



# Integrated Water Resource Management and Ecosystem-based Adaptation (EbA) in the Xe Bang Hieng River Basin and Luang Prabang City

Review CEO Endorsement and Make a recommendation

## Basic project information

**GEF ID**

10514

**Countries**

Lao PDR

**Project Name**

Integrated Water Resource Management and Ecosystem-based Adaptation (EbA) in the Xe Bang Hieng River Basin and Luang Prabang City

**Agencies**

UNDP

**Date received by PM**

11/30/2021

**Review completed by PM**

3/24/2022

**Program Manager**

Fareeha Iqbal

**Focal Area**

Climate Change

**Project Type**

FSP

**PIF**   
**CEO Endorsement**

**Part I ? Project Information**

**Focal area elements**

**1. Does the project remain aligned with the relevant GEF focal area elements as presented in PIF (as indicated in table A)?**

Secretariat Comment at CEO Endorsement Request

3/24/22:

Cleared.

3/10/22:

Not yet. The meta-information related to support for NAPs still displays a "false" value.

12/17/2021:

Adjustment requested.

Table A shows that the project will support the NAPs process. Therefore the meta-information section on this item should match. Currently the meta-information shows as "false" for whether the project "is explicitly related to the formulation and/or implementation of national adaptation plans (NAPs)". Please correct.

Agency Response

**UNDP, 17 March 2022:**

We apologize for the oversight. The meta-information has been updated to reflect the NAPs support.

**UNDP, 4 March 2022:**

This is well noted. The meta-information has been corrected to align with Table A.

**Project description summary**

**2. Is the project structure/design appropriate to achieve the expected outcomes and outputs as in Table B and described in the project document?**

Secretariat Comment at CEO Endorsement Request 3/24/22:

Cleared.

3/10/22:

This item has not yet been addressed. The ratio of LDCF-supported PMC to the LDCF project grant subtotal needs to be the same as the ratio of the cofinance-supported PMC to the project cofinance subtotal. Currently the first is 4.9% and the second is 0.9%. They need to be the same level, and within 5%.

12/17/2021:

1) Please ensure that the proportion of PMC mapped to the total LDCF grant is the same ratio as the the co-financed PMC to the total cofinance.

Agency Response

**UNDP, 17 March 2022**

Co-finance distribution has been re-examined and re-distributed to more accurately reflect the project components and to ensure that the ratio of the co-finance-supported PMC to the project co-finance subtotal is the same.

**UNDP, 4 March 2022:**

The co-financed PMC cost is enhanced to US\$ 250,000, against the total PMC cost of US\$ 503,782, which now translates to 49% of the total PMC budget. We hope this is acceptable.

**3. If this is a non-grant instrument, has a reflow calendar been presented in Annex D?**

Secretariat Comment at CEO Endorsement Request n/a

Agency Response

**Co-financing**

**4. Are the confirmed expected amounts, sources and types of co-financing adequately documented, with supporting evidence and a description on how the breakdown of co-financing was identified and meets the definition of investment mobilized, and a description of any major changes from PIF, consistent with the requirements of the Co-Financing Policy and Guidelines?**

Secretariat Comment at CEO Endorsement Request

4/12/22:

Cleared.

3/30/22:

Please address the following comments pertaining to Table C:

a) Row 2: For the entry on UNEP, please change the Source of Co-financing entry from "GEF Agency" to "Donor Agency".

b) For all recipient country government funding (3 entries): change Type of Co-financing column entries to "Public investment" and the nature of the co-finance to "Investment mobilized".

c) Department of Irrigation co-financing amount (row 4): the co-financing letter indicates \$13M (from IFAD loan) + \$8M additional loan, while the reported amount in Table C is approx. \$5.2M. Please verify the amount, and then report the portion of the loan that will support the GEF project in Table C as "Public investment" and "Investment mobilized", as for comment (b) above.

d) "Investment Mobilized" description section: immediately below Table C, please include a brief summary of each investment mobilized that has been reported, including those now categorized as Investment Mobilized per comments (b) and (c) above.

3/24/22:

Cleared.

3/10/22:

Not yet. The cofinance has been miscategorized. In-kind cofinance is not investment mobilized as per GEF cofinance policy, and grant finance is not considered recurrent expenditure as per GEF cofinance policy. Please revise.

12/17/2021:

Adjustment requested.

Please explore the possibility of greater grant commitment of co-finance for this project (this was also a PIF-stage comment for CEO endorsement).

#### Agency Response

**UNDP, 11 April 2022**

a) Addressed.

b) Addressed.

c) Please note that while the IFAD letter of co-finance indicates more than is reported in the CEO ER, this value is for the implementation of the IFAD project across four provinces. Approximately 27% of the IFAD project will contribute to the co-finance of the proposed project, as this is the proportion of that project which will be implemented in Luang Prabang Province.

d) Summaries of each Investment Mobilized have been included immediately below Table C, as requested.

**UNDP, 17 March 2022**

Co-finance categorization has been corrected to reflect In-kind co-finance contributions as Recurrent Expenditure and Grant co-finance as Investment Mobilized, as indicated at PIF stage and per GEF co-finance policy.

**UNDP, 4 March 2022:**

The project has secured and additional co-financing of US\$ 1,072,267 from the Republic of Korea-funded project ? Enhancing Integrated Water Management and Climate Resilience in Vulnerable Urban Areas of the Mekong River Basin.? With this the total co-financing secured adds up to US\$ 27,212,585 in-kind financing, which is US\$ 7,212,585 additional to what was indicated at PIF stage (US\$ 20,000,000). In addition, US\$250,000 cash co-financing has been secured from UNDP. Overall, the cash and in-kind co-financing adds up to US\$27,462,585. We discussed with the Government of Lao PDR to explore if additional co-financing could be secured, but it was not possible to secure additional co-financing.

#### GEF Resource Availability

**5. Is the financing presented in Table D adequate and does the project demonstrate a cost-effective approach to meet the project objectives?**

Secretariat Comment at CEO Endorsement Request

4/12/22:

Cleared.

