

Lao People's Democratic Republic
Ministry of Planning and Investment

**The Project for Improving
Public Investment Management**

Project Completion Report

March 2022

**Japan International Cooperation Agency
(JICA)**

IC Net Limited

List of Abbreviations

3YRP	Three-year Public Investment Rolling Plan
5YAP	Five-year Action Plan
5YP	Five-year Development Plan
ADB	Asian Development Bank
COVID-19	Coronavirus disease 2019
C/P	Counterpart
DBAR	Development Budget Analysis Report
DPI	(provincial) Department of Planning and Investment
DPWT	(provincial) Department of Public Works and Transport
ESIA	Environmental and Social Impact Assessment
IFAD	International Fund for Agriculture Development
IT	Information Technology
JCC	Joint Coordinating Committee
JICA	Japan International Cooperation Agency
LRSP2	Laos Road Sector Project 2 (World Bank Loan)
MAF	Ministry of Agriculture and Forestry
MaWaSU2	JICA Water Supply Operation Management Capacity Improvement Project
MIS	Monitoring Information System
MOEM	Ministry of Energy and Mines
MOF	Ministry of Finance
MONRE	Ministry of Natural Resources and Environment
MPI	Ministry of Planning and Investment
MPI-DOE	Department of Evaluation, MPI
MPI-DOP	Department of Planning, MPI
MPWT	Ministry of Public Works and Transport
MTBF	Medium-term Budget Framework
MTBP	Medium-term Budget Plan
MTEF	Medium-term Expenditure Framework
MTFF	Medium-term Financial Framework
NAS	Network-Attached Storage
NSEDP	National Socio-Economic Development Plan
NSEDP9	9 th NSEDP 2021-2025
ODA	Official Development Assistance
PCAP	JICA technical cooperation PCAP series (2004-2016)
PFDS2025	Public Finance Development Strategy 2025
PFM	public finance management
PIM	public investment management
PIMA	Public Investment Management Assessment (conducted by IMF)
PPP	Public Private Partnership
PIMCAP	JICA Technical Cooperation Project for Improving Public Investment Management
ProMIS-2	Project Management and Information System version 2
SDGs	Sustainable Development Goals
SMS	Short Message Service
SOE	State-Owned Enterprise
SPAS	Simplified Project Assessment Sheet

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Photos from Project Activities



First JCC Meeting



Kick off Meeting with a Pilot Organization (Champasak Province)



Second JCC Meeting



Kick off Meeting with a Pilot Organization (MPWT)



Workshop with MPI-DOE



Annual PIM Improvement Steering Committee Meeting



Annual PIM Improvement Steering Committee Meeting



Project Team and C/P Members

1. Summary

1.1. Background and Outline of the Project

The Government set *integrated development planning and budget* as one of the outputs during its 8th National Socio-Economic Development Plan (NSED8) (2016–2020). With the Ministry of Finance (MOF) initiative, the Public Finance Development Strategy 2025 (PFDS2025) has been implemented to strengthen public finance management (PFM), inclusive of efficient and transparent public investment management (PIM). The Project for Improving Public Investment Management (PIMCAP) aims to integrate public investment plan formulation with the annual budgeting procedures, improve the comprehensive PIM mechanism, and develop the capacity of government personnel involved in PIM, in line with the NSED8 output and the PFDS2025 direction.

The following indicates the significant issues related to PIM.

- ✧ PIM related approaches are not entirely included in the PFM reform
- ✧ Debt and payment arrears in the development budget are not managed appropriately
- ✧ The necessity of reorganizing methods procedures in line with the revision of crucial laws
- ✧ Further improvement is required in PIM based on feedback from project owner organizations

PIMCAP (The Project) aims to integrate public investment plan formulation with the annual budgeting procedures, improve the comprehensive PIM mechanism, and develop the capacity of government personnel involved in PIM.

The narrative summary of the Project Design Matrix (PDM) for the Project.

[Overall Goal] Public investment performance is improved and has contributed to fiscal stability.
[Project Purpose] Public investment management is strengthened through reform aligned with fiscal management.
[Outputs] (1) PIM Improvement Steering Committee and its Working Group are established and managed (2) The PIM Action Plan is completed (3) Project management and prioritization and standardized (4) Project assessment and evaluation methods are standardized

The implementation structure of the Project is as follows.

Status for Project	Organization, Position
Project Director	Vice Minister of Planning and Investment
Project Manager	Director General (DG), MPI Department of Planning (MPI-DOP)
Deputy Project Managers	Deputy DG (DDG), MPI-DOP DDG, MPI Department of Evaluation (MPI-DOE)
Main Counterpart Organizations	MPI-DOP MPI-DOE
Joint Coordinating Committee (JCC) Members	MPI Cabinet, MPI Department of International Cooperation (MPI-DIC), MOF State Budget Department (MOF-SBD) MOF Fiscal Policy and Law Department (MOF-FP&LD) MOF National Treasury (MOF-NT) MOF External Finance and Debt Management Department (MOF-EF&DM)
Pilot organizations	Ministry of Public Works and Transport (MPWT) Ministry of Agriculture and Forestry (MAF) Vientiane Capital Champasak Province
JICA Expert Team	PIM reform, budget management and prioritization, project assessment and evaluation, inter-organizational strengthening, organizational management National consultants, administrative staff

1.2. Results of Activities and Approaches for Specific Topics

The Project was implemented from February 2019 to March 2022 over three years and one month and divided into the following three implementation periods:

- ✧ First implementation period: February 2019 to April 2020
- ✧ Second implementation period: June 2020 to April 2021
- ✧ Third implementation period: May 2021 to March 2022

Activities by the implementation period are as follows.

(1) First Implementation period: February 2019 to April 2020

Although all activities started smoothly, the establishment of the PIM Improvement Steering Committee was in March 2020, later than the original plan of June 2019. The COVID-19 pandemic, which started early 2020, caused suspensions to meetings planned on March/April 2021. Two JCC Meetings were held; the first meeting on 26 July 2019 and the second on 28 February 2020. The following chart indicates activity results by output.

Output	Activity Results
Output 1	The PIM Improvement Steering Committee was planned to be established by June 2019 and the kick-off meeting in July 2019. Due to MPI corresponding with the economic and financial crisis and the Minister of Planning and Investment change, the Committee establishment was delayed. Agreement No.0425 on the formulation of the PIM Improvement Steering Committee was issued in March 2020. The First Committee Meeting was planned for April 2020 but was suspended due to the lockdown related to the COVID-19 pandemic.
Output 2	At the preparatory meeting for the PIM Improvement Steering Committee held in July 2019, the draft concept and outline of the PIM Action Plan was presented. Based on the feedback from participants and further discussions with counterparts, the draft was upgraded.
Output 3	Development of the three-year public investment rolling plan (3YRP) started with interviews and discussions with MPI-DOP and planning sectors of the pilot organizations. In February 2020, a workshop was held for MPWT to introduce the draft concept of the 3YRP model to obtain feedback. The Project also conducted studies related to project monitoring.
Output 4	Upgrade of the project proposal and assessment formats started with interviews and discussions with MPI-DOE and two pilot organizations (MAF and Champasak Province). Based on these discussions, the Project proposed an additional procedure called internal appraisal at the project owner organizations to improve the quality of projects while consequently reducing the time of formulation. The Project started developing the internal appraisal methods after obtaining approval from MPI-DOE and pilot organizations. Based on MPI-DOE request, the Project moved up its development schedule for the Mid-Term Review. Although the draft method was submitted, MPI-DOE decided not to validate the draft during their provincial reviews.

(2) Second implementation period: June 2020 to April 2021

In the first five months of the second implementation period, the COVID-19 pandemic forced the Japanese experts to work remotely while the national consultants conducted on-site activities under certain restrictions. Two experts entered Laos in November 2020 and began on-site activities from December 2020. On-site activities continued until April 2021. The Project planned on-site validation of methods and tools developed through output 3 and 4 activities with pilot organizations during this period. With the switch to remote activities and the cooperation of pilot organizations, validation activities were smoothly implemented. Due to the change of experts for Output 3, there were some modifications to the development policy of the 3YRP. The improvements were accepted by MPI-DOP, MOF, and pilot organizations by the end of the period. JCC meetings were not held considering the COVID-19 pandemic. The following chart indicates activity results by output.

Output	Activity Results
Output 1	The First PIM Improvement Steering Committee Advisory Board Meeting was held in December 2020 after the Japanese experts were allowed on-site activities. Three Committee Working Group meetings followed during the period. Topics were the PIM Action Plan draft, medium-term budget ceilings, and the 3YRP development progress. The Second Committee Advisory Board Meeting was planned for April 2021 but was canceled due to the second lockdown of the COVID-19 pandemic.
Output 2	The zero-draft PIM Action Plan was distributed to the Committee members in March 2021. Comments were received directly, and through the Third Committee Working Group Meeting held in April 2021.
Output 3	3YRP development continued with MPI-DOP and pilot organizations. The Development Budget Annual Report (DBAR) for MPWT and Champasak Province were made and shared. Financial monitoring was incorporated as a component of the 3YRP Concept.
Output 4	Internal appraisal development continued with MPI-DOE and pilot organizations. Since the Japanese expert in charge of this output could not enter Laos, remote activities continued throughout the period.

(3) Third implementation period: May 2021 to March 2022

Four Japanese experts were able to conduct on-site activities from June 2021. Due to the lockdown, remote activities continued for a few months but were gradually able to conduct on-site interviews and meetings after that. Activities for all outputs were conducted without significant restraints. However, some of the expected products were not fully developed by the project's end, resulting in handing over draft materials that need further validation. JCC meetings were held twice, the third meeting on 1 July 2021 and the fourth on 28 February 2022. The following chart indicates activity results by output.

Output	Activity Results
Output 1	Three Committee Working Group meetings were held during the period. Active feedback was made to the draft PIM Action Plan. The Second Advisory Board Meeting was held on 15 February 2022. The Committee considers sustaining and expanding its functions and members after the Project is completed.
Output 2	Three versions were made for the PIM Action Plan in response to the Committee members' feedback during its drafting stages. The Committee Advisory Board approved the draft final at their Second meeting in February 2022.
Output 3	The 3YRP dataset for MPWT, Champasak Province, and Vientiane Capital were developed and handed over to their planning sections. Draft handbooks were distributed to MPI-DOP and pilot organizations.
Output 4	Upgraded project proposal and assessment formats were developed and handed over to MPI-DOE. The Project planned validations of these formats, including those of internal appraisal. However, new projects were not applied from pilot organizations due to the financial situation. Therefore, the forms were not used. The Mid-Term Review's development direction was agreed upon but had no opportunities to study or validate draft formats due to travel restrictions for the COVID-19 pandemic.

(4) Approach to Pilot Organizations

All four pilot organizations for the Project actively participated in development and validation activities, which significantly contributed to quality assurance for the developed products. In addition, all pilot organizations supported developing the comprehensive PIM improvement scheme and actively took part in the draft PIM Action Plan feedback. The four pilot organizations continue to play a significant role in PIM improvement as Committee members and contributors of the products developed through the Project. They have the potential part of being capacity building leaders when ministry and province disseminations are conducted.

MPWT has included PIM improvement as one of the capacity development targets in their Five-year Plan (2021-2025). They have also included the 3YRP as their cash flow monitoring method. These show that MPWT has mainstreamed the products developed by the Project in their development framework.

1.3. Target Achievement Levels at Completion of the Project

Four indicators were set for the Project Purpose “*Public investment management is strengthened through reform aligned with fiscal management.*” Three of them were achieved, and one was partially completed. The establishment of the PIM Improvement Steering Committee as a permanent organization for PIM improvement (Indicator 1) and approval of the PIM Action Plan by the Committee (Indicator 2) were achieved. Some products developed through outputs 3 and 4 were not fully completed, preventing achievement (Indicator 3). All products, including those not met, are incorporated in the PIM Action Plan for follow-up and dissemination (Indicator 4).

The following charts show the achievement levels of targets for each output.

[Output 1]

Indicator 1	Achievement Level
Establishment of the PIM Improvement Steering Committee	[Fully Achieved] The PIM Improvement Steering Committee was established through Agreement No.0425 signed by the Deputy Prime Minister and Minister of Planning and Investment on 16 March 2020.
Indicator 2	Achievement Level
Establishment of the PIM Improvement Steering Committee Working Group	[Fully Achieved] <ul style="list-style-type: none"> ➤ A unified Working Group was established in place of the original idea of three sub-working groups. ➤ Agreement No.425 clearly indicates the Working Group members and their roles.
Indicator 3	Achievement Level
The PIM Improvement Steering Committee Advisory Board functions based on its agendas.	[Fully Achieved] Two Advisory Board meetings were held during the Project period. They were held based on the stipulated functions and topics.
Indicator 4	Achievement Level
The PIM Improvement Steering Committee Working Group functions based on its agendas.	[Fully Achieved] <ul style="list-style-type: none"> ➤ Five Working Group meetings were held during the Project period. ➤ Functions included developing the PIM Action Plan, 3YRP, budget ceiling discussions, project assessment contents, etc. ➤ MPI and MOF intend to utilize the Working Group to further co-develop their 3YRP and MTBF joint procedure.

[Output 2]

Indicator 1	Achievement Level
The draft PIM Action Plan is completed by the Working Group.	[Fully Achieved] The zero draft was shared among the Working Group members by March 2021.
Indicator 2	Achievement Level
The PIM Action Plan is submitted to the PIM Improvement Steering Committee Advisory Board.	[Fully Achieved] The draft final PIM Action Plan was submitted to the Advisory Board before the Second Advisory Board Meeting in February 2022.

[Output 3]

Indicator 1	Achievement Level
The Three-Year Public Investment Rolling Plan (3YRP) as a management and prioritization method is developed and functioning at pilot organizations.	[Partially achieved] <ul style="list-style-type: none"> ➤ The 3YRP 2022-2024 is developed for three organizations: MPWT, Champasak Province and Vientiane Capital. The draft handbook was developed for distribution at MPI and three pilot organizations.
Indicator 2	Achievement Level
Budget allocation and its timely notification by MPI through agreement with MOF are made.	[Partially achieved] <ul style="list-style-type: none"> ➤ Based on discussions among MPI and MOF, the development budget 2022 ceiling was agreed amid a massive cut in the development budget due to the financial difficulties under the COVID-19 pandemic. ➤ Discussions on the budget ceiling continue in 2022 to agree on the medium-term budget ceiling for 2023-2025.
[Indicator 3]	
Indicator 3	Achievement Levels
Physical and financial monitoring frameworks of projects are developed and functioning at pilot organizations.	[Partially achieved] <ul style="list-style-type: none"> ➤ Financial monitoring was introduced as a component of the 3YRP Concept. ➤ The Project established the procedures to collect project-wise disbursement information from finance departments/divisions. ➤ Financial monitoring information was exchanged at three pilot organizations (MPWT, Champasak Province, and Vientiane Capital). ➤ The 3YRP dataset was developed given a future extension to a budgeting/monitoring database

[Output 4]

[Indicator 1]	
Indicator 1	Achievement
Project proposal and assessment methods/tools/flow are standardized under the revised Public Investment Law, Guidelines, and Government Instructions. (Given transparency levels and deadlines)	[Partially Achieved] <ul style="list-style-type: none"> ➤ Project Proposal formats and SPAS formats are updated to align with Public Investment Law and relevant instructions. ➤ Internal appraisal formats and procedures are developed and validated to upgrade the project proposal and assessment system. ➤ The validation in the actual workflow did not occur because of the irregular project proposal and assessment under the COVID-19 pandemic.
Indicator 2	Achievement
New projects follow the standardized project proposal and assessment.	[Partially Achieved] MPI-DOE is proofreading the updated project proposal and SPAS and plans to start using them as soon as 2022.
Indicator 3	Achievement
Methods and tools for Mid-Term Review and evaluation are standardized and validated.	[Partially Achieved] <ul style="list-style-type: none"> ➤ The purpose of the Mid-Term Review was confirmed, and the selection criteria for Mid-Term Review were developed.

1.4. Lessons Learned and Recommendations for Sustainability

PIM measures and capacity enhancement schemes developed and introduced through the Project have to be sustained to ensure that the performance of public investment shall improve. The following indicates concrete measures for the sustainability of the Project outputs.

- ✧ Implementation of a comprehensive PIM improvement scheme
- ✧ Enhancing MPI/MOF functions as PIM/PFM supervisory organizations
- ✧ Capacity building at government entities
- ✧ Development of a PIM information system

The following indicates sustainability measures for the essential products developed through the Project.

[Output 1] PIM Improvement Steering Committee

Actively promote the Committee as the cross-organizational authority to initiate and monitor the PIM Action Plan. While the conventional members, including MPI and MOF, take the leading roles, gradual expansion of member organizations is recommended. In addition to the standard periodical meetings, seminars, workshops, and training sessions shall be planned and implemented to sustain the Committee presence. Development partners may be invited to meetings and seminars for technical guidance and support. The Committee activities should attempt to become financially sustainable

[Output 2] PIM Action Plan (2022-2030)

Once approved by the Government, promote the implementation of the PIM Action Plan to all government levels and entities. Continue implementing and monitoring the plan to check its achievement levels. Create opportunities to report the Plan's progress to higher Government authorities and the National Assembly. Strategically implement seminars, workshops, and training sessions for capacity building to stakeholder officials. When necessary, obtain support from development partners to areas where technical and financial support is needed. Maintain Government initiative to achieve milestones and targets.

[Output 3] Three-Year Public Investment Rolling Plan (3YRP)

Gain consistency among the 3YRP initiated by MPI and the MTBF created by MOF with the World Bank support. Ensure that agreement is made to exchange detailed information required for either side. Promote the 3YRP Concept to central and local government entities, in line with the dissemination strategy indicated in the PIM Action Plan. Wisely use the preceding cases of MPWT, Champasak Province, and Vientiane Capital for promotion and practical models. Consider incorporating the 3YRP into the future PIM information system.

[Output 4] Project proposal, assessment, mid-term review

Promote the internal appraisal method to government entities. Reorganize the project formulation procedure, including workflow consistency among project owner organizations and MPI-DOE or DPI. Develop capacity to stakeholder officials on all topics, including the conventional project proposal and assessment. New features such as internal appraisal, feasibility study methods, cost-benefit analysis, the environmental and social analysis should also have intensive training schemes. Promote ways to secure financial resources for project formulation.

2. Outline of the Project

2.1. Background

The Lao People's Democratic Republic (Lao PDR) reached an outstanding debt ratio of 58.9 % to GDP (World Bank, 2019) mainly through accumulated loans for large-scale public investment projects, and therefore urgently requires adjusting expenditure and increasing revenue. The Government of the Lao PDR emphasized fiscal discipline underlined by two reforms, namely the public finance management (PFM) reform headed by the Ministry of Finance (MOF) and the public investment management (PIM) reform by the Ministry of Planning and Investment (MPI).

Public investment is considered an essential means of achieving the National Socio-Economic Development Plan (NSEDP). The MPI oversees the public investment plan by assessing whether public investment projects are relevant and efficient, periodic monitoring and evaluation, and reporting to the National Assembly. The Japan International Cooperation Agency (JICA) helped establish and improve PIM fundamentals in the MPI and government organizations implementing public investment through three phases of technical cooperation projects from 2004–2016, known within the Government as the JICA technical cooperation PCAP series. With the support of PCAP, the MPI successfully introduced i) a comprehensive workflow from planning-implementation to the evaluation of public investment projects, ii) a nationwide diffusion of such workflow, and iii) further outreach to develop medium-term public investment plans linked with the NSEDP and financial management guidelines.

