



Grant Implementation Manual

Project Number: 41044
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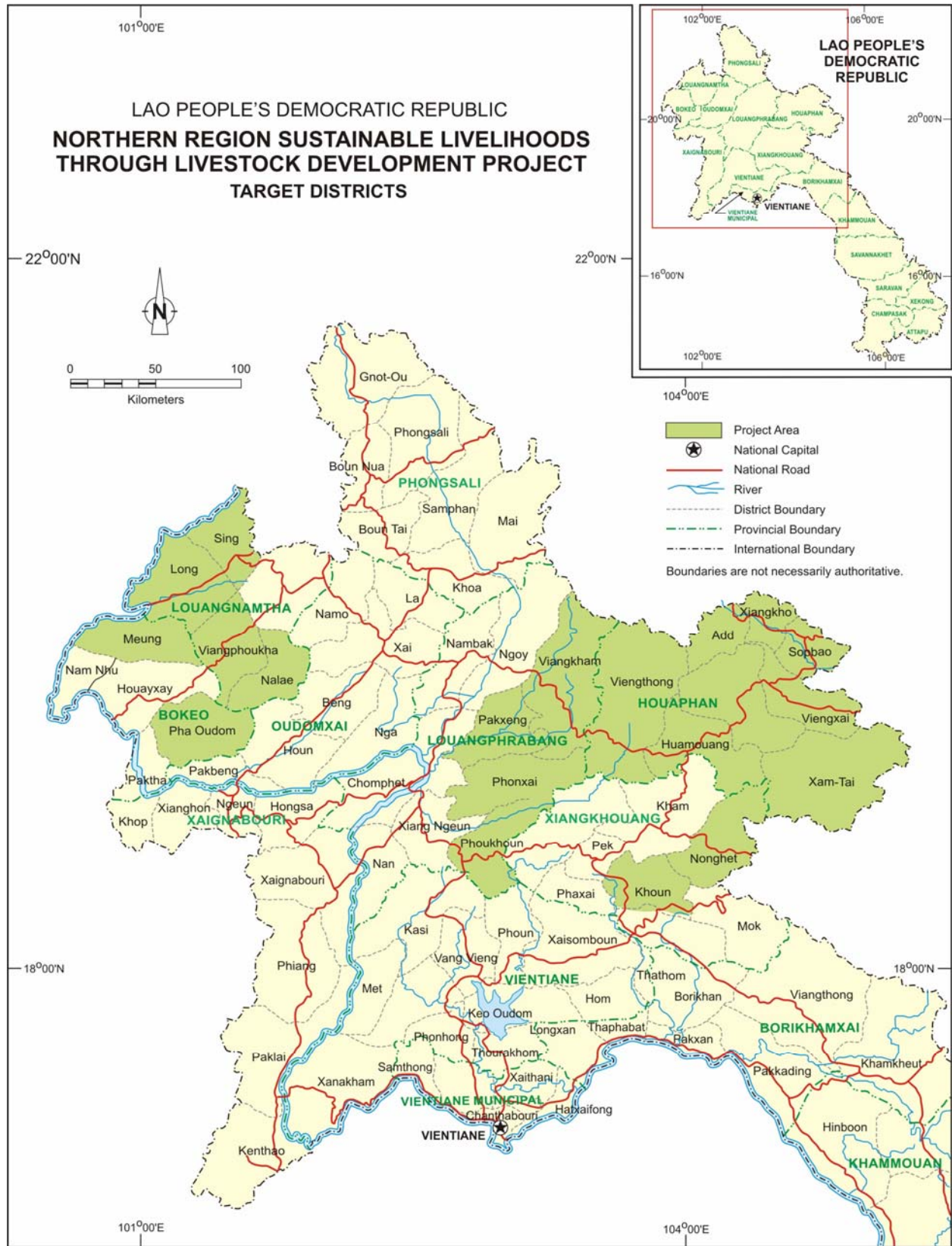
Grant Assistance
Lao People's Democratic Republic: Enhancing
Capacity of Local Government Agencies and Lao
Women's Union for Sustainable Poverty Reduction in
Northern Lao People's Democratic Republic
(Financed by the Japan Fund for Poverty Reduction)

Asian Development Bank

JFPR GRANT IMPLEMENTATION MANUAL (GIM)

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06-2923 RM

The Map represents the target districts of the counterpart project, which are the same for the JFPR project.

LIST OF ADDRESSES AND PERSONNEL CONCERNED

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CURRENCY EQUIVALENTS

(as of 23 April 2008)

Currency Unit	–	kip (KN)
KN1.00	=	\$0001145082
\$1.00	=	KN8,733.00

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.

Vice President	C. Lawrence Greenwood, Jr., Operations Group 2
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GRANT PROCESSING HISTORY

The grant is linked with the counterpart Northern Region Sustainable Livelihoods through Livestock Development Project (NRSLDP) financed by ADB in Northern Lao PDR. The genesis of the grant proposal lies in the training needs of provincial agriculture and forestry offices (PAFOs) in the five selected northern provinces of Lao PDR, and district agriculture and forestry extension offices (DAFEOs), as well as Lao Women Union (LWU) in eighteen of the poorest districts in these provinces, (which are the target areas of the counterpart project). These agencies are partners in the implementation of the counterpart project. They require capacity building and training of trainers (TOT) in the particular areas in order to strengthen project implementation, and poverty reduction. 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. These needs were identified during the preparation of the counterpart project. 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 DAFEO 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 have given training, a comprehensive thrust toward the above 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.

The ADB Mission applied to JFPR for a seed grant, which was approved in August 2006. The Mission then 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 was based on all these consultations. The Government of Japan approved the grant

proposal on 29 January 2007. Following this, ADB approved the project on 11 May 2007, and the Letter of Agreement was signed on 15 October 2007. The grant became effective on 15 October 2007, and the grant closing date is 14 October 2011.

I. GRANT DESCRIPTION

A. Grant Area and Location

1. The grant area includes eighteen of the poorest districts of five northern provinces of Lao PDR. These include Luang Namtha, Bokeo, Xieng Khouang, Houaaphanh and Luang Prabang.

B. Grant Objectives

2. The objectives of the proposed grant are to support much-needed capacity building for community-driven development (CDD), project management and financial administration, 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 having knowledge and capacity to engage with upland communities targeted by the counterpart project the Northern Region Sustainable Livelihoods through Livestock Development Project (NRSLDP), using participatory approaches for livelihoods improvement. This is important as the counterpart project aims to improve upland livelihoods using a CDD approach. Rural households are expected to be supported by the counterpart project for their group formation based on principles of self-selection, common purposes, relations of trust and understanding. Based on such principles, the community groups are expected to participate in the analysis of their current livelihoods situation, and seek solutions towards improving their livelihoods based on livestock development under the counterpart project. Other livelihood constraints are to be addressed through an overall capacity building to identify solutions and garner support from extension services, as well as community based financing services. Lao Women Union (LWU) and DAFEO staff are expected to work together in teams at district and village levels to introduce these approaches to villages. They are to help organize groups to provide support services for strengthening CDD, and sustainable livelihoods, under the counterpart project. Or this they themselves need state of the art training in CDD and community based financial services development. PAFO and DAFEO staff require training in better project management, financial administration and monitoring, accounts, and organizational skills to plan, manage, monitor activities better. The Government of Lao PDR requested the NRSLDP Appraisal Mission to identify grant resources to build the capacity of LWU and DAFEO teams in CDD approaches, as well as provide training in harmonized project monitoring, financial administration and reporting, procurement guidelines to PAFO and DAFEO staff. The mission thus developed the grant proposal in order to respond to these concrete needs of the 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 will be implemented.

