

Project Administration Manual

Project Number: 43319-022

Loan and Grant Numbers: {LXXXX; GXXXX}

October 2012

Lao People's Democratic Republic: Greater Mekong
Subregion East–West Economic Corridor Towns
Development Project

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Project Administration Manual Purpose and Process

The project administration manual (PAM) describes the essential administrative and management requirements to implement the project on time, within budget, and in accordance with Government and Asian Development Bank (ADB) policies and procedures. The PAM should include references to all available templates and instructions either through linkages to relevant URLs or directly incorporated in the PAM.

The Ministry of Public Works and Transport (MPWT) and the Provincial Department of Public Works and Transport (DPWT) in Savannakhet province are wholly responsible for the implementation of ADB financed projects, as agreed jointly between the borrower and ADB, and in accordance with Government and ADB's policies and procedures. ADB staff is responsible to support implementation including compliance by MPWT and DPWT of their obligations and responsibilities for project implementation in accordance with ADB's policies and procedures.

At Loan Negotiations the borrower and ADB shall agree to the PAM and ensure consistency with the Legal agreements. Such agreement shall be reflected in the minutes of the Loan Negotiations. In the event of any discrepancy or contradiction between the PAM and the Legal Agreements, the provisions of the Legal Agreements shall prevail.

After ADB Board approval of the project's report and recommendations of the President (RRP) changes in implementation arrangements are subject to agreement and approval pursuant to relevant Government and ADB administrative procedures (including the Project Administration Instructions) and upon such approval they will be subsequently incorporated in the PAM.

Abbreviations

ADB	=	Asian Development Bank
ADF	=	Asian Development Fund
CQS	=	consultant qualification selection
DMF	=	design and monitoring framework
DOPWT	=	District Office of Public Works and Transport
DPWT	=	Department of Public Works and Transport
EARF	=	environmental assessment and review framework
EIA	=	environmental impact assessment
EMP	=	environmental management plan
EWEC	=	East-West Economic Corridor
GAP	=	gender action plan
GDP	=	gross domestic product
GMS	=	Greater Mekong Subregion
IA	=	implementing agency
ICB	=	international competitive bidding
IEE	=	initial environmental examination
IPP	=	indigenous people plan
IPPF	=	indigenous people planning framework
km	=	kilometer
LAR	=	land acquisition and resettlement
LIBOR	=	London interbank offered rate
MPWT	=	Ministry of Public Works and Transport
NCB	=	national competitive bidding
NGOs	=	nongovernment organizations
NR9	=	national road 9
ODA	=	official development assistance
PAI	=	project administration instruction
PAM	=	project administration manual
PCU	=	project coordination unit
PIT	=	project implementation team
PIU	=	project implementation unit
PMS	=	project management support
PMU	=	project management unit
PSC	=	project steering committee
QBS	=	quality based selection
QCBS	=	quality- and cost-based selection
RRP	=	report and recommendation of the President
SBD	=	standard bidding documents
SGIA	=	second generation imprest accounts
SOE	=	statement of expenditure
SPS	=	Safeguard Policy Statement
SPRSS	=	summary poverty reduction and social strategy
TOR	=	terms of reference
UDAA	=	Urban Development Administration Authority
UEIF	=	Urban Environmental Infrastructure Fund
UFPF	=	Urban Financing Partnership Facility
WWTPs	=	wastewater treatment plants

I. PROJECT DESCRIPTION

1. The Government of Lao People's Democratic Republic (Lao PDR) and the Asian Development Bank (ADB) placed considerable emphasis on developing priority transport corridors to forge the physical connectivity among the Greater Mekong Subregion (GMS) countries and to establish the foundation for more efficient movement of people, goods, and services. The towns along the East-West Economic Corridor (EWEC) that links the Lao PDR and Viet Nam with Thailand and Myanmar are well positioned to serve as dynamic centers of investment and economic growth. The strategic location of the corridor towns provides the stimulus for increased trade and investments along the transport routes. Given these development opportunities, several corridor towns are now faced to meet the demands for urban infrastructure and essential support services amidst the rapid growth of the urban population and expansion of urban areas.

2. **Corridor Towns.** The strategic approach of developing corridor towns addresses the need to maximize the economic benefits of increased trade and traffic flows along the major transport corridors in the GMS. The development potentials of the corridor towns are enormous, given their geographic location and proximity to natural and economic resources. For this project, the corridor towns were selected on the basis of their location advantage as border towns, market trading centers, tourism destinations, transshipment points, and industrial hubs. Economic activities and investments are constrained by inadequate urban infrastructure and limited institutional capacities. To overcome these challenges, national and local authorities expressed commitment to dedicate resources to sustainable and inclusive economic growth and long term investments.

3. **Project Towns.** Three corridor towns along the EWEC were selected as project areas on the basis of their economic potential, infrastructure constraints, and expressed commitments.

4. **Kaysone Phomvihane** is a border town that serves as a (i) major commercial and service centre, (ii) agricultural processing center, and (iii) emerging prime destination for manufacturing industries and business enterprises, and tourism. Its strategic location across the Mekong River from the Mukdahan Town in Thailand offers considerable opportunities for increased economic activities and investments. With the increasing cross border trading and commercial exchanges, the town is emerging as a dynamic economic center for public and private sector investments. The rapid growth in urban population and expansion of the town center generated complex environmental and social challenges. Given limited resources, local authorities are having difficulties addressing the growing demands for essential urban infrastructure and responding to the requirements of an urbanizing local economy.

5. **Phine** is a market town located at an important road junction along the EWEC with a bypass road connecting to neighboring towns and provinces. The town center is characterized by increasing trading and commercial activity for goods and services produced in Savannakhet and those imported from neighboring countries particularly Thailand and Viet Nam. The increasing local economic activities brought about by improved road and transport network along National Road 9 (NR9) is stimulating local opportunities for gainful employment among local residents and for establishing business enterprises among the private sector. The poor condition of the interior roads and inadequate water supply are adversely affecting socio-economic conditions in the town center.

6. **Dansavanh**, a town bordering Viet Nam is emerging as an important trading center in the Sepone District. Its strategic location along the EWEC made it a prime location for the

special economic zone where a growing number of manufacturing industries are established. Local economic activities are influenced by the presence of dry port logistics facility, a public market, transport terminal, and a duty free shop at the border gate. About 20 kilometers (kms) away from the border crossing is the Dansavanh Town Center where a majority of the residential houses and commercial establishments are located close to NR9. The rapid growth of local population due to in-migrants seeking economic opportunities in Dansavanh has created serious problems in terms of the adequacy of urban infrastructure and services.

7. **Impact and Outcome.** The expected impact of the project is for the project developments to become centers of trade and investments in the EWEC, thereby contributing to the transformation of transport corridors to economic corridors in the GMS. The expected outcome is adequate essential urban infrastructure and services in the project towns.

8. **Outputs.** The key outputs of the project are as follows: (i) adoption and implementation of Strategic Local Economic Development Plans (SLEDPs)¹ in the project towns, (ii) implementation of priority urban infrastructure investments, and (iii) strengthened institutional capacities for urban development. The priority subprojects for infrastructure investments were identified based on (i) consistency with project's overall goals and objectives, (ii) potential impact in contributing to economic growth and level of competitiveness, and (iii) the expressed interest and commitment of the executing agency to provide necessary resources (Linked Document), criteria that were discussed during the national workshops with project stakeholders.

9. The Project will provide the following outputs in the three corridor towns as outlined in Table 1.

Table 1: Subprojects

Subproject and Location	Subproject Component	Description
1. Kaysone Phomvihane Wastewater Treatment	Civil works for the improvement of 2,500 meters storm water drainage. Installation of three WWTPs; 2,750 meters of drainage and sewage network.	The subproject will mitigate contamination of the local environment through improvement of existing drainage and sewage networks; construction of storm water drains, sewerage interceptors and installation of three WWTPs.
2. Kaysone Phomvihane Urban Roads	Civil works for upgrading and widening of 11 km of Kaysone Phomvihane, Santhiphap and Fangum roads. Construction of drainage structures, road median, installation of lighting facilities.	The subproject will improve access to economic services, reduce traffic congestion, and road accidents in the three major road segments.
3. Kaysone Phomvihane Solid Waste Management	Establishment of sanitary landfill on existing 16 dumpsite. Procurement of additional equipment, collection trucks and facilities.	This subproject will promote sound environmental practices in solid waste management, and a public awareness campaign.
4. Kaysone Phomvihane Mekong River Embankment Protection	Construction of 980 meters river embankment protection with a width of 40-50 meters; construction of two concrete step ladder platforms (4,500 m ²). Upgrading of 1 km adjacent road with	The subproject will mitigate erosion of embankment slopes and secure the available spaces for economic use, tourism and cultural heritage enhancement. The protection measures will involve slope protection and rip-raps along designated spots of the River embankment, and

¹ The SLEDP represent a new form of planning document developed for the purpose of combining economic development planning with urban infrastructure investments. The SLEDPs identify economic drivers and provide justification for infrastructure investments under the project, and by other sources.

Indicative Activities	2012			2013				Responsible
	O	N	D	J	F	M	A	
Loan effectiveness								ADB

ADB = Asian Development Bank, MOF = Ministry of Finance, MPWT = Ministry of Public Works and Transport, PCU = project coordination unit, PITs = project implementation teams, PMU = project management unit.
Source: Asian Development Bank.

B. Project Readiness Filters

	Key Project Preparation Elements	Stage of Project Preparation				
		Fact-finding	Negotiations	Signing	Effectiveness (within 3 months after signing)	First Disbursement (within 3 months after effectiveness)
1.	Project is within Government development priority	Confirmed				
2.	Project Administration Manual	Discussed and drafted	Completed and agreed			
3.	Environment Impact Assessment, Social Impact Assessment, Land Acquisition and Resettlement Plan (where applicable)	Agreed	Action plans prepared and government budget confirmed	Implementation started		
4.	Procurement Capacity Assessment	Completed	Confirmed	Implementation initiated		
5.	Financial Management Capacity Assessment	Completed	Confirmed	Start up actions initiated		
6.	Procurement Plan for the first 18 months	Drafted	Confirmed			
7.	Auditing arrangements including TOR	Agreed	Confirmed			
8.	Monitoring and evaluation arrangements	For ADB, indicators in the DMF and monitoring mechanism agreed	Key results indicators with baseline data (including through secondary data) and monitoring mechanism confirmed			Survey started to validate baseline data
9.	Project Coordination Unit Project Management Unit Project Implementation	Project organization chart, staffing and responsibilities agreed	Project organization chart, staffing and responsibilities confirmed	PCU, PMU and PIT operational with key staff on board		

	Key Project Preparation Elements	Stage of Project Preparation				
		Fact-finding	Negotiations	Signing	Effectiveness (within 3 months after signing)	First Disbursement (within 3 months after effectiveness)
	Team		Office space available			
10.	Recruitment of project implementation consultants	TOR drafted	Confirmed	Request for Proposals initiated	Proposals received	Recruitment of consultants completed and contract awarded
11.	First year bidding documents for goods and civil works (where design is available)	List of contracts, timetable and responsibilities for implementation of advanced actions, as well as a source of financing (PPF/PPTA/or another project) to support these advanced actions are in place	Draft bidding documents prepared and submitted to ADB	No objection from ADB obtained and bidding initiated	Bidding completed and bid evaluation reports submitted to ADB	Contract awarded
12.	Government counterpart funds (if required)	Agreed	Confirmed	Request for first year funds submitted to Government of Lao PDR		First year fund allocated
13.	Legal opinion			Draft legal opinion submitted to ADB	Legal opinion submitted to ADB	
14	Opening of Imprest / Designated Account (if applicable)				Opening of imprest account initiated for loan and grant	Imprest account opened

ADB = Asian Development Bank, DMF = design and monitoring framework, PCU = project coordination unit, PIT = project implementation team. PMU = project management unit, PPTA = project preparatory technical assistance, TOR = terms of reference.

Source: Asian Development Bank.

C. Overall Project Implementation Plan

		2013				2014				2015				2016				2017				2018			
		1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
Loan signing																									
Loan effectivity																									
A. Kaysone Phomvihane																									
Urban Road																									
Detailed engineering design																									
Land acquisition and resettlement																									
Prequalification and bidding																									
Awarding of contract																									
Construction of civil works																									
Procurement of equipment																									
Wastewater Treatment																									
Detailed engineering design																									
Land acquisition and resettlement																									
Prequalification and bidding																									
Awarding of contract																									
Construction of civil works																									
Procurement of equipment																									
Mekong River Embankment Protection																									
Detailed engineering design																									
Land acquisition and resettlement																									
Prequalification and bidding																									
Awarding of contract																									
Construction of civil works																									
Procurement of equipment																									
Solid Waste Management																									
Detailed engineering design																									
Land acquisition and resettlement																									
Prequalification and bidding																									
Awarding of contract																									
Construction of civil works																									
Procurement of equipment																									
Materials Recovery Facility																									
Detailed engineering design																									
Land acquisition and resettlement																									
Prequalification and bidding																									
Awarding of contract																									
Construction of civil works																									
Procurement of equipment																									
B. Phine																									
Urban Road																									
Detailed engineering design																									
Land acquisition and resettlement																									
Prequalification and bidding																									
Awarding of contract																									
Construction of civil works																									
Procurement of equipment																									
C. Dansavanh																									
Urban Road																									
Detailed engineering design																									
Land acquisition and resettlement																									
Prequalification and bidding																									
Awarding of contract																									
Construction of civil works																									
Procurement of equipment																									
D. Project Implementation Support																									
Prequalification, selection & awarding of consultants																									
Awarding of contract																									
Mobilization																									
Implementation support and benefit monitoring																									
E. Capacity Development and Training																									
Prequalification, selection & awarding of consultants																									
Awarding of contract																									
Mobilization																									
Conduct of workshops and seminars																									

III. PROJECT MANAGEMENT ARRANGEMENTS

A. Project Implementation Organizations – Roles and Responsibilities

10. The executing agency (EA) of this Project is the Ministry of Public Works and Transport (MPWT) and the implementing agency (IA) is the Provincial Department of Public Works and Transport (PDPWT) in Savannakhet province. A Project Steering Committee (PSC) will be created to provide overall policy guidance and oversee implementation in accordance with the objectives and scope of the Project. The PSC will be chaired by the Provincial Governor of Savannakhet with the Deputy Director General of MPWT- Department of Housing and Urban Planning (DHUP) serving as Vice Chairman. The PSC members will be comprised of the Heads of the District Authority of Kaysone Phomvihane, Phine and Sepone and designated representatives from the participating Provincial Departments such as Public Works and Transport, Planning and Investment, Finance, Land Use Management and Urban Planning, Natural Resources and Environment, and from the private sector. A representative from Dansavanh Border Trade Zone Authority (DBTZA) will serve as a regular member of the PSC.

11. The Project Coordination Unit (PCU) will cover two projects, e.g. both for the ADB-financed Pakse Urban Environmental Improvement Project (PUEIP) and the GMS East West Economic Corridor Towns Development Project. The PCU will have (i) sufficient office space ensured for both projects and files; (ii) separate project files and accounts are maintained for both projects; (iii) current assigned staff for the PUEIP are retained and additional staff is recruited for the GMS Project. For the Project there will be separate (i) a Deputy Director of the PCU, (ii) a procurement officer, (iii) an accountant, and (iv) a cashier. The female representation on the PCU follows PUEIP (of at least 33%). Cost of office administration, furniture and training workshops is shared between both projects. Changes in PCU personnel is communicated and agreed upon by both ADB project officers.

12. The Project Management Unit (PMU) will be established in Savannakhet province to assume the responsibility for overall Project implementation and management including financial disbursement, procurement, safeguards and monitoring and reporting. The implementation of all Project activities will closely coordinated by the PMU with the Province of Savannakhet and the PDPWT. In carrying out its tasks and responsibilities, the EA will engage the services of Project Management Support (PMS) Consultant who will provide technical assistance and advisory services to the PMU.

13. At the district level, the Project Implementation Team (PIT) will be created to coordinate the implementation of Project activities in the participating corridor towns. The Project Implementation Unit (PIU) in Kaysone Phomvihane will be managed jointly by the District Office of Public Works and Transport (DOPWT) and the Urban Development Administration Authority (UDAA). In Sepone District where Dansavanh is situated, the PIU will be managed jointly by the DOPWT and the DBTZA. In the case of Phine District, the PIU will be manned by the DOPWT.

Project Organization	Roles and Responsibilities
Ministry of Public Works and Transport	<p><u>Executing Agency</u></p> <ul style="list-style-type: none"> • Ensure compliance with Loan and Grant Covenants and provision of Government counterpart fund allocation • Approve procurement plans, bidding documents, bid evaluation and contract awards • Approve social and environmental safeguards

Project Organization	Roles and Responsibilities
	<ul style="list-style-type: none"> • Obtain environmental and resettlement clearances from Ministry of Natural Resources and Environment • Submit updated resettlement plans for ADB's concurrence prior to implementation • Ensure compliance with ADB's social and environmental policies and guidelines during project implementation • Reviews and endorses to ADB any proposed change in project scope or implementation arrangements • Approve proposed actions in the event of adverse financial audits or monitoring and evaluation reports in consultation with ADB • Establish the Project Management Unit and Project Coordination Unit and designate qualified personnel • Create the Project Steering Committee and designate senior level representatives
Savannakhet Provincial Authority and MPWT	<p><u>Project Steering Committee</u></p> <ul style="list-style-type: none"> • Provides policy directives and operational guidance in Project implementation • Reviews overall Project accomplishment in relation to expected impact and outcome • Ensures the Project activities are implemented in cost effective and time efficient manner. • Coordinate Project's compliance with loan covenants and facilitate the provision of government counterpart fund
MPWT-Department of Housing and Urban Planning	<p><u>Project Coordination Unit</u></p> <ul style="list-style-type: none"> • Serve as focal point for Project coordination at national level and communication with ADB and participating institutions • Set up and maintain Project financial management system • Submit contract awards and disbursement projections including withdrawal applications, audited project accounts and financial statements to ADB • Reviews project implementation progress and submit quarterly and annual physical and financial progress reports to ADB • Assist PMU in the review of financial and procurement management related documents • Monitor Project implementation activities and the quality of the works
Provincial Department of Public Works and Transport of Savannakhet Province	<p><u>Implementing Agency, Project Management Unit</u></p> <ul style="list-style-type: none"> • Overall responsibility for Project implementation and coordination of project activities • Supervise the activities of the Project Implementation Teams organized within District Authorities • Undertake procurement of goods, works and services including recruitment of consultants for Project management support, capacity development and training, independent audit and safeguards monitoring • Develop and adapt a Project performance management system in monitoring Project activities using indicators and parameters in the design and monitoring framework • Obtain necessary approvals and clearances of environment and resettlement from MONRE prior to awarding of civil works contracts • Manage separate Project financial records and account, and prepare financial reports • Manage imprest account, prepare statement of expenditures and withdrawal applications • Supervise the implementation of social and environmental safeguards and including timely disclosure of safeguards documents • Supervise the implementation of the Consultation and Participation Plan and

Project Organization	Roles and Responsibilities
	<p>Gender Action Plan, Stakeholder Communication Strategy</p> <ul style="list-style-type: none"> • Supervise implementation of the resettlement plans including adequate measures to mitigate adverse resettlement impact • Ensure that environment management plans and gender consideration are incorporated in the detailed designs and included in civil works contracts • Undertake regular quality control inspection of Project facilities • Manage the handover of Project facilities to agencies responsible for operation and maintenance • Prepare and submit quarterly and annual physical and financial progress reports to EA • Undertake monitoring of compliance of social and environmental safeguards
<p>District Office of Public Works and Transport</p> <p>DOPWT of Kaysone Phomvihane and Urban Development Administration Authority</p> <p>DOPWT of Phine</p> <p>DOPWT of Dansavanh and Dansavanh Border Trade Zone Authority</p>	<p><u>Project Implementation Team</u></p> <ul style="list-style-type: none"> • Coordinate implementation of Project activities at district level • Ensure implementation of the approved work plans and program of activities • Prepare and submit quarterly and annual physical and financial progress reports to the PMU • Oversee and coordinate civil works and construction activities • Ensure the implementation of social and environmental safeguards and including timely disclosure of safeguards documents • Ensure the implementation of the Consultation and Participation Plan and Gender Action Plan, Stakeholder Communication Strategy • Ensure implementation of the resettlement plans including adequate measures to mitigate adverse resettlement impact • Coordinate implementation of environmental management plan, submit regular monitoring reports to PMU • Ensure implementation of Capacity and Participation Plan, Stakeholder Communication Strategy and Gender Action Plan • Coordinate the updating of the Resettlement Plans and monitor implementation of resettlement activities • Undertake monitoring of Project activities based on the indicators and parameters in the DMF and prepare regular reports to the PMU on Project achievements
Asian Development Bank	<p><u>Project Financier</u></p> <ul style="list-style-type: none"> • Conduct semi-annual reviews to assess: <ul style="list-style-type: none"> (i) overall project implementation; (ii) land acquisition and resettlement; (iii) environmental management; (iv) project expenditures, disbursement and counterpart funding; (v) procurement and contract awards; (vi) compliance with loan covenants; and (vii) probability of attaining Project outputs and outcome • Review and approve procurement and disbursement documents • Regularly update project performance review reports • Conduct mid-term review to: (i) assess need to restructure or reformulate the project, (ii) update the Project's design and monitoring framework, and (iii) examine if extension of loan closing date is necessary • Conduct Project completion mission.

ADB = Asian Development Bank, DMF = design and monitoring framework, DOPWT = District Office of Public Works and Transport, EA = executing agency, MONRE = Ministry of Natural Resource and Environment, MPWT = Ministry of Public Works and Transport, PMU = project management unit.

Source: Asian Development Bank.

