt through designing and implementing these initiatives have immensely benefitted the project’s robust and efficient design, including key outcomes and activities under this project. The Climate Promise II project was notably designed to complement the following initiatives:

The second NDC for Lao PDR being developed with the contribution of UNDP carried out a detailed assessment of the information available for key mitigation and adaptation sectors (through National communications, GHG inventories etc.) including gaps, issues and barriers. Due consideration was given to these issues during designing the second phase of the Climate Promise II.

² By 2026, people, especially the most vulnerable and marginalised, and institutions will be better able to sustainably access, manage, preserve, and benefit from natural resources and promote green growth that is risk-informed, disaster and climate-resilient

The UNDP-supported Nationally Appropriate Mitigation Action (NAMA) for the Renewable Energy Sector of Lao PDR focuses on electrification with renewable energy (hydropower and mini-grids) and is designed as an encouraging holistic framework that will help Lao PDR to move towards a low-carbon pathway while advancing long-term sustainable development benefits. The NAMA is also designed to support Lao PDR in achieving its strategies relevant to access to energy including rural development and to complement the country's on-going activities in this respect. Key lessons learned during the NAMA development have also guided the design of this project.

UNDP has supported the development of a study on [circular economy](#) which combines economic development with safeguarding the country's unique nature and culture. This requires a system-approach which looks beyond isolated challenges or attempts to optimise individual installations. A step-wise approach has been adopted to support this project with this additional activity which goes from priority setting based on national development ambitions and the metabolic profile of the country, to defining circular economy strategies. Through the project, circular GHG mitigation opportunities of Lao PDR have been identified and detailed in the [report](#) titled Circular GHG Mitigation Opportunities Lao PDR. The Climate Promise II project will build on the outcomes of the project through pilot activities in the forestry, wetland and agriculture sectors.

The knowledge and lessons learned from the design and implementation of the UNDP GEF project "Intended Nationally Determined Contributions Lao PDR" have been given due consideration during the design of the second phase of the Climate Promise, particularly in terms of project design, delivery and management. The UNDP GEF project was designed to build on the INDC work completed and aims to support the implementation of Lao PDR's contribution to the post-2020 global climate agreement.

Strategic approach

Drawing upon the experiences and lessons learned from the first phase of the Climate Promise, UNDP's approach to NDC implementation support will be guided by a number of principles that appear to be key success factors for turning pledges into action:

- Advocate for implementation that is equitable, just, and contributes to the Sustainable Development Goals (SDGs). Lao PDR will be supported to prioritize mitigation and adaptation measures with high sustainable development dividends and to ensure that distributional impacts of climate policies and measures encourage social inclusion, gender equality, sound transition and address inequality. Clearer articulation of the linkages and contribution of the NDC to SDG achievement will be highlighted, especially in the context of poverty reduction and leaving no-one behind.
- Promote whole-of-society platforms that provide inclusive and transparent participation in climate action. Many countries engaged in extensive citizen engagement during the update of their NDC. In the implementation phase, UNDP will continue to support inclusive engagement models that target key constituencies, e.g., women's groups, youth organizations, Indigenous Peoples and/or vulnerable communities, business associations and the private sector, empower their participation, foster locally-led climate action and create a more formalized process for the future.
- Align UNDP portfolio of programmes and initiatives with countries NDC. UNDP will support Lao PDR to use their NDC as sovereign plans for investment in key engines of sustainable development such as energy, nature-based solutions, forest, agriculture, transportation, and waste management. To this end, UNDP will ensure that current and future programming in these sectors will contribute to meeting the mitigation and adaptation targets set out in countries NDC.
- Encourage active participation of the Ministry of Finance and Planning and other key line Ministries and sub-national authorities in the NDC implementation process. The lack of engagement of key government authorities during NDC design – especially for target setting – often resulted in low political buy-in and push-back. As a result, concerted efforts were needed post-Paris to build political will and ownership. Meanwhile, the crucial role that finance ministries can play in accelerating the global shift to a low-carbon, climate-resilient growth model is recognized in the Helsinki Principles of the Coalition of Finance Ministers for Climate Action, which launched in early 2019.
- Align and harmonize NDCs with other relevant regional and global processes to promote policy coherence as part of a whole-of-government approach, e.g., The Stockholm Declaration on the Human Environment, the Glasgow Leaders' Declaration on Forest and Land Use, the Kunming Declaration, the Sendai Framework on Disaster Risk Reduction, the New Urban Agenda (Habitat III), Financing for Development, the Samoa Pathway, and the Kigali Amendment to the Montreal Protocol, the Generation Equality Forum, etc. Support the adoption of procedures for ensuring systematic reflection of climate and disaster risks within sectors and the use of social safeguards to build the resilience of communities, livelihoods and ecosystems.

- Systematically employ a gender-responsive approach within NDC processes, policies and programming. The use of in-depth gender analyses allows for a better understanding of, and more informed responses to, the gender-differentiated impacts of climate change in key sectors that can then be reflected meaningfully in the NDC, ensuring that gender equality and women's empowerment are taken into account. In particular, the Climate Promise II will support the government of Lao PDR to ensure that women and youth will be able to engage in NDC implementation meaningfully and also contribute to implement the [National Plan of Action on Gender Equality \(2021-2025\)](#) and [Lao Youth and Adolescent Development Strategy 2021-2030](#).

III. RESULTS AND PARTNERSHIPS

Expected Results

Following the local context and the strategic opportunities, the Climate Promise II project in Lao PDR has been designed to match the Global Climate Promise II programme. The expected results and activities are stated below:

- **Global Outcome 1: Scale and Speed:** Countries have effectively strengthened inclusive and gender-responsive governance and financing mechanisms to enable the delivery and tracking of NDC targets across sectors.
 - **Global Output 1.1:** Inclusive policy, strategies, plans and regulatory frameworks (national, sectoral or subnational) in place to support NDC implementation and drive green recovery.
 - **National Deliverable 1.1.1** Gender-responsive NDC implementation Plan.
 - **Activity 1.1.1.1** Develop Gender-responsive NDC implementation plans for both mitigation and adaptation measures at national and subnational levels (possibly Forest, Land use change, and agriculture).
This activity will be closely coordinated with GGGI which is taking the lead on NDC Implementation Plan.
 - **National Deliverable 1.1.2** Gender Action Plans.
 - **Activity 1.1.2.1** Develop Gender Action Plans linked to the updated NDC at the national or subnational levels. The plans will prioritise a few areas: forestry and Land use, agriculture, and water resource.
 - **Global Output 1.2:** Institutional capacities and whole-of-government coordination mechanisms at all levels strengthened to support effective, gender-responsive and inclusive NDC implementation processes.
 - **National Deliverable 1.2.1** Capacities of institutions in gender strengthened.
 - **Activity 1.2.1.1** Strengthen capacities and engagement of national/subnational gender institutions (8 relevant Ministries for 8 topics of 8 priorities outlined on updated NDC). The capacity building will be done through the Training of Trainers (ToT) of focal points in those 8 priority areas, including the development of gender mainstreaming guidelines.
 - **Global Output 1.4:** Data and transparency systems and processes for the Enhanced Transparency Framework established or strengthened to measure the achievement of NDC targets.
 - **National Deliverable 1.4.1** GHG Inventory and MRV system established.
 - **Activity 1.4.1.1** Enhance GHG inventory and MRV systems for tracking emissions and removals to assess the progress toward NDC mitigation in agriculture and land-use change sectors by following IPCC guidelines.
 - **Global Output 1.5:** Implementation of NDC measures in key sectors and cross-cutting thematic areas are advanced by adopting an integrated approach.

Resources Required to Achieve the Expected Results

The resources required to achieve the Expected Results are summarized in the budget of USD 540,000 detailed below.

Risks and Assumptions

There are 4 main risks identified:

- Non-availability of data and information required for NDC roadmap, Monitoring, Reporting and Verification system, poor absorptive capacity of stakeholders.
- Low Capacity of Project Management.
- Institutional capacity at all levels of government and stakeholders insufficient to adequately manage project activities.
- No or limited coordination with other relevant national and regional projects.

Those risks are further detailed in annex.

Stakeholder Engagement

A vast array of stakeholders play a role in climate change and disaster risk reduction activities in Lao PDR. Government at national, provincial and district levels will be encouraged to work together to address these challenges. Development partners, regional organizations and academic institutions also have key parts to play in planning, research, outreach and project delivery. Collaborative mechanisms need to work effectively to ensure alignment of goals, reduced duplication and efficient use of resources.

Gender analysis including community-level stakeholder consultations (as appropriate) particularly with a gender and social inclusion element focusing on women and marginalized groups in the community were carried out as one of the main activities during the project development and to ensure that communities were included in the consultative process and the design of the project.

Lao PDR has implemented a Gender Mainstreaming Strategy for agriculture and forestry in 2009. The strategy calls for an advancement of women in agriculture and forestry which will be considered when involving women during the identification and implementation of the income generating activities during the implementation of the hydro-mini grids.

The interests of other social groups and particularly vulnerable community members will also be represented in the second phase of the Climate Promise II implementation activities. People with disabilities, the elderly, youth and people from diverse cultural groups will be invited to participate in consultations and implementation of the pilot activities in Champhone district, Savannakhet.

Partnerships will also be sought with private sector entities working within or adjacent to the project area, in consultation with the target communities.

Knowledge

The project will identify and participate, as relevant and appropriate, in scientific, policy-based and/or any other networks, which may be of benefit to project implementation through lessons learned. The project will identify, analyze, and share lessons learned that might be beneficial in the design and implementation of similar future projects.

Regarding the pilot activities, results from the project will be disseminated within and beyond the project intervention zones through existing information sharing networks and forums.

Sustainability and Scaling Up

The Department of Climate Change (DCC) in the Ministry of Natural Resources and Environment (MONRE) is the nodal agency as part of the Government's efforts to streamline Lao PDR's climate change response. The Ministry is mandated with coordinating all government and non-government initiatives addressing climate change in the country.

The Government of Lao PDR has embraced climate change as one of the core development issues and has established specific teams and department to address the issue. The Government aims to improve coordination and governance surrounding the threats climate change and disasters pose to its people, environment and assets.

Lao PDR as a party to the UNFCCC is keen to be part of the global efforts in addressing climate change and intends to implement the Climate Promise activities as elaborated in the next section in order to continue with development and consolidation of technical and institutional capacities and with efforts to integrate climate change into national policies, plans and programs. In this regard the contribution of this project of mitigation efforts and green house gas emissions reduction will be calculated and recorded.

This project will also contribute to the achievement of similar goals and objectives under other climate change initiatives in Lao PDR including projects which are being implemented collectively under various sub-regional and regional climate change programmes. Hence, successful efforts in Lao PDR can serve as a model (for best practice) for other countries in the region.

IV. PROJECT MANAGEMENT

Cost Efficiency and Effectiveness

Cost efficiency and effectiveness in the project management will be achieved through adherence to the UNDP Programme and Operations Policies and Procedures (POPP) and reviewed regularly through the governance mechanism. In addition, there are specific measures for ensuring cost-efficient use of resources through using a portfolio management approach. This project will leverage existing related activities as well as partnerships to improve cost-effectiveness.

