



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

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Environment Protection Fund

LENS2 Sub-project Application, 20 June, 2016)

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; (c) fits into either the PICE or CBI EPF funding windows; (d) excludes activities from the negative check-list in the PIM, and (e) aligns with project's geographical scope which includes the national/central level and the following provinces: Bolikhamxay, Khammouane, Houaphan, Xiengkhouang, Luang Prabang, 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)	Department of Environmental Quality Promotion (DEQP) Ministry of Natural Resources and Environment (MONRE) Na Hai Diew Village, Chanthaboury District, Vientain Capital City, Office of MONRE Tel: 85621 8712, Fax: 85621 9355 Email:deqp2016@hotmail.com
2. SDA focal point (name/function/contact details)	Mr. Lonkham ATSANAVONG Deputy Director General, DEQP P.O. Box 7864, Vientiane, Lao PDR

	<p>Tel: 856-20 5572 5915, Fax: 856-21 218712, lonkham.atsanavong@gmail.com</p> <p>Mr. Vonephasao ORASENG Deputy Director of Administration and Planning Division, DEQP Tel: 856-20 5543 5499 vonephasao@gmail.com</p>
<p>3. Geographic scope <i>(can be more than one option)</i></p>	<p><input type="checkbox"/> International level <input checked="" type="checkbox"/> Central/national level <input checked="" type="checkbox"/> Provincial/district level. Please indicate target provinces: <input type="checkbox"/> Protected area. Please indicate (NPA, protection forest, conservation forest and name):</p>
<p>4. Sub-project title</p>	<p>DEQP general capacity building for scaling up ISP and SEA</p>
<p>5. Amount requested (US\$)</p>	<p>\$799,115</p>
<p>6. EPF's eligible funding window <i>(please check only one window)</i></p>	<p><input checked="" type="checkbox"/> Policy Implementation and Capacity Enhancement (PICE) <input type="checkbox"/> Community Biodiversity Investment (CBI) please check if CEF applies¹</p>
<p>7. LENS2 Project development objective²</p>	<p><i>To help strengthen selected environmental protection management systems, especially for protected areas conservation, enforcement of wildlife laws, and environmental assessment management.</i></p>
<p>8. Sub-project related sector 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>	<p>(1) Environmental Management in Lao PDR</p> <p>Overview: Lao PDR is a land locked country with low population³ compared to neighboring country like Thailand, Vietnam, and China. About 80% of the country is mountainous while the remaining 20% are flatlands running along the Mekong river. The country is rich in water and forest resources and is home to many endangered species and internally recognized as high biodiversity values and cultural diversity. As part of the Government vision to promote sustainable development, environmental protection and sustainable use of natural resources have been considered priority for the country and the Government has been taken actions to improve legislations and institutional frameworks to ensure effective management of natural resources and environment during the past 10 years. However degradation of natural resources, increasing wastes and pollution, and rapid development in the country have been raised as the concerns and specific policy actions from decision makers will be necessary to</p>

¹ Please follow the procedures outlined in the CEF document and ensure that details related to sub-project CEF implementation including implementation arrangements, activities, indicators and budget are correctly included in the related sub-project application sections (RF, budget, activities, M&E)).

² This is the final LENS2 PDO.

³ Population: 6,514,432 (female 3,259,980, male 3,254,452) in 2012 with density at 28person/km². In 2013, there are 18 administration provinces, 145 districts (still 37 poorest districts), 35.4% of urban rate, 8,600 villages (poor villages: 2,291villages and 2,353 development villages), 1,144,526 households (HH) (116,808 poor HHs and 724,792 development HHs).

effectively address key issues that involve more than one agencies, one province, and/or the general public. According to the national constitutions, all parties and individual has the responsibility to protect environmental quality and ensure effective use of natural resources.

Current legal and institutional frameworks: In Lao PDR, the Environmental Protection Law (EPL) 1999, revised in 2012 is the fundamental legislation while the Ministry of Natural Resources and Environment (MONRE) established in 2011 is the lead ministry responsible for forging effective implementation of the 2012 EPL in close cooperation with other ministries and proveniences/city. The 2012 EPL requires the application of the Integrated Spatial Planning (ISP) and the Strategic Environmental Assessment (SEA) and the procedure and plans have been initiated through technical assistance of the Finland Government⁴, The ISP is a legal tool for the provincial government to identify sustainability of natural resource use plans and land use plans in accordance to the national land use master plan; manage natural resources and environment in areas, particularly residential, agricultural and future industrial sites or locations, and large scale investments; and develop standards and rules on demarcation and zoning of the areas. The SEA is also a legal instrument to anticipate potential impacts on the social or natural environment including climate change issues and impacts from policies, strategies, and programs. This provision requires the concerned agencies, the Vientiane Capital, the cities, and the provinces to prepare SEA during the development of policies, strategies, and programs of the investment projects, particularly mining, industry, transportation, agriculture and forest, etc. The SEA process includes participation of the local authority and community. In addition, the 2012 EPL also requires the Government, Ministry of Natural Resources and Environmental, especially DEQP to promoted Green Clean Beautiful (CGB) Lao PDR, promote the utilization of clean technology, and prepare the report on state of the environment.

