

<p style="text-align: center;"><b>INTERNATIONAL CONSULTANT TO IMPROVE THE PLANNING AND MANAGEMENT OF PRF ACTIVITIES TERM OF REFERENCE</b></p>
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Programme name:	The Poverty Reduction Fund II
Number of position:	1
Position:	International consultant to improve the planning and management of PRF activities
Station:	PRF head office (Vientiane, Lao PDR)
Duration:	10 weeks for the duration of one year (two trips to Vientiane for attending two quarterly meetings and review the progress in the implementation of annual plan and budget), starting as soon as possible

## **BACKGROUND**

The Lao Poverty Reduction Fund (PRF) is an autonomous legal entity established under the Prime Minister Decree 10 dated Jan 10, 2012 which aims to assist National Committee for Rural Development and Poverty Eradication (NCRDPE) to implement rural development and poverty eradication projects based on rural development and poverty eradication plan. PRF operates based on the decree and laws of the Lao People's Democratic Republic and under the guidance of the President of the NCRDPE.

PRF is governed by the Administrative Board of Directors, which is chaired by the President of the NCRDPE and includes ministerial or vice-ministerial heads of relevant ministries and representatives of relevant mass organizations and one civil society organization. The Executive Director office of PRF will be responsible for day to day execution of activities, which compose of the Executive Director and heads of departments.

The main business line of PRF is to use the fund provided by donors and the government to carry out participatory processes, identify priority community needs and finance subprojects to build or rehabilitate priority community infrastructure. PRF operates in 10 provinces and has about 300 staff in total. About 35 are based in the central level, and the rest is based in provincial or district level. They are mapped mainly to either of the Community Development department, Technical Assistance department, Financing and Administration department and M&E department and are headed by respective department heads who form the Project Management Team (PMT) together with the Executive Director of the PRF.

In addition, PRF also needs to develop a systematic activity planning and budgeting processes at the district level. Currently, a budget envelop is developed at the beginning of a fiscal year for each province, based on historical trends, and PRF district and province offices request to the PRF central office funding for specific sets of activities within the course of a FY each time they need to carry out certain activities. Upon approval, the budget is transferred to the

provincial accounts, however, exactly how much was expensed for what activities is not traced or registered in the accounting system. Not only does such a haphazard activity planning and budgeting process represent a weak accountability, but it also prevents PRF from planning ahead for a series of action over time to address long term, strategic issues based on the collaboration with district line agencies and taking into account the strategic directions and activity plans of line agencies. For a systematic activity planning and budgeting processes to function well, detailed procedures have to be developed, forms prepared, capacity of individual PRF staff be strengthened, and PRF district staff be encouraged to actively collaborate with line agencies.

### **PRF objectives**

- Financing community infrastructure activities, and other community public capital investments endeavours and training activities at the village level;
- Building local capacity at the village level in poor districts to manage public investment planning and implementation; and
- Strengthening the capacity of local institutions to support participatory decision-making at the village, kum ban, and district levels. The Project development objectives remain substantially unchanged and strengthen the development capacities of villages and local government. Beneficiaries, however, have repeatedly asked for support of training activities.

A network of volunteers (village Implementation team) was set up. Through their elected representatives, villagers decide on how resources are allocated, manage funds, and implement subprojects. Extensive facilitation and training is provided to ensure that poor villagers, including women and people from smaller ethnic groups, participate in the decision-making process and benefit from Program inputs. The Program builds community capacity by providing technical support for villagers.

The Program aims to create stronger links between the local government and the aspirations of villagers with Program staff at district, province and national level coordinating and building linkages. A forum was created at district level where villagers and district authorities meet regularly to discuss each other priorities and plans and reach a compromise that will satisfy each party.

## **MAIN OBJECTIVE OF THE CONSULTANCY**

The objective of the consultancy is to assist the Lao Poverty Reduction Fund II (PRFII) improve its business on budgeting issues and hands on technical assistance to strengthen the capacity of the PRF staff on the planning and budgeting.

## **SCOPE OF ASSIGNMENT**

1. Review the existing activity planning and budgeting processes and identify gaps in order for PRF to establish a bottom-up processes which start with the identification at the district level and below of the list of activities to be conducted for the

upcoming year, and the estimation of costs based on the historical trends of the unit costs and quantities of inputs necessary to carry out similar activities. In doing so, the consultant should review the existing processes and procedures, as well as roles and responsibilities involved, with regard to who prepare initial inputs and estimate costs, how they are consolidated into organization-wide activity plan and budget, and how they are implemented, monitored and modified.

2. Develop alternative annual activity planning and budgeting processes for implementation under the upcoming fiscal year which will start October, 2014. The alternative process should be designed in such a way that will maximize collaboration and coordination between PRF and line agencies towards harmonization of activities for the longer term, strategic directions of the district. It should also involve processes and procedures for consolidation of plans and budget requests at the central level. Districts should develop simple monthly and quarterly work plans based on the approved annual activity plans and within the budgets originally approved at the beginning of the fiscal year. Such monthly and quarterly work plans should be reviewed for consistency with the original annual plans and, where necessary, modified in order to ensure all priority activities can be implemented within the available budget. Proper monitoring processes, periodic review for implementation status and processes for modification where necessary, should also be developed.

