

## Annex 1: Laos, Project for Enhancing Capacity of Public Investment Program (PIP) Management (PCAP II) Project Design Matrix (PDM)

Project Title: Laos, Project for Enhancing Capacity of PIP Management (PCAP II)  
 Project Period: 01/2008-07/2011 (3 years and 6 months)

Target Group : CPI-DGP/DIME/DCI, DPI, the planning department of all the ministries  
 Target Area : All the provinces of Laos

Version : 0.0  
 Date : Oct. 01, 2007

Narrative Summary	Objectively Verified Indicators	Means of Verification	Important Assumptions
<p><b>&lt;Overall Goals&gt;</b></p> <p>Sector ministries and provincial sector departments effectively and efficiently implement PIP projects on schedule and in accordance with planned budget execution under an upgraded sector program.</p>	<ol style="list-style-type: none"> <li>1. The number and ratio of domestically funded PIP projects and ODA projects that are discontinued or suspended decrease.</li> <li>2. The number and ratio of domestically funded PIP projects and ODA projects that are poorly or not maintained after completion decrease.</li> <li>3. The number and ratio of domestically funded PIP projects and ODA projects that are underutilized decrease.</li> <li>4. The number and ratio of domestically funded PIP projects and ODA projects that experience unexpected changes in contracted companies decrease.</li> <li>5. Target indicators in each sector program will improve</li> </ol>	<ol style="list-style-type: none"> <li>1. Annual monitoring by the project, DGP and/or DIME</li> <li>2. Annual monitoring by the project, DGP and/or DIME</li> <li>3. Annual monitoring by the project, DGP and/or DIME</li> <li>4. Annual monitoring by the project, DGP and/or DIME</li> <li>5. Sector program evaluation</li> </ol>	<p>•NGPRS, NSEDP and the 2020 goal continue to be the national strategy.</p>
<p><b>&lt;Project Purpose&gt;</b></p> <p>CPI and DPI process PIP projects through a new assessment, monitoring and evaluation procedure within strict budget ceiling and submit them to National Assembly for approval.</p>	<ol style="list-style-type: none"> <li>1. The number of domestically funded PIP projects and the counterpart fund portion of ODA projects, which are assessed, monitored, and evaluated within the annual budget ceiling with specific budget execution schedule, increases to 100% by the end of the project.</li> <li>2. Reports of every domestically funded PIP projects at each stage (planning / appraisal, monitoring, evaluation) is improved.</li> <li>3. CPI and DPI set and implement budget ceiling at both central and provincial level together with MOF and DOF.</li> <li>4. The amount and ratio of debts in annual PIP budgets decrease.</li> <li>5. CPI together with sector ministries develop sector programs with specific annual, regional targets and the distribution of domestically funded PIP projects and ODA projects.</li> </ol>	<ol style="list-style-type: none"> <li>1. Annual monitoring by the project, CPI, MOF, DPI and/or DOF</li> <li>2. Meta-evaluation reports on the performance of each province and ministry</li> <li>3. Annual monitoring by the project, CPI, MOF, DPI and/or DOF</li> <li>4. Annual monitoring by the project, CPI and/or DIME</li> <li>5. Sector programs</li> </ol>	<p>•The current structure and procedure of PIP including ODA projects would not change drastically.</p> <p>•No major political accident such as sudden change of National Assembly schedule, which significantly affects the annual budget formulation process, will not occur.</p>
<p><b>&lt;Outputs&gt;</b></p> <p>1. DPI officials of all the provinces and planning department officials of all the ministries and other relevant organizations attain basic and overall PIP management knowledge and skills.</p>	<ol style="list-style-type: none"> <li>1-1 More than 5 DPI staffs in each province are capable of managing PIP projects in accordance with existing manuals and handbooks.</li> <li>1-2 More than 5 planning department officials in each ministry or other relevant government organizations are capable of managing PIP in accordance with existing manuals and handbooks.</li> </ol>	<ol style="list-style-type: none"> <li>1-1 Staff Performance Chart (to be created by the project)</li> <li>1-2 Staff Performance Chart (to be created by the project)</li> </ol>	<p>•Sector ministries and DPI are willing to cooperate for this Project.</p>