In addition, the Government of Laos has established the National Environment Committee (NEC) chaired by Deputy Prime Minister to provide policy guidance and oversee the implementation related to environmental and natural resources management issues at national level. At provincial level, this decision making function rest with the provincial Environmental Committee (PEC) chaired by the provincial Governor.

In terms of planning, the vision up to 2030, 10 strategy (2016-2025) on natural resources and environment and the first Five Year Plan 2016-2020 on Natural Resources and Environment has been developed as a direction natural resources and environmental management of the country. The plan has stipulated the milestones and relevant areas under the authority of MONRE. Those focused areas that DEQP are directly concerned are environmental quality

⁴ Through the implementation of the Environment Management Support Project (EMSP) during 2010-2015)

promotion. However there are other plans related to protection and management of environmental and natural resources developed by other key departments, agencies, and offices at central and local levels⁵ that require effective coordination and policy guidance to ensure effective implementation and consistency of the plans and/or priority actions.

Role and responsibility of DEQP

DEQP is a new agency established in mid-2012 as part of MONRE. As assigned by MONRE⁶, DEQP is responsible for performing secretariat function of the National Environmental Committee (NEC) and for development and implementation of policy, regulations, guidelines, and other requirements to promote good environmental quality and practices. Specific priority for DEQP include those functions related to (i) sustainable environment management in the investment projects, economic activities and the family business by using to the long term planning tools namely: the integrated spatial planning (ISP) and Strategic Environmental Assessment (SEA), the Environmental Taxes, (ii) environment quality promotion as are: Green Clean Beautiful (GCB) promotion, promotion of clean technology, environment education, public awareness and state of environment report.

To perform these functions, DEQP is divided⁷ into 5 divisions: Planning and Administration Division (**PAD**), Environmental management Division (**EMD**), Environmental Promotion Division (**EPD**), Environmental Technology Division (**ETD**) and Environmental Assessment Division (**EAD**). Currently, DEQP consists of 38 official staffs (14 technical officials and 24 supporting officials) at the central office with junior supporting staffs (temporary). Given limited capacity and resources, it is necessary for DEQP to establish operation mechanisms and build capacity of staffs focusing on the following areas: (a) completing the development of the legal frameworks related to ISP, SEA, and environmental taxes including consultation and dissemination process and training of staff and (b) promoting the application of these legal instruments including promotion of the GCB for Lao PDR and other awareness and promotion activities in selected provinces and/or sectors including on-the-job training of staff. Given that addressing environmental and natural resources management will require involvement of many

⁵ Key agencies includes those of MoNRE (especially the Department of Planning and Cooperation (DPC), the Department of Water Resources (DWR), the Natural Resources and Environmental Institute (NREI)), the Department of Natural Disaster and Climate Change (DNCCC), the Department of Forest Resources Management (DFRM), Ministry of Agriculture and Forestry (MAF), Ministry of Finance (MOF), Ministry of Planning and Investment (MPI), Ministry of Public Works and Transport (MPWT), Ministry of Public Health (MoPH), and Ministry of Educations (MoED).

⁶ Per MONRE decision on Establishment and Activities of DEQP, No. 3093/MoNRE dated 17/05/2012

⁷ Per the order No. 3093/Monre. The PAD is responsible for planning and administration, The EMD is responsible for sustainable development, SEA, and households business management, the EPD is responsible for environmental education, building awareness on Green, Clean and Beautiful, and information-network, the ETD is responsible for promote environmental technology, urban environment, and promote alternative energy, and the EAD is responsible for implement integrate environmental plan, asses and report environmental condition, and promote natural environment and poverty

agencies, effort has been made to define clear responsibilities among key agencies on the priority issues that have been identified by DEQP. Discussion and agreement made among DEQP, DESIA and PCD suggested that DEQP will be responsible as focal point for facilitating effective implementation of the EPL, especially those related to:

(a) Development and implementation of the ISP, SEA, Environment Tax, Clean technology promotion, Regulation on GCB national standard and State of Environment report, including regulations on the SOERs' indicators: solid waste, air quality, water quality, chemical contamination, forest cover, biodiversity and climate change adaptation;

(b) Development the environment quality promotion action plan (2016-2020) on implementation of Vision towards 2030, 10 Years Strategy on Natural Resource and Environment (2016-2025);

(c) National Integrated Framework for Protection and Management of Natural Resources and Environment and five years action plan focusing on (i) the National Integrated Spatial Framework (NISF) which will guide the revision of the Integrated Spatial Planning (ISP) process at provincial/district level, (ii) the Strategic Framework on Licensing, Inspection and Monitoring of pollution control and waste management, and (iii) the Strategic Framework on Protected Areas Management.

Some capacity building activities:

The Environmental Management Support Program (EMSP) ⁸ provided technical support to DEQP in the following areas: the preparation of ISP for the 18 provinces and the SEA guidelines and coordinated plans at provincial and district level including providing basic training to staff at DEQP as well as provincial and districts levels. The ISP and SEA plans highlights the need for integrate management of natural resources and environment with other key sectors: Planning and Investment, Agriculture and Forestry, Energy and Mines, Industry and Commerce, Public Works and Transport, Public Health and Education and sport. Although implementation has begun in some provinces the activities has been limited due to limited provincial budget while more discussion on the application and planning of the ISP/SEA tools will be necessary. It is therefore necessary for DEQP to provide additional supports to the selected priority provinces so they could demonstrate effective implementation of the ISP and SEA processes that are appropriate to Lao PDR.