Project Management

The project will be implemented under Direct Implementation Modality (DIM), whereby UNDP will run operational procedures (procurement, finance, HR, admin/logistics, IT, etc.) in accordance with applicable UNDP rules, policies and procedures. Certain elements of the project can be implemented by the Department of Climate Change, in consultation between UNDP and DCC. Based on the global workplan for the project, the UNDP Lao PDR team will develop annual and quarterly implementation plans.

The Project Management Unit (PMU) will be established within DCC to host the Project Coordinator and the Administrative and Finance Associate of the project. The Project Coordinator will work under the direct supervision of the Team Leader, Natural Resources Management, Climate Change and Disaster Risk Reduction Unit of UNDP, in close coordination with the DCC. The project budget will cover the salary for the Project Coordinator and Administrative and Finance Associate and basic administrative and running costs for the project, as per the project budget.

The Department of Climate Change, Ministry of Natural Resource and Environment will provide technical and policy oversight to the project activities. The local and international consultants will liaise with the project implementation team for timely and effective delivery of project outputs. The Project Coordinator will be fully responsible for project implementation and delivering outputs envisaged in the Project Document. The project team will also have adequate and appropriate computer and telecommunications facilities, including Internet, to enable them to efficiently and effectively undertake their activities.

V. RESULTS FRAMEWORK

Intended Outcome as stated in the Country Programme Results and Resource Framework: Outcome 2						
By 2026, people, especially the most vulnerable and marginalized, and institutions will be better able to sustainably access, manage, preserve and benefit from natural resources and promote green growth that is risk informed and disaster and climate-resilient.						
Applicable Output(s) from the UNDP Strategic Plan: Outcome 2 – Accelerate structural transformations for sustainable development						
Project title and Quantum Project Number: Climate Promise II: From Pledge to Impact (Lao PDR) - 00144859						
EXPECTED OUTPUTS	OUTPUT INDICATORS	DATA SOURCE	BASELINE		TARGET	DATA COLLECTION METHODS & RISKS
			Value	Year	FINAL	
Global Output 1.1: Inclusive policy, strategies, plans and regulatory frameworks (national, sectoral or sub-national) in place to support NDC implementation and drive green recovery	Indicator 1: Number of policies/strategies /plans/regulatory frameworks developed and/or implemented (at national, sectoral or sub-national level) to support NDC implementation including those that are inclusive and gender-responsive	UNDP/DCC	0	2022	1 (At least 1 Gender Action Plan being developed and implemented)	Reporting
	Indicator 2: Number of coordination mechanisms strengthened/established to support whole-of-government climate action, including those that are gender-responsive	UNDP/DCC	0	2022	1 (Technical Working Group (TWG) for coordination on NDC to be strengthened and functional)	Reporting
Global Output 1.2: Institutional capacities and whole-of-government coordination mechanisms at all levels strengthened to support effective, gender-responsive and inclusive NDC implementation processes	Indicator 3: Number of women’s groups and girls and youth led organizations in decision-making and leadership positions in NDC implementation mechanisms and processes in Lao PDR	UNDP/DCC	0	2022	5 (At least 5 women’s groups and girls and youth led organizations participated in decision-making and meaningfully participated in NDC implementation)	Reporting
Global Output 1.4: Data and transparency systems and processes for the Enhanced Transparency Framework established or strengthened	Indicator 4: Number of MRV/M&E system established (for mitigation, adaptation and/or finance), including those that are gender-responsive	UNDP/DCC	0	2022	1 (Contribution to the establishment of MRV system is made)	Reporting

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EXPECTED OUTPUTS	OUTPUT INDICATORS	DATA SOURCE	BASELINE		TARGET	DATA COLLECTION METHODS & RISKS
			Value	Year	FINAL	
to measure the achievement of NDC targets						
Global Output 2.1: Countries have ownership, capacities and resources to enhance their NDC as part of the next revision cycle and global/regional stocktake, aligned to long-term pathways	Indicator 5: Number of enhanced NDCs supported with higher quality(a) and ambition(b) (a) aligned with quality checklist (b) mitigation, adaptation and finance (UNFCCC - progression)	UNDP/DCC	0	2022	1 (High quality stocktake for the current NDC version has been completed)	Reporting
	Indicator 6: Number of partnerships established for joint or coordinated work with other implementing partners	UNDP/DCC	0	2022	1 (NDC Stakeholder engagement platforms and/or mechanism is established which Department of Climate Change under Ministry of Natural Resource and Environment takes lead in coordinating and engaging with relevant stakeholders to implement NDC.)	Reporting

VI. MONITORING AND EVALUATION

In accordance with UNDP's programming policies and procedures, the project will be monitored through the following monitoring and evaluation plans:

Monitoring Plan

Monitoring Activity	Purpose	Frequency	Expected Action	Partners
Track results progress	Progress data against the results indicators in the RRF will be collected and analysed to assess the progress of the project in achieving the agreed outputs.	Quarterly	Slower than expected progress will be addressed by project management.	Project coordinator and project implementation team
Monitor and Manage Risk	Identify specific risks that may threaten achievement of intended results. Identify and monitor risk management actions using a risk log. This includes monitoring measures and plans that may have been required as per UNDP's Social and Environmental Standards. Audits will be conducted in accordance with UNDP's audit policy to manage financial risk.	Quarterly	Risks are identified by project management and actions are taken to manage risk. The risk log is actively maintained to keep track of identified risks and actions taken.	Project Coordinator project implementation team and UNDP CO
Learn	Knowledge, good practices and lessons will be captured regularly, as well as actively sourced from other projects and partners and integrated back into the project.	Annually	Relevant lessons are captured by the project team and used to inform management decisions.	Project Implementation team & Project support partners
Annual Project Quality Assurance	The quality of the project will be assessed against UNDP's quality standards to identify project strengths and weaknesses and to inform management decision making to improve the project.	Annually	Areas of strength and weakness will be reviewed by project management and used to inform decisions to improve project performance.	UNDP CO
Review and Make Course Corrections	Internal review of data and evidence from all monitoring actions to inform decision making.	Annually	Performance data, risks, lessons and quality will be discussed by the project Steering Committee and used to make course corrections.	Project coordinator, project implementation team and UNDP CO
Project Report	A progress report will be presented to the Project Steering Committee and key stakeholders, consisting of progress data showing the results achieved against pre-defined annual targets at the output level, the annual project quality rating summary, an updated risk log with mitigation measures, and any evaluation or review reports prepared over the period.	Annually, and at the end of the project (final report)		Project Coordinator project implementation team

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Monitoring Activity	Purpose	Frequency	Expected Action	Partners
Project Review (Project Steering Committee)	The project's governance mechanism (i.e., project Steering Committee) will hold regular project reviews to assess the performance of the project and review the Multi-Year Work Plan to ensure realistic budgeting over the life of the project. In the project's final year, the Project Steering Committee shall hold an end-of project review to capture lessons learned and discuss opportunities for scaling up and to socialize project results and lessons learned with relevant audiences.	Annually	Any quality concerns or slower than expected progress should be discussed by the project Steering Committee and management actions agreed to address the issues identified.	Project Steering Committee

The project will be monitored through the following M&E activities. The M&E work plan is provided in the table above.

Project start:

A Project Inception Workshop to be held within the first month of project start with those with assigned roles in the project organization structure, UNDP and as well as other stakeholders. The Inception Workshop is crucial to building ownership for the project results and to plan the first year annual work plan.

The Inception Workshop addressed a number of key issues including:

- a) Assist all partners to fully understand and take ownership of the project. Detail the roles, support services and complementary responsibilities of UNDP CO vis à vis the project team.
- b) Discuss the roles, functions, and responsibilities within the project's decision-making structures, including reporting and communication lines, and conflict resolution mechanisms.
- c) Based on the project results framework and the relevant Tracking Tool if appropriate, finalize the first annual work plan. Review and agree on the indicators, targets and their means of verification, and recheck assumptions and risks.
- d) Provide a detailed overview of reporting, monitoring and evaluation (M&E) requirements. The Monitoring and Evaluation work plan and budget should be agreed and scheduled.
- e) Discuss financial reporting procedures and obligations, and arrangements for annual audit.
- f) Plan and schedule Project Steering Committee meetings. Roles and responsibilities of all project organisation structures should be clarified and meetings planned. The first Project Steering Committee meeting should be held within the first 8 months following the inception workshop.

Minutes of the Inception Workshop is a key reference document and must be prepared and shared with participants to formalize various agreements and plans decided during the meeting.

Quarterly:

- Based on the initial risk analysis submitted, the risk log shall be regularly updated in Quantum. Risks become critical when the impact and probability are high.
- Based on the information recorded in Quantum, Project Progress Reports (PPR) can be generated in the Quantum

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➤ Other Quantum functionalities can be used to monitor issues, lessons learned etc.

Periodic Monitoring:

A detailed schedule of project reviews meetings will be developed by the project management, in consultation with project implementation partners and stakeholder representatives and incorporated in the Project Inception Report. Such a schedule will include: (i) tentative time frames for Steering Committee Meetings, (or relevant advisory and/or coordination mechanisms) and (ii) project related Monitoring and Evaluation activities.

Day to day implementation progress will be the responsibility of the Project Coordinator, based on the project's Annual Work plan and its indicators, and each Quarterly Workplan. The Project Team will inform the UNDP-Country office of any delays or difficulties faced during implementation so that the appropriate support or corrective measures can be adopted in a timely and remedial fashion.

Periodic monitoring, quality assurance and oversight of implementation progress will be undertaken by the UNDP-Country Office through quarterly meetings with the project,, or more frequently as deemed necessary, and through site visits. This will allow parties to take stock and to troubleshoot any problems pertaining to the project in a timely fashion to ensure smooth implementation of project activities.

End of Project:

During the last three months, the project team will prepare the Project Final Report. This comprehensive report will summarize the results achieved (objectives, outcomes, outputs), lessons learned, problems met and areas where results may not have been achieved. It will also lay out recommendations for any further steps that may need to be taken to ensure sustainability and replicability of the project's results.

Audit clause:

Audit on project will follow UNDP Financial Regulations and Rules and applicable Audit policies.

