

# Readiness Proposal

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**with GGGI for the Lao People's Democratic Republic**

22 November 2022

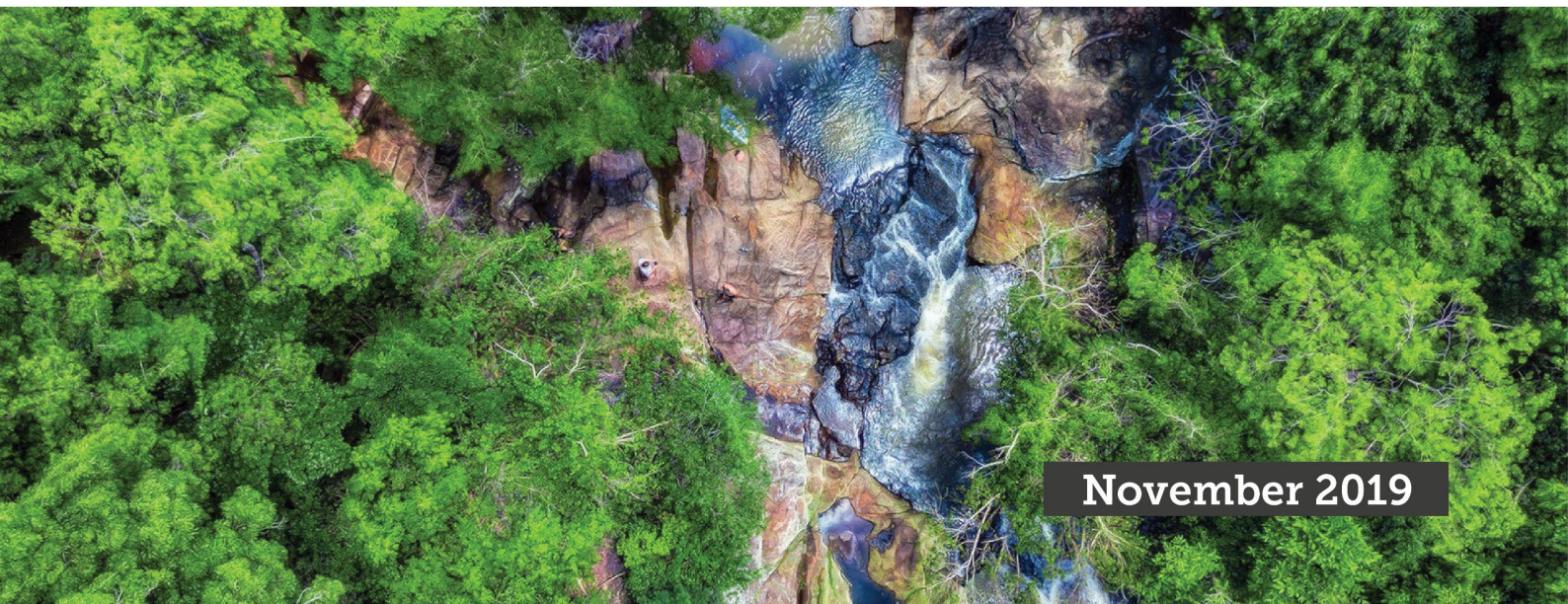


# READINESS & PREPARATORY SUPPORT

## PROPOSAL TEMPLATE



<b>Proposal title:</b>	Support for Mainstreaming Climate Change Adaptation into Sectoral Planning in Lao PDR
<b>Country:</b>	Lao People's Democratic Republic
<b>National designated authority:</b>	Department of Planning and Finance, Ministry of Natural Resources and Environment
<b>Implementing Institution:</b>	Global Green Growth Institute
<b>Date of first submission:</b>	30 June 2021
<b>Date of current submission / version number</b>	28 October 2022 V.5



November 2019

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Please be concise. If you need to include any additional information, please attach it to the proposal.

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### Note: Environmental and Social Safeguards and Gender

Throughout this document, when answering questions and providing details, please make sure to pay special attention to environmental, social and gender issues, particularly to the situation of vulnerable populations, including women and men. Please be specific about proposed actions to address these issues. Consult Annex IV of the Readiness Guidebook for more information.

**Please visit the Country Portal on the GCF website to submit this proposal via the **online system**.**

When submitting the proposal, please name the file:  
GCF Readiness -[Country]-[yymmdd]

## 1. SUMMARY

### 1.1 Country submitting the proposal

Country name: Lao People's Democratic Republic

Name of institution representing NDA or Focal Point: Ministry of Natural Resources and Environment

Name of contact person: Mr. Virana Sonenasinh

Contact person's position: Director General, Department of Planning and Finance

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### 1.2 Date of initial submission

30 June 2021

### 1.3 Last date of resubmission

9 August 2022

**Version number** V.4

### 1.4 Which institution will implement the Readiness and Preparatory Support project?

☐ National designated authority

☐ Accredited entity

☒ Delivery partner

Name of institution: Global Green Growth Institute (GGGI)

Name of official: Gerard O'Donoghue

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### 1.5 Title of the Readiness support proposal

Support for Mainstreaming Climate Change Adaptation into Sectoral Planning in Lao PDR

### 1.6 Type of Readiness support sought

- ☐ I. Capacity building
- ☐ II. Strategic frameworks
- ☒ III. Adaptation planning
- ☐ IV. Pipeline development
- ☐ V. Knowledge sharing and learning



**1.7 Brief summary of the request**

Lao PDR is exposed to a wide range of climatic and non-climatic hazards including floods, landslides, droughts, strong winds, pest outbreak, as well as small-scale earthquakes. While its contribution to global GHG is relatively small, Lao PDR is vulnerable to the impacts of climate change due to its geographic and geophysical characteristics, high dependence on natural resources and agriculture, and low adaptive capacity.

In the process of revising Nationally Determined Contribution of Lao PDR, it was found very difficult to measure the progress on the adaptation aspects due to absence of sectoral adaptation plans and monitoring indicators in vulnerable sectors namely agriculture & forestry, urban and water. Therefore, one of the targets set forth in the 2020 NDC update is to enhance mainstreaming of climate change adaptation in sectoral strategies with a results-based management framework established for key sectors.

The gaps, barriers and needs of the country to drive and achieve climate change adaptation in the revised NDC are grouped into three broad areas: (i) institutional capacity and coordination including weak institutional and technical capacity to mainstream climate change into strategies and plans or translate them into action able measures; (ii) information including absence of sectoral action plans and indicators in most key sectors; and (iii) adaptation financing including lack of diversified sources of long-term financing for adaptation.

Thus, this readiness grant aims to enhance climate resiliency in Lao PDR by integrating adaptation at the sector level by developing sectoral adaptation plans for key vulnerable sectors and concept notes featuring gender analyses for priority adaptation project to access GCF funding. To ensure an inclusive planning process as well as effective and sustained implementation of the sectoral adaptation plans, this readiness grant will also establish gender-balanced sectoral adaptation teams, as well as collect gender-disaggregated data

The grant direct beneficiaries include government ministries including the Ministry of Natural Resources and Environment and the Environment Protection Fund, Ministry of Public Works and Transport, and Ministry of Agriculture and Forestry; and the implementation of the adaptation action plans will benefit Lao people.

**1.8 Total requested amount and currency**

USD  
1,000,000

**1.9 Implementation period**

36 months

**1.10 Is this request a multiple-year strategic Readiness implementation request?**

- ☐ Yes  
☒ No

**1.11 Complementarity and coherence of existing readiness support**

- ☒ Yes  
☐ No

**Completed readiness support**

1. GCF Readiness and Preparatory Support for Lao PDR – Approved in June 2017 at USD 300,000 with UNDP as delivery partner. The grant supported the NDA capacity building, establishment of no-objection procedure, and stakeholder engagement for the development of the Country Programme.

- The GCF Country Programme (CP) developed in 2019 presents the country's climate change priorities, including a pipeline of projects that the country would like to develop with GCF. Taking a top-down approach based on the NDC, the key climate change adaptation priority area for GCF financing that was identified which this readiness grant will address is on mainstreaming climate change into sectoral development action plans. Moreover, the current pipeline of GCF projects in the CP are with international accredited entities. Thus, through this readiness grant, the project will aim to develop concept notes with the Environment Protection

Fund (EPF) as potential accredited entity to enhance Lao PDR's direct access to the GCF funding.

2. Readiness Support to Enhance Green Finance in the Areas of Green Cities in Lao PDR – Approved in February 2018 at USD 476,485 with GGGI as delivery partner. The grant supported the development of project concepts in the area of green climate resilient cities including engagement with private sector.

- Green and climate resilient cities will be a cross-cutting objective amongst sectoral adaptation plans to be developed and supported through this readiness grant.

3. Support for the Accreditation of the Lao PDR Environment Protection Fund to the GCF – Approved in April 2018 at EUR 393,625 with GIZ as delivery partner. The grant supported the EPF to become GCF's National Accredited Entity.

- This readiness grant will produce concept notes which will be submitted to Environment Protection Fund as GCF direct access entity.

4. Incentive Mechanisms for Private Sector Engagement under REDD+ in Lao PDR – Approved in July 2018 at USD 348,975 with FAO as delivery partner. The grant assisted with formalizing coordination mechanisms and strengthening institutions to address deforestation in Lao PDR.

- This readiness grant will utilize the coordination mechanism between NDA and REDD+ and monitoring and reporting template for climate financing for the establishment and functioning of the forestry adaptation team. Besides, this readiness will engage with private sector as part of Output 3.2.1.

5. Enhancing NDA Capacity and Access to the GCF in Lao PDR – Approved in December 2019 at USD 239,368 with GGGI as delivery partner. The grant supported the technical assessment on the option to ensure sufficient support to the NDA and targeted training on climate change in the Lao PDR's priority sectors in the Country Program; development and integration of climate tagging and reporting interface into the Official Development Assistance Management Information System (ODAMIS) to enable climate tagging of ODA projects; update of Lao PDR Country Program 2021 – 2023 which was formally endorsed by the Vice Minister of MONRE; NDA's stakeholder engagement including the with private sector through technical workshops on electric vehicles, solid waste management and renewable energy, all of which are strongly relevant to the updated Country Program, as well as awareness events with business communities to raise their understanding of the GCF and its funding opportunities..

- This readiness will benefit from capacity building and engagement with stakeholders including the private sector with regards to energy and waste sector for the development of urban development action plan. The climate tagging and reporting interface in the ODAMIS developed will facilitate and track the effective integration of priority sectoral adaptation actions in the budgeting processes.

#### **Ongoing readiness support**

6. Development of an Action Plan for Designing and Implementing Standards and Labelling Programme in Lao PDR – Approved in August 2019 at USD 344,556 with UN Environment as delivery partner. The grant supported in strengthening institutional capacity in

designing and implementing minimum energy performance standards and energy labelling.

7. Urban Climate Resilience in Cities along the Greater Mekong Sub-region East-West Corridor (EWEC) in Lao PDR – Approved in October 2019 at USD 348,992 with UN Habitat as delivery partner. The grant aims to strengthen the local and institutional capacity for stimulating climate change resilient investment flows along the EWEC in Lao DPR.

- Activities 3.1.14 and 3.1.1.5 of this readiness grant will build upon the outcomes of the institutional capacity along the EWEC.

8. Market Preparation for Industrial Energy Efficiency in Lao PDR – Approved in November 2020 at USD 299,457 with GGGI as delivery partner. The grant aims to support the Government of Lao PDR to achieve the energy consumption reduction target set out in its sectoral strategy and the NDC 2020 by developing comprehensive set of activities to increase levels of awareness about green industrial practices and catalyze private investments in the deployment of energy efficiency measures in the industrial sector.

- This readiness will contribute to climate adaptation through providing recommendations on sustainable sources of energy and innovated industrial buildings, as well as improving green practices for private industrial enterprises.

#### **Submitted readiness proposals**

9. Enhancing Lao PDR Health Sector Capacity in Managing Health Adaptation Plan and access to GCF - Submitted in late 2020 by WHO for USD 300,925. The proposed grant aims to ensure enhanced capacity of early intervention of the target climate sensitive diseases and systematized knowledge sharing mechanism with stakeholders and other relevant sectors.

- This readiness will not duplicate efforts in the health sector as it will focus on adaptation initiatives in other priority sectors of the government i.e., agriculture and forestry, urban development, and water sector.

10. Completion of Accreditation of EPF as DAE for Lao PDR - Submitted in late 2020 by EPF as delivery partner for USD 399,805, with an aim to develop capacity of EPF to meet GCF's requirements in terms of financial, management, M&E, environmental and social safeguards and gender as well as prepare proposal for microproject.

- This readiness will work with EPF as potential accredited entity in the development of the concept notes .

11. Advancing Lao PDR's National Adaptation Plan (NAP) through Climate Change Vulnerability Assessments for Disaster Risk Management by UN Habitat – initially submitted in December 2020 for USD 2 million. The project aims to enable national and subnational authorities in Lao PDR to make informed planning decisions for climate change adaptation. The project will be divided into two phases with the first phase focusing on producing a map of climate vulnerability and risks for 18 provinces of Lao PDR. The second phase will build on the results of Phase 1 to develop district-level action plans for climate resilience. The synergies and complementarity of GGGI NAP grant proposal with that of the UN Habitat NAP proposal is provided in Section 2 and descriptions on alignment at activity level are provided in Section 3.

## 2. SITUATION ANALYSIS

Situated in Southeast Asia, Lao PDR has a tropical monsoon climate with significant rainfall and high humidity. Two distinct seasons are observed with a rainy season from May to September and dry season from late October to April. An average annual precipitation is around 1,900 mm (1,300 to 3,000 mm), 80% of which falls during the rainy season. Lao PDR has a total land area of 236,800 Km<sup>2</sup> but around 80% of the land is hilly or mountainous and only one-quarter of the land area is suitable for growing crops.

Over the past decade, Lao PDR has experienced strong economic growth and reached a number of important milestones in terms of reducing poverty, malnutrition, improving access to education, health and urban services, access to electricity, and etc., hence enhancing living standards for many Lao citizens. Annual GDP growth rate of 5.8% on average over 2015 – 2019 was attained. Poverty rate has further declined from 23.2% in 2012 – 2013 to 18.3% in 2018 – 2019<sup>1</sup>. In addition, adult literacy also increased from 72.7% in 2012 to 84.7% in 2018 of the population and gross secondary enrolment ratio rose from 44.7 % to 61.7% for the same period<sup>2</sup>. As a result, Lao PDR passed the thresholds for Gross National Income (GNI) per capita and the Human Assets Index (HAI) in 2018, thus becoming for the first time eligible to graduating from the Least Developed Country (LDC) Status provided the current progress is sustained until 2021 review.<sup>3</sup>

Despite strong growth and progressive development gains, Lao PDR is still faced with a number of challenges. Exploitation of natural resources dominates much of the economic growth, putting increased pressure on the environment such as forest areas, biodiversity and water resources. The majority of the Lao people (more than 70%) are engaged in the agriculture sector for their livelihood, but growth in this sector has slowed due partly to impacts from natural and climate-related disasters. In addition, much of the land is still contaminated with unexploded ordnances that causes loss of lives and livelihoods of rural farmers. Malnutrition among children under five continues to be a critical issue with more than 30% of children reported to be stunted, and regional disparities exist with 8 out of 18 provinces showing stunting rates above 40%.