⁸ The EMSP is supported by the Finland Government during 2011-2015. It provided supports to many MONRE agencies (such as DEQP, PCD, DESIA, NREI, PCD) as well as the Ministry of Industry and Commerce (MOIC) through the following components: (i) Strategic framework for natural resources and environment; (ii) Legal framework; (iii) Integrated Spatial Planning at provincial and district level; (iv) Environmental licensing and inspection tools and administrative systems; (v) Environmental Quality Monitoring; and (vi) Development of environmental laboratory services

(2) challenges

Challenge (2.1) ISP and SEA:

The EMSP program has assisted DEQP establish the ISP and SEA framework with drafted regulations and guidelines. DEQP will continue making those guidelines become legal tool through the government process and disseminate them to concerned parties. Some additional guidelines for practice are indicated for further implementation, especially on the resettlement aspect. The ISP has been conducted for 12 provinces under this program. Since the EMSP ended 2015, the regional ISP could possibly be developed in the future. For the monitoring data and information center, DEQP should continue their work to run the system as a routine.

Challenge (2.2) Need for periodic intervention of high level policy decision (NEC) :

As discussed above, effective management of environment and natural resources will involve many agencies at national and local levels while there are conflicting demands, issues, and gaps in policy and/or regulation, especially those related to inter-ministerial functions, and/or involved many agencies that timely intervention of high decision makers (the National Environmental Committee: NEC) could help bridging the gaps. During the past 5 years NEC could not be effective during the major transition of legal and institutional reforms. Starting 2016, NEC operations will be reactivated and technical and financial supports to DEQP will be necessary.

In addition, ISP and SEA are new tools for long term planning for natural resources and environmental sustainable management in Laos, the plans and strategies performance would be more effective if they are approved by the national body likes NEC since there is a number of authorities involved including budgeting mechanism that could make ISP and SEA effective. DEQP as the secretariat of NEC will play an important role to accomplish this task together with other departments and provinces. DEQP's staffs are therefore essential to increase their capacity on ISP, SEA and relevant subjects.

Challenge(2.3) Initiative on Environmental Tax:

Environmental tax is a challenging issue not only for DEQP but also for GOL that needs a decision at the national level. At present, the budget for MONRE's departments is quite limited. Environmental tax is not only unique that this kind of tax is a provision in the environmental law and customary law, but also it is a channel that the government could gain income for environmental protection. What DEQP would do is to develop an appropriate taxing mechanism which requires high level government support via NEC.

Challenge(2.4) Environmental promotion of clean technology:

Clean technology (CT) in form of cleaner production would be appropriate as an environmental management tool for the investment projects, economic activities since it could reduce both the production cost and pollution as a win-win approach. DEQP can perform their functions on CT promotion along with environmental management for the investment projects, economic activities by targeting and prioritizing the business, and followed by CT promotion. DEQP's staffs therefore need to increase their capacity on CT. Development of the database system for CT can be done with the provinces and districts. The importance of this issue is related to environmental quality promotion activity which is one of the focused actions indicated in the 1st Five Years Action Plan (2016-2020) of the Natural Resources and Environment Strategy 2016-2025. The attention is also given to capacity building for districts' staffs on environmental management and CT promotion in the investment projects, economic activities.

Challenge(2.5) Environmental Quality Promotion (EQP):

The 1st Five Years Action Plan (2016-2020) of the Natural Resources and Environment Strategy 2016-2025 indicates the milestones for DEQP toward the targeted indicators as "to promote urban environmental quality for **green, clean, beautiful** (GCB) Lao cities to ensure wealthy and healthy Lao people by paying high attention on environmental sustainability cities and rural planning, development and pollution, control and management". The key milestones for 2016-2020 are the development and approval of SEA and ISP decrees and guidelines, development national standard and implementation of Green Clean Beautiful (GCB) concept for the main targeted cities located along the national road no. 13 and Mekong river from the north to the south, completion of conceptual framework for sustainable urban and rural developments, and awareness raising programs, including completion of environmental education curriculum for all education levels (function of the Ministry of Education).

To complete these tasks, DEQP needs capacity building on several issues as mentioned above, including staff access to social marketing concept which could help increasing public participation.

