

# Readiness Proposal

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

21 January 2021



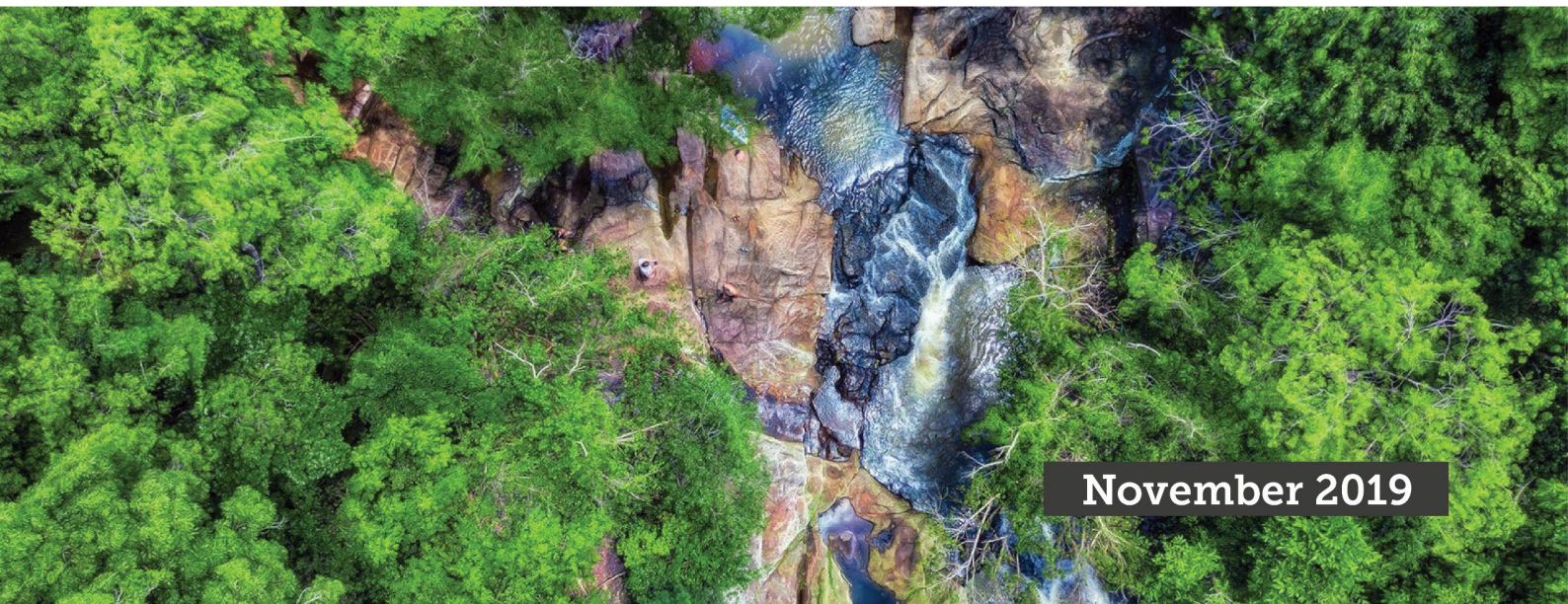
GREEN  
CLIMATE  
FUND

# READINESS & PREPARATORY SUPPORT

## PROPOSAL TEMPLATE



<b>Proposal title:</b>	Completion of the accreditation of the Environment Protection Fund as DAE for Lao PDR
<b>Country:</b>	Lao PDR
<b>National designated authority:</b>	Ministry of Natural Resource and Environment (MONRE) - Department of Climate Change
<b>Implementing Institution:</b>	Environment Protection Fund (EPF) Lao PDR
<b>Date of first submission:</b>	29 August 2019
<b>Date of current submission / version number</b>	28 December 2020 V.1



November 2019

**Before completing this proposal template, please read the guidebook and learn how to access funding under the GCF Readiness & Preparatory Support Programme.**

Download the guidebook:  
<https://g.cf/xxxxx>



### How to complete this document?

This document should be completed by National Designated Authorities (NDA) or focal points with support from their Delivery Partners where relevant. Once completed, this document should be submitted to the GCF by the NDA or focal point via the [online submission system](#), accessible through the Country Portal of the GCF website.

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

If the Delivery Partner implementing the Readiness support is not a GCF Accredited Entity for project Funding Proposals, please complete the Financial Management Capacity Assessment (FMCA) questionnaire and submit it prior to or with this Readiness proposal. The FMCA is available for download at the [Library](#) page of the GCF website.

### Where to get support?

If you are not sure how to complete this document, or require support, please send an e-mail to [countries@gcfund.org](mailto:countries@gcfund.org).

You can also complete as much of this document as you can and then send it to [countries@gcfund.org](mailto:countries@gcfund.org), copying both the Readiness Delivery Partner and the relevant GCF Regional Desks. Please refer to the [Country Profiles](#) page of the GCF website to identify the relevant GCF Country Dialogue Specialist and Regional Advisor.

We will get back to you within five (5) working days to acknowledge receipt of your submission and discuss the way forward.

### Note: Environmental and Social Safeguards and Gender

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

**Please visit the Country Portal on the GCF website to submit this proposal via the [online system](#).**

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

## 1. SUMMARY

<b>1.1 Country submitting the proposal</b>	Country name:  Name of institution representing NDA or Focal Point:  Name of contact person: Contact person's position: Telephone number: Email:  Full office address:  Additional email addresses that need to be copied on correspondences:	Lao PDR  Ministry of Natural Resource and Environment (MONRE) - Department of Climate Change  Mr. Syamphone Sengchandala Director General +856 20 5550 8961 <a href="mailto:syamphone.s@gmail.com">syamphone.s@gmail.com</a>  Ministry of Natural Resources and Environment Vientiane Capital Lao PDR  Amphayvanh.oudomdeth@gmail.com
<b>1.2 Date of initial submission</b>	29 August 2019	
<b>1.3 Last date of resubmission</b>	28 December 2020	<b>Version number</b> V.28 December 2020;
<b>1.4 Which institution will implement the Readiness and Preparatory Support project?</b>	<input type="checkbox"/> National designated authority <input type="checkbox"/> Accredited entity <input checked="" type="checkbox"/> Delivery partner  Please provide contact information if the implementing partner is not the NDA/focal point  Name of institution: Environment Protection Fund Name of official: Bounphama Phothisane Position: Deputy Executive Director Telephone number: +856 20 55 505 634 Email: <a href="mailto:bounphama.phothisane@laoepf.org.la">bounphama.phothisane@laoepf.org.la</a> Full office address: 2 <sup>nd</sup> Floor, #100 Building, sidamduan Rd., P.O.Box: 7647, Vientiane, Lao PDR Additional email addresses that need to be copied on correspondences: <a href="mailto:phakkavanh.p@laoepf.org.la">phakkavanh.p@laoepf.org.la</a> and <a href="mailto:chanthamany.s@laoepf.org.la">chanthamany.s@laoepf.org.la</a>	
<b>1.5 Title of the Readiness support proposal</b>	Completion of the Accreditation of the Environmental Protection Fund as DAE for Lao PDR	