Lao PDR has taken an early action to contain the spread of COVID-19 pandemic with cumulative numbers of COVID-19 patients of 44 people recorded in February 2021, most of which were imported. However, the second wave of COVID-19, which started in middle of April, resulted in significant increase in confirmed cases with some fatalities from community spread, and by September 8<sup>th</sup>, 2021, there have been accumulated numbers of 16,058 people with 16 deaths. COVID-19 pandemic has heavily impacted the country's socio-economic development. GDP growth has been readjusted from a planned 6.5% to around 3% for 2020<sup>4</sup>. Tourism and related sectors including transport, food and accommodation as well as retail trade are badly affected. With travel restriction comes a steep decline of international arrivals with around a 17% drop in the first quarter of 2020. It was estimated that the number of international tourists by the end of 2020 will be as low as approximately 20% of 2019<sup>5</sup>. As a result, many hotels and restaurants are struggling. Revenue collection target of the government fell short, and so did efforts to curb inflation. Unemployment rate rose to 20% in 2020 due to jobs dismissed and return of workers who worked abroad<sup>6</sup>. This also affects remittance earning that many rural households use for consumption, investment as well as a buffer to any shocks including harsh weather events. A comprehensive study is being undertaken to find out the impacts of COVID-19 on the Lao economy and whether or not Lao PDR will be able to graduate from the LDC status in 2024 as planned.

Lao PDR is exposed to a wide range of climatic and non-climatic hazards including floods, landslides, droughts, strong winds, pest outbreak, as well as small-scale earthquakes. While its contribution to global GHG is relatively small, Lao PDR is vulnerable to the impacts of climate change due to its geographic and geophysical characteristics, high dependence on national resources and agriculture, and low adaptive capacity. The frequency of the extreme weather events in Lao PDR increased from about once every two years before 1992 to every year or even twice a year after 1992. Flood and droughts are considered to be the most significant threats adversely affecting the socio-economic development of the country. It is recorded that, based on official statistics, both severity and frequency of floods and droughts have increased<sup>7</sup>. The ND-GAIN index consisting of vulnerability (exposure, sensitivity and adaptive capacity) and a Readiness (ability to leverage investments and convert them into adaptation) to describe country's vulnerability to climate change and other global challenges ranks Lao PDR 143<sup>rd</sup> in 2018 falling from 122<sup>nd</sup> place in 2015.<sup>8</sup>

<sup>1</sup> Government of Lao PDR, 4<sup>th</sup> Draft of 9<sup>th</sup> NSEDP 2021 - 2025

<sup>2</sup> United Nations, Lao PDR Department of Economic and Social Affairs, Committee for Development Policy Secretariat.

<sup>3</sup> UN (2019) 2018 Progress Report: Lao PDR – United Nations Partnership Framework – A Partnership for Sustainable Development.

<sup>4</sup> Government of Lao PDR, 4<sup>th</sup> Draft of 9<sup>th</sup> NSEDP 2021 - 2025

<sup>5</sup> Ibid

<sup>6</sup> Ibid

<sup>7</sup> NAPA 2009

<sup>8</sup> <https://gain.nd.edu/our-work/country-index/rankings/>



Lao PDR ranks 79<sup>th</sup> out of 191 countries in the 2021 INFORM risk index and faces high disaster risk levels specially to flooding (extremely high exposure), including to riverine and flash flooding, ranking 6<sup>th</sup> globally. Most storms are followed by severe flooding, threatening livelihoods almost every year, and with more frequent and intensified flooding in recent years<sup>9</sup>. Flash floods in the Northern mountainous areas are also common. Flooding has an adverse impact on housing, health and education, industrial activities, and infrastructure (transportation, water and sanitation). Using the 2010 baseline collected from AQUEDUCT Global Flood Analyzer, 48,000 people were projected to be affected annually and annual damages are estimated at USD 159 million in a 25-year period. Scenario modelling showed amplified effects with climate change almost doubling figures for the annual affected population at 88,000 people and USD 454 million in damages<sup>10</sup>. However, for the last three years alone, Lao PDR has been heavily affected by flooding events throughout the country. The total damage and losses from 2018 flooding events that affected over 600,000 people across the country were estimated at USD 371 million or 2% of GDP<sup>11</sup>.

In 2019, six southern provinces experienced tropical storms and depression resulting in widespread flooding, affecting more than 764,000 people<sup>12</sup> and leading to loss of lives, disruption to livelihoods and property damage. During the rainy season of 2020, several serious localized flooding events were reported throughout the country as a result of tropical storms such as Sinlaku and Nangka. The latter forced over 15,000 people to relocate to temporary shelters in Savannakhet.<sup>13</sup>

Risk of droughts is also equally high with potential harmful effects on various sensitive sectors. Severe drought occurred in 1996, 1998 and 2003. It is estimated that 6 out of 17 provinces are already at high risk of droughts. Delayed start of the rainy season and/or prolonged mid-season dry spells affect agricultural production especially rice cultivation and these events tend to happen more frequently<sup>14</sup>. In 2019, lack of rain delayed rice production in 800,000 hectares of wet season rice fields across the country, affecting food security of thousands of farmers. Drought also affects water resources, water availability for hydropower generation, human health etc.

Selected indicators from the INFORM 2021 Index for Risk Management for Lao PDR are shown below with respect to global average scores<sup>15</sup>.

	Flood (0–10)	Drought (0–10)	Tropical Cyclone (0–10)	Epidemic (0–10)	Vulnerability (0–10)	Lack of Coping Capacity (0–10)	Overall Inform Risk Level (0–10)	Rank (1– 191)
<b>Lao PDR</b>	9.1	2.4	3.3	6.3	3.6	6.0	4.0	79
<b>Global average</b>	4.5	3.3	1.7	4.6	3.6	4.5	3.7	

In the future, significant warming is expected in the whole Mekong region and across seasons. Projections using historic and projected average annual mean temperature points to a rise of around 4.1°C by the 2090s over 1986–2005 baseline, under the highest emissions pathway (RCP8.5) and reduces to 1.2°C under the lowest emissions pathway (RCP2.6) based on the latest ADB-World Bank Climate Risk Country Profile: Lao PDR (2021) suggesting vulnerability of climate change. Seasonal variations are expected with April and May being the hottest months. Increase in annual precipitation rates, with larger changes in higher emission pathways are also projected using simulation from a Mekong River Basin case study ranging from -27% to 41% under 3°C of warming<sup>16</sup>. Rainfall could increase or decrease with material variation in the magnitude of change and the location of impacts. Changes in temperatures and precipitation will trigger variations in hydrology and deteriorations of flood conditions, perturbations for biodiversity, ecosystems and ecosystems services. It is expected that more frequent and severe drought and flooding events will occur, and these events will have significant impacts on the country's economic development and sustainable development goals given low level of institutional technical and adaptive capacity.<sup>17</sup>

<sup>9</sup> Lao PDR First Nationally Determined Contribution (2016)

<sup>10</sup> ADB and Worldbank, 2021. Climate Risk Country Profile – Lao PDR

<sup>11</sup> Government of Lao PDR. Post-Disaster Needs Assessment. 2018 Floods, Lao PDR. 2018.

<sup>12</sup> [https://reliefweb.int/sites/reliefweb.int/files/resources/AHA-Situation\\_Update-no6-LaoPDR\\_TS-PODUL-TD-KAJIKI.pdf](https://reliefweb.int/sites/reliefweb.int/files/resources/AHA-Situation_Update-no6-LaoPDR_TS-PODUL-TD-KAJIKI.pdf)

<sup>13</sup> Vientiane Times Newspaper, Issue 207, Friday October 23, 2020

<sup>14</sup> NDC 2015

<sup>15</sup> Inter-Agency Standing Committee and the European Commission, INFORM REPORT 2021;

<sup>16</sup> ADB and Worldbank, 2021. Climate Risk Country Profile – Lao PDR

<sup>17</sup> Mekong Climate Change Adaptation Strategy and Action Plan (2017), Mekong River Commission

## Sectoral Challenges and Projects

**Agriculture** – The effects of climate change including the rise in volume and intensity of rainfall and the subsequent increased risk of flooding as well as increased droughts, lead to severe impacts on agricultural production and food security. A risk and vulnerability assessment is currently being undertaken for eight crops including coffee, rice, maize and cassava through the FAO “Strengthening Agro-Climatic Monitoring and Information Systems to Improve Adaptation to Climate Change and Food Security in Lao PDR (2017-2021)” project. The project being implemented by FAO and executed by MoNRE and MAF aims to strengthen agro-climatic monitoring, analysis and communication and knowledge management. Improving climate resilient infrastructure for competitive agribusiness value chains is also being supported by ADB and the World Bank. Several sub-national efforts in this sector include a project on ‘Improving the Resilience of the Agriculture Sector to Climate Change Impacts’ in Savannakhet and Xayaboury supported by UNDP through NAFRI in 2012-2015 which aimed to address vulnerability of agriculture to climate change-related events and food insecurity resulting from climate change, and the UNDP project on ‘Effective Governance for Small-Scale Rural Infrastructure and Disaster Preparedness in a Changing Climate’ implemented through MoNRE in 2013-2017, which aimed to increase climate resilience for vulnerable communities in southern Lao PDR. The “Poverty and Environment initiative – Phase 2” was supported by UNDP, UNEP and SDC and executed by MPI, MoNRE and UNDP in 2012-2016 to strengthen the Government’s capacity to manage the quality of investments throughout the country, preventing focus on extractive industries and one of the main objectives being to mainstream poverty-environment issues into development planning. The “Global Climate Change Alliance Program” funded by the EU in 2012-2017 aimed to mainstream climate change into poverty eradication efforts, focusing on the Northern provinces (Luang Prabang, Phongsaly and Houaphan).

- **Forestry** – Forests in Lao PDR have diminished dramatically from approximately 70 percent in 1943 of the overall land surface to 58 percent in 2015.<sup>18</sup> The main causes of deforestation in the country include land use change for agriculture, hydropower, mining and plantations. Legal and illegal logging are also critical issues for degradation, largely attributed to poverty, weak governance, and corruption. The ‘Sustainable Forest and Land Management in the Dry Dipterocarp Forest Ecosystems of Southern Lao PDR (2016-2022)’ project being supported by UNDP and GEF and implemented by UNDP and Department of Forest Resources Management in Savannakhet Province, aims to demonstrate sustainable land and forest management to conserve natural habitats and ecosystems. One component of this project is to create an enabling policy environment for compliance and enforcement. One of the first two Green Climate Fund (GCF) projects for Lao PDR, being implemented by GIZ, is to support Lao PDR’s emission reduction program through improved governance and sustainable forest landscape management with co-financing from the German Government.

While there has been some improvement in governance through projects such as REDD+, declining forest resources continue to be a critical issue, and particularly natural forest areas. Moreover, the poor have high dependence on biodiversity and natural resources for their livelihoods, and their reliance on non-timber forest products account for an estimated 30% of Lao PDR’s GDP. Lao PDR has developed a number of policies addressing climate change and aiming for sustainable management of the forestry sector, an example being the National Strategy on Climate Change and the Forestry Strategy towards 2020. The country also has a Forest Strategy to the Year 2020, which identifies some programs and actions, but has limitations in mainstreaming climate change adaptation at the sectoral level.

- **Urban development** – Many urban areas in Lao PDR are at risk of flooding due to climate change. The widespread flooding in 2019 affected many cities along the Mekong River resulting in significant losses and damages. Core issue is that rapid urbanization that took place over the last decade did not happen in a coordinated way coupled with poor urban planning, poor and inadequate infrastructure, inadequate attention for the environmental impacts.<sup>19</sup> Flooding has become a major issue in many cities especially those in floodplain areas. For instance, widespread flooding in 2019 mainly affected cities along the Mekong River. In addition to the direct damages to infrastructure and the disruption of economic activity caused by floods, these events have also negatively impacted the livelihood activities and social services including education. Moreover, storms and heatwaves are also listed among hazards faced by urban dwellers.

Barriers to enhancing resilience of cities to flooding in Lao PDR include limited access to information on climate scenarios or climate-related hazards and vulnerabilities downscaled to the city level, inadequate urban planning that is forward looking in terms of building resilience, poor drainage networks, lack of practical experience with climate resilient infrastructure especially nature-based solutions or green infrastructure.

<sup>18</sup> Ministry of Agriculture and Forestry, Department of Forestry. 2015. Forest Cover Monitoring Assessment.

<sup>19</sup> <https://www.adb.org/sites/default/files/institutional-document/33722/files/lao-pdr-urban-sector-assessment.pdf>

Improving urban resilience has been increasingly a focus and recognized in many policy documents related to climate change (NDC, NAPA, NCSS, NGGS). MPWT has adopted a policy on mainstreaming climate resilience into this sector with action plans need to be elaborated. In addition, the draft urban development strategy specifically calls for enhanced resilience in urban development to protect urban populations from climate induced extreme events. Big investment usually goes to building hard infrastructures such as riverbank protections in many cities. For instance, the World Bank provides financial support to reduce the impacts of flooding in Xay District of Oudomxay province and ADB has been financing projects to improve the urban environment by focusing on flood protection, drainage, and solid waste management in many cities along the Mekong River. Recently, nature-based solutions have gained some attention. Another GCF investment project approved in 2019 for Lao PDR focuses on building resilience of urban populations with ecosystem-based solutions to be implemented UNEP.

- **Water resources** – While Lao PDR is abundant in its water resources, there is a wide spatial and temporal variability. While higher elevations in southern Lao PDR have an annual rainfall of 3,700 mm, the northern valleys receive about 1,300 mm. Also, it is mainly during the wet season when the country gets 80% of the surface water availability. Furthermore, weather extremes are common; there were 5 severe droughts and 15 severe floods in 1970-2010, with the most vulnerable areas being the fertile lowland plains. It is also the people dependent on agriculture and fisheries that are the most vulnerable to extreme weather events and food insecurity.

At the sub-regional level, the MRC Mekong Climate Change Adaptation Strategy and Action Plan (2018) provides a review of the impact of climate change on the natural and socio-economic systems of the Lower Mekong River Basin countries, together with seven sector reports on hydrology, flood and drought, ecosystems, biodiversity, food security, hydropower, and socioeconomics. The UNDP “Integrated Disaster and Climate Risk Management” project implemented in 2012-2016 through MoNRE and the former Department of Disaster Management and Climate Change, aimed to reduce vulnerability of communities through disaster risk reduction and climate change adaptation by focusing on strengthening the management and recovery systems.