The planning, budgeting and reporting system would be based on the bottom up approach. Therefore, the entry point will be the district level. The system would need to be able to produce a district work plan with budget based on each district staff PRF plan at the district level, then to produce a provincial work plan and budget based on the district work plan with addition of the specific activities planned at the provincial level, and then national level work plan and budget based on the provincial work plan with addition of the specific activities planned at the central level.

3. Establish templates of formats for work planning and budgeting to be utilized at all levels according to the PRFII Financing Plan with a systematic and holistic package of planning and budgeting process as well as the improvement in the transparency and effectiveness to the project implementation following the introduction of budgeted quarterly and annual work plans. In order to ease the use of the template by the PRF staff, the consultant will integrate current best practices already used at each level for planning, budgeting and reporting. The template has to be organized in a way that simple analysis can be done using different entry points as follow:

#### Planning:

- Number of working days per staff, including PRF staff counterparts (local authorities, concerned sector representatives, Kum ban Facilitators, Village Implementation team members, community members)
- Number of working days per village, per Kum ban, per sub-project, per activities
- Number of traveling days versus working days
- Number of training (and other relevant activities) days

#### Budgeting:

- Costs of each activities (per diem, transportation, working days, etc.) and overall costs per village, Kum ban, district, province, Central, project as a whole
  - Costs of each activities (per diem, transportation, working days, etc.) and overall costs per beneficiaries, PRF staff and PRF counterparts
  - Costs should be estimated based on the historical trends of similar activities conducted within the province or in the neighboring provinces
4. Train the PRF staff (Master Trainers) on how to use the work plan, budget plan and reporting template, and assist the development and the finalization of the first annual activity and budget plan through providing hands-on support to relevant PRF staff. PRF will carry out an annual budgeting process for the next FY in this summer. The consultant should provide an on-the-job training so the relevant staff of PRF understands and become able to fully implement the planning and budgeting on their own.
  5. Participate in the first two quarterly review meeting where the implementation of activity and budget plans are reviewed and help PRF modify plans, if necessary, so all priority activities can be funded within the available budget.

### **DELIVERABLES**

- Within a week since the commencement of the assignment, the consultant should submit the inception report that should describe the preliminary findings based on the review of project documents and the interview with all Division Heads and relevant staff, work plan and the proposed approach to addressing key issues found, among other issues.
- Within 3 weeks since the commencement of the assignment, the consultant should develop and submit the draft a systematic activity planning and budget processes (bottom up-at the district level) as well as development of an alternative processes for implementation which will start from FY October, 2014.
- Within 4 weeks since the commencement of the assignment, the consultant should develop and submit detailed procedures and templates of forms for work planning and budgeting at all levels.
- Within 8 weeks since the commencement of the assignment, the consultant should submit to the review of PMT the first annual activity and budget plan that the consultant has assisted PRF for development. it is expected that the consultant would provide hands-on training throughout the period when relevant PRF staff develop the first annual activity and budget plan.
- Within 6 months since the commencement of the assignment, the consultant should submit a report for the first quarterly review of the implementation of the annual activity and budget plan, and any modifications and amendments made. The consultant should participate in the meeting where PMT reviews the implementation status and makes amendments.
- Within 10 months since the commencement of the assignment, the consultant should submit a report for the second quarterly review of the implementation of the annual activity and budget plan, and any modifications and amendments made. The consultant should participate in the meeting where PMT reviews the implementation status and makes amendments.

## **REPORTING**

The Consultant will submit all relevant reports to the Executive Director as well as the Project Management Team (PMT) which is comprised of Senior Technical Advisor and heads of Divisions as per the work plan and required inputs describing on the TOR, are to be submitted in standard electronic document format in English language. The structure and format of each report will present the information in a concise and clear manner that minimizes the number of pages consistent with clear communication of the messages.

Draft Final Report: to be submitted in English, draft before 2 weeks of assignment completion date (8 weeks). This report will comprise a comprehensive description of:

- All activities carried out under the assignment;
- complete documentation on all training completed or to be carried out;
- Complete documentation on all applications developed, installed, and
- Conclusions and recommendations.

International Budget Planning Specialist, as and when required by PRF, will provide downstream services as per term and conditions agreed by both parties.

## **Qualifications and experiences**

- Master degree in Public Administration, Business Administration, Organizational Development, Economics, Public Finance Management or related fields;
- At least ten (10) years of experience in public/ business administration, whether in the private or public sector.
- Experience in administering an organization that implements numerous activities based on a bottom-up planning processes is a point.
- At least ten (10) years of demonstrated work experience in budget planning and analysis;
- A good experience in the planning of community based activities is a point.
- Good knowledge of financial management policies and procedures of multilateral financial institutions, including the World Bank and development co-operation agencies; as well as good knowledge of the institutional, technical, rural development activity based project of budgeting processes ;
- Excellent skills in project management demonstrated in previous jobs;
- Previous experience of similar work in South-East Asia;
- Previous experience in professional development and training;
- Experience in working with major donors' regulations and guidelines is desirable
- Good command of Ms Office® software (Word, Excel, and PowerPoint) and ability to use information technologies (Web, email) as tools and resources.
- Excellent reporting skills;
- Excellent communication, interpersonal and team working skills;
- Excellent English written and verbal communication skills (Lao knowledge is an asset);