



Technical Assistance Report

Project Number: 49332-001
Capacity Development Technical Assistance (CDTA)
May 2016

Lao People's Democratic Republic: Strengthening Capacity to Develop the Employment Service System (Financed by the Japan Fund for Poverty Reduction)

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Asian Development Bank

CURRENCY EQUIVALENTS

(as 6 May 2016)

Currency unit	–	kip (KN)
KN1.00	=	\$0.000124
\$1.00	=	KN8,090

ABBREVIATIONS

ADB	–	Asian Development Bank
ESP	–	employment service plan
ESS	–	employment service system
GMS	–	Greater Mekong Subregion
ILO	–	International Labour Organization
Lao PDR	–	Lao People's Democratic Republic
LMIS	–	labor market information system
MLSW	–	Ministry of Labor and Social Welfare
PLSWD	–	Provincial Labor and Social Welfare Department
SMEs	–	small and medium-sized enterprises
SMS	–	short message sending
TA	–	technical assistance
TVET	–	technical and vocational education and training

NOTES

- (i) The fiscal year (FY) of the Government of the Lao People's Democratic Republic begins on 1 October and ends on 30 September. "FY" before a calendar year denotes the year in which the fiscal year ends, e.g., FY2015 ends on 30 September 2015.
- (ii) In this report, "\$" refers to US dollars.

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CAPACITY DEVELOPMENT TECHNICAL ASSISTANCE AT A GLANCE

1. Basic Data		Project Number: 49332-001	
Project Name	Strengthening Capacity to Develop the Employment Service System	Department /Division	SERD/LRM
Country	Lao People's Democratic Republic	Executing Agency	Ministry of Labor and Social Welfare
2. Sector	Subsector(s)	Financing (\$ million)	
✓ Education	Technical and vocational education and training		1.50
		Total	1.50
3. Strategic Agenda	Subcomponents	Climate Change Information	
Inclusive economic growth (IEG)	Pillar 3: Extreme deprivation prevented and effects of shocks reduced (Social Protection)	Climate Change impact on the Project	Low
4. Drivers of Change	Components	Gender Equity and Mainstreaming	
Governance and capacity development (GCD)	Institutional development Organizational development	Effective gender mainstreaming (EGM)	✓
Knowledge solutions (KNS)	Pilot-testing innovation and learning		
Partnerships (PAR)	Civil society organizations Implementation Private Sector		
Private sector development (PSD)	Public sector goods and services essential for private sector development		
5. Poverty Targeting		Location Impact	
Project directly targets poverty	Yes	Not Applicable	
Household targeting (TI-H)	Yes		
6. TA Category:	B		
7. Safeguard Categorization	Not Applicable		
8. Financing			
Modality and Sources		Amount (\$ million)	
ADB		0.00	
None		0.00	
Cofinancing		1.50	
Japan Fund for Poverty Reduction		1.50	
Counterpart		0.00	
None		0.00	
Total		1.50	
9. Effective Development Cooperation			
Use of country procurement systems		No	
Use of country public financial management systems		No	

I. INTRODUCTION

1. In 2015, the Government of the Lao PDR, through Department of Skills Management and Employment, Ministry of Labor and Social Welfare (MLSW), requested the Asian Development Bank (ADB) to provide a capacity development technical assistance (TA) to help strengthen the employment service system (ESS) by giving graduate job seekers with inclusive access to employment information. The proposed TA project is aligned with the priorities of the country's Eighth National Socio-Economic Development Plan 2016–2020¹, and is included in the country operations and business plan for 2016–2018.² The Embassy of Japan was consulted on 14 July 2015, and the Japan International Cooperation Agency on 24 July 2015.³ The TA fact-finding mission took place on 9–17 November 2015 and agreements were subsequently reached with the government on the design of the project, including its impact, outcome, outputs, implementation arrangements, cost estimates and financing arrangements, and consultants' terms of reference. The design and monitoring framework is in Appendix 1.

II. ISSUES

2. The economy of the Lao PDR, which has grown at an average rate of 7.4% since 2007, relies mainly on resources, especially hydropower and mining, which generate few jobs for the general labor force. Paid employment is concentrated in the formal sector and to some extent the informal sector, mostly in nascent manufacturing, agribusiness and agro-processing, and services. These jobs are located primarily in major cities and town centers, and recruitment opportunities are often not publicized to the general labor force residing in small towns and rural areas. The formal sector currently employs only 29% of the total workforce; 70% of the workforce is employed in agriculture, but these employees are mainly unpaid as they are subsistence farmers. This situation keeps the country's strong economic growth from spilling over to the general population, thus limiting income generation and thwarting poverty reduction efforts. A 2014 study by the World Bank found a high demand for skilled workers in the formal sector and forecasted that 96,000 new jobs in services, tourism and hospitality, building construction, high value agriculture, hydropower and will be created annually for the next 15 years. However, due to a lack of access to reliable employment information and skill, paid jobs receive very few applicants.⁴