The recently updated Draft National Strategy on Water and Water Resources Management, Governance and Utilization notes climate change as a cross-cutting issues and outlines some water resource management programs and action plans that are responding to climate change. In particular, the draft strategy includes one program targeting at improving efficiency and effectiveness of water infrastructure including mainstreaming of climate change into the design and operation of water infrastructure, and dam safety through the design and management (flood risk assessment, dam safety inspection, dam safety standards). The draft strategy also includes focused areas of work on ground water management, Water and Water Resources Protection and Restoration, Water and Water Resources Information Assessment and Management, which are critical for enhancing adaption measures in this sector. The previous Lao National Water Resources Strategy and Action Plan 2011-2015 also outlined Water Resource Risk Management and Climate Change Adaptation as one of the 12 priority programs. Assessing the vulnerability of the hydropower industry is also important with the growing importance of this industry for national socio-economic development, as identified in the Strategy on Climate Change for Lao PDR in 2010. In 2017, total installed hydropower capacity was 4,984 MW (International Hydropower Association [IHA], 2018), from a total exploitable potential of around 23,000 MW. The World Bank’s Mekong Integrated Water Resources Management Project (2012–2021) focuses on developing comprehensive water resources modelling packages and river basin management plans for 10 priority river basins (including the Xe Bang Hiang river basin).

- **Energy** - domestic generation of electricity, mostly from hydropower, is in many ways vulnerable to extreme climate events. Therefore, improving resilience of hydropower infrastructure is very critical. In 2018, dam safety guidelines, emergency action plans were developed and recommended to hydropower companies for implementation. With support from USAID, the Lao power sector vulnerability assessment and resilience action plan including both climatic and non-climatic hazards was undertaken between 2018 and 2020 to provide a comprehensive look at energy sector and identify the most important hazards and risks. The action plan outlines key programs and actions to reduce risks and enhance resilience in the power sector.

### **Existing Policy Framework**

Vision 2030 and Ten-year Socio-Economic Development Strategy (2016-2025) developed in June 2016 aims to transform Lao PDR into an upper-middle income developing country by 2030, with innovative, green and sustainable economic growth while pursuing enhanced human development and environmental protection. Recognizing the risks and threats of climate change, Lao PDR has put in place policy frameworks to drive its responses to climate change impacts. The country was the first country in Asia to submit its NDC in September 2015, which is currently being revised.

- **National Adaptation Program of Action (NAPA, 2009)** – Recommends the strengthening of the capacity of the Climate Change Office and the National Disaster Management Committee, installing early-warning system,

initiating in-depth studies of the impacts of climate change, formulating a strategy on climate change, and increasing reforestation.

- The 9<sup>th</sup> Five-Year National Socio-Economic Development Plan 2021-2025 (NSED, 2021) – Details six outcome areas that set directions for the country development. The development of the NSED was led by the Ministry of Planning and Investment (MPI). This readiness grant aligns with Outcome 4: environmental protection and disaster risk reduction with three specific outputs namely (1) sustainable natural resource use and management, (2) green growth and climate action, and (3) disaster prevention, control, and recovery. There is readiness to cope with natural disasters and the effects of climate change and for reconstruction following natural disasters. Specifically, in preparing to cope for with the disaster risks and impacts from climate change to establish mechanisms and strengthen capacity for climate change adaptation and integrate work on climate change adaptation into priority sectors (agriculture & forestry, water, urban development, and public health).
- Decree on Climate Change (2019) – Provides for the principles, regulations and measures on the management, monitoring and inspection of tasks relevant to climate change. It intends to prevent, protect and decrease the potential impacts of climate change with the aim of ensuring the safety of lives, health, property, environment, biodiversity, and infrastructure, including coordination with regional and international stakeholders, to contribute to socio-economic development for sustainability and green growth.
- Strategy on Climate Change of the Lao PDR (2010) - The objective of the strategy is to secure a future where the Lao PDR is capable of mitigating and adapting to changing climatic conditions in a way that promotes sustainable economic development, reduces poverty, protects public health and safety, enhances the quality of Lao PDR's natural environment, and advances the quality of life for all Lao people. It seeks to 1) reinforce SDGs including measures to achieve low-carbon economic growth, 2) increase resilience of key sectors of the national economy and natural resources to climate change and its impacts, 3) enhance cooperation, strong alliances and partnerships with national stakeholders and international partners to implement the national development goals, and 4) improve public awareness and understanding of various stakeholders about climate change, vulnerabilities and impacts, GHG emission sources and their relative contributions, and of how climate change will impact the country's economy, in order to increase stakeholder willingness to take actions. This readiness grant aligns with the adaptation options including mainstreaming climate change into the sectoral planning process and designing of future investment programs.

These policy documents call for a need to build climate resilience in the most vulnerable sectors: agriculture & forestry and land use, water resources, transport and urban development, and public health. Since 2011, climate change has been integrated in the NSEDPs (more specifically, the 7<sup>th</sup> NSED 2011-2015 and the 8<sup>th</sup> NSED 2016-2020) and the 9<sup>th</sup> NSED 2021-2025 includes an outcome on environmental protection and disaster risk reduction.

- In addition, the National Green Growth Strategy to 2030 (endorsed in 2019) further places climate change adaptation as a cross-cutting focus area with the objective of reducing vulnerability of the country and of the population, especially disadvantaged groups, to natural disasters. While mainstreaming climate change into national policy and strategies is well underway, it is still stagnant at sectoral level.

The Lao Government has made significant efforts in developing the sectoral strategies below, some of which includes implementation framework, to facilitate the achievement of their socio-economic targets and the Sustainable Development Goals (SDGs).

- Forest Strategy to the Year 2020 of the Lao PDR or Forestry Strategy 2020 (FS 2020) was developed in July 2005. The Ministry of Agriculture and Forestry (MAF) was the lead agency for the formulation of FS 2020. The Strategy consists of analysis of status and issues, objectives of the sector development, policy directions and proposals for actions. Actions proposed range from policy formulation/review to field actions, and from research to international cooperation. Its Implementation Framework identified the responsible agency, main stakeholders, timeframe, and potential resource for each proposed action. MAF will report the status of FS 2020 implementation and results of monitoring to the government on a periodic basis and recommend necessary actions to be taken by the government for effective and efficient implementation, monitoring and evaluation of FS 2020. MAF is updating and revising this strategy and will include stronger attention on adaptation co-benefits of sustainable forest management.
- Forestry Law (2008) – Was amended in 2019 and informs national policy on reforestation and deforestation, sustainable use of forests and forest resources, and the use of forests and ecosystems for ecotourism. The revised law recognizes participation of local communities in forest management and creation of a village forest management plan. The law requires the increase of forest cover as sink source for GHG emissions, classifying forests into three types for their management and use.

- Agriculture Development Strategy to 2025 and Vision to the Year 2030 (or ADS2025) was developed in May 2015 led by MAF. ADS2025 has been formulated in line with the direction, policy and guidelines of the Party and National Social Economic Development Plan of the Government in each period and has been developed based on the actual situation, conditions, characteristics and potential of the Lao PDR and also in line with the regional and international growth, especially the MDGs. ADS2025 goals focuses on sufficient *food production* and supply to continue ensuring that Lao people would receive proper nutrition and make best efforts to make *agriculture commodity production* grown to ensure both quantity and quality aiming at accessing to domestic, regional and international markets.
- Water and Water Resources Law (2017) - Aims to improve the sustainability of Lao's water resources. The law is expected to influence the monitoring, management and planning of the country's rivers. The update adds new provisions on water rights and use, including waste-water discharge permits, wetlands and water-resources protection, ground-water management, and river-basin management. Additionally, the law expands the terms and conditions of large, medium, and small-scale uses and includes articles on environmental flows for hydropower as well as stipulations related to irrigation use.
- Meteorology and Hydrology Law was approved in 2017 and aims to prevent and reduce the impacts of natural disasters on lives and properties and ensure timely and accurate data provision. It includes articles on development of meteorological and hydrological stations, and database system to collect, compile, manage and provide accurate and timely data, including set up of agrometeorological stations.
- The Disaster Management Law was approved in 2019 and provides a guiding framework for better coordination of disaster prevention, control and recovery interventions. The law strengthens the legislative framework for adaptation, highlights the need for risk reduction and represents a critical shift from a reactive to proactive approach to managing disaster risks.
- Updated the Nationally Determined Contribution (NDC, 2020) - during the updating process of the Lao PDR NDC, it was found difficult to report the progress on the adaptation component due to absence of sectoral adaptation plan, targets and indicators in many key sectors. An exception is the health sector that developed and endorsed the Strategy on Climate Change and Health Adaptation 2018–2025 and Action Plans 2018 – 2020, which clearly define strategic directions to build resilience in this sector. Therefore, one of the targets set forth in the NDC 2020 is to enhance mainstreaming of climate change adaptation in sectoral strategy and with a results-based management framework established for key sectors such as agriculture & forestry, urban development, water resources, and energy.

### Gender policy and frameworks

Lao PDR have a well-established policy and institutional framework addressing gender equality. The Lao PDR Constitution (amended in 2003) declared equal rights of women and men. The country has ratified Convention for the Elimination of all forms of Discrimination Against Women (CEDAW) in 1981 and has two national bodies working on gender: the Lao Women's Union (LWU) and the National Commission for the Advancement of Women, Mothers and Children (NCAWMC). The LWU is the official leader of the women's movement in Lao PDR and seeks to increase political awareness and understanding of government policies on women. The NCAWMC, established in 2003 within the Prime Minister's Office, is tasked with formulating and implementing national policy for the advancement of women, as well as monitoring CEDAW implementation and the Beijing Platform for Action<sup>20</sup>. Gender mainstreaming efforts are incorporated and evident in high-level plans such as the 9<sup>th</sup> NSEDP 2021 which identified specific outputs for gender and vulnerable groups. Gender analysis and women representation through LWU was part of the formulation process. This readiness grant will review the mandate of agencies and existing national monitoring and coordination mechanisms.

In line with these, this grant will start off by establishing gender-balanced teams, with guidance from the gender-focused division existing under the cabinet of each Ministry, to coordinate adaptation planning at the sector level including the development and dissemination of agriculture and forestry, urban development, and water sectoral adaptation action plans. Gender-focused division will be consulted and encouraged to nominate a representative in each adaptation team.

### Gaps and Barriers

The Government of Lao PDR recognizes in its 2020 NDC, the gaps, barriers and needs of the country to drive and achieve adaptation goals and targets. Grouped into three broad areas, these gaps include: (i) *institutional capacity and coordination* (weak institutional and technical capacity to mainstream climate change into strategies and plans or translate them into action able measures at local level; technical and human resource constraints that limit capacity for meteorological and hydrological observations, forecasting, and early warning of associated

<sup>20</sup> Australian Government and the European Union, 2018. Gender and Inclusive Education Strategy - Lao PDR.



hazards; weak cross-sectoral coordination); (ii) *information* (limited information and knowledge on impacts of climate change on vulnerable sectors including downscaled climate scenarios as well as limited technical knowledge; absence of sectoral strategies, action plans and indicators in most key sectors; lack of access to appropriate technologies to promote adaptation measures; absence of monitoring and evaluation framework and systems); and (iii) *adaptation financing* (lack of diversified sources of long-term financing for adaptation including private sector investment; lack of climate finance monitoring).

Relatedly, NAPA has identified the following implementation barriers:

- Weak coordination and cooperation among the sectors concerned - Limited access to accurate information/data and in-depth studies, as historically had no specific agency responsible for dealing with climate change, early warning and surveillance, general lack of capacity and poor cooperation between the people involved, weak ownership, low levels of awareness, and unsystematic monitoring.
- Weak institutional set-up - This can be attributed to the limited quantity and quality of personnel and a lack of appropriate tools and equipment (e.g., manuals, guidelines, posters) on how to adapt to, and cope with, the impacts of climate change.
- Low levels of public awareness on climate change issues - This includes awareness of general information, causes and impacts, and mechanisms for mitigating and adapting to climate change. Decision and policy makers, technical staff, teachers and professors of academic institutes, communities in risk prone areas, and the general public have not fully understood the above mentioned issues. General understanding of climate change issues and global warming in Lao PDR is still low. In fact, nearly everybody has been affected by the climate change, but the degree to which people have been impacted relates directly to their economic status (poor or rich) and their living location (urban or rural).
- Limited budget available for the implementation of the priority adaptation activities identified in this NAPA.

### **Addressing the Gaps and Complementarity with Ongoing Efforts**

This readiness grant is well aligned with the adaptation targets identified the Lao PDR 2020 NDC and aims to provide a means of verification for achievement of 2020 NDC. Specifically, it focuses on mainstreaming climate change adaptation at the sector level. Over the years, Lao PDR has made considerable progress in strengthening and reforming its policies and instruments for enhancing environmental sustainability in the country. Strategies for the forestry, agriculture and draft strategy for water resources management have been formulated. This readiness grant will support the implementation of these strategies through adaptation planning and development of the sectoral action plans that integrates adaptation and gender considerations into priority adaptation actions – with the aim to address the following gaps:

- Information – Absence of sectoral strategies, action plans and indicators in most key sectors. The sectoral strategies have been formulated. This readiness grant will develop the sectoral adaptation action plans for key vulnerable sectors in Lao PDR based on the goals set by the strategies. It will take into consideration the recommendations for each sector resulting from the ongoing “Building the Capacity of the Lao PDR Government to Advance the National Adaptation Planning Process” project, approved for funding by GEF in 2020, being implemented by UNEP with MoNRE. The interactive web-based platform to be established through the GEF project will be useful to reach stakeholders and share information.
- Planning and coordination – Climate change is largely perceived as MoNRE’s responsibility and it is rarely seen as everyone’s responsibility across line ministries and sectors. Many activities related to adaptation are undertaken in silo without proper coordination. Previous experience on this kind of cross-cutting issue has shown great success in terms of specific gender-balance focused division established at concerned ministries as a champion for gender mainstreaming. This readiness grant will draw on best practices and lessons learnt to set up inclusive, gender-balanced sectoral adaptation team who will be equipped and play a lead role to mainstream climate change adaptation in their respective sector with active participation of various stakeholders. As a result, this will put in place an effective mechanism not only for internal communication but also external communication with MoNRE to strengthen data sharing, pool of expertise, resources, effective monitoring, etc. The coordination mechanism to be established for the NAP process through the GEF project will be utilized including to support and guide the sectoral adaptation action planning and/or some members joining the sectoral adaptation teams as well.

This grant will work directly with MoNRE and other key sectoral ministries including the Environment Protection Fund, Ministry of Public Works and Transport, and Ministry of Agriculture and Forestry as well as the Climate Change Working Group. Further, Activity 3.1.1.2 which will undertake a review of mandate of agencies and existing coordination mechanism to establish the sectoral adaptation teams and Activity 3.1.1.6 will map stakeholders including those representing indigenous peoples and develop engagement plan for a gender and socially inclusive approach to sectoral adaptation planning. This will be conducted in consideration of Activity

1.2.1 of UNEP GEF NAP regarding a roadmap for engaging all stakeholders to advance the NAP process to ensure complementarity.

