



## Grant Assistance Report

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Project Number: 41044  
April 2007

### Grant Assistance

Lao People's Democratic Republic: Enhancing  
Capacity of Local Government Agencies and Lao  
Women's Union for Sustainable Poverty Reduction in  
Northern Lao People's Democratic Republic  
(Financed by the Japan Fund for Poverty Reduction)

## CURRENCY EQUIVALENTS

(as of 13 March 2007)

Currency Unit	–	kip (KN)
KN1.00	=	\$0.0001034
\$1.00	=	KN9,667.5

## ABBREVIATIONS

ADB	–	Asian Development Bank
CBO	–	community-based organization
CDD	–	community-driven development
CPI	–	Committee for Planning and Investment
CSPU	–	country strategy and program update
DAFEO	–	district agriculture and forestry extension office
DLF	–	Department of Livestock and Fisheries
EA	–	executing agency
GMS	–	Greater Mekong Subregion
IA	–	implementing agency
JFPR	–	Japan Fund for Poverty Reduction
LWU	–	Lao Women's Union
MAF	–	Ministry of Agriculture and Forestry
M&E	–	monitoring and evaluation
MTR	–	midterm review
NGO	–	nongovernment organization
NGPES	–	National Growth and Poverty Reduction Strategy
NRDS	–	Northern Region Development Strategy
PAFO	–	provincial agriculture and forestry office
PPA	–	poverty partnership agreement
PPTA	–	project preparatory technical assistance
TOT	–	training of trainers

## NOTE

In this report, "\$" refers to US dollars.

<b>Vice President</b>	C. Lawrence Greenwood, Jr., Operations Group 2
<b>Director General</b>	A. Thapan, Southeast Asia Department (SERD)
<b>Director</b>	U.S. Malik, Agriculture, Environment, and Natural Resources Division, SERD
<b>Team leader</b>	M. Mitra, Senior Social Development Specialist, SERD

## JAPAN FUND FOR POVERTY REDUCTION (JFPR)

### JFPR Grant Proposal

#### I. Basic Data

<b>Name of Proposed Activity</b>	Enhancing Capacity of Local Government Agencies and Lao Women's Union for Sustainable Poverty Reduction in Northern Lao People's Democratic Republic
<b>Country</b>	Lao People's Democratic Republic (Lao PDR)
<b>Grant Amount Requested</b>	\$533,500
<b>Project Duration</b>	Four years
<b>Regional Grant</b>	<input type="radio"/> Yes / <input checked="" type="radio"/> No
<b>Grant Type</b>	<input type="radio"/> Project / <input checked="" type="radio"/> Capacity building

#### II. Grant Development Objective(s) and Expected Key Performance Indicators

<p><b>Grant Development Objectives (GDO):</b>  The objectives of the proposed grant are to support much-needed capacity building for project management and community-driven development (CDD) among (i) staff of provincial agriculture and forestry offices (PAFOs), and district agriculture and forestry extension offices (DAFEOs), as well as (ii) staff of Lao Women's Union (LWU) at provincial, district, and village levels. These agencies are mandated to work with poor rural communities in northern Lao PDR, which are among the poorest in the country, for sustainable poverty reduction and improved gender equity. The staff of the three agencies require better project management and organizational skills to plan and implement activities better, and to provide support services for CDD and sustainable livelihood under the counterpart Northern Region Sustainable Livelihoods through Livestock Development Project (NRSLDP). The proposed grant will help develop such skills in those agencies in 18 priority poor districts of the five northern provinces where the NRSLDP is to be implemented.</p>
<p><b>Expected Key Performance Indicators:</b></p> <ul style="list-style-type: none"> <li>(i) Demonstrated capacity of LWU staff to mobilize ethnic minority communities, especially women, for participatory development.</li> <li>(ii) Demonstrated capacity of LWU, and DAFEO staff to organize strong community-based groups for technology transfer, microfinance, improved marketing of smallholder produce.</li> <li>(iii) Ethnic women's equitable participation in community decision making and livelihood activities.</li> <li>(iv) Demonstrated capacity of PAFO and DAFEO staff for improved pro-poor project planning.</li> <li>(v) Demonstrated capacity of PAFO/DAFEO/LWU staff for project monitoring and financial reporting.</li> </ul>

**III. Grant Categories of Expenditure, Amounts, and Percentage of Expenditures**

<b>Category</b>	<b>Amount of Grant Allocated in \$</b>	<b>Percentage of Expenditures</b>
1. Training, workshops, and seminars	\$100,000	18.75
2. Consulting services (national and international)	\$300,000	56.23
3. International travel	\$24,000	4.50
4. Domestic travel	\$11,000	2.06
5. Other inputs	\$50,000	9.37
6. Contingency	\$48,500	9.09
<b>TOTAL</b>	<b>\$533,500</b>	<b>100.00</b>
<b>Incremental Cost</b>	0	0.00