VII. MULTI-YEAR WORK PLAN³

EXPECTED OUTPUTS	PLANNED ACTIVITIES	Planned Budget by Year				RESPONSIBLE PARTY	PLANNED BUDGET		
		Total	2022	2023	2024		Funding Source	Budget Description	Amount
Output 1: Scale and Speed- Countries have effectively strengthened inclusive and gender-responsive governance and financing mechanisms to enable delivery and tracking of NDC targets across sectors <i>Gender marker: GEN2</i>	Activity 1.1.1.1 Develop Gender-responsive NDC implementation plans for both mitigation and adaptation measures at national and subnational levels (possibly Forest, Land use change, and agriculture). This activity will be closely coordinated with GGGI which is taking the lead on NDC Implementation Plan.	25,000	25,000			001981 (UNDP)	Fund:28708 Donor:10239	71300 - Local Consultants	25,000
	Activity 1.1.2.1 Develop Gender Action Plans linked to the updated NDC at the national or subnational levels. The plans will prioritise a few areas: forestry and Land use, agriculture, and water resource.	7,000		4,000	3,000	001981 (UNDP)	Fund:28708 Donor:10239	71600 - Travel	7,000
	Activity 1.2.1.1 Strengthen capacities and engagement of national/subnational gender institutions (8 relevant Ministries for 8 topics of 8 priorities outlined on updated NDC). The capacity building will be done through the Training of Trainers (ToT) of focal points in those 8 priority areas, including the development of gender mainstreaming guidelines.	8,000		4,000	4,000	001981 (UNDP)	Fund:28708 Donor:10239	75700 - Training, Workshops and Conferences	8,000
	Activity 1.4.1.1 Enhance GHG inventory and MRV systems for tracking emissions and removals to assess the progress toward NDC mitigation in agriculture and land-use change sectors by following IPCC guidelines.	25,000		20,000	5,000	001981 (UNDP)	Fund:28708 Donor:10239	71200 - International Consultants	25,000
		8,500		7,000	1,500	001981 (UNDP)	Fund:28708 Donor:10239	72100 - Contractual Services-Companies	8,500

³ Changes to a project budget affecting the scope (outputs), completion date, or total estimated project costs require a formal budget revision that must be signed by the project board. In other cases, the UNDP programme manager alone may sign the revision provided the other signatories have no objection. This procedure may be applied for example when the purpose of the revision is only to re-phase activities among years.

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		3,000		2,000	1,000	001981 (UNDP)	Fund:28708 Donor:10239	71600 - Travel	3,000
		12,000		6,000	6,000	001981 (UNDP)	Fund:28708 Donor:10239	75700 - Training, Workshops and Conferences	12,000
	Activity 1.5.1.1: Pilot activities on promoting sustainable management of forests at the community level (including zoning, development of regulations, and reforestation activities) to enhance integrated water resource management of Champhone district, Savannakhet province. The gender and social inclusion will be ensured during implementation. Activity 1.5.2.1 Design and implement a capacity-building programme in rice cultivation by applying smart agriculture ensuring the leadership of women in communities of Savannakhet province.	30,000		25,000	5,000	001981 (UNDP)	Fund:28708 Donor:10239	71300 - Local Consultants	30,000
		24,000		15,000	9,000	001981 (UNDP)	Fund:28708 Donor:10239	72100 - Contractual Services- Companies	24,000
		10,000		6,000	4,000	001981 (UNDP)	Fund:28708 Donor:10239	71600 - Travel	10,000
		1,000		1,000		001981 (UNDP)	Fund:28708 Donor:10239	75700 - Training, Workshops and Conferences	1,000
	Supplies for the implementation of the output 1	4,000		2,000	2,000	001981 (UNDP)	Fund:28708 Donor:10239	72500 - Supplies	4,000
	Sub-Total for Output 1								157,500
Output 2: Amplifying Ambition: Countries have established long-term net-zero and climate resilient development pathways aligned with the goals of the Paris Agreement. <i>Gender marker: GEN2</i>	Activity 2.1.1.1 Engage government leaders and champions through the organization of high-level dialogues, advocacy events/campaigns to promote ambitious climate change vision and plans.	15,000		10,000	5,000	001981 (UNDP)	Fund:28708 Donor:10239	71300 - Local Consultants	15,000
		4,000		3,000	1,000	001981 (UNDP)	Fund:28708 Donor:10239	71600 - Travel	4,000

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		6,650		3,750	2,900	001981 (UNDP)	Fund:28708 Donor:10239	75700 - Training, Workshops and Conferences	6,650
	Activity 2.1.2.1 Draft and/or provide quality reviews of the revised NDCs to be submitted to the UNFCCC.	50,000		30,000	20,000	001981 (UNDP)	Fund:28708 Donor:10239	71200 - International Consultants	50,000
		19,000		12,000	7,000	001981 (UNDP)	Fund:28708 Donor:10239	71300 - Local Consultants	19,000
		4,000		3,000	1,000	001981 (UNDP)	Fund:28708 Donor:10239	71600 - Travel	4,000
		6,650		3,750	2,900	001981 (UNDP)	Fund:28708 Donor:10239	75700 - Training, Workshops and Conferences	6,650
	Activity 2.1.3.1 Women's grassroots organizations, smallholder women groups capacitated to share their journey of empowerment/ contribution. Activity 2.1.4.1 Knowledge, skills-building and training provided to targeted women/ women's groups, CSOs, etc. to increase resilience and contribute to carbon reduction.	<i>Budget shared with the activities of the output 3 (Activity 3.1.1.1, Activities 3.1.4 and Activity 3.2.2.1)</i>							
	Supplies for the implementation of the output 2	1,200		1,000	200	001981 (UNDP)	Fund:28708 Donor:10239	72500 - Supplies	1,200
	Sub-Total for Output 2								106,500
Output 3: Lasting Inclusivity: Key actors within society are systematically engaged and empowered to contribute to accelerate NDC implementation and long-term net-zero	Activity 3.1.3.1 Support the design and implementation of environmental and social safeguards measures and systems, in particular that address the needs and priorities of Indigenous Peoples.	15,000		10,000	5,000	001981 (UNDP)	Fund:28708 Donor:10239	71300 - Local Consultants	15,000
	Activity 3.1.1.1 Build partnerships with women's groups and women-led organizations that can be consulted and engaged in decision-making and	20,000		15,000	5,000	001981 (UNDP)	Fund:28708 Donor:10239	71300 - Local Consultants	20,000

<p>and climate resilient development pathways.</p> <p><i>Gender marker: GEN2</i></p>	<p>leadership positions throughout climate and environmental planning, policy and governance processes at the national and subnational levels.</p> <p>Activity 3.1.4.1 Support the inclusion of youth groups in inter-ministerial and multilevel coordination platforms for climate change at the national level.</p>								
	<p>Activity 3.1.4.2 Youth and Climate change – organize a youth dialogue on climate change issues and how they can contribute to address the question. This includes an essay contest on how youth can contribute to achieve carbon neutrality in 2050.</p>	25,000		16,000	9,000	001981 (UNDP)	Fund:28708 Donor:10239	71600 - Travel	25,000
	<p>Activity 3.2.2.1 Enhance coordination with the NDCP Support Unit on gender and youth via a series of exchanges and training between NDCP and key sectors of NDC implementation in Lao PDR (8 ministries) and also other relevant stakeholders to ensure that gender and youth are being considered properly in implementing NDC.</p>	19,000		12,000	7,000	001981 (UNDP)	Fund:28708 Donor:10239	75700 - Training, Workshops and Conferences	19,000
	<p>Activity 3.1.7.1 Strengthen engagement between actors developing NDCs, NAPs and LTS and those leading green recovery planning by Setting up a Technical Working Group and organizing regular meetings/updates to exchange information, to complement activities and set up a coordinating platform that the government can take lead.</p> <p>Activity 3.3.1.1 Strengthen platforms for evidence-based learning, advocacy and exchange of knowledge and experiences among government and key stakeholders on NDC implementation and transformative climate solutions.</p>	<i>Budget shared with the activities of the output 2 (Activity 2.1.1.1)</i>							
<p>Activity 3.2.1.1 Establish a carbon footprinting system to support the alignment of CSR with NDC and national climate policies, ensuring a gender-responsive NDC.</p>	5,000			5,000	001981 (UNDP)	Fund:28708 Donor:10239	71200 - International Consultants	5,000	

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	Supplies for the implementation of the output 3	1,000		500	500	001981 (UNDP)	Fund:28708 Donor:10239	72500 - Supplies	1,000
	Sub-Total for Output 3								85,000
Project management costs & communications	Manage the project (Project staff - Project Coordinator (NPSA 9) and Project Finance and Admin Officer (NPSA6)	70,000		40,000	30,000	001981 (UNDP)	Fund:28708 Donor:10239	71400 Contractual services individual -	70,000
	Produce communication materials and ensure the visibility of the project	5,000			5,000	001981 (UNDP)	Fund:28708 Donor:10239	71300 - Local Consultant	5,000
		15,000		3,000	12,000	001981 (UNDP)	Fund:28708 Donor:10239	72100 Contractual services companies -	15,000
	Control the quality during the implementation of the project	3,000		3,000		001981 (UNDP)	Fund:28708 Donor:10239	74100 Professional fees (audit/spot check) -	3,000
	Contingency	18,350		10,000	8,350	001981 (UNDP)	Fund:28708 Donor:10239	74500 Miscellaneous -	18,350
	Sub-Total for Output 4								111,350
Direct Project Costs	DPC - Oversight and Quality Assurance	40,000	10,000	30,000	0	001981 (UNDP)	Fund:28708 Donor:10239	64300 - Services to projects CO Staff	40,000
UNDP GMS 8%	GMS	39,650	4,650	24,000	11,000	001981 (UNDP)	Fund:28708 Donor:10239	75100 - GMS	39,650
TOTAL									540,000

VIII. GOVERNANCE AND MANAGEMENT ARRANGEMENTS

Given the project implementation modality (DIM), the Implementing Partner for this project is United Nations Development Programme (UNDP). UNDP will closely work with the key Government partner for this project, Department of Climate Change in fulfilling this role.

The Implementing Partner is responsible for the following tasks:

- Project planning, coordination, management, monitoring and evaluation (M&E) and reporting. This includes providing all required information and data necessary for timely, comprehensive and evidence-based project reporting, including results and financial data, as necessary. The Implementing Partner will strive to ensure project-level M&E is undertaken and is aligned with national systems so that the data used and generated by the project supports national systems.
- Risk management as outlined in this Project Document;
- Procurement of goods and services, including human resources;
- Entering into an Agreement with Responsible Parties for the implementation of specific activities (if needed)
- Financial management, including overseeing financial expenditures against project budgets;
- Approving and signing the annual workplan;
- Approving and signing the combined delivery report at the end of the year;
- Aligning the financial report or the funding authorisation and certificate of expenditures.
- Accountability to the donor for the implementation of this project. This includes the oversight of project execution to ensure that the project is carried out in accordance with agreed standards and provisions ;
- Delivering the project cycle management services comprising project approval and start-up, project supervision and oversight, and project completion and evaluation;
- Project Assurance role of the Project Board/Steering Committee.