3/30/22:

Please address the below comments pertaining to the budget:

- a) There is a difference in the total amounts between the budget in Annex E and Table B. The total of Component 2 (\$3,098,948) does not match the total provided in the budget table (\$3,097,108). In addition, the total of Component 3 (\$1,081,124) does not match the sum of Component 3 (\$932,964) + M&E (\$150,000) in the Budget table. Please make the needed amendments to the budget tables.
- b) All monitoring related expenses should be charged to the M&E budget line rather than to component 3. Although component 3 included KM and M&E, these have to be charged to M&E column.
- c) Rows with 0 funds allocated should be deleted from the budget table.
- d) Please assign charges for vehicle purchase/rental to the co-financed portion of PMC. Please avoid charging these expenses to GEF funds. Thank you.

#### Agency Response

•?UNDP, 11 April 2022

- a) - Please note that M&E budget is embedded within Component 3. In GEF Budget template, if the total of Component 3 and M&E are added together, the total will come to Component 3 in Table B. To facilitate the review, we have also presented budget with M&E budget separately shown as advised in comment b). Please see Section IX. Total Budget and Work Plan and Annex 1 of ProDoc.
- b) - Addressed as recommended.
- c) - Addressed.
- d) - Addressed, the budget has been shifted to UNDP co-finance.

#### Project Preparation Grant

**6. Is the status and utilization of the PPG reported in Annex C in the document?**

#### Secretariat Comment at CEO Endorsement Request

4/12/22:

Cleared.

3/30/22:

Not yet. The information provided does not include details on the activities funded, but rather a list of outputs by component. We would kindly request the agency to provide detailed information on the funding provided for PPG activities (salaries, travel, etc.).

3/10/22:

Cleared.

12/17/2021:

Not yet. Please provide some broad categories of activity/expenditure for the spent and yet-to-be-committed PPG.

Agency Response

**UNDP, 11 April 2022**  
This has been addressed.

**UNDP, 4 March 2022:**

The PPG utilization table has been updated to provide more details as requested.

**Core indicators**

**7. Are there changes/adjustments made in the core indicator targets indicated in Table E?**

**Do they remain realistic?**

Secretariat Comment at CEO Endorsement Request

3/10/22:

Cleared.

12/17/21:

Adjustment is requested.

The value of Core indicator 1 (total number of direct beneficiaries) has dropped to just over half of the figure estimated at PIF stage (over 49,000). Please revise this figure to align with the PIF-stage ambition, given that the figure proposed at CEO Endorsement is far below the Council-approved figure and is low in terms of proposed impact.

Agency Response

**UNDP, 4 March 2022:**

This feedback is well noted. The initial reduction of the figure was a result of identifying target communities for the on-the-ground interventions during project development; however it is recognised that this resulted in a too hyper-focused approach. The 27,531 beneficiaries listed in the latest revision represent the population of the 15 target villages within Savannakhet Province and the target communities in Luang Prabang City that will benefit under Component 2 of the proposed project. As a result, the beneficiaries of the integrated catchment management and integrated water resource management

interventions implemented on larger scales under Component 1 were excluded from the total beneficiaries number. Therefore, the direct beneficiary figure has been revised to align with the 492,462 total beneficiary number submitted at PIF stage. The remaining proportion of the beneficiary figures represents those affected by the interventions undertaken by Components 1 and 3. This number is calculated based on 75% the total populations of the target districts in Savannakhet Province and Luang Prabang city in the 2015 National Census.

## Part II ? Project Justification

**1. Is there a sufficient elaboration on how the global environmental/adaptation problems, including the root causes and barriers, are going to be addressed?**

Secretariat Comment at CEO Endorsement Request

3/10/22:

Cleared.

12/17/21:

Not yet. Please paste in the Theory of Change. The link to it in the document does not work and it cannot be viewed.

Agency Response

**UNDP, 4 March 2022:**

This has been fixed

**2. Is there an elaboration on how the baseline scenario or any associated baseline projects were derived?**

Secretariat Comment at CEO Endorsement Request

Yes.

Agency Response

**3. Is the proposed alternative scenario as described in PIF/PFD sound and adequate? Is there sufficient clarity on the expected outcomes and components of the project and a description on the project is aiming to achieve them?**

Secretariat Comment at PIF/Work Program Inclusion

3/10/22:

Cleared.

12/17/2021:

Please provide more specific, detailed information on the following two Component 2 activities:



- i) conserving and restoring protected and degraded forest ecosystems; and
- ii) constructing protective infrastructure to reduce flood and drought risk.

#### Agency Response

UNDP, 4 March 2022:

More specific, detailed information (see below) has been provided for these two activities under the description of Output 2.1 in the Project Justification section in GEF Portal.

i) ?The conservation and restoration of vulnerable and degraded headwater ecosystems will promote water infiltration, evapotranspiration and availability and will reduce soil erosion and surface run off.?

?Conserving and restoring headwater ecosystems will not only increase the climate resilience of headwater communities but also lowland communities. This will result from headwater conservation activities preventing the degradation of headwater ecosystems and restoration activities decreasing surface runoff and overland flow, thereby increasing floodwater attenuation.?

ii) ?The implementation of protective infrastructure will prioritise the use of EbA measures and measures which combine ?grey? and ?green? interventions. Where possible the project will implement interventions which are able to support the restoration and rehabilitation of partially degraded forest and riverbank ecosystems. This will involve interventions such as vegetative gabion walls, vegetative gabion revetments, live check dams, vegetative gabion spurs, vegetative gabion check dams, vegetative stone rip rap, vegetative dry stone check dams and cascading weirs.?

**4. Is there further elaboration on how the project is aligned with focal area/impact program strategies?**

#### Secretariat Comment at CEO Endorsement Request

3/24/22:

Cleared.

#### Agency Response

UNDP, 4 March 2022:

Please see response under item 1 of Part 1. The issue has been addressed.

**5. Is the incremental reasoning, contribution from the baseline, and co-financing clearly elaborated?**

#### Secretariat Comment at CEO Endorsement Request

Yes.

#### Agency Response

**6. Is there further and better elaboration on the project's expected contribution to global environmental benefits or adaptation benefits?**

Secretariat Comment at CEO Endorsement Request

Yes.

