

Readiness Proposal

with FAO for the Lao People's Democratic Republic

30 December 2021



READINESS & PREPARATORY SUPPORT

PROPOSAL TEMPLATE



Proposal title: Resilient COVID-19 recovery and transformational pipeline to boost climate actions in agriculture, land and water sectors in Lao PDR

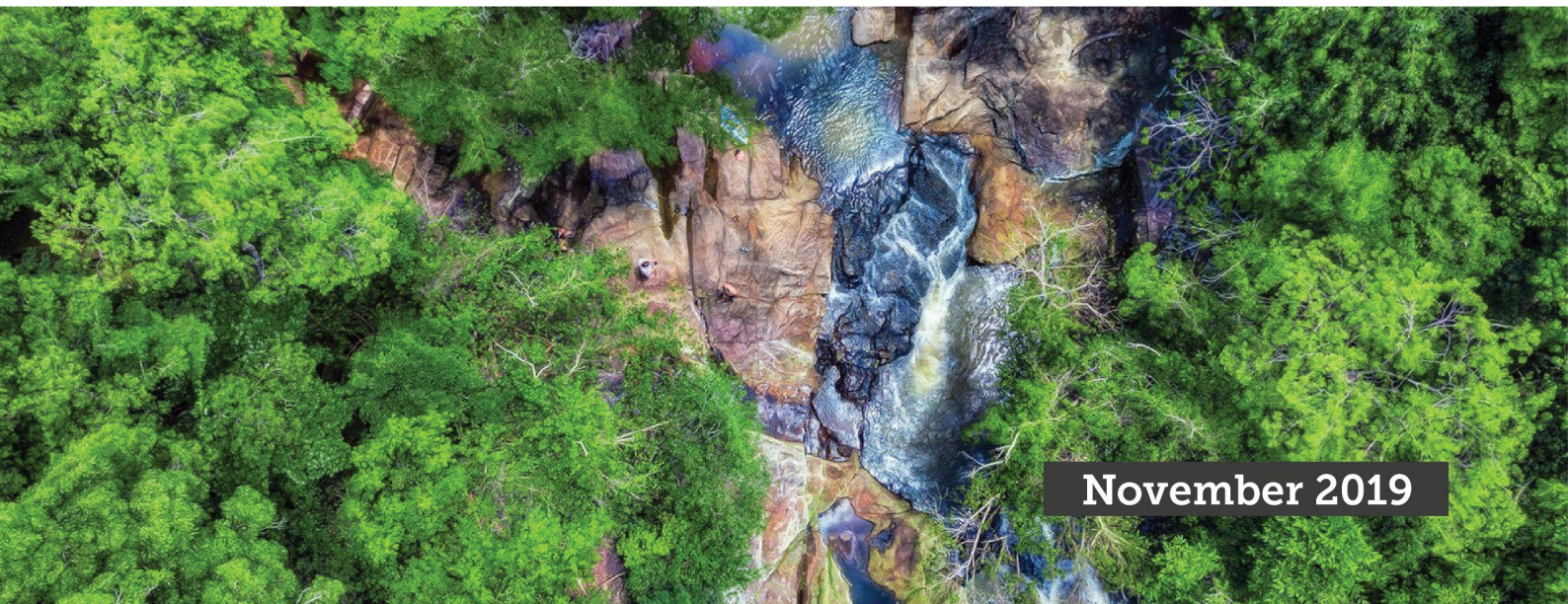
Country: Lao People's Democratic Republic (the)

National designated authority: **Mr. Phouvong Luangxaysana**
Vice Minister, Department of Planning and Finance, Ministry of Natural Resources and Environment (MONRE)

Implementing Institution: Food and Agriculture Organization of the UN (FAO)

Date of first submission: 28 February 2021

Date of current submission / version number: 15 December 2021 V.4



November 2019

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1. SUMMARY

1.1 Country submitting the proposal

Country name: Lao PDR

Name of institution representing NDA or Focal Point: Department of Planning and Finance, Ministry of Natural Resources and Environment

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Contact person's position: Vice Minister

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1.2 Date of initial submission

28 February 2021

1.3 Last date of resubmission

7 June 2021

Version number V.2

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

- ☐ National designated authority
- ☒ Accredited entity
- ☐ Delivery partner

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1.5 Title of the Readiness support proposal

Resilient COVID-19 recovery and transformational pipeline development to boost climate actions in agriculture, land and water sectors 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

In 2020, the NDA function in Lao PDR was transferred to the Department of Planning and Finance (DOPF) of the Ministry of Natural Resources and Environment (MONRE), that is also the Operational Focal Point for the Global Environment Facility (GEF). This is in the context that combined impacts of COVID-19 and recurrent climate hazards severely affect the country and fast economic stimulus would potentially increase GHG emissions and pose risks to resilience due to unsustainable use of natural resources. Green growth and resilience are envisaged in the mid-term COVID-19 recovery plan and the NDC was updated in 2020, both embedded in the 9th five-year National Socio-Economic Development Plan 2021-2025. However, there is the need to translate this vision into realistic actions that can be funded. On the other hand, the country is facing widening fiscal deficit due to the pandemic, highlighting the importance of optimizing global funding that Laos can access. The proposed project aims to strengthen the capacity of the new NDA office with particular focus on (1) Building new NDA capacity for GCF coordination, in synergy with GEF and Adaptation und programming and strengthening Monitoring, Reporting, and Verification (MRV) of climate finance and its contribution to achieving the NDC, the 9th National Socio-Economic Development Plan 2021-2025 and localized SDGs targets; (2) Developing resilient and green COVID-19 recovery investment plans for the agriculture, forest, and other land use (AFOLU) sectors that are the most climate vulnerable and heavily affected by COVID-19 while also being the largest emitting sectors in the country; and (3) Developing a transformational climate finance pipeline with programme/project concept notes to maximize synergies of GCF, GEF, and AF and address resilient and green COVID-19 recovery. The project will directly benefit NDA office, other departments in MONRE and sector ministries while directly benefiting other stakeholders engaged in GCF process and Laos population at large.

1.8 Total requested amount and currency

USD 550,000

1.9 Implementation period

18 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

Previous Readiness and Preparatory Support Programme have built capacity of the NDA (see Annex 1 for project titles and objectives). The new NDA office requires capacity building. This project will build on and complement the previous Readiness and Preparatory Support initiatives to address NDA specific capacity building needs as shown below.

Readiness Programme Strategy Objective	Previous GCF Readiness & Preparatory Initiatives ¹	Other Readiness Initiatives	Additionality of the proposed GCF Readiness project
1. Capacity building for climate	LAO-RS 001, 004 and 007		Support the new NDA office to continue strengthening by expanding the Climate Finance Committee to be "Environment

¹ See more details in Annex 1 – Summary of previous GCF Readiness and Preparatory Support initiatives

finance coordination	Established and institutionalized GCF Coordination Mechanism		and Climate Finance Committee” with established Technical Working Groups (TWG) and regular meetings. Developing mechanisms to create synergies between GCF, GEF and AF programming in Lao PDR.
	<u>LAO-RS 00 and 007</u> Initial work on Monitoring, Reporting and Verification (MRV) of climate finance including - Guideline and template developed by UNDP - On-going support by the Global Green Growth Institute (GGGI) to integrate CC related indicators in the Ministry of Planning and Investment (MPI)’s Management Information System (MIS) of public investments.		Work with MPI to update Guidelines and templates to ensure Ministries properly report on climate change related investments Train NDA staff and Ministries’ focal points Develop templates and train NDA staff on analysis of MIS data and report on contribution of climate finance to 9 th NSEDP and SDGs targets.
		<u>EU-funded URBAN-LED project</u> Development of Multilevel governance for climate change including MRV and climate finance as enabling frameworks	Support the NDA to coordinate and incorporate the URBAN-led MRV information into the MIS data sharing and reporting on contribution of climate finance to 9 th NSEDP and SDGs.
2. Strategic frameworks for low-emission investment	<u>LAO-RS 004 and 007</u> GCF Country Programme (2019) that will be updated in 2021		Impact assessments, as required and support MAF and MONRE to identify realistic and measurable resilient and green COVID-19 recovery actions , to implement the sector 5-year plan and GCF Country Programme.
		<u>GEF and Climate Investment Funds</u> Forest Investment Plan <u>Forest Carbon Partnership Facility (FCPF)</u> Development of Readiness Preparation Plan and Readiness Package	Incorporation into analysis of GEF-GCF-AF synergies and integrated programming. Building on existing readiness for COVID-19 recovery planning and concept note development
4. Paradigm-shifting	<u>LAO-RS 007</u> Draft updated GCF Country Programme pipeline (2021)		Participatory development of strategic framework for integrated GEF, GCF and AF

pipeline development			programming with programme/project ideas. Pre-feasibility studies and concept notes of such GEF, GCF, AF programmes/projects that also address resilient and green COVID-19 recovery priorities (identified under Objective 2)
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List of Abbreviations

ADB	Asian Development Bank
AF	Adaptation Fund
AFOLU	Agriculture, Forest and Other Land Use sectors
ASEAN	Association of South East Asia Nations
CFC	Climate Finance Committee
CIF	Climate Investment Fund
DCC	Department of Climate Change (of MONRE)
DPF	Department of Planning and Finance
ECFC	Environment & Climate Finance Committee
FAO	Food and Agriculture Organization of the United Nations
FCPF	Forest Carbon Partnership Facility (FCPF)
GEF	Global Environment Fund
GCF	Green Climate Fund
GDP	Gross Domestic Product
Lao PDR	Lao People's Democratic Republic
MAF	Ministry of Agriculture and Forestry
MOH	Ministry of Health
MOLSW	Ministry of Labour and Social Welfare
MONRE	Ministry of Natural Resources and Environment
MPI	Ministry of Planning and Investment
MRV	Monitoring, Reporting and Verification
NDA	National Designated Authority
NDC	Nationally Determined Contribution (to the Paris Agreement)
NSEDP	National Socio-Economic Development Plan
SDG	Sustainable Development Goals.
UNDP	United Nations Development Programme
WB	The World Bank
WFP	World Food Programme (of the United Nations)

2. SITUATION ANALYSIS

A. Background

Overview

1. Lao People's Democratic Republic (Lao PDR) is the only landlocked country in Southeast Asia, with approximately 80% of the country's area being composed of hills and mountains and the population 7.1 million². Despite impressive economic growth in the last decades (income per capita increased from about US\$ 350 in 2006 to US\$ 2,000 in 2018³) and the poverty rate falling from 46% to 18% between 1993 and 2019, Lao PDR remains a Least Developed Country (LDC) in need of support in achieving its NDCs.

2. Food insecurity and malnutrition are still widespread in Laos, largely associated with ethnicity, gender, and geography. An estimated 44% of children under five years of age were stunted in 2013⁴. Poverty remains high among minority ethnic groups and fell less quickly among poorly educated households. In 2019 a poverty rate of 34.6% was observed among people living in households headed by someone with no formal education⁵. While 75% of male members of agricultural households who are over 10 years old are able to read and write without difficulty, this rate is only 57% among female members.

3. Agriculture provides livelihoods for 80% of Laos population, more than half of them are subsistence farmers with household income below US\$300 per year⁶. Although declining in terms of contribution to GDP (from 48% in 1992 to 24.8% in 2012), agriculture continues to play an important role in Laos' economy, employing 70% of the labour force. Rural poverty dropped faster than urban poverty, by 7.6% points to 23.8% between 2013 and 2019 thanks to an improvement in farm incomes and remittances among rural households⁷, reiterating the importance of the sector for achieving the Sustainable Development Goals (SDG).

4. According to the Asian Development Bank⁸, the agriculture, natural resources and rural development sector in Lao PDR is characterized by (i) geographically scattered production due to the country's topography and weak linkages to urban populations and regional markets, (ii) a heavily rice-based production system with limited diversification of outputs that is also constrained by limited access to irrigation in the dry season, and (iii) a heavy dependence of the population on the sector for employment and food.

Climate Change and Vulnerabilities

5. The climate of Lao PDR is divided into two distinct seasons: rainy season, or south-west monsoon, from May to mid-October, followed by a dry season from mid-October to April. The country's mean annual temperature is 23.5°C and mean annual rainfall is 1817mm year⁻¹ (1901-2016). Annual rainfall typically varies between 1,300 and 3,000 mm.

6. Most of Lao's territory falls within the Mekong River Basin (25% of the basin is located in Lao PDR) and the country contributes 35% flow of this world's second most biodiverse river. According to the 2017 Mekong River Commission's assessment of climate change impacts in the Lower Mekong River Basin, (consisting of Laos, Cambodia, Thailand and Viet Nam)⁹ temperatures are projected to increase across the basin and across seasons. By 2060 the average annual basin-wide increase could be between 0.4°C and 3.3°C. Average change in rainfall by 2060 under a dry climate scenario is projected to fall by 16%, and under a wet climate scenario, to increase by 17%. Agricultural yields are likely to be affected. Many plant and animal species are highly vulnerable with large numbers of fish particularly at risk due to their sensitivity to hydrological cues. Under a moderate scenario to 2060, soil erosion losses are projected to increase by 16.9%.

² <https://data.worldbank.org/indicator/SP.POP.TOTL?locations=LA>

³ <https://unctad.org/en/Pages/ALDC/Least%20Developed%20Countries/UN-list-of-Least-Developed-Countries.aspx>

⁴ <http://www.fao.org/3/a-at708e.pdf>

⁵ http://hdr.undp.org/sites/all/themes/hdr_theme/country-notes/LAO.pdf

⁶ <https://www.ifad.org/en/web/operations/country/id/laos>

⁷ <https://www.worldbank.org/en/country/laos/publication/laos-pdr-poverty-profile-and-poverty-assessment-2020#:~:text=Poverty%20in%20Lao%20PDR%20has,percent%20during%20the%20same%20period.>

⁸ <https://www.adb.org/sites/default/files/institutional-document/480141/laos-pdr-agriculture-assessment-strategy-road-map.pdf>

¹⁹ <http://www.mrcmekong.org/our-work/topics/climate-change/>

7. In 2014 Laos net emissions were 24,099.98 GgCO₂eq. The AFOLU sector is the largest source of emissions in Laos, contributing to 78% of the total emissions followed by the energy sector (15%), IPPU and waste at 5% and 2% respectively. The country has been implementing mitigation measures to curb its emissions.

8. Lao PDR is exposed to several climate extremes, most importantly floods and droughts. The number of people affected by climate-related disasters has increased from an average of 60,000 per year during 1993-2002 to over 320,000 in 2003-2012. From 1970 to 2010 Lao PDR has been affected by 33 natural hazards (mostly floods and droughts), impacting approximately 9 million people and causing damages over US\$ 400 million (CCWP, 2020).

Compound challenges of COVID-19 pandemic

9. Lao PDR managed to avoid a health crisis but COVID-19 induced economic downturn has severely affected the country, given the country's reliance on natural resources, low resilience and weak competitiveness. Economic growth in 2020 is projected to range between -1.8% and -1%. Loss of buying power reduced sales of agriculture products, hitting small-holders especially hard. A sharp drop in the performance of the travel, tourism and hospitality sectors has caused widespread job losses, and about 361,000 more people could fall into poverty, adding approximately 5.2% more to the national poverty rate. The rates are proportionally higher in rural areas.¹⁰ Female workers, who account for around 61% of the work force in tourism, 57% in wholesale and retail trade, and 58.6% in manufacturing are severely affected. Hardest hit are the poor and those engaged in daily labour activities and the informal economy, which constitutes 82.7% of the country workforce.¹¹ More than 200,000 migrant workers have returned from abroad,¹² resulting in an estimated reduction of up to US\$136 million in remittances, affecting recipient household income.

