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United Nations Development Programme

PROJECT DOCUMENT

Lao People's Democratic Republic

Project Title: Construction of secondary processing facilities for Vanmai Coffee Cooperative

Project Number: 01003052

Implementing Partner: United Nations Development Programme

Start Date: 15 November 2024 **End Date:** 31 December 2025 **PAC Meeting date:** 14th February 2025

Brief Description
Opium cultivation in Lao PDR takes place in the most remote and marginalized communities of the country. To establish sustainable alternative livelihoods, farmers from these communities must establish structures for value-adding and increasing their control of the value chain. This project aims to build infrastructures that will enable former opium-growing communities in Houaphanh province to process and export high-quality coffee independently by providing access to the necessary infrastructures.

Contributing Outcome (UNSDCF, CPD):

UNSDCF strategic priority 2 – INCLUSIVE PROSPERITY By 2026, people, especially the most vulnerable and marginalised, will benefit from more inclusive, and resilient, transformative, and sustainable socio-economic opportunities to reduce poverty and inequalities.

CPD outcome 1: By 2026, people, especially the most vulnerable and marginalized, will benefit from more inclusive, resilient, transformative and sustainable socioeconomic and demographic opportunities to reduce poverty and inequalities

CPD Output 1.3. Vulnerable groups, especially women, young people, persons with disabilities, ethnic groups and those impacted by unexploded ordnance, have increased access to vocational training (TVET), employment and entrepreneurship opportunities.

Indicative Output(s) with gender marker:

GEN 2 (all outputs)

Total resources required:		USD 325,776.89
Total resources allocated:		
	UNDP TRAC:	/
	Donor (UNODC):	USD 325,776.89
	Government:	/
	In-Kind:	/
Unfunded:		

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Agreed by:

UNDP	
DocuSigned by: Martine Therer 8871C6F07BF74FF... Martine Therer	
Print Name:	Resident Representative
Date:	28-Mar-2025

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I. DEVELOPMENT CHALLENGE

Historically, the Lao People's Democratic Republic (Lao PDR) has grappled with the illicit cultivation of opium poppy, which poses significant social and economic challenges to both the local communities and governmental authorities. In 2023, approximately 5,000 hectares of opium cultivation remained in the northern parts of the country, primarily in economically disadvantaged regions such as Houaphanh province.[1] In addition, the province is increasingly becoming a passageway for drug trafficking to Viet Nam. As a result, drugs are readily available in the area – risking increased use, abuse, and the potential development of dependence and related medical and psychosocial consequences among local communities.

To address these challenges, UNODC, in collaboration with the Lao National Commission for Drug Control and Supervision (LCDC), the Provincial Committee on Drug Control (PCDC), and relevant development partners, initiated an intervention in 2016. This effort targets the interconnected issues of opium cultivation, poverty, and transnational organized crime while providing support to at-risk communities in Houaphanh province.

This UNODC project is implemented in the Xamneua district of Houaphanh province, Lao PDR, under the guidance and supervision of the UNODC Lao PDR Office, supported by UNODC Regional Office for Southeast Asia and the Pacific (ROSEAP).

The project outcomes support beneficiaries in all four target districts: Xamneua, Xone, Kwan, and Xamtai districts. Opium is cultivated in all these districts, and all villages in the target areas are either growing or have recently grown opium. The concerned districts are highlighted in the map below.

[1] Southeast Asia Opium Survey 2023: Cultivation, Production and Implications, UNODC, 2023

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Figure 1 - Situation map of the province (google maps)

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II. STRATEGY

The project presented in this Project Document was developed in consultation with UNODC to reinforce Lao PDR green growth and reduce the vulnerabilities that lead to involvement in illicit crop cultivation and ultimately eliminating such cultivation. It is directly linked with the United Nations Sustainable Development Cooperation Framework (2022-2026) strategic priority 2 – inclusive prosperity: "By 2026, people, especially the most vulnerable and marginalised, will benefit from more inclusive, and resilient, transformative, and sustainable socio-economic opportunities to reduce poverty and inequalities." The project matches UNDP Country Programme Document (2022-2026) outcome 1: "By 2026, people, especially the most vulnerable and marginalized, will benefit from more inclusive, resilient, transformative and sustainable socioeconomic and demographic opportunities to reduce poverty and inequalities - Output 1.3. Vulnerable groups, especially women, young people, persons with disabilities, ethnic groups and those impacted by unexploded ordnance, have increased access to vocational training (TVET), employment and entrepreneurship opportunities."

This project contributes to the UNODC Regional Programme for Southeast Asia and the Pacific 2022-2026, particularly under Outcome 1, detailed: Effective and evidence-based responses to the production, trafficking, and non-medical use of drugs. Furthermore, the project contributes to the UNODC Strategy 2021-2025, specifically under the Thematic Area 1 on Addressing and Countering the World Drug Problem, and more precisely under Outcome 6, detailed: Implementation of improved and better targeted alternative development programmes.

In addition, the project is designed to respond to the needs and priorities of Lao PDR in addressing challenges linked to organized crime and illicit trafficking, highlighted in the Lao PDR-UN Sustainable Development Cooperation Framework 2022-2026.

The intervention aims to disrupt the opium poppy economy by introducing coffee production as a licit income alternative. The initial phase of UNODC intervention primarily focused on agricultural support and establishing coffee plantations. Some key achievements to date include:

- **Coffee plantations established**: Since 2017, 806 families have established 706.5 hectares of coffee plantations. The community receives daily technical support from UNODC agronomists, along with the necessary materials and equipment.
- **Vanmai Coffee Cooperative established**: In 2019, the inaugural General Assembly of the Vanmai Coffee Cooperative (Vanmai) was convened after a year of training and awareness initiatives

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regarding agricultural cooperative structuring and management. Following this, the community submitted an application to the provincial government and officially attained their cooperative status in January 2020. At the time of this writing, the Cooperative has 341 members and comprises 12 members of the Board of Directors (BOD) who provide oversight and strategic direction for the organization's activities. In addition, Vanmai has four full-time staff who execute operational tasks, manage business activities, and uphold the organization's standards under the careful guidance and supervision of the BOD. In line with the commitment to capacity building, including gender equity, finance, and management, UNODC continues to provide comprehensive training and mentorship programmes for the community.

- **Primary processing capacities established**: 12 village-level primary processing centers, one for each target village, have been established. Each center is equipped with de-pulping machines, drying spaces, moisture meters, and all other necessary equipment for processing high-quality parchment coffee. Additionally, processing manuals and manuals for maintaining traceability throughout the supply chain have been developed. The community has received training on quality harvesting and post-harvest processing procedures.
- **Market links established**: In 2021, Vanmai entered into a 5-year commercial partnership agreement with a French coffee roaster. Subsequently, in 2023, Vanmai initiated the establishment of local partnerships and began expanding their brand nationwide.
- **Fairtrade certified**: In 2022, Vanmai obtained their Fairtrade certification. The following year, the Cooperative underwent an on-site Fairtrade audit and passed it successfully. As a result, Vanmai is authorized to trade in the Fairtrade market until 2028, with the potential for extension contingent upon their fulfillment of rights and obligations.
- **Organic production and certification**: In 2022, the transition to full organic production commenced, which included the establishment of organic fertilizer modules and the adoption of organic techniques for pest and disease control. Subsequently, in 2024, the Cooperative initiated the certification process.

With these accomplishments, the Vanmai farmers have created a platform to establish a sustainable alternative to opium cultivation. While the cooperative's main structures and decision-making bodies are now established, the community still needs support to ensure farmers do not return to opium cultivation. Given the continuing presence of opium as an alternative, the local history of growing opium, and the still-present links to illicit markets, the farmers are expected to return to illegal cultivation if the cooperative does not fulfil critical functions. In addition, the establishment of the infrastructures will strengthen and build the required capacities for farmers to manage the cooperative and take increasingly independent ownership of

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the organization, and therefore deemed necessary. At the same time, further support is required to ensure that these achievements are sustainable, particularly in relation to the commercial aspects and capacities of the Cooperative.

As such, if the rural communities of Houaphanh, gathered in a cooperative are given the adequate infrastructure to grow, process and sell coffee, then they will develop a sustainable and profitable business model, because these infrastructures are the last pieces of an integrated production chain and business supporting them out of poverty, illicit and dangerous activities.

Therefore, UNODC is seeking support from the United Nations Development Programme (UNDP) to establish infrastructures for the secondary processing of coffee, including an office/coffee shop, a warehouse building, and outdoor structures in Xam Neua district, Houaphanh province. The UNDP project aims to build sustainable structures that will enable former opium-growing communities in Houaphanh province to capture more control in the value chain by independently processing and exporting high-quality coffee as an alternative to opium cultivation.

It should be noted that this project is based on a long-term approach and supplementary to the ongoing development efforts executed by UNODC, *the Alternative Development in Houaphanh Province Affected by Opium Poppy Cultivation Project*, and endorsed by the Government of Lao PDR.

III. RESULTS AND PARTNERSHIPS

Expected Results

- UNODC has been a driving force in executing Alternative Development projects in both Lao PDR and Myanmar over the last decades, achieving meaningful results. The establishment of the secondary processing facilities, including a warehouse building, an office/coffee shop, and outdoor structures in Xam Neua district, Houaphanh province, will contribute to the sustainability of Vanmai in the following ways:
    - **Warehouse**: The warehouse will be used for storage and secondary processing. The warehouse will be equipped with the required machines and equipment necessary for secondary coffee processing, including a destoning machine (to separate stones from the coffee beans), hulling machine (to remove the husk), size grader (to separate beans of different sizes and shapes), and density grader (to separate beans with different densities) and laboratory equipment (to test and taste the coffee). The procurement of such machines and equipment is in progress.

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- **Coffee shop**: If constructed, the coffee shop will be used to roast, pack, and sell coffee from Vanmai to generate more profits, which will have the dual effect of promoting Vanmai coffee on national markets and attracting customers interested in other products made by other opium-growing communities. In addition to international markets, establishing national market links is equally important as a certain percentage of each coffee harvest is likely to be declined by international markets due to issues linked to size and/or other characteristics. Furthermore, the coffee shop will function as a learning center on the impact of transnational organized crime on the Lao economy and society, as well as the health impact of drug use and the available treatment options. The coffee shop will also be a visible symbol of the ongoing shift from opium to coffee and will strengthen the Vanmai in this process.
- **Office**: If constructed, the building will provide office space for staff and members to run its day-to-day business and management operations. The office will also have a meeting room, which can be used for regular staff meetings, meetings with commercial partners, and various capacity-building training. This will also be a space for the Board of Directors and Board of Auditors to meet regularly to fulfill their supervisory functions. In addition to the practical functions of an office, the space will also be a symbol for the farmers of their jointly-owned organization.

A drawing of the infrastructure is shown below:

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Figure 2: Drawing of Vanmai's office/coffee



Figure 3: Drawing of Vanmai's warehouse

- It should be mentioned that the provincial government of Houaphanh has provided the land to Vanmai for the construction of this project free of charge (please see Annex IV – Handover of land use for Vanmai). The land is located on a hilltop with a view over Xamneua city and is a mere five-minute drive from the city center. The land is suitable for combining coffee processing with coffee tourism activities and functioning as a visible symbol for the Vanmai community.
- Noted: UNDP will secure the non-objection of UNODC during the Project Stakeholder Meeting before proceeding with the construction in order to give priority to the construction of specific buildings mentioned above according to the available construction budget and the results of feasibility study.

Resources Required to Achieve the Expected Results

- USD 325,776.89 is transferred to UNDP for the implementation of activities and management of the project.

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Partnerships

- This project combines the strengths of two agencies – UNODC and UNDP – with relevant mandates and objectives. Specifically, both UN agencies are working towards promoting sustainable development, poverty reduction, international cooperation, legal and institutional frameworks to enhance justice and security, and inclusive growth by providing technical assistance, policy advice, and capacity-building support.

Furthermore, this project is designed to complement the UNODC's Alternative Development in Houaphanh Province Affected by Opium Poppy Cultivation Project, where UNODC is supporting opium-growing communities in Houaphanh province.

Risks and Assumptions

There are 14 risks identified:

- There is a risk that there will be no qualified bidders.
- There is a risk that the Contractor selected through the public procurement mechanism fails to achieve the value-for-money objective.
- There is a risk that there is a delay in the construction.
- There is a risk that there will be a cost overrun.
- There is a risk that legal disputes might happen.
- SES Risk 1: there is a potential of having construction staff and workers working in the area (predominately male-dominant field), which might lead to sexual abuse of the local population.
- SES Risk 2: there will be a significant agricultural production in the area in relation to coffee plantations which will be managed by the local households who are a part of the cooperatives under the project activities. The project might have an impact to the local biodiversity conservation.
- SES Risk 3: the construction site is situated on a plateau and potential landslides might occur. As a consequence, the buildings might be damaged.
- SES Risk 4: the project will involve the construction of the warehouse and a coffee shop and this will temporarily create noise, air pollution and physical hazards at the construction site.
- SES Risk 5: there is a potential risk to the occupational health and safety of the staff and the nearby communities due to the nature of the construction works that involves working from heights (scaffolding), and working with machineries. The impact can lead to death or injuries.
- SES Risk 6: due to the prevalence of child labour in some households in the local communities, there is a risk that this might happen at the project site through the contractors.
- SES Risk 7: there is a risk to the rights holders in claiming their rights due to the absence of the grievances redress mechanism and community engagement activities.

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- SES Risk 8: women may be excluded from participating in the workforce in the construction activities by the contractor due to discrimination.
- SES Risk 9: risk of waterborne and vector-borne diseases might occur due to the set up of the temporary accommodation of the workers, which will cause sewage and kitchen waste near the accommodation area to have limited outlets.

Those risks and the description of how the project risks will be mitigated, especially how potential adverse social and environmental impacts will be avoided where possible and otherwise managed are further detailed in the annexe.

