

**Lao People's Democratic Republic
Ministry of Planning and Investment**

Lao PDR

**Project for Establishing
Public Investment Plan under NSEDP
(PCAP3)**

**First Year
Completion Report**

June 2013

Japan International Cooperation Agency

IC Net Limited

JICA Technical Cooperation
Project for Establishing Public Investment Plan under NSEDP
First Year Completion Report

Abbreviations

ADB	Asian Development Bank
AMP	Aid Management Platform
DPI	(Provincial) Department for Planning and Investment
DPO	District Planning Office
FAO	United Nations Food and Agriculture Organization
GoL	Government of the Lao PDR
JCC	Joint Coordinating Committee
JICA	Japan International Cooperation Agency
MAF	Ministry of Agriculture and Forestry
MoF	Ministry of Finance
MPI	Ministry of Planning and Investment
MPI-DIC	Department of International Cooperation
MPI-DOE	Department of Evaluation, MPI
MPI-DOP	Department of Planning, MPI
MPWT	Ministry of Public Works and Transportation
NSEDP	National Socio-Economic Development Plan
ODA	Official Development Assistance
PAFO	Provincial Agriculture and Forestry Office
PCAP1	Project for Capacity Building in Public Investment Program Management
PCAP2	Project for Enhancing Capacity in Public Investment Program Management
PCAP3	Project for Establishing Public Investment Plan under NSEDP
PDM	Project Design Matrix
ProMIS	Monitoring and Evaluation System Development Project, MAF
SEDP	Socio-Economic Development Plan
SPIC	Simplified Project Information Checklist
SPIS	Simplified Project Information Sheet
TOT	Training of Trainers
UNDP	United Nations Development Programme

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1. Project Background

1.1 Background

Within the Lao People's Democratic Republic, the Ministry of Planning and Investment (MPI) is the organization with responsibility and authority in all matters related to the management and supervision of public investment projects. MPI verifies the appropriateness of projects in each field, and reviews the development budget for approval at the National Assembly. MPI is also assigned to regularly monitor and evaluate projects, and to report the results to the National Assembly. MPI lacks project management ability, however; so do the Department of Planning and Investment (DPI) in each province and the district-level District Planning Office (DPO), which are its local agencies. As such, public investment projects implemented using the domestic development budget are not carried out effectively. Furthermore, the degree to which these projects contribute to the achievement of the targets set out in the government's five-year National Socio-Economic Development Plan (NSEDP) is unclear, resulting in major discrepancies in planning and implementation.

Given the situation, a Japan International Cooperation Agency (JICA) technical cooperation project was implemented between November 2004 and October 2007, entitled "Project for Capacity Building in Public Investment Program Management" (hereafter referred to as PCAP1), followed by another JICA technical cooperation project, from March 2008 to August 2011, entitled "Project for Enhancing Capacity in Public Investment Program Management" (hereafter referred to as PCAP2).

PCAP1 and PCAP2 increasingly improved the capacity of MPI and DPI to manage public investment projects, by developing, revising, and disseminating methods and tools for assessing, monitoring, and evaluating projects, as well as various forms for assessing projects. They also did so through training programs. The Public Investment Law was enacted in December 2009, prescribing the obligation to assess public investment projects, and positioning the methods and tools developed through PCAP1 and PCAP2 as national systems under the law.

To further address the remaining issues in public investment management, and utilize outputs from PCAP1 and PCAP2, a new technical cooperation scheme has been agreed upon, to be implemented within the period from March 2012 to September 2015, entitled "Project for Establishing Public Investment Plan under NSEDP" (hereafter referred to as PCAP3).

In order to realize the primary objective of achieving sound project management that aligns with NSEDP targets, PCAP3 will develop methods and tools for public investment project management from a mid-term perspective, and further enhance the capacity of MPI, DPI and DPIO nationwide. More specifically, PCAP3 involves the following four approaches for achieving its primary objective: i) establish a mid-term public investment framework and financial management guidelines, ii) develop a process that ensures that project effects will be sustainable after the project completion, iii) improve the ODA project information management method, and iv) strengthen district-level public investment project management.

PCAP3, with the duration of 3 years and 7 months, will be divided into 3 project years. The periods were divided with consideration of the Lao fiscal year (October to September) and the timings for activities that PCAP3 plans to conduct. The following indicates the 3 project years applied to PCAP3;

- ◇ First Year; March 2012 to June 2013 (16 months)
- ◇ Second Year; September 2013 to June 2014 (10 months)
- ◇ Third Year; September 2014 to September 2015 (13 months)

1.2 Overall Results of First-Year Project Implementation

The following chart indicates the implementation schedule of PCAP3 first-year project activities from March 2012 to June 2013. The numbers given to each activity are those of the overall Plan of Activities, as attached in Annex 2:

Table 1 Activity Plan and Results, March 2012 - June 2013

Activity Details		Plan/Results	2012												2013					
Year	Activity No.	Description	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6		
First Year	①	Formulating and discussing the Inception Report																		
All	②	Holding Joint Coordinating Committee Meeting																		
	③	Formulating Progress Reports and Work Completion Reports on an annual basis, and Project Completion Report at the end of the project period																		
[Output 1] A framework for Mid-Term Public Investment Plan and Financial Management Guidelines established																				
First Year	④	Implementation of Baseline Survey, Selection of Pilot and Monitoring Organizations	Original Plan																	
		Results																		
	⑤	Establishment of the draft Mid-term Public Investment Plan and Financial Management Guidelines	Original Plan																	
		Results																		
	⑥	Holding a joint seminar on the proposed Mid-Term Public Investment Plan and Financial Management Guidelines	Original Plan																	
		Results																		
	⑦	Formulation of the proposed Mid-term Public Investment Plan and Financial Management Guidelines by the monitoring organization	Original Plan																	
		Results																		
[Output 2] Measures for effective operation and maintenance of public investment projects after its completion are established																				
First Year	⑧	Discussions with the Ministry of Finance regarding the operation and maintenance costs after the completion of the public investment projects	Original Plan																	
		Results																		
	⑨	Establishment of methods and processes for the terminal and ex-post evaluations of public investment projects	Original Plan																	
		Results																		
	⑩	Pilot project review based on project evaluation studies	Original Plan																	
		Results																		
	⑪	Revisions based upon the results of (10) above	Original Plan																	
		Results																		
[Output 3] ODA project information management is improved																				
First Year	⑫	Discussions with donors on standardization of ODA projects within the scope of public investment	Original Plan																	
		Results																		
	⑬	Establishment of an improvement process regarding ODA information management	Original Plan																	
		Results																		
	⑭	Pilot review of new ODA projects	Original Plan																	
		Results																		
[Output 4] A mechanism of management and capacity development for district-level public investment projects is established																				
First Year	⑮	Discussions within the MPI and with relevant authorities on establishment and management of district-level public investment projects	Original Plan																	
		Results																		
	⑯	Implementation of a baseline study to select pilot and monitoring organizations	Original Plan																	
		Results																		
	⑰	Development of processes and training methods for establishment and management of district-level public investment projects in the pilot organizations	Original Plan																	
		Results																		
	⑱	Preparation of training in monitoring organizations on managing district-level public investment projects	Original Plan																	
		Results																		

Original Plan Results

1.3 Results of Activities Related to Overall Project

(1) Submission of Inception Report, Progress Report and Completion Report

PCAP3 has formulated an Inception Report of the Project in English and Japanese, and submitted to both MPI and JICA Laos Office in April 2012. In September 2012, a Mid-Term Progress Report for the First Year was formulated in English and Japanese, and was submitted to both parties. The First-Year Completion Report is under formulation in English and Japanese, and due to be submitted to both parties by the end of June 2013.

(2) Joint Coordinating Committee Meeting

PCAP3 has planned to implement 3 sessions of the Joint Coordinating Committee (JCC) meetings in the First Year. The first JCC meeting was held on April 30th, 2012 with its main theme as ‘Reporting the Outline and Initial Activities’. The following table outlines the meeting contents and results;

[Date/Time] April 30 th , 2012, 2 pm – 4pm		[Location] 6 th floor Meeting Room, MPI
[Chairperson] Dr. KhamlienPholsena, Vice Minister, MPI / PCAP3 Project Director		
[Lao participants] Mr. PhoukhongBannavong, Director General, Department of Evaluation, MPI / PCAP3 Project Manager Mr. OuneheuaneChittaphong, Deputy Director General, Department of Planning, MPI / PCAP3 Project Co-Manager Mr. HoumphanhSoukprastih, Deputy Director General, Department of International Cooperation, MPI / PCAP3 Co-Manager		
[Japanese participants] Mr. Masato Iso, Governor, Embassy of Japan Mr. Masato Togawa, Chief Representative, JICA Laos Office Representatives from Embassy of Japan and JICA Laos Office PCAP3 Experts		
[Agenda]		
Time	Agenda	
13:30-14:00	Reception	
14:00-14:10	Opening Remarks by Dr. KhamlienPholsena, Vice Minister of MPI, Project Director of PCAP3	
14:10-14:40	Presentation (1) “Achievements from PCAP1 through to PCAP2” by Mr. PhoukhongBannavong, Director General of MPI-DOE, Project Manager of PCAP3	
14:40-15:00	Presentation (2) “Outline of PCAP3” by Mr. Ichiro Okumura, Chief Advisor, PCAP3	
15:00-15:10	Coffee Break	
15:10-15:30	Presentation (3) “Activity Plan for the First Year” by Mr. Hiromi Osada, Deputy Chief Advisor of PCAP3	
15:30-15:40	Q&A Session	
15:40-15:50	Speech by Mr. Masato Togawa, Chief Representative of JICA Laos Office	
15:50-16:00	Closing Remarks by Dr. KhamlienPholsena	
-		

[Contents]

Presentation (1) “Achievement from PCAP1 through to PCAP2” explained the background of public investment management in Lao PDR, and the outputs and outcomes of the two technical cooperation projects.