## JAPAN FUND FOR POVERTY REDUCTION

**JFPR Grant Proposal  
Background Information**

**A. Other Data**

<b>Date of Submission of Application</b>	1 November 2006
<b>Project Officer</b>	Manoshi Mitra, Senior Social Development Specialist
<b>Project Officer's Division, E-mail, Phone</b>	SEAE, <a href="mailto:mmitra@adb.org">mmitra@adb.org</a> , (632) 632 6991/6111
<b>Other Staff Who Will Need Access to Edit/Review the Report</b>	Akmal Siddiq, EARD; S. Tanaka, RSDD; N. Ikemoto, SERD
<b>Sector</b>	Agriculture sector development
<b>Subsector</b>	Livestock
<b>Themes</b>	Sustainable economic growth, inclusive social development, gender and development
<b>Subthemes</b>	Developing rural areas, indigenous people, gender equity in capabilities
<b>Targeting Classification</b>	TI (G)
<b>Was JFPR seed money used to prepare this grant proposal?</b>	Yes [ X ]    No [   ]
<b>Have SRC comments been reflected in the proposal?</b>	Yes [ X ]    No [   ]
<b>Name of Associated ADB-Financed Operation(s)</b>	Lao PDR: Northern Region Sustainable Livelihoods through Livestock Development
<b>Executing Agency</b>	Ministry of Agriculture and Forestry (MAF)
<b>Grant Implementing Agency</b>	Department of Livestock and Fisheries (DLF)

**B. Details of the Proposed Grant****1. Description of the Components, Monitorable Deliverables/Outcomes, and Implementation Timetable**

<b>Component A</b>	
Component Name	Training of LWU, PAFO, and DAFEO staff
Cost (\$)	\$217,500
Component Description	The component will support the training of staff of PAFO and DAFEO, and of LWU at village, district, and province levels in five provinces in northern Lao PDR to provide ethnic minority communities with empowerment-related support services to develop sustainable livelihood under the counterpart NRSLDP. The training will aim at developing skills and knowledge regarding community mobilization and organization of groups for participatory livelihood development. The training will focus on concepts and methodologies related to CDD, sustainable microfinance systems, and gender and development, among others. On-the-job training for organizing social solidarity group will be

	<p>provided to ensure the desired outcomes of the training.</p> <p>Training will be provided through workshops, training of trainers (TOT), development of work plans, on-the-job experience, monitoring and reporting, and follow-up. Manuals will be developed and translated in Lao for ready use by staff. Existing materials will be utilized and built upon. Coordination will be established with other ongoing projects so as to harmonize outputs and avoid duplication.</p> <p>The LWU staff members that undergo training will be utilized to work with beneficiaries under the counterpart NRSLDP in forming community-based producer/interest groups, and sustainable microfinance systems to support livelihood development.</p> <p>To ensure staff continuity and sustainability of project outcomes, staff belonging to the province will be given priority in the training over those from outside. Coordination with the Government will also ensure that the trained staff stay on in the province/district and can utilize their training to assist in implementing the NRSLDP.</p> <p>On a pilot basis, ethnic minority women will be trained by staff as part of their training to demonstrate the learning outcomes achieved. The women will be mentored by the trainers.</p> <p>It is expected that 30–40 staff members will be trained per province over the entire period, i.e., about 150–200.</p> <p>Inputs will include international and national consulting services, production of training manuals and modules that will be translated into the Lao language. Consultants will produce reports on their outputs, for submission to the Asian Development Bank (ADB) and the Executing Agency (EA).</p>
<p>Monitorable Deliverables/Outputs</p>	<p>(i) Number of workshops held.  (ii) Number of trained staff, including TOT.  (iii) Number of ethnic minority communities assisted by trained staff under the counterpart project. The trained staff will relate to groups formed for the counterpart project  (iv) Quality and number of groups developed under the counterpart project.</p> <p>These indicators will be monitored through innovative tools such as citizen report cards to be filled out by the ethnic men and women to report on levels of their satisfaction with services provided by PAFO, DAFEO, and LWU staff.</p>
<p>Implementation of Major</p>	<p>44 months. The rationale for the time is that the counterpart</p>

Activities: Number of months for grant activities	project will be implemented in a phased manner in 18 districts over 4 years. The training will similarly be phased so that skills are created before loan implementation in the selected districts.
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<b>Component B</b>	
Component Name	Training PAFO and DAFEO staff in project management, financial, and procurement procedures
Cost (\$)	\$217,500
Component Description	<p>PAFO and DAFEO staff need skills in project planning, procurement, coordination, management, monitoring and reporting of pro-poor project outcomes, including financial reporting in accordance with established procedures for internationally assisted projects. The training will thus include capacity building in standard operating procedures for internationally funded projects. Capacity building will contribute to increased efficiency in implementing the NRSLDP. In selecting PAFO/DAFEO staff for training, priority will be given to staff belonging to the province or district to ensure that they will stay on in their present location, to work with the NRSLDP.</p> <p>The training will be delivered through workshops, and on-the-job experience. TOT will be carried out. Manuals will be developed and translated into Lao for ready use. About 150–200 PAFO/DAFEO staff members will be trained.</p> <p>Inputs will include international and national consulting services. The consultants will prepare training modules, manuals, and other learning materials that will be translated into Lao. The consultants will report regularly to ADB and the EA with regard to their outputs.</p>

