

Poverty Reduction Fund

Livelihood Linked Nutrition Unit

Terms of Reference

Position:	National Microfinance Officer
Number of position:	2
Duration:	7 Months (renewable based on the performance and availability of funds)
Reporting to:	Head of Livelihood linked Nutrition Unit
Duty Station:	PRF national office in Vientiane with regular visit to targeted Provinces, Districts, Kum Ban and villages

Introduction and context

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, which compose of the Executive Director and heads of departments, is responsible for day to day execution of activities.

LIVELIHOOD and NUTRITION

As part of the Lao Government's vision to graduate from Least Developed Country status by 2020, PRF II supports livelihoods and nutrition activities on a parallel financing track through a pilot innovative livelihood focused community driven development program called Livelihood Opportunities and Nutritional Gains (LONG) project, through a grant (US\$2.6 million) supported by the World Bank Japanese Social Development Fund (JSDF). The grant signing ceremony was held in April 2011, and a JSDF technical preparation mission was conducted in May 9-20, 2011. During the field visit, the team mission observed a strong need for additional support to livelihood improvement activities, high levels of malnutrition, and limited capacity among the communities to take charge of their own development.

PRF-LONG project has been implemented over a three years period by the implementation mechanisms of the PRF. About 600 livelihood and/or nutrition sub-grants of an average amount of \$2,000 have been utilized, benefiting 28,710 targeted men, women, pregnant and lactating mothers, and children under two years old. The World Bank has agreed to provide additional financing until period of December 2016, following the completion and in order to build on the experience of the JSDF funding. In additional financing, the name of Livelihood Opportunity and Nutrition Gain (LONG) has been changed to Livelihood Improvement and Nutritional Security (LN) and integrated into the PRF.

The PRF-LN objective is to pilot an innovative livelihood-focused community driven development (CDD) program in 7 poverty reduction priority districts within Huaphan and Savannakhet provinces, enabling rural households in project target areas to improve their livelihoods and well-being through group based activities. The PRF-LN project constitutes a new component to the PRF's CDD-based program and builds on improved small-scale infrastructure and on local institutions and mechanism which were already set up during PRF Phase I and Phase II.

The PRF-LN directly responds to three key development challenges in Lao PDR, including: (i) persistent and high incidence of poverty particularly in remote areas and among non-Lao-Tai ethnic groups despite strong aggregate economic growth; (ii) persistent and high levels of malnutrition; and (iii) limited capacity for participatory community driven approaches to development. Recognizing the key role rural women play as producers, household food providers and family care takers, the PRF-LN has a strong gender focus. The LN component strives to establish positive links between livelihood improvements and nutrition security.

The PRF-LN consists of four main thematic components, including:

- i) Forming self-help groups (SHGs) and village nutrition centers (VNCs) and building their capacity;
- ii) Providing sub-grants to SHGs and VNCs to finance family investment plans and VNC management plans respectively;
- iii) Building capacity among project staff and other service providers to support implementation of the plans, including financial management, procurement, and counseling;
- iv) Overall component implementation support, including monitoring and evaluation.

The PRF-LN aims at strategic partnerships between PRF, relevant line-ministries and mass organizations (in particular with the Ministry of Agriculture and Forestry, Ministry of Health, Ministry of Industry and Commerce, the Lao Revolutionary Youth Union), Lao Women's Union and Bank of Laos. Potential for collaborations with other relevant organizations will also be gauged. The aim is for the LN pilot to become fully integrated into the PRF's project cycle and closely coordinate with the core PRF programme. The consultancy is expected to produce the following desired outcomes:

1. Improved operations and management systems of the participating Self Help Groups (SHGs) and Village SHG Management Committees (VSMCs) in target villages;
2. Enhance the capacity of the staff and VSMC to perform its role effectively and sustainably.

MAIN FUNCTIONS OF THE POSITION

In order to accomplish the above, the Microfinance Specialist will assist Head of LN, participating LN Central and Districts in implementing necessary operational microfinance systems leading to gender equitable outreach expansion and attainment of both operational and financial sustainability of SHG.

Areas that may require particular focus may include, but are not limited to:

- i. Understanding of SHGs, rural finance and microfinance principles;
- ii. Undertaking sound strategic and Family Investment Plans and Activity Investment Plans;
- iii. Designing customer friendly SHGs' loans and savings products;
- iv. Improving accounting and financial management systems, loan appraisal procedure and loan tracking, and internal controls of SHG and VSMC; and

- v. Increasing outreach on a sustainable basis, ensuring that outreach facilitates access to SHG services by rural poor men, women and youth.