Presentation (2) “Outline of PCAP3” described the status quo of public investment management before the project began, along with the new project design and plan of operation.

Presentation (3) “Activity Plan for the First Year” gave information on the activity plan from March 2012 to June 2013, along with details on the baseline survey plan.

Dr. Khamlien Pholsena, Vice Minister of MPI, shared his high hopes for the success of the new project, and suggested that the strengthening of district-level public investment management be emphasized, along with the new policy announced by the GoL.

Mr. Masato Togawa, Chief Representative of JICA Laos Office explained that PCAP3 will follow PCAP1/PCAP2, but take new steps forward for further improved public investment management in Lao PDR.



Photo 1 First JCC Meeting, April 2012

The second JCC meeting was held on October 3rd, 2012 with its main theme as “Reporting the Results of the Baseline Survey and Second Half Activities for the First Year”. The following table outlines the meeting contents and results;

[Date/Time] October 3 rd , 2012, 8:30am –11:35am		[Location] 6 th floor Meeting Room, MPI	
[Chairperson] Dr. Khamlien Pholsena, Vice Minister, MPI / PCAP3 Project Director			
[Lao participants] Mr. Phoukhong Bannavong, Director General, Department of Evaluation, MPI / PCAP3 Project Manager Mr. Ouneheauane Chittaphong, Deputy Director General, Department of Planning, MPI / PCAP3 Project Co-Manager Mr. Houmphanh Soukprastih, Deputy Director General, Department of International Cooperation, MPI / PCAP3 Co-Manager			
[Japanese participants] Mr. Masato Iso, Governor, Embassy of Japan Mr. Masato Togawa, Chief Representative, JICA Laos Office Representatives from Embassy of Japan and JICA Laos Office PCAP3 Experts			
[Agenda]			
Time	Agenda		
08:30-09:20	Reception		
09:20-09:35	Opening Remarks by Dr. Khamlien Pholsena, Vice Minister of MPI, Project Director of PCAP3		
09:35-10:20	Presentation (1) “Results of the Baseline Survey” by Mr. Ichiro Okumura, Chief Advisor of PCAP3		
	Presentation (2) “Target Indicators of PCAP3PDM” by Mr. Ichiro Okumura, Chief Advisor, PCAP3		
10:20-10:50	Presentation (3) “Activity Plan for the Second Half of the First Year” by Mr. Phoukhong Bannavong, Director General of MPI-DOE, Project Manager of PCAP3		
10:50-11:10	Q&A Session		
11:10-11:20	Speech by Mr. Masato Togawa, Chief Representative of JICA Laos Office		
11:20-11:35	Closing Remarks by Dr. Khamlien Pholsena		
-			

[Contents]

Presentation (1) “Results of the Baseline Survey” explained the results and findings from the survey conducted from March to September 2012.

Presentation (2) “Target Indicators of PCAP3 Project Design Matrix (PDM)” explained the baseline and target indicators of the PCAP3 project for the Project Purpose, Overall Goals and each of the 4 Outputs indicated in its PDM.

Presentation (3) “Activity Plan for the Second Half of the First Year” provided information on the activity plan from October 2012 to June 2013.



Photo 2 Second JCC Meeting, Oct. 2012

Dr. Khamlien Pholsena, Vice Minister of MPI, shared his expectations for the project, for supporting the government’s policy on the “3-Build” implementation. He also expected to see improved effectiveness for public investment projects after its completion, through terminal and ex-post evaluation approaches.

Mr. Masato Togawa, Chief Representative of JICA Laos Office instructed PCAP3 to continue its approach to follow the new government’s policies and guidelines when developing new tools and methods.

The third JCC meeting is planned to be held on June 25th, 2013 with its main theme as “Reporting the Results of the First Year Activities and Second Year Activity Plan”. The following table outlines the meeting agenda;

Time	Agenda
13:30-14:00	Reception
14:00-14:10	Opening Remarks by Dr. Khamlien Pholsena, Vice Minister of MPI, Project Director of PCAP3
14:10-14:50	Presentation (1) “Results of First Year Activities” by Mr. Ichiro Okumura, Chief Advisor of PCAP3
14:50-15:00	Coffee break
15:00-15:30	Presentation (2) “Activity Plan for the Second Year” by Mr. Phoukhong Bannavong, Director General of MPI-DOE, Project Manager of PCAP3
15:30-15:40	Q&A Session
15:40-15:50	Speech by representative of JICA Laos Office
15:50-16:00	Closing Remarks by Dr. Khamlien Pholsena

(3) Baseline Survey

From March to September 2012, PCAP3 employed local consultants through a sub-contract to conduct a comprehensive baseline survey. The following three objectives were set for the baseline survey;

- 1) To collect and organize necessary basic information for PCAP3 activities.
- 2) To collect and organize baseline information for the PCAP3 Project Design Matrix (PDM).
- 3) To collect necessary information for selecting pilot and monitor organizations.

The survey was conducted through 6 components. The following indicates the these components along with their survey results;

Component 1: Collect basic information on administrative organizations.

Component 2: Gather information and data that can act as a reference in selecting pilots and monitoring provinces.

Component 3: Gather information on the number of public investment projects managed at the district level.

Component 4: Gather and analyze data related to the development budget.

Component 5: Conduct survey of implementation of ex-post and terminal evaluation studies of public investment projects.

Component 6: Conduct survey of budget and information management systems for ODA projects.

[Component 1]

Collect basic information on administrative organizations

Basic information regarding government organizations at the central, provincial, and district levels was collected and analyzed. This information was needed to identify the existing level of capacity, as a basis for establishing a capacity development model. It included information on organizational charts, the number of officials in each organization, the legal framework involved in recruiting public servants, the annual government expenditure, and the development budget approval process.

The formal process for formulating the Socio-Economic Development Plan (SEDP) was clarified. The formulation process starts with MPI developing the top-end NSEDP, through collection of basic statistics and data from sector offices and departments in districts and provinces that are vertically connected to the sector ministry. The sector ministries and provinces/capital then formulate their own SEDPs in line with the direction indicated in the NSEDP, under the responsibility of ministers and governors. The districts further formulate their own SEDP under guidance of their province/capital. Therefore, it can be said that data collection is conducted bottom-up, while the formulation of development plans is conducted top-down.

Horizontal adjustments among provincial/Capital and district-level sector departments/offices are made with the instructions from the Governor. Public investment projects that are needed to achieve the provincial and district level SEDPs are listed, and Type III¹ projects are prioritized within the list. However, since the capital budget ceiling is not determined at the time of SEDP formulation, prioritization is not strictly conducted within the list.

Vertical adjustments within the central government organizations are conducted, from the central level to the provincial/Capital and district sub-organizations. The Ministry of Public Works and Transportation (MPWT) establishes a comprehensive strategy of road maintenance that covers roads in each level nationwide. It is realized by collecting updated information from districts and provinces/Capital, at the same time arranges resource information from their own Road Maintenance Fund and ODA. The Ministry of Agriculture and Forestry (MAF) establishes a comprehensive strategy for irrigation, which is distributed to provinces/Capital and districts to implement their respective roles.

The provincial/Capital has an important role of adjusting both horizontal and vertical strategies. However, the adjustment is sometimes difficult to realize since the priorities set in horizontal and vertical instructions are different, it affects the priority setting and support to be received during implementation.

[Component 2]

Gather information and data that can act as a reference in selecting pilots and monitoring provinces

The survey team collected and analyzed basic information that may be utilized for the selection of pilot and monitor organizations. The contents of this information include project assessments for all

¹Article 15 of the Public Investment Law stipulates Type III projects are “*projects with total cost under 5 billion Kip*”.

projects that have requested budgets, the presence of provincial sector strategies and matching public investment project lists, and the structure of the tax collection and revenue system.

In order to improve the efficacy of the methods and tools to be developed, PCAP3 has selected pilot and monitor organizations in central government ministry and provincial/capital levels. The following describes the definitions of pilot and monitor organizations respectively;

Pilot Organization	Co-development of methods, tools, processes and training schemes. Requires high potential and motivation for improvement in public investment management.
Monitor Organization	Validation of methods, tools and processes, along with implementation of trial training. Requires basic understanding of public investment management and otivation for improvement.

In the planning process of the survey, PCAP3 and MPI selected 7 central government ministries and 6 provinces (Oudomxay, LuangPrabang, Bolikhamxay, Savannakhet, Champassak and Saravan) and Vientiane Capital as candidates of the of pilot and monitor organizations. Among these, the following organizations were selected respectively, including a new category as “cooperative organization”

	Name of organization	Reasons for selection
Pilot Organizations	Oudomxay Province	<ul style="list-style-type: none"> ✧ Autonomy at DPI and sector dept. levels. ✧ Implements budget allocation to sectors and districts ✧ Implements and promotes district-level public investment management ✧ Continuous cooperation from PCAP1 and PCAP2
	Ministry of Education	<ul style="list-style-type: none"> ✧ Implements and promotes program approach (related to Output 1)
	Ministry of Agriculture and Forestry	<ul style="list-style-type: none"> ✧ An FAO project with collaboration potential, related to monitoring system development is implemented at the Planning Department ✧ Sample projects liable to use for terminal and ex-post evaluation is existent
Monitor Organizations	Champassak Province, Bolikhamxay Province	<ul style="list-style-type: none"> ✧ Implements district-level public investment management ✧ Good leadership in DPI and sector departments ✧ Implements past PCAP methods but may need slight modification
Cooperative Organizations	Saravan Province, Vientiane Capital	<ul style="list-style-type: none"> ✧ Good understanding of past PCAP methods ✧ Motivation towards improvement is high

[Component 3]

Gather information on the number of public investment projects managed at the district level

At the Ninth Congress for Lao People’s Revolutionary Party held in March 2011, the Resolution Number Three was announced with the instructions to provide more authority to district levels as “comprehensively strengthened units”.As part of this policy, further instructions were made to shift public investment management responsibilities to district levels. Some provinces have started shifting part of project responsibilities to district-levels depending on its budget size and technical simplicity. However, since no specific methods or demarcation are



Photo 3 Interview at District Office

yet to be officially announced, most provinces are acting based upon their understanding. Through this survey, the numbers of projects that are shifted from provincial initiatives to districts, along with their processes were asked at study sites.

