



Lao People's Democratic Republic
Peace Independence Democracy Unity and Prosperity

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Ministry of Finance
 Customs Department

Ref:...../LCD

Vientiane Capital, date:.....

Environment Protection Fund
PAW/LENS2 Sub-project Application

General Instructions: Please refer to the Project Implementation Manual (PIM) Volumes 1 to 5 for subproject design, implementation and monitoring/evaluation (M&E). In summary:

- Applications should be submitted in both Lao and English to EPF Office. Translating the application is SDA's responsibility. It can be financed by the subproject preparation facility, if such facility has been mobilized, or pre-financed by EPF.
- Applications must demonstrate that the subproject meets the following eligibility criteria: (a) supports a Government of Lao PDR policy, strategy and/or an official plan; (b) contributes to at least one outcome indicator and at least one intermediate outcome indicator from the LENS2 results framework; (d) fits into either the PICE or CBIEPF funding windows; (e) excludes activities from the negative check-list in the PIM, and (f) aligns with project's geographical scope which includes the national/central level and the following provinces: Bolikhamxay, Khammouane, Houaphan, Xiengkhouang, LuangPrabang, Savannakhet, Vientiane and Xaysomboun.
- Applications for protected area and wildlife sub-projects must demonstrate that the subproject meets an additional eligibility criteria: contributes to a regional or global outcome such as cross-border cooperation, knowledge transfer or prevention of illegal wildlife trade.
- Sub-projects are approved for their proposed duration. However, implementation requires the prior annual approval of an Annual Work Plan and Budget (AWPB). EPF has the possibility to cancel an approved subproject if the annual performance is consistently unsatisfactory and the achievement of its objective has become unlikely.
- An SDA can only implement one subproject at a time although additional financing is possible.

EPFO Sub-project number:

1. Sub-project delivery agency (SDA) (name/address)	Lao PDR Customs Department Ministry Of Finance
2. SDA focal point (name/function/contact details)	<ul style="list-style-type: none"> ▪ Mr. Bounpaseuth Sikounlabout, Acting Director General, Lao Customs Department, Ministry of Finance. Address: Lan-xang Avenue, P. O. Box 46, Vientiane Capital, Lao PDR, Tel: +856-20-5554-0100, Fax: +856-21 254 034 ▪ Directors of the Customs Control and Anti-Smuggling Divisions 1, 2, 3 (formerly known as Anti-Smuggling Division), Lao Customs Department, Ministry of Finance. Nongbone Villlage, Saysettha District, Vientiane Capital, Lao PDR. Address: Tel: +856-20-2222-2179, Fax: +856-21 254 034

3. Geographic scope <i>(can be more than one option)</i>	<input checked="" type="checkbox"/> International level <input checked="" type="checkbox"/> Central/national level <input type="checkbox"/> Provincial/district level. Please indicate target provinces: <input type="checkbox"/> Protected area. Please indicate (NPA, protection forest, conservation forest and name).
4. Sub-project title	Customs capacity building on combating illegal wildlife, timber and non-timber forest product (NTFP) trade and law enforcement
5. Amount requested (US\$)	US\$ 600.000
6. EPF's eligible funding window <i>(please check only one window)</i>	<input checked="" type="checkbox"/> Policy Implementation and Capacity Enhancement (PICE) <input type="checkbox"/> Community Biodiversity Investment (CBI)
7. Project Development Objective¹	To help strengthen selected environmental protection management systems, specifically for protected areas conservation, enforcement of wildlife laws, and environmental assessment management.
8. Sub-project related sectoral and institutional context, challenges and priorities <i>(Describe role of SDA, current capacity and activities related to PA/wildlife/env. and social safeguards, challenges and priority needs and approach proposed to address priority needs/gaps).</i>	<p>Lao PDR and Illegal Wildlife Trade</p> <p>Lao PDR shares borders with five countries, and is in close proximity to major wildlife trade and timber demand countries. Additionally, Lao PDR has up to 40% of the land area under forest cover, which harbors numerous globally significant species, including the last known breeding population of the subspecies Indochinese Tiger outside of Thailand. Long international borders, proximity to demand and source countries, and globally significant plant and animal diversity has contributed to Lao PDR being a source and transit country for illegal wildlife, timber and non-timber forest product (NTFP) trade.</p> <p>Illegal wildlife, timber and non-timber forest product (NTFP) trade within and across the Lao borders is multi-faceted and includes: (i) localized domestic wildlife trade, generally of lower value species, to the nation's growing middle class; and (ii) trade of high value species across borders, sourced from Lao forests, wildlife farms, and from other countries. This high-value, cross border trade is understood to be well organized and resourced by national and international criminals. Such organized crime tends to be sophisticated and takes effective action to frustrate investigation of their criminal activity, which can be aided by corrupt officials.</p> <p>Customs administrations around the world play a vitally important role in achieving national development objectives by collecting trade taxes, facilitating legitimate trade, protecting the community from harmful products, and by contributing to national security. The importance of customs role is reflected in the priority given to significant investments in, customs reform and modernization by both governments and the development community.</p> <p>In the case of Lao PDR, the World Bank and other development partners have provided support to automate key procedures and adopt international standards associated with the processing and clearance of import, export and transit goods. The results to date have been impressive with studies showing that trade transaction costs have fallen and the time to process and clear goods has improved markedly. Likewise, the percentage of consignments selected for time consuming and costly physical inspection has fallen significantly due to enhanced capacity to facilitate low risk legitimate trade while directing resources to shipments and traders that represent the highest risk.</p>