3. The Lao PDR has significantly increased access to secondary and tertiary education, which accounts for more than 800,000 students or 47% of the total population aged 15–25 years old. ADB has provided assistance to the government to improve secondary education, technical and vocational education and training (TVET), and higher education. Development partner assistance in tertiary education, particularly TVET, is well coordinated to ensure that the skills provided respond to labor market demand.⁵ Currently, of the approximately 120,000 graduates (70,000 secondary school, 35,000 TVET, and 15,000 university graduates) that look

¹ Ministry of Planning and Investment. 2016. Eighth National Socio-Economic Development Plan. Vientiane

² The TA first appeared in the business opportunities section of ADB's website on 9 October 2015.

³ Meetings were held with Mr. Asada Yoshinori, Research Adviser on Economic and Social Development, Embassy of Japan and with Ms. Ohki Fuyuko, Representative from the Japan International Cooperation Agency in the Lao PDR. The Lao National Chamber of Commerce and Trade Associations and Vocational Training Institutes were consulted during the preparation of the TA concept note.

⁴ World Bank. 2014. *Lao Development Report*. Vientiane.

⁵ Including the Swiss Agency for Development and Cooperation, German development cooperation through Deutsche Gesellschaft für Internationale Zusammenarbeit and KfW, the Thailand International Cooperation Agency, the Korea International Cooperation Agency, the People's Republic of China, the Socialist Republic of Viet Nam, the Grand Duchy of Luxembourg, and the World Bank.

for jobs each year, only about half find jobs in the formal sector within 6 to 12 months.⁶ The rest have to return to their villages where they have limited access to reliable information on job opportunities.

4. The Lao PDR needs to develop an employment service plan (ESP) to guide establishment of ESS and identify public and private resources needed for ESS implementation. ESP aims to (i) improve employment service channels and provide action plan, budget and monitoring mechanism, (ii) develop ESS for public access to employment information, (iii) strengthen institutional capacity of MLSW and job centers to deliver quality employment services, and (iv) upgrade existing labor market information system (LMIS) to forecast labor market demand and supply more accurately. ESS will help connect job seekers with employment opportunities and facilitate skills matching between business employers and job seekers. ESS includes information on job titles, employer names, locations, skill training programs, and salaries across the country.

5. Employer surveys reveal that most small and medium-sized enterprises (SMEs) cannot afford to use media to advertise job opportunities.⁷ Only foreign and large local companies can afford the high costs associated with advertisement through print media. Job fairs have become the most popular channel to match employers and job seekers in urban and peri-urban areas; however, these fairs are organized infrequently and in large towns only. The proposed online ESS would be the most applicable and effective way to disseminate information more widely to prospective applicants and would solve the problem of limited access to printed information on employment opportunities in many locations. Mobile network short message services (SMS) and internet connections are universally available at low costs to the general population, including small towns and rural areas. The current mobile penetration rate is 79.4% and internet penetration rate is 17.6%. Due to the high cost of advertising in printed media, which is a heavy burden for most local firms and SMEs, the more affordable proposed online ESS is preferred.

6. The MLSW has established nine job centers in eight provinces and an employer service center in Vientiane Capital aimed at providing employment information to job seekers and matching employers and job seekers.⁸ In practice, however, it is difficult for the centers to provide employment services because they lack (i) appropriate equipment to support their operation, (ii) updated information on employment opportunities due to weak coordination with private employers in the provinces, (iii) detailed information on training courses to be provided to secondary school graduates due to poor coordination with training institutes, (iv) reliable information on the skilled labor demanded by employers, (v) experience in job and career counseling for secondary school graduates and older job seekers, and (vi) sufficient resources to reach job seekers in rural areas.

7. The International Labour Organization (ILO) has provided software assistance to the MLSW by (i) establishing nine job centers that aim to provide employment information to job seekers, and (ii) supporting training courses on employment services and labor force surveys for job center staff.⁹ However, the job centers are not functioning due to a lack of equipment and

⁶ Government of the Lao PDR, Ministry of Education and Sports. 2014. *Tracer Study on Graduates' Employable in Lao PDR*. Vientiane; World Bank. 2013. *Tracer Study on Vocational Education and Training in Lao PDR*. Vientiane.

⁷ Government of the Lao PDR, Ministry of Education and Sports. 2014. *Report on Employer Survey in Lao PDR*. Vientiane; Deutsche Gesellschaft für Internationale Zusammenarbeit. 2013. *Report on Enterprise Survey in Lao PDR*. Vientiane.

⁸ Borikhamxay, Champasack, Khammouane, Luangprabang, Savannakhet, Saravane, Sekong, Xayabury, and Vientiane Capital (one job center and one employment service center).