(3) Priorities and Needs

Specific priorities identified by DEQP include those tasks and functions related to:

- Environmental management:
 - (i) Development and Implementation of the Integrated Spatial Planning (ISP) on environment management,

	<ul style="list-style-type: none"> (ii) Strategic Environmental Assessment (SEA), (iii) The Environmental Taxes, (iv) Promotion of clean technology, (v) Preparation of State of Environment Report. <ul style="list-style-type: none"> • Urban Environment Quality Promotion for the Green Clean Beautiful (GCB) cities which may include the following tasks: <ul style="list-style-type: none"> (i) urban planning for developing standard and guideline on GCB, (ii) Workshop on building GCB framework and endorsement (iii) Public Awareness: Website, radio, TV, newspaper, newsletter, theater, songs, advertises on bus, etc, (iv) Supporting GCB framework through provide equipments, (v) Supporting environment program on advertising and media. • Support the Environmental Action Plan (2016-2020) of NRES 2025, which identified a number of plans and activities to be performed by DEQP. Those plans and activities related to DEQP’s functions which need capacity building and support are as follows: (i) Capacity Building of DEQP staffs and Provincial Staffs, (ii) Strengthening the National Environmental Committee (NEC) operation via establishment of a national forum of Integrated Spatial Planning (ISP) & Strategic Environmental Assessment (SEA), (iii) Development of legal framework of the environmental tax as incentives and disincentives for environmental protection, (iv) Environmental Quality Promotion (GCB cities), and (v) Environmental management for investment projects, economic activities on environmental technology promotion. <p><i>Subproject approach:</i></p> <p>Recognizing the Project Development Objective (PDO) and the Intermediate Objective Indicators of LENS2, limited budget available under LENS2, and role of EPF and the WB, the DEQP subproject has been designed to improve DEQP capacity to facilitate effective implementation of the EPL through strengthening NEC operation through various supporting activities including ordinary meetings (at least 2 times/year) and extraordinary meetings as require, including the establishment of panel expert with NEC process become the highest decision making mechanism on natural resources and environment issues.</p> <p>Improving DEQP capacity will be measured according to the following functional capacity while specific index is described in the DEQP’s FCI work sheet:</p>
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	<ol style="list-style-type: none"> 1. Establishing a National Forum on ISP & SEA (NFIS): NFIS is to discuss on relevant issues, such as: <ul style="list-style-type: none"> - activities related to ISP and SEA implementation in pilot provinces Luangnamtha, - ISP development in 6 new target provinces namely Houaphan, Xiengkhouang, Bolikhamxay, Salavan, Vientiane and Vientiane capital. - monitoring work and revising relevant under law legislation and guideline, - identify agenda/issues to hold NEC meetings and propose for supporting decisions, - information for preparation of environment quality promotion action plan (2016-2020) on implementation of Vision towards 2030, 10 Years Strategy on Natural Resource and Environment (2016-2025), - Holding NFIS and NEC conferences twice a year. 2. Training the trainers: <ul style="list-style-type: none"> - Training DEQP's staffs on various issues, focusing on (i) SEA and Cost benefit analysis and modeling software development for SEA, (ii) Training course on Environmental Education and awareness for DEQP, (iii) Training course on Clean Technology & ISO 14001, (iv) Training course on Plan & Project and Human Resource Management within DEQP, (v) English language training for communication and writing, (vi) Training course on Integrated Spatial Planning (ISP) in aboard, (vii) Technical training on ISP development in 6 provinces (HPH, XKH, BLK, Salavan, VT province and VT capital,) and (viii) Training of trainers for DEQP staffs on using ISP & SEA to align with provincial social economics development plan. 3. Establishing guidelines on Environmental Technology: <ul style="list-style-type: none"> - Consultation meeting on environment technology promotion with line agencies. 4. Technical assistance: <ul style="list-style-type: none"> - Coaching on revising the ISP & SEA legislation and guidelines, - Developing decree or special regulation on Environmental tax/fee which may include packaging tax or disposal fee, - Urban design in the context of environmental sustainability cities development: GCB concept. 5. Social marketing: <ul style="list-style-type: none"> - In order to conduct public participation on following codes of conduct in the GCB cities program, it needs
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social marketing approach to help designing the program to increase public participation such as public campaign, awareness rising activates. It should not just do the campaign activities without providing the tangible objects for the public to change their behavior.

6. Fellowship / Scholarship:

- On-the-job training – Clean technology and economic analysis for SMEs, media development for campaign activities,
- Continuing capacity building for DEQP’s staffs such as short course, study tour and attending conference in national or regional.

The DEQP Capacity Building for Environmental Quality Promotion and Integrated Spatial Planning approach could be conceptualized on the following issues:

- **Establishing a national forum of ISP and SEA (NFIS):** To implement ISP and SEA more effective as a national agenda, it needs a serious support from NEC. The forum (NFIS) may be in the form of a committee driven by DEQP. NFIS should work on identification of the issues which are able to call for NEC meetings on any supporting decisions. A brainstorm of NFIS would be able to help DEQP draw up the right subjects, content, problems and recommendations from the pilot provinces would raise the agenda for NEC to make decision. The agenda for NEC would also include the significant issues of natural resources and environment. It is possible that DPC (Department of Planning and Cooperation) would join DEQP as a co-secretariat since NEC will definitely need cooperation from related agencies beside MONRE. This would consequently strengthen DEQP as the secretariat to activate NEC which is an important mechanism to drive the national environmental management.
- **Finalizing the drafted of the decree and guidelines for SEA preparation:** The finalizing may have to be done in case of discussion taken place from public/technical consultation before legal processing of the decree and guidelines to become regulations since the guidelines related to SEA will have to be the legal tool for further implementation and costs benefit analysis looking for significant potential of natural resources and environment.
- **Implementation and Lesson learn from the ISP and SEA:** DEQP proposes to make at a pilot provinces ISP and SEA implementation namely: Luangnamtha provinces as the pilot projects for assessment after they have implemented the ISP as the master plan on natural resources and environment for a

year and implemented the SEA as a tools for costs benefit analysis looking for significant potential of natural resources and environment. DEQP then can organize workshops to determine lesson learn, the common success and mistakes. It is, of course, useful to make use of NFIS.

