



ສາທາລະນະລັດ ປະຊາທິປະໄຕ ປະຊາຊົນລາວ  
Lao People's Democratic Republic



ອົງການສະໜັບສະໜູນພັດທະນາ  
United Nations Development Programme

## Annual Project Review Report 2014

Effective Governance for Small-Scale Rural Infrastructure and Disaster Preparedness in a Changing Climate (LDCF II)

*Instruction box and instruction notes under each heading - please delete before final submission*

- ❖ *These text box guidelines are not exhaustive, nor do you have to answer each question. They are a guide only and should complement other relevant information identified by the project team.*
- ❖ *Not all headings/tables will be relevant to your project. Delete/amend/supplement as necessary.*
- ❖ *Keep your narrative as succinct as possible. Try to keep the report main text within 8-10 pages.*
- ❖ *Think of this report as an important **management and learning tool** and use this to guide discussions with partners and to inform any necessary activity adjustments. Focus your report on **RESULTS**. Demonstrate **project's value addition**.*
- ❖ *The report should be submitted together with FACE form and other supporting documents to request for advance settlement of previous quarters and request for new advance. The late submission of this Report may result in new advances being withheld.*
- ❖ *It is optional that the Annual Project Review Report replaces the Quarterly Progress Report for Q4 of a year if it can be finalized and submitted for the NIM advance request for Q1 of the following year. In case of replacement, it is expected that the annual report will be reporting results of the whole reporting year and also results of Q4 where indicated.*
- ❖ *One copy of the report should be shared with the Department of International Cooperation, Ministry of Planning and Investment (DIC, MPI) for their information.*

### Basic Project Information

*(Basic information can be completed by UNDP before sharing the report with the partner)*

#### Project Title:

UNDP Award ID	4710
UNDP Project ID	00084024
Project Duration	1 <sup>st</sup> January 2013 – 31 <sup>st</sup> December 2016
Reporting Period	1 <sup>st</sup> January – 31 <sup>st</sup> December 2014
Implementing Partners	MONRE
National collaborating agencies	MOHA
Other UN/International collaborating agencies	UNCDF
Cost-sharing third parties	LDCF (GEF)
UNDP Programme Officer/Programme Analyst	Vichit Sayavongkhamdy

## 1. Project Implementation Status and Key Results

### Implementation Status Summary *(This needs to be completed by the project)*

❖ *Briefly assess (<150 words) how the project has progressed towards expected outcomes (UNDAF and Country Programme Outcome) during the reporting period, highlighting any key activities or results during the reporting period.*

*The project contributes to the UNDAF Outcome 8, by identifying and implementing adaptation measures in the rural water infrastructure sector, including both engineered and ecosystem-based adaptation options.*

*The first five pilot projects were identified, two in Sekong Province and three in Saravane Province. Consultations with the provinces and concerned districts on the inclusion of these projects into district development plans for 2014 was carried out to ensure that funding for the projects will be available for 2014 through the District Development Fund Mechanism. Subsequently, four of the five projects were included into District Development Plans – only the project in Vapi District, Saravane Province, had to be postponed to next year, because the government contribution could not be realized this year.*

*Funds for the four projects have been transferred from UNDP to BoL on 12 December 2014 and will then be transferred to the districts by early January 2015.*

*Two ecosystem areas, one in each province, have been identified based on local consultations. These will constitute pilots that will demonstrate ecosystem linkages with improved climate resilience of communities and water infrastructure within their watershed.*

*Capacity needs assessment of provincial and district government agencies was completed during the reporting period, based on which a capacity development plan has been drafted and included in the work-plan for 2015*

### Highlights of main activities and achievement of Quarter 4

*Project staffing was completed with the assignment of key staff, including the Ecosystem Specialist, M&E Specialist and the Infrastructure Specialist, as well as an Admin Assistant was recruited during Q4. The project will therefore finally be fully staff from the start of Q1, 2015.*

*A Capacity Development Plan (CDP) was drafted based on the Capacity Needs Assessment carried out in Q3. The CDP covers the remaining project period (end 2016)*

*Request for Proposal for the Climate Risk & Vulnerability Assessment (CRVA) was finalized and posted on UNDP website. One proposal was received and the technical part of the process was reviewed.*

*Four infrastructure Investment projects was approved for financing through the GPAR/MOHA DDF system, and funds for the four projects were transferred from UNDP to BoL on 12 December 2014. They will then be transferred to the districts by early January 2015*