10. The pandemic impacts further aggravate the long-standing structural macroeconomic vulnerabilities of Lao PDR that stem from high fiscal deficit and public debt levels as well as low reserve buffers. About one third of Lao's GDP consists of exports. Following the pandemic outbreak, there was a substantial decrease from US\$ 109 million cash crop exports in March to just US\$ 42 million in April 2020. Unemployment, reduced income, and food price inflation has put many young children and adolescents in low-income and poor households at risk of food insecurity and malnutrition. These effects could be exacerbated by a higher probability of adverse climate extremes, especially for the rural poor. As many as 70% of rural villages reported in the 2010/11 Census of Agriculture that they are prone to drought and 31% reported being flood prone (ibid). Droughts and floods in 2019 already put roughly 76,000 people in high risk of food shortage by March 2020 (FAO and WFP, May 2020).

11. Although explicit evidence is not yet available, adverse impacts on natural resources are anticipated as 70% of the population depends on forest resources, soil, wetlands, and fish for income and nutrition¹³. Shifting agricultural production to meet immediate food demand, including that of returned migrant workers, will put further pressure on water resources.

B. Policy and Institutional Context

Green growth and climate resilient development

12. The Government of Lao PDR is committed to green growth, climate resilient development and related international agreements. A number of legislations (such as the Revised Environmental Law 2013), strategies and policies have been put in place (see Table 1 below). Inter-sectoral governance and coordination mechanisms have also been established such as the National Steering Committee on Climate Change (NSCCC) and its Climate Finance Committee, with MONRE as the Secretariat or the National Disaster Prevention and Control Committee (NDPCC). In addition, the Ministry of Planning and Investment (MPI) has been leading a Roundtable and Sector Working Groups that bring together government agencies and development partners to address development challenges and strategize investments to implement SDGs. The proposed Readiness project will contribute to the objectives of these Key policies.

Table 1 – Proposed Readiness project's contributions to Key Policies

¹⁰ [UNDP Laos, Socio-economic impact assessment of COVID-19, August 2020](https://www.un.org/development/desa/poverty/data-inequality/2020/laos/)

¹¹ [FAO, WFP, 2020. <https://www.fao.org/publications/covid-19-rapid-assessment-food-security-and-agriculture-lao-pdr>](https://www.fao.org/publications/covid-19-rapid-assessment-food-security-and-agriculture-lao-pdr)

¹² <https://reliefweb.int/report/laos-peoples-democratic-republic/laos-peoples-democratic-republic-returning-migrants-survey-2>

¹³ <http://documents1.worldbank.org/curated/pt/790451579679594557/text/Concept-Project-Information-Documents-PID-Lao-Landscapes-and-Livelihoods-Project-P170559.txt>

Key policy/ regulation	Objectives	Linkages to this Readiness proposal
National CC Strategy	<ul style="list-style-type: none"> - Reinforce SDGs of the Lao PDR, including measures to achieve low-carbon economic growth; - Increase resilience of key sectors of the national economy and natural resources to climate change and its impacts; - Enhance cooperation, strong alliances and partnerships with national stakeholders and international partners to implement the national development goals. - Improve public awareness and understanding of various stakeholders about climate change, vulnerabilities and impacts, GHG emission sources and their relative contributions, and how climate change will impact the country's economy, in order to increase stakeholder willingness to take actions 	This Readiness proposal will support implementation of the National CC Strategy through enhancing international climate finance synergies, strengthening MRV of climate finance and climate finance's contribution to the Strategy objectives and priorities, and planning for COVID-19 resilient and green recovery in the most vulnerable as well as highest emitting sectors of agriculture, forestry, land, and water.
National Green Growth Strategy, 2019	The Strategy set out policies and targets in the following strategic outcomes: (i) GHG reductions; (ii) Green jobs, (iii) Sustainable services; (iv) Air quality; (v) Ecosystem services and (vi) Enhanced adaptation to climate change. The Green Growth Strategy has been integrated into the 9th NSEDP.	This Readiness proposal will contribute to this Strategy implementation, particularly to achieving outcomes (i), (v) and (vi) through strengthening planning and mobilization of resources for resilient and green COVID-19 recovery in the agriculture, land, and water sectors. Strengthening the NDA's capacity to report on environment and climate change targeted of the 9th NSEDP will also contribute to the Green Growth Strategy monitoring.
Updated NDC, 2020	<p>The new NDC introduces an unconditional GHG mitigation commitment to 2030, as well as a more ambitious conditional mitigation scenario towards achieving net zero GHG emissions by 2050, subject to international support. The 2015 NDC targets have been updated and extended, including to new sectors (energy efficiency, agriculture, waste).</p> <p>As stated by the Vice Minister of the Ministry of Environment and Natural Resources (MONRE) at the Online Platform on Sustainable and Resilient Recovery from COVID-19,¹⁴ the updated NDC will 'contribute to serve the country's post COVID-19 economic recovery by increasing resilience and accelerating decarbonization.' The 2020 NDC will provide increased transparency and consistency between quantitative targets, new short-term objectives for climate change adaptation towards a strengthened MRV system, as well as the country's expression of interest to pursue voluntary cooperation to allow for higher ambition, in accordance with the Paris Agreement.</p>	This Readiness proposal will directly contribute to the implementation of the updated NDC with strengthened planning and mobilization of resources for resilient and green COVID-19 recovery in the agriculture, land, and water sectors and the new pipeline of GEF-GCF-AF integrated programme/project ideas. It will significantly contribute to the MRV of NDC targets with an improved Management Information System of public investments and NDA's capacity for monitoring and reporting.

¹⁴ <https://platform2020redesign.org/countries/laos/>

	The updated NDC targets have also been incorporated into the 9th NSEDP with a requirement for MONRE/NDA as the coordinating ministry on climate change to monitor and report on implementation.	
9th NSEDP 2021-2025	Optimize competitive advantages as a cornerstone for socio-economic development, LDC graduation and SDG implementation by further strengthening quality, sustainable, inclusive, and green growth. The 9th NSEDP will achieve this goal through six pillars, namely (i) economic growth based on diversification of production, services and commodities, business environment and development of SME, MSMEs in addition to macro-economic policy reform; (ii) people well-being; (iii) human capital development; (iv) environmental sustainability with explicit emphasis on the Green Growth Strategy, responsible production and consumption through circular economy, delivery on the Paris Agreement commitments and disaster risk management; (v) connectivity and (vi) governance.	This Readiness proposal will contribute to the 9th NSEDP implementation through (1) supporting the AFOLU sectors identify investments for resilient and green COVID-19 recovery; 2) optimizing the country's access to global environmental and climate funds and 3) contributing to the monitoring and reporting of environment and climate change related targets and indicators of the 9th NSEDP and 3)
Agriculture Development Strategy (ADS) to 2025 and Vision to the year 2030	Ensure food security, producing comparative and competitive agricultural commodities, developing clean, safe, and sustainable agriculture and shifting gradually to the modernization of a resilient and productive agriculture economy linking with rural development contributing to national economic basis	This Readiness proposal will directly contribute to the ADS implementation through 1) promoting resilient and green COVID-19 recovery in the AFOLU sectors, 2) develop innovative pipeline of AFOLU projects to access global funds and 3) strengthening the sectors' MRV of climate finance.
Natural Resources and Environment Strategy (NRES) 2016-2025 and Vision 2030	Lao PDR, green, clean, beautiful, rich in natural resources on the basis of green economic growth to achieve sustainable development and become a modern industrial country to ensure the ability to prepare for disasters	This Readiness proposal will contribute to the NRES through 1) promoting sustainable natural resources management and restoration of ecosystems in resilient and green COVID-19 recovery; 2) promoting integrated environment and climate change programming and mobilization of finance and 3) contributing to the NRES monitoring and reporting.

13. Lao PDR faces several challenges on its path to green growth and resilience including a high dependence on natural resources for growth, unsustainable use of its resources and increasing impacts of climate change. Despite the favorable policy framework, there is a substantial need for the government to build its capacity to ensure that its institutions can implement such regulations and monitor their implementation. The government currently relies entirely on international funding and donor contributions to promote green growth and improve environmental protection¹⁵. There is the need to diversify funding sources through i.e. eco-taxes, domestic public financing through a specialized financial institution within the government to leverage the private capital and harnessing emerging international funding sources. Further, with increasing government spending and donor support, addressing the lack of institutional and technical capacity to improve the quality of investment is key.

COVID-19 Response and Recovery

14. Laos Government has applied a number of economic stimulus measures in response to COVID-19 including tax relief, allocation of about US\$ 11 million (less than 1% of GDP) for prevention and control as well as mobilized US\$ 1.73 million in cash and US\$ 5.7 million in-kind from public sources.¹⁶ Financial support such as low interest

¹⁵ OECD. 2017. Investment framework for green growth in Lao PDR.

¹⁶ https://www.unescap.org/sites/default/d8files/Lao%20PDR_COVID%20Country%20profile%20041120.pdf

loans, deferred loan payments, business cost reductions and employee assistance programmes were provided to SMEs.

15. Annex 2 provides a snapshot of donor support for COVID-19 response and recovery in Lao PDR^{17 18 19}. It shows that most support has focused on the pandemic preparedness and emergency response. The picture of support for recovery is unclear while the country has limited capacity to identify and finance required actions.

16. FAO has been proactively supporting COVID-19 response and recovery in Lao PDR. FAO together with WFP carried out the first assessment of COVID-19 and associated lock-down impacts on agriculture and food security in May 2020, also in the context of unresolved impacts of the 2019 drought. This assessment assisted MAF in drafting the COVID-19 response and recovery plan in the agriculture sector. FAO also contributed to the UN Country Team's broader assessments and the formulation of UN system response framework in Laos. FAO re-oriented its projects to support COVID-19 response, incorporating awareness raising and safety measures. FAO also mobilized resources (such as from the Government of Japan) to support livelihoods of smallholder farmers and returned migrant workers, demonstrating effective resilient and green recovery measures.

17. Lao PDR is a signatory of the Association of South East Asia Nation (ASEAN) COVID-19 Comprehensive Recovery Framework and Implementation Plan²⁰ that highlights 'ASEAN commitments to develop a recovery framework that is durable, long-lasting, and inclusive, capable of safeguarding the region's natural resources, social fabric, and the prosperity of its people' in addition to maximizing the potential of the Intra-ASEAN market and broader economic integration, accelerating inclusive digital transformation, enhancing the health systems and strengthening human security.

18. Green growth, resilience and risk management are important components of the Mid-term COVID-19 recovery plan to 'build back better' and the 2020 updated NDC of Lao PDR, both embedded in the 9th NSEDP. However, several risks and challenges have been identified.²¹

- 1) Potential increase in greenhouse gas (GHG) emissions from regional trade and risks to resilience through potential unsustainable use of natural capital in COVID-19 economic recovery, thus jeopardizing Lao PDR climate change ambitions and on-going mitigation and adaptation efforts. It is therefore important to develop a new sustainable economic model, particularly in important sectors such as AFOLU, that is based on green growth, adapting production and consumption systems to climate change and extreme weather events and strengthening the resilience of natural capital and communities, implementing the series of actions derived from the National Food Systems Summit Dialogue.
- 2) Allocation of public funding to invest in green growth and resilience is expected to be constrained by the widening fiscal deficit caused by the pandemic in the short term. It is therefore increasingly important to strategize access to global finance and accelerate mobilization of private sector investments, while working towards longer term strategies to finance the NDC implementation.
- 3) There is the need to develop actions which are realistic, concrete and measurable and thus have greater chances of being funded and implemented; and
- 4) Although many of the proposed actions are reflected in the 9th NSEDP and in the updated policies and plans of relevant Ministries, such as MAF and MONRE, their implementation could take longer than anticipated due to the effects of the pandemic. Improving monitoring and evaluation including of contributions of climate actions to broader 9th NSEDP objectives and the localized SDGs would be critical to maintain political commitments and advocate for investments.

19. Through GCF and other international support, Lao PDR has been strengthening its readiness for climate finance. New requirements emerge in the context of combined challenges of recurrent climate hazards and COVID-19 pandemic, associated un-precedented required efforts for recovery and the risks posed to the country's climate change objectives if it is unable to pursue green and resilient COVID-19 recovery.

¹⁷ <https://www.dfat.gov.au/sites/default/files/covid-response-plan-laos.pdf>

¹⁸ <https://fts.unocha.org/countries/122/flows/2020>

¹⁹ <https://projects.worldbank.org/en/projects-operations/project-detail/P173817?lang=en>

²⁰ <https://asean.org/asean-comprehensive-recovery-framework-implementation-plan/>

²¹ Background paper of the Multi-Stakeholder Taskforce, created by MPI with the support of the UN and other development partners to review the impact of COVID-19 on national priorities, and to make recommendations for how policies could be re-calibrated in light of the changing context (forthcoming)

20. The Lao PDR NDA for the GCF was transferred from the Department of Climate Change (DCC) to the Department of Planning and Finance (DPF) of MONRE in late 2020. The NDA is also the Operational Focal Point of the Global Environment Facility (GEF) while the DCC remains the focal point for the Adaptation Fund (AF). While the new NDA still requires basic capacity building to perform its role, it faces with new challenges and also opportunities:

- The 9th NSEDP requires a strong role of MONRE/NDA to ensure that sector plans and actions including for COVID-19 recovery will be in line with and contribute to the National Climate Change Strategy, Green Growth Strategy and the heightened ambitions of the updated NDC (in 2020).
- Three are opportunities to optimize access to global climate finance to catalyse domestic and private investments. Globally, the GEF 8th replenish programming is starting while in its last Board meeting in April 2021, the Adaptation Fund increased country's allocation to USD 20,000 for countries that have utilized 80% of the previous USD 10 million country allocation at least four year ago. Lao PDR will be eligible for this in the next couple of years. Ensuring synergies of global climate finance mechanisms (GCF, GEF and AF) in further developing GCF Country programme pipeline will optimize the available resources for Lao PDR while catalyzing other funding and raising profile of climate finance in national sustainable development agenda.
- Also in line with the 9th NSEDP, MONRE/NDA is charged with the responsibility to monitor and regularly report on the progress against environment and climate change related targets and the contributions of climate investments to national goals and Laos implementation of the SDGs. There is a momentum and urgent need for the new DNA to draw on work undertaken through previous readiness support to strengthen the MRV system to fulfill this responsibility.

21. Against this background, the new NDA of Lao PDR, in consultation with the Ministry of Agriculture and Forestry (MAF), has asked FAO to act as Delivery Partner and support the development of a GCF Readiness and Preparatory Support Programme proposal for *resilient COVID-19 recovery* and strengthening Lao PDR readiness for access to climate finance to *support the implementation of and reporting on the 2020 NDC and 9th NESDP*.

C. Problem statement

22. The above situation points to the following challenges and also opportunities that the proposed project addresses to strengthen Lao PDR readiness for climate finance in the new context.