¹ This is the proposed LENS2 PDO. Until LENS2 project becomes effective, sub-projects for LENS2 will not be processed for approval.

To date, however, little attention has been paid to strengthening Lao Customs Department's wildlife law enforcement capabilities and its capacity to take advantage of regional and bilateral Customs to Customs information and intelligence sharing. Given Lao PDR's geography it has become an important player in trans-national organized crime acting as both a source and transit country for illegal trade in timber and endangered species. This is reflected in numerous references in reports and media articles and does little to improve international perceptions of the quality of governance in the country. The Lao Customs Department's capacity needs to be strengthened to contribute to national, regional and international law enforcement efforts in the area of wildlife and environmental crime.

There are important reasons for customs and other trade authorities to prioritize natural resource anti-smuggling work, including: risks to natural resource systems; risks that damages to resources will have knock on effects on other economic activities (tourism, etc.); protection of national and agency reputations; and risks related to offenders potentially diversifying into other criminal activities.

Current Sectorial Response

The *Lao PDR Wildlife Enforcement Network* (Lao-WEN) was launched in May 2011, as a national effort to stop poaching, trafficking, and illegal trade of protected flora and fauna as part of a broader regional effort under ASEAN-WEN. Lao-WEN promotes close cooperation and work collaboration among enforcement officers from agencies including DOFI, Police, Customs, Anti-Corruption Task Force, and Military. While the Lao-WEN structure is sound, so far, achievements have been limited and on a localized scale; there has been no contribution to exchange of wildlife crime information to international regulation and law enforcement agencies, and no investigation of more serious cases of illegal wildlife trafficking. Lao Customs Department (LCD) is a core member of Lao-WEN and could play a more significant role if its anti-smuggling capabilities were strengthened in respect to wildlife, timber and non-timber forest product (NTFP), and greater attention was paid to prioritizing enforcement of wildlife, timber and non-timber forest product (NTFP) smuggling.

Customs Control, Inspection and Anti-Smuggling Division 1, 2 and 3 are responsible for anti-smuggling and law enforcement in Customs, including activities associated with: inspection and repression of illicit trade; trade in prohibited goods; intellectual property enforcement; customs duty and tax evasion and smuggling; and prosecution of customs-related cases and offences. It is tasked with establishing an intelligence capacity to better assess and manage threats and risks associated with its mandate. This includes developing a network of information sources on smuggling, the collection, consolidation, analysis and dissemination of information and intelligence in support of anti-smuggling and law enforcement operations. It is also responsible for the seizure and custody of evidence, the investigation and prosecution of customs offences, and the filing of cases with the Public Prosecutor's Office and the monitoring and supervision of technical performance of customs border checkpoints and mobile and satellite customs posts across the country. This also involves compiling of customs smuggling statistics and the development of profiles of customs offenders across the country. It has three units working in this field: the Customs-cases Settlement Unit; the Investigation Unit; and Customs Mobile Unit and has in total of 144 permanent customs officers deployed across the country. It has mobile and satellite customs posts in all 17 provinces.