*Draft management plans for the two ecosystem areas (Phu Ta Yeune protection forest, and Sa O wetlands) were received from the two provinces. These are currently under review by the Ecosystem Specialist, and will be revised based on local consultations in early 2015*

*The Project Manager participated in the COP 20 of the UN Framework Convention on Climate Change (UNFCCC) in Lima, Peru, in December 2014. The two key components of the project, community resilience through improved governance of infrastructure planning, and ecosystem-based adaptation, are also considered priorities at the global level through the UNFCCC process. The project may therefore be able to provide 'lessons learnt' on those issues to the UNFCCC process, and may also obtain important learning through networking under this process.*



## Implementation Progress Summary

(UNDP can pre-fill the table for the first 5 columns. Project needs to complete last 3 columns. Where implementation delays for an activity, please indicate alternative actions being suggested or taken, e.g. changes to activity dates, proposed meetings to discuss delays and so forth.)

OUTCOME in line with AWP	INDICATOR	TARGET	STATUS OF TARGET (Achieved, On Track or Off Track)	PLANNED ACTIVITIES List all activities to be undertaken during the period as stated in AWP	ACTIVITY PROGRESS TO DATE Give detailed explanation of the status. Provide justification if delayed and new schedule planned and provide response strategy if any	RESULTS ACHIEVED Describe concrete, key results (policy, publication, key events etc.) achieved so far, vis-à-vis the specific targets set in the AWP	BENEFICIARY Approximate number of beneficiaries reached by project activities (disaggregated by sex/age), etc.
Outcome 1: Capacities provided for local administrative institutions to integrate climate risks into participatory planning and financing of small scale rural water infrastructure provision	1.1 Percentage change in the ability of local and some national officials to apply methodologies to analyse climate risks and identify CC vulnerabilities in 12 districts	50% of sub-national officials and 10% of national officials are able to analyse climate risks for their districts on a macro level (V&A analysis) and are able to identify specific vulnerabilities and adaptation options at village level (CRVA)	On track	Activity 1.1: Technical Capacity enhanced for provincial and district officers	<input type="checkbox"/> Completed <input checked="" type="checkbox"/> In progress <input type="checkbox"/> Delayed Reason: _____ New Schedule: _____ Response Strategy: _____ <input type="checkbox"/> Other changes _____	(1) Capacity needs assessment was carried out for provincial and district staff the two provinces.  (2) As part of this assessment, a climate change awareness training was carried out with the participating provincial and district officers.  (3) A capacity development plan for the project period has been drafted, and will be finalized in January 2015	61 provincial and district officers (56 men and 5 women)
	1.2 Procedures are in place to integrate climate change resilient advice and investment for small scale rural water infrastructure into district	All 12 target districts are applying a climate resilient planning mechanism including project identification, site assessment, approval, execution and M&E	On track	Activity 1.2: Village level infrastructure adaptation solutions and related ecosystem management options identified,	<input type="checkbox"/> Completed <input checked="" type="checkbox"/> In progress <input type="checkbox"/> Delayed Reason: _____ New Schedule: _____ Response Strategy: _____ <input type="checkbox"/> Other changes _____	Five projects were initially selected for piloting procedures for the integration of climate change considerations into district plans. They were subsequently integrated into the 2014 DDP. However, one of them (Vapi District) included 50%	

<p><b>Outcome 2:</b> Incentives in place for small-scale rural infrastructure to be protected and diversified against climate</p>	<p>1.3 Number of district development plans available, reflecting costs for adaptation in the water sector</p>	<p>All annual district investment plans include evidence of incremental CCA costings for water sector projects by year 4 and at least 4 provide this evidence by Year 2</p>	<p>On track</p>	<p>Activity 1.3: Terms of reference for CRVA completed and advertised on UNDP website. Activity 1.4: project proposals for 4 projects, including costings, were developed and integrated into district investment plans</p>	<p><input type="checkbox"/> Completed <input checked="" type="checkbox"/> In progress <input type="checkbox"/> Delayed Reason: _____ New Schedule: _____ Response Strategy: _____ <input type="checkbox"/> Other changes _____</p>	<p>prioritized and integrated into district development plans</p>	<p>Government funding, which could not be mobilized. The project is therefore postponed to 2015, and four project were included into DDF of four districts</p>	<p>-4000 villagers</p>
<p><b>Outcome 2:</b> Incentives in place for small-scale rural infrastructure to be protected and diversified against climate</p>	<p>2.1 Number of districts routinely investing in climate resilient measures to improve village level water harvesting, storage and distribution systems</p>	<p>All target districts are investing at least 2 projects per year in village level climate resilient water harvesting, storage and distribution systems, which are informed by CRVA</p>	<p>On track</p>	<p>Activity 2.1: Revised DDF guidelines to include climate resilience criteria drafted</p>	<p><input type="checkbox"/> Completed <input type="checkbox"/> In progress <input type="checkbox"/> Delayed Reason: _____ New Schedule: _____ Response Strategy: _____ <input type="checkbox"/> Other changes _____</p>	<p>Revised DDF Guidelines have been drafted, and will be finalized in 2015 based on lessons learnt from implementation of 2014 pilot projects</p>	<p>4000 villagers</p>	