Challenges	Opportunities
Country Programme has not yet addressed COVID-19 recovery	The 9th NSEDP sets directions for COVID-19 recovery to be in line with and contribute to the National Climate Change Strategy, Green Growth Strategy and the updated NDC.
No mechanism to coordinate and optimize Lao PDR access to global climate funds	The MONRE/NDA has the mandate for coordinating all global climate funds including GEF, GCF and AF. Increased country cap under AF and the start of GEF-8 programming cycle
Initial work on MRV has been done but there is no MRV system of climate finance, the MPI-led MIS cannot extract information for reporting on climate investment projects.	In line with the 9 th NSEDP, MONRE/NDA is charged with the responsibility to monitor and regularly report on the progress against environment and climate change related targets and the contributions of climate investments.
The NDA office is new	The NDA office and its staff have a keen interest in addressing the challenges and opportunities, embarking on new approaches such as integrated programming for GEF, GCF and AF.

23. The following barriers would prevent Lao PDR in optimizing access to global climate finance including for resilient and green COVID-19 recovery, and MONRE/NDA in performing their new mandate and responsibilities:

The NDA office has limited capacity to coordinate GCF engagement

24. Most of staff of the new NDA office is new to the GCF and require trainings including the GCF fundamentals (results framework, investment criteria, modes of engagement), capacity to implement the No Objection Procedures, the Country Programme, MRV and stakeholder engagement.

25. The established GCF coordination mechanism in Lao PDR includes the Climate Finance Committee (CFC). However, reportedly, the CFC does not meet regularly and does not have a clear workplan. Given the opportunities to build synergies with other global funds, the NDA is proposing to expand the CFC to Environment and Climate Finance Committee (ECFC) to coordinate and facilitate synergies in access to these funding windows. Furthermore, mechanisms for stronger engagement of sector ministries, including to support resilient COVID-19 recovery and to strengthen the MRV system are required.

Limited understanding and experience of the NDA and other ministries of MRV system

26. LAO-RS-007 currently supports the incorporation of indicators into the Management Information System (MIS) of public investments led by MPI to extract climate investments. In order to engage all sector ministries in the use of these indicators to generate and share climate investment information that MONRE/NDA can access from the MIS, analyse and prepare specific climate investment reports, the NDA requires technical support to develop templates, inter-ministerial guidelines, and Standard Operations Procedures (SOP). Consultations and training for ministries, as well as development partners and other stakeholders including the private sector for sharing the information, will be required.

Lack of information on COVID-19 impacts on AFOLU sectors and limited capacities of sector ministries (MAF, MONRE and others) to assess the needs, use data/information and plan for investments in resilient and green COVID-19 recovery.

27. The AFOLU sectors and dependent livelihoods have been severely affected by COVID-19 and are at increased climate risks from the inability to invest in and implement green and resilient COVID-19 recovery in Lao PDR. The 2020 NDC include ambitious targets such as conditional reduction of 45,000 ktCO₂eq/year through increasing forest cover to 70% of land area (or 16.58 million hectares) or reduction of 128 ktCO₂eq/year in agriculture through adjusted water management practices in lowland rice cultivation in 50,000 hectares. Policies such as the Agriculture Development Strategy (ADS) and the Natural Resources and Environment Strategy (NRES) and MAF and MONRE five-year plans include relevant targets and actions including for COVID-19 recovery. These still need to be translated into realistic, concrete, and measurable actions for attracting funding and implementation.

28. Recovery planning and mobilization of investments should also be done with long term vision to transform the AFOLU sectors toward low emission and resilience and for the sectors to fulfil their contribution to achieving the NDC and 9th NSEDP targets. However, there is not sufficient information on impacts of COVID-19 on AFOLU sectors and the potential increase of climate risks while capacity for strategic investment planning is generally weak across sectors in Lao PDR.

GCF Country Programme is developed without consideration of green and resilient COVID-19 recovery and potential synergies of global climate funding

29. The draft updated Country Programme (2021) emphasizes five broad priorities:

- Enhancing climate-resilient farming and communities
- Supporting an increase and maintenance of national forest cover
- Promoting emission reductions in the energy sector
- Promoting low-carbon and climate-resilient urban development and transportation
- Enhancing climate resilience in the public health sector.

30. The Country Programme also includes an updated pipeline of 11 projects including 04 concept notes and 01 SAP concept note that have already been submitted and/or to be submitted in 2021/2022. However, these project concept notes/proposals do not explicitly include resilient COVID-19 recovery. Furthermore, apart from the FAO project proposal that proposes to explicitly scale up a successful GEF project, the synergies with GEF and AF is not clear in the current pipeline. Recognizing the benefits of integrated programming to optimize resources from these major global finance facilities, the NDA set an objective to develop an integrated GEF-GCF-AF programming framework and a pipeline to be part of the Country Programme with institutional coordination mechanisms across the Fund/Facility and enhanced capacities of concerned sectors to develop programme/project ideas. This ambition is strategic and timely in the context of GEF-8 programming and increased AF country allocation. However, both the NDA and concerned sectors do not yet have sufficient understanding of and experience with each Fund/Facility and there is the need to engage a wide range of stakeholders including the private sector to embark in this strategic exercise.

Focal points for GCF, GEF and AF have limited understanding of other Fund/Facility and concerned sector ministries, local authorities have limited capacities of to develop projects to access global finance mechanisms

31. With the recently updated GCF Country Programme, GEF-8 programming directions being shaped, and on-going initial discussions on the use of the AF's increased allocation, dialogue among all concerned stakeholders on GEF-8 and AF's priorities is needed to ensure synergies with the GCF Country Programme, thereby optimizing the available international funding to catalyse private and other domestic funding. This includes opportunities for synergies with transboundary or regional programme development, such as under the International Water window of the GEF or regional programmes of the AF.

32. This is new for the NDA as well as DCC/AF focal point and increasing their understanding of the other Funds is needed. There is also a gap in sharing information on GEF, GCF, and AF project implementation and lessons learned

33. Recognizing the challenges and opportunities, **the NDA office has requested for the following support** :
- Capacity building of NDA staff to ensure continued effective GCF coordination while expanding collaboration with GEF and AF programming, to strengthen the No-Objection Procedures (NOP) implementation
 - Strengthen MRV of climate finance, linked with Government/Ministry of Planning and Investment (MPI)'s monitoring and reporting on public investments.
 - Technical support and facilitation of MONRE/NDA to work with sector ministries in developing strategic actions to boost investments in resilient and green COVID-19 recovery, particularly in the AFOLU sectors.
 - Develop a strategy and process for integrated GCF, GEF, and AF programming and subsequently facilitate the development of integrated programme/project ideas that also address resilient COVID-19 recovery.

D. Project Strategy

34. The project will support the NDA in addressing the above problems and Readiness gaps. It aims to achieve the following Readiness programme outcomes and project outputs:

Outcome 1.1: Lao PDR new NDA has effective systems and networks that enable them to fulfil their roles, responsibilities and policy requirements

Output 1.1.1: Climate Finance Committee expanded to be Environment & Climate Finance Committee (ECFC) with clear TOR, TWGs and meet regularly

Output 1.1.2: MRV system of climate finance functions with Guidelines, templates and SOPs and contributes to the NDC, 9th NSEDP and SDGs reporting

Outcome 2.2: Lao PDR has enhanced strategic frameworks to address policy gaps, improve sectoral expertise, and enhance enabling environments for GCF programming in low-emission investment

Output 2.2.1: AFOLU sectors COVID-19 resilient and green recovery investment plans developed and endorsed by MAF and MONRE

Outcome 4.1: An increase in the number of quality programme/project concept notes developed and submitted in line with a Guidelines for integrated GEF, GCF, and AF programming

Output 4.1.1 Guidelines for integrated GEF, GCF, and AF programming

Output 4.1.2 Programme/project concept notes that address COVID-19 resilient recovery and integrate GEF8, GCF and AF funding.

35. The project strategy to achieve these outputs and outcomes include:

- 1) Training and on-the-job coaching to build capacity of the new NDA office: FAO has developed a number of tailored training modules for NDA offices in other countries that will be adapted for Lao PDR. Combined trainings and on-the-job coaching through FAO staff and FAO recruited consultants will enable NDA office staff to quickly build a good understanding of the GCF as well as GEF and AF to actively engage with sector ministries and other stakeholders and perform NDA functions (i.e. review of project concept notes and proposals, in line with the NOP and others). The project will also support building long term capacity of the NDA office by recruiting junior consultants who would be able to compete to become MONRE staff in the future.

- 2) Provide technical advisory and support for the NDA to lead the review and improvement of climate finance coordination mechanisms, particularly the Climate Finance Committee while establishing new coordination mechanisms i.e. for the development of strategic investment frameworks for COVID-19 resilient recovery in AFOLU sectors or for linking MRC of climate finance with the MPI's ODA information management system. FAO will leverage its close working relationship with MAF, other departments of MONRE, other ministries as well as stakeholders to support the NDA in this regard.
- 3) Provide technical expertise and coordination support to ensure the quality strategic investment framework for resilient and green COVID-19 recovery in AFOLU sectors while building climate responsive planning capacity of MAF and MONRE. FAO will draw on its and other available COVID-19 impact assessments to facilitate MAF and MONRE's review of their respective five-year plans and identify strategic actions/investment priorities. FAO will also adapt the foresight planning capacity building package (for agriculture and land use) developed under its GEF project in Lao PDR to provide training for concerned MAF and MONRE departments.
- 4) Provide technical advice and facilitation in the development of the strategy for integrated GEF, GCF and AF programming. FAO will leverage its deep technical expertise and experience working with all the Fund/Facility to assist the NDA office in engaging concerned ministries and stakeholders, developing the vision/goals, objectives, procedures and process for the integrated programming and development/selection of project ideas/concept notes.

36. The project will draw on the GCF coordination mechanisms developed through previous Readiness and Preparatory Support Programmes to engage key ministries/institutions in its implementation. These mechanisms include: expanding the Climate Finance Steering Committee, mechanisms to engage the private sector, NDA M&E protocols and the Country Programming process. See Table 2 below.

Table 2: Role of Key Institutions and governance mechanisms in this Readiness proposal.

Ministry/ agency/ institution	Mandate	Role in this Readiness project
MONRE/NDA	Environmental and climate change related policy and guideline development and coordination of multi-sectoral implementation	Leading the implementation, monitoring and reporting on the NDC, other global environmental treaties and related SDGs; Ensuring that COVID-19 recovery planning, programming and implementation and the 9th NSEDP implementation contribute to national climate change strategies and Lao PDR commitments to global environmental frameworks.
MONRE/ other departments	Managing land, water and other natural resources, responsible for hydro-meteorological information, forecast and early warning	Work with NDA in implementing related activities such as COVID-19 resilient recovery and developing pipeline in land and water sectors. Contribute to the MRV and integrated information systems and MONRE's responsible reporting on related NDC and the 9th NSEDP targets and indicators, led by the NDA office.
Ministry of Planning and Investment (MPI)	Overall socio-economic development planning and investment decision making. Lead on the 9th NSEDP and SDGs implementation and monitoring	The MPI guides sectoral planning, consolidates outputs and advises the Government on approval including budget allocation for sector 5-year plan and annual budget to implement the 9th NSEDP and COVID-19 response and recovery. It is part of the Climate Finance Steering Committee. The project will work with MPI to advocate for resilient COVID-19 recovery and climate finance in the agriculture, land and water sectors. It will also contribute to MPI-led monitoring and reporting on the 9th NSEDP and SDGs in Lao PDR.
Ministry of Agriculture and Forestry (MAF)	Sustainable agriculture development and forest management for food	Work with NDA in implementing related activities such as COVID-19 resilient recovery and developing a pipeline in agriculture (including crop, livestock, fisheries, forestry) that links closely with land and water sectors.

	security, nutrition and resilient livelihoods	Update agriculture and forestry related data and information for both the sector's monitoring and reporting on related 9th NSEDP targets/indicators and the MRV and integrated information systems and MONRE/NDA-led monitoring and reporting on the NDC.
Ministry of Health (MoH)	Public health management including nutrition and leading COVID-19 response	<p>The project will coordinate with MoH for integrated multi-sectoral resilient COVID-19 response and recovery planning with a multi-hazard approach (addressing pandemic, climate, natural and biological hazards).</p> <p>MoH will contribute relevant data/information to the MRV and integrated information systems and MONRE/NDA-led monitoring and reporting on NDC and 9th NSEDP including climate finance in the health sector.</p>
Ministry of Labour and Social Welfare (MoLSW)	Responsible for well-being of people, particularly the poor and vulnerable, social protection, labour and employment and coordination of disaster risk management	<p>The project will coordinate with MoLSW for integrated, multi-sectoral resilient COVID-19 response and recovery planning with a multi-hazard approach, promoting integrated measures such as social protection to build climate resilience and coherence of disaster risk reduction and climate change adaptation in agriculture, land and water sectors.</p> <p>MoLSW will contribute relevant data/information to the MRV and integrated information systems and MONRE/NDA-led monitoring and reporting on NDC and 9th NSEDP including climate finance for social welfare and investments in disaster risk management.</p>
Multi-sectoral coordination bodies	Provide policies, guidance, coordination of actions across sectors and oversight	<p>These bodies, among others are: the National Steering Committee on Climate Change (NSCCC) with MONRE as its secretariat, and the National Disaster Prevention and Control Committee (NDPCC) with MoLSW as the secretariat. Both Committees play a key role in the overall governance structure for the 9th NSEDP implementation, monitoring and reporting at national and provincial levels.</p> <p>The project will ensure close consultation with and reporting to these coordination bodies, including through the MRV system.</p>
Provincial multi-sectoral coordination bodies and sectoral offices	Implement national policies and strategies and provincial 9th NSEDP	Local governments will be engaged in the project to provide inputs to the green, resilient and inclusive COVID-19 recovery planning, pipeline development and eventual implementation. They will also contribute to the MRV and integrated information system which will benefit them in performing their reporting responsibilities against the 9th NSEDP.

3. LOGICAL FRAMEWORK

Outcomes	Baseline ²²	Targets	Outputs	Activities (brief description)	Deliverables ²³
Outcome 1.1: Country NDAs or focal points and the network/ systems that enable them to fulfil their roles, responsibilities and policy requirements are operational and effective	Some coordination mechanisms such as the Climate Finance Committee (CFC) established but not meet regularly. An initial MRV system of climate finance developed and indicators integrated into the MPI's MIS to extract climate investment information. But the NDA office staff is not yet familiar with MRV	The expanded Environment and Climate Finance Committee (ECFC) and its Technical Working Groups (TWG) meet regularly with clear TOR. Ministries, development partners and other stakeholders use Guidelines, templates and SOPs to generate and share information that is analysed by the NDA office to prepare reports for NDC, 9 th NSEDP and SDGs projects	Output 1.1.1 Climate Finance Committee expanded to be Environment & Climate Finance Committee (ECFC) with clear TOR, TWGs, and regular meetings	Activity 1.1.1.1: Participatory review of the CCF, develop TOR and workplan of the ECFC and TWGs, issue MONRE decision for ECFC establishment and organize regular meetings	Deliverable 1.1.1.1: a) TOR and workplan of the ECFC and its TWGs b) MONRE decision to establish the ECFC c) Summary report of meetings of the ECFC and TWGs (at least 04 meetings during project implementation with 20-30 participants each, summarized in one single report), including gender disaggregated list of participants.
			Output 1.1.2 MRV system of climate finance functions with Guidelines, templates and SOPs and contributes to the NDC, 9 th NSEDP and SDGs reporting	Activity 1.1.2.1: Develop Guidelines (2), templates and SOPs for MRV of climate investments, in consultation with ministries and stakeholders/users	Deliverable 1.1.2.1: a) Guideline, templates and SOP for ministries and stakeholders to share CC project information through MIS b) Guideline for NDA to access MIS, sector statistics and other available geo-spatial databases and their use for analyses and reporting. c) Summary report of the ECFC, TWG, and other stakeholder consultation meetings (ref. meetings in Activity 1.1.1.1) showing agreed roles and responsibilities for implementation of the MRV system.
				Activity 1.1.2.2: Develop a set of indicators of resilient and green COVID-19 recovery in the AFOLU sectors with Guidelines on the source and frequency of data collection and the means of verification and reporting. Incorporate the indicators into the MRV of climate investment (Activity 1.1.2.1) and its Guideline, template and SOPs	Deliverable 1.1.2.2: a) A set of indicators with Guidelines to track and measure resilient and green COVID-19 recovery in AFOLU sectors b) The indicators incorporated into the Guidelines, templates and SOPs of the MRV of climate investment system and MIS.