The Government set integrated development planning and budget as one of the outputs to achieve during its 8th NSEDP (2016–2020). With the MOF's initiative, the Public Finance Development Strategy 2025 (PFDS2025) has been implemented to strengthen PFM, inclusive of efficient and transparent PIM. The JICA Technical Cooperation Project for Improving Public Investment Management (PIMCAP) aims to integrate public investment plan formulation with the annual budgeting procedures, improve the comprehensive PIM mechanism, and develop the capacity of government personnel involved in PIM, in line with the 8th NSEDP output and the PFDS2025 direction.

Considering the status and issues in PIM at that time shown in the table below, PIMCAP aims to integrate public investment plan formulation with the annual budgeting procedures, improve the comprehensive PIM mechanism, and develop the capacity of government personnel involved in PIM.

	The status and issues in PIM at that time
PIM related approaches are not entirely included in the PFM reform	Ten strategies stand as pillars of the PFDS2025, with some components related to PIM. However, the depth of its coverage seems not enough to resolve the issues PIM is currently facing. This is because MOF cannot fully cover PIM issues from their end. In contrast, MPI has the authority and responsibility to cover aspects such as project management, development contribution, measurement of public investment efficiency, etc. Therefore, it is inevitable that MPI will lead the institutional establishment of a PIM reform roadmap.
Debt and payment arrears in the development budget are not managed appropriately	An overwhelming amount of public investment projects that exceeded budget capabilities were implemented for the national budget, causing payment arrears to many contractors and resulting in accumulated debts. In addition to such arrears, the issue is further critical because the total amount and details of such debt are untraced. Therefore, it is challenging to identify a definite way of resolving the issue. Methods and procedures i) to identify budget envelopes, and ii) to compile physical and financial implementation status of projects need to be developed.
The necessity in reorganizing methods and procedures in line with the revision of crucial laws	The Government has renewed many PIM authorities and procedures by revising essential laws; the Public Investment Law No.72/NA, the Budget Law No.71/NA ¹ , and the Provincial Assembly Law No.65/NA ² . Through these three laws, project categorization was changed along with their authorities of approval for each type. As a result, the conventional methods, formats, and the management process for the development plan, budget, and projects need to be reorganized.
Further improvement is required in PIM based on feedback from Project Owner Organizations ³	The current project assessment framework was developed in the days of PCAP1 when they were designed to suit MPI requirements. However, after 14 years of usage, the project owner organizations, the users of project proposal formats, and those who receive assessment; raise two issues, 1) the current management style of the assessment conducted by MPI, and 2) the capacity of project formulation within the project owner organizations. For further improvement of the PIM system and its reform, it is necessary to consider the needs and requirements of the project owner organization and ensure that the system in terms of institution and practice suits management for the project owner organizations as users well as MPI/MOF.

¹ Budget Law No.71/NA issued 16th December 2015

² Provincial Assembly Law No.65/NA issued 10th December 2015

³ Ministries, government organizations, provinces, and Vientiane Capital. Entities that are authorized by the Government to propose public investment projects. Once projects are approved, these entities have responsibility to implement the project until its completion.

2.2 Project Design

(1) The Objective of the Project

The objective of PIMCAP ("the Project") was to support MPI in establishing a comprehensive PIM improvement initiative that aligns with the ongoing PFM reform. The aim shall be achieved by further improving the existing PIM methods and procedures given the revised Public Investment Law (Law No.72 issued December 2015), State Budget Law (Law No.71 issued December 2015), and other related legal descriptions.

Such PIM improvement initiative requires a comprehensive and medium-term approach; therefore, the Project provided support in establishing a cross-organizational committee that shall function as the backbone of such actions. Through this committee, sustainable PIM improvement and financial stability are expected by the completion of the Project. The following table indicates the Overall Goal and the Project Purpose of the PIMCAP, along with their indicators:

[Overall Goal] Public investment performance is improved and has contributed to fiscal stability.
[Indicators] 1) Public Investment Management Assessment (PIMA) indicators (e.g., efficiency and productivity of investment) 2) Capital expenditure is managed on a medium-term basis based on the targets set in the PIM Action Plan.

Two indicators—improvement of public investment performance and financial stability—measure the achievement of the Overall Goal. Indicator 1) objectively measures public investment performance through Public Investment Management Assessment (PIMA) results. PIMA compares public investment productivity levels of nations to understand the status of a government and indicates where Laos stands globally at the level of PIM. Indicator 2) measures the PIM performance levels on a relatively subjective approach through the implementation status of the PIM Action Plan that the Project supports.

Integrated Development Planning and Budget is one of the outputs to achieve during the 8th NSEDP (2016–2020); therefore, the Government had high expectations in achieving the Project. Moreover, the Project overlapped with the Government's period of implementing the 9th NSEDP (2021–2025) (hereinafter NSEDP9). Outcome 1 Output 3 of the NSEDP9 requires "*enhancement of quality and effective investment.*" Within this context, it indicates that "*it is important to ensure efficient channeling of public resources (including ODA) to these activities and establish effective investment monitoring and management.*" The *PIM Action Plan* will be formulated, implemented, and monitored to ensure that it will contribute to the achievement of these NSEDP9 targets.

<p>[Project Purpose] Public investment management is strengthened through reform aligned with fiscal management.</p>
<p>[Indicators]</p> <ol style="list-style-type: none"> 1) The PIM Action Plan is authorized by the Government of Laos. 2) PIM Improvement Steering Committee is authorized as a permanent formal committee. 3) Improved PIM methods/tools/workflow are aligned with the revised Public Investment Law. 4) Measures to advance and disseminate the PIM methods/tools/workflow are incorporated into the PIM Action Plan.

The PIM Action Plan indicates the specific reform process in strengthening PIM thereon. Overall, the Project expects to support the establishment of a strong foundation for PIM improvement (Output 1) while supporting the development and further upgrading existing methods and procedures (Outputs 3 and 4) and consequently incorporating these methods and procedures into the PIM Action Plan (Output 2).

(2) Outputs of the Project

The following indicates the four outputs to be achieved through the Project. Each of the four outputs has remained constant from the beginning, with only slight modifications in names and terms.

[Output 1] PIM Improvement Steering Committee and its Working Group are established and managed

The PIM Improvement Steering Committee shall be established as a multi-organizational body with the Vice Minister of the MPI as the Chairperson and representatives from the MPI, MOF, other ministries, and provinces as the Members. The Committee shall develop and monitor the PIM Action Plan and function as a facilitator to exchange information and discussions of proposals for strengthening PIM at all levels of the Government. The Committee shall form a Working Group tasked with the following three functions; i) develop the PIM Action Plan, ii) create opportunities to exchange budget management and project management information among organizations, and iii) discuss specific topics on project management for further improvement. The Committee is expected to conduct meetings twice a year, while the Working Group shall host quarterly meetings.

[Output 2] PIM Action Plan is completed

The Project supports the PIM Improvement Steering Committee and MPI in developing the PIM Action Plan. The PIM Action Plan shall be a roadmap for PIM reform from 2022 to 2030. It is expected to be completed and approved by February 2022, before the Project is completed.

[Output 3] Project management and prioritization are standardized

The Project supports the securing of fiscal discipline for the development budget by introducing the Three-Year Public Investment Rolling Plan (3YRP) and the project-monitoring framework.

[Output 4] Project assessment and evaluation methods are standardized

The Project supports further improving the management of individual public investment projects by upgrading the project formulation and assessment methods and procedures. It shall also assist in standardizing the medium-term review and evaluation methods.

(3) Project Implementation Period

The Project for Improving Public Investment Management (PIMCAP) was implemented from February 2019 to March 2022 over three years and one month and divided into the following three implementation periods:

- ◇ First implementation period: February 2019 to April 2020
- ◇ Second implementation period: June 2020 to April 2021
- ◇ Third implementation period: May 2021 to March 2022

2.3 Project Implementation Structure

(1) Joint Coordinating Committee (JCC) and Counterpart Organizations

There were two structures in the overall context of the PIMCAP Project. One was the project implementation structure as a JICA technical cooperation project (the PIMCAP Project), which consists of the consultant team and the counterpart organizations, and was governed by JCC. The other was the newly formed PIM Improvement Steering Committee, which the Lao Government oversee. PIMCAP functions as a supporting entity to the Committee. Because many members of the organizations directly related to PIMCAP were Committee members, PIMCAP operated as efficiently as possible so that information and outputs were not duplicated. However, learning from the experience in the first implementation period, the JCC meetings and Committee meetings planned separately to avoid confusion with its management objectives. The following diagram indicates the JCC and the project implementation structure.

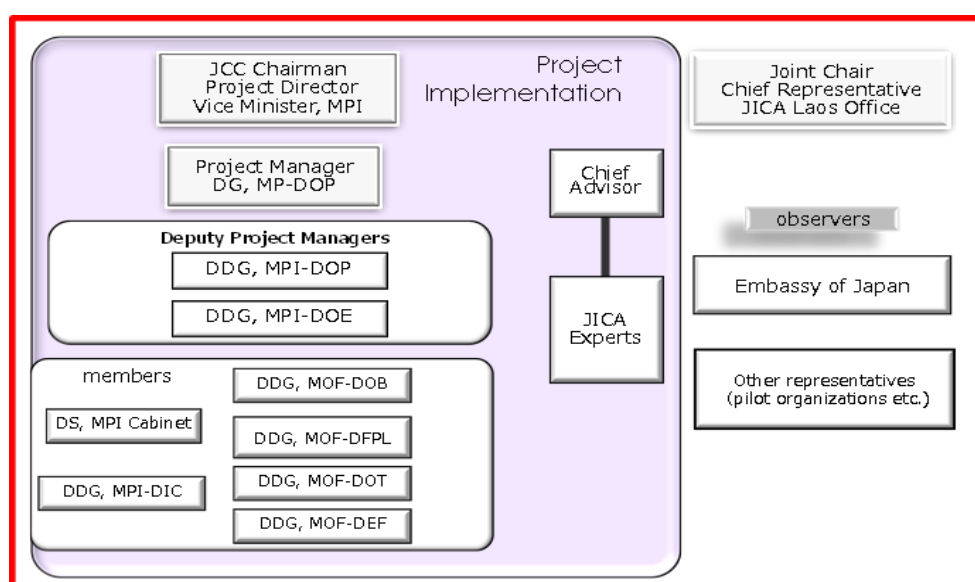


Diagram 1 Project Implementation Team and Joint Coordinating Committee

As a result of the reshuffle of Government personnel, including the MPI Vice Minister and MPI-DOP Director General posts, discussions to determine the PIMCAP Project Director and the Project Manager was made at the Third JCC Meeting in July 2021.

(2) Roles of the Japanese Experts

The following Japanese experts were assigned to the Project.

Chart 1 Assignment of Japanese Experts

Name	Expertise	Duties
Ichiro OKUMURA	Chief Advisor/ PIM Reform/ Budget Management & Prioritization	<ul style="list-style-type: none"> ● Overall management of the Project ● Advisory to all outputs ● PIM Improvement Steering Committee support (Output 1) ● PIM Action Plan development support (Output 2) ● Support development of the 3YRP (Output 3) ● Support development of the project monitoring system (Output 3) ● Support in establishing firm cooperation between MPI and MOF (Output 3)
Ryuji KASAHARA	Deputy Chief Advisor Project assessment/ Evaluation	<ul style="list-style-type: none"> ● Support advisory all outputs ● Upgrade project proposal and assessment methods and procedures (Output 4) ● Review the mid-term review and evaluation methods and procedures (Output 4) ● Support IT improvement
Atsuo SATO (~ Dec. 2020)	Budget Management & Prioritization	<ul style="list-style-type: none"> ● Support development of the 3YRP (Output 3) ● Support development of the project monitoring system (Output 3) ● Support in establishing firm cooperation between MPI and MOF (Output 3)
Hiromi OSADA	Inter-organizational strengthening	<ul style="list-style-type: none"> ● Strengthening cooperation among PIM Improvement Steering Committee member organizations (Output 1) ● Collecting and adjusting comments related to the PIM Action Plan (Output 2) ● Support validation on methods and procedures developed through Output 3 and 4. ● Studying and advising consistency among methods and procedures developed through Output 3 and 4.
Ayumi HORI (~ May. 2019)	Organizational Management/ Project Coordination	<ul style="list-style-type: none"> ● Support in preparation on PIM Implementation Steering Committee Advisory Board Meetings and Working Group Meetings (Output 1) ● Support in preparation of seminars and training ● Support IT improvement ● Project coordination
Natsumi OHASHI (Jun. 2019~)		

(3) National Project Team Members

The Project included three national consultants capable of continuing first-hand activities during the absence of Japanese experts. The three consultants and the administrative staff worked consistently throughout the project period.

The team members of the Project were assigned as follows.

Chart 2 Assignments of Project Team Members

Name	Duties
Mayuly CHAMLEUNSA	<ul style="list-style-type: none"> ● Contact to Project Director, Project Manager, Deputy Project Managers ● Advisory to other local consultants ● Support Output 1; PIM Improvement Steering Committee ● Support Output 2; PIM Action Plan ● Pilot contact to Champasak Province and Vientiane Capital
Manyluck SOUPHIDA (~ Aug. 2021)	<ul style="list-style-type: none"> ● Support Output 3; 3YRP and project monitoring system ● Support IT improvement ● Focal contact to MPI-DOP ● Pilot contact to MOF and MPWT
Sinthavy MALAVONG (Aug. 2021~)	
Tonghur HURVALEE	<ul style="list-style-type: none"> ● Support Output 4; Upgrading project proposal and assessment/ mid-term review and evaluation ● Focal contact to MPI-DOE
Khamson SAENSATHID	<ul style="list-style-type: none"> ● Administration ● Project coordination support ● Logistical support for meetings, seminars, and training sessions

2.4 Plan of Operation

The original plan of operation and the actual activities conducted during the whole implementation periods are attached (Annex 2).

3. Results of the First Implementation Period

The chart on the right shows the comparison between the original plan of operation and the actual activities conducted during the first implementation period (February 2019 through April 2020).

The first implementation period was completed with activities related to outputs 2, 3 and 4 implemented as planned. However, some activities related to Output 1 were not accomplished. This was due to the delay in establishing the PIM Improvement Steering Committee. The Committee was authorized in March 2020, as compared to the planned schedule of June 2019. Furthermore, the scheduled Committee Meeting was cancelled due to Government restrictions for official gatherings in reaction to COVID-19.

Chart 3 Activity Results for First Implementation Period

Outputs	Activities	First Implementation Period													
		2019												2020	
		2	3	4	5	6	7	8	9	10	11	12	1	2	3
Joint Coordinating Committee	Actual					1st								2nd	
Inception Report	Actual														
Monitoring Sheet	Actual						ver1							ver2	
Output 1: PIM Improvement Steering Committee and its Working Group are established and managed.															
1.1 Discuss and agree on the specific structure and functions of the Committee and the Working Group.	Plan														
	Actual														
1.2 Conduct PIM Reform Sub-Committee Meetings (PIM Reform Action Plan Development, Project Information, Project Management)															
(1) Conduct first PIM Reform Action Plan Development Sub-Committee (linked with Activity 2.2 (1))	Plan														
	Actual														
(2) Conduct first Project Information Sub-Committee	Plan														
	Actual														
(3) Conduct PIM Project Information Sub-Committee Meetings	Plan														
	Actual														
(4) Conduct first Project Management Sub-Committee	Plan														
	Actual														
(5) Conduct Project Management Sub-Committee Meetings	Plan														
	Actual														
1.3 Conduct Kick-Off and Annual PIM Reform Committee/ Meetings															
(1) Conduct Kick-Off Meeting of the PIM Reform Committee	Plan														
	Actual														
(2) Conduct Annual PIM Reform Committee Meetings	Plan														
	Actual														
Output 2: PIM Reform Action Plan is completed.															
2.1 Prepare concept documents for the Action Plan formulation	Plan														
	Actual														
2.2 Conduct PIM Reform Action Plan Development Sub-Committee Meetings															
(1) Conduct first PIM Reform Action Plan Development Sub-Committee (linked with Activity 1.2(1))	Plan														
	Actual														
(2) Conduct PIM Reform Action Plan Development Sub-Committee Meetings	Plan														
	Actual														
2.3 Present the PIM Reform Action Plan Outline at the PIM Reform Committee Kick-Off Meeting	Plan														
	Actual														
2.4 Develop the draft pillars and agendas of the PIM Reform	Plan														
	Actual														
2.5 Present the draft PIM Reform pillars and agendas at the Annual PIM Reform Meeting	Plan														
	Actual														
2.6 Develop draft PIM Reform Action Plan, review the draft final and submit for approval															
(1) Develop draft PIM Reform Action Plan	Plan														
	Actual														
Output 3: Project Management and Prioritization are standardized.															
3.1 Review the current budget management and project prioritization procedures, and select pilot organization(s)	Plan														
	Actual														
3.2 Conduct discussion on the development budget ceiling and allocation (including multi-year estimates)	Plan														
	Actual														
3.3 Develop model budget management and project prioritization procedures and validate with pilot organization(s)															
(1) Develop model budget management and project prioritization procedures with pilot organization(s)	Plan														
	Actual														
(2) First round validation of model with pilot organization(s)	Plan														
	Actual														
3.6 Conduct project monitoring survey	Plan														
	Actual														
3.7 Develop physical / financial monitoring framework	Plan														
	Actual														
Output 4: Project Assessment and Evaluation methods are standardized.															
4.1 Review the current project assessment procedures, and select pilot organization(s)	Plan														
	Actual														
4.2 Develop and validate the model project assessment procedures with pilot organization(s)															
(1) Develop model project assessment procedures with pilot organization(s)	Plan														
	Actual														
(2) First round validation of assessment procedures with pilot organization(s)	Plan														
	Actual														
4.5 Review project evaluation methods	Plan														
	Actual														
4.6 Develop project mid-term review and evaluation methods, and revise manual	Plan														
	Actual														
4.7 Present the draft/final project mid-term review and evaluation methods at Annual PIM Reform Meeting, and finalize manual															
(2) Validate project mid-term review and evaluation methods with pilot organization(s), and finalize manual	Plan														
	Actual														

3.1. Activities Related to All Outputs

(1) Reporting and Monitoring

The Project submitted the following reports and monitoring sheets shown in the following table after consultation with the C/Ps. The JICA gave the formats of monitoring sheets.

Types of documents	Time frame	Submitting to
Inception Report	April 2019	C/P and JICA
Monitoring Sheet version 1	September 2019	JICA
Monitoring Sheet version 2	April 2020	JICA

(2) JCC

The Project held the first meetings of JCC at the same day of holding the meetings of PIM Steering Committee on 26 July 2019, as the members of JCC and PIM Steering Committee were mostly the same, holding the two meetings on the same day can save time and cost, and enhance the efficiency of project management. The second JCC was held on 28 February 2020 to confirm the achievement of the first implementation period, approve the plan of operation during the second implementation period, the structure of PIM Steering Committee and the Strategic Pillars in the PIM Action Plan.

3.2. Output 1

The following chart explains the specific activities for Output 1.

S/N	Activities
1-1	Discuss and agree on the specific structure and functions of the Committee and the Sub-Committees
1-2	Conduct PIM Reform Sub-Committee Meetings (PIM Reform Action Plan Development, Project Information, Project Management)
	1) Conduct first PIM Reform Action Plan Development Sub-Committee
	2) Conduct first Project Information Sub-Committee
	3) Conduct PIM Project Information Sub-Committee Meetings
	4) Conduct first Project Management Sub-Committee
1-3	5) Conduct Project Management Sub-Committee Meetings
	Conduct Kick-Off and Annual PIM Reform Committee/ Meetings
	1) Conduct Kick-Off Meeting of the PIM Reform Committee
	2) Conduct Kick-Off Meeting of the PIM Reform Committee

Initially, the PIM Reform Committee was planned to be established in July 2019 followed by a kick-off event. MPI was generally favorable to the establishment of the committee, but the progress was overwhelmed by the economic and financial crisis in 2019 and administrative changes.