- **Development of Six new ISP provinces:** DEQP proposes to develop at 6 new ISP provinces namely: Houaphan, Xiengkhouang, Bolikhamxay, Salavan, Vientiane and Vientiane capital including all of its districts will be completed by the end of 2017.
- **Training the trainers:** DEQP functions as the leading role on ISP & SEA preparation and implementation, their capacity should be able to be the trainers on this subject. The provincial and city staffs would very much rely on DEQP's leadership to prepare and implement these plans and assessment. To be the trainers, DEQP staffs need to be familiar with ISP and SEA preparation and monitoring mechanism.
- **Environmental quality promotion:** Due to the 1st Five Years Action Plan on Natural Resources and Environment 2016-2020 of the NRES 2025, the Green Clean Beautiful (GCB) concept of the targeted cities along the road N^o 13 and Mekong River from north to south is proposed to take action during the next 5 years. To attempt these tasks, DEQP is in the process to develop the national standard on GCB and to establish an appropriate mechanism.
- **Technical assistance:** There will be 3 experts to work with DEQP; (1) Legal Expert on environmental *tax*, (2) Environmental Expert to assist the joint implementation of ISP & SEA issues, and (3) Urban design to deliver guidelines and standards as the local codes of conduct for GCB program.
- **The activities will be implemented through the following 3 components:** (1) Strengthening Capacity for DEQP staffs, (2) Supporting DEQP mandate task and (3): Project Management and Administration. Scope and key activities of the Component 1 and 2 are described below while those for Component 3 will be designed in consultation with EPF.

The activities will be carried out in 2 phases: initial phase or training and preparation (2016-2017) and application phase (2019-2020) with a transition in 2018. Details activities will be identified during the preparation of an annual work plan and an estimated budget for the subproject which the first year (2016) has the highest expenses, reducing step by step for second year and follow year until 2020.

	<ul style="list-style-type: none"> • Component (1): Strengthening Capacity for DEQP staffs <ul style="list-style-type: none"> (i) Capacity Building for DEQP staffs; (ii) Strengthening the National Environmental Committee (NEC) operation; (iii) Development of legal and strategic framework. • Component (2): Supporting DEQP mandate task <ul style="list-style-type: none"> (i) Development of Six new ISP provinces: Houaphan, Xiengkhouang, Bolikhamxay, Salavan, Vientiane and Vientiane capital; (ii) ISP and SEA planning and implementation in pilot provinces: Luangnamtha; (iii) Environmental technology promotion; (iv) Established and implemented the Green, Clean, and Beautiful (GCB) program including setting up standard criteria and guidelines for promotion of CGB in Lao PDR through demonstrate in 2 districts in 2 provinces; • Component (3): Project Management and Administration Subproject administration and monitoring cost is to be determined.
<p>9. Sub-project objective (<i>only one sentence</i>)</p>	<p>To strengthen the DEQP regulatory tools for environment planning and management with a focus on scaling up ISPs and testing SEAs</p>

10. GoL Policy/Plan/Strategy supported by Sub-project
(including provincial if applicable)

- **The Environmental Protection Law (2012):** There are a number of articles of EPL that the implementation belongs to DEQP’s main functions, namely;
 - Article 5: Environmental Protection Policy,
 - Article 18: Environmental Spatial Planning,
 - Article 19: Strategic Environmental Assessment,
 - Article 24: Use of Clean Technology,
 - Article 28: Report on State of Environment,
 - Article 34: Obligations of Operator(s) Involved in Pollution Control – environmental tax payment,
 - Article 48: Public Participation,
 - Article 49: Listing of Natural Resources – form basics to impose environmental tax, payment of ecosystem services,...

These articles specify DEQP functions which need to perform as the central agency and cooperation works with the provinces, districts and cities.

- **The Natural Resources and Environment Strategy 2016 – 2025:**

The NRES 2025 consists of 5 key overall goals to be accomplished through 5 main strategy themes and actions. Two of those 5 main strategy themes and actions are considered as an implementing guidance which DEQP needs capacity building on relevant issues, namely (i) Sustainable Planning and Management of the Use of Natural Resources as ISP, (ii) Sustainable Environmental Planning for City and Rural Developments as GCB promotion.