Gaps and Needs

The sub-project will focus on strengthening anti-smuggling and enforcement capacities in regard to wildlife, timber and non-timber forest product (NTFP) that have not been adequately addressed in previous donor financed capacity building activities. Those activities include intelligence collection, assessment, and dissemination; Customs enforcement operations; inter-agency information sharing; and anti-smuggling operations. Efforts have also been constrained by an inability to take advantage of bilateral and regional cooperation mechanisms including the World Customs Organization's Regional Intelligence Liaison Office (RILO). Further, the organized crime element of cross-border trade places the problem beyond the routine transaction based risk management capabilities of Customs law enforcement. Traditional law enforcement powers and strategies are largely unprepared to target organized criminal activity and corruption.

There is therefore significant potential to improve Lao Customs Department's enforcement capabilities and operational effectiveness which will have a positive impact on strengthening customs capacity to identify and manage threats and risks associated with illegal wildlife, timber and non-timber forest product (NTFP) trade.

Sub-project Approach to Address Issues and Needs

The subproject will contribute to addressing the issues and needs identified in the previous section, by:

- Developing a customs wildlife law enforcement and anti-smuggling strategy that integrates LCD law enforcement activity to the new Lao WEN strategy and standard operating procedures;
- Delivering targeted operational training to enforcement and intelligence staff to raise staff awareness and operational skills to increase operational effectiveness in combating wildlife, timber and non-timber forest product (NTFP) smuggling.
- Identifying international Customs best practices and adapting them to best fit the Lao PDR operational environment;
- Establishing a national wildlife and environmental crime team within the Customs Control, Inspection and Anti---Smuggling Division 1, 2 and 3 of Customs Department which includes the creation and training t of a dedicated Intelligence team.
- Developing processes and procedures necessary to conduct joint operational investigations of wildlife, timber and non-timber forest product (NTFP) crime with DOFI, members of Lao WEN and other investigation taskforces.; and
- Strengthening inter-agency cooperation and information sharing by developing SOP and guidelines between Lao Customs Department and other relevant law enforcement, for instance, DOFI, Environmental Police, etc.

This will be achieved by providing significant capacity building investments including training and on-the-job coaching in core anti-smuggling skills as well as investigation and prosecution capabilities. Investments will also be required to develop an anti-smuggling and law enforcement strategy for Lao Customs Department and establish liaison links with international and regional law enforcement initiatives of the World Customs Organization (WCO) and other international organizations. A small investment will be to finance a preparatory work of designing the technical and functional specifications of a suitable ICT-enabled intelligence system for Lao Customs Department. Such as system, to be potentially financed under a second