**1.6 Type of Readiness support sought**

Please select the relevant GCF Readiness objective(s) below (click on the box – please refer to Annex I and II in the Guidebook):

- ☒ 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 2018, the EPF received the first support for its accreditation as first DAE to the GCF in Lao PDR. The delivery partner was GIZ. As part of the support, gaps between GCF standards and the current status of the EPF were analyzed and subsequently started to be closed. As part of this, manuals for project management, fiduciary standards, environmental and social safeguards & gender and M&E were overhauled and updated to match GCF requirements. In addition, initial training workshops for EPFO staff were provided. However, there are remaining capacity gaps to be addressed to complete the accreditation process and hiring an international consultant will be necessary to assist EPFO and its partners during the preparation of a proposal for the microproject to be submitted to GCF in year 2022. The support will culminate in submitting a first application through the OAS and a peer-to-peer workshop with fellow DAEs from 5 countries to share experiences and ideas.

During the accreditation process, the EPF will need additional support to close any remaining gaps. They include (a) plan and facilitate effective implementation of projects, especially those related to accounting software and M&E system; (b) to identify and engage the potential candidate for the GCF subproject (GCF portfolio) and potential concept note (CN); and (c) to build capacity of EPFO staff to meet international requirement. In additions, adapting the new legislations, policies and EPF institution structure, including legal support which need qualified international and national legal consultants to support for the technical aspects. In order to finalize the accreditation process and ensure a long-term sustainability, the EPF hereby requests funds from the RPSP of the GCF to close the remaining gaps and strengthen its staff and institutional capacities to be a successful DAE. The expect outcomes are (1) to fulfill the remaining gaps and (2) to get accredited from GCF to be the National Accredited Entity (NAE) which will take significant roles as the finance mechanism and provide appropriate fund to related stakeholders, also provide technical support in the specific areas and follow the funding windows of EPF. In the big picture, EPF as the national entity will provide great support to the National Social-Economic Development Plan (call 5 years action plan). The beneficiaries are not only at the national level, the local community will also receive the appropriate support which following the Green Clean Beautiful (GCB) policy and sustainable direction.

Given that key EPF mandates are to tap funding support from various sources and ensuring that the funds are effectively allocated and utilized, the main challenges of the EPF are to find the right policy, procedures, and capacity that can enhance capacity of EPFO to meet international expectations especially those related to (a) financial management, (b) planning and M&E system, (c) environment and social management, and (d) effective coordination and collaboration within EPFO as well as with key agencies and other key beneficiaries/stakeholders. The RPSP of GCF will be used to mobilize qualified national, regional, and/or international consultants to assist in the development of the concept note and draft proposals that are eligible for GCF funds as well as facilitating the stakeholder engagement process

	<p>(meetings, workshops, study visits within and outside the country), and capacity building of local authorities and local communities which are likely to be the key beneficiaries for the GCF support.</p> <p>The results of the readiness project will ensure that EPF will meet GCF requirements and also be ready for implementation while the EPF proposal to be the DAE for Lao PDR is being considered and approved by GCF Board.</p>		
1.8 Total requested amount and currency	USD 399,805	1.9 Implementation period	24 months
1.10 Is this request a multiple-year strategic Readiness implementation request?	<p><input type="checkbox"/> Yes  <input checked="" type="checkbox"/> No</p> <p>For more information on how a country may be eligible to access Readiness support through this modality, please refer to <b>Annex III of the Readiness Guidebook</b>.</p>		
1.11 Complementarity and coherence of existing readiness support	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No</p> <p>This proposal is complementarity and coherence to the readiness support project namely "Getting Lao PDR Environment Protection Fund accredited to the GCF (GEPFA) // GIZ" of which its implementation was existing during the first application of this proposal. Additional technical assistance will help filling the remaining gaps for completing the accreditation process of EPF as well as helping initiate capacity building of EPF team to engage its national development partners on the preparation of a concept note and proposal to be submitted for GCF funding for a microproject.</p> <p>After EPF accreditation process has been completed and approved by GCF Board, EPF will become a Direct Access Entity (DAE) for Lao PDR and thus can take an active role in providing direct support to local authorities, local communities, and/or other national development partners including engagement with the private sector.</p>		

## 2. SITUATION ANALYSIS

**Current situation:** Lao PDR plays a significant role in the fight against climate change. While it has only about 7 million citizens and is still listed as an LDC, the country is largely covered with rainforests and therefore a natural storage for CO<sub>2</sub>. However, despite continuous offsetting of emissions by Lao PDR's vast forest areas, increased energy demand and continuous deforestation have raised emissions in Lao PDR over the past decades rather fast. It is therefore paramount not just for Laos but for the global communities that the country enters a low-carbon development path as quickly as possible and may even become again a net-reducer of emissions.

**Key barriers and Gaps:** In this task, the GCF has to play a vital role, given that Laos cannot mobilize enough domestic resources to follow through with the challenge. As such, Laos has received funds from the GCF Readiness program of the GCF to strengthen its capacities. This included development of a country programme,

private sector engagement and market identification in different sectors and support for the accreditation of a national institution. Even though Lao PDR received several GCF Readiness Programme Support for building capacities for NDA and other areas through GIZ, but this EPF request will fill-in the remaining gaps on financial management (ensuring effective operations of EPFO accounting system) as well as advancing the preparation of the EPF portfolio for GCF supports and initiate engagement with key stakeholders. This is complimentary to the EPF proposal for the GCF support for Access Accredited Entity which will be the first Lao PDR's national Accredited Entity to gain the country ownership more in the future as sustainable national entity. In addition, EPF will be the model of the national entities and enhancing the collaboration with the related stakeholders both the center and local.

