

Project Administration Manual

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Grant Number: GXXXX
September 2016

Lao People's Democratic Republic: Second Strengthening
Technical and Vocational Education and Training Project

ABBREVIATIONS

ADB	=	Asian Development Bank
DMF	=	design and monitoring framework
DOF	=	Department of Finance
EA	=	executing agency
EMIS	=	education management information system
GAP	=	gender action plan
MOES	=	Ministry of Education and Sports
MOF	=	Ministry of Finance
PAM	=	project administration manual
PIU	=	project implementation unit
PMU	=	project management unit
TVED	=	Department of Technical and Vocational Education and Training
TVET	=	technical and vocational education and training

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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 the policies and procedures of the government and Asian Development Bank (ADB). 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 Education and Sports (MOES) is wholly responsible for the implementation of ADB-financed projects, as agreed jointly between the borrower and ADB, and in accordance with the policies and procedures of the government and ADB. ADB staff is responsible for supporting implementation including compliance by MOES of their obligations and responsibilities for project implementation in accordance with ADB's policies and procedures.

At grant negotiations, the borrower and ADB shall agree to the PAM and ensure consistency with the grant agreement. Such agreement shall be reflected in the minutes of the grant negotiations. In the event of any discrepancy or contradiction between the PAM and the grant agreement, the provisions of the grant agreement 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.

I. PROJECT DESCRIPTION

1. Building on the lessons of the Strengthening Technical and Vocational Education and Training Project¹ the proposed project will continue to support efforts to realign technical and vocational education and training (TVET) with current and future labor market needs by (i) upgrading teaching and learning environments at eight vocational colleges, (ii) strengthening teachers' competencies to deliver student-centered practical training in skill areas that are in demand, and (iii) improving the management of colleges and fostering an environment that demonstrates the principles of entrepreneurship and promotes involvement of companies and communities in TVET. The project will increase poor and disadvantaged students' access to TVET through targeted direct stipends and more dormitory spaces at colleges. The project will also undertake TVET promotion measures to improve the public image of TVET and enhance understanding of TVET products and services among youth, their parents, and communities. The design and monitoring framework is in Appendix 1.

2. **Impact and Outcome.** Based on the Eighth National Socio-Economic Development Plan 2016–2020 and the TVET Development Plan for 2016–2020 the impact with which the project is aligned is sufficient skilled labor available to maintain inclusive and sustainable development in Lao PDR. The expected outcome is an expanded TVET system aligned with evolving labor market needs.

3. **Outputs.** The project has three outputs: (i) teaching and learning environments at eight TVET colleges upgraded; (ii) quality and relevance of demand-driven programs improved; and (iii) access to TVET institutions for disadvantaged students increased.

4. The project will adopt a demand-driven approach to upgrade eight TVET colleges. The Ministry of Education and Sports (MOES) has selected eight colleges that do not receive substantial support from other development partners. Colleges were requested to prepare initial development plans jointly with local industry representatives. The plans described challenges and opportunities of the individual college and included information on enrollment and teaching force, current training programs, quality and quantity of the current facilities, budgets, collaboration with communities and companies, brief assessments of the local labor market and the expected impact and outcomes of the proposed investments. A summary of the initial development plans is attached to the project administration manual (PAM) as supplementary appendix. The following eight colleges will be supported under the project: (i) Polytechnic College Vientiane; (ii) Savannakhet Technical and Vocational College; (iii) Pakpasak Technical College (Vientiane Capital); (iv) Dongkhamxang Agriculture Technical School (Vientiane); (v) Technical College of Vientiane Province; (vi) Champasak Technical and Vocational College (Champasak Province); (vii) Khammouane Technical and Vocational College; (viii) Vientiane-Hanoi Friendship Technical and Vocational College.

1. Output 1: Teaching and learning environments at eight TVET colleges upgraded

5. Output 1 will provide resources to improve teaching and learning environments at the eight TVET colleges: \$4.6 million is earmarked for civil works, and \$6.0 million are allocated for procurement of training equipment and initial consumables to start training programs. Funding

¹ ADB. 2010. *Report and Recommendation of the President to the Board of Directors: Proposed Grant to the Lao People's Democratic Republic: Strengthening Technical and Vocational Education and Training Project*. Manila. (G0211-LAO, \$23.0 million, approved on July 2010, declared effective in September 2010 and closed in September 2016).

provided to each project college will vary and depend on the actual situation and needs of the respective college.

6. **Civil Works.** To address urgent infrastructure needs \$4.6 million will be earmarked for civil works at (i) Pakpasak Technical College in Vientiane, (ii) Savannakhet Technical and Vocational College; (iii), Vientiane-Hanoi Friendship Technical and Vocational College, and (iv) the agriculture campus at the Khammouane Technical and Vocational College. These four colleges will prepare detailed proposals for civil works to upgrade their facilities, which can include: (i) constructing or renovating existing workshops; (ii) constructing and expanding dormitories; (iii) improving water and sanitation facilities; (iv) constructing or rehabilitating school kitchens and canteens; and (v) improving the overall environment of college campuses towards creating a green and student friendly atmosphere. The proposals have to (i) indicate the availability of adequate funding and competent capacity to effectively manage and maintain upgraded facilities, (ii) include a plan for maintenance of upgraded facilities indicating roles and responsibilities and funding for maintenance tasks, and (iii) provide a sound rationale on the planned utilization of new and upgraded facilities based on future student enrollment estimates and training programs that are in demand by local companies and communities. The preparation of proposals has started during the project preparation phase with the support of consultants. The amount for civil works for each college will vary and depend on the actual situation and needs of the respective college and will be determined jointly by college managements, MOES and Asian Development Bank (ADB) based on the proposals. The final proposals and amounts for civil works will be endorsed by MOES and ADB within the first three months after project effectiveness.

7. In addition to upgrading the four colleges, the Polytechnic College of Vientiane may access up to \$400,000 for rehabilitating and building workshops and classrooms. The Polytechnic College will provide a detailed proposal including technical design to MOES and ADB for review and endorsement within the first three months after project effectiveness.

8. **Procurement of Training Equipment:** \$6.0 million are earmarked for purchase of training equipment. The preparation of proposals for training equipment has started during the project preparatory phase with the help of consultants. Proposals have to be based on current and future training programs that shall reflect labor market and community needs and enrollment forecasts. College leaderships have to demonstrate (i) that proposed equipment requests are in line with new and ongoing training programs, which are supported by local employers and communities, (ii) that new training equipment will be integrated in training programs to support student-centered teaching approaches and increase hands-on training opportunities for students, (iii) that sufficient budget is available for consumables to sustain training programs, and (iv) teachers are able or will be trained to operate new training equipment. Consultants will help project colleges to prepare detailed technical specifications for equipment which will be used for the bidding process. The final amount for training equipment for each college will vary and depend on the actual situation and needs of the respective college and will be determined jointly by college managements, MOES and ADB based on the proposals. The final proposals will be endorsed by MOES and ADB within the first 4 months after project effectiveness.

2. **Output 2: Quality and relevance of demand-driven programs improved**

9. Under output 2 the project will provide resources for all eight project colleges to (i) improve technical and pedagogy skills and knowledge of teachers and (ii) management capacity of current and future college leaders and administrators. During the first six months after project

effectiveness, project colleges will conduct self-assessments with the support of consultants to identify training needs towards promoting student-centered teaching approaches and practical-orientated training for students and establishing an entrepreneurial approach in managing the college.

10. Areas to improve the capacity of teachers may include: (i) update pedagogical and technical knowledge to teach the specific courses; (ii) prepare the technical equipment for teaching sessions; (iii) plan consumables needed to operate the technical equipment in teaching sessions; (iv) operate the technical equipment in teaching situations; (v) maintain the technical equipment; (vi) develop training plans per year, month, week, day; (vii) prepare training sessions along the existing curricula; (viii) prepare teaching materials; (ix) select the appropriate methods related to the target group and the content of the lecture, and (x) prepare and conduct evaluations, self-evaluations and assessments.

11. Areas to strengthen the management capacity of principals and administrators towards promoting an entrepreneurial culture to managing colleges and program delivery could include (i) refining responsibilities and reporting structures (ii) financial planning, asset management, budget preparation and expenditure monitoring (iii) preparation of development plans including human resources development planning (iv) maintenance of school infrastructure (v) strategies to collaborate with the local industry, (vi) conduct of tracer studies, and (vii) increase income generation through marketing short-term skills training courses for out-of-school youth and adults, selling services, and producing basic goods.

12. The project will engage individual consultants and a firm to facilitate capacity strengthening measures. Support for teachers, managers and administrators could include short technical and management training, coaching by senior teachers or industry trainers, improved inspection and guidance at the workplace, training workshops, establishing teacher self-help groups, apprenticeship schemes at companies. Teachers will also receive training to ensure that new equipment purchased under the project will be used effectively and will be integrated in the teaching process and suitably maintained. A firm will design and facilitate a capacity building strategy and shall provide support to the project colleges throughout the project implementation with the objective to improve the overall performance of the project colleges. Training strategies for teachers will be coordinated with the Vocational Education Development Institute (VEDI) and other development partners, who are supporting teacher training programs. Lessons learned at the project colleges will be integrated in the national teacher training strategy.

13. Within the first three months after project effectiveness MOES will invite interested firms to prepare a detailed description of how they propose to deliver on the capacity strengthening program. Draft terms of reference (TOR) for the assignment are in Appendix 2 of the PAM. Proposals will be jointly reviewed by MOES, ADB and project colleges with the intent to contract the firm with the best proposal by the 3rd quarter in 2017.

14. In addition to support teachers at the eight project colleges, the project will provide \$1.6 million to upgrade the academic qualification of TVET teachers from public colleges to gain bachelor or masters' degrees in the field of their specialization. Teachers will be selected by the Technical and Vocational Education Department (TVED). Teachers to be supported must have worked at a vocational college for at least five years, should be younger than 45 years, and should be supported by the respective college directors. Teachers selected for this promotion scheme have to sign a binding agreement committing that they will return to their vocational college after their graduation and work for at least five years at a TVET college of MOES –

otherwise they have to return the entire scholarship amount. TVED will prepare a contract template for ADB review and endorsement prior to the commencement of the scheme.

15. Considering the good success to promote short skills courses under the first ADB-financed TVET project, the project will assist project colleges to develop and roll out short-term skills training courses for out-of-school youths and adults and promote entrepreneurial and multi-skilled approaches to help youths and adults in the informal sector to upgrade their skills to find better paid jobs or start self-employment. With the help of consultants, course content and delivery methods will be prepared by each project college based on the local demand.

16. To introduce new training programs responding to industry and community demand, the project will provide resources for technical assistance to TVED to develop competency based standards, new curriculum modules and training materials.

17. To help graduates at the project colleges find employment or become self-employed, the project will establish career guidance services. Career guidance units will closely link with the local business community, provide advice on job opportunities and salary expectations, facilitate internships at companies, and provide entrepreneurship guidance for self-employment.

3. Output 3: Access to TVET institutions for disadvantaged students increased

18. Output 3 will increase poor and disadvantaged students' access to TVET through (i) a program of targeted direct stipends and (ii) the development and refinement of TVET promotion strategies, including support to career guidance for prospective students. \$4.0 million are earmarked for the stipend scheme. The streamlined stipend program will enable disadvantaged youth from poor families to enroll in vocational colleges. The grant amount has been set in consultation with MOES and other development partners implementing stipend programs. The principle is to cover all associated costs of attending TVET in order to minimize the risk of students dropping out for financial reasons. To be eligible to receive stipend support, a student must be poor or disadvantaged, must enroll in a certificate or diploma program at one of the eight project colleges and must be at least 16 years old. MOES will select the stipend recipients using a transparent process, and at least 50% of the stipend recipients will be women. Following the approach used by other existing stipend programs in Lao PDR, payment will be made directly to students' bank accounts on a monthly basis, and will be accessible via ATM cards. The total number of students supported will depend on the duration of the courses they select, but may be as high as 4,600. The stipend program is summarized in Appendix 3.

19. Output 3 will help refine and implement TVET promotion strategies to improve the public image of TVET and promote enhanced understanding of TVET products and services among youth, their parents, and communities. The goal is to increase TVET enrollment. The TVET promotion strategy will test and adopt a range of modern communication for development tools with the aim of developing a common brand for TVET and providing better information to a diverse range of stakeholders on the potential jobs that skilled workers are able to access. To help graduates at the project colleges find employment or become self-employed, the TVET promotion strategy will include the establishment of career guidance services. Career guidance units will closely link with the local business community, provide advice on job opportunities and salary expectations, facilitate internships at companies, and provide entrepreneurship guidance for self-employment. The TVET promotion strategy will also include promotion of the stipend program among eligible disadvantaged students. The TVET promotion strategy will build on social marketing plans and products created previously by MOES and expand through (i)

national level media and branding activities to promote positive perceptions and build awareness, trust and credibility of TVET, and (ii) the roll out of social marketing activities in the communities in the geographic area of each project college.

20. A firm with sound experience in social marketing will support MOES to design and run the TVET promotion strategy. Within the first three months after project effectiveness MOES will invite interested firms to prepare a detailed proposal describing of how they plan to deliver TVET promotion activities and campaigns. Draft TOR for the assignment are in Appendix 4 of the PAM. Proposals will be jointly reviewed by MOES, ADB and project colleges with the intent to contract the firm with the best proposal by the 4th quarter in 2017.

II. IMPLEMENTATION PLANS

A. Project Readiness Activities

Table 1: Project Readiness

	Key Project Preparation Elements	Stage of Project Preparation				First Disbursement (within 3 months after effectiveness)	Status as of 16 August 2016
		Appraisal/ fact-finding	Negotiations	Signing	Effectiveness (within 3 months after signing)		
1.	Project is within Government development priority	Confirmed					Project is confirmed in the 2016 pipeline
2.	Project Administration Manual (PAM)	Draft prepared and discussed	confirmed				Agreed with EA and MOF
3.	Procurement capacity assessment	Completed	confirmed				Attached to PAM and agreed with the EA.
4.	Financial management capacity assessment	Completed	confirmed				Attached to PAM and agreed with the EA.
5.	Procurement plan for the first 18 months	Drafted	confirmed				Procurement Plan agreed with the EA; attached to the signed MOU of the fact finding mission.
6.	Auditing arrangements including TOR	Drafted					Audit arrangements will follow the same approach as conducted under the current TVET project.
7.	Monitoring and evaluation arrangements.	Indicators in DMF discussed and agreed	confirmed				indicators agreed with EA
9.	Project Management	Project Management team in place as established under the ongoing TVET project	Project organization chart, staffing, and responsibilities confirmed. Key project staff in place				The management team is assigned and ready to implement the project.
10.	Recruitment of a. Implementation firm	a. TORs drafted b. TORs drafted	confirmed	a. Draft RFP	a. RFP issued	a. EOIs evaluated b. Contract signed	Preparation on track

	Key Project Preparation Elements	Stage of Project Preparation				First Disbursement (within 3 months after effectiveness)	Status as of 16 August 2016
		Appraisal/ fact-finding	Negotiations	Signing	Effectiveness (within 3 months after signing)		
	b. Individual national consultant to support the (PIU)			b. Advertised the positions	b. Negotiation conducted		
11.	First year bidding documents for goods and civil works (where available)	N/A	N/A	Standard bidding documents for goods and works drafted; specific bidding documents for one college has been finalized	Bidding documents for office equipment drafted	Procurement process started	List of office equipment discussed with EA
12.	Government counterpart funds	Agreed	Confirmed				Agreed
13.	Legal opinion			Draft legal opinion submitted to ADB	Legal opinion accepted by ADB		
14.	Opening of Imprest/Designated Account (if applicable)	Imprest account and sub-accounts identified and discussed with the EA.	Confirmed		Opening of imprest account initiated.	Imprest account opened.	Imprest/designated accounts included in PAM and agreed with the EA.

ADB = Asian Development Bank, EA = executing agency, EOIs = expression of interest, MOU = memorandum of understanding, PAM = project administration manual, PIU = project implementation unit, RFP = request for proposals, TOR = terms of reference, TVET = technical and vocational education and training.

Source: ADB staff estimates

Indicative Activities	2017 Quarter				2018 Quarter				2019 Quarter				2020 Quarter				2020 Quarter	
	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2
<u>Management Activities</u>																		
Procurement plan key activities to procure contract packages	[Shaded]																	
Consultant selection procedures	[Shaded]																	
Gender action plan key activities	[Shaded]																	
Communication strategy key activities	[Shaded]																	
Annual and/or midterm review	[Shaded]																	
Project completion report	[Shaded]																	

DMF = design and monitoring framework, TVET = technical and vocational education and training.
 Source: ADB staff estimates

III. PROJECT MANAGEMENT ARRANGEMENTS

A. Project Implementation Organizations: Roles and Responsibilities

Table 3: Roles and Responsibilities

Project Implementation Organizations	Management Roles and Responsibilities
Executing agency: MOES	Responsible for the overall project management including: (i) setting policy directions for the Project, (ii) preparing annual program and budget including ensuring the timely and sufficient provision of government's counterpart funds, (iii) providing implementation guidance and supervision, (iv) establishing the PMU, and (v) reporting on the project implementation to the government agencies (MOF, MPI) and ADB, establish a project website to disclose information about various project-related issues, including procurement and other contracts awarded under the project.
Project steering committee	<ul style="list-style-type: none"> • Provide overall guidance to the project • Support cross-agency policy dialogue • Supervise, and guide the project implementation • Report to Government and development partners as required • Ensure consistency with national policies and guidelines • Provide advice on economic developments relevant to TVET • Link with the business community
Implementing agency: TVED	<p>TVED is responsible for the day-to-day project implementation including: (i) project supervision, (ii) monitoring, (iii) accounting, and (iv) consolidating reporting. It also include:</p> <ul style="list-style-type: none"> • developing and updating project implementation guidelines; • facilitate and supervise activities under the 3 project outputs; • creating awareness, understanding and support for the project within the TVET system and among the colleges and project stakeholders; • building partnerships with companies, communities, local administrations to support demand-driven TVET programs; • manage procurement of civil works and equipment purchase according to government and ADB guidelines and the PAM; • ensuring the provision of government counterpart funds, coordinate activities among project colleges; • prepare monitoring and evaluation reports; • lead and coordinate activities related to financial management and financial audit; • support project colleges to update and implement colleges development plans; • establish and ensure the operation of the project's complaints and grievances mechanism; • report periodically on the progress of implementation, the resolution status of all grievances lodged under the Project, and any allegations of misuse of funds or corruption, to MOES, MOF and ADB; • facilitate to engage firms and consultants, provide direction and supervising to individual consultants and consulting firms; • prepare withdrawal applications including retention of supporting documents and submitting the WAs (through MOF) to ADB. • support the auditor in carrying out the audit on the project financial statements;
ADB	<p>Supervise project implementation and ensure compliance with the Grant Agreement and PAM</p> <p>Ensure compliance of ADB's procedures and safeguards</p>

ADB = Asian Development Bank, MOES = Ministry of Education and Sports, MOF = Ministry of Finance, MPI = Ministry of Planning and Investment, PAM = project administration manual, TVED = Technical and Vocational Education Department, TVET = technical and vocational education and training.

Source: ADB estimates

B. Key Persons Involved in Implementation

Executing Agency

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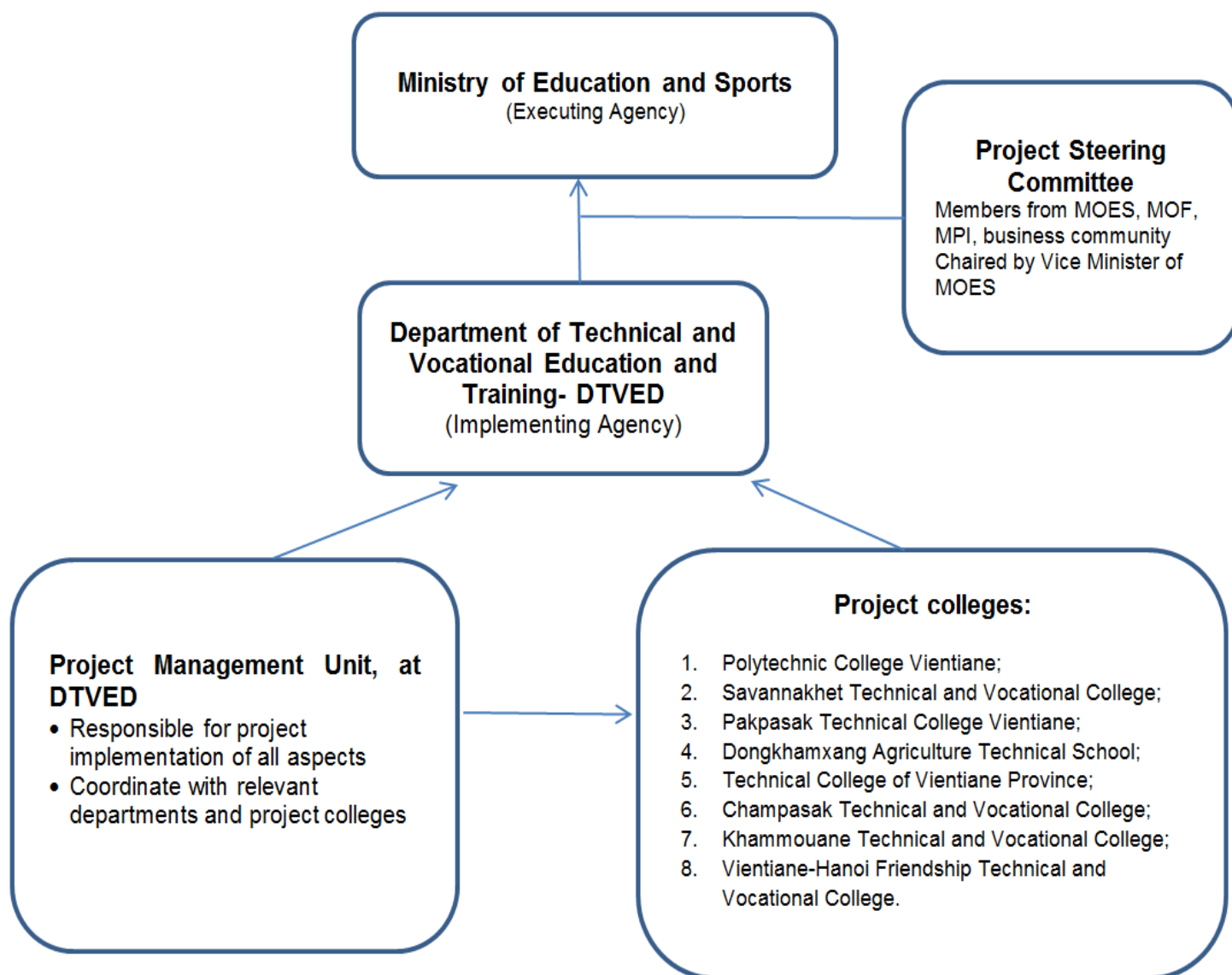
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C. Project Organization Structure

21. Based on the implementation arrangements established under the first TVET project, which proved to be efficient, the project will work through similar management structures. MOES will be the executing agency; the implementation agency will be the Technical and Vocational Education Department (TVED) under MOES. The project management unit (PMU) that was established under the first TVET project will continue to facilitate and supervise day-to-day implementation of project activities. The PMU will have 8–10 permanent staff members and will be supported by consultants. Each project college will establish a project implementation unit (PIU) headed by the college principal. A project steering committee will provide overall project guidance and support cross-agency policy dialogue. The MOES vice minister for TVET will chair

the committee, with the director general, TVED, as committee secretary. Committee members will be senior representatives from MOES, the Ministry of Finance, the Ministry of Planning and Investment, and representatives from business communities.

Figure 1: PROJECT ORGANIZATION STRUCTURE



IV. COSTS AND FINANCING

22. The project is estimated to cost \$26.5 million; \$1.5 million will be financed by the government through in-kind contribution. The investment plan is summarized in Table 4.

Table 4: Project Investment Plan
(\$ million)

Item	Amount
A. Base Cost	
1. Teaching and learning environments upgraded	12.14
2. Quality and relevance of demand-driven programs improved	5.25
3. Access to TVET institutions for disadvantaged students increased	6.61
Subtotal (A)	24.00
B. Contingencies	2.50
Total (A+B)	26.50

ADB = Asian Development Bank, TVET = technical and vocational education and training.

Notes:

- Contingencies are computed at \$2.5 million to cover inflation-related costs and allow flexibility to adjust funding for equipment and civil works, depending on the demand to be specified during implementation. The midterm review will assess possible reallocation needs.
- ADB will finance taxes and duties as agreed with the government. This is also consistent with the country partnership strategy, 2012–2016 and agreed for the new country partnership strategy, 2017–2021. ADB. 2011. *Country Partnership Strategy: Lao People's Democratic Republic, 2012–2016*. Manila.

Source: Asian Development Bank estimates.

23. The government has requested a grant not exceeding \$25.0 million from ADB's Special Funds resources to help finance the project; this is equal to 94.3% of the project cost. The government will contribute \$1.5 million, equal to 5.7% of the project cost.

Table 5: Financing Plan

Source	Amount (\$ million)	Share of Total (%)
Asian Development Bank	25.00	94.3
Government	1.50	5.7
Total	26.50	100

Source: Asian Development Bank.