⁹ ILO. 2014. ILO/China South-South Cooperation Project to expand employment services and enhance labour market information in Cambodia and Lao People's Democratic Republic. Bangkok.

information. Although the ILO's project ended on 31 March 2016, it continues supporting the MLSW on updating labor force information, training the nine job center staff on coordination with employers, and participating in development of ESP.¹⁰ The TA will build on ILO training initiatives by strengthening the capacity of the MLSW, provincial labor and social welfare departments (PLSWD), and job centers to manage the ESS, coordinate with private enterprises, and provide employment services to reach isolated communities. Lessons from previous employment service programs financed by ADB indicate that successful employment service programs and projects focus on employment policy and plans, institutional capacity development, job search assistance, career guidance services, job fairs, labor market information systems, and updated skills training programs. Interlinking these services and systems and working with the private sector to assess job requirements and vacancies are other important success factors.¹¹

III. THE CAPACITY DEVELOPMENT TECHNICAL ASSISTANCE

A. Impact and Outcome

8. The impact of the TA will be an increased share of employment in the formal sector, which is aligned with the Eighth National Socio-Economic Development Plan for 2016–2020. The outcome of the TA will be a developed ESS to expand access to employment opportunities in the formal sector.

B. Methodology and Key Activities

9. The TA will have three outputs: (i) an ESP developed; (ii) the ESS made operational; and (iii) institutional capacity to sustain the ESS and LMIS strengthened.

10. **Output 1: Employment service plan developed.** The TA will help the MLSW develop an ESP that enhances links and the flow of information between job seekers and employers to (i) improve labor market efficiency, (ii) respond to the demand for labor in the private sector, and (iii) increase employment in the formal sector. The TA will (i) review past and current initiatives in the region related to the provision of employment services, and identify successful approaches; (ii) support workshops and meetings among stakeholders to identify collectively current employment challenges and agree on approaches to tackle them;¹² and (iii) prepare an ESP to guide the development of the ESS in close coordination with key stakeholders to ensure its relevance and flexible implementation within the local context.

11. **Output 2: Employment service system made operational.** After preparing the ESP, the TA will help the MLSW implement the plan by (i) developing an online ESS under the MLSW to expand opportunities for job seekers to access employment information through their mobile phones or computers; (ii) developing a mobile network application or SMS to disseminate employment opportunities to job seekers, particularly rural job seekers who own mobile phones; (iii) improving the nine existing job centers and employment service center to offer better

¹⁰ Meetings held with the ILO regional team in May 2015 and the ILO coordinator in the Lao PDR in November 2015.

¹¹ ADB. 2013. *Employment Facilitation for Inclusive Growth*. Manila; ADB. 2014. *Sector Employment Initiatives*. Manila; ADB. 2014. *Skills for Employment Project in Mongolia*. Manila; ADB. 2014. *Skills for Employment Investment Program in Bangladesh*. Manila

¹² Key stakeholders include the Ministry of Education and Sports, vocational training institutes, representatives of trade working groups, representatives of the Lao National Chamber of Commerce and Industry, and groups of job seeker graduates from secondary schools, TVET, and higher education institutions.

services, including providing information on employment opportunities to job seekers and career and job counseling for recent secondary school graduates and the unemployed, conducting employment outreach for rural communities, and coordinating with private and public organizations to update the employment opportunities database;¹³ (iv) developing an outreach strategy to provide employment services to job seekers and communities in rural areas; (v) upgrading the Lao PDR's LMIS to store and analyze data related to labor market demand and supply to help forecast future employment by sector; (vi) organizing job fairs in provinces to promote networking between employers and rural job seekers; and (vii) developing manuals to support the implementation of the online ESS, LMIS, and career counseling.

12. **Output 3: Institutional capacity to sustain the ESS and LMIS strengthened.** To ensure that the ESS will be successfully operationalized and maintained, the TA will strengthen the institutional and staff capacity of the MLSW, PLSWD, and job centers. The TA will (i) assess the capacity of the MLSW, PLSWD, and job centers to deliver employment services, implement the LMIS, carry out labor surveys, and manage the job center facilities; (ii) develop training programs based on the assessment's findings and recommendations; (iii) deliver training programs to strengthen the institutional capacity of the MLSW, PLSWD, and job centers; (iv) help the MLSW, PLSWD, and job centers coordinate more effectively with private employers by providing detailed information about job opportunities to job seekers; and (v) develop a monitoring and evaluation system to track employment rates, labor supply rates, and project activities.

13. The TA will help the MLSW design a system to generate revenues to support the operating and maintenance costs of the online ESS, LMIS, and job centers by charging private enterprises to advertise job vacancies. Advertising rates will be discussed and agreed upon during the stakeholder meetings to ensure that SMEs can afford them. These revenues will also be used to maintain equipment and partially support outreach services provided by job center staff.