3. LOGICAL FRAMEWORK

Outcomes	Baseline ²²	Targets	Outputs	Activities (brief description)	Deliverables ²³
				Activity 1.1.2.3: Organize 04 trainings for NDA and concerned government agencies and stakeholders on the MRV/MIS systems	Deliverable 1.1.2.3: A Training report (including list of participants disaggregated by gender, training material, and results of the pre- and post-surveys to assess the training effectiveness) for 02 trainings for Ministries on CC project information sharing for the MPI MIS (with 30 participants each) and 02 trainings for NDA/MONRE staff (10-15 participants each) on data analyses and preparation of reports (with 10-15 participants each)
Outcome 2.2: GCF recipient countries have developed or enhanced strategic frameworks to address policy gaps, improve sectoral expertise, and enhance enabling environments for GCF programming in low-emission investment	Insufficient preparatory work has been carried out to date to allow for robust frameworks and policies. Only initial COVID-19 impact assessments were undertaken. Despite policies and macro plans, no sector specific resilient and green COVID-19 recovery plans developed and there is no information system to track the action and their climate impacts.	Resilient and green COVID-19 recovery investment plans developed for AFOLU sectors with a tracking system.	Output 2.2.1 Resilient and green COVID-19 recovery investment plans developed for AFOLU sectors and adopted by MARD and MONRE	Activity 2.2.1.1: Consolidate and/or perform additional COVID-19 impact assessment in AFOLU sectors.	Deliverable 2.2.1.1: An assessment report on COVID-19 impacts on the AFOLU sectors endorsed by MAF and MONRE.
				Activity 2.2.1.2: Track COVID-19 recovery measures in the AFOLU sectors and analyze their climate impacts on climate change objectives.	Deliverable 2.2.1.2: a) An up-to-date excel file capturing COVID-19 recovery policies, measures and projects in AFOLU sectors b) At least 2 policy briefs by NDA on potential climate change impacts of COVID-19 recovery plans and measures and recommended priority investments.
				Activity 2.2.1.3: Support MAF and MONRE review their five year plan and develop resilient and green COVID-19 recovery investment plans, in consultation with	Deliverable 2.2.1.3: a) An investment plan for resilient and green COVID-19 recovery for MAF b) An investment plan for resilient and green COVID-19 recovery for MONRE

²² 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.

²³ 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.

3. LOGICAL FRAMEWORK

Outcomes	Baseline ²²	Targets	Outputs	Activities (brief description)	Deliverables ²³
				government agencies, stakeholders and the private sector.	
				Activity 2.2.1.4: Organize consultation meetings/workshops including selected provincial authorities to consult and validate the resilient and green COVID-19 investment plans.	Deliverable 2.2.1.4: Summary report on the outcome of the stakeholder meetings/workshops (at least 03 meetings) of 20-30 participants including feedback from stakeholders, gender disaggregated list of participants, and workshop materials.
Outcome 4.1: An increase in the number of quality project concept notes (CN) developed and submitted	As of December 2021, 04 Concept notes and 01 SAP CN have been submitted to the GCF Secretariat but do not address COVID-19 and possible synergies with GEF and AF	At least 03 Concept Notes that combine GEF and AF resources to maximize funding for adaptation and mitigation after the COVID-19 pandemic are submitted to the GCF	Output 4.1.1 MONRE Guidance for integrated GEF-GCF and AF programming, developed in consultation with ministries and stakeholders	Activity 4.1.1.1: Undertake a participatory review of GEF, GCF and AF programme experience in Lao PDR, develop a Guidance for integrated programming and seek MONRE's endorsement.	Deliverable 4.1.1.1: a) Report on the review of current GEF, GCF, and AF programming and opportunities for synergies b) A Guidance endorsed by MONRE for integrated GEF-GCF-AF programming. c) Summary report of 04 multi-sectoral and stakeholder consultations of 1 day each for 30-40 participants (including gender disaggregated list of participants and workshop materials).
			Output 4.1.2 03 submitted programme/project concept notes that combine GEF and AF resources and address resilient and green COVID-19 recovery	Activity 4.1.2.1: Organize 01 training on GCF project development, aligned with GEF and AF programme priorities and project requirements, for NDA, key ministries, and selected provinces.	Deliverable 4.1.2.1: a) GCF project development training materials, developed by FAO adapted to Laos context, included GEF and AF project requirements, and translated into Laos language for NDA further use b) 01 training report (1-2 day training of 30-35 participants with gender disaggregated list of participants and pre- and post-training surveys to gather participants feedback)
				Activity 4.1.2.2: Conduct pre-feasibility studies on 03 programme/project ideas, resulting from Activity 2.2.1.3 and 4.1.1.1	Deliverable 4.1.2.2: Three pre-feasibility study reports

3. LOGICAL FRAMEWORK

Outcomes	Baseline ²²	Targets	Outputs	Activities (brief description)	Deliverables ²³
				Activity 4.1.2.3: Prepare three programme/project concept notes (building on 4.1.2.2) and organize consultation/validation workshops to finalize the concept notes.	Deliverable 4.1.2.3: <ul style="list-style-type: none"> a) Three programme/project concept notes, one on nature-based solutions in agriculture, targeting combined AF and GCF; one on forest/ecosystem restoration and one on water resources (to be confirmed based on output 2.2.2) b) Reports of 03 consultation meetings and 01 Validation workshop (1 day with approx. 30 participants each, list of participants disaggregated by gender and feedback provided)

4. THEORY OF CHANGE

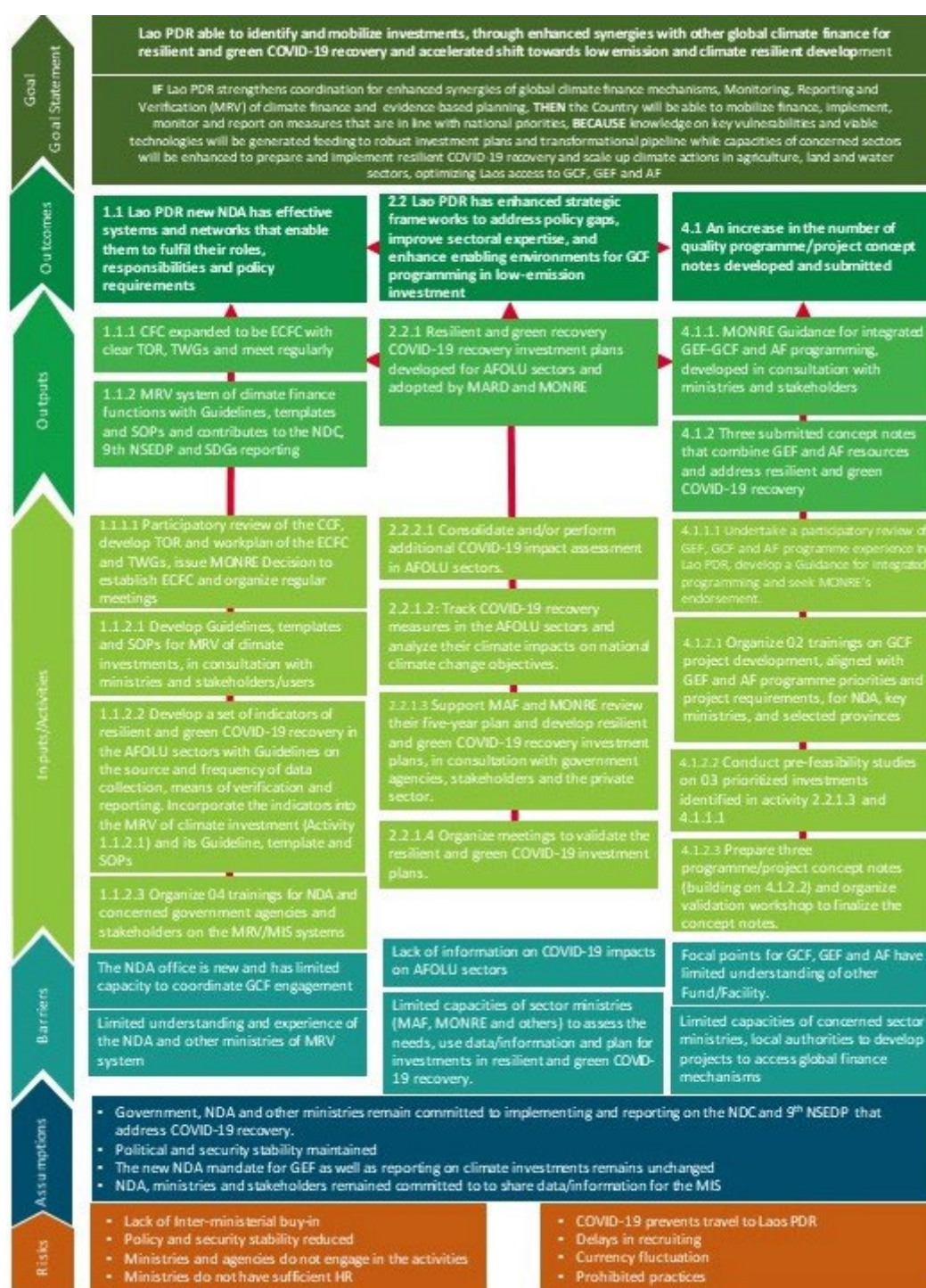


Figure 1 Project Theory of Change

The **Goal** of the project is that Lao PDR is able to identify and mobilize investments, through enhanced synergies with other global climate finance, for COVID-19 resilient and green recovery and accelerated the shift towards low emission and climate resilient development

The **Goal Statement** is: **IF** Lao PDR strengthens coordination for enhanced synergies of global climate finance mechanisms, Monitoring, Reporting and Verification (MRV) of climate finance and evidence-based planning, **THEN** the Country will be able to mobilize finance, implement, monitor and report on measures that are in line with national priorities, **BECAUSE** knowledge, information sharing and capacity of the NDA and concerned sectors will be enhanced to prepare, implement and report on resilient COVID-19 recovery in the AFOLU sectors and scale up climate actions, optimizing integrated GCF, GEF, and AF programming.

This Goal will be achieved through **three GCF Readiness Objectives and Outcomes** namely:

Objective 1 - Capacity building for climate finance coordination, **Outcome 1.1 Lao PDR new NDA has effective systems and networks that enable them to fulfil their roles, responsibilities and policy requirements**

Objective 2 – Strategic frameworks for low-emission investment, **Outcome 2.2 Lao PDR has enhanced strategic frameworks to address policy gaps, improve sectoral expertise, and enhance enabling environments for GCF programming in low-emission investment;** and

Objective 4 – Transformational Pipeline, **Outcome 4.1 An increase in the number of quality programme/project concept notes developed and submitted**

Under Outcome 1.1 Activities include the review of the existing Climate Finance Committee, develop TOR for an expanded Environment and Climate Finance Committee (ECFC) and its TWGs and facilitate the Committee regular meetings (Activity 1.1.1.1) that will lead to **Output 1.1** – a functional ECFC that will effectively coordinate Laos engagement with the GCF, in synergies with GEF and AF. Activity 1.1.2.1 will build on initial work by previous Readiness initiatives to develop an MRV system to update and or develop Guidelines and templates for ministries and other stakeholders to share information on climate investments and for the NDA to access the MIS managed by MPI to analyse and prepare reports on climate investments. At the same time, Activity 1.1.2.2 will develop a set of indicators to measure resilient and green COVID-19 recovery in the AFOLU sectors to be incorporated into the MRV and MPI system. The Guidelines and templates will also include indicators to track and monitor resilient and green COVID-19 recovery. The development of these indicators will draw on available global and regional frameworks such as (i) UNESCAP socio-economic response framework²⁴ and (ii) OECD Making the green recovery work for job, income and growth,²⁵ and Guidelines on the use of these indicators (sources and frequency of data collection, means of verification and reporting) will be developed. The Guidelines and training/capacity building for the NDA/MONRE will also include access to and establishing linkages with available information systems (of climate change, agriculture, forest, land, water) to enable the NDA office to conduct analyses and prepare evidence based reporting on NDC and the 9th NSEDP environment and climate change related indicators. Available information systems include FAO global forest, land, water and agriculture monitoring and statistics or the recently consolidated geo-spatial information platform for the FAO Hand-in-Hand initiative that Lao PDR is among the pioneer countries.

Complemented by the provision of training for ministries and stakeholders and the NDA (Activity 1.1.2.3), a functional MRV of climate finance system, linked with the MIS will be in place, enabling the NDA/MONRE to report on climate investments against the NDC and 9th NESD (**Output 1.1.2**) as an effective system to promote transparent climate finance in Lao PDR.

²⁴ <https://www.unescap.org/sites/default/files/ESCAP%20COVID-19%20Framework%20Paper.pdf>

²⁵ https://read.oecd-ilibrary.org/view/?ref=136_136201-ctwt8p7qs5&title=Making-the-Green-Recovery-Work-for-Jobs-Income-and-Growth

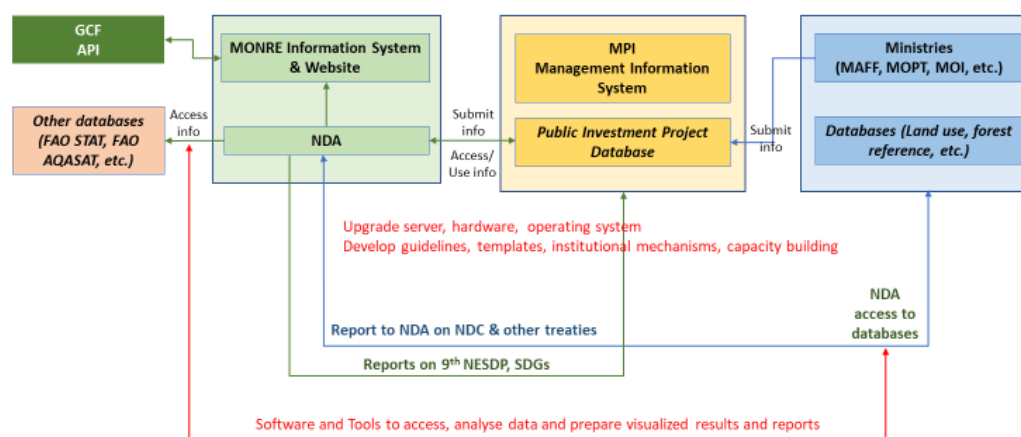


Figure 2 Information sharing for MRV of climate finance and project support (in red)

The **inputs** for Activities under this Outcome will be the relevant deliverables produced by previous Readiness initiatives, such as TOR of the CFC, materials to develop the MRV and indicators to be incorporated into the MIS and documents, information and existing information sharing mechanisms for the MIS managed by MPI, etc. Available information and reports, such as those of UNESCAP monitoring COVID-19 recovery in Asia and the Pacific region or OECD framework, mentioned above, will also be used. FAO developed training materials will be used to adapt for Laos context. The project will provide inputs in the forms of consultants (international and national), sub-contract (for the MRV system equipment) and meeting/workshop cost. The strengthened coordination mechanisms and capacities under Outcome 1.1 will be critical for Outcome 2.2 and 4.1. Under **Outcome 2.2**, consolidation of available information on COVID-19 impacts on the AFOLU sectors or additional assessment will be performed (Activity 2.2.1.1). At the same time, a tracking tool (excel file) will be developed to track COVID-19 economic stimulus measures and recovery policies, plans and projects as well as their potential impacts on the national Climate Change strategies and targets (Activity 2.2.1.2). Information generated through these activities will be used by MAF and MONRE to review their respective five-year plans and identify priority investments and prepare their respective resilient and green COVID-19 recovery investment plans (Activity 2.2.1.3). Consultations and validation workshops with concerned government agencies, selected provincial authorities and other stakeholders (Activity 2.2.1.4) will enable the Ministries to endorse the investment plans (**Output 2.2.1**).