Stakeholder Engagement

- The project directly supports 341 families, currently members of the Cooperative, from opium-growing communities transitioning to coffee cultivation. As additional farmers become members of the Cooperative, this number is expected to increase to 806 families in the coming years.
- The support under this project will facilitate sustainable community development and self-organization. It seeks to establish sustainable structures for value chain management, value addition, commercial practices, and democratic governance.
- The project adheres to human rights principles and prioritizes the local communities' needs by establishing a structured channel for expressing concerns about project implementation, a project-specific Grievance Redressal Mechanism. Acknowledging the importance of stakeholder engagement across the entire project life cycle for successful implementation, the project will ensure that all stakeholder perspectives are considered. In addition, the project supports the right to an adequate standard of living and well-being, including the right to food and livelihood. No significant human rights risks have been identified.
- Women are significantly impacted by poppy cultivation in various ways. They often play crucial roles in planting, tending, and processing opium crops but typically have limited control over the income generated, exacerbating economic vulnerability in regions with few alternative livelihood options. Engaged in labor-intensive work, women face health risks from pesticide exposure and physical strain, compounded by limited access to healthcare services. Societal norms and gender roles restrict their autonomy and decision-making power, hindering their ability to advocate for better working conditions or pursue alternative livelihoods. Additionally, involvement in illicit activities can expose women to legal and security risks, including exploitation and violence. As caregivers and community members, women bear significant social and familial burdens associated with drug addiction and instability, highlighting the disproportionate impact of poppy cultivation on their lives. As such, the

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scope of the project aims to improve the well-being of women in the targeted communities by providing them with a source of income through coffee cultivation. The support under this project will enable the community members, including the women members, within these communities to achieve sustainable community development and self-organization. During the development of the project, women were consulted, and their needs were taken into account from the project design stage.

In addition, the project will ensure that gender mainstreaming is integrated into all its components. The project will encourage and respect equal participation, such as during the workforce recruitment, from female and male participants and relevant stakeholders in all phases of the project activities.

Knowledge

- The project identifies and participates, as relevant and appropriate, in scientific, policy-based and/or any other networks, which may be of benefit to project implementation through lessons learned. The project identifies, analyses, and shares lessons learned that might be beneficial in the design and implementation of similar future projects.

Sustainability and Scaling Up

- This project leverages previous lessons learned and employs improved strategies for a successful intervention. UNDP has notably conducted the installation of pharmaceutical production lines in Vientiane in 2023 and 2024, as well as several constructions in Houaphanh province for UXO-related activities.

It considers the local biophysical and socio-economic factors – such as population density, ecological conditions, cultural practices, and potential alternative livelihoods – throughout the planning and implementation of activities.

Further, the project is designed to complement ongoing development assistance executed by UNODC, the Alternative Development in Houaphanh Province Affected by Opium Poppy Cultivation Project. It is expected that the project outcomes will support Vanmai in its efforts to continue working with the target communities after the completion of this project. Ultimately, the project has an overarching goal of supporting the establishment of a sustainable farmer's organization that is owned and managed by local communities.

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IV. PROJECT MANAGEMENT

Cost Efficiency and Effectiveness

- Cost efficiency and effectiveness in the project management is achieved through adherence to the UNDP Programme and Operations Policies and Procedures (POPP) and reviewed regularly through the governance mechanism. In addition, there are specific measures for ensuring cost-efficient use of resources through using a portfolio management approach based on similar experiences of the Country Office on similar projects. This project leverages existing related activities as well as partnerships to improve cost-effectiveness.

Project Management

- The project is implemented in Xam Neua district, Houaphanh province.
- The project is implemented under Direct Implementation Modality (DIM), whereby UNDP runs operational procedures (procurement, finance, HR, admin/logistics, IT, etc.) in accordance with applicable UNDP rules, policies and procedures.
- The Project Management Unit (PMU) is established within UNODC office in Xam Neua in to host the Project Coordinator. The Project Coordinator works under the direct supervision of the Team Leader, Natural Resources Management, Climate Change and Disaster Risk Reduction Unit of UNDP. The project budget covers the salary of the Project Coordinator, and basic administrative and running costs for the project, as per the project budget. UNODC will provide the mentioned project coordinator with office supplies, including a computer. Furthermore, UNODC will arrange an office space with a desk, a chair and other office consumables.

  A Finance and Administrative Assistant based in Vientiane Capital at the UNDP office will ensure the administrative tasks, including accountancy, payment, travel, procurement support, and administrative tasks. A Finance and Administrative Assistant will be under the direct supervision of the Project Coordinator.

- The Project Coordinator is fully responsible for project implementation and delivering outputs envisaged in the Project Document. Local and international consultants will support the project implementation for timely and effective delivery of project outputs.

- It should be highlighted that UNODC has one in-house coffee expert who will provide continuous guidance on the installation and layout requirements of the machines within the buildings.

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Additionally, UNODC has one field staff member based in Xamneua district, who will be designated to provide day-to-day monitoring. Furthermore, UNODC will hire an engineering expert to oversee the implementation of the project activities.

V. Results Framework

Intended Outcome as stated in the Country Programme Results and Resource Framework: Outcome 1: By 2026, people, especially the most vulnerable and marginalized, will benefit from more inclusive, resilient, transformative and sustainable socioeconomic and demographic opportunities to reduce poverty and inequalities
Outcome indicators as stated in the Country Programme Results and Resources Framework, including baseline and targets: Proportion of population living below national poverty line. Baseline: 18.60% (2020). Target: 13.90% (2026)
Applicable Outcome from the UNDP Strategic Plan: Outcome 1 – Advance poverty eradication in all its forms and dimensions
Project title and Quantum Project Number: Construction of secondary processing facilities for Vanmai Coffee Cooperative (01003052)

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EXPECTED OUTPUTS	OUTPUT INDICATORS	DATA SOURCE	BASELINE		TARGETS	DATA COLLECTION METHODS AND RISKS
			Value	Year	2025 (FINAL)	
Project Objective: To facilitate the socio-economic development of community members vulnerable to illicit methods of income generation by optimizing and expanding value chains.	*Number of Vanmai community members with access to facilities to capture more value chains for sustainable livelihoods.*	*Project progress report*	**0**	**2024**	*341 Vanmai members gained access to facilities to capture more value chains*	*Monitoring meeting* ***Risks*** *Potential contractual dispute*
Outcome 1: The Vanmai Coffee Cooperative has access to take full ownership of the infrastructures necessary to process coffee	*Access for Vanmai Coffee Cooperative to take ownership of the infrastructure necessary to process coffee and link products to markets.*	*Project progress report*	**0**	**2024**	*The Vanmai Coffee Cooperative has access to take ownership of the infrastructures needed for the secondary processing*	*Monitoring meeting*

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EXPECTED OUTPUTS	OUTPUT INDICATORS	DATA SOURCE	BASELINE		TARGETS	DATA COLLECTION METHODS AND RISKS
			Value	Year	2025 (FINAL)	
and link products to markets.						
Output 1.1 Administration and logistical procedures to proceed with the construction of the infrastructures established.	***1.1.1*** *Number of professional engineers recruited.*	*Project progress report*	0	2024	*1*	*Monitoring meeting* ***Risks for output 1.1:*** *1. Potential contractual disputes* *2. Administrative and logistical procedure delays* *3. No or not enough qualified bidders* *4. Cost overruns* *5. The Contractor selected through the public procurement mechanism fails to achieve the value-for-money objective*
	1.1.2 *Number of construction companies recruited.*	*Project progress report*	*0*	*2024*	*1*	
	1.1.3 *Construction Environmental and Social Management Plan and Grievance Redress Mechanism Established.*	*Project progress report*	ESMP: No, GRM: No	*2024*	ESMP: Yes, GRM: Yes	
Output 2 Infrastructure to enhance the overall	***2.1*** *Number of office/coffee shops, warehouse buildings, common toilets, water tank houses, erosion protection works,*	*Project progress report*	*Zero (0) warehouse building, Zero (0) common toilet, Zero (0) water tank house, Zero (0) erosion*	2024	*One (01) warehouse building, one (01) common toilet, one (01) water tank house, one (01) erosion protection work, one (01) drainage works, one (01)*	*Monitoring visit* ***Risks for output 2:***

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EXPECTED OUTPUTS	OUTPUT INDICATORS	DATA SOURCE	BASELINE		TARGETS	DATA COLLECTION METHODS AND RISKS
			Value	Year	2025 (FINAL)	
management and the secondary processing capacities of Vanmai Coffee Cooperative established.	*drainage works, electrical network systems with transformers, and fence and gate works established.*		*protection work, Zero (0) drainage works, Zero (0) electrical network system with transformer, and Zero (0) fence and gate works established.*		*electrical network system with transformer, and one (01) fence and gate works established.**	*1. Potential contractual disputes* *2. Construction delays* *3. Cost overruns*

Noted*: UNDP will secure the non-objection of UNODC during the Project Stakeholder Meeting before proceeding with the construction in order to give priority to the construction of specific buildings mentioned above according to the available construction budget and the feasibility study In case of sufficient budget, the project will aim to also build one (1) office/coffee shop.

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V. MONITORING AND EVALUATION

UNDP will be responsible for continuously monitoring the implementation of activities, assessing, and mitigating risks, and ensuring that the Project meets its objectives within the agreed timeframe. UNDP will regularly coordinate with UNODC on the implementation of the Project and prepare narrative and financial reports as specified in the agreement.

UNODC Lao PDR Office, jointly with UNODC ROSEAP, will coordinate with UNDP to monitor the implementation of the activities to report on progress against UNODC programmes/outcomes/outputs in the country.

In accordance with UNDP's programming policies and procedures, the project will be monitored through the following monitoring plan:

Monitoring Plan

Monitoring Activity	Purpose	Frequency	Expected Action
Track results progress	Progress data against the results indicators in the RRF will be collected and analysed to assess the progress of the project in achieving the agreed outputs.	At least quarterly during the Project Stakeholders' Meeting	Slower than expected progress will be addressed by project management.
Monitor and Manage Risk	Identify specific risks that may threaten achievement of intended results. Identify and monitor risk management actions using a risk log. This includes monitoring measures and plans that may have been required as per UNDP's Social and Environmental Standards. Audits will be conducted in accordance with UNDP's audit policy to manage financial risk.	At least quarterly during the Project Stakeholders' Meeting	Risks are identified by project management and actions are taken to manage risk. The risk log is actively maintained to keep track of identified risks and actions taken.
Learn	Knowledge, good practices and lessons will be captured regularly, as well as actively sourced from other projects and partners and integrated back into the project.	At least quarterly during the Project Stakeholders' Meeting	Relevant lessons are captured by the project team and used to inform management decisions.

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Monitoring Activity	Purpose	Frequency	Expected Action
Annual Project Quality Assurance	The quality of the project will be assessed against UNDP's quality standards to identify project strengths and weaknesses and inform management decision-making to improve the project.	Annually	Areas of strength and weakness will be reviewed by project management and used to inform decisions to improve project performance.
Review and Make Course Corrections	Internal review of data and evidence from all monitoring actions to inform decision making.	At least quarterly during the Project Stakeholders' Meeting	Performance data, risks, lessons and quality will be discussed by the project board and used to make course corrections.
Project Report	A progress report will be presented to the Project Board and key stakeholders, consisting of progress data showing the results achieved against pre-defined annual targets at the output level, the annual project quality rating summary, an updated risk long with mitigation measures, and any evaluation or review reports prepared over the period.	Twice a year, and at the end of the project (final report)	
Project Review (Project Board = Project Stakeholder meeting)	The project's governance mechanism (i.e., project board) will hold regular project reviews to assess the performance of the project and review the Multi-Year Work Plan to ensure realistic budgeting over the life of the project. In the project's final year, the Project Board shall hold an end-of project review to capture lessons learned and discuss opportunities for scaling up and to socialize project results and lessons learned with relevant audiences.	At least quarterly during the Project Stakeholders' Meeting	Any quality concerns or slower than expected progress should be discussed by the project board and management actions agreed to address the issues identified.

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VI. MULTI-YEAR WORK PLAN [23]

EXPECTED PROJECT OUTPUTS	*PLANNED ACTIVITIES*												
indicators including baseline and annual targets	*List all activities including M&E to be undertaken during the year towards stated project outputs*	***ACTIVITY NARRATIVE***	***TIMEFRAME***				***RESPONSIBLE PARTY CODE (IA Code)***	***PLANNED BUDGET***					***Budget note***
			Q1	*Q2*	*Q3*	*Q4*		***Fund Codes***	***Donor Codes***	***Budget Lines***	***Budget Description***	***Amount***	
Output 1: Administration and logistical procedures to proceed with the construction of the infrastructures established													
Number of professional engineers recruited. ***Target*** *1.* ***Baseline*** *0*	*1.1. Conduct a feasibility study, the revision of the design of the buildings, and oversee and monitor the construction progress*	*One international consultant to conduct a feasibility study, review and revise the BOQ and the design of the building as available, and monitor and oversee the construction progress onward.*	*x*	*x*	*x*	*x*	*UNDP (001981)*	*30000*	*000028 - UNODC*	*71200*	*International Engineering Consultant*	*30,000.00*	*1*
		One National consultant to support the project coordination station and the implementation of the construction project,	*x*	*x*	*x*	*x*	*UNDP (001981)*	*30000*	*000028 - UNODC*	*71300*	*National Field Coordinator Consultant*	*23,000.00*	*2*

[2] Cost definitions and classifications for programme and development effectiveness costs to be charged to the project are defined in the Executive Board decision DP/2010/32

[3] Changes to a project budget affecting the scope (outputs), completion date, or total estimated project costs require a formal budget revision that must be signed by the project board. In other cases, the UNDP programme manager alone may sign the revision provided the other signatories have no objection. This procedure may be applied for example when the purpose of the revision is only to re-phase activities among years.