The official establishment of the Commission was stipulated in the *MPI Agreement No. 0425 on the Appointment of PIM Steering Committee and Working Group Responsible for PIM Improvement, dated 16 March 2020*. The Agreement describes the appointment of the MPI Vice Minister as the Committee Chairperson, MOF Vice Minister as the Deputy Chair, and members of the Advisory Board and Working Group, and the scope of responsibility. It was signed by the Deputy Prime Minister and Minister of Planning and Investment.

Results of each of the activities are as follows.

[1-1] Discuss and agree on the specific structure and functions of the Committee and the Sub-Committees

For the establishment of the PIM Reform Committee, the Project continued discussions with Dr. Kikeo CHANTHBOULY, Deputy Minister of Planning and Investment and Project Director, Ms. Phonevanh OUTHAVONG, Director General of MPI-DOP and Project Manager. In the process, it was agreed that the following points would be changed compared to the original design of the Committee.

A) Name of the Committee

The original name of the Committee was proposed as the *PIM Reform Committee* but was changed to the *PIM Improvement Steering Committee*.

B) Composition of Committee and its Members

The composition of the PIM Improvement Steering Committee has two levels, the *Advisory Board* and the *Working Group*.

C) Frequency of Committee Meetings

The frequency of committee meetings was set as twice a year for the Advisory Board, and four times a year for the Working Group. The Working Group discusses specific topics based on PIM issues and improvement subjects that arise.

[1-2] Conduct PIM Reform Sub-Committee Meetings (PIM Reform Action Plan Development, Project Information, Project Management)

- (1) Conduct first PIM Reform Action Plan Development Sub-Committee
- (2) Conduct first Project Information Sub-Committee
- (3) Conduct PIM Project Information Sub-Committee Meetings
- (4) Conduct first Project Management Sub-Committee
- (5) Conduct Project Management Sub-Committee Meetings

[1-3] Conduct Kick-Off and Annual PIM Reform Committee/Meetings

- (1) Conduct Kick-Off Meeting of the PIM Reform Committee
- (2) Conduct Kick-Off Meeting of the PIM Reform Committee

The establishment of the PIM Improvement Steering Committee was delayed until the notification of the Minister of Planning and Investment on March 16, 2020. Due to the suppression of government-related meetings given the COVID-19 pandemic, the First PIM Improvement Steering Committee Advisory Board Meeting planned in April 2020 was postponed at the last minute and was not held during the Project's first implementation period.

Before establishing the Committee, a preparatory event (corresponding to activity 1-3-1) was held on 26 July 2019 as the *PIM Improvement Steering Committee Preparatory Meeting*. The outline of the meeting is as follows.

PIM Improvement Steering Committee Preparatory Meeting (All invitees, attendees, and participants are in the positions at the time)	
[Date] 26 July 2019	[Venue] Crowne Plaza Hotel
[Chairperson] Dr. Kikeo CHANTHABOURY, Vice Minister of Planning and Investment	
[Honorary Participant] Mr. Takeshi Hikihara, Ambassador of Japan to Lao PDR	
[Representatives from Various Organizations] <ul style="list-style-type: none"> ✧ Ms. Phonevanh OUTHAVONG, Director General of MPI-DOP ✧ Mr. Manothong VONGSAY, Director General of MPI-DOE ✧ Ms Saymonekham MANGNOMEK, Deputy Director General of MPI-DIC ✧ Mr. Khamla PHOMMAVANH, Deputy Director General, Department of Planning and Cooperation, MPWT ✧ Mr. Phatthakone SIHAVONG, Deputy Director General, DPI Champasak Province ✧ Appointed official from MPI Center of Development Research ✧ Appointed official from Budget Department, MOF ✧ Appointed official from Fiscal Policy and Law Department, MOF ✧ Appointed official from National Treasury, MOF ✧ Appointed official from the State Audit Organization ✧ Appointed official from the National Institute of Economic Research ✧ Appointed official from the Bank of Laos PDR ✧ Appointed official from the Department of Finance and Planning, MAF 	
[Japanese Advisory Team] <ul style="list-style-type: none"> ✧ Mr. Yoshiharu YONEYAMA, Chief Representative, JICA Laos Office ✧ Mr. Koji OSHIKIRI, Senior Representative, JICA Laos Office ✧ Chief Advisor and Japanese Experts of JICA Technical Cooperation PIMCAP Project 	
[Schedule]	
Time	Agenda
13:30 – 13:50	Opening Remarks by Dr. Kikeo CHANTHABOURY, Vice Minister of MPI, Chairperson
13:50 – 14:00	Remarks by H.E. Mr. Takeshi HIKIHARA, Ambassador of Japan to Lao PDR
14:00 – 14:30	Presentation of A Committee on PIM; structure and activity outline by Ms. Phonevanh OUTHAVONG, Director General of MPI-DOP, Committee Member
14:30 – 15:00	Presentation on approaches for PIM Improvement Action Plan development by Mr. Ichiro Okumura, PIMCAP Chief Advisor
15:20 – 15:40	Speech by participants (as appointed by the Chairperson) <ul style="list-style-type: none"> ➢ Vice Governor of Vientiane Capital ➢ Vice Governor of Champasak Province ➢ MOF representative ➢ MPWT representative ➢ MAF representative
15:40 – 15:50	Further exchange of comments from the field
15:50 – 16:00	Conclusion and Closing Remarks by Dr. Kikeo CHANTHABOURY

[Contents]

- Dr. Kikeo pointed out the inefficiency of PIM at present and the need for full-scale improvement for future economic development and instructed to prepare the establishment of the PIM Improvement Steering Committee.
- Mr. Hikihara commented that Japan would fully support the PIM Improvement Steering Committee as a part of its support for financial stability in Lao PDR or the PIM support that had continued through the past JICA technical cooperation.
- The Director General of MPI-DOP presented the composition plan of the PIM Improvement Steering Committee. The Project Chief Advisor gave the development outline of the PIM action plan, which is to be formulated as part of the activities for the potential Committee.
- Deputy governors of Vientiane Capital and Champasak Province, and representatives of each ministry, agreed to the proposed outline of the Committee and to formulate the PIM Action Plan, which will be consistent with the ongoing PFM reform.
- At closing, Dr. Kikeo instructed the members to incorporate PIM strengthening and fiscal discipline approaches for disaster response projects into the PIM Action Plan. Dr. Kikeo also advised to include PIM improvement approaches in the NSEDP9 2021-2025, which was under development at that time.



3.3. Output 2

The following chart explains the specific activities for Output 2.

S/N	Activities
2-1	Prepare concept documents for the Action Plan formulation
2-2	Conduct PIM Reform Action Plan Development Sub-Committee Meetings
	1) Conduct first PIM Reform Action Plan Development Sub-Committee
	2) Conduct PIM Reform Action Plan Development Sub-Committee Meetings
2-3	Present the PIM Reform Action Plan Outline at the PIM Reform Committee Kick-Off Meeting
2-4	Develop the draft pillars and agendas of the PIM Reform
2-5	Present the draft PIM Reform pillars and agendas at the Annual PIM Improvement Steering Committee Meeting
2-6	Develop draft PIM Reform Action Plan, review the draft final, and submit for approval
	1) Develop draft PIM Reform Action Plan

The outline of the PIM Action Plan was proposed at the PIM Improvement Steering Committee Preparatory Meeting held on 26 July 2019. Based on the feedback from the meeting participants, the Project upgraded the outline.

The results of each activity are as follows.

[2-1] Prepare concept documents for the Action Plan formulation

The concept papers for the PIM Action Plan formulation were prepared, and the Project exchanged comments with MPI and reflected improvement points.

[2-2] Conduct PIM Reform Action Plan Development Sub-Committee Meetings

(1) Conduct first PIM Reform Action Plan Development Sub-Committee

(2) Conduct PIM Reform Action Plan Development Sub-Committee Meetings

Since the establishment of the PIM Improvement Steering Committee and its Working Group was delayed and meetings were not held, there was no opportunity to discuss the outline of the PIM Action Plan with organizations apart from MPI.

[2-3] Present the PIM Reform Action Plan Outline at the PIM Reform Committee Kick-Off Meeting

The Chief Advisor of the Project presented the outline of the PIM Action Plan based on the concept paper at the PIM Improvement Steering Committee Preparatory Meeting held on 6 July 2019.

[2-4] Develop the draft pillars and agendas of the PIM Reform

The draft *strategic pillars* of the PIM Action Plan were formulated and shared with MPI by February 2020. The first proposal consisted of five pillars, capacity development as a foundation, cross-cutting topics such as disaster resilience and climate change, environmental and social concerns, risk management and IT, and independent topics such as ODA, PPP, and SOE management.

[2-5] Present the draft PIM Reform pillars and agendas at the Annual PIM Improvement Steering Committee Meeting

Since the establishment of the PIM Improvement Steering Committee and its Working Group was delayed and the meetings were not held, there was no opportunity to discuss the contents of the PIM Action Plan with organizations other than MPI.

[2-6-1] Develop draft PIM Reform Action Plan

Formulation and discussions on the contents of the PIM Action Plan were simultaneously conducted.

3.4. Output 3

Through Output 3, the Project develops (i) the Three-Year Public Investment Rolling Plan (3YRP) as a tool for medium-term budget management and project prioritization; (ii) a standard procedure to announce the medium-term budget ceiling with MOF; and (iii) a framework for monitoring the physical and financial progress of the project. At the time of completing the first implementation period, the progress made was almost as planned. The results of each activity are as follows.

S/N	Activities
3-1	Review the current budget management and project prioritization procedures, and select the pilot organization(s)
3-2	Conduct discussion on the development budget ceiling and allocation (including multi-year estimates)
3-3	Develop model budget management and project prioritization procedures and validate with the pilot organization(s)
	1) Develop model budget management and project prioritization procedures with the pilot organization(s)
	2) Develop model budget management and project prioritization procedures with the pilot organization(s)
3-6	Conduct project monitoring survey

[3-1] Review the current budget management and project prioritization procedures, and select pilot organization(s)

In designing the standardization of project budget management and its prioritization, interviews were conducted with MPI-DOP/DOE, MOF, MPWT-DPC, and Champasak Province.

[3-2] Conduct discussion on the development budget ceiling and allocation (including multi-year estimates)

MOF is promoting the introduction of the Medium-Term Financial Framework (MTFF) and the Medium-Term Budget Framework (MTBF) with the support of the Asian Development Bank (ADB). Since these MTFF and MTBF are the basis of the medium-term budget ceiling of the 3YRP, the Project discussed the development progress of the MTFF and MTBF MOF and ADB.

[3-3-1] Develop model budget management and project prioritization procedures with the pilot organization(s)

The Project proceeded with the development of the draft 3YRP. It is envisioned that the introduction of 3YRP will maintain consistency with the MTBF that MOF plans to introduce. Its introduction will improve consistency and transparency of capital expenditure, ensuring fiscal discipline.

[3-3-2] Develop model budget management and project prioritization procedures with the pilot organization(s)

A workshop was held at MPWT to explain the draft 3YRP concept and format. Verification of the 3YRP model was attempted by drafting the 3YRP 2021-2023 using the 2020 fiscal budget.

[3-6] Conduct project monitoring survey

Project monitoring can generally be divided into physical and financial aspects. According to the distinction of duties in MPI, MPI-DOE plays the central role in developing physical monitoring, while MPI-DOP plays the leading role in financial monitoring.

3.5. Output 4

The following table shows the original activity plan for Output 4 during the first implementation period.

S/N	Activities
	A) Updating the project proposal and assessment methods
4-1	Review the current project assessment procedures, and select pilot organization(s)
4-2	Develop and validate the model project assessment procedures with the pilot organization(s)
	(1) Develop model project assessment procedures with pilot organization(s)
	(2) First round validation of assessment procedures with pilot organization(s)
	B) Re-organizing mid-term review and evaluation (terminal evaluation and ex-post evaluation).
4-5	Review project evaluation methods
4-6	Develop project mid-term review and evaluation methods, and revise the manual
4-7	Present the draft/final project mid-term review and evaluation methods at Annual PIM Improvement Steering Committee Advisory Board Meeting and finalize the manual

Actual results by each activity are explained below.

[4-1] Review the current project assessment procedures, and select pilot organization(s)

The Project conducted interviews with MPI-DOE and two pilot organizations; the Ministry of Agriculture and Forestry (MAF) and Champasak Province. The Project collected, studied, and summarized the latest information related to the existing project proposal and assessment workflow and formats. The Project compared the old and revised version of the Public Investment Law and Instruction No.2129 for Implementation of the Public Investment Law.

[4-2-1] Develop model project assessment procedures with the pilot organization(s)

In February 2020, MPI-DOE and the Project discussed that the project proposal and assessment system should be upgraded to accommodate new classification and type of projects stipulated in the revised Public Investment Law and improve the system comprehensively by establishing the internal appraisal mechanisms. MPI-DOE endorsed the concept of the improvement for the project proposal and assessment system. The following table shows the outline of developing the upgraded project proposal and assessment system.

Chart 5 Outline of developing the upgraded project proposal and assessment system

	Description
1	Standardize the contents and procedure of internal appraisal at Planning Department of Ministry
2	Clarify the distinction of works in the project proposal and assessment among Sector and Planning Departments of Ministry and MPI-DOE, and revise the formats for project proposal, internal appraisal, and project assessment
3	Confirm the required documents to ensure the abovementioned format and procedure

The figure shows before and after the installment of internal appraisal. Under the existing system, it takes time before the MPI-DOE starts assessing the project after receiving the project proposal. This is because the quality of the project proposal is not sufficient to start project assessment, e.g., the project proposal does not obtain necessary information for project assessment, and the MPI-DOE needs to request Ministry to provide that information. By standardizing the checking level on project proposal before Ministry/ Project Proposing Organization submits it to the MPI, the system to control the quality of project proposal within the ministry, named *internal appraisal*, will be established.

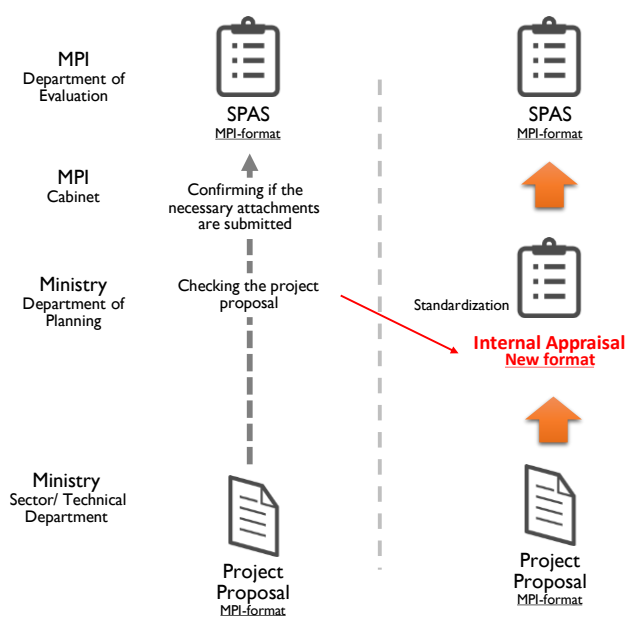


Diagram 2 Internal Appraisal

By introducing internal appraisal, it is expected that MPI-DOE does not need to request Ministry to provide additional information for project assessment; therefore, the entire project proposal and assessment process would become efficient.

[4-2-2] First round validation of assessment procedures with the pilot organization (s)

The Project prepared for the validation expected to take place between May and September in 2020.

[4-5] Review project evaluation methods

In response to the MPI-DOE request, the Project developed formats and procedures for the Mid-Term Review one year earlier than the original plan. MPI-DOE conducted a nationwide Mid-Term Review trip from October 2019 to February 2020. After initial formats were presented to MPI-DOE in December 2019, MPI-DOE decided not to use them.

3.6. Challenges and Lessons

Delays in establishing the PIM Improvement Steering Committee and changes in its associated activities: Concerning Output 1, the PIM Reform Committee (later renamed the PIM Improvement Steering Committee) was planned to be established by July 2019. However, the full-scale launch of the Committee was delayed until H.E. Dr. Somxay SIPHANDON, Deputy Prime Minister, took office as the Minister of Planning and Investment in January 2020. The first committee meeting and working group meetings had been postponed.

Scheduling conflict between MPI key officials and the Project Experts: Opportunities of frequent discussions between MPI key officials and the experts of the Project were scarce due to the busy schedule by MPI. The Vice Minister of Planning and Investment cum Project Director instructed both sides to conduct monthly monitoring meetings to resolve this issue. However, such a meeting was held once, in October 2019, due to scheduling conflicts. The Project shared monthly monitoring reports in addition to the obligated bi-annual monitoring sheet. Within the limited meeting opportunities, the key officials positively supported project implementation, but follow-up of some of the topics resulted in delays of some activities.

Impacts from the COVID-19 Pandemic: The Government began certain restrictions of meetings and assemblies due to the COVID-19 pandemic from February 2020. Also, JICA announced in March 2020 that Experts should immediately return to Japan. These caused some limitations to some vital activities before completing the first implementation period. The Project continued its efforts through national consultants, who attempted to maintain some activities, but further restrictions limited communications with key officials. The First PIM Improvement Steering Committee Meeting was delayed, and briefing to individual committee members was not realized.

4. Results of the Second Implementation Period

By completing the second implementation period, activities related to Outputs 1 through 3 have been implemented as planned amidst difficult circumstances and have achieved the expected mid-term targets. For Output 4, activities related to the discussions and development of mid-term review and evaluation are lagging. This delay is partly because the policy of mid-term reviews and evaluation is not being determined by the Government and MPI-DOE, thus experiencing difficulty in agreeing on the development direction of its tools and methods through remote discussions among the Project.

During the second implementation period, expected schedules such as the NSEDP9 formulation, the 11th National Congress of the Central Party Committee (January 2021), general elections (February 2021), and the cabinet reshuffle were already burdened for project implementation. This situation was further disturbed by the unpredictable COVID-19 pandemic, making it challenging to conduct planned activities, especially when it involved meetings with key Government officials. The sudden increase of COVID-19 infections after the Piimai in April 2021 triggered the Government to announce a lockdown from 22 April, causing cancellations and delays of crucial events in the final stages of the second implementation period.

The Second Advisory Board Meeting for the PIM Improvement Steering Committee was planned for 22 April but was canceled due to the lockdown. A workshop among MPI-DOE and the Project scheduled at the end of April was also affected.