However, FAP 2020 indicates specific tasks for DEQP and relevant departments regarding environmental quality program as follows;

1. Develop and promote the implementation of decrees and guidelines on SEA to be a basis in mainstreaming capital and provincial socio-economic development plans into ISP and to analyse cost-benefits, identify the potentials and the best alternatives aiming at minimal negative impact for sustainability.
2. Enhance the promotion and dissemination of environmental protection law with the improvements of mechanism and development of legislations under the law to strengthen enforcement of such law in accordance with its mandate in line with the capacity building on implementation of the strategy and action plans.
3. Support the development and implementation of ISP in the 18 provinces and draft National ISP, also support improving urban spatial planning in line of environmental sustainability city development: Green Clean Beautiful (GCB) concept for improving environmental quality and health in urban area

	<p>focusing on 50% of the main cities along the road N° 13 and Mekong river from the north to south.</p> <ol style="list-style-type: none"> 4. Develop mechanisms to encourage, motivate and promote GCB cities initiatives improving environmental quality by identifying the concept and set up standards and conditions for green, clean and beautiful cities, including the promotion of green growth, green transport and clean energy in Lao PDR in line with the promotion of model districts and villages located along the national road number 13 from the north to the south. Develop model project or activities at least 10 projects and at least five model schools per province. In addition, develop regulations on issuance of green, clean and beautiful awards and good environmental quality labels to certified and accredited public and individuals initiatives (eco labels). 5. Develop a strong mechanism for promoting management and monitoring the use of clean technology and design of environmentally friendly buildings across the country. 6. Promote the implementation of the curriculum on basic environmental knowledge (climate, biodiversity, water and others) for the nursery and primary schools, on climate change and sustainable and environmental cities (beautiful city, solid waste, wastewater, public parks and other) for the secondary schools, and on sustainable development for the high schools. Study and develop curriculum for public and private technical institutes, colleges and universities. Enhance environmental awareness in mass Medias. 7. Conduct review and update the State of Environment Report every three years based on the national indicators including solid waste, water quality, air quality, soil quality (chemical contamination), forest cover, and biodiversity and climate change adaptation by developing pilot model projects of each indicator in respective departments.
<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>	<ul style="list-style-type: none"> - To strengthen the DEQP capacity on environment policy intervention, in particularly the development and implementation of ISP and SEA will bring the socio-economic development in line of green and sustainable which to strong support the sustainable use and management of natural resources and environment national wide, sub-regional, regional and global contribution to reduce the natural disaster , climate change impacts and others, - To promote the Environmental Quality, in particularly to promote the environment sustainability cities: green clean beautiful will contribute the reduction of pollution national wide, sub-regional, regional and global in good environment health.

<p>12. Sub-project Outcome Indicators <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>In line with the LENS2 Results Framework, DEQP subproject outcome indicator will be related to the following indicators:</p> <p>Outcome indicator 1. Increase in a score of functional capacity of DEQP (*see 1.a Functional Capacity Score worksheet)(Also LENS2 Outcome indicator)</p> <p>Outcome indicator 2. Degree of adoption of environment management plans and legislations: tax and fee decree (2 pts each); DEQP Vision and Strategy (2 pts each); ISP and SEA decree (2 pts each), NEC decree (2pts)</p> <p>Outcome indicator 3. Degree of adoption of environment management guidelines: ISP (2 pts); SEA (2 pts); Environment technology promotion (2 pts), Green Clean Beautiful implementation guidelines and standards (2pts)</p> <p>Outcome indicator 4. IPS and SEA are mainstreamed into provincial social-economic development plan in a pilot provinces: Luangnamtha (cumulative)</p> <p>Intermediary Indicator 1.1 : Direct project beneficiary of which (%) women as measured by DEQP and PONRE staff having completed basic adaptive training (short courses) (annual) (One staff will be received training more than one topic) (cumulative)(Also LENS2 Intermediary outcome indicator</p>
<p>13. Sub-project main outputs<i>(Goods or services provided by the sub-project's intervention (supply-driven) e.g. x staff trained; guidelines on x developed)</i></p>	<p>Under Component (1): Strengthening Capacity for DEQP staffs Key Intermediary outcome/outputs will include:</p> <ul style="list-style-type: none"> – 1.2 Minutes of meeting of the National Environmental Committee (NEC) – 1.3: Final draft of environmental tax decree and of environment fee decree submitted to MONRE for further review and processing to PM signature – 1.4: Final draft of environment quality promotion action plan (2016-2020) on implementation of Vision towards 2030, 10 Years Strategy on Natural Resources and Environment (2016-2025) submitted for approval by MONRE – 1.5: Final draft of NEC decree submitted to MONRE for further review and processing to PM signature – 1.6: Final draft of ISP decree and guideline submitted to MONRE for further review and processing to PM signature – 1.7: Final draft of SEA decree and guidelines submitted to MONRE for further review and processing to PM signature. <p>Under Component (2): Supporting DEQP mandate task</p> <p>Key Intermediary outcome/outputs will include:</p> <ul style="list-style-type: none"> – 2.1: ISP for 6 provinces: Houaphan, Xiengkhouang, Bolikhamxay, Salavan, VT province and VT (cumulative) – 2.2: Final draft of environmental technology promotion guideline submitted to MONRE for approval

	<ul style="list-style-type: none"> - 2.3: Final draft of GCB guideline & standard submitted to MONRE for approval - 2.4: GCB framework develop in the country districts <p>Under Component (3): Project Management and Administration Key outputs will include:</p> <ul style="list-style-type: none"> - 3.1. capacity to deliver output as measured by % delivery of the AWPB (annual)
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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.