It was found out that Oudomxay and Saravan provinces, and Vientiane Capital have been shifting part of project management duties to district levels in their own terms before the Resolution was announced. It was also found out that all provinces have somewhat insecurity in relying on district levels for project management.

[Component 4] Gather and analyze data related to the development budget

The survey team collected and analyzed recent figures of the development budget and its debts. Forecast estimations of the total development budget during the 7th NSEDP (2011-2015) was also obtained.

The following chart shows the results (2006/07 to 2009/10) and estimations (2010/11 and 2011/12) of the development budget classified by ODA and domestic funding;

Table 2 Development Budget by ODA/Domestic Resources, 2006/07 to 2011/12

Million Kip																	
	2006/07		2007/08			2008/09			2009/10			2010/11			2011/12		
	Results	Ratio	Results	Ratio	vs. LY	Results	Ratio	vs LY	Results	Ratio	vs LY	Plan	Ratio	vs LY	Plan	Ratio	vs LY
Ministries																	
Domestic	305,478	13.4%	374,342	14.1%	122.5%	756,316	32.5%	202.0%	1,190,838	20.2%	157.5%	1,026,374	18.2%	86.2%	1,374,000	20.7%	133.9%
ODA	1,970,035	86.6%	2,280,191	85.9%	115.7%	1,573,735	67.5%	69.0%	4,696,060	79.8%	298.4%	4,604,176	81.8%	98.0%	5,251,120	79.3%	114.1%
Total	2,275,514	100%	2,654,534	100%	116.7%	2,330,051	100%	87.8%	5,886,898	100%	252.7%	5,630,551	100%	95.6%	6,625,120	100%	117.7%
Provinces																	
Domestic	236,739	21.3%	313,658	31.8%	132.5%	381,510	38.4%	121.6%	526,801	100.0%	138.1%	733,976	59.7%	139.3%	826,000	64.8%	112.5%
ODA	876,421	78.7%	673,843	68.2%	76.9%	612,686	61.6%	90.9%	0	0.0%	0.0%	495,824	40.3%	#DIV/0!	448,880	35.2%	90.5%
Total	1,113,159	100%	987,500	100%	88.7%	994,196	100%	100.7%	526,801	100%	53.0%	1,229,799	100%	233.4%	1,274,880	100%	103.7%
Domestic Total	542,217	16.0%	688,000	18.9%	126.9%	1,137,826	34.2%	165.4%	1,717,639	26.8%	151.0%	1,760,350	25.7%	102.5%	2,200,000	27.8%	125.0%
ODA Total	2,846,456	84.0%	2,954,034	81.1%	103.8%	2,186,420	65.8%	74.0%	4,696,060	73.2%	214.8%	5,100,000	74.3%	108.6%	5,700,000	72.2%	111.8%
Grand Total	3,388,673	100%	3,642,034	100%	107.5%	3,324,246	100%	91.3%	6,413,699	100%	192.9%	6,860,350	100%	107.0%	7,900,000	100%	115.2%

(Note: ODA results for 2009/10 was not classified among Ministries/Provinces, therefore reflected all in Ministries)

Source: Ministry of Finance Gazette of State Budget, 2006/07 to 2011/12

It can be seen that the development budget continues to rely heavily on ODA. The ratio of ODA within the total budget in 2007/08 was 84%, and reduced to 72% in 2011/12. However, the actual amount within these this period has doubled. In 2008/09, the amount of ODA has seen a sudden drop to 74% compared to its previous year. It is estimated that the world economic crisis in 2007 had somewhat effect to the contribution from development partners in that year, with the intention of recovering its reduced amount in 2009/10. In order to refill the decrease, GoL also has drastically increased the domestic funding for 2008/09 and 2009/10.

The following chart shows the same figures categorized by ministries and provinces

Table 3 Development Budget by Ministries/Provinces, 2006/07 to 2011/12

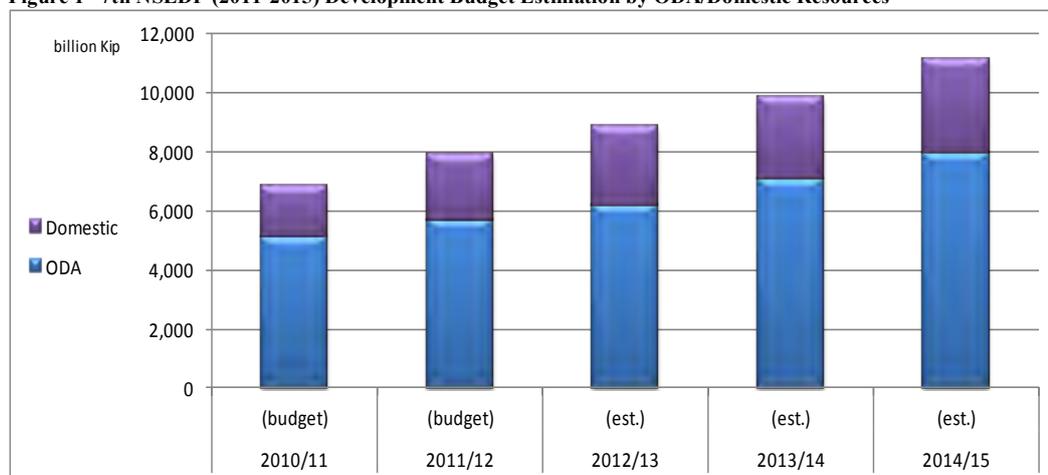
Million Kip																		
	2006/07		2007/08			2008/09			2009/10			2010/11			2011/12			
	Results	Ratio	Results	Ratio	vs LY	Results	Ratio	vs LY	Results	Ratio	vs LY	Plan	Ratio	vs LY	Plan	Ratio	vs LY	
Domestic																		
Ministries	305,478	56.3%	374,342	54.4%	122.5%	756,316	66.5%	202.0%	1,190,838	69.3%	157.5%	1,026,374	58.3%	86.2%	1,374,000	62.5%	133.9%	
Provinces	236,739	43.7%	313,658	45.6%	132.5%	381,510	33.5%	121.6%	526,801	30.7%	138.1%	733,976	41.7%	139.3%	826,000	37.5%	112.5%	
Total	542,217	100%	688,000	100%	126.9%	1,137,826	100%	165.4%	1,717,639	100%	151.0%	1,760,350	100%	102.6%	2,200,000	100%	125.0%	
ODA																		
Ministries	1,970,035	69.2%	2,280,191	77.2%	115.7%	1,573,735	72.0%	69.0%	4,696,060	100.0%	298.4%	4,604,176	90.3%	98.0%	5,251,120	92.1%	114.1%	
Provinces	876,421	30.8%	673,843	22.8%	76.9%	612,686	28.0%	90.9%	0	0.0%	0.0%	495,824	9.7%	#DIV/0!	448,880	7.9%	90.5%	
Total	2,846,456	100%	2,954,034	100%	103.8%	2,186,420	100%	74.0%	4,696,060	100%	214.8%	5,100,000	100%	108.6%	5,700,000	100%	111.8%	
Ministries	2,275,514	67.2%	2,654,534	72.9%	116.7%	2,330,051	70.1%	87.8%	5,886,898	91.8%	252.7%	5,630,551	82.1%	95.6%	6,625,120	83.9%	117.7%	
Provinces	1,113,159	32.8%	987,500	27.1%	88.7%	994,196	29.9%	100.7%	526,801	8.2%	53.0%	1,229,799	17.9%	233.4%	1,274,880	16.1%	103.7%	
Grand Total	3,388,673	100%	3,642,034	100%	107.5%	3,324,246	100%	91.3%	6,413,699	100%	192.9%	6,860,350	100%	107.0%	7,900,000	100%	115.2%	

(Note: ODA results for 2009/10 was not classified among Ministries/Provinces, therefore reflected all in Ministries)

Source: Ministry of Finance Gazette of State Budget, 2006/07 to 2011/12

Recent budget distribution trend shows that central government organizations (ministries) have large allocation for both domestic funding and ODA. It was known that ODA tends to be managed by ministries, but it is surprising to see that over 60% of the domestic budget for 2011/12 is allocated there, due to many “mega” and “priority” projects recently being implemented.

Forecast estimation of the total development budget during the 7th NSEDP (2011-2015) is as follows.

Figure 1 7th NSEDP (2011-2015) Development Budget Estimation by ODA/Domestic Resources


Billion Kip

Fiscal Year		2010/11 (budget)	2011/12 (budget)	2012/13 (est.)	2013/14 (est.)	2014/15 (est.)
ODA	amount	5,100	5,700	6,200	7,057	7,974
	ratio	74.3%	72.2%	70.1%	71.4%	71.4%
	vs. LY		111.8%	108.8%	113.8%	113.0%
Domestic	amount	1,760	2,200	2,650	2,823	3,190
	ratio	25.7%	27.8%	29.9%	28.6%	28.6%
	vs. LY		125.0%	120.5%	106.5%	113.0%
Total	amount	6,860	7,900	8,850	9,880	11,164
	vs. LY		115.2%	112.0%	111.6%	113.0%

It is expected that both ODA and domestic budget will increase annually by 10%, and that the ratio between ODA and domestic budget will not have significant changes.