**Pass and ongoing GCF Readiness grant:** GCF approved two Lao PDR projects in November 2019 in total amount \$ 26.6 million which GIZ and UNEP are the Accredited Entities. Currently the two Accredited Entities are cooperating with EPF as National Executing Entity to channel funds to beneficiaries in the national levels and grass root. With the international community turning more and more towards Direct Access and country driven approaches, it is crucial to have a well-equipped entity on the ground that can process and monitor these projects, either as an EE, as DAE or as facilitator in other capacities.

**Objective and filling the gaps:** EPF is ideally positioned for this kind of role. Having already received funding from the government of Laos \$5 million endowments since 2005 as well as received from hydropower and mining investments companies, World Bank for LENS1 (\$ 7.14 million from 2007 – 2013) and LENS2 project (\$ 38.8 million from 2015 – 2021) and UNDP (\$ 1.2 million from 2018 – 2022 for the Sustainable Forest and Land Management in the Dry Dipterocarp Forest Ecosystems of Southern Lao PDR Project), the EPF has proven to be a trusted partner for the GCF supports. Moreover, the Lao NDA nominated the EPF to become its first DAE and EPF have received OAS account (EPF\_2019\_OAS) from GCF on 12<sup>th</sup> June 2019 and submitted the EPF Accreditation Application to GCF in October 2019. Beside of submitting the application, EPF also paid application fee and currently accreditation process is on the stage I (institutional assessment). With support as DP from GIZ, the EPF has already considerably engaged and is aware of GCF requirements regarding financial management, M&E, environment and social safeguard and gender, and other GCF requirements. In light of the 2017 EPF Decree and the 2018-2019 EPF Bylaws, the following actions are being conducted by EPFO which most of the new establish policies and manual are under consultation process with relevant stakeholders to ensure consistent with any Lao law and policies and expect to get approval by EPF Board between 2020 – 2021. In addition, EPF current have revised the By Law based on the recommendations by the readiness phase 1 (supported by GIZ as PD).

To ensure completion of the remaining tasks, this proposal aims to fill those gaps and getting EPF accredited for GCF microproject to GCF in 2022. In addition, it is also necessary to build capacity of EPFO and its key development partners to develop a concept idea and draft proposal for GCF microproject.

### 3. LOGICAL FRAMEWORK

Outcomes	Baseline <sup>1</sup>	Targets	Outputs	Activities (brief description)	Deliverables <sup>2</sup>
<b>Outcome 1.2:</b> Direct access applicants and accredited entities (DAEs) have established capacity to meet and maintain the GCF's accreditation standards; and accredited DAEs have the capacity to develop a pipeline of projects and effectively implement GCF funded activities.	Nominated direct access entity has submitted an application 1	Environmental Protection Fund (EPF) is successfully accredited	Output 1.2.1 Complete the draft of agreed actions	Activity 1.2.1 To support analyses and agreed actions on next steps of the project when EPF receive GCF feedback on the accreditation application	Deliverable 1.2.1 a) Detailed workplan based on application feedback from the GCF
			Output 1.2.2 New legislations, policies and manuals are improved and validated.	Activity 1.2.2a. (3 workshops): Address the remaining gaps and enhance its processes, systems and manuals for M&E, E&S and Gender, fiduciary standards, project management, and other feedback from consultation with the concerned agencies and/or development partners as agreed with EPFO. It is expected that the consultation process will begin in Q1 2021. The activity will also include training and support on a day-to-day basis as requested by EPFO. Targeted participants are EPFO staff, key staff from MONRE agencies, and representatives from the national University of Lao (NUOL), selected local authorities, and/or local communities. The estimation Number of participants is 35 participants and conducting 2 days per each workshop. The workshop report attaches with list of participant, agenda and related documents have to record.	Deliverable 1.2.2a a) EPF Board approval of the EPF legislations and/or operation manuals that help facilitate effective implementation of GCF projects such as those related to financial management, procurement, M&E, and environment and social safeguards including gender integration. b) Three workshop reports providing information on list of participants, key discussion and agreements, and next steps,
				Activity 1.2.2b: Response to any follow up question ns that may arise from initiation submission.	Deliverable 1.2.2b: Application is successfully completed.
				Activity 1.2.2c: Subject to prior approval of the GCF board, the necessary legal documents and matters will be addressed and solved.	Deliverable 1.2.2c: Completed legal documents as required by GCF

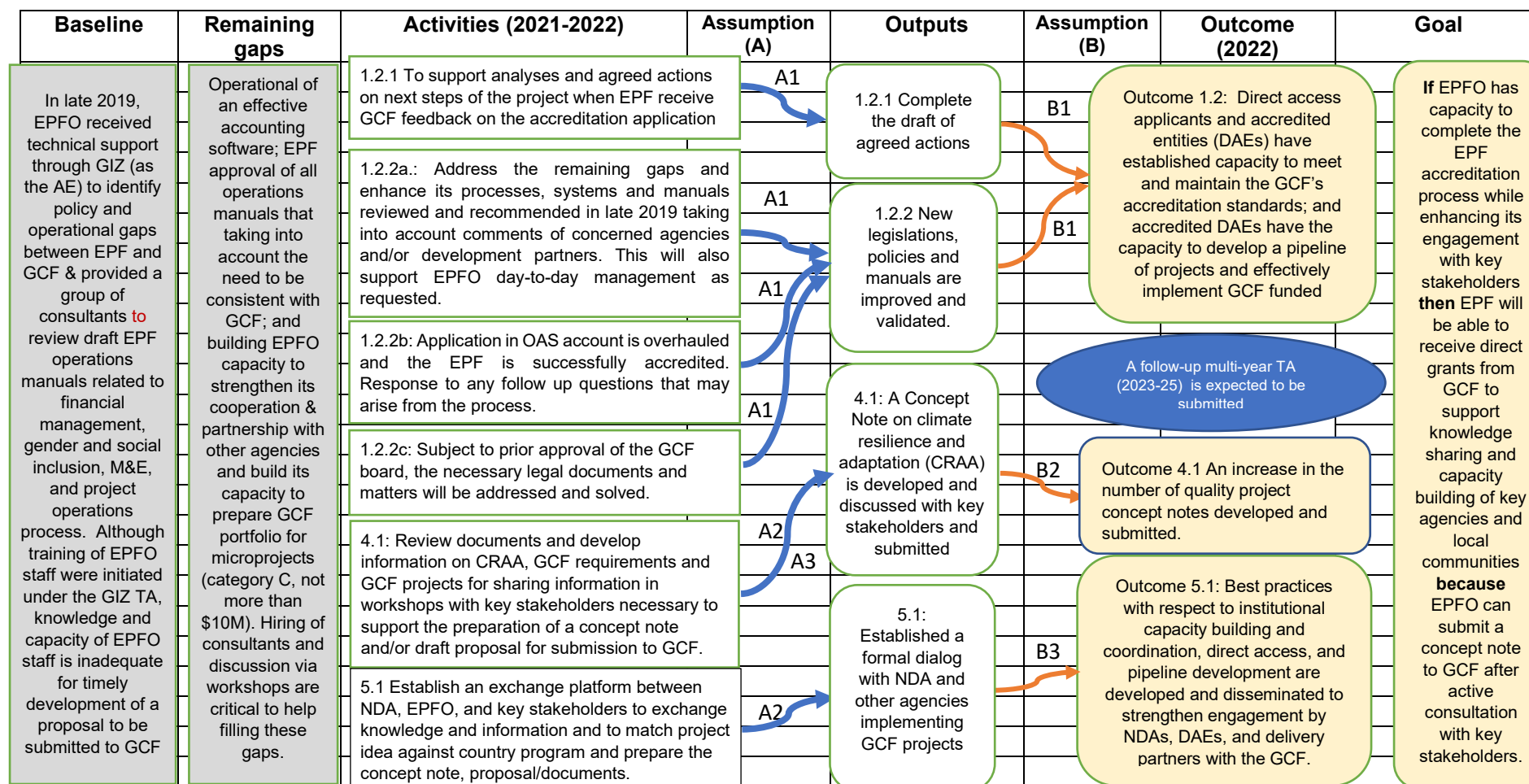
<sup>1</sup> Please briefly elaborate on current baselines on which the proposed activities can be built on, processes that are in place that the current Readiness proposal can strengthen, or any gaps that the proposed activities would fill in. If more space is needed, please elaborate this in Section 4.

