**Lao PDR: Technical Assistance for Capacity Building in the Hydropower and Mining Sectors Project (HMTA)**

(IDA Grant H539-LA and AusAID TF99572)

Final Evaluation Report of the Original Financing DFAT

(including World Bank financed activities until the end of DFAT funding period)

September 2009 – March 2014 (World Bank)

April 2012 – March 2014 (DFAT)

September 2014



Currency Equivalents

Currency Unit = Kip

7,856 = US$ 1

US$ 0,12728 = LAK 1000

# Abbreviations and Acronyms

ADB Asian Development Bank

AFD Agence Française de Développement (French Development Agency)

CA Concession Agreement

CDF Community Development Fund

DEB Department of Energy Business

DEM Department of Energy Management

DEPD Department of Energy Promotion and Development (renamed into DEB)

DEPP Department of Energy Policy and Planning

DESIA Department ofEnvironmental and Social Impact Assessment

DFAT Australian Department of Foreign Affairs and Trade

DFRM Department of Forest Resources Management

DGEO Department of Geology (renamed into DGM)

DGM Department of Geology and Minerals

DMH Department of Meteorology and Hydrology

DOE Department of Energy

DOFP Department of Fiscal Policy

DOG Department of Geology

DOI Department of Inspection

DOM Department of Mines

DOT Department of Tax

DPO Department of Personnel and Organisation

DPOD Division of Personnel Organization and Development

EDL Electricité Du Lao

EI Educational Institution

EMMP Environmental Monitoring and Management Plan

ESCC Environmental and Social Compliance Certificate

GAF AG (company in the mining sector)

GOL Government of Laos

GTK (company in the mining sector)

HMTA Technical Assistance for Capacity Building in the Hydropower and Mining Sectors Project

HR Human Resources

HRD Human Resources Development

IDA International Development Assistance

IPD Investment Promotion Department

IPP Independent Power Producer

LAK Laotian Kip

M&E Monitoring and Evaluation

MEM Ministry of Energy and Mines

MOF Ministry of Finance

MONRE Ministry of Natural Resources and Environment

MPI Ministry of Planning and Investment

MRC Mekong River Commission

NPSH National Policy on Environmental and Social Sustainability in Hydropower Development (later renamed to Policy on Sustainable Hydropower Development - PSHD)

NUOL National University of Lao PDR

ODPD Organization Development and Personnel Division

PDEM Provincial Department of Energy and Mines

PDO Project Development Objective

PDR People’s Democratic Republic

PSHD Policy on Sustainable Hydropower Development

PSO Project Secretariat Office

SOFRECO (consultant company in the hydropower sector)

TWG Trade Working Group

US$ United States Dollars

WREA Water Resources and Environmental Administration

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# Executive Summary

The Technical Assistance for Capacity Building in the Hydropower and Mining Sectors Project (HMTA) comprises of three main working areas: a (1) Joint Hydropower and Mining Learning Program, a (2) Hydropower Sector Development and a (3) Mining Sector Development component. The Project Administration and Management Unit supports the activity implementations, procurement/ finances and other administrative procedures.

The HMTA Project started its preparatory phase in September 2009 with an US$ 8 million IDA grant by the World Bank. In April 2012, the Project received an additional ‘top-up’ grant (if form of a Trust Fung) of US$ 2.54 million from AusAID (now integrated into the Australian Department of Foreign Affairs and Trade/ DFAT) to help increase the scale of the proposed interventions and activities. The DFAT Trust Fund had been disbursed by the end of March 2014. The Original Financing Phase of the Bank will come to an end in September 2015.

This report documents achievements of Project activities between the beginning of the HMTA Project and the ending of the AusAID fund. Since the fund was administered under the authority of the Bank and since activities complemented already existing efforts, no separation of activity reporting by funding source was made.

In January 2013, a first Mid-term Review Mission was conducted which resulted in an overall ‘moderately unsatisfying’ evaluation of Project implementations. This was due to extensive delays in procurement and implementations. Government officials, Project partners and the MTR team discussed the various areas of intervention, redefined the scope of the Project to align activities better to government policy and strategic objectives, and agreed to reallocate budget across sub-components. Concrete results have since then become more visible until the full disbursement of the AusAID fund in March 2014. Various critical packages have since been procured and major advances have become apparent, including: the conduction, organization and support of a range of capacity building measures for governmental and educational institutions, the mobilization of national technical consultants for components 1a, 2a/2c and 3, the procurement of equipment for partner institutions, and consultancy contracts of consultancy services with regards to IPP (Independent Power Producers) concession management, hydropower development operations, the updating of the National Policy on Sustainable Hydropower, the drafting of the implementation Decree of the Minerals Law, as well as the initiation of a proper monitoring and evaluation system. Concerning the latter, a Consultant recently joined the Project to review current monitoring activities.

At the strategic level, advances were made due to the restructuring of MEM, indicating movement towards institutional maturity, a process to which the project has contributed to some degree.

The importance of the Project for both the mining and the hydropower sector and to the MEM have been reassured by the Bank through the consideration of further funding to be made available beyond the Original Financing Phase. Given the achievements made (also measured against Intermediate Results Level Indicators), progress towards the PDO of *increasing human capacity and improve the performance of Government oversight institutions for the hydropower and mining sectors* has been upgraded to ‘moderately satisfying’.

Initially, the report provides a broad overview of the Project. Then, the approach taken to compile this document and relevant limitations are explained, followed by a detailed introduction to Project components in terms of overview and input/ budget, indicators, sub-components, topics, outputs, outcomes, problems and mitigation as well as safeguards. The report ends with a brief conclusion on current achievements made in view of the PDO and makes some recommendations for the remaining time during the Original Financing Phase of the Bank.

# Project overview

## Background of the Project

The hydropower and mining sectors in Lao People’s Democratic Republic (PDR) have developed rapidly over the past decade. Driven by significant foreign investment to meet the power demands in neighboring countries and the flourishing international markets for mineral commodities, these have developed to primary commodities of the country. Direct government revenue from tax collection from the two sectors represents around 30% of total tax collections. However, rapid developments have put severe strains on the government to effectively manage the developments and to ensure that benefits streams are used to further the overall development objectives for the country. Current weaknesses include: legal and regulatory frameworks pertaining to investments in both sectors, overlapping mandates of central and provincial government oversight institutions, incomplete administrative procedures and mechanisms to supervise the sectors, lack of capacity within the existing government civil service as well as the new generation of leaders for the two sectors, inadequate attention to environmental and social safeguards and benefit-sharing, particularly at the community level. Natural resource development, especially hydropower and mining, is central to the government’s development strategy for sustaining growth rates and achieving the MDGs.

While some progress to address these has occurred as a result of the dialogue surrounding some hydropower and mining developments as well as Bank and donor supported projects, much has remained to be done. The Technical Assistance for Capacity Building in the Hydropower and Mining Sectors Project (in short: HMTA) was designed to address some of these issues, aiming to facilitate the development of a consistent and coherent strategic approach to complement other activities and to address the specific governance challenges which face both sectors, not only with respect to existing operations but, as importantly, projects in the pipeline and planning stages.

## Overview of the Project

***Project Objectives and Goals***

The Project Development Objective (PDO) is *to increase human capacity and improve the performance of government oversight institutions for the hydropower and mining sectors*.

The Project aims to facilitate good governance, sound fiscal performance and sustainable natural resources management through equipping authorities with the tools, instruments, procedures, systems, regulations, and guidelines necessary so that these can implement the laws effectively and transparently as well as increasing the management and technical competency levels in the public and private sectors not only to construct and operate but equally important to assess competing development proposals and evaluate associated opportunity costs.

The following table illustrates the PDO Level Results Indicators. These had been revised during the MTR Mission in January 2013.

Table 1: PDO Level Results Indicators.

|  |  |
| --- | --- |
| **Original PDO Results Indicators****December 2009**  | **Revised PDO Level Results Indicators January 2013** |
| ***Indicator 1***Number of qualified specialists and skilled workers as a result of support to learning program and educational institutions | ***Indicator 1***Increased number of trained national human resources in the mining and hydropower sectors within the public sector and from higher and technical educational institutions (EIs)  |
| ***Indicator 2***Increased incidence of compliance with concession agreements and the National Policy on Environmental and Social Sustainability of the Hydropower Sector, enhanced capabilities in data collection and development planning to serve the needs of the hydropower sector | ***Indicator 2***Enhanced institutional capacity for the planning, management, and monitoring of hydropower plants  |
| ***Indicator 3***1. Increased in the number of standardized mining investment agreements and title issuance and enhanced enforcement of obligations through vigorous inspections
 | ***Indicator 3***Increased percentage of mining inspections performed through the use of improved systems and procedures  |

***Target groups/ main beneficiaries***

The primary target beneficiary groups of the Project included institutional actors at the national and provincial level involved in decision- and policy-making in the hydropower and mining sectors, including: the Ministry of Energy and Mines (MEM), the Department of Energy (DOE/MEM), the Department of Mines (DOM/MEM), the Department of Personnel and Organisation (DPO/MEM), the Department of Energy Policy and Planning (DEPP/MEM) and the Department of Energy Business (DEB/MEM), the Ministry of Finance (MOF), the Ministry of Natural Resources and Environment (MONRE) with the Department of Geology and Minerals (DGM/MONRE), the Department of Forest Resources Management (DFRM/MONRE) and the Department of Environmental and Social Impact Assessment (DESIA/MONRE).

Besides governmental institutions, the Project aimed at fostering human resources capacities with selected operators in the private sector, members of civil society and communities as well as students and teaching staff within educational institutions (EIs) through the development and support of a continuing educational and professional training program.

***Donors/ finances***

HMTA is a Project co-financed by the World Bank through an International Development Assistance (IDA) grant and through the Australian Department of Foreign Affairs and Trade (DFAT). US$ 8 million have been provided by the Bank while a US$ 2.54 million Trust Fund by DFAT has been allocated as a ‘top-up’ grant funding in April 2012 to help increase the scale of the proposed interventions and activities.

Based on a Project Appraisal Document, the HTMA Project was approved by the Board of Executive Directors on the 12th of January 2010, with Project implementation having become effective on the 4th of August, 2010.

A Mid-term Review Mission (MTR) in January 2013 suggested a closing date for the IDA Original Financing for the 30th of September 2015 while the DFAT financing remained unchanged for the 1st of March 2014. A separate trust fund administrative agreement had been signed in April 2012 between the Bank and the government to administer the Australian contribution.

The Bank has gained valuable lessons assisting many countries to develop human capital and build capacity for a range of technical, environmental and social objectives. Australia had expressed interest to support the operation given its interests in the hydropower and mining sectors. The Australian Agency for International Development (AusAID), integrated into DFAT since October 2013, already supported the Water Resources and Environmental Administration (WREA) and the Mekong River Commission (MRC) in Lao PDR and saw this new support to MEM and WREA as complementary to its existing efforts. The Australian Embassy in Lao PDR has also actively contributed to the Minerals Law development process, and welcomed efforts to assist with putting the new Law into practice. The combined involvement of the Bank and DFAT was expected to fill a critical gap in the institutional capacity building in the hydropower and mining sector development.

***What was done to secure the sustainability of the project?***

Past experiences from other Bank projects has shown that technical capacity can be adequately built at the operational level, but that it has been more difficult to achieve reforms to government policies and actions. This is particularly the case when the proposed reforms may touch upon sensitive areas and/ or interests.

Several key elements were considered to enhance the sustainability of the HMTA Project.

Lessons learnt from sector-related programs were considered, individual hydropower investment possibilities within a broader strategic context have been assessed, institutional responsibilities at the national and local levels have been tried to be clarified and the importance of transparent and realistic contractual arrangements and of systematic (institutional) development of human capacity have been sought for recognition.

Additionally, continuous dialogue at national and sub-national levels and strengthening of inter-institutional and intra-institutional partnerships are prioritized during project implementation to retain support for Project objectives and to establish longer-term working relationships between departments and/ or other institutions or private entities. Embedding capacities into decision-making processes for enhanced policy-making in the hydropower and mining sectors was considered a key element for sustaining Project impacts.

Coordination challenges were addressed with the creation of a number or interlinked entities.

An important issue had to be addressed concerning the securing of adequate funding to government institutions to also fulfil the expectations and functions developed during Project implementation. The preparation of mining regulation was paid particularly attention to in order to generate certain revenues from e.g. permits, concessions fees or administrative taxes. Revenue sharing was considered as a method to ensure that resources could still be provided long-term be the relevant government agencies to oversee the hydropower development process in the long-term.

## Overall Structure of the Project

***Summary of Project Components***

The Project is built around three main components and one supportive component: (1) The Joint Hydropower and Mining Learning Program component, which facilitated a continuing learning program for sector professionals at senior, mid-level management and provincial levels, including government staff and public-private practitioners, and which supported the tertiary education sector, including the NUOL and selected technical colleges, as well as outreach and information sharing initiatives for stakeholders in its three sub-components; (2) The Hydropower Sector Development component, which focused on good practice management in water resources management and hydropower planning, supervision support in hydropower concession management together with safeguards mitigation and management, including monitoring construction and operation of hydropower plants, to the Department of Energy Promotion, as well as hydropower management and the implementation of the National Policy on Environmental and Social Sustainability in Hydropower Development (NPSH), providing assistance to relevant authorities for updating, enforcing and monitoring; (3) and the Mining Sector Development component in which improvement of sector governance and the enabling environment, strengthening of government oversight capacities and a program to promote minerals development have been supported within three sub-components. Component (4) encompasses project administration and management which assists the Project Secretariat established within MEM with coordination of consultancy services, project implementations and acquisition of logistical and equipment support necessary.