<p>change induced risks benefitting at least 50,000 people in 12 districts of Sekong and Saravane</p>	<p>2.2 Number of people benefitting from investments in small- scale irrigation systems to increase their resilience against climate change risks</p>	<p>At least 50,000 people across 12 districts are benefitting from climate change resilient small-scale irrigation infrastructure, which has been informed by CRVA</p>	<p>On track</p>	<p>Activity 2.2: Select pilot projects for first round of funding in 2014</p>	<p><input type="checkbox"/> Completed  <input checked="" type="checkbox"/> In progress  <input type="checkbox"/> Delayed  Reason: _____  New Schedule: _____  Response Strategy: _____  <input type="checkbox"/> Other changes _____</p>	<p>The first five pilot projects are based on the preliminary V&amp;A Assessment done during project formulation. The CRVA Request for Proposal (RFP) has been posted on UNDP website, and a consultant entity will be identified December 2014 to develop and implement the CRVA. This will then be used as the basis for the identification and prioritization of projects in 2015 and 2016.</p>	<p>~4,000 villagers</p>
<p>2.3 District level fiscal and administrative incentives are introduced that incorporate climate resilient measures for small scale rural infrastructure</p>	<p>At least 25% in additional CCA funds (annual average) expended over and above baseline District Development Funding in at least 12 districts, based on a system that rewards districts that perform well against predetermined criteria</p>	<p>On track</p>	<p>Activity 2.3: Revise existing manuals under the DDF to include a climate resilient performance criteria</p>	<p><input type="checkbox"/> Completed  <input checked="" type="checkbox"/> In progress  <input type="checkbox"/> Delayed  Reason: _____  New Schedule: _____  Response Strategy: _____  <input type="checkbox"/> Other changes _____</p>	<p>A new version has been drafted of the "Manual for the Assessment of Districts' Performance under the SCSD Program – District Development Fund (DDF), MoHA-SCSD Guideline No 07/2012", to include requirements for the climate resilience grant system</p>		
<p>Outcome 3: Natural assets</p>	<p>3.1 Number of management</p>	<p>At least 6 management and</p>	<p>On track</p>	<p>Activity 3.1: Pilot ecosystem areas</p>	<p><input type="checkbox"/> Completed  <input checked="" type="checkbox"/> In progress</p>	<p>Two ecosystem areas, one in each province, have been</p>	<p>The number of potential</p>

<p>(wetlands, forests and other ecosystems in sub-catchments) over at least 60,000 ha are managed to ensure maintenance of critical ecosystem services, especially water provisioning, flood control and protection under increasing climate change induced stresses, in Sekong and Saravane provinces</p>	<p>/action plans developed and under implementation, which protect natural assets through local scale ecosystems based adaptation measures to improve the resilience of small-scale rural infrastructure against floods and drought</p>	<p>action plans covering at least 48 climate resilience small-scale infrastructure investments under implementation across both Sekong and Saravane provinces</p>	<p>selected for 2014</p>	<p><input type="checkbox"/> Delayed Reason: _____ New Schedule: _____ Response Strategy: _____ <input type="checkbox"/> Other changes _____</p>	<p>identified to be initiated in 2014, based on local consultations. These will constitute pilots that will demonstrate ecosystem linkages with improved climate resilience of communities and water infrastructure within their watershed</p>	<p>beneficiaries (i.e. villagers) within the watersheds of the two ecosystem areas will be determined by the CRVA process</p>
<p>provisioning, flood control and protection under increasing climate change induced stresses, in Sekong and Saravane provinces</p>	<p>3.2 Number of key project stakeholders aware of links between improved ecosystem management and sustainability of investments in small scale rural water infrastructure</p>	<p>At least 250 national, provincial and district planners have received knowledge and learning approaches and materials produced by the project on ecosystem based management linkages to infrastructure provision</p>	<p>Activity 3.2: Training on ecosystem management carried out for key focal points in the two provinces</p>	<p><input type="checkbox"/> Completed <input checked="" type="checkbox"/> In progress <input type="checkbox"/> Delayed Reason: _____ New Schedule: _____ Response Strategy: _____ <input type="checkbox"/> Other changes _____</p>	<p>One training workshop was implemented on ecosystem management by the outgoing National Ecosystem Specialist. The five infrastructure pilots and two ecosystem pilots will be used as entry points for a more elaborate, "on-the-job" awareness raising activities.</p>	<p>beneficiaries (i.e. villagers) within the watersheds of the two ecosystem areas will be determined by the CRVA process</p>