<sup>2</sup> Please include tangible and specific deliverables for each activity proposed, please note that during implementation all deliverables should be included within the implementation reports for GCF consideration.

Outcomes	Baseline <sup>1</sup>	Targets	Outputs	Activities (brief description)	Deliverables <sup>2</sup>
<b>Outcome 4.1</b> An increase in the number of quality project concept notes developed and submitted.	Baseline for year 2020 is EPF is zero (0)	By end 2021, at least one quality concept note (CN) is prepared and submitted to GCF.	Output 4.1: A Concept Note (CN) on climate resilience and adaptation (CRAA) is developed and discussed with key stakeholders.	Activity 4.1 (5 workshops): a) Review documents, develop the climate rationale, and identify climate data and key stakeholders necessary to support the preparation of the project concept note. b) Conduct meetings and workshops to engage with stakeholders and develop project idea further along GCF criteria. Targeted participants are EPFO staff, key staff from MONRE agencies, and representatives from NUOL, selected local authorities, and/or local communities. Number of participants is provided under Section 5 (budget).	Deliverable 4.1: a) A set of power points in Laos related to climate change, CRAA, and GCF criteria and requirements regarding to gender inclusion and minimum impacts and a draft concept note to be presented and discussed in the meetings and/or workshops to be conducted at central and local levels. b) A draft concept notes in English and a summary in Laos. c) 5 working shop reports presenting the objectives, participants, key outputs, and agreed actions/next steps.
<b>Outcome 5.1</b> Best practices with respect to institutional capacity building and coordination, direct access, and pipeline development are developed and disseminated to strengthen engagement by NDAs, DAEs, and delivery partners with the GCF.	Baseline in Year 2020 is zero	By the end of the project, as part of the formal platform, at least four formal workshops will be conducted with key stakeholders.	Output 5.1: Established a formal dialog with NDA and other agencies implementing GCF projects	Activity 5.1 (4 workshops): a) Establish an exchange platform (i.e. monthly exchange between NDA and EPFO via online communication (email or WhatApps) or other small meetings with proper records. b) Conduct at least 4 workshops with key stakeholders (including NUOL, WB, and other development partners in Lao PDR) to (a) share knowledge, experience and lessons learnt from implementation of GCF projects in Lao PDR and (b) Mach project idea against country program	Deliverable.5.1 a) An information exchange platform between DNA, EPFO, and other key stakeholders established and operational. b) Four workshop reports summarizing the objectives, participants, key outputs and agreed actions/next steps.

## 4. THEORY OF CHANGE

DIAGRAM 1. THEORY OF CHANGE FOR THE TECHNICAL ASSISTANCE (TA, \$0.4M FOR 2021-2022) (see Box 4.1 in the narrative)



**Box 4.1. Description of the assumptions A and B of the TOC and risks**

A1. It is critical for EPFO team to assign a GCF team to be responsible for taking lead in the follow-up and implementation of the TA activities and provision of response to GCF queries to complete the EPF accreditation process in year 2022. The Executive Director (ED) of EPFO will lead the GCF team to implement the activities. Consultants to be mobilized by the TA will assist the GCF team. *The risk for not achieving this assumption is considered low.*

A2. The GCF team will also actively engage with other EPFO staff and key NUOL team and selected local authorities and local community team (LA/LC) to move forward the preparation of a concept note to be submitted to GCF in year 2021 and/or a proposal for GCF microproject to be submitted in year 2022. The Deputy Executive Director (DED) of EPFO will lead the GCF team with support from the A3 team. *The risk for not achieving this assumption is considered moderate.*

A3. It is expected that LENS2 fund will be provided to the NUOL team to facilitate (a) the knowledge sharing on GCF projects in Lao PDR and GCF requirements and (b) consultation and design process for the concept note and proposal on CRAA including identification of priority activities and LA/LC eligible for GCF support and baseline data and key documents. It is expected that the international expert from the TA will assist in the finalization of the first GCF proposal for microproject to be submitted by EPF. If A3 is not available, quality of the proposal may not be adequate (lack of baseline and stakeholder consultation) to be submitted to GCF. *The risk for not achieving this assumption is considered moderate.*

B1. It is critical that (a) EPF Board approve all specific requirements (Bylaws) and operation manual satisfactory by GCF regarding financial management, procurement, environment and social safeguards including gender integration and ethnic minority (ESMF) and that (b) GCF Board approved the EPF accreditation process in 2020. The risk for not achieving this assumption is considered substantial.