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		including monitoring and reporting on the construction progress.	*x*	*x*	*x*	*x*	*UNDP (001981)*	*30000*	*000028 - UNODC*	*75700*	*Workshop*	*4,000.00*	*3*
			x	*x*	*x*	*x*	*UNDP (001981)*	*30000*	*000028 - UNODC*	*75100*	*General Management Support (GMS) (7%)*	*3,990.00*	*4*
Activity 1.1												***60,990.00***	
*Construction Environmental and Social Management Plan and Grievance Redress Mechanism Established. **Target** ESMP 1, GRM 1. **Baseline** ESMP 0, GRM 0.*	*1.2 Mitigate the Social and environmental impact of the construction.*	*Development of the ESMP and GRM*	*x*				*UNDP (001981)*	*30000*	*000028 - UNODC*	*71200*	*International SES consultant*	*25,000.00*	*5*
			x	*x*	*x*	*x*	*UNDP (001981)*	*30000*	*000028 - UNODC*	*75100*	*General Management Support (GMS) (7%)*	*1,750.00*	*6*
Activity 1.2												***26,750.00***	
Total Output 1												***87,740.00***	
Output 2 Infrastructure to enhance the overall management and the secondary processing capacities of Vanmai Coffee Cooperative established.													
*1 contract service company to do the constructio. **Target** 1, **Baseline** 0*	*2.1 Construct the warehouse building*	*Construct the infrastructures to enhance the overall management and the secondary processing capacities of Vanmai Coffee Cooperative (warehouse and auxiliaries)*	*x*	*x*	*x*	*x*	*UNDP (001981)*	*30000*	*000028 - UNODC*	*72105*	*Contract Service Construction Company*	*150,000.00*	*7*
1 warehouse buildings, and additional infrastructure such as common toilets, water tank houses, erosion protection works, drainage works, electrical network systems with transformers, and fence and			*x*	*x*	*x*	*x*	*UNDP (001981)*	*30000*	*000028 - UNODC*	*75100*	*General Management Support (GMS) (7%)*	*10,500.00*	*8*

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gate works established (subjected to the funding).	*Activity 2.1*											***160,500.00***	
	2.2 construct additional infrastructure (common toilet, water tank house, erosion protection work, drainage work, electrical network system, and fence and gate)	*Construct the infrastructures to enhance the overall management and the secondary processing capacities of Vanmai Coffee Cooperative (warehouse and auxiliaries)*	*x*	*x*	*x*	*x*	*UNDP (001981)*	*30000*	*000028 - UNODC*	*72105*	*Contract Service Company for equipment installation*	*20,000.00*	*9*
			x	*x*	*x*	*x*	*UNDP (001981)*	*30000*	*000028 - UNODC*	*75100*	*General Management Support (GMS) (7%)*	*1,400.00*	*10*
Activity 2.2												***21,400.00***	
Total Output 2												***181,900.00***	
Project Management Cost (PMC)													
	Staff Cost	*1 Project Financial Assistant NPSA 7*	*x*	*x*	*x*	*x*	*UNDP (001981)*	*30000*	*000028 - UNODC*	*71400*	*Contract individual Service*	*12,000.38*	*11*
	Travel	*Monitoring and Quality assurance*	*x*	*x*	*x*	*x*	*UNDP (001981)*	*30000*	*000028 - UNODC*	*71600*	*Travel*	*10,464.00*	*12*
	DES	*Oversight and operation cost*	*x*	*x*	*x*	*x*	*UNDP (001981)*	*30000*	*000028 - UNODC*	*64300*	*Staff Management and operation*	*30,000.00*	*13*
			x	*x*	*x*	*x*	*UNDP (001981)*	*30000*	*000028 - UNODC*	*75100*	*General Management Support (GMS) (7%)*	*3,672.51*	*14*
Total Output 3											***56,136.89***		

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Grand Total	***325,776.89***	

Budget Note

No	Budget Line	Budget Account Description	Description of cost items
COMPONENT 1. Administration and logistical procedures to proceed with the construction of the infrastructures established			
1	**71200**	**International Engineering Consultant**	**International consultant to conduct a feasibility study, review and revise the BOQ and the design of the building as available, and monitor and oversee the construction progress onward.**
2	**71300**	**National Field Coordination**	**National consultant to support project implementation, conducting field monitoring, and reporting on the progress of the construction project. Estimate cost of 25,000 including travel cost (3k).**
3	**75700**	**Workshop**	**Cost cover meeting, and training throughout the project period.**
4	**75100**	**General Management Support (GMS) (7%)**	**Fee for General Management Support**
5	**71200**	**International SES consultant**	**International Social and Environmental Standards (SES) consultant for ensuring the project complies with environmental and social impact standards. The development of the Environmental and Social Management Plan (ESMP) and Grievance Redress Mechanism (GRM)**
6	**75100**	**General Management Support (GMS) (7%)**	**Fee for General Management Support**
COMPONENT 2. Infrastructure to enhance the overall management and the secondary processing capacities of Vanmai Coffee Cooperative established			
7	**72105**	**Contract Service Construction Company**	**Construction firm to construct the warehouse building**

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8	75100	General Management Support (GMS) (7%)	Fee for General Management Support
G	72105	Contract Service Company for equipment installation	Construction firm to construct additional infrastructure (common toilet, water tank house, erosion protection work, drainage work, electrical network system, and fence and gate)
10	75100	General Management Support (GMS) (7%)	Fee for General Management Support
COMPONENT 3. Project Management Cost (PMC)			
11	71400	Contract individual Service	(1 Project coordinator NPSA-9; 1 Project Financial Assistant NPSA 7) Coordination with the Government partner and other stakeholders. Managing the overall project implementation, ensuring activities align with project goals. Providing project monitoring including budget, procurement, finance, and administration matters.
12	71600	Travel	Travel costs (transportation and DSA, per diem, etc.,) to support project staff for traveling to project sites
13	64300	Staff Management and operation	Overseeing and coordinating all aspects of the project, ensuring efficient use of resources, effective communication and collaboration.
14	75100	General Management Support (GMS) (7%)	Fee for General Management Support

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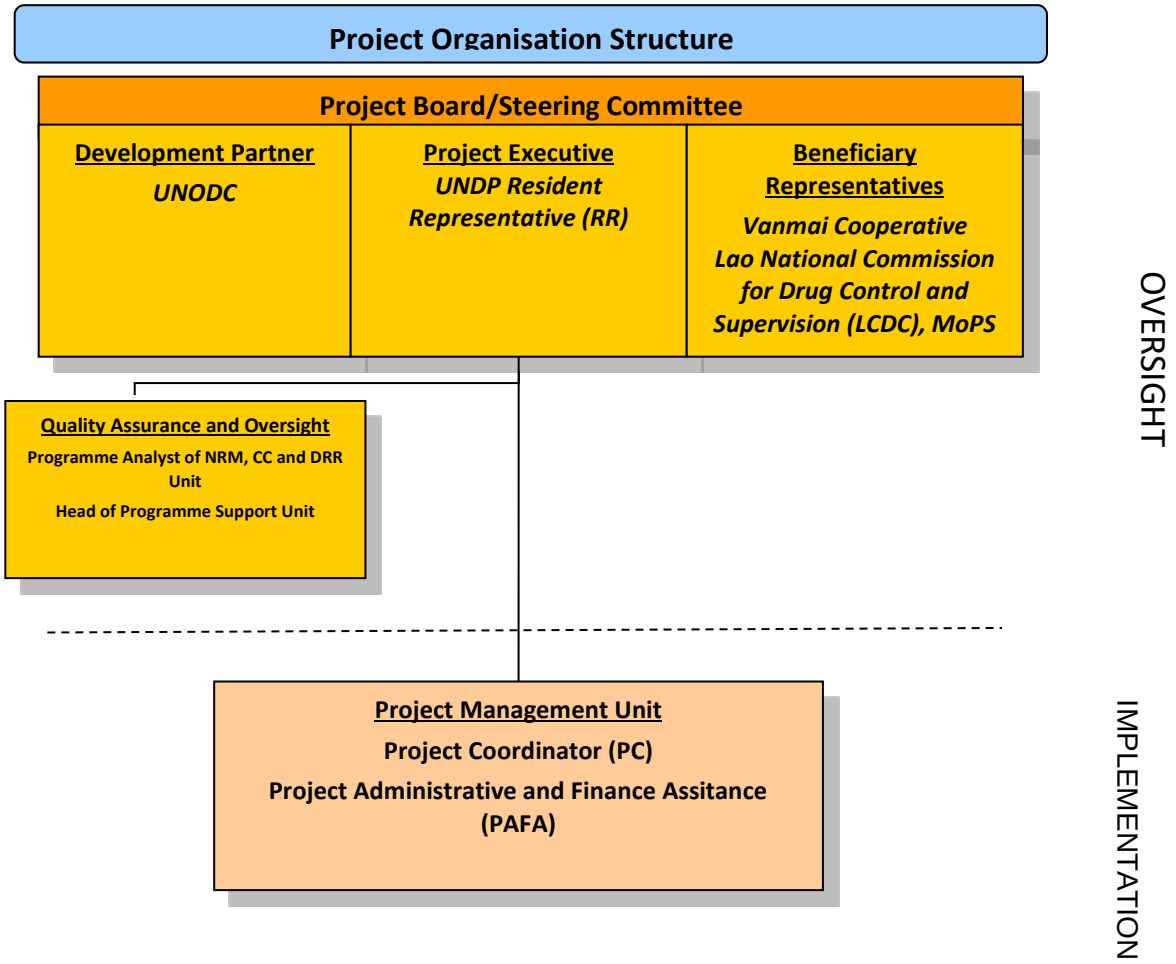
VII. GOVERNANCE AND MANAGEMENT ARRANGEMENTS

- The project is directly implemented by UNDP under Direct Implementation Modality (DIM), in close partnership with UNODC and the Vanmai Cooperative.

A Project Board with representatives from UNDP Lao PDR and all relevant Government partners guides the project implementation. The committee meets quarterly in person or via video conference to assess the progress of the project with the participation of relevant Development Partners as appropriate.

Further description of the Terms of Arrangements Project Board Terms of Reference and TORs of key management positions is available in Annex IV.

Project Organisation Structure:



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VIII. LEGAL CONTEXT

This project document shall be the instrument referred to as such in Article 1 of the Standard Basic Assistance Agreement between the Government of Lao People's Democratic Republic and UNDP, signed on 10 October 1988. All references in the SBAA to "Executing Agency" shall be deemed to refer to "Implementing Partner."

This project will be implemented by the United Nations Developmnet Programme ("Implementing Partner") in accordance with its financial regulations, rules, practices and procedures only to the extent that they do not contravene the principles of the Financial Regulations and Rules of UNDP. Where the financial governance of an Implementing Partner does not provide the required guidance to ensure best value for money, fairness, integrity, transparency, and effective international competition, the financial governance of UNDP shall apply.

IX. RISK MANAGEMENT

UNDP (DIM)

1. UNDP as the Implementing Partner will comply with the policies, procedures and practices of the United Nations Security Management System (UNSMS.)

2. UNDP as the Implementing Partner will undertake all reasonable efforts to ensure that none of the project funds are used to provide support to individuals or entities associated with terrorism , that the recipients of any amounts provided by UNDP hereunder do not appear on the United Nations Security Council Consolidated Sanctions List, and that no UNDP funds received pursuant to the Project Document are used for money laundering activities. The United Nations Security Council Consolidated Sanctions List can be accessed via https://www.un.org/securitycouncil/content/un-sc-consolidated-list. This provision must be included in all sub-contracts or sub-agreements entered into under this Project Document.

3. Social and environmental sustainability will be enhanced through application of the UNDP Social and Environmental Standards (http://www.undp.org/ses) and related Accountability Mechanism (http://www.undp.org/secu-srm).

4. UNDP as the Implementing Partner will: (a) conduct project and programme-related activities in a manner consistent with the UNDP Social and Environmental Standards, (b) implement any management or mitigation plan prepared for the project or programme to comply with such standards, and (c) engage in a constructive and timely manner to address any concerns and complaints raised through the Accountability Mechanism. UNDP will seek to ensure that communities and other project stakeholders are informed of and have access to the Accountability Mechanism.

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5. In the implementation of the activities under this Project Document, UNDP as the Implementing Partner will handle any sexual exploitation and abuse ("SEA") and sexual harassment ("SH") allegations in accordance with its regulations, rules, policies and procedures.

6. All signatories to the Project Document shall cooperate in good faith with any exercise to evaluate any programme or project-related commitments or compliance with the UNDP Social and Environmental Standards. This includes providing access to project sites, relevant personnel, information, and documentation.

7. UNDP as the Implementing Partner will ensure that the following obligations are binding on each responsible party, subcontractor, and sub-recipient:

a. Consistent with the Article III of the SBAA, the responsibility for the safety and security of each responsible party, subcontractor and sub-recipient and its personnel and property, and of UNDP's property in such responsible party's, subcontractor's and sub-recipient's custody, rests with such responsible party, subcontractor and sub-recipient. To this end, each responsible party, subcontractor and sub-recipient shall:
   i. put in place an appropriate security plan and maintain the security plan, taking into account the security situation in the country where the project is being carried;
   ii. assume all risks and liabilities related to such responsible party's, subcontractor's and sub-recipient's security, and the full implementation of the security plan.

b. UNDP reserves the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of the responsible party's, subcontractor's and sub-recipient's obligations under this Project Document.

c. Each responsible party, subcontractor and sub-recipient (each a "sub-party" and together "sub-parties") acknowledges and agrees that UNDP will not tolerate sexual harassment and sexual exploitation and abuse of anyone by the sub-parties, and other entities involved in Project implementation, either as contractors or subcontractors and their personnel, and any individuals performing services for them under the Project Document.

   (a) In the implementation of the activities under this Project Document, each sub-party shall comply with the standards of conduct set forth in the Secretary General's Bulletin ST/SGB/2003/13 of 9 October 2003, concerning "Special measures for protection from sexual exploitation and sexual abuse" ("SEA").

   (b) Moreover, and without limitation to the application of other regulations, rules, policies and procedures bearing upon the performance of the activities under this Project Document, in the implementation of activities, each sub-party, shall not engage in any form of sexual harassment ("SH"). SH is defined as any unwelcome conduct of a sexual nature that might reasonably be

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expected or be perceived to cause offense or humiliation when such conduct interferes with work, is made a condition of employment, or creates an intimidating, hostile, or offensive work environment. SH may occur in the workplace or in connection with work. While typically involving a pattern of conduct, SH may take the form of a single incident. In assessing the reasonableness of expectations or perceptions, the perspective of the person who is the target of the conduct shall be considered.

d. In the performance of the activities under this Project Document, each sub-party shall (with respect to its own activities), and shall require from its sub-parties (with respect to their activities) that they, have minimum standards and procedures in place, or a plan to develop and/or improve such standards and procedures in order to be able to take effective preventive and investigative action. These should include: policies on sexual harassment and sexual exploitation and abuse; policies on whistleblowing/protection against retaliation; and complaints, disciplinary and investigative mechanisms. In line with this, sub-parties will and will require that their respective sub-parties will take all appropriate measures to:

   (i) Prevent its employees, agents or any other persons engaged to perform any services under this Project Document, from engaging in SH or SEA;

   (ii) Offer employees and associated personnel training on prevention and response to SH and SEA, where sub-parties have not put in place its own training regarding the prevention of SH and SEA, sub-parties may use the training material available at UNDP;

   (iii) Report and monitor allegations of SH and SEA of which any of the sub-parties have been informed or have otherwise become aware, and status thereof;

   (iv) Refer victims/survivors of SH and SEA to safe and confidential victim assistance; and

   (v) Promptly and confidentially record and investigate any allegations credible enough to warrant an investigation of SH or SEA. Each sub-party shall advise UNDP of any such allegations received and investigations being conducted by itself or any of its sub-parties with respect to their activities under the Project Document, and shall keep UNDP informed during the investigation by it or any of such sub-parties, to the extent that such notification (i) does not jeopardize the conduct of the investigation, including but not limited to the safety or security of persons, and/or (ii) is not in contravention of any laws applicable to it. Following the investigation, the relevant sub-party shall advise UNDP of any actions taken by it or any of the other entities further to the investigation.

e. Each sub-party shall establish that it has complied with the foregoing, to the satisfaction of UNDP, when requested by UNDP or any party acting on its behalf to provide such confirmation. Failure of the relevant sub-party to comply of the foregoing, as determined by UNDP, shall be considered grounds for suspension or termination of the Project.