## 2. Financial Management

- ❖ Provide a summary of key financial information using the tables below as a guide. Put detailed information in an annex if necessary.
- ❖ Please add Output/Activity as per AWP. If required, provide additional information (eg list specific activities funded by the donor's contribution).

### Financial Information Summary (UNDP can pre-fill the first 4 columns and the project will report the remaining columns.)

#### Reporting Period: Oct 2014 to Dec 2014 (This section is required if the Annual Project Review Report replaces the Quarterly Progress Report for Q4)

Output	Activities	Source of Funding	Activity Budget of Annual 2014		Activity Budget of current reporting period (Oct-Dec 2014)		Expenditure of the current reporting period (Oct-Dec 2014)		Accumulated Expenditure by the current reporting period (Jan-Dec 2014)		Delivery Rate of the current reporting period (Oct-Dec 2014)		Accumulated Delivery Rate by the current reporting period (Jan-Dec 2014)	
			USD	USD	USD	USD	USD	USD	%	%	USD	USD	%	%
1.	Inclusive planning, budgeting and capacity development for reducing climate and disaster related risks	40000	18,000.00	28,271.00	8,265.21	16,573.79	29.24	92.63						
	1.1-1.5	62160	163,500.00	58,581.60	39,778.03	159,867.40	67.90	97.78						
2.	Local investment for reducing climate risks	40000	13,100.00	5,736.00	5,400.41	13,086.76	94.15	99.90						
	2.1-2.2	62160	172,246.88	205,000.00	154,952.00	172,215.54	75.15	99.98						
3.	Securing ecosystem services and assets	40000	25,900.00	-	8,265.21	16,573.79	64.38	64.38						
	3-1-3.2	62160	139,500.00	42,032.40	47,758.59	136,907.13	113.62	98.14						
4.	Effective Project Management	40000	3,000.00	1,500.00	115.2	115.2	7.68	3.84						
	4.1	62160	24,600.00	63,274.63	9,001.02	22,553.36	14.23	91.68						
<b>Sub-total (TRAC)</b>			60,000.00	35,507.00	22,046.03	46,549.54	62.09	77.58						
<b>Sub-total (LDCF)</b>			499,846.88	368,888.63	250,589.64	494,543.43	67.93	98.34						
<b>Grant-total (TRAC+LDCF)</b>			559,846.88	404,395.63	272,635.67	538,092.97	67.42	96.11						

**Reporting Period: Jan to Dec 2014**

Output	Activities	Source of Funding	Activity Budget		Expenditure of the current reporting period (Jan-Dec 2014)		Delivery Rate of the current reporting period (Jan-Dec 2014)	
			USD	USD	USD	USD	%	%
1. Inclusive planning, budgeting and capacity development for reducing climate and disaster related risks	1.1-1.5	04000	18,000.00	16,673.79	92.63			
		62160	163,500.00	159,867.40	97.78			
2. Local investment for reducing climate risks	2.1-2.2	04000	13,100.00	13,086.76	99.90			
		62160	172,246.88	172,215.54	99.98			
3. Securing ecosystem services and assets	3.1-3.2	04000	25,900.00	16,673.79	64.38			
		62160	139,500.00	136,907.13	98.14			
4. Effective Project Management	4.1	04000	3,000.00	115.2	3.84			
		62160	24,600.00	22,553.36	91.68			
<b>Sub-total (TRAC)</b>			<b>60,000.00</b>	<b>46,549.54</b>	<b>77.58</b>			
<b>Sub-total (LDCF)</b>			<b>499,846.88</b>	<b>491,543.43</b>	<b>98.34</b>			
<b>Grant-total (TRAC+LDCF)</b>			<b>559,846.88</b>	<b>538,092.97</b>	<b>96.11</b>			



### 3. Project Management and Oversight

(This section should be completed by project in coordination with UNDP)

❖ Briefly assess (<150 words) whether during the reporting period, management and oversight of the project was sufficient to support progress of the project.