C. Grant Components

3. The components included under the grant include the following: i) Training of Lao Women Union and District Agriculture and Forestry Extension Office staff of eighteen target provinces in community driven development (CDD); ii) Training PAFO and DAFEO staff in project management, financial, and procurement procedures; iii) Monitoring and evaluation.

4. **Component 1: Training of Lao Women Union and District Agriculture and Forestry Extension Office Staff of Eighteen Target Provinces in Community Driven Development.** The component will support the training of staff of PAFO and DAFEO, and of LWU in 18 districts

of five provinces in northern Lao PDR, in order to build their capacity to provide ethnic minority communities with CDD related support services in order to develop sustainable livelihoods 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 based groups will be provided to ensure the desired outcomes of the training.

5. 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 to harmonize outputs and avoid duplication.

6. 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.

7. 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. There is an understanding with the Government under the counterpart project that continuity of trained staff will be ensured in order to maximize on capacity being built. Coordination with the Government will be necessary in order to ensure that the trained staff stay on in the province/district and can utilize their training to assist in implementing the NRSLDP. Staff to be selected for training will include all the DAFEO and LWU staff selected to work under the counterpart project.

8. 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.

9. It is expected that 30–40 staff members will be trained per province over the entire period, i.e., about 150–200.

10. 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).

11. Expected Key Performance Indicators:

- (i) Demonstrated capacity of LWU staff to mobilize ethnic minority communities, especially women, for participatory development;
- (ii) Demonstrated capacity of LWU, and DAFEO staff to organize strong community-based groups for technology transfer, microfinance, improved marketing of smallholder produce;
- (iii) Ethnic women's equitable participation in community decision making and livelihood activities;
- (iv) Demonstrated capacity of PAFO and DAFEO staff for improved pro-poor project planning; and
- (v) Demonstrated capacity of PAFO/DAFEO/LWU staff for project monitoring and financial reporting

12. **Component 2: Training PAFO and DAFEEO Staff in Project Management, Financial, and Procurement Procedures.** PAFO and DAFEEO 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.

13. 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.

14. 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.

15. **Component 3: Monitoring and Evaluation (M&E).** 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 DAFEEOs 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.

II. COST ESTIMATES

A. Cost Estimates

16. The project is estimated to cost \$ 553,500 equivalent, including Government share of financing estimated at \$20,000, as well as contingencies. The cost estimates for components one, two and three are shown in detail in Appendix 1.

Table 1: Grant Categories of Expenditure, Amounts, and Percentage of Expenditures

Category	Amount of Grant Allocated in \$	Percentage of Expenditures
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
TOTAL	\$533,500	100.00
Incremental Cost	0	0.00

B. Financing Plan

17. ADB will finance \$533,500 or 96% through the JFPR. Government contribution is estimated at \$ 20,000 or 4% of the total cost.

Table 2: Financing Plan for Proposed Grant to be Supported by JFPR

Funding Source	Amount (\$)
JFPR-	\$533,500
Government	\$ 20,000
Total	\$553,500

C. Allocation of Grant Proceeds

18. The JFPR grant amounting to \$533,500 is allocated as shown in Appendix 1.

III. IMPLEMENTATION ARRANGEMENTS

19. 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 Ministry of Agriculture and Forestry (MAF) will be the Executing Agency (EA) of the project. DLF will set up the grant implementation unit (GIU) as part of the Regional office (RO) set up in Luang Prabang for the implementation of the counterpart loan. The GIU will be headed by a full time Project Coordinator (PC) who will be assisted by two full time support staff. The PC will operate under the overall direction of the National Project Manager (NPM), Dr. Syseng Khounsy, of the counterpart project, and will report to the Project Steering Committee (PSC) of the counterpart project, which will function as the PSC for the grant as well. The PC will submit all workplans and report on progress through the NPM to the PSC, which will meet semi annually at least to monitor grant activities and plans. All consultant recruitment will be undertaken by ADB on behalf of the Government and subject to Government approval. In overall project implementation, and facilitating the recruitment and working of consultants, the GIU will undertake the following tasks:

- (i) Work closely with ADB to finalize the selection of consultants for approval by ADB and the EA in keeping with ADB's *Guidelines on the Use of Consultants by ADB and Its Borrowers* (February 2007, as amended from time to time) to deliver the required trainings as required under the grant;
- (ii) Coordinate the deployment and working of consultants in keeping with the agreed upon terms of reference (TOR) and activity schedules;
- (iii) Facilitate, coordinate and supervise the organization of workshops at national, provincial and district levels;
- (iv) Coordinate with the PAFOs, DAFEOs, and LWU, regarding the organization and delivery of training through workshops and other training programs as required under the grant;
- (v) With inputs from the consultants, prepare progress reports on all grant activities on monthly, quarterly and six monthly basis;
- (vi) In coordination with the EA, and the Ministry of Finance, inform ADB of the satisfactory delivery of services by the consultants and submit withdrawal applications for their direct payment by ADB;
- (vii) Identify a national agency to monitor and evaluate the outcomes of the grant. As far as possible, this may be coordinated with monitoring and evaluation activities under the counterpart project.
- (viii) Submit information regarding the identified national agency for the M&E as well as the detailed TOR for the M&E of project outcomes to ADB for approval.

20. The Provincial Coordination Committees set up under the counterpart project will coordinate all provincial activities under the grant as well. The committees will meet quarterly and receive reports on grant activities and outcomes from the provincial grant coordinators to be based in the Project Implementation Unit (PIUs) of the counterpart project.

21. In each of the five provinces covered by the counterpart project, the PAFO director will appoint a provincial grant coordinator to work closely with the consultants to develop training plans, plan and organize workshops and other training and mentoring programs. The grant coordinator at the PIU will coordinate the participation of LWU district staff in training programs.

22. LWU in each province will appoint a coordinator for grant based training activities who will liaise with the PIU and the consultant teams and facilitate the organization and delivery of training programs and workshops, and assist in the M&E of the grant activities and their outcomes.

IV. IMPLEMENTATION SCHEDULE

23. The project became effective on 15 October 2007, and implementation will continue until 14 October 2011, for a period of 48 months.

V. PROCUREMENT

24. 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 (February 2007, as amended from time to time). The Project will require a total of 12 person months of international consultants and 48 person months of national consultant services. Outline terms of reference are attached (Appendix 11) All consultants will be recruited by ADB with the approval of the Government, in accordance with ADB's Guidelines on the Use of Consultants (2007, as amended from time to time). All consultants will be recruited through firms or on individual basis as agreed between ADB and the EA. Firms will be recruited using the quality-based selection (QBS). 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.