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f. Each responsible party, subcontractor and sub-recipient will ensure that any project activities undertaken by them will be implemented in a manner consistent with the UNDP Social and Environmental Standards and shall ensure that any incidents or issues of non-compliance shall be reported to UNDP in accordance with UNDP Social and Environmental Standards.

g. Each responsible party, subcontractor and sub-recipient will take appropriate steps to prevent misuse of funds, fraud, corruption or other financial irregularities, by its officials, consultants, subcontractors and sub-recipients in implementing the project or programme or using the UNDP funds. It will ensure that its financial management, anti-corruption, anti-fraud and anti-money laundering and countering the financing of terrorism policies are in place and enforced for all funding received from or through UNDP.

h. The requirements of the following documents, then in force at the time of signature of the Project Document, apply to each responsible party, subcontractor and sub-recipient: (a) UNDP Policy on Fraud and other Corrupt Practices (b) UNDP Anti-Money Laundering and Countering the Financing of Terrorism Policy; and (c) UNDP Office of Audit and Investigations Investigation Guidelines. Each responsible party, subcontractor and sub-recipient agrees to the requirements of the above documents, which are an integral part of this Project Document and are available online at www.undp.org.

i. In the event that an investigation is required, UNDP will conduct investigations relating to any aspect of UNDP programmes and projects. Each responsible party, subcontractor and sub-recipient will provide its full cooperation, including making available personnel, relevant documentation, and granting access to its (and its consultants', subcontractors' and sub-recipients') premises, for such purposes at reasonable times and on reasonable conditions as may be required for the purpose of an investigation. Should there be a limitation in meeting this obligation, UNDP shall consult with it to find a solution.

j. Each responsible party, subcontractor and sub-recipient will promptly inform UNDP as the Implementing Partner in case of any incidence of inappropriate use of funds, or credible allegation of fraud, corruption other financial irregularities with due confidentiality.

   Where it becomes aware that a UNDP project or activity, in whole or in part, is the focus of investigation for alleged fraud/corruption, each responsible party, subcontractor and sub-recipient will inform the UNDP Resident Representative/Head of Office, who will promptly inform UNDP's Office of Audit and Investigations (OAI). It will provide regular updates to the head of UNDP in the country and OAI of the status of, and actions relating to, such investigation.

k. UNDP will be entitled to a refund from the responsible party, subcontractor or sub-recipient of any funds provided that have been used inappropriately, including through fraud corruption, other

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financial irregularities or otherwise paid other than in accordance with the terms and conditions of this Project Document. Such amount may be deducted by UNDP from any payment due to the responsible party, subcontractor or sub-recipient under this or any other agreement. Recovery of such amount by UNDP shall not diminish or curtail any responsible party's, subcontractor's or sub-recipient's obligations under this Project Document.

Where such funds have not been refunded to UNDP, the responsible party, subcontractor or sub-recipient agrees that donors to UNDP (including the Government) whose funding is the source, in whole or in part, of the funds for the activities under this Project Document, may seek recourse to such responsible party, subcontractor or sub-recipient for the recovery of any funds determined by UNDP to have been used inappropriately, including through fraud, corruption or other financial irregularities, or otherwise paid other than in accordance with the terms and conditions of the Project Document.

Note: The term "Project Document" as used in this clause shall be deemed to include any relevant subsidiary agreement further to the Project Document, including those with responsible parties, subcontractors and sub-recipients.

l. Each contract issued by the responsible party, subcontractor or sub-recipient in connection with this Project Document shall include a provision representing that no fees, gratuities, rebates, gifts, commissions or other payments, other than those shown in the proposal, have been given, received, or promised in connection with the selection process or in contract execution, and that the recipient of funds from it shall cooperate with any and all investigations and post-payment audits.
m. Should UNDP refer to the relevant national authorities for appropriate legal action any alleged wrongdoing relating to the project or programme, the Government will ensure that the relevant national authorities shall actively investigate the same and take appropriate legal action against all individuals found to have participated in the wrongdoing, recover and return any recovered funds to UNDP.
n. Each responsible party, subcontractor and sub-recipient shall ensure that all of its obligations set forth under this section entitled "Risk Management" are passed on to its subcontractors and sub-recipients and that all the clauses under this section entitled "Risk Management Standard Clauses" are adequately reflected, *mutatis mutandis*, in all its sub-contracts or sub-agreements entered into further to this Project Document.

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X. ANNEXES

1. Project Quality Assurance Report



ASM-13870 - Quality Assurance - Design

Procedure Year: 2025 **Procedure Rating:** Highly Satisfactory

Procedure Status: Approved **Procedure Name:** ASM-13870

Procedure Department: CO - Lao - Vientiane **Procedure Type:** Design

Record Owner: Mongoljingoo Damdinjav

Created by: Mongoljingoo Damdinjav,2/5/2025, 12:28 AM **Last Modified by:** Lai DAO,3/11/2025, 3:32 AM

Decision:

QA Summary/Project Board Comments:

RELATED PORTFOLIOS/PROJECTS(1)

NAME	DEPARTMENT	STATUS	ATLAS PROJECT NUMBER	START DATE	END DATE
01003052	CO - Lao - Vientiane	On Going		1/1/2025	12/31/2025

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2. Social and Environmental Screening Template

Project Information	
1. Project Title	Construction Site for Site Office / Coffee Shop & Warehouse for Vanmai Coffee Cooperative
2. Project Number	01003052
3. Location (Global/Region/Country)	Lao PDR
4. Project stage (Design or Implementation)	Design
5. Date	10 August 2023

Part A. Integrating Programming Principles to Strengthen Social and Environmental Sustainability

QUESTION 1: How Does the Project Integrate the Programming Principles in Order to Strengthen Social and Environmental Sustainability?
Briefly describe in the space below how the project mainstreams the human rights-based approach
Houaphanh Province of Lao PDR has had a history of having the second highest cultivation of opium in the country. This coupled with limited access to rural areas, dependency on subsistence cultivation and high poverty levels amongst the population has led to the increase of opium cultivation as an additional income. In addition, the province has also become a passageway for drug trafficking to Vietnam wherein drugs are readily available, and risk associated with its increased use, its abuse and potential development of dependence and related medical and psycho-social consequences amongst local communities are prominent. To address these challenges, UNODC, in close collaboration with LCDC, PCDC and relevant development partners, had launched an intervention in 2016 targeting the interlinked challenge of opium cultivation, poverty and transnational organized crime and supported these at-risk communities in Houaphanh province. The intervention aimed to disrupt the opium poppy economy by introducing coffee production as a licit income alternative. As part of this continued effort, the project aims to build sustainable structures that will enable (former) opium-growing communities in Houaphanh province to capture more control in the value chain by independently processing and exporting high-quality coffee as an alternative to opium cultivation. The structures will strengthen the cooperatives which will in turn be crucial for the farmers to gain access to markets and to process their coffee beans as per market requirements. The project will also build the required capacities of these farmers to manage the cooperative and take increasingly independent ownership of the organization. The Project will follow the principles of human rights and takes into account the needs of the local communities and the channel to voice concerns regarding the project implementation. The objective of the project is to provide livelihoods to the communities and lift them out from poverty and strengthen the accessibility of the project benefits and services. The

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project intends to have stakeholder engagement throughout the project cycle which will take all stakeholder considerations into account and will also have a project specific grievance redressal mechanism (GRM).

Briefly describe in the space below how the project is likely to improve gender equality and women's empowerment

The scope of the project has aim to improve the well-being of the women in the targeted communities by providing them a source of income through coffee plantation and processing. The project directly supports 383 families from opium-growing communities who are in the process of switching to coffee. The support under this project will enable the community members including the women members within these communities with sustainable community development and self-organization. During the development of the project, women were consulted and their needs were taken into account from the project design stage. The project will ensure that gender mainstreaming is integrated into all its components. The project will encourage and respect equal participation from female and male participants and relevant stakeholders in all phases of the project activities.

Briefly describe in the space below how the project mainstreams sustainability and resilience

The project aims to provide trainings to the local communities to be involved in the coffee plantation and production. This reduces the vulnerabilities and strengthens the resilience of the local communities. Moreover, the land of the construction site for the structure is sitting on a plateau that has a risk of soil erosion and the project will invest in mitigation measures to ensure that the site is resilient to disaster. The project will contribute towards improving the livelihoods of the communities in Huaphan province through the arrangement of the coffee cooperatives and the provision of facilities for the Vanmai Cooperatives to access the market and conduct the processing of coffee, thus creating better resilience and response to issues faced by poor and vulnerable local communities.

Briefly describe in the space below how the project strengthens accountability to stakeholders

The project envisages participatory approach by stakeholder engagement throughout the project cycle. The stakeholder engagement plan will be prepared during the project preparation phase. The project will also have a project specific GRM. The project team will ensure that the GRM is publicly accessible and that all grievances are addressed in a timely and acceptable manner in line with the UNDP SES.

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Part B. Identifying and Managing Social and Environmental Risks

QUESTION 2: What are the Potential Social and Environmental Risks? *Note: Complete SESP Attachment 1 before responding to Question 2.*	**QUESTION 3: What is the level of significance of the potential social and environmental risks?** *Note: Respond to Questions 4 and 5below before proceeding to Question 5*			**QUESTION 6: Describe the assessment and management measures for each risk rated Moderate, Substantial or High**
Risk Description (broken down by event, cause, impact)	***Impact and Likelihood (1-5)***	***Significance (Low, Moderate Substantial, High)***	***Comments (optional)***	***Description of assessment and management measures for risks rated as Moderate, Substantial or High***
Risk 1: Due to the presence of the construction work, there are a potential of having construction staff and workers working in the area (predominately male-dominant field), which might lead to sexual abuse of the local population. This will put the women and girls at risk of gender-based violence. **P. 12**	I = 3 L = 2	Moderate		The monitoring plan will include oversight on the project site to ensure that there are no incidence of gender-related GBV and also to conduct advocacy work at the site on zero tolerance to GBV. Moreover, the clause on the prevention of sexual harassment and sexual abuse will be mentioned in the procurement clause and in the contract to ensure that the contractors and the appropriate policies on this issue. The procurement team will communicate to the contractor to develop the code of conduct on the GBV which includes the training of their staff on the GBV risks and mitigation measures. A grievances redress mechanism will also be established internally in their team and communicated to all staff. This information will also be disseminated to the local communities.

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Risk 2: there will be a significant agricultural production in the area in relation to coffee plantations which will be managed by the local households who are a part of the cooperatives under the project activities. The project might have an impact to the local biodiversity conservation. **S 1.9**	I = 3 L = 1	Low		The plantation will be done in the farming areas of the families who are participating in the coffee cooperatives. The plantation will not be in conservation areas or go beyond the agricultural farmlands of the beneficiaries.
Risk 3: the construction site is situated on a plateau and potential landslides might occur. As a consequence, the buildings might be damaged. **P. 2.1**	I= 3 L= 4	Moderate		The project reserves some budget for the installation of erosion protection structures to mitigate the impact of this risk. The structure will cover the base of the plateau around the premise. A Landslide Risk Assessment will be undertaken by a qualified consultant to ensure adequate mitigation of the potential risks. The assessment will be conducted prior to the construction activities.
Risk 4: the project will involve the construction of the warehouse and a coffee shop and this will temporarily create noise, air pollution and physical hazards at the construction site. **P. 3.1, 3.2**	I= 3 L= 3	Moderate		The project site is situated in a distance from the local community, and therefore, noise pollution will not be a major issue. To minimize the impact on noise, the construction site will arrange a curfew in the evening and nighttime to avoid disturbances to the local communities. The procurement process will ensure that the construction companies will have a policy on health and safety in place in order to minimize accidents related to physical hazards. The Occupational Health and Safety Management Plan will be developed by the selected contractor and will be approved by the UNDP personnel prior to the construction. This Plan will take into consideration aspects related to the movement of vehicles,

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				dust emissions, water sprinkling activities, tarpaulin covered vehicles, traffic management , working hours planning and other essential topics for the construction site management.
Risk 5: there is a potential risk to the occupational health and safety of the workers and the nearby communities due to the nature of the construction works that involves working from heights (scaffolding), moving heavy objects and working with machineries. The impact can lead to death or injuries. Moreover, harm or losses might occur due to the failure of the structural integrity after the completion of the construction. **P. 7.6; 3.3, 3.5, 71., 7.2**	I= 3 L= 4	Moderate		There will be a clause mentioned on the contract for the construction contractors to ensure that they have the occupational health and safety procedures in place before the commencement of the work. Moreover, the project will hire an engineer consultant will do the oversight of the project implementation and the occupational health and safety will be one of the items to be frequently checked and monitored. The assessment and management plans to be developed by the contractor and approved by UNDP prior to the construction activities are: 1. Occupational Health and Safety Management Plan 2. Emergency Preparedness and Response Plan 3. Contract Labour Management Plan 4. Hazard Identification and Risk Assessment (HIRA) After the completion of the construction, an individual consultant should inspect the integrity of the structure to ensure the safety of building structure which is to be subsequently reviewed and approved by UNDP.
Risk 6: due to the prevalence of child labour in some households in the local communities, there is a risk that this might happen at the project site through the contractors.	I = 4 L = 2	Moderate		There will be a clause mentioned on the contract for the construction contractors to ensure that they have the policy on child labour in place before the commencement of the work. Moreover, the contractor should be briefed and expected to

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				have the following arrangements in place before the construction activities: 1. All staff have their age verified through Identity Cards or family book 2. Staff records are on site and ready for inspection. 3. Staff bank account details or wages details are recorded and maintained
Risk 7: there is a risk to the rights holders in claiming their rights due to the absence of the grievances redress mechanism and community engagement activities. **P.3, S 3.8**	I = 3 L = 1	Low		The project will establish the grievances redress mechanism and ensure that the nearby communities, staff and contractors are aware of this. In addition, the security guards stationed onsite would be provided behavioural training by the Contractor on communicating with local community and workforce members in case of any grievances.
Risk 8: women may be excluded from participating in the workforce in the construction activities by the contractor due to discrimination. **P. 10**	I = 3 L = 1	Low		The contractors will be briefed that the recruitment of the local workforce in construction activities should encourage women to apply and that the selection process should be fair and not based on gender discrimination.
Risk 9: risk of waterborne and vector-borne diseases might occur due to the set up of the temporary accommodation of the workers, which will cause sewage and kitchen waste near the accommodation area to have limited outlets. **S 3.4, S 3.7, S 8.1**	I = 3 L = 1	Low		It is anticipated that the Contractors would source local community members as part of their workforce during construction phase. Most of the workforce would commute from their area of residence to the project site. However, if in case workers would be sourced from outside the local communities, then the Contractor will inform the Project management team of the same and will provide information on worker accommodation include details pertaining to sanitation and kitchen including waste management process to be adopted prior to construction activities.