Consider the following questions:

- What M&E work was conducted during the reporting period (e.g. data acquisition, mid-term review...)
- How identified risks in the project document or identified during the project are being managed, and did any new risks emerge?
- What significant communications and advocacy efforts have been / are being undertaken in the project?

The project has accelerated planning towards direct implementation during the second half of 2014 and after some set-backs in staffing during the year in particular, the resignations of both the National Infrastructure Specialist (NIS) and the National Ecosystems Specialist (NES) – the project was finally at full strength at end of the year.

- Monitoring and Evaluation

During the 2<sup>nd</sup> half of 2014, planning of direct project interventions was accelerated with the selection and start of implementation of pilot projects and pilot ecosystem areas to be initiated in Q4 of 2014. The M&E Specialist was recruited and started work in November 2014. The M&E specialist will be on-board to lead the M&E design and data capture from the start of implementation. The project M&E system is expected to be fully operational by beginning of 2015.

A Spot Check was completed and the findings have been – or are being - addressed by the project

- Risk management

Risks identified from Project Document:

Most of the risks identified from the project document (e.g. limited understanding and acceptance of climate change, limited willingness at provincial and local levels to invest in climate resilient infrastructure) will be managed by two activities that have been set in motion in 2014: (1) the development of a capacity building plan, based on needs assessments; and (2) the CRVA process, for which TORs were developed and posted as 'Request for Proposal' (RFP) on the UNDP website. It is thus expected that the CRVA can be initiated in Q1 of 2015.

- Risks identified during project implementation:

The two areas of rural infrastructure implementation and ecosystem management are still seen as two separate areas of intervention. This risk is reinforced by the split into two different outcomes of the project (outcome 2 and 3, respectively). This risk is managed by:

(1) designing the CRVA process to specifically cover the linkages between infrastructure and ecosystems, (2) ensuring that the five selected pilot projects will integrate ecosystem-based adaptation options during the implementation process, (3) ensuring that the new National Ecosystems Specialist (NES) and National Infrastructure Specialist (NIS) will have a complete understanding of this issue and work closely together throughout project implementation. This will be done through 'on-the-job' coaching and training by the CTA, joint site visits with specific, inter-linked tasks for NES and NIS, as well as a results-based M&E system that integrate infrastructure projects and ecosystem areas within watersheds.

- Communication and advocacy

Communication has so far focused on internal project teams, particularly cross-ministry communications between MONRE and MOHA, and between central, provincial and district levels. It is important for a coherent implementation of the project that all involved at all levels have a common understanding of the project and their own roles in its implementation.

As soon as the pilot infrastructure and ecosystem area projects start to produce results, communication and advocacy material will be produced and distributed widely, including to beneficiary communities and villagers.

#### 4. Management Responses and Recommendations

A spot-check was carried out during the reporting period (September 2014), and the findings have been – or are being – addressed by the project.

The first project board meeting scheduled for January 16, 2015 with the main purpose of approval of work-plan for 2015.

- ❖ *Update on the implementation of audit, Spot Check recommendations and management responses to project evaluation*
- ❖ *Highlight if there any key issue that require the attention of management/steering committee in the next quarter.*

## 5. Annex/s

(Example of annexes attached to the report is at a minimum as the following, more annexes can be added as appropriate)

1. Draft Combined Delivery Report (provided by UNDP & validated by UNDP & IP)
2. Annual Work Plan for 2015, including Quarterly Work Plan for Quarter 1 of 2015
3. Project Monitoring and Communication Plan of 2015
4. Project Risk Log for 2015
5. Project Issue Log for the for 2015
6. Project Lesson Learned Log for 2015
7. Field visit report (Phou Ta Yeun and Nong Sa O Wetland)
8. Minutes of 13<sup>th</sup> Monthly Meeting
9. Quarterly Work Plan Workshop Report
10. Draft M&E Framework
11. Draft Capacity Development Plan 2015-16
12. Detailed Overall Work Plan 2015-16
13. 4th IPOA Settlement/FACE/ICE Form

PREPARED BY APM/CTA



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Date: 08-01-2014

APPROVED BY PM/NPD



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Date: 8/11/2015

RECEIVED AND REVIEWED BY UNDP



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Date: 9/1/15