VI. DISBURSEMENT ARRANGEMENTS

25. A grant account will be set up by ADB for the JFPR project funds. The EA will submit a request through MOF to ADB for the Regional Office (RO) of the counterpart project at Luang Prabang to open a JFPR imprest account in a national bank acceptable to ADB¹. The JFPR imprest account will (subject to MOF and ADB approval) be set up by the RO and will be in USD. This account will be only used to defray all operational expenditures related to actual training workshops, studies, evaluation reports, and grant management. The advance to the imprest account will be based on estimated 6 months expenditures to be funded by the imprest account, or 10% of the grant amount, whichever is lower. The remaining grant amount for consulting

¹ The original TA Paper states that the EA will open the JFPR imprest account. However, given the relatively small size of funds to be transferred to the Imprest account, the EA requested Ministry of Finance and the ADB Mission (April 3-9, 2008) to agree to the RO opening the account in Luang Prabang in order to facilitate quick access to funds for operational expenditures. The Ministry of Finance has agreed to this. An Account is already opened and ADB has been informed of this.

services will be directly paid by ADB to consultants based on the withdrawal applications submitted by MOF to ADB. These arrangements are made to harmonize implementation arrangements under the counterpart loan. 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 grant 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 the 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 project account. All disbursements will be made according to the letter of agreement and ADB's Loan Disbursement Handbook (January 2007, as amended from time to time). The fund flow arrangements are shown in Appendix 2.

VII. REPORTING REQUIREMENTS

A. Progress Report

26. The Project Coordinator will prepare quarterly, semiannual, and annual progress reports on project implementation, the form and content of which will be approved by ADB. The NPM will officially endorse these reports to ADB. The progress reports should be circulated to ADB, SDC, PIUs, and the Embassy of Japan in Lao PDR, either by hard copy or portable digital format (PDF) file.

27. The progress report is due in the date of:

- (i) 30 April (for the reporting period January-March);
- (ii) 31 July (for the period April to June);
- (iii) 31 October (for the period July to September); and
- (iv) 31 January (for the period October to December in previous year)

B. JFPR Grant Status Report

28. A JFPR grant status report will be attached as an executive summary of each progress report prepared by the EA. After receipt, the JFPR grant status report will be submitted to ADB's Office of Cofinance (OCO) by an ADB staff, and OCO will inform the Government of Japan about the progress and issues of the Project on behalf of ADB. Format of a JFPR grant status report is given in Appendix .

C. Audited Grant Accounts

29. The EA, through the RO, will maintain separate accounts for all project components financed by JFPR and the Government, and have them audited by an auditor acceptable to ADB. The audited project accounts and the auditor's reports will be submitted to ADB within 6 months after the end of each financial year.

30. The auditor will also audit the use of the imprest account and the statement of expenditures (SOE) procedures. A separate audit opinion on the use of the imprest account and SOE procedures will be included in the annual audit report.

31. The Government has been informed that ADB requires timely submission of audited project accounts and financial statements, and that noncompliance will cause the suspension of disbursements. A summary of ADB's audit requirements is provided in Appendix 10.

D. Implementation Completion Memorandum (ICM)

32. To facilitate post evaluation of the Project, the EA has agreed to provide an implementation completion memorandum to ADB, with the support of the project manager, within 3 months of physical completion of the Project.

VIII. GRANT MONITORING AND EVALUATION

A. Grant Reviews

33. To determine the efficiency and effectiveness on the use of grant, grant reviews will be conducted by the Executing Agency and ADB alongside with the project review missions – that is, semi-annually each year of implementation. Such reviews will ensure that the grant is used prudently in each stage of the project implementation.

B. Mid-term Review

34. ADB and the Government will carry out a midterm review of project implementation in 2010. The mid-term review will focus on project impacts, particularly those relating to institutional, administrative, organizational, technical, environment safeguard, social safeguards (involuntary resettlement and indigenous people), social aspects and poverty reduction. It will include, but not be limited, to the following:

- (i) Review the original project scope, design, implementation arrangements, and other relevant issues in the light of the Government's development strategies and policy framework, and strategic concerns of ADB, including any modifications, if needed;
 - Examine progress toward achieving measurable objectives of the Project and agree on minor changes in the project design and implementation;
 - Assess compliance with the JFPR Agreement;
 - Identify problems and constraints;
 - Formulate appropriate recommendations for corrective actions; and
- (i) Develop a revised project implementation schedule for effective implementation

C. Monitoring and Evaluation

Table 3: Monitoring and Evaluation Framework

Key Performance Indicator	Reporting Mechanism	Plan and Timetable for M&E
<ul style="list-style-type: none"> • Demonstrated capacity to mobilize ethnic minority communities, specially women, for participatory development 	<ul style="list-style-type: none"> • Consultant reports, ADB mission reports, counterpart project reviews, progress reports, citizen report cards 	<ul style="list-style-type: none"> • ADB semiannual review missions • Quarterly progress reports, end-of-grant evaluation • Midterm review (MTR) in year 3 of the counterpart loan project
<ul style="list-style-type: none"> • Demonstrated capacity to organize strong community-based groups for technology transfer, microfinance, improved marketing of 	<ul style="list-style-type: none"> • Consultant reports, ADB missions, counterpart project reviews, progress reports, citizen report cards 	<ul style="list-style-type: none"> • ADB semiannual review missions for grant and loan projects • Quarterly progress report • End-of-grant evaluation

smallholder produce		<ul style="list-style-type: none"> • Consultant reports on schedule • MTR
<ul style="list-style-type: none"> • Ethnic women's equitable participation in community decision making and livelihood activities 	<ul style="list-style-type: none"> • Consultant reports, ADB missions reports, aide-memoires of grant and loan projects, progress reports, citizen report cards 	<ul style="list-style-type: none"> • Semiannual ADB review missions, quarterly mission reports • MTR • End-of grant-evaluation report
<ul style="list-style-type: none"> • Improved pro-poor project planning capacity among provincial and district staff 	<ul style="list-style-type: none"> • Consultant reports, ADB review missions, aide-memoires, progress reports, evaluation reports 	<ul style="list-style-type: none"> • Semiannual ADB review missions, quarterly mission reports • MTR • End-of-grant evaluation report
<ul style="list-style-type: none"> • Improved capacity for project monitoring and financial reporting among provincial and district staff 	<ul style="list-style-type: none"> • Consultant reports, ADB review missions, aide- memoires, progress reports, evaluation reports 	<ul style="list-style-type: none"> • Semiannual ADB review missions, quarterly mission reports • MTR • End-of-grant evaluation report
<ul style="list-style-type: none"> • Accounting, auditing, and reporting 	<ul style="list-style-type: none"> • Monthly activity and financial reports • Annual progress reports • Audited project accounts within 6 months of the end of each fiscal year 	<ul style="list-style-type: none"> • Monthly • Annually • Annually • Within 3 months of project completion