- **Evidence-based adaptation planning** – One of the bottlenecks for effective adaptation planning at any level is lack of evidence. This readiness grant will collate and consolidate available information and results of past studies and assessments to systematically and comprehensively present climate risk and vulnerability for selected sectors. Where not available or needed, climate risk and vulnerability assessments will be undertaken to complement existing data and evidence. Building on prior activities, this readiness grant will support the identification and prioritization of sectoral adaptation options taking into account solutions that offer mitigation co-benefits such as nature-based solutions or green technologies and including investment costs as well as performance-based management.
- **Adaptation Resources Mobilization** – The 2015 NDC estimates that around USD 0.97 billion would be needed to implement identified adaptation policies and actions. Without a robust climate finance monitoring/reporting system in place, it is difficult to obtain figures on climate related projects in Lao PDR. Some external figures, from donor perspective, have been sought. Data from OECD CRS showed that around USD 619 million was committed to support climate change mitigation and adaptation activities over the period of 2015 to 2018<sup>21</sup>, of which adaptation accounts for the most majority due partly to country's high vulnerability as well as minimal GHG footprint. Though, it still falls short of the initial targets. Investment ideas will be prioritized, and selected ideas will be developed into quality concept notes where potential AEs can readily develop into funding proposals. Innovative financing instruments will be explored and prioritized.

In 2021, MoNRE's Department of Climate Change together with UNEP starts implementing the "Building the Capacity of the Lao PDR Government to Advance the National Adaptation Planning Process" project with funding support from GEF LDCF of approximately USD 3.5 million. The project will strengthen coordination and build the capacity of national stakeholders for NAP process, establish interactive web-based platform to share climate information, develop recommendations for each sector to integrate climate change adaptation, and design monitoring and review strategy for NAP, among others. This readiness grant will develop the sectoral adaptation plans to facilitate the implementation and/or updating of the sectoral strategies and taking into consideration the recommendations for each sector from the GEF project. Moreover, the national coordination mechanism to be established for the NAP process through the GEF project will be utilized, including to either support and guide or becoming members of the proposed gender-balanced sectoral adaptation teams.

Ongoing projects are focused on geographical adaptation measures at national level planning and development of provincial and district-level plans. Thus, this readiness grant will focus on adaptation planning at the sector level. There are also no sector-based climate change risk assessments in Lao PDR that have been completed to date. While a dedicated section exists for climate change in the 8<sup>th</sup> NSEDP 2016-2020 and the 9<sup>th</sup> NSEDP 2021-2025, it is not integrated with other sectors but combined with disaster management, and the targets are short-term and unquantified. Moreover, adaptation interventions addressing climate change in Lao PDR are implemented with a project approach which yields good micro-level results but has the disadvantage of being location specific and difficult to upscale because of the dependence on technical assistance and aid availability. There is limited awareness and capacity to establish and implement long-term measurable priorities, and the government has to strengthen its institutional and technical capacities to integrate climate change adaptation to its sectoral development plans.

It is important to integrate adaptation at the sectoral level as vulnerability and response options are highly sector specific and thus, significantly varies between sectors. And there are sectors that are particularly vulnerable such as agriculture, forestry, water, and health.

Moreover, the **GCF Country Programme** (CP, 2019) presents the country's climate change priorities, including a pipeline of projects that the country would like to develop with GCF. Taking a top-down approach based on the NDC, the key climate change adaptation priority area for GCF financing that was identified which this readiness grant will address is on mainstreaming climate change into sectoral development action plans. In the establishment of gender-balanced sectoral adaptation teams, this readiness grant will also address one of the capacity needs identified in the CP by enhancing inter-agency dialogues and coordination on climate resilience. And that the current pipeline of GCF projects in the CP are with international accredited entities. Thus, the concept notes to be developed through this grant will intend for EPF as potential national accredited entity to enhance Lao PDR's direct access to the GCF funding.

### **Synergies and complementarity with UN Habitat NAP Readiness Proposal**

<sup>21</sup> OECD.Stat: <https://stats.oecd.org/> Retrieved on May 28, 2020.

Within the readiness support from GCF on national adaptation planning framework, the Government of Lao PDR has conceptualized an approach to effectively tackle adaptation challenges through complementary activities of UN-Habitat and GGGI. With clear guidance from MONRE leadership, UN-Habitat's readiness grant will strengthen Vulnerability and Risk Assessment tools and methodologies, in line with instructions from National Assembly, while GGGI's readiness grant aims to support sectoral adaptation planning in some key sectors in line with the short-term adaptation targets set out in the 2020 Update of the Lao PDR Nationally Determined Contribution. In line with the gaps identified in the NDC: (i) institutional capacity and coordination; (ii) information; and (iii) adaptation financing, both UN-Habitat and GGGI have built synergies and prepared GCF Readiness complementary activities that will be implemented in close coordination to strengthen knowledge sharing and capacity at different levels.

GGGI has been requested to deliver the support for mainstreaming of climate change adaptation into sectoral plan because a) GGGI supported the Government of Lao PDR to develop the country's 2020 NDC update, which identified the need for stronger monitoring framework through quantification of adaptation progress in Lao PDR, a key component of the current NAP proposal; b) GGGI's Green Investment, Results and Evaluation teams offer deep expertise in quantitative analysis and planning, including the formulation of quantitative development and risk indicators; c) GGGI is implementing four NAP projects globally, namely in Sri Lanka, Rwanda, Burkina Faso and Ethiopia, and the expertise and experience gathered through these projects will be leveraged to support the NAP project in Lao PDR; d) GGGI is embedded within the Government of Lao PDR, including an office within the Ministry of Natural Resources and Environment (the NDA), allowing for close and coordinated support to government counterparts for NAP delivery; e) GGGI is already active in the Transport, Water Resources and Urban Planning sectors, with strong government relationships in place, which will facilitate successful and timely implementation of the NAP project activities in these sectors.

In addition, two other grants as listed in table below have similar implementation timeframes to the proposed project of 36 months. To leverage resources including expertise and optimize results, work plans are adjusted and aligned to ensure lessons learned feed into each other's processes. Knowledge and lesson sharing will be promoted through established coordination mechanism between the relevant organizations along with MONRE.

#### Summary of alignment with on-going non-Readiness adaptation support

Project name	DP/AE	Brief description	Timeline and status	Complementarity with this proposed readiness grant
GCF SAP 0009 Building resilience of urban populations with ecosystem-based solutions in Lao PDR	UNEP / GCF	SAP funding proposal approved by the GCF in December 2019 with total budget of USD11.5 million with UNEP as accredited entity. The project will support mainstreaming integrated flood management strategies into planning frameworks and implementing urban ecosystem-based adaptation (EbA) to decrease climate-induced flooding.	June 2020-June 2025 – under implementation	SAP project Component 1 consisting of awareness raising, capacity building and guidelines development on urban EbA for flood management will serve as input to the development of sectoral adaptation plans especially urban development, in order to strengthen ecosystem-based adaptation solutions. Coordination with SAP implementing agency and government will be ensured to create synergies and avoid duplication in capacity building activities.

Mekong Climate Change Adaptation Strategy and Action Plan and the Basin Development Strategy 2021-2030	Mekong River Commission (MRC)	Strategic priorities: 1. Mainstreaming CC into regional and national policies/programs/plans 2. Regional and international cooperation and partnership on adaptation 3. Preparation of transboundary, gender sensitive adaptation options 4. Access to adaptation finance 5. Monitoring, data collection and sharing 6. Capacity development for CC adaptation strategies/plans 7. Outreach of MRC products on CC and adaptation.	2018-2022, under implementation	Mekong River Commission representatives will be invited to join the adaptation teams to avoid duplication and build synergies with regard to capacity development and MRV. Besides, transboundary issues will be considered in the design of adaptation plan for the water sector.
Building the Capacity of the Lao PDR Government to Advance the National Adaptation Planning Process	GEF / UNEP	The project aims to strengthen the institutional and technical capacity of stakeholders and the government in Lao PDR to advance the NAP Process.	2022-2024, approved, not started	The GEF/UNEP project will complement the proposed project by building the capacity of government officials at national and provincial levels while the proposed project will focus on priority sectors in the NDC. The GEF project will prepare a climate change adaptation Finance Strategy which will the proposed will build upon through the design of the concept notes.

### 3. LOGICAL FRAMEWORK

Outcomes	Baseline <sup>22</sup>	Targets	Outputs	Activities (brief description)	Deliverables <sup>23</sup>
Outcome 3.1: Adaptation planning governance and institutional coordination strengthened	<p>There is no system/mechanism in place on sectoral adaptation planning</p> <p>National coordination mechanism (NCM) to be established for NAP process<sup>24</sup></p> <p>Climate Change Working Group was established but not well functioning.</p> <p>Based on a short-term adaptation target in the 2020 Lao PDR NDC, preliminary gap and need analysis through stakeholder consultation, and</p>	<p>An effective sectoral adaptation team established and functioning to coordinate the development and implementation of action plans for climate change adaptation in the agriculture &amp; forestry, urban and water sectors</p>	<p>Output 3.1.1: Gender-balanced teams operationalized to coordinate the adaptation planning at the sector level</p>	<p>Activity 3.1.1.1: Conduct an inception workshop with at least 50 participants to present the readiness project and agree on the way forward. Key ministries such as MONRE, MPWT, MAF, and EPF, and development partners, civil society organization including those representing indigenous peoples and private sector representative will be invited to this inception workshop. The workshop will present on GCF gender and social inclusion policies to raise awareness among stakeholders and promote an inclusive process during implementation.</p> <p>This activity can be organized as a joint inception workshop with UN Habitat's Activity 3.1.1a to present two projects as one programmatic approach.</p>	<p>Deliverable 3.1.1.1:</p> <p>One workshop report prepared with ToR, materials, list of participants disaggregated by gender, knowledge learned and decisions</p>
				<p>Activity 3.1.1.2:</p> <p>Review the mandate of government ministries and agencies and existing coordination mechanisms to develop TOR and establish adaptation team for each selected sector, including the identification of lead agency and focal person. The review and development of ToR will be conducted in the context of NCM to be established under UNEP's GEF NAP to ensure alignment and complementarity. The teams will have equal number of men and women members. Each team will be anticipated to feature between 10 and 15 members from relevant government agencies, sectoral associations and civil</p>	<p>Deliverable 3.1.1.2:</p> <p>3 sectoral adaptation teams established – one each for the agriculture &amp; forestry, urban development, and water resources sectors, with TORs prepared and list of sectoral adaptation team members disaggregated by gender, titles and organization</p>

<sup>22</sup> Please briefly elaborate on current baselines on which the proposed activities can be built on, processes that are in place that the current Readiness proposal can strengthen, or any gaps that the proposed activities would fill in. If more space is needed, please elaborate this in Section 4.

<sup>23</sup> Please include tangible and specific deliverables for each activity proposed, Please note that during implementation all deliverables should be included within the implementation reports for GCF consideration.

<sup>24</sup> Through "Building the Capacity of the Lao PDR Government to Advance the National Adaptation Planning Process" project approved for funding by GEF in 2020



Outcomes	Baseline <sup>22</sup>	Targets	Outputs	Activities (brief description)	Deliverables <sup>23</sup>
	endorsed GEF NAP for Lao PDR, agriculture and forestry, urban development/transport, and water resources have been prioritized and selected.			organizations. Lessons learned from gender mainstreaming in Lao PDR will be applied to climate mainstreaming	
				Activity 3.1.1.3: Organize bi-annual meetings of sectoral adaptation teams established through 3.1.1.2. NDA to participate in the meetings for effective coordination. This readiness grant will provide the sector/ adaptation experts and coordination/secretariat support needed by the adaptation teams and NDA.	Deliverable 3.1.1.3: Bi-annual meeting reports prepared including ToR, list of participants disaggregated by gender, knowledge learned, key discussions and decisions towards the outcome of this proposal
				Activity 3.1.1.4: Undertake capacity needs assessment of sectoral adaptation teams including review of sectoral policy for existing adaptation/resilience parameters to identify gaps and provide recommendations to address them. During the assessment, baseline will be established to monitor capacity enhancement progress. The assessment will capture lessons and experiences that will have been delivered through UN Habitat's component under Activity 3.1.1b and 3.1.1c as well as activities under Output 1.3 of UNEP GEF NAP.	Deliverable 3.1.1.4: Needs assessment report prepared including knowledge and capacity that will have been built under UNEP GEF NAP and UN Habitat's component and recommendations to address the gaps
				Activity 3.1.1.5: Based on 3.1.1.4, design training modules on adaptation planning e.g., vulnerability and risk assessments, integrating inclusion considerations and conduct training of trainers' capacity building program for selected sectors including representatives from EPF to fill in knowledge gaps and strengthen capacity on sectoral adaptation planning. The training materials will be designed in line with UN Habitat's expected deliverable under Activity 3.2.1b in terms of 18 provincial vulnerability sheet as well as Activity 2.1.1 of UNEP GEF NAP on standardized framework for risk and vulnerability assessment. UN Habitat's specialist can also be invited as a resource person to deliver session on CRVA to ensure greater	Deliverable 3.1.1.5: a. Training modules designed b. Training of trainers reports prepared including ToR, list of participants disaggregated by gender, pre- and post-training survey to assess knowledge learned.