***Project Structure, Working Mechanisms, Implementation Arrangements and Co-operations***

The below figure illustrates the nested HTMA Project management implementation within the MEM. A detailed organizational chart of the Project can be found in Annex 1.

**Inter-ministerial/ High-level Steering Committee**

Vice Minister, relevant department directors of MEM units (DOE, DEB, DOM, DGEO) and other representatives (MOF, MPI, WREA), 15 people in total

* Strategic guidance
* Ensuring government ownership

and congruence with government objectives

* Providing linkages with other relevant Ministries

**Educational Sector Ad Hoc Committee**

NUOL, EdL Training Center, Polytechnic College, Lao-German Technical School, Luang Prabang Technical Vocational School (C1.b)

**Gender and Social Inclusion Ad Hoc Committee**

DOG, DOM, Lao Women’s Union, Lao Front for National Construction, WREA

**Project Secretariat**

* Day-to-day implementation
* Administration
* Monitoring and reporting

**Personnel**

**Sub-Committee**

**Mining Sector**

**Sub-Committee**

**Energy Sector Sub-Committee**

DGM

(C3.b)

DEM

(C2.c)

DEB

(C2.b)

DEPP

(C2.a)

DESIA

(C2.a)

DOM

(C3.a)

DPO

(C1.a)

* Line MEM departments responsible for execution with Project Secretariat assistance

Figure 1: HTMA Project management implementation within the MEM (after the MTR).

Bi-annual inter-ministerial committee meetings did not take place as planned. The Committee has however regularly received progress reports on the status of Project execution and any issues and problems which may have been encountered.

A major task for the Project Secretariat has been the monitoring and regular evaluation of Project progress and results against the agreed performance indicators specified in the Results Framework. The Secretariat has prepared quarterly and bi-annual progress reports on Project execution and financial management. Departments as well as other relevant agencies have been responsible for data collection and progress reporting for individual activities under the coordination of the Secretariat and with assistance provided by Technical Experts (though these have joined only after the MTR in early 2013). A yearly monitoring of the Project’s progress to achieve the performance indicators was planned with the recruitment of a short-term M&E specialist as with Secretariat support.

The Bank has conducted supervision missions at least once a year (rf. also produced Aide Memoires Annex 3), with participation of AusAID representatives, using the occasion also for high level involvement and Project status revisions.

The cooperation among, between and with different institutions and entities has been a focal point of Project activities. Different types of cooperation included Ministries (MEM, MONRE, MOF, MPI) and Provincial Departments, bilateral and multilateral donors, NGOs and private sector institutions and companies.

***Personnel***

During the initial stages of the Project, the PSO comprised of six counterpart staff: one Head, two Deputy Heads, one Procurement Officer, one Financial Management Officer and one Technical Officer. Government officials in charge of procurement and financial management were seconded for on-the-job training.

As many activities were forthcoming and as weak absorption capacity at the department level to actively contribute to the Project activities and to actively engage with the Project Secretariat became apparent during an MTR Mission conducted in January 2013, slight changes were introduced: Two further National Consultant positions as a Project Coordinator and as a Project Secretary had been filled. A short-term International Procurement Specialist had been hired to facilitate procurement processes.

By the time of compiling this report, the PSO encompassed one Head and two Deputy positions, one Financial Specialist, one Junior Financial Officer and one governmental Officer, two Procurement Officers (one for the Mining and one for the Hydropower Sector), one Project Coordinator, one Secretary and one Junior Administrative Assistant. Since 2013, three National Technical Consultants supported Project activities of (sub-)components 1a, 2a/2c and 3a/3b.

In the end of 2013, an International M&E Consultant was hired to specifically re-design and prepare a comprehensive M&E system for the Additional Financing phase of the Project, but also to reconcile some of the existing monitoring processes. Current monitoring has been under the umbrella of the Project Coordinator. ToRs have been drafted for the mobilization of a National M&E Officer. A Project Implementation Manual was adopted at the beginning of the Project to guide monitoring and evaluation activities.

***Changes during Implementation Period***

Significant delays in implementations caused by complex stakeholder involvements, restructuring of key partner agencies, weak capacity absorption at department levels and great delays in procurement processes led to an agreed re-structuring of the Project’s scope between the implementing agencies and the Bank during the MTR Mission in January 2013. The MTR Mission suggested technical assistance contracts to be widened but reduced in their number, that more attention was paid to capacity building of Project Secretariat staff, that technical assistants were to be placed at department levels (rf. to the prior paragraph on ‘Personnel’), that the closing date for the Original Financing phase would be extended by one year to the 30th of September 2015, that components were dropped for which readiness had not been in place yet or for which demand was weak (1c: Outreach and Information Sharing for Stakeholders; 3c: Promotion of Mineral Development) or that these experienced slight modifications e.g. in naming, allocated funding or in consolidation, that additional staff would be hired for the Project Secretariat, and that the results framework would be revised in scope of activities, targets and timeframes according.

## Financial Management and Disbursement Arrangements

A financial management capacity assessment of the Project Secretariat was undertaken in June 2009 to determine whether the implementing agency has adequate financial management systems, including budgeting, accounting, internal controls, fund flows, financial reporting and auditing arrangements, and related capacity in place to satisfy the World Bank’s Operational Policy/ Bank Procedure with respect to financial management.

The Project has been implemented in an inherently high-risk environment. Measures had been planned to mitigate these risks: (a) extensive training concerning the Bank’s policies and procedures on financial management; (b) seeking of consultancy services to assist in day-to-day operation on all financial management aspects; (c) identification and installation of a computerized accounting software to produce financial reports automatically from the system; and (d) ensure that an independent auditor is engaged to conduct an external audit of the project’s financial statements. The following table summarizes disbursements by component, category and funding source for Project activities until March 2014.

Table 2: DFAT Disbursement Summary of Trust Fund.

|  |  |
| --- | --- |
| **Component/Sub-components** | **Actual Disbursement** |
| Civil Work | Goods | Consultant Service | Training/ Workshop | IOC | **DFAT TOTAL** | WB Total |
| C.1: Joint Learning Program |  | 468 732,25  | 72 670,00  |  364 017,07  | 10 057,35  |  **915 476,67**  | 894 507,82  |
| C.1a | Continuing learning program for sector professionals |  | 20 048,59  | 72 670,00  |  308 334,17  |  4 709,95  | **405 762,71** | 370 627,15  |
| C.1b | Education sector support |  | 448 683,66  | - | 55 682,90  | 5 347,40 | **509 713,96**  | 523 880,67  |
| C.2: Hydropower Sector Development |  |  67 842,33 | 452 278,55 | 475 882,96 | 31 477,93 | **1 027 481,77** | 1 000 078,60  |
| C.2a | WR Mgt & hydropower planning |  |  36 202,38  | 116 929,88 | 52 103,63 | 8 941,13 | **214 177,02** | 456 099,73  |
| C.2b | Hydropower concession management |  | 4 515,21  | 314 614,67 | - | 5 057,49 | **324 187,37**  | 58 017,82  |
| C.2c | Hydro mgt & implementation of NPSH |  | 27 124,74  | 20 734,00 | 423 779,33 | 17 479,31 | **489 117,38**  | 485 961,05  |
| C.3: Mining Sector Development |  | 129 075,53  | 320 287,13 | 1 017,50 | 15 711,59 | **466 091,75**  | 731 836,08  |
| C.3a | Improving of sector governance & the enabling environment |  | 25 907,76  | 105 385,40  | 1 017,50 | 11 876,05 | **144 186,71** | 312 556,68  |
| C.3b | Strengthening of govt. oversight capacity |  | 103 167,77  | 214 901,73  | - | 3 835,54 | **321 905,04** | 299 767,82  |
| C.3c | Program to promote mineral development |  |  |  |  |  |  | 119 511,58  |
| C.4: Project Admin and Management |  | 4 031,20 | 95 558,19 | - | 33 757,42 | **133 346,81**  | 797 004,83  |
| **Grand Total** |  | 669 681,31 | 940 793,87 | 840 917,53 | 91 004,29 | **2 542 397,00**  |  3 423 427,33  |

# Methods

***Sources of information***

In order for the M&E Team to prepare for the compilation of this final evaluation report for a preparatory meeting was sought for with DFAT. Due to time constraints, communication on the report structure and on the status of the report compilation had however to be made via e-mail.

The PSO provided the consultants with relevant documents which had been prepared throughout the Original Financing phase of the Project (rf. Annex 3). Meetings with Technical Consultant of (sub-)components were arranged to discuss upon current status’ of Project implementations and to clarify on past activities (rf. Table.

Table 3: Meetings with Technical Consultants for report writing.

|  |  |  |
| --- | --- | --- |
| **Date/ Time** | **Component** | **Who** |
| 1.9.2014 10:45-11:30 | 1a  | Mrs. Chansada, Technical ConsultantChansada.kyophilavong@gmail.com |
| 1.9.2014 11:30-12:30 | 1b,1c | Vilayvanh, Project CoordinatorVilayvanh02679@gmail.com |
| 1.9.2014 14:45-17:00 | 2a, 2c and additional information on 2b (though not responsible for 2b) | Mr. Phuangphanh, Technical ConsultantPhouang1005@yahoo.com |
| 2.9.2014 15:00-16:00 | 3a, 3b, 3c  | Mr. Manomay, Technical Consultantvilayhongm@gmail.com  |

***Process***

Initially, a literature review was carried out to gain an overview of initial Project activities, of challenges encountered and of changes implemented. Subsequently, a broad structure was prepared in coordination with DFAT. Summaries of Project components and their sub-components were compiled mainly based on the Project Appraisal Document from 2009 and the MTR Mission Report from early 2013.

An excel file which listed progresses made by topic, by quarters (if available) and by general progress/ developments/ implementations, implementation problems and mitigation, consideration of social and environmental safeguards and outcomes (including problems and risks to achieve these outcomes and mitigation), was created. This structure was also largely followed for this report. Thereafter, information was re-validated by Mission reports which had been produced throughout the Original Financing phase.

The final draft was revised for inconsistencies and inaccuracies as well as for missing information by the PSO and the Technical Experts.

***Limitations within M&E and Data Gaps***

A monitoring system is key to oversee Project activities and to ensure that the Project has been well on track measured against agreed indicators and the PDOs. The Project Secretariat has been responsible to monitor and evaluate Project progress and results based on quarterly reports, semi-annual progress reports, and yearly monitoring of project progress. Within this, partner agencies like the DOE, the DEPD (renamed to DEB after the restructuring process in Mid 2012), the DOM, the DGEO, NUOL and other have been responsible for data collection and progress reporting. During the Mid-Term Review Mission in January 2013 great concern was however expressed concerning the lack of a functioning operational system for monitoring and reporting of activities. Although progress was recognized to a certain degree during the time before the mission, reporting on Project progress had remained weak both in terms of implementation of planned activities and of achievements of results and indicators.

The mission suggested the recruitment of an M&E Specialist to strengthen the capacity of the Project Secretariat by providing training and (software) tools for more robust Project management and for better monitoring of progresses, deadlines and outputs of Project activities. The Specialist was mobilized by the end of 2013, not only establishing an M&E framework for the Additional Financing (AF) phase, but also importantly contributing to a revision of Original Financing monitoring. Clear and consistent structures on the design of reporting tools have been implemented, enhancing the coordination, transparency, accountability and regularity of reporting from 2013 onwards. However, data gaps remain for M&E documents which had been prepared before the implementation of new monitoring tools before the year 2014, such as the quarterly reports and work plans. Their completion had been updated non-systematically, making these instruments difficult for output and outcome monitoring. The tracking of implemented activities before 2013, specifically with regards to trainings and meetings, beard some difficulties. Transaction data has been unclear or not completely stated, with bookings belated, missing recording of payment dates or descriptions of expenditures. Clear and structured data management systems, given even their existence, before 2013 had not been established. In the course of 2013, this was improved, however, has not been up to a standard yet where unbiased and comprehensive information can be provided on the implementation and impact of all Project activities.

Impacts of the re-structuring of the monitoring system for inter-ministerial coordination to increase information flows across ministries and relevant agencies remain to be seen.

# Main Part

## Component 1: Joint Hydropower and Mining Learning Program

This component aimed at building critically needed capacity across the hydropower and mining sectors. The provision of adequate skills and training to government staff and the next generation of leaders for the two sectors have been considered to remove critical bottlenecks to the development of both sectors. After the MTR Mission in January 2013, generating public awareness including outreach and information sharing for stakeholders, however, was dropped due to very low performance and low perceived necessity of involved activities by relevant stakeholders.

## Sub-Component 1a: Continuing Learning Program for Sector Professionals

***Overview***

To provide for learning in cross-cutting issues as well as for providing training tailored to the two sectors, the Project has funded higher-level courses of a continuing education nature as well as sector-specific hands-on training on technical issues. The continuing learning program has targeted government staff and public-private sector practitioners at senior management level (to learn about skills necessary for strategic planning), at mid-level staff (to strengthen analytical responsibilities), and at provincial level staff (to improve capacities for follow-up at the field level). The MEM has made use of existing facilities to carry out the training programs.

***Inputs/ Budget***

By December 30, 2012, disbursement had reached US$ 173,000. Until the end of March 2014, a total amount of US$ 776,389 had been disbursed. Component 1 experienced slight cuts in allocated budget after the MTR, from an overall of US$ 2,660,000 to US$ 2,340,461 until the end of the Original Financing phase. Table 2 provides an overview over training costs since quarter 1 2013. Trainings and related costs which took place before Q1 2013 could not be tracked back (rf. to section ‘limitations within M&E and data gaps’ Part 2).