Inputs for this Outcome will be existing COVID-19 impact assessments in Lao PDR and other relevant information available at MAF, MONRE, MPI and other government agencies as well as from other stakeholders (i.e. development partners and private sector's plans/investments for COVID-19 recovery). The project inputs will be consultants (international and national) and meeting/workshop cost including to engage selected provinces in the consultations. Under **Outcome 4.1** and in line with the priority areas of the GCF Country Programme, updated in 2021 through the LAO-RS 007 with GGGI-II, the project will facilitate participatory review of GCF, GEF and AF programming process and experiences to identify opportunities for integrated programming and funding. This will lead to the development of a Guidance on integrated GCF, GEF and AF programming (Activity 4.1.1.1), to be endorsed and disseminated by MONRE through consultations with stakeholders (**Output 4.1.1**). This process will also lead to the identification of project ideas with potentials for combined funding. Trainings on GCF project development, aligned with GEF and AF and using this Guidance for integrated programme will enhance capacity of the NDA office and concerned ministries (Activity 4.1.2.1) Feasibility studies will be undertaken to develop 03 project concept notes (Activity 4.1.2.1), building on project ideas identified under Activity 4.1.1.2. Subsequently, 03 programme/project concept notes with this integrated approach and also to address resilient and green COVID-19 recovery will be prepared (Activity 4.2.1.2). These together with the pre-feasibility studies and outcomes of consultations will form **Output 4.1.2**. The concept notes will contribute to the GCF Country Programme pipeline, updated in 2023.

Inputs for this Outcome will be information on GEF, GCF and AF project implementation in Lao PDR, available publicly (through websites of the Fund/Facility and implementing agencies), relevant Government policies and procedures (such as to manage ODA or national budget process), the GCF Country Programme, FAO developed training materials on GCF as well as on GEF. The project inputs will be mainly consultants, Letter of Agreement for the pre-feasibility studies and meeting/workshop cost including to engage selected provinces in the consultations.

The Barriers that the project will address include:

Capacity gaps of the new NDA office, whose staff is not yet familiar with GCF requirements and processes while facing with new challenges posed by the new task to monitor and report on environment and climate change related targets of the NDCs and 9th NSEDP. On the other hand, the project will build on the new NDA mandate for coordinating all global climate finance mechanisms to optimize Laos access to GCF through synergies with GEF and AF.

The project will provide trainings and support the NDA office in developing institutional mechanisms (such as the ECFC) and tools (such as Guidelines and templates for the MRV system). These will help build sustainable capacity of the NDA office to fulfill its role.

Limited capacities of sector ministries (MAF, MONRE and others) to assess the needs, use data/information and identify technologies to develop green and resilient COVID-19 recovery investment plans. Despite political commitments and the opportunities to build back better and accelerate the shift towards low carbon and climate resilient development in COVID-19 recovery, both government and development partners' investment landscape is unclear. Furthermore clear information on the impacts of COVID-19 on the AFOLU sectors is missing.

The project will address these barriers by supporting key sector ministries (MAF, MONRE and others) to fill in COVID-19 impact information gaps and build their capacity to assess the needs, use data/information and plan for investments in resilient and green COVID-19 recovery. Addressing these barriers is critical for resilient and green COVID-19 recovery to be part of Lao PDR access to global climate finance and contribute to the country's increased climate ambitions and NSEDP targets. The project will seek to address the lack of information of COVID-19 on AFOLU sectors by preparing pre-feasibility studies in line with programme/project ideas resulting from the investment plans prepared for MAF and MONRE.

Focal points for GCF, GEF and AF have limited understanding of other Fund/Facility and prevailing limited capacities of concerned sector ministries, local authorities to develop projects in line with investment criteria of these global finance mechanisms.

The project will support the NDA, concerned departments of MONRE and other sector ministries to strengthen mutual understanding of GCF, GEF and AF and possible synergies between them through the participatory review of existing programmes and the development of integrated programming framework. Training on GCF project development as well as the process of developing new concept notes will strengthen the knowledge of different Fund requirements and project development skills while reinforcing cross-sectoral collaboration..

The project is based on **Assumptions** that Government of Lao PDR, NDA/MONRE and other ministries remain committed to implementing and reporting on NDC and the 9th NSEDP that emphasizes COVID-19 pandemic recovery and that political and security stability is maintained in the country.

Risks to the project include a reduced policy and security stability which is very unlikely in Lao PDR. There might be the lack of inter-ministerial buy-in for resilience and green considerations in COVID-19 recovery vs. fast economic recovery which is also a low risk given the approved 9th NSEDP. While the NDA/MONRE and other ministries have clear mandate and commit to their roles/responsibilities in implementing climate change strategies and sharing information, including through the MPI's MIS, they may face lack of adequate human resources to participate in the project activities. This is a moderate risk that can be mitigated by strengthening and/or developing appropriate institutional mechanisms, training/capacity building and development of tools and support systems which are planned under the project. The new COVID-19 outbreak in Laos and possible extreme climate events/disasters may take over the attention of ministries and create delays in recruiting qualified project staff and consultants or jeopardize the organization of training/workshops/meetings.

Operational risks include delay in recruiting and mobilizing consultants and other inputs and uncertainty of consultant missions to Lao PDR due to COVID-19. These will be mobilized by advanced planning, home-based assignments and on-line workshops/trainings with which FAO Laos has good experiences. Currency fluctuation that would make budgeted items more expensive would have limited impacts given the small amount of budget for procurement under the project. The risk of Prohibited Practices (i.e. Corruption, Fraud, Coercion, Collusion, Obstructive practice, Abuse, Harassment, Money Laundering, Financing Terrorism, etc.) is also low, considering FAO Laos track record and FAO reinforced mechanisms being put in place for GCF and other large programmes.

5. BUDGET, PROCUREMENT, IMPLEMENTATION AND DISBURSEMENT PLAN

5.1 Budget plan

See Budget, Procurement and Implementation Plan.

5.2 Procurement plan

See Procurement Plan

5.3 Implementation Plan

See Budget, Procurement and Implementation Plan

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 entered into between GCF and FAO on 25 August 2020 (the "Framework Agreement"). The Delivery Partner is entitled to submit 2 requests for disbursement each year and an Interim Request for Disbursement within 30 days of approval by the GCF of a proposal, which must be in accordance with the Framework Agreement.

6. IMPLEMENTATION ARRANGEMENTS AND OTHER INFORMATION

6.1 Implementation arrangements

The Department of Planning and Finance (DOPF) of MONRE that is the GEF National Operational Focal point has become the NDA office. Within MONRE, DOPF coordinates planning, investment decision making, monitoring and evaluation. DOPF/NDA will both play a leading role in this project implementation and be its beneficiary. The DOPF will ensure MONRE, MAF and other government agencies' engagement in the project, especially for the resilient COVID-19 recovery planning, MRV system and pipeline development. It will work closely with FAO, providing support for Government coordination, endorsement of project deliverables and sustaining its developed mechanisms. With its mandate, experience as well as experience as GEF focal point, capacity building and coaching will enable DOPF staff to quickly grasp the necessary knowledge, skills and take up the role.

FAO, as the Delivery Partner, will be responsible for 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 FAO's policies and procedures and with the Second Amended and Restated Framework Readiness and Preparatory Support Grant Agreement entered into between GCF and FAO dated 25 August 2020.

The Readiness project will be implemented during a period of 18 months by FAO, under the guidance and leadership of the NDA. As delivery partner, FAO will manage the Readiness funds and be responsible for the project implementation, oversight and reporting in accordance with FAO policies and procedures in close coordination with the NDA. The project will be implemented in a way to highlight the ownership and coordination role of the NDA/MONRE of the Government of Lao PDR.

The project will be implemented in close synergies with the on-going Readiness and Preparatory Support Programmes (see Annex 1), especially the GGGI's project 'NDA strengthening and country programming support for Lao PDR', contributing directly to the further development of the Country Programme with a transformational pipeline.

The project will draw on existing GCF governance structure in Lao PDR:

The GCF Coordination Mechanism, being embedded into related national coordination mechanisms such as the National Steering Committee on Climate Change (NSCCC), the GEF (and GCF) Committee, etc. will be the governing body of the project, providing policy guidance, advice and coordination support. In addition, the project will support the update/revitalization of the Environment and Climate Finance Committee under MONRE Minister leadership that will ensure smooth communication, coordination and synergies between this Readiness project, other GCF projects and related initiatives in Lao PDR.

Project Management Unit (PMU), comprising NDA office staff, project international, national consultants and M&E and administrative staff will lead the execution of the project, preparing work plans, following the guidelines of the NDA and FAO, implement, monitor and report, ensuring synergies with other Readiness and Preparatory Support Programmes within the GCF Coordination Mechanism. The PMU, located inside the NDA office, is led by a National Project Coordinator and will be technically guided/supported by FAO Laos, Lead Technical Officer in FAO Regional Office and FAO HQ technical units.

The National Project Coordinator (NPC) is responsible for day-to-day project management and regular monitoring of project results and risks, including social and environmental risks. The NPC will ensure that all project personnel maintain a high level of transparency, responsibility and accountability in M&E and in reporting of project results, in close collaboration with NDA office, MONRE concerned departments, MAF and other participating ministries. The NPC will report to the Deputy Director General of DPF/MONRE and FAO Representative to Lao PDR of any delays or difficulties encountered during implementation to ensure that appropriate support and corrective measures can be adopted. He/she will develop annual work plans to support the efficient implementation of the project, ensuring that the standard FAO and GCF M&E requirements are fulfilled to the highest quality and will ensure fluid communication between all stakeholders of the project. During GCF Coordination meetings the NPC will take note of discussions to ensure that all the decisions made are duly executed to ensure a smooth implementation of the project.

Partners including other GCF Accredited Entities and Readiness Delivery Partners, Implementing Agencies of GEF and AF and other relevant agencies will be engaged in project activities i.e. in developing the TOR of the ECFC, MRV system, development of integrated programming framework as well as COVID-19 impact assessments and resilient and green investment planning in AFOLU sectors. Their role will not be limited to sharing information and providing inputs in project consultations but also for actual joint project concept note development.

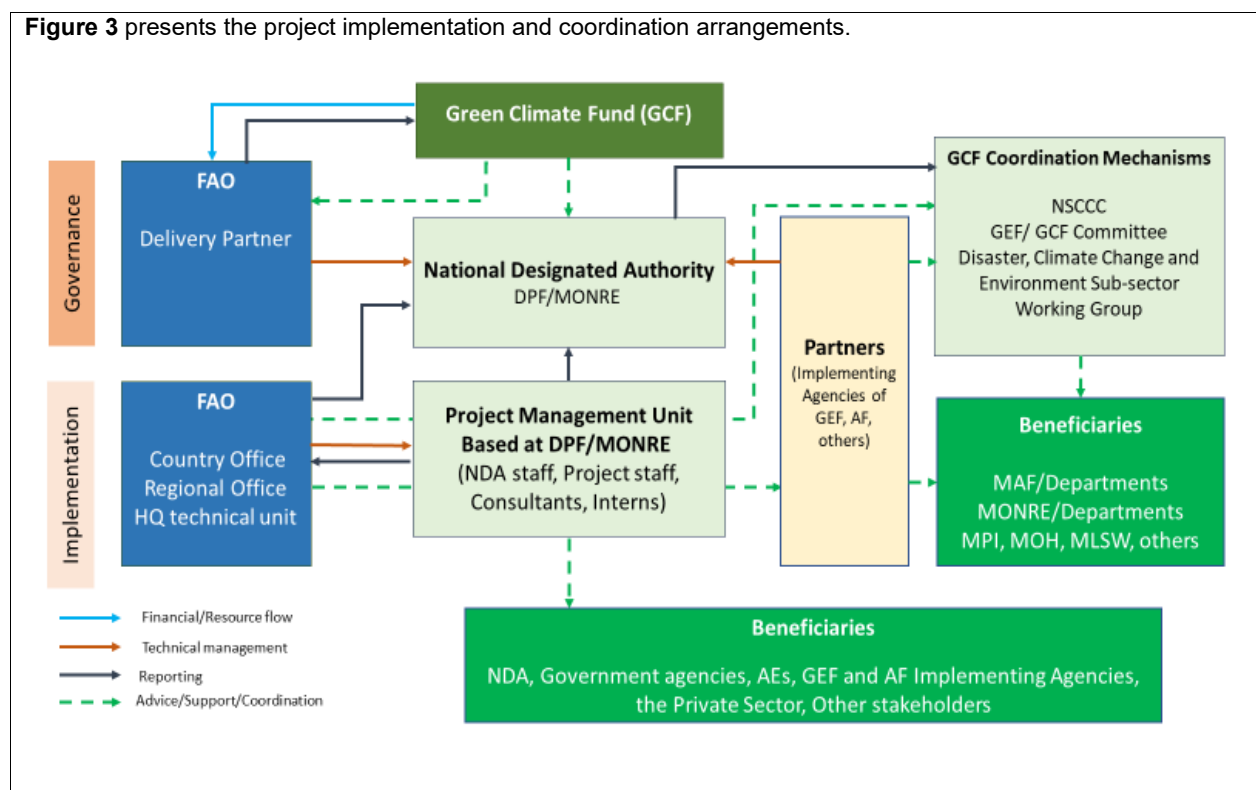
Given the importance that the NDA/MONRE office attaches to the MRV system development linked with the MIS of MPI and the need to work with many ministries and stakeholders, the project will hire a full time National consultant – Information Management Expert. The National Information Management Expert will be guided by a part time International Consultant to perform analysis of the MIS, existing MONRE and other Ministries' information management of investment projects, how they are currently reporting to the MIS and capacity gaps. Following the development of the MRV system by Month 9, the National Information Management Expert will monitor the implementation, provide coaching and trouble-shooting for ministries and stakeholders and document lessons learned for the system update/improvement in Month 15.