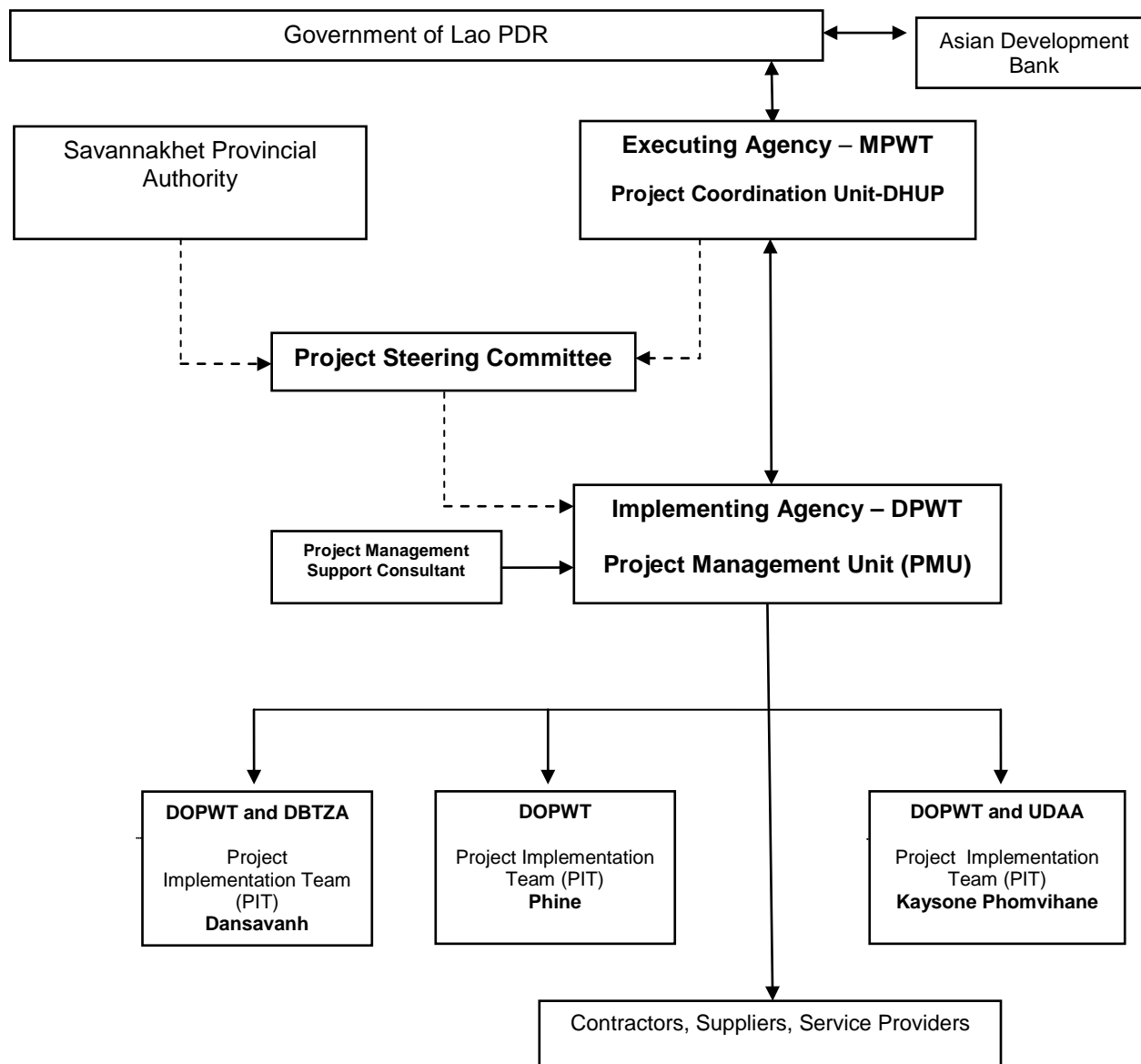
B. Key Persons Involved in Implementation

Executing Agency		
Ministry of Public Works and Transport (MPWT)	Officer's Name	: Mr. Khamthavy Thaipachanh
	Position	: Director General
	Office Address	: MPWT, Vientiane Lao PDR
	Email address	: khamthavy2005@yahoo.com
	Telephone No.	: 021 412284
	Officer's Name	: H.E. Souphanh Keomixay
	Position	: Governor
	Office Address	: Savannakhet Province, Lao PDR
	Email address	: souphanhk@yahoo.com
	Telephone No.	: +865 41 253 2
Project Coordination Unit		
MPWT - Department of Housing and Urban Planning	Officer's Name	: Mrs. Malychanh Sananikhom
	Position	: Deputy Director
	Office Address	: Planning and Budgeting Division Department of Housing and Urban Planning
	Email address	: sananikhom@yahoo.com
	Telephone No.	: 020 555 26431
Implementing Agency		
Department of Public Works and Transport of Savannakhet Province	Officer's Name	: Dr. Sengthong Vangkeomany
	Position	: Director, DPWT
	Office Address	: PDPWT of Savannakhet, Lao PDR
	Email address	: sengthong_v@yahoo.com
	Telephone No.	: 041 212258
Project Management Unit (PMU)		
	Officer's Name	: Mrs. Phouthalom Saysanavongphet
	Position	: Project Director
	Office Address	: DPWT, Kaysone Phomvihane
	Email address	: phouthalom@yahoo.com
	Telephone No.	: 020 22464685
Project Implementation Team (PIT)		
District Office Public Works and Transport Kaysone Phomvihane	Officer's Name	: Mr. Sanchone Disameu
	Position	: Head of DOPWT
	Office Address	: DOPWT, Kaysone Phomvihane District
	Email address	:
	Telephone No.	: 020 55642263
District Office Public Works and Transport Phine	Officer's Name	: Mr. Khamtan Nanthasen
	Position	: Vice Head of DOPWT
	Office Address	: DOPWT, Phine District
	Email address	:
	Telephone No.	: 020 55453722
District Office Public Works and Transport - Sepone (Dansavanh)	Officer's Name	: Mr. Xayxana Khatignalath
	Position	: Head of DOPWT
	Office Address	: DOPWT, Sepone District
	Email address	:
	Telephone No.	: 020 22798111

Asian Development Bank

Officer's Name	:	Ms. Amy S.P. Leung
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Office Address	:	6 ADB Avenue, Mandaluyong City 1550 Metro Manila, Philippines
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Telephone No.	:	+63 2 632 6379/5613
Officer's Name	:	Mr. Florian Steinberg
Position	:	Senior Urban Development Specialist Urban Development and Water Division, Southeast Asia Department
Office Address	:	6 ADB Avenue, Mandaluyong City 1550 Metro Manila, Philippines
Email address	:	fsteinberg@adb.org
Telephone No.	:	+63 2 632 5581
Officer's Name	:	Mr. Phomma Chanthirath
Position	:	Senior Project Officer Lao PDR Resident Mission
Office Address	:	Vientiane, Lao PDR
Email address	:	pchanthirath@adb.org
Telephone No.	:	
Officer's Name	:	Ms. Abigail D. Garrovillas
Position	:	Associate Project Officer Urban Development and Water Division, Southeast Asia Department
Office Address	:	6 ADB Avenue, Mandaluyong City 1550 Metro Manila, Philippines
Email address	:	agarrovillas@adb.org
Telephone No.	:	+63 2 632 6964

C. Project Organization Structure



DBTZA = Dansavanh Border Trade Zone Authority, DHUP = Department of Housing and Urban Planning, DOPWT = District Office of Public Works and Transport, DPWT = (Provincial) Department of Public Works and Transport, LAO PDR = Lao People's Democratic Republic, MPWT = Ministry of Public Works and Transport, UDAA = Urban Development Administration Authority.

Source: Asian Development Bank.

----- Supporting/Strengthening lines

—————> Reporting/Coordination lines

D. Project Management Support

14. The Project will provide management support and assistance to the EA and the PMU to ensure that project implementation will fully comply with ADB's policies and operational requirements in terms of financial management, fund disbursement, procurement procedures, social and environment safeguards, and operation and maintenance (O&M). This will also include external financial audit and independent monitoring of social and environment safeguards.

15. A team of international and national consultants will be engaged by the EA to provide management support during Project implementation. The indicative list of specialist and experts and the corresponding person-month inputs in the consultant's team are as follows:

a. International Consultant

- (i) Team Leader, Urban Development Specialist: 12 person-months
- (ii) Wastewater Management Specialist: 2 person-months
- (iii) Road Engineering Specialist: 5 person-months
- (iv) Environment Specialist: 2 person-months
- (v) Solid Waste Management Specialist: 2 person-months
- (vi) Financial Management Specialist: 3 person-months
- (vii) Procurement Management Specialist: 2 person-months
- (viii) Resettlement Specialist: 3 person-months
- (ix) Social Safeguards, Gender Specialist: 2 person-months
- (x) Monitoring and Evaluation Specialist: 2 person-months

b. National Experts

- (i) Deputy Team Leader, Civil Engineer: 22 person-months
- (ii) Wastewater Treatment Expert: 6 person-months
- (iii) Urban Road Expert: 8 person-months
- (iv) Environment Specialist: 4 person-months
- (v) Solid Waste Management Expert, 6 person-months
- (vi) Financial Management Expert: 6 person-months
- (vii) Procurement Management Expert: 6 person-months
- (viii) Resettlement Expert: 6 person-months
- (ix) Social Development, Gender Expert: 6 person-months
- (x) Monitoring and Evaluation Expert: 6 person-months
- (xi) External Financial Audit: 3 person-months
- (xii) Independent Monitoring Organization: 3 person-months

16. **Logistics for Project Management Support.** The PMU will be provided logistics support for the purchase of equipment and vehicles and operating cost to facilitate the provision of consulting services in Project management. The list and types of equipment and vehicles will be prepared by the PMU and PMS consultant during the early phase of Project implementation. These will be submitted to the EA for approval prior to procurement.

17. **Indicative Cost for Project Management Support.** The estimated investment cost for Project management support amounts to \$1.82 million. This will provide the cost of consultant's services amounting to \$1.00 million, the purchase of office equipment and vehicles worth \$0.23 million and operating for management support in the amount of \$0.58 million. The cost breakdown is presented in the table below:

Component A - Project Management Support INDICATIVE COST BREAKDOWN (In US\$)						
No	Item	Unit	No.	Quantity	Unit cost	Total Cost
A	BASE COST					
1	Consultants Remuneration and Per Diems	Person-months				1,000,000
	International Consultants					
	Team leader (Urban Development Specialist)	Person-months	1	12	20,000	240,000
	Wastewater Management Specialist	Person-months	1	2	18,000	36,000
	Road Engineering Specialist	Person-months	1	5	18,000	90,000
	Environment Specialist	Person-months	1	2	18,000	36,000
	Financial Management Specialist	Person-months	1	3	18,000	54,000
	Procurement Specialist	Person-months	1	2	18,000	36,000
	Resettlement Specialist	Person-months	1	3	18,000	54,000
	Social Development Specialist	Person-months	1	2	18,000	36,000
	Monitoring and Evaluation Specialist	Person-months	1	2	18,000	36,000
	Solid Waste Management Specialist	Person-months	1	2	18,000	36,000
	Subtotal (International consultants)	Person-months		35		654,000
	Per Diems (International consultants)	Days		780	80	62,400
	National Consultants					
	Deputy team leader /Civil Engineer	Person-months	1	22	3,100	68,200
	Wastewater Management Expert	Person-months	1	6	2,800	16,800
	Urban Road Expert	Person-months	1	8	2,800	22,400
	Environment Specialist	Person-months	1	4	2,800	11,200
	Financial Management Expert	Person-months	1	6	2,800	16,800
	Procurement Expert	Person-months	1	6	2,800	16,800
	Resettlement Expert	Person-months	1	6	2,800	16,800
	Social Development Expert	Person-months	1	6	2,800	16,800
	Monitoring and Evaluation Expert	Person-months	1	6	2,800	16,800
	Solid Waste Management Expert	Person-months	1	6	2,800	16,800
	Subtotal (National consultants)	Person-months		76		219,400
	Per Diems (National Consultants)	Days		700	60	42,000

No	Item	Unit	No.	Quantity	Unit cost	Total Cost
	External Monitoring and Auditing					
	Financial Audit	Person-months	1	3	2,800	8,400
	Independent Monitoring Organization	Person-months	1	3	2,800	8,400
	Subtotal (Domestic consultants)	Person-months		6		16,800
	Per Diems (Domestic consultants)	Days		90	60	5,400
2	International and Local Travel					460,380
	International Travel					
	International airfares	Number trips		175	2,000	350,000
	Miscellaneous travel	Number trips		175	260	45,500
	Subtotal					395,500
	Local travel					
	Local air travel	Number trips		200	250	50,000
	Vehicle running costs, taxis etc.	Vehicle months		186	80	14,880
	Subtotal					64,880
3	Reports and Communication					72,000
	Supplies	Months		72	400	28,800
	Documentation	Months		72	300	21,600
	Communications	Months		72	300	21,600
	Subtotal					72,000
4	Vehicles and Equipment					230,000
	Vehicle	Lump sum		1	165000	165,000
	Office Equipment	Lump sum		1	65000	65,000
	Subtotal					230,000
5	Miscellaneous Administration and Support Costs					57,600
	Secretary, accounts clerk, interpreter, etc.	Months		72	500	36,000
	Office supplies	Months		72	300	21,600
	Subtotal					57,600
	GRAND TOTAL					1,819,980

E. Capacity Development Plan

18. 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 with 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.

19. 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, and (iv) O&M of urban infrastructure.

20. 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 will 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.

21. The following capacity development measures will be pursued to strengthen institutional capacities in project management and implementation, social and environmental safeguards, O&M.

22. **Assistance During Project Start-Up.** The IA which is the PDWT of Savannakhet Province and the 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 will 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 PSC meetings
- (iii) Organization of the PMU
- (iv) Creation of the PITs
- (v) Establishing Effective Coordination Mechanism
- (vi) Preparation of TOR and procurement documents for detailed engineering design and construction supervision

23. Under the Project, 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 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.

24. **Participants to Capacity Development and Training.** 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 MPWT-DHUP who will be designated and assigned to manage the PCU.
- (ii) Designated Staff of the PMU from MPWT-DHUP and the Provincial Department of Public Works and Transport
- (iii) Designated Staff of the PITs from the DOPWT, from UDAA in the case of PIT Kaysone Phomvihane, from the DBTZA in the case of Dansavanh.
- (iv) Provincial and District Authorities
- (v) Non-Government Organizations, Lao Women's Union
- (vi) Private Sector Groups

25. Representatives from these agencies and entities actively participated in the consultative meetings, focus group discussions and national workshops organized and managed by the EA and the PPTA consultant during project preparation.

26. **Capacity Needs Assessment.** During the early phase of Project implementation, the PMU through the assistance of the PMS Consultant will undertake a capacity development needs assessment of designated Project staff in the PCU, PMU, PITs, and PSC at the district levels and key Project stakeholders. The capacity assessment will focus on specific technical requirements for managing and implementing urban infrastructure such as wastewater treatment plants (WWTPs), 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 O&M of urban infrastructure.

27. 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 conducting required training program and capacity building interventions. The updated capacity development plan will be presented to the EA for approval and endorsement.

F. Developing Capacities for Project Management

28. 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 to management of processes and enhancement of existing skills and experiences.

29. 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 achievement of desired outputs and expected outcome of the Project. An initial assessment conducted during the project preparatory TA indicated the following capacity building and training assistance for designated Project Staff in Project management:

Capacity Building	Participants	Number	Indicative Cost (\$)
Project Management Principles and Team Building (2-part series)	PCU, PMU, PITs, DOPWT, UDAA	30	30,000
Training on Work and Financial Planning (6-part series)	PCU, PMU, PITs	20	20,000
Project Administrative Management Procedures	PCU, PMU, PITs	14	14,000
Public Awareness and Project Orientation.	Local Community Organization, Provincial Departments, NGOs, Private Sector	80	40,000
Project Coordination Mechanism	PCU, PMU, PITs	14	14,000
Project Website Management	PCU, PMU, PITs	12	30,000

DOPWT = District Office of Public Works and Transport, NGOs = nongovernment organizations, PCU = Project Coordination Unit, PITs= Project Implementation Teams, PMU = Project Management Unit, UDAA = Urban Development Administration Authority.

Source: Asian Development Bank.

30. 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 to conduct workshop events that are intended for Management officials of the EA, IA, and Provincial and District authorities which focus on specific themes on the “how to manage” subjects. Short courses for technical and finance staff of the PMU and PITs will be provided that will deal with specialized modules on the “how to do it” topics.

31. 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 Human Resource Development 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.

32. The Project will support appropriate measures to enhance the critical role of the UDAA in the management and implementation of the five urban infrastructure subprojects in Kaysone Phomvihane. This would involve the direct participation of UDAA in the management and operation of the 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.

G. Developing Capacities for Financial Management and Fund Disbursement

33. The financial management assessment was conducted during the TA 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 Specialist 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. Based on the financial management assessment, the following capacity building and training assistance were identified:

Capacity Building	Participants	Number	Indicative Cost (\$)
ADB Financial Procedures and Practices	PCU, PMU, PITs, UDAA, Provincial, District Authorities	20	20,000
Imprest Account and Fund Disbursement	PCU, PMU, PITs	10	10,000
Financial Status and Audit Reporting.	PCU, PMU, PITs	10	10,000
Financial Cost Recovery for Revenue Generating Subprojects.	PCU, PMU, PITs Provincial, District Authorities	80	35,000

ADB = Asian Development Bank, PCU = Project Coordination Unit, PITs= Project Implementation Teams, PMU = Project Management Unit, UDAA = Urban Development Administration Authority.

Source: Asian Development Bank.

34. 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 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.

H. Improving Capacities for Procurement Management

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

Capacity Building	Participants	Number	Indicative Cost (\$)
ADB Procurement Guidelines and Procedures	PCU, PMU, PITs	14	14,000
Application of Procurement Methods and Procedures	PCU, PMU, PITs	14	14,000
Quality Control and inspection system	PCU, PMU, PITs	14	14,000
Procurement Plan Preparation, Reporting and Monitoring	PCU, PMU, PITs	14	14,000

PCU = Project Coordination Unit, PITs = Project Implementation Teams, PMU = Project Management Unit.

Source: Asian Development Bank.

36. 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.

I. Enhancing Capacities for Monitoring and Evaluation

37. Among the important tasks of the PMU and PITs are 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. The capacity development assistance on monitoring and evaluation will include the following:

Capacity Building	Participants	Number	Indicative Cost (\$)
Project Performance Monitoring System Training (includes on-site training)	PCU, PMU, PITs, Provincial, District Authorities	26	30,000
Physical and Financial Progress reporting	PCU, PMU, PITs	12	12,000
Compliance Monitoring of social and environment safeguards	PCU, PMU, PITs	12	12,000

PCU = Project Coordination Unit, PITs= Project Implementation Teams, PMU = Project Management Unit.

Source: Asian Development Bank.

38. 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.

J. Developing Capacities for Social and Environment Safeguards

39. Capacity development measures and training programs will be extended to the PMU and PITs on social dimension analysis which will focus on participatory processes in project implementation and management, O&M of urban infrastructure subprojects. This will also include the important aspect of poverty and social analysis as an essential component of Project implementation.

40. 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*. The following capacity building and training programs were initially identified during project preparation:

Capacity Building	Participants	Number	Indicative Cost (\$)
Poverty and Social Impact Assessment	PCU, PMU, PITs, Provincial, District Authorities	42	20,000
Consultation and Participation Approaches	PCU, PMU, PITs	12	6,000
Data Generation and PPMS	PCU, PMU, PITs, Beneficiary Communities	42	20,000
Stakeholder's Awareness Raising	PMU, PITs, Local Community Organizations, Provincial Departments, NGOs, Private Sector	179	80,000

NGOs = nongovernment organizations, PCU = Project Coordination Unit, PITs= Project Implementation Teams, PMU = Project Management Unit, PPMS = project performance monitoring and evaluation system.
Source: Asian Development Bank.

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

Capacity Building	Participants	Number	Indicative Cost (\$)
Updating Environmental Management Plan	PCU, PMU, PITs	12	12,000
Public Awareness on Impacts and Mitigating Measures	PCU, PMU, PITs, Local Community Organizations, Provincial Departments, NGOs, Private Sector	179	See budget on Stakeholder's Awareness Raising under Social Safeguards
Integration of Environment Management Elements	PCU, PMU, PITs, Provincial, District Authorities	42	30,000
Urban Environment Infrastructure Training	PCU, PMU, PITs, Provincial, District Authorities	22	20,000

NGOs = nongovernment organizations, PCU = Project Coordination Unit, PITs= Project Implementation Teams, PMU = Project Management Unit.

Source: Asian Development Bank.

42. 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.

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

Capacity Building	Participants	Number	Indicative Cost (\$)
Gender Sensitization Training	PCU, PMU, PITs, Provincial, District Authorities, Lao Women's Union	24	30,000
Women Empowerment Training	Women from three corridor towns, NGOs, Lao Women's Union	336	40,000
Gender Awareness and IEC Training	Beneficiary Communities, Provincial, District Authorities, NGOs, Lao Women's Union	186	30,000
Gender Action Planning	PCU, PMU, PITs, Provincial, District Authorities, Lao Women's Union, Local Community Organizations	58	20,000

IEC = information, education and communication, NGOs = nongovernment organizations, PCU = Project Coordination Unit, PITs= Project Implementation Teams, PMU = Project Management Unit.

Source: Asian Development Bank.

44. 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.

K. Developing Capacities for O&M of Urban Sector Projects

45. The PMU in close partnership with PMS Consultant will coordinate with the Provincial and district authorities the requirements and procedures for proper O&M arrangements under the Project. These arrangements will be based on the Subproject O&M 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. The capacity building intervention for O&M for Project staff will involve the following training activities:

Capacity Building	Participants	Number	Indicative Cost (\$)
O&M Planning	PCU, PMU, PITs, Provincial, District Authorities	31	10,000
O&M System and Procedures	PCU, PMU, PITs, Provincial, District Authorities	30	10,000
Managed System for Revenue Collection	PCU, PMU, PITs, Provincial, District Authorities	25	10,000
District Level Staff (Financing and Accounting units) Training	PCU, PMU, PITs, Provincial, District Authorities	24	10,000
Establishment and Operation of District Unit for O&M	PCU, PMU, PITs, Provincial, District Authorities	22	10,000

O&M = operation and maintenance, PCU = Project Coordination Unit, PITs= Project Implementation Teams, PMU = Project Management Unit.

Source: Asian Development Bank.

46. During Project implementation, complementary training programs will be developed for specific revenue generating subprojects (i) wastewater treatment, (ii) solid waste management and (iii) 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.

L. Raising Higher Level Awareness on Urban Sector Management

47. 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 discussed related to their participation and attendance in policy fora, 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.

48. 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:

Capacity Building	Participants	Number	Indicative Cost (\$)
Attendance and Participation in Seminars and Conferences	PCU, PMU, PITs, Provincial, District Authorities	26	40,000
Cross Learning and Visits to Best Practices Projects	PCU, PMU, PITs, Provincial, District Authorities	22	50,000
Communication and Technical Writing Skills	PCU, PMU, PITs	30	10,000

PCU = Project Coordination Unit, PITs= Project Implementation Teams, PMU = Project Management Unit.

Source: Asian Development Bank.

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

50. Details of the capacity development and training programs including the number of participants from the EA, PMU, PITs and provincial and district authorities are presented in Linked Document.

51. **Consultant's Services for Capacity Development and Training.** The EA through the PMU will engage 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. 12 person-months
- (ii) National Capacity Development Expert, 20 person-months
- (iii) International Training Specialists, 12 person-months
- (iv) National Training Specialists, 18 person-months

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

53. **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.

54. **Implementation Arrangements.** The capacity development plan will be implemented by the EA through the PMU. The PMU will be assisted by the PMS consultants and the Capacity Development Specialists engaged under the Project. The preparation of the activity designs and the implementation of the capacity building and training interventions will be closely coordinated with the 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 (MoI) and the Ministry of Finance (MoF).