[Component 5]

Conduct survey of implementation of ex-post and terminal evaluation studies of public investment projects

Information related to the current implementation status of terminal and ex-post evaluations was collected and analyzed. It was confirmed that all ODA projects have been conducting terminal evaluations or equivalent studies within the procedure determined by each development partner. With regard to ex-post evaluation, the World Bank and Asia Development Bank (ADB) conducts periodical studies for randomly-chosen projects, and JICA conducts studies for all projects that cost in excess of 200 million yen.

Terminal and ex-post evaluation in Lao PDR has not yet been conducted in a systematic manner, since the relevant procedures and tools are yet to be developed. Quality inspection for completed infrastructure projects is carried out, but cannot be categorized as “evaluation.”

[Component 6]

Conduct survey of budget and information management systems for ODA projects.

The Simplified Project Information Sheet (SPIS), developed by PCAP2, is now being used as the standard format for requesting national contribution budgets for ODA projects. At the same time, the Department of International Cooperation, MPI (MPI-DIC) is attempting to collect ODA project information from DPI through different formats. However, since the project information required resembles information collected through development partners through the Aid Management Platform (AMP), MPI-DIC’s approach is expected to be integrated with SPIS.

2. Results of First Year Activities by Outputs

The following indicates the activity results of the First Year by each output.

2.1 Output 1

(1) Activity Contents

The activities to accomplish Output 1 are from (4) to (33) in the table below. Among the activities, those scheduled to be implemented in the First Year from (4) to (7), were completed according to the original schedule. For the First Year, activities for Output 1 concentrated on formulating the basis of the mid-term public investment plan. Status of the activities conducted in the First Year is as follows;

Table 5 Output 1 Activity Plan

[Output 1]		A Framework for Mid-Term Public Investment Plan and Financial Management Guidelines is Established
First Year	④	Implementation of the baseline survey, selection of pilot and monitor organizations
	⑤	Establishment of the draft mid-term public investment plan and financial management guidelines
	⑥	Holding a joint seminar on the proposed mid-term public investment plan and financial management guidelines
	⑦	Formulation of the proposed mid-term public investment plan and financial management guidelines by the monitor organization
Second Year	⑱	Review of the contents of the mid-term public investment plan and financial management guidelines based upon the monitoring results in (7) and revising processes and contents as required
	⑳	Formulation of the Manual and handbooks on the establishment process of the mid-term public investment plan and financial management guidelines for 2016-2020 reflecting the issues in (19)
	㉑	Preparation for seminar on the establishment of proposed mid-term public investment plans and financial management guidelines for 2016-2020
Third Year	㉓	Preparation for and implementation of seminars on establishment of 2016-2020 proposed mid-term public investment plan and financial management guidelines for central government organizations and provinces
	㉔	Support for establishment of 2016-2020 proposed mid-term public investment plan and financial management guidelines

④ Implementation of baseline studies, selection of pilot and monitor organizations

The formulation procedures of NSEDP and SEDPs that will relate to the formulation of the mid-term public investment plan, was clarified through the studies. Pilot and monitor organizations were also selected, with emphasis on Oudomxay and Champassak provinces, and Ministry of Education and Sports, and Ministry of Agriculture and Forestry when developing methods, tools and procedures related to Output 1.

⑤ Establishment of the draft mid-term public investment plan and financial management guidelines

PCAP3 drafted an initial prototype model of the mid-term public investment plan, and discussed and examined the contents with the counterpart personnel, especially with two officials from the Department of Planning, MPI (MPI-DOP). Major activities were as follows.

- ◇ The project drafted the outline of mid-term public investment plan and financial management guideline in March 2012.
- ◇ The project had a series of discussions over the draft with the counterpart personnel in June 2012.
- ◇ The project formulated a policy paper on mid-term public investment plan and financial management guideline based on the discussion with the counterpart personnel in September 2012.
- ◇ The project consulted the policy paper with the Acting Director of MPI-DOP and his staff members
- ◇ The project proposed the prototype of a mid-term public investment plan to the pilot organizations, namely Oudomxay Province and the Ministry of Education and Sports and discussed its effectiveness, while clarifying issues to be considered in November 2012.

Major contents of the mid-term public investment plan are as follows.

- ◇ The plan shows how each public investment project contributes to the NSEDP.
- ◇ The plan sets annual milestones of the target for each project.
- ◇ The plan includes budget ceilings proposed by the MPI. The ministries and provincial are obliged to prioritize the public investment projects because of the budget ceiling.

Expected outcomes of the mid-term public investment plan are; 1) Linkage between public investment projects and the National Social and Economic Development Plan is strengthened; 2) Enable effective monitoring on public investment projects; 3) Feasibility of public investment projects is increased, as they are prioritized within the budget ceiling.

Regarding a mid-term public investment financial management guideline, the project aims to introduce financial management tools developed under PCAP2. Ministries and provinces are expected to decrease the due amount of public investment projects.

⑥ Holding a joint seminar on the proposed mid-term public investment plan and financial management guidelines

The project organized a joint seminar and presented the mid-term public investment plan and financial management that were drafted together with the pilot organizations. The participants included the Ministry of Finance (MoF) and monitor organizations. In principle, the draft mid-term public investment plan and financial management were accepted by the participants. Major comments were as follows.



Photo 4 Joint Seminar on the Mid-Term Public Investment Plan & Financial Guidelines; Feb. 2013

- ✧ If would be good if ministries and provinces submits the logical framework of each public investment project listed, attached to the mid-term public investment plan. Logical framework allows MPI to understand the details of each project.
- ✧ It is necessary to introduce the budget ceiling to increase effectiveness and efficiency in of public investment projects. However, it should be noted that the total amount of budget requests for public investment projects always exceed the actual budget allocation amount.
- ✧ MPI needs to develop guidelines on the formulation of the mid-term public investment plan

⑦ Formulation of the proposed mid-term public investment plan and financial management guidelines by the monitor organization



Photo 5 Trial Workshop for Medium-Term Public Investment Plan, Champassak Prov.; March 2013

The project revised a draft mid-term public investment plan and financial management guidelines based on the results of the joint seminar, and with monitoring organizations; Champassak Province; MAF, and MPWT; tested whether the templates are easy to complete. Such tests were conducted in Oudomxay Province as well. The project managed to get the monitor organizations' agreement on the objectives and contents of mid-term public investment plan and financial management guidelines, while some issues were raised as follows.

- ✧ When the template of mid-term public investment plan is officially introduced, definition of the term 'program' should be clarified and promoted among ministries and provinces. At the moment, ministries and provinces have their own definition of program and project.
- ✧ DPI and sector departments have not gathered information on ODA projects that are implemented by the ministries, while ministries do not have information on domestically-funded projects that are implemented at the provincial level.
- ✧ Provinces randomly implement a project when they secure enough budget, rather than considering the priority order among projects.

In May 2013, the project held a workshop at Oudomxay Province and conducted a trial formulation of the mid-term public investment plan. The participants were able to understand the concept of the rolling plan. They were also able to prioritize some projects by considering the given budget ceiling.

UNDP has included the formulation of a rolling-based mid-term public investment budget in the mid-term review of the Seventh NSEDP. PCAP3 and the UNDP project have been closely exchanging the idea of mid-term public investment plan.

(2) Development Progress of Output 1 Results

The project has developed the prototype of mid-term public investment plan. Quality of such output has been increasing through consultations with the pilot and monitor organizations. PCAP3 will utilize financial management tools that were developed under PCAP2 in the previous phase.

2.2 Output 2

(1) Activity Contents

The activities to accomplish Output2 are (8) to (35) indicated in the table below. Among them, activities scheduled to be implemented in the First Year were from (8) through to (11), that were successfully completed along the original schedule. This series of the activities aimed to establish methodology of terminal and ex-post evaluation of the domestic-funded public investment projects, with the emphasis on discussion and agreement among stakeholders of the project. Status of the activities conducted in the First Year is as follows;

Table 6 Output 2 Activity Plan

[Output 2]		Measures for effective operation and maintenance of public investment projects after its completion are established
First Year	⑧	Discussions with the Ministry of Finance regarding the operation and maintenance costs after the completion of the public investment projects
	⑨	Establishment of methods and processes for the terminal and ex-post evaluations of public investment projects
	⑩	Pilot project review based on project evaluation studies
	⑪	Revisions based upon the results of (10) above
Second Year	⑫	Updating the methods and process in the Manuals and Handbooks based on the revised contents as referred to in (11)
	⑬	Preparations for training on project evaluation study
Third Year	⑭	Implementation of training on the methods for project evaluation study
	⑮	Implementation of meta-evaluation (self-evaluation of evaluation tasks), confirmation of project evaluation performance

⑧ Discussions with the Ministry of Finance regarding the operation and maintenance costs after the completion of the public investment projects



Photo 6 Workshop for Terminal Evaluation casework, Champassak Prov., March 2013

With participation of MPI engaged in the development budget approval for public investment project implementation, MoF engaged in the recurrent budget approval, generally for maintenance cost after completion of construction works, and MAF, and MPWT being representative project owners of major infrastructure projects, PCAP3 held the first series of evaluation workshops. At the workshops, all participants acknowledged the general principle to secure maintenance costs of projects.

The workshops were held at MPI for the ministries on January, 2013, and at Champassak Province DPI for provincial departments on February, 2013, each spending 3 days. Participants of the workshops concluded that; i) accurate cost estimation is essential before completion of a public investment construction works, ii) positive participation of the project beneficiaries is essential for sustainable operation and maintenance, iii) terminal/ex-post

evaluation will be effective to promote subjects in i) and ii), iv) it is strongly expected that PCAP3 develop the methodology of terminal and ex-post evaluation under the authorization of Government of Laos (GOL), and v) all the participant ministries of the workshops will collaborate for achieving the tasks in Output 2. All participants of the workshops strongly recognized necessity of the terminal/ex-post evaluation and requested to conduct nationwide training sessions as early as possible. This conclusion was presented at the PCAP3 Seminar in late February, 2013, and was shared among participants from DPI.