Chart 6 Activity Results for Second Implementation Period

Outputs and Activities		2020												2021			
		6	7	8	9	10	11	12	1	2	3	4					
JCC Meeting	Result																4th
Inception Report	Result																
Monitoring Sheets	Result																
Output 1: PIM Improvement Steering Committee and its Working Group are established and managed.																	
1-2	Conduct PIM Improvement Steering Committee Working Group Meetings																
	Plan																
	Result																
	Plan																
	Result																
1-3	Conduct PIM Improvement Steering Committee Advisory Board Meetings																
	Plan																
	Result																
	Plan																
	Result																
1-4	Review on the PIM Improvement Steering Committee and its roles																
	Plan																
	Result																
	Plan																
	Result																
1-5	Summarize report on the effects of the Committee (based on 1-4 review)																
	Plan																
	Result																
Output 2: PIM Action Plan is completed																	
2-2	Conduct Working Group Meetings related to PIM Action Plan topic																
	Plan																
	Result																
2-6	Develop draft PIM Action Plan, review the draft final and submit for approval																
	Plan																
	Result																
	Plan																
	Result																
Output 3: Project management and prioritization are standardized																	
3-2	Conduct discussion on the development budget ceiling and allocation																
	Plan																
	Result																
3-3	Develop model budget management and project prioritization procedures and validate with pilot organizations																
	Plan																
	Result																
	Plan																
	Result																
3-4	Review the model and develop/finalize budget management and project prioritization handbook																
	Plan																
	Result																
3-5	Present the draft/final model at PIM Improvement Steering Committee Meeting																
	Plan																
	Result																
	Plan																
	Result																
3-7	Develop physical/financial monitoring framework																
	Plan																
	Result																
3-8	Present the draft/final monitoring framework at the PIM Improvement Steering Committee Meeting																
	Plan																
	Result																
	Plan																
	Result																
	Plan																
	Result																
Output 4: Project assessment and evaluation methods are standardized																	
4-2	Develop and validate the model project assessment procedures with pilot organizations																
	Plan																
	Result																
	Plan																
	Result																
4-3	Review validation results and revise existing manual																
	Plan																
	Result																
4-4	Present the draft/final assessment of procedures at the Committee Meeting																
	Plan																
	Result																
	Plan																
	Result																
	Plan																
	Result																
4-6	Develop project term review and evaluation methods																
	Plan																
	Result																
	Plan																
	Result																
4-7	Present the draft/final project mid-term review and evaluation methods at the Committee Meeting, and finalize the manuals																
	Plan																
	Result																
	Plan																
	Result																

4.1. Activities Related to All Outputs

(1) Reporting and Monitoring

The Project submitted the following reports and monitoring sheets shown in the following table after consultation with the C/Ps. The JICA gave the formats of monitoring sheets.

Types of documents	Time frame	Submitting to
Inception Report	July 2020	MPI and JICA
Monitoring Sheet version 3	November 2020	JICA
Monitoring Sheet version 4	April 2021	JICA

(2) JCC

Considering the COVID-19 pandemic, the JCC Meeting was postponed after an agreement with JICA Laos office. The Third JCC Meeting was planned to be held in April 2021 with the schedule of progress reports on each output, feedback from the PIM Improvement Steering Committee on the draft PIM Action Plan, and reports and discussions on subsequent follow-up proposals. However, it was canceled due to COVID-19 pandemic lockdown.

4.2. Output 1

The following chart explains the specific activities for Output 1.

S/N	Activities
1-2	Conduct PIM Improvement Steering Committee Working Group Meetings (PIM Reform Action Plan Development, Project Information, Project Management)
	3) Conduct PIM Project Information Sub-Committee Meetings
	5) Conduct Project Management Sub-Committee Meetings
1-3	Conduct Kick-Off and Annual PIM Improvement Steering Committee / Meetings
	2) Conduct Annual PIM Improvement Steering Committee Meetings
1-4	Review the roles of the PIM Improvement Steering Committee
1-5	Summarize a report on the effects and sustainability of the PIM Improvement Steering Committee (based on Activity 1.4)

During the second implementation period, the First PIM Improvement Steering Committee Advisory Board Meeting was held on 4 December 2020, and the second meeting was planned for 22 April 2021. However, it was canceled due to the COVID-19 pandemic lockdown COVID-19, which was announced on the day of the meeting. The Committee Working Group (Activity 1-2) held individual consultations from December 2020 through to January 2021, given the impact of the COVID-19 pandemic. A Working Group Meeting was held for the first time on 10 March 2021. The second meeting was held on 7 April 2021. The results by activity are as follows.

[1-2-3] Conduct PIM Project Information Sub-Committee Meetings

[1-2-5] Conduct Project Management Sub-Committee Meetings

Including the individual consultations, three Working Group meetings were held during the second implementation period. Discussions at each of the meetings were mainly based on three topics: *budget management*, *project management*, and *PIM Action Plan development*. Below are the timing and topics of the meeting.

Meeting	Timing	Topic
1 st	Dec 2020 ~ Jan 2021	<ul style="list-style-type: none"> ● Individual consultation <ul style="list-style-type: none"> ➢ MPI-DOP, DOE ➢ MOF-State Budget Department, Fiscal Policy and Law Department ➢ MAF Department of Planning and Finance ➢ Champasak Province DPI ● Follow-up activities of the First PIM Improvement Steering Committee Meeting
2 nd	10 th March 2021	<ul style="list-style-type: none"> ● "Project information sharing" meeting. Discussed budget management, including the current financial situation and the setting of budget ceilings for multiple years. ● Representatives from MPI-DOP, DOE, CDR, MOF-FP&L, SBD, and EFDMD attended.
3 rd	7 th April 2021	<ul style="list-style-type: none"> ● Exchanged opinions on the zero draft PIM Action Plan and discussed the contents of the report of this meeting.

[1-3-2] Conduct Annual PIM Improvement Steering Committee Meetings

The First PIM Improvement Steering Committee meeting was held on 4 December 2020. The outline of the Meeting is as follows.

[Date] December 4, 2020	[Venue] Lao Plaza hotel
[Chairperson] Dr. Kikeo CHANTHABOURY, Vice Minister of Planning and Investment	
[Members of the Committee Advisory Board]	
<ul style="list-style-type: none"> ✧ Mr. Phoukhong BANNAVONG, Vice Governor of Vientiane Capital ✧ Mr. Malaithong KOMMASITH, Vice Governor of Champasak Province ✧ Ms. Phonevanh OUTHAVONG, Director General, MPI-DOP ✧ Mr. Manothong VONSAY, Director General, MPI-DOE ✧ Mr. Phouvong KITTAVONG, Director General, MOF-SBD 	
[Representatives from Committee Advisory Board Member Organizations]	
<ul style="list-style-type: none"> ✧ Mr. Somxay SISANON, Director General, Department of Planning and Finance, MAF ✧ Dr. Anongdeth PHETKAYSONE, Head of Division, Department of Planning and Cooperation, MPWT 	
[Japanese Participants]	
<ul style="list-style-type: none"> ✧ Mr. Keizo TAKEWAKA, Ambassador of Japan to Lao PDR ✧ JICA Laos Office Mr. Yoshiharu YONEYAMA, Chief Representative ✧ JICA PIMCAP Project Mr. Ichiro Okumura, Chief Advisor ✧ Observers as appointed or invited from the Committee Chairperson 	
[Topic]	
<ul style="list-style-type: none"> ➤ PIM Action Plan Progress Report and Feedback ➤ Working Committee activity schedule report and approval ➤ Introduction and feedback on the development status of PIMCAP Output 3 and 4 	

The second meeting was planned for 22 April 2021, but it was canceled due to the COVID-19 pandemic lockdown announced on the day of the meeting.

[1-4] Review on PIM Improvement Steering Committee and its roles

Although the Committee was established through the MPI Agreement No.0425 during the first implementation period, it was not functional until the First Advisory Board Meeting was held in December 2020, after which the Working Group meetings were held.

[1-5] Summarize report on the effects of PIM Improvement Steering Committee (based on Activity 1.4)

Since the Committee's activation through meetings was affected by the COVID-19 pandemic, reports were not developed.

4.3. Output 2

The following chart explains the specific activities for Output 2.

S/N	Activities
2-2	Conduct PIM Improvement Steering Committee Working Group Meetings on the PIM Action Plan development
	2) Conduct Working Group meetings for PIM Action Plan development
2-6	Develop draft PIM Action Plan, review the draft final, and submit for approval
	1) Develop draft PIM Action Plan
	2) Review the draft final

The zero draft of the PIM Action Plan was completed in March 2021 and was distributed to the members of the PIM Improvement Steering Committee.

The results by activity are as follows.

[2-2-2] Conduct Working Group meetings for PIM Action Plan development

The PIM Improvement Steering Committee held individual consultations with Working Group members in December 2020 and January 2021 in response to the limitations of the COVID-19 pandemic. Discussions on the contents of the PIM Action Plan were made during its drafting process.

[2-6-1] Develop draft PIM Reform Action Plan

On the premise of reporting to the PIM Improvement Steering Committee meeting in April 2021, the zero draft of the PIM Action Plan was completed in mid-March and distributed to each Committee member. The Project collected immediate feedback from the members by the end of March.

[2-6-2] Review the draft final

The Third PIM Improvement Steering Committee Working Group Meeting was held on 7 April 2021 to obtain further feedback and prepare to report at the Advisory Board Meeting planned on 22 April. However, the meeting was canceled. Based on this situation, it was agreed with the Project Director that the Project should not hasten to hold the Advisory Board meetings during the lockdown and proceed with revisions to reflect the comments from the Working Group members, and prepare draft version 1 after the start of the third implementation period.

4.4. Output 3

In Output 3, due to a change in the formation of experts during the second period, the Project re-examined the conceptual outline of the 3YRP, and a new concept was developed in January 2021. The new concept was shared with MPI-DOP, MPWT and Champasak Province.

Under the new concept, the 3YRP will be adapted to the following budget formulation process, (i) each ministry and prefecture will formulate an annual development budget analysis report (DBAR) from January to February; (ii) MPI and MOF will issue a medium-term budget ceiling and allocation instructions for each project type to each government entity from March to April; and (iii) each entity will request the development budget based on the 3YRP dataset. For monitoring, the Project promoted unified efforts by incorporating the financial monitoring results of each project in the previous year into DBAR.

Although the concept was modified as mentioned above, activities mainly were carried out as initially planned. The Project proceeded with verifications with the pilot organizations (MPWT and Champasak Province), formulated DBAR 2021, and started developing the handbook. Based on the review on monitoring in the first period, the Project built a conceptual framework for financial monitoring of individual projects and incorporated the monitoring results in the DBAR.

The following chart explains the specific activities for Output 3.

SN	Activities
3-2	Conduct discussion on the development budget ceiling and allocation (including multi-year estimates)
3-3	Develop model budget management and project prioritization procedures and validate with the pilot organization(s) 1) First-round validation of the model with the pilot organization(s) 2) Second round validation of the model
3-4	Review the model and develop/finalize budget management and project prioritization handbook 1) Review the model and develop budget management and project prioritization handbook
3-5	Present the 3YRP model at Annual PIM Improvement Steering Committee Meeting 1) Present the draft model at the Annual PIM Improvement Steering Committee Meeting 2) Present the 3YRP model through an MPI-Pilot organization Seminar
3-7	Develop physical/financial monitoring framework
3-8	Present the monitoring framework through seminars and at PIM Improvement Steering Committee Meetings 1) Present the draft/final monitoring framework at Annual PIM Improvement Steering Committee Meeting 2) Present the monitoring framework at an MPI-pilot seminar 3) Validate the monitoring framework with the pilot organization(s)

The results by activity are as follows.

[3-2] Conduct discussion on the development budget ceiling and allocation (including multi-year estimates)

Meetings were held between the Project and MPI-DOP, MOF-SBD, and MOF-FP&L from December 2020 to January 2021. On 10 March 2021, MPI and MOF gathered at the Committee Working Group Meeting to further discuss the procedures to determine the budget ceiling for 2022-2024.

[3-3-2] First round validation of the model with the pilot organization(s)

The Project continued development with MPWT on the 3YRP. MPI-DOP officials and two national consultants from the Project visited Champasak Province on 16-17 July 2020 to collect budget information needed for the 3YRP.

[3-3-3] Second round validation of the model with the pilot organizations

With the change of the budget management expert in December 2020, the Project started collaborative development with the counterpart organizations on an upgraded concept of 3YRP. On 10 February 2021, the outline of the upgraded concept was agreed upon with two deputy directors and ten officials of MPI-DOP for detailed development.

The Project shared the outline of the upgraded 3YRP with MPWT and Champasak Province. The Project drafted the DBAR 2021 for MPWT and Champasak Province as part of the 2022 budget formulation process.

[3-4-1] Review the model and develop budget management and project prioritization handbook

Based on the verification results of Activity 3-3, the Project started developing a handbook based on the upgraded 3YRP concept.

[3-5-1] Present the draft model at the Annual PIM Improvement Steering Committee Meeting

The upgraded 3YRP concept and the DBAR formulation activities with pilot organizations were reported at the First PIM Improvement Steering Committee Working Group Meeting held on 10 March 2021. MPI and the Project exchanged opinions on the contents with MOF at the meeting.

[3-5-2] Present the final model through an MPI/Pilot Seminar

Although the Project planned to hold a seminar for MPI and pilot organizations to share the 3YRP development progress, the COVID-19 pandemic created difficulties in holding meetings on a large scale. MPI agreed that development should continue with each pilot organization without conducting independent seminars.

[3-7] Develop physical/financial monitoring framework

Based on the survey of the project monitoring conducted in the first implementation period and the upgraded 3YRP concept, the Project and MPI agreed to reflect financial monitoring results to the DBAR. Annual capital expenditure disbursement results will be collected from finance departments related to pilot organizations to be analyzed for DBAR reflection. The Project discussed with pilot organizations how to obtain specific financial monitoring information.

[3-8-1] Present the draft/final monitoring framework at Annual PIM Improvement Steering Committee Meeting

MPI and the Project reported the 3YRP concept and the draft framework for annual financial monitoring at the Second PIM Improvement Steering Committee Working Group Meeting on 7 April 2021.

[3-8-2] Present the monitoring framework at an MPI-pilot seminar

MPI agreed that development should continue with each pilot organization without conducting independent seminars.

[3-8-3] Validate the monitoring framework with the pilot organization(s)

The Project continued to develop DBAR 2021 and verify annual financial monitoring for MPWT and Champasak Province.

4.5. Output 4

The following table shows the original activity plan for Output 4 during the second implementation period.

S/N	Activities
	A) Updating the project proposal and assessment methods
4-2	Develop and validate the model project assessment procedures with the pilot organization(s) (2) First round validation of assessment procedures with the pilot organization(s)
4-3	Review validation results and revise existing manual
4-4	Present the draft/final assessment procedures at Annual PIM Improvement Steering Committee Advisory Board Meeting and finalize manual through validation (1) Present the draft assessment procedures at Annual PIM Improvement Steering Committee Advisory Board Meeting (2) Conduct the seminar to Ministry and Province (3) Second round validation of assessment procedures
	B) Re-organizing mid-term review and evaluation (terminal and ex-post evaluations).
4-6	Develop project mid-term review and evaluation methods, and revise the manual (1) Develop project mid-term review and evaluation methods, and revise the manual (2) Conduct the training to the pilot organization
4-7	Present the draft/final project mid-term review and evaluation methods at Annual PIM Improvement Steering Committee Advisory Board Meeting and finalize the manual (1) Present the draft methods at Annual PIM Improvement Steering Committee Advisory Board Meeting (2) Validate mid-term review and evaluation methods with the pilot organization(s) and finalize the manual

Actual results by each activity are explained below.

[4-2-2] First round validation of assessment procedures with the pilot organization (s)

For the first validation step, the Project discussed with the pilot organizations the contents of the draft format and procedure of internal appraisal. The Project also addressed with the MPI-DOE the concept of upgrading project proposal and SPAS in connection with the internal appraisal. The following table shows the outline of workshops the Project conducted.

	Date	Venue	Participants	Contents
1	17 and 18 September 2020	Meeting room at MAF (with Zoom connection)	MPI-DOE MAF (Department of Planning and Finance: DPF, Department of Irrigation, and Department of Rural Development)	Discussed the contents of format and procedures, especially the internal appraisal questions related to 1) logical framework, 2) budget plan, 3) economic and financial analysis and 4) feasibility study.
2	17 December 2020	Champasak Grand Hotel (with Zoom)	MPI-DOE, MPI-DOP MAF-DPF DPI of Champasak	Discussed the outline of internal appraisal at Province: 1) legal framework, 2) formats, 3) workflow, 4) implementation structure, and 5) roles of each stakeholder
3	5 January 2021	Training Centre of Lao Front for National Construction	MPI-DOE MPWT (Department of Planning and Cooperation, Sector Departments)	Discussed the outline of internal appraisal at Province: 1) legal framework, 2) formats, 3) workflow, 4) implementation structure, and 5) roles of each stakeholder
4	12 February 2021	Meeting room at MPI-DOE	MPI-DOE	Discussed the concept of upgrading project proposal and SPAS in connection with an internal appraisal.

[4-3] Review validation results and revise existing manual

The Project planned to change the chapters of the PCAP Manual, “Manual for Public Investment Management”, relating to upgrading the project proposal and assessment. In this revision, the focus was on the project proposal, internal appraisal, and SPAS.

[4-4-1] Present the draft assessment procedures at Annual PIM Improvement Steering Committee Advisory Board Meeting

The Project originally planned to present the development and validation of the upgraded project proposal and assessment at the PIM Improvement Steering Committee Advisory Board Meeting in April 2021. However, the meeting was canceled because of the lockdown caused by the COVID-19 pandemic.

[4-4-2] Conduct the seminar to Ministry and Province

The Project originally planned to organize a seminar and share the concept and outline of internal appraisal with MPWT, a pilot organization in the PIMCAP. However, instead of organizing the seminar, the Project has consulted the concept and outline of internal appraisal with MPWT through interviews and a workshop.

[4-4-3] Second round validation of assessment procedures

The PIMCAP team validated internal appraisal by using the project proposal before Fiscal Year 2021.

	Date	Venue	Participants	Contents
1	31 March 2021	Meeting room at MAF (with Zoom connection)	MPI-DOE MAF (Department of Planning and Finance: DPF, Department of Irrigation, and Department of Rural Development)	Discussed the usability of questions for the internal appraisal format
2	5 May 2021	Meeting room at DPI (with Zoom)	MPI-DOE, DPI of Champasak Irrigation Sector, Provincial Agricultura and Forestry Office (PAFO)	Discussed the usability of questions for the internal appraisal format

[4-6-1] Develop project mid-term review and evaluation methods, and revise manual

Discussing and agreeing with the MPI-DOE on the definition and scope of Mid-Term Review was a vital step to develop the Mid-Term Review method. The expert initially planned to discuss this topic with the MPI-DOE staff and senior management face to face when we would resume working in Laos after January 2021. Due to the travel restrictions, the consensus-building was not completed by the second implementation period.

[4-6-2] Conduct the training to pilot organization

The consensus was yet built on the definition and scope of the Mid-Term Review. Therefore, the training to the pilot organization was not organized by the end of the second implementation period.

4.6. Challenges and Lessons

Promoting PIM Improvement Under Difficult Economic and Financial Situations: Lao PDR faces a critical situation in both economic and financial terms. Although the vital signs were acknowledged a few years back, it has further deteriorated through the effect of the recent string of natural disasters, the 2018 Attapeu dam collapse incident, and the COVID-19 pandemic. In reaction to this difficulty, the Government has changed its policy from a rapid development scenario to a more moderate scheme that promotes average and sustainable economic growth, setting the annual GDP growth to a level of 4% in the NSEDP9.

The inclusion of PIM enhancement and the moderate growth scenario in the NSEDP9 will promote the PIM Improvement Steering Committee (Output 1) and the PIM Action Plan (Output 2). The attention toward the Committee by Government key officials has become evident. The Vice Minister of MPI and the Chairperson of the Committee have instructed its members to start implementing the critical topics indicated in the zero-draft PIM Action Plan before the document is approved.

