

I. INTRODUCTION

1. The project has been designed to provide the enabling environment for strategic local economic development, urban infrastructure investment and institutional capacity strengthening in support of the government's policy framework and in line with regional cooperation strategy of ADB. The project interventions are intended to assist local authorities in the participating corridor towns in addressing major challenges arising from inadequate urban infrastructure and limited local capacities to manage and implement urban infrastructure investments. This is also aligned to the National Urban Sector Strategy which sets out a range of policies and programs towards a multi-sector urban agenda and the strategic focus for urban development at national and provincial levels.

2. The project's capacity development plan will be anchored on the core components of the ADB capacity development framework along the following themes:

- (i) Urban planning and land management
- (ii) Contract management and procurement
- (iii) Social and environmental safeguards
- (iv) Operations and maintenance of urban infrastructure

3. Such capacity development framework will build on ADB's support to innovative and strategic economic development measures that are primarily multi-sector, incorporating rural-urban linkages, and emphasizing cooperation with other development partners in urban sector management. Under the Project, the capacity development plan is intended to improve urban management capacities in order to ensure adequate urban infrastructure services, and harness urban development for sustained economic growth and poverty reduction. This will be supportive to the goals of the country program strategy on ensuring aid effectiveness in the urban areas.

A. Participants to Capacity Development and Training

4. Under the project, the capacity building interventions will focus on developing and improving the competencies of project staff in project management and in enhancing the participation and contribution of key Project stakeholders in implementing and sustaining Project activities. The participants to the capacity development and training program include the following:

- (i) Project staff from the Ministry of Public Works and Transport-Department of Housing and Urban Planning (MPWT-DHUP) who will be designated and assigned to manage the Project Coordination Unit (PCU).
- (ii) Designated staff of the Project Management Unit (PMU) from MPWT-DHUP and the Provincial Department of Public Works and Transport (PDPWT)
- (iii) Designated Staff of the Project Implementing Teams from the District Office of Public Works and Transport (DOPWT), from Urban Development Administration Authority (UDAA) in the case of project implementation team (PIT) Kaysone Phomvihane, from the Dansavanh Border Trade Zone Authority in the case of Dansavanh.
- (iv) Provincial and District Authorities
- (v) Non-Government Organizations, Lao Women's Union
- (vi) Participating Provincial Departments
- (vii) Private Sector Groups

5. Representatives from these agencies and entities actively participated in the consultative meetings, focus group discussions and national workshops organized and managed by the

executing agency and the project preparatory technical assistance (PPTA) consultant during project preparation.

B. Capacity Development and Training Interventions

6. The following capacity development measures will be pursued to strengthen institutional capacities in project management and implementation, social and environmental safeguards, operation and maintenance:

C. Technical Assistance During Project Start-Up

7. The implementing agency which is the Provincial Department of Public Works and Transport of Savannakhet Province and the project management unit (PMU) will be assisted in putting in place its project readiness to manage and implement project activities prior to loan effectiveness. This capacity building assistance is intended to facilitate project start-up activities and avoid significant project implementation delays which are usually due to the limited capacity and experience in undertaking essential pre-project implementation arrangements. Through the assistance of Consultants engaged by ADB, the PMU will undertake the following project start-up activities:

- (i) Establishing the Project Organization and Management Structure
- (ii) Managing and coordinating the Project Steering Committee (PSC) meetings
- (iii) Organization of the Project Management Unit (PMU)
- (iv) Creation of the Project Implementing Teams (PITs)
- (v) Establishing Effective Coordination Mechanism
- (vi) Preparation of terms of reference (TOR) and procurement documents for detailed engineering design
- (vii) and construction supervision
- (viii) Preparation of procurement documents for the selection and recruitment of Consultants for Project Management Support and Capacity Development

8. Under the project, the conduct of pre-project implementation activities will be carried out through a series of group workshops, on-the-job training and experiential sharing sessions. This will also include the conduct of consultative meetings with participating government agencies, provincial and district authorities and private sector groups. The Consultants will assist the PMU in the preparation of the Project Operations Manual on the project start-up activities and will mentor project staff on the manner and procedures for conducting the pre-implementation arrangements.

9. The executing agency (EA) will designate the project staff who will be participating in the capacity building and training programs for project start-up activities. As part of project start-up support, the EA with the assistance Consultant will coordinate with ADB for the participation of selected management staff in the ADB Project Management Seminar held at ADB or in other venues to be agreed by EA and ADB.

D. Capacity Needs Assessment

10. During the early phase of Project implementation, the PMU through the assistance of the Project Management Support (PMS) Consultant will undertake a capacity development needs assessment of designated project staff in the project coordination unit (PCU), PMU and PITs at the district levels. The capacity assessment will focus on specific technical requirements for managing and implementing urban infrastructure such as wastewater treatment plants, solid

waste management and sanitary landfill, river embankment protection, and urban roads. Assessment will also be conducted on financial and procurement management, fund disbursement, social and environmental safeguards, and operation and maintenance of urban infrastructure.

11. On the basis of the capacity assessment, the Capacity Development Specialist engaged under the project will update the capacity development plan and prepare the activity designs for the conduct of required training program and capacity building interventions. The updated capacity development plan will be presented to the EA for approval and endorsement.

E. Developing Capacities for Project Management

12. Capacity development interventions will be integrated into ADB-supported investment in urban infrastructure in order to ensure efficient project implementation and pursue sustainable urban management program. These interventions will give emphasis on appropriate measures to develop managerial skills and technical competence of project staff at provincial and district levels. The capacity development approach will give priority over management of processes and enhancement of existing skills and experiences, rather than pretending to substitute the skill training programs of institutions of higher technical learning such as in technical colleges and universities.