Outcomes	Baseline <sup>22</sup>	Targets	Outputs	Activities (brief description)	Deliverables <sup>23</sup>
				alignment. The training will ensure gender balanced participation	
				Activity 3.1.1.6: Map stakeholders including those representing women and indigenous peoples and develop engagement plan for a gender and socially inclusive approach to sectoral adaptation planning. This will be conducted in consideration of Activity 1.2.1 of UNEP GEF NAP regarding a roadmap for engaging all stakeholders to advance the NAP process to ensure complementarity.	Deliverable 3.1.1.6: Engagement plan for sectoral adaptation planning developed
Outcome 3.2: Evidence produced to design adaptation solutions for maximum impact	Risk and vulnerability assessment currently being undertaken for eight crops. <sup>25</sup> There is no sector-based climate change risk assessments completed to date.  Forestry Strategy 2020 developed in 2005, Agriculture Development Strategy to 2025 developed in 2015, and Draft Strategy for Water Resources Management provided objectives of the sector development, policy directions and proposals for actions	Climate change adaptation integrated into sectoral planning through the formulation of action plans for the agriculture & forestry, water sectors and urban development, based on vulnerability and risk assessments	Output 3.2.1: Agriculture & forestry, urban development, and water sectoral adaptation action plans developed and disseminated	Activity 3.2.1.1: Review relevant available climate information including past and planned studies and assessments to identify the gaps and needs for each of the selected sectors. The analysis will include identifying potential barriers to the planning and design of adaptation activities.  The assessment will also draw the main findings and results of UN Habitat's Activity 3.1.2a, 3.2.1b and 3.1.2c on rapid national climate change vulnerability assessment in 18 provinces of Lao PDR, as well as UNEP GEF NAP's Activity 2.1.4: 18 provincial risk and vulnerability assessment and corresponding climate change adaptation measures.  While both UNEP GEF NAP and UN Habitat's component are looking at spatial CRVA, results and findings will be critical inputs for GGGI work in terms of collating existing evidence and determining needs for sectoral climate change and vulnerability risk assessment including the right methodology	Deliverable 3.2.1.1: Situation analysis report to assess gaps and needs of each of selected sector towards achieving the outcome of this proposal.
				Activity 3.2.1.2: Conduct sectoral climate change vulnerability and risk assessment, including gender analysis as well as private sector investment considerations. For the urban sector, the assessment will focus on expected impacts identifying relevant hazards as well as the infrastructure of cities that is at most risk. For the agriculture and forestry, the assessment will	Deliverable 3.2.1.2: Vulnerability and risk assessment reports prepared

<sup>25</sup> Through the FAO "Strengthening Agro-Climatic Monitoring and Information Systems to Improve Adaptation to Climate Change and Food Security in Lao PDR (2017-2021)" project

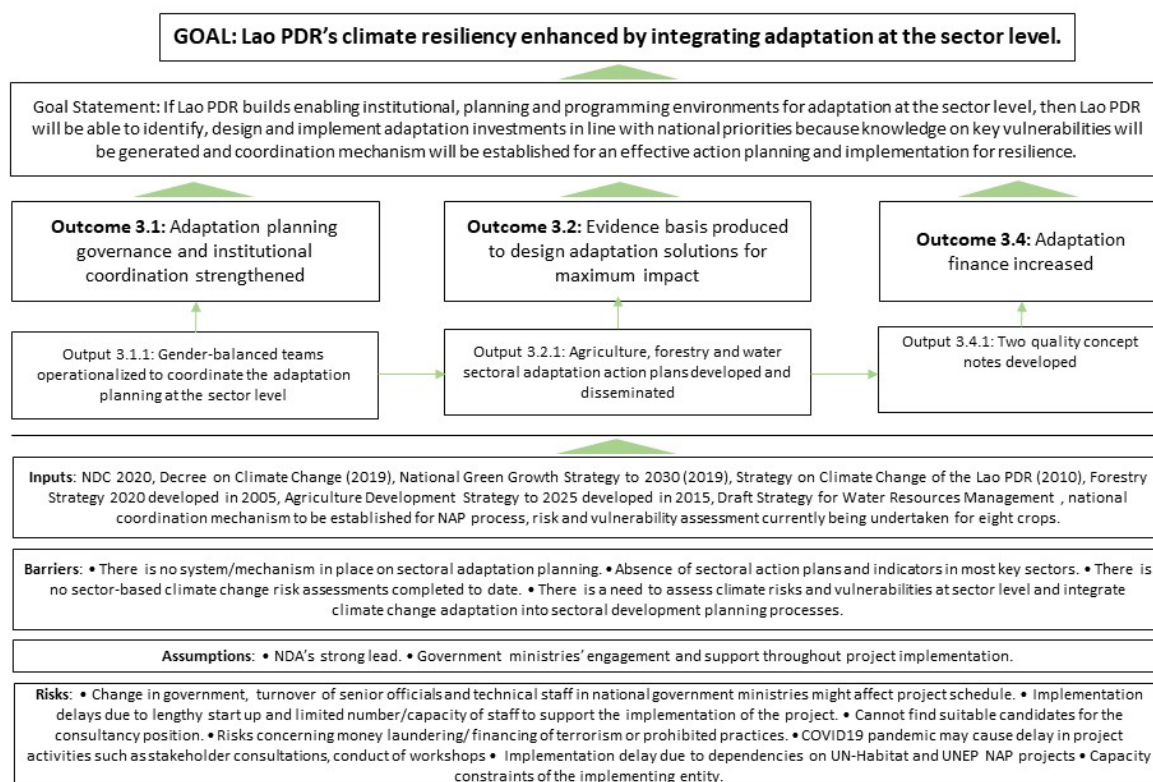
Outcomes	Baseline <sup>22</sup>	Targets	Outputs	Activities (brief description)	Deliverables <sup>23</sup>
	There is a need to assess climate risks and vulnerabilities at sector level and integrate climate change adaptation into sectoral development planning processes			examine crops and livestock value chains, while for the water sector the assessment will investigate supply and demand scenarios.	
				Activity 3.2.1.3: Based on 3.2.1.1 and 3.2.1.2, prepare guidelines on identifying and prioritizing adaptation options including identifying adaptation actions for the private sector as well as appraising investment costs of such interventions in collaboration with UN Habitat's Activity 3.2.4a, appraising investment costs of interventions to guide adaptation planning for selected sectors.	Deliverable 3.2.1.3: Guidelines for sectoral adaptation planning prepared
				Activity 3.2.1.4: Organize workshop with sectoral adaptation teams to initiate the formulation of the adaptation action plans by presenting the guidelines and timeframe, gathering information and recommendations. Around 50 participants, targeting 50% women participation. Private sector investment will be considered.	Deliverable 3.2.1.4: Workshop report prepared with ToR, list of participants disaggregated by gender, minutes of discussion including strategic recommendations adopted for adaptation planning
				Activity 3.2.1.5: Formulate sectoral adaptation action plans including gender analysis, results-based performance management framework with quantitative targets, monitoring plan and financial needs including identifying potential barriers to mobilizing private sector investments, taking into consideration of UNEP GEF NAP's Activity 2.1.3 & 2.1.4, and UN Habitat's Activity 3.1.2a and 3.2.4a.  This will in turn align with UNEP GEF NAP Activity 2.4.1 & 2.4.2 on sectoral adaption priorities, and Activity 4.1.1 on designing and implementing monitoring and reviewing system.	Deliverable 3.2.1.5: Sectoral adaptation action plans report for the agriculture & forestry, urban development, and water sectors
				Activity 3.2.1.6: Provide recommendations for the effective integration of priority sectoral adaptation actions with relevant planning and budgeting processes, including for the NDC updates scheduled in 2024, and relevant 5-year sectoral development plans (rolling basis).	Deliverable 3.2.1.6: Report with recommendations to integrate sectoral adaptation priority actions into ministerial planning and budgeting processes, including the updated NDC (2024) and rolling sectoral development plans (5 year)

Outcomes	Baseline <sup>22</sup>	Targets	Outputs	Activities (brief description)	Deliverables <sup>23</sup>
				This will align with UNEP GEF NAP's Activity 3.3.1 on training program regarding i) recommended revisions to policies, strategies and development plans for integrated climate change adaptation.	
				<p>Activity 3.2.1.7:</p> <p>Organize workshop to communicate sectoral adaptation action plans to relevant public, private sector including financial sector representatives and other potential private sector investors with an aim to attract private sector investment for adaptation, and civil society including women groups and indigenous peoples' organizations, as identified in 3.1.1.5. Around 50 participants, targeting 50% women participation.</p> <p>Results including reports, training materials, sectoral adaptation action plans will be disseminated through UNEP GEF NAP's Output 2.3 on a platform for sharing information for medium and long-term adaptation to climate change</p>	<p>Deliverable 3.2.1.7:</p> <p>Workshop report prepared with ToR, list of participants disaggregated by gender and feedback from stakeholders, knowledge learned</p>
				<p>Activity 3.2.1.8</p> <p>Consolidate sectoral monitoring and reporting systems developed under Activity 3.2.1.5 and integrate into UNEP GEF NAP's Output 2.3 on a platform for sharing information for medium and long-term adaptation to climate change.</p> <p>This activity will be implemented in a coordinated manner with UN Habitat's Activity 3.1.2a to ensure indicators and data collection methodologies are applicable at different levels (cross-sectoral reporting and vertical reporting).</p> <p>It will also align with UNEP GEF NAP's Activity 4.1.1 on designing and implementation of monitoring and reviewing system.</p>	<p>Deliverable 3.2.1.8</p> <p>A centralized system for sectoral adaptation monitoring and reporting integrated into the national platform.</p>
Outcome 3.4: Adaptation finance increased	<p>Lao PDR's GCF pipeline are with international AEs only</p> <p>GCF approved "Building resilience of urban populations with</p>	Submit two quality concept notes from Lao PDR to GCF focusing on adaptation project in selected sectors,	Output 3.4.1: Two quality concept notes on adaptation project developed, with pre-feasibility	<p>Activity 3.4.1.1:</p> <p>Investment prioritization stemming from 3.2.1, in collaboration with UN Habitat's Activity 3.2.4b and potentially UNEP GEF NAP's Activity 3.2.3, concept idea validation by relevant sectoral team and NDA clearance. The ongoing accreditation application of EPF will be considered in prioritizing and developing concept notes e.g., possibly through SAP as EPF's first FP. Prioritization criteria will include eligibility to high</p>	<p>Deliverable 3.4.1.1:</p> <p>ToR and Workshop report with summary of discussions and decisions for concept ideas validated by relevant sectoral team and NDA</p>

Outcomes	Baseline <sup>22</sup>	Targets	Outputs	Activities (brief description)	Deliverables <sup>23</sup>
	<p>ecosystem-based solutions in Lao PDR” with UNEP in December 2019</p> <p>Three concept notes developed in January 2020, through LAO-RS-002 focusing on climate resilient cities, with AEs to be identified.</p>	with national accredited entity	studies conducted	potential funding sources as well as private sector participation.	
				<p>Activity 3.4.1.2:</p> <p>Conduct technical, environmental, gender and social economic and financial analyses for the development of the adaptation project idea into concept note for the GCF</p>	<p>Deliverable 3.4.1.2:</p> <p>Technical, environmental, gender &amp; social, economic, and financial analysis reports</p>
				<p>Activity 3.4.1.3:</p> <p>In collaboration with UN Habitat’s Activity 3.2.4b and in coordination with DAE such as EPF, develop two quality concept notes for adaptation project in selected sectors based on pre-feasibility studies on technical, financial, social (including gender analysis), environmental and economic aspects. At least one of the two concept notes should have private sector participation.</p>	<p>Deliverable 3.4.1.3:</p> <p>Two quality concept notes for adaptation project in selected sectors developed for submission to the GCF</p>



## 4. THEORY OF CHANGE



The “Support for Mainstreaming Climate Change Adaptation into Sectoral Planning in Lao PDR” readiness proposal aims to enhance Lao PDR’s climate resiliency through the integration of adaptation at the sector level. If Lao PDR builds enabling institutional, planning and programming environments for adaptation at the sector level, then Lao PDR will be able to identify, design and implement adaptation investments in line with national priorities because knowledge on key vulnerabilities will be generated and coordination mechanism will be established for an effective action planning and implementation for resilience.

This readiness grant will deliver the following outputs to achieve its goal: gender-balanced teams operationalized to coordinate the adaptation planning at the sector level; agriculture & forestry, urban development and water sectoral adaptation action plans developed and disseminated; and two quality concept notes on adaptation project developed, with pre-feasibility studies conducted.

**Outcome 3.1: Adaptation planning governance and institutional coordination strengthened**

This outcome seeks to strengthen institutional and technical capacity to mainstream climate adaptation strategies by establishing an effective monitoring and coordinating mechanism at the sectoral level. This will be accomplished through output 3.1.1 by forming sectoral adaptation teams to coordinate the development and implementation of action plans for climate change adaptation in the agriculture & forestry, urban and water sectors. It addresses weaknesses found in the NDC review process specifically the weak institutional and technical capacity for cross-sectoral coordination. It will also ensure that women and men are represented in the process by ensuring a gender-balanced composition.

**Outcome 3.2: Evidence produced to design adaptation solutions for maximum impact**

This outcome aims to integrate climate change adaptation into sectoral planning through the formulation of action plans for the agriculture & forestry, water sectors and urban development (output 3.2.1), based on vulnerability and risk assessments. It will address the country’s difficulty to measure progress due to the absence of sectoral adaptation plans and lack of monitoring indicators in key sectors. It will also support one of Lao PDR’s 2020 NDC target of establishing a results-based management framework for key sectors.

**Outcome 3.4: Adaptation finance increased**

Through this outcome, two quality concept notes with pre-feasibility studies from Lao PDR will be submitted to GCF focusing on adaptation in selected sectors, with national accredited entity/s under output 3.4.1. Currently, Lao PDR's GCF pipeline of adaptation projects is limited. The Concept Notes will directly respond to sectoral adaptation planning from Outcome 3.2 and accredited entities will be supported through investment prioritization as well as technical, financial, social, environmental, gender, and economic analyses.

The inputs for these outputs include NDC 2020, Decree on Climate Change (2019), National Green Growth Strategy to 2030 (2019), Strategy on Climate Change of the Lao PDR (2010), Forestry Strategy 2020 developed in 2005, Agriculture Development Strategy to 2025 developed in 2015, Draft national strategy for water and water resources management, governance and utilization until 2030, national coordination mechanism to be established for NAP process, risk and vulnerability assessment currently being undertaken for eight crops.

The barriers that this readiness grant aims to address include the lack of system/mechanism on sectoral adaptation planning; absence of sectoral action plans and indicators in most key sectors; lack of sector-based climate change risk assessments completed to date; and the need to assess climate risks and vulnerabilities at sector level and integrate climate change adaptation into sectoral development planning processes. Climate change is largely perceived as MoNRE's responsibility, and it is rarely seen as everyone's responsibility across line ministries and sectors. Many activities related to adaptation are undertaken in silo without proper coordination. Previous experience on this kind of cross-cutting issue has shown great success in terms of Gender Focal Point being established at concerned ministries as a champion for gender mainstreaming. This readiness grant will draw on best practices and lessons learnt to set up inclusive, gender-balanced sectoral adaptation team who will be equipped and play a lead role to mainstream climate change adaptation in their respective sector with active participation of various stakeholders. As a result, this will put in place an effective mechanism not only for internal communication but also external communication with MoNRE to strengthen data sharing, pool of expertise, resources, effective monitoring, etc. The coordination mechanism to be established for the NAP process through the GEF project will be utilized including to support and guide the sectoral adaptation action planning and/or some members joining the sectoral adaptation teams as well. The sectoral strategies have been formulated. This readiness grant will develop the sectoral adaptation action plans for key vulnerable sectors in Lao PDR based on the goals set by the strategies. It will take into consideration the recommendations for each sector resulting from the ongoing "Building the Capacity of the Lao PDR Government to Advance the National Adaptation Planning Process" project, approved for funding by GEF in 2020, being implemented by UNEP with MoNRE. The interactive web-based platform to be established through the GEF project will be useful to reach stakeholders and share information. All reports, findings, training materials and sectoral adaptation plans will be disseminated through this web-based platform. The 2015 NDC estimates that around USD 0.97 billion would be needed to implement identified adaptation policies and actions. Without a robust climate finance monitoring/reporting system in place, it is difficult to obtain figures on climate related projects in Lao PDR. Some external figures, from donor perspective, have been sought. Data from OECD CRS showed that around USD 619 million was committed to support climate change mitigation and adaptation activities over the period of 2015 to 2018, of which adaptation accounts for the most majority due partly to country's high vulnerability as well as minimal GHG footprint. Though, it still falls short of the initial targets. Investment ideas will be prioritized, and selected ideas will be developed into quality concept notes where potential AEs can readily develop into funding proposals. Innovative financing instruments will be explored and prioritized. It is foreseen that the Environment Protection Fund (EPF) will be accredited by the end of 2022, presenting an opportunity to involve EPF in the development of the quality concept note for submission as well as necessary pre-feasibility study. Even if EPF is not accredited or the priority projects are of larger size, EPF will be encouraged to be involved in all pre-feasibility activities (3.4.1.2, 3.4.1.3 and 3.1.4.4) for the development of the two concept notes. This will offer on-the-job capacity building of EPF as the direct access entity.