Table 4: List of training/course topics and related costs

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Training and Course Areas** | **Q1 2013** | **Q2 2013** | **Q3 2013** | **Q4 2013** | **Q1 2014** | **Total** |
| I | Run-off surface & energy simulation for small hydropower project | 31 605,56 |  |  |  |  | **31 605,56** |
| II | Basic HEC-Resim Modeling (Hydrologic Engineering Center-Reservoir simulation) | 13 820,05 | 9 408,17 |  |  |  | **23 228,22** |
| III | Energy business management  | 24 347,05 | 10 594,71 | 8 657,92 | 13 600,06 |  | **57 199,74** |
| IV | Energy & mines sector management |  | 40 939,00 |  | 14,355,27 | 22 892,00 | **78 186,29** |
| V | Project Planning and Documentation for Anti-Corruption |  |  |  | 3 212,46 |  | **3 212,46** |
| VI | Verbal presentation skills |  | 2 360,00 |  | 3 778,00 |  | **6 138,00** |
| VII | Electrical law & technical standards |  | 3 272,00 | 27 222,75 |  |  | **30 494,75** |
| VIII | Sustainable small hydropower planning and development |  | 19 960,91 | 18 631,91 | 24 453,40 |  | **63 046,22** |
| IX | Sustainable small hydropower development |  |  | 24 651,54 |  |  | **24 651,54** |
|  | **Total** |  |  |  |  |  | **317 762,78** |

***Implementation and Outputs***

After initial delays in the planning and implementation of trainings/ courses, training needs at central and provincial level were identified and a detailed work plan for capacity building was developed by June 2013; a systematic HRD and Implementation Plan (2013-2015) has been developed for the MEM and six selected PDEMs. An Evaluation Report on the applicability of the developed and tested Staff Performance Monitoring System showed the relevance and usefulness of the Plan for further use.

Up to March 2014, 31 trainings/ courses on 15 topics organized by the DEPP, DEB, DPO, DOI, CMEM, DEPP and IREP departments (rf. Annex 4 for a detailed list of trainings/ courses organized) have taken place. Trainings focused for example on run-off surface & energy simulation for small hydropower projects, basic Hydrologic Engineering Center-Reservoir Simulation-Resim modeling, energy business management, energy & mines sector management, project planning and documentation for anti-corruption, verbal presentation skills, electrical law & technical standards as well as sustainable small hydropower planning and development. Overall, 1 445 central department, PDEM and other relevant sector staff participated in the trainings/ courses.

***Indicator Achievement***

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Cumulative Target Values** | **Achievement until March 2014** | **Overall evaluation until March 2014** |
| ***Revised PDO Level Result Indicator 1:***Increased number of trained national human resources in the mining and hydropower sectors within the public sector and from higher and technical educational institutions (EIs) | 2013: 150 2014: 2502015: 350 | In total, 1,445 in which 386 are women covering about 27% of total participants. Topics have been trained in 31 courses.  | Achieved. |
| ***Revised Intermediate Result Indicator One:***Number of GOL personnel trained and applying the acquired knowledge and skills in cross-cutting areas such as contract management, financial analysis and accounting, environmental and social management. | 2013: 150 2014: 2502015: 350 | In total, 1,445 in which 386 are women covering about 27% of total participants. Topics have been trained in 31 courses. | Achieved. |

***Problems and Mitigation***

Until the MTR, progress of sub-component 1a had been limited, with only one major activity implemented (English training). The Division of Personnel Organization and Development (DPOD), under the Department of Personnel and Organization (DPO), in charge of this sub-component, had experienced a number of constraints, including limited staff, limited experience in applying strategic approaches for human resource development and weak capacity to coordinate activities with sector departments. Additionally, supporting processes by the Project to the relevant agencies have been lengthy. An International Technical Consultant was hired in Mid 2012 who provided support and backstopping in establishing an HRD system and a training plan in agreement with central and provincial departments, as well as in tracking impacts of training. The Consultant was later replaced by a National Consultant who had a deeper understanding of department issues and who would be able to overcome the existent language barrier. Better coordination with relevant departments was facilitated subsequently. A national part-time (with the department until April 2014) and a full-time national HRD expert were contracted in the first and second quarter of 2013 for delineating a work plan with the DPO. The MEM had appointed staff to work alongside the consultants. Delays occurred in the development of a computerized HR System due to technical issues and due to a lack of personnel by the supplier. A Junior Consultant was hired to further support the DPO in its activities.

***Safeguards***

Out of the 1,445 participants in trainings, 386 (~27 percent) were represented by women. The development of adequate skills and public awareness across they hydropower and mining sectors within government staff at different levels helps to remove critical bottlenecks to the development of these sectors.

Training on environmental and social management in the hydropower and mining sector has been incorporated in the training plan 2014-2015.

***Outcomes***

Overall, moderate progress has been made since the involvement of a national and an international HR consultant in the coordination between the DPO and relevant departments, in HR development plans and training schedules, and in strengthening capacities at central and provincial levels. Strengthening capacity has increased knowledge on technical issues, but also raised awareness among participants for procedures and processes which are likely to enhance transparency and compliance with existing regulations.

## Sub-Component 1b: Education Sector Support

***Overview***

This component supported formal education at the National University of Lao PDR (NUOL) to develop technical engineering curricula for recently established hydropower and mine engineering degrees, as well as at three technical colleges/ schools to advance technical training programs for skilled workers. These activities have supplemented other donor-funded programs already active in these institutions. Teacher and student exchange programs have been promoted with universities in the region, and library, laboratory, and teaching resources have been upgraded.

***Inputs/ Budget***

By December 30, 2012, disbursement had reached US$ 229,357 (23 percent). Until the end of March, a total amount of US$ 1,033,593 had been disbursed.

***Implementation and Outputs***

Initially, an Educational Institutions (EIs) Working Group was established which, supported by an external consultant and by involvement of relevant line agencies, elaborated on a training plan for technical capacity building, on lecturer and student technical capacity, on teaching equipment needs, as well as on possibilities for curricula development and exchanges (in collaboration with other universities in Thailand and China) and co-operations for mutual use of laboratories and equipment.

Two public-private Trade Working Groups (TWGs) for the Hydropower and Mining Sectors were established in August 2013. Two meetings have taken place until March 2014 in which information on human resources needs and on sector developments was shared. A consultant company introduced a labour market survey. Comments for revision were collected during a Workshop held in March 2014. Upon completion of the survey, it will be and shared with TWG members.

Traings were supported in four institutions (Polytechnical College, Lao-German Technical School (LGTS) and National University of Lao (NUOL) in Vientiane, and the Luang Prabang Technical Vocational School (LPB TVS) in Luang Prabang), reaching more than 160 lecturers and 4,700 students until March 2014. Topics related, for example, to mining and hydropower engineering, remote sensing, laboratory training or to electrical network and transformer installations.

By March 2014, most of the procurement for laboratory equipment for EIs, largely including IT equipment and office furniture, has been finalized. Renovations for new library facilities for the LGTS were completed in early 2014.

***Indicator Achievement***

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Cumulative Target Values** | **Achievement until March 2014** | **Overall evaluation until March 2014** |
| ***Revised PDO Level Result Indicator 1:***Increased number of trained national human resources in the mining and hydropower sectors within the public sector and from higher and technical educational institutions (EIs) | 2013: 2,870 2014: 3,4562015: 3,456 | In total, 4,787 students and 167 teachers have benefitted from EI project activities.  | Achieved. |
| ***Revised Intermediate Result Indicator One:***Number of teachers and students benefiting from educational courses supported through curriculum update/development, teacher training, technical/lab equipment | 2013: 2,8702014: 3,4562015: 3,456 | In total, 4,787 students and 167 teachers have benefitted from EI project activities. | Achieved. |

***Problems and Mitigation***

A number of issues occurred during the implementation of 1b activities: The TWGs already faced difficulties in encouraging private sector participation as well as participation from its members during its inception phase. Specifically, participation of EIs in past TWG meetings has not been sufficient. However, to ensure productive discussions between companies and EIs, their involvement is inevitable. More careful timing and an early preparation of TWG meetings is needed.

Slow procurement processes for IT and office equipment as well as delays in project financial approval processes led to delays in training implementations, causing also conflicts with teaching hours of lecturers, and in insufficient availability of equipment during trainings. Trainings were generally found useful by participants; however, indications were made about the limited length of some trainings and the limited training preparations by trainers/ hosting companies of some training courses leading to understanding difficulties.

Changes in the scope of work and required Bills of Quantities for the library renovations of the LGTS resulted in tender delays until December 2013. Procedural steps for approval systems should be revised/ simplified.

To strengthen the coordination among EIs and to better plan capacity building measures, the preparation and monitoring of work plans by each individual EI was recommended by the MTR Mission. These work plans were compiled and submitted to the PSO and the World Bank and approved in February 2013.

A number of coordination meetings between EIs and the PSO took place on progress follow-ups. However, these meetings were often re-active to challenges and issues encountered are preventive and for information exchange.

***Safeguards***

Activities under sub-component 1b have benefitted 4,787 students and 167 teachers (though it has not been made known to the authors of this report in detail how these numbers have been calculated) of which have been around 16 percent female students and 24 percent female teachers. Implementations aimed at strengthening the local labour market as well as to equip the next generation of leaders in the hydropower and mining sectors with the necessary skills, knowledge and awareness. This will help to maximize local benefits and natural resource optimization as well as general planning in the two sectors.

***Outcomes***

Improved capacities of lecturers and procurement of equipment have led to more effective teaching. The activities have initiated collaboration between the public and private sector partners, leading to important initial steps of information sharing on labor market needs as well as on technical developments in the field in the mining and hydrology power sectors.

Information sharing will initiate a better fit of teaching curricula to labour market capacity needs.

## Sub-Component 1c: Outreach and Information Sharing for Stakeholders

A key element of the learning program was considered the establishment of venues for information sharing. This had included the creation of small public libraries as well as disclosure (in terms of project contracts, studies, impact statements, safeguard documents, and other technical and legal information as well as in assessments of compliance with MEM regulations and the NPSH) and outreach programs adapted to existing procedures at the central and provincial levels. MEM’s efforts to update its central website were also meant to be supported.

Until the MTR Mission no advances and no disbursements have been reported in this sub-component. It had turned out that the MEM lacked a clear vision for outreach activities and did not take initiative to become the institutional owner for public information activities. Because of no perceived relevance of 1c activities for the achievement of the PDO and because of a lack of capacities dedicated to this sub-component, it was agreed to drop this component.

Efforts have been made to disseminate safeguard-related information through the MEM’s website and through other project activities, if applicable.

Funds from this sub-component will be reallocated to other priority areas.

The intermediate results indicator three, ‘establishment and effective operation of information centers in Vientiane as well as four pilot provinces’, was dropped in January 2013.

## Component 2: Hydropower Sector Development

Component 2 has aimed at capacity building in support of sustainable hydropower development in Lao PDR. Activities have covered the entire value chain, from planning, concessions and construction, to operation and revenue management. At the central government level, the DOE/MEM has been the key agency responsible for the sector policy, planning, and oversight function, including setting up of regulations, standards and a monitoring system. The Department is also the leading responsible agency for the implementation of environmental and social safeguards in the hydropower sector. The support of the updating and the implementation and compliance monitoring of the NPSH in coordination with relevant agencies is one of the focal points of this component (according to a revision which occurred in the Environmental and Social Impact Assessment (ESIA) Decree which was revised by the WREA and the GOL).

## Sub-Component 2a: Hydropower Policy and Planning

***Overview***

This component supports the GOL in developing comprehensive national hydropower planning and management capacity needed to ensure long-term sustainability of water resource management in the hydropower sector. The component has been initiated to provide a platform for coordination and to build on successful experiences of river-basin planning by institutions such as WREA, DMH, DEPP, DEM and DEB, supported by various agencies (e.g. ADB, AFD, Bank, MRC). Furthermore, activities in this component shall help to build up a National Hydrological Data Collection and Processing System, to support capacity building measures on basic hydropower and river-basin planning, and to apply experiences into the hydropower development planning for the Nam Ou, Nam Ngum and Sekong River Basins.

The sub-component was renamed after the MTR Mission from ‘Water Resource Management and Hydropower Planning’ to ‘Hydropower Policy and Planning’.

***Inputs/ Budget***

Until the MTR Mission, US$ 102,335 had been spent under sub-component 2a (only ~8 percent). Until the end of March 2014, disbursement was reported at US$ 670,276 leaving around US$ 430,000 for forward allocation until the end of the Original Financing Phase.

***Indicator Achievement***

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Cumulative Target Values** | **Achievement until March 2014** | **Overall evaluation until March 2014** |
| ***Revised PDO Level Result Indicator 2:***Enhanced institutional capacity for the planning, management, and monitoring of hydropower plants  | 2013: Standard procedure for CA monitoring drafted and personnel trained 2014: Standard procedure for CA monitoring applied in 25% of current hydropower plants 2015: Standard procedure for CA monitoring applied in 50% of current hydropower plants  | A standard procedure for CA has been drafted. Training for its application has taken place.Application of the standard procedure for CA monitoring has been applied in around 25%.[[1]](#footnote-1) | Achieved. |
| ***Revised Intermediate Result Indicator One:***Application of avoided costs methodology in hydropower development planning | 2013: Draft report avoided-cost study 2014: Methodology developed 2015: Methodology applied for at least three Power Purchasers | The methodology for a model for system avoided cost and least cost has been developed. On-the-job training on the application of the model was conducted with participation of senior and technical staff of relevant stakeholders. | Achieved. |

### Topic 1: Water Resources Management and Hydropower Planning/ Power Expansion and System Avoided Cost Study

***Implementation and Outputs***

Main activities under this topic included the initiation and finalization of a number of studies relevant for strategic planning in the hydropower development sector.