B2. It is critical that the GCF team of EPFO work effectively with NUOL team (under A3) and LA/LC. *The risk for not achieving this assumption is considered moderate.*

B3. It is critical that the DCC agreed for the GCF team to prepare a follow-up TA proposal for the readiness program for year 2023-2025 (\$1.4M). This TA will be submitted to GCF in 2022 with an aim to prepare a concept note and proposal for follow-up investment project (small or medium size) focusing on scaling up of the knowledge sharing and investment related to CRAA in priority areas and priority LA/LC. There are good opportunities to engage with WB and other related projects (parallel financing) being implemented in the same area. *The risk for not achieving this assumption is considered moderate.*

The logical framework and TOC diagram suggested that this TA would contribute to capacity building and enhancing cooperation and partnership (C&P) process of EPFO team and will (overtime) build national capacity to effectively develop, implement, supervision, and M&E projects and/or activities related to climate resilience and adaptation (CRAA) in Lao PDR (Impact). Key barriers to be addressed under the TA is limited knowledge and capacity of EPFO staff and its development partners on GCF operations to meet GCF requirements for being accredited and how to develop the concept idea and a proposal that is eligible for GCF support. Key assumptions of the TOC are described in [Box 4.1](#) above. The narrative of the TOC is as below.

Goal statement of the TA: **If** EPFO has capacity to complete the EPF accreditation process while enhancing its engagement with key stakeholders **then** EPF will be able to receive direct grants from GCF to support knowledge sharing and capacity building of key agencies and local communities **because** EPFO can submit a concept note to GCF **after active consultation with key stakeholders**. This goal will be achieved through the following three outcomes: *Outcome 1.2*: EPF will have direct access to climate finance as a DAE and has established capacity to meet and maintain the GCF's accredited standards and also has the capacity to develop a pipeline of projects and effectively implement GCF funded activities; *Outcome 4.1* An increase in the number of quality project concept notes developed and submitted; and *Outcome 5.1* Best practices with respect to institutional capacity building and coordination, direct access, and pipeline development are developed and disseminated to strengthen engagement by NDAs, DAEs, and delivery partners with the GCF. These three outcomes will be achieved from the following 4 outputs: Output 1.2.1 Complete the draft of agreed actions; Output 1.2.2 New legislations, policies and manuals are improved and validated; Output 4.1: A Concept Note (CN) on climate resilience and adaptation (CRAA) is developed and discussed with key stakeholders before submitted to GCF in year 2021 and (if possible) a proposal and all necessary documents to be submitted to GCF in year 2022; and Output 5.1 Established a formal dialog with NDA and other agencies implementing GCF projects. The TA will provide inputs related to cost of the national and international consultants including travelling and per diem; cost of preparation (communication materials) and implementation of meetings and workshops for discussion, knowledge sharing, and enhancing C&P among key stakeholders, including travelling and per diem cost for GCF team, NUOL, and those for selected LA/LC; cost of prevention of covid19 pandemic; and other unexpected cost. It is also expected that LENS2 fund will also be tapped to support NUOL team to initiate the knowledge sharing and consultation of the concept and proposal and (if possible) collect some baseline data. Details on activities and key deliverables are identified in the logical framework.

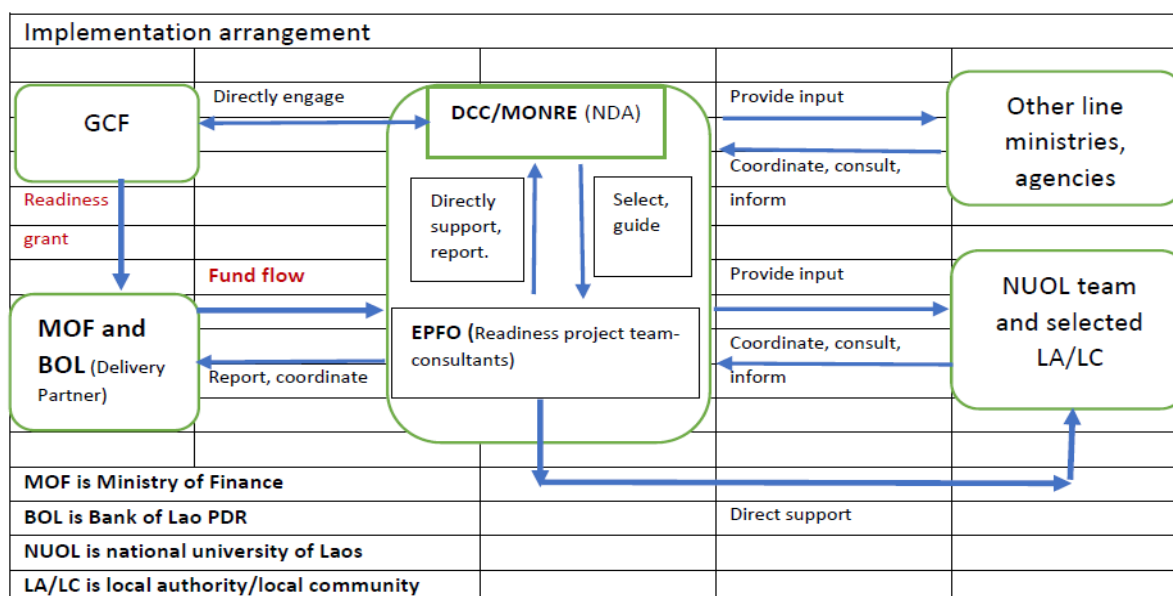
## 5. IMPLEMENTATION ARRANGEMENTS AND OTHER INFORMATION

### 5.1 Implementation arrangements

Please describe how implementation arrangements will be made and how funds will be managed by the NDA and/or the Delivery Partner.

As EPFO capacity has been strengthened during the first readiness phase and has experience in receiving and managing funding from the World Bank and UNDP, EPFO will manage the fund following its existing procedures and will coordinate and collaborate closely with NDA and other concerned agencies during the implementation of the project.

The EPF Office (EPFO) will be the implementing agency as DP and it will therefore administer and monitor the implementation and management of the project. The Executive Director and staff of the EPFO will be responsible for the day-to-day operations while the EPFO management team will be responsible for ensuring timely implementation of the project activities and oversee all the contract management, disbursement and payments. Details on fund flow and coordination mechanisms with NDA and the concerned agencies are shown as follows:



**Remark:** for the grant agreement signing will be consulted more with line ministries and NDA

#### Budgeting:

The Annual Work Plan and budget (AWPB) will be prepared at the end of the year by EPFO and it will be submitted to the EPF Board of Director for information after clearance by the EPFO manager. For budgeting of in and out country travel, the Ministry of Finance (MOF) Ministerial Decision on the use of Overseas Development Assistance (ODA) will apply.