	<p>phase of the project, aims to facilitate intelligence information storage, assessment and dissemination capabilities. Such new investments will complement existing work financed by the World Bank to strengthen risk management, intelligence and anti-corruption capabilities.</p> <p>The investment in capacity building is crucial to enable the Lao Customs' anti-smuggling and inspection units to ensure effective law enforcement and combating illegal trade of wildlife within the movement of goods across borders in Lao PDR. To build on capacity development, an assessment of a need for an ICT-enabled intelligence system is necessary as such a system will help the Lao Customs enhance its capability of law enforcement and at best to perform its tasks and duties in the framework of Lao WEN. Lao Customs Department has a strong role in the Lao WEN in terms of ensuring effective law enforcement and combating against illegal wildlife, timber and non-timber forest product (NTFP) trade at ports of entry and beyond.</p> <p>An effort to achieve both an increased capacity in law enforcement and an optimized ICT-enabled intelligence system for integrating intelligence and law enforcement process will enable Lao Customs Department to operate more efficiently and effectively in customs anti-smuggling, customs inspection and controls including incidences of illegal wildlife trade. An intelligence led law enforcement system will require intelligence communication, analysis and dissemination, law enforcement processing and commanding applications to support three broad types of user community such as customs enforcement officers, customs investigators and analysts and command and operational staff. It will also offer the future potential to connect with or make use of information reporting systems (smartphone, I2 notebook, WildScan).</p> <p>The technical and functional requirement design for the intelligence system will be developed as part of the on-going risk management and intelligence activity under the Customs and Trade Facilitation Project (CTFP) and will be used to enhance the existing selectivity module embedded in the ASYCUDA World system. Risk management in customs requires good and timely intelligence to ensure limited resources are used and deployed most effectively. Customs' capability to detect, target and seize illegal goods including wildlife, timber and non-timber forest product (NTFP) relies on enhanced staff capacity in law enforcement and an optimal use of appropriate ICT systems.</p>
<p>9. Sub-project objective <i>(only one sentence)</i></p>	<p>To improve Lao Customs Department capacity to target high risk wildlife-related cargo shipments crossing Lao PDR.</p>
<p>10. GoL Policy/Plan/Strategy supported by Sub-project <i>(including provincial if applicable)</i></p>	<p>The subproject supports the development of a practical anti-smuggling strategy which will be developed and implemented during the life of the project together with the development of new capabilities in related law enforcement areas under the overall direction of the Lao Customs Development Strategy and mandated by the revised Customs Law and related laws of Lao PDR.</p>
<p>11. Sub-project Regional or global outcomes <i>(for protected area and wildlife related sub-projects only: e.g. cross border cooperation, knowledge transfer, prevention of regional illegal wildlife trade)</i></p>	<p>The subproject support the following regional and global outcomes include:</p> <ul style="list-style-type: none"> • Support towards implementation of international and regional agreements, treaties including Convention on Biological Diversity, Convention on International Trade in Endangered Species; • Regional coordination under the World Customs Organization Customs Enforcement Network and Regional Intelligence Liaison Office; • Improved capacity for regional integration into wildlife trade control and monitoring improved integration with and operational support for national WENs of neighboring countries and ASEAN-WEN. <p>These outcomes support the existing bilateral agreements established between customs authorities in neighboring countries and will contribute to the Lao PDR government's objectives on the Rule of Law by 2020.</p>

<p>12. Sub-project Outcome Indicators</p> <p><i>Select and list the related outcome and intermediary outcome indicators from the PAW/LENS2 Results Framework and describe additional sub-project specific outcome indicators.</i></p> <p><i>Outcome/impact is the longer-term benefit of particular goods or services to a target group.</i></p>	<p>Outcome Indicator 1: Number of international illegal wildlife trade information reports submitted by LCD's Customs Control, Inspection and Anti-Smuggling Division 1, 2, 3 to Lao WEN and international law enforcement or monitoring agencies including the WCO CEN (also LENS2 Outcome indicator)</p> <p>Outcome Indicator 2: Improvement of a score of functional capacity of LCD's Customs Control, Inspection and Anti-Smuggling Division 1, 2, 3 (also a LENS2 outcome indicator)</p> <p>Intermediary Outcome Indicator 3: The approved customs wildlife law enforcement and anti-smuggling development strategy implemented to strengthen partnership and joint operations between Lao Customs and other members of Lao WEN.</p> <p>Intermediary Outcome Indicator 4: Degree of development, adoption and use of wildlife, timber and non-timber forest product (NTFP) trade control (1) strategy, (2) instruments and manuals, and (3) standard operating procedures that are approved and in use.</p> <p>Intermediary Outcome Indicator 5: Direct beneficiary—number of staff including women within Customs Control, Inspection and Anti-Smuggling Division 1, 2, 3 having completed basic and advanced anti-smuggling training (short courses) (Also a LENS2 Intermediary outcome indicator)</p> <p>Intermediary Outcome Indicator 6: Raised staff awareness and enhanced capabilities to address the risks posed by timber and wildlife smuggling</p> <p>Intermediary Outcome Indicator 7: Suitable training materials on anti-smuggling and law enforcement issues developed and delivered and incorporated into the curriculum of the Customs Training center</p> <p>Intermediary Outcome Indicator 8: Cumulative percentage of AWPB spent to implement the project activities.</p> <p>Details are provided in the subproject result framework</p>
<p>13. Sub-project main outputs (Goods or services provided by the sub-project's intervention (supply-driven) e.g. x staff trained; guidelines on x developed)</p>	<p>Key outputs include:</p> <p>Anti-smuggling and law enforcement strategy development:</p> <ol style="list-style-type: none"> 1. Strengthened national wildlife, timber and non-timber forest product (NTFP) anti-smuggling capability; 2. Customs wildlife law enforcement and anti-smuggling strategy; 3. Strengthened cooperation and information sharing with other law enforcement agencies, especially DOFI the lead agency in Lao WEN; 4. Establish focal point in Lao Customs Department to coordinate and make use of international intelligence sharing mechanisms. <p>Increased capacity development for customs law enforcement and anti-smuggling officers against illegal wildlife trade:</p> <ol style="list-style-type: none"> 5. Raised staff awareness and enhanced capabilities to address the risks posed by timber and wildlife smuggling; 6. Suitable training materials on anti-smuggling and law enforcement issues developed and delivered and incorporated into the curriculum of the Customs Training center; 7. Officers of Lao Customs Department and other line departments under the network of Lao-WEN will be trained and coached as required, by law enforcement advisor(s) for the development in law enforcement