The risks that were identified that may affect project implementation include change in government, turnover of senior officials and technical staff in national government ministries might affect project schedule, implementation delays due to lengthy start up and limited number/capacity of staff to support the implementation of the project, cannot find suitable candidates for the consultancy position, risks concerning money laundering/ financing of terrorism or prohibited practices, and COVID19 pandemic may cause delay in project activities such as stakeholder consultations, conduct of workshops. These could be minimized/mitigated by proactive in engagement with new authorities and close coordination with government technical staff who can still work in support of this project and inform the new authorities; NDA support during kickoff meetings between GGGI and other key government partners and entities to ensure appropriate resources and support are committed to respective activities; publishing consultants TORs widely and utilizing NDA and GGGI's extensive network; adhering to GGGI Rules on Integrity Due Diligence; and exploring implementation options, in close consultation with the NDA, and timely reporting of any changes in the approved proposal with GCF for the needed adjustments and prior approval.

This readiness grant's smooth implementation will benefit from NDA's strong lead and support. The engagement and full of support of government ministries involved in the agriculture & forestry and water sectors in Lao PDR will be crucial in the effective and timely delivery of outputs.

## 5. BUDGET, PROCUREMENT, IMPLEMENTATION AND DISBURSEMENT PLAN

### 5.1 Budget plan

Please complete the Budget Plan in Excel using the template available in the [Library](#) page of the GCF website.

### 5.2 Procurement plan

Please complete the Procurement Plan in Excel using the template available in the [Library](#) page of the GCF website. For goods, services, and consultancies to be procured, please list the items, descriptions in relation to the activities in section 2, estimated cost, procurement method, relevant threshold, and the estimated dates. Please include the procurement plan for at least the first tranche of disbursement requested below and provide a full procurement plan for the entire duration of the implementation period if available at this stage.

### 5.3 Implementation Plan

Please complete the Implementation Plan in Excel using the template available in the [Library](#) page of the GCF website.

### 5.4 Disbursement schedule

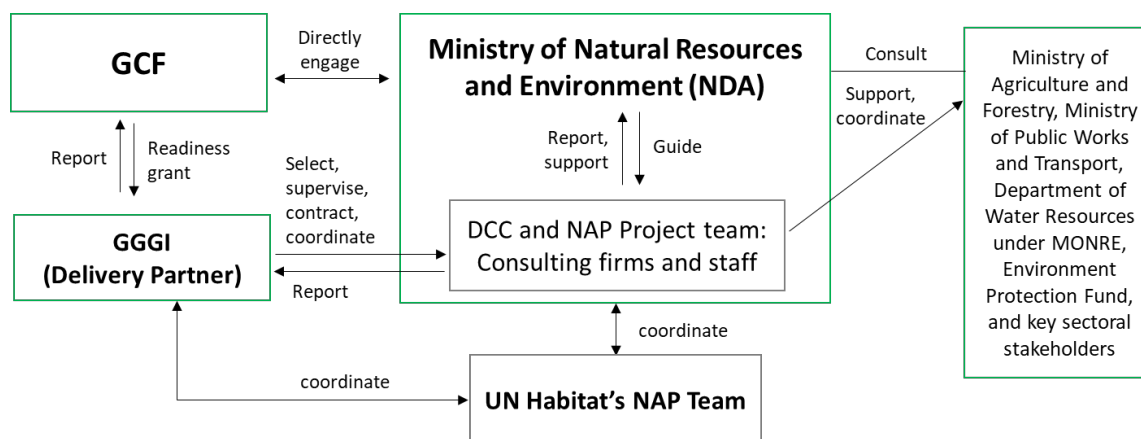
Please specify the proposed schedule for requesting disbursements from the GCF. For periodicity, specify whether it's quarterly, bi-annually or annually only.

☒ **Readiness Proposal that falls within a Framework Agreement with the GCF**

Disbursements will be made in accordance to Clause 4 “*Disbursement of Grants*” and Clause 5 “*Use of Grant Proceeds by the Delivery Partner*” of the “Second Amended and Restated Framework Readiness and Preparatory Support Grant Agreement between GCF and GGFI dated 12 May 2021”.

## 6. IMPLEMENTATION ARRANGEMENTS AND OTHER INFORMATION

### 6.1 Implementation arrangements



NDA has requested GGGI to be its Delivery Partner (DP) for this Readiness proposal. The project formulation has involved in-country consultations with the NDA, the Department of Climate Change under MONRE, UN Habitat, and other government agencies. As per the design, under the guidance of the NDA, all day-to-day activities will be closely coordinated and reported. Further, GGGI has and will continue to consult with the NDA in drafting TORs and invite them to participate in the recruitment interviews for the Readiness project team and/or procurement evaluations. In addition, a technical coordination unit, chaired by the Director General, Department of Climate Change, will be set up under the aegis of the existing Advisory Group led by the Minister/Vice Minister. This coordination unit will ensure effective coordination among the delivery partners and government counterparts. Per request from MONRE, UN-Habitat and GGGI will contribute to the development of TORs and consultation activities needed to establish and maintain the coordination unit. No funds from this proposed project will pass to UN-Habitat for this activity; rather UN-Habitat will utilize its own GCF funding for NAP to support such activities.

GGGI, the Delivery Partner, will be responsible for the implementation of the readiness support and will carry out all fiduciary and financial management, procurement of goods and services, monitoring and reporting activities under this proposal in compliance with GGGI's policies and procedures and with the Second Amended Framework Readiness and Preparatory Support Grant Agreement entered into between GCF and Global Green Growth Institute on 12 May 2021.

The Department of Climate Change at the Ministry of Natural Resources and Environment will act as Implementing Entity (IE) for Activities 3.1.1.1, 3.1.1.2, 3.2.1.2 (CRVA on water resource) and 3.2.1.8 of this Readiness proposal. The budget transferred from GGGI to Implementing Entity is limited to 7% (USD 70,000) of the total budget of the Readiness grant. GGGI has conducted a Financial Management Capacity Assessment (FMCA) of the IE which was successful. GGGI will enter into an agreement with DCC for the implementation arrangement and will provide an executed copy of the agreement to the GCF upon its request. The agreement between GGGI, as Delivery Partner, and the IE shall reflect all relevant obligations with regard to the "Use of Grant Proceeds by the Delivery Partner" as stipulated in Clause 5 of the "Second Amended and Restated Framework Readiness and Preparatory Support Grant Agreement between GCF and GGGI dated 12 May 2021.

Summary of roles and responsibilities:

- NDA: National coordination of GCF Readiness activities
- Implementing Entity, DCC: Implement activities: 3.1.1.1, 3.1.1.2, 3.2.1.2 (CRVA on water resource), and 3.2.1.8
- GCF: Funding entity
- GGGI: Delivery Partner
- Staff and consultants: Technical and implementation support for GCF Readiness activities



## 6.2 Implementation and execution roles and responsibilities



**\*Project Staff and Consultants**

To implement this grant, the Readiness team working in Lao PDR will comprise one international and two national full-time staff, GGGI staff in the country and region on part-time basis, and three consulting firms. To retain knowledge in the country and minimize travel cost, GGGI will opt to recruit/procure resources based in Lao PDR. This grant will utilize GGGI staff on part-time basis, one international and one national staff based in Laos and GGGI Headquarter, with expertise required, instead of recruiting more short-term consultants. This will significantly save mobilization time and cost. GGGI is already allocating staff time and cost to each appropriate output per project through our timesheet system.

Position	TOR
<b>NAP Team Leader</b>	<p>This is an existing GGGI Lao national staff position who will dedicate about 100% of total staff time to this readiness program to plan and implement project activities in close coordination with NDA, DCC and other relevant stakeholders. The NAP team leader will have expertise in adaptation planning especially in agriculture &amp; forestry, water and urban development. Main tasks include:</p> <ul style="list-style-type: none"> <li>• Technical support, draft ToRs and guidance to the Implementing Entity through the delivery of Activities 3.1.1.1, 3.1.1.2 and 3.1.1.3.</li> <li>• Lead Activities 3.1.1.6, 3.2.1.1, 3.2.1.3, 3.2.1.4, 3.2.1.5, 3.2.1.6, 3.2.1.7, 3.4.1.1 and 3.4.1.3</li> <li>• Deliver technical presentations as part of Activities 3.1.1.1, 3.1.1.3, 3.1.1.5, 3.2.1.4, 3.2.1.7 and 3.4.1.1</li> <li>• Readiness grant management, reporting and documentation</li> </ul> <p>Qualifications:</p> <ul style="list-style-type: none"> <li>• Master's degree in environmental sciences</li> <li>• 5+ years' work experience in managing climate projects in Lao PDR</li> <li>• Track record of team leadership</li> <li>• Work experience with Lao Government</li> </ul>
<b>Program Lead, Lao PDR</b>	<p>This is an existing GGGI international staff holding the position of GGGI Deputy Country Representative based full-time in Lao PDR. The Program Lead will dedicate 18% of total staff time to this readiness program. Main tasks include:</p> <ul style="list-style-type: none"> <li>• Co-chair workshops and meetings with Lao Government under Activities 3.1.1.1, 3.1.1.3, 3.2.1.4, 3.2.1.7, 3.4.1.1</li> <li>• Technical inputs to reports, training modules, guidelines, plans, system and assessments produced under Activities 3.1.1.4, 3.1.1.5, 3.1.1.6, 3.2.1.1, 3.2.1.2, 3.2.1.3, 3.2.1.5, 3.2.1.6, 3.2.1.8,</li> <li>• Technical inputs to studies in activity 3.4.1.2 and concept notes development under Activity 3.4.1.3</li> </ul> <p>Qualifications:</p> <ul style="list-style-type: none"> <li>• Master's degree in environmental sciences</li> <li>• 15+ years' work experience in managing climate projects in developing country context</li> <li>• Track record of team leadership</li> <li>• Extensive knowledge and network with Lao Government</li> </ul>
<b>Finance and Operations Officer</b>	<p>Finance and Operations Officer an existing GGGI national staff based full time in Lao PDR for the duration of this project. The Officer will dedicate 8% of total staff time to this program and will provide critical support to the NAP team leader.</p> <ul style="list-style-type: none"> <li>• Provide procurement, financial administration, financial reporting, compliance and recruitment (consultant) support for all activities under the project.</li> </ul> <p>Qualifications:</p> <ul style="list-style-type: none"> <li>• Chartered Public Accountant</li> <li>• Bachelor's degree in economics and/or accounting</li> <li>• 10+ years' work experience in accounting, financial management and auditing</li> <li>• Track record of project financial reporting and administration, and operational excellence</li> </ul>

<b>Communications Assistant</b>	<p>Communications Assistant is an existing GGGI national staff based full time in Lao PDR for the duration of this project. The Officer will dedicate 8% of total staff time to this program and will provide technical support to the NAP team leader.</p> <ul style="list-style-type: none"> <li>• Provide communications support related to social media coverage, event media coverage, development of publications and supporting finalization of knowledge products and relevant communications materials.</li> </ul> <p>Qualifications:</p> <ul style="list-style-type: none"> <li>• Bachelor degree in English</li> <li>• 2+ years' work experience in communications</li> </ul>
<b>Program Assistant</b>	<p>The Program Assistant is an existing GGGI national staff based full time in Lao PDR for the duration of the project. The assistant will dedicate 84% total staff time to this program and will work with and report directly to the NAP TL in close coordination with the NDA, DCC and relevant sectoral adaptation teams. Main tasks include:</p> <ul style="list-style-type: none"> <li>• Support administration and operation related to the project</li> <li>• Support stakeholder consultation processes</li> <li>• Liaise with the NDA on procurement and financial management issues to ensure compliance with GGGI policies.</li> <li>• Support recruitment of consultant</li> <li>• Support the preparation and organization of workshop and events</li> </ul> <p>Qualifications:</p> <ul style="list-style-type: none"> <li>• Bachelor's degree in related field</li> <li>• 2+ years' work experience in sustainable development in Lao PDR</li> <li>• Previous experience supporting projects in the public sector</li> </ul>
<b>Green Investment Specialist</b>	<p>This is an existing GGGI staff based at Headquarters within the Green Investment Services (GIS) Division. The GIS Division provides support to GGGI member and partner countries in mobilizing green finance needed for meeting countries' climate and green growth targets. The core focus is to bridge the gap between financiers and projects such as the lack of well-designed green projects, blending public and private sources of finance both international and domestic. In 2021, USD 5 billion has been mobilized, totaling over USD 7 billion of initial investment commitment for climate projects since 2015. To further guarantee the delivery of output 3.4.1, GGGI also has in-house experts on adaptation and resilience at HQ level, and in the Lao Country Programme. Main tasks include:</p> <ul style="list-style-type: none"> <li>• Engage with the private sector, government, development financing institutions and potential accredited entities through the prioritization of ideas (Activity 3.4.1.1) and the formulation of the Concept Notes (Activity 3.4.1.3) to ensure co-financing and robust structuring.</li> <li>• Provide technical inputs and review to economic and financial analyses under Activity 3.4.1.2</li> <li>• Provide technical inputs to the Concept Notes under Activity 3.4.1.3</li> <li>• Lead GGGI internal approval process for GCF concept notes before submission to the GCF</li> </ul> <p>Qualifications:</p> <ul style="list-style-type: none"> <li>• Master's degree in finance, economic or related</li> <li>• 15+ years' work experience in sustainable finance</li> <li>• Extensive knowledge and network in development finance in Asia including the private sector</li> </ul>
<b>Implementing Entity (IE)</b>	<p>Implementing Entity is the Department of Climate Change, Ministry of Natural Resources and Environment. This government entity will provide technical inputs and coordination with associated sectors throughout the programme. The Implementing Entity will be transferred 7% (USD 70,000) out of total budget to carry-out and deliver below tasks:</p> <ul style="list-style-type: none"> <li>• Organization and stakeholders' coordination of Activities 3.1.1.1, 3.1.1.2 and 3.1.1.3</li> </ul>