13. Among the important lessons from official development assistance (ODA) and from ADB's experience in the urban development sector include the need to strengthen institutional capacities and skills in project implementation and management to ensure attainment of desired outputs and expected outcome of the project.

14. An initial assessment conducted during the project preparatory technical assistance (PPTA) indicated the following capacity building and training assistance in project management:

Context Description	Participants from	Number	Indicative Cost
Project Management Principles and Team Building. This involve experiential sharing on the principles and best practices in project management. An integral part of the training activity is the team building exercises and group dynamic sessions on effective project management. This is intended to instill the value of team work among Project staff and develop cohesiveness in undertaking assigned tasks and responsibilities in Project management. This will be a 2-part training series which include field visits to best practices in Project management.	MPWT-DHUP PDPWT PMU PIT Kaysone Phomvihane, (UDAA, DOPWT) PIT Phine (DOPWT) PIT Dansavanh (DBTZA)	3 4 10 6 4 4	\$20,000 (This includes per diems, transport and, training materials and field activities)
Work and Financial Planning (WFP). This involve a series of workshops and follow through on-the-job sessions designed to develop the capacities of designated Project staff of PCU, PMU and PITs. Capacity Development Consultant will prepare the activity design for the workshop and follow through activities in close coordination with the PMU. The WFP will take into consideration the performance targets in the DMF. The 2-day workshop series will be held alternately in the corridor towns	MPWT-DHUP PDPWT PMU PIT Kaysone Phomvihane, (UDAA, DOPWT) PIT Phine (DOPWT) PIT Dansavanh (DBTZA)	3 4 10 6 4 4	\$18,000 (6 series at \$3,000/workshop, includes cost per diems, transport and training materials and follow through sessions)

Project Administrative Management Procedures. The designated administrative staff of the PMU and PIUs will participate in a series of training programs designed to develop and improve competencies in administrative management procedures for the Project in line with the guidelines of the ADB. This will involve 2 days training sessions and will be conducted in 4 intermittent sessions during the first 2 years of Project implementation. The training sessions will be held alternately in the corridor towns.	MPWT-DHUP	1	\$12,000 (6 sessions at \$2,000 per session, including per diems, transport and training materials, and follow through sessions)
	PDPWT	2	
	PMU	5	
	PIT Kaysone Phomvihane, (UDAA, DOPWT)	2	
	PIT Phine (DOPWT)	2	
Public Awareness and Project Orientation. This involves a series of Project orientation and briefing events organized by the PMU and PITs with local community organizations, participating government agencies, non-government organizations and private sector groups on the Project, expected outcomes and outputs and impact. This will be conducted intermittently during the first 2 years of Project implementation	Local Community Organizations	30 (10 per town)	\$20,000 (4 events at \$5,000/event, includes briefing materials, information kits and related expenses)
	Participating Government Agencies	20	
	NGOs	10	
	Private Sector	10	
Project Coordination Mechanism. This will build on the existing coordination arrangements that have been established between and among the EA, IA and the participating provincial departments and district authorities, and enhance coordination mechanism for Project implementation. Designated Project staff from the PCU PMU and PITs will participate in training programs and on-the-job sessions to be conducted by PMS Consultant.	MPWT-DHUP	2	\$12,000 (6 sessions at \$2,000 per session, including per diems, transport and training materials, field visits and follow through sessions)
	PDPWT	2	
	PMU	4	
	PIT Kaysone Phomvihane, (UDAA, DOPWT)	2	
	PIT Phine (DOPWT)	2	
Project Website Management. The assistance to the PCU, PMU and PITs in establishing and managing the Project website as the Project's adherence to the principles of transparency and good governance. Project staff will be provided hands-on training to ensure that Project website; i) publicly discloses Project related documents including physical progress and financial statements reports; ii) procurement procedures; iii) status of compliance on social and environmental safeguards, and the institutional arrangements for the operation and maintenance of the urban infrastructure investments.	PIT Dansavanh (DBTZA)	2	\$30,000 (Establishment of website, training of Project staff)
	MPWT-DHUP	1	
	PDPWT	2	
	PMU	3	
	PIT Kaysone Phomvihane, (UDAA, DOPWT)	2	
	PIT Phine (DOPWT)	2	
	PIT Dansavanh (DBTZA)	2	

DBTZA = Dansavanh Border Trade Zone Authority, DOPWT = District Office of Public Works and Transport, DHUP = Department of Housing and Urban Planning, MPWT = Ministry of Public Works and Transport, PIT = project implementation team, PMU = project management unit, PDPWT = Provincial Department of Public Works and Transport, UDAA = Urban Development Administration Authority.

15. During project implementation, additional capacity building and training programs will be developed for Project staff based on the results of the capacity needs assessment and the updated capacity development. In addition, capacity building events will be undertaken involving the conduct of:

- (i) Workshops events that are intended for Management officials of the executing agency (EA), implementing agency (IA) and Provincial and District authorities which focus on specific themes on the “how to manage” subjects.
- (ii) Short courses for technical and finance staff of the PMU and PITs that will deal with specialized modules on the “how to do it” topics.

16. The PMU together with the Capacity Development Specialist engaged under the project will closely coordinate with the Public Works and Transport Training Institute (PTI) of MPWT and other relevant and HRD learning centers for the conduct of capacity building events. The PMU with the assistance of the Capacity Development Specialist will draw up sustainability measures with PTI to ensure the continuity of capacity building and training interventions to the corridor towns.

17. The project will support appropriate measures to enhance the critical role of the Urban Development Administration Authority (UDAA) in the management and implementation of the 5 urban infrastructure subprojects in Kaysone Phomvihane. This would involve the direct participation of UDAA in the management and operation of the Project Implementation Team (PIT) which will be established by the PMU in Kaysone Phomvihane. Designated UDAA personnel who will be working as technical and administrative staff of the PIT will participate in the series of capacity building and training programs on project management and implementation.