To build long term capacity of the NDA, the project will hire two junior coordination assistants, 12 months each who will also learn and grow into potential future role at MONRE.

As per established procedures for FAO cooperation programme implementation in Lao PDR, MONRE and FAO will sign a project agreement document that will serve as the legal basis for the project implementation, monitoring and reporting. It will be a separate project in the FAO project management system to ensure transparency of resource utilization and financial reporting.

To avoid any possible conflicts of interest deriving from the delivery partner's role as an accredited entity, the prioritization of investments and projects in the context of this readiness grant, will be made through a broad consultation process with relevant stakeholders, including other potential implementing entities. The final validation of these priorities will be carried out through the countries' own relevant coordination mechanism and institutional arrangements, with the participation of other government agencies, as well as representatives from civil society and private sector as the NDA deems relevant, to ensure chosen priorities are fully aligned with national plans and strategies and adequately includes inputs from consulted stakeholders.

Figure 3 presents the project implementation and coordination arrangements.



6.2 Implementation and execution roles and responsibilities

Roles of Counterpart Agencies and Stakeholders

Agency/Key Stakeholder	Type	Role in the project
Department of Planning and Finance (DPF), MONRE	NDA	The NDA will be leading on the government coordination processes.
FAO	Delivery Partner	FAO is the Delivery Partner for this Readiness project and as such will implement the activities including procurement of services and goods in line with FAO rules and procedures. FAO will provide and procure the readiness activities and it does not envisage the on-granting of funds. FAO will provide support and project assurance through the FAO Representation in Lao PDR as well as through its regional office based in Bangkok and headquarters in Rome. This will include project oversight, technical support and monitoring functions. GCF grant to be used for payments for goods and services that are required to implement the readiness activities that are procured under FAO's rules and procedures on procurement.
Other departments of MONRE, MAF, MOH, MLSW and other stakeholders	Beneficiaries	Contribute to the project implementation including sharing of data/information, leading specific sector COVID-19 recovery planning and the sector implementation of the MRV system. Work with the NDA in stakeholder consultations, advocating for green, resilient and inclusive COVID-19 recovery investments and development of GCF project pipeline in the sector.

Project Management Unit human resources consultant	Brief TOR	Duration	Output Deliverable
National consultant – Institutional and Capacity Building	<ul style="list-style-type: none"> - Lead the implementation of Output 1.1.1, and 4.1.1 - Works with the International Consultant – Pipeline development on Activity 4.1.2.2 – Training on GCF project development - Provide technical support and capacity building of the NDA office for the project implementation and coordination of project outputs/activities and deliverables. - Provide overall guidance and quality control of all project training activities. 	18 months	Output 1.1.1, Deliverable 1.1.1 Output 4.1.1 Deliverable 4.1.1 Output 4.1.2 Deliverable 4.1.2.2 NDA office technical support and capacity building Coordination and quality control of all project training activities
International consultant – MRV of climate finance	<ul style="list-style-type: none"> - Design the MRV system, based on a thorough review of different information systems including the ODA MIS of MPI - Guide the technical design of the on-line portal, drawing on existing website of NDA office/MONRE and other platforms - Prepare/update guideline, template, SOPs and training materials - Conduct trainings including hands-on training on access information from different systems for analyses and reporting by NDA 	60 days	Output 1.1.2 Deliverables 1.1.2.1, 1.1.2.3 and contribute to 1.1.2.2 – in particular, integration of resilient and green COVID-19 recovery into the MRV system Guidelines, SOPs and templates
National consultant – Information management expert	Support the MRV system development including: <ul style="list-style-type: none"> - Support the MRV system development - Design the on-line portal - Coordinating with concerned departments of MAF and MONRE, and other ministries/agencies and stakeholders - Review of available information management systems and institutional arrangements/protocols for data, information sharing in Lao PDR - Develop linkages between information management systems (particularly climate change, agriculture, land, water) for the MRV system, COVID-19 recovery planning and pipeline development - Support the development of SOP, institutional arrangements, guidelines - Support training on the use of the MRV system 	18 months	Output 1.1.2 Deliverables 1.1.2.1, 1.1.2.3 and contribute to 1.1.2.2
International consultant –	<ul style="list-style-type: none"> - Guide and build national capacity for analysis of the impacts of COVID-19 and 	60 w/days	Output 1.1.2

Impact Assessment and Recovery Planning Expert	<p>lead the identification of the green, resilient and inclusive recovery investment priorities in the selected sectors</p> <ul style="list-style-type: none"> - Lead the identification and incorporation of green, resilient and inclusive COVID-19 recovery indicators in to the MRV system - Advise on stakeholder consultations including with the private sector. - Lead on the strengthening data, information system on AFOLU for the MRV system and project concept notes/funding proposal development 		<p>Deliverable 1.1.2.2 – in particular, development of the indicators framework (while the MRV and information management consultants will integrate the indicators into the MRV system Guidelines, SOPs and templates)</p> <p>Output 2.2.1 Deliverable 2.2.1.1, 2.2.1.2, 2.2.1.3, 2.2.1.4</p>
National consultants – resilient COVID-19 recovery investment planning in AFOLU sectors and pipeline development	<ul style="list-style-type: none"> - Contribute to the development of assessment methodologies - Coordinate with concerned sectoral ministries/departments and local authorities and other stakeholders in respective sector - Perform data, information collection, analysis, interviews and other assessment activities - Under the guidance of the International consultant, draft concerned sector's sections of assessment report and resilient COVID-19 recovery investment plan - Support in organizing and facilitating stakeholder consultations - Contribute to strengthened data, information and analysis of the respective sector for the MRV system - Contribute to the GEF-GCF-AF integrated programming and pipeline development 	06 work months/each	<p>Output 1.1.2 Deliverable 1.1.2.2</p> <p>Output 2.2.1 Deliverable 2.2.1.1, 2.2.1.2, 2.2.1.3, 2.2.1.4</p> <p>Output 4.1.2 Deliverable 4.1.2.1 and 4.1.2.3</p> <p><u>Contribute to</u> Deliverable 1.1.2.2 Deliverable 4.1.1.1</p>
International Consultant – GEF, GCF AF Integrated Programming	<ul style="list-style-type: none"> - Provide strategic advice to NDA - Design and lead the strategic review of current GEF and GCF projects in Lao PDR - Design the consultation process, support the NDA in facilitating dialogues among government agencies and stakeholders - Draft the Guidance for integrated GEF GCF and AF programming and identification of project ideas with potential for combined funding - Finalize the Guidance document based on consultations - Contribute to the trainings on GCF project development, aligned with GEF and AF requirements 	40 w/days	<p>Output 4.1.1 Deliverable 4.1.1.1</p> <p><u>Contribute to</u> Deliverable 4.1.2.2</p>
National consultant(s) – sector experts to support GEF-GCF-AF integrated programming	<ul style="list-style-type: none"> - Contribute to the strategic review of current GEF and GCF projects - Contribute to the drafting of the Guidance for integrated GEF GCF and AF programming and identification of project ideas with potential for combined funding 	Durations tbd.	<p>Output 4.1.1 Deliverable 4.1.1.1</p> <p><u>Contribute to</u> Deliverable 4.1.2.1 Deliverable 4.1.2.3</p>

	- Support in consultations, ensuring the engagement of concerned sectors and stakeholders		
International Consultant – Pipeline development	<ul style="list-style-type: none"> - Short-term consultants to lead the design and quality control of pre-feasibility and other studies for GCF concept note development - Preparation of concept notes, detailed TOR will be prepared based on the identified focus of the projects 	70 days	Output 4.1.2 Deliverable 4.1.2.1, 4.1.2.2, 4.1.2.3
Short term National Consultants pipeline development	- Provide inputs to the concept note and FP development including baseline studies and assessments. Detailed TOR will be developed.	Duration tbd	Output 4.1.2 Deliverable 4.1.2.3
Junior coordination assistant(s)	<p>The NDA specifically requests for engagement of young professionals to build national capacities for engagement with the GCF and other global climate finance facilities.</p> <ul style="list-style-type: none"> - One Jr. Coordination Assistant will support the National consultant – Institutional and Capacity Building – for Output 1.1.1, Deliverable 1.1.1.1. Specifically s/he will support the drafting of the TOR for ECFC and TWG, communications, organization of meetings and reporting. S/he will also support the coordination with sector ministries and other stakeholders for the MRV system development and trainings. - One Jr. Coordination Assistant will support the National consultant – Institutional and Capacity Building – for Output 4.1.1 and , Output 4.1.2. Specifically s/he will collect information on GEF and AF programmes/projects, support stakeholder consultations/workshops for the participatory review and development of Guidance for integrated programming as well as support the coordination of consultants for pipeline development. 	2 for 12 months each	Output 1.1.1 Output 4.1.1 Output 4.1.2

Government obligations

- With a view to ensuring rapid and efficient execution of the Project, the Government shall grant to FAO, its staff, all other persons performing services on behalf of FAO and the necessary facilities.
- The Government will apply to FAO, its property, funds and assets, its officials and all the persons performing services on its behalf in connection with the Project: (i) the provisions of the Convention on Privileges and Immunities of the Specialized Agencies; and (ii) the United Nations currency exchange rate.
- The Government will be responsible for dealing with any claims which may be brought by third parties against FAO, its personnel or other persons performing services on its behalf, in connection with the Project, and will hold them harmless in respect to any claim or liability arising in connection with the Project, except when it is agreed by the Government and FAO that such claims arise from gross negligence or wilful misconduct of such persons.
- The Government will be responsible for the recruitment, salaries, emoluments and social security measures of its own national staff assigned to the Project. The Government will also provide, as and when required for the Project, the facilities and supplies indicated in the Project Document. The Government will grant FAO

staff, the GCF and persons acting on their behalf, access to the project offices and sites and to any material or documentation relating to the Project, and will provide any relevant information to such staff or persons.

FAO obligations

- FAO will be responsible for the provision, with due diligence and efficiency, of assistance as provided in the Project Document. The Government and FAO will consult closely with respect to all aspects of the Project.
- Assistance under the Project will be made available to the Government, or to such entity as provided in the Project, and will be furnished and received: (i) in accordance with relevant decisions of the Governing Bodies of FAO, and with its constitutional and budgetary provisions; and (ii) subject to the receipt by FAO of the necessary contribution from the GCF. FAO will disburse the funds received from the GCF in accordance with its regulations, rules and policies. All financial accounts and statements will be expressed in United States Dollars and will be subject exclusively to the internal and external auditing procedures laid down in the financial regulations, rules and directives of FAO.
- FAO's responsibilities regarding financial management and execution of the Project will be as stipulated in the Framework Agreement and this Project Document.
- Assistance under the Project provided directly by FAO, including technical assistance services and/or oversight and monitoring services, will be carried out in accordance with FAO regulations, rules and policies, including on recruitment, travel, salaries, and emoluments of national and international personnel recruited by FAO, procurement of services, supplies and equipment. The candidacies of senior international technical staff for recruitment by FAO will be submitted to the Government for clearance following FAO procedures.
- Equipment procured by FAO will remain the property of FAO for the duration of the Project. The Government will provide safe custody of such equipment, which is entrusted to it prior to the end of the Project. The ultimate destination of equipment procured under this Project will be decided by FAO in consultation with the Government and the GCF.

Gender equality

COVID-19 pandemic, compounded by the climate extremes, exacerbate existing gender inequalities in Lao PDR as outlined in the Situation Analysis. There is the need to ensure that women access to COVID-19 information and services including virus testing. Increasing food insecurity and care burden while access to services worsened place women and girls at higher risk of domestic violence, which is a particular concern for young female returned migrants who, without job and income, would be seen as an additional burden to families and communities. The crisis has further reduced the already unequal access to education for women and girls, and will likely have profound and lasting effects undermining the progress of hard-won progress in women's empowerment and gender equality.

While ensuring gender mainstreaming across all its activities, this project will pay specific attention to the above-mentioned gender specific impacts of COVID-19 including ensuring that green, resilient and inclusive COVID-19 recovery investments and pipeline development focus on appropriate women's participation and empowerment to ensure that they will not only benefit from these investments but also play a proactive role. Issues of access (to natural resources, finance, services), capacity building and women empowerment will be of particular concern.

The project will also focus on building capacity of government agencies and stakeholders on the Gender policy and guidelines for mainstreaming gender through project idea, concept note and funding proposal development.

In addition, the project will ensure sex and age disaggregated data, information and analyses, the targeting of 50-50 equal participation of women and men in all the events organized within the project, its deliverables are gender-sensitive and that the interests of both men and women are considered and represented throughout the project implementation.

The FAO Policy on gender equality and FAO Environmental and Social Management Guidelines, being updated FAO Gender Equality Strategy and Action Plan in Asia and the Pacific region, as well as the GCF standards on gender equality and social inclusion will guide the project implementation.

Indigenous Peoples

COVID-19 pandemic and restriction measures have disproportionately affected ethnic minority groups who are among the poorest in Laos and already face persistent challenges such as being isolated due to poor

infrastructure, lack of access to information, education, health and other services. The needs and particular barriers of the ethnic minority groups will be given due considerations in assessing impacts of COVID-19 and planning for green, resilient and inclusive recovery. Furthermore, structure issues of land tenure, access to water and cultural norms that prevent the ethnic minority groups to access and adopt low emission and climate resilient practices will be a key consideration in GCF pipeline development including their participation in the process.

Starting date

The start date for implementation will be as outlined in the Second Amended and Restated Framework Readiness and Preparatory Support Grant Agreement entered into between GCF and FAO on 25 August 2020 (the "Framework Agreement").

6.3 Risks and mitigation measures

The following risks and mitigation actions have been identified:

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)
Political and Security	Policy and security stability reduced	Low	High	Close monitoring of the situation, early warning and prompt discussion with Gov and GCF Secretariat	FAO
	Ministries may not buy in with resilient and green COVID-19 for fast economic recovery	Low	High	Engage Government leadership i.e. MPI Using the 9 th NSEDP and Lao PDR commitments to international treaties (NDC, National Communication to UNFCCC, etc.) to reinforce commitments Using regional framework i.e. Lao PDR commitment to the ASEAN COVID-19 Comprehensive Recovery Framework that emphasizes resilience and build back better	NDA/MONRE, FAO
Institutional	Ministries and agencies do not engage in the project activities	Low	High	Ensure that the project activities are in line with the Ministries/agencies' mandate and plan such as to implement and report on the 9 th NSEDP	NDA, PMU
	The NDA and concerned Ministries/ agencies do not have sufficient human resources to contribute to the project implementation	Medium	Medium	The project has planned the provision of consultants to support the NDA and participating ministries/agencies to undertake planned activities. FAO will also provide technical assistance and capacity building	FAO, PMU
Operational	Delay in recruiting and mobilizing consultants and other inputs	Low	Medium	FAO will ensure early planning and procurement to ensure timely mobilization of consultants and inputs	FAO, PMU
	Currency fluctuation makes budgeted items more expensive	Medium	Low	1% contingency is budgeted to offset potential cost increases due to currency fluctuation	FAO

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)
	Consultants cannot travel to Laos due to COVID-19	High	Low	FAO including is Regional Office and HQ and consultants have been working with the NDA and other ministries/agencies to be engaged in this project through on-line modality during COVID-19 pandemic including on-line workshops and training	FAO, PMU, NDA
	Risk of Prohibited Practices (i.e. Corruption, Fraud, Coercion, Collusion, Obstructive practice, Abuse, Harassment, Money Laundering, Financing Terrorism, etc.)	Low	High	<p>FAO HR and procurement procedures will be strictly followed. All FAO staff and consultants involved in the project will have to complete FAO mandatory trainings such as Ethics and Integrity at the United Nations, Prevention of Harassment, Sexual Harassment and Abuse of Authority, Protection from Sexual Exploitation and Abuse (PSEA).</p> <p>Project Monitoring and Evaluation and the Grievance Mechanism (see below) will pay a special attention to this risk.</p>	FAO (Country Office, Regional Office and HQ), PMU

6.4 Monitoring

A project Monitoring and Evaluation system will be developed to enable the PMU, FAO and the NDA to track the project progress toward its intended outputs and outcomes.