The project implementation and governance will be structured as follow:

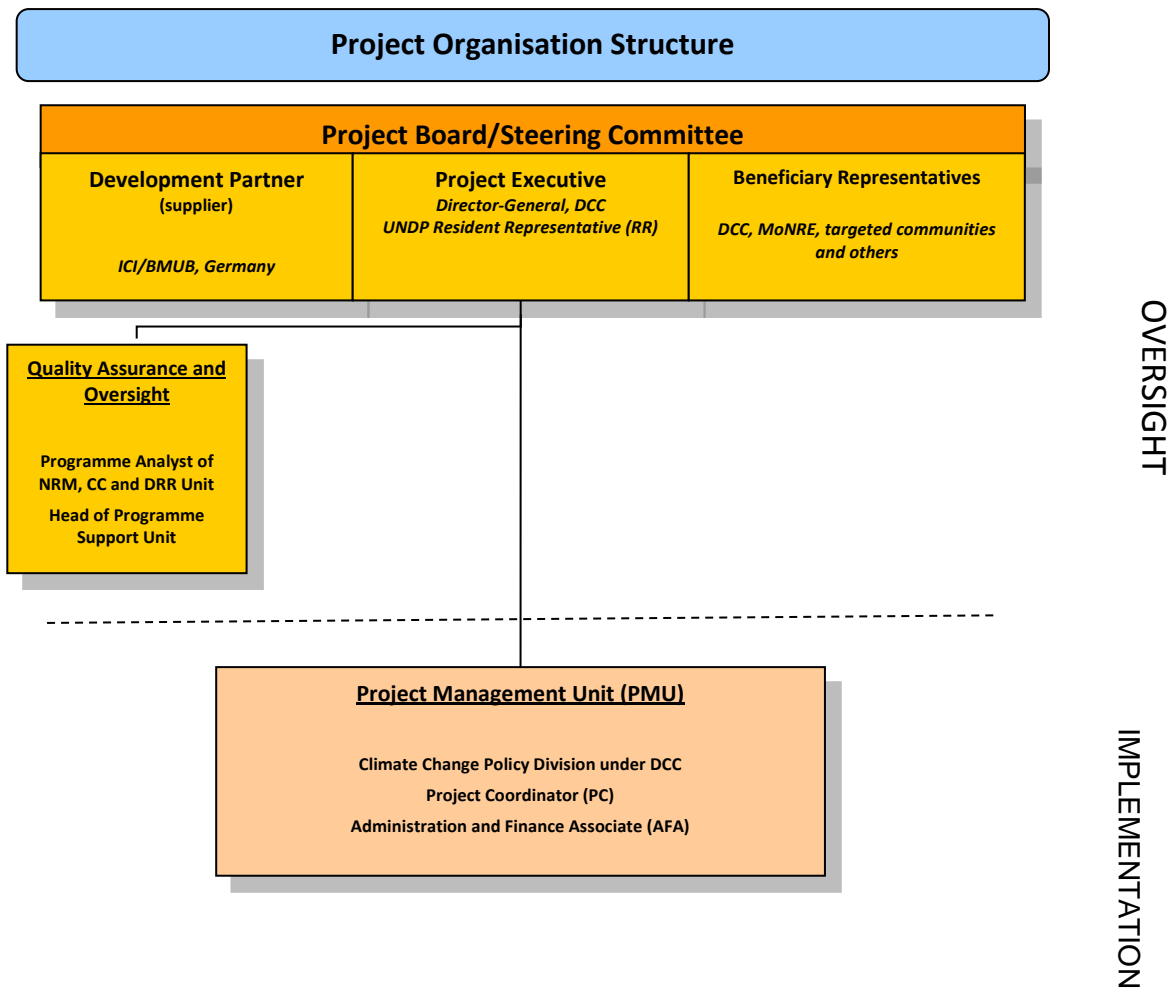


Figure 1. Project organisation structure.

Key responsibilities:

Project board:

The Project Board (also called Project Steering Committee) is responsible for taking corrective action as necessary to ensure the project achieves the desired results. To ensure UNDP's ultimate accountability, Project Board decisions should be made in accordance with standards that will ensure management for development results, best value for money, fairness, integrity, transparency and effective international competition.

In case consensus cannot be reached within the Board, the UNDP Resident Representative (or their designate) will mediate to find consensus and, if this cannot be found, will take the final decision to ensure project implementation is not unduly delayed.

Specific responsibilities of the Project Board are to:

- Provide overall guidance and direction to the project, ensuring it remains within any specified constraints;
- Address project concerns as raised by the project coordinator;
- Provide guidance on new project risks and agree on possible mitigation and management actions to address specific risks;
- Ensure coordination between different donor and government-funded projects and programmes;
- Ensure coordination with different government agencies and their participation in project activities;
- Track and monitor financing for this project;

- Review the project progress, assess performance, and appraise the Annual Work Plan for the following year;
- Appraise the annual project Implementation Report, including the quality assessment rating report;
- Ensure commitment of human resources to support project implementation, arbitrating any concerns within the project;
- Review combined delivery reports prior to certification by the implementing partner;
- Provide direction and recommendations to ensure that the agreed deliverables are produced satisfactorily according to plans;
- Address project-level grievances;
- Review the final project report package during an end-of-project review meeting to discuss lessons learned and opportunities for scaling up; and
- Ensure the highest levels of transparency and incorporate all measures to avoid any real or perceived conflicts of interest.

Project Executive:

Is the individual who represents ownership of the project and chairs the Project Board. The Project Executive role is shared by **UNDP Resident Representative** and the **Director General, Department of Climate Change** of the Ministry of Natural Resources and the Environment, who will report to the Project Board twice a year on the progress of the project and the emerging results.

The Executive is ultimately responsible for the project, supported by the Beneficiary Representatives and Development Partners. The role of the Executive is to ensure that the project is focused throughout its life cycle on achieving its objectives and delivering outputs that will contribute to higher level outcomes. The Executive should ensure that the project provides value for money, ensuring a cost-conscious approach to the project, balancing the demands of the beneficiary and supplier.

Beneficiary Representative(s):

Individuals or groups representing the interests of those who will ultimately benefit from the project. Their primary function within the board is to ensure the realisation of project results from the perspective of project beneficiaries. Often civil society representative(s) can fulfil this role. The Beneficiary representative(s) will be identified at the project inception meeting (start of project).

The Beneficiary Representative is responsible for validating the needs and for monitoring that the solution will meet those needs within the constraints of the project. The Beneficiary Representative role monitors progress against targets and quality criteria. This role may require more than one person to cover all the beneficiary interests. However, for the sake of effectiveness, the role should not be split between too many people.

Specific Responsibilities will include:

- Prioritising and contributing beneficiaries' opinions on Project Board decisions on whether to implement recommendations on proposed changes;
- Specify the beneficiaries' needs in an accurate, complete and unambiguous way;
- Implement activities at all stages and monitor to ensure that they will meet the beneficiaries' needs and are progressing towards that target;
- Evaluate the impact of potential changes from the beneficiary point of view; and
- Frequently monitor the risks to the beneficiaries.

Development Partner:

Individuals or groups representing the interests of the parties concerned that provide funding and/or technical expertise to the project (designing, developing, facilitating, procuring and implementing).

Specific Responsibilities will include:

- Ensuring that progress towards the outputs remains consistent from the supplier perspective;
- Promoting and maintaining focus on the expected project output(s) from the point of view of supplier management;
- Ensuring that the supplier resources required for the project are made available;

- Contributing supplier opinions on Project Board decisions on whether to implement recommendations on proposed changes; and
- Arbitrating on, and ensuring resolution of, any supplier priority or resource conflicts.

Project Assurance:

UNDP performs the quality assurance role and supports the Project Board and Project Management Unit by carrying out objective and independent project oversight and monitoring functions. This role ensures that appropriate project management milestones are managed and completed, and conflict of interest issues are monitored and addressed. The Project Board cannot delegate any of its quality assurance responsibilities to the Project Management Unit. UNDP provides a three-tier oversight service involving the UNDP Country Offices and UNDP at regional and headquarters levels. Project assurance is entirely independent of project execution.

Project Management Unit:

The PMU will be responsible for running the project on a day-to-day basis on behalf of the Implementing Partner and within constraints laid down by the Project Board. The PMU will be hosted within DCC, MoNRE. The additional members of the PMU will provide project administration, management and technical support to the Project Coordinator as required. The Project Coordinator's function will end when the final project terminal evaluation report and corresponding management response, and other documentation required by the donor and UNDP, have been completed and submitted to UNDP (including operational closure of the project). The PMU will work closely with the Project Board throughout the implementation of the project. In addition, the Department of Climate Change, MONRE is a partner who will provide technical expertise to the project.

Specific responsibilities of the PMU will include:

- Ensuring project activities are implemented according to the set objectives;
- Facilitating communication and meetings of the Project Board to review activities achieved, and discuss activities planned for approval and implementation;
- Ensuring periodic reporting on the implementation of project activities and that they are on schedule — regarding progress, performance and budget execution — as outlined in the M&E framework and project budget;
- Supporting GoL departments responsible for the implementation of project activities;
- Supporting collaboration between the proposed project and other ongoing climate change adaptation projects in Lao PDR and the target areas;
- Holding regular meetings and other ad-hoc meetings with the Representative Beneficiaries to discuss plans and progress, and to follow up any concerns the beneficiary groups may have; and
- Coordinating and liaising with other donor and government project managers to ensure that synergies are developed and that there is no overlap of tasks.

Project Coordinator:

The Project Coordinator (PC) will have full responsibility in ensuring delivery and quality of work programmes of components, annual component work plans and budget, and coordination of all components. He/she will provide overall guidance in implementing activities and ensuring the smooth coordination with other project on day-to-day basis.

The PC will also provide overall coordination of day-to-day project planning, implementation, monitoring and overall management. He/she will provide technical guidance and technical advisory support to project implementing agencies and responsible parties to ensure realization of all outputs and outcomes as outlined in the approved project document and work plans developed by the project.

IX. LEGAL CONTEXT

This project forms part of an overall programmatic framework under which several separate associated country level activities will be implemented. When assistance and support services are provided from this Project to the associated country level activities, this document shall be the “Project Document” instrument referred to in: (i) the respective signed SBAA for the specific countries; or (ii) in the [Supplemental Provisions to the Project Document](#) attached to the Project Document in cases where the recipient country has not signed an SBAA with UNDP, attached hereto and forming an integral part hereof. All references in the SBAA to “Executing Agency” shall be deemed to refer to “Implementing Partner.”

This project will be implemented by UNDP (“Implementing Partner”) in accordance with its financial regulations, rules, practices and procedures only to the extent that they do not contravene the principles of the Financial Regulations and Rules of UNDP. Where the financial governance of an Implementing Partner does not provide the required guidance to ensure best value for money, fairness, integrity, transparency, and effective international competition, the financial governance of UNDP shall apply.