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			
Component A. Training of LWU, PAFO, and DAFEO Staff				Subtotal	217,500	217,500		10,000	0	10,000
1.1	Training, Workshops, and Seminars									
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				
1.2	Consulting Services									
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				
1.3	International Travel	RT	2	6,000	12,000	12,000				
1.4	Domestic Travel (to include air and land transportation)				5,500	5,500				
Component B. Training of PAFO and DAFO Staff in Project Management, Financial, and Procurement Procedures				Subtotal	217,500	217,500		10,000	0	0
2.1	Training, Workshops, and Seminars									
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				
2.2	Consulting Services									
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				
2.3	International Travel	RT	2	6,000	12,000	12,000				
2.4	Domestic Travel (to include air and land transportation)				5,500	5,500				
Component C. Monitoring and Evaluation				Subtotal	50,000	50,000		0	0	0
3.1	Other Inputs									
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				
Components A to C = Subtotal				Subtotal	485,000	485,000		20,000		
Contingency (Maximum 10% of Total JFPR Contribution)					48,500	48,500				
TOTAL Grant Costs				Total	533,500	533,500		20,000	0	0
Incremental Cost Details:										
TOTAL Incremental Costs										

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

(\$)

↓ Inputs / Expenditure Category ↗ Grant Components	Component A Training of LWU, PAFO, and DAFEO Staff	Component B Training PAFO and DAFEO Staff in Project Management, Financial, and Procurement Procedure	Component C Monitoring and Evaluation	Total (Input)	Percent
1. Training, Workshops, Seminars, and Public Campaigns: {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		100,000	18.74
2. Consulting Services: {national and international consultants}	150,000	150,000		300,000	56.23
3. International Travel	12,000	12,000		24,000	4.50
4. Domestic Travel	5,500	5,500		11,000	2.06
5. Other Inputs: {monitoring and evaluation, grants management, and external audit}			50,000	50,000	9.37
6. Contingency				48,500	9.09
Subtotal JFPR Grant Financed	217,500	217,500	50,000	533,500	100.00
Government Contribution {e.g. Salaries for government staff, provision of project office, land acquisition, participation in workshops/meetings}	10,000	10,000		20,000	
Other Donor(s) Contributions (e.g. from NGOs, multi and bilateral aid agencies): {e.g. costs for O&M, livelihood skills development and training, logistic, administration, infrastructure assistance, technology, material and equipment supply, etc...}					
Community's Contributions (mostly in kind): {e.g., participation in all training and community development; land development, and in kind labor contribution through food for work}					
Total Estimated Costs				553,500	
Incremental Costs					

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.

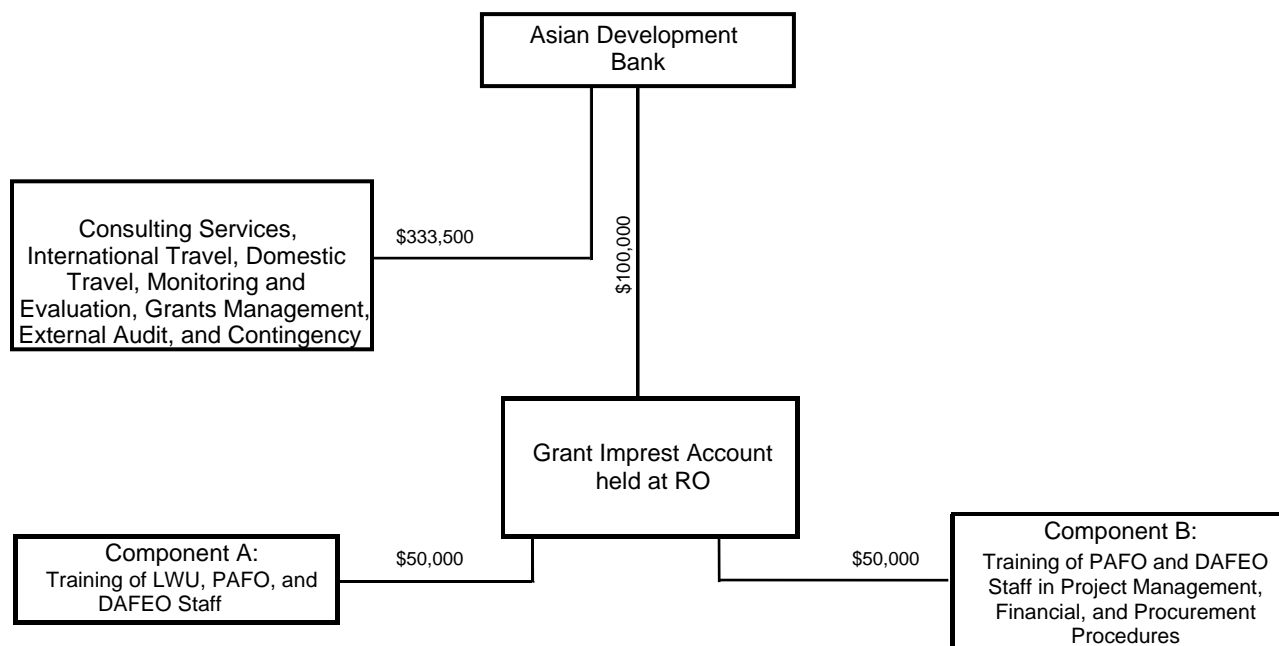
Source: Asian Development Bank.

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 Regional Office (RO) of the counterpart project will open a JFPR imprest bank account, in a commercial bank acceptable to ADB, into which JFPR funds will be advanced. The EA has requested Ministry of Finance and ADB to allow the RO to open the JFPR imprest account in order to allow ease of access to funds for operational expenditures. This has been approved by the MOF and the ADB mission. The Executing Agency (EA) of the project 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 through the Ministry of Finance (MOF) for direct payments and replenishment of the project account; withdrawal applications will be signed by the authorized signatory at the MOF 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 MOF 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. 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 Department of Livestock and Fisheries (DLF) will implement the grant. 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 Luang Prabang under the counterpart loan. The GIU will be headed by a project coordinator (PC) who will be assisted by two full-time support staff. The PC will report to the National Project Manager of the counterpart project. The GIU will operate under the overall direction of the national project steering committee. The PC 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) Coordinate the deployment of consultants in keeping with the agreed-upon terms of reference and activity schedules.
- (iii) Facilitate and supervise the organization of workshops at national, provincial, and district levels.
- (iv) 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.
- (v) With inputs from the consultants, prepare progress reports on all grant activities.
- (vi) 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.
- (vii) 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 imprest account through the Regional Office of the counterpart project in Luang Prabang, in any national bank acceptable to 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* (February 2007, amended from time to time). 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 amended from time to time).

Procurement Plan

A. Project Information

Project Information	
Country	Lao PDR
Name of Borrower/Beneficiary	Department of Livestock and Fisheries, MAF
Project Name	Enhancing Capacity of Local Government Agencies and Lao Women Union for Sustainable Poverty Reduction in Northern Lao PDR
TA Reference	TA – 9170
Date of Effectiveness	15 October 2007
Amount US\$:	553,500
Of which Committed, US\$	533,500
Executing Agency	MAF
Approval Date of Original Procurement Plan	Not Applicable
Approval of most recent Procurement Plan	Not Applicable
Publication for Local Advertisements	
Period covered by this Plan	15 October 2007-14 October 2011.

B. Procurement Thresholds Works and Goods

Procurement Methods	To be used above or below
Shopping Works	Less than \$100,000
Shopping Goods	Less than \$100,000

Source: Asian Development Bank estimates.