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	QUESTION 4: What is the overall project risk categorization?				
	Low Risk	☐			
	Moderate Risk	X			
	Substantial Risk	☐			
	High Risk	☐			
	QUESTION 5: Based on the identified risks and risk categorization, what requirements of the SES are triggered? (check all that apply)				
	Question only required for Moderate, Substantial and High Risk projects				
	Is assessment required? (check if "yes")	☐			***Status? (completed, planned)***
	if yes, indicate overall type and status		X	Targeted assessment(s)	Planning to conduct the following assessment: 1. Landslide Risk Assessment 2. Hazard Identification and Risk Assessment (HIRA)
			☐	ESIA (Environmental and Social Impact Assessment)	
			☐	SESA (Strategic Environmental and	

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				Social Assessment)	
	Are management plans required? (check if "yes)	☐			
	If yes, indicate overall type		☐	Targeted management plans (e.g. Gender Action Plan, Emergency Response Plan, Waste Management Plan, others)	Planning to develop the following management plan: 1. OHS Management Plan, 2. Emergency Preparedness and Response Plan, 3. Waste Management Plan, 4. Contract Labour Management Plan, 5. Code of Conduct (to include aspects pertaining to GBV related mitigation measures), 6. Worker Accommodation Plan (if required), 7. Stakeholder

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					Engagement Plan, 8. Grievance Redress Mechanism, 9. Landslide Management Plan, 10. Traffic Management Plan In addition, clauses would be included within the Contractor Agreement relating to Chance Find and its measures, in case it occurs during construction phase. Further, security guards would receive behavioural trainings as part of their induction to the site by the Contractor (clause would be added in the Contractor Agreement) to ensure their roles and responsibilities are adequately defined and

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					communicated to them.

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			☐	ESMP (Environmental and Social Management Plan which may include range of targeted plans)	
			☐	ESMF (Environmental and Social Management Framework)	
	Based on identified <u>risks</u>, which Principles/Project-level Standards triggered?		**Comments (not required)**		
	Overarching Principle: Leave No One Behind				
	Human Rights	**x**			
	Gender Equality and Women's Empowerment	**x**			
	Accountability	**x**			
	1. Biodiversity Conservation and Sustainable Natural Resource Management	**x**			
	2. Climate Change and Disaster Risks	**x**			
	3. Community Health, Safety and Security	**x**			
	4. Cultural Heritage	☐			
	5. Displacement and Resettlement	☐			
	6. Indigenous Peoples	☐			
	7. Labour and Working Conditions	**x**			
	8. Pollution Prevention and Resource Efficiency	**x**			

Final Sign Off

Final Screening at the design-stage is not complete until the following signatures are included

Signature	***Date***	***Description***
QA Assessor		UNDP staff member responsible for the project, typically a UNDP Programme Officer. Final signature confirms they have "checked" to ensure that the SESP is adequately conducted.

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QA Approver		UNDP senior manager, typically the UNDP Deputy Country Director (DCD), Country Director (CD), Deputy Resident Representative (DRR), or Resident Representative (RR). The QA Approver cannot also be the QA Assessor. Final signature confirms they have "cleared" the SESP prior to submittal to the PAC.
PAC Chair		UNDP chair of the PAC. In some cases PAC Chair may also be the QA Approver. Final signature confirms that the SESP was considered as part of the project appraisal and considered in recommendations of the PAC.

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Checklist Potential Social and Environmental Risks	
INSTRUCTIONS: The risk screening checklist will assist in answering Questions 2-6 of the Screening Template. Answers to the checklist questions help to (1) identify potential risks, (2) determine the overall risk categorization of the project, and (3) determine required level of assessment and management measures. Refer to the SES toolkit for further guidance on addressing screening questions.	
Overarching Principle: Leave No One Behind **Human Rights**	**Answer (Yes/No)**
P.1 Have local communities or individuals raised human rights concerns regarding the project (e.g. during the stakeholder engagement process, grievance processes, public statements)?	No
P.2 Is there a risk that duty-bearers (e.g. government agencies) do not have the capacity to meet their obligations in the project?	No
P.3 Is there a risk that rights-holders (e.g. project-affected persons) do not have the capacity to claim their rights?	Yes
Would the project potentially involve or lead to:	
P.4 adverse impacts on the enjoyment of the human rights (civil, political, economic, social, or cultural) of the affected population and particularly of marginalized groups?	No
P.5 inequitable or discriminatory impacts on affected populations, particularly people living in poverty or marginalized or excluded individuals or groups, including persons with disabilities? [16]	No
P.6 restrictions in availability, quality of and/or access to resources or basic services, in particular to marginalized individuals or groups, including persons with disabilities?	No
P.7 exacerbation of conflicts among and/or the risk of violence to project-affected communities and individuals?	No
Gender Equality and Women's Empowerment	
P.8 Have women's groups/leaders raised gender equality concerns regarding the project, (e.g. during the stakeholder engagement process, grievance processes, public statements)?	No
Would the project potentially involve or lead to:	

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P.9	adverse impacts on gender equality and/or the situation of women and girls?	No
P.10	reproducing discriminations against women based on gender, especially regarding participation in design and implementation or access to opportunities and benefits?	Yes
P.11	limitations on women's ability to use, develop and protect natural resources, taking into account different roles and positions of women and men in accessing environmental goods and services? *For example, activities that could lead to natural resources degradation or depletion in communities who depend on these resources for their livelihoods and well being*	No
P.12	exacerbation of risks of gender-based violence? *For example, through the influx of workers to a community, changes in community and household power dynamics, increased exposure to unsafe public places and/or transport, etc*.	Yes

[16] *Prohibited grounds of discrimination include race, ethnicity, sex, age, language, disability, sexual orientation, gender identity, religion, political or other opinion, national or social or geographical origin, property, birth or other status including as an indigenous person or as a member of a minority. References to "women and men" or similar is understood to include women and men, boys and girls, and other groups discriminated against based on their gender identities, such as transgender and transsexual people.*

Sustainability and Resilience: Screening questions regarding risks associated with sustainability and resilience are encompassed by the Standard-specific questions below		
Accountability		
Would the project potentially involve or lead to:		
P.13	exclusion of any potentially affected stakeholders, in particular marginalized groups and excluded individuals (including persons with disabilities), from fully participating in decisions that may affect them?	No
P.14	grievances or objections from potentially affected stakeholders?	Yes
P.15	risks of retaliation or reprisals against stakeholders who express concerns or grievances, or who seek to participate in or to obtain information on the project?	No
Project-Level Standards		
Standard 1: Biodiversity Conservation and Sustainable Natural Resource Management		

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Would the project potentially involve or lead to:		
1.1	adverse impacts to habitats (e.g. modified, natural, and critical habitats) and/or ecosystems and ecosystem services? *For example, through habitat loss, conversion or degradation, fragmentation, hydrological changes*	No
1.2	activities within or adjacent to critical habitats and/or environmentally sensitive areas, including (but not limited to) legally protected areas (e.g. nature reserve, national park), areas proposed for protection, or recognized as such by authoritative sources and/or indigenous peoples or local communities?	No
1.3	changes to the use of lands and resources that may have adverse impacts on habitats, ecosystems, and/or livelihoods? (Note: if restrictions and/or limitations of access to lands would apply, refer to Standard 5)	No
1.4	risks to endangered species (e.g. reduction, encroachment on habitat)?	No
1.5	exacerbation of illegal wildlife trade?	No
1.6	introduction of invasive alien species?	No
1.7	adverse impacts on soils?	No
1.8	harvesting of natural forests, plantation development, or reforestation?	No
1.9	significant agricultural production?	Yes
1.10	animal husbandry or harvesting of fish populations or other aquatic species?	No
1.11	significant extraction, diversion or containment of surface or ground water? *For example, construction of dams, reservoirs, river basin developments, groundwater extraction*	No
1.12	handling or utilization of genetically modified organisms/living modified organisms?[17]	No
1.13	utilization of genetic resources? (e.g. collection and/or harvesting, commercial development)[18]	No
1.14	adverse transboundary or global environmental concerns?	No
Standard 2: Climate Change and Disaster Risks		
Would the project potentially involve or lead to:		
2.1	areas subject to hazards such as earthquakes, floods, landslides, severe winds, storm surges, tsunami or volcanic eruptions?	Yes
2.2	outputs and outcomes sensitive or vulnerable to potential impacts of climate change or disasters? *For example, through increased precipitation, drought, temperature, salinity, extreme events, earthquakes*	No

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2.3	increases in vulnerability to climate change impacts or disaster risks now or in the future (also known as maladaptive or negative coping practices)? *For example, changes to land use planning may encourage further development of floodplains, potentially increasing the population's vulnerability to climate change, specifically flooding*	No
2.4	increases of greenhouse gas emissions, black carbon emissions or other drivers of climate change?	No
Standard 3: Community Health, Safety and Security		
Would the project potentially involve or lead to:		
3.1	construction and/or infrastructure development (e.g. roads, buildings, dams)? (Note: the GEF does not finance projects that would involve the construction or rehabilitation of large or complex dams)	Yes
3.2	air pollution, noise, vibration, traffic, injuries, physical hazards, poor surface water quality due to runoff, erosion, sanitation?	Yes
3.3	harm or losses due to failure of structural elements of the project (e.g. collapse of buildings or infrastructure)?	Yes
3.4	risks of water-borne or other vector-borne diseases (e.g. temporary breeding habitats), communicable and noncommunicable diseases, nutritional disorders, mental health?	Yes
3.5	transport, storage, and use and/or disposal of hazardous or dangerous materials (e.g. explosives, fuel and other chemicals during construction and operation)?	Yes
3.6	adverse impacts on ecosystems and ecosystem services relevant to communities' health (e.g. food, surface water purification, natural buffers from flooding)?	No
3.7	influx of project workers to project areas?	Yes
3.8	engagement of security personnel to protect facilities and property or to support project activities?	Yes
Standard 4: Cultural Heritage		
Would the project potentially involve or lead to:		
4.1	activities adjacent to or within a Cultural Heritage site?	No
4.2	significant excavations, demolitions, movement of earth, flooding or other environmental changes?	No

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4.3	adverse impacts to sites, structures, or objects with historical, cultural, artistic, traditional or religious values or intangible forms of culture (e.g. knowledge, innovations, practices)? (Note: projects intended to protect and conserve Cultural Heritage may also have inadvertent adverse impacts)	No
4.4	alterations to landscapes and natural features with cultural significance?	No
4.5	utilization of tangible and/or intangible forms (e.g. practices, traditional knowledge) of Cultural Heritage for commercial or other purposes?	No
Standard 5: Displacement and Resettlement		
Would the project potentially involve or lead to:		
5.1	temporary or permanent and full or partial physical displacement (including people without legally recognizable claims to land)?	No
5.2	economic displacement (e.g. loss of assets or access to resources due to land acquisition or access restrictions – even in the absence of physical relocation)?	No
5.3	risk of forced evictions?19	No
5.4	impacts on or changes to land tenure arrangements and/or community based property rights/customary rights to land, territories and/or resources?	No
Standard 6: Indigenous Peoples		
Would the project potentially involve or lead to:		
6.1	areas where indigenous peoples are present (including project area of influence)?	No
6.2	activities located on lands and territories claimed by indigenous peoples?	No
6.3	impacts (positive or negative) to the human rights, lands, natural resources, territories, and traditional livelihoods of indigenous peoples (regardless of whether indigenous peoples possess the legal titles to such areas, whether the project is located within or outside of the lands and territories inhabited by the affected peoples, or whether the indigenous peoples are recognized as indigenous peoples by the country in question)? If the answer to screening question 6.3 is "yes", then Standard 6 requirements apply, and the potential significance of risks related to impacts on indigenous peoples must be Moderate or above. *	No
6.4	the absence of culturally appropriate consultations carried out with the objective of achieving FPIC on matters that may affect the rights and interests, lands, resources, territories and traditional livelihoods of the indigenous peoples concerned?	No

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6.5	the utilization and/or commercial development of natural resources on lands and territories claimed by indigenous peoples?	No
6.6	forced eviction or the whole or partial physical or economic displacement of indigenous peoples, including through access restrictions to lands, territories, and resources? Consider, and where appropriate ensure, consistency with the answers under Standard 5 above	No
6.7	adverse impacts on the development priorities of indigenous peoples as defined by them?	No
6.8	risks to the physical and cultural survival of indigenous peoples?	No
6.9	impacts on the Cultural Heritage of indigenous peoples, including through the commercialization or use of their traditional knowledge and practices? Consider, and where appropriate ensure, consistency with the answers under Standard 4 above.	No
Standard 7: Labour and Working Conditions		
Would the project potentially involve or lead to: (note: applies to project and contractor workers)		
7.1	working conditions that do not meet national labour laws and international commitments?	Yes
7.2	working conditions that may deny freedom of association and collective bargaining?	No
7.3	use of child labour?	Yes
7.4	use of forced labour?	No
7.5	discriminatory working conditions and/or lack of equal opportunity?	Yes
7.6	occupational health and safety risks due to physical, chemical, biological and psychosocial hazards (including violence and harassment) throughout the project life-cycle?	Yes
Standard 8: Pollution Prevention and Resource Efficiency		
Would the project potentially involve or lead to:		
8.1	the release of pollutants to the environment due to routine or non-routine circumstances with the potential for adverse local, regional, and/or transboundary impacts?	Yes
8.2	the generation of waste (both hazardous and non-hazardous)?	Yes

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8.3	the manufacture, trade, release, and/or use of hazardous materials and/or chemicals?	No
8.4	the use of chemicals or materials subject to international bans or phase-outs? For example, DDT, PCBs and other chemicals listed in international conventions such as the Montreal Protocol, Minamata Convention, Basel Convention, Rotterdam Convention, Stockholm Convention	No
8.5	the application of pesticides that may have a negative effect on the environment or human health?	No
8.6	significant consumption of raw materials, energy, and/or water?	No

[17] *See the Convention on Biological Diversity and its Cartagena Protocol on Biosafety.*

[18] *See the Convention on Biological Diversity and its Nagoya Protocol on access and benefit sharing from use of genetic resources.*

[19] Forced eviction is defined here as the permanent or temporary removal against their will of individuals, families or communities from the homes and/or land which they occupy, without the provision of, and access to, appropriate forms of legal or other protection. Forced evictions constitute gross violations of a range of internationally recognized human rights.