Monitorable Deliverables/Outputs	<ul style="list-style-type: none"> <li>(i) Number of training workshops.</li> <li>(ii) Number of staff trained.</li> <li>(iii) Number of TOTs programs.</li> <li>(iv) Manuals developed and translated.</li> <li>(v) Efficient project planning and reporting, particularly financial reporting related to the counterpart project.</li> </ul> <p>Consultants will monitor those activities in relation to the timely and efficient implementation of the counterpart project. Participatory methods will be used for monitoring and evaluation.</p>
Implementation of Major Activities: Number of months for grant activities	44 months. The rationale for the time allocation is the same as that in component A.

<b>Component C</b>	
Component Name	Monitoring and evaluation (M&E)
Cost (\$)	\$50,000
Component Description	This component will help assess the outcomes of capacity building that the grant is supporting. Monitoring will be done by a national research institution or civil society organization. The task will include assessments of the effectiveness of CBOs organized and facilitated by LWU and DAFEOs under the counterpart project, and assessment of improvements in project management capabilities of PAFO staff. Innovative participatory methods will be developed to generate the database for such M&E. The output of M&E will be reports to be submitted to ADB and the EA.
Monitorable Deliverables/Outputs	M&E reports
Implementation of Major Activities: Number of months for grant activities	48 months. M&E will be done regularly throughout the life of the grant project and the counterpart loan.

## 2. Financing Plan for Proposed Grant to Be Supported by JFPR

Funding Source	Amount (\$)
JFPR	\$533,500
Government	\$ 20,000
<b>Total</b>	<b>\$553,500</b>

## 3. Background

1. The genesis of the grant proposal lies in the need expressed by LWU, and PAFOs and DAFEOs in five northern provinces of the Lao PDR for capacity building and TOT in the following areas. For LWU the expressed needs include (i) organizing communities, (ii) promoting beneficiary groups for technology transfer, and (iii) setting up sustainable microfinance systems at the community level. For PAFOs and DAFEOs the needs relate to (i) improved project planning; and (ii) meeting the procurement, accounting, and reporting requirements for internationally funded projects. The needs were identified during the preparation of the counterpart NRSLDP. The NRSLDP aims to improve the livelihood of ethnic minorities in 18 priority poor districts in five northern provinces, through improved livestock production and marketing. Ethnic minorities have repeatedly expressed their priority need for improved livestock management, financial resources, and marketing options for poverty reduction. However, their isolation and lack of organization render their access to capital, technology and markets very problematic. Local government agencies and mass organizations such as LWU are well-placed to assist the communities with organization of groups, training in microfinance systems, and improved marketing, among other areas of development. The NRSLDP envisions such a role for LWU and PAFO and DAFEEO staff. Local government agencies and LWU have received training and exposure to some of these principles while implementing other internationally funded projects. Nevertheless, the emerging economic environment with its growing stress on markets and the need for increased competitiveness of Lao producers, requires further skill building and reorientation of those organizations to enable them to work with producers in improving productivity through appropriate technologies, all of which require new skills. Through the development of the Greater Mekong Subregion (GMS)

economic corridors, the Government of the Lao PDR looks forward to developing the country's competitiveness, in terms of its capacity to engage with the growing regional and international markets. The local agencies/mass organizations, which are entrusted with the responsibility to improve production technologies and promote market awareness, thus need training in some of the needed skills to be able to help communities set up sustainable community-based organizations (CBOs) for livelihood improvement, through technology transfer and market-oriented production. While a number of other projects has given training, a comprehensive thrust toward the above still remains to be provided. The Government requested ADB to prepare a grant proposal to the JFPR for support to enable sustainable CBOs to be developed, so that they may enable participatory poverty reduction to occur in remote communities. The Government also requested support for training of PAFO and DAFEO staff in pro-poor project planning and establishing financial and reporting procedures for internationally funded projects, to enable timely and appropriate project implementation and progress.

2. The ADB Mission applied to JFPR for a seed grant, which was approved in August 2006. The Mission undertook a Project Preparation Mission to the Lao PDR and carried out participatory appraisals with representatives of the above agencies in 18 districts. The consultations further confirmed the need for such training and capacity building. The grant proposal is based on all these consultations.

#### **4. Innovation**

3. The grant proposal is innovative as it signals a new approach to poverty reduction among ethnic minorities in the selected areas. In the past in the Lao PDR, top-down approaches failed to fully articulate the needs of such communities, as well as to design appropriate interventions. Moreover, lack of producer organizations in these communities and their lack of access to information, capital, and markets have impeded progress in their linking up with the growing regional trade in the GMS. The Government is pushing for poverty reduction through better regional integration and commercialization of agricultural production for regional markets. It has recognized the need for local planning and decentralized development interventions for more sustainable impacts on poverty reduction. It also recognizes the need for setting up and strengthening producer organizations among ethnic minority communities so that they may develop appropriate livelihood interventions in cooperation with local government agencies. This approach can also help the communities overcome their problems related to poor market access as well as lack of information, as producer groups can represent the interests of small producers organized as such more effectively than individuals can. Given this push to organize communities for effective actions against poverty, the grant proposal will help instill in local government agencies and mass organizations working with such groups, the capacity to organize such producer groups as well as the capacity for more efficient project planning and monitoring. It will help ethnic minority communities to jump-start the process of economic and social improvements by mobilizing their members into their own organizations for livelihood improvements. It will also create management capacity at the local level so that project activities may proceed smoothly.