⑨ Establishment of methods and processes for the terminal and ex-post evaluation of public investment projects

PCAP3 began developing the methodology of terminal and ex-post evaluations from October 2013, as soon as the baseline survey was completed. The development process was led by section chief class of counterpart officials from MPI with assistance by the JICA experts. The Project prepared the first draft of the workflow and the reporting format for the evaluation, adopting the result of discussions at the first series of evaluation workshops.

The basic principle on preparing the draft workflow was; i) not to distort the existing workflow of the development budget procedure, ii) simplify processes as much as possible, iii) minimize information to be collected, and iv) clarify tasks of related stakeholders in the workflow. The reporting formats were prepared to imply on; a) relevance, i.e. does the evaluated public investment project have appropriate scale to be financially sustainable in operation and maintenance? b) sustainability/impact, i.e. what is requisite to be sustainable and to get positive impact after completion of the project, and, c) impact, i.e. has the impact to contribute directly for NSEDP and 2020 Targets' achievements already appeared?

⑩ Pilot project review based on project evaluation studies

In June 2013, the draft workflow and report format of the terminal/ex-post evaluation were finalized after two verification sessions for terminal/ex-post evaluation (hereinafter referred as the Practice) at pilot projects, conducted in April and early June. Two pilot irrigation projects were selected in Vientiane Capital and Champassak Province respectively, since they typically carry maintenance issues, according to the baseline survey and its analysis. The verification sessions were held in Vientiane Capital and Champassak respectively for five days with presentation of their results to the participants from MPI and DPI, Department of Finance, MAF and Provincial Agriculture and Forestry Office (PAFO), MPWT and Department of Public Works and Transportation.

The validation sessions also had another purpose; to provide training for evaluation methods. During the sessions, MPI officials and JICA experts explained evaluation methods and principles to deepen the

understanding of participants.

⑪ Revisions based upon the results of (10) above

The project revised and finalized the draft workflow and reporting formats of terminal and ex-post evaluation, reflecting discussion results at the validation sessions. This included improvements to; i) unify terminologies in the reporting format and the existing Project



Photo 7 Casework Study for Ex-Post Evaluation, Vientiane Cap., June 2013

Manual, ii) clearly explain the difference between evaluation and technical inspection, and iii) add the narrative summary of evaluation results of the five criteria respectively. In addition, it was also confirmed that iv) the five days duration for an evaluation study session is not easy in terms of availability of government officials, but it is technically essential, v) collecting information from both the government officials and local communities is important in the field survey of the evaluation.

(2) Development Progress of Output 2 Results

As defined in the PCAP3 Inception Report, products of technical cooperation for PCAP3 are revised Project Manual and Handbooks that will be prepared by the end of the Second Year. Final drafts of the workflow and reporting formats of the terminal/ex-post evaluation were completed as scheduled.

2.3 Output 3

(1) Activity Contents

The activities to accomplish Output 3 are from (12) to (37) in the table below. The series of activities aims to develop effective methodology that will enable to apply counterpart fund of ODA with more accurate information and higher submission rate. Among the activities, those scheduled to be implemented in the First Year of the Project were (12) (13) and (14), completed according to the original schedule, although some portion of (14) still remain incomplete. Around 80% of the activities scheduled to be implemented in the Second Year have also been achieved within the First Year. The reason of activity (14) partially incomplete was due to the delay of the development of the Aid Management Platform (AMP) supported by UNDP, at the Department of International Cooperation, MPI (MPI-DIC), by which revision of referring part of the PIP manual and Handbooks to the AMP sticks. Status of the activities conducted in the First Year is as follows;

Table 7 Output 3 Activity Plan

[Output 3] ODA project information management is improved		
First	⑫	Discussions with donors on standardization of ODA projects within the scope of public investment
	⑬	Establishment of an improvement process regarding ODA information management
	⑭	Pilot review of new ODA projects
Second	⑳	Revision of processes based on the review results in (14)
	㉑	Updating the methods and processes in the Manuals and Handbooks based on the revised contents in (24)
	㉒	Preparations for training on ODA project information management methods
Third	㉓	Implementation of training on information management methods for ODA projects in consultation with donors

37	Monitoring information management performance in respect of ODA projects
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12 Discussions with donors on standardization of ODA projects within the scope of public investment

PCAP3 discussed with the Aid Effectiveness Division, Department of International Cooperation, MPI (MPI-DIC) along with the UNDP advisor in charge of developing AMP, and the Planning Division of the MAF that is implementing the Project for Monitoring Information System (ProMIS) supported by the United Nations Food and Agriculture Organization (FAO). All parties agreed on the basic principle for promoting SPIS submission with more accurate information and a higher submission rate; i) to introduce AMP and its useful contents, ii) to disseminate methodology on how to refer to basic information of ODA projects in the AMP portal website, and iii) workflow and formats that ProMIS will develop shall be coordinated with contents of the Manual and Handbooks that PCAP3 will update.

13 Establishment of an improvement process regarding ODA information management

Based on the results of the Baseline Survey, the Project prepared a revised draft of the SPIS workflow and format. The issues tackled were; i) average submission rate of SPIS was relatively low with approximately 20% of all ODA projects², and ii) many uncompleted blanks remains in submitted SPIS sheets. Reasons of the issues revealed by the Baseline Survey were; a) the officials in charge of SPIS sheet preparation often become depressed to work because of disordered information by inappropriate management, and b) the officials in charge sometimes do not know how to obtain information required in SPIS sheet. PCAP3 assumed that the suitable person who can assist workflow for SPIS preparation could be the officials in the treasury section of project owner ministry/department. This assumption was verified as the officials in treasury section of MPWT tried and could successfully complete the SPIS sheet on two road public investment projects³. On the other hand, SPIS format was revised with unification of AMP terminology and with embedding suggestion to refer to information in AMP portal website.

14 Pilot review of new ODA projects

The SPIS workflow and formats revised during the abovementioned activity (13) will be used at several pilot organizations for new projects to be requested in the next fiscal year 2013/2014. Since this trial operation will require information from the AMP portal site which is yet to be introduced, PCAP3 is expecting the completion of its interface. Although the interface was expected to complete early 2013, it is now said to be completed after June, 2013⁴. Therefore, the trial operation will be conducted from the second implementation year.

² Baseline survey of PCAP3. Average rate in all the 17 DPI and 7 central ministries.

³ Improvement of National Road No. 1B in Phongsaly Province and National Road No. 6A in Houaphan Province.

⁴ DIC

(2) Development Progress of Output 3 Results

Products related to Output 3 are revised Manual and Handbooks that will be prepared during the second implementation year. Approximately 80% of the format drafts and training materials except related parts with the AMP have already been prepared within the first implementation year, while the PCAP3 awaits for completion of the AMP interface. Final drafts of the revised SPIS workflow and format were completed as scheduled.

2.4 Output 4

(1) Activity Contents

The activities to accomplish Output 4 are from (15) to (39) in the table below. The series of activities aims to develop district-level public investment management methods, along with effective training methods for diffusion to districts nationwide. Among the activities, those scheduled to be implemented in the First Year of the Project were from (15) to (18). Status of the activities conducted in the First Year is as follows;

Table 8 Output 4 Activity Plan

[Output 4] A mechanism for management and capacity development for district-level public investment projects is established		
First Year	⑮	Discussions within the MPI and with relevant authorities on establishment and management of district-level public investment projects
	⑯	Implementation of a baseline study to select pilot and monitoring organizations
	⑰	Development of processes and training methods for establishment and management of district-level public investment projects in the pilot organizations
	⑱	Preparation of training in monitoring organizations on managing district-level public investment projects
Second Year	㉗	Implementation of training on managing district-level public investment projects at the monitoring organization
	㉘	Review of the status of district-level public investment project management at the monitor organization
	㉙	Updating manuals and handbooks based on the review results in (28)
	㉚	Preparations for TOT for the purpose of establishment of district-level public investment projects and capacity building
Third Year	㉛	Implementation of TOT for each DPI for the purpose of establishment and management of district-level public investment projects
	㉜	Evaluation of training implemented by the DPIs at district level

⑮ Discussions within the MPI and with relevant authorities on establishment and management of district-level public investment projects

Since PCAP3 began, information related to the establishment and management of district-level public investment projects has been collected and organized together with the counterpart staff in respect of the following items.

- a) The new policy on the transfer of authority to district levels
- b) The scope of transfer of authority to district levels
- c) Division of duties within the district; among DPO and sector offices; related to the transfer of authority described in b) above
- d) Division of duties between the district and province levels in the transfer of authority described in b) above
- e) Issues and prospects in the transfer of authority described in b) above

MPI issued *the Instructions on the piloting of 'building provinces as strategic units, districts as comprehensively strengthened units and villages as developed units' for planning and investment sector in August 2012*, and began the '3 Build' pilot implementation to selected districts from October 2012. MPI is also preparing the Decree on the Implementation of the Public Investment Law, which clarifies items described in a) to d) above.

The draft Decree reads that districts should be responsible of implementing and managing Type III projects⁵, and in addition, districts that have enough human resources may be appointed to be responsible of implementing and managing Type II projects. The '3 Build' pilot implementation is still in progress, and the abovementioned e) will be clarified as soon as the monitoring results are revealed.