55. **Indicative Capacity Development Cost.** The estimated cost for the capacity development and training programs amounts to \$1.61 million. This will cover the cost of consultants to be engaged under the Project which amounts to \$0.61 million, expenses for workshop events and seminars amounting to \$0.85 and the cost of office equipment, facilities and vehicles worth \$0.18 million.

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				610,000
	International Consultants					
	Institutional Development Specialist	Person months	1	9	20,000	180,000
	Training Specialist/ Resource Persons	Person months	1	8	18,000	144,000
	Subtotal (International consultants)	Person months		17		324,000
	Per Diems (International consultants)	Days		420	80	33,600
	National Consultants					
	Institutional Development Expert	Person months	1	20	2,900	58,000
	Training Specialist/ Resource Persons	Person months	3	18	2,900	156,600
	Subtotal (National consultants)	Person months		42		214,600
	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 and Equipment					154,668
	Vehicles	Vehicles		4	33,667	134,668
	Equipment	Lump sum				20,000
	Subtotal					154,668
4	Capacity Development and Training (Provisional Sum)					801,000
	Activity 1: Developing Project Management Capacity					
	Project Management Principles and Team Building					30,000

No	Item	Unit	No.	Quantity	Unit cost	Total Cost
	Work and Financial Planning (WFP)					20,000
	Administrative Management Procedure					14,000
	Public Awareness and IEC Approaches					40,000
	Project Coordination Mechanism					14,000
	Project Website Management.					30,000
	Activity 2: Financial Management and Fund Disbursement					
	ADB Financial Procedures and Practices					20,000
	Imprest Account and Fund Disbursement					10,000
	Internal Finance Controls					10,000
	Financial Status and Audit Reporting					10,000
	Financial Cost Recovery for Revenue Generating Subprojects.					35,000
	Activity 3 – Procurement Management					
	ADB Procurement Guidelines and Procedures					14,000
	Application of Procurement Methods and Procedures					14,000
	Quality Control and inspection system.					14,000
	Procurement Plan Preparation, Reporting and Monitoring					14,000
	Activity 4 –Monitoring and Evaluation					
	PPMS Training					30,000
	Physical and Financial Progress reporting					12,000
	Compliance Monitoring of social and environment safeguards					12,000
	Activity 5 – Social and Environment Safeguards					
	Poverty and Social Impact Assessment.					20,000
	Consultation and Participation (C&P) Approaches.					6,000
	Data Generation and PPMS					20,000
	Stakeholder's Awareness Raising.					80,000
	Activity 6 – Environment Safeguards					
	Preparing and updating of Environment Management Plan for alignment with the design					12,000
	Public Awareness on Environment Impacts and mitigating measures					
	Integration of environment management elements in the overall institutional capacity building plan					30,000
	Environment safeguards in urban infrastructure investment					20,000
	Activity 7 – Gender Consideration					
	Gender Sensitization Training					30,000
	Women Empowerment Training					40,000
	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)					10,000
	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					801,000
	TOTAL PROJECT COST					1,614,718

IV. COSTS AND FINANCING

56. The total cost of the project is estimated at \$47.73 million equivalent, including taxes, duties, and physical and price contingencies (Table 2).

Table 2: Cost Estimates by Outputs

(\$ million)		
Item	Description	Amounts ^a
A.	Base Cost ^b	
1.	Kaysone Phomvihane Town Subprojects	25.61
2.	Phine Town Subprojects	6.20
3.	Dansavanh Town Subproject	4.11
5.	Project Management Support	1.82
6.	Capacity Development and Training	1.61
	Subtotal (A)	39.35
B.	Contingencies ^c	
1.	Physical contingencies	3.94
2.	Price contingencies	3.78
	Subtotal (B)	7.72
C.	Financing Charges during Implementation ^d	0.65
	Total (A+B+C)	47.73

^a Includes taxes and duties of \$4.535 million and land acquisition and involuntary resettlement costs of \$1.724 million, to be financed from Government sources.

^b In December 2011 prices.

^c Physical contingencies computed at 10% for civil works, equipment, training, and consultancy. Price contingencies computed on the basis of domestic and international price escalation factors, which include a provision for potential exchange rate fluctuation assuming purchasing power parity exchange rates. Annual rates are as follows:

Annual Rates	2012	2013	2014	2015	2016	2017	2018
Foreign Currency	-1.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%
Local Currency	6.0%	5.5%	5.0%	5.0%	5.0%	5.0%	5.0%

^d Includes interest charges during implementation for ADB loan computed at 1.0% per annum.

Source: Asian Development Bank

57. **ADB Financing.** The government has requested a loan and a grant equivalent to \$40.83 million from ADB's Special Funds to help finance the project. The loan portion will be \$26.60 million equivalent and the grant \$14.23 million equivalent. The loan will have a 32-year term, including a grace period of 8 years, an interest rate of 1.0% per annum during the grace period and 1.5% per annum thereafter, and such other terms and conditions set forth in the draft financing agreement. The ADB funds will finance civil works, equipment, consulting services, interest during construction, and contingencies for seven subprojects. Financing plan is in Table 3.

58. **Grant Financing.** The UEIF of the UFPF will provide US dollar denominated co-financing of \$638,000 million on a grant basis to be administered by ADB. The UEIF grant will finance one subproject involving construction of materials recovery facilities for solid waste recycling.

59. **Government Contribution.** The Government of Lao PDR will provide \$6.26 million equivalent to cover taxes and duties, and land acquisition and resettlement costs.

Table 3: Financing Plan
(\$ million)

Source	Total Cost	Share of Total (%)
Asian Development Bank (Loan)	26.60	55.7
Asian Development Bank (Grant)	14.23	29.8
Urban Environmental Infrastructure Fund under the Urban Financing Partnership Facility ^a	0.64 ^b	1.3
Government of Lao PDR	6.26	13.2
Total	47.73	100.0

^a Contributor: the Government of Sweden

^b Rounded-off amount (\$638,000).

A. Detailed Cost Estimates by Expenditure Category

	(LAK Million)			(US\$ Million)			%	% Total
	Local	Foreign	Total	Local	Foreign	Total	Foreign Exchange	Base Costs
I. Investment Costs								
A. Civil Works	93,516	140,273	233,789	11.66	17.49	29.16	60	74
B. Equipment	2,460	22,142	24,602	0.31	2.76	3.07	90	8
C. Training	4,771	2,045	6,815	0.60	0.26	0.85	30	2
D. Consulting Services	15,541	17,056	32,597	1.94	2.13	4.07	52	10
E. Project Implementation Support	4,279	475	4,755	0.53	0.06	0.59	10	2
F. Capital Goods	42	375	417	0.01	0.05	0.05	90	-
G. Land Acquisition and Resettlement	12,564	-	12,564	1.57	-	1.57	-	4
Total BASELINE COSTS	133,173	182,367	315,540	16.61	22.74	39.35	58	100
Physical Contingencies	13,317	18,237	31,554	1.66	2.27	3.94	58	10
Price Contingencies	25,972	4,354	30,326	3.24	0.54	3.78	14	10
Total PROJECT COSTS	172,462	204,957	377,419	21.51	25.56	47.07	54	120
Interest During Construction	-	5,243	5,243	-	0.65	0.65	100	2
Total Costs to be Financed	172,462	210,200	382,662	21.51	26.22	47.73	55	121

B. Allocation and Withdrawal of Loan and Grant Proceeds

ALLOCATION AND WITHDRAWAL OF LOAN PROCEEDS (Greater Mekong Subregion East-West Economic Corridor Towns Development Project)				
Number	Item	Total Amount Allocated for ADB Financing		Basis for Withdrawal from the Loan Account
		(SDR) Category	Subcategory	
1	Works	13,228,000		
1A	Works (Part 1)		2,086,000	65% of total expenditure claimed*
1B	Works (Part 2)		4,018,000	65% of total expenditure claimed*
1C	Works (Part 3)		742,000	65% of total expenditure claimed*
1D	Works (Part 4)		2,441,000	65% of total expenditure claimed*
1E	Works (Part 6)		2,393,000	65% of total expenditure claimed*
1F	Works (Part 7)		1,548,000	65% of total expenditure claimed*
2	Consulting Services	2,344,000		
2A	Consulting Services (Part 1)		113,000	58% of total expenditure claimed*
2B	Consulting Services (Part 2)		285,000	58% of total expenditure claimed*
2C	Consulting Services (Part 3)		54,000	58% of total expenditure claimed*
2D	Consulting Services (Part 4)		170,000	58% of total expenditure claimed*
2E	Consulting Services (Part 6)		172,000	58% of total expenditure claimed*
2F	Consulting Services (Part 7)		110,000	58% of total expenditure claimed*
2G	Project Implementation Support		769,000	64% of total expenditure claimed*
2H	Capacity Development and Training		671,000	63% of total expenditure claimed*
3	Interest Charge	432,000		100% of amounts due
4	Unallocated	1,558,000		
	Total	17,562,000		

* Exclusive of taxes and duties imposed within the territory of the Beneficiary.

ALLOCATION AND WITHDRAWAL OF GRANT PROCEEDS (Greater Mekong Subregion East-West Economic Corridor Towns Development Project)				
Number	Item	1. Total Amount Allocated for ADB Financing		Basis for Withdrawal from the Grant Account
		2. Catego ry	3. Subca tegory	
1	Works	10,699,000		
1A	Works (Part 1)		1,710,000	35% of total expenditure claimed*
1B	Works (Part 2)		3,235,000	35% of total expenditure claimed*
1C	Works (Part 3)		614,000	35% of total expenditure claimed*
1D	Works (Part 4)		1,968,000	35% of total expenditure claimed*
1E	Works (Part 6)		1,926,000	35% of total expenditure claimed*
1F	Works (Part 7)		1,246,000	35% of total expenditure claimed*
2	Consulting Services	2,237,000		
2A	Consulting Services (Part 1)		124,000	42% of total expenditure claimed*
2B	Consulting Services (Part 2)		313,000	42% of total expenditure claimed*
2C	Consulting Services (Part 3)		59,000	42% of total expenditure claimed*
2D	Consulting Services (Part 4)		186,000	42% of total expenditure claimed*
2E	Consulting Services (Part 6)		188,000	42% of total expenditure claimed*
2F	Consulting Services (Part 7)		121,000	42% of total expenditure claimed*
2G	Project Implementation Support		652,000	36% of total expenditure claimed*
2H	Capacity Development and Training		594,000	37% of total expenditure claimed*
3	Unallocated	1,294,000		
	Total	14,230,000		

* Exclusive of taxes and duties imposed within the territory of the Beneficiary.

ALLOCATION AND WITHDRAWAL OF GRANT PROCEEDS (Greater Mekong Subregion East-West Economic Corridor Towns Development Project)			
Number	Item	Amount Allocated (\$)	Basis for Withdrawal from the Grant Account
		Category	
1	Works (Part 5)	537,000	100% of total expenditure claimed*
2	Consulting Services (Part 5)	43,000	100% of total expenditure claimed*
3	Unallocated	58,000	
	Total	638,000	

* Exclusive of taxes and duties imposed within the territory of the Recipient.

C. Detailed Cost Estimates by Financier (\$ million)

	Asian Development Bank (Loan)		Asian Development Bank (Grant)		UEIF-UFPF		Lao People's Democratic Republic Duties and Taxes				Total	
	Amount	%	Amount	%	Amount	%	Amount	Taxes Amount	Total Amount	%	Amount	%
A Works^a												
1 Kaysone Phomvihane Wastewater Treatment	3.16	58.4	1.71	31.6	-	-		0.54	0.54	10.0	5.41	11.3
2 Kaysone Phomvihane Urban Roads	6.09	58.8	3.23	31.2	-	-		1.04	1.04	10.0	10.36	21.7
3 Kaysone Phomvihane Solid Waste Management	1.12	58.2	0.61	31.8	-	-		0.19	0.19	10.0	1.93	4.0
4 Mekong River Embankment Protection	3.70	58.7	1.97	31.3	-	-		0.63	0.63	10.0	6.29	13.2
5 Phine Urban Roads	3.62	58.8	1.93	31.2	-	-		0.62	0.62	10.0	6.17	12.9
6 Dansavanh Urban Roads	2.34	58.8	1.25	31.2	-	-		0.40	0.40	10.0	3.99	8.4
7 Kaysone Phomvihane Materials Recovery Facility	-	-	-	-	0.54	90.0		0.06	0.06	10.0	0.60	1.3
Subtotal (A)	20.04	57.7	10.70	30.8	0.54	1.5	0.00	3.47	3.47	10.0	34.75	72.8
B Consulting Services^b												
1 Kaysone Phomvihane Wastewater Treatment	0.17	52.2	0.12	37.8	-	-	-	0.03	0.03	10.0	0.33	0.7
2 Kaysone Phomvihane Urban Roads	0.43	52.2	0.31	37.8	-	-	-	0.08	0.08	10.0	0.83	1.7
3 Kaysone Phomvihane Solid Waste Management	0.08	52.2	0.06	37.8	-	-	-	0.02	0.02	10.0	0.16	0.3
4 Mekong River Embankment Protection	0.26	52.2	0.19	37.8	-	-	-	0.05	0.05	10.0	0.49	1.0
5 Phine Urban Roads	0.26	52.2	0.19	37.8	-	-	-	0.05	0.05	10.0	0.50	1.0
6 Dansavanh Urban Roads	0.17	52.2	0.12	37.8	-	-	-	0.03	0.03	10.0	0.32	0.7
7 Kaysone Phomvihane Materials Recovery Facility	-	-	-	-	0.04	90.0	-	0.00	0.00	10.0	0.05	0.1
8 Project Implementation Support ^c	1.16	57.7	0.65	32.3	-	-	-	0.20	0.20	10.0	2.02	4.2
9 Capacity Development and Training ^d	1.02	56.8	0.59	33.2	-	-	-	0.18	0.18	10.0	1.79	3.8
Subtotal (B)	3.55	54.8	2.24	34.5	0.04	0.7	0.00	0.65	0.65	10.0	6.48	13.6
C Land Acquisition and Resettlement							1.57	0.00	1.57	100.0	1.57	3.3
D Physical Contingency	2.36	55.2	1.29	30.2	0.06	1.4	0.15	0.41	0.57	13.2	4.28	9.0
Subtotal (A - D)	25.95	55.1	14.23	30.2	0.64	1.4	1.72	4.53	6.26	3.7	47.07	98.6
Interest During Construction	0.65	100.0	-	-	-	-	-	-	-	-	0.65	1.4
Total Project Cost	26.60	55.7	14.23	29.8	0.64	1.3	1.72	4.53	6.26	3.6	47.73	100.0

^a Includes civil works, equipment and capital goods and applicable price contingencies.

^b Includes detailed engineering design and construction supervision costs for subprojects.

^c Includes procurement of vehicles and equipment and operational costs within the Consultant's contract.

^d Includes procurement of equipment, conduct of trainings, seminars and conferences and other operational costs within the Consultant's contract.

D. Detailed Cost Estimates by Outputs/Components (\$ million)

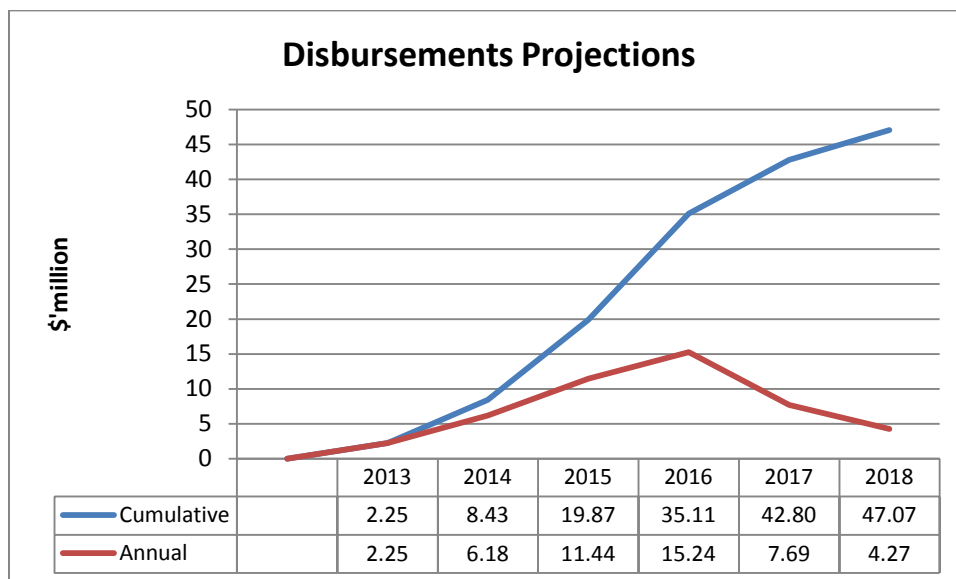
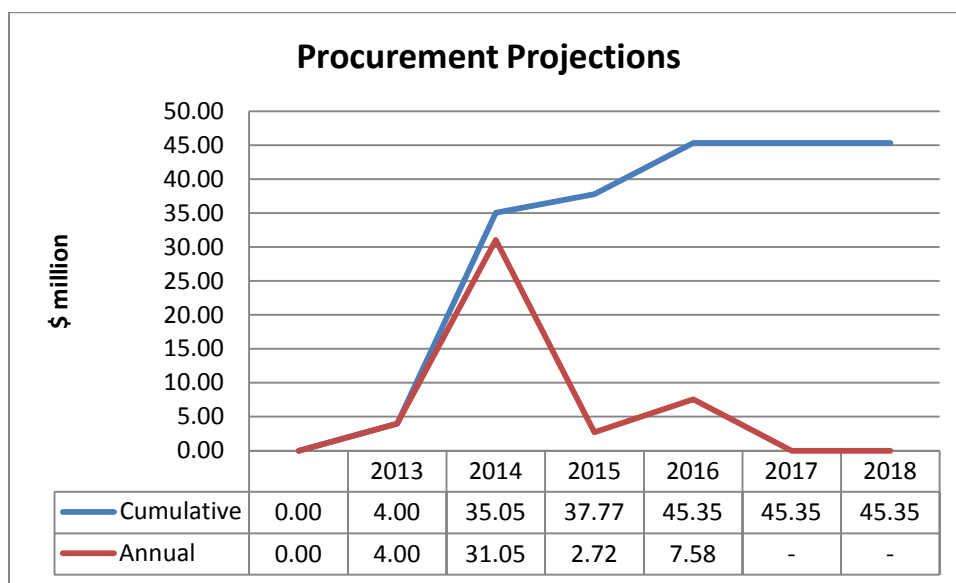
	Kaysone Phomvihane													Total	Physical Contingencies	
	Wastewater Treatment	Urban Roads	Solid Waste Management	Materials Recovery Facility	Mekong River Embankment Protection	Phine Roads	Dansavanh Roads	Project Implementation Support			Training					
								Consultant	Equipment and Vehicles	PIS Operations	Consultants	Workshops and Seminars	Equipment and Vehicles			
I. Investment Costs																
A. Civil Works ^a	3.57	9.52	0.79	0.39	5.52	5.67	3.70	-	-	-	-	-	-	29.16	10.0	2.92
B. Equipment ^a	1.41	-	1.05	0.12	0.11	-	-	-	0.23	-	-	-	0.15	3.07	10.0	0.31
C. Capital Goods ^a	-	-	-	0.05	-	-	-	-	-	-	-	-	-	0.05	10.0	0.01
D. Consulting Services	0.31	0.76	0.15	0.04	0.45	0.45	0.30	1.00	-	-	0.61	-	-	4.07	10.0	0.41
E. Project Implementation Support	-	-	-	-	-	-	-	-	-	0.59	-	-	-	0.59	10.0	0.06
F. Capacity Development and Training	-	-	-	-	-	-	-	-	-	-	-	0.85	-	0.85	10.0	0.09
G. Land Acquisition and Resettlement	1.14	0.22	-	-	0.02	0.07	0.12	-	-	-	-	-	-	1.57	10.0	0.16
Subtotal (A to G)	6.43	10.50	1.98	0.60	6.10	6.20	4.11	1.00	0.23	0.59	0.61	0.85	0.15	39.35	10.0	3.94
Physical Contingencies	0.64	1.05	0.20	0.06	0.61	0.62	0.41	0.10	0.02	0.06	0.06	0.09	0.02	3.94	-	-
Price Contingencies	0.50	0.99	0.11	0.05	0.77	0.60	0.34	0.09	0.00	0.13	0.06	0.14	0.00	3.78	9.1	0.34
Subtotal (A to G, including contingencies)	7.57	12.54	2.30	0.71	7.48	7.41	4.87	1.19	0.25	0.78	0.72	1.07	0.17	47.07	9.1	4.28
Interest During Construction														0.65		
Total PROJECT COSTS	7.57	12.54	2.30	0.71	7.48	7.41	4.87	1.19	0.25	0.78	0.72	1.07	0.17	47.73	9.1	4.28
Taxes	0.63	1.23	0.23	0.07	0.75	0.73	0.47	0.12	0.03	0.08	0.07	0.11	0.02	4.53	9.1	0.41
Foreign Exchange	4.06	6.79	1.69	0.44	4.16	3.98	2.62	0.67	0.23	0.07	0.41	0.29	0.15	25.56	9.1	2.32

^a To be procured under one contract (civil works) for subprojects.