Component	Main activities
<p>Component 1: Strengthening Capacity for DEQP staffs</p>	<p>This component will support capacity building through technical training and training the trainer, international and/or regional consultants to assist DEQP on legal and economic aspects, including environmental technology to strengthen NEC, ISP, and SEA, including GCB promotion. The activities may include meetings, workshops, field visits, staff training, and/or development/updating of specific guidelines and regulations. Key specific tasks and activities will be, but not limited to, the following:</p> <p>Activity 1.1: Capacity Building for DEQP staffs: Concerned DEQP’s staff are trained on relevant topics especially (1) training course on SEA and Cost benefit analysis and modeling software development for DEQP staffs (15 people), (2) Training course on Environmental Education and awareness for DEQP staffs (15 staffs), (3) Training course on Clean Technology & ISO 14001 for DEQP staffs (10 staffs), (4) Training course on Plan & Project and Human Resource Management within DEQP (10 staffs), (5) English language training for communication and writing (Study locally) (10 staffs) and (6) Training course on Integrated Spatial Planning (ISP) in aboard.</p> <p>Activity 1.2: Strengthening the National Environmental Committee (NEC) operation: Every year, NEC will hold its meeting twice a year for approved policies, decrees and guidelines on environmental management, and the secretariat will hold the technical meeting to prepare the key issues and information for NEC consideration prior to the NEC meeting.</p> <p>Activity 1.3: Development of legal and strategic framework: This activity focuses on facilitating the process for developing environmental tax which the technical assistance was previously provided by ADB and UNEP to develop the draft decree on environmental tax, the proposed project will provide assistance for the continuation of the product provided by ADB and UNEP. Moreover, the environment quality promotion action plan (2016-</p>

	<p>2020) on implementation of Vision towards 2030, 10 Years Strategy on Natural Resource and Environment (2016-2025) will be developed, the draft ISP and SEA decree will be further discussed and finalized under this activity.</p>
<p>Component 2: Supporting DEQP mandate task</p>	<p>This component will support DEQP activities to promote GCB cities and environmental management for Technical assistance of international/regional experts and expertise from NUL will be provided for urban design, guidelines and codes of conduct development for GCB and, technology promotion and training.</p> <p>The key specific tasks and activities will be, but not limited to, the following:</p> <p>Activity 2.1: Development ISP (6 new ISP provinces: Houaphan, Xiengkhouang, Bolikhamxay, Salavan, VT province and VT capital: The process of ISP is including Policy dialogue, ISP committees at provincial and district level, ISP workshop launch, Workshop for data collection and baseline analysis, Workshop - midterm, Workshop - draft final ISP, Final ISP Workshop, approval and publication. There are 9 activities (see detail in DEQP Budget: Component 2).</p> <p>Activity 2.2: ISP and SEA planning and implementation in pilot provinces: Luangnamtha (LNT) will be strengthened on the strategy environment assessment and integrated spatial planning related and mainstream into the provincial socio-economic development planning. There are 8 activities (see detail in DEQP Budget: Component 2).</p> <p>Activity 2.3: Environmental technology promotion: This activity will cover environmental technology promotion, training and technical information services, including guidelines on environmental technology promotion. There are 3 activities (see detail in DEQP Budget: Component 2).</p> <p>Activity 2.4: Environmental Quality Promotion: This task will focus on the promotion on green clean and beautiful city initiative and mainstream into urban development, these will come out with the number of standard guidelines, and pilot project in 2 cities located along the Mekong river. There are 12 activities in this task (see detail in DEQP Budget: Component 2).</p> <p>2.5 Equipment for activity management program: DEQP will better equip the department staff and team with basic IT systems and office necessities.</p>

Component 3: Subproject administration and monitoring	<p>The activities will include but not limited to annual preparation of AWPB, M&E report, fund flow, procurement (as agreed with EPF). A full time national consultant will be mobilized to assist the subproject team in the overall coordination, planning, and submission of monitoring reports while a full time accountant will be mobilized to work closely with EPF and facilitate effective fund flows including ensuring timely payment of eligible expenses and clearance of subproject advance and proper filing of various accounting documents. The subproject account may be subjected to internal auditing by DEQP and/or EPF.</p>
15. រ៉ាប់រងការងារដែលបាន ផ្តល់ជូន	<input checked="" type="checkbox"/> Governmental staffs Total number (142) of which women (43) <i>Central level (82) of which women (23)</i> <i>Provincial level (60) of which women (16)</i> <i>City 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
16. Proposed Start Date	1 October 2016 (Oct-Dec 2016 will be part of FY17)
17. Proposed End Date(duration in years)	30 December 2020 (4 fiscal years)
18. Co- financiers(source and amount (US\$) including in-kind contribution; per component if possible)	DEQP: about \$52,200 in kind.
19. Complementary ongoing or planned projects/programs/ini tiatives(name/source of funding/linkage)	<ul style="list-style-type: none"> At present, there is no on-going or planned programs to provide assistance to DEQP. None the less, during 2015, there are key outputs from EMSP (ISP and SEA) and UNDP (on draft environmental tax) have been completed. Most of the ISP and SEA guidelines have been completed and consulted while LENS2 will support the implementation, monitoring, and assessment the actual application of these concepts in priority provinces. In 2015, UNDP and ADB provided small support for a drafting of the environmental tax decree and a draft is available. Therefore, this DEQP sub-project will provide financial support for public consultations, publications and activities to disseminate the regulation, including a legal technical assistance (TA) to assist in facilitating the implementation of the environmental tax.