14. **Risks.** As the development of the ESP is an urgent need, government ownership of the TA is very strong. Risks and challenges include those related to the unwillingness of private enterprises to participate in the ESS implementation and high turnover of government staff at ministry and provincial levels. The TA will mitigate these risks by engaging existing trade associations and the National Chamber of Commerce in developing the ESP and implementing the ESS. The TA will also help the MLSW introduce measures to reduce the turnover of government staff, particularly at provincial offices and job centers.

C. Cost and Financing

15. The TA is estimated to cost \$1,650,000, of which \$1,500,000 will be financed on a grant basis by the Japan Fund for Poverty Reduction and administered by ADB. The government will provide counterpart contributions in the form of counterpart staff, work space for consultants and ADB staff during missions, administrative support, and other in-kind contributions.

¹³ Eight job centers in eight provinces including Borikhamxay, Champasack, Khammoune, Luanprabang, Savannakhet, Saravane, Sekong, and Xayabury; and one job center and one employment service center in Vientiane Capital.

D. Implementation Arrangements

16. The MLSW will be the executing agency and the Department of Skills Development and Employment will be the implementing agency. The TA will be implemented from 1 June 2016 to 31 May 2018. To support implementation and replication, the MLSW will establish a TA advisory committee, including representatives from the Ministry of Education and Sports, the National Chamber of Commerce, public and private training institutes, the National Training Council, and industry representatives.¹⁴ The substantive role of the Department of Skills Development and Employment as the implementing agency is to coordinate between the private sector and job seekers in consultation with the consulting firm. The MLSW will be responsible for organizing capacity-building activities and staffing job centers sufficiently.

17. The TA will provide 38 person-months of intermittent international consultants (four positions) and 60 person-months of national consultants (four positions) with expertise in relevant areas of employment development and labor management. The outline terms of reference is in Appendix 3. ADB will recruit a consulting firm using quality- and cost-based selection (90:10 quality–cost ratio). A biodata technical proposal is the most appropriate method as the TA does not require sophisticated technical support. Consultants will be recruited in accordance with the ADB Guidelines on the Use of Consultants (2013, as amended from time to time). To augment the consultants' inputs, ADB may mobilize additional resource persons as needed, in accordance with ADB procedures.¹⁵ ADB will procure equipment to support the implementation of the ESS and LMIS using a national competitive bidding method (to be reviewed by ADB) in accordance with ADB's Procurement Guidelines (2015, as amended from time to time).¹⁶ The procurement consists of two packages: (i) \$107,000 for the procurement of equipment, and (ii) \$93,000 for the procurement and operation and maintenance of internet connection services.

18. To facilitate the implementation of training, workshops, conferences, and surveys, an advance payment facility will be established for the MLSW in accordance with ADB's *Technical Assistance Disbursement Handbook* (2015, as amended from time to time).¹⁷ The TA will finance local costs for civil servants to attend in-country training, workshops, conferences, studies, and surveys as summarized in Supplementary Appendix C.¹⁸

IV. THE PRESIDENT'S DECISION

19. The President, acting under the authority delegated by the Board, has approved ADB administering technical assistance not exceeding the equivalent of \$1,500,000 to the Government of the Lao People's Democratic Republic to be financed on a grant basis by the Japan Fund for Poverty Reduction for Strengthening Capacity to Develop the Employment Service System, and hereby reports this action to the Board.

¹⁴ Representatives of trade working groups, such as construction, garment, furniture, hotel, and restaurant associations, among others.

¹⁵ Resource persons can be engaged to act as facilitators, speakers, and panelists in workshops, seminars, and job fairs. The engagement of these resource persons will not exceed 10 days.

¹⁶ The equipment will be handed over to the government upon TA completion.

¹⁷ The ADB team will provide in-depth orientation on ADB guidelines during the TA implementation.

¹⁸ The total local cost of \$213,000 was indicated in the final technical assistance summary and report approved by the Government of Japan on 4 September 2015.