F. Developing Capacities for Financial Management and Fund Disbursement

18. During the PPTA, a financial management assessment was conducted to determine capacity of the EA and IA in managing and disbursing funds during project implementation. The assessment results indicated the need for improving the competency of administrative and finance group of the EA, IA and concerned provincial and district authorities particularly in relation to the ADB-funded project. The Financial Management expert of the PMS Consultant will assist the PMU in preparing the activity design for the conduct of a series of workshop events, seminars and on-the-job sessions that are intended to improve and strengthen the financial management and fund disbursement capacities of designated project staff involved in finance and administration.

19. Based on the financial management assessment, the following capacity building and training assistance were identified:

Content and Description	Participants From	Number	Indicative Cost
ADB Financial Procedures and Practices. During the first year of Project implementation, PMU will coordinate with ADB the conduct of an in-country seminar on financial procedures and practices. Designated finance and administrative staff from PCU, PMU and PITs will be provided hands-on knowledge and training on efficient financial management practices. Follow through training sessions will be conducted by the Financial Specialist of the PMS Consultant	MPWT-DHUP	2	\$10,000 (cost of per diems, transport and accommodation Also includes expenses for follow through training sessions)
	PDPWT	2	
	PMU	4	
	PIT Kaysone Phomvihane, (UDAA, DOPWT)	2	
	PIT Phine (DOPWT)	2	
	PIT Dansavanh (DBTZA)	2	
	Provincial and District Authorities	6	
Imprest Account and Fund Disbursement.	MPWT-DHUP	2	\$5,000

Selected finance and administrative staff of the PCU, PMU and PITs will be given training on the use and adaption of the imprest account and fund disbursement system of an ADB-funded project.	PDPWT PMU PIT Kaysone Phomvihane, (UDAA, DOPWT) PIT Phine (DOPWT) PIT Dansavanh (DBTZA)	2 4 2 2 2	(cost of per diems, transport and accommodation including follow through sessions at Project level)
Internal Finance Controls. Training programs will be extended to finance and administrative staff of EAs and PMUs on developing and adopting internal finance control system for the Project	MPWT-DHUP PDPWT PMU PIT Kaysone Phomvihane, (UDAA, DOPWT) PIT Phine (DOPWT) PIT Dansavanh (DBTZA)	2 2 4 2 2 2	\$5,000 (cost of per diems, transport and accommodation including follow through sessions at Project level)
Financial Status and Audit Reporting. Project staff will be trained in the preparation of financial statements and progress reports for ADB-funded Projects. The finance and audit reporting will be closely tied up with the approved work and financial plan and performance targets in the DMF	MPWT-DHUP PDPWT PMU PIT Kaysone Phomvihane, (UDAA, DOPWT) PIT Phine (DOPWT) PIT Dansavanh (DBTZA)	2 2 4 2 2 2	\$5,000 (cost of per diems, transport and accommodation including follow through sessions at Project level)
Financial Cost Recovery for Revenue Generating Subprojects. The subprojects such as wastewater treatment, solid waste management and river embankment in Kaysone Phomvihane are revenue generating investments. Project staff from UDAA and DOPWT will be capacitated in cost recovery mechanism related to collection, recording and management of fees and charges and the use of revenues generated for O&M of the subprojects. PIT staff from Phine and Dansavanh will also participate in training programs on cost recovery as part of capacity development.	MPWT-DHUP PDPWT PMU PIT Kaysone Phomvihane, (UDAA, DOPWT) PIT Phine (DOPWT) PIT Dansavanh (DBTZA)	2 2 4 2 2 2 2	\$18,000 (6 sessions at \$3,000 per session, including per diems, transport and training materials and project visits)

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20. During Project implementation, specialized capacity building and training interventions will be provided for specific topics based on the updated capacity development plan. The PMU and the Financial Management Specialist of the PMS Consultant will closely coordinate with the Ministry of Finance and the provincial Department of Finance on the preparation of the activity designs for the conduct of the training programs. Sustainability of the capacity building interventions will be developed by the PMU and PMS consultation in close collaboration with the Department of Finance.

G. Improving Capacities for Procurement Management

21. Under this project, up-front implementation of capacity building assistance and training

programs on procurement procedures will be carried out to enable the PCU, PMU and PITs to fully understand and internalize key procurement procedures based on the national and ADB procurement guidelines. The training programs for designated Project staff will be undertaken on the procurement guidelines of the national government and the procedures of the ADB. Such assistance will involve experiential sharing and hands-on sessions on the preparation of bidding documents, including the preparation of the selection criteria and in the preparation of draft bidding documents for detailed monitoring and evaluation surveys.

22. Based on the results of the procurement management assessment conducted during the PPTA, the following capacity building and training interventions have been identified:

Content and Description	Participants from	Number	Indicative Cost
ADB Procurement Guidelines and Procedures. At the initial phase of Project implementation, PMU will coordinate with ADB the conduct of an in-country seminar on procurement management, procedures and practices. Designated Project staff will participate in the in-country seminar and follow through training sessions will be conducted on the harmonization of the national procurement policies with the ADB guidelines.	MPWT-DHUP PDPWT PMU PIT Kaysone Phomvihane, (UDAA, DOPWT) PIT Phine (DOPWT) PIT Dansavanh (DBTZA)	2 2 4 2 2 2	\$10,000 (cost of per diems, transport and accommodation also includes expenses for follow through training sessions)
Application of Procurement Methods and Procedures. This will involve on-the-job training sessions on procurement methods such as ICB, NCB to be conducted by the Procurement Specialist for selected Project staff. These sessions will be series of training programs to be conducted during the actual application of procurement methods and procedures.	MPWT-DHUP PDPWT PMU PIT Kaysone Phomvihane, (UDAA, DOPWT) PIT Phine (DOPWT) PIT Dansavanh (DBTZA)	2 2 4 2 2 2	\$6,000 (cost of per diems, transport and accommodation including follow through activities)
Quality Control and inspection system. In order to ensure effective procurement management, capacity building and training support will be extended on contract management, quality control and inspection system. Selected Project staff will be given training through direct application of quality control and field inspection procedures.	MPWT-DHUP PDPWT PMU PIT Kaysone Phomvihane, (UDAA, DOPWT) PIT Phine (DOPWT) PIT Dansavanh (DBTZA)	2 2 4 2 2 2	\$6,000 (cost of per diems, transport and accommodation including field visits and follow through activities)
Procurement Plan Preparation, Reporting and Monitoring. This will training activities and on-the-job sessions on the preparation of selection criteria, draft bidding documents and evaluation procedures. Designated Project staff will also be trained on the conduct of detailed monitoring and evaluation surveys as integral part of procurement management. This training assistance will improve the capacity of the PMUs and PIUs in the preparation of reports on the progress of the procurement process and related required courses of actions.	MPWT-DHUP PDPWT PMU PIT Kaysone Phomvihane, (UDAA, DOPWT) PIT Phine (DOPWT) PIT Dansavanh (DBTZA)	2 2 4 2 2 2	\$6,000 (cost of per diems, transport and accommodation including field visits and follow through activities)

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23. Specific procurement management trainings will be provided during Project implementation based on the updated capacity development plan. The PMU and PMS Consultant will closely coordinate with the Provincial Department of Finance on the sustainability of capacity building interventions in procurement management.

H. Enhancing Capacities for Monitoring and Evaluation

24. Among the important tasks of the PMU and PITs is the regular tracking and monitoring of Project implementation and management activities based on the approved work and financial plan and the performance indicators in the DMF. The PMU will be responsible for all aspects of monitoring and evaluation, including performance against overall project milestone, safeguards monitoring and financial commitments. The PMU is also required to prepare and submit physical and financial progress report on Project achievements on quarterly basis and summarized annually.

25. The PMS Consultant will assist the PMU develop and set up a Project performance management system (PPMS) which will be presented to the EA at the start of Project implementation. Technical assistance will be extended in the adaption of the PPMS which would involve the use of projected targets, performance indicators, assumptions and risks as stipulated in the Project's DMF. Together with the Monitoring and Evaluation Specialist, the PMU and PITs will undertake monitoring activities on an annual basis, adopting the same indicators and parameters and report its findings and recommendations to the IA and EA.

26. The capacity development assistance on monitoring and evaluation will include the following:

Content and Description	Participant from	Number	Indicative Cost
PPMS Training. The PMU will be assisted by the PMS Consultant in developing the PPMS and capacitating Project Staff on the use of PPMS in relation to expected outputs and outcomes defined in the DMF. Capacity building intervention will involve joint site visits and field validation. Project staff will also be trained to conduct random checks and site inspection based on procedures and guidelines for random checking.	MPWT-DHUP	2	\$18,000 (\$6,000/town) (cost of per diems, transport and accommodation. Also includes expenses for training supplies and materials and follow through training activities)
	PDPWT	2	
	PMU	4	
	PIT Kaysone Phomvihane, (UDAA, DOPWT)	2	
	PIT Phine (DOPWT)	2	
	PIT Dansavanh (DBTZA)	2	
	Provincial and District Authorities	2	
		12	

Physical and Financial Progress reporting. Project Staff will be provided hands on training on the preparation of regular physical and financial progress report based on the performance indicators defined in the design and monitoring framework (DMF). The report format and presentation will adopt the ADB template and standards.	MPWT-DHUP	1	\$6,000 (cost of per diems, transport and accommodation. Also includes expenses for follow through training sessions)
	PDPWT	2	
	PMU	3	
	PIT Kaysone Phomvihane, (UDAA, DOPWT)	2	
	PIT Phine (DOPWT)		
	PIT Dansavanh (DBTZA)	2	
Compliance Monitoring of social and environment safeguards. Project Staff will be trained on tracking the implementation of the gender action plan and resettlement plan and monitor the compliance of plan implementation to the social and environment safeguards based on the ADB Safeguards Policy Statement.	MPWT-DHUP	1	\$6,000 (cost of per diems, transport and accommodation. Also includes expenses for follow through training sessions)
	PDPWT	2	
	PMU	3	
	PIT Kaysone Phomvihane, (UDAA, DOPWT)	2	
	PIT Phine (DOPWT)		
	PIT Dansavanh (DBTZA)	2	
		2	

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27. During Project implementation, complementary monitoring and evaluation training programs will be provided to Project based on the updated capacity development and training plan. The PMS consultant will work closely with the PCU, PMU and PITs on the integration of the PPMS in the regular monitoring and evaluation system of the EA, IA and provincial and district authorities. The PMS Consultant will assist the PMU in harmonizing the requirements for monitoring and evaluation of the national government and the ADB.

I. Developing Capacities for Social and Environment Safeguards

28. Under the Project, capacity development measures and training programs will be extended on social dimension analysis which will focus on participatory processes in project implementation and management, operation and maintenance of urban infrastructure subprojects. This will also include the important aspect of poverty and social analysis as an essential component of Project implementation.

29. The PMS Consultant through the Social Safeguards Specialist will develop and manage capacity building support to the PMU and PITs on the assessment of initial potential social impacts on local communities within the corridor towns adopting the consultative meetings, focus group discussion approach and key informant interviews with stakeholders. This will also include training programs and group workshops on the updating and preparation of the consultation and participation plan, social development plan and gender action plan. The Social Safeguards Specialist will develop the capacity building and training programs for Project personnel incorporating the provisions of the national policies and requirements of the ADB Safeguard Policy Statement.