Agency Response

**7. Is there further and better elaboration to show that the project is innovative and sustainable including the potential for scaling up?**

Secretariat Comment at CEO Endorsement Request

Yes.

Agency Response

**Project Map and Coordinates**

**Is there an accurate and confirmed geo-referenced information where the project intervention will take place?**

Secretariat Comment at CEO Endorsement Request

3/10/22:

Cleared.

12/17/2021:

Thank you for including a map and table of lat/long coordinates. Is it possible to provide a geo-referenced map?

Agency Response

**UNDP, 4 March 2022:**

The project maps have been updated to include geo-referenced latitudinal and longitudinal information, as well as clearer context provided by the inset maps. These are also available as Annex 3 in the Project Document uploaded to the Roadmap section of GEF portal.

**Child Project**

**If this is a child project, is there an adequate reflection of how it contributes to the overall program impact?**

Secretariat Comment at CEO Endorsement Request

n/a

Agency Response

**Stakeholders**

**Does the project include detailed report on stakeholders engaged during the design phase?  
Is there an adequate stakeholder engagement plan or equivalent documentation for the implementation phase, with information on Stakeholders who will be engaged, the means of engagement, and dissemination of information?**

Secretariat Comment at CEO Endorsement Request

3/24/22:

Cleared.

3/10/22:

Thank you for this explanation. While we are pleased to see that civil society will be on the Project Steering Committee and will thus have representation, we are also very keen to ensure that local NGOs and beneficiaries are also actively engaged in implementation of project activities. This helps foster ownership and enhances chances of sustainability.

12/17/2021:

Further information is requested.

We note with appreciation that a Stakeholder Engagement Plan has been submitted.

However, we see that the Portal entry shows that civil society will be "Consulted only".

Please note that for a climate change adaptation project, we hope for meaningful engagement of civil society, including in project implementation. We urge the agency to consider how this can be done, and provide some description.

Agency Response

**UNDP, 17 March 2022:**

This is noted. We will ensure this during implementation.

**UNDP, 4 March 2022:**

The Portal entry has been corrected to show that civil society will play a role as ?Member of project steering committee or equivalent decision-making body?. This is in alignment with the project?s implementation arrangements (Figure 6), as detailed in Section 6. Institutional Arrangement and Coordination. The following text has also been included in Section 2. Stakeholder to better support this statement: ?At the inception of the project, representatives from civil society will be identified to act as Beneficiary Representatives on the Project Steering Committee. This will ensure that the relevant beneficiaries are involved in the implementation of project interventions.?

**Gender Equality and Women?s Empowerment**

**Has the gender analysis been completed? Did the gender analysis identify any gender differences, gaps or opportunities linked to project/program objectives and activities? If so,**

**does the project/program include gender-responsive activities, gender-sensitive indicators and expected results?**

#### Secretariat Comment at CEO Endorsement Request

Yes. A Gender Analysis and Gender Action Plan has been submitted, and discusses how the project will enhance women's resilience. The project will develop sex-disaggregated indicators.

#### Agency Response

##### **Private Sector Engagement**

**If there is a private sector engagement, is there an elaboration of its role as a financier and/or as a stakeholder?**

#### Secretariat Comment at CEO Endorsement Request

3/10/22:

Cleared.

12/17/2021:

Clarification requested.

Is the proposed private sector engagement on sub-components 1.1.3, 2.2.1 and 3.1.3 in the form of consultancies with private firms, to develop reports? That is not quite the intention here; this review item seeks to understand how the domestic/local private sector will factor climate change adaptation into its activities, contribute to adaptation activities, or build its capacity to understand and take into account climate risk in its investments. Please specify.

#### Agency Response

##### **UNDP, 4 March 2022:**

Proposed private sector engagement is intended to establish and enhance relationships between government decision makers, local communities and the private sector. The descriptions of private sector engagement in the three activities have been expanded on to better reflect this.

*?while also determining how the capacity of the private sector can be built, under Activity 3.1.3, to understand and consider the risks and impacts of climate change on its investments.?*

*?These engagements will also promote discussion around how commercial agricultural concession owners can implement climate change adaptation measures into their operations to ensure their contribution to national climate change adaptation targets. To achieve this, the private sector and commercial agricultural concession owners will engage with the above-mentioned market analyses results to facilitate the*

*implementation of climate change and land degradation adaptation measures within their operations.?*

*?As part of the awareness-raising campaign, the private sector will be engaged on introducing climate change adaptation considerations into its operations, while also identifying climate change risks to their investments. These engagements will subsequently be used to facilitate a closer relationship for climate change adaptation action between GoL decision-makers, local communities and the private sector.?*

#### **Risks to Achieving Project Objectives**

**Has the project elaborated on indicated risks, including climate change, potential social and environmental risks that might prevent the project objectives from being achieved? Were there proposed measures that address these risks at the time of project implementation?**

Secretariat Comment at CEO Endorsement Request

12/17/21:

Yes.

Agency Response

**Coordination**

**Is the institutional arrangement for project implementation fully described? Is there an elaboration on possible coordination with relevant GEF-financed projects and other bilateral/multilateral initiatives in the project area?**

Secretariat Comment at CEO Endorsement Request

3/24/22:

Cleared. Note that the country has requested limited direct execution support from UNDP under the NIM modality (see annexes 2a and 2b). This is cleared.

3/10/22:

Cleared, thank you.

12/17/2021:

Lao PDR is a champion on coordinated GEF-GCF engagement. Please discuss in detail how such coordination will be supported by the project, in terms of activities/implementation, national adaptation vision, and institutional arrangements.

Agency Response

**UNDP, 4 March 2022:**

A more detailed discussion on the coordination between the ongoing GCF project and proposed GEF project has been incorporated into the Institutional Arrangements section of the CEO Endorsement Request document.

?Coordination between the GCF project and the proposed GEF project will include synergy between the knowledge hubs established under each respective project. The knowledge hub on urban EbA established under Activity 1.1.2 of the GCF project will provide a knowledge base for the ecosystem evaluations and capacity building of national and provincial officials to design and implement integrated urban EbA under Component 1 of the proposed project. Further to this, the knowledge management hub established under Output 3.1 of the proposed project will contribute to the production and dissemination of information gathered by both these projects. In addition to expanding the information available on urban EbA in the Lao context, this project will also disseminate the lessons from implementing community-based monitoring systems (Output 3.2). With these measures, the proposed project will contribute to creating a well-rounded knowledge base that can be used to upscale interventions from both projects, which can be added to by future projects.?