#### **5. Sustainability**

4. Long-term sustainability will result from organizing a variety of CBOs (producer groups, microfinance groups, small enterprise groups, and marketing groups) among the ethnic minority communities participating in the NRSLDP. The capacity that the grant will help create among local government agencies and LWU will be used in their work under the NRSLDP. Once these local government agencies and LWU work at community level with their improved capacity, they will be able to start CBOs that are likely to be sustainable in the long run. These will form the

foundation for the livelihood improvements envisaged by the NRSLDP. Then again, improved project planning, management, and reporting capacity at the local government level will impact favorably on development projects in the future. Repeat training and updating of manuals will be supported under the counterpart project.

## 6. Participatory Approach

5. Local participation in the design of the grant activity has been effected through a series of consultations carried out during the project preparatory technical assistance phase of the counterpart project in 2005. In addition, ADB missions carried out in the context of the counterpart loan always addressed that issue. During the loan fact-finding and preappraisal missions for the counterpart project, the Government had formally requested such a grant. Then again, the Mission has consulted with representatives of local governments and LWU from all five provinces and 18 districts, using the seed grant approved by JFPR in August 2006. The design and implementation arrangements are based on those consultations.

### Primary and Other Stakeholders and Brief Description of Their Involvement

Primary Beneficiaries and Other Affected Groups and Relevant Description	Other Key Stakeholders and Brief Description
PAFOs in the provinces of Bokeo, Luang Namtha, Luang Prabang, Houaphan, and Xieng Khouang; DAFEOS in 18 priority poor districts of those provinces; LWU in the five provinces and 18 districts.	Ethnic minority communities in the 18 priority poor districts have articulated the need for more bottom-up approaches to solving their problems. They have expressed the need to be organized into groups for better technology transfer, extension services, access to financial services, information and markets.

## 7. Coordination

6. The Mission has consistently discussed with staff at the Japanese Embassy, including Mr. Shinohara and Ms. Miki Matsuura, during the counterpart loan fact-finding and preappraisal missions in February and June 2006, and during the seed grant mission on 11 September 2006. The northern region has been identified as a priority area for ADB assistance for poverty reduction.

## 8. Detailed Cost Table

7. Please refer to Appendix 1 for the detailed cost estimates and Appendix 2 for the fund flow arrangement.

## C. Linkage to ADB Strategy and ADB-Financed Operations

### 1. Linkage to ADB Strategy

8. The proposed grant relates closely to priorities set by ADB and the Government. The Lao PDR is landlocked, but is fast becoming well-connected to the GMS through the economic corridors being currently developed. The northern part of the country is characterized by higher than national levels of poverty, poor communications, ethnic minorities, and other communities living in relatively isolated and remote settlements. Poverty is a new phenomenon, characterized by growing food shortages and lack of incomes to meet education and health

needs. Traditional livelihood consisting of shifting cultivation and gathering of forest products is at risk owing to reduced land availability and low yields. For such a scenario, both ADB and the Government have identified improved livestock production as a sustainable livelihood option. This option links well with the Government's plans for commercialization of agriculture and improved links with the growing regional trade and connectivity. The livestock economy is well-integrated within mixed farming systems, but it needs improvement in productivity and profitability. While the loan project will address technology, financing, and marketing constraints, the proposed grant will address the weak community capacity to identify constraints and solutions to low productivity and marketing by training local government agencies and mass organizations and building their capacity to organize community-based producer organizations and promote CDD.

9. The proposed grant relates to ADB's Lao PDR country strategy and program updates (CSPUs) 2005–2006, 2006–2008, the Poverty Partnership Agreement (PPA), and the Northern Region Development Strategy (NRDS). The proposed grant is linked to the counterpart loan project, which is included in the CSPU as a firm project. The PPA identifies the northern region as the priority area for ADB assistance to the Lao PDR for poverty reduction. The NRDS, developed jointly by the Committee for Planning and Investment (CPI), the Government, and ADB, spells out the need to develop the livestock industry for better export trade prospects and for poverty reduction in the northern provinces. The proposed grant is closely linked to the National Growth and Poverty Reduction Strategy (NGPES) of the Government.