X. RISK MANAGEMENT**UNDP (DIM)**

1. UNDP as the Implementing Partner will comply with the policies, procedures and practices of the United Nations Security Management System (UNSMS.)
2. UNDP as the Implementing Partner will undertake all reasonable efforts to ensure that none of the project funds are used to provide support to individuals or entities associated with terrorism, that the recipients of any amounts provided by UNDP hereunder do not appear on the United Nations Security Council Consolidated Sanctions List, and that no UNDP funds received pursuant to the Project Document are used for money laundering activities. The United Nations Security Council Consolidated Sanctions List can be accessed via <https://www.un.org/securitycouncil/content/un-sc-consolidated-list>. This provision must be included in all sub-contracts or sub-agreements entered into under this Project Document.
3. Social and environmental sustainability will be enhanced through application of the UNDP Social and Environmental Standards (<http://www.undp.org/ses>) and related Accountability Mechanism (<http://www.undp.org/secu-srm>).
4. UNDP as the Implementing Partner will: (a) conduct project and programme-related activities in a manner consistent with the UNDP Social and Environmental Standards, (b) implement any management or mitigation plan prepared for the project or programme to comply with such standards, and (c) engage in a constructive and timely manner to address any concerns and complaints raised through the Accountability Mechanism. UNDP will seek to ensure that communities and other project stakeholders are informed of and have access to the Accountability Mechanism.
5. In the implementation of the activities under this Project Document, UNDP as the Implementing Partner will handle any sexual exploitation and abuse (“SEA”) and sexual harassment (“SH”) allegations in accordance with its regulations, rules, policies and procedures.
6. All signatories to the Project Document shall cooperate in good faith with any exercise to evaluate any programme or project-related commitments or compliance with the UNDP Social and Environmental Standards. This includes providing access to project sites, relevant personnel, information, and documentation.
7. UNDP as the Implementing Partner will ensure that the following obligations are binding on each responsible party, subcontractor, and sub-recipient:
 - a. Consistent with the Article III of the SBAA [*or the Supplemental Provisions to the Project Document*], the responsibility for the safety and security of each responsible party, subcontractor and sub-recipient and its personnel and property, and of UNDP’s property in such responsible party’s, subcontractor’s and sub-recipient’s custody, rests with such responsible party, subcontractor and sub-recipient. To this end, each responsible party, subcontractor and sub-recipient shall:

- i. put in place an appropriate security plan and maintain the security plan, taking into account the security situation in the country where the project is being carried;
 - ii. assume all risks and liabilities related to such responsible party's, subcontractor's and sub-recipient's security, and the full implementation of the security plan.
 - b. UNDP reserves the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of the responsible party's, subcontractor's and sub-recipient's obligations under this Project Document.
 - c. Each responsible party, subcontractor and sub-recipient (each a "sub-party" and together "sub-parties") acknowledges and agrees that UNDP will not tolerate sexual harassment and sexual exploitation and abuse of anyone by the sub-parties, and other entities involved in Project implementation, either as contractors or subcontractors and their personnel, and any individuals performing services for them under the Project Document.
 - (a) In the implementation of the activities under this Project Document, each sub-party shall comply with the standards of conduct set forth in the Secretary General's Bulletin ST/SGB/2003/13 of 9 October 2003, concerning "Special measures for protection from sexual exploitation and sexual abuse" ("SEA").
 - (b) Moreover, and without limitation to the application of other regulations, rules, policies and procedures bearing upon the performance of the activities under this Project Document, in the implementation of activities, each sub-party, shall not engage in any form of sexual harassment ("SH"). SH is defined as any unwelcome conduct of a sexual nature that might reasonably be expected or be perceived to cause offense or humiliation, when such conduct interferes with work, is made a condition of employment or creates an intimidating, hostile or offensive work environment. SH may occur in the workplace or in connection with work. While typically involving a pattern of conduct, SH may take the form of a single incident. In assessing the reasonableness of expectations or perceptions, the perspective of the person who is the target of the conduct shall be considered.
 - d. In the performance of the activities under this Project Document, each sub-party shall (with respect to its own activities), and shall require from its sub-parties (with respect to their activities) that they, have minimum standards and procedures in place, or a plan to develop and/or improve such standards and procedures in order to be able to take effective preventive and investigative action. These should include: policies on sexual harassment and sexual exploitation and abuse; policies on whistleblowing/protection against retaliation; and complaints, disciplinary and investigative mechanisms. In line with this, sub-parties will and will require that their respective sub-parties will take all appropriate measures to:
 - (i) Prevent its employees, agents or any other persons engaged to perform any services under this Project Document, from engaging in SH or SEA;
 - (ii) Offer employees and associated personnel training on prevention and response to SH and SEA, where sub-parties have not put in place its own training regarding the prevention of SH and SEA, sub-parties may use the training material available at UNDP;
 - (iii) Report and monitor allegations of SH and SEA of which any of the sub-parties have been informed or have otherwise become aware, and status thereof;
 - (iv) Refer victims/survivors of SH and SEA to safe and confidential victim assistance; and
 - (v) Promptly and confidentially record and investigate any allegations credible enough to warrant an investigation of SH or SEA. Each sub-party shall advise UNDP of any such allegations received and investigations being conducted by itself or any of its sub-parties with respect to their activities under the Project Document, and shall keep UNDP informed during the investigation by it or any of such sub-parties, to the extent that such notification (i) does not jeopardize the conduct of the investigation, including but not limited to the safety or security of persons, and/or (ii) is not in contravention of any laws applicable to it. Following the investigation, the relevant sub-party shall advise UNDP of any actions taken by it or any of the other entities further to the investigation.
 - e. Each sub-party shall establish that it has complied with the foregoing, to the satisfaction of UNDP, when requested by UNDP or any party acting on its behalf to provide such confirmation. Failure of the relevant sub-party to comply of the foregoing, as determined by UNDP, shall be considered grounds for suspension or termination of the Project.
 - f. Each responsible party, subcontractor and sub-recipient will ensure that any project activities undertaken by them will be implemented in a manner consistent with the UNDP Social and Environmental Standards and shall ensure that any incidents or issues of non-compliance shall be reported to UNDP in accordance with UNDP Social and Environmental Standards.

- g. Each responsible party, subcontractor and sub-recipient will take appropriate steps to prevent misuse of funds, fraud, corruption or other financial irregularities, by its officials, consultants, subcontractors and sub-recipients in implementing the project or programme or using the UNDP funds. It will ensure that its financial management, anti-corruption, anti-fraud and anti money laundering and countering the financing of terrorism policies are in place and enforced for all funding received from or through UNDP.
- h. The requirements of the following documents, then in force at the time of signature of the Project Document, apply to each responsible party, subcontractor and sub-recipient: (a) UNDP Policy on Fraud and other Corrupt Practices (b) UNDP Anti-Money Laundering and Countering the Financing of Terrorism Policy; and (c) UNDP Office of Audit and Investigations Investigation Guidelines. Each responsible party, subcontractor and sub-recipient agrees to the requirements of the above documents, which are an integral part of this Project Document and are available online at www.undp.org.
- i. In the event that an investigation is required, UNDP will conduct investigations relating to any aspect of UNDP programmes and projects. Each responsible party, subcontractor and sub-recipient will provide its full cooperation, including making available personnel, relevant documentation, and granting access to its (and its consultants', subcontractors' and sub-recipients') premises, for such purposes at reasonable times and on reasonable conditions as may be required for the purpose of an investigation. Should there be a limitation in meeting this obligation, UNDP shall consult with it to find a solution.
- j. Each responsible party, subcontractor and sub-recipient will promptly inform UNDP as the Implementing Partner in case of any incidence of inappropriate use of funds, or credible allegation of fraud, corruption other financial irregularities with due confidentiality.
Where it becomes aware that a UNDP project or activity, in whole or in part, is the focus of investigation for alleged fraud/corruption, each responsible party, subcontractor and sub-recipient will inform the UNDP Resident Representative/Head of Office, who will promptly inform UNDP's Office of Audit and Investigations (OAI). It will provide regular updates to the head of UNDP in the country and OAI of the status of, and actions relating to, such investigation.
- k. UNDP will be entitled to a refund from the responsible party, subcontractor or sub-recipient of any funds provided that have been used inappropriately, including through fraud corruption, other financial irregularities or otherwise paid other than in accordance with the terms and conditions of this Project Document. Such amount may be deducted by UNDP from any payment due to the responsible party, subcontractor or sub-recipient under this or any other agreement. Recovery of such amount by UNDP shall not diminish or curtail any responsible party's, subcontractor's or sub-recipient's obligations under this Project Document.

Where such funds have not been refunded to UNDP, the responsible party, subcontractor or sub-recipient agrees that donors to UNDP (including the Government) whose funding is the source, in whole or in part, of the funds for the activities under this Project Document, may seek recourse to such responsible party, subcontractor or sub-recipient for the recovery of any funds determined by UNDP to have been used inappropriately, including through fraud, corruption or other financial irregularities, or otherwise paid other than in accordance with the terms and conditions of the Project Document.

Note: The term "Project Document" as used in this clause shall be deemed to include any relevant subsidiary agreement further to the Project Document, including those with responsible parties, subcontractors and sub-recipients.

- l. Each contract issued by the responsible party, subcontractor or sub-recipient in connection with this Project Document shall include a provision representing that no fees, gratuities, rebates, gifts, commissions or other payments, other than those shown in the proposal, have been given, received, or promised in connection with the selection process or in contract execution, and that the recipient of funds from it shall cooperate with any and all investigations and post-payment audits.
- m. Should UNDP refer to the relevant national authorities for appropriate legal action any alleged wrongdoing relating to the project or programme, the Government will ensure that the relevant national authorities shall actively investigate the same and take appropriate legal action against all individuals found to have participated in the wrongdoing, recover and return any recovered funds to UNDP.
- n. Each responsible party, subcontractor and sub-recipient shall ensure that all of its obligations set forth under this section entitled "Risk Management" are passed on to its subcontractors and sub-recipients and that all the clauses under this section entitled "Risk Management Standard Clauses" are adequately reflected, *mutatis mutandis*, in all its sub-contracts or sub-agreements entered into further to this Project Document.

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XI. ANNEXES

1. Project Quality Assurance Report

The Project Quality Assurance Report is available on UNDP platform: <https://intranet-apps.undp.org/ProjectQA/>

2. Social and Environmental Screening Template

Project Information

Project Information	
1. Project Title	Climate Promise II
2. Project Number	00132455
3. Location (Global/Region/Country)	Lao PDR

Part A. Integrating Overarching Principles to Strengthen Social and Environmental Sustainability

QUESTION 1: How Does the Project Integrate the Overarching Principles in order to Strengthen Social and Environmental Sustainability?

Briefly describe in the space below how the Project mainstreams the human-rights based approach

The project supports the meaningful participation and inclusion of all stakeholders, during the design, implementation and monitoring of the project. They will participate in capacity development activities and the project will support the development of an enabling environment conducive to the participation of stakeholders in the management of natural resources. This approach is consistent with the participation and inclusion of human rights principles.

During the project formulation, consultation sessions and meetings have been conducted with key stakeholders to exchange experience and knowledge and to assess the baseline of the project. It is anticipated that these consultations, cooperation and coordination efforts during the formulation of the project will prove to be effective in generating efficient and effective stakeholder engagement during project implementation. Such consultations also assure that the interest of potentially marginalized individuals and groups are taken into account in the implementation. The approach for stakeholder engagement is consistent with a human rights-based approach to development programming. The capacities of project beneficiaries (rights holders) will be strengthened for each specific project outcome indicators through institutional arrangements that will be established through the project. In addition, specific project outcome indicators will strengthen the capacities of government (i.e. the duty bearers) through implementation of institutional frameworks.