	<ul style="list-style-type: none"> <li>Plan and execute activity 3.2.1.8.</li> <li>Conduct CRVA for water resources sector under Activity 3.2.1.2</li> </ul>
<b>Firm 1 (design and delivery of capacity building program)</b>	<ul style="list-style-type: none"> <li>Undertake capacity gaps and needs assessment of sectoral adaptation teams and prepare report to identify gaps and recommendations for capacity building program under Activity 3.1.1.4</li> <li>Based on assessment results, design and deliver capacity building program for sectoral adaptation teams under Activity 3.1.1.5</li> </ul> <p>Qualifications:</p> <ul style="list-style-type: none"> <li>Track record in climate change adaptation</li> <li>Track record in delivering capacity building in ASEAN</li> <li>Previous experience in Lao PDR and local presence</li> </ul>
<b>Firm 2 (CRVA)</b>	<ul style="list-style-type: none"> <li>Conduct sectoral climate risk and vulnerability assessment for agriculture &amp; forestry, and urban development sectors, and prepare report to identify gaps and recommendations for adaptation priorities under Activity 3.2.1.2</li> </ul> <p>Qualifications:</p> <ul style="list-style-type: none"> <li>Extensive technical expertise in climate change adaptation</li> <li>Proven track record in delivering CRVA in developing countries</li> <li>Previous experience in Lao PDR and local presence</li> </ul>
<b>Firm 3 (pre-feasibility studies)</b>	<ul style="list-style-type: none"> <li>Undertake pre-feasibility studies on technical, social and environmental, and economic analysis for the two selected project ideas under Activity 3.4.1.2</li> </ul> <p>Qualifications:</p> <ul style="list-style-type: none"> <li>Extensive technical expertise in economics and climate change</li> <li>Proven track record in the preparation of technical, financial and environmental studies</li> <li>Previous experience in ASEAN would be a major advantage</li> </ul>

#### Overview of lead responsibility for each activity

Outcome	Output	Activity	Description	Lead
3.1	3.1.1 Sectoral Teams	3.1.1.1	Inception workshop	IE
		3.1.1.2	Teams' establishment	IE
		3.1.1.3	Teams' meetings	IE
		3.1.1.4	Needs assessment	Firm 1
		3.1.1.5	Trainings	Firm 1
		3.1.1.6	Engagement plan	NAP TL
3.2	3.2.1 Sectoral Plans	3.2.1.1	Sectoral situation analysis	NAP TL
		3.2.1.2	CRVA	Firm 2, IE (water)
		3.2.1.3	Guidelines for sectoral planning	NAP TL
		3.2.1.4	Kick off workshop for sectoral planning	NAP TL
		3.2.1.5	Sectoral plans	NAP TL
		3.2.1.6	Recommendations on mainstreaming plans	NAP TL
		3.2.1.7	Communication workshops	NAP TL
		3.2.1.8	MRV centralized system	IE
3.4	3.4.1 CNs	3.4.1.1	Ideas Prioritization	NAP TL
		3.4.1.2	Pre-fs	Firm 3
		3.4.1.3	CNs	NAP TL

### 6.3 Risks and mitigation measures

Risk category	Specific risk(s) / Risk(s) description	Probability of occurrence (low, medium, high)	Impact level (low, medium, high)	Mitigation action(s)	Entity(ies) responsible to manage the risk(s)
Government-related	Change in government, turnover of senior officials and technical staff in national government ministries might affect project schedule	Medium	Medium	Proactive engagement with new authorities to minimize delay risks and will coordinate closely with government technical staff who can still work in support of this project and inform the new authorities.	GGGI, Implementing Entity
Operational	Implementation delays due to lengthy start up and limited number/capacity of staff to support the implementation of the project	Medium	Low	NDA will support kickoff meetings between GGGI and other key government partners and entities to ensure appropriate resources and support are committed to respective activities.	GGGI
Operational	Implementation delays due to delay in UN-Habitat and UNEP-GEF NAP projects development	Medium	High	NDA and GGGI will work closely with UN-Habitat and UNEP to ensure joint implementation. Joint workshops will be organized to the extent possible to mobilize the teams and align timelines.	GGGI, Implementing Entity
Operational	Capacity constraint of implementing entity may affect effective implementation of project	Medium	Medium	GGGI has been working with MONRE since 2018, completing one readiness project with DCC. Implementation arrangement with clear activities, methodologies, implementation timeframe and deadlines, and outputs will be included in the Letter of Agreement between DCC and GGGI. Close monitoring will be enforced.	GGGI, Implementing Entity

Risk category	Specific risk(s) / Risk(s) description	Probability of occurrence (low, medium, high)	Impact level (low, medium, high)	Mitigation action(s)	Entity(ies) responsible to manage the risk(s)
Resource	Cannot find suitable candidates for the consultancy position	Medium	Medium	GGGI in close coordination with NDA will prepare clear TORs, publish widely and utilize NDA and GGGI's extensive network.	GGGI
Financial	Risks concerning money laundering/ financing of terrorism or prohibited practices	Low	High	GGGI has established <a href="#">Rules on Integrity Due Diligence</a> that will require due diligence review of third parties prior to their engagement with GGGI. A basic due diligence will review issues related to money laundering, terrorism, organized crime, sanctions imposed by international and national bodies, human rights violations, modern slavery, or any other serious wrongdoing. A high-risk indicator would result in non-engagement with the third party while a medium risk indicator will result in any further enhanced due diligence. GGGI will engage with a third party with a low risk indicator. A Financial Capacity Assessment of the implementing entity has been undertaken by the Delivery Partner and submitted to GCF	GGGI, Implementing Entity
External	COVID19 pandemic may cause delay in project activities such as stakeholder consultations, conduct of workshops	High	High	GCF will be informed and updated. GGGI will explore implementation options, in close consultation with the NDA. Any changes in the approved proposal will be timely communicated with GCF for the needed adjustments and prior approval.	GGGI, NDA

#### 6.4 Monitoring



GGGI undertakes monthly and annual project reporting to provide mechanism for regular collection of information on progress to support oversight and adaptive management and external reporting to GGGI members/donors. The project progress is reported against the log frame and budget. Such monthly and annual monitoring takes place through GGGI's internal custom-built project management and monitoring platform.

For this grant, GGGI and the NDA will agree on a detailed work plan on a quarterly basis and reporting. Progress will be reviewed for the previous quarter and work plan prepared for the subsequent quarter for the duration of the project. The logframe will be used to assess progress towards achieving the agreed deliverables. This will also allow provision of timely support and guidance from NDA, when needed. Outputs from the project will be shared outside with other stakeholders through mainstreaming sectoral adaptation plans into the 5-year development plans of related Ministries. Sectoral adaptation plans will also be used and referred to monitor the implementation of Lao PDR Nationally Determined Contribution to the Paris Agreement.

In addition, GGGI and the NDA meet quarterly for high-level portfolio and project monitoring discussions. GGGI and NDA colleagues also meet weekly at technical level to jointly review progress, address challenges and ensure timely and sustainable project delivery. GGGI maintains an office space within the NDA (MONRE) premises which supports and enhances collaboration and monitoring.

All deliverables are jointly reviewed by both NDA and GGGI, and internal GGGI quality assurance processes ensure that deliverables and outputs are highest quality possible. This includes country level quality review and assurance processes, as well as global and regional quality assurance checks and reviews. In addition, GGGI will undertake relevant surveys and collect relevant data from event participants to evaluate course and training effectiveness. Normally, such surveys are conducted using standard paper or digital post-survey quality evaluation techniques. Such findings and overall monitoring updates will be fed into quarterly and monthly review meetings, and decision-making processes to ensure timely project delivery.

In line with the "Second Amended and Restated Framework Readiness and Preparatory Support Grant Agreement between GCF and GGGI dated 12 May 2021", progress and completion reports using the GCF template and audited financial statements at the portfolio level at the end of each year will be submitted. Disbursement requests can be submitted with the progress report or separately as required milestones are reached. GGGI will prepare periodic revisions to reflect changes in six monthly and annual expense category budgets, monitor and review project expenditure reports and communicate and share with the NDA and GCF Secretariat, if required.

## 6.5 Other Relevant Information

GGGI has a [Whistleblower Policy](#) which aims to create an environment where staff members and external persons feel safe to report any misconduct or activities that work against the best interests of GGGI or violate the [Anti-Corruption Policy](#) without the fear of retaliation. This policy is supported by the [Guidelines for GGGI Anti-Corruption Policy and Whistleblower Policy](#) which provide for procedures for reporting and investigation of instances of misconduct, retaliation or integrity violation, including violation of the Anti-Corruption Policy.

United Nations Security Council sanctions regimes – There are no entities or individuals who are subject to or affected by United Nations Security Council sanctions regimes that will be involved in the project/activities, either as counterparties or as beneficiaries.

### Exit Strategy: Project Assets and Knowledge Generated

All project activities and deliverables will be implemented with participation and support of the NDA. The consultation and validation with government ministries and engagement with key stakeholders including EPF will be conducted to ensure country ownership of the sector adaptation action plans and that concept notes will be developed into funding proposals for GCF funding. The reports and processes e.g., sector adaptation action planning, concept note development will be documented to ensure team members and stakeholders can validate project results but also replicate processes key to successful GCF engagement. All reports, products, processes, documents and other materials generated during the implementation of this project using GCF resources shall be with the NDA to be freely shared to stakeholders (including the public, private sector, NGOs, CSOs) such as sector adaptation action plan to be monitored, updated and utilized beyond the project life. Project team being based in the NDA will facilitate knowledge transfer as well as capacity building.

**Previous relationship and/or cooperation on projects between the delivery partner and the NDA, as well as other relevant stakeholders**

GGGI Lao has been collaborating with the Ministry of Natural Resources and Environment (MONRE) since 2018, delivering three GCF Readiness Projects, including (1) Readiness Support to Enhance Green Finance in the Areas of Green Cities in Lao PDR, (2) Enhancing NDA Capacity and Access to the GCF in Lao PDR, (3) Market Preparation for Industrial Energy Efficiency in Lao PDR. GGGI also supported the 2020 Lao NDC update and the development of MRV for the energy sector. GGGI and the Department of Planning and Finance (NDA) on behalf of MONRE are in the process of endorsement of an MoU to formulate a cooperation framework. GGGI Lao is implementing a large-scale project with Ministry of Public Works and Transport on Wastewater and Solid Waste Management. In addition, GGGI also supports MPWT on e-mobility transition.

#### **Start Date**

Start date and implementation period will be in accordance with the Second Amended and Restated Framework Readiness and Preparatory Support Grant Agreement entered into between GCF and the Global Green Growth Institute on 12 May 2021.

#### **Long-term sustainability of the project**

The sustainability of this Readiness project will be ensured through mainstreaming sectoral adaptation plans developed under Outcome 3.2 in the future updates of Lao PDR's Nationally Determined Contribution as well as of 5-year sectoral development plans, including to report progress on climate change adaptation by means of result-based management frameworks. Deliverable 3.2.1.5 is listed as a priority objective in the Lao PDR 1<sup>st</sup> NDC Update. This sustainability outcome will be achieved via Activity 3.2.1.6 of the Log Frame. Moreover, the Readiness grant will serve to prioritize and mobilize long-term investments towards climate adaptation by preparing 2 high-quality concept notes under Outcome 3.4, including associated technical, environmental and financial studies.

# READINESS & PREPARATORY SUPPORT



## BUDGET, PROCUREMENT & IMPLEMENTATION PLAN

### Readiness Grant Budget Preparation Guidelines

This file contains three specific planning tools to complete the supplementary information required when submitting a proposal for Readiness Programme support (including for NAP/adaptation planning):

- Budget plan and accompany Budget notes
- Procurement plan
- Implementation plan

#### The following considerations are important when completing the budget:

1. Before preparing the Readiness and budget, procurement, and implementation plans, please read the full guidance contained in the Readiness Programme Guidebook, specifically Part III Section 5
2. You can select the appropriate budget categories from the dropdown list in the budget plan:
3. To insert additional rows, right click on the row number below where you wish to insert the new row and choose INSERT.
4. Additional budget categories may be added by manually typing them on the Budget Category sheet. :
5. The Budget Notes sheet should be used to record explanations, further details or cost breakdowns for individual lines

#### Project Management Cost:

Project management costs (PMC) are the direct administrative costs incurred to execute a project. They should cover only incremental costs incurred due to the GCF contribution. In most cases, these costs are directly related to the support of a dedicated project management unit which manages the day to day execution related activities of the project.

#### General Principles for PMC costs:

1. The percentage of PMC financed by GCF should not be more than the percentage share of the overall budget financed by GCF
2. PMC budget thresholds: Up to 7.5 per cent of total activity budget.
  - > PMC exceeding 7.5 per cent for the readiness (including NAPs) proposals, and PPF proposals, up to \$ 3 million will require detailed documentation and justification supporting the entire PMC budget.
  - > The PMC should be shown as a separate component in the project budget. A detailed breakdown of PMC should be provided by budget category.
  - > Indicative list of eligible project management costs:
    - > **Project staffing and consultants:** Project manager, Project Assistant, Procurement personnel, Finance personnel & Support/admin. Personnel
    - > **Other direct costs:** Office equipment, Mission related travel cost of the PMU, Project management systems and information technology, Office supplies, Audit cost

#### Contingency :

1. Select the appropriate % of Contingency Budget from the dropdown list :
2. Contingency budget for unforeseen costs arising during the project implementation should not be included in the outcome budget separately.

**Budget Categories**  
choose from the drop-down list

Professional Services - Companies/Firm  
Consultant - Individual - International  
Consultant - Individual - Local  
Professional Services - Companies/Firm  
IT Equipment  
Office Supplies  
Travel - International  
Travel - Local  
Workshop/Training

**Budget Categories**

Audio Visual & Printing  
Audit Fee  
Consultant - Individual - International  
Consultant - Individual - Local  
Professional Services - Companies/Firm  
IT Equipment  
Office Supplies  
Travel - International  
Travel - Local  
Workshop/Training

Indicate additional budget categories

Total Outcome Budget	
Project Management Cost (PMC)	
Contingency	0.03

- 3. Contingency budget must be used for any unforeseen programme (output level) cost that is unrelated to implementation/service fee.
- 4. Any use of contingency must be reported to and agreed by the GCF Secretariat in writing in advance provided with justifications that are acceptable to the GCF
- 5. If by the end of the grant implementation period, you have not spent Contingency, you may not increase the scope of the project or make any other expenditures using the Contingency.