#### Fund Flows:

GCF proceeds will be received first by the Bank of Lao (approved by Ministry of Finance for disbursement) due to the rule of Ministry of Finance which following the single door of grant and then the EPF will request the budget from the Bank of Lao which will transfer the budget to the EPF bank account at BCEL Bank (commercial bank). This procedure is mandatory for all funds flowing into Lao PDR and it has been described in the EPF Bylaws Section 4, article 20: EPF Bank account "The EPF shall open a bank account in the national bank system according to the regulations of Ministry of Finance; All EPF's revenues shall be reserved in such account through

accounting system of the National Treasury". The BCEL designated Account (DA), denominated in US dollars, will be opened at the BCEL bank which will get the fund transferred from the Bank of Lao PDR. The day-to-day management and replenishment to the DA will be handled by the EPF.

Account opening procedures and authorizations for withdrawals from the DA shall follow the current practices of the Ministry of Finance as elaborated in the Ministry of Finance regulation 4000/MOF dated 12 December 2018. All replenishment applications will be accompanied by reconciled bank statements from the depository bank showing all transactions through the DA. The DA will be audited annually by an independent external auditor at the end of the project and the report will be submitted to the GCF.

While there is no need for the EPF to have a delivery partner at its side during this project, the EPF will still be able to receive support on an ad hoc basis by its former DP, as the GIZ selected the EPF as the Executing Entities for the expected GIZ-GCF project.

## 5.2 Implementation and execution roles and responsibilities

Please briefly describe how the activities will be implemented and outputs delivered by project staff and consultants.

The profile, responsibilities, duty station and reporting line for each member of the team are as follows:

- EPF as the lead of the project: EPF will work as full-time for the duration of the project. EPF will response to the overall of the Readiness program and work closely with the NDA
  - Facilitation, coordination and supervision of all activities;
  - Delivery for all program;
  - Support relevant information and data to consultants
  - Cooperate with experts to develop concept notes, agree action and improve legislations and policies
  - Organization of the exchange workshops and training with partners and stakeholders
- Accreditation consultant
  - Support EPF to complete the Accreditation Application and build up capacity for EPF;
  - Support, facilitation and coordination of related activities with stakeholders, other consultants and firm, especially key partners and donors;
  - Conduct appropriate workshops and trainings for EPF and others;
  - Design relevant supporting document for full fill remaining gaps;
  - Coordinate with other consultants to improve legislations, policies and manuals;
- Finance consultants
  - Support finance division of EPF to fill remaining gaps;
  - Capacity building for EPF staff, especially for finance team
  - Design and improve existing finance system;
  - Improve and validate financial manual;
  - Cooperate with accounting firm to design and improve accounting software;
  - Support EPF finance for drafting financial report;
- National consultant (full time)
  - Support EPFO staff and the international consultant to develop and finalize the concept note and draft proposal and supporting documents for the very small project to be supported by GCF and assist in the consultation process with key stakeholders;
- Concept note and proposal preparation consultant (international, part time)
  - Preparing relevant concept notes
  - Design project pipeline based on EPF funding windows, priorities and needs;
  - Collect data and information with key stakeholders and partners;
  - Conduct consultation workshops with line ministries, partners, stakeholders and local authorities
  - Preparing necessary documents
- EPF accountant
  - support the EPF finance system;
  - support day-to-day function for the project;
  - support the EPF team on design and improve the existing finance system;
  - Capacity for EPF staff, especially for finance team;
  - The selected accountant should be a member of the Lao Chamber of Professional Accountants and Auditors (LCPAA)

### 5.3 Risks and mitigation measures

Please include a set of identified risks and mitigation actions for each. Please utilize the risk table below that identifies the probability of a given risk occurring and the entity that will manage the risk. Please refer to Part III Section 6.3 of the Readiness Guidebook for further information on how to complete this section.

Risk management			
Risk	Impact (low/medium/high)	Likelihood (low/medium/high)	Mitigation
Lengthy process to start and complete procurement and implementation of activities and causing project implementation delays	- Low	Low	<ul style="list-style-type: none"> <li>- EPF will closely collaborate with NDA and concerning agencies to accelerate the approval process.</li> <li>- This is small package of procurement and goods is available in the local market which will take shortly, possible not more than 2 months</li> </ul>
No suitable candidate for the long-term consultancy can be found	- medium	- low	<ul style="list-style-type: none"> <li>- A list of suitable candidates is compiled beforehand and candidates are contacted</li> <li>- Long-term consultancy could be split up into 6-month terms for different consultants</li> <li>- The impact of Covid 19 may affected to hiring international consultants and take a longer process for entry to Laos</li> </ul>
The long-term consultant struggles to work well in Lao PDR.	- low	- low	<ul style="list-style-type: none"> <li>- Contractual clauses will ensure that both parties can withdraw from the contract for the first three months, in case that the cooperation does not match one of the parties' expectations.</li> <li>- The impact of Covid 19 may affected to hiring international consultants and take a longer process for entry to Laos</li> </ul>
The accreditation application is not successful	- high	- medium	<ul style="list-style-type: none"> <li>- Enough time will be calculated to address remaining requests and submit another application</li> </ul>

Technical – Insufficient technical capacity and lack of qualified national consultants	- medium	- medium	- The limited capacity and availability of qualified local consultants is being addressed by expanding the recruitment from regional and international level, with knowledge and experience in Lao PDR.
mitigation measures for money laundering, terrorist financing and other prohibited practices risks	- low	Low	- The law on anti-money laundering and countering of terrorist financing of Lao PDR

#### 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.

Please choose one option among the two below and delete the one that does not apply to you. Please fill in information under brackets:

☒ **Readiness Proposal that requires a bilateral Grant Agreement**

- Please include an indicative disbursement table showing the expected amounts to be requested and keep to multiples of USD 5,000.
- The first disbursement *amounting* USD 133,000 will be transferred upon approval of the readiness request and effectiveness of the Grant Agreement;
- The second disbursement *amounting* USD 133,000 will be transferred upon submission of an interim progress report [and audited financial report]<sup>3</sup>, in form and substance acceptable to the Fund, [including an audited expenditure statement]; and
- The third disbursement *amounting* USD 133,805 will be made upon submission of a completion report and financial report, in form and substance acceptable to the Fund, including an audited expenditure statement.

#### 5.5 Monitoring

<sup>3</sup> For second disbursement, audited financial report and audited expenditure statement are only required for readiness and preparatory support proposals expected to last over 12 months.