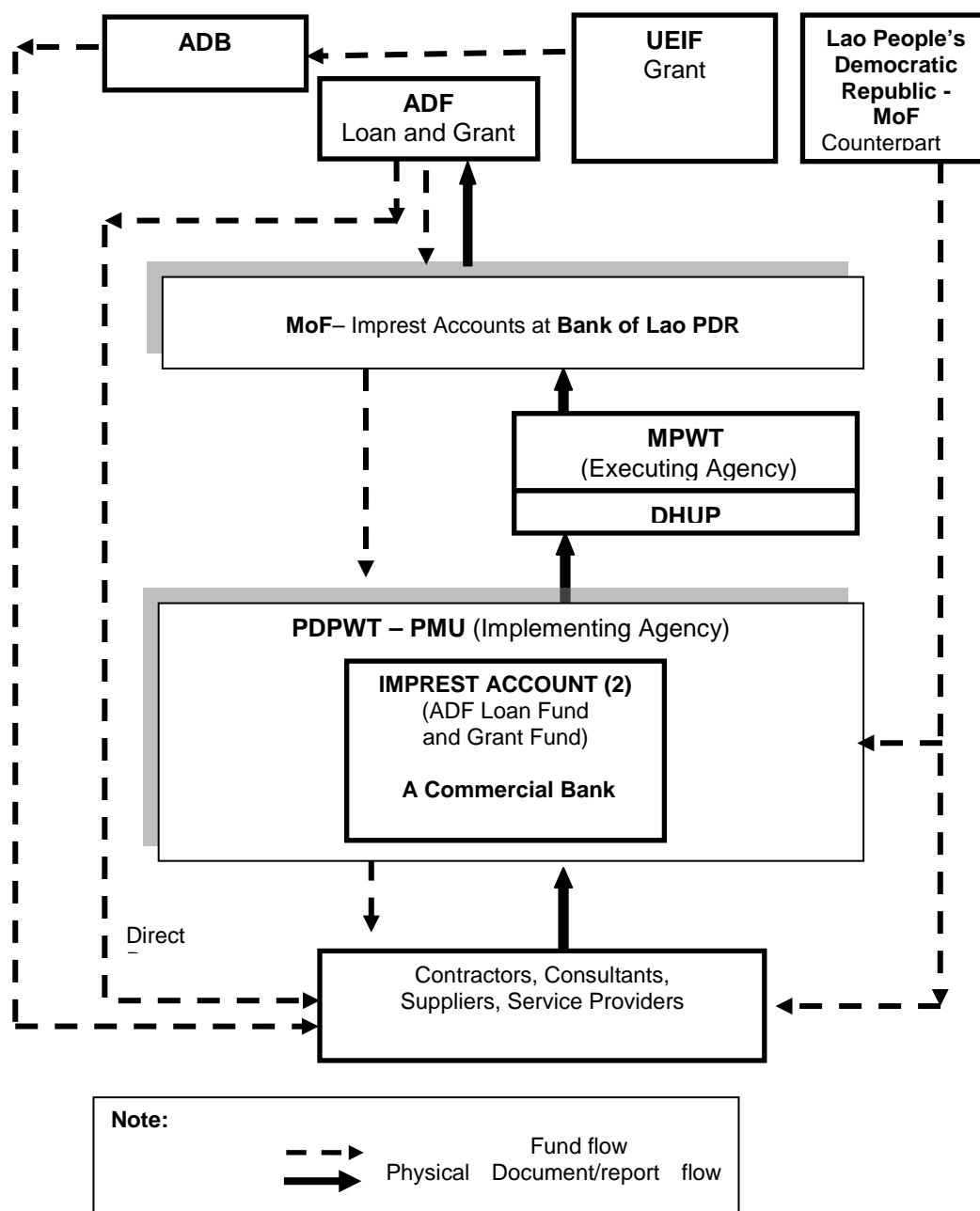
E. Detailed Cost Estimates by Year (\$ million)

	2013	2014	2015	2016	2017	2018	Total
I. Investment Costs							
A. Civil Works	-	2.90	8.30	10.53	5.70	1.72	29.16
B. Equipment	0.37	-	-	1.16	-	1.53	3.07
C. Training	0.12	0.16	0.17	0.17	0.14	0.09	0.85
D. Consulting Services	1.14	0.72	0.88	0.68	0.44	0.22	4.07
E. Project Implementation Support	0.08	0.11	0.12	0.12	0.10	0.07	0.59
F. Capital Goods	-	-	-	0.05	-	-	0.05
G. Involuntary Resettlement	0.21	1.35	0.02	-	-	-	1.57
Subtotal (A to G)	1.91	5.24	9.48	12.72	6.37	3.63	39.35
Physical Contingencies	0.19	0.52	0.95	1.27	0.64	0.36	3.94
Price Contingencies	0.15	0.42	1.00	1.25	0.68	0.27	3.78
Subtotal (including contingencies)	2.25	6.18	11.44	15.24	7.69	4.27	47.07
Interest During Construction	0.00	0.02	0.06	0.13	0.20	0.25	0.65
Total PROJECT COSTS	2.26	6.20	11.49	15.37	7.89	4.51	47.73

F. Contract and Disbursement S-curve



G. Fund Flow Diagram



V. FINANCIAL MANAGEMENT

A. Financial Management Assessment

60. A World Bank financial management assessment of the MPWT undertaken in 2008² reported that the overall fiduciary risk in Lao PDR is high despite extensive built-in internal controls within the government public finance management system. The conclusions were largely a result of insufficient transparency in public finances. The fact that donor financed projects are financed off-budget was also a concern. These weaknesses have been compounded by insufficient awareness of modern practices of internal control in the public sector.

61. A PMO will be established and will be responsible in producing project progress reports which will also include interim financial statements. MPWT has prior experience in implementing ADB-financed projects. The financial management assessment questionnaire was completed with the help of the EA's staff and final version is available as linked document to this study.

Table 4: Financial Management Risk Assessment and Mitigation Measures

Risk	Risk Level before	Mitigation	Risk Level after
Financial Management Arrangements			
Risk of failure to meet the four FMA criteria: - Budget, accounting, funds disbursement, financial reporting and auditing - Internal controls	H	1. Install computerized double-entry accounting package meeting international standards with audit trace retention, capable of automatic project quarterly reports generation. 2. A Project Manager for day-to-day role with skills appropriate for responsibilities including finance, accounting task oversight and administration.	L
	H	1. MPWT has acted as EA and IA for previous ADB-financed projects but accounting and finance staff will not easily make the switch from government system to the international system required by ADB. Training in the project accounting and financial reporting system will be provided for the staff in 3. 2. One International Procurement and Financial Management Consultant, with experience and qualifications satisfactory to ADB, to be available full time for at least the first 6 months of Project implementation to set up internal controls and be responsible for day to day Project finance and accounting activities. 3. One National Project Financial Management Consultant, with experience and qualifications satisfactory to ADB, to be available full time until Project completion, first to assist the International Consultant, and later to advise and assist the Project Manager. 4. Project funds flow arrangements include a pass-through account at MoF to feed the project imprest account established at PDPWT Savannakhet for exclusive project use by PMO, as illustrated in Figure E. 5. Periodic internal audit carried out jointly by PMO and auditor under TOR satisfactory to ADB. 6. External audit of Project annual accounts by an auditor under TOR satisfactory to ADB.	L

² Lao People's Democratic Republic Transport Sector Project. World Bank, Washington. 2008.

Risk	Risk Level before	Mitigation	Risk Level after
Project Specific Risk			
- Coordination of subproject implementation and management	H	Project organization will include the Project Steering Committee as described in the PAM section on the Project Management Arrangements	L
Country Issues			
Fiduciary risk	H	Public disclosure of audited project financial reports and procurement information is conducted through a project website established and maintained at least during project implementation. Strengthen project financial management capacity.	L

ADB = Asian Development Bank, CIU=component implementation unit, EA = executing agency, FMA = financial management assessment, IA = implementing agency, MPWT = Ministry of Public Works and Transport, OPE = out-of-pocket expenses, PAM = project administration manual, TOR = terms of reference.

Risk rating: H = high, S = substantial, M = moderate, L = low.

Source: Asian Development Bank.

62. The following action plan for project financial management will guide implementation of the above risk mitigation measures.

Table 5: Project Financial Management Action Plan

Planned Action	Output	Responsible Party	Due Date
PMU financial management function established and operational	-PMU consulting team of project financial and procurement consultants mobilized, set up project accounting and financial reporting systems and conduct PMU project accounting and financial staff on the job training/refreshers course.	Manager EA recruitment with ADB assisting	Q2, 2013
	-Project disbursement arrangements and procedures established and staff trained in their operation.	PMU, assisted by PIS consultants	Q2, 2013
	-TOR for annual independent and internal project auditors drafted and auditors appointed.	PMU, assisted by PMS consultant for TOR; auditors selection by EA with ADB assistance PMU	Q2, 2013
Project Steering Committee established and operational	As in Project Management Arrangements section of PAM		
Project funds flow arrangements adopted & operational	Concerned MOF, PCU, PMU and PIT staff all briefed.	PMU assisted by PIS consultants	Q2, 2013
Project OPE claims procedures established and operational	User units staff briefed on procedures.	PMU, assisted by PIS consultants with ADB input	Q2, 2013
Public disclosure of project audited financial and procurement information operational	Project website for information disclosure established and operational.	PMU, assisted by PMS consultants	Q2, 2014

ADB = Asian Development Bank, EA = executing agency, MOF = Ministry of Finance, PAM = project administration manual, PCU = project coordination unit, PIT = project implementation team, PMS = Project Management Support, PMU = project management unit, Q = quarter, TOR = terms of reference.

Source: Asian Development Bank.

B. Disbursement

63. The Loan, Grant and UEIF grant proceeds will be disbursed in accordance with ADB's *Loan Disbursement Handbook*³ (2012, as amended from time to time) and detailed arrangements agreed upon between the Government and ADB.

64. Pursuant to ADB's Safeguard Policy Statement (2009) (SPS)⁴ ADB funds may not be applied to the activities described on the ADB Prohibited Investment Activities List set forth at Appendix 5 of the SPS (Appendix 22). All financial institutions and will apply the prohibited investment activities list to subprojects financed by ADB (Appendix 5).

65. The government will establish two imprest accounts at the Bank of Lao to receive from ADB Loan and Grant resources.

66. The PMU, located at the PDPWT, will administer two Imprest Accounts (one for ADB Loan and another one for ADB Grant). The imprest account will be established for resources from ADB Loan and Grant funds to finance training, minor equipment, and incremental administrative costs.

67. The imprest account ceiling is 10% of the respective loan and grant amount. The currency of the imprest accounts will be US\$.

68. The imprest account will be established, managed, replenished, and liquidated in accordance with ADB's *Loan Disbursement Handbook* and the financial regulations of the Government. SOE procedures maybe used for reimbursement of eligible expenditures or liquidation of advances to the imprest accounts⁵ based on withdrawal applications submitted to ADB from time to time. Each individual payment reimbursed or liquidated using the statement of expenditures procedures will not exceed the equivalent of \$50,000. SOE records should be maintained and made readily available for review by ADB's disbursement and review mission or upon ADB's request for submission of supporting documents on a sampling basis, and for independent audit.⁶

69. The request for initial advance to the imprest accounts should be accompanied by an Estimate of Expenditure Sheet setting out the estimated expenditures for the first six (6) months of project implementation, and submission of evidence satisfactory to ADB that the imprest account has been duly opened. For every liquidation and replenishment request of the imprest account, the borrower will furnish to ADB (a) Statement of Account (Bank Statement) where the imprest account is maintained, and (b) the Imprest Account Reconciliation Statement (IARS) reconciling the above mentioned bank statement against the EA's records.⁷

³ Available at <http://www.adb.org/documents/loan-disbursement-handbook>

⁴ Available at: <http://www.adb.org/Documents/Policies/Safeguards/Safeguard-Policy-Statement-June2009.pdf>

⁵ Disbursement procedures discussed in Chapter 6 of Loan Disbursement Handbook

⁶ Checklist for SOE procedures and formats are available at Appendix 9B of the Loan Disbursement Handbook

⁷ Follow the format provided in Appendix 10C of the *Loan Disbursement Handbook*.

70. Before the submission of the first withdrawal application, the borrower should submit to ADB sufficient evidence of the authority of the person(s) who will sign the withdrawal applications on behalf of the borrower, together with the authenticated specimen signatures of each authorized person. The minimum value per withdrawal application is \$100,000, unless otherwise approved by ADB. The borrower is to consolidate claims to meet this limit for reimbursement and imprest account claims. Withdrawal applications and supporting documents will demonstrate, among other things that the goods, and/or services were produced in or from ADB members, and are eligible for ADB financing.

C. Accounting

71. The borrower should maintain separate financial records by funding source for each project, and prepare annual project financial statements in accordance with financial reporting standards acceptable to ADB. The borrower should have these annual project financial statements audited by an independent auditor acceptable to ADB in accordance with auditing standards that are acceptable to ADB. The independent auditor should prepare the audit report on the audited project financial statements, and the management letter. The borrower should submit to ADB the audited financial statements, including the auditor's report and the management letter for each financial reporting period (fiscal year) from the date of loan effectiveness until the loan account's financial closing on ADB's record of loan account.

D. Auditing

72. MPWT will cause the detailed consolidated project accounts to be audited in accordance with International Standards on Auditing and/or in accordance with the Government's audit regulations by an auditor acceptable to ADB. The audited accounts will be submitted in the English language to ADB within 6 months of the end of the fiscal year by the executing agency. The annual audit report will include a separate audit opinion on the use of the imprest fund, and the SOE procedures. The Government and MPWT have been made aware of ADB's policy on delayed submission, and the requirements for satisfactory and acceptable quality of the audited accounts. ADB reserves the right to verify the project's financial accounts to confirm that the share of ADB's financing is used in accordance with ADB's policies and procedures. For revenue generating projects only, ADB requires audited financial statements (AFS) for each executing and/or implementation agency associated with the project.

73. Public disclosure of the annual audited project financial statements including the audit report for the project financial statements should be guided by ADB's public communication policy.

VI. PROCUREMENT AND CONSULTING SERVICES

A. Advance Contracting

74. As an essential measure to Project readiness before the loan and grant agreements becomes effective, EA will undertake advance actions related to procurement of consulting services. This is intended to facilitate Project start-up activities and avoid significant project implementation delays due to the limited capacity and experience in undertaking essential pre-Project implementation arrangements. The procurement of services for advance contracting will be undertaken in accordance with ADB's *Procurement Guidelines* (April 2010, as amended from time to time) and issuance of the invitation to bid will be subject to the approval of ADB.

75. The scope of services for advance contracting will focus on: (i) engagement of a Team of consultants for PIS and capacity development, and (ii) preparation of detailed engineering designs and construction supervision for the identified priority urban infrastructure subprojects. ADB will engage an individual consultant to assist the PMU select and recruit the PMS consultant.

B. Procurement of Goods, Works and Consulting Services

76. All procurement of goods, works and consulting services will be in accordance with ADB's *Procurement Guidelines*. International competitive bidding (ICB) will be applied for civil works packages exceeding \$1,500,000 equivalent.

77. Within a year of loan effectiveness, the EA shall submit a revised procurement plan to ADB for approval. This revised plan will contain all ongoing procurement activities and those that are planned for the succeeding 18 months. The plan shall be updated annually or as required after every loan review mission or after award of each major ICB contract.

78. For changes in the procurement arrangements involving threshold, procurement methods and review requirements and contract packaging during Project implementation, the EA shall present its justification for the changes and submit an updated procurement plan for ADB approval. ADB will be responsible for posting the initial procurement plan and subsequent updates on the ADB website.

79. All consulting services shall be recruited in accordance with the ADB's *Guidelines on the Use of Consultants* (2010). The scope of services and terms of reference for the consulting services are presented in Section D. An estimated 208 person-months involving the services of 84 international and 124 national consultants are required to provide Project management support and capacity development and training. In addition, direct contract arrangements will be undertaken for consultant's services for financial audit and independent monitoring of social safeguards compliance. Consulting firms will be engaged by the EA and ADB using the quality- and cost-based selection (QCBS) method with a standard quality: cost ratio of 90:10. The higher quality-cost ratio is proposed due to the complexity of Project implementation arrangements where the PMU and 3 PITs work under the coordination and oversight of one implementing agency, and the limited institutional capacities of district and corridor town authorities in managing and implementing urban sector development loan project.

80. **Modification in Civil Works Contracts.** For any contract variation, which would be in aggregate increase in the original contract amount by more than 15%, the EA shall provide detailed justification and seek the no objection position of ADB to the proposed contract variation. If the proposed variation is inconsistent with the procurement plan and the provision of the financing agreement, the ADB shall promptly advise the EA stating the reasons for its position. The EA shall furnish the ADB all amendments to the contracts for civil works for legal and record purposes.

C. Procurement Plan (Tentative)

Project Name: GMS East West Economic Corridor Towns Development Project – Lao PDR	Executing Agency: Ministry of Public Works and Transport
Loan No.: xxx	
Loan and Grant Amount: \$40.83 million [\$26.6 million loan; \$14.23 million grant; and \$0.638 million UEIF grant]	
Date of First Procurement:	Date of this Procurement Plan: 27 August 2012

Process Thresholds, Review, and 18-Month Procurement Plan

1. Project Procurement Thresholds

Except as the Asian Development Bank (ADB) may otherwise agree, the following process thresholds will apply to the procurement of goods and works.

Procurement of Goods and Works	
Method	Threshold
International Competitive Bidding (ICB) for Works ¹	Above \$1,500,000
International Competitive Bidding for Goods ¹	Above \$500,000
National Competitive Bidding (NCB) for Works ¹	Beneath that stated for ICB, Works
National Competitive Bidding for Goods ¹	Beneath that stated for ICB, Goods
Shopping for Works	Up to \$100,000
Shopping for Goods	Up to \$100,000

ICB = international competitive bidding, NCB = national competitive bidding.
Source: Asian Development Bank.

2. ADB Prior or Post Review

Except as ADB may otherwise agree, the following prior or post review requirements apply to the various procurement and consultant recruitment methods used for the project.

Procurement Method	Prior or Post	Comments
Procurement of Goods and Works		
ICB Works	Prior	All bidding documents and contracts.
ICB Goods	Prior	All bidding documents and contracts.
NCB Works	Prior/Post	Prior review for first set of bidding documents for EA, succeeding will be post review
Procurement of Consulting Firms		
Quality- and Cost-based Selection (QCBS)	Prior	
Consultants Qualifications Selection (CQS)	Prior	
Recruitment of Individual Consultants	Prior	

EA = executing agency, ICB = international competitive bidding, NCB = national competitive bidding.
Source: Asian Development Bank.

Indicative List of Packages Required Under the Project

Goods and Works Contracts Estimated to Cost More than \$1 Million

The following table lists goods and works contracts for which procurement is either ongoing or expected to commence within the next 18 months.

General Description	Contract Value (\$ million)	Procurement Method	Prequalification of Bidders	Advertisement Date (quarter/year)
Civil Works				
Kaysone Phomvihane Urban Roads Subproject	10.58	ICB	No	Q1 2014
Phine Urban Roads Subproject	6.24	ICB	No	Q1 2014
Dansavanh Urban Roads Subproject	4.11	ICB	No	Q1 2014

*Inclusive of taxes and duties.

ICB = international competitive bidding.

Source: Asian Development Bank.

a. Consulting Services Contracts

The following table lists consulting services contracts for which procurement is either ongoing or expected to commence within the next 18 months.

General Description	Contract Value (\$' million)	Recruitment Method	Advertisement Date (quarter/year)	International or National Assignment
DED ^a and Construction Supervision for Kaysone Phomvihane Wastewater Treatment Subproject	0.33	QCBS	Q1 2014	International and national
DED and Construction Supervision for Kaysone Phomvihane Urban Roads Subproject	0.83	QCBS	Q3 2013	International and national
DED and Construction Supervision for Kaysone Phomvihane Solid Waste Management Subproject	0.16	QCBS	Q1 2014	International and national
DED and Construction Supervision for Phine Urban Roads Subproject	0.50	QCBS	Q3 2013	International and national
DED and Construction Supervision for Dansavanh Urban Roads Subproject	0.32	QCBS	Q3 2013	International and national
Project Management Support	2.02	QCBS	Q1 2013	International and national
Capacity Development and Training	1.79	QCBS	Q3 2013	International and national

DED = detailed engineering design, QCBS = quality-and cost-based selection.

*Inclusive of taxes and duties.

^a Including updated environmental management plans in civil works.

Source: Asian Development Bank.

b. Goods and Works Contracts Estimated to Cost Less than \$1 Million

General Description	Value of Contracts (\$ million, cumulative)	Number of Contracts	Procurement / Recruitment Method
Kaysone Phomvihane Materials Recovery Facilities Subproject	0.60	1	NCB

*Inclusive of taxes and duties.

NCB = national competitive bidding.

Source: Asian Development Bank.

c. Procurement Plan

The following table provides an indicative list of all procurement of goods, works, and consulting services over the life of the project.

General Description	Estimated Values (\$ million)	Estimated No. of Contracts	Procurement Method	Responsible Agencies	Financed by
Kaysone Phomvihane Wastewater Treatment Subproject					
DED ^a and Construction Supervision	0.33	1	QCBS	MPWT	ADF and Lao PDR
Construction	6.55	1	ICB	MPWT	ADF and Lao PDR
Kaysone Phomvihane Urban Roads Subproject					
DED and Construction Supervision	0.83	1	QCBS	MPWT	ADF and Lao PDR
Construction	10.58	1	ICB	MPWT	ADF and Lao PDR
Mekong River Embankment Protection Subproject					
DED and Construction Supervision	0.49	1	QCBS	MPWT	ADF and Lao PDR
Construction	6.31	1	ICB	MPWT	ADF and Lao PDR
Kaysone Phomvihane Solid Waste Management Subproject					
DED and Construction Supervision	0.16	1	QCBS	MPWT	ADF and Lao PDR
Construction	1.93	1	ICB	MPWT	ADF and Lao PDR
Kaysone Phomvihane Materials Recovery Facilities Sub project					
DED and Construction Supervision	0.05	1	QCS	MPWT	ADF and Lao PDR
Construction	0.60	1	NCB	MPWT	ADF and Lao PDR
Phine Urban Roads Subproject					
DED and Construction Supervision	0.50	1	QCBS	MPWT	ADF and Lao PDR
Construction	6.24	1	NCB	MPWT	ADF and Lao PDR
Dansavanh Urban Roads Subproject					
DED and Construction Supervision	0.32	1	QCBS	MPWT	ADF and Lao PDR
Construction	4.11	1	ICB	MPWT	ADF and Lao PDR
Project Management Support Consultants	2.02	1	QCBS	MPWT	ADF and Lao PDR
Capacity Development and Training	1.79	1	QCBS	MPWT	ADF and Lao PDR
Total Packages		18			

*Inclusive of taxes and duties.

^a Including updated environmental management plans in civil works.

ADF = Asian Development Fund, DED = detailed engineering design, ICB = international competitive bidding, MPWT = Ministry of Public Works and Transport, NCB = national competitive bidding, QCBS = quality- and cost-based selection

Source: Asian Development Bank.

d. International Competitive Bidding

General

The process to be followed for international competitive bidding is the ADB Procurement Guidelines (April 2010, and as amended from time to time).

Registration

- (i) Bidding shall not be restricted to pre-registered firms and such registration shall not be a condition for participation in the bidding process.
- (ii) Where registration is required prior to award of contract, bidders: (i) shall be allowed a reasonable time to complete the registration process; and (ii) shall not be denied registration for reasons unrelated to their capability and resources to successfully perform the contract, which shall be verified through post-qualification.
- (iii) Foreign bidders shall not be required to register as a condition for submitting bids.
- (iv) Bidder's qualification shall be verified through pre- or post-qualification process.

Eligibility

- (i) National sanction lists may only be applied with approval of ADB.⁸
- (ii) A firm declared ineligible by ADB cannot participate in bidding for an ADB financed contract during the period of time determined by ADB.
- (iii) A firm which has been engaged by the borrower to provide consulting services for the preparation or implementation of a project, and any of its affiliates, shall be disqualified from subsequently providing goods, works, or services, resulting from or directly related to the firm's consulting services for such preparation or implementation.