Hydropower Fiscal Options and Revenue Sharing: A study on Hydropower Fiscal Options and Revenue Sharing by AF Mercados was completed in February 2013. The final report received approval by the Department of State Asset Management (DSAM) and the DEPP, with a final workshop on presenting findings and recommendations held in August 2013. To follow up on the recommendations of the study, an Inter-ministerial Committee led by the Department of Fiscal Policy (DOFP/MOF) was established. The Committee involves concerned sector ministries (e.g. MEM, MOF, MONRE, MPI). A government position regarding the fiscal policy, the implementation approach and mechanisms (including legal framework and institutional capacity) was finalized in the end of 2013. As yet, no recommendations have been made by the Committee on how to precisely take study results forward.

System Avoided Costs: A consultancy firm (Fitchner) was mobilized in November 2013 to review and update the Least-Cost Hydropower Development Plan dated 2005. Study focus was on tariff structure and mechanisms that include domestic power tariff, avoided costs, and an analysis of load forecasting. Until the end of March 2014, the Consultants had conducted three missions. The project report and the model for power system planning and for the calculation of the avoided cost and least cost has been finalized (the model is a simplified and Lao-adopted version of the existing MESSAGE model). Five in-house trainings and workshops were conducted for technical officers of the DEPP, DEB, DEM, EDL, EDL Gen, and the LSH, mainly on data process and input for the power system planning model. A Hydropower Working Group was recently established to advice on hydropower developments and to foster public and private stakeholder collaboration.

***Problems and Mitigation***

Implementation of activities under Topic 1 experienced great delays until late 2012. Only after the establishment of agreed working plans for following quarters, consultants were mobilized and progress was noticeable.

Unsatisfactory negotiations with the consulting firm EDF Hydro in the 2nd quarter of 2013 resulted in delays in the implementation of the System Avoided Cost Study and in termination of the contract negotiations. World Bank clearance was obtained for initiating negotiations with the second ranked firm – Fichtner (Germany).

Available data for the System Avoided Cost study is difficult to verify. At the same time, the application of the planning tool with technical staff of the DEPP, EDL and the EDL Gen remained limited since qualified engineers with experience in power expansion planning have not been assigned to participate in trainings.

Further capacity building within the DOT is needed to advance a fiscal policy regime.

***Safeguards***

The update of the Least-Cost Hydropower Development Plan took environmental and social benefits into account based on reviews of domestic and export demand growth and of economic benefits and financial returns.

The provision of additional technical and financial support related to capacity building related to safeguards with DEPP and other key agencies/ Provinces is given high priority in future working plans.

***Outcomes***

The power system planning tool (including the least cost/avoided cost) will be applied by the DEPP and by other related agencies, e.g. when looking at power demands and supply, avoided costs from system to system and power tariffs of new IPPs. Power tariffs and electricity distribution will be applied to larger power users; the model leads to better financial negotiations made in power usage.

### Topic 2: Sub-basin Modeling Study in Nam Ou, Nam Ngum and the Sekong River Basins for Hydropower Planning

***Implementation and Outputs***

In the first quarter of 2012, international technical assistance was hired to support the DMH, in coordination with DEPP, DEM, IREP and MRC, in designing and implementing a Hydropower Optimization Model and a National Hydrological Data Collection and Processing System with specific application to the Nam Ou River Basin.

On-the-job trainings on hydrology, GIS and data requirements, basic hydrological and reservoir simulation were conducted under DEPP coordination at the Nam Ngum and Sekong River Basins by a National Technical Consultant and the Modeler from the DEPP. It turned out that the developed Hydropower Optimization Model was too ambitious and too costly in its application.

The Sub-Basin Modeling Study is currently underway by IDOM Consultants with support of the Division of Energy Generation Planning of the DEPP. Based on an inception report for sub-basin modeling, an implementation approach was agreed upon during a workshop in February 2013. The consultants’ first mission was conducted in December 2013, a second mission followed in February 2014. DEPP has set up a core team comprising of representatives from DEPP and key agencies who have closely worked with these two consultants. The Study was not finalized until March 2014, but on-the-job training has been underway.

Since 2013, the DEM and the DEPP have received support from a National Technical Advisor in training and procurement activities.

As part of the hydropower planning, critical locations for gauge stations were identified and relevant instruments and other equipment were procured and installed by SinoHydro (an IPP in Nam Ou) along the Nam Ou River to optimize hydropower cascades for energy production. The stations do not provide useful hydrological data as yet. DMH and MEM staff still need to receive hands-on training in data collection, processing and planning.

The DMH has received 4 sets of computers and GMS internet connectors which have been distributed to hydro-meteorological section of the Luang Prabang, Oudomxay, Phongsaly and DMH in late 2013. Trainings had been carried out in their usage.

***Problems and Mitigation***

The Sub-Basin Modeling Study experienced delays in its implementation due to lengthy procurement processes.

For trainings, concerns had been uttered for the language skills of training participants and for limited participation. Relevant department staff should work closer and more directly with Consultants.

***Safeguards***

Current planning of modeling tools will optimize the use of water resources for hydropower development in the three selected River Basins, taking into account environmental and social requirements (e.g. ensuring minimum ecological flows, minimizing cumulative impacts of cascaded dams).

Revised water sharing processes will also improve and ensure the supply of water to local communities. Trainings and workshops on hydrological modeling as well as strengthened coordination among key agencies (especially those of the MONRE like DESIA, LNMC, DWR, NREI, DFRM, DMH) and of MOF like DSAM and the Department of Tax - DOT) have helped to build awareness and to forge effective planning and implementation of safeguard measures.

***Outcomes***

Expected outcomes of current efforts are the application of the hydropower sub-basin modeling tool in sub-river basins when hydropower projects are being planned. A Model will also facilitate informed decisions on current hydropower plant developments in river basins, increase power generation and reduce conflicts among water users.

## Sub-Component 2b: Hydropower Concession Management

***Overview***

The DEB is responsible to manage signed Concession Agreements (CAs), including monitoring the construction and operation of projects to ensure CA compliance. This component has provided technical assistance to assess the needs and requirements to fulfill DEB’s mandate for monitoring the execution of CAs, to prepare model contractual requirements including templates in CAs, to ensure sound environmental and social safeguard management and monitoring, to support site inspection and monitoring of on-going hydropower project construction in line with CAs, and to conduct training to build capacity within DEB at both central and provincial levels for the enforcement of CAs.

***Inputs/ Budget***

Until the MTR Mission, only US$ 17,225 had been spent under sub-component 2b (only ~4,5 percent). Until the end of March 2014, disbursement accumulated to US$ 382,205, leaving around US$ 447.798 for forward allocation until the end of the Original Financing.

***Indicator Achievement***

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Cumulative Target Values** | **Achievement until March 2014** | **Overall evaluation until March 2014** |
| ***Revised PDO Level Result Indicator 2:***Enhanced institutional capacity for the planning, management, and monitoring of hydropower plants  | 2013: Standard procedure for CA monitoring drafted and personnel trained 2014: Standard procedure for CA monitoring applied in 25% of current hydropower plants 2015: Standard procedure for CA monitoring applied in 50% of current hydropower plants  | A standard procedure for CA has been drafted. Training for its application has taken place.Application of the standard procedure for CA monitoring has been applied in around 25%.[[2]](#footnote-2) | Partially achieved. |
| ***Continued Intermediate Result Indicator Two:***Application of internal requirements and standard procedures for CA monitoring and proficiency of staff to manage contracts  | 2013: Report of Institutional, Technical, Financial and Legal advisory services for hydropower 2014: Requirements and procedures adopted and staff trained 2015: 6 CAs managed using requirements and procedures  | Financial Advisory, Legal Advisory and Institutional Advisory reports were submitted to the DEB in the second half of 2013. All drafts were approved by the DEB in early 2014. On-the-job training was provided to relevant department staff. Five applications of existing CAs have taken place with consultancy support. | Achieved. |

### Topic 1: Establishment of a Standard CA, Institutional Strengthening for the DEB

***Implementation and Outputs***

Initially, a local short-term consultant had been hired to work with the DEB for the development of regulations. In the end of 2012, however, the DEB had mobilized the consultant company SOFRECO to provide support in the development of an Independent Power Producer (IPP) Standard Concession Agreement process. A draft inception report was submitted in January 2013 by the consultants and an inception workshop was held thereafter to agree on the next steps of the consultancy. Draft reports on Financial Advisory, Legal Advisory and Institutional Advisory were submitted to the DEB in the second half of 2013 and a final workshop was organized in February 2014. All drafts were approved. During the consultancy period, on-the-job training was provided to relevant Department staff: With support of SOFRECO, the reports include five applications of existing CAs (Xekaman, Nam Mang 1, Nam Ou First Phase, XePianXe Nam Noy, Nam Lik 1) which have been under review by DEB. Two workshops were organized on Financial Modeling and a meeting on a Project Cost Estimation Review took place. The DEB requested additional support for follow-up capacity development activities for the Department, and at the PDEM level. No further decision has been made concerning this until March 2014.

One local consultant was hired to support the National Assembly to produce detailed guidelines on how the National Assembly might more substantively involve in the hydropower concession development process. Outcomes have not been visible yet.

***Problems and Mitigation***

Delays occurred both in the hiring of a consultancy firm (SOFRECO only started work in November 2012) and, later, in the submission of the final draft reports for IPP Standard CA processes; however, good coordination and further assignment of DEB staff ensured that the reports were still handed in during the first quarter of 2014.

While the reports have been submitted and while Standardized CAs will soon be in place, it remains to be seen whether these processes will actually be applied in the future and also without consultancy support, due to a limited number of staff having participated in the compilation of the report and due to limited capacities.

***Safeguards***

The development of Standard CAs (as well as indirect impacts from the development of the financial model and other updated legal tools) is a major step for the consideration and monitoring of environmental and social safeguards in hydropower projects as well as for improvements in the transparency of IPP project evaluations generally.

***Outcomes***

The updating and development of Standardized CAs will improve the evaluation and the monitoring of current and new concession hydropower projects and lead to a significantly better overview of compliance with safeguards. DEB staff will be able to better negotiate and monitor IPP projects.

### Topic 2: Capacity Building Trainings and Workshops

***Implementation and Outputs***

A capacity building training plan for DEB staff at central and provincial levels (particularly from the Northern Provinces) had been developed in July 2013 by the DEB, focusing on Project Management Development, Production Processing Monitoring of Projects, Import Policies and Procedures (equipment, material, vehicle and international and domestic labour), Financial Project Economic Analysis, Hydropower Concession Project and CAs.

In March and April 2013, a greater number of field visits were conducted to hydropower projects based around the country for monitoring CA compliance and on-the-job training to technical officers of the PDEMs, PONRE, PAFO and other relevant central level staff (rf. also Outputs of Topic 1).

***Problems and Mitigation***

Provincial staff has very limited knowledge on CAs as well as on technical and financial aspects. Trainings therefore had to be carefully structured and planned. A coaching and mentor methodology was applied.

***Safeguards***

Trainings have partially contributed to raising awareness for environmental and social standards.

***Outcomes***

Gained knowledge on energy businesses management, hydropower project procedures and CA compliance monitoring will improve the ability and practice of DEB staff in negotiation and monitoring of IPP projects.

## Sub-Component 2c: Hydropower Management and Implementation of the National Policy on Sustainable Hydropower (NPSH)

***Overview***

In 2005, the MEM issued the NPSH which stipulated requirements for hydropower operations of more than 50 MW. The policy tasks WREA and DOE with responsibility for controlling the actions of IPPs regarding environmental and social safeguards. While the Lao Environment and Social Project (LEnS) has supported capacity building within WREA for monitoring and enforcement of environmental and social compliance with the ESIA Decree (as part of the compliance with the NPSH), this Project has built parallel capacity, mainly with the DEPP, DEM, IREP and selected PDEMs where large-scale hydropower projects are located, for implementation and enforcement of compliance with other areas of the NPSH, such as technical and economic aspects. Activities have included technical assistance, capacity building and operation support in updating the NPSH (thereafter renamed to Policy for Sustainable Hydropower Development - PSHD) and in the development of regulations, technical guidelines and procedures on reservoir clearance, watershed protection and benefit sharing (in line with the new ESIA Decree), with the issuance of the Environmental and Social Compliance Certificate (ESCC) and with the recent institutional restructuring, to enable effective enforcement and monitoring of the PSHD. The initiation of a proactive discussion among key agencies, the local authorities, and local communities, including coordination of PSHD implementation, has also been a key concern of this sub-component.

***Inputs/ Budget***

Until the MTR Mission, US$ 312,023 had been spent under sub-component 2c (~28 percent). Until the end of March 2014, disbursement accumulated to US$ 975,078, leaving the sub-component with an over-spent of US$ 148,884.