<p>2. Fiscal discipline is introduced and institutionalized in PIP management.</p>	<ol style="list-style-type: none"> <li>2-1 "Manual for PIP Project Management" and handbooks are upgraded or developed so as to cover PIP budget planning and management. The manual and handbooks are approved and distributed to all relevant government personnel.</li> <li>2-2 More than 20 CPI officials and more than 5 planning department officials in each province, ministry and other relevant government organizations are capable of both managing PIP in accordance with manuals and handbooks that are developed or upgraded and training relevant provincial and district officials.</li> <li>2-3 CPI and DPI develop and establish the process of estimating budget estimate, limiting the amount of domestically funded PIP projects and ODA projects within annual budget ceiling, and planning budget execution schedule according to the estimate and ceiling.</li> </ol>	<ol style="list-style-type: none"> <li>2-1 Distribution list of manuals and handbook, managed by the project</li> <li>2-2 Staff Performance Chart (to be created by the project)</li> <li>2-3 Interviews with CPI, MOF, DPI and DOF. Documents on annual revenue estimate, budget ceiling, budget execution plan</li> </ol>	
<p>3. A legal framework of effective and efficient PIP management is developed and strengthened.</p>	<ol style="list-style-type: none"> <li>3-1. A PIP management law and relevant specific decrees have been drafted, submitted and approved by National Assembly.</li> <li>3-2 A PIP management law and relevant decrees specify responsible organizations and legal procedures of reviewing, changing, suspending, and discontinuing PIP projects including ODA projects, and penalizing relevant organizations and contractors.</li> <li>3-3 The PIP management law and relevant decrees authorize manuals and handbooks, which are developed and upgraded in the Project, are as a standard PIP management tool and disseminate nationwide.</li> </ol>	<ol style="list-style-type: none"> <li>3-1 Newly formulated PIP Management Law and relevant specific decrees</li> <li>3-2 Newly formulated PIP Management Law and relevant specific decrees</li> <li>3-3 Newly formulated PIP Management Law and relevant specific decrees</li> </ol>	
<p>4. CPI officials, DPI officials of all the provinces and planning department officials of all the ministries upgrade PIP management knowledge and skills of ODA counterpart fund management, district-level PIP management and sector program management.</p>	<ol style="list-style-type: none"> <li>4-1 "Manual for PIP Project Management" and handbooks are upgraded or developed so as to cover ODA counterpart fund management and District-level PIP management. The manual and handbooks are approved and distributed to all relevant government personnel.</li> <li>4-2 "Manual for PIP Program Management" is upgraded, approved and distributed to all government personnel related to PIP management.</li> <li>4-3 More than 20 CPI officials and More than 5 planning department officials in each province, ministry and other relevant government organizations are capable of both managing PIP in accordance with manuals and handbooks that are newly developed or upgraded and training relevant provincial and district officials..</li> </ol>	<ol style="list-style-type: none"> <li>4-1 Upgraded "Manual for PIP Project Management" and/or newly developed handbooks</li> <li>4-2 Distribution list of the manual managed by the project</li> <li>4-3 Staff Performance Chart (to be developed and managed by the project)</li> </ol>	<p>•Sector ministries and DPI are willing to cooperate for this Project.</p>