C. Procurement Thresholds Consulting Services

Procurement Methods	To be used above or below
Quality- and Cost-Based Selection (QCBS)	Above \$200,000
Consultants' Qualifications Selection (CQS)	\$100,000 - \$200,000
Least Cost Selection (LCS)	Below \$100,000
Individual selection	To be determined

Source: Asian Development Bank estimates.

D. List of Contract Packages for Works, Goods, and Services

Contract Description	Estimate Cost (\$)	Procurement Method	Expected Date of advertisement	Prior Review	Agency
Training, workshop and seminar	200,000	Shopping works and goods	4th Quarter of Year 1	Yes	MAF
Consultancy		QCBS	4th Quarter of Year 1	Yes	MAF
Services (package and method are being assessed)	333,500	CQS	2 nd Quarter of Year 2	Yes	MAF
		LCS		Yes	MAF
		Individual selection		Yes	

MAF = Ministry of Agriculture and Forestry, QCBS = quality- and cost-based selection; CQS = Consultants' Qualifications Selection; LCS = Least Cost Selection

Guidelines for the Preparation of the Progress Report

A. Introduction

1. The Letter of Agreement requires the recipient county and the executing agency (EA) to provide ADB with reports and information it reasonably requests. These include the EA's periodic progress reports that enable the recipient, EA, and ADB to monitor project progress, become aware of problems during implementation, and assess whether the immediate project objectives will be met.
2. The recipient or EA submits the progress reports quarterly, regardless of progress achieved during the period. When little or no progress is achieved, the progress reports inform ADB of the reasons and problems delaying implementation or that may result in the immediate objectives not being met.

B. Content and Format

3. The content of the progress report includes sufficient information in summary form to be useful to ADB as a funding agency. The purpose of the report is to enable the recipient, EA, and ADB to monitor the latest progress, become aware of current problems, and assess whether the project's immediate objectives will be met. More detailed reports are prepared by consultants or contractors for the EA. These reports are held at the EA and are made available for ADB review, midterm review, and project completion review missions.
4. When ADB requires detailed information (such as background to a particular problem), this is included as an appendix. Simple charts such as a bar or milestone charts to illustrate implementation progress, a chart showing actual versus planned expenditures, and the relationship between physical and financial performance are included.

C. Procedure

5. The progress report sent to ADB will permit ADB staff to readily capture key information for inputting into the project performance report (PPR). When ADB requires detailed information (such as background to a particular problem), this is included as an appendix. Simple charts such as a bar or milestone charts to illustrate implementation progress, a chart showing actual versus planned expenditures, and the relationship between physical and financial performance are included. A framework and guidelines for calculating project progress and a sample implementation schedule are shown in Appendix 16.
6. The progress report is due in the date of:
 - (i) 30 April (for the reporting period January-March);
 - (ii) 31 July (for the period April to June);
 - (iii) 31 October (for the period July to September); and
 - (iv) 31 January (for the period October to December in previous year)
7. The Project Performance Report is the main tool for monitoring project implementation performance within ADB. PPRs for "satisfactory" projects are updated at least quarterly as well as after project review missions. PPRs for "unsatisfactory" and "partly satisfactory" projects are updated more frequently. The following procedures apply:

- (i) The ADB staff captures key information from the progress report and updates the PPR.
- (ii) The ADB staff then recommends any proposed actions to the project administration unit (PAU) head.
- (iii) If the PAU head approves the recommendations, the ADB staff responsible for implementing the project conveys ADB's comments or recommendations on the report to the recipient or EA. In so doing, a copy of the updated PPR resulting from the progress report may be incorporated.
- (iv) Where necessary, a special project administration mission is sent to resolve serious problems in advance of the next scheduled review mission,
- (v) All departments and offices have access to the updated PPR, and a copy of the progress report is sent only to the concerned parties. For example, in the case of major changes or problems concerning financial matters, submission of the EA's progress report to the ADB's Loan Administration Division (CTLA) may help process withdrawal applications when the project involves force account works, or where a significant disparity is observed between progress and disbursement.

8. If a progress report is not received within two weeks of the scheduled date of receipt, the ADB staff responsible for implementing the project sends a reminder immediately to the recipient or EA. Repeated delays in sending progress reports are recorded in the PPR and discussed with the recipient or EA by the project review mission.

Structure of Quarterly Progress Report

A. JFPR Grant Status Report as Executive Summary

1. JFPR Grant Status Report (GSR) is a semi annual report that serves as an executive summary of the quarterly progress reports (QPR). The GSR will be submitted to ADB's Office of Cofinance (OCO) by an ADB staff, and OCO will inform the Government of Japan about the progress and issues of the Project on behalf of ADB.

B. Introduction and Basic Data

2. Provide the following:

- (i) ADB grant number, project title, recipient, executing agency(ies), implementing agency(ies);
- (ii) total estimated project cost and financing plan;
- (iii) status of project financing including availability of counterpart funds and cofinancing;
- (iv) dates of approval, signing, and effectiveness of ADB grant;
- (v) original and revised (if applicable) ADB grant closing date and elapsed grant period based on original and revised (if applicable) grant closing dates; and
- (vi) date of last ADB review mission.

C. Utilization of Funds (ADB Grant, Cofinancing and Counterpart Funds)

3. Provide the following:

- (i) cumulative contract awards financed by the ADB grant, cofinancing and counterpart funds (commitment of funds to date), and comparison with time-bound projections (targets);
- (ii) cumulative disbursements from the ADB grant, cofinancing and counterpart funds (expenditure to date), and comparison with time-bound projections (targets); and
- (iii) re-estimated costs to completion, need for reallocation within ADB grant categories, and whether an overall project cost overrun is likely.

D. Project Purpose

4. Provide the following:

- (i) status of project scope/implementation arrangements compared with those in the report and approved grant proposal, and whether major changes have occurred or will need to be made;
- (ii) an assessment of the likelihood that the immediate development objectives (project purpose) will be met in part or in full, and whether remedial measures are required based on the current project scope and implementation arrangements;
- (iii) an assessment of changes to the key assumptions and risks that affect attainment of the development objectives; and

- (iv) other project developments, including monitoring and reporting on environmental and social requirements that might adversely affect the project's viability or accomplishment of immediate objectives.

E. Implementation Progress

5. Provide the following:

- (i) assessment of project implementation arrangements such as establishment, staffing, and funding of the GIU;
- (ii) information relating to other aspects of the EA's internal operations that may impact on the implementation arrangements or project progress;
- (iii) progress or achievements in implementation since the last progress report;
- (iv) assessment of the progress of each project component, such as, recruitment of consultants and their performance; procurement of goods and works, and the performance of contractors;
- (v) assessment of progress in implementing the overall project to date in comparison with the original implementation schedule; and
- (vi) an assessment of the validity of key assumptions and risks in achieving the quantifiable implementation targets.

F. Procurement Plan for Next 18 Months

6. Provide the following:

- (i) List of all contract for the next 18 months in value by procurement method and the date by which procurement activity is expected to commence.

G. Compliance with Covenants

7. Provide the following:

- (i) the recipient's compliance with grant covenants and the reasons for any noncompliance or delay in compliance;
- (ii) the recipient's and EA's compliance with financial grant covenants including the EA's financial management, and the provision of audited project accounts or audited agency financial statements; and
- (iii) the recipient's and EA's compliance with project-specific grant covenants associated with implementation.