30. The following capacity building and training programs were initially identified during the course of the PPTA:

Content and Description	Participants from	Number	Indicative Cost
Poverty and Social Impact Assessment. Capacity building and training assistance will focus on the assessment of potential social impact of the urban infrastructure on affected households. This will involve the review of the Poverty and Social Assessment (PSA) reports and updating of the consultation and participation plan prepared during the PPTA.	MPWT-DHUP PDPWT PMU PIT Kaysone Phomvihane, (UDAA, DOPWT) PIT Phine (DOPWT) PIT Dansavanh (DBTZA) Provincial and District authorities	1 2 3 2 2 2 30	\$15,000 (cost of per diems, transport and accommodation. Also includes expenses for follow through training sessions)
Consultation and Participation (C&P) Approaches. Project staff involved in social and environment safeguards will be provided training programs on C&P approaches such as community consultative dialogues, focus group discussions and key informant interview as essential processes in developing strong sense of ownership by Project stakeholders.	MPWT-DHUP PDPWT PMU PIT Kaysone Phomvihane, (UDAA, DOPWT) PIT Phine (DOPWT) PIT Dansavanh (DBTZA)	1 2 3 2 2 2	\$6,000 (cost of per diems, transport and accommodation. Also includes expenses for follow through training sessions)
Data Generation and PPMS. Training will be conducted for Project staff in the collection and analysis of secondary and primary data and information in relation of poverty and social assessment and project performance monitoring system (PPMS). This will also involve gender-disaggregated data and information gathering, monitoring and evaluation training.	MPWT-DHUP PDPWT PMU PIT Kaysone Phomvihane, (UDAA, DOPWT) PIT Phine (DOPWT) PIT Dansavanh (DBTZA) Beneficiary Communities	1 2 3 2 2 2 30 (10 per town)	\$10,000 (cost of per diems, transport and accommodation. Also includes expenses for follow through training sessions)
Stakeholder's Awareness Raising. This will involve a series of seminars, forums and consultative meetings on the impact of urban infrastructure investments in reducing poverty and in uplifting the socio-economic conditions of Project beneficiaries. The seminars and forum will involve a range of topics such as community involvement in Project implementation and monitoring, social impact of urban infrastructure investments, social and environment safeguards measures, and decentralized operation and maintenance.	PMU PIT Kaysone Phomvihane, (UDAA, DOPWT) PIT Phine (DOPWT) PIT Dansavanh (DBTZA) Local Community Organizations Participating Government Agencies NGOs Private Sector	3 2 2 2 2 80 30 30 30	\$60,000 (10 events at \$6,000/event, includes briefing materials, information kits and related expenses, follow through consultative meetings and FGDs)

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31. In the provision of capacity building assistance, environmental considerations will give emphasis on the assessment of environmental safeguards in terms of potential impacts on critical environmental parameters. Through a series of seminar workshops and consultative forums organized by the PMU and PMS consultant, Project staff and the provincial and district authorities will be provided knowledge and information on potential environmental impacts of urban infrastructure subproject in terms of how the adverse impacts can be prevented or mitigated. An environmental planning approach will be adopted as an integral part of subproject preparation.

32. Based on the Initial Environment Examination (IEE) reports, the capacity building and training support on environment safeguards will involve the following activities:

Context and Description	Participant from	Number	Indicative Cost
Updating Environment Management Plan. The updating the IEE reports and the EMP will be undertaken by the PMU with assistance of the PMS consultant during Project implementation. The updating process will involve a series of workshops and seminars, consultative meetings and FGDs. Project staff involved in the social and environment safeguards will participate in the updating process as an integral part of capacity building and developing competence in safeguards monitoring and reporting.	MPWT-DHUP PDPWT PMU PIT Kaysone Phomvihane, (UDAA, DOPWT) PIT Phine (DOPWT) PIT Dansavanh (DBTZA)	1 2 3 2 2 2	\$6,000 (cost of per diems, transport and accommodation. Also includes expenses for follow through training sessions)
Public Awareness on Impacts and mitigating measures. This is intended to raise public awareness on the environmental safeguards and on the impact of urban infrastructure on the local environment. This activity is tied up with the Stakeholder's awareness program for social and environment safeguards. The series of seminar and fora events are intended to generate the participation of local communities in undertaking mitigation measures to address adverse environment effects of the Project.	PMU PIT Kaysone Phomvihane, (UDAA, DOPWT) PIT Phine (DOPWT) PIT Dansavanh (DBTZA) Local Community Organizations Participating Government Agencies NGOs Private Sector	3 2 2 2 80 30 30 30	See budget on Stakeholder's Awareness Raising under Social Safeguards
Integration of environment management elements. Capacity building and training programs will be extended to Project staff on the integration of environment into regular operation and maintenance procedures. On-the-job training will be given to Project staff involve in the procurement process to ensure the integration of environment concerns in the bid evaluation and contract of awards documents. Project staff will be capacitated in the understanding the key elements of the EMP and in ensuring the effective implementation of the EMP. This will be undertaken through a series of workshops and seminars and on-the-job training sessions.	MPWT-DHUP PDPWT PMU PIT Kaysone Phomvihane, (UDAA, DOPWT) PIT Phine (DOPWT) PIT Dansavanh (DBTZA) Provincial and District authorities	1 2 3 2 2 2 30	\$20,000 (cost of per diems, transport and accommodation. Also includes expenses for follow through training sessions)
Urban Environment Infrastructure Training. The Environment Specialist will develop and organize technical training programs for Project staff on specific environment related topics such	MPWT-DHUP PDPWT PMU PIT Kaysone	1 2 3 2	\$20,000 (cost of per diems, transport and accommodation. Also

as sewerage and drainage management, urban road management, flood control and protection and waste management. The training program will be organized specifically for PMU and PIU environmental officers on construction stage on environmental management plan, national regulation and ADB's safeguard policy, including recording and data management systems.	Phomvihane, (UDAA, DOPWT) PIT Phine (DOPWT) PIT Dansavanh (DBTZA) Provincial and District authorities	2 2 10	includes expenses for follow through training)
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33. The project is classified as effective gender mainstreaming (EGM) which means that while Project outcomes may not be direct equality or empowerment for women, the Project interventions will still likely to provide benefits to women. The gender strategy outline in the Gender Action Plan (GAP) includes opportunities to be built into the Project design to ensure delivery of tangible benefits to women. These would include improving women's access to social services, economic and financial resources and basic urban infrastructure which contribute to gender equality.