	Choose percentage
	0
	1%
Sub-Total (Total Out	2%
	3%
	4%
Delivery Partner F	5%

If you are unsure about how to complete the budget template, please send your query to: [countries@gcfund.org](mailto:countries@gcfund.org)

Budget Note	Detailed Description
A1	Program Lead (GGGI International Staff, X10) for 72 working day @ \$800 per day (partial rate of staff) for activity 3.1.1.1, 3.1.1.2, 3.1.1.3, 3.1.1.4, 3.1.1.5, and 3.1.1.6
A2	NAP Team Lead (GGGI National Staff, X9) for 226 working days @ \$362 per day for activity 3.1.1.1, 3.1.1.2, 3.1.1.3, 3.1.1.4, 3.1.1.5, and 3.1.1.6
A3	Finance and Operations Officer (GGGI National Staff, X8) for 30 working days @287 per day for activity 3.1.1.1, 3.1.1.2, 3.1.1.3, 3.1.1.4, 3.1.1.5, and 3.1.1.6
A4	Communications Assistant (GGGI National Staff, X4) for 22 working days @107 per day for activity 3.1.1.1, 3.1.1.2, 3.1.1.3, 3.1.1.4, 3.1.1.5, and 3.1.1.6
A5	Program Assistant (GGGI National Staff, X4) for 236 working days @ \$107 per day for activity 3.1.1.1, 3.1.1.2, 3.1.1.3, 3.1.1.4, 3.1.1.5, and 3.1.1.6
A6	Local individual consultant [Capacity Building Specialist] (design and deliver capacity building program) for 216 working days @ \$230 per day for activity 3.1.1.4, 3.1.1.5.
A7	Implementing Entity (Government entity - Department of Climate Change) is estimated @ lumpsum \$20,000 for activity 3.1.1.1, 3.1.1.2, and 3.1.1.3
A8	Estimated budget for local transport @ \$5,000 for assessment work and engagement with stakeholders.
A9	English-Lao Translation cost is estimated at lumpsum \$3,812.
A10	Estimated cost for capacity building trainings @ \$3,500 per event, including activity 3.1.1.1 and 3.1.1.5
B1	Program Lead (GGGI Lao Deputy Country Representative) for 103 working days @ \$800 per day (partial rate of staff) for activity 3.2.1.1, 3.2.1.2, 3.2.1.3, 3.2.1.4, 3.2.1.5, 3.2.1.6, 3.2.1.7, 3.2.1.8
B2	NAP Team Lead (GGGI's national staff) for 232 working days @ \$362 per day for activity 3.2.1.1, 3.2.1.2, 3.2.1.3, 3.2.1.4, 3.2.1.5, 3.2.1.6, 3.2.1.7, 3.2.1.8
B3	Finance and Operations Officer (GGGI National Staff, X8) for 43 working days @287 per day for activities 3.2.1.1, 3.2.1.2, 3.2.1.3, 3.2.1.4, 3.2.1.5, 3.2.1.6, 3.2.1.7, 3.2.1.8
B4	Communications Assistant (GGGI National Staff, X4) for 18 working days @287 per day for activities 3.2.1.1, 3.2.1.2, 3.2.1.3, 3.2.1.4, 3.2.1.5, 3.2.1.6, 3.2.1.7, 3.2.1.8
B5	Program Assistant (GGGI's local staff based in Lao PDR) for 354 working days @ \$107 per day for activity 3.2.1.1, 3.2.1.2, 3.2.1.3, 3.2.1.4, 3.2.1.5, 3.2.1.6, 3.2.1.7, 3.2.1.8
B6	Implementing Entity (fund transferred from DP to Implementing Entity - IE, activity implemented in-house by IE) is estimated @ lumpsum \$50,000 for activity 3.2.1.2 (conduct CRVA for Water Resources sector), 3.2.1.8
B7	International Consulting Firm (conducting CRVA) for 250 working day @ \$400 per day for activity 3.2.1.1, 3.2.1.2, 3.2.1.3, 3.2.1.4, 3.2.1.5, 3.2.1.6, 3.2.1.7, 3.2.1.8
B8	Estimated budget for local transport @ \$10,000 for assessment work and engagement with stakeholders, etc.
B9	English-Lao Translation cost is estimated at lumpsum \$6,000
B10	Consultation, validation and engagement workshops and meetings with stakeholders including the private sector. The budget is estimated at \$3,500 per event for activity 3.2.1.1, 3.2.1.2, 3.2.1.4, 3.2.1.5, 3.2.1.6, 3.2.1.7
C1	Program Lead (GGGI Lao Deputy Country Representative) for 14 working days @ \$800 per day (partial staff rate) for activity 3.4.1.1, 3.4.1.2, 3.4.1.3
C2	Green Investment Specialist (GGGI's staff based in HQ) for 36 working day @ \$800 per day (partial staff rate) for activity 3.4.1.1, 3.4.1.2, 3.4.1.3
C3	NAP Team Lead (GGGI's national staff) for 85 working days @ \$362 per day for activity 3.4.1.1, 3.4.1.2, 3.4.1.3
C4	Finance and Operations Officer (GGGI National Staff, X8) for 15 working days @287 per day for activities 3.4.1.1, 3.4.1.2, 3.4.1.3
C5	Project Assistant (GGGI's local staff based in Lao PDR) for 50 working days @ \$107 per day for activity 3.4.1.1, 3.4.1.2, 3.4.1.3
C6	Estimated budget for local transport @ \$8,000 for assessment work and engagement with stakeholders, etc.
C7	Consultation, validation and engagement workshops and meetings with stakeholders including the private sector. The budget is estimated at \$3,500 per event for activity 3.4.1.1, 3.4.1.2, 3.4.1.3
C8	International Consulting Firm (conduct pre-feasibility studies) for 200 working days @ \$400 per day for activity 3.4.1.2, 3.4.1.3
D1	Monthly Office Supplies estimated @ \$250 per month for 36 months.
D2	Office Supplies as office furnitures estimated @ \$600 per set for 4 sets.
D3	NAP Team Lead (GGGI's national staff) for 20 working days @ \$362 per day
D4	Finance and Operations Officer (GGGI National Staff, X8) for 10 working days @287 per day for day-to-day project management
D5	Program Assistant (GGGI's local staff based in Lao PDR) for 108 working days @ \$107 per day for support day-to-day Project Management
D6	IT Equipment for project team estimated as lumpsum @ \$6,000.
D7	Auditor lumpsum @ \$12,000



Budget Categories
Audio Visual & Printing
Audit Fee
Consultant - Individual - International
Consultant - Individual - Local
Professional Services – Companies/Firm
IT Equipment
Office Supplies
Travel - International
Travel – Local
Workshop/Training
Staff
Coordination Meeting
Translations/Publication
Communication, internet, etc.
Implementing Entity

*Indicate additional  
budget categories*

5.1 Budget Plan

Please add rows for Outcomes, Outputs and Cost Categories as required. Additional budget categories may be added by manually typing them on the Budget Category sheet.

Detailed Budget (in US\$)							Expenditure Plan									
Outcomes / Outputs		Budget Categories <small>choose from the drop-down list</small>	Unit	# of Unit	Unit Cost	Total Budget <small>(per budget category)</small>	Total Budget <small>(per sub-outcome)</small>	Total Budget <small>(per outcome)</small>	6m	12m	18m	24m	30m	36m	Budget notes	
Outcome 3.1: Adaptation planning governance and institutional coordination strengthened	3.1.1 Output: Gender-balanced teams operationalized to coordinate the adaptation planning at the sector level	Staff	W/Day	72	800	57,600	264,620	264,620	11,520	11,520	11,520	11,520	11,520		A1	
		Staff	W/Day	226	362	81,812			16,362	16,362	16,362	16,362	16,362		A2	
		Staff	W/Day	30	287	8,610			1,722	1,722	1,722	1,722	1,722		A3	
		Staff	W/Day	22	107	2,354			471	471	471	471	471		A4	
		Staff	W/Day	236	107	25,252			5,050	5,050	5,050	5,050	5,050		A5	
		Consultant - Individual - Local	W/Day	216	230	49,680				24,840	24,840					A6
		Implementing Entity	Lumpsum	1	20,000	20,000			20,000							A7
		Travel – Local	Lumpsum	1	5,000	5,000				1,000	1,000	1,000	1,000	1,000		A8
		Translations/Publication	Lumpsum	1	3,812	3,812						3,812				A9
		Workshop/Training	Event	3	3,500	10,500					3,500	7,000				
Outcome 3.2: Evidence produced to design adaptation solutions for maximum impact	3.2.1 Output: Agriculture, forestry, urban development, and water sectoral adaptation action plans developed and disseminated	Staff	W/Day	103	800	82,400	405,529	405,529		16,480	16,480	16,480	16,480	16,480	B1	
		Staff	W/Day	232	362	83,984				16,797	16,797	16,797	16,797	16,797	16,797	B2
		Staff	W/Day	43	287	12,341				2,468	2,468	2,468	2,468	2,468	2,468	B3
		Staff	W/Day	18	107	1,926				385	385	385	385	385	385	B4
		Staff	W/Day	354	107	37,878				7,576	7,576	7,576	7,576	7,576	7,576	B5
		Implementing Entity	Lumpsum	1	50,000	50,000				50,000						B6
		Professional Services – Companies/Firm	W/Day	250	400	100,000				100,000						B7
		Travel – Local	Lumpsum	1	10,000	10,000					5,000	5,000				B8
		Translations/Publication	Lumpsum	1	6,000	6,000								6,000		B9
		Workshop/Training	Event	6	3,500	21,000							10,500	10,500		
Outcome 3.4: Adaptation finance increased	3.4.1 Output: Two quality concept notes on adaptation project developed, with pre-feasibility studies conducted	Staff	W/Day	14	800	11,200	180,735	180,735					5,600	5,600	C1	
		Staff	W/Day	36	800	28,800							14,400	14,400		C2
		Staff	W/Day	90	362	32,580								16,290	16,290	C3
		Staff	W/Day	15	287	4,305								2,153	2,153	C4
		Staff	W/Day	50	107	5,350								2,675	2,675	C5
		Travel – Local	Lumpsum	1	8,000	8,000								4,000	4,000	C6
		Workshop/Training	Event	3	3,500	10,500								3,500	7,000	C7
		Professional Services – Companies/Firm	W/Day	200	400	80,000							80,000			
Total Outcome Budget								850,884.00	55,125.60	258,171.40	116,671.40	179,143.40	144,948.90	96,823.30		
Project Management Cost (PMC) <small>Up to 7.5% of Total Activity Budget</small>	Office Supplies	Month	36	250	9,000	Actual amount and % of PMC requested: do not change the formula	Maximum PMC that can be requested: do not change the formula								D1	
	Office Supplies	Set	4	600	2,400										D2	
	Staff	W/Day	20	362	7,240										D3	
	Staff	W/Day	10	287	2,870										D4	
	Staff	W/Day	108	107	11,556										D5	
	IT Equipment	Lumpsum	4	1,500	6,000										D6	
	Audit Fee	Lumpsum	3	4,000	12,000										D7	
	IT Equipment	Lumpsum	2	2,000	4,000										D8	
	Communication, internet, etc.	Month	36	200	7,200										62,266.00 7.32%	63,816.30 7.50%

FOR GREEN CLIMATE FUND SECRETARIAT'S USE ONLY	
Breakdown (per budget category)	Total (per budget category)
Audio Visual & Printing	-
Audit Fee	12,000.00
Consultant - Individual - International	-
Consultant - Individual - Local	49,680.00
Professional Services – Companies/Firm	180,000.00
IT Equipment	10,000.00
Office Supplies	11,400.00
Travel - International	-
Travel – Local	23,000.00
Workshop/Training	42,000.00
Staff	498,058.00
Coordination Meeting	-
Translations/Publication	9,812.00
Communication, internet, etc.	7,200.00
Implementing Entity	70,000.00
Total Outcome Budget + PMC	913,150.00

FOR GREEN CLIMATE FUND SECRETARIAT'S USE ONLY	
Total Outcome Budget	850,884.00
Project Management Cost (PMC)	62,266.00
Contingency	8,508.84
Sub-Total (Total Outcome Budget + Contingency + PMC)	921,658.84
Delivery Partner Fee (DP) - Up to 8.5% of the Sub-Total	78,341.00
Total Project Budget (Total Activity Budget + Contingency + PMC + DP)	\$ 1,000,000.00

5.2 Procurement Plan

For goods, services, and consultancies to be procured, please list the items, descriptions in relation to the activities in Section 3, estimated cost, procurement method, relevant threshold, and the estimated dates. Please include the procurement plan for at least the first tranche of disbursement requested below and provide a full procurement plan for the entire duration of the implementation period if available at this stage.

Item		Item Description	Estimated Cost (US\$)	Procurement Method	Thresholds (Min-Max monetary value for which indicated procurement method must be used)	Estimated Start Date	Projected Contracting Date
Goods and Non-Consulting Services							
Travel - Local	Local transport costs	34,556	Direct Procurement	Above USD10,000	Q2	Q2	
Translations/Publication	Translation costs	9,812	Direct Procurement	Below USD 10,000	Q12	Q13	
Workshop/Training	12 events estimated @ \$3,500 per event	42,000	Direct Procurement	Above USD10,000	Q2	Q28	
Office Supplies	Monthly office supplies for project implementation @ \$400 per month	9,000	Direct Procurement	Below USD 10,000	Q1	Q28	
Office Supplies	Office furnitures to set up project office	2,400	Direct Procurement	Below USD 10,000	Q1	Q1	
IT Equipment	4 laptops	6,000	Direct Procurement	Below USD 10,000	Q2	Q1	
IT Equipment	2 printers	4,000	Direct Procurement	Below USD 10,000	Q1	Q1	
Audit Fee	External Auditor	12,000	Direct Procurement	Above USD 10,000	Q28	Q28	
Communication, internet	Monthly internet fee for 3 offices: DCC, NDA, and DP	7,200	Direct Procurement	Below USD 10,000	Q1	Q28	
Sub-Total (US\$)		\$ 126,968.00					
Consultancy Services							
Consultant - Individual - Local	capacity gap assessment and capacity building program	49,680	Open tender	Above USD 10,000	Q2	Q2	
Professional Services – Companies/Firm	CRVA (urban, agriculture & forestry) and identify gaps and recommendations for adaptation	100,000	Open tender	Above USD 10,000	Q2	Q2	
Professional Services – Companies/Firm	conduct pre-feasibility studies (technical, economic & financial, social & environmental)	80,000	Open tender	Above USD 10,000	Q8	Q8	
Sub-Total (US\$)		\$ 229,680.00					

Please list all the deliverables (e.g. D.1.1.1a) per activity (e.g. A1.1.1) with the identifier and mark the planned duration as show in the example. Please also indicate milestones for any deliverables to be completed during the implementation period of the activity in question. Make sure the identifier number of each activity and deliverable matches with the proposal as this table does not require its name or description. Please refrain from adding descriptions.

For more guidance on how to fill out this tables, please see Part III Section 5 of the Readiness Guidebook

 Planned duration
  Milestone (deliverable)
  Target completion date

[illegible]