FAO will undertake quarterly project reporting to the NDA to provide a mechanism for regular collection of information on progress to support oversight and adaptive management in alignment with the NDA. The Delivery Partner shall provide technical oversight for project monitoring against the logical framework and budget, in line with the implementation arrangements described in section 6.1.

In line with the second amended FWA with the GCF, progress reports using the GCF template will be submitted for disbursement requests and project closing as well as financial statements at the end of the grant term. FAO will prepare periodic revisions if necessary, monitor and review project expenditure reports and communicate and share with the NDA and GCF Secretariat. All reports will be reviewed by the NDA before submission.

Deliverable and Reporting	M 3	M 6	M 9	M 12	M 15	M18
1.1.1 a Env and Climate Finance Committee and TWG established		X				
1.1.1 b MONRE Decision on ECFC establishment		X				
1.1.1 c Summary report of meetings						X
1.1.2.1 a Guidelines and Templates for ministries and stakeholders			X		Update	
1.1.2.1.b Guideline for NDA to access MPI's MIS, sector statistics and other available geo-spatial databases.			X		Update	
1.1.2.1 c Summary report of ECFC and other stakeholder meetings					X	
1.1.2.2 a Resilient and green COVID-19 recovery indicators			X			
1.1.2.2 b Resilient and green COVID-19 recovery indicators integration into MRV system			X		Update	
1.1.2.3 Summary report of 04 trainings					X	
2.2.1.1 Assessment of COVID-19 impacts on AFOLU sectors			X			
2.2.1.2 a: An up-to-date excel file of COVID-19 economic stimulus measures, policies and recovery plans/projects	X	X	X	X	X	X
2.2.1.2 b Two Policy Briefs by NDA					X	
2.2.1.3 a & b Resilient and green COVID-19 recovery investment plans for MAF and MONRE				X		
2.2.1.4 Summary report of stakeholder validation workshops					X	
4.1.1.1 a Participatory review of GEF, GCF, AF programming		X				
4.1.1.1 b MONRE endorsed Guidance on integrated GEF, GCF, AF integrated programming			X			
4.1.2.1 a Training materials			X			
4.1.2.1 b Summary report of training				X		
4.1.2.2 Pre-feasibility studies					X	
4.1.2.3 a Concept notes						X
4.1.2.3 b Summary report of consultations/validation workshop						X
Interim Progress Reports		X		X		
Completion Report						X

6.5 Other Relevant Information

Sustainability and Exit Strategy

FAO has a long partnership with MONRE, implementing FAO Technical Cooperation Programme, GEF, and other donors projects on sustainable forest management, REDD+, water, ecosystem management and most recently the GEF-funded Strengthening climate resilience through agromet services (SAMIS). FAO has been supporting MAF as well as MONRE in assessing COVID-19 impacts on agriculture and related natural resources. FAO is a key supporter of the ASEAN Climate Resilient Agriculture Network that Lao PDR is an active member.

Strengthened GCF coordination mechanisms, notably the ECFC is part of MONRE and the National CC Committee institutional structure and as such, will be sustained by MONRE/NDA. The resilient and green COVID-19 recovery investment plans for MAF and MONRE will allow these vulnerable sectors and Lao PDR to access finance, both public and private, to optimize the recovery process for transition to sustainable development, achieving its updated NDC ambitions, the 9th NSEDP vision and the SDGs. Such investment plans will incorporate various stakeholder inputs and undergo national consultation and validation process and form a transformational pipeline to advance GCF Country Programming as well as GEF programming in Laos. The resilient COVID-19 recovery investments and pipeline will be used to inform annual planning and budgeting by the concerned ministries and MPI under the 9th NSEDP implementation as well as Lao PDR government-led Roundtables with development partners for resource mobilization.

A special consideration of institutional mandate, existing capacities and plans of MONRE and government agencies will guide the design of the MRV system to ensure that its operations will be embedded into their regular functions, human resources and financial capacities. Training/ capacity building of the NDA, ministries and the stakeholders, coupled with Guidelines, templates and SOPs will ensure the system's continued functioning beyond the project. The focus on training/capacity building as part of pipeline and concept note development will help ensure ownership and capacities for continued development of projects to access GEF, GCF, AF and other international funding. finance.

Grievance Mechanism

Within the framework of this project, the NDA shall facilitate the resolution and/or clarification of any concern directly linked to implementation of the project that beneficiaries and involved stakeholders may have, following the Government of Lao PDR conflict resolution mechanisms. In case the conflict refers to FAO, the NDA will present the complaints and claims to the Representation of the FAO in the country. If a notice of receipt of the claim is not received within 7 days, the complaint or concern must be sent to the FAO's regional office for Asia and the Pacific FAO-RAP@fao.org for action. The project beneficiaries may send a complaint to the FAO Office of the Inspector General, who shall carry out an independent investigation. The procedure for the claims is detailed at <http://www.fao.org/aud/>. Email: Investigations-hotline@fao.org

Annex 1 – Overview of GCF Readiness and Preparatory Programme in Lao PDR

Project	Achievements/Expected deliverables
<p>LAO-RS-007</p> <p>NDA strengthening and country programming support for Lao PDR</p> <p><i>2019-2021 with GGGI</i></p>	<ul style="list-style-type: none"> - Operationalize the agreed institutional arrangements and build the awareness and capacity of the NDA to deliver on its mandate; - Continue refining the GCF Country Programme and engage stakeholders and AEs to complete the annual updates to the CP, building on the results of other readiness project in specific sectors/subsectors and mobilize GCF investments; and - Engage the private sector and banks to help deliver on the Lao PDR's climate change ambitions.
<p>LAO-RS-006</p> <p>Urban climate change resilience in cities along the Greater Mekong Sub-region EastWest Economic Corridor (EWEC) in Lao PDR</p> <p><i>2019-2020, with UN-Habitat</i></p>	<ul style="list-style-type: none"> - A study of the towns in the Greater Mekong Subregion (GMS), along a 229-kilometres-long stretch of the East West Economic Corridor (EWEC) in Lao PDR in order to contribute to becoming better equipped in the development as resilient settlements in the context of a changing climate
<p>LAO-RS-005</p> <p>Development of Action Plan for Designing and Implementing Standards and Labelling Programme in Lao PDR</p> <p><i>2018-2020 with UNEP</i></p>	<ul style="list-style-type: none"> - Lighting and appliance market study and assessment; - Framework and regulatory options for establishing MEPS and labeling for priority appliances; - Implementation plan for MEPS and Labeling programme as well as institutional arrangements; - Feasibility study of adoption and utilization of EE lighting and appliances in different end -use sectors in Lao PDR; - Fiscal policy instruments and finance programme to promote EE lighting and appliances.
<p>LAO-RS-004</p> <p>Incentive mechanisms for private sector engagement under REDD+ in the Lao People's Democratic Republic</p> <p><i>2018-2019, with FAO</i></p>	<ul style="list-style-type: none"> - Formalization of coordination mechanisms; - Development of monitoring and reporting processes; - Preparation of a Green Climate Fund (GCF) climate investment plan for the forestry and REDD+ sectors; and - Development of measures to enhance private sector engagement in financing and implementation of the REDD+ strategy
<p>LAO-RS-003</p> <p>Support for the accreditation of the Lao PDR Environment Protection Fund (EPF) to the GCF</p> <p><i>2018-2019, with GIZ</i></p>	<p>In depth support for the EPF:</p> <ul style="list-style-type: none"> - To meet GCF standards, - To be in a position to absorb GCF and climate finance at scale and - To reinforce the capacity of the EPF bodies and recipients on how to assess and prepare climate projects and respond to the GCF policies, requirement and standards
<p>LAO-RS-002</p> <p>Green finance for green cities</p> <p><i>2018-2019 with GGGI</i></p>	<ul style="list-style-type: none"> - Project/program concepts in the area of green climate resilient cities that advance implementation of Lao PDR's country program priorities (at least 3 project concept notes will be prepared); - Plan to engage, where possible, private sector to enhance their contribution to low emission, climate resilient development and Lao PDR's priorities for engagement with the GCF; - Roadmap for Lao PDR to mobilize financing for low emission, climate resilient development and Lao PDR's priorities for engagement with the GCF.
<p>LAO-RS-001</p>	<ul style="list-style-type: none"> - Stakeholder coordination mechanism - Climate Finance Steering Committee - No Objection Procedures - Inventory of CC plans and options for CC mitigation and adaptation

Strengthening NDA capacity and Country Programming support <i>2017-2018 with UNDP</i>	<ul style="list-style-type: none"> - NDA capacity and protocols for M&E - Option for systematic call for project ideas
--	--

Annex 2 – Donor support to COVID-19 response in Lao PDR

Donor	Budget (USD Million)	Focus
Australia	4.8	<ul style="list-style-type: none"> - Training for Emergency Operations Centres, essential sanitation equipment and strengthened protection and support systems for women and children. - Development of Vaccine Response Plan - Development of COVID-19 Development Response Plan (CDRP) - Support to COVID-19 recovery through development cooperation programme, focusing health security, stability and economic recovery.
	New funding	
	0.4	Support COVID-19 response (through WHO)
	0.18	Responding to Cross Mobility Challenges at Points of Entry (PoE) During COVID-19 (through IOM)
	0.26	COVID-19 and Referral Pathway in Place for Women and Girls Victims and Survivors of Violence (through UNFPA)
Ireland	0.39	Strengthening Capacity of Hospitals in Management of Severe Cases of COVID 19 (through UNICEF)
Japan	0.45	Supporting COVID-19 response (through UNICEF)
	3.08	Emergency procurement of critical medical equipment for COVID-19 response (through UNOPS)
	13.9	Provision of medical equipment to address COVID-19
	1.7	Assistance for Smallholders and Socially Vulnerable to Preventing Spread of the COVID-19 (through FAO)
Luxembourg	1.0	Luxembourg-WHO collaboration for containing and mitigating COVID-19
Switzerland	0.3	Strengthening preparedness and response capacity for Coronavirus 2019 (Through WHO)
UK	0.05	<ul style="list-style-type: none"> - Strengthening Gender-Based Violence Prevention and Response during COVID 19 in Savannakhet Province (through UNFPA)
UN COVID-19 Response and Recovery Fund	1.0	<ul style="list-style-type: none"> - Supporting provincial health preparedness and surge capacity for point of entry and surveillance. - Supporting essential health and nutrition services for mothers, newborns, children, and adolescents during COVID-19 time when the risk of disruption is high
USA	1.0	COVID-19 response (through UNICEF)
World Bank	18	Preparedness and emergency response activities Upgrade of Lao PDR's surveillance capacity and the skills of health care workers
	0.2	Pandemic Emergency Financing Facility (PEF) through WHO
	0.8	COVID-19 response (through UNICEF)

Budget Categories
5011 Profesional
5013 Consultants - Local
5013 Consultants - International
5014 Contracts
5021 Travels
5023 Trainings & workshops
5024 Expendable Procurement
5025 Non-expendable Procurement
5028 GOE

*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.

Outcomes / Outputs		Detailed Budget (in US\$)					Total Budget (per sub-outcome)	Total Budget (per outcome)	Expenditure Plan		
		Budget Categories <small>choose from the drop-down list</small>	Unit	# of Unit	Unit Cost	Total Budget (per budget category)			6m	12m	18m
Outcome 1.1: Country NDAs or focal points and the network/ systems that enable them to fulfil their roles, responsibilities and policy requirements are operational and effective	Output 1.1.1: Climate Finance Committee expanded to be Environment & Climate Finance Committee (ECFC) with clear TOR, TWGs, and regular meetings	5013 Consultants - Local	W/Month	12	3,000	36,000	55,800	173,800	18,000	18,000	
		5013 Consultants - Local	W/Month	24	200	4,800			1,800	2,400	600
		5024 Expendable Procurement	office supplies	18	500	9,000			3,000	3,000	3,000
		5023 Trainings & workshops	Per Meeting	4	1,500	6,000			1,500	3,000	1,500
	Output 1.1.2: MRV system of climate finance functions with Guidelines, templates and SOPs and contributes to the NDC, 9th NSEDP and SDGs reporting	5013 Consultants - International	W/Day	60	400	24,000	118,000		6,000	14,000	4,000
		5013 Consultants - Local	W/Month	18	2,500	45,000			15,000	15,000	15,000
		5023 Trainings & workshops	Per Training	4	3,000	12,000			3,000	6,000	3,000
		5025 Non-expendable Procurement	Office computers	4	1,500	6,000			6,000		
		5025 Non-expendable Procurement	Server/Operating system	1	16,000	16,000				16,000	
		5014 Contracts	Lumpsum	1	15,000	15,000			15,000		
Outcome 2.2: GCF recipient countries have developed or enhanced strategic frameworks to address policy gaps, improve sectoral expertise, and enhance enabling environments for GCF programming in low-emission investment	Output 2.2.1: Resilient and green COVID-19 recovery investment plans developed for AFOLU sectors and adopted by MARD and MONRE.	5013 Consultants - International	W/Day	60	500	30,000	114,050	114,050	15,000	15,000	
		5021 Travels	Mission	1	6,050	6,050			6,050		
		5021 Travels	In country mission	3	3,500	10,500			7,000	3,500	
		5013 Consultants - Local	W/Month	18	3,000	54,000			54,000		
		5023 Trainings & workshops	Per Workshop incl. provinces	3	4,500	13,500			4,500	9,000	
Outcome 4.1: An increase in the number of quality project concept notes developed and submitted	Output 4.1.1: MONRE Guidance for integrated GEF-GCF and AF programming, developed in consultation with ministries and stakeholders	5013 Consultants - International	W/Day	40	500	20,000	67,000	180,500		15,000	5,000
		5021 Travels	Mission	1	4,000	4,000				4,000	
		5013 Consultants - Local	W/Month	6	3,000	18,000				18,000	
		5013 Consultants - Local	W/Day	40	200	8,000				4,000	4,000
		5021 Travels	In country mission	2	3,500	7,000				3,500	3,500
		5023 Trainings & workshops	Per Workshop (national)	4	2,500	10,000				10,000	
	Output 4.1.2: 03 submitted programme/project concept notes that combine GEF and AF resources and address resilient and green COVID-19 recovery	5013 Consultants - International	W/Day	70	500	35,000	113,500			20,000	15,000
		5021 Travels	Mission	3	4,000	12,000				8,000	4,000
		5021 Travels	In country mission	3	3,500	10,500				7,000	3,500
		5013 Consultants - Local	W/Day	75	200	15,000				10,000	5,000
		5023 Trainings & workshops	Training on GCF project developr	1	3,000	3,000				3,000	
		5023 Trainings & workshops	Per Workshop (incl. provinces)	4	4,500	18,000					18,000
		5014 Contracts	Lumpsum	2	10,000	20,000				20,000	
TOTAL OUTCOME BUDGET						468,350	468,350	155,850	227,400	85,100	
Project Management Cost (PMC) Up to 7.5% of Total Activity Budget	5013 Consultants - Local	W/Month	18	1,222	21,996	Actual amount and % of PMC requested: do not change the formula	Maximum PMC that can be requested: do not change the formula				
	5028 GOE	Lumpsum	1	12,330	12,330						
	-										
						34,326	35,126				
						7.33%	7.50%				