***Indicator Achievement***

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Cumulative Target Values** | **Achievement until March 2014** | **Overall evaluation until March 2014** |
| ***Revised PDO Level Result Indicator 2:***Enhanced institutional capacity for the planning, management, and monitoring of hydropower plants  | 2013: Standard procedure for CA monitoring drafted and personnel trained 2014: Standard procedure for CA monitoring applied in 25% of current hydropower plants 2015: Standard procedure for CA monitoring applied in 50% of current hydropower plants  | A standard procedure for CA has been drafted. Training for its application has taken place.Application of the standard procedure for CA monitoring has been applied in around 25%.[[3]](#footnote-3) | Partially achieved. |
| ***Revised Intermediate Result Indicator Three:***Update NPSH and approved action plan and procedures for its implementation  | 2013: Draft of updated NPSH, action plan and procedures for its implementation 2014: Draft of updated NPSH, action plan and procedures for its implementation 2015: Updated NPSH and implementation plan and procedures approved by National Committee  | In the first quarter of 2014, the final version of the updated NPSH was released and submitted for approval to the MEM. The DEPP and other relevant departments have conducted compliance monitoring with the hydropower projects in the Nam Ou, Nam Khan, Nam Ngum and Sekong river basins.  | Achieved. |

### Topic 1: Updated Policy for Sustainable Hydropower Development (NPSH)

***Implementation and Outputs***

The following main tasks had been followed up on under this topic: the updating of the Electricity Law, the updating of the ESIA Decree, the development of regulations and technical guidelines for watershed conservation and their implementation, leading to the updating of the NPSH and in the development of an action plan.

Lessons learnt and experiences from the implementation of the (old) NPSH were applied during the revision of the new Electricity Law (approved by the National Assembly in December 2011 and issued as a Presidential Decree in December 2012) which has incorporated the need to ensure sustainable hydropower development (i.e. to address potential impacts on natural resources, ethnic people and cumulative impacts, as well as to ensure financial contributions from project owner sides).

The DESIA had submitted a work plan to improve current monitoring and compliance issues with the ESIA Decree. This was approved by MONRE in late 2012. It was agreed among key agencies that DESIA would hold responsibilities for updating regulations and guidelines, and for training on compliance monitoring for environmental and social safeguards related to the hydropower sector. Planning and budget allocation issues would be managed by DEPP in cooperation with DESIA and/ or PONRE/ PDEMs.

The updating of the NPSH and its Action Plan experienced some delays since 2011. Since the MTR Mission in early 2013, a number of issues specifically concerning clarification on IPPs incorporating safeguards, compliance criteria, monitoring capacities, funding sources and mechanisms as well as on the preparation of a strategy to promote good practice of developers, have been taken care of .

In May 2013, DEPP, in close cooperation with key agencies and with assistance of the Project Technical Advisor to the DEPP, the DEPP Junior modeler and an International Consultant, a first draft of the PSHD was circulated for comments, including a number of necessary consultation and technical meetings/ workshops. An Inter-ministerial Committee (PSHDC) was established by the MEM in October 2013 to oversee and facilitate the approval and implementation of the PSHD. A revised final draft version of the PSHD was released in October 2013. The PSHD was approved by the Committee and has been submitted for approval by the Minister of the MEM and the prime minister. In March 2014, the Policy had still been in a revision stage by the Ministry. An Action Plan for the policy has also been prepared, and has been under approval by the Committee in the first quarter of 2014. The updated policy has incorporated engineering, economic, and financial aspects of hydropower development processes and has consolidated active involvement of key agencies responsible for feasibility studies, for design and engineering as well as for financial aspects.

***Problems and Mitigation***

Due to the restructuring of the Hydropower Development Sector Department within MEM, implementation delays occurred in updating work plans to suit the actual mandates and activities of the new Department of Energy Management (DEM) in 2011/2012. Progress had also been slow until the MTR Mission due to cross-cutting activities and misunderstandings by senior management and technical officials of the concerned departments. To facilitate effective coordination and cooperation among key agencies, additional technical assistance and financial support to DEPP and other key agencies have been made. The Environmental Engineering Division of DEPP, for example, had received financial and technical assistance from an International Expert to facilitate workshops and meetings such as a public consultation workshop on the draft PSHD, as well as to develop a Guideline, an Action Plan and criteria for implementation monitoring.

Though the PSHD is under review by the MEM, some further risks have to be considered including the promulgation of processes in organizing hydropower investments to investors, the proper understanding of investors and government of the processes of organizing investments in hydropower development, the application of technologies which are environmentally-friendly and the sustainability of hydropower projects in general.

***Safeguards***

The national policy on environment and social sustainable development (NPSH) has been updated to incorporate engineering and other technical aspects throughout the hydropower development project cycle (planning, construction, and operation/ transfer). It will thus provide urgently needed guidance to investors, government and local authorities for sustainable hydropower developments covering all aspects (environmental, social, economic and technical).

***Outcomes***

Once the PSHD and its Action Plan are approved and implemented, improved government supervision of hydropower operations will follow through strengthened oversight and monitoring capacities. A more detailed safeguards policy specific for the sector better clarifies roles and responsibilities among the key agencies and project owners, and provides a regulatory umbrella to standard procedures which incorporate sustainable practices.

### Topic 2: Compliance Monitoring of Hydropower Projects

***Implementation and Outputs***

The activities under this topic concerned the mainstreaming of regulations, guidelines, and training on compliance monitoring for environment and social safeguards in the hydropower sector to facilitate effective enforcement and monitoring of compliance with the PSHD (in the three River Basins of Nam Ou, Nam Ngum and Sekong).

The Department of Forest Resources Management (DFRM/MONRE), the DEM/MEM and DESIA/MONRE conducted a range of on- and off-site training activities concerning compliance monitoring with the PSHD in the three priority areas for central and provincial officers and technical staff, senior management staff and young professionals (e.g. from DESIA, DFRM, DEM, DEB, PDEM and PONRE). Topics included e.g. the implication of the new electricity law and application of the electricity standard guidelines, watershed management for reservoirs, on management and monitoring of protected forest in catchment areas of hydropower projects, EIA compliance, technical standards, the Environmental Monitoring and Management Plan (EMMP), social and environmental safeguards, and assessments of hydropower projects under planning, construction and operation.

Vehicles and other needed equipment for the implementation of project activities were procured in 2013 for the DEPP, the DEB and the DEM.

***Problems and Mitigation***

Many compliance monitoring activities have experienced delays in their implementation due to reported limited absorptive capacity of key agencies and difficulties in arrangements due to the reorganization of MEM and MONRE between Mid 2011 and Mid 2012. Furthermore, there have been issues with unclear coordination, internal processes and fund flows.

It was agreed that the Coordination Management Unit under DEPP would take a more active role in planning and in forging effective implementation of the PSHD, including budget allocation for 3-4 PDEMs and capacity building of safeguards. DEPP finalized the Action Plan and has conducted remaining activities in close consultation with DEM, DESIA, and PDEMs.

Field visit participants were only able to extract fair monitoring records. Status reports were thus difficult to compile. Capacities with PDEM, PONRE, Environmental Management Unit and Resettlement Management Unit (RMU) staff in compliance monitoring need to be further strengthened in the future.

***Safeguards***

Monitoring of construction projects ensure the compliance with standards set forth by the EMMP and the Social Management and Monitoring Plan (SMMP). Sufficient knowledge on compliance monitoring of social and environmental safeguards with PDEM, EMU and RMU staff will enforce compliance and guide implementations.

***Outcomes***

Capacities with PDEM, PONRE, EMU and RMU staff in compliance monitoring are strengthened. As a result, hydropower projects comply better with the PSHD and legal frameworks are being enforced.

# Component 3: Mining Sector Development

Component 3 included support activities within three sub-components: 3a) Improvement of sector governance and the enabling environment, 3b) Strengthening of government oversight capacity and 3c) Program of promotion of Minerals Department (dropped after the MTR Mission in January 2013).

## Sub-Component 3a: Improvement of Sector Governance and the Enabling Environment

***Overview***

Clear laws and regulations for the mining sector, along with an internationally competitive taxation system, are key to developing the sector. While the Government of Lao PDR has made considerable progress in these areas, including the adoption of a new Minerals Law in December 2008, the legislative and regulatory framework needs to be completed. The Project has provided legal advisory support to complete the on-going legislation process by providing funding for senior legal advisors to draft detailed mining regulations covering several aspects of mine title issuance and registry, occupational health and safety, artisanal and small-scale mining, environmental and social protection, classification of mineral resources and reserves, regulations for prospecting and exploration, and the use and commercialization of mineral products. Additional support has been offered in developing a national mining development policy, in the preparation of a standard mineral development agreement which can be used by investors, and in the promotion of models for corporate social responsibility, risk mitigation and community benefit-sharing approaches (such as community development funds).

The Project has furthermore supported the dissemination of the Minerals Law and of regulations through funding of printing, translation, and other expenses related to public information and awareness rising (including awareness raising in affected communities).

***Inputs/ Budget***

Until the MTR Mission, only US$ 88,313 had been spent under sub-component 3a (~18 percent). Until the end of March 2014, disbursement accumulated to US$ 456,743, leaving around US$ 263,889 for forward allocation until the end of the Original Financing.

***Indicator Achievement***

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Cumulative Target Values** | **Achievement until March 2014** | **Overall evaluation until March 2014** |
| ***Revised PDO Level Result Indicator 3:***Increased percentage of mining inspections performed through the use of improved systems and procedures  | 2013: Regulation and procedures developed 2014: 20% inspections exploration; 20% inspections exploitation 2015: 30% exploration; 30 % exploitation  | Regulations and procedures have been developed. Two inspection visits have taken place. | Partially achieved. |
| ***Continued Intermediate Result Indicator One:***Adoption of standardized terms and conditions for mine investment agreement template  | 2013: Standard investment agreement template for mining development drafted 2014: Standard investment agreement template approved by MEM 2015: Standard investment agreement template in use  | A Standard Concession Agreement for Prospecting & Exploration (P&E CA) and a Standard Concession Agreement for Mining Development (MDA CA) have been drafted. An inter-ministerial consultation for the MDA CA has taken place. The draft was submitted to DOM/DGM for review. The final draft will then be submitted to the MEM for approval. | Partially achieved. |
| ***Revised Intermediate Result Indicator Two:***8 mining regulations drafted and approved  | 2013: 22014: 62015: 8 | First drafts are available for:- Regulation on the Management of the Prospecting and Exploration Concession Area - Regulation on Deposit Sizes, Regulation for Small-Scale Mining- Regulation for Industrial Mineral Mining- Regulation on Prospecting Activities- Regulation on Exploration Activities- Regulation on Mining Activities - Regulation on Safeguarding Mineral ResourcesThe drafts have been submitted to the DOM/DGM for review. | Achieved (the indicators do not specify whether approval of regulations is only needed by 2015) |
| ***Revised Intermediate Result Indicator Three:***Number of annual inspections of exploration and mine activities using improved inspection system  | 2013: Procedures for inspection of exploration and mine operations drafted 2014: Procedures approved by MEM and used in 12 inspections 2015: 19 inspections  | A first draft for Mines Health & Safety Regulations. An Environmental and Social Protection Guidelines is currently being drafted. |  |

### Topic 1: Regulations, Guidelines and Standards on Mines

***Implementation and Outputs***

Two early-project consultancy missions on proposed regulation revisions have been conducted in Mid 2010. First drafts were submitted and revised based on comments made by key agencies and the Bank in the first quarter of 2011. These services have supported the drafting of the revised Minerals Law of 2011, reflecting the organizational changes caused by the separation into MONRE and MEM, and taking into account international best practice. Until the MTR report in early 2013, main progresses made also referred to procurement of office and IT equipment. This enabled the DOM to establish an internal network for information and communication.

Legal and regulatory advisory has supported the complementation of the Implementing Decree of the Minerals Law until November 2013. For this, the DOM has received further support from three temporary Junior Officers (contracted until September 2014) as well as technical assistance from an International Legal Advisor (contract extended until December 2014). Until March 2014, activities have assisted in the formulation of drafts of the following Regulations: Regulation on the Management of the Prospecting and Exploration Concession Area, Regulation on Deposit Sizes, Regulation for Small-Scale Mining, Regulation for Industrial Mineral Mining, Regulation on Prospecting Activities, Regulation on Exploration Activities, Regulation on Mining Activities and a Regulation on Safeguarding Mineral Resources.

An Inter-ministerial Legal Committee had been established and had started reviewing the draft documents.

Further consultancies (GAF AG) were mobilized in January 2014 to draft Regulations on Guidelines for Mining Environmental Protection and Social Compliances (a Baseline Analysis on Environmental Management and Social Compliance was made available in March 2014), on Mine Closure & Rehabilitation as well as on Mines Safety and Inspection).

More information on implementations and outputs of concession agreements and related issues are explained within Topic 2.

***Problems and Mitigation***

Project implementation had initially experienced some delays, not only due to the restructuring of the MEM, but also due to capacity constraints within the DOM. A national senior full-time Mining Sector Advisor was recruited in early January 2013 to strengthen and coordinate collaboration between the PSO and the technical agencies and to ensure that continuous follow ups of activities are carried out. The engagement of Ministry staff from implementing agencies indeed remains a fundamental pre-condition for project execution and the recruitment of the three Junior Consultants was hoped to relieve government staff of a certain workload.

Although many Regulations are available as a draft, concerns exist for the enforcement of these regulations in the near-term future.

***Safeguards***

A first step in the safeguards process has been the completion of the Baseline Analysis on Environmental Management and Social Compliance. This has helped to gain a better understanding on the status quo of safety as well as environmental and social protection issues in the mining sector. A resulting Guideline based on this Baseline Analysis will help to legally address current failures and gaps in this regard (given also their enforcement).