A. Cost Estimates Preparation and Revisions

24. Cost estimates were jointly prepared by ADB and MOES based on feedback received from the project colleges. It has been agreed that cost estimates will be reviewed during the mid-term review. Based on the results of the mid-term review, potential needs for reallocations will be jointly discussed with MOES and ADB and need to be approved by ADB and MOF.

B. Key Assumptions

25. The following key assumptions underpin the cost estimates and financing plan:

- Exchange rate: LAK8,100 = \$1.00
- Price contingencies based on expected cumulative inflation over the implementation period are as follows:

Table 6: Escalation Rates for Price Contingency Calculation

Item	2017	2018	2019	2020	Average
Foreign rate of price inflation	1.4%	1.5%	1.5%	1.5%	1.5%
Domestic rate of price inflation	2.5%	3.0%	3.5%	3.5%	3.2%

Source: Asian Development Bank estimates.

C. Detailed Cost Estimates by Expenditure Category

Table 7: Detailed Cost Estimates by Expenditure Category
(Exchange rate US\$1 = 8100 KN)

Item	Total cost in \$US	% local financing	Local costs (KN Million)	Foreign Costs in \$	Local costs in \$
A. Investment Costs					
1. Civil Works	5,000,000	100	40,500,000,000	0	5,000,000
2. Training equipment & consumables	6,000,000	65	31,590,000,000	2,100,000	3,900,000
3. Consultants					
a. international consultants	630,000	0		630,000	0
b. national consultants	1,470,000	100	11,907,000,000	0	1,470,000
c. consulting firm contracts	1,700,000	0		1,700,000	0
4. Capacity upgrading for teachers and school management					
a. upgrading academic teacher qualification	1,600,000	25	3,240,000,000	1,200,000	400,000
b. facilitation cost of teacher training	650,000	80	4,212,000,000	130,000	520,000
5. Teaching material	300,000	100	2,430,000,000	0	300,000
6. Stipend	4,000,000	100	32,400,000,000	0	4,000,000
7. Project management and operation					
a. PMU operation and project supervision	550,000	90	4,009,500,000	55,000	495,000
b. career counselling, job fairs and TVET promotion	450,000	100	3,645,000,000	0	450,000
c. workshop , studies	150,000	100	1,215,000,000	0	150,000
Subtotal (A)	22,500,000		135,148,500,000	5,815,000	16,685,000
B. Recurrent Costs					
Salaries	900,000	100	7,290,000,000	0	900,000
Equipment and facility operation and maintenance	600,000	100	4,860,000,000	0	600,000
Subtotal (B)	1,500,000	100	12,150,000,000	0	1,500,000
C. Contingencies	2,500,000				
Total Project cost (A+B+C)	26,500,000				

Notes: Numbers may not sum precisely because of rounding.
Source: ADB Staff estimates

D. Allocation and Withdrawal of Grant Proceeds

Table 8: Allocation and Withdrawal of Grant Proceeds

CATEGORY			ADB FINANCING
	Item	Amount Allocated	Percentage and Basis for Withdrawal from the Grant Account
1	Civil Works	5,000,000	100% of total expenditure claimed
2	Training equipment and consumables	6,000,000	100% of total expenditure claimed
3	Consultant Services	3,800,000	
3A	Consultant Services – International		100% of total expenditure claimed
3B	Consultant Services – National		100% of total expenditure claimed
3C	Firms		100% of total expenditure claimed
4	Upgrading capacity of teachers and school management	2,250,000	
4A	Upgrading Academic Teacher Qualification		100% of total expenditure claimed
4B	Facilitation of capacity development measures for teachers and school management		100% of total expenditure claimed
5	Teaching Material	300,000	100% of total expenditure claimed
6	Stipend Scheme	4,000,000	100% of total expenditure claimed
7	Project management and operations	1,150,000	
7A	PMU operation and project supervision		100% of total expenditure claimed
7B	Conduct career counseling, job fairs and TVET promotion		100% of total expenditure claimed
7C	Workshop, studies		100% of total expenditure claimed
8	Unallocated	2,500,000	
	Total:	25,000,000	

E. Detailed Cost Estimates by Financier

Table 9: Detailed Cost Estimates by Financier

Item	ADB		Government		Total Cost
	Amount	% of Cost Category	Amount	% of Cost Category	
A. Investment Costs					
1. Civil Works	5.00	100%	0		5.00
2. Training Equipment and Consumables	6.00	100%	0		6.00
3. Consultants	3.80	100%	0		3.80
a. international consultants	0.63	100%	0		0.63
b. national consultants	1.47	100%	0		1.47
c. consulting firm contracts	1.70	100%	0		1.70
4. Capacity Upgrading for teachers and school management	2.25	100%	0		2.25
a. upgrading academic teacher qualification	1.60	100%	0		1.60
b. facilitation cost of teacher training	0.65	100%	0		0.65
5. Teaching Material	0.30	100%	0		0.30
6. Stipend Scheme	4.00	100%	0		4.00
7. Project Management and Operations	1.15	100%	0		1.15
a. PMU operation and project supervision	0.55	100%	0		0.55
b. career counseling, job fairs and TVET promotion	0.45	100%	0		0.45
c. workshop, studies	0.15	100%	0		0.15
Subtotal (A)	22.50	100%	0		22.50
B. Recurrent Costs					
1. Salaries for staff at TVET colleges and TVED	0		0.90	100%	1.20
2. Operation and maintenance of facilities and equipment	0		0.60	100%	0.30
Subtotal (B)	0		1.50	100%	1.50
C. Contingencies	2.50	100%	0		0
Total Project Cost (A+B+C)	25.00		1.50		26.50
% Total Project Cost		94.33%		5.7%	100%

PMU = project management unit, TVED = Technical and Vocational Education Department, TVET = technical and vocation education and training.

F. Detailed Cost Estimates by Year

Table 10: Detailed Cost Estimates by Year
(\$ million)

Item	Total Cost	2017	2018	2019	2020	2021 1 st quarter
A. Investment Cost						
1. Civil Works	5,000,000	500,000	2,000,000	1,750,000	750,000	
2. Training equipment & Consumables	6,000,000	400,000	1,800,000	1,900,000	1,800,000	100,000
3. Consultants						
a. International consultants	630,000	189,000	315,000	63,000	63,000	
b. National consultants	1,470,000	294,000	301,000	394,000	341,000	140,000
c. Consulting firm contracts	1,700,000	255,000	510,000	560,000	305,000	70,000
4. Capacity upgrading for teachers and school management						
a. Upgrading academic teacher qualification	1,600,000	160,000	500,000	500,000	400,000	40,000
b. Facilitation cost of teacher training	650,000	65,000	190,000	190,000	165,000	40,000
5. Teaching Material	300,000		75,000	90,000	115,000	20,000
6. Stipend	4,000,000	600,000	1,050,000	1,150,000	1,150,000	50,000
7. Project Management and Operation						
a. PMU operation and project supervision	550,000	30,000	110,000	180,000	180,000	50,000
b. Career counselling, job fairs and TVET promotion	450,000	55,000	110,000	140,000	145,000	
c. Workshop & Studies	150,000	25,000	40,000	40,000	45,000	
Subtotal (A)	22,500,000	2,563,000	6,998,000	6,955,000	5,459,000	525,000
B. Recurrent Costs (financed by Government)						
1. Salaries	900,000	225,000	225,000	225,000	225,000	
2. Equipment operation & Maintenance	600,000	150,000	150,000	150,000	150,000	
Subtotal (B)	1,500,000	375,000	375,000	375,000	375,000	
C. Contingencies	2,500,000		1,000,000	1,500,000		
Total Project cost (A+B+C)	26,500,000	2,938,000	8,373,000	8,830,000	5,834,000	525,000

Source: ADB staff estimates

G. Contract and Disbursement S-Curve

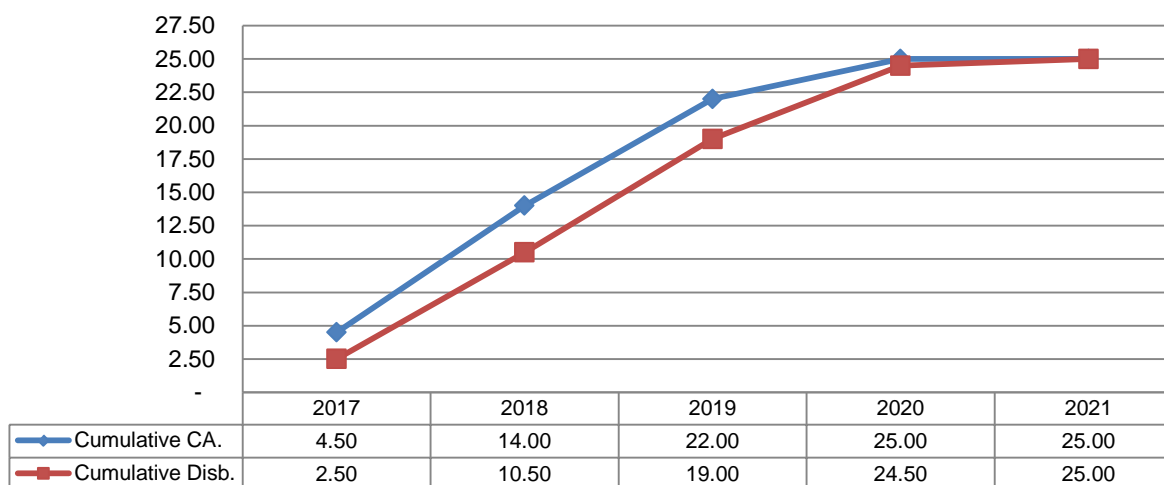
26. The following is the contract awards and disbursement baseline projections over the life of the project, which will be recorded in ADB's systems and reported through e-Ops and excluded Counterpart funds and any other co-financing.

Table 11: Contract Awards and Disbursement Baseline Projections

	Contract Awards (in USD million)					Disbursements (in USD million)				
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total
2017	-	0.50	1.50	2.50	4.50	-	0.50	1.00	1.00	2.90
2018	1.00	3.00	3.00	2.50	9.50	1.60	2.50	3.00	0.90	7.40
2019	1.00	2.00	2.50	2.50	8.00	1.50	2.50	3.00	1.50	8.50
2020	0.50	1.00	1.00	0.50	3.00	0.50	2.00	2.50	0.50	5.70
2021					-	0.50				0.50
	Total Grant: 25					Total Grant: 25				

27. The S-curve of cumulative contract award and disbursement is in the following graph.

Figure 2: S-Curve of Cumulative Contract Award and Disbursement



H. Fund Flow

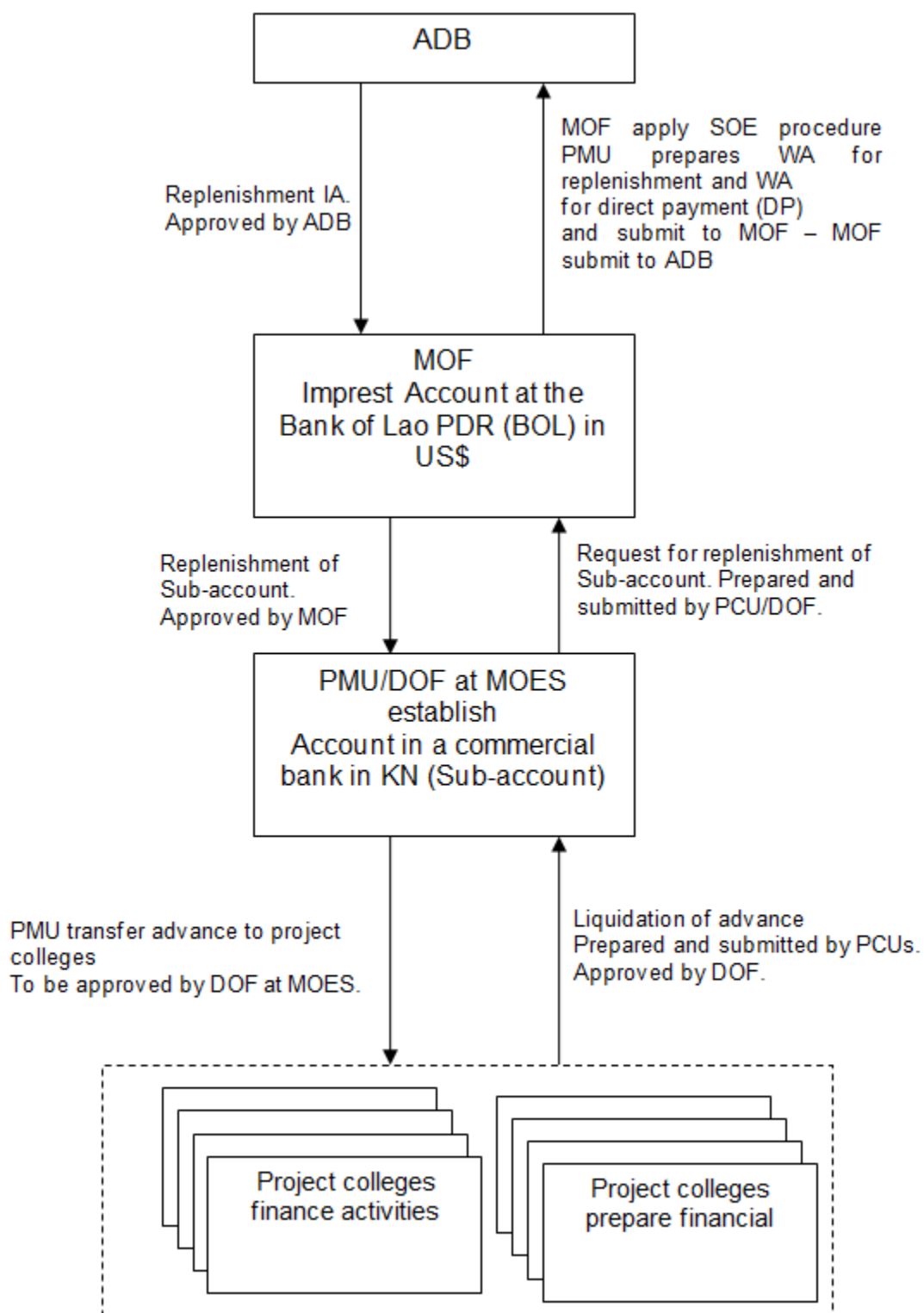
1. Proposed Funds Flow/Accounting/Financial Report for Direct Payment

28. PMU collects invoices, inspects, and prepares payment documents, the project director reviews and submits withdrawal applications to Department of Finance (DOF), MOES for approval, then requests are submitted for approval to MOF (External Finance Department) before submission to ADB. ADB directly transfer funds to suppliers or contractors upon instruction of payment from the project director (with approval from DOF, MOES, and MOF). Accounting records are prepared at DOF, MOES. PMU compiles receipt certificates from the suppliers or contractors. PMU then reports through the project director on the expenses to DOF, MOES for account administration. DOF, MOES generates financial report to MOF and ADB.

2. Proposed Funds Flow/Accounting/Financial Report for Project Management

29. PMU creates and submits withdrawal application through the project director to DOF, MOES for approval, then requests approval from MOF before submission to ADB. Funds flow from ADB to Bank of Laos for the Imprest Account. Funds are transferred to supplier or contractor from Imprest Account at BOL upon instruction of payment from PIU through the project director (with approval from DOF, MOES, MOF). For petty cash, fund is transferred to a sub-account at a designated commercial bank as an advance account. Accounting record is prepared at DOF. The procedures start from PIU compiling receipt certificates from the suppliers or contractors. PIU then reports to the project director the expenses to DOF for account administration. DOF generates financial report to MOF and ADB.

Figure 3: Fund Flow Diagram



V. FINANCIAL MANAGEMENT

A. Financial Management Assessment

30. MOES has administered several ADB funded projects and projects funded by other development partners in the recent past, which have been supervised by the Financial Department of MOES (DOF).² The executing agency has good experience of administering financial aspects of ADB-funded projects. Overall, ADB projects in the education sector have been performing satisfactorily in recent years. There have been three comprehensive financial management assessments (FMA) for MOES by (i) the Strengthening Technical Vocational Education and Training (STVET) Project;³ (ii) the Secondary Education Sector Development Program,⁴ and (iii) the Second Strengthening Higher Education Project.⁵ All three assessments reported MOES's financial management capacity as adequate. The project will built on the structure of the current TVET project and will continue working through the same fund flow and staffing arrangements which have to be proved successful. Accounting and financial reporting systems, financial information systems, and auditing arrangements have been assessed by the State Audit Office (SAO). SAO confirmed that the financial management capacity to operate the STVET project was appropriate. Based on further assessments during the project preparatory phase the following areas for improvement of financial management capacity have been identified:

- Further improvement of harmonizing financial planning, accounting and reporting among finance units at TVED and project colleges.
- ⇒ Mitigation plan: consultants will assist PMU and PIUs at the project colleges to set up a uniformed accounting and monitoring system. Information will be exchanged/controlled monthly. Consultants will train finance staff and provide regular guidance.
- Financial management staff in MOES/PMU are relatively experienced in terms of ADB financial systems, but PIUs and new finance staff particularly at PIUs at project colleges might be inexperienced with financial planning, budget preparation, financial reporting, and ADB procedures.
- ⇒ Mitigation plan: during project implementation consultants will conduct annual training workshops for current and new finance staff of PMU and PIUs during the first quarter of each year. The financial management and operational procedures manual should be further improved and disseminated to PIUs.

31. It is concluded that the overall pre-mitigation financial management risk of MOES and TVED is low. MOF and MOES have agreed to implement the proposed mitigation activities to address potential deficiencies. The Financial Management Assessment Questionnaire is in Appendix 5.

² There are four permanent qualified technical staff handling ADB project financial matters at DOF.

³ ADB. 2010. *Reports and Recommendation of the President to the Board of Directors: Proposed Grant Lao People's Democratic Republic for Strengthening Technical and Vocational Education and Training Project*. Project Administration Manual (accessible from the list of linked documents in Appendix 2 of the RRP).

⁴ ADB. 2011. *Reports and Recommendation of the President to the Board of Directors: Proposed Loan and Grant Lao People's Democratic Republic for Secondary Education Sector Development Program*. PAM (accessible from the list of linked documents in Appendix 2)

⁵ ADB. Report and Recommendation of the President to the Board of Directors: Proposed Grant to the Lao People's Democratic Republic for the Second Strengthening Higher Education Project. Manila (forthcoming).

B. Disbursement

32. The grant proceeds will be disbursed in accordance with ADB's Loan Disbursement Handbook (2015, as amended from time to time), and detailed arrangements agreed upon between the government and ADB. PMU staff is familiar with ADB disbursement guidelines and procedures. To refresh knowledge online training for project staff on disbursement policies and procedures is available.⁶ Project staff are encouraged to avail of this training to help ensure efficient disbursement and fiduciary control.

33. **Imprest fund procedure.** A US Dollar imprest account will be established by the MOF at the Bank of Laos for replenishment and direct payment. The imprest account is to be used exclusively for ADB's share of eligible expenditures. MOES will establish and maintain sub-account for day-to-day operation, training, workshops, and other activities. The total outstanding advance to the imprest account should not exceed the estimate of ADB's share of expenditures to be paid through the imprest account for the forthcoming six months. MOF may request for initial and additional advances to the imprest account based on an Estimate of Expenditure Sheet⁷ setting out the estimated expenditures to be financed through the account for the forthcoming 6 months. Supporting documents should be submitted to ADB or retained by MOF in accordance with ADB's Loan Disbursement Handbook (2015, as amended from time to time) when liquidating or replenishing the imprest account.

34. The statement-of-expenditures (SOE)⁸ procedure may be used for reimbursement of eligible expenditures or liquidation of advances to the imprest account. Each payment to be reimbursed or liquidated under the SOE will not exceed the equivalent of \$50,000. SOE records and supporting documents should be maintained at the PMU office 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.

35. Before the submission of the first withdrawal application, MOF 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 set in accordance with the Loan Disbursement Handbook, unless there is specific reason. MOES is to consolidate claims to meet this limit for reimbursement and imprest account claims. Individual payments below this amount should be paid (i) by the MOES/PMU and subsequently claimed to ADB through reimbursement, or (ii) through the imprest fund procedure, unless otherwise accepted by ADB.

C. Accounting

36. MOES will maintain, or cause to be maintained, separate books and records by funding source for all expenditures incurred on the project following International Public Sector Accounting Standard for cash-based accounting. MOES will prepare project financial statements in accordance with the government's accounting laws and regulations which are consistent with international accounting principles and practices.

D. Auditing and Public Disclosure

37. MOES will cause the detailed project financial statements to be audited in accordance with International Standards on Auditing, by an independent auditor acceptable to ADB. The

⁶ Disbursement eLearning. http://wpqr4.adb.org/disbursement_elearning.

⁷ ADB. 2015. *Loan Disbursement Handbook*. 10B.

⁸ SOE forms are available in Appendix 9B and 9C of ADB's *Loan Disbursement Handbook* (2015, as amended from time to time).

audited project financial statements together with the auditor's opinion will be presented in the English language to ADB within 6 months from the end of the fiscal year by MOES.

38. The audit report for the project financial statements will include a management letter and auditor's opinions, which cover (i) whether the project financial statements present an accurate and fair view or are presented fairly, in all material respects, in accordance with the applicable financial reporting standards; (ii) whether the proceeds of the grant were used only for the purpose(s) of the project; and (iii) whether the borrower or executing agency was in compliance with the financial covenants contained in the legal agreements (where applicable).

39. Compliance with financial reporting and auditing requirements will be monitored by review missions and during normal program supervision, and followed up regularly with all concerned, including the external auditor.

40. MOES and TVED have been made aware of ADB's approach to delayed submission, and the requirements for satisfactory and acceptable quality of the audited project financial statements.⁹ ADB reserves the right to require a change in the auditor (in a manner consistent with the constitution of the borrower), or for additional support to be provided to the auditor, if the audits required are not conducted in a manner satisfactory to ADB, or if the audits are substantially delayed. 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.

41. Public disclosure of the audited project financial statements, including the auditor's opinion on the project financial statements, will be guided by ADB's Public Communications Policy 2011.¹⁰ After the review, ADB will disclose the audited project financial statements and the opinion of the auditors on the project financial statements no later than 14 days of ADB's confirmation of their acceptability by posting them on ADB's website. The management letter, additional auditor's opinions, and audited entity financial statements will not be disclosed.¹¹

⁹ ADB's approach and procedures regarding delayed submission of audited project financial statements:

- (i) When audited project financial statements are not received by the due date, ADB will write to the executing agency advising that (a) the audit documents are overdue; and (b) if they are not received within the next 6 months, requests for new contract awards and disbursement such as new replenishment of imprest accounts, processing of new reimbursement, and issuance of new commitment letters will not be processed.
- (ii) When audited project financial statements are not received within 6 months after the due date, ADB will withhold processing of requests for new contract awards and disbursement such as new replenishment of imprest accounts, processing of new reimbursement, and issuance of new commitment letters. ADB will (a) inform the executing agency of ADB's actions; and (b) advise that the loan may be suspended if the audit documents are not received within the next 6 months.
- (iii) When audited project financial statements are not received within 12 months after the due date, ADB may suspend the loan.

¹⁰ Public Communications Policy. <http://www.adb.org/documents/pcp-2011?ref=site/disclosure/publications>.

¹¹ This type of information would generally fall under public communications policy exceptions to disclosure; ADB. 2011. *Public Communications Policy*. Paragraph 97(iv) and/or 97(v).

VI. PROCUREMENT AND CONSULTING SERVICES

A. Advance contracting and retroactive financing

42. There are no advance actions and retroactive financing expected.

B. Procurement of Goods, Works, and Consulting Services

43. All procurement of goods and works will be undertaken in accordance with ADB's Procurement Guidelines (2015, as amended from time to time). A procurement capacity assessment report is in Appendix 6.

44. Under the project, international competitive bidding procedures will be used for civil works contracts estimated to cost \$3 million or more, and goods contracts valued at \$1 million. Contracts for works of more than \$100,000 but less than \$3 million will follow national competitive bidding procedures. Supply contracts for goods estimated below \$1 million but above \$100,000 will be awarded on the basis of national competitive bidding. Items costing \$100,000 or less will be procured through shopping.

45. Before the start of any procurement, ADB and the government will review the public procurement laws of the central and state governments to ensure consistency with ADB's Procurement Guidelines (2015, as amended from time to time).

46. An 18-month procurement plan indicating threshold and review procedures, goods, works, and consulting service contract packages and national competitive bidding guidelines is in Section C.

47. All consultants will be recruited according to ADB's Guidelines on the Use of Consultants (2013, as amended from time to time).¹² The terms of reference for all consulting services are detailed in Section G.

Table 12: Consultancy Requirements

Area of support	Consultant support	Total person-months	Total expenditure
Output 1: Supervise and support civil works	3 civil engineers; intermittent each consultant for 18 person-months during the first 2 years	54 person-months – national	\$135,000
Output 2: Facilitate academic upgrading programs for teachers	2 administrators; intermittent; each consultant for 36 person-months	36 person-months – national	\$90,000
Output 2: Support to facilitate capacity building programs for teachers and managers at the 8 project colleges	2 consultants; intermittent; each consultant for 36 person-months	72 person-months – national	\$180,000
Output 2: Pool of consultants to prepare standards, curriculum modules and training content/programs	Short assignments throughout the project duration depending on the need that will be identified by TVED, colleges and companies	20 pm international experts; 40 person-months national experts	\$270,000 \$100,000

¹² This type of information would generally fall under public communications policy exceptions to disclosure; ADB. 2011. *Public Communications Policy*. Paragraph 97(iv) and/or 97(v).