⑯ Implementation of the baseline studies to select pilot and monitoring organizations

Considering the results of the abovementioned item (2) of the baseline studies, along with specific conditions related to Output 4; i) expectation of good cooperation from the DPI, ii) prior movement of shifting authorities from province to districts, and, iii) both provincial and district level officials have high potentials of adjusting to change management; activities were conducted at Oudomxay Province as the pilot organization, and Bolikhamxay and Champassack provinces as monitoring organizations.

⑰ Development of processes and training methods for establishment and management of district-level public investment projects in the pilot organizations

PCAP3 formed a development team comprised of 3 members from MPI-DOE and 1 from MPI-DOPA as well as Japanese and Lao experts to develop processes and training methods for establishment and management of district-level public investment projects. The team members frequently held meetings to discuss processes and training methods. After Oudomxay Province was selected as a Pilot organization, the development team members made three visits to conduct workshops with DPI officials who understand the situation and issues regarding district-level public investment project management, and to have interviews with officials of DPOs and district sector offices in '3 Build' pilot districts, who will become actual users of

⁵Public Investment Law stipulates the categorization of public investment projects into three types; Type I for projects exceeding total cost of 50 billion Kip, Type II for projects with costs from 5 billion to 50 billion Kip, and Type III for projects with costs under 5 billion Kip.

handbooks and the manual. The development team members also conducted a workshop with the DPI officials in Bolikhamxay Province and carried out interviews with officials in provincial sector offices, DPOs, and district sector offices to review and complement the facts and information gathered in Oudomxay Province.

Based upon above activities and referring to the handbooks developed in PCAP2, the development team drafted the two handbooks: *Public Investment Project Management Handbook for District Planning Office* and *Public Investment Project Management Handbook for District Sector Office and District Project Owner*. Major contents are as follows.

- Basic knowledge of public investment projects, e.g. project type
- Roles between DPO, district sector office, district project owner, and district public investment project management committee
- Process for establishment of plans for district-level public investment projects
- Process for assessment, monitoring and evaluation of district-level public investment projects

The development team identified necessary capacities for officials working in DPOs and district sector offices through the abovementioned workshops and interviews, and has developed training methods for them.

⑱ Preparation of training in monitoring organizations on managing district-level public investment projects

PCAP3 prepared implementation of training for the monitor organizations in accordance with the processes and training methods on establishment and management of district-level public investment projects as developed in (17) above. The main preparations will be the development of a Training of Trainers (TOT) curriculum and teaching materials for personnel in the DPI and DPOs in the pilot province as well as implementation of TOT. As an exercise of TOT, DPI officials gave a lecture to DPO officials working at the three '3 Build' pilot districts. The following is the summary of the TOT.

Summary of TOT in the Pilot Organization

- 1) Date: May 12-17, 2013
- 2) Venue: DPI meeting room in Oudomxay province
- 3) Main component and duration
 - TOT from MPI officials to DPI officials: 2 days
 - Practical Training from DPI officials to DPO officials in '3 Build' pilot districts: 2 days
 - Wrap-up meeting among MPI, DPI officials, and PCAP3 experts: A half day
- 4) Contents
 - TOT is composed of 8 units according to the table of contents of the draft handbook. Each unit includes a lecture and Q and A session.
 - TOT has a practical exercise using a case of the actual proposed public investment project so that DPI and DPO officials might learn how to fill out draft Simplified Project Information Check (SPIC) format which will be newly introduced into district-level public investment project management.
- 5) Participants
 - 13 DPI officials
 - 9 DPO officials (3 officials from each '3



Photo 8 District-Level Public Investment Project Management Workshop

Build' pilot district)

Through the implementation of the TOT at Oudomxay, more than 5 DPI officials became capable of conducting TOT. Furthermore, closer cooperation between MPI and Oudomxay DPI officials has been promoted in order to revise the TOT curriculum and teaching materials and to conduct TOT in the monitor organizations. MPI and Oudomxay DPI officials discussed a schedule and points to be revised on teaching materials. It was pointed out that after the TOT for DPI officials in monitor organizations is carried with Oudomxay DPI officials, it should take time for DPI officials in monitor organizations to fully prepare for practical training for officials in DPO and district sector office. Regarding revision of teaching materials, MPI and Oudomxay DPI officials agreed that they should be clearer in terms and more practical using cases.

(2) Development Progress of Output 4 Results

The development team has drafted two handbooks: *Public Investment Project Management Handbook for District Planning Office* and *Public Investment Project Management Handbook for District Sector Office and District Project Owner*. However, since the *Prime Minister's Decree on the Implementation of Public Investment Law* which will be the key document for drafting the handbooks is still under consideration, and since the '3 Build' pilot implementation is under progress, the draft handbooks will need to be modified according to possible modifications. They will also be revised based on results of reviews in monitor organizations during the second implementation year.

The manual will be revised accordingly after contents of the draft handbooks are determined.

3. Outline of the Second Year

3.1 General Outline

Since the First Year Activities have progressed smoothly, the Second Year activities will be conducted as originally scheduled. The following indicates the implementation plan of PCAP3 second-year project activities from September 2013 to June 2014. The numbers given to each activity are those of the overall Plan of Activities, as attached in Annex 2.

Table 9 Activity Plan for the Second Year

Activity Details			2013				2014							
			9	10	11	12	1	2	3	4	5	6		
All	②	Holding Joint Coordinating Meeting					■							
	③	Formulating Progress Report and Work Completion Report					■							■
Second Year	③①	Implementation of Counterpart Training											■	
Second Year	-	Receiving JICA Mid-Term Evaluation Team				■								
[Output 1] A framework for Mid-Term Public Investment Plan and Financial Management Guidelines is established														
Second Year	⑱	Review of the contents of the mid-term public investment plan and financial management guidelines based upon the monitoring results in (7) and revising processes and contents as required	■	■	■	■								
	⑳	Formulation of the Manual and handbooks on the establishment process of the mid-term public investment plan and financial management guidelines for 2016-2020 reflecting the issues in (19)					■	■	■	■	■	■	■	■
	㉑	Preparation for seminar on the establishment of proposed mid-term public investment plans and financial management guidelines for 2016-2020												■
[Output 2] Measures for effective operation and maintenance of public investment projects after its completion are established														
Second Year	㉒	Updating the methods and process in the Manuals and Handbooks based on the revised contents as referred to in (11)	■	■	■	■	■	■	■	■	■	■	■	■
	㉓	Preparations for training on project evaluation study												■
[Output 3] ODA project information management is improved														
Second Year	㉔	Revision of processes based on the review results in (14)	■	■	■	■								
	㉕	Updating the methods and processes in the Manuals and Handbooks based on the revised contents in (24)					■	■	■	■	■	■	■	■
	㉖	Preparations for training on ODA project information management methods												■
[Output 4] A mechanism of management and capacity development for district-level public investment projects is established														
Second Year	㉗	Implementation of training on managing district-level public investment projects at the monitoring organization	■	■										
	㉘	Review of the status of district-level public investment project management at the monitor organization			■	■	■	■	■	■	■	■	■	■
	㉙	Updating manuals and handbooks based on the review results in (28)					■	■	■	■	■	■	■	■
	㉚	Preparations for TOT for the purpose of establishment of district-level public investment projects and capacity building												■

Activities
 Training and Seminars
 Completion of Manuals and Handbooks

The JCC meetings for the second year are scheduled two times, in January 2014 and June 2014 respectively. The Mid-Term Progress Report for the second year will be formulated in English and Japanese, to be submitted to both MPI and JICA Laos Office in January 2014. The Second Year Completion Report will be formulated in English and Japanese, to be submitted to MPI and JICA Laos Office in June 2014.

A JICA Mid-Term Evaluation Team is expected to study PCAP3 in December 2013. Counterpart training is scheduled in the latter stages for the second year. Details including the destination will be adjusted with JICA Laos Office.

Activity plans in the output level are as follows;

3.2 Second Year Activities for Output 1

The manual and handbooks will be revised related to Output 1 results; on mid-term public investment plan and financial management. It is followed by developing training based on the manual and handbooks. The project is also going to prepare for a seminar on mid-term public investment plan and financial management that is planned to be held in September 2014. The following indicates detailed activities;

⑱ Review of the contents of the mid-term public investment plan and financial management guidelines based upon the monitoring results in (7) and revising processes and contents as required

Taking into consideration any issues discovered when the proposed mid-term public investment plans and financial management guidelines were developed with pilot and monitor organizations, PCAP3 will re-evaluate the programs, guidelines and development processes. While the concerned experts and their counterparts in MPI will conduct the necessary tasks, they will consult the pilot and monitor organizations if necessary.

⑲ Formulation of the Manual and handbooks on the establishment process of the mid-term public investment plan and financial management guidelines for 2016-2020 reflecting the issues in (19)

PCAP3 will include formulation methods of the mid-term public investment plans and financial management guidelines for 2016-2020 in the manuals and handbooks. The manual will be a comprehensive document for all personnel involved in any public investment projects and set forth the purpose for the establishment of programs and guidelines, expected results, establishment processes and the roles of stakeholders involved in any public investment project. Meanwhile, the handbooks, given that each person has a different task depending on the position in MPI, central government organizations or the provincial authorities, will be developed in different versions. For example, the handbook for officials in MPI will focus on providing guidance to central government organizations or the provincial authorities. The guidelines for officials at central government organizations or the provincial authorities, taking into consideration the guidance provided by MPI, will explain how to formulate the mid-term public investment plan and the financial management guidelines.

⑳ Preparations for Seminars on the Establishment of Proposed MTPIPs and Financial Management Guidelines for 2016-2020

In cooperation with officials from MPI, seminars on establishing mid-term public investment projects and financial management guidelines will be prepared.