**M&E planning:**

EPF 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 its policies and procedures and with the Bilateral Grant Agreement to be signed with GCF or its fiduciary agent. **Knowledge and assets of the project**

EPFO will be responsible for management of all reports, products, processes, documents and materials (including IT, equipment's, data) generated from the readiness project that using GCF resources. At completion of the project, EPFO will coordinate with Ministry of Finance for registration and management of the project assets in accordance with the Law on State Assets.

**Financial resources management**

EPFO has established and applied financial management procedures and processes that are acceptable to international agencies such as the World Bank and UNDP and they will be applied to the project. The GCF financial resources will be managed and disbursed for procurements (consultants, IT, equipment, etc.) and non-procurement activities (workshop, meeting and etc.) in accordance with the Public Procurement Law No.30/NA, date 2<sup>nd</sup> November 2017. EPFO will ensure that all procurements are transparent, be competitive and reasonable, and can be audited by the State Audit Organization of Lao PDR which is mandated to independent audit all government agency and is international accepted.

**Completion the accreditation process**

At least 2 weeks before completing the project, EPFO will work closely with NDA and all concerned agencies/beneficiaries responsible for implementation of project to ensure timely completion of the activities according to the workplan including preparation of the project completion report as required by GCF.

**5.6 Other Relevant Information**

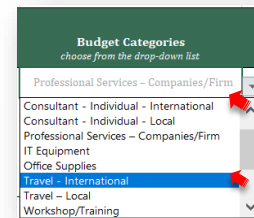
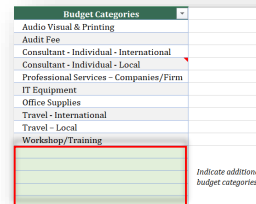
This TA and TOC is part of EPFO effort to strengthen its cooperation and partnership (C&P) effort with the National University of Lao (NUOL) and other key agencies to build capacity of local authorities (LA) and local communities (LC) through knowledge sharing and learning (learning by doing approach) on climate resilient and adaptation so that actions can be undertaken on the ground. Efforts will be made to enhance synergy of climate resilient and adaptation efforts in Lao PDR and promote private sector engagement to enhance sustainability of the effort, especially those related to the natural-based solution. It is expected that EPF will submit a multi-year proposal for the readiness program to facilitate the C&P process, build capacity of NUOL and local authority/local community on climate resilient and adaptation in selected areas, and review of on-going projects with other funding supports and related activities of the private sector. It is expected that key outputs of the multi-year TA will include a concept note and a proposal for a small or medium size project and supporting documents to be submitted to GCF (with co-finance or parallel-financing with other funding sources). Sustainability of climate change adaptation in Lao PDR will depend on sustainable actions that can be carried out by LA/LC.

# Readiness and Preparatory Support Budget and Procurement Plan

## Readiness Grant Budget Preparation Guidelines

The following considerations are important when completing the budget:

1. Before preparing the Readiness and PPF budget, please read the full guidance on our website (<https://www.greenclimate.fund/how-we-work/empowering-countries>).
2. You can select the appropriate budget categories from the dropdown list in the budget plan:
3. To insert additional rows, right click on the row number below where you wish to insert the new row and choose INSERT.
4. Additional budget categories may be added by manually typing them on the Budget Category sheet. :



### Project Management Cost:

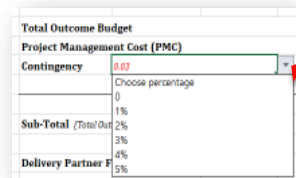
Project management costs (PMC) are the direct administrative costs incurred to execute a project. They should cover only incremental costs incurred due to the GCF contribution. In most cases, these costs are directly related to the support of a dedicated project management unit (PMU) which manages the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

#### General Principles for PMC costs:

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

### Contingency :

1. Select the appropriate % of Contingency Budget from the dropdown list :



2. Contingency budget for unforeseen costs arising during the project implementation should not be included in the outcome budget separately.
3. Contingency budget must be used for any unforeseen programme (output level) cost that is unrelated to implementation/service fee.
4. Any use of contingency must be reported to and agreed by the GCF Secretariat in writing in advance provided with justifications that are acceptable to the GCF
5. If you get to the end of the project and you haven't spent Contingency, you can't increase the scope of the project or buy some more equipment to use it up.
6. The Budget Notes sheet should be used to record explanations, further details or cost breakdowns for individual lines



Budget Note	Detailed Description
A	Consultant - Individual - International-One international or regional consultant, who will support and assist EPF to complete accreditation application. 80 working days @ \$500 per day under position of Accreditation Consultant (International).
B	Consultant - individual- local - One local consultant on accreditation. 120 working days @ \$300 per day under the position of accreditation consultant.
C	Consultant - individual - local - One local consultant on finance. 70 working days @ \$250 per day under position of finance consultant.
D	Consultant - individual - local - One local consultant on accountant. 24 months @ \$1,200 per month under position of accountant.
E	Consultant - individual - local - One local consultant will legal consolidation of the agreement between GCF and EPF. 20 working days @ \$500 per day which is difficult to find in the internal market.
F	Consultant - Individual - International - One international or regional consultant, who will support and assist EPF on concept note and proposal. 120 working days @ \$500 per day under position of concept note and proposal consultant.
G	Consultant - individual - local - One local consultant on concept note and proposal. 14 months @ \$ 2,500 per month under position of concept note and proposal consultant.
H	Consultant - individual - local - One local consultant to support EPF on technical and coordination. 24 months @ \$ 2,200 per month under position of technical and coordinator consultant.
I	Workshop/Training: Workshops to engage in stakeholder dialogues and develop a concept note. 12 workshops @ \$ 5,000, the budget break down as below:
	1. Meeting package is USD 27 per person * 35 persons * 2 days = USD 1,890
	2. DSA is USD 25 per person * 35 persons * 3 days = USD 2,625
	3. Estimate material = USD 185
	4. Estimate fuel = USD 200
	5. Contingency = USD 100
J	International Travel - the travel from international or region is USD 3,000 per trip, the break down budget as below:
	1. Air ticket (round trip) = USD 2,400
	2. Accommodation 10 nights * USD 60 per night = USD 600