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3. Risk Analysis

#	Event	Cause	Impact(s)	Risk Category and Sub-category (including Risk Appetite)	Impact, Likelihood & Risk Level	Risk valid to/from	Risk Owner (individual accountable for managing the risk)	Risk Treatment and Treatment Owner
1	There is a risk that there will be no qualified bidders	As a result of the limited reach of the advertisement	Which will result in the delay of the construction	4. ORGANIZATIONAL (4.9. Procurement) - UNDP Risk Appetite: EXPLORATORY TO OPEN	Likelihood: 2 - Low likelihood Impact: 4 - Extensive Risk level: MODERATE (equates to a risk appetite of EXPLORATORY)	From: 01-Feb-25 To: 31-Jul-25	UNDP, Programme Analyst	Risk Treatment 1.1: reaching out to the National Construction Association to inform them about this tender opportunity. Risk Treatment Owner: UNDP Procurement team
2	There is a risk that the Contractor selected through the public procurement mechanism fails to achieve the value-for-money objective.	As a result of the ambiguity in the advertised scope of work and poor management of contractors	Which will impact possible cost overrun	2. FINANCIAL (2.2. Value for money) - UNDP Risk Appetite: MINIMAL TO CAUTIOUS	Likelihood:4 - Highly likely Impact: 4 - Extensive Risk level: SUBSTANTIAL (equates to a risk appetite of OPEN)	From: 01-Feb-25 To: 31-Jul-25	UNDP, Programme Analyst	Risk Treatment 2.1: High-quality Bill of Quality (BoQ) and design drawings. The BoQ and design drawings have been finalized and are clear and comprehensive, which ought to leave no room for the selected contractor/bidder's personal interpretation. Should there be any questions or confusion, UNDP will ensure that the selected contractor/bidder

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#	Event	Cause	Impact(s)	Risk Category and Sub-category (including Risk Appetite)	Impact, Likelihood & Risk Level	Risk valid to/from	Risk Owner (individual accountable for managing the risk)	Risk Treatment and Treatment Owner
								raises the matters to UNDP and UNODC in a timely manner. Risk Treatment Owner: UNDP Procurement Unit
						From: 15-Mar-25 To: 31-Jul-25		Risk Treatment 2.2: Bidders to propose a detailed sequence of activities. UNDP will conduct a risk assessment of potential contractors prior to contracting (e.g., due diligence and post-qualification procedures). Risk Treatment Owner: UNDP Procurement Unit
						From: 15-Mar-25 To: 31-Jul-25		Risk Treatment 2.3: Risk assessment of potential contractors/bidders. UNDP will conduct a risk assessment of potential contractors prior to contracting (e.g., due diligence

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#	Event	Cause	Impact(s)	Risk Category and Sub-category (including Risk Appetite)	Impact, Likelihood & Risk Level	Risk valid to/from	Risk Owner (individual accountable for managing the risk)	Risk Treatment and Treatment Owner
								and post-qualification procedures). Risk Treatment Owner: UNDP Procurement Unit
						From: 01-April-25 To: 31-Jul-25	UNDP, Programme Analyst	Risk Treatment 2.4: Performance assurance. The selected contractor will be required to submit a performance bond or a. In addition, retention money mechanism (percentage in accordance with UNDP rules and regulations) will be withheld from each payment. Risk Treatment Owner: UNDP Procurement Unit
						From: 01-April-25 To: 31-Dec-25	UNDP, Programme Analyst	Risk Treatment 2.5: Safeguard Payment. The selected Contractor will receive payments based on the verification and certification of

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#	Event	Cause	Impact(s)	Risk Category and Sub-category (including Risk Appetite)	Impact, Likelihood & Risk Level	Risk valid to/from	Risk Owner (individual accountable for managing the risk)	Risk Treatment and Treatment Owner
								the engineer of work conducted. Poor quality deliverables will be rejected, and payment will be withheld until quality deliverables are submitted. Risk Treatment Owner: UNDP Procurement Unit
						From: 01-Feb-25 To: 31-Dec-25	UNDP, Programme Analyst	Risk Treatment 2.6: Monitoring by an independent engineer. An independent engineer will be recruited by UNDP to provide continuous monitoring of the construction to ensure the quality and timely progress of the project. The engineer will sign a Declaration of Impartiality and Confidentiality. They will evaluate work in progress and will provide monthly progress reports of the

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#	Event	Cause	Impact(s)	Risk Category and Sub-category (including Risk Appetite)	Impact, Likelihood & Risk Level	Risk valid to/from	Risk Owner (individual accountable for managing the risk)	Risk Treatment and Treatment Owner
								construction project to UNDP and UNODC. Risk Treatment Owner: UNDP Procurement Unit
						From: 01-Feb-25 To: 31-Dec-25	UNDP, Programme Analyst	Risk Treatment 2.7: Joint inspection mission. UNODC requesting unit, in joint missions with UNDP, will also conduct site visit checks to monitor progress and verify the quality of performance and results. Risk Treatment Owner: UNDP Procurement Unit
3	There is a risk that there is a delay in the construction	As a result of unforeseen issues that impact the timeline of the implementation	Which will impact the timeliness of the project closure	3. OPERATIONAL (3.6. Transition and exit strategy) - UNDP Risk Appetite: EXPLORATORY TO OPEN	Likelihood:3 - Moderately likely Impact: 3 - Intermediate	From: 12-December-24 To: 31-Dec-25	UNDP, Programme Analyst	Risk Treatment 3.1: add the additional time, if unavoidable. The duration of the construction is estimated to be completed within eight (08) months. However, additional four (04) months will be reserved in case there is a halt due

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#	Event	Cause	Impact(s)	Risk Category and Sub-category (including Risk Appetite)	Impact, Likelihood & Risk Level	Risk valid to/from	Risk Owner (individual accountable for managing the risk)	Risk Treatment and Treatment Owner
					Risk level:MODERATE (equates to a risk appetite of EXPLORATORY)			to unforeseen circumstances. However, it should be emphasized that the contract between UNDP and the selected contractor/bidder should clearly define the duration of the construction. Risk Treatment Owner: UNDP Procurement Unit
4	There is a risk that there will be a cost overrun	As a result of the delay in the construction and fluctuation of prices of raw materials	Which will impact in more resources required to reach the desired results	2. FINANCIAL (2.4. Fluctuation in credit rate, market, currency) - UNDP Risk Appetite: MINIMAL TO CAUTIOUS	Likelihood: 2 - Low likelihood Impact: 4 - Extensive Risk level: MODERATE (equates to a risk appetite of EXPLORATORY)	From: 15-December-24 To: 30-Jun-25	UNDP, Programme Analyst	Risk Treatment 4.1: No designs errors with accurate cost estimates. The construction designs and the BoQ were prepared by an independent construction design consultant who has an extensive experience in this area. The BoQ will be used as a basis to evaluate whether financial offers from bidders are

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#	Event	Cause	Impact(s)	Risk Category and Sub-category (including Risk Appetite)	Impact, Likelihood & Risk Level	Risk valid to/from	Risk Owner (individual accountable for managing the risk)	Risk Treatment and Treatment Owner
								reasonable and in accordance with market prices. While the BoQ is per market research and price as of September 2021, calculations were made in USD dollar currency and thus, costs should not be affected by the local inflation rates. Risk Treatment Owner: UNDP Procurement Unit
						From: 15-December-24 To: 31-Dec-25		Risk Treatment 4.2: Stable market. There has never been a shortage of raw materials for construction in Lao PDR due to ongoing border trades. A high-speed railway connecting Laos and China, which was launched on 03 December 2021, has also led to reduced

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#	Event	Cause	Impact(s)	Risk Category and Sub-category (including Risk Appetite)	Impact, Likelihood & Risk Level	Risk valid to/from	Risk Owner (individual accountable for managing the risk)	Risk Treatment and Treatment Owner
								shipment costs of materials imports from China. Risk Treatment Owner: UNDP Procurement Unit
						From: 01-April-24 To: 31-Jul-25		Risk Treatment 4.3: Reliable contractor with safety and health programme. A risk assessment of the selected contractor/bidder will be conducted by UNDP prior to the contract award. Below ISO should be considered, if applicable: 1. ISO 9001:2015 Certification for Quality Management System 2. ISO 14001: 2015 Certification for Environmental Management System

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#	Event	Cause	Impact(s)	Risk Category and Sub-category (including Risk Appetite)	Impact, Likelihood & Risk Level	Risk valid to/from	Risk Owner (individual accountable for managing the risk)	Risk Treatment and Treatment Owner
								3. ISO 45001: 2018 Occupational Health and Safety Management Standard Risk Treatment Owner: UNDP Procurement Unit
						From: 01-April-25 To: 31-Jul-25	UNDP, Programme Analyst	Risk Treatment 4.4: Risk management from the contractor's side. The selected bidder/contractor is required to prepare a risk management and mitigation plan for discussion with UNDP and UNODC on how best to mitigate/ minimize the risks prior to the contract start date. After the work starts, the selected bidder/contractor is required to submit a monthly progress report and risk report to UNDP and UNODC in order to provide risk

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#	Event	Cause	Impact(s)	Risk Category and Sub-category (including Risk Appetite)	Impact, Likelihood & Risk Level	Risk valid to/from	Risk Owner (individual accountable for managing the risk)	Risk Treatment and Treatment Owner
								management and quality control to minimize all deviations. Risk Treatment Owner: UNDP Procurement Unit
						From: 15-December-24 To: 31-Dec-25	UNDP, Programme Analyst	Risk Treatment 4.5: Effective coordination and communication. A team of focal points (the contractor, UNDP, and UNODC) will be formed to ensure effective coordination and communication. This includes prompt resolution of queries and issues. Risk Treatment Owner: UNDP Procurement Unit
						From: 01-May-25 To: 31-Dec-25	UNDP, Programme Analyst	Risk Treatment 4.6: Payment, monthly progress report, and joint mission inspection. The selected Contractor will receive payments based on the

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#	Event	Cause	Impact(s)	Risk Category and Sub-category (including Risk Appetite)	Impact, Likelihood & Risk Level	Risk valid to/from	Risk Owner (individual accountable for managing the risk)	Risk Treatment and Treatment Owner
								verification and certification of the engineer of work conducted. Verification and certification will be conducted on the contractor's requests and in accordance with the contractor's plan of activities and financial proposal. Although it is the responsibility of the selected bidder/contractor to financially manage their project based on their financial proposal, the monthly progress and risk reports by the UNDP-hired engineer consultant, as well as the UNODC/UNDP joint site inspection missions, will be beneficial in identifying and minimizing cost and time overruns. Time and cost deviations, if any, must be well documented,

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#	Event	Cause	Impact(s)	Risk Category and Sub-category (including Risk Appetite)	Impact, Likelihood & Risk Level	Risk valid to/from	Risk Owner (individual accountable for managing the risk)	Risk Treatment and Treatment Owner
								justified and agreed upon by all parties, i.e., the selected bidder/contractor, UNDP, and UNODC. Risk Treatment Owner: UNDP Procurement Unit
						From: 15-December-25 To: 31-Dec-25	UNDP, Programme Analyst	Risk Treatment 4.7: Contingency. A 10% contingency has already been incorporated in the budget to support unavoidable deviations. It should be emphasized that the scope of this project is fixed, and no changes are allowed. Risk Treatment Owner: UNDP Procurement Unit
5	There is a risk that legal disputes might happen	As a result of a breach or disagreement in contract terms	Which will incur the financial and reputational loss to UNDP	5. REPUTATIONAL (5.5. Stakeholder management) -	Likelihood: 1 - Not likely Impact:	From: 01-December-24 To: 31-Dec-25	UNDP, Programme Analyst	Risk Treatment 5.1: The binding contract for the construction of the infrastructures will be between UNDP and the selected

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#	Event	Cause	Impact(s)	Risk Category and Sub-category (including Risk Appetite)	Impact, Likelihood & Risk Level	Risk valid to/from	Risk Owner (individual accountable for managing the risk)	Risk Treatment and Treatment Owner
				UNDP Risk Appetite: CAUTIOUS	3 - Intermediate Risk level: LOW (equates to a risk appetite of CAUTIOUS)			bidder/contractor. Therefore, UNDP will be responsible for handling all legal disputes and matters arise from this project unless otherwise agreed in the Project Agreement. Risk Treatment Owner: UNDP Procurement Unit
6	SES Risk 1: there is a potential of having construction staff and workers working in the area (predominately male-dominant field), which might lead to sexual abuse of the local population. P. 12	due to the presence of the construction work	This will put the women and girls at risk of gender-based violence.	1. SOCIAL AND ENVIRONMENTAL (1.2. Gender equality and women's empowerment) - UNDP Risk Appetite: CAUTIOUS	Likelihood: 2 - Low likelihood Impact: 3 - Intermediate Risk level: MODERATE (equates to a risk appetite of EXPLORATORY)	From: 01-December-24 To: 31-Dec-25	UNDP, Programme Analyst	The monitoring plan will include oversight on the project site to ensure that there are no incidence of gender-related GBV and also to conduct advocacy work at the site on zero tolerance to GBV. Moreover, the clause on the prevention of sexual harassment and sexual abuse will be mentioned in the procurement