Briefly describe in the space below how the Project is likely to improve gender equality and women's empowerment

Gender sensitivity and gender considerations have been taken into account in the formulation of the project; proposing gender sensitive approaches where needed, including the need to pay attention to gender equality. Every effort will be made to incorporate gender issues in the implementation of this project. Roles of men and women to participate in activities of the project will be equally assigned without any discrimination. The project will take steps to ensure that women account for at least 40% of all training and capacity building in the project. Moreover, the project will strengthen data collection and monitoring programmes – gender segregation of data collection and monitoring will be introduced as a basis for ensuring long-term gender benefits. This approach will facilitate a focus on gender-based environmental issues and gender-based solutions.

Briefly describe in the space below how the Project mainstreams environmental sustainability

The project will build upon the institutional capacities that were established through the national communications and other climate change mitigation and adaptation initiatives and provide continued assistance to Lao PDR in meeting its commitments under the NDCs. The project will also strengthen the technical and institutional capacities of relevant line ministries within Lao PDR to implement the updated NDC including MRV. Lao PDR is interested in development of a robust MRV structure for NDC implementation and an accompanying institutional framework and stakeholder capacity building. The project will also increase the national technical and institutional capacities and assisting the Government to integrate climate change issues into sectoral and national development priorities.

The project is also well aligned with the Priorities and Action Agenda for Lao PDR and the National Strategy on Climate Change. Through the various components and thematic working groups, the project will contribute to strengthening the coordination between key sectors to address climate change adaptation and mitigation.

Part B. Identifying and Managing Social and Environmental Risks

QUESTION 2: What are the Potential Social and Environmental Risks? <i>Note: Describe briefly potential social and environmental risks identified in Attachment 1 – Risk Screening Checklist (based on any “Yes” responses).</i>	QUESTION 3: What is the level of significance of the potential social and environmental risks? <i>Note: Respond to Questions 4 and 5 below before proceeding to Question 6</i>			QUESTION 6: What social and environmental assessment and management measures have been conducted and/or are required to address potential risks (for Risks with Moderate and High Significance)?
Risk Description	Impact and Probability (1-5)	Significance (Low, Moderate, High)	Comments	Description of assessment and management measures as reflected in the Project design. If ESIA or SESA is required note that the assessment should consider all potential impacts and risks.
<p>The pilot activities (1.5.1) intend to promote sustainable forest management at the community level to enhance integrated water resource management, as well as conduct a capacity building programme in rice cultivation by applying smart agriculture. There is a direct risk to temporarily disturb the livelihood (forest, cultivation) of local communities and impact the environment through sustainable forest management and smart agriculture. However, the risk has a negligible impact and is limited in time and scale.</p>	Impact - 1 Probability - 2	Low	N/A	<p>With a low categorization, no further social and environmental assessment is required. However, the SES Programming Principles and the Stakeholder engagement requirements still apply. The Project Board and Implementing Partner will ensure the latter. Activities will be carried out with due consideration and proper engagement of the stakeholders and beneficiaries. In particular, the social/environmental-sensitive pilot activities will be given particular attention. The pilot activities will benefit from the expertise of a dedicated consultant, and be carried out with full engagement of the beneficiaries and concerned communities. Prior to the implementation, adequate consultations have been done with the beneficiaries to define the pilot activities.</p>
QUESTION 4: What is the overall Project risk categorization?				

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	Select one (see SESP for guidance)		Comments
	<i>Low Risk</i>	<input checked="" type="checkbox"/>	Following the SESP, only the pilot activities bear a risk, which presents negligible or no adverse impacts on communities, individuals, and/or the environment.
	<i>Moderate Risk</i>	<input type="checkbox"/>	
	<i>High Risk</i>	<input type="checkbox"/>	
	QUESTION 5: Based on the identified risks and risk categorization, what requirements of the SES are relevant?		
	Check all that apply		Comments
	<i>Principle 1: Human Rights</i>	<input checked="" type="checkbox"/>	With a low categorization, no further social and environmental assessment is required.
	<i>Principle 2: Gender Equality and Women's Empowerment</i>	<input type="checkbox"/>	
	<i>1. Biodiversity Conservation and Natural Resource Management</i>	<input checked="" type="checkbox"/>	
	<i>2. Climate Change Mitigation and Adaptation</i>	<input type="checkbox"/>	
	<i>3. Community Health, Safety and Working Conditions</i>	<input type="checkbox"/>	
	<i>4. Cultural Heritage</i>	<input type="checkbox"/>	
	<i>5. Displacement and Resettlement</i>	<input type="checkbox"/>	
<i>6. Indigenous Peoples</i>	<input type="checkbox"/>		
<i>7. Pollution Prevention and Resource Efficiency</i>	<input type="checkbox"/>		

Name	Date	Signature	Description
QA Assessor – Thome Xaisongkham, Programme Analyst, UNDP Lao PDR			UNDP staff member responsible for the Project, typically a UNDP Programme Officer. Final signature confirms they have “checked” to ensure that the SESP is adequately conducted.
QA Approver - Catherine Phuong - Deputy Resident Representative, UNDP Lao PDR			UNDP senior manager, typically the UNDP Deputy Country Director (DCD), Country Director (CD), Deputy Resident Representative (DRR), or Resident Representative (RR). The QA Approver cannot also be the QA Assessor. Final signature confirms they have “cleared” the SESP prior to submittal to the PAC.
PAC Chair - Catherine Phuong - Deputy Resident Representative, UNDP Lao PDR			UNDP chair of the PAC. In some cases PAC Chair may also be the QA Approver. Final signature confirms that the SESP was considered as part of the project appraisal and considered in recommendations of the PAC.

SESP Attachment 1. Social and Environmental Risk Screening Checklist

Checklist Potential Social and Environmental Risks	
Principles 1: Human Rights	Answer (Yes/No)
1. Could the Project lead to adverse impacts on enjoyment of the human rights (civil, political, economic, social or cultural) of the affected population and particularly of marginalized groups?	No
2. Is there a likelihood that the Project would have inequitable or discriminatory adverse impacts on affected populations, particularly people living in poverty or marginalized or excluded individuals or groups? ⁴	No
3. Could the Project potentially restrict availability, quality of and access to resources or basic services, in particular to marginalized individuals or groups?	Yes
4. Is there a likelihood that the Project would exclude any potentially affected stakeholders, in particular marginalized groups, from fully participating in decisions that may affect them?	No
5. Are there measures or mechanisms in place to respond to local community grievances?	No
6. Is there a risk that duty-bearers do not have the capacity to meet their obligations in the Project?	No
7. Is there a risk that rights-holders do not have the capacity to claim their rights?	No
8. Have local communities or individuals, given the opportunity, raised human rights concerns regarding the Project during the stakeholder engagement process?	No
9. Is there a risk that the Project would exacerbate conflicts among and/or the risk of violence to project-affected communities and individuals?	No
Principle 2: Gender Equality and Women's Empowerment	
1. Is there a likelihood that the proposed Project would have adverse impacts on gender equality and/or the situation of women and girls?	No
2. Would the Project potentially reproduce discriminations against women based on gender, especially regarding participation in design and implementation or access to opportunities and benefits?	No
3. Have women's groups/leaders raised gender equality concerns regarding the Project during the stakeholder engagement process and has this been included in the overall Project proposal and in the risk assessment?	No

⁴ Prohibited grounds of discrimination include race, ethnicity, gender, age, language, disability, sexual orientation, religion, political or other opinion, national or social or geographical origin, property, birth or other status including as an indigenous person or as a member of a minority. References to "women and men" or similar is understood to include women and men, boys and girls, and other groups discriminated against based on their gender identities, such as transgender people and transsexuals.

<p>3. Would the Project potentially limit women's ability to use, develop and protect natural resources, taking into account different roles and positions of women and men in accessing environmental goods and services?</p> <p><i>For example, activities that could lead to natural resources degradation or depletion in communities who depend on these resources for their livelihoods and well being</i></p>	No
<p>Principle 3: Environmental Sustainability: Screening questions regarding environmental risks are encompassed by the specific Standard-related questions below</p>	
<p>Standard 1: Biodiversity Conservation and Sustainable Natural Resource Management</p>	
<p>1.1 Would the Project potentially cause adverse impacts to habitats (e.g. modified, natural, and critical habitats) and/or ecosystems and ecosystem services?</p> <p><i>For example, through habitat loss, conversion or degradation, fragmentation, hydrological changes</i></p>	No
<p>1.2 Are any Project activities proposed within or adjacent to critical habitats and/or environmentally sensitive areas, including legally protected areas (e.g. nature reserve, national park), areas proposed for protection, or recognized as such by authoritative sources and/or indigenous peoples or local communities?</p>	No
<p>1.3 Does the Project involve changes to the use of lands and resources that may have adverse impacts on habitats, ecosystems, and/or livelihoods? (Note: if restrictions and/or limitations of access to lands would apply, refer to Standard 5)</p>	No
<p>1.4 Would Project activities pose risks to endangered species?</p>	No
<p>1.5 Would the Project pose a risk of introducing invasive alien species?</p>	No
<p>1.6 Does the Project involve harvesting of natural forests, plantation development, or reforestation?</p>	Yes
<p>1.7 Does the Project involve the production and/or harvesting of fish populations or other aquatic species?</p>	No
<p>1.8 Does the Project involve significant extraction, diversion or containment of surface or ground water?</p> <p><i>For example, construction of dams, reservoirs, river basin developments, groundwater extraction</i></p>	No
<p>1.9 Does the Project involve utilization of genetic resources? (e.g. collection and/or harvesting, commercial development)</p>	No
<p>1.10 Would the Project generate potential adverse transboundary or global environmental concerns?</p>	No
<p>1.11 Would the Project result in secondary or consequential development activities which could lead to adverse social and environmental effects, or would it generate cumulative impacts with other known existing or planned activities in the area?</p> <p><i>For example, a new road through forested lands will generate direct environmental and social impacts (e.g. felling of trees, earthworks, potential relocation of inhabitants). The new road may also facilitate encroachment on lands by illegal settlers or generate unplanned commercial development along the</i></p>	No

<i>route, potentially in sensitive areas. These are indirect, secondary, or induced impacts that need to be considered. Also, if similar developments in the same forested area are planned, then cumulative impacts of multiple activities (even if not part of the same Project) need to be considered.</i>		
Standard 2: Climate Change Mitigation and Adaptation		
2.1	Will the proposed Project result in significant ⁵ greenhouse gas emissions or may exacerbate climate change?	No
2.2	Would the potential outcomes of the Project be sensitive or vulnerable to potential impacts of climate change?	No
2.3	Is the proposed Project likely to directly or indirectly increase social and environmental vulnerability to climate change now or in the future (also known as maladaptive practices)? <i>For example, changes to land use planning may encourage further development of floodplains, potentially increasing the population's vulnerability to climate change, specifically flooding</i>	No
Standard 3: Community Health, Safety and Working Conditions		
3.1	Would elements of Project construction, operation, or decommissioning pose potential safety risks to local communities?	No
3.2	Would the Project pose potential risks to community health and safety due to the transport, storage, and use and/or disposal of hazardous or dangerous materials (e.g. explosives, fuel and other chemicals during construction and operation)?	No
3.3	Does the Project involve large-scale infrastructure development (e.g. dams, roads, buildings)?	No
3.4	Would failure of structural elements of the Project pose risks to communities? (e.g. collapse of buildings or infrastructure)	No
3.5	Would the proposed Project be susceptible to or lead to increased vulnerability to earthquakes, subsidence, landslides, erosion, flooding or extreme climatic conditions?	No
3.6	Would the Project result in potential increased health risks (e.g. from water-borne or other vector-borne diseases or communicable infections such as HIV/AIDS)?	No
3.7	Does the Project pose potential risks and vulnerabilities related to occupational health and safety due to physical, chemical, biological, and radiological hazards during Project construction, operation, or decommissioning?	No
3.8	Does the Project involve support for employment or livelihoods that may fail to comply with national and international labor standards (i.e. principles and standards of ILO fundamental conventions)?	No

⁵ In regards to CO₂, 'significant emissions' corresponds generally to more than 25,000 tons per year (from both direct and indirect sources). [The Guidance Note on Climate Change Mitigation and Adaptation provides additional information on GHG emissions.]