5.1 Budget Plan

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

Detailed Budget (in US\$)															Disbursement Plan					
Outcomes	Budget Categories <small>choose from the drop-down list</small>	Unit	# of Unit	Unit Cost	Total Budget <small>(per budget category)</small>	Total Budget <small>(per sub-outcome)</small>	Total Budget <small>(per outcome)</small>	6m	12m	18m	24m	30m	36m							
Outcome 1.2: Direct access applicants and accredited entities (DAEs) have established capacity to meet and maintain the GCF's accreditation standards; and accredited DAEs have the capacity to develop a pipeline of projects and effectively implement GCF funded activities.	Output 1.2.1 Complete the draft of agreed actions Output 1.2.2 New legislations, policies and manuals are improved and validated.	Accreditation Consultant - Individual - International	Days	80	500.00	40,000.00	159,300.00	159,300.00	10,000.00	10,000.00	10,000.00	10,000.00	X	X						
		Accreditation Consultant - Individual - Local	Days	120	300.00	36,000.00			9,000.00	9,000.00	9,000.00	9,000.00	X	X						
		Finance Consultant - Individual - Local	Days	70	250.00	17,500.00			5,000.00	3,750.00	3,750.00	5,000.00	X	X						
		Accountant Consultant - Individual - Local	months	24	1,200.00	28,800.00			7,200.00	7,200.00	7,200.00	7,200.00	X	X						
		Legal Consultant - Individual - Local	Days	20	500.00	10,000.00			2,500.00	2,500.00	2,500.00	2,500.00	X	X						
		Travel - International (Accreditation consultant)	Mission (round trip)	2	3,000.00	6,000.00			3,000.00		3,000.00									
		Travel - International (Finance consultant)	Mission (round trip)	2	3,000.00	6,000.00			3,000.00		3,000.00									
		Workshop/Training	Number	3	5,000.00	15,000.00			5,000.00	5,000.00		5,000.00								
Outcome 4.1 An increase in the number of quality project concept notes developed and submitted.	4.1 A concept note (CN) on climate resilience and adaptation (CRAA) is developed and discussed with key stakeholders	Concept Note and proposal Consultant - Individual - International	Days	120	500.00	60,000.00	152,000.00	152,000.00	15,000.00	15,000.00	15,000.00	15,000.00	X	X						
		Concept note and proposal Consultant - Individual - Local	months	14	2,500.00	35,000.00			15,000.00	15,000.00	5,000.00		X	X						
		Workshop/Training	Number	9	5,000.00	45,000.00			10,000.00	15,000.00	15,000.00	5,000.00								
		Travel - International	Mission (Consultant Mission)	2	3,000.00	6,000.00			3,000.00		3,000.00									
		Travel – Local	Trip	3	2,000.00	6,000.00			2,000.00	2,000.00	2,000.00									
Outcome 5.1 Best practice with respect to institutional capacity building and coordination, direct access, and pipeline development	Output 5.1: Established a formal dialog with NDA and other agencies implementing GCF projects	technical and coordinator Consultant - Individual - Local	months	24	2,200.00	52,800.00	52,800.00	52,800.00	13,200.00	13,200.00	13,200.00	13,200.00	X	X						
Total Outcome Budget									364,100.00	102,900.00	97,650.00	91,650.00	71,900.00	-	-					
Project Management Cost (PMC) <small>Up to 7.5% of Total Activity Budget</small>		IT Equipment	Laptops	3	1,500.00	4,500.00	Actual amount and % of PMC requested:  ✔ 17,500.00  ✔ 7.50%	Maximum PMC that can be requested:  27,307.50  7.50%												
		Audit Fee	Lumpsum	2	4,000.00	8,000.00														
		Office Costs	Lumpsum	1	5,000.00	5,000.00														

FOR GREEN CLIMATE FUND  
SECRETARIAT'S USE ONLY

Breakdown (per budget category)	Total (per budget category)
Audio Visual & Printing	-
Audit Fee	8,000.00
Consultant - Individual - International	100,000.00
Consultant - Individual - Local	88,800.00
Professional Services – Companies/Firm	-
IT Equipment	4,500.00
Office Supplies	-
Travel - International	6,000.00
Travel – Local	6,000.00
Workshop/Training	60,000.00
Project Staff Costs - project manager	-
Office Costs	5,000.00
Project Staff Costs - admin/finance	-
Project Staff Costs - procurement	-
Long-term Consultant - Individual - International	-
Total Outcome Budget + PMC	381,600.00

FOR GREEN CLIMATE FUND	
Total Outcome Budget	364,100.00
Project Management Cost (PMC)	7.5% requested 17,500.00
Contingency	5% requested 18,205.00
Sub-Total (Total Outcome Budget + Contingency + PMC)	
	399,805.00
Total Project Budget (Total Activity Budget + Contingency + PMC + DP)	
	\$ 399,805.00

Budget Categories
Audio Visual & Printing
Audit Fee
Consultant - Individual - International
Consultant - Individual - Local
Professional Services – Companies/Firm
IT Equipment
Office Supplies
Travel - International
Travel – Local
Workshop/Training
Project Staff Costs - project manager
Project Staff Costs - admin/finance
Project Staff Costs - procurement
Office Costs
Long-term Consultant - Individual - Internatio

*Indicate additional  
budget categories*

5.2 Procurement Plan

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

Item	Item Description	Estimated Cost (US\$)	Procurement Method	Thresholds (Min-Max monetary value for which indicated procurement method must be used)	Estimated Start Date	Projected Contracting Date
Goods and Non-Consulting Services						
IT Equipment	3 Laptops	4,500.00	Request for the quotation	under \$ 60,000	2-Jan-2021	
Workshops	12	60,000.00	Request for the quotation	under \$ 60,000	2-Jan-2021	
International Travel	6 trips	24,000.00	Request for the quotation	under \$ 60,000	1-Mar-2021	
Local Travel	3 trips	6,000.00	Request for the quotation	under \$ 60,000	1-Mar-2021	
Sub-Total (US\$)		\$ 94,500.00				
Consultancy Services						
International Consultant	Accreditation Specialist	40,000.00	Individual Consultant	Nil	1-Feb-2021	
Local Consultant	Accreditation Specialist	36,000.00	Individual Consultant	Nil	1-Feb-2021	
Loacal Consultant	Finance	17,500.00	Individual Consultant	Nil	1-Feb-2021	
Loacal Consultant	Accountant	28,800.00	Individual Consultant	Nil	1-Feb-2021	
Local Consultant	Legal	10,000.00	Individual Consultant	Nil	1-Feb-2021	
International Consultant	Concept note and proposal consultant	60,000.00	Individual Consultant	Nil	1-Feb-2021	
Local Consultant	Concept note and proposal consultant	35,000.00	Individual Consultant	Nil	1-Feb-2021	
Local Consultant	Technical and coordinator	52,800.00	Individual Consultant	Nil	1-Feb-2021	
Sub-Total (US\$)		\$ 280,100.00				

### 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

[illegible]