#### **Consistency with National Priorities**

**Has the project described the alignment of the project with identified national strategies and plans or reports and assessments under the relevant conventions?**

Secretariat Comment at CEO Endorsement Request

3/10/22:

Cleared.

12/17/2021:

Please discuss consistency with Lao PDR's May 2021 NDC.

Agency Response

**UNDP, 4 March 2022:**

The table detailing the proposed project's consistency with national priorities (Section 7 of the CEO Endorsement Request document) has been updated to reflect Lao PDR's 2020 NDC, which was submitted to the UNFCCC in May of 2021. Please note that the text detailing the proposed project's alignment has not been changed as it was already reflecting the updated NDC, only the year was out of date. We apologise for this oversight.

#### **Knowledge Management**

**Is the proposed ?Knowledge Management Approach? for the project adequately elaborated with a timeline and a set of deliverables?**

Secretariat Comment at CEO Endorsement Request

3/10/22:

Cleared.

12/17/2021:

Please provide further information on the knowledge management activities -- trainings, products, and the knowledge hub. How will lessons and experiences be shared with communities, and how will their experiences be captured over time?

#### Agency Response

**UNDP, 4 March 2022:**

Further information on the coordination between the knowledge hub and communities, for the collection and dissemination of information and lessons, has been included as requested.

?The knowledge management hub will also provide a platform that enables the PMU to engage with local communities and the private sector, by sharing lessons and capturing their experiences. Complementary awareness-raising campaigns and trainings conducted under Activities 3.1.1 and 3.1.3 will enable the formal collection and dissemination of information, while also enabling the establishment of communication channels for use outside of formalised project activities and beyond the project lifespan.?

#### Environmental and Social Safeguard (ESS)

**Are environmental and social risks, impacts and management measures adequately documented at this stage and consistent with requirements set out in SD/PL/03?**

#### Secretariat Comment at CEO Endorsement Request

3/10/22:

Cleared.

12/17/21:

Further information is requested. A "substantial" risk rating has been triggered for Risk to Ethnic Groups. Consultations with stakeholders are one of the risk mitigation measures proposed. Please discuss whether COVID restrictions/difficulties regarding public consultations will affect this risk mitigation measure, and if so, how will this issue, regarding difficulties holding key consultations with ethnic groups, be addressed?

#### Agency Response

**UNDP, 4 March 2022:**

A discussion of how COVID restrictions or difficulties will be addressed within the risk mitigation measures of Risk 12 has been added to the description of ESS risks.

?Consultations will only be conducted with full consideration of the current COVID-19 risk factors, local guidelines and restrictions to ensure no increased risk of infection to the participants. Where necessary, physical distancing and tools such as online meetings or correspondence will be implemented.?

#### Monitoring and Evaluation

**Does the project include a budgeted M&E Plan that monitors and measures results with indicators and targets?**

Secretariat Comment at CEO Endorsement Request

12/17/21:

Yes.

Agency Response

**Benefits**

**Are the socioeconomic benefits at the national and local levels sufficiently described resulting from the project? Is there an elaboration on how these benefits translate in supporting the achievement of GEBs or adaptation benefits?**

Secretariat Comment at CEO Endorsement Request

3/10/22:

Cleared.

12/17/2021:

Please discuss how this project can assist with green recovery and building back better in the wake of COVID-19.

Agency Response

**UNDP, 4 March 2022:**

A discussion of the contribution of the project interventions towards recovery in the wake of the COVID-19 pandemic have been added to the Benefits section of the CEO Endorsement Request document.

?In addition to the climate related impacts affecting the target communities, the global Covid-19 pandemic ? which began in early 2020 ? has presented unique and new challenges and barriers to adaptation projects. Impacts of Covid-19 in Lao PDR have included, inter alia: i) increased food prices; ii) increased demand for agricultural production; and iii) higher unemployment rates; and iv) decreasing economic activity for many businesses.

In response to these Covid-19 impacts, the proposed project will support economic and social recovery through the benefits of the proposed interventions. Under Outcome 1, the project will work to align policy frameworks and plans for land and risk management to support the long-term climate resilience of communities and ecosystems. Activities implemented under this outcome will enable the project team to



engage with the GoL to ensure the Transboundary Diagnostic Analyses (TDAs) and Strategic Action Programmes (SAPs) are updated, to build resilience to Covid-19 impacts. By updating the TDAs and SAPs, the project open channels that can be used to work towards guaranteeing IWRM at local, regional and international levels in both the short and medium term.

The resilience of supply chains in Lao PDR's agricultural sector will be strengthened by supporting smallholder farmers and other stakeholders along the supply chain by investment support through CCAs established under Output 2.2. These CCAs, combined with climate-resilient alternative livelihood options introduced under this output, will work to reduce target communities' reliance on vulnerable and stressed ecosystem goods and services, thereby decreasing the overall risks exacerbated by the pressure of Covid-19 impacts. By helping communities recover from Covid-19 following a sustainable development approach ? rather than returning to the business-as-usual practices ? the project will contribute to Building Back Better.

The implementation of alternative livelihood options and awareness-raising campaigns will further contribute to establishing a nexus thinking approach to natural resource management. The awareness-raising campaigns will be conducted in a manner that demonstrates the linkages between sectors relevant to target communities ? such as agriculture, water, food security and disaster risk reduction. By promoting integrated land management and IWRM, the project will build the capacity of target communities to manage the impacts of floods and droughts on these communities and their critical ecosystems.?

## **Annexes**

**Are all the required annexes attached and adequately responded to?**

Secretariat Comment at CEO Endorsement Request

Yes.

Agency Response

**Project Results Framework**

Secretariat Comment at CEO Endorsement Request 3/10/22:

Cleared.

12/17/21:

Yes, however GEF adaptation Core Indicator 1 (total number of direct beneficiaries) needs to be significantly revised, as discussed in comments above.