***Outcomes***

Once Regulations have been established, these will complement the Minerals Law. Related inspections and monitoring of compliance with this Law will help to reduce risks and incidences which may come along with mineral developments. These will also ensure that investment decisions and developments are grounded within a legal framework.

### Topic 2: Standardized Concession Agreements

***Implementation and Outputs***

Assistance has been provided by an International Legal Advisor in late 2012 in defining the procedures for concession management and to study fiscal terms of mine development agreements to optimize and standardize investment terms as well as in delivering training in negotiations skills and techniques for relevant staff of MEM and its Investment Promotion Unit. Tax calculation and audit functions have also been supported (rf. also Topic 3).

A draft model for a Standard Concession Agreement was developed which provides coherent and consistent terms and conditions for all mining investments and which also takes into account specific characteristics of the investment and the nature of the exploitation operations and supporting infrastructure. A draft template of standardized terms and conditions for agreements for prospection and exploration was about to be finalized in March 2014.

Contracts have been negotiated for extensions for the International Legal Advisor to revise and modify existing draft concession agreements and Regulations relating to the Minerals Law (rf. also to Topic 1 Implementations and Outputs).

The Standard Concession Agreement is currently under public consultation.

A Working Group with participation from DOM, DGM, DESIA and the Investment Promotion Department (IPD) was established to support Regulation reviews as well as to implement comprehensive inspections of all existing operators’ performance.

DOM and DGM staff trainings on the implementation of Regulations and contract agreements have been in the planning stage in the first quarter of 2014.

***Problems and Mitigation***

Issuesarose with time-consuming translations of Regulations and time constraints for reviewing outputs within the established Working Group.

***Safeguards***

The model for a Standard Investment Agreement includes a chapter on investor and government responsibilities with respect to social and environmental safeguards. The chapter has been developed in close alignment with the model for Standard Concession Agreements for the Hydropower Sector (rf. 3.2.2.1.) and reflects environmental and social governmental policies. With the usage of Standard Agreements, the implementation of SES can be better ensured. Moreover, income for Government can be raised and further funds can be allocated to social and environmental activities.

***Outcomes***

The development of a Standard Investment Agreement will significantly counteract situations in which operators negotiated widely divergent terms for individual investments. The Agreement will additionally foster transparency of operator investments’ terms and conditions.

### Topic 3 Fiscal System Regime

***Implementation and Outputs***

The new Minerals Law provides the general basis for the mining taxation regime. However, details need to be defined more precisely, including assessments of the types of operator taxes (royalties, land and surface rents, taxes on income and profits, dividend withholding taxes, property and equipment taxes, taxes on use of infrastructure, value added taxes), assessments of internationally competitive rates as well as setting up modalities for tax applications (specific accounting practices and conventions used in the international mining industry). Taxation issues are generally of primary responsibility of the MOF, with supporting input from the MEM for specific mining-related taxes.

The advisory services provided by Adam Smith International since November 2013 have been completed with the delivery of a financial and fiscal model for the dominant operators and recommendations concerning policy options for strengthening the fiscal regime in the mining sector. Outputs also included increased knowledge on financial flows of selected mining companies in Lao PDR that prepare accounts in accordance with international standards, as well as on reporting, accuracy and on the establishment of a baseline for tax data. The introduction of a higher Effective Tax Rate (ETR) is likely to deter investors whereas more generous fiscal terms may spur increased sector activity but lower revenue collection. On the other hand, the consultancy report recommended the introduction of a more “progressive” fiscal regime which would allow government a greater proportional share of profits when company profits exceed the Baseline Feasibility Study assumptions. The study assisted in providing tax administration officials both with a better understanding of tax types and their calculations and with an on-the-job training tool to help them better understanding profit-loss statements of mining companies.

An inter-ministerial Modeling Working Group on Mineral Taxation has been established under the leadership of the State Asset Management Department (DSAM)/ MOF in 2013 to discuss option for a fiscal regime and to give recommendations to the GOL. Approval for a recommended policy option is yet being discussed within the MOF.

The Project furthermore supported a number of trainings and workshops held in the second half of 2013 for staff from the DGM, DOM and MOF, including a workshop on Mining Taxation and Royalty Issues and Options as well as training on Mining Sector Royalty and Fiscal Issues Modeling for the Modeling Working Group.

***Problems and Mitigation***

The restructuring of the MEM and MONRE has posed some challenges on the coordination and collaboration of specific tasks. Responsibility of administration concerning finances and taxation however has remained within the MOF. Delays by MOF and MEM staff occurred in the approval of Fiscal Regime Options. The MOF Working Group has to report about the options to the Minister of the MOF in detail to prevent further delays.

***Safeguards***

A Fiscal Policy Regime will ensure standards in taxation and is likely to increase government income. This can be used for bringing social and environmental activities further forward.

***Outcomes***

Options for Mining Taxations based on international practice for comparison with Lao conditions have been explored and a decision can be made for a mechanism to facilitate effective fund flows applied according to Mining Taxation Regulations. Accurate accounting and reporting of taxes paid by the companies and received by the central and provincial governments can then be ensured.

### Topic 4: Community Development Funds

***Implementation and Outputs***

The main achievement until the MTR referred to the establishment of an inter-ministerial Task Force working on Community Development Funds (CDF). A Consultant was mobilized in late 2013 for drafting related Regulations. A review of DOM documents, stakeholder consultations and field visits to one mine in Vientiane and to three mines in Khammouane Province had been carried out in the second half of 2013 with the Consultant and the Task Force group. Regulations and Guidelines related to a Community Development Fund (CDF) have been drafted. These have been under consideration by the MEM in March 2014.

Currently, “pooled CDFs” are being planned which would require further technical support for set-up and initial management of funds that may be located at provincial level.

***Problems and Mitigation***

Feedback on draft guidelines by Task Force Group members and by participants of the consultation meetings was delayed.

Working on CDF will require further involvement from a variety of stakeholders outside of the DGM and the DOM to work on diverse tasks (such as environment, poverty reduction, gender and education). A CDF Committee at central and provincial levels has been proposed.

***Safeguards***

Regulations for a CDF try to support an effective fund flow to locally-affected populations.

***Outcomes***

Once a CDF mechanism is established, this can facilitates effective fund flows to agencies and provinces to carry out their duties related to the project development cycle.

# Sub-Component 3b: Strengthening of Government Oversight Capacity

***Overview***

For sub-component 3b, the Project has funded technical and logistical support for the implementation of new laws, regulations, and taxation instruments of relevant sector agencies, mainly of MEM and MOF. This has particularly concerned support in consolidating and upgrading the current cadastre management system, including the mine title registry function, in order for the GOL to effectively monitor and manage the 335 licenses (existing Prospecting and Exploration mining licenses), which are currently active from earliest exploration stage to mineral processing. Activities have further included training on the use of an M&E template, reinforcement of the mines inspection functions within the MEM to ensure compliance with relevant Regulations and the elaboration of a community consultation and disclosure program.

***Inputs/ Budget***

Until the MTR Mission, US$ 220,054 had been spent under sub-component 3b (~21 percent). Until the end of March 2014, disbursement was US$ 621,672 leaving around US$ 164,274 for forward allocation until the end of the Original Financing.

***Indicator Achievement***

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Cumulative Target Values** | **Achievement until March 2014** | **Overall evaluation until March 2014** |
| ***Revised PDO Level Result Indicator 3:***Increased percentage of mining inspections performed through the use of improved systems and procedures  | 2013: Regulation and procedures developed 2014: 20% inspections exploration; 20% inspections exploitation 2015: 30% exploration; 30 % exploitation  | Regulations and procedures have been developed. Two inspection visits have taken place | Partially achieved. |
| ***Revised Intermediate Result Indicator Four:***Prospecting/exploration and mining development licenses located in a developed cadastral system  | 2013: Prospecting/ Exploration and Mining Development cadastral system developed 2014: 15% of total licences located in the developed cadastral system  2015: 30% of total licences located in the developed cadastral system  | The design of the system is developed. 18 concession areas under the DGMs responsibility have been converted into a block system: 6 under PFS period, 5 as new prospecting licenses and 7 as existing exploration licenses.  | Partially achieved. |

***Implementation and Outputs***

A study tour to Perth, Australia, had been jointly organized by DOM and DESIA in late 2012 to strengthen knowledge on governance and mining-related environmental processes. However, first hands-on activities only started with the mobilization of technical assistance through the Project.

A consultant was hired to support the administration of mineral licenses and to assist the implementation of a spatial system for handling titles in Mining Cadastre Division within DOM in the end of 2013.

To achieve a fully GIS-based cadastre unit system, initial activities have focused on the consolidation of the use of different coordinate systems to ensure compatibility with GPS field measurements and on the correction of cases of overlapping license registrations as well as on the adoption of a uniform system of standard cadastre units or block-based cadastre units following square patterns of 200\*200 meters unit blocks. Full ministerial approval to apply the block system in Lao mining licensing was given by MEM and MONRE in February 2013. Data was introduced to the geo-database file of ArcGIS. Technical staff of DOM was provided training by a consultant (GTK from Finland, within its collaboration framework with Department of Mines and Department of Geology) to use this new GIS system (changed from MapInfo).

Conversion from old concession boundaries having irregular shapes to a new squared block system has entailed considerable work. Slight area discrepancies had to be dealt with on a case by case basis, including relinquishments of small areas by those mining operators. With support of the German Agency for Geological Science and Resources (BGR), key achievements until January 2013 included the resolution of 75% of cases of overlapping licenses and the digitization and mapping in digital format of a substantial number of mining licenses.

Two technical specialists were further mobilized in the second half of 2013 for the DOM and the DGM for a status assessment of a secure mineral rights system and for capacity building on geo-data as well as for the design, development, installation and quality assurance system for cadastre management (Spatial Dimensions). Initial meetings have been held with key stakeholders of the management system. A preliminary Cadastre Management System has been designed and basics are known by key DOM and DGM staff. A monitoring checklist for the MCMS has been reviewed. This has specifically concerned existing roles and responsibilities of counterpart staff.

To implement comprehensive inspections of all existing operators’ performance, a technical consultant to support audits through on-the-job training has been mobilized in January 2014. He is currently supporting inspection work undertaken by the DOM and the DGM. Two inspections had been completed until March 2014.

Procurement of inspection and surveying equipment during the early Project stages benefitted central and provincial departments of MEM.

Following the MTR Mission and the dropping of sub-component 3c, geo-data training activities have been absorbed by sub-component 3b.

***Problems and Mitigation***

The MTR Mission recognized that the comprehensive restructuring of MEM represented an important factor contributing to delayed project implementation, in particular as it separated geological services from MEM. Repercussions have been particularly felt in the area of cadastre management since DGM, now under MONRE, is responsible for issuance and administration of Prospection, Exploration and Pre-Feasibility (PFS) Licenses, whereas Detailed Feasibility Studies (DFS) and Mining Licenses fall under the purview of DOM in MEM. This separation has caused some uncertainty in terms of investors’ “security of tenure” from one stage to the next, and it has created obstacles of inspection and enforcement of operators’ performance.

At policy level, the separation has complicated sector planning and license negotiations since negotiation teams (from MPI and MEM) do not have direct access to mineral data and resource estimates (within MONRE). A clearer line of command and simplified arrangements for execution of separate project sub-components was advised and endorsed by government as well as by the Bank team. Consequently, the Department of Mines (DOM) and the Department of Geology and Minerals (DGM) have been assigned the responsibility for execution of activities currently under the sub-component 3.

Some operational day-to-day issues have also been of concern: the Spatial Dimensions Consultant had found the DGM building not connected to the WLAN of the DOM building but a cloud solution was suggested for the MCMS system. Due to the limited internet access, the Consultant was unable to benchmark response times to the prototype of the MCMS system hosted in the cloud. Recommendations for infrastructural requirements for the MCMS, including the capital and/ or recurring costs for the proposed solution, had been made by the Consultant. Regular and reliable internet connection has still been an issue in early 2014.

Usage of the national satellite mosaic by the DOM and the DGM has so far been limited. Production/Acquisition of an up-to-date pan-sharpened Landsat 8 national satellite mosaic was considered more sufficient to meet current DOM/ DGM needs. The DOM/DGM therefore have negotiated access and benefitted from this important satellite dataset.

Geo-data activities had experienced delay or postponement due to reallocation of project funding and limited staff in DGM and DOM.

***Safeguards***

A Cadastre Management System is likely to reduce social conflicts which have resulted or which still result from overlapping of allocated mining areas.

***Outcomes***

The developed Cadastre Management System has addressed problems of inconsistent, incorrect, and incomplete information management pertaining to mining cadastre administration. The system will guarantee more transparency on the processes and of concessions areas, and decisions for investors as well as it facilitates better regulation and monitoring for the government both in terms of revenue and safeguards.

## Sub-Component 3c: Program to Promotion of Minerals Development

In order to attract and retain new minerals investment, Lao PDR needs to develop and upgrade its geological information base. The provision of adequate and accurate data, information, and maps of the geology and earth system of the country is essential to assist in new exploration for mineral deposits and to help the Government with better land use planning. The project had thus planned to provide funding for consultancy services and logistical support. Until the MTR Mission, US$ 119,845 had been spent under sub-component 3b (~16 percent). Until the end of March 2014, remaining allocation disbursement was US$ 3,681.

After reporting that the work program for this sub-component has been unclear for the implementation of its relevant activities, the sub-component was dropped after the MTR Mission in January 2013.