34. Based on the GAP, capacity development and training support under the Project will include the following activities:

Context and Description	Participant from	Number	Indicative Cost
Gender Sensitization Training. This series of training programs and seminars are intended for Project management and staff to create awareness on gender consideration in Project management and implementation. The training series will be undertaken over a 2 year period. The venues of the training programs will be held alternately among the 3 corridor towns.	MPWT-DHUP PDPWT PMU PIT Kaysone Phomvihane, (UDAA, DOPWT) PIT Phine (DOPWT) PIT Dansavanh (DBTZA) Provincial and District authorities Lao Women's Union	1 2 3 2 2 2 10 2	\$30,000 (\$10,000/town) (cost of per diems, transport and accommodation. Also includes expenses for training supplies and materials and follow through training activities)
Women Empowerment Training. This will involve complementary training on empowering women in urban community development, vocational skills training courses and income generating activities. These training programs will be participated in by women from the corridor towns who will be involved in local decision making, livelihood activities and gender equity awareness.	Women from 3 corridor towns, NGOs Lao Women's Union	900 (300/town) 30 6	\$30,000 (\$10,000/town) (cost of per diems, transport and accommodation. Also includes expenses for training supplies and materials follow through training activities)
The training programs will be conducted over a period of 2 years	Beneficiary communities, Provincial and	90 (30 per town) 60	\$30,000 (\$10,000/town) (cost of per diems, transport and accommodation. Also

<p>safety at school levels. The Social Safeguards Specialist will coordinate with partner institutions such as the Ministry of Women Affairs, NGOs and beneficiary communities.</p> <p>The awareness and IEC program will be carried out intermittently across the 4 corridor towns</p>	<p>district authorities</p> <p>NGOs</p> <p>Lao Women's Union</p>	<p>30</p> <p>6</p>	<p>includes expenses for training supplies and materials follow through training activities)</p>
<p>Gender Action Planning. The GAP will be updated during Project implementation. The updating process will be undertaken through a series of workshops, seminars and focused group discussions. Participants from the EA, PMU, PITs will attend these training events as integral part of capacity development. Representatives from NGOs, Ministry of Women Affairs, private sector and academic institutions will be encouraged to participate in updating the GAP.</p>	<p>MPWT-DHUP</p> <p>PDPWT</p> <p>PMU</p> <p>PIT Kaysone Phomvihane, (UDAA, DOPWT)</p> <p>PIT Phine (DOPWT)</p> <p>PIT Dansavanh (DBTZA)</p> <p>Provincial and District authorities</p> <p>Lao Women's Union</p> <p>Local community Organizations</p>	<p>1</p> <p>2</p> <p>3</p> <p>2</p> <p>2</p> <p>2</p> <p>10</p> <p>6</p> <p>30</p>	<p>\$20,000 (cost of per diems, transport and accommodation. Also includes expenses for training supplies and materials and follow through training activities)</p>

DBTZA = Dansavanh Border Trade Zone Authority, DOPWT = District Office of Public Works and Transport, DHUP = Department of Housing and Urban Planning, MPWT = Ministry of Public Works and Transport, PIT = project implementation team, PMU = project management unit, PDPWT = Provincial Department of Public Works and Transport, UDAA = Urban Development Administration Authority.

35. During Project implementation, the PMU and Social Safeguards Specialist will closely coordinate the with the Lao Women's Union on the appropriate measures to ensure sustainability of GAP and the empowerment of women in the operation and maintenance of urban infrastructure investments.

J. Developing Capacities for Operation and Maintenance of Urban Sector Projects

36. The PMU in close partnership with PMS Consultant will coordinate with the Provincial and district authorities the requirements and procedures for proper operation and maintenance (O&M) arrangements under the Project. These arrangements will be based on the Subproject Operation and Maintenance Manual that will be prepared by the PMS Consultants. A series of workshop seminars and on-the-job training sessions on O&M will be conducted to capacitate Project staff on O&M systems and procedures.

37. The capacity building intervention for O&M for Project staff will involve the following training activities:

Content and Description	Participant	Number	Indicative Cost
<p>Operation and Maintenance Planning. The preparation of the operation and maintenance (O&M) will be done through a series of workshops and focused group discussions to be</p>	<p>MPWT-DHUP</p> <p>PDPWT</p> <p>PMU</p> <p>PIT Kaysone</p>	<p>1</p> <p>4</p> <p>3</p> <p>4</p>	<p>\$10,000 (cost of per diems, transport and accommodation. Also</p>