<Activities>	<Inputs>		
<p>1-1 Select 4-5 provinces and 2-3 ministries for the budget process of the 2008/09 fiscal year, and 9-10 provinces and all the remaining ministries for the budget process of the 2009/10 fiscal year</p> <p>1-2 Assist CPI with developing the training curriculum and materials</p> <p>1-3 Assist CPI with providing the basic and overall PIP management training and workshop to the designated provinces and ministries</p> <p>1-4 Assist CPI with conducting OJT for the designated provinces and ministries</p> <p>1-5 Assist CPI with conducting meta-evaluation for PIP projects assessed and evaluated for these provinces and ministries</p> <p>1-6 Conduct baseline study on PIP projects, which (1) are suspended or discontinued, (2) are poorly maintained or not maintained, (3) are underutilized, and (4) experience unexpected changes in contractors</p> <p>1-7 Assist CPI with revising manuals and handbooks based on the feedback from activities 1-4 and 1-5</p> <p>1-8 Annually monitor and report indicators described in 1-6</p> <p>2-1 Study the process of estimating revenue, setting budget ceiling and executing allocated budget for PIP management. Review annual budget balance sheet for PIP projects including the counterpart fund portion of ODA projects</p> <p>2-2 Verify PIP budget planning/management flow and schedule in accordance with annual budget formulation process and calendar, starting with Oudomxay, Khammuan and Salavan</p> <p>2-3 Upgrade "Manual for PIP Project Management" and develop handbooks on PIP budget planning and management</p> <p>2-4 Produce and distribute the manual and handbooks to all relevant organizations</p> <p>2-5 Assist CPI with developing the training curriculum and materials</p> <p>2-6 Assist CPI with conducting training and workshop for all the provinces and ministries</p> <p>2-7 Assist CPI with conducting OJT for all the provinces and ministries</p> <p>2-8 Monitor and report annual budget balance sheet for PIP projects including the counterpart fund portion of ODA projects</p> <p>2-9 Assist CPI with revising manuals and handbooks based on the feedback from activities 2-6 and 2-7</p> <p>3-1 Organize a drafting group and hold meetings for formulating PIP management law and relevant decrees</p> <p>3-2 Study existing laws and decrees relevant to PIP management and budget in Laos and study also examples of Japan and neighboring countries such as Vietnam.</p> <p>3-3 Develop and draft a PIP management law and relevant decrees</p> <p>3-4 Consult with relevant ministries, provinces and other relevant organizations</p> <p>3-5 Revise and finalize a PIP management law and relevant decrees based on the feedbacks from 3-4, and submit them to National Assembly for approval</p> <p>3-6 Issue annual decrees instructing to utilize newly developed or upgraded manuals and handbooks</p> <p>4-1 Study the process of ODA counterpart fund management, district-level PIP management and sector program management</p> <p>4-2 Verify the process and schedule of ODA counterpart fund management, district-level PIP management and sector program management. in accordance with annual budget formulation process and calendar, starting with Oudomxay, Khammuan and Salavan</p> <p>4-3 Upgrade "Manual for PIP Project Management" and "Manual for PIP Program Management" with a focus on ODA counterpart fund management, district-level PIP management and sector program management. Also, develop handbooks on these issues</p> <p>4-4 Produce and distribute the manual and handbooks to all relevant organizations. (Implement this activity together with 2-4)</p> <p>4-5 Assist CPI with developing the training curriculum and materials. (Implement this activity together with 2-5)</p> <p>4-6 Assist CPI with conducting training and workshop for all the provinces and ministries. (Implement this activity together with 2-6)</p> <p>4-7 Assist CPI with conducting OJT for all the provinces and ministries (Implement this activity together with 2-7)</p> <p>4-8 Assist CPI with conducting meta evaluation for PIP projects assessed and evaluated and with monitoring indicators in a sector program</p> <p>4-9 Assist CPI with revising manuals and Handbooks based on the feedback from activities 4-6 and 4-7 (Implement this activity together with 2-9)</p>	<JAPAN>		<LAOS>
	<b>Experts : 1 Japanese and 1 Lao</b>	<b>Counterpart Personnel</b>	<ul style="list-style-type: none"> <li>Provinces are not defined as restricted areas (by Japan Government and/ or JICA)</li> <li>The bureaucracy of the Lao Government will not delay or prevent the activities and outputs of this Project.</li> </ul>
	<ul style="list-style-type: none"> <li>Chief Advisor</li> <li>Project Management (Lao Local Consultant)</li> </ul>	<ul style="list-style-type: none"> <li>Project Director : Mr. Bountavy SISOUPHANHTHONG (Vice President of CPI)</li> <li>Project Manager, Mr. Vixay XAVANNA (Director-General of DIME)</li> <li>Deputy Project Manager: 2 Deputy Director-General of DGP Deputy Director-General of DIC</li> </ul>	
	<b>Experts : 3</b>	<b>Core Counterpart Members</b>	
	<ul style="list-style-type: none"> <li>Public Finance/Revenue and Budget Planning</li> <li>Public Accounting/Budget Execution</li> <li>Project and Program Evaluation/Training Development and Management</li> </ul>		
	<b>Other Personnel</b>		
	<ul style="list-style-type: none"> <li>Local Consultants (Laotian)</li> <li>Secretary and Administrative Staff (Laotian)</li> <li>Driver (Laotian)</li> </ul>		
	<b>Counterpart Training</b>	<b>Facility</b>	Pre-Conditions
	Short term training in a third country (3 persons per year)	<ul style="list-style-type: none"> <li>Project Office</li> <li>Meeting Room</li> <li>Training Room</li> </ul>	<ul style="list-style-type: none"> <li>All the provinces, sector ministries, MOF and DOF are prepared to cooperate for the Project</li> <li>The Project will not duplicate activities of other donors.</li> </ul>
	<b>Equipment</b>	<b>Local Cost</b>	
	Office supply and other necessary equipment, etc.	<ul style="list-style-type: none"> <li>Staff Salaries</li> <li>Administration Cost (Basic Office Supply and Utilities)</li> <li>Training cost for formulating the budget for the 2010/11 and 2011/12 fiscal years</li> <li>Other necessary cost</li> </ul>	