Agency Response

**UNDP, 4 March 2022:**

This feedback is well noted. The initial reduction of the figure was a result identifying target communities for the on-the-ground interventions during project development; however it is recognised that this resulted in a too hyper-focused approach. The 27,531 beneficiaries listed in the latest revision represent the population of the 15 target villages within Savannakhet Province and the target communities in Luang Prabang City that will benefit under Component 2 of the proposed project. As a result, the beneficiaries of the integrated catchment management and integrated water resource management interventions implemented on larger scales under Component 1 were excluded from the total beneficiaries number. Therefore, the direct beneficiary figure has been revised to align with the 492,462 total beneficiary number submitted at PIF stage. The remaining proportion of the beneficiary figures represents those affected by the capacity building and knowledge management interventions undertaken by Components 1 and 3. This number is calculated based on 75% the total populations of the target districts in Savannakhet Province and Luang Prabang city in the 2015 National Census.

**GEF Secretariat comments**

Secretariat Comment at CEO Endorsement Request 3/10/22:

Cleared.

12/17/21:

Not yet. The GEF Secretariat provided four comments at time of PIF review to be addressed by CEO endorsement stage. Please include a matrix capturing responses for each comment, explaining how it has been addressed.

Agency Response

**UNDP, 4 March 2022:**

Please see responses in the matrix below. The same has been included under Annex B of CEO ER

<b>GEF Secretariat comment</b>	<b>Response</b>
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How the various core indicators (beneficiaries, number of hectares) have been estimated relative to baseline initiatives

Number of beneficiaries was calculated as the total population of the 15 target villages in Savannakhet Province, as well as the population of the communities targeted in Luang Prabang city. The target villages in Savannakhet Province were selected to exclude villages that are a part of the SAFE Ecosystems project, also operating in Savannakhet Province. This number has been refined from PIF stage, where the beneficiaries were calculated based on the total population of Savannakhet Province, and the total population of Luang Prabang city. Selection of target districts and communities within the project areas during the PPG period has allowed for this refinement.

The number of hectares (ha) under climate-resilient management was calculated based on the area of Nationally Protected Areas and irrigated agricultural land in the five target districts of Savannakhet Province, namely: i) Champhone; ii) Xonbuly; iii) Songkhone; iv) Sepone; and v) Nong. The figure was further refined based on the reforestation and conservation activities that will be implemented in the protected areas, as well as the areas of land in the target communities that will be impacted by Community Conservation Agreements and livelihood diversification.

The number of ha under climate-resilient management has also been refined from PIF stage, at which it was based on the total area of Laving Laverne ? one of the National Protected Areas in the headwaters of the Xe Bang Hieng river basin. During PIF stage, this protected area was used as an estimation because it was projected that most of the restoration activities of the project would take place in the headwater areas of the Xe Bang Hieng River Basin. This number was refined based on the identification of specific areas within the headwater areas based on the target communities selected, as well as selection of other target areas throughout the Xe Bang Hieng River Basin.

The various on-the-ground investments being supported by the project, with their climate change adaptation rationale explained

The on-the-ground investments supported by this project include:

i) The construction of protective infrastructure such as cascading weirs will provide protection to communities from the impacts of floods, especially downstream communities, while the construction of strengthened reservoir networks will increase the resilience of communities to the impacts of droughts, especially headwater communities. Specific protective infrastructure options will be identified through a protective infrastructure optioneering process conducted under Activity 1.1.3.

ii) The project will implement the conservation of protected forests, through improved conservation zone management and enhanced natural regeneration, and the restoration of degraded headwater conservation zones. The implementation of these activities in the headwater areas of the Xe Bang Hieng River Basin will increase the resilience of downstream communities to floods by, *inter alia*: i) decreasing surface run-off; ii) increasing infiltration of rainwater; and iii) increasing flood attenuation as a result of revegetating riverbanks. These interventions will also increase the resilience of headwater communities to droughts as a result of, *inter alia*: i) decreased evaporation of surface water; ii) decreased surface run-off; and iii) increased water retention.

iii) The sustainability of conservation and restoration activities, as well as the protective infrastructure, will be enhanced by introducing incentives to communities through Community Conservation Agreements (CCAs) and diversified livelihood opportunities. The selection and application of these livelihood practices and diversified opportunities will be informed by market analysis to review existing barriers and opportunities to inform long-term climate-resilient strategies and contribute to promoting catchment integrity. Furthermore, investments into livelihood diversification will train communities on how to transition away from unsustainable practices, such as slash and burn agriculture. These activities and incentives for improving resilience will include promoting a shift towards more sustainable practices to support the adaptive capacity of the communities.

<p>Additional investment mobilized in co-finance for the project</p>	<p>The project has secured US\$27,212,585 in in-kind financing, an additional US\$7,212,585 from what was indicated at PIF stage. This co-financing has been secured from six related projects, specifically: i) US\$1,213,862 from the Wildlife Conservation Society led project 'Community-led initiatives conservation critical wetland biodiversity in four districts in Savannakhet?; ii) US\$864,000 from the United Nations Environment Programme led project 'Building resilience of urban populations with ecosystem-based solutions in Lao PDR?; iii) US\$1,072,267 from the Republic of Korea funded and UNDP led project 'Enhancing Integrated Water Management and Climate Resilience in Vulnerable Urban Areas of the Mekong River Basin?; iv) US\$13,030,740 from the Department of Planning and Finance led project 'Integrated Water Resources Management?; v) US\$5,258,716 from the Department of Irrigation led project 'Partnership for Irrigation and Commercialisation of Small Stakeholder Agriculture (PICSA)?; and vi) US\$5,773,000 from the Savannakhet Province Provincial Department of Agriculture and Forestry led project 'Climate-Friendly Agribusiness Value Chains Sector (CFAVC).? In addition, US\$250,000 cash co-financing has been secured from UNDP TRAC Resources. Overall, the cash and in-kind co-financing adds up to US\$27,462,585.</p> <p>[PS1] [JL2] [KLR3]</p>
<p>How the capacity of private sector entities will be built in terms of better understanding climate risks and adjusting construction/design standards and analytics to take climate change into account</p>	<p>The proposed project will engage with the private sector through the implementation of Activity 3.1.3. This activity will involve the conducting of awareness raising campaigns, within the city of Luang Prabang, to inform both vulnerable communities and the private sector on the risks and impacts of climate change. These awareness raising campaigns will involve educating the private sector on urban EbA and flood management, specifically their relevance to the private sector and how the private sector can engage with the Government of Lao PDR on the implementation of urban EbA and flood management practices in Luang Prabang. In addition, the knowledge management hub, established under Activity 3.1.2, will engage with the private sector to adjust existing, and develop new, construction and design standards that are considerate of climate change and its impacts. This engagement will be supported by the development of an evidence base consisting of lessons learned from the implementation of project interventions and from South-South exchanges and cooperation with similar projects.</p>