participated in by representatives of the Provincial and District authorities and UDAA who will eventually be involved in O&M activities. Their participation in the preparing the O&M plan forms an integral part of institutional capacity development. The O&M plan will be prepared for specific urban infrastructure being implemented in the participating corridor towns.	Phomvihane, (UDAA, DOPWT) PIT Phine (DOPWT) PIT Dansavanh (DBTZA) Provincial and District authorities	2 2 15	includes expenses for training supplies and materials and follow through training activities)
O&M System and Procedures. PMS consultant will develop an O&M program that optimizes the subproject costs and maximizes the use of equipment in a time efficient manner. Selected technical and administrative staff of Provincial and District Authorities will be mentored on general understanding of the relationship between their operating plans and priorities, the skill level of operating and maintenance personnel and types of equipment and materials for proper operation of the equipment.	PDPWT PMU PIT Kaysone Phomvihane, (UDAA, DOPWT) PIT Phine (DOPWT) PIT Dansavanh (DBTZA) Provincial and District authorities	4 3 4 2 2 15	\$10,000 (cost of per diems, transport and accommodation. Also includes expenses for training supplies and materials and follow through training activities)
Managed system for revenue collection. This will involve the development of a managed system for the collection of revenues from solid waste management, wastewater treatment, and commercial areas along river rehabilitation. Guidelines will be prepared to include: i) existing assets inventory, registration and documentation, ii) assets performance management, iii) asset operation and maintenance management, iv) assets expansion management, and v) assets related risk management. The development of the managed system and preparation of guidelines will be undertaken through workshops and focus group discussions organized by PMS consultant.	PDPWT PMU PIT Kaysone Phomvihane, (UDAA, DOPWT) PIT Phine (DOPWT) PIT Dansavanh (DBTZA) Provincial and District authorities	4 3 4 2 2 10	\$10,000 (cost of per diems, transport and accommodation. Also includes expenses for follow through training sessions)
District level staff (Financing and Accounting units) Training. This will involve training on the calculation of the costs, setting up the services tariff and the price value of the management and operation contract between asset owner and service provider. and developing financing and accounting system for wastewater treatment, solid waste collection and use of commercial areas along river embankment in Kaysone Phomvihane.	PDPWT PMU PIT Kaysone Phomvihane, (UDAA, DOPWT) PIT Phine (DOPWT) PIT Dansavanh (DBTZA) Provincial and District authorities	2 2 4 2 2 2 10	\$10,000 (cost of per diems, transport and accommodation. Also includes expenses for follow through training sessions)
Establishment and operation of District Unit for O&M Capacity building assistance will be provided to the district authorities on establishment and operation of Asset Documentation Unit including installation of GIS hardware, software and equipment, training of GIS professional staff, including asset registrars and surveyors and support to GIS professional staff for their first six months operation. This will also include the establishment and operation of small administrative office and laboratory facility for	PDPWT PMU PIT Kaysone Phomvihane, (UDAA, DOPWT) PIT Phine (DOPWT) PIT Dansavanh (DBTZA) Provincial and district authorities	2 2 4 2 2 10	\$10,000 (cost of per diems, transport and accommodation. Also includes expenses for Asset Documentation Unit and the Administrative office and laboratory facility for water quality testing and analysis.

water quality testing and analysis.			
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38. During the course of Project implementation, complementary training programs will be developed for specific revenue generating subprojects such as wastewater treatment, solid waste management and embankment protection where commercial spaces will be rented out. The updated capacity development plan related to O&M activities will serve as basis for additional training programs for provincial and district authorities who will be responsible for O&M of the urban infrastructure implemented under the Project.

K. Raising Higher Level Awareness on Urban Sector Management

39. During the consultative meetings with the national, provincial and district authorities, the need was expressed on raising the level awareness of senior government officials and provincial authorities on urban sector development and urban infrastructure investments. Measures that were discussed related to their participation and attendance in policy forums, urban sector management seminars and sustainable urban development conferences at national and international levels. It was noted that capacity building and training support were mostly provided to middle level technical and administrative staff but the senior level government officials who are the decision makers were somehow spared in their participation in such capacity building and training programs.

40. Awareness raising program on urban sector development at higher levels is essential in enhancing the sense of Project ownership and sustainability of Project initiatives. Under the Project, initial measures to pursue higher level of awareness will involve the following:

Content and Description	Participants from	Number	Indicative Cost
Attendance and Participation in Seminars and Conferences. Senior officials from the EA, IA and Provincial and District authorities will attend international and national seminars and conferences on relevant topics such as urban sector development trends, public sector investments in urban environment infrastructures, PPP models in urban economic infrastructures, climate change resilience programs and economic clustering among urban growth centers	MPWT-DHUP	4	\$40,000 (cost of per diems, transport and accommodation. Also includes expenses for follow through training sessions)
	PDPWT	4	
	PMU	2	
	PIT Kaysone Phomvihane, (UDAA, DOPWT)	4	
	PIT Phine (DOPWT)	2	
	PIT Dansavanh (DBTZA)	2	
	Provincial and District authorities	8	
Cross Learning and Visits to Best Practices Projects. Senior level government officials will participate in cross learning visits to successful Projects in urban infrastructure management and implementation. The PMS consultant will coordinate with the ADB on the venue for the Project visits and will prepare an Activity Design that will define the purpose and objectives and the expected outcome of the cross learning and visit program. The program will involve a 2 part series for ease of management of the program of activities	MPWT-DHUP	2	\$50,000 (cost of per diems, transport and accommodation. Also includes expenses for follow through training sessions)
	PDPWT	2	
	PMU	2	
	PIT Kaysone Phomvihane, (UDAA, DOPWT)	4	
	PIT Phine (DOPWT)	2	
	PIT Dansavanh (DBTZA)	2	
	Provincial and District authorities	8	
Communication and Technical Writing Skills.	MPWT-DHUP	2	\$10,000

Project Staff will be provided special training course on technical writing in project proposal preparation, project document and report writing particularly related to urban sector development. The training course will mostly be done on-the-job training where the output of a course module will be a specific project document or report. This special course will also include proficiency in oral and written English language.	PDPWT	4	(cost of per diems, transport and accommodation. Also includes expenses for follow through training sessions)
	PMU	10	
	PIT Kaysone Phomvihane, (UDAA, DOPWT)	6	
	PIT Phine (DOPWT)	4	
	PIT Dansavanh (DBTZA)	4	

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41. Complementary special training courses will be provided to Project staff based on the updated capacity development plan. The conduct of these special training programs will be closely coordinated with the EA and the measures for sustainability of such programs will be included in the updated capacity development plan.