Document	Document Number	Date of Last Discussion	Objectives
1. CSPU		August 2005	Reduce poverty through economic growth and attention to the poorest districts identified as priority areas for investment
2. PPA		August 2005	Reduce poverty to 10% of the population by 2010
3. Northern Region Development Strategy	Advisory and Operational Technical Assistance (AOTA) Lao 039039	March 2005	Reduce poverty by promoting export, and improving regional trade and gender and ethnic equity

## 2. Linkage to Specific ADB-Financed Operation

<b>Project Name</b>	Loan 2259-LAO- Northern Region Sustainable Livelihoods through Livestock Development
<b>Project Number</b>	35297
<b>Date of Board Approval</b>	28 September 2006
<b>Loan Amount</b>	\$9.3 million

## 3. Development Objective of the Associated ADB-Financed Operation

10. The counterpart NRSLDP's objective is the sustainability of the livelihood of upland farmers in 18 priority poor districts in the five northern provinces through livestock development. The NRSLDP will support the formation of CBOs such as producer groups, microfinance groups among others. The CBOs will facilitate small farmers' access to technology, extension services,

and financial resources for investment, and better marketing arrangements. The NRSLDP will provide communities with investment funds for developing appropriate infrastructure that will facilitate links to markets, as well as support microfinance operations through producer/credit groups to be formed and supported by trained LWU staff. LWU staff at province and district levels will be utilized to undertake community mobilization, group formation, training, and supervision and backstopping of microfinance activities among other tasks. LWU staff members require additional training of trainers to further build their capacity to deliver these services to the ethnic minority communities. The proposed grant will support such capacity building.

11. Second, the NRSLDP will be implemented by five PAFOs and 18 DAFEOS. These local government agencies are not well trained in pro-poor project planning, management, financial procedures, and reporting requirements of internationally funded projects. They will need to be trained in such areas so as to implement the NRSLDP in the ethnic minority communities promptly and without delays.

#### 4. Main Components of the Associated ADB-Financed Operation

No.	Component Name	Brief Description
1.	Enhanced productivity of village livestock systems	1.1 Productivity initiatives 1.2 Market linkages and enterprise development 1.3 Participatory extension network
2.	Building the capacity of communities for community-driven development	2.1 Service contracts with LWU to mobilize and organize community-based groups 2.2 LWU to train community-based groups in joint activities, microfinance, enterprise promotion, group marketing
3.	Implementation management	3.1 Management structure at national and provincial levels 3.2 Technical support services

#### 5. Rationale for Grant Funding versus ADB Lending

12. The proposed activities do not lend themselves to loan financing, as they relate to capacity building and better preparedness for loan project implementation and poverty reduction. The activities are more suited to JFPR funding as they will help build lasting foundations for CDD, which can help build sustainable livelihood through improved community ownership of project outputs. Moreover, given the Lao PDR's least-developed country status, and the need to jump-start the process of development in the remote and isolated communities of the northern region, grant funding is suitable for the proposed activities

#### D. Implementation of the Proposed Grant

<b>1. Implementing Agencies</b>	Department of Livestock and Forestry (DLF) Ministry of Agriculture and Forestry (MAF) Government of the Lao PDR
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13. Details of the implementation arrangements are in Appendix 3. As most procurement will be small, less than \$10,000 (mainly materials for workshops and training programs), the shopping method will be used in accordance with ADB's *Procurement Guidelines* (2007, as amended from time to time). ADB will make direct payments to consultants based on

recommendations by the Implementing Agency (IA) through the EA regarding satisfactory delivery of agreed-upon outputs. DLF will set up a grant implementation unit (GIU), which will coordinate the outputs of all consultants, and manage and monitor the implementation of the grant. All consultants will be recruited by the GIU with ADB approval in accordance with ADB's *Guidelines on the Use of Consultants* (2007, as amended from time to time). Two individual international consultants will be recruited. In addition, two local firms will be recruited using the quality based selection (QBS).

## 2. Risks Affecting Grant Implementation

Type of Risk	Brief Description	Measure to Mitigate the Risk
Attitudinal change	Problem of top-down approaches and need to change attitudes toward ethnic minorities	Measures to bring about attitudinal change through peer group learning and exchanges, on-the-job training
Remoteness	Bad road conditions, difficult transport	Resource allocation for travel
Governance	It may be difficult to bring about local government agencies' accountability to rural communities for services to be rendered.	Measures to induce change in attitudes and empower rural communities through support to CDD

## 3. Incremental ADB Costs

14. None requested.

## 4. Monitoring and Evaluation

Key Performance Indicator	Reporting Mechanism	Plan and Timetable for M&E
Demonstrated capacity to mobilize ethnic minority communities, specially women, for participatory development	Consultant reports, ADB mission reports, counterpart project reviews, progress reports, citizen report cards	ADB semiannual review missions Quarterly progress reports, end-of-grant evaluation Midterm review (MTR) in year 3 of the counterpart loan project
Demonstrated capacity to organize strong community-based groups for technology transfer, microfinance, improved marketing of smallholder produce	Consultant reports, ADB missions, counterpart project reviews, progress reports, citizen report cards	ADB semiannual review missions for grant and loan projects Quarterly progress report End-of-grant evaluation Consultant reports on schedule MTR
Ethnic women's equitable participation in community decision making and livelihood	Consultant reports, ADB missions reports, aide-memoires of grant and loan	Semiannual ADB review missions, quarterly mission reports

activities	projects, progress reports, citizen report cards	MTR End-of grant-evaluation report
Improved pro-poor project planning capacity among provincial and district staff	Consultant reports, ADB review missions, aide-memoires, progress reports, evaluation reports	Semiannual ADB review missions, quarterly mission reports MTR End-of-grant evaluation report
Improved capacity for project monitoring and financial reporting among provincial and district staff	Consultant reports, ADB review missions, aide-memoires, progress reports, evaluation reports	Semiannual ADB review missions, quarterly mission reports MTR End-of-grant evaluation report
Accounting, auditing, and reporting	Monthly activity and financial reports Annual progress reports Audited project accounts within 6 months of the end of each fiscal year	Monthly Annually Annually Within 3 months of project completion