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#	Event	Cause	Impact(s)	Risk Category and Sub-category (including Risk Appetite)	Impact, Likelihood & Risk Level	Risk valid to/from	Risk Owner (individual accountable for managing the risk)	Risk Treatment and Treatment Owner
								clause and in the contract to ensure that the contractors and the appropriate policies on this issue. Risk Treatment Owner: UNDP Procurement team
7	SES Risk 2: there will be a significant agricultural production in the area in relation to coffee plantations which will be managed by the local households who are a part of the cooperatives under the project activities.	The cause is due to the plantation of the coffee	The impact is on the biodiversity conservation of the forestry area in the target districts	1. SOCIAL AND ENVIRONMENTAL (1.4. Biodiversity conservation and sustainable natural resource management) - UNDP Risk Appetite: CAUTIOUS	Likelihood: 1 - Not likely Impact: 3 - Intermediate Risk level: LOW (equates to a risk appetite of CAUTIOUS)	From: 01-December-24 To: 31-Dec-25	UNDP, Programme Analyst	The plantation will be done in the farming areas of the families who are participating in the coffee cooperatives. The plantation will not be in conservation areas or go beyond the agricultural farmlands of the beneficiaries. Risk Treatment Owner: UNDP Procurement team

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#	Event	Cause	Impact(s)	Risk Category and Sub-category (including Risk Appetite)	Impact, Likelihood & Risk Level	Risk valid to/from	Risk Owner (individual accountable for managing the risk)	Risk Treatment and Treatment Owner
	The project might have an impact to the local biodiversity conservation. S 1.9							
8	SES Risk 3: the construction site is situated on a plateau and potential landslides might occur. As a consequence, the buildings might be damaged. P. 2.1	The construction site is on the plateau	Loss to the properties and lives of the people who will be using the building	1. SOCIAL AND ENVIRONMENTAL (1.5. Climate change and disaster risks) - UNDP Risk Appetite: CAUTIOUS	Likelihood: 3 - Moderately likely Impact: 4 - Extensive Risk level: MODERATE (equates to a risk appetite of EXPLORATORY)	From: 01-December-24 To: 31-Dec-25	UNDP, Programme Analyst	The project reserves some budget for the installation of erosion protection structures to mitigate the impact of this risk. The structure will cover the base of the plateau around the premise. A Landslide Risk Assessment will be undertaken by a qualified consultant to ensure adequate mitigation of the potential risks. The assessment will be conducted prior to the construction activities.

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#	Event	Cause	Impact(s)	Risk Category and Sub-category (including Risk Appetite)	Impact, Likelihood & Risk Level	Risk valid to/from	Risk Owner (individual accountable for managing the risk)	Risk Treatment and Treatment Owner
								Risk Treatment Owner: UNDP Procurement team
9	SES Risk 4: the project will involve the construction of the warehouse and a coffee shop and this will temporarily create noise, air pollution and physical hazards at the construction site. P. 3.1, 3.2	Due to the presence of the construction activities	this might impact the health and safety of the local communities during the construction	1. SOCIAL AND ENVIRONMENTAL (1.11. Pollution prevention and resource efficiency) - UNDP Risk Appetite: CAUTIOUS	Likelihood: 3 - Moderately likely Impact: 3 - Intermediate Risk level: MODERATE (equates to a risk appetite of EXPLORATORY)	From: 01-April-25 To: 31-Dec-25	UNDP, Programme Analyst	The project site is situated in a distance from the local community, and therefore, noise pollution will not be a major issue. To minimize the impact on noise, the construction site will arrange a curfew in the evening and nighttime to avoid disturbances to the local communities. The procurement process will ensure that the construction companies will have a policy on health and safety in place in order to minimize accidents related to physical hazards in accordance with UNDP contract modalities.

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#	Event	Cause	Impact(s)	Risk Category and Sub-category (including Risk Appetite)	Impact, Likelihood & Risk Level	Risk valid to/from	Risk Owner (individual accountable for managing the risk)	Risk Treatment and Treatment Owner
								Risk Treatment Owner: UNDP Procurement team
10	SES Risk 5: there is a potential risk to the occupational health and safety of the staff and the nearby communities due to the nature of the construction works that involves working from heights (scaffolding), and working with machineries. The impact can lead to death or injuries. Moreover, harm or	Due to the presence of the construction activities	this might impact the health and safety of the local communities and staff during the construction	1. SOCIAL AND ENVIRONMENTAL (1.10. Labour and working conditions) - UNDP Risk Appetite: CAUTIOUS	Likelihood: 4 - Highly likely Impact: 3 - Intermediate Risk level: MODERATE (equates to a risk appetite of EXPLORATORY)	From: 01-April-25 To: 31-Dec-25	UNDP, Programme Analyst	UNDP will ensure that the contract includes a clause requiring the selected construction contractor to have appropriate insurance before the work commences. occupational health and safety procedures in place before the work commences. After the completion of the construction and before the issuance of the substantial completion of works certificate by UNDP (as defined in UNDP's contracting modalities with the selected vendor/vendors), the professional engineers hired by

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#	Event	Cause	Impact(s)	Risk Category and Sub-category (including Risk Appetite)	Impact, Likelihood & Risk Level	Risk valid to/from	Risk Owner (individual accountable for managing the risk)	Risk Treatment and Treatment Owner
	losses might occur due to the failure of the structural integrity after the completion of the construction. P. 7.6; 3.3, 3.5, 7.1, 7.2							UNDP will inspect the integrity of the structure to ensure the safety of the building structure, which will subsequently be reviewed and approved by UNDP. Risk Treatment Owner: UNDP Procurement team
11	SES Risk 6: due to the prevalence of child labour in some households in the local communities, there is a risk that this might happen at the project site through the contractors.	The cause is the prevalence of child labour	The impact is that the contractor might hire under-age children for the construction which is against the policy of the UN	1. SOCIAL AND ENVIRONMENTAL (1.10. Labour and working conditions) - UNDP Risk Appetite: CAUTIOUS	Likelihood: 2 - Low likelihood Impact: 4 - Extensive Risk level: MODERATE (equates to a risk appetite of EXPLORATORY)	From: 01-April-25 To: 31-Dec-25	UNDP, Programme Analyst	UNDP will ensure that a clause is mentioned in the contract between UNDP and the selected contractor on the prohibition of child labor before the commencement of the work. Moreover, the contractor will be briefed and expected to have the following arrangements in place before the construction activities, including: 1. Age verification of all staff

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#	Event	Cause	Impact(s)	Risk Category and Sub-category (including Risk Appetite)	Impact, Likelihood & Risk Level	Risk valid to/from	Risk Owner (individual accountable for managing the risk)	Risk Treatment and Treatment Owner
								through identity cards or family books; and 2. Staff records are on site and ready for inspection. Staff bank account details or wage details are recorded and maintained. Risk Treatment Owner: UNDP Procurement team
12	SES Risk 7: there is a risk to the rights holders in claiming their rights due to the absence of the grievances redress mechanism and community engagement activities.	The cause is the current absence of the grievance redress mechanism	The impact is that the issues at the ground level might not be addressed on time and in the correct ways	1. SOCIAL AND ENVIRONMENTAL (1.1. Human rights) - UNDP Risk Appetite: CAUTIOUS	Likelihood: 1 - Not likely Impact: 3 - Intermediate Risk level: LOW (equates to a risk appetite of CAUTIOUS)	From: 01-April-25 To: 31-Dec-25	UNDP, Programme Analyst	The project will establish the grievances redress mechanism and ensure that the nearby communities, staff and contractors are aware of this. In addition, the security guards stationed onsite would be provided behavioural training by the Contractor on communicating with local community and

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#	Event	Cause	Impact(s)	Risk Category and Sub-category (including Risk Appetite)	Impact, Likelihood & Risk Level	Risk valid to/from	Risk Owner (individual accountable for managing the risk)	Risk Treatment and Treatment Owner
	P.3, S3.8							workforce members in case of any grievances. Risk Treatment Owner: UNDP Procurement team
13	SES Risk 8: women may be excluded from participating in the workforce in the construction activities by the contractor due to discrimination. P. 10	The cause is the cultural norm that women are excluded from the male dominated field such as construction	Women lose the employment opportunities because of their gender	1. SOCIAL AND ENVIRONMENTAL (1.2. Gender equality and women's empowerment) - UNDP Risk Appetite: CAUTIOUS	Likelihood: 1 - Not likely Impact: 3 - Intermediate Risk level: LOW (equates to a risk appetite of CAUTIOUS)	From: 01-April-25 To: 31-Dec-25	UNDP, Programme Analyst	The contractors will be briefed that the recruitment of the local workforce in construction activities should encourage women to apply and that the selection process should be fair and not based on gender discrimination. Risk Treatment Owner: UNDP Procurement team
14	SES Risk 9: risk of waterborne and vector-borne	The case is due to the set up of the facilities for the	This will likely spread diseases to the communities	1. SOCIAL AND ENVIRONMENTAL (1.11. Pollution	Likelihood: 1 - Not likely	From: 01-April-25 To: 31-Dec-25	UNDP, Programme Analyst	It is anticipated that the Contractors would source local community members as part of

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#	Event	Cause	Impact(s)	Risk Category and Sub-category (including Risk Appetite)	Impact, Likelihood & Risk Level	Risk valid to/from	Risk Owner (individual accountable for managing the risk)	Risk Treatment and Treatment Owner
	diseases might occur due to the set up of the temporary accommodation of the workers, which will cause sewage and kitchen waste near the accommodation area to have limited outlets. S 3.4, S 3.7, S 8.1	staff to work in the construction site	which risk their health and the reputation of UNDP	prevention and resource efficiency) - UNDP Risk Appetite: CAUTIOUS	Impact: 3 - Intermediate Risk level: LOW (equates to a risk appetite of MINIMAL)			their workforce during construction phase. Most of the workforce would commute from their area of residence to the project site. However, if in case workers would be sourced from outside the local communities, then the Contractor will inform the Project management team of the same and will provide information on worker accommodation include details pertaining to sanitation and kitchen including waste management process to be adopted prior to construction activities. Risk Treatment Owner: UNDP Procurement team

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4. Project Board Terms of Reference and TORs of key management positions.

I. Background

All UNDP projects must be governed by a multi-stakeholder board or committee established to review performance based on established monitoring and evaluation metrics and high-level implementation issues to ensure quality delivery of results. For the purpose of this ToR and to ensure standardization, henceforth, as regards project documentation, such a body shall only be referred to by one of two names: 'Project Board''. The Project Board is the most senior, dedicated oversight body for a UNDP 'Development Project', which is defined in the PPM as an instrument where UNDP "Delivers outputs where UNDP has accountability for design, oversight and quality assurance of the entire project."

II. Duties and Responsibilities

The two prominent (mandatory) roles of the Project Board are as follows:

1) **High-level oversight of the project** (as explained in the "Provide Oversight" section of the PPM). This is the primary function of the Project Board. The Project Board reviews evidence of project performance based on monitoring, evaluation and reporting, including progress reports, monitoring missions' reports, evaluations, risk logs, quality assessments, and the combined delivery report. The Project Board or Project Steering Committee] is the main body responsible for taking corrective actions as needed to ensure the project achieves the desired results. And its function includes oversight of annual (and as-needed) assessments of any major risks to the programme or project, and related decisions/agreements on any management actions or remedial measures to address them effectively.

   The Project Board also carries the role of quality assurance of the project taking decisions informed by, among other inputs, the project quality assessment. In this role the Board is supported by the quality assurer, whose function is to assess the quality of the project against the corporate standard criteria. This function is performed by a UNDP programme or monitoring and evaluation officer to maintain independence from the project manager regardless of the project 's implementation modality.

   The Project Board reviews updates to the project risk log.

2) **Approval of key project execution decisions** (as explained in the "Manage Change" section of the PPM). The Project Board has an equally important, secondary role in approving certain adjustments above provided tolerance levels, including substantive programmatic revisions (major/minor amendments), budget revisions, requests for suspension or extension and other major changes (subject to additional funding partner/donor requirements).

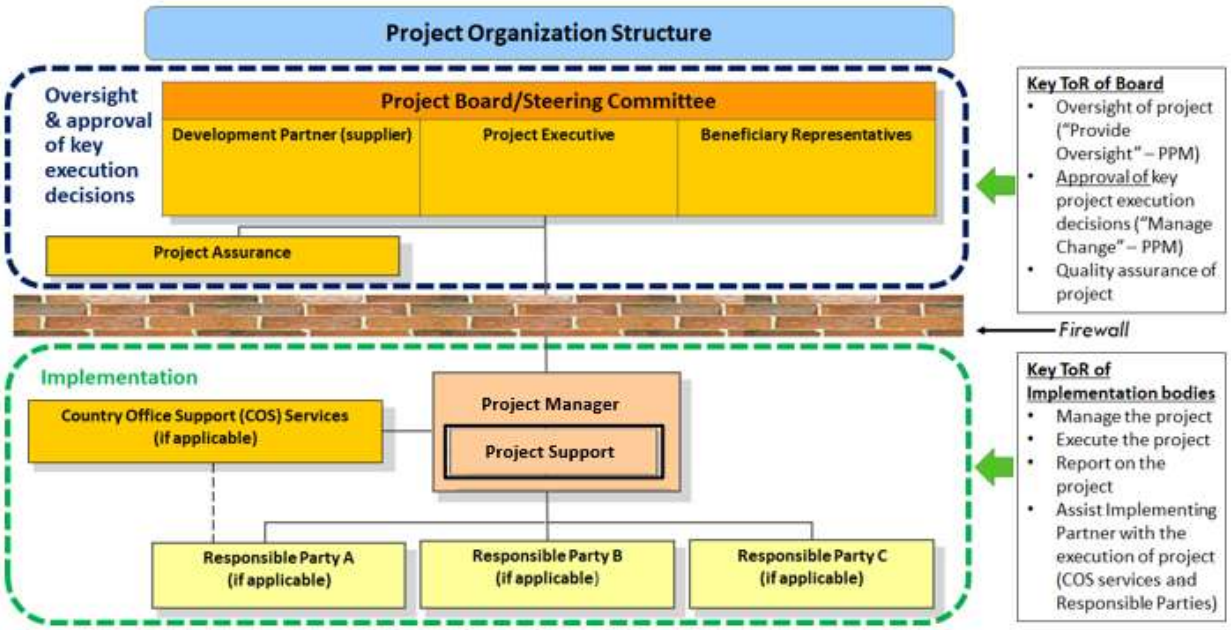
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The Project Board is responsible for making management decisions by consensus when required, including the approval of project plans and revisions, and the project manager's tolerances. The Project Board approves annual work plans and reviews updates to the project risk log.