3.9	Does the Project engage security personnel that may pose a potential risk to health and safety of communities and/or individuals (e.g. due to a lack of adequate training or accountability)?	No
Standard 4: Cultural Heritage		
4.1	Will the proposed Project result in interventions that would potentially adversely impact sites, structures, or objects with historical, cultural, artistic, traditional or religious values or intangible forms of culture (e.g. knowledge, innovations, practices)? (Note: Projects intended to protect and conserve Cultural Heritage may also have inadvertent adverse impacts)	No
4.2	Does the Project propose utilizing tangible and/or intangible forms of cultural heritage for commercial or other purposes?	No
Standard 5: Displacement and Resettlement		
5.1	Would the Project potentially involve temporary or permanent and full or partial physical displacement?	No
5.2	Would the Project possibly result in economic displacement (e.g. loss of assets or access to resources due to land acquisition or access restrictions – even in the absence of physical relocation)?	No
5.3	Is there a risk that the Project would lead to forced evictions? ⁶	No
5.4	Would the proposed Project possibly affect land tenure arrangements and/or community based property rights/customary rights to land, territories and/or resources?	No
Standard 6: Indigenous Peoples		
6.1	Are indigenous peoples present in the Project area (including Project area of influence)?	No
6.2	Is it likely that the Project or portions of the Project will be located on lands and territories claimed by indigenous peoples?	No
6.3	Would the proposed Project potentially affect the rights, lands and territories of indigenous peoples (regardless of whether Indigenous Peoples possess the legal titles to such areas)?	No
6.4	Has there been an absence of culturally appropriate consultations carried out with the objective of achieving FPIC on matters that may affect the rights and interests, lands, resources, territories and traditional livelihoods of the indigenous peoples concerned?	No
6.4	Does the proposed Project involve the utilization and/or commercial development of natural resources on lands and territories claimed by indigenous peoples?	No

⁶ Forced evictions include acts and/or omissions involving the coerced or involuntary displacement of individuals, groups, or communities from homes and/or lands and common property resources that were occupied or depended upon, thus eliminating the ability of an individual, group, or community to reside or work in a particular dwelling, residence, or location without the provision of, and access to, appropriate forms of legal or other protections.

6.5	Is there a potential for forced eviction or the whole or partial physical or economic displacement of indigenous peoples, including through access restrictions to lands, territories, and resources?	No
6.6	Would the Project adversely affect the development priorities of indigenous peoples as defined by them?	No
6.7	Would the Project potentially affect the traditional livelihoods, physical and cultural survival of indigenous peoples?	No
6.8	Would the Project potentially affect the Cultural Heritage of indigenous peoples, including through the commercialization or use of their traditional knowledge and practices?	No
Standard 7: Pollution Prevention and Resource Efficiency		
7.1	Would the Project potentially result in the release of pollutants to the environment due to routine or non-routine circumstances with the potential for adverse local, regional, and/or transboundary impacts?	No
7.2	Would the proposed Project potentially result in the generation of waste (both hazardous and non-hazardous)?	No
7.3	Will the proposed Project potentially involve the manufacture, trade, release, and/or use of hazardous chemicals and/or materials? Does the Project propose use of chemicals or materials subject to international bans or phase-outs? <i>For example, DDT, PCBs and other chemicals listed in international conventions such as the Stockholm Conventions on Persistent Organic Pollutants or the Montreal Protocol</i>	No
7.4	Will the proposed Project involve the application of pesticides that may have a negative effect on the environment or human health?	No
7.5	Does the Project include activities that require significant consumption of raw materials, energy, and/or water?	No

3. Risk Analysis

#	Event	Cause	Impact(s)	Risk Category and Sub-category (including Risk Appetite)	Impact, Likelihood & Risk Level (see Annex 3 Risk Matrix)	Risk Valid From/To	Risk Owner (individual accountable for managing the risk)	Risk Treatment and Treatment Owner
1	Non- availability of data and information required for NDC roadmap, MRV system, poor absorptive capacity of stakeholders	No support provided to the government in establish functional data base	Results in improper assessments and development of inappropriate outputs P = 2 I= 2	4. ORGANIZATIONAL (4.6. Knowledge management) - UNDP Risk Appetite: MINIMAL	Likelihood: 2 - Low likelihood Impact: 3 - Minor Risk level: LOW (equates to a risk appetite of MINIMAL)	From: 01-May-23 To: 30-Nov-24	Project Coordinator	Risk Treatment 1.1: Carry-out extensive consultations with stakeholders during inception phase and incorporate their feedback during implementation of project activities Risk Treatment Owner: Project Coordinator
2	Low Capacity of Project Management	Lacking human resource	Affects the project implementation, operation and long term sustainability P = 2 I= 3	3. OPERATIONAL (3.8. Capacities of the partners) - UNDP Risk Appetite: EXPLORATORY TO OPEN	Likelihood: 3 - Low likelihood Impact: 3 - Intermediate Risk level: MODERATE (equates to a risk appetite of EXPLORATORY)	From: 01-May-23 To: 31-May-24	Project Steering Committee and Project Coordinator	Risk Treatment 2.1: Include project management as part of the department's annual work plan and allocate appropriate resources Risk Treatment Owner: Project Steering Committee and Project Coordinator
3	Institutional capacity at all levels of GoV and stakeholders insufficient to adequately manage project activities	NDC has not been integrated in their mandate and no capacity development in the sector, lacking of coordination	Impacts the long term sustainability of project activities P = 2 I = 3	3. OPERATIONAL (3.8. Capacities of the partners) - UNDP Risk Appetite: EXPLORATORY TO OPEN	Likelihood: 2 - Low likelihood Impact: 3 - Intermediate	From: 01-May-23 To: 31-Jul-24	Project Steering Committee and Project Coordinator	Risk Treatment 3.1: Allocating appropriate project and Government resources in institutional strengthening, training and capacity building

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		between relevant stakeholders			Risk level: MODERATE (equates to a risk appetite of EXPLORATORY)			Risk Treatment Owner: Project Steering committee and Project Coordinator
4	No or limited coordination with other relevant national and regional projects	Coordination mechanism has not established	Can lead to duplication of efforts and associated inefficiencies. P = 2 I = 3	3. OPERATIONAL (3.5. Partners' engagement) - UNDP Risk Appetite: EXPLORATORY TO OPEN	Likelihood: 2 - Low likelihood Impact: 3 - Intermediate Risk level: MODERATE (equates to a risk appetite of EXPLORATORY)	From: 01-May-23 To: 30-Jun-24	Project Steering Committee and Project Coordinator	Risk Treatment 4.1: The project will work diligently and proactively to arrange appropriate complementary and joint activities and where relevant develop practical follow-up activities. Risk Treatment Owner: Project Steering Committee and Project Coordinator

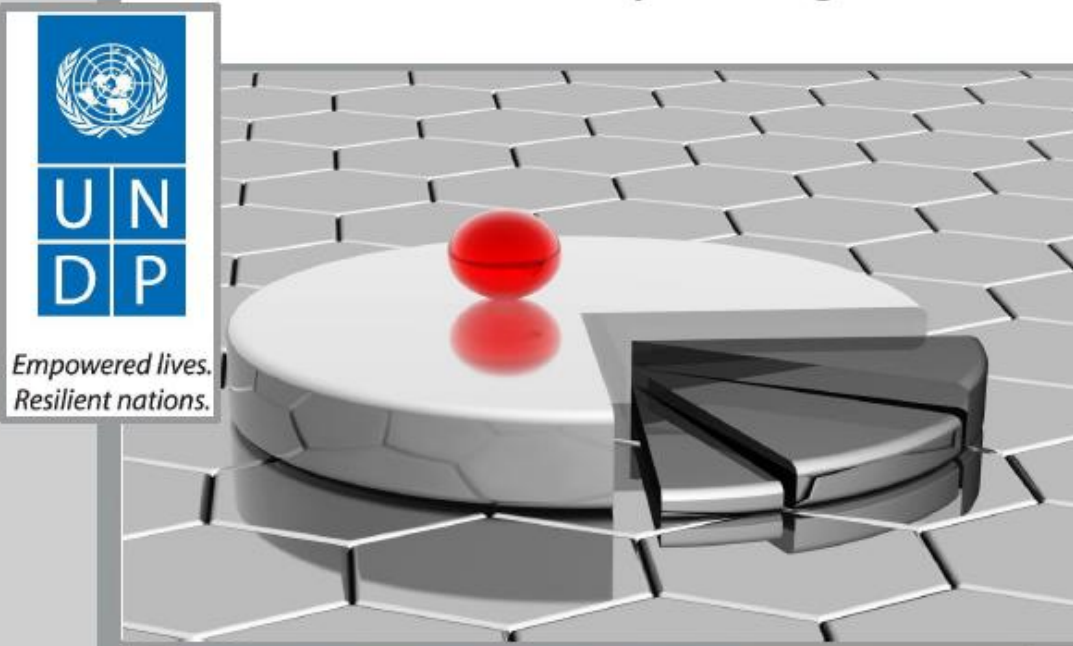
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5	Disturbance of the livelihood (forest, cultivation) of local communities and impact the environment through sustainable forest management and smart agriculture.	Lack of stakeholder engagement and poor expertise in the implementation of the pilot activities	Environmental degradation and reduction of the availability of resources for the local communities P = 2 I = 1	1 SOCIAL AND ENVIRONMENTAL (1.1 Human rights + 1.4. Biodiversity conservation and sustainable natural resource management Appetite: MINIMAL	Likelihood: 2 - Low likelihood Impact: 1- Negligible Risk level: LOW (equates to a risk appetite of MINIMAL)	From: 01-May-23 To: 30-Jun-24	Project Steering Committee and Project Coordinator	Activities will be carried out with due consideration and proper engagement of the stakeholders and beneficiaries. In particular, the social/environmental-sensitive pilot activities will be given particular attention. The pilot activities will benefit from the expertise of a dedicated consultant, and be carried out with full engagement of the beneficiaries and concerned communities. Prior to the implementation, adequate consultations have been done with the beneficiaries to define the pilot activities.
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4. Capacity Assessment

United Nations Development Programme



**Report for Micro Assessment of
Department of Climate Change
Commissioned by UNDP**

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Lochan & Co.
Chartered Accountants

SECTION – I**1. Background, Scope, Methodology & Limitations****1.1 Background**

The micro assessment is part of the requirements under the Harmonized Approach to Cash Transfers (HACT) Framework. The HACT framework represents a common operational framework for UN agencies' transfer of cash to government and non-governmental implementing partners.

