

TERMS OF REFERENCE FOR PLANNING FRAMEWORK DEVELOPMENT CONSULTANT LRSP2 (No: C2-03 Component 2)

I. BACKGROUND

Given limited resources, the Government of Lao PDR seeks to enhance its capacity to manage the public investment effectively. In 2004, the Government of Lao PDR, through Ministry of Planning and Investment, entered into a grant agreement with the Government of Japan to implement the Project for Capacity Building in PIP Management (PCAP). The Objective of PCAP was to build capacity for PIP management. PCAP was implemented through three phases as: Phase 1, for the period from 2004 to 2007; phase 2, for the period from 2008 to 2011; and phase 3, for the period from 2012 to 2015. Resulting from the implementation of PCAP, the National Assembly approved the first Public Investment Law No. 08/NA dated 26 November 2009 which provides the reference for managing of PIP (a revised Public Investment Law No. 72/NA was issued on 15 December 2015). Furthermore, PCAP produced detailed standard templates for managing PIP, from preparing the annual planning management to preparing the medium investment plan. To effectively manage public investments in the public works and transport (PWT) sector, the Ministry of Public Works and Transport (MPWT) strictly follows Public Investment Law No. 08/NA using the required templates of PCAP.

However, PWT's development needs are very much greater than the available resources, and thus a lot of debts have been incurred over the past years. To resolve the debts issue and develop the PWT sector, it is necessary to carry out systematic, consistent and customized strategic planning and restrict all investments to those justified through this process. Under LRSP, MPWT received financing from the World Bank to recruit a technical adviser for the period from June 2013 to July 2014 to assist MPWT in preparing an effective system of sector planning and management. This system has been utilized to prepare the Sector Five-Year Plan (2016-2020). Following the approved 8th Five-Year National Social and Economic Development Plan (NSEDP), MPWT also updated its Sector Five-Year Plan (2016-2020) and received approval in December 2016. To achieve its set target and also prepare the Sector Five-Year Plan (2021-2025) together with drafting a unique standard template for the PWT sector, MPWT needs continued technical support from donors especially World Bank.

Moving forward, MPWT has received financing support from the World Bank (WB) and Nordic Development Fund (NDF) to implement Lao Road Sector Project 2 (LRSP2 or the Project) (March 2017-August 2022), which will support MPWT to strengthen its capacity at both central and local levels to manage local road improvement and maintenance. The European Investment Bank (EIB) has also expressed interest in providing financing support for implementation of the local roads development program designed under LRSP2. The WB has approved a credit of approximately USD 25 million, and NDF a grant for a Technical Assistance (TA) program amounting to EUR 5 million and a loan not exceeding EUR 6 million to finance the LRSP2. In addition, the Road Maintenance Funds (RMF) will contribute approximately USD 7 million, and the 6 participating provinces will contribute around USD 3 million to the Project.

The Project Development Objective ("PDO") of LRSP2 is to strengthen maintenance systems to improve reliable road connectivity in Lao PDR, and to provide immediate and effective response in case of an Eligible Crisis or Emergency. LRSP2 consists of four components: (1) Climate Resilient Road Maintenance, (2) Institutional Strengthening, (3) Project Management Support, and (4) Emergency Response. Under sub-component 2.1, the Project provides financing to carry out a

program of activities to: (a) strengthen the capacity to update and operationalize MPWT's national sector strategy and action plan; (b) strengthen the capacity to improve transport sector policy and financing frameworks to support sustainable transport sector development; and (c) strengthen the capacity for strategic management at both MPWT and DPWT.

In accordance with sub-component 2.1, DPC now intends to recruit three individual consultants at central level who will assist MPWT/DPC to carry out its policy development and planning and monitoring responsibilities realistically, efficiently and effectively. The TORs described herein are for an individual consultant (the Consultant) at central level to assist MPWT/DPC in planning framework development as per the project procurement plan (the Assignment). The Planning Consultant will report to DPC and carry out the assignment with guidance from the Transport Sector Policy Adviser, and with the assistance of the Planning Analyst.

The Consultant will be recruited using the Individual Consultant (IC) method following the World Bank's "Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits & Grants by World Bank Borrowers" (January 2011, as amended from time to time). The services are described in these TOR.

II. OBJECTIVES OF THE ASSIGNMENT

The PWT sector is a key pillar of the NSEDP. Although around 35% of Government's annual budget has been allocated to the PWT sector, this amount is inadequate compared to development needs. Therefore, it is necessary for MPWT to have effective planning and prioritization for its investments. The existing Public Investment Law and PCAP guide the planning process. However certain challenges still exist, such as (i) unrealistic development planning and development goals, and (ii) decentralization in the implementation of the PWT sector without mechanisms to ensure proper planning and prioritization, and application of cost-effective designs. Taken together, these factors have resulted in a lot of debts for investments that are not effectively used.