On the other hand, the critical financial situations affected the development activities for Outputs 3 and 4. Due to the revenue shortage in 2020, some capital expenditures budgeted for 2020 were brought forward to 2021. The revenue estimations for 2021 continued to be at low levels, and the Government could not finalize the 2021 expenditures until May 2021. Under this situation, it was making MOF and MPI extremely difficult to estimate the 2022 budget ceiling and making central and local government organizations repay ongoing and debt projects. While the 3YRP partially resolves these issues, it was causing difficulties to fully function the model due to the challenges in making the three-year predictions. Improvement of the project formulation and assessment related to Output 4 activities may also face challenges of validation activities since new projects may not be submitted due to the financial crisis.

5. Results of the Third Implementation Period

The following chart compares the original plan of operation and the actual activities conducted during the third implementation period.

Chart 7 Activity Results for Third Implementation Period

Outputs and Activities		2021											2022		
		5	6	7	8	9	10	11	12	1	2	3			
JCC Meeting	Plan		3rd										4th		
	Actual		3rd										4th		
Inception Report	Plan														
	Actual														
Monitoring Sheets	Plan								Ver.5					Ver.6	
	Actual								Ver.5					Ver.6	
Project Completion Report	Plan														
	Actual														
Output 1: PIM Improvement Steering Committee and its Working Group are established and managed.															
1-2 Conduct PIM Improvement Steering Committee Working Group Meetings	Plan														
	Actual														
(3) Conduct Working Group Meeting related to project and budget information topic	Plan														
	Actual														
(5) Conduct Working Group Meeting related to project management topic	Plan														
	Actual														
1-3 Conduct PIM Improvement Steering Committee Advisory Board Meetings	Plan														
	Actual														
1-4 Review on the PIM Improvement Steering Committee and its roles	Plan														
	Actual														
1-5 Summarize report on the effects of the Committee (based on 1-4 review)	Plan														
	Actual														
Output 2: PIM Action Plan is completed															
2-2 Conduct Working Group Meetings related to PIM Action Plan topic	Plan														
	Actual														
(2) Conduct Working Group Meeting	Plan														
	Actual														
2-6 Develop draft PIM Action Plan, review the draft final and submit for approval	Plan														
	Actual														
(2) Review the draft final	Plan														
	Actual														
(3) Submit the draft final PIM Action Plan for approval	Plan														
	Actual														
Output 3: Project management and prioritization are standardized															
3-2 Conduct discussion on the development budget ceiling and allocation	Plan														
	Actual														
3-3 Develop model budget management and project prioritization procedures and validate with pilot organizations	Plan														
	Actual														
3-4 Review the model and develop/finalize budget management and project prioritization handbook	Plan														
	Actual														
3-5 Present the draft/final model at PIM Improvement Steering Committee Meeting	Plan														
	Actual														
3-8 Present the draft/final monitoring framework at the PIM Improvement Steering Committee Meeting	Plan														
	Actual														
(3) Validate the monitoring framework with pilot organization(s)	Plan														
	Actual														
(4) Present the final monitoring framework at the Committee Meeting	Plan														
	Actual														
Output 4: Project assessment and evaluation methods are standardized															
4-4 Present the draft/final assessment of procedures at the Committee Meeting	Plan														
	Actual														
(3) Second round validation of assessment procedures	Plan														
	Actual														
(4) Review the assessment procedures and finalize manual	Plan														
	Actual														
(5) Present the final assessment procedures at the Committee Meeting	Plan														
	Actual														
4-6 Develop project term review and evaluation methods	Plan														
	Actual														
(1) Develop project mid-term review and reflect them in the manuals	Plan														
	Actual														
(2) Conduct training to pilot organizations	Plan														
	Actual														
4-7 Present the draft/final project mid-term review and evaluation methods at the Committee Meeting, and finalize the manuals	Plan														
	Actual														
(2) Validate project mid-term review and evaluation methods with pilot organizations and finalize manual	Plan														
	Actual														
(3) Present the final project mid-term review and evaluation methods at the Committee Meeting	Plan														
	Actual														

5.1. Activities Related to All Outputs

(1) Reporting and Monitoring

The Project submitted the following reports and monitoring sheets shown in the following table after consultation with the C/Ps. The JICA gave the formats of monitoring sheets.

Types of documents	Time frame	Submitting to
Inception Report	June 2021	C/P and JICA
Monitoring Sheet version 5	November 2021	JICA
Monitoring Sheet version 6	March 2022	JICA
Project Completion Report	March 2022	C/P and JICA

(2) Information gathering activity (remote activity) at the start of the third implementation period

The Japanese experts started on-site activities in June 2021. Since isolation at local accommodations was required 15 days after arrival, the experts carried out remote actions from Japan and isolation facilities during June. The national consultants worked directly with MPI and pilot organizations. At the same time, the budget formulation for FY2022 was in progress. Since it was necessary for the Project activities to grasp the progress of these operations and the contents, the Project actively collected information. The outline of the information gathering activities was as follows.

Necessary Information	Activities
The Government's policies for COVID-19	The Japanese experts consulted with the JICA Laos office and coordinated the project activities' contents and timeframe in response to the COVID-19 pandemic. National consultants gathered information on the response to COVID-19 from the Government.
FY2022 budgeting process	The Project confirmed the guidelines of MPI and MOF and the budget framework, and the budget preparation status of each ministry and province.

(3) JCC Meetings

Before starting the third implementation period, Dr. Kikeo CHANTHABOULY, Vice Minister of Planning and Investment and the Project Director, was transferred to the National Institute of Economic and Social Research. Ms. Phonevanh OUTHAVONG, Director General of MPI-DOP and the Project Manager was promoted to Vice Minister of Planning and Investment. Along with this change, Ms. Phonevanh became the Project Director. As of June 2021, since the position of the MPI-DOP Director General was not filled, Mr. Kalouna NANTHAVONGDUNANGSY, Deputy Director General of MPI-DOP, was appointed as the Acting Project Manager. These positions were maintained until project completion.

The Project held JCC meetings on 1 July 2021 and 22 February 2022.

Since the third JCC implemented in July 2021 was postponed from the second implementation period, the schedule was coordinated among MPI and JICA Laos Office to conduct the meeting immediately after the start of the third implementation period. Results for the second

implementation period and the activity plan for the third implementation period were presented and approved. The outline of the meeting is as follows.

Third JCC Meeting	
[Date] 1 July 2021	[Venue] Crown Plaza Hotel
[Chairperson] Ms. Phonevanh OUTHAVONG, Vice Minister of MPI	
[Co-Chair] Mr. Toshio NAGASE, Chief Representative, JICA Laos Office	
[Participants from Lao side]	
<ul style="list-style-type: none"> ✧ Mr. Kalouna NANTHAVONGDUNANGSY, Deputy Director General of MPI-DOP ✧ Dr. Sengphaivanh SENGAPHONE, Deputy Director General of MPI-DOE ✧ Deputy Permanent Secretary of MPI Cabinet ✧ Deputy Director General of MPI-DIC ✧ Deputy Director General of Fiscal Policy and Law Department, MOF ✧ Deputy Director General of External Finance and Debt Management Department, MOF ✧ Government officials directly related to the PIMCAP project activities 	
[Participants from Japanese side]	
<ul style="list-style-type: none"> ✧ Representatives from JICA Laos Office ✧ Chief Advisor of PIMCAP ✧ Japanese Experts and Staff from PIMCAP ✧ Representative from the Embassy of Japan for Lao PDR ✧ Japanese Experts from JICA HQ 	
[Schedule]	
Time	Contents
9:00 – 9:10	Opening Remarks by Ms. Phonevanh OUTHAVONG, Vice Minister of MPI, Chairperson
9:10 – 9:30	Speech by Mr. Toshio NAGASE, Chief Representative of JICA Laos Office
9:35 – 10:10	Presentation of PIMCAP activities and achievements during the second implementation period by Mr. Kalouna NANTHAVONGDUANGSY, Deputy Director General of MPI-DOP, Project Deputy Manager
10:40 – 11:10	Presentation of the plans for the third and final implementation period by Mr. Ichiro OKUMURA, Chief Advisor of PIMCAP
11:20 – 11:50	Q&A and Discussion Session; hosted by the Chairperson
15:50 – 16:00	Closing Remarks by the Chairperson
[Contents]	
<ul style="list-style-type: none"> ➤ Confirmation of results for the implementation period and report of the third implementation activity plan. ➤ Confirmation of changes in the project implementation system ➤ Support cooperation with the World Bank and ADB, which support PFM programs for MOF, or UNDP, which supports NSEDP9 for MPI (JICA Laos Office). ➤ To appropriately select a business with a limited development budget in a difficult economic and financial situation, the government of Laos continues to actively promote the utilization of each tool developed in the Project from MPI/MOF to each ministry and prefecture (MPI Deputy Minister) . 	

The fourth and final JCC meeting was conducted remotely, considering the COVID-19 situations, since the four Japanese experts are returning to Japan the next day. Activities for the third implementation period, the achievement level of the Project at its completion, and sustainability measures were discussed.

Forth JCC Meeting	
[Date] 28 February 2022	[Venue] Online
[Chairperson] Ms. Phonevanh OUTHAVONG, Vice Minister of MPI	
[Co-Chair] Mr. Toshio NAGASE, Chief Representative, JICA Laos Office	
[Participants from Lao side]	
<ul style="list-style-type: none"> ✧ Mr. Kalouna NANTHAVONGDUNANGSY : DDG, MPI-DOP ✧ DDG, MPI-DOE ✧ Representatives from MPI Cabinet, MPI-DIC, MOF 	
[Participants from Japanese side]	
<ul style="list-style-type: none"> ✧ Representatives from JICA Laos Office ✧ Chief Advisor of PIMCAP ✧ Japanese Experts and Staff from PIMCAP ✧ JICA HQ 	
[Agenda]	
<ul style="list-style-type: none"> ✧ Opening remarks by the Chairperson ✧ Speech by the Chief Representative of JICA Laos Office ✧ Handing over of Project equipment ✧ Achievement levels of the Project, reported by experts ✧ Sustainability of project outputs and results, reported by the counterpart organization ✧ Q&A ✧ Closing remarks by the Chairperson 	
[Contents]	
<ul style="list-style-type: none"> ✧ Outputs, results, and sustainability measures of the Project were presented. ✧ The establishment and operation of the PIM Improvement Steering Committee and the drafting of the PIM Action Plan were realized by the strong commitment of the Project and all Government stakeholders. The Government has confidence in sustaining the Committee and the Action Plan. ✧ Some methods and tools still need modification. MPI will continue development. ✧ Continuous effects can be seen from pilot organizations. They would hopefully lead the other organizations to promote the PIM Action Plan and models co-developed with the Project. ✧ The Committee will initiate the implementation and monitoring of the PIM Action Plan. ✧ JICA will continue its support to MPI and the Committee. ✧ The Chairperson appreciated JICA's dedicated support and requested JICA to start the next phase of technical cooperation as soon as possible. 	

5.2. Output 1

The following chart explains the specific activities for Output 1.

S/N	Activities
1-2	Conduct PIM Improvement Steering Committee Working Group Meetings
	1) Meetings on the topics of project information sharing
	5) Meetings on the topics of project management
1-3	Conduct PIM Improvement Steering Committee Advisory Board Meetings
	2) Conduct Advisory Board Meetings
1-4	Review the roles of the PIM Improvement Steering Committee
1-5	Summarize a report on the effects and sustainability of the PIM Improvement Steering Committee (based on Activity 1.4)

During the third implementation period of the Project, the Second PIM Improvement Steering Committee Advisory Board Meeting and three Committee Working Group Meetings were held. The sustainability of the Committee was discussed at the Second Advisory Board Meeting.

The results of each activity are as follows.

[1-2-1] Meetings on the topics of project information sharing

[1-2-5] Meetings on the topics of project management

Three Committee Working Group meetings were held during this period. The following chart indicates the outline of the three meetings.

Chart 8 Outline of PIM Improvement Steering Committee Working Group Meetings

Meeting	Dates	Discussion Contents
Third	11 Aug 2021	<ul style="list-style-type: none"> ● PIM Action Plan draft ver. 1.0 contents ● Development and validation progress of Output 3 & 4
Fourth	30 Nov 2021	<ul style="list-style-type: none"> ● PIM Action Plan draft ver. 1.1 contents
Fifth	2 Feb 2022	<ul style="list-style-type: none"> ● PIM Action Plan draft ver. 2.0 contents ● The approval process of the PIM Action Plan ● Preparation for the Second Committee Advisory Board Meeting

Outlines of each meeting are as follows.

Third PIM Improvement Steering Committee Working Group Meeting	
[Date] 11 August 2021	[Place] Crown Plaza Hotel Vientiane
[Chairperson] Ms. Phonevanh OUTHAVONG, Vice Minister of Planning and Investment	
[Key Participants]	
<ul style="list-style-type: none"> ✧ Ms. Bouavone SOUKLASENG, DG, Vientiane Capital DPI ✧ Mr. Kalouna NANTHAVONGDUANGSY: DDG, MPI-DOP ✧ Dr. Sengphayvanh SENGAPHONE: DDG, MPI-DOE ✧ Ms. Vanh DYLANH: DDG, MPWT-DPC ✧ Mr. Thanongsinh SENGPHAVONG: DDG, Vientiane Capital DPI ✧ Mr. Phattakone SIHAVONG: DDG, Champasak Province DPI ✧ Ms. Thongchanh SOULINPHOUMMY: DDG, MOF-SBD ✧ Representatives from MPI-CDR, MPI-DIC, MOF-FPLD, MOF-EFDMD, and MAF-DPF 	
[Meeting Agenda]	
<ul style="list-style-type: none"> ● Opening Remarks by the Chairperson ● Presentation of Output 3 & 4 development progress ● Discussion on PIM Action Plan draft version 1.0 ● Closing remarks by the Chairperson 	
[Contents]	
<ul style="list-style-type: none"> ➤ Presentation of the 3YRP Concept and the upgrades of project proposal/SPAS. ➤ Presentation of the PIM Action Plan draft version 1.0 and changes from the zero draft. <ul style="list-style-type: none"> ➤ Addition of a new cross-cutting approach on Central & Local Government Relations ➤ Discussion on the implementation phasing of the PIM Action Plan. <ul style="list-style-type: none"> ➤ Proposal of dividing the PIM Action Plan implementation period into two phases linked to the NSEDP9 (2021-2025) and NSEDP10 (2026-2030) ➤ Consider indicators and milestones consistent with the National Agenda for Economic-Finance Solution (2021-2023). ➤ Elaboration on the cross-cutting approach on PPP management is necessary (MPWT). Although not a Committee member, the Ministry of Energy and Mining (MOEM) has experience implementing many PPP concession projects. MPI Investment Promotion Department (MPI-IPD) is the coordinating body for PPP. When developing the PPP management improvement approach, interviews with these organizations should be conducted. ➤ Disaster resilience and measures should be elaborated (Chairperson). ➤ Interviews with non-member organizations should actively be implemented to improve the contents (Chairperson). 	

Fourth PIM Improvement Steering Committee Meeting	
[Date] 30 November 2021	Held Online
[Chairperson] Ms. Phonevanh OUTHAVONG, Vice Minister of Planning and Investment	
[Participants]	
<ul style="list-style-type: none"> ✧ Ms. Bouavone SOUKLASENG: DG, Vientiane Capital DPI ✧ Mr. Kalouna NANTHAVONGDUANGSY: DDG, MPI-DOP ✧ Dr. Sengphayvanh SENGAPHONE: DDG, MPI-DOE ✧ Ms. Sisavanh DIDRAVONG: Acting DG, MPI Development Research Institute (MPI-DRI)⁴ ✧ Ms. Maythip: DDG, MOF-DEF/DM ✧ Mr. Pasongphet KKHAMTANH: DDG, MOF Department of State-Owned Enterprises and Insurance Management (MOF-DSOEIM) ✧ Ms. Vanh DYLA VANH: DDG, MPWT-DPC ✧ Mr. Thanongsinh SENGPHAVONG: DDG, Vientiane Capital DPI ✧ Mr. Somphone: DDG, Champasak Province DPI ✧ Mr. Thevaruck PHONKEO: DDG, Department of Environment, MONRE ✧ Representatives from MPI-DIP, MPI-DIC, MOF-DFP&L, MOF-DSAM, MAF-DPF ✧ Representatives from JICA Laos Office 	
[Meeting Agenda]	
<ul style="list-style-type: none"> ● Opening remarks by the Chairperson ● Presentation on the feedbacks from the PIM Action Plan draft version 1.0 and reflection to the draft version 1.1 ● Discussion on the contents of the draft version 1.1 ● Closing remarks by the Chairperson 	
[Discussion Contents]	
<ul style="list-style-type: none"> ● Presentation of the 27 feedback comments for the draft version 1.0 and version 1.1. <ul style="list-style-type: none"> ➢ Based on our feedback, Green Growth Promotion was included as part of the <i>Cross-Cutting Approach 1 Disaster and Climate Change</i> in draft version 1.1. Further revision is needed to have activities to establish Green Growth financing (MPI-DRI). ➢ Some milestones and activities for the <i>Main Approach 3 Project formulation and appraisal</i> should be moved up (MPI-DOE). ➢ Clarification of the relations among the Five-Year PIP and the 3YRP is needed (Champasak DPI). ➢ More clarification on the necessity of distinction among central and local government entities is required (Vientiane Capital DPI). ➢ The amendment of the State Budget Law was approved at the National Assembly. Modifications to the PIM Action Plan should be made based on the amendment (MOF-DFP&L). ➢ Management of projects related to disaster response should be improved through the Action Plan (MPWT-DPC). ➢ JICA has dispatched Japanese experts to MOF and considering phase two of PIMCAP based on MPI request. (JICA Laos Office). ➢ Improvement of PPP management and SOE reforms are urgent topics of the Government. MPI and MOF will continue discussions to reflect these topics in the Action Plan (MPI-DOP). ● It was agreed that the PIM Action Plan draft version 2.0 will be developed and distributed before the next Working Group meeting. 	

⁴ MPI Development Research Institute (MPI-DRI) was renamed from MPI Center of Policy and Development Research (MPI-CDR)

Fifth PIM Improvement Steering Committee Meeting	
[Date] 2 February 2022	Held online
[Acting Chairperson] Mr. Kalouna NANTHAVONGDUANGSY: DDG, MPI-DOP	
<p>[Participants] total 54 persons</p> <ul style="list-style-type: none"> ✧ Mr. Chantanaphone, DDG, MPI-DOP, and other officials ✧ Ms. Sisavanh DIDRAVONG: Acting DG, MPI-DRI, and other officials ✧ Ms. Oudalone, DDG, MPI-DOE ✧ Mr. Kouthong, Head of Division, MPI-DIC ✧ Ms. Thavichanh THIENGTHEPVONGSA, DDG, MPI-IPD, and other officials ✧ Ms. Phirany, DDG, MOF Department of Fiscal Policy (MOF-DFP)⁵ ✧ Mr. Thippavong, DDG, MAF-DPF ✧ Mr. Vilath, DDG, MOEM-DPC ✧ Mr. Thanongsinh, DDG of Vientiane Capital DPI ✧ Mr. Phattakone, DDG of Champasak Province DPI ✧ MOF Representatives from MOF-SBD, MOF State Asset Management Department (MOF-SAMD), MOF External Finance Department (MOF-EFD)⁶, MOF-NT ✧ Representatives from MPWT-DPC and MONRE Department of Environment (MONRE-DOE) ✧ Representatives from JICA Headquarters, JICA Laos Office 	
<p>[Meeting Agenda]</p> <ul style="list-style-type: none"> ● Opening remarks by the Chairperson ● Presentation on the feedbacks from the PIM Action Plan draft version 1.1 and reflection to the draft version 2.0 ● Discussion on the contents of the draft version 2.0 and the initiative of the PIM Action Plan implementation ● Closing remarks by the Chairperson 	
<p>[Discussion Contents]</p> <ul style="list-style-type: none"> ● Presentation of the 11 feedback comments for the draft version 1.1 and version 2.0. <ul style="list-style-type: none"> ➢ Further discussions are needed to improve the actions for PPP management (MPI-IPD). ➢ CBA is crucial when planning and assessing PPP. Methods to conduct and evaluate CBA should be included in the Action Plan (MPI-IPD). ➢ For PPP, establishing the legal framework is essential as the SOP (MOEM-DPC). ➢ The National Agenda (2021-2023) emphasizes the importance of public investment to promote private and foreign. This aspect should be included in the Action Plan (MPI-DRI). ➢ The Law on Rehabilitation and Occupation No.45 is inactivated. It should be incorporated in the legal framework for the <i>Cross-Cutting Approach 2 Environmental and Social Concerns</i> (MONRE-DOE). ➢ In addition to promoting ESIA, monitoring of ESIA implementation should be incorporated in the activities for <i>Cross-Cutting Approach 2 Environmental and Social Concerns</i> (MONRE-DOE). ● Comments on implementing the PIM Action Plan after its approval are as follows. <ul style="list-style-type: none"> ➢ MPI-IPD intends to fully cooperate on promoting the PIM Action Plan implementation once the Government approves it. ➢ While understanding the necessity to self-sustain the Action Plan activities, support from development partners is still needed for technical and financial support (MPI-IPD). ➢ Technical and financial support from the development partners is still needed. It may be good to invite development partners as the Committee observers (MPI-IPD). ➢ MOF will form a team to follow up on the PIM Action Plan implementation. ➢ Efforts to maintain relations among all organizations, including government entities, are required to implement the PIM Action Plan (MPWT-DPC) properly. 	