3.3 Second Year Activities for Output 2

In the second year, the Output 2 team will revise the manual and handbooks related to the workflow and reporting formats of terminal and ex-post evaluation. The team will then prepare for nationwide training. The following indicates detailed activities;

② Updating the methods and process in the Manuals and Handbooks based on the revised contents as referred to in (11)

Based on the revised contents as referred to in (11), the methods and processes for terminal and ex-post evaluation will be updated in the manual and handbooks. When making these revisions, attention will be paid to make the manual and handbooks easily understood to the end users.

③ Preparations for training on project evaluation study

Based on the contents in the concerned manual and handbooks, PCAP3 will formulate training materials. Trainees will be the relevant officials from the central government organizations and sector departments from the provinces/Capital nationwide that are project implementation bodies as well as all officials of DPI, which are the organizations responsible for management of budgets for public investment projects. For districts, in coordination with the training provided under Output 4, the training will implement TOT for members of the DPI. This will be the first time that a uniform training on terminal and ex-post evaluations is implemented nationwide by the government. Priority will be given to disseminating training in projects at the central government organizations and provincial levels.

3.4 Second Year Activities for Output 3

In the second year, as soon as the AMP portal website is completed, the trial of revised SPIS workflow and format on several pilot ODA projects will be operated under collaboration with MPWT that has been already working with PCAP3 on Output-2 activities. Then, the SPIS workflow and format will be revised and finalized for incorporating them into the PIP Manual and Handbooks while nationwide trainings will be prepared.

④ Revision of Processes Based on the Review Results in (14)

The processes and methods will be reviewed based on Activity (14) results. If the review indicates that the requirements are not met, PCAP3, based on the items outlined below, will re-examine the revised SPIS workflow and sheets and formulate further improvement measures. The study methods will be discussions and interviews with those concerned with pilot projects. Below are a few items to be cleared.

- ◇ Is the AMP established and publicly revealed enough to be utilized?
- ◇ Is the workflow supported by a functioning mechanism?
- ◇ Does the format match the capabilities of the users who will actually implement the project?
- ◇ What is the most important factor to make workflow and formats work?

25) Updating the Methods and Processes in the Manuals and Handbooks Based on the Revised Contents in (24)

Based on the revised contents as referred to in (24), the SPIS workflow and sheets will be updated in the manual and handbooks. When making these revisions, attention will be paid to make the manual and handbooks easily understood to the end users.

26) Preparations for Training on ODA Project Information Management Methods

Based on the contents in the manual and handbooks, PCAP3 will formulate training materials. Trainees will be the concerned officials from the central government organizations and sector departments of the 17 provinces/Capital nationwide that are the project implementation bodies of ODA projects as well as all the officials of DPI that are responsible for implementation and management of public investment projects including ODA projects. The contents of the training will cover the operation methods under the improved SPIS format and workflow, and in addition introduce the ODA information management vision under AMP. The contents will be made in such a way that enables trainees to understand the SPIS workflow.

3.5 Second Year Activities for Output 4

For Output 4 in the second year, training on managing district-level public investment plan will be implemented at the monitoring organizations. Based on review of the status of district-level public investment project management, the manual and handbooks will be updated. Preparation for TOT for personnel at DPIs will be made in the third year.

27) Implementation of Training on Managing District-Level Public Investment Plan at the Monitoring Organization

The officials in DPI Oudomxay will, in cooperation with MPI, implement trial district-level public investment project management training at the monitor organizations.

27) Review of the Status of District-Level Public Investment Project Management at the Monitoring Organization

After completion of the training described above, PCAP3 will review the status of district-level public investment project management at the monitor organizations. The review points are 1) whether the management methods as provided in the training such as establishment of project plans for district-level public investment projects, requests for annual budget, project assessment, monitoring, and evaluation, have actually been utilized, and 2) the number of project plans actually established, the actual annual budget request timeline and the number of projects of which assessment, monitoring or evaluation have been performed, together with their results. Based on 1) and 2), PCAP3 will identify the requirements of improvement in the processes.

⑳ Updating Manuals and Handbooks Based on the Review Results in (27)

Based on the review results in (27), PCAP3 will revise management processes and reflect them in the manual and handbooks. When making these revisions, attention will be paid to make the manuals and handbooks easily understood to the district personnel.

㉑ Preparations for TOT for the Purpose of Establishment of District-Level Public Investment Projects and Capacity Building

It is vital that each district establish a sustainable and independent capacity building system. A key is the formulation, led by the DPI, of a system to provide training and On-the-Job Training on establishment and management of district-level public investment projects. PCAP3 will upgrade the TOT curriculum and teaching materials developed at the pilot DPI, and prepare for TOT to nationwide DPIs.

4. Issues, Approaches, and Lessons Learned

4.1 Project Operation

(1) Request for additional training for evaluation methods

Many stakeholders related to public investment management has been strongly requesting for additional trainings on the basic subject of evaluation methods during the first year. Therefore, the PCAP3 is considering additional training sessions that cover basic evaluation methods in the second year. The reasons are ;i) it is essential to enhance understanding theory and capacity for implementing project evaluation when establishing a sustainable evaluation system, ii) freshmen and reshuffled officials who has not received basic training on evaluation, need to be newly trained from the fundamentals, and iii) the nationwide training in the third year will become more effective if the basic capacity of key persons are enhanced beforehand. Awareness to project evaluation with the 5 criteria, along with recent requirements of accountability in public investment projects for the contribution of the NSEDP, are also the reasons why such requests have been stressed.

(2) Consideration of countermeasures of AMP development delay

An option to countermeasure the critical delay of AMP development may be needed as Output 3 has been affected by AMP development schedule. PCAP3 is preparing an option, in which the manual, handbooks and nationwide training can be concluded without AMP contents in case its portal website cannot be completed by the end of December, 2013. The trainings with the abovementioned option will also be effective enough for the target trainees, therefore, no critical obstacles to achieve the Output 3 will occur.

(3) Collaboration with UNDP Project

UNDP has started a project named “Support for the Implementation of the 7th Five Year NSEDP (2011-2015) to Achieve MDGs” from February 2013 with an implementation period of 3 years, and MPI-DOP as their counterpart organization. As of May 2013, the said Project is supporting MPI-DOP to complete the Mid-Term Review of the 7th NSEDP. Within its contents, it has mentioned the weak linkage between planning and budgeting, and recommended to install a *multi-year public investment program*, along with the announcement of the *multi-year basis capital budget ceiling*. The Project is also supporting MPI-DOP to prepare a guideline for establishing the 8th NSEDP (2016-2020), and is expected to incorporate the abovementioned recommendation into specific procedures.

This movement strongly relates to PCAP3’s Output 1 activities, since it can be understood that a *multi-year public investment program* can be understood as our mid-term public investment plan. If the multi-year basis capital budget ceiling is agreed among MoF and MPI, of which was considered as an external assumption for developing the mid-term public investment plan, the accuracy in the mid-term public investment plan would be further improved. Therefore, collaboration between PCAP3 and the Project is under way to convince both MPI and MoF, also involving other development partners.

4.2 Project Implementation Management Structure

In the first year, technical local staffs, attached to each output, were hired so that development activities will be conducted smoothly with the counterpart organization. In the original activity plan, the local staffs were planned to be hired only during the dispatch period of Japanese experts. However, when conducting activities it was realized that follow-up activities by the local staffs during the absence of Japanese experts were essential. Therefore, their contracts were extended so that the local staff can continue development activities with the counterpart officials, with Japanese experts providing instructions from overseas. This approach enabled the development of methods and processes for all outputs to proceed smoothly as originally scheduled.

Technical local staffs will be continuously hired on the second year, with a need for seamless development of methods, processes and training along with the counterpart staff. Therefore, the local staff will be basically hired throughout the whole second year period.

5. Baseline and Target Indicators for Project Purpose and Overall Goal

Is too early to determine whether the Project Purpose and the Overall Goal will be achieved. In the baseline survey conducted from March to September 2012 studied the baseline and target indicators for PCAP3. The following subchapters describe the draft indicators for Project Purpose and Overall Goal. These indicators will be further discussed at the JICA mid-term evaluation studies, scheduled in December 2013.

5.1 Project Purpose

Five indicators have been chosen for assessing the Project Purpose, or “The Ministry of Planning and Investment and its subordinate organizations in the provinces (DPI) and districts (DPO) manage public investment projects based on the mid-term public investment plan.” The following charts describe these indicators, indicating their baselines and targets, listing reasons for their creation, and sharing any relevant remarks.

[Indicator 1] A guideline to draft Mid-Term Public Investment Plan 2016-2020 that is related to the next NSEDP 2016-2020 is officially announced from the Ministry of Planning and Investment to ministries, government organizations, provinces and districts.	
Baseline	Target
There are some indications that central government and provincial organizations will be instructed to create lists of public investment projects that must be implemented in order to achieve SEDP targets. However, no budget guidelines are provided.	The MPI instructs government organizations about the formulation of a public investment plan that incorporates the following aspects: <ul style="list-style-type: none"> ✧ A mid-term budget allocation is indicated to each organization. ✧ The allocation of sectors is made clear or suggested. ✧ Specific instructions on the reduction of debt are given.
[Remarks] <ul style="list-style-type: none"> ➤ MPI has already instructed government organizations to formulate SEDPs and lists of public investment projects that must be implemented in order to achieve its targets. However, its instructions were announced without budget allocations, meaning that the lists of projects had no financial basis for full implementation. ➤ The main objective of public investment plan formulation is to ensure that there are enough financial resources for the implementation of plans. ➤ MPI and the Ministry of Finance need to provide directions for the reduction of development budget debt. Therefore, specific instructions for reducing debt in government organizations must be incorporated into the formulation guidelines of the public investment plan. 	