DESIGN AND MONITORING FRAMEWORK

Impact the TA is Aligned With:			
Share of employment in the formal sector increased (Eighth National Socio-Economic Development Plan for 2016–2020)			
Results Chain	Performance Targets with Indicators and Baselines	Data Sources and Reporting Mechanisms	Risks
<p>Outcome</p> <p>ESS developed to expand access to employment opportunities in the formal sector</p>	<p>By 2019</p> <p>a. ESS endorsed by the Ministry of Labor and Social Welfare and implemented</p> <p>b. Operational guidelines for ESS and labor market information approved by the MLSW (2015 baseline: no employment guidelines)</p>	<p>a. Lao PDR Expenditure and Consumption Survey</p> <p>b. Lao PDR Human Resource Development Report</p>	<p>Enterprises unwilling to participate in the ESS</p>
<p>Outputs</p> <p>1. ESP developed</p> <p>2. ESS made operational</p>	<p>By 2018</p> <p>1a. ESP developed and endorsed by the MLSW within the first 9 months of the TA (2015 baseline: no ESP)</p> <p>1b. Labor market demand and labor supply assessed within the first 3 months of the TA (2015 baseline: no labor market assessment)</p> <p>2a. Online ESS developed within the first 9 months of the TA (2015 baseline: no ESS)</p> <p>2b. At least 40,000 job seekers (50% women) having accessed the online ESS</p> <p>2c. Outreach strategy and action plan developed within the first 9 months of the TA (2015 baseline: no outreach strategy or action plan)</p> <p>2d. Facilities and services of 10 job centers improved within the first 9 months of the TA (2015 baseline: no improvements)</p> <p>2e. LMIS upgraded and operational within the first 9 months of the TA (2015 baseline: LMIS not yet functioning)</p>	<p>1a. MLSW decrees promulgating the implementation of the ESP</p> <p>1b. Labor Market Assessment Report</p> <p>2a. Periodic reviews of overall implementation by the MLSW and ADB</p> <p>2b. Website usage report</p> <p>2c. MLSW endorsement of the outreach strategy and action plan</p> <p>2d. MLSW biannual report and TA progress report</p> <p>2e. LMIS report</p>	<p>High turnover of government staff at central and local levels</p>

Results Chain	Performance Targets with Indicators and Baselines	Data Sources and Reporting Mechanisms	Risks
3. Institutional capacity to sustain the ESS and LMIS strengthened	<p>2f. Manuals for implementing the online ESS completed within the first 12 months of the TA (2015 baseline: no manual for implementing the online ESS)</p> <p>3a. Institutional capacity assessment report endorsed by the MLSW within the first 6 months of the TA (2015 baseline: no capacity assessment report)</p> <p>3b. Training programs approved by the MLSW and implemented within the first 10 months of the TA</p> <p>3c. Capacity of at least 15 master trainers and 60 technical staff in Vientiane Capital and 8 provinces strengthened to provide employment services and job and career counseling within the first 12 months of the TA</p>	<p>2f. MLSW endorsement of manual use</p> <p>3a. Capacity assessment report</p> <p>3b. Training programs reviewed and endorsed by the MLSW</p> <p>3c. Monitoring and evaluation report</p>	

Key Activities with Milestones

Output 1. Employment service plan developed

- 1.1 Initiatives related to employment services reviewed, Q3 2016
- 1.2 Draft findings and recommendation drafted, Q3 2016
- 1.3 Stakeholder consultations to discuss employment situation conducted, Q3 – Q4 2016
- 1.4 Workshops to discuss and comment on the ESP conducted, Q4 2016
- 1.5 ESP finalized and approved, Q4 2016
- 1.6 Labor market demand and labor supply assessed, Q3 2016

Output 2. Employment service system made operational

- 2.1 Online ESS developed, Q4 2016
- 2.2 Mobile network application or SMS developed, Q4 2016
- 2.3 Manuals for implementing and maintaining the online ESS and LMIS prepared, Q4 2016
- 2.4 Facilities and services of the existing 9 job centers and employment service center improved, Q4 2016
- 2.5 ESS and job centers promoted, Q4 2016
- 2.6 Instruction materials on employment services and career counseling developed, Q4 2016 – Q1 2017
- 2.7 Outreach strategy for providing employment services in rural areas developed, Q1 2017
- 2.8 10 job fairs conducted, Q1 2017 – Q1 2018
- 2.9 Outreach job services in 50 rural villages delivered, Q2 2017 – Q1 2018
- 2.10 LMIS assessed and upgraded, Q3 2016
- 2.11 Equipment and computers procured, Q3 2016
- 2.12 Labor surveys conducted, Q2 2017
- 2.13 Final impact assessment conducted, Q3 2017

Output 3. Institutional capacity for sustaining ESS and LMIS management strengthened

- 3.1 Institutional capacity of the MLSW, PLSWD, and job centers assessed, Q3 2016
- 3.2 Training programs developed, Q4 2016
- 3.3 Training programs delivered to 15 master trainers and 60 staff from the provinces, Q4 2016 – Q3 2017

- 3.4 Training program evaluated and modified to meet local needs, Q3 2017
- 3.5 Coordination between the MLSW, PLSWD, job centers, and trade associations and enterprises strengthened, Q3 2016 – Q1 2018
- 3.6 Monitoring and evaluation system established, Q1 2017
- 3.7 Training on monitoring and evaluation provided to central and local government staff, Q4 2016

Inputs

Japan Fund for Poverty Reduction: \$1,500,000

The government will provide counterpart contributions in the form of counterpart staff, work space for consultants and ADB staff during missions, administrative support, and other in-kind contributions.