## 5. Estimated Disbursement Schedule

Fiscal Year (FY)	Amount (\$)
FY2006	\$20,000
FY2007	\$250,000
FY2008	\$163,500
FY2009	\$100,000
<b>Total Disbursements</b>	<b>\$533,500</b>

## Appendixes

1. Detailed Cost Estimates
2. Fund Flow Arrangements
3. Implementation Arrangements

**DETAILED COST ESTIMATES**  
**Table A1.1: Detailed Cost Estimates**  
**(\$)**

Code	Supplies and Services Rendered	Costs				Contributions				
		Unit	Quantity	Cost	Total	JFPR		Government	Other Donors	Communities
			Units	Per Unit	US\$	Amount	Method of Procurement			
<b>Component A. Training of LWU, PAFO, and DAFO Staff</b>				<b>Subtotal</b>	<b>217,500</b>	<b>217,500</b>		<b>10,000</b>	<b>0</b>	<b>10,000</b>
<b>1.1</b>	<b>Training, Workshops, and Seminars</b>									
1.1.1	National Workshop	Workshop	1	10,000	10,000	10,000		10,000		
1.2.1	Provincial Workshops	Workshop	8	5,000	40,000	40,000				
<b>1.2</b>	<b>Consulting Services</b>									
1.2.1	International Consultant	Person-month	6	15,000	90,000	90,000				
1.2.2	National Consultant	Person-month	24	2,500	60,000	60,000				
<b>1.3</b>	<b>International Travel</b>	RT	2	6,000	12,000	12,000				
<b>1.4</b>	<b>Domestic Travel</b> (to include air and land transportation)				5,500	5,500				
<b>Component B. Training of PAFO and DAFO Staff in Project Management, Financial, and Procurement Procedures</b>				<b>Subtotal</b>	<b>217,500</b>	<b>217,500</b>		10,000	0	0
<b>2.1</b>	<b>Training, Workshops, and Seminars</b>									
2.1.1	National Workshop	Workshop	1	10,000	10,000	10,000		10,000		
2.1.2	Provincial Workshop	Workshop	8	5,000	40,000	40,000				
<b>2.2</b>	<b>Consulting Services</b>									
2.2.1	International Consultant	Person-month	6	15,000	90,000	90,000				
2.2.2	National Consultant	Person-month	24	2,500	60,000	60,000				
<b>2.3</b>	<b>International Travel</b>	RT	2	6,000	12,000	12,000				
<b>2.4</b>	<b>Domestic Travel</b> (to include air and land transportation)				5,500	5,500				
<b>Component C. Monitoring and Evaluation</b>				<b>Subtotal</b>	<b>50,000</b>	<b>50,000</b>		0	0	0
<b>3.1</b>	<b>Other Inputs</b>									
3.1.1	Reports and Studies				15,000	15,000				
3.2.1	Grant Management				20,000	20,000				
3.3.3	External Audit				15,000	15,000				
<b>Components A to C = Subtotal</b>				<b>Subtotal</b>	<b>485,000</b>	<b>485,000</b>		<b>20,000</b>		
<b>Contingency (Maximum 10% of Total JFPR Contribution)</b>					<b>48,500</b>	48,500				
<b>TOTAL Grant Costs</b>				<b>Total</b>	<b>533,500</b>	<b>533,500</b>		<b>20,000</b>	<b>0</b>	<b>0</b>
<b>Incremental Cost Details:</b>										
<b>TOTAL Incremental Costs</b>										

DAFEO = district agriculture and forestry extension office, JFPR = Japan Fund for Poverty Reduction, LWU = Lao Women's Union, NGO = nongovernment organization, PAFO = provincial agriculture and forestry office.  
Source: Asian Development Bank.