**Council comments**

Secretariat Comment at CEO Endorsement Request 3/10/22:

Cleared.

12/17/21:

Not yet. Please include a matrix of responses to each of the various comments provided by Germany on this project. Currently, it is not possible to tell who provided which comment in the Portal entry.

## Agency Response

**UNDP, 4 March 2022:**

Please see responses in the matrix below. The same has also been included under Annex B of CEO ER.

Council Comment	Response
<p><b>Beneficiaries:</b> Germany appreciates the clear project description. Regarding the beneficiaries, the description provides information that is not linked with the theory of change. The proposal states that 2,100 people, including 1,058 women, will be trained on climate change impacts and adaptation opportunities. This number of direct beneficiaries is nevertheless not included in the theory of change. Germany highly recommends reviewing the theory of change at outcome and output level, and formulating concrete indicators focused on beneficiaries. Furthermore, Germany agrees with the PIF Review that clarification is needed on how beneficiaries and other core indicators (e.g. area of land restored) have been estimated in the context of larger baseline initiatives.</p>	<p>This feedback is well noted, and the number of direct beneficiaries has been more clearly incorporated into the Theory of Change discussion.</p> <p>Further to this, clarification of the core indicator figures have been calculated has also been incorporated into the baseline initiative narrative.</p>
<p><b>Alignment with policies:</b> Germany appreciates the contribution to several of Laos' development and environmental priorities. However, Germany suggests that the project aligns better with upcoming strategies such as the Ninth Five-Year National Socio-Economic Development Plan (NSEDP), rather than its eighth iteration, which covers the period of 2016-2020 only</p>	<p>This feedback is well noted. Under Section 7: Consistency with National Priorities of the CEO Endorsement Request the discussion of alignment has been updated to discuss 9th Five-Year National Socio-Economic Development Plan (NSEDP), 2021-2025.</p>

<p><b>Project risks:</b> Germany positively notes the coherence and integrated nature of the proposal. However, the complexity of the proposed approach raises concern on the project's feasibility within the given timeframe. The success of the implementation of the intervention in Luang Prabang depends on the completion and adoption of new strategies and the approval of updated, 9 EbA-mainstreamed policies and plans. Germany requests that the risks of delays and issues likely encountered in the implementation of Outcome 1.2 be better reflected in the risk section, including concrete mitigation measures.</p>	<p>The concerns highlighted by Germany regarding the risk of delays and issues possible during implementation have been well noted. Accordingly, this risk has been incorporated into the general risks assessment for the proposed project, which can be found in Table 5 of the CEO Endorsement Request document. More specifically, this has been incorporated as Risk 4: Slow implementation or progress because of required institutional arrangements. Management measures for this risk will include MOUs/Letter Agreements issued with RPs, as well as closely monitored MOUs.</p>
<p><b>Stakeholder engagement:</b> Germany welcomes the development of an integrated approach to manage climate risk through cross-sectoral cooperation and informed planning processes. Germany encourages to clearly indicate the engagement of relevant stakeholders, with an emphasis on vulnerable community groups and gender, within the description of component 1 in order to reflect at the operational level what is described in the gender and stakeholder sections.</p>	<p>The description of Component 1 and Output 1 include an emphasis on engagement with vulnerable community groups and the need for the concerns and needs of vulnerable groups to be reflected at an operational level.</p>

<p><b>Private sector:</b> Germany appreciates the reference to the private sector and the role of concession owners of agricultural land. Germany suggests emphasizing the importance of commercial agricultural concessions in the Xe Bang Hieng area in the context of land degradation and climate change risks and elaborating possible avenues of engagement with concession owners in the drafting and implementation of adaptation measures.</p>	<p>This is well noted and has been expanded upon in Section 4. Private Sector Engagement, specifically in the following paragraph:</p> <p>Activity 2.2.1 will involve the conducting of market analyses including, inter alia: i) analysing supply chains for climate-resilient crops, livestock, and farming inputs; ii) assessing economic impacts and market barriers; and iii) recommending mitigating strategies to address these barriers. While conducting these market analyses, the project will engage with private sector stakeholders, such as from the agriculture and forestry industries, to further identify how the private sector can be engaged in the development and implementation of alternative livelihood opportunities and Community Conservation Agreements (CCAs). These engagements will also involve discussing how commercial agricultural concession owners can implement climate change adaptation measures into their operations and how their activities can contribute to national climate change adaptation targets. Furthermore, the results of the market analyses will be provided to the private sector and commercial agricultural concession owners and engaged upon to facilitate the implementation of climate change and land degradation adaptation measures within their operations. Upon the successful implementation of CCAs after three years, the project will engage with financial sustainability mechanisms, such as payment for ecosystem service schemes, to ensure the continued successful implementation of CCAs in target communities and to facilitate the upscaling of CCAs to other local communities.?</p>
<p><b>Project Focus:</b> Germany appreciates the project's regional focus. Given the complexity, Germany suggest considering downscaling the intervention measure to only one implementation site, with a focus on the Savannakhet project area.</p>	<p>The inclusion of Luang Prabang was a key government priority and its inclusion is essential to ensure government buy-in, the effective building of national hazard management capacity and engagement with private sector partners.</p>

**STAP comments**



Secretariat Comment at CEO Endorsement Request 3/10/22:

Cleared.