Budget Note	Detailed Description	GCF Comments	FAO Response
1	One national consultant - Institutional and Capacity Building to be recruited according to FAO salary scale (which provides the basis for this cost estimate) for 12 work/months @ \$3000 per month to perform activities under output 1.1.1, 4.1.1 and 4.1.2		
2	Two junior coordination assistants, 12 w/month each @ \$200/month	Please review and consider if this monthly rate is high enough for the position.	This is the standard rate that MONRE uses for national junior consultants working in MONRE offices, in line with Government staff salary
3	Expandable equipment/office supplies for 18 months @ \$500/month		
4	Four meetings of the newly established Environment and Climate Finance Committee and TWGs. Cost estimates include logistics for the meeting (e.g. venue, catering, stationary, etc.) @\$1,500/meeting	\$2,500 is rather high for working group and SC meetings	Revised. \$2,500 was average cost/meeting. There were 4 meetings of Committee and TWG in VTE (\$1,500 USD/meeting) and 2 GCF stakeholder workshops which would include provincial representatives' participation and travel cost thus estimated at \$4,500 USD/workshop. The two stakeholder workshops have been removed and cost for Committee/TWG meetings reduced to \$1,500/meeting
5	One International consultant - MRV of climate finance for 60 days @ \$400/day to perform activities under Output 1.1.2	Is this daily rate adequate? Number of days also seems low for this task	Revised to US\$ 400/day. The rate may still be low and in case higher qualified/rate consultant is found number of days will be reduced and good national inputs from the contractor/developer (see budget note 10) will supplement to complete the task
6	One national consultant- Information Management Expert for 18 months @ \$ 2,500/month to perform activities under Output 1.1.2		
7	Four trainings of 35-40 participants each for the MRV system. Cost estimates include logistics for the training/workshop (e.g. venue, catering, stationary, etc.) @\$3,000/training	Please review the comments in the logframe and align the number of workshops. The logframe indicates that 3 workshops will be held.	Done. The Log frame now includes: 2 trainings for NDA and Ministries on sharing info on CC projects; 2 trainings on data analysis and preparation of reports on progress against NDC and NSEDP targets.
8	Non-expandable equipment - 04 computers/laptops for project staff and NDA office @ \$ 1500/each, including required systems such as office, anti-virus, and other operating system software	Does this include operating systems, office, anti-virus, etc?	Yes
9	Non-expandable equipment - including possible upgrade of server at MONRE/NDA, operating system for NDA to better connect/access the MPI's MIS and available databases for analysis and reporting @ \$ 16,000. Details will be identified after the analysis of MPI's MIS and the design of new information sharing mechanisms between Ministries, MPI and MONRE/NDA	Does this include software (e.g. operating system, databases, developer platforms)? Hosting of the server? Please break out costs. Cost does not align with budget amount	This includes possible upgrade of server, operating system. Detailed breakout will be based on improved information sharing system (between Ministries, MONRE to MPI and between MPI and NDA/MONRE). Budget amount has been revised.
10	One contract for programmes and operational system to link NDA with available databases (such as land use, forest reference level in MAFF, etc.) and tools for generating reports @ \$15,000 to be procured through competitive bidding.	Please check for consistency with TOR for consultants (which includes system design)	The International consultant will focus on analysis of existing systems, design of improved information sharing system, identification of required upgrade server, operating system and development of SOP/guidelines/templates. The contract service is to programme development for the improved information sharing mechanism, NDA access to databases and software, and tools to support analysis and reporting
11	One international consultant- Impact Assessment and Recovery Planning Expert for 60 days @ \$500/day to perform activities under Output 2.2.1 - COVID-19 impact assessment and Resilient COVID-19 recovery investment plans.	Rates for international consultants seem to be low - please check	Rate has been revised to US\$ 500/day
12	One international travel @6,050 (including DSA for 30 days (\$162/day) and travel costs) for International Consultant (11) to Lao PDR.		
13	Travel - in country missions for the COVID-19 impact assessments, 3 missions @ US\$ 3,500/mission. 3 persons/ mission*5 days* DSA: 126\$/day*Terminal: 152*3+ Air Ticket 150*3= 2,796+Car rental at the field 704		3 persons/ mission*5 days* DSA: 126\$/day+Terminal: 152*3+ Air Ticket 150*3= 2,796+Car rental at the field 704
14	Three national consultants (agriculture, land, water) - resilient COVID 19 recovery planning and pipeline development in AFOLU sector for 06 work -months/ ea @ \$3,000/month to perform activities under Output 2.2.1 and Output 4.1.2 and contribute to Output 1.1.2 and Output 4.1.1		
15	Three consultation workshops including (i) in Vientiane with participation of provincial representatives and/or (ii) at provincial level with participants from nearby provinces. Cost includes logistic and travel @ \$4,500/each		
16	One international consultant - GEF, GCF, AF Integrated Programming for 40 days @ \$500/day to perform activities under Output 4.1.1 - GEF-GCF strategic programme		
17	One international travel @4,000 (including DSA for 15 days @\$ 126 DSA/day and travel costs) for International Consultant (19).		
18	One national consultant - NPC & Institutional and capacity building (11) to be recruited according to FAO salary scale (which provides the basis for this cost estimate) for 6 work/months @ \$3000 per month to perform activities under Output 4.1.1		
19	Short term sector experts to support GEF-GCF review and strategic programming, estimated at 10 w/days per sector x 4 main sectors @200\$/day		
20	In-country travel (02 missions) for the team to formulate GEF-GCF strategic programme @\$3,500/mission/team. 3 persons/ mission*5 days* DSA: 126\$/day+Terminal: 152*3+ Air Ticket 150*3= 2,796+Car rental at the field 704	Please specify the number of people per mission and per team. It will be useful to know where the mission is departing from and going to. Also, please include the mode of transport (ie. Flight, bus, etc.)	3 persons/ mission*5 days* DSA: 126\$/day+Terminal: 152*3+ Air Ticket 150*3= 2,796+Car rental at the field 704
21	Four consultation meetings for the GEF-GCF strategic programming. Cost estimates include logistics @ \$2,500/each. Estimated 25-30 participants per meeting.	Please include the number of intended participants.	It will be 25 -30 participants
22	Three international consultants - Pipeline Development to support development of project concept notes for 70 work days total @\$500/day		
23	Three international travels @4,000 (including DSA for 15 days @\$ 126 DSA/day and travel costs) for International Consultants (25) to travel to Lao PDR	Please specify that travel is to Lao PDR	Yes

24	In-country travel (03 missions) for the team to develop concept notes @ \$3,500/mission/team. 2-3 persons/ mission*5 days* DSA: 126\$/day+Terminal: 152*3+ Air Ticket 150*3= 2,796+Car rental at the field 704 + Provincial Meeting: 500	Please specify the number of people per mission and per team. It will be useful to know where the mission is departing from and going to. Also, please include the mode of transport (ie. Flight, bus, etc.)	2-3 persons/ mission*5 days* DSA: 126\$/day+Terminal: 152*3+ Air Ticket 150*3= 2,796+Car rental at the field 704 + Provincial Meeting: 500
25	Short-term national consultants (number and duration of assignment to be determined) to support concept notes development for 75 days @ 200\$/day	Kindly estimate the number of short term national consultants. These consultants should work closely with the international consultants to build in-country capacity and support continuity through the project development.	This budget is set aside for necessary additional inputs for the concept notes while building national capacity (of NDA, of proponent agencies, etc.) estimated at US\$ 200 x75 days
26	01 Training on GCF project development @3.000 USD for approximately 30 -35 participants		
27	03 stakeholder consultations/workshops to perform activities under Output 4.1.2 including at local level. Cost estimates include travel from other provinces @\$4,500/workshop. One project final workshop		
28	Contracts (02) to support assessments/pre-feasibility studies for Output 4.1.2		
29	PMC: One National Admin and Finance consultant to support project implementation for 18 months on a part-time basis, to be recruited in line with the FAO salary scale (which provides the basis for this cost estimate).	Please align to budget - states 6 months (or is that 6 months part time over 8 months?)... please clarify	Corrected, it is for 18 months
30	PMC: General Operating Expenses including communication, visibility, translation of materials, and ad hoc expenses that may arise and are eligible under this budget category	Please add and clarify what GOE means (general operating expenses) and what this entails, and detail for the lump sum requested.	GOE includes communication:\$3,000; visibility: 3,000\$; translation: 4,000\$ and adhoc expenses: \$2,330

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	Budget Note
Goods and Non-Consulting Services							
5024 Expandable procurement	Stationary and office utilities	9,000	Quotation	USD 10,000 to 500,000	M1		3
5025 Non expandable procurement	Four computers/laptops for project staff and NDA office	6,000	Sealed ITB	USD 10,000 to 500,000	M1	M3	8
5025 Non expandable procurement	Web server	16,000	Sealed ITB	USD 10,000 to 500,000	M4	M7	9
5014 Contracts	The contract service is to programme development for the improved information sharing mechanism, NDA access to databases and software, and tools to support analysis and reporting	15,000	Quotation/Tender	USD 10,000 to 500,000	M3	M5	10
5014 Contracts	Conduct 2 pre-feasibility studies to advance GCF Country Programme	20,000	Quotation/Tender	USD 10,000 to 500,001	M3	M7	29
5021 Travel	Travel Costs, DSA for international consultant	50,050	UN Travel Policy	N/A	M1		12,13,18,21,24,25,31
5028 GOE	General Operation Expenses	12,330	Direct procurement	N/A	M1		32
5023 Workshop/Training	National, provincial and local consultation meetings and training workshops	62,500	Quotation	USD 500 - 5000	M1		4,7,15,22,27,28
Sub-Total (US\$)		\$ 190,880.00					
Consultancy Services							
International Consultant	One international consultant for MRV of climate finance for 60days @400\$/day to perform activities under Output 1.1.2	24,000	e.g. Vacancy Announcement / FAO roster	N/A	M1	M6	5
International Consultant	One international consultant for Impact Assessment and Recovery Planning Expert for 60 days @ \$500/day to perform activities under Output 2.2.1 - COVID-19 impact assessment.	30,000	e.g. Vacancy Announcement / FAO roster	N/A	M1	M6	11
International Consultant	One international consultant- GEF, GCF, AF Integrated Programming for 40 days @ \$ 500/day to perform activities under Output 4.1.1 - GEF-GCF strategic programme	20,000	e.g. Vacancy Announcement / FAO roster	N/A	M1	M6	17
International Consultant	Three international consultants-Pipeline Development to support development of project concep notes for 70 work days @\$500/day	35,000	e.g. Vacancy Announcement / FAO roster	N/A	M4	M10	23
Local Consultant	One National Consultant - NPC & Institutional and Capacity Building @ 3,000\$ for 18 months	54,000	e.g. Vacancy Announcement / FAO roster	N/A	M1	M3	1,19
Local Consultant	Two junior coordination assistants, 12 w/month each @ \$200/month	4,800	e.g. Vacancy Announcement / FAO roster	N/A	M1	M6	2
Local Consultant	One national consultant- Information Management Expert for 18 months @ \$ 2,500/month to perform activities under Output 1.1.2	45,000	e.g. Vacancy Announcement / FAO roster	N/A	M1	M3	6
Local Consultant	Three national consultants (agriculture, land, water) - Resilient COVID 19 recovery planning and pipeline development in AFOLU sectors for 03 work months/each @ \$3,000/month to perform activities under Output 2.2.2 - resilient COVID-19 recovery investment plans and Oputput 1.1.2, 4.1.1 and 4.1.2	54,000	e.g. Vacancy Announcement / FAO roster	N/A	M4	M10	16
Local Consultant	Short-term national consultants (number and duration of assignment to be determined) to support GEF&GCF strategic review and programming 10 days/sector x \$200/day	8,000	e.g. Vacancy Announcement / FAO roster	N/A	M1	M6	20
Local Consultant	Short-term national consultants (number and duration of assignment to be determined) to support funding proposal development including annexes, estimated at a total budget of \$15,000	15,000	e.g. Vacancy Announcement / FAO roster	N/A	M7	M12	26
Local Consultant	PMC: One National Admin and Finance Associate to support project implementation.	21,996	e.g. Vacancy Announcement / FAO roster	N/A	M1	M3	30
Sub-Total (US\$)		\$ 311,796.00					
GRAND TOTAL		\$ 502,676.00					

5.3 Implementation Plan

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

Activities & Deliverables			Estimated Timeline																																						
			M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	M13	M14	M15	M16	M17	M18	M19	M20	M21	M22	M23	M24	M25	M26	M27	M28	M29	M30	M31	M32	M33	M34	M35	M36			
Reporting																																									
A 1.1.1.1	D1.1.1.1a	TOR of ECFC and TWG																																							
	D1.1.1.1b	MONRE Decision on ECFC																																							
	D1.1.1.1c	Reports of meetings of ECFC & TWGs																																							
A 1.1.2.1	D.1.1.2.1 a	Guideline, templates and SOP for ministries and stakeholders																																							
	D.1.1.2.1 b	Guideline for NDA																																							
	D.1.1.2.1 c	Reports of the ECFC, TWG, and other consultations (linked with D1.1.1.1c)																																							
A 1.1.2.2	D.1.1.2.2 a	A set of resilient COVID-19 recovery indicators with Guidelines																																							
	D.1.1.2.2 b	Integration of Indicators into MRV and MIS system																																							
A 1.1.2.3	D.1.1.2.3	A Training report summarizing 04 trainings																																							
A 2.2.1.1	D2.2.1.1	An assessment report on COVID-19 impacts on the AFOLU sectors																																							
A 2.2.1.2	D2.2.1.2 a	Excel file capturing COVID-19 recovery policies, measures and projects in AFOLU sectors																																							
	D2.2.1.2 b	02 policy briefs by NDA																																							
A 2.2.1.3	D2.2.1.3 a	Resilient and green COVID-19 recovery invetment plan MAF																																							
	D2.2.1.3 b	Resilient and green COVID-19 recovery invetment plan MONRE																																							
A 2.2.1.4	D.2.2.1.4	Summary report on the outcome of the stakeholder meetings/workshops (at least 03)																																							
A 4.1.1.1	D.4.1.1.1 a	Report on the review of current GEF, GCF, and AF programming and opportunities for synergies																																							
	D.4.1.1.1 b	Guidance for integrated programming, endorsed by MONRE																																							
	D.4.1.1.1 c	Summary report of 04 multi-sectoral and stakeholder consultations																																							
A 4.1.2.1	D.4.1.2.1 a	GCF project development training materials, aligned with GEF and AF																																							
	D.4.1.2.1 b	Training report																																							
A 4.1.2.2	D.4.1.2.2	Three pre-feasibility study reports																																							
A 4.1.2.3	D.4.1.2.3 a	Three concept notes																																							
	D.4.1.2.3 b	Reports of consulations/validation workshon																																							