In terms of structure of component 3, the MTR Mission had proposed to reduce the number of mining sector sub-components from three to two by eliminating the sub-component 3c “*Promotion of Mineral Development*”. Mining investment promotion has not been a Government objective during the mining moratorium, i.e. this will still be valid until the end of 2015. Despite the importance of compiling and managing geo-science and geo-data for sector policy-making and planning, there has only been a very limited number of staff with GIS and database skills. It was hence decided to focus current efforts on strengthening of cadastre management. Component 3b has absorbed geo-data training activities from 3c.

The two inter-mediate results level indicators ‘expanded access to geo-information’ and ‘field training in applied geology mapping and upgraded laboratory’, were dropped.

## Component 4: Project Administration and Management

***Overview***

Component 4, of which the PSO is part of, has provided support for the effective and timely implementation of technical project activities in terms of administration and management, including coordination (also coordination of regular Project-internal meetings) and logistical support, financial management and incremental operating costs, procurement, safeguards, monitoring and progress reporting aspects. The PSO has had to ensure that all tasks and activities are well-managed and in line with the WB guidelines and GOL’s Decision.

***Coordination***

The PSO has played an important role in the coordination and provision of administrative support, facilitating smooth communication and collaboration among and between public and private stakeholders.

During the Project Preparation Facility (PPF) phase, a number of missions were conducted to support and assist the PSO as well as the implementing agencies involved in the achievement of Project objectives. Missions included e.g. a Project Preparation Mission in late 2009, a Pre-Launch HMTA Project Mission in early 2010, a Financial Management Transaction and Procurement Ex-Post Review and an Implementation Support Mission in Mid 2010.

Alongside, the PSO had coordinated a number of workshops and meetings necessary for the overall project planning framework and project planning at different stages in collaboration with the Bank, AusAID, the MEM and the MOF, including a Kick-Off Workshop, a Disbursement Seminar, a Results Framework Workshop, a Project Implementation Meeting, and Workshops for the Annual Review of ODA.

***Financial Management and Disbursement***

The PSO has been responsible for the overall financial management of Project activities and for the regular preparation of Project financial status reports. The Secretariat has managed Project budget and has recorded actual quarterly disbursements based on the progress of activity implementations during the reporting period.

A number of issues had been put into an action plan in early 2012 for compliance until the MTR in early 2013. Amongst the issues solved have been: an account for bidders to pay for biding documents was opened, an overstate expenditure was investigated and solved, the accounting software K-PACC had been installed and put into operation. An imprest system as well as the development of a Financial Management Manual on advance clearance based on Ministerial Decision 0008 and reconciliation of a fixed asset register have, amongst other named issues, been pending until early 2013, but resolved until the closure of the AusAID Trust Fund. The financial management performance was upgraded to ‘satisfactory’ in December 2013, given that good progress has been made in implementing the recommended actions during the last Mission visit. Revised budgets by quarters and components has also been submitted for the World Bank’s endorsement. Acceptable unaudited Interim Financial Reports have also been submitted on a timely basis.

Until March 2014, AusAID Trust Fund support has reached US$ 2,540,500.52 (almost 100%) of total budget since its activation in April 2012. It was closed in April 2014. Budget disbursement under IDA has reached US$ 3,423,427.33 (~43%) of the total Project budget.

Until the MTR Mission, US$ 436,219 had been spent under sub-component 4 (~61 percent). Until the end of March 2014, disbursement was US$ 703,560.

Budget disbursement has increasingly risen since Project activities have started, most significantly though following the MTR Mission in early January 2013.

***Procurement***

Contract management for all local and international consultancy services and goods was managed and updated by the Project Administration in collaboration with key stakeholders and clients. The PSO has helped all Project components in procurement planning.

The contract of the International Procurement Specialist ended in the end of November 2013. The remaining procurement packages under the Original Financing have been handled by the Project Admin in collaboration with procurement staff of the MEM and other key agencies. In December 2012, all major procurement packages had been completed and the procurement rating was upgraded to satisfactory.

To further strengthen MEM Secretariat’s capacity on procurement, a contract for an International Procurement Specialist has been finalized in early 2014.

***M&E***

The PSO has also been responsible for the monitoring of Project implementations. For this, bi-annual Project progress reports of all (sub-) components have been regularly compiled and support to the components in the development of work plans has been provided. Progress reports also included descriptive summaries of procurement activities and of other monetary statements. In 2013, progress reports have been based on quarterly reports. Since the second half of 2013, an International M&E Consultant supported monitoring activities of the PSO. Key monitoring tools and processes have been set up and introduced to stakeholders. These tools and processes included Activity Requesting and Reporting, Quarterly Reporting, Training Evaluations as well as Tracer Studies (though these have largely been set up in view of the Additional Financing Phase). Major advances have been made in monitoring actual outputs and outcomes. A Mission in late 2013 noticed quality improvement of information and data provided in the Results Framework.

***Safeguards***

Safeguard clearance and information disclosure is a condition for Project appraisal. The MEM has been asked by the Project Mission in late 2013 to prepare a draft Environment and Social Safeguard Activities Document (ESSAD). This should describe the current legal and institutional framework related to experiences and/ or challenges from HMTA activity implementation with respect to safeguards in capacity building. This safeguard requirement has not been a requirement during the Original Financing Phase, but will be taken up for the Additional Financing Phase.

***Problems and Mitigation***

Initially, procurement of external consultants to support project components and the procurement of laboratory equipment for educational institutions faced some delays. Furthermore, some activities which were committed to service providers likewise experienced payment delays, due to late invoice submissions to the Project Secretariat. Such incidences coupled with generally slow responses to financial requests for trainings have initially slowed down the implementation of activities and also led to underperformance of planned budget disbursements.

Delay of disbursement of pending invoices still occurred in early 2014, due to unexpected issues arising in obtaining required import VAT and other related taxes of all contracts awarded for consultancy services and goods supplied. The Project Administrator, in close cooperation with the Head of HMTA Project, has submitted an official letter to the Minister of Finance and other related sectors for tax exemptions.

During the course of the OF phase, it has also become clear that Project activities are at times too often implemented and handled by Project staff alone, despite the major premise of the Project to strengthen capacity building for government staff. National and international consultants have been further encouraged to increase on-the-job training.

***Outcome***

To build up an efficient financial management system with sound internal controls that support the implementation of Project activities and their achievement of the PDOs has been set as a main outcome of this component.

Furthermore, improved management of the HMTA based on available information on indicators, other outcomes, outputs, lessons learnt and timeliness of activity implementations has been pursued.

Overall, an improved M&E system as well as an improved management will enhance the work of the HMTA in general, with its core aims to protect the environment, workers and local communities.

# Conclusion

## Contributions to the PDOs

Past experiences from other Bank projects has shown that technical capacity can be adequately built at the operational level, but that it has been more difficult to achieve reforms to government policies and actions. Through provision of tools and procedures which guide legal enforcement and strengthen public and private capacity levels, some advances have been made to moderately satisfy progress towards the overall PDO *to increase human capacity and improve the performance of government oversight institutions for the hydropower and mining sectors* until March 2014. This has been particularly due to progresses made in the period following the MTR Mission in January 2013. Following this Mission, it was decided to drop (sub-)components for which readiness had not been in place yet or for which demand was weak (this included 1c: Outreach and Information Sharing for Stakeholders and 3c: Promotion of Mineral Development) and a re-allocation of budgets of other sub-component took place thereafter. Given these changes, the Results Framework was partially revised in terms of activities, targets, timeframes, PDO level results indicators and intermediate results level indicators.

Until March 2014, the PDO results level indicators had been (partially) achieved based on the targets set for 2013 and 2014:

PDO1: More than 4 700 students and 160 teachers within the hydropower or mining sector development curricula have already benefitted from project activities support Education Institutions.

PDO2: A standard procedure for concession agreement monitoring was drafted and training concerning its application has taken place. In the first quarter of 2014, around 25% of existing hydropower plants in Lao PDR had been monitored according to this draft.

PDO3: Regulations and procedures for mining inspections through the use of an improved monitoring system have been developed. Until March 2014, the system was applied during 2 site visits so far.

Given current progress, the Project demonstrates ability to further consolidate results and to further contribute to awareness raising and capacity building in the hydropower and mining sector. Embedding capacities into decision-making processes for enhanced policy-making in the hydropower and mining sectors is a key element for sustaining the Project’s impacts.

The Project has furthermore advanced application of Social and Environmental Safeguards inclusion into regulations, procedures and monitoring activities. Safeguard clearance and information disclosure have therefore become (though in most cases, regulations drafted are awaiting their final Ministerial approval) an aspect for appraisals and monitoring activities. Experiences and challenges from the HMTA Project implementation are currently elaborated upon in a draft compiled by the MEM on Environmental and Social Safeguard Activities. This will outline the current legal and institutional framework.

The AusAID Trust Fund support has reached US$ 2,542,397 in March 2014. It was closed in April 2014. Budget disbursement under IDA had reached US$ 3,423,427.33 (~43%) of the total Project budget until March 2014.

## Main Constraints and Lessons Learnt

A number of shortcomings have been experienced:

* Due to the restructuring of the Hydropower Development Sector Department within MEM, implementation delays occurred in updating work plans to suit the actual mandates and activities of the new Department of Energy Management (DEM) in 2011/2012
* Significant delays in implementations were caused by complex stakeholder involvements, restructuring of key partner agencies, weak capacity absorption at department levels and by great delays in procurement processes until early 2013

⇨ This led to an agreed re-structuring of the Project’s scope between the implementing agencies and the Bank. The MTR Mission suggested technical assistance contracts to be widened but reduced in their number, that more attention was paid to capacity building of Project Secretariat staff and that technical assistants were to be placed at department levels.

⇨ Lessons learnt from sector-related programs were considered, individual hydropower investment possibilities within a broader strategic context have been assessed, institutional responsibilities at the national and local levels have been tried to be clarified and the importance of transparent and realistic contractual arrangements and of systematic (institutional) development of human capacity have been sought for recognition following the MTR Mission

⇨ To facilitate effective coordination and cooperation among key agencies, additional technical assistance and financial support to DEPP and other key agencies have been made. Greater attention to adequate staffing in the early stages could have helped the planning of the activities.

* Regular coordination and TWG meetings often took place only on an ad-hoc basis, often causing not full participation of all members
* The procurement of laboratory facilities requires investment in adequate buildings where testing activities can be performed without the risk of disruptions because of inadequate power supply or other utility services. The structural standards of buildings must also live up to requirements of not polluting samples because of dust, inadequate ventilation or others. Such requirements are not fulfilled at DGM’s current premises. There is a need for a clear decision on where the future laboratory facilities will be hosted as well as a long-term plan for institutional foundation including commitment of operational and maintenance costs.
* The monitoring framework has initially been very weak and closer attention should have been paid during the preparation phase to set up more effective monitoring, learning and reporting systems, specifically with regards to outcome reporting.

⇨ With the procurement of an International M&E Consultant, this aspect improved, though at a stage where improvements mostly benefit the forthcoming Additional Financing Phase. Moreover, monitoring tools and systems are sometimes not consistently used within partner institutions, making it difficult to follow up with implementations and their outputs.

## Recommendations

A few general and component-specific recommendations can be made:

An improved M&E system will enhance the work of the HMTA Project, with its core aims to protect the environment, workers and local communities. Tools and procedures have recently been developed and initially tested. However, there should also be attention paid to future activity reporting in terms of Original or Additional Funding source. This is also valid for the Financial Management of the Project. Tools and procedures should be in place which allow for a clear separation of sources according to implementations.

Current work plans require regular updating on their implementation status. If work plans are maintained by partner institutions, then regular reporting should be demanded for.

A governance performance evaluation system has not been successful in its implementation, but there is need to elaborate upon a revised version since oversight capacities of governmental institutions require good governance and good practice.

There is also need to strengthen capacity building with the existence of a functioning and updated HR database system within governmental institutions.

There is still great scope for strengthening continuous dialogue at national and sub-national levels and for the strengthening of inter-institutional and intra-institutional partnerships during project implementation. This is of importance not only to retain support for Project objectives, but particularly to establish longer-term working relationships between departments and/ or other institutions or private entities.

For detailed recommendations, the reader is referred to regular Mission reports provided in Annex 3.