12/17/21:

Not yet. Please include a matrix of responses to each of the various comments provided by STAP on this project. Currently, it is not possible to tell who provided which comment in the Portal entry.

### Agency Response

**UNDP, 4 March 2022:**

Response to STAP comments have been included under Annex B of CEO ER. The same is provided below:

STAP comments	Response
<p><b>Is the baseline identified clearly?:</b> The PIF includes a narrative baseline that lays out the challenges to be addressed. However, in noting that both climate change and forest degradation related to swidden farming are drivers of the challenge (vulnerability to draughts and floods), the baseline should establish the relative importance of these two drivers. Further, there are no citations to support the claims of swiddendriven degradation. As swidden agriculture is often misidentified as a source of new degradation, STAP suggests reviewing existing literature and data on the role of swidden agriculture in this degradation, establishing its importance, and including references to support the project's assessment.</p>	<p>Citations have been included, where relevant, to support the project's assessment that swidden agriculture is a driver of land degradation in Laos PDR.</p>
<p><b>Does it provide a feasible basis for quantifying the project's benefits?:</b> STAP suggests adding indicators to quantify the baseline during the project design.</p>	<p>The project results framework developed during project development includes several baseline indicators, including beneficiary numbers, hectares of land under management, hectares of land restored, and numbers of communities participating in CCAs and training.</p>

<p><b>Are the mechanisms of change plausible, and is there a well-informed identification of the underlying assumptions?:</b> Unsure as an explicit theory of change and assumptions appear to be lacking in the PIF. STAP suggests developing a theory of change, a figure and accompanying narrative, during the project development to describe the causal logic and assumptions. It also will be valuable to use systems analysis to identify the cross-scale linkages and connections between sectors as the theory of change is developed. Refer to STAP's theory of change primer: <a href="http://www.stapgef.org/theorychange-primer">http://www.stapgef.org/theorychange-primer</a></p>	<p>An explicit theory of change narrative and figure have been developed, since PIF stage, and have been included under the Project Approach section.</p>
<p><b>Is there a recognition of what adaptations may be required during project implementation to respond to changing conditions in pursuit of the targeted outcomes?:</b> It remains unclear how climate data, or an assessment of resilience, adaptation and, or, transformation needs will be used to design, implement, or evaluate interventions.</p>	<p>The description of Components and Outputs have been expanded on from the PIF stage to identify how the resilience, adaptation and transformation needs of the project's various beneficiaries will be addressed.</p>
<p><b>Is the scale of projected benefits both plausible and compelling in relation to the proposed investment?:</b> Unclear. Suggest identifying the barriers and enablers to scaling in the theory of change.</p>	<p>The formulation of the theory of change has identified barriers to project implementation as well as a preferred solution to overcome these barriers and enable implementation of project interventions, and achievement of benefits, at various scales.</p>
<p><b>Is there a clearly-articulated vision of how the innovation will be scaled-up, for example, over time, across geographies, among institutional actors?:</b> On scaling EbA, it is unclear how the project will address the barrier of replicating, or scaling it as its effects tend to be localized. STAP recommends describing the limitations of EbA, and how its temporal and spatial barriers can be addressed. The project team may wish to consult the paper: Piggott-McKellar, A. et al. (2019).?What are the barriers to successful communitybased climate change adaptation? A review of grey literature? <a href="https://doi.org/10.1080/13549839.2019.1580688">https://doi.org/10.1080/13549839.2019.1580688</a></p>	<p>Component 3: Knowledge management and Monitoring and Evaluation (M&amp;E) has been expanded on from PIF stage and addresses the scaling up and replication of project interventions.</p>

<p><b>Will incremental adaptation be required, or more fundamental transformational change to achieve long term sustainability?:</b> It is possible that both adaptation and transformational change will be required due to climate stressors. STAP encourages the project team to consider uncertainty to cope with the level of change that may take place; therefore, consider systematically different time scales, as well as spatial scales. The theory of change can do this if it is designed to assess how the targeted social-ecological system functions across scales. STAP recommends building systems analysis into the theory of change. This will facilitate an analysis of factors that inhibit, or facilitate, change. STAP's theory of change primer is a good resource for developing a theory of change based on systems analysis: <a href="http://www.stagef.org/theory-change-primer">http://www.stagef.org/theory-change-primer</a></p>	<p>Uncertainty to cope with the level of change that may take place as a result of project activities and interventions has been taken into consideration and addressed through the design of capacity building activities for national decision makers, trainings and awareness raising campaigns for local communities as well as the inclusion of knowledge management activities which will seek to capture and disseminate project lessons.</p> <p>Uncertainty to cope with change has also been considered in the design of project activities. Project activities will be implemented and occur across various spatial and time scales; however the success of each Outcome will not be reliant on the success of each other Outcome but will still support each other.</p>
<p><b>Have all the key relevant stakeholders been identified to cover the complexity of the problem, and project implementation barriers?:</b> Some key stakeholders have been identified while others will be defined once a stakeholder mapping takes place. When a stakeholder mapping, and plan, are developed, STAP recommends describing the actors' roles in relation to how they will contribute (individually and collectively) to achieving the adaptation outcomes.</p>	<p>The project has developed a Stakeholder Engagement Plan (Annex 9) which includes a table detailing the responsibilities of the different project stakeholders.</p>
<p><b>What are the stakeholders' roles, and how will their combined roles contribute to robust project design, to achieving global environmental outcomes, and to lessons learned and knowledge?:</b> See above.</p>	<p>See above.</p>

**Have gender differentiated risks and opportunities been identified, and were preliminary response measures described that would address these differences?:** A gender assessment and action plan will be developed after the PIF is approved. During the process of assessing gender issues, STAP recommends considering whether the full participation of an important stakeholder group is hindered as a result, and describing how will the project address these obstacles.

A Gender Analysis (GA) was conducted and a Gender Action Plan (GAP) was developed for mainstreaming gender considerations into the project design, to ensure that the proposed project activities are both gender-responsive and designed in a gender-sensitive manner. Furthermore, training conducted under Activities 1.1.1 and 3.1.1 will include gender mainstreaming for government officials, to ensure gender is mainstreamed at the district level, and community leaders, to ensure gender is mainstreamed at the village level, respectively.