**Table A1.2: Summary Costs Table**  
(\\$)

<div style="display: flex; justify-content: space-between; align-items: center;"> <div style="text-align: center;"> <p>↓ Inputs / Expenditure Category</p> </div> <div style="text-align: center;"> <p>→ Grant Components</p> </div> </div>	<b>Component A</b> Training of LWU, PAFO, and DAFEEO Staff	<b>Component B</b> Training PAFO and DAFEO Staff in Project Management, Financial, and Procurement Procedure	<b>Component C</b> Monitoring and Evaluation	<b>Total</b> (Input)	<b>Percent</b>
<b>1. Training, Workshops, Seminars, and Public Campaigns:</b> {e.g., resources persons, technical training specialists, community mobilizers and organizers, venue rental, travel, food and accommodation for participants and other related costs}	50,000	50,000		<b>100,000</b>	18.74
<b>2. Consulting Services:</b> {national and international consultants}	150,000	150,000		<b>300,000</b>	56.23
<b>3. International Travel</b>	12,000	12,000		<b>24,000</b>	4.50
<b>4. Domestic Travel</b>	5,500	5,500		<b>11,000</b>	2.06
<b>5. Other Inputs:</b> {monitoring and evaluation, grants management, and external audit}			50,000	<b>50,000</b>	9.37
<b>6. Contingency</b>				<b>48,500</b>	9.09
<b>Subtotal JFPR Grant Financed</b>	<b>217,500</b>	<b>217,500</b>	<b>50,000</b>	<b>533,500</b>	<b>100.00</b>
<b>Government Contribution</b> {e.g. Salaries for government staff, provision of project office, land acquisition, participation in workshops/meetings}	10,000	10,000		<b>20,000</b>	
<b>Other Donor(s) Contributions (e.g. from NGOs, multi and bilateral aid agencies):</b> {e.g. costs for O&M, livelihood skills development and training, logistic, administration, infrastructure assistance, technology, material and equipment supply, etc...}					
<b>Community's Contributions</b> (mostly in kind): {e.g., participation in all training and community development; land development, and in kind labor contribution through food for work}					
<b>Total Estimated Costs</b>				<b>533,500</b>	
<b>Incremental Costs</b>					

DAFEO = district agriculture and forestry extension office, JFPR = Japan Fund for Poverty Reduction, LWU = Lao Women's Union, NGO = nongovernment organization, O&M = operation and maintenance, PAFO = provincial agriculture and forestry office.

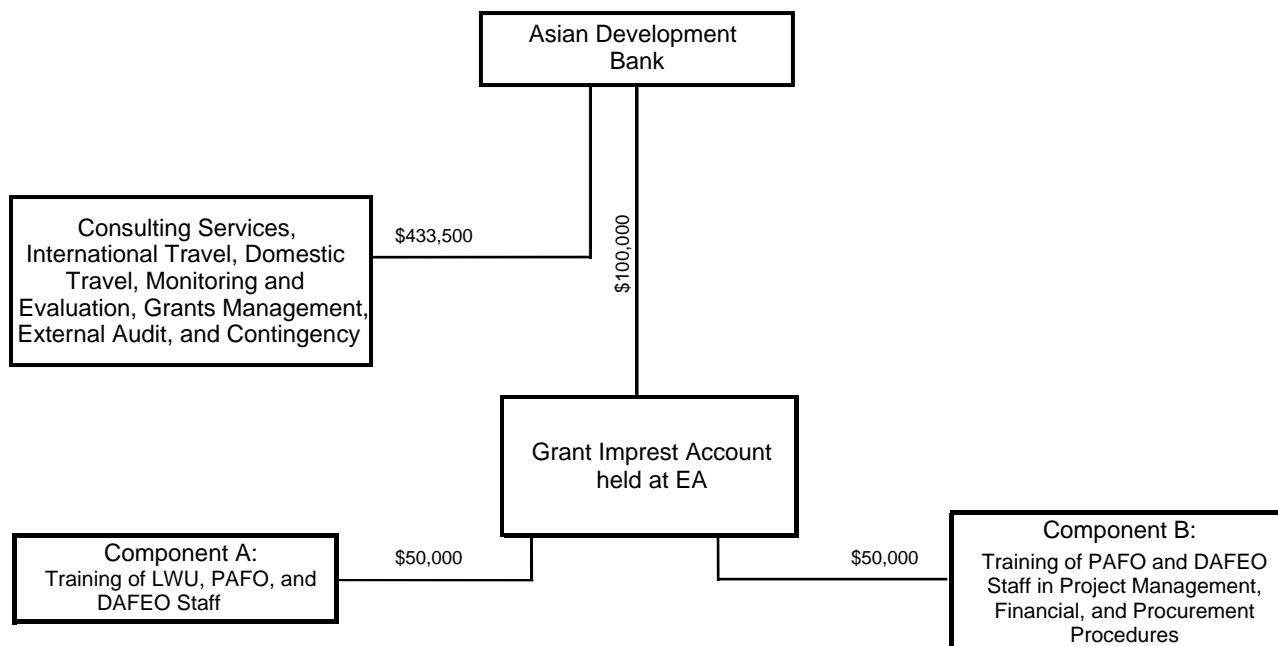
Source: Asian Development Bank.