Prequalification and Post qualification

- (i) Post qualification shall be used unless prequalification is explicitly provided for in the loan agreement/procurement plan. Irrespective of whether post qualification or prequalification is used, eligible bidders (both national and foreign) shall be allowed to participate.
- (ii) In the event where pre-qualification is used, interested firms shall be given no less than 42 days to prepare their pre-qualification submission.
- (iii) When pre-qualification is required, the evaluation methodology shall be based on pass/ fail criteria relating to the firm's experience, technical and financial capacities.
- (iv) Qualification criteria shall be clearly specified in the bidding documents, and all criteria so specified, and only criteria so specified, shall be used to determine whether a bidder is qualified. The evaluation of the bidder's qualifications should be conducted separately from the technical and commercial evaluation of the bid.

⁸ Section 52 of the Integrity Principles and Guidelines allows ADB to sanction parties who fail to meet ADB's high ethical standards based on the decisions of third parties, such a decision can only be made by the Integrity Oversight Committee on the basis of ADB's own independent examination of the evidence. As such, the process should follow the normal assessment and investigative processes prescribed by the Integrity Principles and Guidelines. <http://www.adb.org/Documents/Guidelines/Integrity-Guidelines-Procedures/integrity-guidelines-procedures-2006.pdf>

- (v) In carrying out the post-qualification assessment, the Employer/ Purchaser shall exercise reasonable judgment in requesting, in writing, from a bidder missing factual or historical supporting information related to the bidder's qualifications and shall provide reasonable time period (a minimum of 7 days) to the bidder to provide response.

Preferences

- (i) No preference of any kind shall be given to domestic bidders or for domestically manufactured goods.
- (ii) Regulations issued by a sectoral ministry, provincial regulations and local regulations which restrict national competitive bidding procedures to a class of contractors or a class of suppliers shall not be applicable.
- (iii) Foreign bidders shall be eligible to participate in bidding under the same conditions as local bidders, and local bidders shall be given no preference (either in bidding process or in bid evaluation) over foreign bidders, nor shall bidders located in the same province or city as the procuring entity be given any such preference over bidders located outside that city or province

Advertising

- (i) Invitations to bid (or prequalify, where prequalification is used) shall be advertised in Government Public Procurement Bulletin. In addition, the procuring agency should publish the advertisement in at least one widely circulated national daily newspaper or freely accessible, nationally-known website allowing a minimum of twenty-eight (28) days for the preparation and submission of bids and allowing potential bidders to purchase bidding documents up to at least twenty-four (24) hours prior the deadline for the submission of bids. Bidding of NCB contracts estimated at \$500,000 or more for goods and related services or \$1,000,000 or more for civil works shall be advertised on ADB's website via the posting of the Procurement Plan.
- (ii) Bidding documents shall be made available by mail, or in person, to all who are willing to pay the required fee, if any.
- (iii) The fee for the bidding documents should be reasonable and consist only of the cost of printing (or photocopying) the documents and their delivery to the bidder.

Standard bidding documents

- (i) The Borrower's standard bidding documents, acceptable to ADB, shall be used.
- (ii) The bidding documents shall provide clear instructions on how bids should be submitted, how prices should be offered, and the place and time for submission

and opening of bids.

- (iii) Bidders shall be allowed to submit bids by hand or by mail/ courier.

Bid Opening

- (i) All bids received after the deadline for submission indicated in the bidding documents will be rejected.
- (ii) All bids received before the bid submission deadline shall be opened except those with proper notice of withdrawal.
- (iii) A copy of the bid opening record shall be promptly provided to all bidders who submitted bids.

Bid Evaluation

- (i) Merit points shall not be used in bid evaluation.
- (ii) Bidders shall not be eliminated from detailed evaluation on the basis of minor, non-substantial deviations.⁹
- (iii) Except with the prior approval of ADB, no negotiations shall take place with any bidder prior to the award, even when all bids exceed the cost estimates.
- (iv) A bidder shall not be required, as a condition for award of contract, to undertake obligations not specified in the bidding documents or otherwise to modify the bid as originally submitted.
- (v) Bids shall not be rejected on account of arithmetic corrections of any amount.
- (vi) However, if the Bidder that submitted the lowest evaluated bid does not accept the arithmetical corrections made by the evaluating committee during the evaluation stage, its bid shall be disqualified and its bid security shall be forfeited.

Rejection of All Bids and Rebidding

- (i) No bid shall be rejected on the basis of a comparison with the owner's estimate or budget ceiling without the ADB's prior concurrence.
- (ii) Bids shall not be rejected and new bids solicited without the ADB's prior concurrence.

Participation by Government-owned enterprises

Government-owned enterprises shall be eligible to participate as bidders only if they can establish that they are legally and financially autonomous, operate under Enterprise law and are not a dependent agency the contracting entity. Furthermore, they will be subject to the same bid and performance security requirements as other bidders.

Non-eligibility of military or security units

Military or security units, or enterprises which belong to the Ministry of Defense or the Ministry of Public Security shall not be permitted to bid.

Participation by Foreign contractors and suppliers, Joint Ventures and Associations

- (i) Foreign suppliers and contractors from eligible countries shall, if they are interested, be allowed to participate without being required to associate or form joint ventures with local suppliers or contractors, or to subcontract part of their contract to a local bidder.
- (ii) A bidder declared the lowest evaluated responsive bidder shall not be required to form a joint venture or to sub-contract part of the supply of goods as a condition of award of the contract.
- (iii) License for foreign contractors operation in Lao PDR would be provided in a timely manner and will not be arbitrarily withheld.

⁹ Minor, non-substantial deviation is one that, if accepted, would not affect in any substantial way the scope, quality, or performance specified in the contract; or limit in any substantial way, the Contracting entity rights or the Bidder's obligations under the proposed contract or if rectified, would not unfairly affect the competitive position of other bidders presenting substantially responsive bids.

Publication of the Award of Contract. Debriefing

- (i) For contracts subject to prior review, within 2 weeks of receiving ADB's "No-objection" to the recommendation of contract award, the borrower shall publish in the Government Public Procurement Bulletin, or well-known and freely-accessible website the results of the bid evaluation, identifying the bid and lot numbers, and providing information on: i) name of each bidder who submitted a bid; ii) bid prices as read out at bid opening; iii) name and evaluated prices of each bid that was evaluated; iv) name of bidders whose bids were rejected and the reasons for their rejection; and v) name of the winning bidder, and the price it offered, as well as the duration and summary scope of the contract awarded.
- (ii) For contracts subject to post review, the procuring entity shall publish the bid evaluation results no later than the date of contract award.
- (iii) In the publication of the bid evaluation results, the borrower shall specify that any bidder who wishes to ascertain the grounds on which its bid was not selected, should request an explanation from the procuring entity. The procuring entity shall promptly provide an explanation of why such bid was not selected, either in writing and / or in a debriefing meeting, at the option of the borrower. The requesting bidder shall bear all the costs of attending such as debriefing. In this discussion, only the bidder's bid can be discussed and not the bids of competitors.

Handling of Complaints

The national competitive bidding documents shall contain provisions acceptable to ADB describing the handling of complaints.

ADB Member Country Restrictions

Bidders must be nationals of member countries of ADB, and offered goods, works, and services must be produced in and supplied from member countries of ADB.

Fraud and Corruption

ADB will sanction a party or its successor, including declaring ineligible, either indefinitely or for a stated period of time, to participate in ADB-financed activities if it at any time determines that the firm has, directly or through an agent, engaged in corrupt, fraudulent, collusive, or coercive practices in competing for, or in executing, an ADB-financed contract.

Right to Inspect/ Audit

Each bidding document and contract financed from by ADB shall include a provision requiring bidders, suppliers, contractors to permit ADB or its representative to inspect their accounts and records relating to the bid submission and contract performance of the contract and to have them audited by auditors appointed by ADB.

e. National Competitive Bidding**1. General**

The procedures to be followed for National Competitive Bidding (NCB) shall be those set forth for “Public Bidding” in Prime Minister’s Decree No. 03/PM of the Lao People’s Democratic Republic, effective 09 January 2004, and Implementing Rules and Regulations effective 12 March 2004, with the clarifications and modifications described in the following paragraphs required for compliance with the provisions of the Procurement Guidelines.

2. Application

Contract packages subject to NCB procedures will be those identified as such in the project Procurement Plan. Any changes to the mode of procurement from those provided in the Procurement Plan shall be made through updating of the Procurement Plan, and only with prior approval of ADB.

3. Eligibility

Bidders shall not be declared ineligible or prohibited from bidding on the basis of barring procedures or sanction lists, except individuals and firms sanctioned by ADB, without prior approval of ADB.

4. Advertising

Bidding of NCB contracts estimated at \$500,000 or more for goods and related services or \$1,000,000 or more for civil works shall be advertised on ADB’s website via the posting of the Procurement Plan.

5. Procurement Documents

The standard procurement documents provided with Ministry of Finance, Procurement Monitoring Office shall be used to the extent possible. The first draft English language version of the procurement documents shall be submitted for ADB review and approval, regardless of the estimated contract amount, in accordance with agreed review procedures (post and prior review). The ADB-approved procurement documents will then be used as a model for all procurement financed by ADB for the project, and need not be subjected to further review unless specified in the procurement plan.

6. Preferences

- (i) No preference of any kind shall be given to domestic bidders or for domestically manufactured goods.
- (ii) Suppliers and contractors shall not be required to purchase local goods or supplies or materials.

7. Rejection of all Bids and Rebidding

Bids shall not be rejected and new bids solicited without ADB’s prior concurrence.

8. National Sanctions List

National sanctions lists may be applied only with prior approval of ADB.

9. Corruption Policy

A bidder declared ineligible by ADB, based on a determination by ADB that the bidder has engaged in corrupt, fraudulent, collusive, or coercive practices in competing for or in executing an ADB-financed contract shall be ineligible to be awarded ADB-financed contract during the period of time determined by ADB

10. Disclosure of Decisions on Contract Awards

At the same time that notification on award of contract is given to the successful bidder, the results of the bid evaluation shall be published in a local newspaper or well-known freely accessible website identifying the bid and lot numbers and providing information on (i) name of each Bidder who submitted a Bid, (ii) bid prices as read out at bid opening, (iii) name of bidders whose bids were rejected and the reasons for their rejection, (iv) name of the winning Bidder, and the price it offered, as well as the duration and summary scope of the contract awarded. The executing agency/implementing agency shall respond in writing to unsuccessful bidders who seek explanations on the grounds on which their bids are not selected.

11. Member Country Restrictions

Bidders must be nationals of member countries of ADB, and offered goods, works and services must be produced in and supplied from member countries of ADB.

D. Consultant's Terms of Reference

81. A team of international and national consultants will be engaged to carry out the consulting services involving the provision of technical assistance and advisory services to the PCU, PMU and PITs. The consulting services will cover three components; (i) project implementation support, (ii) capacity development and training, and (iii) financial audit and resettlement plan monitoring. The consulting services under the Loan project will be undertaken in close partnership with the EA and the participating government agencies and private sector groups. All consultants will work cohesively in a team effort to deliver the required outputs.

82. The Consultant's Team will be headed by a Team Leader whose essential tasks will be to: (i) assist in the overall organization of the Project; (ii) supervise, guide and coordinate the work plans and schedules of Team members; and (iii) take overall responsibility for preparing reports and consolidating outputs of all Team members. The Team Leader will be assisted by a Deputy Team Leader in carrying out the essential tasks and in ensuring the timely delivery of the required outputs and deliverables.

1. Objectives and Scope of the Services

83. The Consultants' Team will provide technical assistance services in Project management support and capacity development to the PCU, PMU and PITs. In terms of the scope of services, the Consultant will undertake the following:

- (i) help ensure full compliance with ADB's policies and operational requirements in Project implementation particularly related to detailed designs, construction supervision, procurement, financial management and disbursement, social and environmental safeguards;
- (ii) design and conduct capacity development programs in strategic urban development and investment planning, project preparation and implementation, O&M, financial management and cost recovery;
- (iii) undertake independent financial audit and monitoring of compliance of social and environmental safeguards.

2. Tasks for Individual Experts

84. The individual Experts in the Consultant's Team will extend Project management support and capacity development and training. The consultants will be engaged on an intermittent input basis over the 6-year Project period. The scope of services including their person-month inputs and required qualification is presented below:

a. Project Management Support

Consultant (Input)	Scope of services	Qualification
International Consultants		
International Team Leader, Urban Development Specialist Input: 12 person-months	<p>Manage and coordinate overall consulting services inputs and organize the Consultant's Team office in close collaboration with the PCU, PMU, and PIT.</p> <p>Establish strong partnership with Project stakeholders and confirm their commitments to Project implementation.</p> <p>Prepare detailed time bound implementation schedules and work and financial plans based on the agreed scope of work and approved TOR.</p> <p>Ensure quality control over detailed designs, cost estimates, procurement documents, construction activities and delivery of goods and services.</p> <p>Develop the PPMS together with the monitoring and evaluation specialist and conduct capacity building and training to Project Staff on PPMS.</p> <p>Prepare and ensure timely submission of regular progress reports to EA and ADB and initiate actions in the event of any adverse variances against target indicators</p> <p>Provide direct training in project management and operation for PMU and overall guidance to the implementation of capacity development plans.</p> <p>Coordinate with Team members in conducting capacity building assistance for participating provincial and district offices and corridor towns.</p> <p>Ensure that all social and environmental safeguards are fully implemented</p> <p>Help ensure compliance of Project implementation with relevant ADB policies and guidelines.</p> <p>Participate as a member of the ADB Project Completion Review mission.</p>	<p>Masters in Urban Planning, Development Economics or related subject.</p> <p>At least 15 years of work experience in urban sector development and urban infrastructure implementation under ODA funded projects, with at least 5 years as Team Leader.</p> <p>Experience in coordinating and managing a team of experts to perform multi-sector assignments and to prepare and manage project implementation.</p> <p>Should have excellent organizational and interpersonal skills, be reactive and client oriented, hands on and results oriented.</p> <p>Must have a demonstrated ability to work with a multi-disciplinary team with counterparts and others project stakeholders.</p>
Wastewater Management Specialist Input: 2 person-months	<p>Provide guidance in the implementation of the wastewater management system and treatment plant subproject.</p> <p>Review and finalize detailed designs, cost estimates and procurement documents.</p> <p>Assist in preparing details on the specifications and bidding documents</p> <p>Provide site management guidance in relation to the construction of drainage canals and</p>	<p>University degree in degree in geotechnical engineering or an equivalent academic qualification.</p> <p>At least 10 years of professional work experience in managing, designing and supervising construction of drainage networks, sewage pipeline and WWTPs, of which 5 years have been ODA-</p>

Consultant (Input)	Scope of services	Qualification
	<p>installation of WWTPs.</p> <p>Prepare work plans and schedule of activities and regular physical reports of subproject activities on wastewater management and treatment plants.</p> <p>Ensure the engineering quality of civil works and construction activities.</p> <p>Ensure proper hand over arrangements of the wastewater facilities under the Project to the agencies that are responsible for O&M.</p> <p>Conduct capacity development needs assessment in planning and implementation, O&M of wastewater subprojects and develop training programs and capacity development measures for participating agencies and local institutions.</p>	<p>funded projects.</p> <p>Must have a demonstrated ability to work within a multi-disciplinary team with counterparts and others project stakeholders.</p>
<p>Road Engineering Specialist</p> <p>Input:</p> <p>5 person-months</p>	<p>Provide guidance in the implementation of urban roads and related structures subproject.</p> <p>Review and finalize detailed designs, cost estimates and procurement documents.</p> <p>Assist in preparing details on the specifications and bidding documents</p> <p>Provide site management guidance in relation to the construction of urban roads and related structures.</p> <p>Prepare work plans and schedule of activities including submission of regular physical reports on subproject activities related to urban roads and related structures.</p> <p>Ensure the engineering quality of civil works and construction activities.</p> <p>Ensure proper hand over arrangements of the urban roads subprojects under the Project to agencies that are responsible for O&M.</p> <p>Conduct capacity development needs assessment in planning and implementation, O&M of urban roads and related structures and develop training programs and capacity development measures for participating agencies and local institutions.</p>	<p>University degree in civil engineering or urban road engineering or an equivalent academic qualification.</p> <p>At least 10 years of professional work experience in managing, designing and supervising construction of roads and drainage networks, of which 5 years have been ODA-funded projects.</p> <p>Must have a demonstrated ability to work within a multi-disciplinary team with counterparts and others project stakeholders.</p>
<p>Environment Specialist</p> <p>Input:</p> <p>2 person-</p>	<p>Coordinate with the design engineer and update EMPs for all sub-projects per the detailed design.</p> <p>Regarding the landfill design and operation - ensure specific assessment of the sustainability of the landfill operations via appropriate financial</p>	<p>Postgraduate in Environmental Engineering/ Planning, and at least 10 years of experience in environment management of infrastructure projects , including environmental monitoring and</p>

Consultant (Input)	Scope of services	Qualification
months	<p>and technical provisions; ensure findings from the environmental compliance audit and the toxicity assessment are integrated in the design of the closure plan for the existing dump site and the design of the new landfill. Ensure that the operational manual prepared for landfill operations, includes environment, design, health and safety measures; follow the World Bank/ IFC , Environment, Health and Safety Guidelines (for landfill design and operations).</p> <p>Coordinate with institutional and capacity building and provide inputs to capacity building needs.</p> <p>Provide inputs and coordinate with the procurement specialist on the environmental management criteria, scoring and weight in the overall bid evaluation for inclusion of EMPs and evaluating CEMPs in contract documents. Review final Final CEMP of the selected Contractor prior to submission to ADB for review and clearance.</p> <p>Provide support to the PMU Environmental Engineer, social development specialist and the resettlement sp to ensure environment criteria in public/ community consultations and grievance redress mechanism</p> <p>During construction period conduct visits to working sites to provide guidance to the Environmental Engineer on the supervision of EMP implementation, and advice on any actions required to ensure EMP compliance</p> <p>Design a uniform monitoring and reporting system during operation for all Subprojects. Identify and institute the necessary improvements.</p>	<p>environmentally responsible procurement.</p> <p>Engagement should cover period prior to Construction (covering the detailed design until pre-awarding of contract for civil works)</p> <p>Must have a clear understanding of environmental policies and guidelines of ADB or other international donor agencies will be an asset.</p> <p>Must be familiar with Environmental Policies of the government</p>
<p>Financial Management Specialist</p> <p>Input:</p> <p>3 person-months</p>	<p>Advise EA and PMU on organizational arrangements for effective financial management for project implementation.</p> <p>Assist in developing procedures for financial accounting, reporting and auditing, and loan disbursement for the Project.</p> <p>Assist in processing ADB loan withdrawal including certificates and reporting formats for efficient flow of funds between Government, contractors and ADB.</p> <p>Assist in preparing and updating financial records, projections and reports in accordance with the procedural requirement of the</p>	<p>University degree in Accountancy, Business Administration majoring in Finance or related academic qualification.</p> <p>At least 10 years of work experience in financial management or audit and financial analysis of urban infrastructure, of which 5 years have been on ODA-funded projects.</p> <p>Must be familiar with ADB's loan disbursement procedures and</p>

Consultant (Input)	Scope of services	Qualification
	<p>Government and ADB.</p> <p>Review current budgeting, accounting and financial reporting of the EA and Treasury agencies at the provincial and district levels and recommend measures to improve the efficiency and accuracy of budgeting, accounting and financial reporting systems</p> <p>Review internal control system in the EA and IA and recommend improvements for internal control systems.</p> <p>Plan and organize financial management capacity building and training covering ADB loan disbursement procedures and financial management practices for the administrative and finance staff of the PCU and PMU.</p> <p>Install good practices and knowledge enhancement for project accounting and financial management through on-the-job training and hands on sessions.</p> <p>Participate as a member of the ADB Project Completion Review on financial management and loan disbursements.</p>	project accounting requirements.
<p>Procurement Specialist</p> <p>Input:</p> <p>2 person-months</p>	<p>Assist in the harmonization of Government and ADB procurement procedures and requirements.</p> <p>Provide technical assistance and training on ADB procurement guidelines and requirements.</p> <p>Advise on the preparation of bidding documents, including the preparation of the selection criteria.</p> <p>Assist in the preparation of draft bidding documents for detailed monitoring and evaluation surveys, including selection criteria.</p> <p>Advise on proper procedures to cover alternative procurement options, including international and national competitive bidding and shopping for low value inputs.</p> <p>Advise on the selection of shortlisted firms to undertake contracted work, and on the selection of the winning bidder.</p> <p>Advise on the quality control and inspection systems to be introduced as part of the overall procurement process.</p> <p>Assist in the preparation of reports on the progress of the procurement process and related required courses of actions.</p> <p>Extend additional technical assistance and training on addressing issues related to</p>	<p>University degree in Business Administration, Economics, Engineering, or related fields, combined with specialized experience in similar undertaking.</p> <p>At least 10 years of work experience in procurement management, of which 5 years have been on ODA-funded projects</p> <p>Must be familiar with ADB procurement guidelines</p>

Consultant (Input)	Scope of services	Qualification
Resettlement Specialist Input: 3 person-months	<p>procurement procedures as requested by the EA and ADB.</p> <p>Review and update the Resettlement Plans prepared during the project preparatory TA and make necessary refinements following consultative meetings with EA and IA.</p> <p>Review and reconfirm resettlement support packages and make necessary adjustments acceptable to the government and ADB.</p> <p>Undertake due diligence assessment and prepare corrective action plans to identify permanent and temporary socio-economic impacts resulting from land acquisition, changes in land use, or restrictions of access to assets and common property resources.</p> <p>Define categories of impact and eligibility of affected people for compensation, and prepare entitlement matrix covering compensation for lost assets and income including assistance to achieve full replacement costs for lost assets, income and livelihoods.</p> <p>Prepare consultation plans and formats for documenting consultations with affected people in accordance with ADB policies, and provide technical assistance in the conduct of consultations with affected persons and Project stakeholders.</p> <p>Assess stakeholder's concerns and recommend possible changes in project designs to minimize resettlement impacts and assist PMU get the endorsement of the resettlement plan prior to submission to ADB review and approval.</p> <p>Ensure that gender and indigenous people's issues are fully covered within the resettlement and livelihood restoration phases of the Project.</p> <p>Support in preparation of the internal monitoring reports.</p> <p>Investigate resettlement plan implementation issues identified by the EA, IA, external monitoring groups and ADB Review mission and draw up recommendations for corrective actions.</p> <p>Provide resettlement training to Project staff on the: (i) national laws and regulations, (ii) ADB policy and procedural requirements, (iii) resettlement planning, implementation and supervision,(iv) monitoring and evaluation.</p> <p>Participate as member of the ADB Project</p>	<p>Master's degree in social sciences, sociology or equivalent academic qualifications.</p> <p>At least 10 years of work experience in resettlement planning, of which 5 years have been with ODA-funded projects</p> <p>Should have an in-depth understanding of and international best practices and policy on involuntary resettlement issues.</p> <p>Extensive experience in community mobilization and analysis of resettlement issues in Lao PDR would an advantage.</p> <p>Must have a clear understanding of resettlement checklists and guidelines of ADB or other international donor agencies will be an asset.</p> <p>Must be familiar with ADB Safeguards Policy Statement.</p>