Area of support	Consultant support	Total person-months	Total expenditure
Output 3: Facilitate the stipend scheme	A team of 4 experts to manage the stipend scheme; 40 person-months for each expert	160 person-months- national	\$400,000
Overall project management – PMU:	Team Leader; intermittent Finance Specialist Procurement Expert M&E specialist Project administrator/deputy TL Gender expert 3 support staff, each 48 person-months	24 person-months –international 48 person-months – national 36 person-months – national 34 person-months – national 48 person-months – national 6 person-months – national 144 person-months - national	\$360,000 \$144,000 \$90,000 \$85,000 \$144,000 \$15,000 \$87,000
	TOTAL:	534 person-months – national 44 person-months – international 144 person-months – support staff	\$1,383,000 \$630,000 \$87,000 \$2,100,000

48. To support project implementation the executing agency will be supported by individual consultants as shown in the above table. A total of 534 person-months of national consultant inputs; 44 person-months of international consultant inputs; and 144 person-months of supporting staff inputs will be provided. In addition, the project will engage two firms to (i) design and facilitate a TVET promotion strategy; and (ii) facilitate capacity building measures for teachers, managers and administrators of the eight project colleges. The firms will be engaged using the quality- and cost-based selection (QCBS) method with a standard quality:cost ratio of 90:10. Full technical proposals (FTP) will be required for submission; shortlisted firms allowed 45 days to prepare FTPs.

C. Procurement Plan

Table 13: Basic Data

Project Name: Second Strengthening Technical and Vocational Education and Training Project	
Project Number: 42278	Approval Number:
Country: Lao People's Democratic Republic	Executing Agency: Ministry of Education and Sports (MOES)
Project Procurement Classification:	Implementing Agency: Technical and Vocational Education Department (TVED)
Procurement Risk: Low	
Grant Amount: \$25 Million	Project Closing Date:
Date of First Procurement Plan:	Date of this Procurement Plan: 8 June 2016

D. Methods, Thresholds, Review and 18-Month Procurement Plan

1. Procurement and Consulting Methods and Thresholds

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

Procurement of Goods and Works		
Method	Threshold	Comments
International Competitive Bidding (ICB) for Works	\$3,000,000	
International Competitive Bidding for Goods	\$1,000,000	
National Competitive Bidding (NCB) for Works	Below \$3,000,000	
National Competitive Bidding for Goods	Below \$1,000,000	
Shopping for Works	\$100,000 and below	

Shopping for Goods	\$100,000 and below	
Consulting Services		
Method	Comments	
Quality and Cost Based Selection (QCBS)	Quality:cost ratio of 90:10 will be used. RFP for recruitment of loan implementation consultants will be included in the submission of master bid documents.	
Consultants' Qualification Selection		
Individual Consultant's Selection	Will be used for recruitment of individual consultants	

2. Goods and Works Contracts Estimated to Cost \$1 Million or More

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

Package Number	General Description	Estimated Value	Procurement Method	Review [Prior / Post/Post (Sampling)]	Bidding Procedure	Advertisement Date (quarter/year)	Comments
CW01	Civil works for Pakpasak Technical College, Vientiane	\$1,500,000	National Competitive Bidding (NCB)	Prior	Single stage, one envelope procedure (1S1E)	Q2/2017	The exact value will be determined during the first 6 months after grant effectiveness Prequalification of Bidders: No. Domestic Preference Applicable: No. Master Bidding Document: Small Works
CW02	Civil works for Technical & Vocational College of Savannakhet	\$1,500,000	NCB	Prior	1S1E	Q2/2017	The exact value will be determined during the first 6 months after grant effectiveness. Prequalification of Bidders: No. Applicable: No Master Bidding Document: Small Works
GS01	Equipment & Tools for Electronics and Electro-Technics (6 colleges)	1,100,000	International Competitive Bidding (ICB)	Prior	1S1E	Q2/2017	The exact value will be determined during the first 6 months after grant effectiveness. Prequalification of Bidders: No Domestic Preference Applicable: No Master Bidding Document: Goods
GS02	Equipment & Tools for ICT Courses & Computers (4 colleges)	\$1,000,000	ICB	Prior	1S1E	Q2/2017	The exact value will be determined during the first 6 months after grant effectiveness. Prequalification of Bidders: No Domestic Preference Applicable: No Master Bidding Document: Goods
GS03	Equipment & Tools for Construction & Land Surveying and Land Mapping (2 colleges)	1,100,000	ICB	Prior	1S1E	Q2/2017	The exact value will be determined during the first 6 months after grant effectiveness. Prequalification of Bidders: No Domestic Preference Applicable: No Master Bidding Document: Goods

Package Number	General Description	Estimated Value	Procurement Method	Review [Prior / Post/Post (Sampling)]	Bidding Procedure	Advertisement Date (quarter/year)	Comments
GS04	Equipment & Tools for Machinery Training Programs (Transport Vehicles & Agro-Machineries) (3 colleges)	\$1,100,000	ICB	Prior	1S1E	Q2/2017	The exact value will be determined during the first 6 months after grant effectiveness. Prequalification of Bidders: No Domestic Preference Applicable: No Master Bidding Document: Goods
GS05	Equipment for Agro and Food Processing (2 colleges)	1,000,000	ICB	Prior	1S1E	Q2/2017	The exact value will be determined during the first 6 months after grant effectiveness. Domestic Preference Applicable: No Master Bidding Document: Goods

3. Consulting Services Contracts Estimated to Cost \$100,000 or More

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

Package Number	General Description	Estimated Value	Recruitment Method	Review (Prior / Post)	Advertisement Date (quarter/year)	Type of Proposal	Comments
CS01	3 Civil Engineers	\$135,000	Individual Consultant's Selection (ICS)	Prior	Q1/2017	Bio data Proposal (BTP)	Assignment: 3 Nationals Expertise: Supervision of civil works at colleges
CS02	Project Team Leader	\$360,000	Individual Consultant's Selection (ICS)	Prior	Q1/2017	BTP	Assignment: International Expertise: TVET & Management
CS03	Finance Specialist	\$144,000	Individual Consultant's Selection (ICS)	Prior	Q1/2017	BTP	Assignment: National Expertise: Accounting and financial management
CS04	Project Administrator/ deputy team leader	\$144,000	Individual Consultant's Selection (ICS)	Prior	Q1/2017	BTP	Assignment: National Expertise: TVET and management
CS05	4 Consultants to	\$400,000	Individual	Prior	Q1/2017	BTP	Assignment: 4 Nationals

Package Number	General Description	Estimated Value	Recruitment Method	Review (Prior / Post)	Advertisement Date (quarter/year)	Type of Proposal	Comments
	Manage the stipend scheme		Consultant's Selection (ICS)				Expertise: 1 Accountant and 3 stipend scheme supervisor
CS06	2 Consultants to facilitate teacher training and capacity building programs for managers at the project colleges and support of the firm	\$144,000	Individual Consultant's Selection (ICS)	Prior	Q2/2017	BTP	Assignment: 2 Nationals Expertise: Teacher training and management
CS07	Contracting a firm to design, facilitate and monitor capacity building measures	\$850,000	Quality-Cost-Based Selection (QCBS)	Prior	Q2/2017	Full Technical Proposal (FTP)	Assignment: International Quality-Cost Ratio: 90:10
CS08	Contracting a firm to design and implement a TVET promotion strategy	\$850,000	QCBS	Prior	Q2/2017	FTP	Assignment: International Quality-Cost Ratio: 90:10

4. Goods and Works Contracts Estimated to Cost Less than \$1 Million and Consulting Services Contracts Less than \$100,000 (Smaller Value Contracts)

52. The following table groups smaller-value goods, works and consulting services contracts for which the activity is either ongoing or expected to commence within the next 18 months.

Goods and Works								
Package Number	General Description	Estimated Value	Number of Contracts	Procurement Method	Review [Prior / Post/Post (Sampling)]	Bidding Procedure	Advertisement Date (quarter/year)	Comments
GS06	Equipment and Tools for Automotive Repairs & Auto Electrical (2 colleges)	\$300,000	1	NCB	Prior	1S1E	Q2/2017	Prequalification of Bidders: No Applicable: No Master Bidding Document: Goods
GS07	Workshop benches, tables, furniture and storage cabinets (8 colleges)	\$200,000	1	Shopping	Prior		Q2/2017	Comments: Master bid documents for shopping (goods)

GS08	Office equipment for PMU	\$40,000	1	Shopping	Prior		Q1/2017	Comments: Master bid documents for shopping (goods)
GS09	PMU Vehicle	\$50,000	1	Shopping	Prior		Q1/2017	Master bid documents for shopping (goods)
CW03	Civil works for rehabilitation of facilities at Polytechnic College Vientiane	\$350,000	1	NCB	Prior	1S1E	Q2/2017	The exact value will be determined during the first 6 months after grant effectiveness. Prequalification of Bidders: No Domestic Preference Applicable: Master Bidding Document: Small Works
CW04	Civil works at Khammouane Technical and Vocational College; Agriculture Campus	\$600,00	1	NCB	Prior	1S1E	Q2/2017	The exact value will be determined during the first 6 months after grant effectiveness. Prequalification of Bidders: No Domestic Preference Applicable: No Master Bidding Document: Small Works
CW05	Civil works at Vientiane-Hanoi Friendship Technical and Vocational College	\$600,000	1	NCB	Prior	1S1E	Q2/2017	The exact value will be determined during the first 6 months after grant effectiveness. Prequalification of Bidders: No Domestic Preference Applicable: No Master Bidding Document: Small Works
Consulting Services								
Package Number	General Description	Estimated Value	Number of Contracts	Recruitment Method	Review (Prior / Post)	Advertisement Date (quarter/year)	Type of Proposal	Comments
CS09	Consultant to manage program to upgrade qualification of teachers	90,000	1	Individual Consultant's Selection (ICS)	Prior	Q2/2017	BTP	Assignment: National Lump-sum

F. National Competitive Bidding

1. General

55. 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

56. 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

57. 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

58. 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

59. 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

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

8. National Sanctions List

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

9. Corruption Policy

62. 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

63. 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

64. 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.

G. Consultant's Terms of Reference

65. To support the overall facilitation of the project, TVED will be supported by a team of consultants, who will be based at the PMU and consist of (i) an international Team Leader, (ii) a national deputy team leader, (iii) a financial expert, (iv) a procurement expert, (v) an M&E specialist, (vi) a gender expert, and (vii) 3 support staff.

66. An **International team leader** will support TVED in the implementation of the project. The TL will be engaged intermittently over 24 person-months. The TL will be supported by a national project administrator who will be the Deputy team Leader. The **Deputy Team leader** will be engaged over 48 person-months. The international TVET shall have an advanced degree in education, economics or related discipline and at least 15 years of experience in the TVET sector and in managing projects and large consultant teams. He/she should have strong communication and management skills. The national deputy team leader shall have a Masters' degree in education, economics or related discipline and at least 10 years of experience in managing projects. He/she should be familiar with the institutional landscape in the education sector in Lao PDR and experienced in working with government administration. Both experts will have the following key responsibilities:

- (i) prepare annual work plans and ensure timely and well-targeted planning of project
- (ii) activities;
- (iii) ensure that the implementation of the project will achieve the targeted indicators;
- (iv) ensure that the project concept is well understood at the project colleges;
- (v) guide and supervise all consultants engaged under the project;

- (vi) prepare technical documents related to implementation of the Project, including technical guidelines and code of conduct; and disseminate documents to all relevant parties;
- (vii) prepare progress reports required by ADB and the Government;
- (viii) ensure that gender equality concerns are incorporated in the training plans, curriculum modules, stipend scheme and TVET promotion program;
- (ix) conduct monitoring and evaluation to assess project progress through field visits, field audience, information gathering, and field samplings;
- (x) collect sex-disaggregated data in baseline, benchmark, and completion surveys; ensure that the collected sex-disaggregated data are properly analyzed and reported in quarterly and annual progress reports; ensure the targeted gender equality indicators as specified in the GAP are met;
- (xi) monitor the social, environmental, and economic impacts activities;
- (xii) establish a project website and update project progress on the website on a monthly basis;
- (xiii) prepare all financial reports related to project financing in line with the prevailing procedures; monitor the process of disbursement of grant proceeds;
- (xiv) establish complaints and grievance handling mechanism and monitor resolution of cases received;
- (xv) facilitate cooperation with companies and communities to develop skills standards, curriculum modules and new training programs;
- (xvi) monitor and support the preparation and implementation of capacity building programs for teachers and managers;
- (xvii) monitor and guide the establishment and conduct of the stipend scheme, suggest improvements and conduct regular monitoring visits at the colleges;
- (xviii) establish an effective career guidance system at the project colleges;
- (xix) support the firm in the development and facilitation of the TVET promotion strategy and recommend and support additional TVET promotion activities at the college level;
- (xx) supervise the progress of civil works
- (xxi) assist and supervise the procurement of training equipment and ensure that training equipment is integrated in the teaching process
- (xxii) help project colleges to update the college development plans

67. A **Finance Expert** will be engaged for 48 months to support the PMU. The consultant should have a degree in accounting, at least 10 years work experience and sound knowledge of accounting and financial reporting techniques. Under the supervision of the team leader and deputy team leader, the expert will manage the overall project's accounts and disbursements activities and ensure that financial actions are in accordance with formal procedures and formats of MOES's department of finance and of ADB. The key tasks include:

- (i) prepare all financial reports related to project financing in line with the prevailing procedures;
- (ii) make compilation and summary of all requests for payment, payment orders, and fund disbursement orders related to the use of grant proceeds;
- (iii) monitor the process of disbursement of grant proceeds;
- (iv) support project colleges on all matters related to financial management and reporting;
- (v) prepare unaudited project financial reports.

68. **Procurement specialist.** A Procurement specialist will be engaged for 36 months to support the PMU and the eight project colleges. The specialist should have a bachelor degree in procurement or related areas and at least five years working experience in procurement and

recruitment of consultants, preferably with ADB, WB and other international organizations. He or she should have good English skills in writing and speaking. Duties and key tasks are:

- (i) work closely in consultation with PMU to update the procurement plan including procurement methods, costing and timeframe; develop procurement protocols and bidding documents;
- (ii) facilitate the bidding process and help the PMU to prepare bidding documents (including ICB, NIC and shopping) and manage the procurement process for civil works, goods and services; ensure initial bidding documents are prepared in English language for ADB;
- (iii) ensure that goods and services delivered are in line with bidding documents; help the PMU update the procurement records and upload procurement information on the project website;
- (iv) develop a training plan for TVED staff and staff of the 8 project colleges on procurement and bidding processes; and conduct the training workshops;
- (v) Coordinate with the site supervision engineer to ensure the construction at the project colleges progress as scheduled;
- (vi) prepare quarterly reports related to all procurement matters
- (vii) Coordinate with the project accountant to ensure the payment is made according to the contract agreements and construction/ procurement progress.

69. **Gender specialist.** The gender specialist will have an advanced degree in gender studies or other relevant discipline, and at least seven years expertise in assessments of gender and social development issues surrounding women, the poor, indigenous people, and other disadvantaged groups, preferably in the context of the education sector. The specialist will have experience in the use of participatory methodologies to collect and analyze information and develop relevant action plans, as well as a good understanding of relevant ADB policies and requirements. The gender specialist will help the MOES and the project colleges to implement the gender action plan (GAP). He/she will establish a GAP monitoring and reporting format to report progress under the GAP at each project college and ensure that the gender achievement include in the project progress report and government. The Specialist will also conduct training on gender awareness and work with the TVET promotion team to ensure that TVET promotion activities are gender-inclusive. The Specialist will also monitor progress under the stipend scheme to ensure that 50% of the beneficiaries are women. The Specialist will produce annually gender reports that will be published at the project website. The specialist will be engaged intermittently for at least 6 months.

70. **Monitoring and Evaluation Specialist.** The specialist should have a bachelor degree in marketing, economic or relevant discipline. He or she should have at least 7 years' experience in survey, statistics, or monitoring and evaluation. Having experience with project financed by ADB, World Bank and international organizations is advantage. Duties and key tasks include:

- (i) Analyze the project activities, time frame and the design monitoring framework and establish an effective monitoring mechanism and formats; contribute to prepare annual work plans for the overall projects; set up work plans for each project college;
- (ii) Prepare quarterly reports documenting the project progress against DMF targets, and targets of colleges and overall project work plans timeframe; publish reports on the project website;
- (iii) Prepare a specific monitoring format to track progress of civil works and equipment procurement; publish all documents related to bidding and procurement to ensure transparency;

- (iv) prepare a specific monitoring format to observe disbursement of funds against performance indicators under each output and for each project college;
- (v) assist the stipend team to establish an efficient and transparent monitoring system for the stipend scheme; establish monitoring systems at each project college;
- (vi) plan and conduct impact assessments to document the impact of project interventions, recommend improvements to increase the impact of the project;
- (vii) develop and establish a M&E mechanism to document impacts of capacity building measures; recommend measures to increase the effect of training measures under output 2;
- (viii) Jointly with the gender expert, develop a M&E tool to track the progress under the GAP.

71. To facilitate activities under the three outputs the following consultants will be engaged:

72. **Civil Engineers.** Under Output 1, the project will engage a team of three civil engineers. The engineers specialist will support MOES, college managements in the design for constructing and upgrading workshops, dormitories and water and sanitation facilities. The engineers should have a relevant qualification in architecture, design, engineering or related area, and 10 years work experience in architectural and engineering design in Lao PDR. Specific tasks will include: (i) prepare the conceptual technical drawings for the construction of new workshops, classrooms, dormitories and provide cost estimates for the construction; (ii) prepare technical drawing for upgrading workshops, dormitories and water and sanitation facilities and provide cost estimates for the upgrading work; (iii) ensure that the most cost-effective, practical and easy to maintain strategies for construction are applied; (iv) ensure that architectural and construction solutions are responsive to contextual factors such as climate, type of usage, anticipated loads, and cultural considerations that may have an impact on the quality and nature of the spaces; (v) ensure appropriate conditions for ICT-specific spaces, networks; (vi) develop schematic engineering drawings and technical specifications for all mechanical and electrical work for inclusion in building construction (including all plumbing, electrical, ICT network, air conditioning, ventilation, air exhaust, and other layouts); (vii) determine the most suitable options for management of wastewater and sewage to be discharged from the buildings and describe appropriate septic tanks and/or other systems; (viii) ensure that all workshops, classrooms and dormitories are designed and detailed in compliance with government and provincial planning regulations, statutory authorities and building codes; (ix) provide quantity assessments for inclusion in the cost estimates for all buildings under the project; and (x) support procurement specialists in preparing the bid documents for civil works.

73. **Stipend Team.** To manage the stipend program under output 3, the project will provide a stipend team that will comprise 4 consultants engaged for 40 months each. The stipend team will report to the Team Leader and Deputy Team Leader. One consultant will be an accountant to manage the funds disbursement and payroll, while the three other consultants will support the detailed design, implementation and monitoring of the stipend program. Two consultants should have a bachelor's degree in economics or finance and at least 5 years' experience in establishing stipend schemes, banking or handling other financial portfolios. The third consultant should have a bachelor's degree in social science and be familiar with community development strategies and well-informed about local administration. All of them should have strong communication skills and at least 5 years working experience. Having experience with projects financed by ADB, World Bank and other international organizations is an advantage. Roles and key responsibilities will include:

- (i) Prepare the stipend program operations manual in English and in Lao, for MOES approval, to include: (a) institutional arrangements at the PMU and TVET colleges, (b) detailed student selection procedures and criteria, (c) reporting formats, templates, and timelines, (d) funds flow arrangements, (e) monitoring mechanisms;
- (ii) Establish a stipend committee at each TVET college;
- (iii) Deliver training and continuous coaching for TVET college management and the stipend committees;
- (iv) Establish and monitor payment system with BCEL and facilitate monthly payment of stipends, ensuring timely funds release from PMU to BCEL and from BCEL to student accounts;
- (v) Develop stipend program communication materials (together with the TVET promotion consultants) to inform and attract prospective students;
- (vi) Participate in outreach activities to create awareness on the stipend scheme;
- (vii) Undertake spot checks of stipend program implementation;
- (viii) Prepare regular stipend program reports;
- (ix) Prepare detailed documentation for ADB financial reporting.

74. **Skills standards, curriculum and training material development specialists.** Under output 2 the project will provide resources to engage international and national experts to develop competency based skills standards, curriculum modules and short training programs. Consultants will be hired on demand in various trade areas according to the local demand. The experts will work under the guidance of the TVED and the team leaders. Specific TOR will be developed for each assignment and could include the following tasks:

- (i) prepare, establish and institutionalize formats like working groups for developing competency standards in collaboration with relevant experts from business communities;
- (ii) in close cooperation with the colleges and VEDI guide and support the responsible persons assigned by the colleges to prepare a basic curriculum package with learning materials to assist in implementing the new standards (modular format with student workbooks);
- (iii) help VEDI staff to design and implement skills upgrading programs for existing TVET teachers (in-service training) and for teacher trainees (pre-service training) based on the developed standards and curricula and provide assistance to teachers and schools concerning the new curriculum;
- (iv) support the project schools to implement the new curriculum with the set-up and maintenance of workshops and introduction of equipment and tools inventory and maintenance systems, and workshop safety protocols;
- (v) Monitor and supervise the implementation of new curriculum and the appropriate use of the new training materials at schools.

75. **Specialist to facilitate academic upgrading programs for TVET teachers.** The specialist will support TVED intermittently for 36 months. He/she shall have an advanced degree in education or finance and at least 5 years of experience in organizing and facilitating training programs. He/she should have strong communication and management skills and be familiar with the institutional landscape related to in the TVET system and administrative procedures in Lao PDR. Based on the advice of TVED the Specialist shall facilitate all arrangements required to enroll selected teachers in upgrading programs, including logistic and financial arrangements. He/she should monitor training programs and prepare quarterly financial and progress reports.

76. **2 Specialists to support the facilitation of capacity building programs for teachers and managers at the eight project colleges.** Both specialists will be engaged for 36 months to support TVED intermittently. The specialists shall have an advanced degree in education, or management/administration and at least 10 years of experience in institutional capacity building programs. They should have strong communication and management skills and be familiar with the institutional landscape related to in the TVET system and administrative procedures in Lao PDR. The project will hire a firm to develop and implement strategies to (i) improve technical and pedagogy skills and knowledge of teachers towards promoting student-centered teaching approaches and increased hands-on training for students and (ii) strengthen the management capacity of current and future college leaders and administrators towards promoting an entrepreneurial approach in managing the college. The two specialists will support the firm in organizing short technical training programs, coaching arrangements, improved inspection and guidance at the workplace, training workshops, establishing teacher self-help groups, apprenticeship schemes at companies and others. The specialist will monitor all training measures conducted at the project colleges, assess impacts of training programs and provide recommendations for improvements. The specialist will also manage the disbursement of funds to cover expenditures related to transport, daily allowances and accommodation which cannot be covered under the contract of the firm and will prepare quarterly financial reports.

77. Terms of References for the firm to design and implement capacity building strategies at the eight project colleges and the firm to design and implement the TVET promotion strategy are in Appendix 3 and 5.

VII. SAFEGUARDS

78. The involuntary resettlement category is C, as civil works is limited to upgrading vocational colleges and constructing new classrooms and workshops within existing boundaries. The project will not entail any resettlement of people, relocation of houses, or negative impact upon productive land or other productive assets. The indigenous peoples' categorization is C and the environmental categorization is B. The project is not expected to have any negative impacts on indigenous peoples. It will not discriminate against them or other marginalized groups. If applicable, during operation, training workshops at colleges will ensure proper disposal of hazardous waste such as engine oil. During construction of the dormitories, the contractor will keep noise and dust within locally acceptable levels, as well as manage fill, excavated material, and solid waste in a manner that does not create a permanent impact. Water supply in the dormitories will meet national drinking water quality standards.

79. Pursuant to ADB's Safeguard Policy Statement (2009) (SPS) 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. All financial institutions will ensure that their investments are in compliance with applicable national laws and regulations.

80. **Prohibited investment activities.** Pursuant to ADB's Safeguard Policy Statement (2009), ADB funds may not be applied to the activities described on the ADB Prohibited Investment Activities List set forth at Appendix 5 of the Safeguard Policy Statement (2009).

VIII. GENDER AND SOCIAL DIMENSIONS

81. A summary poverty reduction and social strategy was prepared for the project based on the social analysis conducted during project preparation.

82. Based on a social analysis, a gender action plan (GAP) was prepared in accordance with the ADB Policy on Gender and Development to ensure women have equal opportunities to access vocational and technical training at the 8 vocational colleges supported under the project. The principles of the GAP for the proposed project are: (i) ensure equality of project benefits and opportunity sharing between women and men; (ii) ensure gender sensitive approaches to reduce gender inequalities at the project colleges; (iii) collect sex- disaggregated data including benefit monitoring and evaluation, and (iv) promote an increased representation of female teachers in training and workshops. The monitoring and evaluation system developed under the project will track the effectiveness of the interventions and inform system changes where required to ensure targets are achieved. The Gender Action Plan is in Appendix 7.