⁵ MOF Department of Fiscal Policy (MOF-DFP) was renamed from MOF Department of Fiscal Policy and Law (MOF-FP&L)

⁶ MOF External Finance Department (MOF-EFD) has been separated from MOF External Finance and Debt Management Department (MOF-EFDM)

[1-3-2] Conduct Annual PIM Improvement Steering Committee Meetings

Due to the COVID-19 pandemic and the lockdown, the Project Director recommended that the second Advisory Board Meeting be held on February 2022 when the draft final of the PIM Action Plan is ready. The meeting was held on 15 February 2022 with the following outline.

[Date] 15 February 2022	[Place] Crown Plaza Hotel, Vientiane
[Chairperson] Ms. Phonevanh OUTHAVONG, Vice Minister of Planning and Investment [Deputy Chairperson] Dr. Phouthanouphet XAYSOMBATH, Vice Minister of Finance	
[Members of the Committee Advisory Board] <ul style="list-style-type: none"> ✧ Ms. Vilaykham PHOSALATH, Vice Minister of Public Works and Transport [Representatives from Committee Advisory Board Member Organizations] <ul style="list-style-type: none"> ✧ Ms. Bouavone SOUKLASENG, DG, Vientiane Capital DPI ✧ Mr. Thippavong OUNLA, DDG, MAF-DPC ✧ Mr. Phattakhone SIHAVONG, DDG, Champasak Province DPI [Representatives from Committee Working Group and other organizations] <ul style="list-style-type: none"> ✧ Mr. Vongkhamheng VONGTHACHAK, DG, MOF-EFD ✧ Ms. Sisavanh DIDARAVONG, Acting DG, MPI-DRI ✧ Mr. Kalouna NANTHAVONGDOUANGSY, DDG, MPI-DOP ✧ Ms. Thavichanh THIENGTHEPVONGSA, DDG, MPI-IPD ✧ Mr. Vilaphanh DOUANGHONGKHAM, DDG, MPI-DOE ✧ Ms. Thongchanh SOULINPHOUMY, DDG, MOF-SBD ✧ Ms. Pirany PHITSAMAY, DDG, MOF-FPD ✧ Mr. Nouseong PHOMSICHANH, DDG, MOF-NT ✧ Representative from MONRE Department of Environment ✧ Representative from MOEM-DPC 	
[Japanese Participants] <ul style="list-style-type: none"> ✧ Mr. Kenichi KOBAYASHI, Ambassador of Japan to Lao PDR ✧ Mr. Toshio NAGASE, Chief Representative, JICA Laos Office ✧ JICA PIMCAP Project Mr. Ichiro Okumura, Chief Advisor ✧ Observers as appointed or invited from the Committee Chairperson 	
[Agenda] <ul style="list-style-type: none"> ➤ Opening Remarks by the Chairperson ➤ Remarks by the Ambassador of Japan to Lao PDR ➤ Presentation of the draft final PIM Action Plan outline, including the development progress ➤ Presentation on the proposal of PIM Action Plan implementation and the initiative of the PIM Improvement Steering Committee ➤ Remarks by the Committee Deputy Chairperson ➤ Discussion among participants ➤ Remarks by the JICA Laos Office Chief Representative ➤ Closing Remarks by the Chairperson 	
[Discussion Contents] <ul style="list-style-type: none"> ✧ Related to the draft final PIM Action Plan <ul style="list-style-type: none"> ➤ Approach on PPP management will be further fine-tuned and completed in a near date ➤ Comments from past versions and meetings are reflected. Generally, the PIM Action Plan has been revised to the level eligible for Advisory Board approval. ✧ Related to the implementation of the PIM Action Plan and the sustainability of the Committee <ul style="list-style-type: none"> ➤ Government endorsement will proceed. The document should be endorsed as soon as possible for implementation. ➤ The Committee stands as the initial role of PIM Action Plan implementation. Detailed activities should be developed. ➤ It is suggested that the PIM Action Plan be divided on an annual basis. The monitoring structure should be incorporated in the annual PIM Action Plan. ➤ Periodical Committee meetings should be continued. 	

The meeting concluded that the Committee approved the PIM Action Plan with final adjustment of the contents. The Government will further endorse it before its implementation. The Chairperson instructed the Working Group to develop the annual Action Plan and its monitoring

framework by breaking the activities into sub-activities. It was also suggested that the Committee meetings should be scheduled based on the frequency stipulated in Agreement No.0425.

[1-4] Review the roles of the PIM Improvement Steering Committee

The Project reviewed the Committee based on its activities throughout the Project.

[1-5] Summarize a report on the effects and sustainability of the PIM Improvement Steering Committee (based on Activity 1.4)

The Project compiled and submitted a report to the Committee Chairperson, based on the review of the Committee. The report covered the recommendations and lessons learned for the sustainability of the Committee, including roles for implementing the PIM Action Plan. Part of the recommendations was reflected in the presentations of the Second PIM Improvement Steering Committee Advisory Board Meeting, held on 15 February 2022.

5.3. Output 2

The following chart explains the specific activities for Output 2.

S/N	Activities
2-2	Conduct PIM Improvement Steering Committee Working Group Meetings on the PIM Action Plan development 2) Conduct Working Group meetings for PIM Action Plan development
2-6	Develop draft PIM Action Plan, review the draft final, and submit for approval 2) Review the draft final 3) Submit the draft final to the PIM Improvement Steering Committee
2-7	Set up PIM Action Plan Monitoring Framework
2-8	Present the PIM Action Plan at the PIM Improvement Steering Committee Advisory Board Meeting

The Project conducted activities to complete the draft final PIM Action Plan during the third implementation period. The third implementation period started with completing the draft version 1.0 in August 2021 based on the feedback of the zero draft. Further on, draft 1.1 was completed in November 2021, draft 2.0 by the end of January 2022, and the draft final in mid-February for approval at the Second PIM Improvement Steering Committee Advisory Board Meeting.

[2-2-2] Conduct Working Group meetings for PIM Action Plan development

The following three Working Group meetings were held to improve the draft PIM Action Plan.

Chart 9 Contents of PIM Action Plan Discussion at the Committee Working Group Meetings

Meeting	Month	Discussions related to the PIM Action Plan
Third	Aug. 2021	➤ Draft version 1.0 improvement
Fourth	Nov. 2021	➤ Draft version 1.1 improvement ➤ Confirmation of the Government approval process
Fifth	Feb. 2022	➤ Draft version 2.0 improvement to draft final ➤ Confirmation of the implementation initiatives

Feedback was collected from the Committee Working Group members (and non-member organizations) between the meetings. MPI and the Project responded to every comment collected, including reflections on the Action Plan. The following chart describes the number of comments received and the significant modifications made based on the comments.

Draft version	Period	Activities	# of comments	Changes
zero	Mar. 2021	First distribution	30	<ul style="list-style-type: none"> - Included Cross-Cutting Approach 3 Central and Local Government Relations - Merged environment and social concerns - Added PIM Action Plan importance
	Apr. 2021	2 nd WG Meeting	17	<ul style="list-style-type: none"> - Reflected Instructions 0889 on project management process⁷
1.0	Aug. 2021	3 rd WG Meeting	30	<ul style="list-style-type: none"> - Divided implementation phases based on the National Agenda - Elaborated on PPP management - Added laws and regulations linked to approaches
	Sept. 2021	Interviews		
1.1	Nov. 2021	4 th WG Meeting	12	<ul style="list-style-type: none"> - Included roles of MPI-CDR as a critical stakeholder for capacity building - Made adjustments based on the revised State Budget Law No.13
2.0	Feb. 2022	5 th WG Meeting	17	<ul style="list-style-type: none"> - Further adjustments on PPP management - Further additions of laws and regulations

Between the third and fourth Committee Working Group Meetings, MPI and the Project conducted interviews with 15 stakeholder organizations. The following chart indicates the organizations visited along with the discussion topics.

Dates	Organization	Topics
Aug. 23	MPI-DOP	<ul style="list-style-type: none"> ➤ Central and local government relations ➤ Relations on procedures to approve large projects and their supporting projects ➤ Relations among planning and subsector divisions at government entities
Aug. 25	MPI-DOE	<ul style="list-style-type: none"> ➤ Standardization of feasibility studies (F/S) ➤ Capacity building on Cost-Benefit Analysis (CBA) ➤ Environmental Social Impact Analysis (ESIA) and MONRE approval
Aug. 27	MPI-DRI	<ul style="list-style-type: none"> ➤ Capacity development roles of MPI-DRI for PIM ➤ Inclusion of Green Growth Initiative in disaster resilience approach
Aug. 27	MPI-IPD	<ul style="list-style-type: none"> ➤ Existing institutional setup for PPP management and promotion ➤ Approaches to improve PPP management standardization (planning, implementation, and evaluation)
Aug. 31	MOF-FP&L	<ul style="list-style-type: none"> ➤ Five-Year Budget Plan and the Three-Year Development Budget Ceiling ➤ Revision of the State Budget Law
Aug. 31	MOF-SBD	<ul style="list-style-type: none"> ➤ PFM reform and the progress of MTBF introduction
Sept. 1	MPI-DIC	<ul style="list-style-type: none"> ➤ Guidelines on ODA projects and their NCB ➤ Usage of the ODA Management Information System (ODAMIS)
Sept. 2	MOF-EFDMD	<ul style="list-style-type: none"> ➤ Current external debt and measures for recovery ➤ Development of the Five-Year Debt Management Strategy
Sept. 3	MOF-SAMD	<ul style="list-style-type: none"> ➤ Legal framework for state asset management ➤ Asset management for ODA projects
Sept. 3	MOF-SOEMID	<ul style="list-style-type: none"> ➤ Government's direction on SOE reform, including privatization ➤ The financial status of existing SOEs ➤ Five-Year SOE Reform Strategy

⁷ Instructions 889/MPI on the Implementation of the Public Investment Law, issued 9 June 2021

Dates	Organization	Topics
Sept. 6	MORE-DOE	<ul style="list-style-type: none"> ➤ Updated legal framework related to ESIA ➤ Current status on the implementation of environment and social analyses and its promotion ➤ The legal framework of resettlement
Sept. 7	MOEM-DPC	<ul style="list-style-type: none"> ➤ MOEM's standard approach to PPP planning, formulation, and implementation ➤ Issues related to PPP management
Sept. 10	MPWT-DPC	<ul style="list-style-type: none"> ➤ Central and local government relations from the ministry viewpoint ➤ Future approaches of PPP as a new mode of projects ➤ Budget management and the 3 YRP
Sept. 14	MAF-DPF	<ul style="list-style-type: none"> ➤ Difference between the legal framework and its practice, including payment issues. ➤ Public investment priorities under National Agenda 2021-2023
Sept. 15	Champasak Province DPI	<ul style="list-style-type: none"> ➤ Central and local government relations from the provincial viewpoint ➤ Budget management and the 3YRP (provincial version)

[2-6-2] Review the draft final

After interviews and Committee Working Group meetings from August 2021 to January 2022, the Project compiled the draft version 2.0 for its final reviewing at the Fifth Working Group Meeting on 2 February 2022.

[2-6-3] Submit the draft final to the PIM Improvement Steering Committee

After the agreement among Committee Working Group members at the Fifth Working Group Meeting, the draft final was submitted to the Committee members in mid-February.

[2-7] Set up PIM Action Plan Monitoring Framework

A monitoring framework that includes the three implementation phases was incorporated in the PIM Action Plan. It was proposed that the PIM Improvement Steering Committee take the periodical monitoring initiative.

[2-8] Present the PIM Action Plan at the PIM Improvement Steering Committee Advisory Board Meeting

The draft final PIM Action was submitted and presented at the Second PIM Improvement Steering Committee Advisory Board Meeting.

5.4. Output 3

The following chart explains the specific activities for Output 3.

S/N	Activities
3-2	Conduct discussions on the development budget ceiling and allocation.
3-3	Develop model budget management and project prioritization procedures and validate with pilot organizations. 2) Conduct second-round validation of the model.
3-4	Review the model and develop/finalize the budget management and project prioritization handbook. 2) Finalize budget management/project prioritization handbook.
3-5	Present the final draft 3YRP model at the PIM Improvement Steering Committee Meeting 3) Present the final 3YRP model at the Committee Meeting
3-8	Present the final draft monitoring framework at the PIM Improvement Steering Committee Meeting. 3) Validate the monitoring framework with pilot organizations. 4) Present the final monitoring framework at the Committee Meeting.

During the third implementation period, the project finalized the 3YRP concept and the financial monitoring framework. The concept was introduced through PIM Improvement Steering Committee Working Group meetings. Continuous discussions were made among pilot organizations to establish the 3YRP dataset that functions as the core of the 3YRP. The financial monitoring component was also discussed with pilot organizations and their financial departments, which manages the information on project-wise disbursement. The manual was made for the 3YRP concept.

The results of each activity are as follows.

[3-2] Conduct discussions on the development budget ceiling and allocation.

According to the State Budget Law Article 56, MOF and MPI will announce the capital expenditure policy and the budget ceiling to central and local government entities through government instructions in March. However, the announcement of the budget ceiling was generally delayed, which affected the budget formulation and negotiations. After the COVID-19 pandemic, economic and financial situations were further affected by the COVID-19 pandemic, causing further delays in government announcements.

The fiscal 2022 budget formulation was in process when the Project's third implementation period started. Discussions continued among the Project, MPI, and MOF on the announcement of the budget ceiling. MOF announced the medium-term estimation of the development budget from 2022 to 2024 to MPI, and MPI further allocated them to government entities.

[3-3-2] Conduct second-round validation of the model

The Project continued validation activities with pilot organizations to prepare the 2022 budget. In addition to MPWT and Champasak Province, Vientiane Capital was added in the validation.

[3-4-2] Finalize budget management/project prioritization handbook

Based on the validation results, the 3YRP Concept Handbook was compiled.

Chart 10 Outline of the 3YRP Concept Handbook

Item	Contents
Objective	Develop a handbook to enable users to manage the 3YRP core dataset. Simplify explanations to input and edit the 3YRP dataset and provide outputs for DBAR and budget request formats.
Contents	<ul style="list-style-type: none">● Conceptual framework of the 3YRP● How to input and edit the 3YRP dataset● How to output the 3YRP data to DBAR● How to output the 3YRP development budget request for submission to MPI● How to output data necessary for MTBF and the MOF budget request (recurrent and capital expenditures compiled).

[3-5-3] Present the final 3YRP Model at the Committee Meeting

The 3YRP model and the handbook outline were presented at the Committee Meeting and the JCC meeting conducted in February 2022. Meetings with pilot organizations were conducted to hand over the updated 3YRP dataset.

[3-8-3] Validate the monitoring framework with pilot organizations

The Project continued the development of the financial monitoring framework as part of the 3YRP concept. As a result, timely disbursement information could be installed in the dataset to follow updated payment progress for each project. Through the formulation of the DBAR, a birds-eye view of the financial situation can be analyzed. Due to travel and meet restrictions, there were limited discussions with pilot organizations, providing fewer opportunities to fine-tune the collection of financial information from finance entities.

[3-8-4] Present the final monitoring framework at the Committee Meeting

The financial monitoring mode outline was presented at the Committee Meeting and the JCC meeting conducted in February 2022 as part of the 3YRP concept.

5.5. Output 4

The following table shows the original activity plan for Output 4 during the third implementation period.

S/N	Activities
4-4	A) Updating the project proposal and assessment methods
	Present the draft/final assessment procedures at Annual PIM Improvement Steering Committee Advisory Board Meeting and finalize manual through validation
	(2) Second round validation of assessment procedures
	(3) Review the assessment procedures and finalize the manual
	(4) Present the final assessment procedures at the Annual PIM Improvement Steering Committee Advisory Board Meeting
4-6	B) Re-organizing mid-term review and evaluation (terminal and ex-post evaluations).
	Develop project mid-term review and evaluation methods, and revise the manual
	(1) Develop project mid-term review and evaluation methods, and revise the manual
4-7	(2) Conduct the training to the pilot organization
	Present the draft/final project mid-term review and evaluation methods at Annual PIM Improvement Steering Committee Advisory Board Meeting, and finalize the manual
	(2) Validate mid-term review and evaluation methods with the pilot organization(s) and finalize the manual
	(3) Present the final project mid-term review and evaluation methods at Annual PIM Improvement Steering Committee Advisory Board Meeting


Actual results by each activity are explained below.

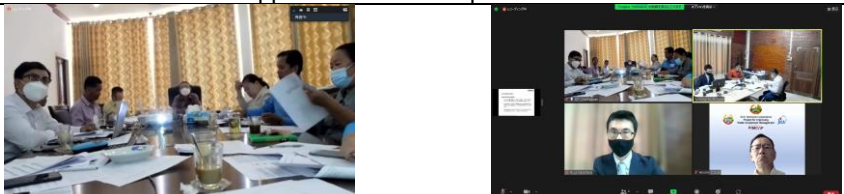
[4-4-2] Second round validation of assessment procedures

Based on the validation results for the internal appraisal formats held in March and April 2021, MPI-DOE and the Project discussed the contents of the upgraded project proposal format for construction projects in July 2021. After the discussion, MPI-DOE also collected the comments and suggestions from their officials and shared them with the Project.

Item	Description
Date	9 July 2021
Venue	Meeting room at MPI (with zoom connection)
Participants	MPI-DOE
Contents	Discussed the contents of upgraded project proposal format for construction project
Deliverables	Comments on the contents of upgraded project proposal format for construction project

COVID-19 pandemic situation as of the end of May 2021 delayed the project proposal and assessment process in Fiscal Year 2021. The PIMCAP team validated internal appraisal using the project proposal before Fiscal Year 2021.