Consultant (Input)	Scope of services	Qualification
Social Development Specialist	completion review on resettlement related issues.	University degree in social development, and related social sciences or an equivalent academic qualification.
Input: 2 person-months	Update social development plans and GAP and poverty action plans and provide assistance for their implementation during Project implementation.	At least 10 years of relevant professional experience in social development work, gender action planning and social safeguards measures, of which 5 years have been with ODA-funded projects
	Review and advise on necessary adjustments to urban infrastructure investments acceptable to the Government and ADB.	Must possess strong analytical skills relevant to poverty and social assessment.
	Review and reconfirm the social safeguards packages developed during the PPTA	Should have excellent interpersonal skills, be proactive and results oriented.
	Conduct due diligence study and recommend corrective action plans to identify permanent and temporary socio-economic impacts resulting from urban infrastructure investments.	Must be familiar with ADB SPS.
	Prepare plans and formats for documenting consultation with key stakeholders as well as affected communities and households and summarizing issues raised, agreed actions in accordance with government and ADB policies on social safeguards.	
	Ensure that gender and indigenous people's issues are covered in the subproject implementation and subsequent investment planning.	
	Ensure implementation of Stakeholder Communication Strategy	
	Coordinate with Resettlement Specialist on gender and social development aspects of resettlement plans, assess training needs and determine social development activities for affected communities and households.	
	Investigate implementation issues and critical concerns identified by EA and ADB during Review missions, discuss findings and draw up recommended courses of action.	
	Provide capacity building assistance and training programs to EA and PMU on social safeguards frameworks, guidelines and requirements of the government and ADB.	
	Assist and advise EA and PMU on the monitoring systems for social safeguards elements during Project implementation and in the preparation of regular reports.	
	Participate as a member of the ADB Project Completion Review and provide inputs on	

Consultant (Input)	Scope of services	Qualification
Monitoring and Evaluation Specialist	<p>gender issues and social safeguards concerns.</p> <p>Together with the Team Leader, develop the PPMS and conduct training programs for Project staff on the use of the PPMS</p> <p>Advise and train Project staff in Project requirements for monitoring and evaluation in association with social safeguards, gender and environmental specialist and in relation to performance indicators defined in the design and monitoring framework.</p> <p>Undertake baseline data and information gathering, conduct necessary surveys and conduct analysis of survey results.</p> <p>Assist in harmonizing the requirements for monitoring and evaluation of the government and ADB.</p> <p>Assist in develop the monitoring and evaluation framework of the Project, including preparation of regular monitoring and evaluation reports.</p> <p>Assist and train Project staff to prepare detailed data monitoring formats, survey designs and schedule of monitoring and evaluation activities.</p> <p>Assist EA and IA in the preparation of scope of services and TOR for the conduct of detailed monitoring and evaluation studies, procurement and selection of service providers.</p>	<p>University degree in economics, social development or civil engineering or a related academic qualification.</p> <p>At least 10 years of work experience in monitoring and evaluation processes, of which 5 years have been with ODA-funded projects.</p> <p>Familiarity with PPMS, DMF, and related monitoring and evaluation tools of ADB-funded projects</p> <p>Must have a demonstrated ability to work within a multi-disciplinary team with counterparts and others project stakeholders.</p>
Input: 2 person-months		
National Consultants		
Deputy Team Leader, Civil Engineer	<p>Work with Team Leader in ensuring that all planning, coordination, and implementation of Project activities are carried out according to plan, and reflect the relevant policies, procedures and guidelines of GOL and ADB.</p> <p>Monitor the progress of all project activities and advises the team leader any potential discrepancies between planning and implementation.</p> <p>Works with Team Leader and other consultants to prepare quarterly and annual reports as required.</p> <p>Ensures that all project procurement and contracting follow appropriate GOL and ADB procedures.</p> <p>Prepares evaluation guidelines and scoring sheets, and trains relevant PMU staff in their use.</p> <p>Works with PMU to develop contracts that meet</p>	<p>Masters degree in civil or municipal engineering or an equivalent professional qualification.</p> <p>At least 10 years of experience in civil and municipal engineering works, of which 5 years have been on ODA-funded projects</p> <p>Extensive experience in the management and implementation of urban infrastructure subprojects.</p> <p>Should have a demonstrated ability to work within a multi-disciplinary team of national and international experts.</p>
Input: 24 person-months		

Consultant (Input)	Scope of services	Qualification
Wastewater Management Expert	ADB and Government requirements.	Should have excellent interpersonal skills, be proactive and results oriented.
	Provide overall support for selection of contractors, suppliers, contract management, and quality control and inspection	
	Review and finalize the detailed designs, cost estimates and bidding documents	
	Provide site management guidance in relation to construction	
	Help conduct planning scheduling and reporting of urban infrastructure subprojects.	
	Help ensure the quality of construction and in handling over the facilities to the operators.	Fluent English writing and communication skills.
	Provide guidance in the implementation of the wastewater treatment subproject involving construction of drainage networks, sewage pipelines and establishment of WWTP.	
	Assists in the design work for drainage, river bank protection and solid waste components.	
	Review and finalize detailed designs, cost estimates and procurement documents.	
	Assist in preparing details on the specifications and bidding documents	
Input: 8 person-months	Assist in site management guidance in relation to civil works and construction activities related to drainage networks and sewage pipelines, and installation of WWTPs.	University degree in municipal or civil engineering or in chemistry or an equivalent academic qualification. At least 10 years of work experience in the implementation and management of wastewater treatment plants, construction of drainage networks and sewage pipelines. Fluency in written and spoken English is required. Must have a demonstrated ability to work within a multi-disciplinary
	Assist in preparing work plans and schedule of activities and regular physical reports of subproject activities and draw up corrective measures to address critical issues and problems related to Project implementation.	
	Ensure the engineering quality of civil works and construction activities.	
	Ensure proper hand over arrangements of the wastewater facilities under the Project to the agencies that are responsible for O&M.	
	Conduct capacity development needs assessment in planning and implementation, operation and maintenance of wastewater subprojects and develop training programs and capacity development measures for participating agencies and local institutions.	
	Work with International Road Engineering Specialist in providing guidance in the implementation of urban roads and related	
Urban Road Engineering Expert		University degree in civil engineering or in an equivalent

Consultant (Input)	Scope of services	Qualification
Input: 15 person- months	<p>structures.</p> <p>Assist in the review and finalization of detailed designs, cost estimates and procurement documents.</p> <p>Assist in preparing details on the specifications and bidding documents</p> <p>Provide site management guidance in relation to the construction of urban roads and related structures.</p> <p>Prepare work plans and schedule of activities including submission of regular physical reports on subproject activities related to urban roads and related structures.</p> <p>Prepare work plans and schedule of activities including submission of regular physical reports on subproject activities related to urban roads and related structures.</p> <p>Ensure the engineering quality of civil works and construction activities.</p> <p>Ensure proper hand over arrangements of the urban roads subprojects under the Project to agencies that are responsible for O&M.</p> <p>Conduct capacity development needs assessment in planning and implementation, O&M of urban roads and related structures and develop training programs and capacity development measures for participating agencies and local institutions.</p>	<p>academic qualification.</p> <p>At least 6 years of work experience in the design and supervision of urban roads and drainage structures</p> <p>Fluency in written and spoken English is required.</p> <p>Must have a demonstrated ability to work within a multi-disciplinary team of national and international consultant.</p>
Environment Specialist Input: 4 person- months	<p>Work closely with International Environment Specialist and the design engineer.</p> <p>Review the EMPs for each sub-project. per the finalized designs to reflect any modification in impacts, management / mitigation measures; final costs, references to contract clauses/ bid documents; bills of quantities, and monitoring plans.,</p> <p>Provide inputs to bidding and construction supervision team, SWM design engineer and procurement specialist to ensure that EMPs are integrated in contract and bidding documents.</p> <p>Monitor project and EMP implementation</p> <p>Ensure environment clearance is obtained as required from National and Provincial levels</p> <p>Ensure compliance with ADB SPS (2009) for all sub-projects</p>	<p>Postgraduate in Environmental Engineering/ Planning, and at least 10 years of experience in environment management of infrastructure projects , including environmental monitoring and environmentally responsible procurement.</p> <p>Engagement should cover period prior to Construction (covering the detailed design until pre-awarding of contract for civil works)</p> <p>Must have a clear understanding of environmental policies and guidelines of ADB or other international donor agencies will be an asset.</p> <p>Must be familiar with Environmental</p>

Consultant (Input)	Scope of services	Qualification
Financial Management Expert	Coordinate with the resettlement specialist to ensure that environment management plans are prepared for relocation sites as applicable	Policies of the government.
	Coordinate with the social and resettlement specialist on stakeholder consultations related to environment aspects – such as public and environment health and issues related to landfill operations and liaisons as required with NGOs,	
	.Provide orientation and training to the EA and other agencies related to sub-project implementation on ADBs SPS and project cycle requirements and safeguard milestones and environment aspects of all operational manuals especially for the landfill operations..	
	Provide environment inputs to awareness building workshops for consultants, and other local administrative authorities in order to create environment awareness	
	Assist International specialist in recruitment of project staff, as required	
Input: 6 person- months	Act as main focal point/contact for all environment related activities between the project, the IA, ADB Resident Mission, NGOs, and other consultants.	University degree in Accountancy, Business Administration majoring in Finance or related academic qualification.
	Provide support to ADB review mission teams to ensure that EMP implementation is being adequately assessed and reported.	
	Work with International Financial Management Specialist in assisting the EA and PMU on organizational arrangements for effective financial management for project implementation.	
	Assist in developing procedures for financial accounting, reporting and auditing, and loan disbursement for the Project.	
	Assist in processing ADB loan withdrawal including certificates and reporting formats for efficient flow of funds between Government, contractors and ADB.	
	Assist in preparing and updating financial records, projections and reports in accordance with the procedural requirement of the Government and ADB.	At least 10 years of work experience in financial management or audit and financial analysis of urban infrastructure, of which 5 years have been on ODA-funded projects.
	Review current budgeting, accounting and financial reporting of the EA and Treasury agencies at the provincial and district levels and recommend measures to improve the efficiency	
	Assist in preparing and updating financial records, projections and reports in accordance with the procedural requirement of the Government and ADB.	Must be familiar with ADB's loan disbursement procedures and project accounting requirements.
	Review current budgeting, accounting and financial reporting of the EA and Treasury agencies at the provincial and district levels and recommend measures to improve the efficiency	

Consultant (Input)	Scope of services	Qualification
Procurement Management Expert	<p>and accuracy of budgeting, accounting and financial reporting systems</p> <p>Review internal control system in the EA and IA and recommend improvements for internal control systems.</p> <p>Plan and organize financial management capacity building and training covering ADB loan disbursement procedures and financial management practices for the administrative and finance staff of the PCU and PMU.</p> <p>Install good practices and knowledge enhancement for project accounting and financial management through on-the-job training and hands on sessions.</p> <p>Work with the International Procurement Specialist in assisting EA and PMU in the harmonization of Government and ADB procurement procedures and requirements.</p>	<p>University degree in Business Administration or Management or related academic qualification.</p>
<p>Input:</p> <p>6 person-months</p>	<p>Advise on the preparation of bidding documents, including the preparation of the selection criteria.</p> <p>Assist in the preparation of draft bidding documents for detailed monitoring and evaluation surveys, including selection criteria.</p> <p>Advise on proper procedures to cover alternative procurement options, including international and national competitive bidding and shopping for low value inputs.</p> <p>Advise on the selection of shortlisted firms to undertake contracted work, and on the selection of the winning bidder.</p> <p>Advise on the quality control and inspection systems to be introduced as part of the overall procurement process.</p> <p>Assist in the preparation of reports on the progress of the procurement process and related required courses of actions.</p>	<p>At least 10 years of work experience in financial management or audit and financial analysis of urban infrastructure, of which 5 years have been on ODA-funded projects.</p> <p>Must be familiar with ADB's loan disbursement procedures and project accounting requirements.</p>
<p>Resettlement Expert</p> <p>Input:</p> <p>6 person-months</p>	<p>Work with the International Resettlement Specialist in the review and update of the Resettlement Plans and make necessary refinements following consultative meetings with EA and IA.</p> <p>Review and reconfirm resettlement support packages and make necessary adjustments acceptable to the government and ADB.</p> <p>Define categories of impact and eligibility of affected people for compensation, and prepare</p>	<p>University degree in social sciences, sociology or equivalent academic qualifications.</p> <p>At least 6 years of work experience in resettlement planning, of which 3 years have been with ODA-funded projects</p> <p>Extensive experience in community mobilization and analysis of resettlement issues in Lao PDR</p>

Consultant (Input)	Scope of services	Qualification
	<p>entitlement matrix covering compensation for lost assets and income including assistance to achieve full replacement costs for lost assets, income and livelihoods.</p> <p>Prepare consultation plans and formats for documenting consultations with affected people in accordance with ADB policies, and provide technical assistance in the conduct of consultations with affected persons and Project stakeholders.</p> <p>Assess stakeholder's concerns and recommend possible changes in project designs to minimize resettlement impacts and assist PMU get the endorsement of the resettlement plan prior to submission to ADB review and approval.</p> <p>Ensure that gender and indigenous people's issues are fully covered within the resettlement and livelihood restoration phases of the Project.</p> <p>Investigate resettlement plan implementation issues identified by the EA, IA, external monitoring groups and ADB Review mission and draw up recommendations for corrective actions.</p> <p>Provide resettlement training to Project staff on the: (i) national laws and regulations, (ii) ADB policy and procedural requirements, (iii) resettlement planning, implementation and supervision, (iv) monitoring and evaluation.</p> <p>Participate as member of the ADB Project completion review on resettlement related issues.</p>	<p>would an advantage.</p> <p>Must have a clear understanding of resettlement checklists and guidelines of ADB or other international donor agencies will be an asset.</p> <p>Must be familiar with resettlement policies of the national Government.</p>
<p>Gender Expert</p> <p>Input:</p> <p>6 person-months</p>	<p>Work with the International Social Safeguards Specialist in the review of safeguards measures prepared during the PPTA.</p> <p>Review the social safeguards framework and advise on necessary adjustments to urban infrastructure investments acceptable to the Government and ADB.</p> <p>Conduct due diligence study and recommend corrective action plans to identify permanent and temporary socio-economic impacts resulting from urban infrastructure investments.</p> <p>Prepare plans and formats for documenting consultation with key stakeholders as well as affected communities and households and summarizing issues raised, agreed actions in accordance with government and ADB safeguards policy statement.</p>	<p>University degree in social development, and related social sciences or an equivalent academic qualification.</p> <p>At least 6 years of relevant professional experience in social development work, gender action planning and social safeguards measures, of which 3 years have been with ODA-funded projects</p> <p>Must possess strong analytical skills relevant to poverty and social assessment.</p> <p>Should have excellent interpersonal skills, be proactive and results oriented.</p>

Consultant (Input)	Scope of services	Qualification
Monitoring and Evaluation Expert	Ensure that gender and indigenous people's issues are covered in the subproject implementation and subsequent investment planning.	Must be familiar with social safeguards and gender policies of the Government.
	Coordinate with Resettlement Specialist on gender and social development aspects of resettlement plans, assess training needs and determine social development activities for affected communities and households.	
	Investigate implementation issues and critical concerns identified by EA and ADB during Review missions, discuss findings and draw up recommended courses of action.	
	Provide capacity building assistance and training programs to EA and PMU on social safeguards frameworks, guidelines and requirements of the government and ADB.	
	Assist and advise EA and PMU on the monitoring systems for social safeguards elements during Project implementation and in the preparation of regular reports.	
	Participate as a member of the ADB Project Completion Review and provide inputs on gender issues and social safeguards concerns.	
	Together with the International Monitoring and Evaluation Specialist, develop the PPMS and conduct training programs for Project staff on the use of the PPMS.	University degree in economics, social development or civil engineering or a related academic qualification.
	Advise and train Project staff in Project requirements for monitoring and evaluation in association with social safeguards, gender and environmental specialist and in relation to performance indicators defined in the design and monitoring framework.	
Input: 6 person- months	Undertake baseline data and information gathering, conduct necessary surveys and conduct analysis of survey results.	At least 6 years of work experience in monitoring and evaluation processes, of which 3 years have been with ODA-funded projects.
	Assist in harmonizing the requirements for monitoring and evaluation of the government and ADB.	
	Assist in develop the monitoring and evaluation framework of the Project, including preparation of regular monitoring and evaluation reports.	Familiarity with PPMS, DMF and related monitoring and evaluation tools used by the national government.
	Assist and train Project staff to prepare detailed data monitoring formats, survey designs and schedule of monitoring and evaluation activities.	

b. Capacity Development and Training

Consultant (Input)	Scope of services	Qualification
International Capacity Development Specialist	Provide guidance to EAs and PMUs in the implementation of the capacity development plan.	Master's degree in human resource development and management, public administration or equivalent academic qualification.
Input: 9 person-months	Undertake further analysis of the institutional capacity of EAs and PMUs and PSUs in strategic local economic development planning and investment packaging, and in project management and implementation Advise on institutional and organizational arrangements for the effective implementation of capacity development plan.	At least 10 years of work experience in institutional capacity development. Relevant experience in urban sector development would be preferred.

Consultant (Input)	Scope of services	Qualification
Training Specialist/ Resource Persons	Assist in the preparation of activity designs for the conduct of workshops and seminars, on-the-job sessions and training programs related to the capacity development plan	Knowledge and experience in the application of ADB guidelines on project management would be an advantage.
	Assist in developing procedures for capacity building and training and selection of appropriate staff who would be participating in specific training programs and capacity building assistance.	Must have a demonstrated ability to work with a multi-disciplinary team of international and national consultants.
	Advise in developing performance system related to the impact of capacity building interventions and training programs.	
	Assist in establishing network and linkages with relevant training institutions and HRD centers including qualified resource persons to be engaged for capacity building and training programs for the Project	
	Assist in the preparation of regular reports on the progress and outcome of the capacity development plan.	
Input: 8 person-months (international) 18 person-months (national)	Work closely with Specialists of the Project Management Support consultant in undertaking the capacity development assistance in project management and implementation, operation and maintenance of urban infrastructure investments, including preparation and implementation of environmental management plan.	Master's degree in human resource development or relevant academic qualification.
	Design and undertake capacity needs assessment methods on the capacity development requirements for project management and implementation.	
	Prepare activity designs for specific capacity development modules and training programs for designated Project staff.	At least 10 years of work experience in conducting capacity development and training programs, of which 5 years have been with ODA-funded projects
	Coordinate and establish network with relevant training institutions and HRD learning centers for the conduct of capacity development programs and training sessions.	
	Organize and manage capacity development programs and training sessions for the participants from the PCU, PMU and PITs including representatives from participating provincial departments, District authorities and from the private sector.	Strong analytical skills on capacity development needs and requirements Excellent communication and presentation skills in written and verbal English.
	Prepare and submit reports on the outcome of the capacity development programs and training	

Consultant (Input)	Scope of services	Qualification
	sessions.	
National Capacity Development Expert Input: 20 person-months	<p>Assist the International Capacity Development Specialist in the implementation of the capacity development plan.</p> <p>Undertake further analysis of the institutional capacity of Project staff in strategic local economic development planning and investment packaging, project implementation and management.</p> <p>Advise EA and PMU on institutional and organizational arrangements for the effective implementation of capacity development plan.</p> <p>Assist in the preparation of activity designs for the conduct of workshops and seminars, on-the-job sessions and training programs related to the capacity development plan</p> <p>Assist in developing procedures for capacity building and training and selection of appropriate staff who would be participating in specific training programs and capacity building assistance.</p> <p>Assist in establishing network and linkages with relevant training institutions and HRD centers including qualified resource persons to be engaged for capacity building and training programs for the Project</p> <p>Assist in the preparation of regular reports on the progress and outcome of the capacity development plan.</p>	<p>University degree in development management, or public administration, or related field</p> <p>At least 6 years of relevant experience in capacity development and training, of which 3 years have been with ODA funded projects.</p> <p>Excellent communication and presentation skills in written and verbal English.</p> <p>Experience and knowledge of ADB procedures and requirement on capacity development and training.</p>
Financial Audit Input: 3 person-months	<p>Review Project financial reports on disbursements, reimbursement claims and annual financial performance</p> <p>Undertake review sessions with PCU and PMU on the financial progress and conduct field validation and site inspection as maybe necessary</p> <p>Prepare financial audit reports for submission to EA and ADB.</p> <p>Provide specific outputs such as Audit Opinions project accounts and financial statement, and Annual and Project Completion Audits.</p> <p>Ensure compliance with auditing standards and programs, ADB and government's accounting policies.</p> <p>Ensure compliance with financial covenants and</p>	<p>At least 10 years of relevant experience in undertaking financial audit of ODA-funded projects</p>

Consultant (Input)	Scope of services	Qualification
Independent Monitoring Organization	<p>assurances and that Project funds are used for the purpose intended.</p> <p>Undertake monitoring of imprest or any other special accounts record keeping and adequacy of internal control systems and other project financial management systems.</p> <p>Prepare Management Letter at the conclusion of the audit which states the overall assessment of the accounting and financial management systems of the Project.</p>	At least 10 years of relevant experience in conducting independent monitoring of social and environmental safeguards
	<p>Undertake independent review of social and environmental safeguards and determine where intended goals are being achieved and corrective measures are required.</p> <p>Verify that resettlement plans, gender action plans and environment management plans have been implemented in an effective and timely manner in accordance with approved plans and guidelines from the government and ADB.</p> <p>Assess the degree of achievements in terms of Project objectives (e.g. displaced households were able to restore or better their incomes and living standards).</p> <p>Prepare external monitoring report containing the progress of plan implementation, identified issues and problems, and recommended courses of action.</p> <p>Prepare and submit independent monitoring reports including recommendations for courses of actions and corrective measures to the EA and ADB.</p> <p>Monitor and identify monitoring indicators for: Consultation, Participation and Disclosure; Compensation and Entitlements; Rehabilitation and Relocation; Gender Strategy and Ethnic Minorities Specific Actions; Grievance and Complaints.</p> <p>Conduct of a Post Implementation Study of project impacts and recommendations for project replication or expansion/extension.</p>	

ADB = Asian Development Bank, DMF = design and monitoring framework, EA = executing agency, EMP = environmental management plan, GAP = gender action plan, GOL = Government of Lao PDR, HRD = human resource and development, IA = implementing agency, NGO = nongovernment organization, ODA = official development assistance, O&M = operations and maintenance coordination unit, PIT = project implementation team, PMU = project management unit, PPMS = project performance monitoring and evaluation system, PPTA = project preparatory technical assistance, SPS = Safeguard Policy Statement, SWM = solid waste management, TOR = terms of reference, WWTPs = wastewater treatment plants.
Source: Asian Development Bank.