42. **Consultants for Capacity Development and Training.** The EA through the PMU will engaged the services of a team of international and national consultants who would assist in managing and implementing the capacity development plan. The list of consultants and indicative person-month inputs are as follows:

- (i) International Capacity Development Specialist, 10 person-months
- (ii) National Capacity Development Expert, 18 person-months
- (iii) International Training Specialists, 18 person-months
- (iv) National Training Specialists, 24 person-months

43. The outline terms of reference including the scope of services and qualification requirements of each of the consultant is presented in Linked Document C.

44. **Logistics Support for Capacity Development.** The EA through PMU will be provided with essential office equipment and facilities to expedite the implementation of the capacity development plan. In addition, Project vehicles will be procured to enhance mobility of the PMU in undertaking its Project implementation activities. The list and types of specific equipment, facilities and vehicles will be developed by PMU and the PMS Consultant during the early phase of Project implementation.

45. **Implementation Arrangements.** The capacity development plan will be implemented by the EA through the PMU. The PMU will be assisted by the Project Management Support consultants and the Capacity Development Specialists engaged under the Project. The preparation of the activity designs and the conduct of the capacity building and training interventions will closely coordinated with the Public Works and Transport Institute (PTI) of MPWT. Specialized training programs will be organized with training institutions and HRD learning centers that have been providing assistance to the EA. Capacity development activities will also be coordinated with participating government agencies such as the Ministry of Planning and Investment (MPI), Ministry of Interior (Mol) and the Ministry of Finance (MoF).

46. **Indicative Capacity Development Cost.** The estimated cost for undertaking capacity development and training programs amounts to \$1.46 million. This will defray the cost of consultants to be engaged under the Project which amounts to \$0.70 million, expenses for

workshop events and seminars amounting to \$0.61 and the cost of office equipment, facilities and vehicles worth \$0.15 million. The cost breakdown is presented below:

Component B -Capacity Development and Training INDICATIVE COST BREAKDOWN (In US\$)						
No	Item	Unit	No.	Quantity	Unit cost	Total Cost
1	Consultants Remuneration and Per Diems	Person months				698,400
	International Consultants					
	Institutional Development Specialist	Person months	1	10	15,000	150,000
	Training Specialist/ Resource Persons	Person months	1	18	12,000	216,000
	Subtotal (International consultants)	Person months		28		366,000
	Per Diems (International consultants)	Days		420	80	33,600
	National Consultants					
	Institutional Development Expert	Person months	1	18	2,900	52,200
	Training Specialist/ Resource Persons	Person months	3	24	2,900	208,800
	Subtotal (National consultants)	Person months		42		261,000
	Per Diems (National consultants)	Days		630	60	37,800
2	International and Local Travel					49,050
	International					
	International airfares	Number trips		15	2,000	30,000
	Miscellaneous travel	Number trips		15	150	2,250
	Subtotal					32,250
	Local travel					
	Local air travel	Number trips		48	250	12,000
	Vehicle running costs, taxis etc.	Vehicle months		48	100	4,800
	Subtotal					16,800
3	Vehicles & Equipment					106,400
	Car Hire	Vehicles		72	1,200	86,400
	Equipment	Lump sum				20,000
	Subtotal					106,400
4	Capacity Development and Training (Provisional Sum)					610,000
	Activity 1: Developing Project Management Capacity					
	Project Management Principles and Team Building					20,000
	Work and Financial Planning (WFP)					18,000

Administrative Management Procedure					12,000
Public Awareness and IEC Approaches					20,000
Project Coordination Mechanism					12,000
Project Website Management.					30,000
Activity 2: Financial Management and Fund Disbursement					
ADB Financial Procedures and Practices					10,000
Imprest Account and Fund Disbursement					5,000
Internal Finance Controls					5,000
Financial Status and Audit Reporting					5,000
Financial Cost Recovery for Revenue Generating Subprojects.					18,000
Activity 3 – Procurement Management					
ADB Procurement Guidelines and Procedures					10,000
Application of Procurement Methods and Procedures					6,000
Quality Control and inspection system.					6,000
Procurement Plan Preparation, Reporting and Monitoring					6,000
Activity 4 –Monitoring and Evaluation					
PPMS Training					18,000
Physical and Financial Progress reporting					6,000
Compliance Monitoring of social and environment safeguards					6,000
Activity 5 – Social and Environment Safeguards					
Poverty and Social Impact Assessment.					15,000
Consultation and Participation (C&P) Approaches.					6,000
Data Generation and PPMS					10,000
Stakeholder's Awareness Raising.					60,000
Activity 6 – Environment Safeguards					
Updating Environment Management Plan					6,000
Public Awareness on Impacts and mitigating measures					
Integration of environment management elements.					20,000
Environment safeguards in urban infrastructure investment					20,000
Activity 7 – Gender Consideration					
Gender Sensitization Training					30,000
Women Empowerment Training					30,000
Gender Awareness and IEC Training.					30,000
Gender Action Planning					20,000
Activity 8 – Operation and Maintenance of Urban Infrastructure					
Operation and Maintenance Planning					10,000
O&M System and Procedures					10,000
Managed system for revenue collection					10,000
District level staff (Financing and Accounting units) Training					10,000
Establishment and operation of Asset Document Unit					10,000

	Activity 9 – Urban Sector Management					
	Attendance and Participation in Seminars and Conferences					40,000
	Cross Learning and Visits to Best Practices Projects.					50,000
	Communication and Technical Writing Skills.					10,000
	Subtotal					610,000
	TOTAL PROJECT COST					1,463,850