Item	Description
Date	27, 28, 29 July 2021
Venue	Meeting room at MAF (with zoom connection)
Participants (28 in total)	MPI-DOE MAF (Department of Planning and Finance: DPF, Department of Irrigation, and Department of Rural Development)
Contents	Validated the contents of proposed project proposal formats and internal appraisal formats by using the project proposal information before Financial Year 2021.
Deliverables	The contents of the upgraded project proposal format The contents of the internal appraisal format and procedure
Photos	

Item	Description
Date	2, 3, 4 August 2021
Venue	Meeting room at DPI (with zoom connection)
Participants (14 in total)	MPI-DOE DPI of Champasak Irrigation Sector, Provincial Agricultura and Forestry Office (PAFO)
Contents	Validated the contents of proposed project proposal formats and internal appraisal formats by using the project proposal information before Financial Year 2021.
Deliverables	The contents of the upgraded project proposal format The contents of the internal appraisal format and procedure
Photos	

Based on the abovementioned validation results on project proposal format, the Project drafted upgraded project proposal formats for other project categories: 1) equipment supply, 2) feasibility study, 3) compensation, 4) hiring consultants, 5) project management, and 6) Technical Promotion (not associated with construction projects).

In December 2021, MPI-DOE shared the draft upgraded formats with ministries and provinces and collected the comments and suggestions at the MPI Annual Nationwide Meeting. The Project revised the draft upgraded project proposal formats based on the comments. The MPI-DOE presented the status of upgrading the formats at the MPI-DOE National Meeting in January 2022.

In February 2022, the MPI-DOE and the Project held a workshop to confirm the direction of the finalization of upgrading the project proposal formats and SPAS formats. During the same workshop, the MPI-DOE and the Project also discussed the composition of manuals, the internal appraisal, and the Mid-Term Review.

Item	Description
Date	9, 10 February 2022
Venue	Lao Plaza Hotel
Participants (14 in total)	MPI-DOE
Contents	Confirmed the direction to revise and finalize the project proposal formats Confirmed the direction to revise and finalize SPAS formats Confirmed the way forward to provide the instructions and capacity development on internal appraisal methods Confirmed the way forward for the activities related to Mid-Term Review development Confirmed the concept of the composition of the manual(s)
Deliverables	Comments to revise and finalize project proposal format drafts Comments to revise and finalize SPAS drafts Comments for MPI-DOE's coming activities for Mid-Term Review Comments on the composition of the manual(s)
Photos	

[4-4-3] Review the assessment procedures and finalize the manual

The Project drafted the manual(s) focusing on the users of each upgraded format: project proposal, internal appraisal, and SPAS.

[4-4-4] Present the final assessment procedures at the Annual PIM Improvement Steering Committee Advisory Board Meeting

The project proposal, internal appraisal, and project assessment were presented at the Committee Meeting and the JCC meeting conducted in February 2022.

[4-6-1] Develop project mid-term review and evaluation methods and revise the manual

In August 2021, the Director General of MPI-DOE and the Project discussed the purpose of the Mid-Term Review. The objective of the Mid-Term Review was confirmed as *MPI-DOE scrutinizes the ongoing project and recommends the authority for suspension or cancelation*. Development and discussions were needed to determine the criteria to select the ongoing projects that must conduct Mid-Term Review. The Project planned to join the MPI-DOE's Mid-Term Review activities and draft the example of the Mid-Term Review report by using the report formats developed in 2019. However, the Mid-Term Review did not occur because of the COVID-19 pandemic.

The definition of Mid-Term Review, its selection criteria, and procedure were discussed again at the workshop in February 2022.

[4-6-2] Conduct the training to pilot organization

The method of Mid-Term Review is still under development. Considering the scope of defined Mid-Term Review, the training for MPI-DOE staff is necessary.

[4-7-2] Validate mid-term review and evaluation methods with the pilot organization(s) and finalize the manual

The note for selection criteria and procedure of Mid-Term Review was prepared. It is expected that DOE validate the selection criteria and procedure of Mid-Term Review.

[4-7-3] Present the final project mid-term review and evaluation methods at Annual PIM Improvement Steering Committee Advisory Board Meeting

The Mid-Term Review was presented at the Committee Meeting and the JCC meeting conducted in February 2022 as part of the 3YRP concept.

6. Approaches for Specific Topics

6.1 Assistance to pilot organizations

(1) The Purpose of Inter-organizational Coordination Activities

The purpose of coordinating among organizations, especially with pilot organizations, is to support the achievement of each output at a high level, which would eventually enhance the development effect of the Project. The results of these activities can be structured with the DAC evaluation criteria, as shown in the following table.

Chart 11 Relationship between main activity items and objectives, and DAC 6 criteria

Activity	Objective	DAC Evaluation Criteria
(1) Assisting institutional arrangement	<ul style="list-style-type: none"> ➤ To capture the needs of the policy and target organization. ➤ To secure the information necessary to achieve the outputs. ➤ To upgrade the quality of the outputs, i.e., the practicability of tools to be developed. 	<ul style="list-style-type: none"> • Relevance • Efficiency • Effectiveness
(2) Studying the current status of project assessment and budgeting/prioritization process.		
(3) Assisting the development of tools for each output.		
(4) Collaborating with other JICA cooperation projects.	<ul style="list-style-type: none"> ➤ To secure coherence and mutual complementarity with other JICA projects. ➤ To promote the implementation of tools in the pilot organizations. 	• Coherence
(5) Support mainstreaming PIM at the policy level.		<ul style="list-style-type: none"> • Impact • Sustainability

Source: Author

(2) Activities and Results

1) Assisting institutional arrangement

(a) Selection of pilot organizations (first implementation period)

As soon as the Project started, PIMCAP team started a series of discussions to select the pilot organizations with the Project Director, the Project Manager, and key officials of MPI-DOP and MPI-DOE. As a result, Vientiane Capital DPI was also selected in addition to the three organizations initially envisioned MPWT-DPC, MAF-DPF, and Champasak Province DPI.

(b) Establishing implementation bodies (first implementation period)

The Project Director issued official letters of assigning the four organizations as pilots in September 2019. Prior to this letter since July 2019, the Project team composed of the counterpart officials, Japanese experts and national consultants visited to the pilot organizations multiple times to explain, discuss, and coordinate with their key members. As the result, the team was smoothly able to launch the Project activities. In addition, MPWT spontaneously

established a coordination committee for the pilot activities by assigning nine permanent members.

- (c) Building a coordination mechanism with other development partner projects (first implementation period)

MPWT-DPC has been implementing a capacity development scheme in their Lao Road Sector Project 2 (LRSP2) through the World Bank loan since August 2018. The inter-organization coordination expert for this Project is simultaneously assigned as the Planning Framework Development Consultant, tasked to develop the i) MPWT 5-year Development Plan (5YP), ii) 5-year Action Plan (5YAP), and iii) their monitoring system. These three tasks are closely related to the outputs that the Project developed. Making the maximum use of this opportunity, the Project enhanced the information exchange and collaboration between LRSP2 to ensure that the outputs for the Project would be embedded in the MPWT's development plan management system. Due to these efforts, MPWT mainstreamed PIM management in the 5YP, and embedded the 3YRP into the 5YAP and its monitoring system.

- 2) Understanding the current status of project assessment, and budgeting/prioritization process

To enhance the practical use of outputs 3 and 4, the Project collected factual information from the pilot organizations to develop the tools. Major activities are shown as follows.

- (a) Budget analysis of the pilot organization (first/second implementation period)

The Project analyzed the actual situation of the MPWT's development budget for the fiscal year 2020 and compiled its result into a report in English and Lao language. Using the analysis framework and information of the report, the Project later developed the methodology of the DBAR, which is a component of the 3YRP Concept developed through Output 3.

- (b) Coordination with SDGs (second/third implementation period)

At the workshop between the Project and MPI-DOE in February 2021, the reflection of SDG indicators into project assessment was discussed. Responding to this, the Project researched the relations between SDGs and the NSEDP goals and compiled the recommendations on SDGs reflection into the formats. As the result, the updated version of the project proposal would adopt the grid to check the relevant SDGs to which the project contributes.

3) Assistance in Developing Methods

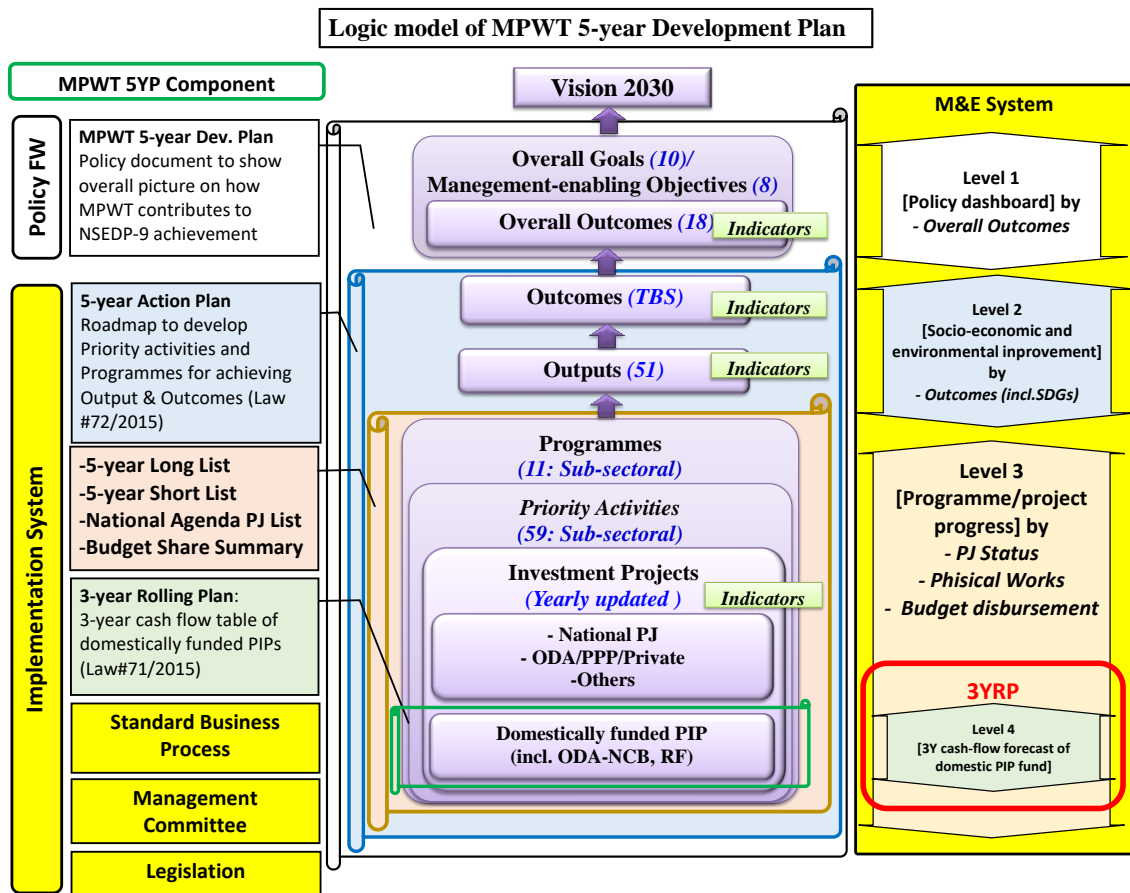
(a) Specifying the Target for Project Monitoring (second implementation period)

One commonly recognized issue on project monitoring at pilot organizations is that the concept of “comparison between physical plans and results” is relatively weak, and achievement levels of project outputs are neither monitored. Only the inputs, i.e., budget disbursement, have been mainly monitored, although the physical-work progress and comparison of the planned/actual input and output should be monitored. However, it shall require a comprehensive medium to long-term technical capacity development approach to drastically set out this issue, such as development of the broad-wide statistic system and data sets. Therefore, as a short-term priority issue of this Project, the team decided to improve the accuracy (amount) and freshness (monitoring frequency) of the result of the project input, i.e., budget disbursement information.

(b) Embedding 3YRP into monitoring framework (third implementation period)

MPWT has been developing the monitoring and evaluation system of the MPWT 5YP, which will set out the monitoring framework of the three-year cash flow of the domestic public investment budget with the 3YRP. At the annual meeting of the Infrastructure Sector Working Group (ISWG) held in October 2020, MPWT-DPC presented the original idea of the framework to all the development partners, which is expected to be institutionalized by the ministry decree to be issued within the year 2022.

Chart 12 3YRP in the MPWT Monitoring Framework



Source: DPC of MPWT

(c) Prioritization of projects (third implementation period)

MPWT has developed a series of project lists, i.e., i) 5-year Long List (5YLL), ii) 5-year Short List (5YSL), and iii) National Agenda Project List (NAPL) and presented it to the development partners to seek financing for the listed projects at the ISWG annual meeting 2020. Responding to the given comments at the meeting, MPWT would prioritize the listed projects whose budget has not been secured and continuously request financial support from the development partners through ISWG.

4) Collaboration with Other JICA Projects

- (a) Collaboration with the Project for Improvement of Management Capacity of Water Supply Sector (MaWaSU-2) (All periods)

As the MPWT Department of Water Supply (MPWT-DOWS) could not prepare project proposals with sufficient quality, the JICA experts for MAWASU-2 were working on improving

the capacity to prepare project proposals. Considering this situation, the Project shared the Public Investment Project Management Manual (PIP Manual) and invited the MAWASU-2 expert to the workshop explaining the project proposal and assessment outlines to MPWT officials in January 2021. Using the knowledge from this series of coordination, MAWASU-2 implemented the orientation seminar on its pilot projects for the nationwide DPWTs with the Water Supply Agencies that used the official proposal and logical framework format of the PIP Manual. Thus, both projects promoted mutual information-sharing and collaboration to improve the stakeholders' understanding of the project proposal preparation and eventually promoted the capacity development of the MPWT-DOWS while contributing to the Project output.

5) Support the Mainstreaming of PIM at the Policy Level

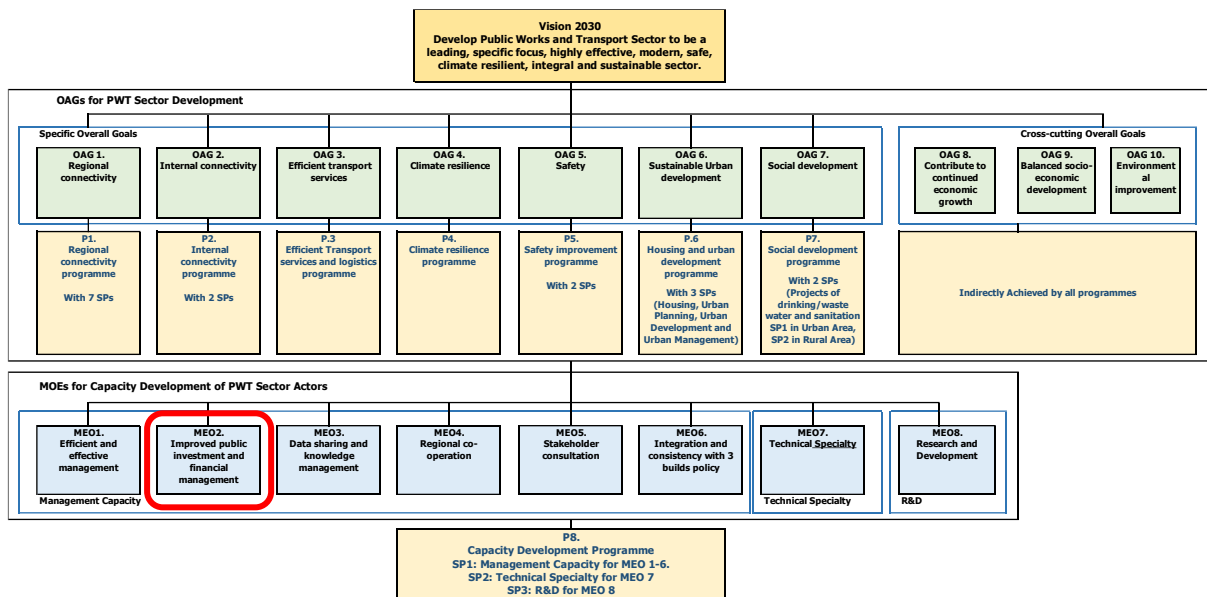
(a) Presentation of MPWT's budget analysis (second implementation period)

In June 2020, the Project provided and explained the development budget analysis report of MPWT and its presentation material to the DDG of MPWT-DPC, focusing on its recommendations. The MPWT-DPC presented the report to the MPWT top management members, including the Vice Minister of Public Works and Transport.

(b) Mainstreaming PIM in 5-year sector development plan (second implementation period)

MPWT-5YP 2021-2025 (5YP) set out ten overall goals to support the socio-economic development of Laos and eight management-enabling objectives of the sector. During the 5YP preparation period, the Project continued a series of dialogues with MPWT-DPC, who eventually adopted one of the management-enabling objectives for improving public investment and financial management. This result means that MPWT has mainstreamed PIM into its national sector development policy, enabling the funding to implement projects for the PIM improvement.

Chart 13 Management-enabling Objective for PIM improvement in MPWT-5YP



Source: MPWT-DPC⁸

6.2 Activities by Other Development Partners

The Project has actively collaborated with multiple development partners and projects during activities. The following indicates crucial collaborations apart from those explained above.

(1) Collaboration with the PFM Program Support, MOF

During our second and third implementation periods, the Project actively exchanged information with the World Bank, ADB, and the European Union (EU) related to their program to support the PFM reform in MOF. The main topic of collaboration was the 3YRP Concept, which has close relations to their Medium-Term Budget Framework (MTBF). It was confirmed by the Project and the PFM reform program that the 3YRP and MTBF are entirely consistent. Further co-development efforts should continue to ensure that the specific procedures of both methods do not duplicate with each other.

Under the PFM reform program, the World Bank supports developing and issuing a MOF instruction related to preparing the state budget. According to MOF-DFP, the instruction will be issued within the first half of 2022. Before this instruction, the World Bank prepared formats and guidelines for central and local government entities. These draft formats were shared with the Project. The Project has made adjustments to the 3YRP dataset so that government entities using the dataset will complete the development budget portion of the World Bank formats.

⁸ MPWT 2020, *MPWT 5-year development Plan 2021-25 (Final draft)*.

Further discussions are needed among the World Bank and the Project Team to ensure the budget preparation procedures among planning and finance entities share the standard information at the appropriate time.

(2) UNDP Round-Table Process and NSEDP Costing Support

The United Nations (UN) Group supports MPI-DOP in the development and implementation of the NSEDP9. During the developing stages of the NSEDP9, the Project proposed to incorporate PIM improvement as one of the achievement outputs.

Further to this, the Project started discussing with the UN on the NSEDP9 financing. It was agreed that funding through public investment should be collaborated to ensure government entities could appropriately prioritize public investment under domestic budget limitations.

6.3 Digitization Initiatives for MPI-DOP and MPI-DOE

(1) Installing Digitization Equipment to Facilitate Output-Related Data in MPI

MPI is yet to equip a comprehensive IT system for PIM and manually conducts its project and budget management processes for 6,600 public investment projects from 44 government organizations, 17 provinces, and Vientiane Capital. The lack of information management poses inefficient information accumulation and sharing within MPI, with much critical information being lost.

PIMCAP developed practical tools for improving PIM with MPI-DOP (Output 3) and MPI-DOE (Output 4), respectively. As a part of these efforts, PIMCAP intended to support partial digitization of critical information and documents currently managed manually or on a paper basis. It aimed to efficiently store the information required to enable sharing among the officials within the management process.

Equipment installation

During the first implementation period, the Project conducted an MPI internal work environment maintenance survey using IT and confirmed the necessary equipment. However, the form and procedure of various operations within MPI were modified during the COVID-19 pandemic. Due to the above influence, the survey was conducted again in the third implementation period. The following equipment and facilities were introduced based on the recent study.