Within the overall governance and management arrangements of the project, the role of the Project Board as regards these two key functions *('High-level oversight of the project' and 'Approval of key project execution decisions')* is distinct from the roles of entities involved in the implementation of the project, namely the implementing partner (IP), responsibilities parties (if applicable), service providers and project staff.

The diagram below outlines the main entities involved (and their respective responsibilities) in the 'oversight/approval of key execution decisions' layer and the 'implementation' layer of the project structure.

Diagram 1 – Standard Figure of Project Organization Structure vis-à-vis oversight & approval and implementation roles



In order to ensure UNDP's ultimate accountability, the Project Board decisions should be made in accordance with the Quality Standards for Programming that shall ensure management for development results, best value money, fairness, integrity, transparency and effective national and international competition. An effective Project Board needs credible data, evidence, quality assurance and reporting to aid decision making (see next section on supporting functions to the Board). The Project Board also needs to be accountable to protect against conflicts of interest and fraud.

Specific responsibilities of the Project Board include the following:

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- Provide overall guidance and direction to the project, ensuring it remains within any specified constraints, and promote gender equality and social inclusion (LNOB) in the project implementation;
- Review project performance based on monitoring, evaluation and reporting, including standard quality assurance checks, progress reports, risk logs, spot checks/audit reports and the combined delivery report;
- Address any high-level project issues as raised by the project manager and project assurance;
- Provide guidance on emerging and/or pressing project risks and agree on possible mitigation and management actions to address specific risks (including ensuring compliance with UNDP's Social and Environmental Standards, Fraud/corruption, Sexual Exploitation and Abuse and Sexual Harassment);
- Agree or decide on project manager's tolerances as required, within the parameters set by UNDP (Manage Change in the PPM) and the donor, and provide direction and decisions for exceptional situations when the project manager's tolerances are exceeded;
- Advise on major and minor amendments to the project within the parameters set by UNDP and the donor;
- Agree or decide on a project suspension or cancellation, if required; (note that for GEF and GCF projects it is UNDP that decides to suspend or cancel and project and the Project Board is informed/consulted only).
- Provide high-level direction and recommendations to the project management unit to ensure that the agreed deliverables are produced satisfactorily according to plans.
- Receive and address project level grievance, including overseeing whatever specific compliance and stakeholder response (or grievance) mechanisms have been put in place so that individuals and communities potentially affected by the project have access to effective mechanisms and procedures for raising concerns about the social and environmental performance of the project[4].
- Engage in the low value grant selection process where there is no Grant Selection Committee, as guided by the Low Value Grants – UNDP Operational Guide.

Note: Specific requirements may apply for donor-funded projects, such as GEF- or GCF-financed projects. Please refer to the provisions in the project document.

Additional responsibilities of the Project Board can include, but are not limited to, the following:

- Ensure coordination between the various donors and government-funded projects and programmes;
- Ensure coordination with multiple government agencies and their participation in project activities;
- Appraise the annual project implementation report, including the quality assessment rating report;
- Review the final project report package during an end-of-project review meeting to discuss lessons learned and opportunities for scaling up;

[4] The responsibilities of the board in this regard should follow UNDP's Social and Environmental Standards (SES) as codified in the PPM. It should be noted that while a project board can play a role in addressing or assisting with the compliance and stakeholder response (or grievance) mechanisms put in in place for a given project (as part of their quality assurance and oversight function), this will be in addition to and does not substitute for UNDP's core responsibility to ensure compliance with the SES throughout the project management cycle as part of UNDP's Programming Quality Assurance system.

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III. Composition of the Project Board

As noted in the diagram below, every Project Board in a UNDP project has three categories of formal members (e.g. voting members). The role of every formal Project Board member must correspond to one of these three roles and be identified accordingly in the project documentation. See the project organization structure diagramme.

The three categories of Project Board members are the following:

1) **Project Director/Executive(s):** This is an individual(s) who represents ownership of the project and chairs (or co-chairs) the Project Board. The executive usually is the most senior national counterpart for nationally implemented projects (typically from the same entity as the Implementing Partner), and it must be UNDP for projects that are direct implementation (DIM). In exceptional cases, two individuals from different entities can co-share this role and/or co-chair the Project Board. If the project executive co-chairs the Project Board with a representative of another category, it typically does so with a development partner representative. The Project Executive is UNDP resident Representative.

2) **Beneficiary Representative(s):** This is an individual(s) representing the interests of those groups of stakeholders who will ultimately benefit from the project. Their primary function within the Board is to ensure the realization of project results from the perspective of project beneficiaries. Often representatives from civil society, industry associations, community groups or other government entities benefiting from the project can fulfil this role. If the project has a specific geographic focus, often representatives from the government entities in the targeted area/region will play this role. There can be multiple beneficiary representatives in a Project Board. The Beneficiary Representative(s) is: Huanphanh Provincial Public Security (Lao National Commission for Drug Control and Supervision (LCDC)) and the Vanmai Coffee Cooperative

3) **Development Partner(s):** Individuals representing the interests of the parties concerned that provide funding, strategic guidance and/or technical expertise to the project[5]. There can be multiple development partners representatives in a Project Board. *United Nations Office on Drug and Crime (UNODC):* Soutthida Soukthavone National Programme Officer, Alternative Development UNODC Programme Office Lao PDR.

A **UNDP representative must always be represented in the Project Board** in either the project executive or development partner role.

Where applicable, representatives from responsible parties to the project cannot sit on the Project Board as a formal voting member; they can (if requested) attend board meetings as observers. Since the chief responsibility of the Board is to provide high-level oversight of project implementation, to avoid any conflicts of interest, it is not appropriate for representatives of third party entities engaged by the project to provide services – whether responsible parties or contractors/service providers – to concurrently sit on the Board. Representatives of responsible parties can attend

[5] With the exception of responsible parties or any firms/entities engaged by the project to provide technical expertise with project funds

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board meetings (as observers) but can have no official role in board decision-making. The same principle applies to the project manager who in attending and presenting at board meetings, does so in a non-voting capacity.

In cases where the inputs and guidance of responsible parties or other entities formally engaged in providing goods or services to the project are needed by the Board on a recurring basis, it is recommended to establish appropriate advisory or technical committees or working groups composed of those entities that can formally report to the Board, while ensuring the impartiality and integrity of board decisions happening independent of those bodies (see Section V of the ToR)

IV. Standard Project Board Protocols

The Project Board must meet one time annually at a minimum**.** It is recommended that the timing of board meetings be agreed upon in advance and corresponds to key project reporting or work planning milestones. This Project Board will meet 1 times annually according to this provisional schedule (insert scheduled meeting times if known).

Project Board members cannot receive remuneration from project funds for their participation in the Board. However, it is allowable for board members to be reimbursed from project funds for certain reasonable, qualified expeses related to travel or lodging to attend board meetings. Such protocols are outlined in this ToR and the benefits are applicable to all eligible board members.

All Project Boards must have rules for quorum and documentation/minuting of board decisions. All board decisions and minutes should be kept by the project management unit and UNDP. Guidelines on decisions taken in between board meetings or virtually should be clearly elaborated in the Terms of Reference (ToR) of the Project Board.

Unless otherwise specified, Project Board decisions are made by unanimous consensus. If a consensus cannot be reached within the Board, the final decision shall rest with the UNDP representative on the Project Board or a UNDP staff member with delegated authority as the programme manager.[6]

It is required that as per internationally recognized professional standards and principles of sound governance, conflicts of interest affecting board members in performing their duties must be formally disclosed if not avoidable. Where a board member has a specific personal conflict of interest with a given matter before the board, he/she must recuse oneself from their participation in a decision. No board member can vote or deliberate on a question in which he/she has a direct personal or pecuniary interest not common to other members of the board.

All board members should be presented with a ToR for the Project Board, which will include the responsibilities already outlined and indicate agreed board practices and logistics.

Note: Designated Board members must sign or otherwise indicate written acceptance of the final ToR (via formal signature of the ToR, an exchange of letters or e-mail acknowledgment) for the Project Board as a precondition for serving on the Project Board.

V. Standard Outputs of Project Board Meetings

[6] UNDP has this special right since the ultimate legal and fiduciary accountability for a UNDP project, irrespective of modality, rests with UNDP and UNDP must (in line with its obligations to donors and to the Executive Board) be able to ensure that no action is taken by any body in a UNDP project that contravenes UNDP rules and regulations.

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In its oversight function, the Project Board will (at a minimum) review and assess the following project-related evidence at each meeting:

- Assessment of project progress to date against project output indicators (as documented in the project document results framework)
- Approval/review of annual work plans
- Assessment of the relevant Monitoring & Evaluation mechanisms, including all evaluations[7]
- Review and assessment of the Project Risk Log (with updating/amendments as needed)
- Assessment of project spending, based on a review of the combined delivery report
- Review of required resources versus available funding (if applicabel) and steps taken to reduce funding gap identified at the project design stage

This will be in addition to the review and approval of any required project execution decisions.

The output of every Project Board should be a written record (minutes) that captures the agenda and issues discussed and the agreed upon action items and decisions (if applicable). Each report should clearly document the members attending the meeting (as well as all participants in the meeting) and the modality used to agree on a certain action or decision (whether formal voting or no-objection or other mechanism). All records of board meetings should be documented and kept by UNDP in their quality assurance function (see next section).

VI. Support Functions to the Project Board

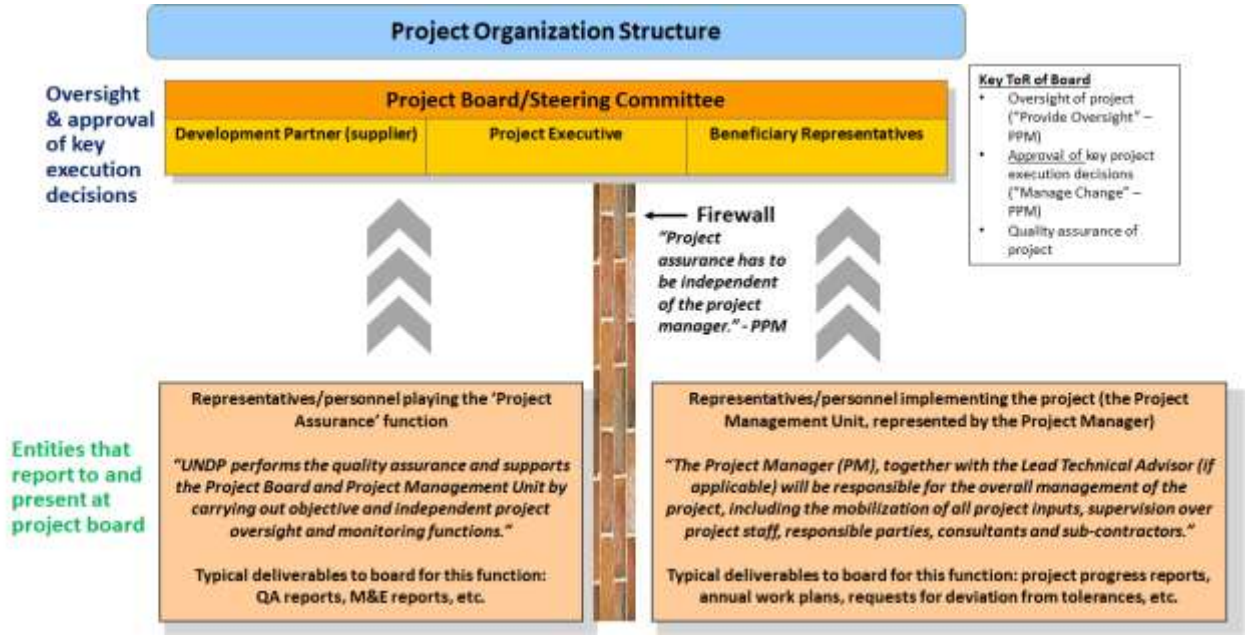
There are two main entities/functions outside the Project Board structure whose role is to report to the Project Board and support board members in effectively fulfilling their roles: project assurance and project management.

The diagram below explains the primary role of these two entities in the context of their support to Board operations. A description of these two entities follows.

[7] Including audit reports and spot checks.

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Diagram 3 – Standard Figure of Project Organization Structure – Board Support Entities



Project Assurance: Project assurance is the responsibility of each Project Board member; however, UNDP has a distinct assurance role for all UNDP projects in carrying out objective and independent project oversight and monitoring functions. UNDP performs quality assurance and supports the Project Board (and Project Management Unit) by carrying out objective and independent project oversight and monitoring functions, including applying UNDP's social and environmental management system to ensure the SES are applied through the project cycle. The Project Board cannot delegate any of its quality assurance responsibilities to the project manager. Project assurance is totally independent of project execution.

A designated representative of UNDP playing the project assurance role is expected to attend all Project Board meetings and support board processes as a non-voting representative. It should be noted that while in certain cases UNDP's project assurance role across the project may encompass activities happening at several levels (e.g. global, regional), at least one UNDP representative playing that function must, as part of their duties, specifically attend board meetings and provide board members with the required documentation required to perform their duties.

The UNDP representative playing the main project assurance function is: Adam Starr, Head of Natural Resource Management, Climate Change and Disaster Risk Reduction Unit.

Project Support, this function is often covered by the Project Management Unit: The Project Manager (PM) (also called project coordinator) is the senior most representative of the Project Management Unit (PMU) and is responsible for the overall management of the project on behalf of the Implementing Partner, including the mobilization of all project inputs, supervision over project staff, responsible parties, consultants and sub-contractors. The project manager typically presents key deliverables and documents to the Board for review and approval, including progress reports, annual work plans, adjustments to tolerance levels and risk logs.

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A designated representative of the PMU is expected to attend all board meetings and present the required progress reports and other documentation needed to support board processes as a non-voting representative.

The primary PMU representative attending board meetings is: UNDP Project Coordinator.