## FUND FLOW ARRANGEMENTS

1. The Asian Development Bank (ADB) will open a Japan Fund for Poverty Reduction (JFPR) grant account into which the JFPR funds will be deposited. The Executing Agency (EA) will open a JFPR bank account, in a commercial bank acceptable to ADB, into which JFPR funds will be advanced. The EA will manage all expenditures, certify delivery of services and outputs by the consultants as per their terms of reference, and submit withdrawal applications to ADB for direct payments and replenishment of the imprest account; withdrawal applications will be signed by the authorized signatory at the Ministry of Finance in line with the authorized signatory procedure for withdrawal applications agreed upon with the Lao People's Democratic Republic (Lao PDR). Upon receipt of withdrawal applications and ADB approval, payments will be made directly to the consultants or as replenishments of the imprest account. The Ministry of Finance will be kept informed by the EA of all transactions and will receive copies of all financial statements and audit reports.

2. The advance to the imprest account will be 10% of the grant amount or 6 months projected expenditure to be funded from the imprest account, whichever is lower. The statement of expenditures procedure will apply to all payments and transactions under \$10,000 to ensure speedy project implementation. Detailed implementation arrangements, such as the flow, replenishment, and administrative procedures will be detailed in the grant implementation manual, and be established between ADB and the Government through the JFPR Letter of Agreement. The schematic fund flow for the JFPR Project is shown in Figure A2. Interest earned on the JFPR imprest account can be used for the project subject to ADB's approval, within the approved total amount of the JFPR. Upon completion of the JFPR project and before the JFPR imprest account is closed, any unutilized interest should be returned to the JFPR fund account maintained at ADB. If the remittance fee and other bank charges are higher than the amount of interest earned, there will be no need to return such interest to the JFPR account maintained at ADB.

**Figure A2. Fund Flow Arrangements for JFPR Project**



EA = executing agency, DAFEO = district agriculture and forestry extension office, JFPR = Japan Fund for Poverty Reduction, LWU = Lao Women's Union, PAFO = provincial agriculture and forestry office.

Source: Asian Development Bank.

## IMPLEMENTATION ARRANGEMENTS

1. All implementation arrangements will be fully synchronized with the counterpart loan project. The grant will be implemented by the Department of Livestock and Fisheries (DLF). The Executing Agency (EA) will be the Ministry of Agriculture and Forestry (MAF). DLF will set up the grant implementation unit (GIU) as part of the regional office to be set up at Louang phrabang under the counterpart loan. The GIU will be headed by a director who will be assisted by two full-time support staff. The GIU will operate under the overall direction of the national project steering committee. The director of the GIU will report to the project steering committee, which will meet semiannually on grant activities and outcomes. The GIU is to undertake the following tasks:

- (i) Develop detailed documentation for hiring consultants, in consultation with ADB.
- (ii) Based on expressions of interest, develop short lists of international and national consultants.
- (iii) Select consultants with ADB's approval and in keeping with its *Guidelines on the Use of Consultants* to deliver the required training services as required under the grant.
- (iv) Oversee the deployment of consultants in keeping with the agreed-upon terms of reference and activity schedules.
- (v) Facilitate and supervise the organization of workshops at national, provincial, and district levels.
- (vi) Coordinate with the provincial agriculture and forestry office (PAFO) and Lao Women's Union (LWU) the organization and delivery of training workshops and programs as required under the grant.
- (vii) With inputs from the consultants, prepare progress reports on all grant activities.
- (viii) In coordination with the Ministry of Economy and Finance, inform ADB of the satisfactory delivery of services by the consultants and certify their payment to be made directly by ADB.
- (ix) Identify, with ADB approval, a national agency or institute to monitor and evaluate the outcomes of the grant activities.

2. The provincial coordination committee, which will coordinate all provincial activities under the counterpart project, will oversee the activities under the grant. The committee will meet on a quarterly basis and will receive reports on the grant activities and outcomes from the training coordinators to be based in PAFO and LWU in each participating province.

3. In each of the five provinces covered by the counterpart project, the PAFO director will appoint a coordinator to work closely with the consultant teams to develop the training plans, and plan and organize workshops and other training and mentoring programs. The PAFO training coordinator will participate in monitoring and evaluating the outcomes of the grant activities. Similarly, LWU will also identify a coordinator for the grant activities who will liaise with the consultant teams and facilitate the planning and delivery of training programs/workshops, and participate in monitoring and evaluating outcomes of the grant.

4. A grant account will be set up by ADB for the grant. The EA will open a JFPR account in any national bank accepted by ADB. All payments will be made by ADB directly to the consultants, or as replenishment of the imprest account, based on certification of the satisfactory delivery of services by the GIU and EA. These arrangements are made to harmonize with the arrangements set up under the counterpart project. Procurement will be small and will be carried out in accordance with the shopping method as per ADB's

*Procurement Guidelines.* Interest earned on the JFPR account can be used for the project subject to ADB's approval, within the approved total amount of JFPR. Upon completion of the JFPR project and before the JFPR account is closed, any unutilized interest should be returned to the JFPR fund account maintained at ADB. If the remittance fee and other bank charges are higher than the amount of interest earned, there will be no need to return such interest to the JFPR account maintained at ADB. The statement of expenditure (SOE) procedure of ADB will be used to reimburse eligible expenditures up to a maximum of \$10,000 and to liquidate advances to the imprest account. All disbursements will be made according to the letter of agreement and ADB's *Loan Disbursement Handbook* (January 2007).