	<p>techniques and skills and to enhance inter-agency cooperation and facilitate joint operational activities;</p> <p><i>Effective sub-project management, reporting and coordination:</i></p> <ol style="list-style-type: none"> 8. Effective work programming, financial reports and monitoring in line with LENS-2 project guidelines, manual and procedures. 9. Effective and on-time report of the project implementation progress, results and updating of the result framework indicators. <p>These outputs are incorporated in the annual work plan budgets.</p>
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14. Sub-project Components and Activities:

List the components and main activities to produce outputs above. Do not use more than 5 components. Details will be in Annual Work Plan and Budget (AWPB) annex attached.

The Sub-project Proposal on Customs Capacity Building in Anti-smuggling and Law Enforcement has three components:

Component 1. Support anti-smuggling activities and law enforcement strategy development.

Component 2. Capacity development for customs law enforcement and anti-smuggling officers against illegal wildlife, timber and non-timber forest product (NTFP) trade.

Component 3. *Effective sub-project management, reporting and coordination*

Component	Main activities –can’t edit/change with this format
<p>Component 1. Customs wildlife law enforcement and anti-smuggling strategy development</p>	<ul style="list-style-type: none"> • Developing a customs wildlife law enforcement and anti-smuggling strategy that integrates LCD law enforcement activity to the new Lao WEN strategy and standard operating procedures with close reference to Lao PDR Forestry Strategy 2020, Action Plan to implement the Law on Wildlife and Aquatics, ASEAN WEN and the Lao PDR’s National Ivory Action Plan (NIAP) and oversee its implementation. The anti-smuggling and law enforcement strategy will be an integral document for improving Lao Customs’ cooperation and collaboration with other law enforcement agencies in Lao-WEN especially DOFI-the lead agency. This activity will require financing of an international anti-smuggling/customs law enforcement consultant to work with Lao PDR Customs Department; and, • Establish and implement a practical instrument/mechanism for Lao PDR Customs Department to make effective use of international intelligence exchange mechanisms provided by the WCO and take further efforts to collaborate with other related international law enforcement organizations including INTERPOL.
<p>Component 2. Capacity development for customs law enforcement and anti-smuggling officers against illegal wildlife, timber and non-timber forest product (NTFP) trade</p>	<ul style="list-style-type: none"> • Develop and deliver suitable training materials on anti-smuggling and law enforcement issues including investigation and intelligence techniques, wildlife case handling in the customs context and etc. and train appropriate Lao Customs Department personnel to ensure sustainable capacity for ongoing training to staff. The training materials will include essential elements of international standards, conventions and best practices related to wildlife trade including those in CITES. This activity will require financing of a qualified customs law enforcement training expert to customize and develop training materials suitable for anti-smuggling customs officers. The same expert will also prepare LCD’s wildlife strategy and instruments in Component 1; and, • Provides on the job training and coaching for staff for life of the project. There will be extensive inputs of the international customs law enforcement training expert to work closely with the targeted trainees;