[Indicator 2] Terminal evaluation studies for completed public investment projects are conducted.	
Baseline	Target
<ul style="list-style-type: none"> ✧ The percentage of terminal evaluation studies conducted for domestic budget public investment projects is 0%. ✧ All of the ODA projects of the top three development partners, determined by amount of assistance with infrastructure projects in Lao PDR, have completed terminal evaluations or relevant studies. 	<ul style="list-style-type: none"> ✧ The percentage of terminal evaluation studies conducted for the domestic budget public investment projects selected by the planning departments of implementing agencies is 100%. ✧ The terminal evaluation target for all projects will be set up when the total number of projects has been determined.
[Remarks] <p>The bases of these targets are as follows:</p> <ul style="list-style-type: none"> ➤ Terminal evaluations must be conducted for domestic budget public investment projects nearing their completion. ➤ The goal for implemented terminal evaluations is 100% of all completed projects. ➤ The number of projects to be evaluated in the first year will be determined by the capabilities of DPI and the ministry planning departments, since it is feared that it will be difficult to cope with all of the projects without an adjustment of the organizational structure involved. The numbers will be determined throughout the training sessions. <p>The process for achieving this indicator involves i) the inclusion of a decision process for determining which projects will conduct terminal evaluations, ii) consistency with other evaluation and assessment methods, tools, and processes developed through the PCAP series, iii) the development and dissemination of a “basic” terminal evaluation method that allows evaluators to be put into practice, and iv) the inclusion of operation, maintenance, and repairing budget plans in the evaluation criteria. The bases of these process aspects are as follows;</p> <ul style="list-style-type: none"> ➤ The objectives of the terminal evaluations are i) to strengthen the consistency of the project management cycle, from ex-ante evaluation to ex-post evaluation, and, ii) to secure operation and maintenance fees after the completion of infrastructure projects. Therefore, projects nearing completion are considered to be subjects for terminal evaluation. ➤ For some domestically-funded public investment projects, construction is completed but payment is incomplete. The 	

<p>objective of terminal evaluation is to involve projects that are physically complete. As such, the aforementioned projects are also subject to evaluation.</p> <ul style="list-style-type: none"> ➤ For ODA projects, terminal evaluation or other relevant studies must involve their own procedures and methods. Since uniform procedures for domestic budget public investment projects have not been prepared, systematic terminal evaluations will not be conducted on a regular basis. ➤ The implementation decree for the Public Investment Law will soon be enforced. Instructions for conducting terminal evaluations will be institutionalized through this decree.

<p>[Indicator 3] Post evaluation studies of completed public investment projects are conducted.</p>	
Baseline	Target
<ul style="list-style-type: none"> ◇ The percentage of ex-post evaluation studies for domestic budget public investment projects that have been conducted is 0%. ◇ For the top three development partners, determined by amount of assistance with infrastructure projects in Lao PDR, all ODA projects have conducted ex-post evaluations or relevant studies. 	<ul style="list-style-type: none"> ◇ 100% of the domestic budget public investment projects selected by DPI and the planning departments of implementing agencies have conducted ex-post evaluations. ◇ Targets for the ex-post evaluation of all projects will be set up when the total number of projects has been determined.
<p>[Remarks] The basis of these targets are as follows:</p> <ul style="list-style-type: none"> ➤ Ex-post evaluation is conducted for domestic budget public investment projects that have been completed for less than three years. ➤ The goal for implementing terminal evaluations is 100% of all completed projects. ➤ The number of projects to be evaluated in the first year will be determined by the capabilities of DPI and the ministry planning departments, since it is feared that it will be difficult to cope with all projects without adjusting the organizational structure involved. The numbers will be determined throughout the training sessions. 	

<p>[Indicator 4] Accuracy of information is confirmed through ODA counterpart fund request documents that the Lao side supplies, and the information is shared with the donor projects.</p>	
Baseline	Target
<ul style="list-style-type: none"> ◇ Currently, AMP is not connected to Lao government organizations, and so ODA project information is not shared. ◇ Among 14 provinces and 5 ministries surveyed, 1 ministry (Ministry of Labor and Social Welfare) and 9 provinces have utilized SPIS formats to request national contribution budgets for ODA projects in 2010/12. ◇ Among the total of 144 ODA projects conducted at the 5 ministries, 18 projects were applied through using SPIS formats (12.5% ratio). Also among 200 projects conducted at 14 provinces, 51 (or 20%) used SPIS. ◇ The reason why SPIS was not used were; 1) inability to access to project information due to 	<ul style="list-style-type: none"> ◇ Lao Government organizations share up-to-date ODA project information provided by AMP. ◇ The number of submitted SPIS formats with incomplete information is reduced. ◇ The number of submitted SPIS formats that involve information that is different from that in development partner project reports is reduced.

<p>insufficient information management, 2) submission of SPIS not mentioned in the MPI guidelines⁶, and, 3) unclear instructions on SPIS usage.</p>	
<p>[Remarks]</p> <p>➤ The submission of SPIS started through development and diffusion during PCAP2, meaning that project owner organizations are still in the initial developing stages of usage. Currently, the information sources for completing SPIS are ODA project documents that project owners possess, which highly depends on their collection and management capabilities. If AMP becomes commonly shared, more accurate information will be incorporated into budget requests through SPIS.</p>	

<p>[Indicator 5] Increased number of projects are managed in the district levels.</p>	
Baseline figure	Target figure
<p>360 projects of the FY2011/2012 in total are currently managed (except the project assessment and payment task) by the districts in the six provinces and the Vientiane Capital, target areas of baseline survey.</p>	<p>✧ XX% of the total number of projects which are to be managed by the districts defined by regulations or announcements is managed by the districts. ✧ Target figure should be decided upon consultation with the MPI after regulations or announcements are issued.</p>
<p>[Remarks]</p> <p>Regulations or announcements that clarify the projects to be managed by the districts are not yet issued, therefore it is difficult to decide the target figure as of this moment. Furthermore, currently the number of projects managed by the districts and capacity of the districts vary depending on districts. Therefore, target figure should be decided upon consideration of contents of regulations or announcements and capacity of the districts after regulations or announcements are issued.</p>	

⁶Comments obtained from baseline survey interviews.

5.2 Overall Goal

Three indicators have been chosen for the Overall Goal, or “Sector ministries, government organizations and provincial/district sector departments manage public investment projects based on the mid-term public investment framework under the NSEDP.”The following charts explain the baseline and target indicators and the reasons behind them, and share any relevant remarks.

[Indicator 1] The Mid-Term Public Investment Plan for 2016-2020 is utilized by the Lao government in ministries, government organizations, provinces, and districts as the standard development budget planning and monitoring tool.	
Baseline	Target
A mid-term public investment plan does not exist.	Each government organization formulates, implements, and monitors a mid-term public investment plan involving the following aspects: <ul style="list-style-type: none"> ✧ The plan follows the budget allocation announced by, or agreed upon with, MPI. ✧ The plan follows the instructions given by MPI concerning the management of debt.
[Remarks] ➤ As stated in the Project Purpose indicator above, the Mid-Term Public Investment Plan is based on the assumption that financial evidence is clear, and that the government organizations are actively utilizing the plan as a monitoring tool.	

[Indicator 2] The capital expenditure is managed in a mid-term basis and its debt is seeing reduction.	
Baseline	Target
The following two figures are used as baseline; <ul style="list-style-type: none"> ✧ Official debt as indicated in the 2011/12 Gazette. ✧ Payment duration calculated from the 2011/12 budget list. 	Achievement of target will be identified through positive trend toward debt reduction by organization, rather than measuring the debt situation of a single year.
[Remarks] ➤ Official debt figures indicated in the Ministry of Finance Gazette is known as the official debt for the GoL, although it does not indicate the true liabilities to contractors ➤ The Payment Duration formula, developed during PCAP2, shows the true liabilities that each organization has to bear. The formula for the payment duration is as follows; <div style="border: 1px solid black; padding: 10px; margin: 10px auto; width: fit-content;"> $[\text{Payment Duration}] = \frac{[\text{Project Costs in total}] - [\text{Amount paid}]}{[\text{Annual Budget Allocation}]}$ </div>	
➤ Trend of both figures will be measured to study the achievement of this indicator.	

<p>[Indicator 3] Positive and continuous effects that are contributing to the achievement of the NSEDP targets are found in completed public investment projects that are completed, operated, and maintained as planned.</p>	
Baseline	Target
<p>Currently there are no systemized operations and maintenance plans, or means to measure positive impact of projects.</p>	<p>Contribution of completed projects to the NSEDP target to be measured through the following;</p> <ul style="list-style-type: none"> ✧ Positive impact of public investment projects are indicated in the evaluation report of the NSEDP 2016-2020. ✧ Effects towards development plans are indicated in ex-post evaluation reports. ✧ Positive impact including ripple effect is found through interviews and surveys.
<p>[Remarks]</p> <ul style="list-style-type: none"> ➤ Ex-post evaluation will be systemized through PCAP3 activities, and improvement of operations and maintenance will become an important criterion. Contribution towards SEDP targets will be determined through the evaluation. ➤ Evaluation reports of NSEDP will also be referred. It is analyzed whether public investment projects have contributed, or provide positive gain towards achievement of NSEDP targets. ➤ Through interviews and surveys to project owners and planning officials, positive effects of project(s) are also measured. ➤ The effect for this indicator is only shown after projects have confirmed operational effect through appropriate completion and maintenance. To show direct relevance to NSEDP, studies of the mid-term evaluation report for NSEDP 2016-2020, presumably completed around 2018, is essential. 	

Achievements of some Overall Goals indicators are able to be measured at the completion of PCAP3. This is possible because the target organizations of the Project Purpose and the Overall Goal are different, with the Project Purpose being MPI, DPI and DPO, and the Overall Goal being all other organizations in central government, provinces/Capital and district that are directly related to public investment project management. Therefore it is essential to monitor the achievement of both Project Purpose and Overall Goal during its implementation.