H. Major Project Issues and Problems

8. Summarize the major problems and issues affecting or likely to affect implementation progress, compliance with covenants, and achievement of immediate development objectives. Recommend actions to overcome these problems and issues (e.g., changes in scope, changes in implementation arrangements, and reallocation of grant proceeds).

Sample Implementation Schedule

Activities	Year 1	Year 2	Year 3	Year 4	(a) Assigned Weight	(b) Actual Progress	(a) x (b) Weighted Progress
Establish GIU							
Establish PSC.							
Appoint Staff and Budget							
Deployment of consultants							
Prepare training plans							
Organize workshops							
Procurement of Furniture and Equipment							
Field Work of Consultants							
Provide Manuals to staff							

Format for JFPR Grant Status Report

A. Basic Grant Data		DMC:				
Grant Number:		Name of Grant:				
Approved Grant Amount: \$		Responsible Project Officer and Division {name, position, e-mail, phone}:				
Grant Commencement Date (Date LoA was signed):		Original Closing Date / Revised Closing date (after extension):				
Executing Agency {Names, Address, Contact Persons, E-mail, Phone, Fax}:						
Implementing Agency(ies) {Names, Address, Contact Persons, E-mail, Phone, Fax}:						
B. Grant Status		Period of Reporting {date from/to}:				
		Date when this report was prepared:				
General Status		A	B	C	D	E ¹
(Summary)		Specify:				
Grant Development Objective:						
Grant Components	Targeted/Expected Output	Physical (%)	Accomplishments Rating ² (HS,S,PS, U)	Notes - Remarks:		
C. Grant Utilization						
Grant Committed: \$	Cumulative Disbursements: \$	Balance: \$	Notes - Remarks:			
Annual Disbursements (from ADB to Grant Accounts):						
1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.			
Projected: \$	\$	\$	\$			
Actual: \$	\$	\$	\$			
Procurement of Goods and Services: Goods		Services		Notes - Remarks:		

¹ A = Financially Closed; B = Implementation already started or is ongoing; C = LOA signed but implementation has not started yet; D = ADB Approved but LOA not yet signed; E = Others, (please briefly specify, e.g. extension, or issues that need to be flagged)

² HS=Highly Satisfactory, S=Satisfactory, PS=Partly Satisfactory, U=Unsatisfactory

Contracts Awarded: Outstanding Contracts:	No. of Total contracts Amount	No. of Total Contracts Amount	
Prepared By:	Name / Signature	Comments	
GIU Staff			
<u>D. Major Issues / Problems {please add extra sheet if necessary}</u>			
Problems / Issues		Action Taken / Proposed	
Cleared By:	Name / Signature	Comments	
1. Project Manager:			
2. Director:			

Audit Requirements

A. Executing Agency/Project Implementing Agency

1. ADB requires a general purpose audit report covering the audited financial statements (AFS) for each executing agency and/or project implementation agency associated with the project, together with a management letter, by agency, prepared in accordance with generally acceptable audit practices.

B. Project Accounts

2. ADB requires a special purpose audit of project accounts. The engagement letter (issued by the EA/borrower to the external auditor) for the special purpose audit should lay down the coverage of the audit and nature of the audit opinion required including:

- (i) a statement of the special purpose audit report and its use (including standards under which it was prepared)
- (ii) statement with respect to compliance with Generally Accepted Accounting Principals (GAAP)
- (iii) statement with respect to the standards under which the audit was conducted
- (iv) scope of audit including period covered
- (v) audit opinion covering current and cumulative project activity including how the outstanding audit observations have been dealt with
- (vi) statement with respect to compliance with financial covenants in the loan and project agreement
- (vii) statement that ADB's funds have been used for their intended purpose
- (viii) In those cases where a management letter is not received on the entity as a whole, then a management letter covering internal controls, procedures associated with preparation of project accounts would be required.

3. If a SOE and/or imprest fund facility has been provided, the special purpose audit should include an opinion on (i) utilization of the imprest account; (ii) statement of expenditures including whether amount claimed was duly supported to the extent verified; and (iii) whether or not the EA was operating the imprest account in accordance with ADB's procedures.

C. Reporting Deadlines

4. Audited financial statements (for the EA, project accounts, and imprest fund as applicable) should be submitted to ADB not more than 6 months following the end of the fiscal year.

JFPR Implementation Completion Memorandum (ICM)¹

A. Objective and Scope

1. The main objective of a JFPR Implementation Completion Memorandum (ICM) is to learn from the experiences of the Recipients, executing agencies (EAs), implementing agencies (IAs) and ADB in implementing grants, and to use the lessons learned to improve the performance of ongoing and future ADB-financed projects in poverty reduction. The ICM will also be used as a measure of ADB's development effectiveness and as an input to country strategy formulation. An ICM

- (i) evaluates the rationale for the JFPR; adequacy of preparation; appraisal and design; implementation arrangements; and performance of the recipient, EA, IAs and ADB, including how problems were handled, whether they were foreseen as potential risks, and the adequacy of the solutions adopted during implementation;
- (ii) provides a preliminary evaluation of achievements of the immediate objectives (purpose) and the impact and contribution to the overall objectives (goal);
- (iii) provides a preliminary evaluation of the sustainability of the grant interventions and benefits; and
- (iv) makes recommendations based on the evaluation and lessons learned—for dissemination and scaling-up of the grant interventions for future ADB operations.

B. Timing and Preparation of ICM

2. An ICM is prepared within six months after Grant Closing Date.²

3. The Recipient (EA and/or IA) first prepares the ICM for self-evaluation and also helps with the preparation of ADB's section of the ICM. If the Recipient's contribution of the ICM is delayed and the grant implementation is considered complete, the division/country director concerned may, after consultation with the latest review mission and responsible project staff, decide to proceed with preparing ADB's part of the ICM in the absence of the recipient's section of the ICM.

4. When the grant implementation is approaching completion, an ADB review mission should agree with the Recipients on the outline and timing for the Recipient's section of the ICM. Assistance in preparing the Recipient's section of the ICM is usually a part of the terms of reference of the grant implementation unit (GIU).

C. Length and Content of ICMs

5. Staff of the unit administering the grant (sector division, regional department or resident mission) must ensure that any problems or issues that arose during grant implementation are recorded in the ICM. Grant status reports and back-to-office reports (BTORs) prepared during preparation and implementation will provide the input for this. Such

¹ Policy and procedures are based on the JFPR guidelines, topic 29, in combination with the principles of PAI 6.07 - Grant Completion Report for ADB Loans.

² Grant Closing Date is the date when all implementation, consolidation and other related physical activities end, as shown in the JFPR Grant Proposal and the Letter of Agreement, up to a maximum of four years after JFPR grant effectiveness, including extensions.

issues or problems should not go unnoticed and thus lessons ignored. Therefore, all ICMs are to be detailed. Appendixes are limited to those that are essential for explaining the text.

6. An ICM is kept concise by

- (i) concentrating on analyzing grant inputs and activities, implementation arrangements, costs, outputs, and impacts;
- (ii) focusing on the principal determinants of performance;
- (iii) using condensed analytical tables and supporting appendixes;
- (iv) using cross-referencing to source documents; and
- (v) avoiding repetition.