The objectives of this assignment are to assist DPC and MPWT in analyzing and assessing the status of MPWT's implementation of Public Investment Law No. 72/NA dated 15 December 2015 for the purpose of: i) updating the PWT sector's 5-year plan (2016-2020) to align with the National Strategic Planning to 2030 and 8th NSEDP (2016-2020); ii) developing the PWT sector's indicators (including base-year data) to monitor the implementation of PWT sector's 5-year plan (2016-2020); and iii) analyzing and improving the PWT sector's Strategic Development Plan (up to 2025). The consultant will assist DPC and MPWT in strengthening public investment management in the PWT sector and in preparing the detailed, consistent and user-friendly PWT sector Standard Operating Guideline.

III. DETAILED SCOPE OF WORK

The tasks of Consultant will include, but not be limited to, assisting MPWT on the following:

- Review the status of MPWT's implementation of Public Investment Law No. 72/NA dated 15 December 2015 (cooperate with Planning Analyst where needed);
- Support DPC to review on midterm of the current 5-year PWT sector Development Plan (2016-2020);
- Identify the gaps between expected budget receipts and sector development needs for prioritize the investment plan and ensure such plan will be valid and supported with available budgets;

- Review and update the current 5-year PWT sector Development Plan (2016-2020), 10-year PWT sector Development Strategy to align with and support to the 8th NSEDP (2016-2020) and 10-year National Social Economic Development Strategy;
- Develop the monitoring systems, including a results framework with the 5-year PWT sector's indicators, (including base-year data), to monitor the implementation of the 5-year PWT sector Development Plan (2016-2020), and ensure those indicators to align with the indicators of the 8th NSEDP (2016-2020) and of Sustainable Development Goals (SDGs);
- Prepare the Reports on implementation of 5-year PWT sector Development Plan (2016-2020) and assist DPC with the drafting of the next 5-year PWT sector Development Plan (2021-2025);
- Draft the PWT sector's standard forms¹ on public investment management in accordance with Articles 8, 16 and 17 of Public Investment Law No. 72/NA dated 15 December 2015; and
- Draft the PWT sector's Standard Operating Guideline for Public Investment Management.

IV. REQUIREMENTS

The consultant should have the following qualifications and experience:

- At least Master Degree in one of following areas of academic qualification: in economics, business administration, social sciences, strategy and policy or other relevant discipline;
- Understanding of Lao government system, rules and regulations including planning is preferable;
- Minimum 7 years of relevant working experience in developing countries;
- Excellent coordination, communication and networking skills;
- Excellent computer skills, including full working knowledge of standard Microsoft office packages, etc.; and,
- Excellent in English (writing, reading, speaking and listening).

V. TIME FRAME

A qualified consultant will be recruited for 12 person-months for the aforementioned services and to assist the Planning Division (PD)/DPC of MPWT. The consultant will report to DPC and duty station for the consultant is DPC office in Vientiane. The services will be started in December 2017.

VI. DELIVERABLES

The Consultant will contribute to and assist government in preparing the following outcomes:

- Inception Report, Quarterly report and final report;
- Final report on the midterm and final implementing of 5-year PWT sector's 5-year Development Plan (2016-2020);
- Final report on the gaps between budget and sector development needs;
- Purposed monitoring systems including a result framework with PWT sector's indicators for monitoring the implementation of the 5-year PWT sector Development Plan (2016-2020) and which are aligned with the indicators of 8th NSEDP (2016-2020);
- Draft the next 5-year PWT sector Development Plan (2021-2025);

¹ The standard forms will be developed and customized from existing PCAP and will include: i) templates for preparation, review and approval of public investment plan; ii) templates for managing and monitoring the implementation of plan; iii) templates for auditing/inspecting and reporting the implementation of plan; and iv) templates for handover and usage of the completed plan.

- Draft 10-year PWT sector Strategic Development (2016-2025);
- Draft PWT sector's standard forms² on public investment management in accordance with Articles 8, 16 and 17 of Public Investment Law No. 72/NA dated 15 December 2015; and
- Draft PWT sector's Standard Operating Guideline for Public Investment Management.

² The standard forms will be developed and customized from existing PCAP and will include: i) templates for preparation, review and approval of public investment plan; ii) templates for managing and monitoring the implementation of plan; iii) templates for auditing/inspecting and reporting the implementation of plan; and iv) templates for handover and usage of the completed plan.