	<ul style="list-style-type: none"> • Carry out mobile randomly-selected operations (patrolling) to frustrate, disrupt and inspect the targets informed by risk profiles and intelligence within the customs mandate and jurisdiction where possible engage more joint efforts among members of Lao-WEN based on the agreed framework (such as MOU or SLA), and standard operating procedures (SOP). • Raise awareness of the role of Lao Customs Department in law enforcement in line with the Lao PDR's legal framework and requirements in response to the needs and requirements under international agreements and conventions including CITES and etc.
Component 3 Sub-project management, reporting and coordination	<ul style="list-style-type: none"> • Prepare project management documents including project work plan, progress report, financial reports, result framework monitoring and liaison with relevant law enforcement agencies including DOFI, environmental police, public prosecutor and others.
15. Sub-project direct beneficiaries	<input checked="" type="checkbox"/> Governmental staff Total number (208) of which women () <i>Central level (208) of which women ()</i> <i>Provincial level () of which women ()</i> <i>District level () of which women ()</i> <input type="checkbox"/> Rural communities () Number of people () of which women () <input type="checkbox"/> Students () of which women () <input type="checkbox"/> General public <input type="checkbox"/> Private sector () Key direct beneficiaries will be more than 208 out of total 1,044 customs officers nationwide (187 women) including female officers who directly engage and work on customs law enforcement, customs inspection and anti-smuggling at the Customs Control and Anti-Smuggling Division 1, 2 and 3.
16. Proposed Start Date	October 2016
17. Proposed End Date (duration in years)	December 2019 (3 years)
18. Co-financiers (source and amount (US\$) including in-kind contribution; per component if possible)	LCD will provide in-kind contributions to the implementation of the subproject in terms of staff time of the officers delegated to work on this particular project. Lao Customs Department will provide office space and related facilities during the implementation of the project. All training programs will be conducted in-house in LCD office and/or at the Customs Training Center.
19. Complementary ongoing or planned projects/programs/initiatives (name/source of funding/linkage)	This work will complement investments made by the World Bank to strengthen Lao Customs Department through the World Bank Customs and Trade Facilitation Project and DOFI's Subproject Proposal on National-level Capacity Building in Wildlife Law Enforcement.

20. Implementation Arrangements

a. Describe the project management structure.

b. What additional staffing or technical assistance is needed to successfully complete the proposed project (e.g. M&E officer, accountant, ...)?

a. Project Management Structure/sub-project implementation team

LCD is responsible for implementation of this Sub-Project Proposal. LCD has proven capacity to implement projects including its experience in the Lao Customs and Trade Facilitation Project financed by the World Bank. During the implementation, LCD will also closely coordinate on on-going customs automation and modernization work under the Lao Customs and Trade Facilitation Project

that will run until June 2017. It will collaborate with DOFI and other law enforcement agencies within the Lao-WEN and in association with the National-level Capacity Building in Wildlife Law Enforcement Subproject Proposal, as well as UNODC on the Container Control Program (CCP). LCD is responsible for reporting the project implementation progress and fiduciary aspects as required by the EPF.

The CTFP Project led by the following persons as below:

1. Mr. Bounpaseuth SIKOUNLABOUT (Acting Director-General of Lao Customs Department) is the Director of the CTFP and he will manage the Lao Customs LENS2.
2. Mr. Vongvanhpheng PHOUMSAVANH, Head of PIU for CTFP and he will also oversee the day-to-day implementation of the Lao Customs-LENS2.
3. Mr. Thanomsith KHAOPHIBANE, Deputy Head of PIU and for CTFP and he will also oversee the day-to-day implementation of the Lao Customs-LENS2.

The existing CTFP also consists of the following staff:

1. Procurement Specialist
2. Financial Management Specialist
3. Project Analyst

These project staffs are made available to provide support to the implementation of the Lao Customs-LENS2 Project.

The project holds two meetings annually. The objectives of the meetings are to review and evaluate the performance or operation of the project including the creation of the activity planning to be submitted to the donor for approval and carry out in the following fiscal year.

b. Additional Staffing/Technical Assistance (TA)

International consultants will be recruited to deliver components 2 and 3 described above. ToRs for the consultants will be prepared following initial approval of the proposal.

21. Summary Budget

Detailed activity plan and budget for total period and year one must be attached in annex. Provide a summary of the budget as part of the proposal. Note that the sub-project will be approved for the entire duration but the sub-grant agreement will be signed on a yearly basis based on previous year performance (and agreed triggers as defined in section 24). For approved sub-projects, a procurement plan will be developed by EPFO.