The proposed project activities have been designed considering that in Lao PDR: i) women's household roles should be considered in any interventions concerning natural resource management, land-use planning and decision-making; ii) conservation incentives differ for men and women; iii) gendered division of labour needs to be understood prior to the introduction of any livelihood interventions; and iv) women need to have access to, and control over ecosystem goods and services. An understanding of gender mainstreaming in relevant sectors and associated ministries has been developed and gaps in gender equality were identified and addressed in all aspects of the project design. Women and other vulnerable groups have been actively involved in identifying environmentally sustainable activities and interventions that will support them in safeguarding natural resources and promoting their economic development, with specific strategies being developed to target and include female-headed households.

<p><b>Do gender considerations hinder full participation of an important stakeholder group (or groups)? If so, how will these obstacles be addressed?:</b> See above</p>	<p>See above.</p>
<p><b>What overall approach will be taken, and what knowledge management indicators and metrics will be used?:</b> The monitoring component will be used to generate knowledge. STAP recommends considering knowledge management metrics, and specifying how the knowledge generated will influence scaling of results. In addition, it would be valuable to link the knowledge strategy to the theory of change.</p>	<p>Component 3: Knowledge Management and Monitoring and Evaluation (M&amp;E) has been expanded on from the PIF stage and includes specifics on how knowledge generated by the project will be collected, stored and disseminated to promote upscaling of project results. Additionally, the Component has been linked to the theory of change, specifically through knowledge management and M&amp;E being used to ensure the effective achievement of the preferred solution.</p>

**What plans are proposed for sharing, disseminating and scaling-up results, lessons and experience?:** The project describes several methods to disseminate results and lessons. Detailed plans will be described in the project document.

Output 3.1 of the proposed project will promote project sustainability and scalability by capturing and disseminating lessons learned. The collection and sharing of project lessons across Lao PDR, as well as internationally through South-South exchanges, will support the upscaling and replication of project interventions in baseline projects both nationally and regionally. The regular sharing of project lessons will also enable project staff to engage with similar projects to identify solutions to problems that may arise. Furthermore, the establishment of an online portal to function as a knowledge management hub will enable the PMU to collect and collate project lessons, as well as facilitate coordination and engagement with similar and relevant projects, both in Lao PDR and regionally. The design of project interventions will be accomplished in coordination with the knowledge management hub, to ensure all designs are collected in a centralised system and to ensure that project interventions are designed in consideration of each other, as appropriate. The knowledge management hub will also provide a centralised system through which the project will be able to coordinate with relevant stakeholders at different levels, such as Village Development Committees or PONRE representatives, and record feedback and monitoring reports from these stakeholders. Furthermore, the establishment of this knowledge hub will enable project staff to engage with the private sector and provide them with an evidence base that will support and contribute to adjusting construction and design standards, and analytics, in a manner that takes climate change and the impacts of climate change into consideration. The knowledge hub will also provide a platform for DWR to monitor

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**Convention Secretariat comments**

Secretariat Comment at CEO Endorsement Request

Agency Response

**Other Agencies comments**

Secretariat Comment at CEO Endorsement Request

Agency Response

**CSOs comments**

Secretariat Comment at CEO Endorsement Request

Agency Response

**Status of PPG utilization**

Secretariat Comment at CEO Endorsement Request 4/12/22:

Cleared.

3/30/22:

Not yet. The information provided does not include details on the activities funded, but rather a list of outputs by component. We would kindly request the agency to provide detailed information on the funding provided for PPG activities (salaries, travel, etc.).

3/10/22:

Cleared.

12/17/2021:

Not yet. Please provide some broad categories of activity/expenditure for the spent and yet-to-be-committed PPG.

Agency Response

**UNDP, 11 April 2022**  
This has been addressed.

**UNDP, 4 March 2022:**

The PPG utilization table has been updated to provide more details as requested.

**Project maps and coordinates**

Secretariat Comment at CEO Endorsement Request 3/10/22:

Cleared.

12/17/2021:

Thank you for including a map and table of lat/long coordinates for the project locations. Is it possible to provide a geo-referenced map?

**Agency Response**

**UNDP, 4 March 2022:**

The project maps have been updated to include geo-referenced latitudinal and longitudinal information, as well as clearer context provided by the inset maps. These are also available as Annex 3 in Project Document, uploaded to the Roadmap section of the GEF portal.

**Does the termsheet in Annex F provide finalized financial terms and conditions? Does the termsheet and financial structure address concerns raised at PIF stage and that were pending to be resolved ahead of CEO endorsement? (For NGI Only)**

Secretariat Comment at CEO Endorsement Request

n/a

Agency Response

**Do the Reflow Table Annex G and the Trustee Excel Sheet for reflows provide accurate reflow expectations of the project submitted? Assumptions for Reflows can be submitted to explain expected reflows. (For NGI Only)**

Secretariat Comment at CEO Endorsement Request n/a

Agency Response

**Did the agency Annex H provided with information to assess the Agency Capacity to generate and manage reflows? (For NGI Only)**

Secretariat Comment at CEO Endorsement Request n/a

Agency Response

**GEFSEC DECISION**



## RECOMMENDATION

**Is CEO endorsement recommended? (applies only to projects and child projects)**

Secretariat Comment at CEO Endorsement Request

4/12/22:

Yes.

3/30/22:

Not yet. Please address the comments of 3/30 pertaining to co-finance, PPG, and the budget.

3/10/22:

Not yet. Please address the review comments dated 3/10/22.

12/20/2021:

Not yet. Please address the comments for the review sheet items.

### Review Dates

	Secretariat Comment at CEO Endorsement	Response to Secretariat comments
<b>First Review</b>	<b>12/20/2021</b>	
<b>Additional Review (as necessary)</b>	<b>3/10/2022</b>	
<b>Additional Review (as necessary)</b>	<b>3/24/2022</b>	
<b>Additional Review (as necessary)</b>	<b>3/30/2022</b>	
<b>Additional Review (as necessary)</b>	<b>4/12/2022</b>	

**CEO Recommendation**

**Brief reasoning for CEO Recommendations**