ADB = Asian Development Bank, ESP = employment service plan, ESS = employment service system, LMIS = labor management information system, MLSW = Ministry of Labor and Social Welfare, PLSWD = Provincial Labor and Social Welfare Department, Q = quarter, SMS = short messaging service, TA = technical assistance.

Source: Asian Development Bank.

COST ESTIMATES AND FINANCING PLAN
(\$'000)

Item	Amount
Japan Fund for Poverty Reduction	
1. Consultants	
a. Remuneration and per diem	
i. International consultants	574.8
ii. National consultants	282.1
b. International and local travel	69.1
c. Reports and communications	24.0
2. Equipment ^a	200.0
3. Trainings, workshops, seminars, and conferences ^b	193.0
4. Studies and survey ^b	20.0
5. Miscellaneous administration and support costs ^c	40.0
6. Contingencies	97.0
Total	1,500.0

Note: The technical assistance (TA) is estimated to cost \$1,650,000, of which contributions from the Japan Fund for Poverty Reduction are presented in the table above. The Government of the Lao People's Democratic Republic will provide counterpart contributions in the form of counterpart staff, work space for consultants and ADB staff during missions, administrative support, and other in-kind contributions. The value of government contribution is estimated to account for 9.1% of the total TA cost.

^a Subject to refinement after TA approval, equipment requirements are summarized in the Indicative Equipment Summary (Supplementary Appendix). Among these, the Asian Development Bank (ADB) will procure the equipment in accordance with the Procurement Guidelines (2015, as amended from time to time), and ADB's *Technical Assistance Disbursement Handbook* (2015, as amended from time to time).

^b The TA project will finance local travel costs including transport, per diem, and accommodation for government staff because the government budget is insufficient.

^c Includes office supplies and car rental.

Source: Asian Development Bank estimates.

OUTLINE TERMS OF REFERENCE FOR CONSULTANTS

1. The capacity development technical assistance (TA) will mobilize 38 person-months of international consultant inputs, and 60 person-months of national consultant inputs to help the Ministry of Labor and Social Welfare (MLSW) develop an employment service plan (ESP) and establish an online employment service system (ESS) to improve job centers and career counseling in the Lao People’s Democratic Republic (Lao PDR). The Asian Development Bank (ADB) will engage these consultants through a firm using quality- and cost-based selection (90:10 quality–cost ratio) in accordance with ADB’s Guidelines on the Use of Consultants (2013, as amended from time to time). To augment the consultants’ inputs, ADB may mobilize additional resource persons as needed, in accordance with ADB procedures.¹

International Positions	Person-months	National Positions	Person-months
Employment Management Expert and Team Leader	16	Employment Management Specialist	20
Labor Market Expert	6	Labor Management Specialist	10
Website and Program Design Expert	7	Website and Program Design Specialist	12
Job and Career Counseling Expert	9	Job and Career Counseling Specialist	18

Source: Asian Development Bank.

2. **Employment management expert and team leader (international, 16 person-months).** The expert and team leader should have (i) an advanced degree in economics or a related discipline, (ii) at least 15 years of experience managing projects or teams, and (iii) proven sound knowledge of labor market assessments, the establishment of employment services, job placement techniques, and career counseling. Experience in the Greater Mekong Subregion (GMS) would be an asset. The expert will coordinate and oversee the inputs of the consultant team. The expert’s core tasks will include the following:

- (i) acting as the focal point of the consultant team while maintaining a close dialogue with the MLSW, Ministry of Education and Sports, and ADB through the TA, as well as a broader dialogue, coordination, and the sharing of experience with other government agencies and development partners involved in vocational skill training and employment;
- (ii) developing and periodically updating detailed work plans for the consultant team, taking overall responsibility for the quality and timeliness of outputs, and guiding, supervising, and coordinating team member inputs; and
- (iii) coordinating inputs from other consultants and preparing concise quarterly progress reports as well as comprehensive midterm and final reports on TA implementation.

3. In terms of technical inputs, the international experts will conduct the following tasks, as well as others reasonably requested by ADB and the MLSW:

- (i) reviewing past and current initiatives in the Asia region related to employment planning and the provision of employment services and career counseling, and documenting successful approaches and challenges;
- (ii) assessing current employment systems in the Lao PDR in comparison with those in the Asia region and recommending ways to strengthen employment systems in

¹ Resource persons can be engaged to act as facilitators, speakers, and panelists in workshops, seminars, and job fairs. The engagement of these persons will not exceed 10 days.