83. The GAP sets gender targets for training, dormitory spaces, stipend recipients, and other training opportunities including: (i) by 2020, 90% of both female and male TVET college graduates find employment or start their own business in the area they have been trained in within 6 months of graduation; (ii) 50% of dormitory spaces are reserved for female students; (iii) dormitories have separate spaces and facilities for women and men; (iv) all new and upgraded colleges have separate latrines and facilities for male and female teachers and students; (v) by 2018, at all project colleges conduct training on prevention of sexual harassment; a reporting (including grievances) mechanism for all students is established; (vi) by 2018, at all project colleges, a training on “Code of Conduct” to all dormitory management, security guards and all dormitory staff is conducted; (vii) All female managers and teachers at the project colleges will participate in pedagogy, technical and management training; (viii) 35% of teachers of the academic upgrading program are women. (35% for Bachelor’s and 35% for master’s programs); (ix) skills standards manuals, new TVET curriculum and training programs developed under the project are gender sensitive and provide positive images of women; (x) 50% of students in apprenticeship/ internship schemes in companies are women; (xi) 50% of students in short term training courses for out of school youth are women; (xii) ensure all counselling and guidance materials target women, in particular female students are targeted with information on range of employment opportunities in lucrative industry or business sectors where female presence is low; (xiii) ensure that 30% of those trained as career counsellors are women; (xiv) at least 50% of stipend assistance is provided to women; (xv) the TVET promotion campaign highlights: (a) promotes female participation in TVET in general and in non-traditional skills, in particular; (b) publicize the stipend program, dormitory facilities and training programs and strategies used by TVET institutions to promote female enrolment in non-traditional TVET areas; and (c) mobilize the private sector to hire more women in non-traditional trades.

IX. PERFORMANCE MONITORING, EVALUATION, REPORTING, AND COMMUNICATION

A. Project Design and Monitoring Framework

84. The design and monitoring framework (DMF) is in Appendix 1.

B. Monitoring

85. **Project performance monitoring.** A detailed monitoring framework for reviewing progress towards achieving the DMF outcome and outputs will be drawn up by the consultant team during the first 6 months of project implementation. Terms of reference have been developed for a national consultant who will be engaged to collect all the quantitative and qualitative data, including baseline data on the risks monitoring. The project colleges will establish a tracer system to document the whereabouts of graduates. All student data will be

disaggregated by sex and socio-economic background where possible. Data collected for the college development will be used as baseline at each project college. Project consultants will assist colleges to establish a systematic approach to collect and assess data in relation to relevance of training programs and efficient use of training facilities and equipment.

86. The project monitoring unit that was established under the current TVET project will continue to track all project information related to fund utilization, procurement, utilization of training equipment. At each project college advisory boards consisting of members from local companies, the community and teachers will be established to monitor the implementation at the institution level. These bodies will be supported by project consultants to gather data within the overall framework developed for the project. Data on selected outputs will also be collected regularly by the project director, monitoring and evaluation consultants and ADB review missions. The project director will prepare quarterly reports on project implementation and submit them to ADB within 30 days after each quarter. These reports, which will include data on the implementation targets and their achievement, problems and constraints faced, and proposed actions and solutions, will be submitted in English, in a format acceptable to ADB.

87. **Compliance monitoring.** All project covenants will be monitored regularly by the project director, and twice a year during ADB project review missions. The project covenants are in Grant Agreement.

C. Evaluation

88. ADB will conduct an inception mission within two months after project start-up, and a review mission every 6 months thereafter. The midterm review mission will occur in the third quarter of 2018. Within 6 months after the physical completion of the project, the project director will submit to ADB a project completion report analyzing project implementation, project performance and achievements against the targets, and expected project impact.¹³

D. Reporting

89. MOES will provide ADB with (i) quarterly progress reports in a format consistent with ADB's project performance reporting system; (ii) consolidated annual reports including (a) progress achieved by output as measured through the indicator's performance targets, (b) key implementation issues and solutions, (c) updated procurement plan, and (d) updated implementation plan for the next 12 months; and (iii) a project completion report within 6 months of physical completion of the project. To ensure that projects will continue to be both viable and sustainable, project accounts and the executing agency audited financial statement together with the associated auditor's report, should be adequately reviewed.

E. Stakeholder Communication Strategy

90. A Stakeholder Communications Strategy Framework (SCSF) has been developed for the project, which is attached at Appendix 8. The SCSF will guide the design of a TVET Promotion Strategy to inform stakeholders about the benefits of TVET and the TVET services offered under the project, as well as to increase TVET enrollment and utilization of the stipend for eligible disadvantaged students. The TVET Promotion Strategy also includes the use of career guidance activities for prospective students that will raise awareness about career opportunities in the changing labor market and how TVET can prepare students for these

¹³ Project completion report format is available at: <http://www.adb.org/Consulting/consultants-toolkits/PCR-Public-Sector-Landscape.rar>.

opportunities. The TVET Promotion Strategy will build on social marketing plans and products created previously by MOES and expand on them to i) strengthen national level media and branding activities to promote positive perceptions and build awareness, trust and credibility of TVET, and ii) strengthen the roll out of social marketing activities in the communities in the geographic area of each of the 8 project colleges, equipping the colleges to develop and implement their own community outreach and career guidance campaigns.

91. The TVET Promotion Strategy will be designed and implemented by a communications firm under direction of TVED. The project colleges will, with support of the firm, create community outreach and career guidance plans to deliver TVET promotion in their respective geographic areas. The firm will create a toolkit with standard operating procedures, guidelines, templates, suggested activities and resources to enable the schools to design and deliver these plans, and provide capacity building and ongoing advisory support to colleges administrators and MOES staff to ensure effective delivery of the plans.

92. Key channels of communication that will be used at the national level include: TV/print/radio media products, a digital communication strategy including mobile, internet and social media activities, and the creation of a consistent brand identify for TVET. Channels that will be used at the college level include local customization of the national level products as well as community awareness activities; use of local media and cultural events; partnerships with secondary school career guidance units and career guidance/demonstration events targeting prospective students; and collaboration with organizations and leaders with influence in the community.

93. The TVET Promotion Strategy will make use of approaches and channels that support engagement with female students, ethnic and linguistic minorities and the poor, and will ensure that poor students are aware of the availability of the stipend program and how to utilize it. A monitoring and evaluation framework will be created as part of the TVET Promotion Strategy, which will include indicators to track and assess reach to these groups. A matrix on the communication strategy is provided in Table 14.

Table 14: Communication Strategy Matrix

Communications Objectives	Audience	Current and Desired Behavior	Messages and Information Needs	Channels and Activities	Responsibility	Resource Needs	Expected Outcomes
<p>Increase national appreciation for the quality of education offered by TVET colleges under MOES</p> <p>Increase awareness among prospective students about the skill in depend in the labor market, career opportunities and the TVET schools/opportunities available</p> <p>Increase awareness and utilization of stipend among eligible students</p> <p>Increase enrollment in project colleges</p>	<p>Prospective students (including secondary school students and out-of-school youth) and their parents;</p> <p>Prospective students eligible for the stipend program and their parents</p> <p>Social organizations with outreach to youth and parents, prospective employers</p> <p>TVET project colleges</p> <p>Community level actors including leaders, schools, businesses</p> <p>Development partners</p>	<p>Negative perception of vocational careers shifted to appreciation of the role of TVET in meeting demand for skilled labor</p> <p>Low awareness of TVET opportunities among students/parents shifted to awareness</p> <p>Project colleges' limited capacity to deliver community outreach and social marketing increased</p>	<p>Information about current labor opportunities in the market and benefits of TVET</p> <p>Guidance on how to make career decisions in line with market realities</p> <p>Examples of successful TVET graduates</p> <p>Location of TVET schools and services offered, where/how and when to enroll</p> <p>Information on availability of stipend, eligibility criteria, and how to enroll</p> <p>Materials/training for project colleges on how to conduct social marketing and community outreach</p>	<p>Creation of national campaign materials (logo, slogan, print, TV radio, social media, etc)</p> <p>Annual national job fairs</p> <p>Toolkit to assist colleges in localization of national materials to create their own community outreach and career guidance plans</p> <p>Community outreach events</p> <p>Career guidance activities and job demonstrations for prospective students</p> <p>Capacity building for MOES staff and college administrators to enable creation and delivery of community outreach and career guidance plans for each college</p> <p>Information sharing with other development partners</p>	<p>MOES supported by communications firm responsible for national level activities</p> <p>Project colleges supported by MOES and communications firm responsible for outreach among student populations local to each college</p>	<p>Communication firm for development of materials</p> <p>Formative research to inform campaign design</p> <p>Framework and toolkit for supporting project colleges in developing community outreach plans</p> <p>Budget allocation for project college level outreach campaigns</p>	<p>Increased positive perception about TVET and vocational careers</p> <p>Increased enrollment in project colleges, especially in priority skill areas</p> <p>Uptake of stipend program among eligible students</p> <p><i>*Note: Communication firm will create a monitoring and evaluation framework identifying specific numeric targets</i></p>

X. ANTICORRUPTION POLICY

94. ADB reserves the right to investigate, directly or through its agents, any violations of the Anticorruption Policy relating to the project.¹⁴ 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 and/or 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.¹⁵

95. ADB's Anticorruption Policy was also explained to and discussed with MOES and TVED. Consistent with its commitment to good governance, accountability and transparency, ADB reserves the right to investigate any alleged corrupt, fraudulent, collusive, or coercive practices relating to the project.

96. MOES has indicated its commitment to promote good governance and establish a corruption-free environment under the project. Further to this, a number of good governance and anticorruption provisions have been included in the project concept. These include the requirements for MOES to: (i) carry-out periodic inspections of the project contractor's activities related to fund withdrawals and settlements; (ii) ensure that relevant provisions of ADB's Anticorruption Policy (1998), as amended to date, are included in all bidding documents for the project; (iii) incorporate provisions in all ADB-financed contracts specifying the right of ADB to audit and examine the records and accounts of MOES, contractors, suppliers, consultants, and other service providers as they relate to the project; and (iv) establish a project website to disclose information about various project-related issues, including procurement and other contracts awarded under the project.

97. The website shall be updated within one week of each contract award. On the procurement-related information, the website shall disclose: (i) the list of participating bidders, (ii) name of the winning bidder, (iii) basic details on bidding procedures adopted, (iv) amount of contract awarded, (v) the list of goods and services procured, and (vi) the intended and actual utilization of grant proceeds under each contract being awarded. Any bidder may request an explanation from TVED as to why a bid was unsuccessful and TVED should respond within 20 working days, and establish a grievance redress task force to receive and resolve complaints/grievances or act upon reports from stakeholders on possible misuse of funds and other irregularities. The task force shall (a) review and address grievances of stakeholders of the project, in relation to either the project, any of the service providers, or any person responsible for carrying out any aspect of the project; (b) liaise with the relevant law enforcement agencies as relevant; and (c) report immediately to ADB on any malfeasance or maladministration that occurred under the project.

XI. ACCOUNTABILITY MECHANISM

98. 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 an effort in good faith to solve their problems by

¹⁴ Anticorruption Policy: <http://www.adb.org/Documents/Policies/Anticorruption-Integrity/Policies-Strategies.pdf>.

¹⁵ ADB's Integrity Office web site: <http://www.adb.org/integrity/unit.asp>.

working with the concerned ADB operations department. Only after doing that, and if they are still dissatisfied, should they approach the Accountability Mechanism.¹⁶

XII. RECORD OF CHANGES TO THE PROJECT ADMINISTRATION MANUAL

99. All revisions and/or updates of the PAM during the course of implementation should be retained in this section to provide a chronological history of changes to implemented arrangements recorded in the PAM, including revision to contract awards and disbursement S-curve.

¹⁶ Accountability Mechanism. <http://www.adb.org/Accountability-Mechanism/default.asp>.

DESIGN AND MONITORING FRAMEWORK

Impact the Project is Aligned With			
Sufficient skilled labor available to maintain inclusive and sustainable development in the Lao PDR (<i>Eighth National Socio-Economic Development Plan and the TVET Development Plan for 2016–2020</i>) ^a			
Results Chain	Performance Indicators with Targets and Baselines	Data Sources and Reporting Mechanisms	Risks
Outcome TVET system expanded and aligned with evolving labor market needs	a. By 2020, 90% of both female and male TVET colleges graduates find employment or start their own business in areas where they have been trained within 6 months of graduation. Sex-disaggregated data (2015 baseline: 80%) b. Enrollment in project colleges increases from 16,300 in 2015 to 25,500 in 2020; 45% of students are girls (2015 baseline for women at project colleges: 41%) c. Companies and business associations express satisfaction with graduates from project colleges (baseline: not applicable)	a. Tracer studies conducted by colleges annually and compiled by TVED b. TVED education information system c. Annual college development plans and results of a survey among local companies that will be conducted in 2020	Government provides insufficient funding for TVET
Outputs 1. Teaching and learning environments at eight TVET colleges upgraded 2. Quality and relevance of demand-driven programs	1a. Facilities are upgraded, based on approved proposals within the first 2 years of the project (baseline: not applicable) 1b. New equipment is integrated in ongoing training programs by 2018 (baseline: not applicable) 1c. Dormitories are well maintained and provide healthy and student-friendly living environments. 50% of new dormitory spaces are reserved for female students (baseline: 0) 2a. 1,000 TVET teachers and managers participated in	1a. Approved college development plans 1b. TVED progress reports published annually 1c. Progress reports from project colleges and TVED 2a. TVED progress and training reports	Lack of sufficient funds to ensure O&M of workshops and training equipment

Results Chain	Performance Indicators with Targets and Baselines	Data Sources and Reporting Mechanisms	Risks
<p>improved</p> <p>3. Access to TVET institutions for disadvantaged students increased</p>	<p>training measures during the implementation phase of the project; all female managers and teachers at the project colleges will participate in pedagogy, technical, and management training (baseline: 0)</p> <p>2b. 50% of trained teachers adopt student-centered teaching methods in 2018. Sex-disaggregated data (2015 baseline: 10%)</p> <p>2c. At least 80% of the lesson plans confirm integrated theory and practical training approaches. (2015 baseline: 10%)</p> <p>2d. At least 50 teachers (20 women) have commenced academic upgrading programs by 2018 (baseline: 0)</p> <p>2e. Increased number of students in apprenticeship schemes in companies. 50% are women (baseline: 0)</p> <p>3a. Criteria and mechanism for selecting poor students for stipends is in place within the first 6 months of the project; 50% of the applicants are women (baseline: not applicable)</p> <p>3b. At least 1,000 students from low-income families received stipends from the project and enroll in vocational schools (50% women) by 2018 (baseline: 0)</p> <p>3c. Awareness campaigns have contributed to enhance the reputation of TVET and the understanding of job opportunities for skilled workers. Surveys collect and report sex-disaggregated data</p>	<p>2b. TVED progress reports published annually and feedback from students</p> <p>2c. Lesson plans prepared by project colleges</p> <p>2d. Enrollment certifications issued by TVED</p> <p>2e. Training records of colleges published by TVED</p> <p>3a. Criteria and selection mechanism published by TVED</p> <p>3b. TVET statistics and reports on stipend utilization published by TVED annually</p> <p>3c. Surveys and campaign reports conducted and prepared by the consulting firm and TVED</p>	

Results Chain	Performance Indicators with Targets and Baselines	Data Sources and Reporting Mechanisms	Risks
	(baseline: not applicable)		
<p>Key Activities with Milestones</p> <p>1. Teaching and learning environments at eight TVET colleges upgraded</p> <p>1.1 Establish project implementation units at each project college (Q1 2017)</p> <p>1.2 Prepare civil works at five project colleges (Q1 2017)</p> <p>1.3 Commence civil works (Q3 2017)</p> <p>1.4 Prepare and approve plans for procuring training equipment jointly with companies (Q2 2017)</p> <p>1.5 Initiate process to procure equipment and tendering starts (Q3 2017)</p> <p>1.6 Integrate the use of new equipment in training plans (SY 2017/2018)</p> <p>2. Quality and relevance of demand-driven programs improved</p> <p>2.1 Prepare training plan for teachers and managers and approve training strategy (Q3 2017)</p> <p>2.2 Start training programs (Q3 2017)</p> <p>2.3 Select areas for developing new curriculum and teaching materials jointly with companies and prepare new training material and course content starts (Q1 2018)</p> <p>2.4 Select first batch of teachers for academic upgrading (Q3 2017)</p> <p>2.5 Start upgrading of academic programs (Q1 2018)</p> <p>3. Access to TVET institutions for disadvantaged students increased</p> <p>3.1 Approve criteria for selecting poor students under the stipend scheme (Q1 2017)</p> <p>3.2 Deliver stipend to disadvantaged students (SY 2017–2018)</p> <p>3.3 Prepare and ready draft strategy for the TVET campaign (Q2 2017)</p> <p>3.4 Start project-financed promotion activities (Q3 2017)</p>			
<p>Inputs</p> <p>Asian Development Bank: \$25,000,000 (grant)</p> <p>Government of the Lao PDR: \$1,500,000</p>			
<p>Assumptions for Partner Financing</p> <p>Not applicable</p>			

Lao PDR = Lao People's Democratic Republic, Q = quarter, SY = school year, TVED = Technical and Vocational Education Department, TVET = technical and vocational education and training.

^a Government of the Lao PDR. 2016. *Socio-Economic Development Plan, 2016–2020*. Vientiane; and Government of the Lao PDR. 2015. *TVET Development Plan for 2016–2020*. Vientiane.

Source: Asian Development Bank.

TERMS OF REFERENCE FOR CONSULTING SERVICES TO DESIGN AND IMPLEMENT CAPACITY STRENGTHENING MEASURES AT TVET COLLEGES

A. Background

1. The labor market structure in the Lao People's Democratic Republic (PDR) will shift in the near future, and an increasing number of workers will transition from agriculture to industry and services. However, business communities in the industry and service sectors consider a lack of adequate skills to be a major barrier to workers finding employment in better-paid jobs. Sufficient labor with advanced skills and knowledge will be essential to this transformation, and the government has committed to adjusting and expanding technical and vocational education and training (TVET) services towards these labor market demands. In a country with a large youth population (about 37% of the Lao PDR population is under 15 years of age), quality TVET services will be important to providing paths to employment for young people. Currently, only one third of the 18-27 year-old workers in non-agricultural jobs have any post-secondary TVET or higher education.

2. Low level involvement of companies in developing and assessing TVET programs, and lack of opportunities for students to gain hands-on experience in training workshops or at company sites are key issues of TVET. Industry involvement in curriculum development is limited and current curriculum modules are not revised regularly to reflect changing technology and market demands. Students have limited opportunities to gain industry and workplace experience to upgrade skills and knowledge in the field of their training. Although individual vocational colleges show considerable variations in the quality of their classrooms and workshops, technical teaching tools and equipment, campus condition, and apparent dedication of management and teachers, the majority of colleges still faces challenges to design demand-driven training programs with outdated and inadequate equipment and limited consumables, which hamper quality teaching and learning at many institutions. Limited competence of teachers to adopt modern teaching techniques integrating theoretical content in practical skills training is another key challenge. Teacher centered and theory based lecturing is still the common way of teaching in most colleges. Due to a lack of technical and pedagogical expertise teachers are not able to organize learning which integrates the today required soft skills into the learning process. Most college directors and administrators lack management skills and experience. Under the current system senior teachers will be promoted to become college directors, however, without appropriate management training and guidance. Those issues and a lack of understanding of job opportunities for TVET graduates result in a poor reputation of public TVET institutions among secondary education students and their families. Considering the limited formal employment opportunities, many graduates seek jobs or self-employment in the informal sector. Thus, TVET programs need to be adjusted to consider entrepreneurial and multi-skilled approaches to improve the ability of students to identify business opportunities and respond to local labor market demands. Project preparatory technical assistance contacts with business communities and company representatives indicate the view that public TVET colleges are often considered out-of-touch with the real world, and graduates are ill-prepared in technical skills and work attitudes. TVET colleges generally lack current, reliable, and consistent data about their trainees, and, in particular about their access to employment. Across the system, there is a tendency of rigidity of program structures and lack of flexibility in adjusting program content and duration in response to labor market needs.

3. Currently central system procedures for monitoring, evaluation, and professional and administrative support of TVET colleges are inadequate. Effective TVET data collection and reporting from the institutions is inadequate; a systematic approach for central monitoring and

program inspection is missing. Expanded systems for regular training in administrative and educational management skills for managers and lead teachers are required, as are improved procedures for monitoring and implementing set standards and goals of institutional performance. Very few criteria are in place for the employment of TVET teachers except basic academic qualifications. In general, newly employed teachers lack any significant work experience in activities relevant to their teaching. Initial pedagogic training for new teachers is needed, along with more effective coordinated procedures for regular in-service training of all TVET teachers. Systems for the systematic and regular review of the actual performance of teachers need to be improved. The system as a whole appears to lack effective performance-based sanctions and rewards.

4. The Asian Development Bank (ADB) is providing a grant to the Lao PDR to support efforts to realign TVET with current and future labor market needs, with focus on eight project colleges selected to participate in the project. The project has three outputs (i) upgrading teaching and learning environments at eight TVET project colleges including updating equipment, workshops, dormitory, and other facilities; (ii) improving quality and relevance of demand-driven programs by providing continuous training and coaching for teachers; (iii) increasing access to TVET for poor students through the establishment of a targeted direct stipend program for poor and disadvantaged youth. Output 3 will also implement TVET promotion strategies to improve the public image of TVET, promote enrollment, and encourage eligible students to utilize the stipend program.

5. The Ministry of Education and Sports (MOES) will be the executing agency for the project and the Technical and Vocational Education Department (TVED) under MOES will be the implementing agency. A Project Management Unit (PMU) has been established within TVED and PMUs will also be established in each of the eight project colleges. A team of project implementation consultants will support MOES in implementing the project.

6. MOES is seeking a consulting entity to provide a team of consultants to design and implement an integrated, multi-level capacity building program to (i) improve technical and pedagogy skills and knowledge of teachers towards promoting student-centered teaching approaches and increased hands-on training for students and (ii) strengthen the management capacity of current and future college leaders and administrators towards promoting an entrepreneurial approach in managing the college.

B. Scope of Work and Outcome

7. The selected firm is expected to conduct assessments at each project college and collaborate with TVED, the Vocational Education Development Institute (VEDI) and other development partners, who are supporting teacher training programs and build on and expand existing training programs and strategies to strengthen capacity of TVET teachers, managers and administrators. The specific objective of the assignment is to establish an in-service system that will provide training and capacity strengthening opportunities for teachers, managers and administrators.

8. Areas to improve the capacity of teachers may include: (i) update pedagogical knowledge to teach the specific courses; (ii) prepare the technical equipment for teaching sessions; (iii) plan consumables needed to operate the technical equipment in teaching sessions; (iv) operate the technical equipment in teaching situations; (v) maintain the technical equipment; (vi) develop training plans per year, month, week, day; (vii) prepare training sessions along the existing curricula; (viii) prepare teaching materials; (ix) select the appropriate

methods related to the target group and the content of the lecture, (x) prepare and update curriculum modules, and (xi) prepare and conduct evaluations, self-evaluations and assessments.

9. Areas to strengthen the management capacity of principals and administrators towards promoting an entrepreneurial culture to managing colleges and program delivery could include (i) refining responsibilities and reporting structures (ii) improve financial planning, asset management, budget preparation and expenditure monitoring (iii) preparation of development plans including human resources development planning (iv) maintenance of school infrastructure (v) strategies to collaborate with the local industry and communities and conduct local labor market assessments, (vi) conduct of tracer studies, (viii) design and conduct demand-driven short- courses, and (viii) increase income generation through marketing short-term skills training courses for out-of-school youth and adults, selling services, and producing basic goods.

10. Support for teachers, managers and administrators could include advisory services from national and international experts, short technical training, coaching by senior teachers or industry trainers, improved inspection and guidance at the workplace, training workshops, establishing teacher self-help groups, apprenticeship schemes at companies. Teachers shall also receive training to ensure that new equipment purchased under the project will be used effectively and will be integrated in the teaching process and suitably maintained.

11. The firm will establish a monitoring and evaluation framework to track the progress of the capacity building measures and to assess impact.

12. The firm will ensure that all activities are in compliance with MOES guidelines and protocols for communication as well as the information sharing and disclosure standards laid out in ADB's Public Communication Policy (PCP) and ADB's Safeguards Policy Document (SPD). The firm must also abide by laws governing public communication and advertising in Lao PDR, including all relevant ministry decrees on communication.

C. Time Schedule

13. The firm will be engaged on an intermittent basis for the duration of the project which runs for four years from January 2017 to December 2020. However, interested organizations should indicate how long they will need each position to work to achieve the successful completion of the tasks under the terms of reference. The firm will be funded under the ADB Grant.

D. Expertise Required

14. Interested organizations should determine the number and nature of experts they will require to achieve the objectives of the contract. However, MOES requires a minimum of 2 key experts: TVET Specialist/Team Leader and a Project Administrator.