Components (not more than 5 components including project management)	Total estimated budget US\$	Other direct and parallel co-financing (as applicable with source and in US\$)	US\$ Budget from <u>LENS 2</u>
Component 1: Anti-smuggling and law enforcement strategy development	112,000	-	112,000
Component 2: Capacity development for customs law enforcement and anti-smuggling officers against illegal wildlife trade	345,645	-	345,645
Component 3: Sub-project management, reporting and coordination	87,810	70,256	87,810
Base cost	545,455	70,526	545,455
Contingency ² (10%)	54,545		54,545

² Contingency comprises inflation and currency exchange risk

Total	600,000	70,526	600,000
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22. Sustainability

Please explain how the benefits of the project will continue or be maintained once the sub-project is complete.

The Sub-project is designed to build capacity on a strong foundation of proven approaches to anti-smuggling and law enforcement techniques based on global good practice. It will also effectively link the Lao Customs Department with existing WCO intelligence sharing networks. In addition, the officers will also be able to access to the updated information from other international organizations relating to the smuggling activities and other customs frauds. The capacity building also aims at improving performance and effective operation of the customs anti-smuggling work at the Customs Control, Inspection and Anti-Smuggling Division 1, 2, 3.

23. Environment and Social Management Plan (ESMP)

Check if an Environmental and Social Management Plan (ESMP) needs to be prepared (see guidelines in the Environment and Social Management Framework (ESMF) to be obtained from EPF website).

Preparation of EMSP is not required. The Subproject activities comprise technical assistance, training, and capacity building supports with no significant negative social or environmental impacts therefore preparation of an ESMP will not be required. Activities relate to capacity building for, and implementation of, crime detection, recording and reporting. No negative activities in ESMF list are funded under this sub-project. This sub-project will not purchase weapons or train staff in weapons use, and will not purchase goods for a military purpose.

24. Community Engagement including gender issues at community level

See guidelines on steps to follow in the Community Engagement Framework (CEF) to be obtained from EPF website

Preparation of CEF is not required. Community engagement and gender aspect will be considered during the development of strategic plan, standard operation procedures, and guidelines (Component 1).

25. Gender issues (mainstreaming)

Please explain how the sub-project is complaint with GoL commitment to gender issues under the project.

Planning on arrangement of staff for any project activity should take account of gender issue which at least 20% of the participants must be a woman. The project activities which to identify participants for training, study tour and a meeting require to check a proportion of women's participation.

Under the Subproject in addition to provide greater opportunities to women on capacity building opportunity, women will also be encouraged to assume to assume an active role in protection and management of wildlife trade, especially those related to public relations and communication with local communities and general public. Women role in law enforcement will also be encouraged as much as possible. Female customs officers who work at the Customs Control and Anti-Smuggling Division 1, 2 and 3 and frontlines are involved in protection and management of wildlife trade.

26. Agreed Annual Performance Triggers

For information find below the list of agreed targets that must be achieved to trigger approval of next year's funds:

Agreed triggers:

- Compliance with fiduciary and safeguard requirements (at least Moderately Satisfactory in year 1 and Satisfactory in subsequent years)
- Compliance with reporting requirement (number, quality and timeliness) (at least Moderately Satisfactory in year 1 and Satisfactory in subsequent years)
- Year 1, at least 50% of activities in AWPB completed. Year 2 and after, at least 75 % of activities in AWPB completed
- All outcome targets for current year are measured, evaluated and show progress toward target
- AWPB produced for the new fiscal year cleared by WB and approved by EPF Board

27. Document Checklist

Please ensure to attach the following based on templates (excel file) provided:

- Sub-project results framework (entire period)
- Sub-project detailed budget entire period (2a. per component and 2b. per category)
- Sub-project detailed activity work plan per component year 1
- Sub-project Environmental and Social Management Plan (ESMP) if applicable

Date:.....

Approved by:

Submitted by:

Mr. Bounpaseuth Sikounlabout
Acting Director General, Lao Customs Department

Edits to a submitted application prior approval not requiring-submission, accepted by SDA and EPF, are summarized below: *(Please list application form reference number (e.g. #20) or annexes and date of EPFO communication on accepted changes to SDA).*