VII. SAFEGUARDS

85. The primary focus of the Project is to support transformation of two of the GMS transport corridors into economic corridors by investing in infrastructure and service improvement and development in selected towns. This will be achieved largely through assisting the participating provincial and town governments in preparing strategic local economic development plans that will include an investment plan for priority subprojects. The priority subprojects have been pre-screened to ensure conformity with project criteria which include strict adherence to safeguard regulations of the ADB and the Government of Lao PDR, including environmental and social impact on the population in general and on vulnerable groups in particular. Criteria for selection of subprojects virtually eliminated subprojects with potential significant impact on environment, and resettlement and land compensation matters. Consideration was also given during the subproject selection and design process to ensure that women and vulnerable groups would derive significant benefits from the selected subprojects and that any potential negative impact could be mitigated.

A. Environment

86. The project is Environment Category B, as the proposed sub-projects are not expected to cause irreversible adverse environment impacts. Initial environmental examinations conducted for all the project cities, identified potential impacts and mitigation measures to be implemented through Environment Management Plans (EMPs) and included inputs from public consultations. Most impacts are site-specific and mitigation measures are readily available. Potential impacts can be mitigated with good construction practices outlined in the EMPs. The IEEs are in accordance with the ADB's SPS, 2009 (Safeguard Policy Statement) and the applicable environment regulations of the GOL. At detailed design stage when the EMPs are updated the final receiving environments for the WWTPs and landfill will be reviewed to ensure that local groundwater and human uses of the affected areas are not adversely affected. Estimated costs for implementing the EMP have been integrated in the project costs. The EMP will be finalized during the detailed design stage of the project. The IEE and EMP will be updated during detailed engineering design and will be reviewed and cleared by the ADB prior to preparation of tender documents and shall form part of the contract bidding documents. The adequate incorporation of environmental considerations during design, and allocation of sufficient budget for O&M will mitigate the potential adverse impacts during operation. Effective environment monitoring at all stages of the sub-project implementation will be ensured. In compliance with ADB's information disclosure and consultation requirements, the safeguard documents will be posted on ADB's website.

87. In the Detailed Design phase the Consultant should assist the PMO to complete a statutory IEE and obtain the environmental clearance certificate (ECC) from the Ministry of Natural Resources and Environment (MONRE). Before launch of construction tenders the EMP should be checked and amended if necessary for inclusion in the bid documents.

B. Involuntary Resettlement

88. The safeguard category for involuntary resettlement is B. RPs have been prepared for the three subprojects which will trigger the application of ADB's SPS involuntary resettlement requirements. Three due diligence studies were conducted and reports have also been prepared for sub-projects without LAR impacts which include solid waste management in Kaysone Phomvihane as it will not trigger any Land Acquisition and Resettlement impacts. A total area of 7.8 hectares will be acquired and 508 affected households (AHs) (2,559 affected

persons [APs]) will be affected by the priority subprojects. Of these, 290 AHs including one institution (1,445 APs) belong to the subprojects of Kaysone Phomvihane, 109 AHs (506 APs) from the subproject in Dansavanh and 109 AHs (608 APs) in Phine. However, there are only 2 AHs in Dansavanh requiring relocation. All other impacts are partial and temporary. The cost is estimated to be \$1.72 million, which includes base costs, allowances, and contingencies. A cutoff date has been established with extensive stakeholder consultation and participation. Project information has been disclosed to affected persons throughout the project preparation and a project information booklet will be updated and distributed during detailed measurement survey.

C. Indigenous People

89. In the Lao PDR there are 49 ethnic groups, the Lao-Tai ethnic groups are the majority of the population. Based on the household survey data in Kaysone Phomvihane, Lao account for 98%, Phoutai 1.5%, and other ethnic groups (Vietnamese, Thai and Chinese migrants) 0.5%. The beneficiary communities, which include non-Lao ethnic groups, are supportive of the subprojects, can see clear and direct benefits for themselves. The social assessment confirms the conclusion that none of the subprojects will create adverse IP impacts as per ADB's *Safeguards Policy Statement* of 2009.

90. During the SIA meaningful consultation with non-Lao was undertaken through meetings and FGDs in the town. The consultations undertaken indicate the different ethnic groups see themselves first and foremost as Lao, they hold Lao citizenship and communicate through Lao language in different facets of society such as marketing, business activities, political activities, and participation in village/district administration. They have inter-married with other ethnic groups including Hmong from other parts of the country and Vietnamese. The different ethnic groups live together in mixed communities for about 100 years, there are no clusters or villages that are only one ethnic group and therefore there is a high level of social/cultural homogeneity in the towns.

91. Consultations have ascertained broad community support for the Project. Amongst the different ethnic groups there is high support for the subprojects that seek to improve, upgrade and rehabilitate urban infrastructure as key and important facilities for community access to services and employment opportunities. There is also both the willingness and capacity to participate in design, implementation, and monitoring of the investments. People commented on the benefits and positive impacts anticipated to result from subprojects, and have stated there are no constraints on the ability of people to participate in project benefits as a result of their ethnicity or culture.

92. In addition, the Project will not involve any activities or investments that will (i) provide for or allow commercial development of cultural resources or indigenous knowledge under the project; (ii) provide for or allow commercial development of natural resources that would impact the livelihoods or cultural, ceremonial or spiritual use of land that would impact the identity or community; (iii) provide for or allow restrictions in use of, or access to, protected areas and natural resources; or (iv) require displacement from traditional or customary lands.

93. It is concluded from the consultations and social assessment undertaken that the policy is not triggered by the subprojects because they will not affect the dignity, human rights, livelihood systems, or culture of indigenous people. The Project will not adversely impact on, and is designed in such a way that will respect, the identity, dignity, human rights, livelihood systems or culture of the non-Lao ethnic groups in the towns. Any negative impacts on non-Lao will be the same as for Lao, and these will be mitigated through implementation of the GAP, EMP and RP. The assessment confirms the conclusion that the categorization of the Project is 'C' that does not require preparation of an IP plan.

VIII. GENDER AND SOCIAL DIMENSIONS

94. The primary beneficiaries of the Project are the people who currently live in the towns, including the poor, in the catchment areas of the proposed subprojects, as well as tourists/visitors, and service providers. Some households will benefit many-fold as they will experience improvement in solid waste management, wastewater treatment, improved drainage (and sewerage) and upgraded roads and access. More specifically, they include the following groups: (i) households which suffer in various ways when members become sick with water-borne illnesses (WBI) as a result of inadequate sanitation, insufficient wastewater treatment and poor drainage/flooding; (ii) people using the markets, hospitals/clinics and other public institutions to be provided with improved facilities (solid waste management, sanitation etc); (iii) people using the urban roads and households/commercial enterprises along the roadside who will also benefit from improved drainage; (iv) school children and teachers at schools benefiting from improved wastewater treatment, sanitation facilities and solid waste management and access to awareness campaigns about sanitation and road safety; (v) poor households using pit latrines that will be improved through connections to wastewater treatment systems; (vi) general and more widespread benefits from the sanitary landfill and improvements to solid waste management practices; and (vii) households, hotels/guest houses and institutions connected to the sewerage system to be rehabilitated and the WWTPs.

95. Women are primarily responsible for wastewater disposal, household garbage disposal and management, and care for the sick and elders. Time and efforts spent on these activities will be significantly reduced for women so that they can engage in income generating activities, family or leisure time. Lack of wastewater treatment and solid waste disposal contribute to gender inequities in the burden of household work. While both women and men will gain from the wastewater system and treatment plant subprojects, women can benefit in a number of other direct and indirect ways; as they have primary domestic responsibilities improving wastewater disposal will ease burdens and reduce both anxiety over exposure to WBIs, and the time spent caring for sick family members as result of contracting some form of WBI.

96. Overall the project is gender positive for women. The urban road improvements which include drainage and help to mitigate flooding, will also benefit women at an individual and household level. As noted above street vending is one of women's primary sources of incomes, improving roads will improve access and mobility and generally make women's travel more convenient and comfortable. Improving drainage which will reduce flooding will create benefits for the household by reducing physical damage and exposure to WBIs from over-flow of drains which often carry run-off and wastewater. Again women can benefit through avoiding the clean-up post-flood (which can be arduous work and take them away from other productive activities) and reducing exposure to WBIs reduces the need to care for sick household members. The Project is classified as effective gender mainstreaming (EGM) which means that while project outcomes may not be direct equality or empowerment for women they will still be likely to provide benefits to women. The gender strategy outlined in the GAP includes many opportunities to be built into the project design to ensure delivery of tangible benefits to women by improving their access to social services, and/or economic and financial resources and opportunities, and/or basic urban infrastructure, and/or enhancing voices and rights, which contribute to gender equality and women's empowerment.

97. With reference to the ADB Gender Guidelines of March 2010, the GAP has been prepared, details of which are stipulated based on findings from the Social Assessment using the Asian Development Bank (ADB) Handbook for Social Assessment, in close consultation with female stakeholders of Lao PDR.

98. The implementation arrangements and estimated costs of the GAP are incorporated in the overall arrangements and total budget of the project as included in capacity building and the consultation and participation processes across levels (national, province, district, and villages).

99. The IAs and specifically the PMO and PCU will implement the GAP. Representatives from the Lao Women's Union and NGOs and CSOs with track records in delivery of training and awareness in gender and development, alongside the participating villages, will play important roles in facilitating the participation of women in project activities. The PISC will include national and international safeguards and gender specialists who will assist in the development of implementation guidelines for the GAP to be implemented at the village level.

100. Gender-disaggregated indicators for project performance monitoring and evaluation will be identified with the PCU. Protocols in coordination with other specialists as regards subproject implementation and feasibility studies preparation will be defined. Midterm review missions will be scheduled to identify and eventually document lessons learned and best practices and make adjustments as the need arises.

Project Outputs	Proposed Actions and targets
Output 1: Strategic Local Economic Development Plan (SLEDP) adopted and implemented	
<p>1.1. GAP Component 1 - Institutional Strengthening for Gender and Development</p> <p>Funded under capacity development and training</p>	<ul style="list-style-type: none"> • Gender issues reflected and mainstreamed in planning documents including socio-economic development plans and master plans; • Project Implementation Support Consultants (PISCs) gender specialists will collect sex-disaggregated data on executing agency (EA)/implementing agencies (IAs) staffing and technical designation as baseline and monitoring of gender targets for overall staff and management positions to refine the gender awareness training inputs; • Provide gender awareness and sensitization training for 30 EA/IA staff (each province); gender awareness training for managers and staff to increase sensitivity to different needs of women and men.
Output 2: Priority urban infrastructure investments implemented	
<p>2.1 GAP Component 2 – Empowerment for Women in Urban Community Development and Skills Training</p> <p>Funded under capacity development and training</p>	<ul style="list-style-type: none"> • Market assessment survey undertaken indicating current demand and economic growth areas in towns. • Training for women to better position their entry in the growing employment demand areas arising from project interventions, targeting at least 500 women per town, for example, construction skills training targeting women • A target of 90% women for employing existing informal waste pickers in the materials recovery facilities (MRFs) funded under the project, including skills upgrade training. This is based on PPTA field data showing up to 95% of informal waste pickers are currently women. • Construction phase employment, construction workers will be 30% female; contractor records to be sex disaggregated for monitoring purposes
<p>2.2 GAP component 3 – HIV awareness and prevention</p> <p>Funded by construction</p>	<ul style="list-style-type: none"> • Awareness training provided by external HIV organizations and/or NGOs subcontracted by contractors during workforce mobilization for laborers and community surrounding construction locales

companies	
<p>2.3 GAP component 4 – sanitation, health and hygiene program (targeted at men, women, boys and girls)</p> <p>Funded under capacity development and training</p>	<ul style="list-style-type: none"> • Training two health and sanitation promoters in each town through a training of trainers (TOT) program • Establish and train two LWU staff (male and female) as facilitators for IEC completion in each town.
<p>2.4 GAP component 5 – road safety campaign</p> <p>Funded under capacity development and training</p>	<ul style="list-style-type: none"> • Target girls as well as boys in school awareness campaigns
Output 3: Institutional capacities strengthened	
<p>3.1 GAP component 6 – institutional strengthening for gender and development</p> <p>Cost incl. in project output 1</p>	<ul style="list-style-type: none"> • Ensure that 30% of the overall staff positions and 30% of the management positions in the Project Management Units and Project Implementation Teams to be female

IX. PERFORMANCE MONITORING, EVALUATION, REPORTING AND COMMUNICATION

A. Project Design and Monitoring Framework

Design Summary	Performance Targets and Indicators with Baselines	Data Sources and Reporting Mechanisms	Assumptions and Risks
Impact The towns of Kaysone Phomvihane, Phine, and Dansavanh will become centers of trade and investments in the East–West Economic Corridor.	By 2023 Percentage of economically active population in the services sector increased to 12% and in the industry sector to 15% (2002–2003 baseline: services sector: 3.8%; industry sector: 11.8%) Women participation in gainful economic activities ^a increased to 25% (2012 baseline: 10%)	Poverty and social analysis survey Postproject evaluations Household survey as baseline (sex disaggregated to identify incomes for households headed by men and women) National statistics Annual socioeconomic surveys National and/or local business surveys	Assumption The national government and the provincial government of Savannakhet remain fully committed to the project. Risk Corridor towns are unable to collect revenues from WWTPs, sanitary landfill, solid waste management, and commercial activities on the Kaysone Phomvihane riverbank.
Outcome Essential urban infrastructure and services are adequate in Kaysone Phomvihane, Phine, and Dansavanh.	From 2013 to 2018 Three WWTPs installed in Kaysone Phomvihane; 60%–80% solid waste collected in Kaysone Phomvihane; roads sealed and drained, thus reducing flood events in three towns by 50% (2011 baseline: 10% of wastewater treated; 10%–30% of solid waste collected; in 2007 only 33% of roads sealed and drained); Dansavanh road stimulates development of town market Incidence of waterborne illnesses and communicable diseases among women and children reduced by 40% in the 3 project towns (2007 baseline: infection with soil-transmitted intestinal worms among school-age children is more than 50%)	Provincial and district (town) health statistics Labor data school attendance records (reported incidence of sick days, i.e., missed work and missed school) Annual socioeconomic surveys sex disaggregated	Assumption The government remains committed to sustainable management of the urban infrastructure subsector as a national development strategy. Risk Urban management practice does not fully support decentralized O&M of urban infrastructure.
Outputs 1. SLEDPs adopted and implemented in Kaysone Phomvihane, Phine, and Dansavanh	Three SLEDPs, with gender-specific measures incorporated, adopted by 2014, disclosed, and updated as required by 2018 (2011 baseline: no such development plan available) Gender-awareness and sensitization training for 30 staff of the executing and implementing	Local development plans of implementing agency and corridor towns	Assumptions Local authorities endorse the SLEDPs and associated budgets. Women's participation in SLEDP preparation increased, and women's needs identified through participatory processes and reflected in the SLEDPs

Design Summary	Performance Targets and Indicators with Baselines	Data Sources and Reporting Mechanisms	Assumptions and Risks
	agencies (male and female) staff conducted (2011 baseline: no such training). 5% of construction workers to be hired under the project to be female		Environmental and social risks can be mitigated.
<p>2. Priority urban infrastructure investments implemented</p> <p>Kaysone Phomvihane</p> <p>(i) Wastewater treatment</p> <p>(ii) Urban roads</p> <p>(iii) Solid waste management</p> <p>(iv) Mekong River embankment protection</p> <p>(v) Materials recovery facility</p> <p>Phine: Urban roads</p> <p>Dansavanh: Urban roads</p>	<p>By 2018: Priority infrastructure operating: 301,800 beneficiaries of 7 subprojects; women and children are equal beneficiaries of all services:</p> <p>61,000 residents (80% of population) serviced by three WWTPs (capacity of 15,000 cubic meters per day)</p> <p>76,000 residents serviced by 11 km of upgraded urban roads, with improved drainage</p> <p>61,000 residents serviced by improved solid waste collection (40%–50% collected), transport, and disposal</p> <p>Erosion of 980 m of Mekong River embankment reduced, benefits to 31,000 adjacent residents</p> <p>60,000 residents are beneficiaries of segregation of collected waste—30 cubic meters/day (100% segregation of 20–25 tons/day); 90% of informal waste pickers (2012 baseline: 34 people) employed</p> <p>7,200 inhabitants benefit from 9.42 km of upgraded urban roads, with drainage structures</p> <p>5,600 inhabitants benefit from 4.2 km of upgraded urban roads, with drainage structures, and 50 m two-lane bridge</p>	<p>Subproject completion reports of implementing agency</p> <p>Quarterly and annual progress reports of implementing agency</p> <p>Local authorities' statistical data</p>	<p>Assumptions</p> <p>Priority infrastructure will promote gender equality and/or women's empowerment by improving women's access to and use of opportunities, services, resources, and assets; and contribute to increased participation in decision making.</p> <p>Capacity development activities take gender balance into account. Specific training on gender aspects and issues is provided to all staff of the executing and implementing agencies, and PIUs.</p> <p>Risks</p> <p>Limited local capacity in financial management and procurement of official development assistance-funded projects (province and districts)</p> <p>Local authorities do not have adequate budgetary resources for capacity development activities.</p>
3. Institutional capacity for urban development strengthened	Capacity building and training provided to 1,620 designated project staff from the executing agency (10), the PMU (20), the project implementation teams (30), and local authorities on project management and implementation, financial management, procurement, and social and environment safeguards by 2018; rate of participation in women in public services increased by 30% (2011 baseline: 10%)		

Design Summary	Performance Targets and Indicators with Baselines	Data Sources and Reporting Mechanisms	Assumptions and Risks
	<p>Memorandum of agreement signed by the executing and implementing agencies and district authorities on subproject O&M</p> <p>Ensure that 30% of overall staff positions and 30% of the management positions in the PMU and PIU are held by women</p>	<p>Executing and implementing agency records of capacity building and training events (disaggregated by gender)</p> <p>Number of staff (by gender) before and after project implementation</p> <p>Community capacity building for increased gender awareness and participation of women in local decision-making</p>	<p>Assumption Province and districts are interested in strengthening capacity.</p> <p>Risks Qualified female staff cannot be engaged.</p> <p>Delayed or incomplete settlement of land acquisition and resettlement entitlements delay project implementation.</p>
Activities with Milestones			Inputs
1. SLEDs adopted and implemented			Amount (\$ million)
1.1 Three SLEDs, with gender-specific measures incorporated, adopted by 2014			ADB (Loan): \$26.6
1.2 Update the SLEDs as required by 2018			Civil works 20.04
			Consulting services 3.55
			Contingencies 2.36
			Interest during construction 0.65
2. Priority urban infrastructure investments implemented			ADB (Grant): \$14.23
2.1 Complete detailed design, including updated environmental management plans in civil works contracts by the fourth quarter (Q4) of 2013			Civil works 10.70
2.2 Complete land acquisition and resettlement by Q2 2014			Consulting services 2.24
2.3 Conduct prequalification and bidding by Q3 2013			Contingencies 1.29
2.4 Sign contract by Q4 2013			UEIF-UFPF: \$0.638
2.5 Complete civil works by Q4 2018			Civil works 0.531
			Consulting services 0.047
			Contingencies 0.060
3. Institutional capacity for urban development strengthened			Government: \$6.26
3.1 Implement institutional capacity development plan, 2013–2016			Civil works 3.47
3.2 Conduct detailed training needs assessments, 2013–2014			Consulting services 0.65
3.3 Conduct training needs assessment related to female employment opportunities triggered by the project, by 2014			Land acquisition and resettlement 1.57
3.4 Conduct training activities (workshops, in-class training, and on-the-job training), 2014–2016			Contingencies 0.57
3.5 Memorandum of agreement signed with district authorities regarding subproject O&M, 2017–2018			

ADB = Asian Development Bank, km = kilometer, m = meter, O&M = operation and maintenance, PIU = project implementation unit, PMU = project management unit, SLEDP = strategic local economic development plan, UEIF = Urban Environmental Infrastructure Fund, UFPF = Urban Financing Partnership Facility, WWTP = wastewater treatment plant.

^a refers to outcomes from a strategy that corridor towns development project undertakes of local employment capture, particularly for vulnerable groups who might otherwise be excluded. This refers to female employment in economic growth opportunities generated by the project, including construction, market trading, solid waste management, and recycling.

Source: Asian Development Bank.

B. Monitoring

101. **Project performance monitoring** The PMU will be responsible for all aspects of monitoring and evaluation, including performance against overall project milestone, safeguards monitoring and financial commitments. Physical and financial progress report on Project achievements will be prepared quarterly and summarized annually.

102. The PPMS will be prepared and presented to the MPWT within three (3) months after loan effectiveness. The PPMS involves the use of projected targets, performance indicators, assumptions and risks in the DMF. The PMU will undertake monitoring activities on an annual basis, adopting the same indicators and parameters and report its findings and recommendations to the MPWT and ADB. A comprehensive completion survey will also be conducted and results of which will be included in the Project Completion Report.

103. **Compliance monitoring:** The ADB will undertake regular review mission to assess the status of compliance of the Project and the EA with the loan covenants related to policy, legal, economic, financial, environmental and institutional elements. Non-compliance issues identified during the ADB review missions will be specified in the quarterly progress reports together with the recommended courses of action. During project implementation, when the DEDs are being finalized, a review and consultations with the Savannakhet water company Nam Papa (PNP) will be conducted to check and confirm the tariff and fee structure for waste water treatment services. Similarly, the O&M responsibility for other urban services like drainage, and river embankment protection will be reviewed during DED and be confirmed.

C. Safeguards monitoring

1. Resettlement

104. The EA is responsible for the internal monitoring of the implementation of the resettlement plan. With the assistance of the Project implementation support consultants, the EA will supervise and manage the monitoring of resettlement activities and implementation arrangements. Semi-annual reports will be prepared by the Project consultants for submission to the EA and ADB. The report includes progress on the status of the resettlement plan implementation, information on location and number of people affected, and assistance provided to displaced people. The ADB Review mission will monitor and assess the resettlement activities during the Project implementation period.

105. The monitoring of resettlement plan implementation are intended to (i) ensure that the standard of living of affected persons are restored or improved, (ii) determine that the resettlement objectives are being met, (iii) assess that rehabilitation and compensation elements are sufficient, (v) identify problems and risks, and (vi) come up with adequate measures to mitigate resettlement problems.

2. External Monitoring and Evaluation

106. The EA will engage the services of an Independent Monitoring Organization (IMO) to undertake independent review of the resettlement plans and determine where intended goals are being achieved and corrective measures are required. The purpose of the external monitor is to verify that the resettlement plans, gender action plans and the environment management plans has been implemented in an effective and timely manner in accordance with the approved plans and guidelines from the government and ADB. This is also intended to assess the degree of achievement in terms of the Project objectives, meaning that displaced peoples were able to restore or better their incomes and living standards.