15. The TVET Specialist/Team Leader will be an individual with regional experience who should have the following minimum qualifications:

- (i) Minimum of 10 years' experience overseeing the design and implementation of capacity building programs in TVET

- (ii) Ability to manage the design, facilitation and monitoring of training and capacity strengthening programs
- (iii) Sound experience in TVET and collaboration with industry and communities
- (iv) Experience in managing TVET institutions would be an asset
- (v) Management experience of at 5 years; ability to supervise a team of project staff
- (vi) Familiarity with project areas and/or communities an asset
- (vii) Ability to work effectively and communicate well with a wide cross section of stakeholders including government officials, educational institutions, business communities and community based groups, development partners and donors, etc.
- (viii) Excellent written and spoken English skills

16. The Project Administrator will be in charge of all administrative responsibilities related to facilitate capacity strengthening measures and will ensure all documentation required by MOES and/or ADB is kept in accordance with MOES and ADB procedures. This includes both financial documentation and administrative matters. The Project Administrator will be an individual with the following minimum requirements:

- (i) a minimum of 5 years' experience in accounting and record keeping for development projects
- (ii) An understanding of the challenges of record keeping in rural areas and strategies for adapting to local situations while keeping within MOES/ADB regulations
- (iii) Excellent computer skills (MS Word and Excel)
- (iv) Strong English language skills
- (v) Familiarity with MOES/ADB regulations and advantage

17. In addition to the above required Key Experts, the proposing organizations should also include in their technical proposal, in the Personnel Work plan and in their financial proposal all other "non-key experts" required in accordance with their proposed Approach and Methodology.

E. Supervision

18. Interested firms should indicate the management structure proposed of the team.

19. The TVET Specialist/Team Leader will be under the supervision of designated TVED staff members. The Team Leader will keep the supervisor informed regularly by email of the progress in the implementation of this assignment, identify any issues or possible delays to the accomplishment of this assignment, and propose and implement solutions to address such issues or possible delays.

F. Other Requirements

20. An inception report to be delivered two months after commencing the project detailing the progress of the project, an indicative work plan for the first year, any proposed changes or changed circumstances affecting the project.

21. Progress reports submitted at six-month intervals in a format agreed upon by MOES and the successful firm.

22. A completion report including description of activities carried out, lessons, impact of the capacity strengthening measures and recommended next steps.

G. Facilities to be provided by MOES and Other Administrative Matters

23. The consultants will be field-based, highly mobile and will work with the eight project colleges and their surrounding community areas in accordance with the needs of each. The consulting team will work from the MOES offices and their own offices and collaborate with MOES staff and the implementation consultants as needed.

24. Consultants are expected to arrange and pay for their own accommodation and travel as agreed in advance with the MOES supervisor, subject to reimbursement in line with MOES terms and conditions of contract.

H. Preparation of the proposal

25. Interested firms are requested to prepare a detailed description of how they propose to deliver on the outputs of the contract in the section of their proposal called "Approach and Methodology." In this narrative, firms should be explicit in explaining how they will achieve the outputs and of what staff will comprise the project team. The proposing firms should outline their experience in Lao PDR and/or the region.

26. One CV only must be submitted for each Key and non-key expert included in the proposal. Only the CVs of Key Experts (TVET Specialist and Project Administrator) will be scored as part of the technical evaluation of proposals. The CVs of non-key experts will not be scored; however MOES will review and individually approve/reject each CV for each position in the proposal.

27. All positions under the contract, including key and non-key experts, must be included and budgeted for in the financial proposal in accordance with the person-month allocation required for each as defined by the proposing firm.

28. The firm is also expected to provide comments to this TOR when submitting the Expression of Interest (EOI), particularly on Section I: Indicative Budget.

I. Indicative Budget

29. The maximum budget for this assignment is \$850,000. Funding needed to cover expenditure of teachers, managers and administrators of project colleges for transport, accommodation and daily allowances in order to participate in capacity building measures that will take place outside their colleges will be covered by MOES through separate earmarked project funds.

30. The prospective firm should include in their proposal proposed utilization of the budget to accomplish the tasks described.

TVET STIPEND PROGRAM IMPLEMENTATION ARRANGEMENTS

1. The stipend program aims to enable disadvantaged youth from poor families to enroll in vocational colleges. MOES, through the PMU, will implement the TVET stipend program working through the 8 project colleges. The stipend program will be supported by the project implementation consultants, including a stipend team. This appendix provides details of four core design considerations of the stipend program: (i) the stipend amount, (ii) student selection criteria (including gender balance), (iii) stipend delivery mechanism and frequency, and (iv) implementation and monitoring arrangements. On project start up the project implementation consultants will prepare a stipend program operations manual in English and in Lao, and will deliver continuous training and coaching for TVET college management.

A. Stipend amount

2. The stipend amount is set at a level sufficient to cover all out-of-pocket expenses associated with attending full-time education. These expenses include: transport to and from the TVET college (at the beginning and end of each semester), accommodation in a dormitory (paid at the beginning of each semester), plus monthly allowances for food, clothing, school supplies, and other incidental expenses such as communication, toiletries, medicines, and so on. The total monthly stipend amount of LAK 620,000 (about \$77.50) includes the bank fees. It is harmonized with the stipend amount provided under the GIZ Inclusive Access Fund, based on a survey of living costs. Table A3.1 provides the monthly stipend details.

Table A3.1: Monthly stipend amount, in LAK

Item	Amount
Food	500,000
Clothing	20,000
School supplies (e.g. stationary)	10,000
Other (e.g. communications, toiletries, medicines, etc.)	85,000
Bank fee	5,000
Total	620,000

3. Table A3.2 is the stipend payment schedule, showing both monthly allowances plus additional amounts payable at the start and end of each semester for transport and dormitory fees. Students will pay the school for their accommodation at the beginning of each semester. The total value of the stipend is LAK 6,760,000 (about \$833) per student per year.

Table A3.2: Stipend payment schedule per student, per year, in LAK (10 months)

Payment #	Monthly Stipend	Transport	Dormitory	<u>Total</u>
1	620,000	80,000	400,000	1,100,000
2	620,000	-	-	620,000
3	620,000	-	-	620,000
4	620,000	-	-	620,000
5	620,000	-	-	620,000
6	620,000	-	-	620,000
7	620,000	-	-	620,000
8	620,000	-	-	620,000
9	620,000	-	-	620,000
10	620,000	80,000	-	700,000
Total	6,200,000	160,000	400,000	6,760,000

4. At a total annual stipend of \$833, the stipend program will be able to support up to 4,733 students for one year of study (10 months). The total number of individual students that can be supported with the total stipend program budget of \$4 million will depend on whether students choose to enroll in 1, 2 or 3-year courses, where the per-student costs total \$1,690 for a 2-year program and \$2,535 for a 3-year program.

B. Student selection

5. **Target recipients.** The stipends are intended for students from poor and disadvantaged families. Poor families often live in districts with high poverty rates, or in the government's priority districts, but not always. Poor households may also live in better-off areas that can still have large numbers of poor people. These tend to be urban and peri-urban areas. A geographic focus on poor areas only may miss a large share of the poor, many of whom actually live in better-off areas. Therefore, students selected to receive stipends should include but not be limited to students from the government's poorest, most disadvantaged districts. Anyone may apply for a stipend, but—following common local targeting practices in Lao PDR—the local authorities should verify and certify that students are from poor or disadvantaged families. This will include students from ethnic minority households, as well as students from households headed by women.

6. **Gender balance.** At least 50% of the stipends will be allocated to women to attend the TVET course of their choosing. Neither the project nor the stipend program will focus on specific priority sectors. Achieving gender balance in the stipend program will therefore be possible.

7. **Selection process.** Student selection will be primarily undertaken at the project college level, by a stipend committee that includes representatives from the school (e.g. student affairs) and from the district, province, and the Lao Youth Union. Students may apply at the school, or at TVET promotion and outreach activities undertaken by the school. TVET promotion and outreach activities will include information about the stipend program. An application form and information materials will be developed by the PMU, with the support of the stipend team and the TVET promotion consultants. MOES approval for the preselected students is needed.

C. Stipend delivery mechanism and frequency

8. **Delivery mechanism.** Stipends will be paid monthly for the 10 months of the academic year, directly to students through bank accounts with BCEL. BCEL manages an extensive network of branches and ATMs around the country, and has experience delivering stipends under the GIZ Inclusive Access Fund. BCEL pay cards can be used for cash withdrawal, bill payment, and payment at selected stores. Administration of pay cards is straightforward, with no monthly fees, no minimum balance, and no cancellation fee. Students may retain their bank accounts and cards after they complete their courses. BCEL charges LAK 10,000 per pay card, and a LAK 2,000 transaction fee per transfer. Withdrawals are free of charge from BCEL ATMs.

9. **Frequency.** The first payment will be made when the student has enrolled and received the ATM card (receipt required). After this, payments will be monthly if it is verified that the student has an attendance rate of at least 85% (students may not be absent for more than 2 days in a month without a legitimate excuse).

D. Implementation and monitoring arrangements

10. The stipend program will be implemented by the PMU and the project colleges, with the support of the stipend team consultants. TVET colleges will establish stipend committees that will be responsible for student selection and preparation of monthly progress reports that include attendance verification. The receipt of the attendance lists will trigger the release by the PMU of funds to BCEL, and to the students. It will be important to devise an efficient and effective reporting system to avoid delays in the release of funds. This will help avoid student drop-outs for financial reasons.

11. TVET colleges must agree to immediately inform the scholarship team about dropouts so that the ATM cards will be blocked, and any remaining funds are returned to the scholarship fund.

12. TVET colleges (and the stipend team) will provide capacity development and support to scholarship students that includes ATM use, financial literacy training, and guidance on money management.

E. Outline TOR, Stipend Team

13. The stipend team will report to the Team Leader, and will comprise 4 consultants. One will be an accountant to manage the funds disbursement and payroll, while 3 will support the detailed design and implementation of the stipend program. Roles and responsibilities will include:

- i. Prepare the stipend program operations manual in English and in Lao, for MOES approval, to include:
 - o institutional arrangements at PMU and TVET college level
 - o detailed student selection procedures and criteria
 - o reporting formats, templates, and timelines
 - o funds flow arrangements
- ii. Establish a stipend committee at each TVET college
- iii. Deliver training and continuous coaching for TVET college management and the stipend committees
- iv. Establish and monitor payment system with BCEL and facilitate monthly payment of stipends, ensuring timely funds release from PMU to BCEL and from BCEL to student accounts
- v. Develop stipend program communication materials (together with the TVET promotion consultants) to inform and attract prospective students
- vi. Participate in outreach activities
- vii. Undertake spot checks of stipend program implementation
- viii. Prepare regular stipend program reports
- ix. Prepare detailed documentation for ADB financial reporting

TERMS OF REFERENCE FOR CONSULTING SERVICES TO DESIGN AND IMPLEMENT A TVET PROMOTION STRATEGY

A. Background

1. The labor market structure in the Lao People's Democratic Republic (Lao PDR) will shift in the near future, and an increasing number of workers will transition from agriculture to industry and services. However, business communities in the industry and service sectors consider a lack of adequate skills to be a major barrier to workers finding employment in better-paid jobs. Sufficient labor with advanced skills and knowledge will be essential to this transformation, and the government has committed to adjusting and expanding technical and vocational education and training (TVET) services towards these labor market demands. In a country with a large youth population (about 37% of the Lao PDR population is under 15 years of age), quality TVET services will be important to providing paths to employment for young people. Currently, only one third of the 18-27 year-old workers in non-agricultural jobs have any post-secondary TVET or higher education.

2. The Asian Development Bank (ADB) is providing a grant to the Lao PDR to support efforts to realign TVET with current and future labor market needs, with focus on 8 project colleges selected to participate in the project. The project has three outputs: (i) teaching and learning environments at eight TVET colleges upgraded, (ii) quality and relevance of demand-driven programs improved, and (iii) access to TVET institutions for disadvantaged students increased. Output 3 will also implement TVET promotion strategies to improve the public image of TVET, promote enrollment, and encourage eligible students to utilize the stipend program.

3. The Ministry of Education and Sports (MOES) will be the executing agency for the project and the Technical and Vocational Education Department (TVED) under MOES will be the implementing agency. A Project Management Unit (PMU) has been established within TVED and PMUs will also be established in each of the 8 project colleges. A team of project implementation consultants will support MOES in implementing the project.

4. MOES is seeking a consulting entity to provide a team of consultants to design and implement an integrated, multi-level TVET promotion campaign that will increase awareness and positive perceptions of TVET and to promote enrollment, with special attention to women, ethnic groups, and low income students eligible for the stipend program.

5. This is the second ADB-financed project for strengthening TVET. Under the first project, a number of social marketing activities were conducted in 2015–2016, including:

- A baseline survey of audience media habits
- Creation of a social marketing strategy with implementation plan
- Training programs for MOES staff and for leadership teams in project colleges
- Production of media materials including print, TV and radio spots

6. The selected firm is expected to build on and expand on this existing body of work in developing the TVET promotion strategy for this project to (i) continue and strengthen national level media and branding activities to promote positive perceptions and build awareness, trust and credibility of TVET; and (ii) expand and strengthen the roll out of social marketing activities through a targeted approach within the communities in the geographic areas of each of the 8 project colleges, equipping the colleges to develop and implement their own community

outreach and career guidance campaigns that will involve community awareness activities and career guidance activities for prospective students.

7. Specifically, objectives of the campaign include
 - (i) Increase national public awareness of current trends/opportunities in the labor market that make TVET a smart choice and positive public perception of TVET and vocational careers
 - (ii) Increase national appreciation for the quality of education offered by TVET colleges under MOES
 - (iii) Increase awareness among prospective students about the skills in demand in the labor market, career opportunities, and the TVET schools/opportunities available to them locally and nationally.
 - (iv) Increase enrollment in the 8 project colleges
 - (v) Increase awareness and utilization of the stipend among eligible disadvantaged students
 - (vi) Inform development partners about MOES TVET programs and the national branding approach to encourage harmonization of messaging

8. The following are the key audiences for TVET promotion:
 - (i) The **primary** audiences for this campaign include:
 - a. Prospective students (including secondary school students and out of school youth) for general enrollment (i.e., not eligible for stipend program) and their parents
 - b. Prospective students (including secondary school students and out of school youth) eligible for stipend program and their parents
 - (ii) The **secondary** audiences include actors that influence students' decisions and/or shape market/career opportunities, including:
 - a. Social organizations with outreach to youth and parents and with presence in TVET colleges/secondary schools such as Lao Youth Union and Lao Women's Union
 - b. Community level actors such as community leaders, secondary schools, teachers, etc.
 - c. Business community/prospective employers
 - d. Donor partners and aid agencies involved in the TVET sector
 - e. MOES staff and administrative staff in project colleges

9. The TVET promotion campaign will ensure that measures are incorporated to reach those students within these audience groups that have lesser or limited access to communication channels, female students, students of lower economic status and students non-Lao speaking ethnic groups.

B. Scope of Work and Outcome

10. The TVET promotion campaign will make use of approaches and channels that support engagement with female students, ethnic and linguistic minorities and the poor, and will ensure that poor students are aware of the availability of the stipend program and how to utilize it.

11. The firm will deliver an integrated TVET promotion campaign to meet the communication objectives stated above. The promotion campaign will be gender-sensitive, will consider both rural and urban audiences, and will ensure that selected communication channels are able to reach audiences of varying ethnic, linguistic and economic backgrounds. The firm will deliver:

- (i) A baseline survey and formative research assessing audiences' current levels of awareness, their perceptions, and attitudes relevant to TVET and the behavioral barriers and drivers related to enrollment. Formative research should also assess the capacities of TVET project colleges to deliver promotion activities.
- (ii) A TVET promotion strategy/roll out plan grounded in the formative research and expands on the social marketing strategy created under the first TVET project. The plan will cover both the national level media and branding campaign as well as the college-level community outreach and career guidance campaigns.
- (iii) Based on the existing Social Marketing Strategy develop national level media and branding campaign including reviewing and revising existing media products; designing and producing new ones as needed; establish a consistently applied visual identify and messaging including a tagline and logo, to strengthen audience recognition; facilitate an annual TVET job fair that was established under the previous project aimed at promoting awareness of employment opportunities in the TVET sector.
- (iv) A digital strategy that will support both the national level media and branding effort as well as the college-level community outreach and career guidance activities. The strategy should take into account internet, mobile and social media, as well as new technologies that can expand reach to less-connected audiences/areas.
- (v) Production and placement of all media products needed to deliver the strategy. The firm will ensure that prototypes of all products are pre-tested with the intended audience.
- (vi) A framework and toolkit to support colleges in creating their own community outreach and career guidance plans. This will include but not be limited to: campaign implementation guidelines; tested key messages; media product templates that can be localized; reference materials for planning and implementing community events and career guidance activities; presentation materials for community interactions; mapping of organizations and institutions with community presence and guidance on how to engage; pre-established customizable communication platforms (e.g., mobile) that can be selected and customized by the colleges. Indicative contents of the toolkit are attached as Appendix 1. However, firms are expected to update and finalize the toolkit contents based on the formative research and in line with the approved TVET promotion strategy.
- (vii) Guidance, support and supervision to the colleges in using the framework and toolkit to develop their own campaign plan that is in line with the national TVET promotion strategy, is appropriate to the size and cultural context of the project college's audience, and that is within the capacity of the colleges to implement. The firm will manage the allocation of funds from the overall TVET promotion campaign budget (detailed in Section I) to each college for implementation of the community outreach and career guidance plans to each college according to the scope and activities in their plans using a transparent allocation framework to be agreed between the firm and MOES.
- (viii) Capacity building for MOES staff and college administrators that will cover best practices in social marketing and community outreach/awareness raising.

- (ix) A mechanism and/or resource person for regular on-site technical advice and guidance for TVET college administrators tasked with the delivery of the community outreach and career guidance campaign plans.
- (x) Information sharing with other donors and development agencies about MOES' TVET activities and the TVET promotion approach to support harmonization between different stakeholders.
- (xi) A monitoring and evaluation framework to track the progress of the TVET promotion implementation and to measure impact. The M&E framework should consider both national level activities as well as the college level outreach campaigns. The firm will provide terms of reference for a third party to conduct the impact study

12. The firm will ensure that all activities are in compliance with MOES guidelines and protocols for communication as well as the information sharing and disclosure standards laid out in ADB's Public Communication Policy and ADB's Safeguards Policy Statement. The firm must also abide by laws governing public communication and advertising in Lao PDR, including all relevant ministry decrees on communication.

C. Time Schedule

13. The firm will be engaged on an intermittent basis for the duration of the project which runs for 4 years from January 2017 to December 2020. However, interested organizations should indicate how long they will need each position to work to achieve the successful completion of the tasks under the terms of reference. The firm will be funded under the ADB grant.

D. Expertise Required

14. Interested organizations should determine the number and nature of experts they will require to achieve the objectives of the contract. However, MOES requires a minimum of 2 key experts: Social Marketing and Awareness Campaign Specialist/Team Leader and a Project Administrator.

15. The Social Marketing and Awareness Campaign Specialist/Team Leader will be an individual with regional experience who should have the following minimum qualifications:

- (i) Minimum of 8 years experience overseeing the design and implementation of awareness and behavior change communication campaigns and/or social marketing
- (ii) Ability to manage the design, testing and production of media materials and to oversee delivery of training and outreach activities
- (iii) Prior experience in education sector and/or TVET sector an asset
- (iv) Management experience of at least three years; ability to supervise a team of project staff
- (v) Familiarity with project areas and/or communities an asset
- (vi) Ability to work effectively and communicate well with a wide cross section of stakeholders including government officials, educational institutions, community based groups, development partners and donors, etc.
- (vii) Excellent written and spoken English skills

16. The Project Administrator will be in charge of all administrative responsibilities of the project and will ensure all documentation required by MOES and/or ADB is kept in accordance with MOES and ADB procedures. This includes both financial documentation and administrative

matters. The Project Administrator will be an individual with the following minimum requirements:

- (i) a minimum of 3 years' experience in accounting and record keeping for development projects
- (ii) An understanding of the challenges of record keeping in rural areas and strategies for adapting to local situations while keeping within MOES/ADB regulations
- (iii) Excellent computer skills (MS Word and Excel)
- (iv) Strong English language skills
- (v) Familiarity with MOES/ADB regulations an advantage

17. In addition to the above required Key Experts, the proposing organizations should also include in their technical proposal, in the Personnel Work plan and in their financial proposal all other "non-key experts" required in accordance with their proposed Approach and Methodology.

E. Supervision

18. Interested organizations should indicate the management structure proposed of the team.

19. The Social Marketing and Awareness Campaign Specialist/Team Leader will be under the supervision of designated TVED staff members. The Team Leader will keep the supervisor informed regularly by email of the progress in the implementation of this assignment, identify any issues or possible delays to the accomplishment of this assignment, and propose and implement solutions to address such issues or possible delays.

20. The firm will coordinate with a TVET Promotion Task Force established by the MOES for approvals of all plans, strategies and media products. The firm will provide up to two rounds of revisions to draft media products at the request of the task force. The firm may then be asked to provide further revisions on extra cost basis if necessary.

F. Other Requirements

21. An inception report to be delivered two months after commencing the project detailing the progress of the project, an indicative work plan for the first year, any proposed changes or changed circumstances affecting the project.

22. Progress reports submitted at six-month intervals in a format agreed upon by MOES and the successful firm.

23. A completion report including description of activities carried out, lessons, impact of the TVET promotion strategy, and recommended next steps.

G. Facilities to be provided by MOES and Other Administrative Matters

24. The consultants will be field-based, highly mobile and will visit the 8 project colleges and their surrounding community areas in accordance with the needs of each. The consulting team will work from the MOES offices and their own offices and collaborate with MOES staff and the implementation consultants as needed.

25. Consultants are expected to arrange and pay for their own accommodation and travel as agreed in advance with the MOES supervisor, subject to reimbursement in line with MOES terms and conditions of contract.

H. Preparation of the proposal

26. Interested firms are requested to prepare a detailed description of how they propose to deliver on the outputs of the contract in the section of their proposal called "Approach and Methodology." In this narrative, organizations should be explicit in explaining how they will achieve the outputs, and include any information on their existing activities, especially those related to awareness campaigns, social marketing and/or promotion of educational or social services as well as the details of what staff will comprise the project team. The proposing firm should outline their experience in Lao PDR, emphasizing expertise that equip them to create campaigns that are sensitive to the linguistic and ethnic diversity in Lao PDR.

27. One CV only must be submitted for each Key and non-key expert included in the proposal. Only the CVs of Key Experts (Social Marketing and Awareness Campaign Specialist and Project Administrator) will be scored as part of the technical evaluation of proposals. The CVs of non-key experts will not be scored; however MOES will review and individually approve/reject each CV for each position in the proposal.

28. All positions under the contract, including key and non-key experts, must be included and budgeted for in the financial proposal in accordance with the person-month allocation required for each as defined by the proposing firm.

29. The firm is also expected to provide comments to this TOR when submitting the Expression of Interest (EOI), particularly on Section I: Indicative Budget.

I. Indicative Budget

30. The maximum budget for this assignment is \$850,000, of which the following amounts are reserved:

- a. \$450,000 for national level media and branding campaign, (including production, distribution and placement of media materials, logo and visual identity) and the college level community outreach and career guidance campaigns.
- b. \$60,000 for monitoring and evaluation which includes impact assessments to be carried out by an independent firm and reporting.

31. The prospective firm should include in their proposal proposed utilization of the budget to accomplish the tasks described.

FINANCIAL MANAGEMENT ASSESSMENT QUESTIONNAIRE

1. MOES has administered several ADB funded projects in the recent past, which have been supervised by the Financial Department of MOES (DOF)¹ - thus the EA has good experience of administering financial aspects of ADB-funded projects. Overall, ADB projects in the education sector have been performing satisfactorily in recent years. There have been three comprehensive financial management assessments (FMA) for MOES by (i) the Strengthening Technical Vocational Education and Training (STVET)² Project (Project 42278); (ii) the Secondary Education Sector Development Program (Project 40368)³, and (iii) the Second Strengthening Higher Education Project in 2016. All three assessments reported MOES's financial management capacity as adequate.

2. Based on the implementation arrangements established under STVET, the proposed project will continue working through the same fund flow and staffing arrangements which have to be proved successful. Accounting and financial reporting systems, financial information systems, and auditing arrangements have been assessed by the State Audit Office (SAO). SAO confirmed that the financial management capacity to operate the STVET project was appropriate. Based on further assessments during the project preparatory phase the following areas for improvement of financial management capacity have been identified:

- Further improvement of harmonizing financial planning, accounting and reporting among finance units at TVED and project colleges
- ⇒ Mitigation plan: consultants will assist PMU and PIUs at the project colleges to set up a uniformed accounting and monitoring system within the first 6 months of implementation. Information will be exchanged/controlled monthly. Consultants will train finance staff and provide regular guidance.
- Financial management staff in MOES/PMU are relatively experienced in terms of ADB financial systems, but PIUs and new finance staff particularly at PIUs at project colleges might be inexperienced with financial planning, budget preparation, financial reporting, and ADB procedures
- ⇒ Mitigation plan: during project implementation consultants will conduct annual training workshops for current and new finance staff of PMU and PIUs during the first quarter of each year. The financial management and operational procedures manual should be further improved and disseminated to PIUs within the first 6 months of implementation.

3. Based on the assessments, it was concluded that the overall pre-mitigation financial management risk of MOES and TVED is low. MOF and MOES have agreed to implement the proposed mitigation activities to address potential deficiencies.

¹ There are four permanent qualified technical staff handling ADB project financial matters at DOF.