In addition, the Specialist will provide support for the strengthening of the capacity of LN livelihood Young Graduates (YGs), including support in defining the SHG business model, developing financial projections and developing a clear exit strategy from the project support.

Detail tasks of consultant

The Microfinance Officer will carry out the following tasks:

1. Technical Assistance

- i. Work closely with the international micro-finance consultant, review the assessment of the existing system of management of savings and credit, microfinance guidelines and other tools, roles and responsibility of the SHG management committees and VSMC, and develop measure for improvement in partnership with the international micro-finance consultant.
- ii. Access the capacity of the YG Livelihood and District Livelihood Coordinator, SHG Management committee and VSMCs and develop action plan for the capacity building of the staff, SHG and VSMC.
- iii. Provide support to SHG and VSMC and assistance in the loan application process and implementation of the Programme's Rural Credit Fund;
- iv. Based on the detailed work plan developed with the SHGs and VSMCs, provide hands-on technical assistance to participating SHGs and VSMCs to address the following areas.
 - a. Operational systems – provide technical advice and guidance to improve SHGs and VSMCs operational systems (accounting and financial management, loan tracking, loan quality monitoring, financial management to improve the performance of SHG loans);
 - b. Products and policies – implement recommendations for new products development (loan and/or savings products) and for policy adjustment/development (savings policies, lending policies, terms and conditions) where necessary;
 - c. Family Investment Plans and Activity Investment Plans – provide guidance and assist with the review and development of Family Investment Plans and Activity Investment Plans of individual SHG members based on previously established guidelines;
 - d. Reporting Systems – provide assistance with the establishment of policies and processes for the production of reports, including the loan portfolio report, income statement and balance sheet;
 - e. Internal Control – assist SHGs and VSMCs leaders in implementing appropriate internal controls systems;
 - f. Monitoring and evaluation – ensure all key data are collected on time and recorded into the MIS system to ensure that all key performance indicators are updated on time.

2. Training

- i. Provide follow-up training (as needed) to SHGs and VSMCs. This would involve:
 - a. Facilitating the delivery of microfinance training to SHGs and VSMCs leaders based on the capacity gaps accessed;
 - b. Facilitating refresher sessions on microfinance to SHGs and VSMCs leaders as needed;
 - c. Preparing an assessment of the completed training.

- ii. Provide Technical Assistance to the SHGs and VSMCs in the revision and/or formulation of its Family Investment Plans and Activity Investment Plans based on the established business model and the development of key milestones for institutional sustainability;
- iii. Provide strategic support to the SHGs and VSMCs in the development of activities that could contribute to its capacity building process by addressing its weaknesses in fulfilling its role of strengthening the SHGs and VSMCs.
- iv. Provide SHGs and VSMCs, and all relevant project staff, necessary training to ensure that all key performance indicators are collected and updated on time.

DELIVERABLES

The deliverables would include:

- Plan of action and a schedule of activities for completing tasks within the consultancy period;
- Monthly status reports on the activities being performed under the consultancy;
- Technical Assistance and Training Completion Report for SHGs and VSMCs, detailing the activities completed, the methodology used in carrying out the technical assistance and training, problems encountered while carrying out activities, solutions implemented (if any) for resolving problems encountered, lessons learned from the different activities carried out and recommendations for the LN.
- Training Completion Report for microfinance and other general training completed.
- Family Investment Plans and Activity Investment Plans for the SHGs and VSMCs with clearly defined business model, financial projections and clear exit strategy and milestones for sustainability.

COMPETENCIES

Technical/Functional

- Microfinance Officer should have rural microfinance training and technical assistance experience;
- Comprehensive knowledge of SHGs best practices, especially with regard to the provision of financial services in rural areas for agricultural and non-agricultural activities;
- Proven technical expertise in all facets of microfinance development;
- Good understanding of microfinance sector development principles and approaches, the different types of financial institutions and their services;
- Knowledge of participatory approaches for capacity building;
- Understanding of gender mainstreaming is preferred.
- Track record of at least 5 years work experience in microfinance or service provider to microfinance or other financial institutions;
- Excellent report writing and communication skills in Lao and English.
- Ability to work in a multicultural setting;

Education

- Master's Degree in Accounting, Finance, Economics or Statistics;

Others

- Women and people from small ethnic groups are encouraged to apply;
- Lao National only.