# Annexes

Annex 1: Organisational chart HTMA Project

 **Steering committee**

Mr. Viraphonh Vilavong (Vice Minister)

Mr. Thongphat Inthavong (DPO/MEM)

Mr. Bountheung Phengthavongsa (CO/MEM)

Mr. Xaypraseuth Phomsoupha (DEB/MEM)

Dr. Daovong Phoneko (DEPP/MEM)

Mr. Thongkhan Phimvilay (IREP/MEM)

Mr. Sisoukane Yaxyarath (DEM/MEM)

Dr. Simone Phichit (DOM/MEM)

Mrs. Chansavath Boupha (DOI/MEM)

Mr. Chansone Senebouttalath (DGM/MoNRE)

Mrs. Phaymany Heuangkhamsay (MOF)

Mr. Xayaveth Vixay (DESIA/MoNRE)

Prof. Dr. Boualinh Souaysouvanh (FOE/NUOL)

Mr. Bouasavath Kinthavong (DIC/MPI)

Mr. Chareune Inthavy (CO/MEM)

Mr. Bouasavath KINTHAVONG (DIC/MPI)

Mr. Chareune INTHAVY (CO/MEM)

**Project Secretariat Office**

**Director** Mr. Chareune INTHAVY

Deputy: Dr. Simone PHICHIT

 Mr. Khamla Vichitvongsa

Procurement: Mr. Keosanguan VINNARATH (Mining Sector)

Mr. AKhomdeth VONGXAY (Hydro Sector)

Procurement Consultant: Mr. Souphanthachak Sisaleumsak

Project Administration Officer: Ms. Vilayvanh Sisomboun

FM Specialist: Mrs. Sisounthone Vongduangchanh

Project Finance Officer: TBA Ms. Amphone Thammavongsa (MEM /staff) Project Coordinator : Ms Vilavanh Phommasouk

Junior staff ( Finance Division): Mr. Bounngo Vinnarath

Junior Staff (Administration Division): Ms. On Bounleuvy

**Personnel sub-COMMITTEE**

**MINING SECTOR Sub - COMMITEE**

**ENERGY SECTOR Sub - COMMITEE**

DGM (C.3b)

Mr. Khampha

Phommakaysone

Mr. Inpong

Homsombath

DOP (C1.a)

Mr. Khamla

Vichitvongsa

Mr. Mone Phethouthai

Mr. Souksavanh

DOM (C.3a)

Dr. Simone Phichit

Mr. Eravanh

Boungnaphalom

DESIA (C2a)

Ms Thavone

Vongphosy

Ms.PhakkavanPhitsamay

DEM (C.2c)

Mr. Bouathep

Malaykham

Mr. Vitoonbandith

Thoummabout

DEB (C.2b)

Mr. Sychath

Boutsakitirath

Mr. Khamphan

Sihavong

DEPP (C.2a)

Mr. Chansaveng

Boungnong

Mr. Sanya Somvichit

Annex 2: Uses of funds by category and source, reporting from 2010 to 31st of March 2014

|  |  |  |
| --- | --- | --- |
| Description | Year to date | Cumulative to date |
| IDA | AusAID | Total | IDA | AusAID | Total |
| PAYMENTS BY CATEGORY Civil WorkGoods / Vehicle Consultants services Training/ Workshops Incremental Operating CostRefund of Preparation Advance | 25,787.65335,662.00489,445.3280,938.3132,793.110.00 | 0.0046,368.93115,968.3024,807.075,470.400.00 | 25,787.65382,030.93605,413.62105,745.3838,263.510.00 | 53,237.65678,436.201,303,080.80966,157.28197,620.99224,894.41 | 0.00669,681.31938,897.17840,917.5391,004.510.00 | 53,237.651,348,117.512,241,977.971,807,074.81288,625.50224,894.41 |
| TOTAL PAYMENTS | 964,626.39 | 192,614.70 | 1,157,241.09 | 3,423,427.33 | 2,540,500.52 | 5,963,927.85 |

1. Works: Learning Program
2. Goods: Learning Program, Hydropower component, Mining component, Project Secretariat
3. Consultant Services: Learning Program, Hydropower component, Mining component, Project Secretariat
4. Trainings/ Workshops: Learning Program, Hydropower component, Mining component, Project Secretariat
5. Incremental Operating Costs: Learning Program, Hydropower component, Mining component, Project Secretariat

Annex 3: Summary of documentation for compiling evaluation report

|  |  |
| --- | --- |
| **Area** | **Document Name** |
| **Admin, Monitoring and Other Project Papers** | * 2014\_6 Results Framework Monitoring updated
* 2014\_4 Calculation of Indicator C1b
* 2014\_3 Results Framework Monitoring updated
* 2012\_12 Results Framework for Hydropower Development Sector Component 2 c Q2-Q4
* 2012\_12 Results Framework for Hydropower Development Sector Component 2 a Q2-Q4
* 2014\_3 Organization Chart HMTA
* 2012\_5 Organization Chart HMTA
* 2014\_7 HMTA Monitoring System – Concept Paper
* 2014\_3 Project Paper on a Proposed Additional Grant
* 2012\_4 Grant Agreement Paper for Australian Trust Fund
* 2009\_12 Project Appraisal Document
 |
| **Working Plans**  | * 2014\_7\_WP C1a DPO
* 2014\_7\_WP C1b Consolidated WP and Budget Allocation LPB TVS
* 2014\_7\_WP C1b Consolidated WP and Budget Allocation NUOL Hydro and Mining
* 2014\_7\_WP C1b Consolidated WP and Budget Allocation LGT
* 2014 Consolidated WP and Budget Allocation PTC C1b
* 2013\_1 WP C1 updated
* 2012\_12 Comprehensive work plan C2b
* 2012\_12 Work Plan all updated
* 2012\_12 Work Plan all (2x)
* 2012\_11 Work Plan C3 updated (2x)
* 2012\_10 WP all updated by DEPP
* 2012 C1: Comprehensive work plan HTMA (3 updates)
* 2012 Work Plan C1a for Capacity Building Activities of Department of Personnel and Organization
* 2012 Work Plan C1b Capacity Building Lao-German Technical School
* 2012 Work Plan C1b Capacity Building Luang Prabang Technical Vocational School
* 2012 Work Plan C3
 |
| **Aide Memoires** | * 2014\_3 Appraisal Mission Additional Financing 11.3.-24.3.2014
* 2013\_12 Implementation Support Mission 21.11.-13.12.2013
* 2013\_1\_MTR Mission
* 2012\_1 Implementation Support Mission 16.1.-20.1.2012
* 2010\_12 Supervision Mission 9.11.-11.11. and 13.12.-17.12.2010
 |
| **Quarterly and Progress Reports** | * 2014\_6 Apr - Jun 2014
* 2014\_6 Quarterly Report Apr – Jun C1b
* 2014\_6 Quarterly Report Apr – Jun C3
* 2014\_3 Dec 2013 - Mar 2014
* 2013\_11 Jul - Nov 2013
* 2013\_6 Jan - Jun 2013
* 2013\_3 Jan - Mar 2013
* 2012\_12 Apr - Dec 2012
* 2012\_3 Oct 2011 - Mar 2012
* 2011 Annual Report
* 2011\_3 Sep 2010 - Mar 2011
 |
| **Finances and Procurement** | * 2014\_8\_General Journal Report C1a Activities
* 2014\_6 Use of Fund Category & Source during 2010 – June 2014
* 2014\_6 Contract Management System for Monitoring Firms & Individual Assignments, updated 31.6.2014
* 2014\_3 Contract Management System for Monitoring Firms & Individual Assignments, updated 31.3.2014
* 2014\_3 HMTA Procurement Status – Implementation Stage Updated as of 31st of March
* 2014\_3 Use of funds by category and source during 2010 -31st of March 2014
* 2014\_3 Use of funds by project activity between 1st of January and 31st of March 2014
* 2014\_Summary of Actual Disbursement by Category and Component
* 2013\_12 Use of funds by project activity between 1st – 31st of December 2013
* 2013\_4 List of completed procurement packages HTMA
* 2012\_3 Project budget allocation and actual disbursement until 31.3.2012
* 2011 HMTA Procurement Status – year 2011
 |

Annex 4: Detailed list of trainings and courses under component 1a

| No | **Training course name** | **Number of trainees & their workplaces** | **Organizer** | **Actual Cost** | Remark |
| --- | --- | --- | --- | --- | --- |
| **(date and duration)** | **Total**  |  | **Central departments** | **PDEMs** | **Other sectors** | **( USD)** | (training location) |
| **Wm**  | **Total 1** | **Wm**  | **Total 2** | **Wm**  | **Total 3** | **Wm**  |
| **I** | **Run-off surface & energy simulation for small hydropower project** |   |   |   |   |   |   |   |   | DEPP | **31 605,56** |   |
|
| 1 | (18-22/02/2013)  | 35 | 8 | 8 | 5 | 27 | 3 |   |   |    | 15 945,00 | VTPro |
| 2 | (11-15/03/2013) | 35 | 8 | 18 | 6 | 17 | 2 |   |   | 15 660,56 | Chpsak |
| **II** | **Basic HEC-Resim Modeling (Hydrologic Engineering Center-Reservoir simulation)** |   |   |   |   |   |   |   |   | DEPP  | **23 228,22** |   |
| 3 | (25/02-1/03/2013) | 42 | 10 | 18 | 6 | 15 | 3 | 9 | 1 |  | 13 820,05 | VTP |
| 4 | (17-21/06/2013) | 42 | 9 | 18 | 5 | 15 | 2 | 9 | 2 | 9 408,17 | Chapsak |
| **III** | **Energy business management**  | 33 | 5 | 12 | 2 | 5 | 3 | 16 | 0 | DEB | **57 199,74** |   |
| 5 | (11-12/03/2013) | 33 | 4 | 17 | 3 | 0 |   | 16 | 1 |  | 5 566,00 | XiengKh |
| 6 | (14/03/2013) | 44 | 5 | 18 | 2 | 5 | 2 | 21 | 1 | 2 274,08 | VTCap |
| 7 | (25-26/03/2013) | 39 | 5 | 8 | 2 | 5 | 1 | 26 | 2 | 6 928,97 | Bolikxai |
| 8 | (28-29/03/2013) | 46 | 8 | 14 | 3 | 5 | 1 | 27 | 4 | 9 578,00 | VTPro |
| 9 | (25-26/04/2013) | **56** | 12 | 12 | 3 | 24 | 5 | 20 | 4 | 10 594,71 | Huaphan |
| 10 | (17-19/09/2013) | 38 | 5 | 11 | 3 | 15 | 1 | 12 | 1 | 8 657,92 | Sek&Srv |
| 11 | (30/9/2013) | 42 | 4 | 11 | 2 | 19 | 1 | 12 | 1 | 13 600,06 | Oudxai |
| 12 | (4/10/2013) | 35 | 4 | 11 | 3 | 15 | 1 | 9 | 0 | Bokoe |
| 13 | (2/10/2013) |   |   |   |   |   |   |   |   | Lnamtha |
| **IV** | **HR Training** |  |  |  |  |  |  |  |  | DPO | **63 831,00** |   |
| 14 | (1-3/04/2013) Energy & mines sector management | 158 | 27 | 56 | 15 | 102 | 12 | 0 |   |   | 37 243,00 | VTCap |
| 15 | Job analysis and training needs assessment (4/04/2013) | 36 | 14 | 22 | 10 | 14 | 4 | 0 |   | 3 696,00 |   |
| 16 | Effective Report Writing (4-8/11/2013) | 36 | 9 | 24 | 6 | 12 | 3 |   |   | 14,355,27 | VTE |
| 17 | Human resource management (6-10/1/2014) | 51 | 22 | 18 | 9 | 33 | 13 |   |   | 22 892,00 | VTE |
| **V** | **Project Planning and Documentation for Anti-Corruption**  |   |   |   |   |   |   |   |   |  DOI | **3 212,46** |   |
| 18 | Training on Planning and Documenting Inspection and Anti-Corruption | 70 | 21 | 39 | 14 |   |   | 31 | 7 |  | 1 564,46 | MEM |
| 19 | Public Accounting and Auditing (7-8/11/2013) | 30 | 17 | 30 | 17 |   |   |   |   | 1 648,00 |
| **VI** | **Verbal presentation skill**  | 60 | 49 | 41 | 32 | 0 |   | 19 | 17 | CMEM | **6 138,00** |   |
| 20 | (23-26/04/2013) |   |   |   |   |   |   |   |   |  | 2 360,00 | MEM |
| 21 | Human relation (10-11/12/2013) | 70 | 60 | 38 | 30 |   |   | 32 | 30 | 2 626,00 |   |
| 22 | Women Advancement Promotion (1-3/10/2013) | 30 | 28 | 21 | 19 | 0 |   | 9 | 9 | 1 152,00 | MEM |
| **VII** | **Electrical law & technical standards** |   |   |   |   |   |   |   |   | DEM | **30 494,75** |   |
| 23 | (29/05-30/05/2013) | 85 | 12 | 12 | 2 | 30 | 2 | 43 | 8 |   | 3 272,00 | MEM |
| 24 | (16-20/09/2013) | 26 | 3 | 5 | 1 | 12 | 1 | 9 | 1 |   | 8 531,14 | Attapue |
| 25 | (23-27/9/2013) | 20 | 2 | 7 | 1 | 13 | 1 | 0 |   |   | 9 883,30 | Saravan |
| 26 | (22-30/09/2013) | 14 | 2 | 6 | 0 | 8 | 2 | 0 | 0 |   | 8 808,31 | Hoaphan |
| 27 | (3-8/3/2014) | 13 |  | 6 |  | 7 |  |  |  |  |  |  |
| **VIII** | **Sustainable small hydropower planning and development**  |   |   |   |   |   |   |   |   | DEPP | **63 046,22** |   |
| 28 | 3-7/6/2013 | 38 | 7 | 13 | 2 | 25 | 5 | 0 |   |     | 19 960,91 | Bokeo |
| 29 | (11-17/82013) | 40 | 2 | 15 | 2 | 25 |   | 0 |   | 18 631,91 | Xiengkh |
| 30 | (30/9-2/10/2013 | 76 | 18 | 18 | 6 | 58 | 12 |   |   | 24 453,40 | Lpabang |
| **XI** | **Sustainable small hydropower development**  |   |   |   |   |   |   |   |   | IREP | **24 651,54** |   |
| 31 | (26-30/08/2013) | 72 | 6 | 17 | 5 | 53 | 1 | 2 | 0 |   | 24 651,54 | VTP |
|   | **Total** (15 topics 30courses) | **1445** | **386** | **558** | **216** | **552** | **81** | **322** | **89** |   | **240 361,27** |   |

1. According to the DEB, the standard CA monitoring was applied in 27% until September 2014. [↑](#footnote-ref-1)
2. According to the DEB, the standard CA monitoring was applied in 27% until September 2014. [↑](#footnote-ref-2)
3. According to the DEB, the standard CA monitoring was applied in 27% until September 2014. [↑](#footnote-ref-3)