² ADB. 2010. Project Administration Manual. Project Number 42278. Lao People's Democratic Republic: Strengthening Technical and Vocational Education and Training Project.

³ ADB. 2011. Project Administration Manual. Project Number 40368-02. Lao People's Democratic Republic: Secondary Education Sector Development Project.

Table A5.1: MOES, TVED Financial Management Assessment Questionnaire

Topic		Response and comments
1. MOES, TVED (Implementing Agency, IA)		
1.1	What is the entity's legal status?	TEVD is department under MOES, TEVD and DOF will manage the project financial matters. For Project Management, the Department hires project finance officers/ accountants to administer financial matters and coordinate with Department of Finance
1.2	Has MOES/TEVD implemented an externally financed project in the past?	TVED manage and oversee the current TVET project and other donor financed projects successfully.
1.3	What are the statutory reporting requirement for DoF, and TVED.	TVED prepares all the project financing matters and report to DOF for endorsement
1.4	Is the governing body of the project independent?	The project administration line consists of Steering committee (MOES, Ministry of Finance, Ministry of Planning and Investment and trade associations); Within MOES, the project expenditures and finances are cleared by the DOF as internal control mechanism. Per diem and travel cost for government staff is paid according to the Decree No. 2066, dated 25/6/2015.
1.5	Is the organization structure appropriate to the needs of the project?	Yes. The project will follow the same structure established under the current TVET project.
2. Funds Flow Arrangements		
2.1	Describe (proposed) project funds flow arrangements, including a chart and explanation of the flow of funds from ADB, government and other financiers?	The fund flow arrangements are described in the PAM. ADB → one time permission from MOF → project imprest account at BOL.
2.2	Are the (proposed) arrangements to transfer the proceeds of the grant from the MOF satisfactory?	Yes. MOF issues a clear instruction on grant transfer.
2.3	What have been the major problems in the past in receipt of funds by TVED/DOF?	There is no major problem. One minor problem relates to complicate and time consuming document processing within the MOES.
2.4	In which bank will the Imprest Account be opened?	Bank of Lao P.D.R. BOL has a Service Department handling Imprest Bank Account. ADB transfers to MOF, then MOF transfers to designated Imprest Bank Account. Then transfer to sub account or supplier account.
2.5	Does the (proposed) project coordination unit (PCU) and project implementation unit [PIU] have experience in the management of disbursements from ADB?	Yes. The PCU and PIU are successfully implementing the current project and other projects financed by other development partners.
2.6	Does the entity have/need a capacity to manage foreign exchange risks?	Yes. For DOF and TVED. Department of Finance (MOES) takes care of it. All internal expenses are paid in KN for daily rate (BOL rate at the payment date), and international expenses are in USD or local currency.
2.7	How are the counterpart funds accessed?	Counterpart funding are provided in-kind contribution.

2.8	How are payments made from the counterpart funds?	Not applicable -
2.9	If part of the project is implemented by communities or NGOs, does the PIU have the necessary reporting and monitoring features built into its systems to track the use of project proceeds by such agencies?	Not applicable. The project will engage some private training providers. M&E and reporting system are already established under the current TVET project.
2.10	Are the beneficiaries required to contribute to project costs? If beneficiaries have an option to contribute in kind (in the form of labor), are proper guidelines formulated to record and value the labor contribution?	<i>Not applicable.</i>
3. Staffing		
3.1	What is the (proposed) organizational structure of the accounting department? Attach an organization chart	DOF assigns focal staff to handle the project financial accounting and reporting mater.
3.2	Identify the (proposed) accounts staff, including job title, responsibilities, education background, and professional experience.	DOF has sufficient qualified full time staff to support the project. In addition, the PIU will hire a finance expert
3.4	Is the financial and accounts staff adequately qualified and experienced?	Yes, refreshment training will be provided under the project.
3.5	Is the project accounts and finance staff trained in ADB procedures?	Yes. ADB organized training on ADB procedures. ADB provides training every two years. Besides, if there is any new regulation from ADB, staffs are constantly updated.
3.6	What is the duration of the contract with the finance and accounts staff?	For government staff, no time is set. Once appointed, the individuals are required to complete the project, except in the case of position reshuffle. The PIU will hire an accountant over the project duration.
3.7	Indicate key positions not contracted yet, and the estimated date of appointment.	All positions will be recruited within the first six months of the project implementation.
3.8	Does the project have written position description that clearly define duties, responsibilities, lines of supervision, and limits of authority for all of the officers, managers and staff?	TORs for individual positions financed by the project are available. DOF of MOES has an operation manual that describes the role, tasks, and activities of each department and position. The manual also explains operation procedures. DOF (Accounting Section) of MOES staff assigned to ADB funded project have clearly defined duties, responsibilities, lines of supervision, and limits of authority for all the officers.
3.9	At what frequency are personnel transferred?	Finance staff turnover is very low.
3.10	What is training policy for the finance and accounting staff?	MOF update the financial management manuals and provide refreshment training for finance and accounting staff. The DOF identifies deficiencies in staff capacities and provides training to the staff. As for policy, regulation, and technical upgrade, all staffs are provided with training.
4. Accounting Policies and Procedures		
4.1	Does MOES have an accounting system that allows for the proper recording of project financial transactions, including the allocation of expenditures in accordance	MOF developed Financial Management Manual for Externally Funded Project dated 26/6/1998, supported by ADB TA No: 5689-REG. The manual is still being used for project finance reporting.

	with the respective components, disbursement categories, and sources of funds? Will the project use the entity accounting system?	DOF (MOES) has an operation manual and an accounting system, following the guidelines of MOF. Decree No. 2066 is used as a guideline. Government accounting uses double entry system. For project implementation, financial procedure is based on ADB guidelines.
4.2	Are controls in place concerning the preparation and approval of transactions, ensuring that all transactions are correctly made and adequately explained?	Yes. MOES establishes an internal control to ensure the project funds are used as planned. The procedure is as follow: DOF receives a proposal from the PIU. Then DOF compiles necessary documents, signs the proposal, and proposes to the National Treasury for final approval.
4.3	Is the chart of accounts adequate to properly account for and report on project activities and disbursement agreements?	Adequate Project account uses project categories as a base. Payment categories are specified in project details prior to commencement. ADB guideline will be applied for the project, therefore it is adequate.
4.4	Are cost allocations to the various funding sources made accurately and in accordance with established agreements?	Yes
4.5	Are the General Ledger and subsidiary ledgers reconciled and in balance?	Yes. Daily summary of subsidiary ledgers. Annual reconciliation. Petty Cash is prepared at the last date of the month (balanced and reports for replenishment). However, if the cash is below 2/3 of the allocated budget, the project can prepare for replenishment.
4.6	Are all accounting and supporting documents retained on a permanent basis in a defined system that allows authorized users easy access?	Yes. There is a filing system (monthly, quarterly, annually for audit). After audit, documents are given to project office for maintenance for 10 years.
Segregation of Duties		
4.7	Are the following functional responsibilities performed by different units of persons: (i) authorization to execute a transaction (ii) recording of the transaction; and (iii) custody of assets involved in the transaction?	Yes. For MOES and TVED (i) Director or Deputy Director of Financial Department (ii) Accounting Division, Department of Finance (iii) Recipient (a division in TVED has an asset administration unit for PIU)
4.8	Are the functions of ordering, receiving, accounting for, and paying for goods and services appropriately segregated?	Yes. There is regulation from Ministry of Finance for procurement as well as ADB guidelines.
4.9	Are bank reconciliations prepared by someone other than those who make or approve payments?	Yes, Financial staff compiles necessary form, proposed to Project Director for inspection and approval, then submit through Department of Finance for approval. Bank reconciliation is done through PIU. Department of Finance, Accounting Division carries out bank reconciliation.
Budgeting System		
4.10	Do budgets include physical and financial targets?	Yes.
4.11	Are budgets prepared for all significant	Yes. The Project will prepare annual plan and budget based

	activities in sufficient detail to provide a meaningful tool with which to monitor subsequent performance?	on the project activities for ADB review and endorsement.
4.12	Are actual expenditures compared with the budget with reasonable frequency, and explanations required for significant variations from the budget?	Yes. Explanation will be provided prior to approval.
4.13	Are approvals for variations from the budget required in advance or after the fact?	Approvals are required in advance.
4.14	Who is responsible for preparation and approval of budgets?	PIU prepares and DG of TVED approves.
4.15	Are procedures in place to plan project activities, collect information from the units in charge of the different components, and prepare the budgets?	Yes. PIU implements according to ADB guideline.
4.16	Are the project plans and budgets of project activities realistic, based on valid assumptions, and developed by knowledgeable individuals?	Budgets has prepared in collaboration with TVED, DOF , project colleges and ADB.
Payments.		
4.17	Do invoice-processing procedures provide for: (i) Copies of purchase orders and receiving reports to be obtained directly from issuing departments? (ii) Comparison of invoice quantities, prices and terms, with those indicated on the purchase order and with records of goods actually received? (iii) Comparison of invoice quantities with those indicated on the receiving reports? (iv) Checking the accuracy of calculations?	Yes. PIU will obtain the quotation and preparing the quotation report. The procurement committed will review and endorse. PIU follow the rules and regulation set by ADB, MOES, and MOF.
4.18	Are all invoices stamped PAID, dated, reviewed and approved, and clearly marked for account code assignment?	Yes.
4.19	Do controls exist for the preparation of the payroll and are changes to the payroll properly authorized?	Yes. PIU prepares, Project Director approves in accordance with the MOES, and MOF procedures and requirements.
Policies and Procedures		
4.20	What is the basis of accounting (e.g., cash, accrual)?	Cash Basis.
4.21	What accounting standards are followed?	Government uses double entry accounting system based on MOES and MOF.
4.22	Does the project have an adequate policies and procedures manual to guide activities and ensure staff accountability?	The Project will follow the MOF's procedure and guideline, MOES' manual and ADB disbursement handbook.
4.23	Is the accounting policy and procedure manual updated for the project activities?	MOES and project will update the manual to reflect any changes if required. There is an annual meeting on financial management, to exchange and discuss about financial policy and manual updates.
4.24	Do procedures exist to ensure that only authorized person can alter or establish a new accounting principle, policy or procedure to be used by the entity?	In principle, MOF is the only authority to change the policy and procedure. MOES will update their manual based the MOF guidance.
4.25	Are there written policies and procedures covering all routine financial management and related administrative activities?	Yes, all projects have to follow MOF's decree No. 2066.
4.26	Do policies and procedures clearly define conflict of interest and related party transactions (real and apparent) and provide safeguards to protect the organization from them?	Yes.

4.27	Are manuals distributed to appropriate personnel?	Yes.
Cash and Bank		
4.28	Indicate names and positions of authorized signatories in the bank accounts.	Imprest account is signed by designated person from Ministry of Finance. Project's sub account will be signed by the General Director or Deputy General Director of Department of Finance.
4.29	Does the organization maintain an adequate, up to date cashbook, recording receipts and payments?	Yes, the project will follow the existing mechanism established by MOES.
4.30	Do controls exist for the collection, timely deposit, and recording of receipts at each collection location?	Yes, all the supporting documents and receipt will be kept at PIU office.
4.31	Are bank and cash reconciled on a monthly basis?	Yes. PIU will assign the focal person to reconcile.
4.32	Are all unusual items on the bank reconciliation reviewed and approved by a responsible official?	No, if there is a case, financial staff reconcile with the bank.
4.33	Are all receipts deposited on a timely basis?	Yes.
Safeguard Over Assets		
4.34	Is there a system of adequate safeguards to protect assets from fraud, waste and abuse?	Yes. Inventory system is in place. Asset management manual is used.
4.35	Are subsidiary records of fixed assets and stocks kept up to date and reconciled with control accounts?	Yes
4.36	Are there periodic physical inventories of fixed assets and stocks?	Yes. PIU assign the focal staff to update the inventory list and location. In addition the external audit has checked the project assets annually.
4.37	Are assets sufficiently covered by insurance policies?	Cars are covered by insurance. Office and training equipment is covered by warranty life.
Other Offices and Implementing Entities		
4.38	Are there any other regional offices or executing entities participating in implementation?	Yes – 8 TVET colleges
4.39	Has the project established controls and procedures for flow of funds, financial information, accountability and audits in relation to the other offices of entities?	Yes, the project engages the State Audit Organization to review fund flow and accountability arrangement at all implementing units.
4.40	Does information among the different offices/implementing agencies flow in and accurate and timely fashion?	Yes, accurate and timely.
4.41	Are periodic reconciliations performed among the different offices and implementing agencies?	Yes
Others		
4.42	Has the project advised employees, beneficiaries, and other recipients to whom to report if they suspect fraud, waste, or misuse of project resources or property?	Yes, through monthly meeting, quarterly progress reports and website.
5. Internal Audit		
5.1	Is there an internal audit department in the entity?	Yes, MOES has established inspection unit to review project proceedings. In addition, ADB conducts twice a year review missions including field visits, review project account and procurement and undertake a mid-term review mission.
5.2	What are the qualifications and experience of audit department staff?	Not known to us.
5.3	To whom does the internal auditor report?	Report to the inspection and monitoring department, MOES.

5.4	Will the internal audit department include the project in its work program?	Not know yet.
5.5	Are actions taken on the internal audit findings?	Not yet known.
6. External Audit		
6.1	Is MOES' financial statement audited regularly an independent auditor? Who is the auditor?	Yes, by State Auditing Organization which is endorsed by ADB.
6.2	Are there any delays in audit of MOES? When are the audit reports issued?	No, all the project audit reports are timely submitted.
6.3	Is the audit of MOES conducted according to the International Standards of Auditing?	Yes. ADB supports the State Audit Organization to update its auditing standard and capacity.
6.4	Were there any major accountability issues brought out in the audit report of the past three years?	Only minor issues related to handling pretty cash and the problems were resolved timely.
6.5	Will NAO audit the project accounts, or will another auditor be appointed to audit the project financial statements?	State Audit Organization is preference among the government offices.
6.6	Are there any recommendations made by the auditors in prior audit reports or management letters that have not yet been implemented?	No.
6.7	Is the project subject to any kind of audit from an independent governmental entity (e.g., the supreme audit institution) in addition to the external audit?	Yes. State Audit Organization.
6.8	Has the project prepared acceptable terms of reference for an annual project audit?	The project will prepare TORs at later stage with the help of consultant.
7. Reporting and Monitoring		
7.1	Are financial statements prepared for MOES?	Yes. PIU and DOF will prepare the financial statement as scheduled.
7.2	Are financial statements prepared for the implementing unit, TVED?	Yes, PIU under TVED prepares financial statement and forward them to DOF for review and submit it to state Audit Organization.
7.3	What is the frequency of preparation of financial statements? Are the reports prepared in a timely fashion so as to be useful to management for decision making?	Once a year for MOES and State Audit Organization
7.4	Does the reporting system need to be adapted to report on the project components?	No.
7.5	Does the reporting system have the capacity to link the financial information with the project's physical progress? If separate systems are used to gather and compile physical data, what controls are in place to reduce the risk that the physical data may not synchronize with the financial data?	Yes, if required any financial and physical progress information can be combined.
7.6	Does the project have established financial management reporting responsibilities that specify what reports are to be prepared, what they are to contain, and how they are to be used?	Yes, adequate reporting responsibilities and arrangements are established under the ongoing TVET project.
7.7	Are financial management reports used by management?	Yes, to monitor the utilization of project funds.
7.8	Do the financial reports compare actual expenditures with budgeted and programmed allocations?	Yes, quarterly and annually.

7.9	Are financial reports prepared directly by the automated accounting system or are they prepared by spreadsheets or some other means?	Use Microsoft Excel.
8. Information Systems		
8.1	Is the financial management system computerized?	No.
8.2	Can the system produce the necessary project financial reports?	Yes.
8.3	Is the staff adequately trained to maintain the system?	Yes, finance staff from TVED and DOF receive refreshment training annually.
8.4	Does the management organization and processing system safeguard the confidentiality, integrity, and availability of the data?	Yes.

PROCUREMENT CAPACITY ASSESSMENT Agency Questionnaire

I. Background

The country procurement risk assessment, which was carried out in 2015, indicated that the procurement risk for the education sector is rated high due to some deficiencies of the legal and regulatory framework, decentralization of procurement to provincial level where the procurement skills are weaker and based on potential risks associated with setting high pre-bid cost estimates and cases of awarding contracts to other than the lowest bidders.

Although the procurement risk for the education sector was rated high, procurement assessment at project level is rated as low due to (i) the project will work through the same implementation arrangements that have been established under the ongoing TVET project and have been proved to be successful. The Department of Technical and Vocational Education Department DTVE under the MOES as the project implementation unit has sound procurement experience gathered from the implementation of ADB financed projects and projects financed by other development partners; (ii) qualified procurement specialists will be engaged under the project to support the PIU; (iii) ADB Resident Office will provide supervision and targeted procurement training to the PIU whenever required; (iv) procurement plans and activities are discussed and agreed transparently with all stakeholders, bidding documents and cost estimates will be disclosed at the project website; and (v) bid evaluation and process to contract awards will be conducted by representatives from the ministry and project colleges and reviewed by ADB Resident Office.

Risk Ratings	Extremely High	High	Average	Low
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II. Specific Assessment and Ratings

Question	Answer/Finding	Risk
A. ORGANIZATIONAL AND STAFF CAPACITY		
A.1. How many years of experience does the head of the procurement department/unit have in a direct procurement role?	One (1) Head of Procurement Unit at the Services Department of the Ministry of Education and Sports(MOES) has more than 8 years of experience in handling procurement of goods mostly those frequently purchased for office use with aggregate value not exceeding the limit for Shopping or Direct Purchase. This procurement unit handles procurements for all the departments under the ministry, including the Technical Education and Vocational Department (TVED). The procurement staff who worked under TVED was hired under the ADB-Grant TVET project and had more than 5 years work experience in procurement of goods, works and services.	Low
A.2. How many staff in the procurement department/unit are:		
i. Full Time?	One(1) Staff (Ministry of Education and Sports)	
ii. Part Time?	One(1) Staff on contract under the ADB-Grant TVET project.	
iii. Seconded?	None	
A.3. Does the procurement staff have English language proficiency?	Yes	Low
A.4. Are the number and qualifications of the staff sufficient to undertake the additional procurement that will be required under the proposed project?	The number of staff is insufficient vis-a-vis volume of work that will be required but current staff have sufficient qualifications and experience to undertake procurement that will be required under the proposed project. MOES is planning to engage additional staff for the new project	Average

Question	Answer/Finding	Risk
A.5. Does the unit have adequate facilities, such as PCs, internet connections, photocopy facilities, printers, etc., to undertake the planned procurement?	Internet connections sufficient, additional PCs needed, photocopy facilities and printers are outdated - but will be replaced by the new project to improve the production of bidding documents, including civil works plans/designs and BOQs.	Low
A.6. Does the agency have a procurement training program?	Agency does not conduct procurement training programs but personnel are sent to the Procurement Office (PrMO) of the Ministry of Finance to attend procurement training programs organized by that office.	Low
A.7. Does the agency have a Procurement Committee that is independent from the head of the agency?	Tender Committees are organized based on the methods of procurement to be used depending on the threshold values of the goods or works to be procured. Tender Committees are independent from the head of the agency. They are autonomous under the Procurement Decree.	Low
A.8. Does the agency have a procurement department/unit, including a permanent office that performs the function of a Secretariat for the Procurement Unit, and which serves as the main support unit of the Procurement Committee??	The Procurement Unit of MOES provides direct support or performs the function of a Secretariat to support the Tender Committees. However, at the project level, only the Procurement Officer hired by the PMU serves as the Secretariat for and supports the Tender Committees in all matters relating to project procurements.	Low
A.9. If yes, what type of procurement does it undertake?	The Procurement Officer at the PMU undertakes procurements for various goods, works and services.	
A.10. At what level does the department/unit report (to the head of agency, deputy etc.)?	The Director General (Head) of the Technical and Vocational Education Department (TVED) reports directly to the Minister of the Ministry of Education and Sports.	Low
A.11. Do the procurement positions in the agency have job descriptions, which outline specific roles, minimum technical requirements and career routes?	Yes, procurement positions have corresponding job descriptions, outlining specific duties and responsibilities, and minimum experience requirements. There are no clear career routes for the procurement staff.	Yes
A.12. Is there a procurement process manual for goods and works?	Yes, the process manual was issued by the Procurement Monitoring Office of the Ministry of Finance.	Low
A.13. If there is a manual, is it up to date and does it cover foreign-assisted projects?	Yes, every time the Procurement Decree and its Implementing Rules and Regulations are amended, this manual is likewise updated. Yes, the manual also covers foreign-assisted projects.	
A.14. Is there a procurement process manual for consulting services?	Yes, this manual was issued by the Procurement Monitoring Office (PrMO) of the Ministry of Finance.	
A.15. If there is a manual, is it up to date and does it cover foreign-assisted projects?	Yes, every time the Procurement Decree and its Implementing Rules and Regulations are amended, this manual is likewise updated. Yes, the manual also covers foreign-assisted projects.	
A.16. Are there standard documents in use, such as Standard Procurement Documents/Forms, and have they been approved for use on ADB funded projects?	Yes, there are standard bidding documents in use and were used during the implementation of ADB Grant No.0211-LAO (SF): Strengthening Technical and Vocational Education and Training Project.	
A.17. Does the TOR follow a standard format such as background, tasks, inputs, objectives and outputs?	Yes, there is a standard format for preparing TORs.	
A.18. Who drafts the procurement specifications?	At the project level, the lists and specifications for goods to be procured are prepared by trade specialists/teachers selected from various technical colleges. For works, the plans, drawings, specifications and BOQs are prepared by the Civil Engineer hired by the PMU. For additional consulting services for which TORs are not included in the PAM, the Consultant prepares the TOR.	Low
A.19. Who approves the procurement specifications?	The specifications are reviewed by the concerned Tender Committee and are submitted to the Minister for approval.	
A.20. Who drafts the bidding documents?	Using the Master Bidding Documents(MBD), the Procurement Staff of the PMU prepare the drafts of the bidding documents to	

Question	Answer/Finding	Risk
	complete the information to be supplied to parts of the MBD (1) for goods to include the lists, quantities, specifications, date and location of delivery; and (2) for civil works to include civil works plans, designs and BOQs.	
A.21. Who manages the sale of the bidding documents?	PMU	
A.22. Who identifies the need for consulting services requirements?	PMU	Low
A.23. Who drafts the terms of reference (TOR)?	If the TOR is not included in the PAM for certain consulting services required by the project, then the Consultant prepares the draft of the TOR.	
A.24. Who prepares the request for proposals (RFPs)?	The PMU with assistance from the Consultant	
B. INFORMATION MANAGEMENT		
B.1. Is there a referencing system for procurement files?	Yes, procurement files are referenced and grouped using main codes as follows: (i) GD for goods, (ii) CW for works, and (iii) CS for consulting services and individual files are identified by their respective procurement Package Number.	Low
B.2. Are there adequate resources allocated to record keeping infrastructure, which includes the record keeping system, space, equipment and personnel to administer the procurement records management functions within the agency?	Currently not sufficient resources provided to record keeping infrastructure, basic records keeping system is in place but needs improvements, space for keeping general records and space to secure confidential documents/records related to procurements still inadequate.	Average
B.3. For what period are records kept?	Records are kept indefinitely, particularly for auditing purposes, review requirements and future references.	Low
B.4. Are copies of bids or proposals retained with the evaluation?	Yes, all documents related to a particular bid are all kept together in hard copies, including copies of bids, bid proposal of all the bidders and results of the bid evaluation.	Low
B.5. Are copies of the original advertisements retained with the pre-contract papers?	Yes, copies of the original advertisements for "Invitation for Bids" are kept and retained with the pre-contract papers.	Low
B.6. Is there a single contract file with a copy of the contract and all subsequent contractual correspondence?	Yes, there is a single contract file containing copy of the contract and all subsequent contractual correspondences relating to the particular bid.	Low
B.7. Are copies of invoices included with the contract papers?	Yes, copies of invoices are included with the contract papers.	Low
C. PROCUREMENT PRACTICES		
Goods and Works		
C.1. Has the agency undertaken foreign-assisted procurement of goods or works recently (last 12 months, or last 36 months)? (If yes, please indicate the names of the development partner/s and the Project/s.)	Yes, the Technical and Vocational Education Department of the Ministry of Education and Sports has undertaken foreign-assisted/funded procurement of goods and works for the implementation of the project commencing in 2011, specifically ADB Grant No. 0211-LAO(SF): Strengthening Technical and Vocational Education and Training Project. Similarly, other departments under MOES also implemented foreign-assisted projects such as ADBs	Low
C.2. If the above answer is yes, what were the major challenges?	Delays in the preparation of detailed technical specifications for workshop tools and equipment due to difficulties in organizing technical groups composed of trade specialists from the technical colleges. This somehow also delayed completion of bid document preparations.	
C.3. Is there a systematic process to identify procurement requirements (for a period of one year or more)	Yes, every financial year, planned activities/work plans, procurement requirements and Procurement Plan along with the corresponding budget requirements of the Technical and Vocational Education Department are prepared and are then submitted to the office of the Minister of the Ministry of Education and Sports where all the work plans, procurement and budget	Low