- the Lao PDR;
- (iii) assessing the current labor market information system (LMIS) and the readiness of technical and vocational education and training providers and other relevant agencies to adjust training programs to labor market needs, and providing information on job opportunities to students and job seekers;
- (iv) helping the MLSW draft an ESP and action plan, specifying the roles and responsibilities of public and private organizations and resource requirements to improve the dissemination of labor market information and employment opportunities;
- (v) drafting the structure and features of an online ESS to guide the software program expert and specialist in developing it;
- (vi) helping the MLSW establish an open advertisement mechanism to publicize job opportunities and suggesting strategies to generate income through advertisement fees; and
- (vii) preparing strategies to monitor the effectiveness of the ESS, LMIS, employment services, and job counseling.

4. The employment management expert and team leader is expected to deliver an employment assessment report, ESP, institutional capacity assessment report, capacity development program, revenue generation strategy and action plan, ESS monitoring and evaluation (M&E) mechanism and plan, and inception, midterm, and completion reports.

5. **Employment management specialist (national, 20 person-months).** The specialist should have a bachelor's degree (or higher) in economics or a related discipline and at least 8 years of proven experience in labor market-related areas and/or the development of employment services. The specialist should be familiar with the institutional landscape related to technical and vocational education and training (TVET) and labor market policies and should have experience working with international agencies. The specialist should have a strong command of the English language, in both speaking and writing. The specialist will work alongside the internal employment management expert and do the following:

- (i) collecting past and current initiatives in the Lao PDR related to employment plans and the provision of employment services, and translating key documents to support the employment management experts;
- (ii) helping the team leader to assess the current state and private employment in the Lao PDR and identifying areas to be improved using local knowledge and experience;
- (iii) translating the draft assessment report and circulating for comments;
- (iv) helping the expert draft an ESP and action plan, and promoting the ESS and job centers
- (v) translating the draft ESP and assessment report; and
- (vi) together with international employment management the expert, assessing capacity of the MLSW, PLSWD, and job centers, and preparing the assessment report.

6. The employment management specialist is expected to deliver an employment assessment report, ESP, institutional capacity assessment report, capacity development program, revenue generation strategy and action plan, ESS M&E mechanism and plan, and inception, midterm, and completion reports. All reports must be prepared in the Lao language.

7. **Labor market expert (international, 6 person-months).** The expert will support the team leader and should have a master's degree in economics and at least 10 years of

experience assessing labor markets, developing LMISs, supporting relevant institutions, and training providers in analyzing labor market information and establishing and updating LMISs. Experience in the GMS would be an asset. The expert will carry out the following tasks as well as others requested by ADB and the MLSW:

- (i) assessing current and future labor market dynamics in the Lao PDR and in the Asia region and preparing strategies to improve the labor market information and labor market analysis
- (ii) reviewing the existing LMIS and assessing the capacity of business communities to contribute to the LMIS and validate labor market information, and coordinating with the National Statistics Institute to identify ways to use economic statistics to improve the LMIS;
- (iii) working closely with the website and program design expert to ensure the establishment of an effective ESS website as part of the LMIS;
- (iv) assessing the MLSW's capacity to conduct labor surveys, analyze data and information, and prepare reports;
- (v) delivering training programs for staff from the MLSW, PLSWD, job centers, and vocational schools; and
- (vi) recommending strategies to engage with business communities, companies, and chambers to update labor market assessments and forecasts.

8. The labor market expert is expected to deliver a labor market assessment report, LMIS assessment and upgraded report, labor market survey training materials and manuals, LMIS monitoring and evaluation mechanism and implementation manual, labor market survey and assessment training program, and monitoring and evaluation training.

9. **Labor management specialist (national, 10 person-months).** The specialist should have a bachelor's degree (or higher) in economics or a related discipline and at least 8 years of experience developing and assessing LMISs and conducting labor market surveys. The specialist should be familiar with labor market trends in the Lao PDR and GMS, and able to develop and deliver training programs related to labor information management, labor surveys, and labor forecasting. The specialist should have experience working with international agencies and should have strong skills in the English language including speaking and writing, translation, and computer skills. The specialist will work closely with the international labor management expert and carry out the following tasks:

- (i) working closely with the international labor management expert to improve the LMIS;
- (ii) gathering any initiatives and reports in the Lao PDR related to the development of the LMIS and translating key documents;
- (iii) communicating with the Department of Technical and Vocational Education to obtain the status of LMIS establishment;
- (iv) coordinating with the National Statistics Institute to obtain labor force indicators and employment data to link with the LMIS;
- (v) supporting the international labor management experts to identify good LMISs applicable to the local context and consulting with the MLSW to obtain their view and comments;
- (vi) together with the experts, identifying good LMISs that are simple to operate and maintain while consulting with the MLSW; and
- (vii) working closely with the international labor management expert to identify features of LMISs that can realistically be established and managed in the Lao PDR.