D. Intended Use of the Implementation Completion Memorandum (ICM)

7. ICMs are intended for use by and will be circulated to (i) The Government of Japan, (ii) Directors General and Directors of relevant departments, Divisions and offices, (iii) Country director, RM concerned, and (iv) recipients, concerned DMC agency, executing agencies.

Format for Implementation Completion Memorandum (ICM)

I. BASIC INFORMATION			
1. JFPR Number and Name of Grant:			
2. Country (DMC):		3. Approved JFPR Grant Amount: \$	
4. Grant Type: Project / Capacity Building		5-A. Undisbursed Amount \$	5-B. Utilized Amount \$
6. Contributions from other sources {convert in-kind contributions into US\$}			
Source of Contribution:	Committed Amount	Actual Contributions:	Remark - Notes:
DMC Government	\$	\$	
Other Donors (please name)	\$	\$	
Private Sector	\$	\$	
Community/Beneficiaries	\$	\$	
7-A. GOJ Approval Date:		7-B. ADB Approval Date:	
		7-C. Date the LOA was signed (Grant Effectiveness Date):	
8-A. Original Grant Closing Date:		8-B. Actual Grant Closing Date:	
		8-C. Account Closing Date:	
9. Name and Number of Counterpart ADB (Loan) Project:			
10. The Grant Recipient(s): {Names, address, contact persons, e-mail, phone, fax numbers of the agency(ies) and/or institutions that signed the Letter of Agreement with ADB}			
11. Executing and Implementing Agencies: {Names, Address, Contact Persons, E-mail, Phone, Fax}			
II. GRANT PERFORMANCE ASSESSMENT			

<p>12. Description (Background rationale): {Extract information on background and rationale from the approved JFPR Grant Proposal and summarize}</p>		
<p>13. Grant Development Objective and Scope: {Briefly describe the Grant Development Objectives (purpose) and scope (outputs and activities). Assess the relevance of the Grant design (including appropriateness of objectives, components, implementation arrangements and schedule) and formulation (including extent of stakeholders' participation and ownership)}</p>		
<p>14. Key Performance Indicators {list each original indicator as mentioned in the approved JFPR Grant Proposal}</p>	<p>Accomplish-ments Rating (HS,S,PS,U¹)</p>	<p>Evaluation of each Indicator: {rate the accomplishments, describe any changes and evaluate each indicator for its relevance, achievements and sustainability}</p>
<p>15. Evaluation of Inputs (Adequacy of formulation, terms of references, inputs and performance of the Recipient(s), EA, IA(s), NGOs and ADB, performance of consultants, other inputs, review missions): {Evaluate, among others: (i) The economy of input provision (the relative cost of input provision); (ii) the productivity of the inputs (conversion into outputs); (iii) the quality of the inputs; (iv) reasons for deviating from planned inputs and activities; (v) client satisfaction with the inputs provided; (vi) the performance of ADB, the Recipient, the EA, IA(s) and NGOs as highly satisfactory (HS), satisfactory (S), partly satisfactory (PS), or Unsatisfactory (U); (vii) any other inputs.}</p>		
<p>16. Evaluation of Outputs and Results (Reports generated, institution building, training, analysis of quality, comparison with terms of references, sustainability and exit strategy): {Evaluate performance issues, such as (i) efficiency in the production of outputs (cost and process); (ii) effectiveness or efficacy (compare actual to planned results); (iii) quality of outputs (refer to qualitative benchmarks where possible); (iv) recipient and client (beneficiaries) satisfaction with the outputs/ results; (v) timeliness of delivery of outputs; and (vi) effectiveness of the exit strategy and related transfer of activities for sustainability.}</p>		

¹ HS=Highly Satisfactory; S=Satisfactory; PS=Partly Satisfactory; U=Unsuccessful

<p>17. Overall Assessment and Rating (HS,S,PS,U): {Provide an overall assessment including the issues of sustainability, and categorize the Grant activities as highly successful (HS), successful (S), partly successful (PS), or unsuccessful (U) following OED's guidelines.}</p>		
<p>18. Major Lessons Learned: {Discuss the significant lessons learned that can help improve the formulation and implementation of similar JFPR grant investments and as an input for recommendations and for scaling-up the pilot interventions under this Grant, particularly in relation to the overall objective of poverty reduction.}</p>		
<p>19. Recommendations and Follow-up Actions: {Include project-specific and general recommendations (scaling up) of any interventions, activities and action required, and make suggestions for changes to policies and strategies that can improve the effectiveness of the counterpart loan, future JFPR grants, and/or that can generally be applicable to ADB practices.}</p>		
<p>20. Additional Remarks, Comments and Suggestions: {Present here any additional remarks, comments and suggestions that have not been dealt with or mentioned in earlier paragraphs, but which may contribute to this memorandum.}</p>		
<p>III. PREPARATION AND APPROVAL</p>		
Prepared by:	Name of Person and designation / Name of Institution / Signature	Date
Representative from the Recipient:		
Approved:	Name of Person and designation / Name of Institution / Signature	Date
Head of the Executing Agency:		
Head of Implementing Agency:		

OUTLINE TERMS OF REFERENCE FOR CONSULTING SERVICES

1. The grant aims at building the capacity of provincial and district agriculture and forestry extension staff and district teams of Lao Women Union in eighteen of the poorest districts in five northern provinces of Lao PDR, that are covered by the counterpart project, the Northern Region Sustainable Livelihoods through Livestock Development. The training is to be provided in order that they may be able to provide the necessary support services required to accomplish the impacts and outcomes of the counterpart project. The grant has two main outputs, to provide training to the above mentioned teams, in the areas of community driven development, and in the organization of community based micro finance services, and to train staff of the Project Implementation Units (PIUs) in the five target provinces, and DAFEOs in the 18 selected districts in ADB procedures for financial management, accounting, procurement, and monitoring and reporting. For these purposes, the grant envisages the use of international as well as national consulting services as per the outline terms of reference given below.

A. Community Driven development

1. International Consultant (6 person months)

a. Qualifications

2. The consultant shall have at least a master's degree in economics/finance/business administration/social sciences or a related field. S/he will have at least ten years demonstrated experience of organizing communities for participatory development, and micro finance services in the Asia Pacific Region. Experience of working among poor rural communities, particularly ethnic minority groups will be preferable. A demonstrated capacity to set up sustainable systems of micro finance that can be managed and implemented by local persons will be important.

b. Terms of Reference

3. The Consultant shall carry out the following tasks under the overall supervision of the Mission Leader:

- (i) prepare an inception report on the ongoing activities, projects, and experiences related to micro finance and community based financial services in Lao PDR;
- (ii) carry out a rapid appraisal of target communities in order to develop a clear understanding of the existing situation in the target areas of the counterpart project related to participatory development, availability of credit to small farming households, identify the constraints faced by target households and communities in accessing credit for livelihoods improvements;
- (iii) Carry out a rapid appraisal of the capacity of Lao Women Union district teams as well as DAFEO staff with regard to their understanding and knowledge of CDD, micro finance systems, and identify the major gaps therein;
- (iv) based on the above prepare a training plan related to CDD and community based micro finance development, including the the conduct of workshops, on the job training, mentoring, and monitoring and reporting;
- (v) develop a training manual, to be used for training of trainers on the above;
- (vi) In coordination with the Grant Implementation Unit (GIU), develop a schedule of workshops at provincial and district levels
- (vii) deliver training through workshops, refresher training, mentoring