Question	Answer/Finding	Risk
	requirements of all the Departments are consolidated and then submitted to the Ministry of Finance for approval and budget appropriations.	
C.4. Is there a minimum period for preparation of bids and if yes how long?	Yes, depending on the type of bidding. For consulting services about 1 month; for NCB about 2 months and for ICB about 3 months. The period for the preparation of bids further varies between 2 – 5 months depending on the types and complexity of the goods or works to be procured.	Low
C.5. Are all queries from bidders replied to in writing?	Yes and all those who purchased the bid documents are sent copy of similar letter.	
C.6. Does the bidding document state the date and time of bid opening?	Yes, bidding documents state the date, time, and place of bid opening.	Low
C.7. Is the opening of bids done in public?	Yes	Low
C.8. Can late bids be accepted?	No	
C.9. Can bids be rejected at bid opening?	No	
C.10. Are minutes of the bid opening taken?	Yes	Low
C.11. Who may have a copy of the minutes?	Immediately after the bid opening, copies of the minutes of bid opening are already made available and are provided/distributed to all those who attended the bid opening. Any interested party or person can request for a copy of the minutes of bid opening.	
C.12. Are the minutes free of charge?	Yes	
C.13. Who undertakes the evaluation of bids (individual(s), permanent committee, ad-hoc committee)?	Bid evaluation is initially done by the project Procurement Staff, including the review of technical qualification of bidders based on the qualification evaluation criteria prescribed in the bid document. The initial evaluation is then presented to the Tender Committee for review and approval. This same procedure also applies to the financial/price bid evaluation.	Low
C.14. What are the qualifications of the evaluators with respect to procurement and the goods and/or works under evaluation?	The Procurement Staff performing the bid evaluation and preparing the draft of the bid evaluation report is a holder of the certificate of training on Procurement issued by the Procurement Monitoring Office (PrMO) of the Ministry of Finance.	Low
C.15. Is the decision of the evaluators final or is the evaluation subject to additional approvals?	The decision of the evaluator is not final. The draft of the evaluation report is presented to the Bidding Committee for review and approval. Bid evaluation report requiring "Prior Review" is then sent to the Office of the Minister for clearance and forwarded to ADB for "no-objection-letter".	Low
C.16. Using at least three real examples, how long does it normally take from the issuance of the invitation for bids up to contract effectiveness?	Example A: Procurement of workshop equipment for the technical colleges took about 6 months from the issuance of the invitation for bids up to contract effectiveness. Example B: Procurement of civil works for the construction of school dormitory for Savannakhet Technical Vocational College in Savannakhet Province took about 4 months. Example C: Procurement of consulting service for PMU Procurement activities to be provided by National Procurement Specialist took about 1.5 months. However, the period can vary depending on the complexity and quantity of goods or works to be procured. The period could be between 3 months to 6 months.	
C.17. Are there processes in place for the collection and clearance of cargo through ports of entry?	Yes, clearance of cargoes through ports of entry is normally the responsibility of the supplier done by its local partner or supplier's representative. However, once the PMU receives all the pertinent freight documents for the goods, necessary documents required for the release of the goods from customs are already prepared by PMU in coordination with the Ministry of Finance so that necessary clearances are already obtained and in place even before arrival of the cargoes. These proactive	Low

Question	Answer/Finding	Risk
	actions helped avoid possible delays in the discharge of the goods from the custom's warehouse once the shipments arrive.	
C.18. Are there established goods receiving procedures?	Yes, after release of the goods from customs, they are delivered to the supplier's warehouse where the PMU inspects/checks and certifies that the goods are in accordance with the quantities, specifications and prices as ordered.	Low
C.19. Are all goods that are received recorded as assets or inventory in a register?	Yes, PIU maintains central records of all goods procured and received by the project. Once goods are delivered to the respective technical colleges, each of the colleges then record and register these goods as assets of the school.	Low
C.20. Is the agency/procurement department familiar with letters of credit?	No. At the project level all payments particularly for the procurement of high value goods, works and services are directly paid by ADB. Only small purchases using the Imprest Account are handled by the PMU which do not require opening of letters of credit.	Low
C.21. Does the procurement department register and track warranty and latent defects liability periods?	Yes, as this is part of the contract which the Procurement Unit has to monitor.	
Consulting Services		
C.22. Has the agency undertaken foreign- assisted procurement of consulting services recently (last 12 months, or last 36 months)? (If yes, please indicate the names of the development partner/s and the Project/s.)	Yes, the Technical and Vocational Education Department of the Ministry of Education and Sports has undertaken foreign-assisted/funded procurement of consulting services for the implementation of the project which commenced in 2011, specifically ADB Grant No. 0211-LAO(SF): Strengthening Technical and Vocational Education and Training Project.	Average
C.23. If the above answer is yes, what were the major challenges?	Major challenges were encountered during the recruitment of national consultants. Recruitment of most of the national consultants were delayed due unavailability of qualified Laotians who can fill the posts to provide consulting services during the implementation of the project resulting to some of the activities not being started as planned. Some of the national consultants hired are also engaged in some other projects resulting sometimes to work overload. Also, PIU staffs have to handle several tasks as there were also not sufficient personnel assigned to work in the PMU, particularly for those relating to project procurement works and civil works site supervisions.	
C.24. Are assignments and requests for expressions of interest (EOIs) advertised?	Yes, all assignments and requests for EOIs are advertised.	Low
C.25. Is a consultants' selection committee formed with appropriate individuals, and what is its composition (if any)?	Yes, members of the Consultant's Selection Committee are composed mostly of officers coming from within the Technical and Vocational Education Department of MOES.	Low
C.26. What criteria are used to evaluate EOIs?	The following criteria are used to evaluate EOIs: (i) Technical Qualification (Quality); and (ii) Financial Qualification (Cost).	Low
C.27. Historically, what is the most common method used (QCBS, QBS, etc.) to select consultants?	For procuring consulting services using public funds, the following methods are used: (i) QCBS, (ii) Quality-Based, (iii) Fixed Budget Selection, (iv) Least-Cost Selection, (v) Selection Based on Consultant's Qualifications, and (vi) Single Source Selection as prescribed in the Procurement Decree. However, for consulting services under the ADB-financed project, QCBS is the default method for procuring consulting services of firms and CQS for individual consultants.	Low
C.28. Do firms have to pay for the RFP document?	No	Low
C.29. Does the proposal evaluation criteria follow a pre-determined structure and is it detailed in the RFP?	Yes, since QCBS is the default method for procuring services under ADB Grant No. 0211-LAO(SF): Strengthening Technical and Vocational Education and Training Project, the proposal evaluation criteria follow a pre-determined structure and are	Low

Question	Answer/Finding	Risk
	detailed in the RFP.	
C.30. Are pre-proposal visits and meetings arranged?	Yes, to allow prospective bidders of consulting services raise questions or request for clarifications on some aspects of the RFP, particularly on the TOR, evaluation criteria and terms of payment.	Low
C.31. Are minutes prepared and circulated after pre-proposal meetings?	Yes, minutes are prepared and circulated to all those who attended the pre-bid proposal meeting, including those who submitted EOI but failed to attend.	
C.32. To whom are the minutes distributed?	Minutes are provided to all those who attended the pre-bid proposal meeting, including those who submitted EOI but failed to attend.	
C.33. Are all queries from consultants answered/addressed in writing?	Yes. If there are queries from consultants, these are all replied in writing.	Low
C.34. Are the technical and financial proposals required to be in separate envelopes?	Yes, they are to be submitted in separate sealed envelopes.	Low
C.35. Are proposal securities required?	No, even the Procurement Decree does require payment of proposal security when submitting bid proposal for consulting services.	Low
C.36. Are technical proposals opened in public?	Yes, for procurement of consulting services under the ADB-financed project, proposals are opened in public.	Low
C.37. Are minutes of the technical opening distributed?	Yes	
C.38. Do the financial proposals remain sealed until technical evaluation is completed?	Yes	Low
C.39. Who determines the final technical ranking and how?	The Selection Committee determines the ranking for technical proposals by obtaining the sum of the average score given by each evaluator for each of the evaluation criteria specified in the request for proposal. Each criterion for evaluation in the technical proposal is assigned a maximum score depending on the complexity of the assignment. A minimum total score is established as benchmark for passing and technical proposals obtaining more than the minimum total technical score required are considered to have passed the technical evaluation.	
C.40. Are the technical scores sent to all firms?	Yes, the technical scores are sent to all firms that submitted bid proposal. The firms that passed the technical evaluation are invited to attend the opening of their respective financial proposal on a specific date and time.	
C.41. Are the financial proposal opened in public?	Yes	Low
C.42. Are minutes of the financial opening distributed?	Yes	
C.43. How is the financial evaluation completed?	By checking and rectifying arithmetical errors on the financial proposal, if any, including expenditures not relevant to the services to be provided.	Low
C.44. Are face to face contract negotiations held?	Yes, to achieve faster result of contract negotiation.	
C.45. How long after financial evaluation is negotiation held with the selected firm?	As soon as possible.	
C.46. What is the usual basis for negotiation?	In general it is all about price reduction on the financial proposal particularly if the price exceeded the agency's cost estimate.	
C.47. Are minutes of negotiation taken and signed?	Yes, the minutes of the contract negotiations are prepared to record the proceedings and both parties sign after ensuring that the prepared minutes reflect what were discussed and agreed.	
C.48. How long after negotiation is the contract signed?	About 1 month to 2 months since contract requires prior approval by the higher authorities and if it requires "Prior Review" by ADB.	Low
C.49. Is there an evaluation system for measuring the outputs of consultants?	None, only monitors consultant's activities and outputs.	Average

Question	Answer/Finding	Risk
Payments		
C.50. Are advance payments made?	Yes, as stipulated in the contract but should not exceed 15% of the contract value against a bank guarantee to be provided by the contractor/supplier.	Low
C.51. What is the standard period for payment included in contracts?	There is no standard period stipulated in the contract, but advance payment can be processed and paid after contract signing or payments are made based on the time the deliverables are completed. For goods, payment can be made after all the goods are received and accepted either delivered by lot or complete package. Payment for works can be made based on work progress or completed works. In case of consulting services, payments can be made after completion of agreed deliverables or outputs which are stipulated in the contract.	Low
C.52. On average, how long is it between receiving a firm's invoice and making payment?	On average, between 1 to 2 months, assuming there are no hitches/problems encountered in the acceptance of delivered goods, completed works, or deliverables in case of consulting services. For payments using funds from the "Imprest Account", it takes only about 2-3 weeks on average.	
C.53. When late payment is made, are the beneficiaries paid interest?	No. Normally, this is not stipulated in the contract.	
D. EFFECTIVENESS		
D.1. Is contractual performance systematically monitored and reported?	Yes	Yes
D.2. Does the agency monitor and track its contractual payment obligations?	Yes, EA monitors and tracks its contractual payment obligations.	Yes
D.3. Is a complaints resolution mechanism described in national procurement documents?	Yes, the complaint mechanism is stipulated in the Procurement Decree and is specified in the procurement document.	
D.4. Is there a formal non-judicial mechanism for dealing with complaints?	Yes, this mechanism is stipulated in the Procurement Decree. Bidder's complaint should be first filed with the Tender Committee which should provide a written reply within 14 days as required by the Procurement Decree. If the complainant agrees to the written reply whether in full or in part, a proper method of resolution shall be agreed by both parties. If the complaint is not resolved at this level by both parties, then the complainant can first seek resolution through further mediation or conciliation with the Ministry of Finance, Procurement Monitoring Office. If the issue is not resolved through this mediation or conciliation procedure, then the Bidder can file a case with the court.	Low
D.5. Are procurement decisions and disputes supported by written narratives such as minutes of evaluation, minutes of negotiation, notices of default/withheld payment?	Yes, all written records for these procurement decisions or disputes are prepared particularly on notices of default, cause/s of payments being withheld, etc.	Low
E. ACCOUNTABILITY MEASURES		
E.1. Is there a standard statement of ethics and are those involved in procurement required to formally commit to it?	Yes	Low
E.2. Are those involved with procurement required to declare any potential conflict of interest and remove themselves from the procurement process?	Yes	Low
E.3. Is the commencement of procurement dependent on external approvals (formal or de-facto) that are	No. Once the Procurement Plan for a particular financial year and the budget required to implement it are approved, procurement can commence immediately and no further	Low

Question	Answer/Finding	Risk
outside of the budgeting process?	approval is required.	
E.4. Who approves procurement transactions, and do they have procurement experience and qualifications?	Approval of procurement transactions are all done at the Tender Committee level, except financial matters. All members of the Tender Committee have procurement experience. Members of the Tender Committee have completed the training program on procurement being conducted by the Procurement Monitoring Office of the Ministry of Finance.	Low
E.5. Which of the following actions require approvals outside the procurement unit or the evaluation committee, as the case may be, and who grants the approval?		Low
a) Bidding document, invitation to pre-qualify or RFP	All bidding documents requiring "Prior Review" require "no-objection letter" to be issued by ADB.	
b) Advertisement of an invitation for bids, pre-qualification or call for EOIs	Advertisement for bids or call for EOIs is done by the procuring agency and not subject to approval by other outside agencies.	
c) Evaluation reports	ADB has to issue the required "no-objection letter" for all bids requiring "Prior Review".	
d) Notice of award	None. Approvals done by the procuring agency only.	
e) Invitation to consultants to negotiate	None. Approval done by the procuring agency only.	
f) Contracts	None. Approval done by the procuring agency. In this case, the approval of contracts is done by the Minister of MOES only.	
E.6. Is the same official responsible for: (i) authorizing procurement transactions, procurement invitations, documents, evaluations and contracts; (ii) authorizing payments; (iii) recording procurement transactions and events; and (iv) the custody of assets?	No, there are different offices involved, e.g. the Minister of the Ministry of Education and Sports (MOES) is responsible for approving and signing contract awards; the PMU is responsible for recording procurement transactions and events, custody of records and assets; MOF is responsible for approving funds for the Procurement Plan; the Tender Committee is responsible for bid preparation, bid evaluation and preparing bid evaluation reports with support from the PMU.	Low
E.7. Is there a written auditable trail of procurement decisions attributable to individuals and committees?	Yes, all these records are kept along with the documents for a particular bid.	Low

II. General Ratings

Criterion	Risk
A. Organizational and Staff Capacity	Average
B. Information Management	Low
C. Procurement Practices	Low
D. Effectiveness	Low
E. Accountability Measures	Low
OVERALL RISK RATING	Low

III. Procurement Capacity Assessment Report and Recommendations

Proposed Project Name: Second Strengthening Technical and Vocational Education and Training Development Project	Proposed Amount (US\$): US\$25 Million
Executing/Implementing Agency: Ministry of Education and Sports(MOES)/Technical and Vocational Education Department (TVED)	Source of Funding: ADB
Assessor: Alfredo N. Nachor	Date: June 2016

Expected Procurement

Procurement of goods, works and services envisaged under the grant will be in accordance with the Decree of the Prime Minister on Government Procurement of Goods, Construction, Maintenance and Services (the Procurement Decree), No. 03/PM dated 09 January 2004 and its Implementing Rules and Regulations (IRRs), No. 063/MOF dated 12 March 2004 and the attendant amendments to the IRRs No. 0861/MOF dated 05 May 2009 issued by the Ministry of Finance with modifications and clarifications described in the paragraph below to be in conformity with the provisions of ADB's *Procurement Guidelines* (2015, as amended from time to time) shall be followed.

Contracts for the provision of workshop tools and equipment for the colleges to be supported under the project estimated to cost more than \$1million shall be awarded on the basis of international competitive bidding. Goods estimated to cost below \$1million but more than \$100,000 shall be awarded through national competitive bidding. Minor items costing less than US\$100,000 but more than \$10,000 may be procured through shopping with advertisement. Items costing less than \$10,000 may be procured through shopping without advertisement.

Provision of new workshop, dormitory and the rehabilitation of existing dormitories to be provided with new furniture costing above \$3 million shall be awarded on the basis of international competitive bidding. Civil works and furniture costing less than \$3 million but more than \$100,000 shall be awarded through national competitive bidding. Minor civil works and provision of furniture costing less than \$100,000 but more than \$10,000 may be procured through shopping with advertisement and items costing less than \$10,000 may be procured through shopping without advertisement.

Workshop tools, equipment, civil works and furniture for all the institutions to be supported under the project will be procured centrally by the EA through the PMU working under the Tender Review Committee organized for each procurement threshold with support from the Procurement Specialist to be engaged to assist PIU in procurement for goods, works and services during project implementation.

General Procurement Environment Assessment

Risk Assessment:

The general procurement environment risk rating at the project level is considered "**Low**".

A. LEGAL AND REGULATORY FRAMEWORK

The "Procurement Decree" of the Prime Minister of Lao PDR and its Implementing Rules and Regulations currently provide the policies and procedures governing the procurement of goods, works and consulting services carried out by various government entities and state enterprises. This "Procurement Decree" and its implementing rules and regulations, however, requires "pre-registration" of local and international bidders or suppliers based on established selection criteria prepared by the representatives of the Ministries and the Procurement Monitoring Office (PrMO). Those that qualified are included in the register called the "Reference List". The Procurement Decree, however, stipulates that registration of contractors and suppliers in the "Reference List", is not a pre-requisite for participation in the bidding process. The "Procurement Decree", likewise, allows the participation of eligible bidders both local and foreign and encourages foreign firms to form joint-venture arrangements with local firms for the purpose of bidding, though this is not a requirement.

The "Procurement Decree" provides preference to domestically manufactured goods and local contractors over those from outside of the country ranging from 15% of CIP bid price for goods and 7.5% for works, respectively. The margin of preference is relatively substantial and may discourage foreign suppliers or contractors from participating in the bidding process particularly for procuring goods such as workshop tools and modern equipment for training where local supplies are still very limited, if not available.

Summary of Findings:

The current "Procurement Decree" and its "Implementing Rules and Regulations (IRRs)" provide the policies and procedures governing public procurement of goods, works and consulting services in Lao PDR. The subsequent implementing rules and regulations (IRRs) issued providing details to support its execution has minimized if not eliminate ambiguities in the implementation of the Procurement Decree. All public procurements can only be carried out after approval of the Procurement Plan and the corresponding budget allocations submitted by the procuring agency. ADB-funded procurement has to be supported by an annual budgetary appropriation. Clarifications and modifications described in the International Competitive Bidding(ICB) and National Competitive Bidding(NCB) Annex to the Financing Agreement are needed for compliance with the provisions of the Procurement Guidelines. These include:

- Bidding shall not be restricted to pre-registered firms and such registration shall not be a condition for participation in the bidding process.

- Eligible bidders (both national and foreign) shall be allowed to participate.
- 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 or civil works as a condition of award of the contract.
- Bidding of ICB contracts estimated at USD 500,000 or more for goods and related services or USD 3,000,000 or more for civil works shall be advertised concurrently with the general procurement notices on ADB's website.
- Where required, bid security shall be in the form of a bank guarantee from a reputable bank.
- Bids shall be opened in public, immediately after the deadline for submission of bids.
- The contract shall be awarded to the technically responsive bid that offers the lowest evaluated price.
- Bids shall not be rejected and new bids solicited without the ADB's prior concurrence.
- When the number of responsive bids is less than three (3), re-bidding shall not be carried out without the ADB's prior concurrence.
- 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.
- Firms bidding for a contract must be incorporated in an ADB member country.

Professionalization of public procurement in Lao PDR is also hampered by the lack of an accreditation or qualification scheme and the absence of a continuing program to upgrade knowledge and skills of public procurement practitioners.

In Lao PDR, most if not all public procurement works financed by foreign funding agencies like ADB are hampered due to delays caused by the long period of time required for the preparation of the Bid Documents to be used for implementing project procurements. For example, preparation of civil works drawings/plans and designs and the Bill of Quantities (BOQs) not only takes time but also requires technical expertise which at present cannot be readily provided in-house by the procuring entity. The quality and suitability of the civil works plans and designs and the corresponding BOQs have direct impact not only on the proper implementation and administration of civil works projects but also on the quality of completed works. Based on the civil works plans and designs, the BOQs must show details of the required works to be undertaken by the contractor, detailed specifications and quantities of materials to be used, and the standards to be followed when testing for materials to be used. During the bidding process, contractors bidding for the works must be properly informed or guided on what exactly are the works or items to be priced when preparing their bid price proposals thus avoiding possible ambiguities which can result to bidders submitting incomplete or haphazardly prepared bid price proposals.

Day-to-day management and monitoring of civil works implementation are also indispensable for achieving the desired quality and timely implementation and completion of civil works projects. For foreign-assisted projects like ADB's, current conditions may require the engagement of independent private civil works specialists who will assist the implementing agency by providing the necessary supervision and oversight for civil works projects as in most cases this expertise is not available within the implementing agency.

Similarly, procurement of goods also requires time and support of trade specialist particularly during the preparation of detailed list and technical specifications for tools and equipment to be procured and to be included in the bid document. Selected trade specialist teachers from TVED's colleges can also provide support in this work, including specialists from selected industries.

On dispute and complaint resolution, the Procurement Decree provides the mechanisms for resolving matters related to these issues. However, these actions are only done under the jurisdiction of the procuring entity which is also allowed to initiate court action against erring contractors and suppliers, if necessary. No independent body outside of the government is involved for resolving procurement complaints and disputes. On the other hand, a bidder can also file a complaint with the court for any breach by the procuring entity or personnel in the implementation of the Procurement Decree and its IRRs.

Organizational and Staff Capacity

Risk Assessment

Risk rating is "**Low**"

Summary of Findings:

Technical and Vocational Education Department (TVED), Ministry of Education and Sports (MOES) has considerable experience in procuring workshop tools, equipment, computers, furnitures and instructional materials, including civil works and consulting services. Under the last TVET project, PMU procured workshop

equipment and civil works through ICB and NCB, respectively. TVED supplements its staff resources in project management unit (PMU) with consultants to assist with the implementation of donor-financed as well as ADB-funded projects, especially in procurement. It does not have a procurement unit and ad-hoc procurement unit is appointed to carry out project-related procurement of goods, works and consulting services. The officer and staff appointed to the PMU to assist in procurement works continue to discharge their original duties and responsibilities thus having to attend to dual functions. Given the volume of procurement works under the project, it will be desirable to appoint staff for the procurement unit on full-time basis to be assisted by a procurement specialist to be hired, including additional support personnel.

TVED has experience and achieved a level of expertise in procuring goods and works both for thresholds requiring the use of national and international competitive bidding procedures under ADB Grant No. 0211-LAO(SF): Strengthening Technical and Vocational Education and Training Project which commenced in Yr. 2011 and its implementation is now almost completed. Prior to this, TVED also implemented the Lao-German Vocational Training Project. An assessment of the procurement actions carried out by TVED for procuring goods and works under the ADB-Grant project and a review of the procurement documents on file at the administration office of TVED revealed that the procurement unit is familiar with the procurement procedures for externally-financed projects/programs in Lao PDR prescribed in the procurement manual No. 063/MOF issued by the Ministry of Finance on 12 March 2004 and no. 0861, dated 5 May 2009 (amended version). This procurement manual was developed with the assistance of ADB and the World Bank.

Civil works and provision of modern workshop equipment to project schools will be key components of the project and most of the works will be procured through national competitive bidding (NCB) procedures while workshop equipment will be through international competitive bidding (ICB) procedures. Experience of the ad-hoc procurement unit of TVED in procuring civil works and goods is only limited to the implementation and administration of the whole bidding process. The ad-hoc procurement unit had no technical expertise in the preparation of civil works plans and designs, including detailed Bill of Quantities and the technical specifications of workshop tools and equipment to be procured under the project. It is, therefore, strongly recommended that the Procurement Unit of TVED is provided with civil works specialists who can provide technical support in the preparation of civil works drawings and designs and the required BOQs for the bidding documents, including support on the implementation and management of civil works projects at various colleges located in different parts of the country. Similarly, support of trade specialists both from TVED's technical colleges and selected specialists from the business sector will also be essential during the preparation of detailed list and specifications of workshop equipment to be procured under the project. Training is also recommended for the members of the new Procurement Review Committees to be organized for the project that will manage the whole bidding process and review the evaluation of bid proposals if they are not familiar yet with ADB's Procurement Guidelines (2015, as amended from time to time).

Information Management

Risk Assessment:

Risk rating is "**Low**".

Summary of Findings:

For procurements under ADB Grant No. 0211-LAO(SF): Strengthening Technical and Vocational Education and Training Project, the original copy of bid documents, invitation for tender, records of the bidding process, bid evaluation reports, communications related to the bidding process, original contracts, winning bids and proposals, and contract administration papers are compiled, coded and stored securely in hard copies for each bid. Copies of these documents are not generally circulated for public use but are kept indefinitely for audit and review purposes. Only the Procurement Officers have direct access to these documents.

While it is best practice to keep all procurement documents in a secured place for a longer or indefinite period of time which may be necessary for audit purposes, implicit restrictions imposed on public access to these documents need to be reviewed at least on a case-to-case basis to foster transparency in public procurement.

Procurement Practices

Procurement of Goods and Works

Risk Assessment:

Risk rating is "**Low**"

Summary of Findings:

Practical experience gained by TVED in procuring goods and civil works for externally funded projects through ICB and NCB procedures are expected to substantially help reduce the risks associated with difficulties involved in managing the preparation of various equipment lists and specifications, civil works plans/designs, technical drawings and BOQs for preparing bid documents, tendering, bid evaluation, delivery and installation of equipment, including implementation and management of civil works contracts.

