



Lao PDR

Interoffice Memorandum

OK. *[Signature]*

To:	Kyoko Yokosuka, Deputy Resident Representative (P)	Date:	31 May 2011
Through:		Ext:	
From:	Dirk Wagener Assistant Resident Representative, Head of Governance Unit	Ext:	720
Subject:	Transfer of National Assembly Phase II (ID: 0004003) funds to SELNA (ID: 00069660)	File:	NA Phase II. SELNA

Dear Kyoko,

The National Assembly Phase II was closed in 2008. However, the financing (i.e. cost sharing) agreement with the EU expired end of 2007 since it was overlooked to extend it in time. The final financial and narrative reports have been accepted by the EU and the last installment has been received by us. However, shortly before the project expired in terms of EC project duration (end of 2007) the second-last installment of the EC was deposited but never utilized since TRAC had already been advanced in lieu of the EC installment. Therefore, the amount of EC funds which remains in the project budget (USD 160,921.11) is not an unspent balance which needs to be refunded but a reimbursement for advanced funds spent during the lifetime of the project. These funds - similar to the final installment we received this year only - can be used for any project as quasi TRAC.

The SELNA Programme suffers a severe shortage of funds as well as an overall funding shortfall. The next EU installment for 2011 is expected in late Q3 or Q4 2011 only since the project document and budget needs to be revised first in order to report and receive the next installment. The next quarter - besides of being underfunded anyway - is, however, crucial for the Programme since the induction training for new parliamentarians needs to be conducted which is one of the programme's key activities. It will also be a unique opportunity to brief the NA members of key development issues and to also present the UN in a favorable light contributing to the capacity development of the new members. Any failure on the induction Programme and intersession programme may have devastating consequences for the programme.

Another key activity of the programme is the translation of Lao laws into English in cooperation with the Government of Singapore. Due to the shortfall of funds several laws will remain un-translated. The current draft law on laws may also need some expert/consultancy inputs due to the departure of the STA in late May and such inputs are yet to be funded. The requirements for Q3 are USD 150,000 and this amount is yet to be funded.

Therefore it is proposed to transfer the balance from the NA phase II project (USD 160,921.11) into the ongoing SELNA Programme as additional UNDP contribution to the Programme. Through this memo I seek approval for this transfer. Upon transfer of the balance, we will also be able to financially close the National Assembly Phase II project which is long overdue.

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 Approved
 Kyoko Yokosuka
 Deputy Resident Representative (P)