107. An external monitoring report will be prepared by the IMO to be submitted directly to the ADB and to the EA every six months. The report will incorporate the progress of the updating and implementation of the resettlement plan, the identified issues and problems and recommended courses of action to address such problems in a timely manner. The EMO reports will presented and discussed by the IMO with EA, and PIUs where remedial measures and courses of further actions will be agreed.

3. Monitoring the EMP

108. The PMU will be responsible for ensuring adherence to the environmental management plan (EMP) in the pre-construction, construction and operational phases. Support to the PMU will be necessary through an environmental and social management team.

109. Regular environmental monitoring reports should be prepared by the PMO for onward transmission to ADB and as may be requested by MONRE to ensure compliance with the conditions of the ECC.

4. Gender and Social Dimension Monitoring

110. Through the Project performance management system, the EA will monitor the implementation of the GAP based on specific social safeguards indicators. Such indicators will be further refined for the monitoring and evaluation framework during the Project implementation process.

D. Evaluation

111. The implementation of the Project will be jointly reviewed at least twice a year by the national government and the ADB. The Project review will cover: (i) the performance of the PCU, PMU and PITs, consultants and contractors; (ii) physical progress of the urban infrastructure subprojects, (iii) effectiveness of the capacity building and training programs, (iii) compliance with loan covenants and, (v) assessment of Project sustainability in terms of technical and financial aspects.

112. Aside from the regular joint Project reviews, the government and ADB will conduct a comprehensive midterm review of Project implementation after 3 years of operation. This is intended to identify key issues and constraints that hinder smooth Project implementation and to come up with appropriate remedial courses of action. The midterm review will include; (i) an assessment of the need to reformulate the Project organization and management structure, (ii) updating the design monitoring framework and, (iii) determine necessary extension of the loan closing date.

E. Reporting

113. The EA through the PMU will provide ADB the Quarterly Progress Report based on the format which is consistent with ADB's project performance reporting system. The EA will also submit the Consolidated Annual Report which contains the progress achieved by output as measured through the performance indicators and targets, key implementation issues and corrective measures. This report incorporates the social safeguards report, updated procurement plan and the updated implementation plan for the succeeding years of Project implementation. Within six months of physical completion of the Project, the EA will submit to the ADB the Project Completion Report which provides detailed information on the use of loan

proceeds on project components and the extent to which the Project outcome has been accomplished.

114. The EA will also provide other Project reports as may be requested such as the reports on project environmental impact, Stakeholder's consultation, social and environmental safeguards and related evaluation reports. Within 3 months of commencement of services, the Project consultants will be tasked to harmonize the reporting requirements of the government and ADB.

115. The PMU will submit monthly financial reports in prescribed formats to the EA and ADB. The financial report will be audited annually by qualified auditors approve by the government and ADB. The audited financial report which contains the measures on action being undertaken shall be submitted by the EA to ADB.

F. Stakeholder Communication Strategy

116. Based on ADB's guidelines for communication and consultation,¹⁰ the main objectives of consultation and communication are:

- (i) To provide intended beneficiaries with the information needed to encourage and enable them to participate in design and implementation of projects and programs;
- (ii) To gather information from beneficiaries and stakeholders about the impact and effectiveness of proposed projects and programs; and
- (iii) To provide interested stakeholders and the general public with information about projects and programs as they are implemented.

117. Successful consultative and communication processes are (i) participatory – communication is two-way and involves a range of stakeholder groups representing different sectors and perspectives; (ii) timely – participants are sufficiently informed about the development to know how decisions will be, or have been, made, when they can participate in the discussion, and what factors and/or issues are presently under discussion. Communication and consultation must begin early enough to solicit useful input, and to manage public expectations, as well as be ongoing throughout development and implementation; and, (iii) meaningful – the information gathered through the consultative process is used to inform an understanding of, at a broader level, the needs and priorities of stakeholders and consequent

¹⁰ ADB Public Communications Policy (2011).

decision-making, and at the project-specific level, communities' needs and wishes in terms of design and implementation.

1. Identification of Stakeholders

118. The stakeholder communication strategy prepared for the Project is based on the principles of meaningful engagement, transparency, participation, and inclusiveness to ensure that vulnerable and/or marginalized groups such as women, the poor, and unemployed, have been given equal opportunities to participate in the design of the Project, and can be offered means and opportunities to continue to be engaged during Project implementation. Various means of communication and information exchange have been employed throughout the PPTA and proposed in the communication strategy for ongoing dialogue during Project implementation.

119. Identification of stakeholders for the Project has been undertaken in a participatory and flexible manner, including discussions with the EA and IA at various stages of the PPTA process, to ensure that any additionally identified stakeholders can be included in on-going discussions and have inputs to the Project design. Stakeholder communication to date has focused on institutional stakeholders, communities within the Project area, and persons directly affected by proposed Project interventions.

120. The stakeholders with an interest in the design and successful implementation of the Project include:

- (i) Institutional stakeholders including the (i) EA and IA and other relevant government agencies responsible for the design, management and implementation of the Project; (ii) state institutions which share an interest in the Project
- (ii) Private sector institutions, particularly Chambers of Commerce and potential participants in Public Private Partnership (PPP) subprojects and those who share an interest in the outcomes of the Project;
- (iii) Non-governmental organizations (NGOs) and community-based organizations (CBOs) and civil society organizations (CSOs) and mass organizations such as Lao Women's Union (LWU) and Lao Front for national Construction (LFNC) which have provided information that has been incorporated into the design of the various Project interventions, and which might participate in implementation of measures and interventions;
- (iv) Communities living along the corridors who will benefit from the Project, and who have an interest in identifying measures to enhance or maximize the benefits, communities within the subproject areas who may be directly and/or adversely affected, and who have an interest in the identification and implementation of measures to avoid or minimize negative impacts;
- (v) As a sub-group of the above, vulnerable and/or marginalized groups who have an interest in the identification and implementation of measures that support and promote their involvement and participation in the Project; and

- (vi) Any other institutions or individuals with a vested interest in the outcomes and/or impacts of the Project.

2. Participation of Stakeholders

121. Stakeholders have been, and will continue to be, consulted at Project level and subproject level. The main entry points for participation by stakeholders have been (i) consultations and discussions with EA and IA throughout the PPTA; (ii) preparation of the Strategic Local Economic Development Plans (SLEDs) and investment plans; (iii) discussion and validation of indicators included in the Project DMF; (iv) employment of various participatory tools including key informant interviews (KIIs), focus group discussions and surveys undertaken for the safeguards assessment and monitoring and evaluation purposes.

122. Institutional stakeholders have participated in the design of the project including to the technical standards applied to the various subprojects, safeguards assessments (including identification of measures to enhance Project benefits and minimize negative impacts) of the subprojects, institutional framework for implementation, and monitoring and evaluation. Consultation will continue throughout the project cycle (as per the Stakeholder Communication Strategy). In particular IA will ensure that agencies responsible for O&M of infrastructure investments after Project completion will be consulted on designs, specifications and O&M requirements. During implementation the EA and IA will undertake quality control inspections and monitoring, and after Project completion will manage the handover of facilities to the agencies responsible for O&M.

123.. Communities and affected individuals have been meaningfully consulted on the project activities that affect them. Such consultation commenced at the inception of the PPTA activities.

124. Table 6 is the Stakeholder Communication Strategy proposed for the Project. The Stakeholder Communication Strategy includes at what stages of the Project and subproject cycle, consultation and participation from stakeholders should be included, how it should be included, the main mechanisms for consultation, the parties responsible for facilitating the consultation and participation, timing, and how the outputs are to be incorporated into Project documents.

Table 6 – Stakeholder Communication Strategy for the Project

Objective	Messages/Means of communication/ activities	Timing (Date or Period)	Responsibility and resources/cost (\$)	Stakeholders	Key challenges/risks
PROJECT CONCEPT & PRELIMINARY DESIGN					
Establish ownership of Project; Clearly identify overall objectives and outcomes of Project; Identify subprojects	Presentation about Project; Undertake key government stakeholder meetings; Workshops	PPTA	MPWT, PPTA Team, ADB	MPWT, PSC, Savanakhet PDPWT	Obtaining views and documents in timely manner;
Prioritization of subprojects	Emphasis on linkages between proposed subprojects and overall development vision and short/medium term development plans; Provincial and stakeholder meetings; Workshops	PPTA	MPWT, PPTA Team, ADB	MPWT, Savanakhet Provincial Government, PDPWT	Agreement on short-list; Willingness to identify priority subprojects; Concurrence between EA and IA as to “priorities”
Prepare Strategic Local Economic Development Plans (including Investment Plans)	Provincial and stakeholder meetings; SWOT Analysis; Workshops;	PPTA	MPWT, PPTA Team, ADB	MONRE, MOH, MAF, MPWT, Savanakhet Provincial Government, PDPWT, potential private sector partners	Obtaining views and documents in timely manner; Difficulty in identifying how Project integrates with existing and planned developments; Amount of information; Investment plan preparation reliant on agreement of subprojects and priority
Dissemination of information, establish process for communication and participation	General outreach and awareness raising; KIIs and FGDs	PPTA on-going	EA, PPTA Team, PDPWT, PISC	MONRE, MOH, MAF, MPWT, Provincial Government, PDPWT, potential private sector partners, beneficiary communities, directly affected people	Trust of information (sources and accuracy); Language and literacy issues; Managing expectations
FEASIBILITY STUDIES PHASE					
Establish flow of information about Project	Meetings to discuss and agree the level of information;	PPTA	EA, PPTA Team	Provincial Government, PDPWT	Timing and availability of information; Managing expectations; Agreement on information to be provided and what stages of Project.

Objective	Messages/Mean of communication/ activities	Timing (Date or Period)	Responsibility and resources/cost (\$)	Stakeholders	Key challenges/risks
Identify stakeholders and communities of interest (incl. AHs and beneficiaries)	Identification of subproject impact areas, field visits; Initial community and stakeholder meetings and discussions of key issues, impacts, concerns	PPTA Regular/ on-going	PPTA Team PDPWT, PISC, NGOs	Provincial Government, civil society organizations, communities, AHs	Inadequate subproject information for scoping of issues; Stakeholders/affected people incorrectly identified
Undertake consultations for obtaining general information for project and ascertaining general support from IP communities	Information checklists prepared; Meetings – KIIs, FGDs, semi-structured interviews/surveys	PPTA	PPTA Team	Communities and affected people, LWU, LFNC, NGOs/ CSOs.	Identification of valid community representatives; Information feedback mechanism not adequate to cope with different stakeholders views; Managing expectations
Meetings with local government, communes/villages, community groups (including sub-groups as necessary) and AHs	Meetings – FGDs, one-on-one interviews; Discussions on potential impacts of the Project and mitigation measures; Identification of benefit enhancement measures to be included in design;	PPTA	PPTA Team	Communities and affected people, NGOs/CSOs	Identification of valid community representatives; Information feedback mechanism not adequate to cope with different stakeholders views; Managing expectations
Establishment and implementation of “grievance” mechanism/system	Agree and establish grievance redress mechanisms in line with existing traditions and processes; Recording and resolving of grievances, issues and complaints in respect of any aspect of the Project; Incorporated into IEEs, PSAs, RFs and EMPs where appropriate	PPTA on-going	PPTA Team, PDPWT, PISC	EA, District and Provincial Committees and courts	Existing process may not readily lend themselves to required resolution timeframes for subproject implementation; Clear establishment of, and agreement to, when costs borne by person bringing grievance
Preparation, approval and endorsement of RPs	Set out process for compensation for lost assets and rehabilitation; Discuss and confirm compensation and rehabilitation entitlements	PPTA	PPTA Team	MPWT, Government agencies, ADB	Agreement to remedial measures where there are gaps between Gov. law and ADB policy; Issues raised in consultation in respect of resettlement and compensation reflected in revised RPs
Conducting consultative meetings on impacts and mitigation measures	Meetings (KIIs and FGDs) to collect baseline data and inform measures/options; Identify community needs during construction and	PPTA	PPTA Team	Beneficiary Communities, LWU, women's groups, business owners, civil	Perceptions of project, mitigation measures, impacts and issues (incl. compensation preferences) flow through to IEEs and

	operation; community participation in identification of mitigation			society organizations	RPs; Managing expectations; How to respond to concerns in PPTA timeframe (document finalization)
Approval and endorsement of draft EMPs	Draft EMPs prepared as part of IEEs	PPTA	MPWT, PPTA Team	DONRE, PDPWT, PMU; No objection from ADB	Disclosure and availability of draft EMPs; Approved EMP uploaded to ADB web-site To be updated following detailed design
Approval and endorsement of draft RPs	Summary of draft RPs distributed to affected villages and made available for AHs to review	PPTA	MPWT, PPTA Team	PDPWT, PMU; APs No objection from ADB	Disclosure and availability of draft RPs; RPs uploaded to ADB web-site; To be updated following detailed design; Timing of approval and endorsement of RPs critical to start of subproject construction
DETAILED DESIGN PHASE					
Notification of any land required for <i>temporary use</i> beyond existing ROWs and any assets to be removed/relocated	As per RPs and Gov. regulations; Publish list of affected lands/sites in local newspapers/list on public notice-boards; Publicised on local radio/media	ASAP prior to construction	PDPWT, PISC	Land Depts/Offices, village/ Beneficiary commune leaders, affected land/asset owners, NGOs as required	PISC to assist IA with organizing public notices
RP implementation (including public notices)	Following procedure set out in RPs implemented, compensation awarded; Notice of clearance of ROW issued; construction zone cleared of encumbrances	ASAP prior to construction	PDPWT/PCU, PISC, Resettlement Committees	Land Depts/Offices, village/ Beneficiary commune leaders, affected land/asset owners, NGOs as required	Resettlement Committees need to be established; Timing of implementation of RP will be critical to start of subproject construction; RPs to be fully implemented (i.e. all compensation awarded <i>prior to</i> construction); RP monitoring commences – IMO needs to be engaged
Public notification of survey commencement	Demarcation undertaken; Further meetings; Review of cadastral information and confirmation of adjacent land titles etc.	On-going (as required by subproject sequencing)	Contractors, PDPWT/PCU, PISC	Land and Cadastral Depts/Offices, village/commune leaders, affected land/asset owners, Beneficiary	Subject to negotiations between DB Contractor and landowner Any temporary use of land beyond ROW to be negotiated between DB Contractor and landowner as per the

				community leaders	requirements of the RF
Meetings as required to resolve grievances and complaints	Complaints/issues treated seriously and efforts made to resolve to satisfaction of person bringing grievance; Following procedure set out in RPs; Address issues as required; Recorded for monitoring purposes	On-going as required	PDPWT/PCU, PISC, Resettlement Committees, courts (if required)	Land Depts/Offices, village/commune leaders, affected land/asset owners, Beneficiary community leaders, NGOs (mediators) as required	Resettlement Committees need to be established
Update EMPs as per survey and detailed design	Meetings as required with Contractors (Contractors to nominate contact person for subprojects), IA, PISC, local community representatives as required; Confirm details of IEEs vis-a-vis detailed design and update EMP	On-going (as required by subproject sequencing)	Contractors, PDPWT/PCU, PISC	DONRE, PDPWT/PCU, Beneficiary communities (as represented by leaders)	PISC to highlight areas of special significance (in preliminary EMP) where Contractors need to take additional care during construction; Incorporate appropriate good practice environmental protection measures into designs and update EMP for all subprojects, including measures to address specific community issues
Full disclosure of updated EMPs and RPs	Disclosure of approved Project documents in EA and IA offices, local government offices; Web disclosure of project documents	On-going (as required by subproject sequencing)	Contractors, PDPWT/PCU, PISC, MPWT, no objection from ADB	DONRE, MPWT, PDPWT/PCU, Beneficiary communities, NGOs	Updated documents approved and endorsed; summaries of approved EMP, RP uploaded to MCA web-page; All consultation and disclosure activities to be monitored
Provide opportunities for participation in obtaining of necessary environmental (and any other) permits as required	As per process set out in IEEs and EMPs (including public notices as required)	ASAP prior to construction (as required by subproject sequencing)	Contractors, PDPWT/PCU, PISC,	DONRE, MPWT, PDPWT/PCU, Beneficiary communities, NGOs	Monitoring of compliance with permit conditions and approved EMP provisions; Permits may contain additional requirements for monitoring that need to be included in revised plans; All activities to be monitored - IMO needs to be engaged
CONSTRUCTION PHASE					
Notification of site boundaries and construction limits (areas required to construct the	As per detailed design drawings; Publication of list of affected lands/sites in local newspapers and publicised on radio and other media;	ASAP prior to construction (as required by subproject sequencing)	Contractors, PDPWT/PCU, PISC	MPWT, PDPWT/PCU, Beneficiary communities, NGOs	PISC to assist with public notices

works)					
HIV/AIDS/STIs and trafficking awareness and prevention campaign	Workshops, training and awareness sessions for Contractor staff and communities; Implemented as per requirements of GAP and EMP	ASAP prior to construction (as required by subproject sequencing)	Contractor; NGO (or other)	Contractor staff, Beneficiary communities, Provincial Health Depts	Subject to separate contract for NGO to deliver training and awareness
Advance notice for removal of any material (incl. below ground level) not already cleared from construction zone	Notice to be hand delivered to commune/village leaders; clearing shall not extend outside the limit of the NOTIFIED Site boundaries unless otherwise agreed with landowner	At least 4 weeks prior to commencing construction	PDPWT/PCU, Contractor	Commune/village leaders, land/asset owners	Removal of material limited to NOTIFIED area; Subject to monitoring as per monitoring plan
Implementation of updated and approved EMP	As per approved EMP; Address issues as required; recorded for monitoring purposes	During construction works	Contractor; PDPWT/PCU, PISC IMO	Beneficiary Communities, NGOs	Communities and NGOs to be encourage to audit/spot-check works and EMP implementation; Subject to monitoring as per monitoring plan
Cooperation with local government, communes/villages and police to manage construction access and traffic issues in respect of road subprojects	As required by EMP; Address issues as required; Recorded for monitoring purposes	During construction activities and works	Contractor; PDPWT/PCU, PISC Police	PDPWDs/DDP WDs, Beneficiary community leaders	Successful implementation of traffic management plan; Subject to monitoring and evaluation
Involvement of local community in construction (wherever possible and practicable)	Engagement of local people (including poor and women) as labourers	During construction activities and works	Contractor, PDPWT/PCU, PISC, IMO	Beneficiary Communities	In compliance with local labour laws and clauses included in contracts (as identified in IEE and PSA); Internal and external monitoring to ensure hiring targets met and compliance issues
Consultation and disclosure arrangements during (i) implementation, (ii) monitoring and evaluation	As per CPP, GAP, IEEs, RPs and any relevant Gov. laws and requirements for notification	As required	PDPWT/PCU, PISC, IMO	Beneficiary Communities, NGOs	All consultation and disclosure activities to be monitored
Compliance monitoring and evaluation	As per subproject performance monitoring system and overall PDMF; Any community reports/complaints made as per grievance redress	As identified in RPs and GAP. monitoring plans and PDMF	PDPWT/PCU, PISC, IMO	Beneficiary Communities, NGOs	Community to participate in monitoring process through establishment of contact points in each commune/village; Corrective actions

	mechanism				identified with timeframe for resolution
OPERATIONAL PHASE					
Post-construction updates to communities and stakeholders	Keep communities informed and highlight operational issues (meetings, leaflets); Address issues as required; Recorded for monitoring purposes	Immediately prior to construction completion	PDPWT/PCU, PISC, IMO	Provincial and district Governments, Beneficiary communities, NGOs	Access to updated web-sites and project information (incl. Project progress and status as required)
Health and safety issues addressed	As per awareness programs; required (in addition to physical measures such as speed humps or 'sleeping policemen' and road signage)	As indicated in GAP and EMPs	PDPWT/PCU, PISC, NGOs as required, Police, other agencies as required	Beneficiary Communities	Following hand-over of project facilities to responsible agencies; Separate road safety development program incl. driver and pedestrian education as well as signs and physical measures
Benefit monitoring and post-evaluation	As per environmental/social impact monitoring plans and PDMF post-RP monitoring requirements; Community to participate in monitoring process through establishment of contact points in each commune/village	As identified in monitoring plans and PDMF	ADB, MPWT, IMO (or consultant)	Beneficiary Community, NGOs	Identification and on-going participation of community contact persons; Subject to mid-term review and post-evaluation

ADB = Asian Development Bank, AHs = affected households, AP = affected person, ASAP = as soon as possible, , CSO = civil society organizations, DONRE = Department of Natural Resources and Environment, EA = executing agency, EMP = environmental management plan, FGDs = focus group discussions, GAP = Gender Action Plan, IA = implementing agency, IEE = Initial Environmental Examination, IMO = Independent Monitoring Organization, IP = indigenous people, LFNC = Lao Front for national Construction, LWU = Lao Women's Union, KII = key informant interviews, MAF = Ministry of Agriculture and Forestry, MOH = Ministry of Health, MONRE = Ministry of Natural Resources and Environment, MPWT = Ministry of Public Works and Transport, NGOs = nongovernment organizations, PDPWT = Provincial Department of Public Works and Transport, PMO = Project Management Office (of pEA), RF = resettlement framework, RP = resettlement plans, PSA = poverty and social assessment, PPTA = project preparatory technical assistance, PDMF = project design and monitoring framework, PISC = project implementation support consultant, PCU = project coordination unit (of IA), PSC = project steering committee, ROW = right-of-way, SWOT = strengths, weaknesses, opportunities, and threats. Source: Asian Development Bank.

X. ANTICORRUPTION POLICY

125. ADB reserves the right to investigate, directly or through its agents, any violations of the Anticorruption Policy relating to the Project.¹¹ All contracts financed by ADB shall include provisions specifying the right of ADB to audit and examine the records and accounts of the executing agency and all Project contractors, suppliers, consultants and other service providers. Individuals/entities on ADB's anticorruption debarment list are ineligible to participate in ADB-financed activity and may not be awarded any contracts under the Project.¹²

126. To support these efforts, relevant provisions are included in the loan agreement and the bidding documents for the Project.

XI. ACCOUNTABILITY MECHANISM

127. People who are, or may in the future be, adversely affected by the project may submit complaints to ADB's Accountability Mechanism. The Accountability Mechanism provides an independent forum and process whereby people adversely affected by ADB-assisted projects can voice, and seek a resolution of their problems, as well as report alleged violations of ADB's operational policies and procedures. Before submitting a complaint to the Accountability Mechanism, affected people should make a good faith effort to solve their problems by working with the concerned ADB operations department. Only after doing that, and if they are still dissatisfied, should they approach the Accountability Mechanism.¹³

XII. RECORD OF PAM CHANGES

128. All revisions and updates of the PAM during the course of Project implementation should be retained in this Section to provide a chronological history of changes to implementation arrangements recorded in the PAM.

¹¹ Available at: <http://www.adb.org/Documents/Policies/Anticorruption-Integrity/Policies-Strategies.pdf>

¹² ADB's Integrity Office web site is available at: <http://www.adb.org/integrity/unit.asp>

¹³ For further information see: <http://compliance.adb.org/>.