Although Procurement/Tender Committees are responsible for preparing, reviewing and approving bid evaluation reports and recommending for contract award, in actual practice, it is the Secretariat of the Procurement/Tender Committee (in this case the staff of the PMU Procurement Unit) that prepares the draft of the evaluation report which is then presented to the concerned Procurement Committee for review and approval. Due to the inherent difficulty encountered in tendering and in preparing bid evaluation report to meet new ADB requirements, the staff undertaking bid evaluation may be given re-training on the revised ADB's Procurement Guidelines (2015, as amended from time to time) as well as in tendering procedures including the preparation of bid evaluation reports, in case there are major changes. During project implementation, PIU should be supplemented with consultants who will provide assistance in the preparation of detailed equipment lists, specifications, preparing civil works plans/designs and BOQs, bidding process, bid evaluation, site management and monitoring of civil works contracts, including delivery, installation and commissioning of equipment and training of teachers on the use and routine maintenance of training equipment. Technical Assistance Teams composed of trade specialists from various specialized technical colleges and trade specialists from selected industries should be organized to assist the Procurement/Tender Committees and the PIU on technical matters associated with the bidding for equipment and civil works. In view of the locations of project schools selected to receive civil works assistance, it is highly desirable that a full-time site engineer is assigned to look after the implementation, management and monitoring of civil works at the particular college.

Consulting ServicesRisk Assessment:

Risk rating is **"Average"**

Summary of Findings:

Consulting services envisaged under the project are varied consisting of hiring international consulting firms for capacity building measures and TVET promotion, hiring of support staff for the PMU and individual specialists with diverse background and specialties both national and international to assist in project implementation. Considering that TVED already had acquired a level of expertise in hiring consulting services under the almost completed ADB Grant project, hiring of individual experts/specialist for the new project will not be a major challenge for the PMU. Currently, however, there appears to be a very limited number of qualified national specialists for a variety of specific work required by the project and equally important is work experience in implementing foreign-assisted projects like ADB's. TVED has the capacity to prepare TORs and bid evaluation for the timely selection and engagement of consultants. To assist PMU in this work, PAM should already include proposed TORs for various specialists to be hired under the project subject to further review prior to advertisement. It should also be reported that the Tender Committee carries out the recruitment of consultants and the responsible committee is determined by the value of the contract.

EffectivenessRisk Assessment:

Risk rating is **"Low"**

Summary of Findings:

Contractual performance is fully monitored and reported for all contracts, including contractual payment obligations. The Procurement Decree provides for complaint and dispute resolution mechanism but the system operates within the Government's system itself and the courts. However, the two stages of complaint resolution mechanisms first at the procuring agency level and then to PrMO level are non-judicial in nature which involves initially mediation of parties involved before taking court action. There is no complaint or dispute resolution mechanism outside of the Government system, for example, through an independent body similar to the ICC International Court of Arbitration. Under the Grant ADB project of TVED, there was no report of any major issues relating to public procurement.

Accountability Measures

Risk Assessment:

Risk rating is "Low"

Summary of Findings:

The composition and responsibilities of the Tender Committee for each type of procurement and threshold are well defined in the Procurement Decree. As public procurement is prone to corruption, integrity of procurement actions taken by a procuring agency relies heavily on the transparency, competency and impartiality of the Tender Committee and all those directly involved in the whole procurement process, including bidders. Considering their critical roles in the tendering process, the Procurement Decree has provided sufficient safeguards by invoking the application of relevant civil, administrative and penal laws for those who may breach the Procurement Decree and its IRRs. The PrMO of the Ministry of Finance, the central body responsible for public procurements, should also be given adequate resources in terms of staff capacity and greater degree of authority for it to efficiently discharge its oversight functions on matters relating to public procurement.

Summary Assessment

TVED has practical experience in implementing externally funded projects as well as on procuring goods, works and services for the ADB Grant funded TVET project. Support of individual consultants is still needed to supplement its procurement capacity in preparing civil works plans and designs, the Bill of Quantities(BOQs), site management and monitoring of civil works implementation. Similar assistance is also required in the preparation of detailed lists and specifications of workshop tools and equipment to be procured for the project colleges. Personnel of PMU particularly those responsible for procurement may be appointed on a full-time basis. Given the long process involved in the preparation of civil works plans, designs/drawings, BOQs, and detailed lists and technical specifications of workshop tools and equipment, advance action by the EA in these activities may be undertaken which should be preceded by site surveys.

Specific Recommendations, Project Implementation

Risks	Recommended Action	Responsibility and comment
<ul style="list-style-type: none"> TVED Procurement Officer assigned with the PMU also perform other tasks and cannot fully devote time for project procurement. Lack of trained back-up staff for undertaking activities related to project procurement will result to delays in procurement considering the volume of procurement works required under the project. 	<ul style="list-style-type: none"> Recruit back-up procurement staff for PMU preferably with experience in implementing procurement for ADB funded projects. 	<ul style="list-style-type: none"> TVED/PMU
<ul style="list-style-type: none"> Delays in the preparation and submission of facilities upgrading proposals by the selected project technical colleges will also result to delays in procurement. 	<ul style="list-style-type: none"> Conduct workshop for project technical colleges on the methodology for preparing facilities upgrading proposals (e.g. planned expansion of facilities vis-à-vis skilled labor market demands) as soon as possible after commencement of grant effectiveness. 	<ul style="list-style-type: none"> TVED/PMU
<ul style="list-style-type: none"> Delays in the completion of the Bidding documents for goods and works due to the difficulties encountered in preparing detailed lists and technical specifications of tools and equipment, preparing detailed 	<ul style="list-style-type: none"> Organize technical committees composed of trade specialists from TVED's technical colleges and private industries to assist in preparing detailed lists and technical specifications of equipment proposed to be 	<ul style="list-style-type: none"> TVED/PMU To avoid misprocurement.

plans/designs and BOQs for civil works will delay implementation of procurement activities.	procured under the project. Core members of the technical committee should come from the recipient colleges to avoid complaints of schools receiving unsuitable equipment for their needs.	
Capacity Constraint	Recommended Action	Responsibility and comment
<ul style="list-style-type: none"> Lack of capacity to prepare detailed list and detailed technical specifications of worksho tools, instruments and equipment for new technology trades (e.g. programmable logic controllers, electronics/robotics, heavy machineries and equipment, electro-technics, agro-machineries); preparation of civil works plans/designs, BOQs, etc.; preparation of terms of reference (TOR), request for proposals to minimize implementation delays. Lack of printing facilities in PMU will delay reproduction of bidding documents. 	<ul style="list-style-type: none"> Request ADB Management approval for advance contracting and retroactive financing; Engage specialists to assist with training, drafting of procurement specifications and procurement planning (upgrade of procurement plan) in support of EA. Procure suitable printing/reproduction equipment for the PMU. 	<ul style="list-style-type: none"> TVED to request advance procurement action for selected packages. TVED/PMU TVED/PMU
General Recommendations, EA Capacity		
Risks/Capacity Constraint	Recommended Action	Responsibility and comment
<ul style="list-style-type: none"> Temporary and not full-time appointment of procurement officer within TVED do not promote a professional procurement career path and sustainable procurement capacity Lack staff to undertake/support procurement works 	<ul style="list-style-type: none"> Develop and support career development path for public procurement experts. 	<ul style="list-style-type: none"> TVED/MOES
General Recommendations, Procurement Environment		
Risk/Capacity Constraint	Recommended Action	Responsibility and comment
<ul style="list-style-type: none"> Budget appropriation to finance ADB-funded procurement is not approved and released on time by the Government Procurement Plan for the project approved by the Government does not match the realities that are actually happening in the field during project implementation. 	<ul style="list-style-type: none"> TVED/MOES to ensure budget appropriations are approved and released on time. Procurement Plan should be regularly reviewed to ensure it reflects changes in implementing procurement actions. Procurement/Tender Committees should be 	<ul style="list-style-type: none"> TVED/MOES to prepare budget appropriation proposals on time for submission to the concerned authorities for approval TVED/PMU TVED/PMU should ensure Procurement Decree and its

<ul style="list-style-type: none">• Unnecessary interference of higher authorities in project procurement	<p>autonomous and free from external interference.</p> <ul style="list-style-type: none">• Each Procurement/Tender Committee should have at least one(1) member drawn from private Professional Associations or industries to provide oversight for all procurement actions.	<p>IRRs are not breached during the procurement process and should immediately take action on any sign of irregularities.</p> <ul style="list-style-type: none">• TVED/PMU
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GENDER ACTION PLAN

A. Background

1. Lao PDR has made good progress towards gender equality. Female participation has improved at all levels of education, with the country on track to achieving MDG target of gender parity in primary education. Lao PDR has among the highest proportions of women in national parliament in the region. However, significant gender inequalities remain along rural-urban lines, certain geographic areas and among ethnic groups. Key issues of concern, include, amongst others, high rate of maternal mortality; low quality of education and gender disparity in secondary and tertiary education; and limited access to training, employment, finance and opportunities for economic advancement. Lao PDR is ranked 139 in the Human Development Index, which is below the medium human development group and below the average for East Asia and the Pacific countries. Lao PDR's Gender Inequality Index value is 0.534, ranking it 118 out of 149 countries, while its neighbor Cambodia is ranked at 105.

2. **Economic empowerment:** Lao women's labor force participation rate is almost equal to men at 80% and 81% respectively; however, the quality of women's work is a key issue. A high proportion of women are in vulnerable employment, either self-employed or are engaged in unpaid family work. The share of women in wage employment in all sectors (including agriculture) is low, at only 35%. While women and men account for equal proportions of the total Lao workforce, they are distributed unequally between sectors. Some 1.1 million women or 72% are engaged in agriculture and fisheries; 15% in services; 6% in garment manufacturing and export production and less than 1% in the fields of mining, electricity, water and construction. In urban areas, factories producing export goods (textile and garment) and in rural areas transition from subsistence farming to cash crops such as tea, coffee, rubber etc., have created wage jobs for women. Women are also active in the informal business sector, managing around 52% of household businesses, with 42% of the businesses either partly or fully female owned, nationally. The most prevalent form of discrimination in the labor market is the wage gap between male and female workers. Female workers on average earn two thirds of male wages, and differences also exist in job security, types of work and working conditions. Overall, the male workforce is better educated than the female workforce. Lower levels of educational attainment mean that women often do not have the higher credentials to secure well-paid jobs in the emerging labor market. Lack of literacy, limited access to credit, technology, cumbersome formal registration procedures push women into small scale enterprises in the informal sector and limit the growth of their businesses in the formal sector. The opportunity to shift from subsistence agriculture to market oriented production is curtailed by women's lack of access to extension services, productivity enhancement technology, market information and credit. In addition, women's household work burden and consequent time poverty limit their income earning potential.

3. **Education:** Gender parity has improved in all three levels of education in Lao PDR. Lao PDR is well on track to achieving parity in primary education. However, the efficiency of the primary education system is low, with a large number of over-aged and under-aged pupils, due to early or late entrants and grade repetition. In survival rates to grade 5, girls generally perform slightly better than boys. There are fewer girls than boys enrolled in secondary and tertiary education highlighting that women still face challenges in completing a full cycle of education to the tertiary level. The gender gap in favour of men is more pronounced among the poor, with disparities highest in the north and in rural, remote, off road and ethnic areas, as well as among those whose mothers have no education. Lack of lower secondary schools within commutable distance contribute to high dropout rates and low participation of women beyond primary as

women are less likely than men to walk long distances to study at a complete school or to attend as boarders. The literacy rate for females is 63% against 82% for males. Across geographic, age, wealth and ethnic groups, females are proportionately less literate than males, while youth (aged 15 to 19) show less of a gender gap in literacy than people slightly older. This may be attributed to higher female school enrolment in recent years. Relevance and quality of education are key challenges with implications for Lao PDR's competitiveness, highlighted in a recent assessment which found that post-secondary graduates in Lao PDR performed in par with those with only primary schooling in Vietnam. About 40% of all students in Technical and Vocational Education and Training (TVET) are female. However, female participation varies significantly by level and subject and mirror gender segregation in the labor market. Key education challenges for women include reducing distance to schools, improving quality and gender responsiveness of teaching/learning materials, ensuring safe school environments and addressing linguistic barriers and cultural attitudes to women's education.

4. **Gender Action Plan (GAP).**The principles of the GAP for the proposed project are: (i) ensure equality of project benefits and opportunity sharing between women and men; (ii) ensure gender sensitive approaches to reduce gender inequalities at the project colleges; (iii) collect sex- disaggregated data including benefit monitoring and evaluation, and (iv) promote an increased representation of female teachers in training and workshops.

General indicators for project management:

- Gender workshops will be conducted annually at all project colleges to introduce the GAP and report on progress.
- All data will be disaggregated by sex
- Project M&E includes GAP indicators
- GAP performance report to ADB includes a GAP monitoring table in the quarterly reports
- All enrollment data by TVET trade/sector by sex in the 8 project-supported TVET colleges will be tracked and reported in the GAP

5. The project will engage a gender specialist to provide overall guidance on gender issues; TOR of consultants include responsibilities to promote gender awareness at DOES and the project colleges.

6. The following table provides an overview on the current enrollment at the eight project colleges.

No	Project Colleges	Total	Female
1	Champasack Technical-Vocational College	2,022	532
2	Pakpasack Technical College	4,843	2,801
3	Dongkhamxang Agricultural Technical College	662	276
4	Vientiane Province Technical College	1,536	720
5	Khammouane Technical Vocational College	1,661	740
6	Polytechnic College	2,570	482
7	Savannakhet Technical-Vocational College	1,311	455
8	Vientiane-Hanoi Friendship Technical College	1,730	699
Total		16,335	6,705

**Table A7.1: GAP for the
Second Strengthening Technical and Vocational Education and Training Project**

Project Outcome and Outputs	Actions	Responsibilities
<p>Outcome:</p> <ul style="list-style-type: none"> • TVET system expanded and aligned with evolving labor market needs • Enrollment in project colleges increases from about 16,300 in 2015 to about 25,500 in 2020; 45% of the students are girls. (2015 Baseline for women at project colleges = 41%) 	<p>By 2020, 90% of both female and male TVET college graduates find employment or start their own business in areas where they have been trained within 6 months of graduation. Sex-disaggregated data (2015 baseline: 80%)</p>	<p>MOES and project colleges will conduct tracer studies</p>
<p>Output 1: Teaching and learning environments at selected TVET colleges upgraded</p>	<ul style="list-style-type: none"> • 50% of new dormitory spaces are reserved for women • Dormitories have separate spaces and facilities for women and men. • All new and upgraded colleges will have separate latrines and facilities for male and female teachers and students • By 2018, all project colleges conduct training on prevention of sexual harassment; a reporting (including grievances) mechanism for all students is established. • By 2018, at all project colleges, a training on code of conduct to all dormitory management, security guards and all dormitory staff is conducted. 	<p>DTVE and project colleges with the support of the Gender consultant</p>
<p>Output 2: Quality and relevance of demand driven programs improved</p>	<ul style="list-style-type: none"> • All female managers and teachers at the project colleges will participate in pedagogy, technical and management training. • 35% of teachers of the academic upgrading program are women. (35% for Bachelor's and 35% for Master's programs) • Skills standards manuals, new TVET curriculum and training programs developed under the project are gender sensitive and provide positive images of women. • 50% of students in short term training courses for out of school youth are women. (2015 baseline: 30%) • Ensure all counselling and guidance materials target women, in particular female students are targeted with information on range of employment opportunities in lucrative industry/ business sectors where female presence is low. • Ensure that 30% of those trained as career 	<p>DTVE and management of project colleges</p> <p>Gender consultant will take the lead in preparing gender monitoring format and implementation plan</p>

Project Outcome and Outputs	Actions	Responsibilities
	<p>counsellors are women. (2015 baseline: 20%)</p> <ul style="list-style-type: none"> • Increased number of students in apprenticeship schemes in companies. 50% are women (baseline 0) • 50% of students enrolled in short courses offered by the project colleges are women. 	
<p>Output 3: Access to TVET for disadvantaged students increased</p>	<ul style="list-style-type: none"> • Criteria and mechanism for selecting poor students for stipends includes a quota of 50% female students; At least 50% of stipend assistance is provided to women. • The TVET promotion campaign: (i) promotes female participation in TVET in general and in non-traditional skills, in particular; (ii) publicizes the stipend program, dormitory facilities and training programs and strategies used by TVET institutions to promote female enrolment in non-traditional TVET areas; and (iii) mobilizes the private sector to hire more women in non-traditional trades. 	<p>Project colleges, MOES, stipend selection committee. The stipend team will support the selection process, draft the monitoring mechanism, update the stipend statistics and prepare progress reports. The TVET promotion firm will ensure that all awareness measures are gender sensitive</p>

DTVE = Department of Technical and Vocation Education, MOES = Ministry of Education and Sports, TVET= technical and vocational education and training.

STAKEHOLDER COMMUNICATION STRATEGY

A. Background

1. The Asian Development Bank (ADB) is providing a grant to the Lao People's Democratic Republic (Lao PDR) to support the Second Technical and Vocational Education Development (STED) project to realign technical and vocational education and training (TVET) with current and future labor market needs, with focus on 8 project colleges selected to participate in the project. The project has three outputs (i) upgrading teaching and learning environments at 8 TVET colleges including updating equipment, workshops, dormitory, and other facilities; (ii) improving quality and relevance of demand-driven programs by providing continuous training and coaching for teachers; and (iii) increasing access to TVET institutions for disadvantaged students through the establishment of a targeted direct stipend program for poor and disadvantaged youth. Output 3 will also implement TVET promotion strategies to improve the public image of TVET and promote enrollment.

2. The Ministry of Education and Sports (MOES) will be the executing agency for the project and the Technical and Vocational Education Department (TVED) under MOES will be the implementing agency. A Project Management Unit (PMU) has been established within TVED and PMUs will also be established in each of the 8 project colleges. A TVET promotion task force will be established within MOES.

3. This document lays out a framework for the strategy that will be developed and implemented under the STVED project to support Output 3, which includes the design and delivery of TVET promotion strategies.

4. A TVET Promotion Campaign Strategy will be developed following best practices in social marketing and behavior change communication to promote positive public perceptions about TVET, vocational careers, and the quality of TVET offered under MOES. The TVET Promotion Strategy will build on the social marketing strategy and media products developed as part of the previous Strengthening TVET project. Specifically, the TVET Promotion Strategy for STVED will expand on the previous work under the first project to:

- (i) Continue and strengthen national level media and branding activities to promote positive perceptions and build awareness, trust and credibility of TVET
- (ii) Expand and strengthen the roll out of social marketing activities through a targeted approach within the communities in the geographic areas of each of the 8 project colleges, equipping the colleges to develop and implement their own Community Outreach and Career Guidance campaigns that will involve:
 - a. Local level customization and dissemination of the media products created for the national campaign
 - b. Community engagement through events and relationship building with key influencers in the community
 - c. Career guidance activities and job demonstrations to inform prospective students about TVET career opportunities and training available to prepare them for these opportunities, conducted through secondary school career guidance units and other community institutions

5. The baseline survey conducted under the first STVET project as literature review indicate a number of common perceptions/information gaps discouraging students and their parents from enrolling in TVET or pursuing vocational careers, including:

- (i) There is a strong preference for “white collar” jobs and negative public perceptions of TVET and vocational careers, and social stigma associated with pursuing TVET courses or vocational careers.
- (ii) Students and parents have limited information about the changing job market, the careers that will be in demand, salary scales for skilled employment, and the role of TVET in preparing students for emerging opportunities.
- (iii) Lack of education about TVET courses and support services, especially among ethnic groups, poor populations and others with more limited access to communication channels
- (iv) Low interests among women and ethnic groups

6. The baseline conducted under the first STVET notes, however, that more information is needed on the underlying attitudes that drive these perceptions, as is further identification of behavioral and attitudinal barriers that discourage enrollment so that the communication campaign can precisely target these attitude and barriers and can monitor and assess progress towards changing them. Formative research will be conducted at the commencement of the TVET Promotion campaign design to identify these underlying attitudes and behavioral barriers as well as potential drivers that can persuade audiences of the value of TVET or motivate enrollment. These will be used to inform the messaging strategy used in the campaign materials. Monitoring and impact assessment, including a baseline and end line study, will allow for tracking the changes in knowledge, attitude and behavioral intentions (enrollment) to assess the effectiveness of the TVET Promotion Campaign.

B. TVET Promotion Campaign Objectives

7. The communication objectives of the campaign are to:

- (i) Increase national public awareness of current trends/opportunities in the labor market that make TVET a smart choice and positive public perception of TVET and vocational careers
- (ii) Increase national appreciation for the quality of education offered by TVET colleges under MOES
- (iii) Increase awareness among prospective students about the skills in demand in the labor market, career opportunities, and the TVET schools/opportunities available to them locally and nationally.
- (iv) Increase enrollment in the 8 project colleges, especially in priority skill areas
- (v) Increased awareness and utilization of the stipend among eligible disadvantaged students
- (vi) Inform donors and other development organizations about MOES TVET programs and the national branding approach to encourage harmonization of messaging

C. TVET Promotion Campaign Audiences

8. To achieve these objectives, the TVET Promotion Strategy will engage the following audiences:

- (i) The Primary audiences for this campaign include:
 - a. Prospective students (including secondary school students and out of school youth) for general enrollment (i.e., not eligible for stipend program) and their parents
 - b. Prospective students (including secondary school students and out of school youth) eligible for stipend program and their parents
- (ii) The Secondary audiences include actors that influence students' decisions and/or shape market/career opportunities, including:
 - a. Social organizations with outreach to youth and parents and with presence in TVET colleges/secondary schools such as Lao Youth Union and Lao Women's Union
 - b. Community level actors such as community leaders, secondary schools, teachers, etc.
 - c. Business community/prospective employers
 - d. Donor partners and aid agencies involved in the TVET sector
 - e. MOES staff and administrative staff in project colleges

9. The TVET Promotion Campaign will ensure that measures are incorporated to reach those students within these audience groups that have lesser or limited access to communication channels, female students, students of lower economic status and students non-Lao speaking ethnic groups.

D. Activities for Campaign Design and Delivery

10. The following activities will be conducted by a communications firm under supervision of MOES in order to design and deliver the TVET Promotion Campaign:

- (i) Review of existing social marketing strategy documents to identify opportunities for scaling up
- (ii) A baseline survey and formative research to understand the audiences' current levels of awareness, their perceptions, and attitudes relevant to TVET and the behavioral barriers and drivers related to enrollment. Formative research should also assess the capacities of TVET project colleges to deliver community outreach and promotion activities.
- (iii) A TVET Promotion Strategy/Roll Out Plan covering both the national level media and branding campaign as well as the college-level Community Outreach and Career Guidance campaigns.
- (iv) A national level media and branding campaign including revisions to existing media products and creation of new materials according to the TVET Promotion Strategy to be created by the firm; establishing a logo, tagline and visual identity to strengthen audience recognition, and the facilitation of annual national job fairs initiated under the first project to raise awareness about vocational career opportunities and the role of TVET in preparing students for these opportunities.
- (v) A digital strategy to support both the national level media and branding effort as well as the outreach efforts conducted by the project colleges. The strategy will take into account internet, mobile and social media, as well as new technologies that can help expand reach to less-connected audiences.
- (vi) Production and placement of media products needed to deliver the strategy.
- (vii) A Framework and Toolkit to support colleges in creating their own Community Outreach and Career Guidance Plans. This will include but not be limited to:

- campaign implementation guidelines; tested key messages; media product templates that can be localized; reference materials for planning and implementing community events and career guidance activities; presentation materials for community interactions; mapping of organizations and institutions with community presence and guidance on how to engage; pre-established customizable communication platforms (e.g., mobile) that can be selected and customized by the colleges. Indicative contents of the Framework and Toolkit are included as Appendix 1.
- (viii) Community Outreach and Career Guidance Plans for each project college, using the Framework and Toolkit. The colleges will be guided by the communications firm in creating these strategies, which will then be approved by endorsed by the firm for approval by the TVET Promotion Task Force.
 - (ix) Capacity building for MOES staff and college administrators covering best practices in social marketing and community outreach/awareness raising to equip them to oversee and manage TVET Promotion activities.
 - (x) Information sharing with other donors and development agencies about TVET promotion approach to ensure harmonization between different stakeholders.

E. Monitoring and Evaluation

11. A monitoring and evaluation framework will be created by the communication firm and approved by the TVET Promotion Task Force which will include provisions for an impact assessment, including baseline and end line surveys, and monitoring of campaign activities throughout the project.

F. Implementation Arrangements

12. The TVET Promotion Strategy will be developed and implemented by a professional communications firm under the supervision of designated staff in the Technical and Vocational Education Department (TVED) of MOES. MOES will establish a Task Force for TVET Promotion which will be responsible for reviewing and approving all plans, strategies and media products and other materials produced by the communications firm as part of the TVET Promotion Campaign.

13. The firm, under supervision of TVED, will be primarily responsible for the roll out of national level campaign activities. The project colleges will deliver the TVET promotion in their respective geographic areas through community outreach and career guidance, according to their approved Community Outreach and Career Guidance Plan and under the guidance of the communication firm.

14. The firm will establish and maintain a mechanism and/or resource person for regular on-site technical advice and guidance for the administrators tasked with the delivery of the community outreach and career guidance campaign plans at each project college.