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, etc.)*

a. Project Management Structure/sub-project implementation team

- The subproject will be implemented by DEQP team comprising responsible staff from the 5 following divisions each of which will appoint a focal point accountable for results:
 - The Planning and Administration Division (PAD) is responsible for the subproject administration and M&E (Component 3);
 - The Environmental Promotion Division (EPD) is responsible for GCB promotion program;
 - The Environmental Technology Division (ETD) is responsible for Technology promotion ,
 - The Environmental Management Division (EMD) is responsible for development of legal framework and SEA,
 - The Environmental Assessment Division (EAD) will be responsible for implementation of policy intervention (ISP& SOER).

- **The DEQP Director General** will be responsible as the project manager. The DG will appoint a full time focal point to work with the TA subproject coordinator the implementation of the subproject, manage the working group, the liaise with EPF, prepare the AWPB, prepare the Semester Report, etc. Day to day subproject management and monitoring will be led by DEQP staffs as assigned.

An internal Working Group (WG) will be established to facilitate effective coordination among these divisions and update the implementation progress and they will meet quarterly. The WG will also be responsible for ensuring effective coordination with line agencies and the provinces as appropriate. The WG will comprise but not limited to the responsible staff of each division/center and chaired by the Subproject coordinator all as assigned by the DG of DEQP

b. Additional Staffing/Technical Assistance (TA)

To ensure timely implementation, M&E, and reporting, it is necessary to hire 2 full time national consultants (1 accountant and 1 subproject coordinator) to assist the subproject management and the implementation team. In addition the subproject will also hire 2-3 short term consultants (national or regional) to assist in (a) the finalization of the legal or regulatory as needed as well as (b) the technical and management aspects of ISP and SEAs including training of staff. Junior temporary staffs will also be hired to assist in administration works and implementing the activities (as needed).

<p>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.</p>	<p>Components (not more than 5 components including project management) in US\$</p>	<p>Total (US\$)</p>	<p>Co-finance (US\$)</p>	<p>EPF (US\$)</p>
	<p>Component 1: Strengthening Capacity for DEQP staffs</p>	181,823	16,200	167,623
	<p>Component 2: Supporting DEQP mandate task</p>	496,100	21,600	474,500
	<p>Component 3: Project Management and Administration</p>	94,000	14,400	79,600
	<p>Contingency (10%)</p>	77,392		77,392
	<p>Total</p>	851,755	52,200 (*)	799,115
<p>Remark: (*) In-kind support by the Lao government (government staff time and buildings, etc. please see the detail in the budget plan)</p>				

22. Sustainability

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

The subproject is designed to strengthen **DEQP** capacity to promote adoption of good environmental practices on planning, implementation, and financial aspects by developing guidelines and criteria, legal instrument, strengthening the policy intervening mechanism, and pilot activities on GCB & CT promotion by providing technical assistance and funding support to DEQP.

DEQP will work closely with other agencies (DPC, NREI, DWR, DESIA, PCD) and other agencies to establish a clear and transparent procedures for implementation of the subproject of Capacity building for environment promotion and scaling up integrated spatial planning (ISP).

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).

The subproject will not create any negative social or environmental impacts. Activities will be related to consulting services, meetings, training, and/or study visits that would strengthen **DEQP** capacity to achieve the subproject objectives (section 12).

No negative activities in ESMF list are funded under this subproject. **DEQP** will conduct public consultation with key stakeholders during the development of policy, regulations, and/or guidelines.

24. Community Engagement including gender issues at community level

Check if compliance with the Community Engagement Framework (CEF) is needed and follow guidelines on steps to be obtained from EPF website.

Not applicable. However, the subproject activities will promote active participation of the local communities and administration when possible. In addition, public participation is needed to achieve the success of the activities, especially Green, Clean and Beautiful promotion program.

25. Gender issues (mainstreaming)

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

A National Commission for the Advancement of Women (NCAW) was established in 2003 to drive national policy and to promote gender equality and empower women and a National Strategy on the Advancement of Women for 2011-2015 has been established.

Equal opportunity and active involvement of **DEQP** staff both men and women will be applied. It is expected that training and staffing opportunities included under this subproject will benefit a proportion of women (with an aim of 20%). Staff in **DEQP** will participate in gender sensitivity training to be conducted by the World Bank and/or LENS2 project. During the implementation of the subproject record will be made to provide information on men and women that are benefit or involve in the implementation of the subproject.

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
- Procurement plan per component
- Sub-project Environmental and Social Management Plan (ESMP) **if applicable**

Date: June 23, 2016

Approved by:

Submitted by:

**(Director General, Department of
Environmental Quality Promotion, MONRE)**

**(Director of Planning
Administration, Division)**

- Edits to a submitted application prior approval not requiring re-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).*