- (viii) monitor the results of training and prepare reports on the outcomes of training programs, that can provide a clear assessment of the extent of understanding developed among the staff of the concepts, tools provided, gaps in understanding, and the need for continued training as appropriate.

c. Outputs

4. The consultant shall accomplish the following outputs in particular:

- (i) Prepare an inception report to be submitted after three weeks of consultant mobilization; this report will be in two parts. The first will include the review of existing micro finance and rural credit systems/projects in Lao PDR in particular micro finance and other similar activities supported under ADB assisted with an assessment of their operating rules, structures, outcomes, and their long term sustainability. The second part will assess the participatory approaches towards developing community driven development in Lao PDR, particularly in northern provinces of Lao PDR.
- (ii) Prepare a training plan based on visits to the five target provinces and meetings with district Lao women Union and DAFEO teams, and an assessment of the existing state of knowledge and experience of community driven development approaches as well as ways to organize micro finance systems at community and local levels; gaps identified in knowledge and practice, and a plan of training workshops, including criteria for the selection of trainees, schedule of workshops, as well as other training methods such as mentoring programs, refresher programs. The training plan should be submitted in draft to the Regional Office, and ADB within three and a half weeks of consultant mobilization.
- (iii) Develop training manuals, as well as other informational material addressing the various levels of training required, to be used at workshops for training of trainers (TOT), as well as those that can be used at local level for refresher training, village level trainings. This should be translated into Lao. This should be submitted in draft to the Regional Office as well as ADB within four weeks of consultant mobilization.
- (iv) Impart training as per plan at TOT workshops and obtain feedback regarding effectiveness of training; prepare a report on outcomes of TOT workshops, to be submitted to ADB and the RO by month 5 of the assignment;
- (v) Supervise national consultants' delivery of training;
- (vi) Undertake field visits to selected sites prepare a final report on the outcomes of training and recommendations for follow up actions, for submission to the Regional Office (RO) and ADB after six months of consultant mobilization.

2. International Consultant, Harmonization of Operational Procedures, Financial and Procurement Management, Capacity building in Management of Fiduciary Aspects

a. Qualifications

5. The consultant shall have a masters' degree in accountancy, financial management or a related field, and at least ten years' experience of working in DMCs in the Asia Pacific on capacity building for financial administration, procurement and overall project management in the context of internationally assisted projects /technical assistance projects. Experience in SE Asia of harmonization of the operational policies, procedures, and practices of donor institutions

with those of partner country systems to improve the effectiveness of development assistance, as adopted under the Rome Declaration on Harmonization (2003), will be of particular relevance.

b. Terms of Reference

6. The Consultant shall perform the following activities under the overall supervision of the Mission Leader:

- (i) Undertake a comprehensive review and assessment of i) existing operational policies and procedures of the Government pertaining to financial administration including financial planning and budgeting, management of fund flows, accounting, auditing, reporting, procurement of goods and services, ii) identify gaps between national and ADB procedures and practices, and iii) identify appropriate entry points for capacity building for project staff;
- (ii) Carry out an assessment of the capacity of project staff at the RO, Project implementation units (PIUs), and DAFEOs for harmonized procedures;
- (iii) Prepare a training plan based on the above;
- (iv) Prepare training manuals, as well as other materials for guiding project staff;
- (v) Provide training of trainers;
- (vi) Supervise training to be imparted by the national consultant
- (vii) Carry out an assessment of the effectiveness of the capacity building effort for project staff.

c. Outputs

- (i) Prepare an inception report which will include a review and assessment of existing policies and procedures pertaining to financial management and administration, procurement of goods and services, gaps compared to internationally approved practices, existing staff capacity, and appropriate entry points for training in improved procedures; the inception report should be submitted within two weeks of consultant mobilization.
- (ii) Prepare a training plan including criteria for selection of trainees for TOT as well as a schedule of workshops and training programs for submission to the RO and ADB within four weeks of consultant mobilization;
- (iii) Implement the training plan in coordination with the RO, and PIUs;
- (iv) Supervise the training being imparted by the national consultant
- (v) Prepare a final report assessing the outcomes and impacts of the capacity building under the grant project to be submitted to the RO and ADB in the last month of the assignment.

B. National Consultants

7. Two national consultants will be recruited to assist the international consultants in the collection of relevant information, organizing of meetings with RO staff, PIU staff as well as selected DAFEO staff, translation of materials, organizing of workshops and training programs, and continue with local training after the TOT by the international consultants.

1. National Consultant, CDD and Micro Finance

a. Qualifications

8. A master's degree in social sciences, financial administration, business administration, or a related field from a reputed university, and at least five years demonstrated experience of designing and implementing participatory projects with ethnic minority communities, as well as organizing community based micro finance systems.

b. Tasks

9. The consultant will work under the supervision of the international consultant, and the Project Coordinator, Grant Implementation Unit of the RO. The consultant will perform the following tasks:

- (i) Assist the international consultant in carrying out meetings and consultations with LWU staff at provincial and district levels, and in accessing relevant information;
- (ii) Assist the international consultant to undertake field visits to review ongoing CDD type activities as well as community-based micro finance projects and programs;
- (iii) assist the international consultant to prepare the inception report, and translate the report;
- (iv) Assist in the development of a training plan;
- (v) Assist in the development of the training manual and other training materials;
- (vi) Translate all reports and training materials into Lao;
- (vii) Deliver continued training over the project duration to LWU and DAFEO staff at local level;
- (viii) Assist in the preparation of the final report of the consultants.

c. Outputs

- (i) Meetings and field trips organized;
- (ii) Finalization of all consultant reports; and
- (iii) Local training delivery

2. National Consultant, Harmonization of Operational Policies and Procedures, Financial and Procurement Management, Capacity building in Management of Fiduciary Aspects

a. Qualifications

10. A master's degree in financial administration, accounting or a related field, at least five years experience in working in projects for capacity building in financial and procurement related policies and procedures.

b. Activities

11. The consultant will work under the supervision of the international consultant, and the Project Coordinator, Grant Implementation Unit of the RO. The consultant will perform the following tasks:

- (i) Assist the international consultant in carrying out meetings and consultations with RO, PIU and selected DAFEO staff at provincial and district levels, and in accessing relevant information;
- (ii) Assist the international consultant to undertake field visits to review existing procedures, level of capacity;
- (iii) assist the international consultant to prepare the inception report;
- (iv) Assist in the development of a training plan;
- (v) Assist in the development of the training manual and other training materials;
- (vi) Translate all reports and training materials into Lao;
- (vii) Deliver continued training over the project duration to LWU and DAFEO staff at local level;
- (viii) Assist in the preparation of the final report of the consultants.

c. Outputs

- (i) Meetings and field trips organized;
- (ii) Finalization of all consultant reports;
- (iii) Local training delivery