10. The labor management specialist is expected to deliver a labor market assessment report, LMIS assessment and upgraded plan, labor market survey training materials and manuals, a LMIS M&E mechanism and implementation manual, a labor market survey and assessment training program, and an M&E training plan in the Lao language.

11. **Website and program design expert (international, 7 person-months).** The expert should have a masters' degree in information technology and at least 10 years of practical experience developing and maintaining LMISs and ESSs or similar relevant systems. The expert should also be able to train staff from the MLSW, PLSWD, and other agencies to operate and maintain LMISs and ESSs. The expert will do the following:

- (i) based on the approved strategy for the ESS, design and launch a bilingual ESS website in English and Lao, discuss the features of the ESS website with all relevant stakeholders, integrate recommendations from stakeholders into the initial design, and ensure that the final design is supported by most relevant stakeholders;
- (ii) coordinate with telecommunication companies to develop a mobile network application or SMS to provide employment opportunities to all persons who own mobile telephones;
- (iii) prepare an action plan to update and maintain the ESS website regularly, ensure that the website is user-friendly and interactive, train focal staff to operate and maintain the website, and provide recommendations on cost and resource implications to continue the operation beyond the TA; and
- (iv) assess the function of the existing LMIS and prepare an assessment report.

12. The website and program design expert is expected to deliver an ESS website, SMS, manuals for the operation and maintenance of the ESS and LMIS, a training program and schedule, and website usage reports.

13. **Website and program design specialist (national, 12 person-months).** The specialist should have (i) a bachelor's degree in information technology or programming; (ii) at least 8 years of experience developing and maintaining complex information systems and websites, preferably related to LMISs and ESSs; and (iii) proven experience delivering training to operate advanced LMISs and ESSs and to update websites. The specialist should have worked with international agencies or companies and have a strong command of the English language. The specialist will help the international expert and will also do the following:

- (i) understand the public ESP and the concept of online ESS;
- (ii) help the international expert to design the main structure and features of the ESS website to ensure that these suit the local context;
- (iii) help the international expert develop an ESS website and SMSs in the Lao language and ensure that the system is simple to operate and maintain;
- (iv) translate the manuals and train MLSW staff to operationalize and maintain the website and update the system;
- (v) together with the international expert, test the online ESS and ensure that the system is operational;
- (vi) help the international expert prepare costing for implementing and maintaining the ESS; and
- (vii) assess the existing LMIS and prepare an assessment report.

14. The website and program design specialist is expected to deliver an ESS website, SMS, operation and maintenance manual for the ESS and LMIS, training program and schedule, and website usage report. All of the deliverables should be in the Lao language.

15. **Job and career counseling expert (international, 9 person-months).** The expert should have a master's degree (or higher) in economics or education related to job and career counseling and at least 10 years of experience developing job and career counseling programs and establishing employment services and career counseling in remote communities. The expert's key task is to train job center staff to improve the dissemination of information on employment opportunities. The expert will do the following:

- (i) review the current structure, responsibilities, and tasks of the job centers and provide recommendations to improve their efficiency and effectiveness in consultation with the MLSW, PLSWD, and ILO;
- (ii) assess the professional capacity of job center staff and recommend professional development plans to improve their knowledge and skills and deliver a training program to selected staff;
- (iii) develop an outreach strategy and action plan to provide employment services and job counselling in rural areas;
- (iv) develop tools and channels to promote the online ESS and job centers;
- (v) develop job and career counseling manual and train the job center staff to use the manual;
- (vi) help the job center team cooperate with private employers to update their recruitment plan and encourage them to use the online ESS to advertise job opportunities.

16. The job and career counseling expert is expected to submit a job center structural assessment report, facility assessment report, outreach strategy and action plan, employment service manuals and action plan, employment services training programs, and a performance assessment manual and training program.

17. **Job and career counseling specialist (national, 18 person-months).** The specialist should have (i) a bachelor's degree in economics or education related to job and career counseling; (ii) at least 8 years of relevant experience in employment services, job support, and/or career counseling; (iii) proven skills in organizing job fairs and employment events; (iv) experience working with international agencies or firms; and (v) a strong command of the English language. The expert will do the following:

- (i) update the responsibilities, tasks, and structure of the job centers in consultation with the MLSW, PLSWD, job centers, and International Labour Organization;
- (ii) together with the job and career counselling expert, assess the strengths and weaknesses of the job center staff and identify areas for improvement;
- (iii) help the job and career counselling expert prepare an outreach strategy and action plan and translate these into Lao language;
- (iv) together with the international job and career counselling expert, develop manuals on employment services and job and career counseling, and train the job center staff to use the manuals; and
- (v) help the job centers organize job fairs at the provincial level; and promote ESS and job centers.

18. The job and career counseling specialist will submit a job center structural assessment report, facility assessment report, outreach strategy and action plan, employment service manuals and action, and employment services training programs. These outputs should be prepared in the Lao language.