The micro-assessment assesses the IP's control framework. It results in a risk rating (low, moderate, significant, or high). The overall risk rating is used by the UN agencies, along with other available information (e.g., history of engagement with the agency and previous assurance results), to determine the type and frequency of assurance activities as per each agency's guideline and can be taken into consideration when selecting the appropriate cash transfer modality for an IP.

1.2 Scope

The micro-assessment provides an overall assessment of the Implementing Partner's program, financial and operations management policies, procedures, systems, and internal controls. It includes:

- A review of the IP legal status, governance structures and financial viability; program management, organizational structure and staffing, accounting policies and procedures, fixed assets and inventory, financial reporting and monitoring, and procurement.
- A focus on compliance with policies, procedures, regulations, and institutional arrangements that are issued both by the Government and the Implementing Partner.
- It takes into account the results of any previous micro assessments conducted of the Implementing Partner.

1.3 Methodology

We performed the micro-assessment of Department of Climate Change (DCC) from 15 July to 10 August 2021 virtually and intermittently from the India office of Lochan & Co as per the availability of the documents/ information provided by IP.

Through discussion with Management, observation, and walk-through tests of transactions, we have assessed the Implementing Partner's and the related internal control system with emphasis on:

- The effectiveness of the systems in providing the Implementing Partner's management with accurate and timely information for the management of funds and assets in accordance with work plans and agreements with the United Nations agencies.
- The general effectiveness of the internal control system in protecting the assets and resources of the Implementing Partner.

1.4 Limitations

- The assessment team could not visit the office of the Department of Climate Change, LAOS, due to the COVID-19 outbreak all around the world. The micro assessment was conducted virtually, and discussions were held through Zoom calls and documentation & information were shared through emails.
- The micro assessment was started on 15 July 2021 and was ongoing till 10 August 2021 virtually and intermittently as per the availability of the documents/ information provided by the IP.

1.5 Summary of Risk Assessment

Based on our assessment, we can say that the overall rating of Risk Analysis / Assessment of Department of Climate Change is assessed as "Low".

S. No	Tested subject area	Risk assessment
1	Implementing partner	Low
2	Programme management	Moderate
3	Organizational structure and staffing	Moderate
4	Accounting policies and procedures	Low
5	Fixed assets and inventory	Low
6	Financial reporting and monitoring	Low
7	Procurement and contract administration	Low
	Overall Risk Assessment Rating	Low

5. Project Board Terms of Reference and TORs of key management positions.

a. Project Board Terms

The Project Board (also called Project Steering Committee) is responsible for taking corrective action as necessary to ensure the project achieves the desired results. To ensure UNDP's ultimate accountability, Project Board decisions should be made in accordance with standards that will ensure management for development results, best value for money, fairness, integrity, transparency and effective international competition.

In case consensus cannot be reached within the Board, the UNDP Resident Representative (or their designate) will mediate to find consensus and, if this cannot be found, will take the final decision to ensure project implementation is not unduly delayed.

Specific responsibilities of the Project Board are to:

- Provide overall guidance and direction to the project, ensuring it remains within any specified constraints;
- Address project concerns as raised by the project coordinator;
- Provide guidance on new project risks and agree on possible mitigation and management actions to address specific risks;
- Ensure coordination between different donor and government-funded projects and programmes;
- Ensure coordination with different government agencies and their participation in project activities;
- Track and monitor co-financing for this project;
- Review the project progress, assess performance, and appraise the Annual Work Plan for the following year;
- Appraise the annual project Implementation Report, including the quality assessment rating report;
- Ensure commitment of human resources to support project implementation, arbitrating any concerns within the project;
- Review combined delivery reports prior to certification by the implementing partner;
- Provide direction and recommendations to ensure that the agreed deliverables are produced satisfactorily according to plans;
- Address project-level grievances;
- Review the final project report package during an end-of-project review meeting to discuss lessons learned and opportunities for scaling up; and
- Ensure the highest levels of transparency and incorporate all measures to avoid any real or perceived conflicts of interest.

b. Project Coordinator

Summary of key functions:

- Bears primary responsibility for the successful implementation of the UNDP's Climate Promise II Initiative Lao PDR. Ensuring effective project management by maintaining the delivery of appropriate technical, operational, financial and administrative outputs, while tracking the project progress through monitoring, evaluation and reporting;
- Building strategic Maintaining collaborative working relationships among key project partners and donors, through effective communication, consultation and reporting;
- Aligning the project with UN values and priorities of UNDP and Government of Lao PDR

Specific tasks and responsibilities:

1. Expected results: Bears primary responsibility for the successful implementation of the UNDP's Climate Promise II Initiative in Lao PDR. Ensuring effective project management of the assigned projects by maintaining the delivery of appropriate technical, operational, financial and administrative outputs, while tracking the project's progress through monitoring, evaluation and reporting

- Managing and coordinating the implementation of the respective activities based on the relevant project documents, including, as needed, supervision and guidance of other project staff, consultants and experts with a view to achieving project results;
- Developing comprehensive/detailed project work-plans that include all project activities and roles and responsibilities of the stakeholders and setting-out corresponding milestones;
- Monitoring the progress of implementation of project activities and key event schedules observing the work-plans and set deadlines including monitoring of the financial resources and accounting to ensure accuracy and reliability of financial reports;
- Mobilizing goods and services to support project activities, including drafting TORs and works/product requirements and specifications;
- Managing and monitoring project risks initially identified, submitting information on the new risks and possible mitigating measures to the Project Board for consideration and updating the status of these risks by maintaining a Project Risk Log;
- Assuming responsibilities in line with the office Internal Control Framework and act as a 'first authority' for Project transactions;
- Ensuring adherence of project activities to the existing financial, procurement and administrative processes that are in line with prevailing UNDP rules and regulations and, at the same time, observing the project timelines;
- Preparing project progress reports (progress against planned activities, update on risks issues, expenditures...) and ensuring timely submission of the reports to the relevant instances, such as the project boards and relevant donors;
- Managing project tracking in QUANTUM in accordance with UNDP procedures;
- Managing the transfer of project deliverables to national beneficiaries and other project stakeholders.

2. Expected Results: Maintaining collaborative working relationships among key project partners and projects' donors, through effective communication, consultation and reporting

- Maintaining strong relationships with the implementing partners, and other relevant partners and donors;
- Maintaining regular coordination and quality assurance of expert inputs and products as well as among project partners to ensure coherence and complementarity of project activities;
- Identifying opportunities for deepening the cooperation and recommending adequate approaches to dealing with different stakeholders based on information on all relevant stakeholders gathered during projects' implementation;
- Maintaining regular communication on relevant project issues with the local and international counterparties, consultants and experts and ensuring quality and timely delivery of all agreed outputs;
- Maintaining effective linkages with current and potential donors;
- Submitting reports to UNDP, partners and donors in a quality and timely manner.

3. Expected Results: Aligning the project with UN values and priorities of UNDP and the Government of Lao PDR:

- Ensure the principles of gender equality, democratic governance, social inclusion and disaster resilience are effectively reflected in all project activities;
- Ensure that gender equality is pursued in all project activities and reflected in work plans, budgets, reports, researches, analyses and, where specifically relevant, analyzed in detail;
- Ensure that accessibility for persons with disabilities is reflected in all project activities;
- Consult regularly with other UNDP projects and programs on related activities where synergies are possible;
- Strive to engage groups and communities in project activities that affect them;
- Communicate project goals and activities clearly to both stakeholders and the wider public.

Performance Indicators for evaluation of results

- Project activities executed in line with UNDP corporate principles, rules and procedures;
- Project staff/ team(s) effectively and efficiently guided and backstopped, as needed
- Links with other relevant projects/initiatives established and joint objectives effectuated;
- Project funds delivered in accordance with the endorsed Annual Work Plans;
- Reporting completed in a timely and qualitative fashion in line with the programme needs and Country Office/national partners' requirements.

c. Finance and Administration Associate (AFA)

The Project Finance and Administration Associate will work under the direct supervision of the Project Coordinator, and he/she is expected to perform the following tasks:

1) Programme Implementation and Logistics Support:

- Coordinate and liaise regularly with projects' focal points on project activities for the preparation of Workshop, training & meetings;
- Coordinate and liaise regularly with the participants to the project's Workshop, training & meetings to ensure their full participation and involvement in the latter;
- Arrange meetings, appointments, trainings; prepare meeting documents and meeting reports;
- Collect statistics, data and information to be used for substantive monitoring and evaluation;
- Ensure that all logistics aspects of the organization of the Workshop, training & meetings are anticipated and taken care of prior, during and after the conducting of these Workshop, training & meetings (sending off invitations; following up to confirm participation; procuring all required materials/services for meetings and workshop, training such as refreshments, communications material, audio equipment, translation services, etc.; preparing the selected rooms for the webinars and/or meetings; resolving logistics issues arising prior, during and after the webinars/meetings; among others);
- Ensure that all communications are well documented and processes managed with the utmost transparency;
- Keep the files for the related activities (procurement, travel, payments) up to date and in order;
- Undertake any other task as required.

2) Administrative and Financial Management Support:

- Create electronic folders on project documents, correspondence, reports and other materials ensuring safekeeping of confidential materials by following the established filing and archiving standards and procedures for the office;

- Provide administrative support to the Team; handle travel services for staff and meeting participants
- Performs a role of Originator (travel arranger) and Travel Processor (certifying officer) to facilitate official travel according to UNDP Rules and Regulations
- Efficient facilitation of regional workshops, team meetings and other related conferences including but not limited to logistics, administrative and procurement support
- Support in recruitment for project related-staff/consultant/intern; assist in preparing the TOR, selection memo, budget, and coordinating with candidates.
- Support in consolidating the data from multiple financial reports, including expenditures and commitments monitoring and tracking.
- Leads maintenance of the inventory of programme/project assets/equipment and programme/project correspondence and files
- Supports the team in providing guidance to the country and project offices on routine implementation of the project, tracking the use of financial resources.
- Support the Project Coordinator in the tracking and reporting on finance, activities and resources;
- Support procurement and related financial arrangements in coordination with UNDP Programme Associate, Procurement and Finance Unit.