Equipment	Remarks
Laptop PC	3 each for MPI-DOP and MPI-DOE
Microsoft Office Software	Installed in PCs
Network Attached Storage (NAS)	
Uninterruptible Power Supply (UPS)	For backup in case of power outage
Scanner	



NAS enabled staffs in MPI-DOP to access to the shared storage from anywhere through the Internet if their devices had access authority.

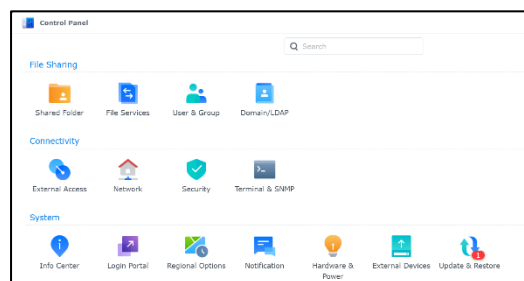
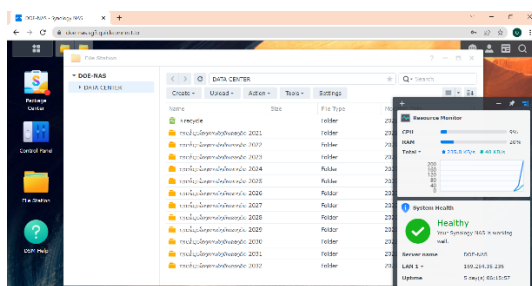
Establish the simplified data management system and workflow in MPI-DOP/DOE

(1) MPI-DOP

- 1) **Confirmation and agreement on NAS installation and specific data aggregation/classification/compilation work.** Though the data will be aggregated based on the single-year budget that has been implemented so far, the classification and hierarchy were confirmed based on the 3YRP that will be introduced in the future.
- 2) **The official managing the original data and the work contents was determined.** In addition, to prevent data loss or leakage, access authority was granted to limited PCs according to the needs, and management rules were discussed and confirmed with the person in charge of IT.
- 3) **Discussion on a future full-scale digitalization concept**

(2) MPI-DOE

- 1) **Developing a workflow and management system to include digitized documents in the NAS as a standard operation.** The MPI-DOE General Affairs Division serves as the contact point for obtaining documents for the project proposal. The Division accepts documents from Project Owners through the MPI Cabinet, enters the project information and the obtained documents in their Microsoft Access database, and circulates them to the technical divisions that conduct the assessment. The Project discussed and confirmed the workflow for digitalization and set a simplified data management system through NAS.
- 2) **Building information access and management system within the department.** The official managing the original data and the work contents were determined. In addition, to prevent data loss or leakage after digitization, access authority was granted to limited equipment according to the needs. Management rules were discussed.
- 3) **Discussions on a future full-scale digitalization concept.**



NAS enabled MPI-DOE to transfer their database which had been aggregated in one PC to the NAS and to keep the backup data. With administrative privileges, access authority to whole/each data file can be controlled.

(2) Establishment of Remote Working Environment under COVID-19

A new working style was required to smoothly implement the Project activities under the COVID-19 pandemic. It needed more remote meetings and maintaining face-to-face communication when necessary. This working style applied for communication between the Japanese Experts and the Lao counterparts and national consultants having discussions with MPI and pilot organization officials.

The Project provided necessary equipment and services to the designated meeting rooms at counterpart/pilot organizations that enable teleconferences from respective offices. The following equipment/services were required to conduct teleconference meetings.

Equipment		
<ul style="list-style-type: none">• PC• Anti-virus software• Projector• Screen	<ul style="list-style-type: none">• LED Screen• Mobile Wi-Fi• Microphone• Web camera	<ul style="list-style-type: none">• Speaker• Internet Connection• Zoom Account

7. Achievement Levels at Project Completion

7.1. Achievement Levels of the Project Purpose Indicators

Four indicators were set for the Project Purpose “*Public investment management is strengthened through reform aligned with fiscal management.*” The following charts indicate the four indicators and their achievement levels at the completion of the Project.

<i>[Indicator 1] The PIM Action Plan is authorized by the Government of Laos</i>	
Target	Achievement Level
By March 2022, the PIM Action Plan is approved by the PIM Improvement Steering Committee and endorsed for Government approval.	[Fully achieved] <ul style="list-style-type: none"> ➤ Committee approval was granted at the Advisory Board Meeting on 15 February 2022 ➤ The Vice Minister of Planning and Investment was assured by the Deputy Prime Minister on Government approval.
<i>[Indicator 2] The PIM Improvement Steering Committee is authorized as the permanent formal committee.</i>	
Target	Achievement Level
The PIM Improvement Steering Committee continues as the permanent institution to monitor the improvement of PIM.	[Fully Achieved] <p>The Committee Advisory Board confirmed that it will continue its presence as the governing and monitoring body of the PIM Action Plan during its implementation period from 2022 to 2030.</p>
<i>[Indicator 3] Improved PIM methods/tools/workflows are aligned with the revised Public Investment Law.</i>	
Target	Achievement Level
At the project’s completion, the methods and tools developed through outputs 3 and 4 are aligned with the Public Investment Law and the State Budget Law.	[Partially Achieved] <ul style="list-style-type: none"> ➤ The 3YRP Concept and the financial monitoring are consistent with the Public Investment Law and the State Budget Law. However, physical monitoring methods were not developed during the Project. ➤ The project proposal and assessment tools were upgraded to suit the Public Investment Law. However, the Mid-Term Review concept did not complete due to a lack of validation opportunities.
<i>[Indicator 4] Measures to advance and disseminate the PIM methods/tools/workflows are incorporated into the PIM Action Plan.</i>	
Target	Achievement Level
At the Project’s completion, dissemination of methods and tools developed through outputs 3 and 4 are indicated in the PIM Action Plan.	[Achieved] <p>Dissemination of methods and tools developed through outputs 3 and 4 are incorporated in the following approaches in the PIM Action Plan.</p> <ul style="list-style-type: none"> ◇ [Output 3] 3YRP: Main Approach 1 PIP Guidelines and Policy, Main Approach 2 Budget Management ◇ [Output 3] Physical and financial monitoring: Main Approach 4 Project Implementation ◇ [Output 4] Project Proposal and Assessment Tools: Main Approach 3 Project Formulation & Appraisal ◇ [Output 4] Mid-Term Review: Main Approach 4 Project Implementation

7.2. Output 1 Achievement Levels

Four indicators were set for Output 1 “*The PIM Improvement Steering Committee, and its Working Group are established and managed.*” The following charts show the three indicators and their achievement levels at the completion of the Project.

[Indicator 1] Establishment of the PIM Improvement Steering Committee	
Target	Achievement Level
The official establishment of the Committee.	[Fully Achieved] The PIM Improvement Steering Committee was established through Agreement No.0425 signed by the Deputy Prime Minister and Minister of Planning and Investment on 16 March 2020.
[Indicator 2] Establishment of the PIM Improvement Steering Committee Working Group	
Target	Achievement Level
The official establishment of the Committee Working Group.	[Fully Achieved] <ul style="list-style-type: none"> ➤ A unified Working Group was established in place of the original idea of three sub-working groups. ➤ Agreement No.425 clearly indicates the Working Group members and their roles.
[Indicator 3] The PIM Improvement Steering Committee Advisory Board functions based on its agendas.	
Target	Achievement Level
The functions stipulated for the PIM Improvement Steering Committee Advisory Board continue until the Project's completion.	[Fully Achieved] Two Advisory Board meetings were held during the Project period. They were held based on the stipulated functions and topics.
[Indicator 4] The PIM Improvement Steering Committee Working Group functions based on its agendas	
Target	Achievement Level
The functions stipulated for the PIM Improvement Steering Committee Working Group continue until the Project's completion.	[Fully Achieved] <ul style="list-style-type: none"> ➤ Five Working Group meetings were held during the Project period. ➤ Functions included developing the PIM Action Plan, 3YRP, budget ceiling discussions, project assessment contents, etc. ➤ MPI and MOF intend to utilize the Working Group to further co-develop their 3YRP and MTBF joint procedure.

The outline of the PIM Improvement Steering Committee, developed through the Output 1 activities, is as follows.

(1) Name

The original idea of the name was the PIM Reform Committee. However, it was modified to the PIM Improvement Steering Committee because there was no reform document ready for implementation at the time of formulation, therefore not eligible to be called a committee of reform. The PFM Reform Committee was established because the PDFS2025 was already in place.

(2) The Structure and Members of the Committee

The structure of the PIM Improvement Steering Committee at its establishment in March 2020 is as follows.

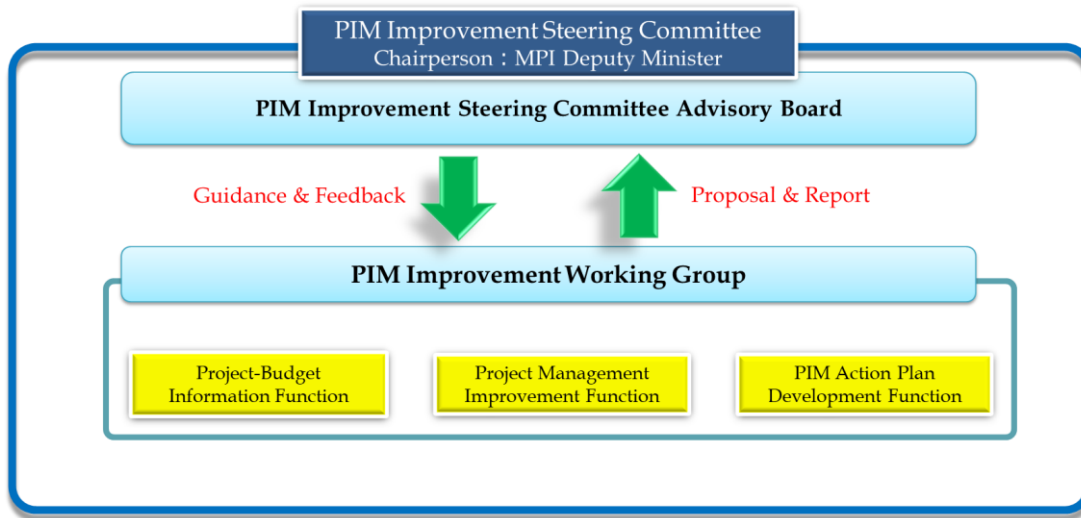


Diagram 3 PIM Improvement Steering Committee Structure

1) Committee Advisory Board

The original design of the Committee is to have the Vice Minister of Planning and Investment as the Chairperson and have a working group without other members at the equivalent level. However, it was agreed that vice ministers and vice governors of the member organizations were listed as members of the Advisory Board. In that way, a broader, strong authority was thought to be present. According to Agreement No.0425/MPI, eight members were appointed as the Advisory Board members. The following points are the authorities of the Advisory Board.

- Guide PIM improvement based on the government policy.
- Provide instructions and advice to activities and outputs of the Committee Working Group.
- Confirm and approve the PIM Action Plan prepared by the Committee Working Group. Proceed endorsement to the Government for its approval of the PIM Action Plan.

2) Committee Working Group

The original design of the Working Group was to have three separate groups based on different PIM topics. However, considering the difficulties in appointing and managing the three different groups, it was agreed that a unified Working Group that discusses all issues related to PIM improvement should be established. The Director General of MPI-DOP was appointed as the Working Group Chairperson, with the Director General of MPI-DOE and MOF-SBD as Deputy Chairpersons.

Topics	Contents
PIM Action Plan development	<ul style="list-style-type: none"> ➤ Drafting of the PIM Action Plan ➤ Presentation of the PIM Action Plan to the Advisory Board ➤ Obtain opinions from the Advisory Board and other stakeholders for the improvement of the PIM Action Plan
budget and project information sharing	<ul style="list-style-type: none"> ➤ Establishment of an information exchange channel among MPI and MOF ➤ Discussion on the standard procedures for the announcement of the medium-term budget ceiling. ➤ Information sharing of project monitoring information ➤ Discussions on future IT linkage
project management improvement	<ul style="list-style-type: none"> ➤ Sharing of project management information among government entities ➤ Discussion on a project monitoring method ➤ Raise PIM issues and discuss a possible solution

(3) Frequency of Committee Meetings

It was stipulated that the Advisory Board meetings should be held two times a year, and the Working Group meetings held four times. Discussion contents at the Working Group meetings will be selected from the abovementioned topics. MPI will function as the Committee secretariat.

(4) The Functions of the Committee After Completion of the Project

According to the conclusion of the Second Advisory Board Meeting held on February 2022, i) the Committee will continue its activities with the existing members, with consideration of expanding the member organizations, ii) implementation and monitoring of the PIM Action Plan will be initiated through the Committee, and iii) MPI-DOP will stand as the secretariat replacing the Project.

7.3. Output 2 Achievement Levels

Two indicators were set for Output 2 “*The PIM Action Plan is completed.*” The following charts show the two indicators and their achievement levels at the completion of the Project.

[Indicator 1] The draft PIM Action Plan is completed by the Working Group	
Target	Achievement Level
The Working Group will develop the zero draft PIM Action Plan by April 2021.	[Fully Achieved] The zero draft was shared among the Working Group members by March 2021.
[Indicator 2] The PIM Action Plan is submitted to the PIM Improvement Steering Committee Advisory Board	
Target	Achievement Level
The draft final PIM Action Plan is submitted to the Advisory Board by the Project completion.	[Fully Achieved] The draft final PIM Action Plan was submitted to the Advisory Board before the Second Advisory Board Meeting in February 2022.

After developing the zero draft PIM Action Plan in March 2020, it went through three versions before the final draft was submitted in February 2021. The diagram below explains the storyboard of the PIM Action Plan.

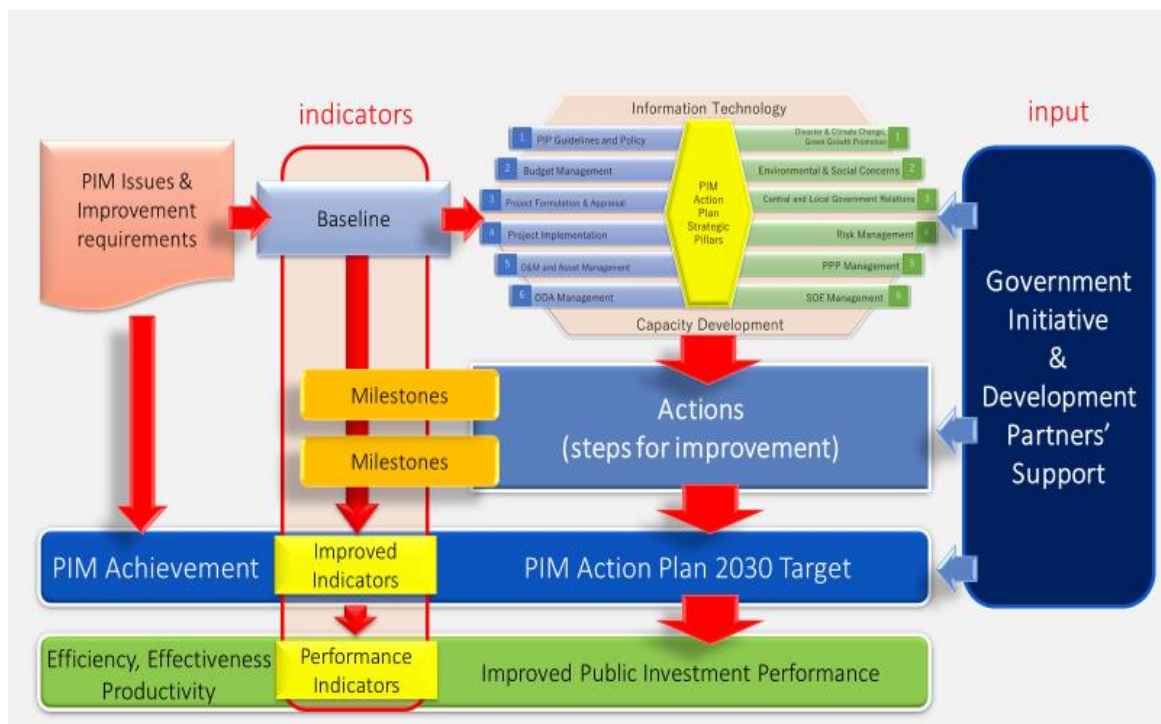


Diagram 4 PIM Action Plan Storyboard

The following indicates the components in the PIM Action Plan storyboard.

(a) PIM Issues and Improvement Requirements

Issues analysis was conducted to identify the PIM issues and improvement requirements that the government faces. PFM was also studied to view PIM and find issues from the MOF viewpoint comprehensively. These issues were further analyzed to seek the appropriate solutions that form improvement actions indicated in the PIM Action Plan.

(b) Indicators

Past efforts of PIM improvement efforts by the Government were not facilitated with clear factual indicators; therefore, difficult to measure the improvement achievements. The PIM Action Plan sets each indicator's baselines, milestones, and end line targets. Monitoring is conducted by measuring whether each indicator achieves its desired target at the appropriate time. Generally, many externalities may occur in public investment. Careful selection of indicator sources is necessary.

(c) Strategic Pillars

The PIM issues improvement requirements were categorized and organized to form the *strategic pillars* for PIM improvement. Six main approaches and six cross-cutting approaches were identified. Capacity development and information technology were included to cover all approaches. Activities, or steps for improvement, were placed for each approach. Targets and milestones are also set to achieve each approach's targets, respectively.

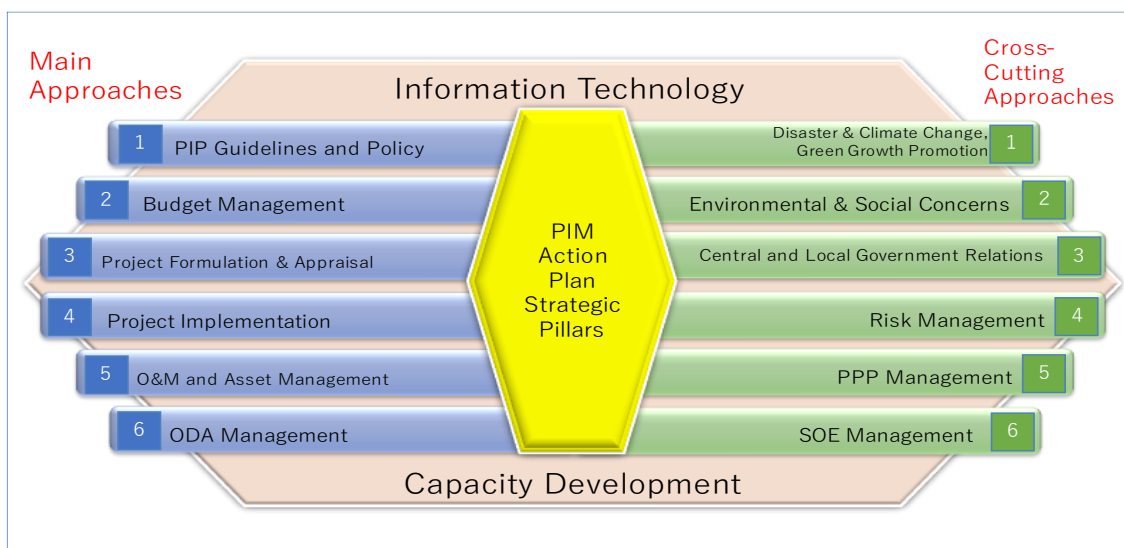


Diagram 5 Strategic Approaches for the PIM Action Plan

(d) Inputs and Support

The Government must maintain the initiative in implementing the PIM Action Plan. The PIM Improvement Steering Committee functions as the cross-organizational body to initiate its actions. The Working Group takes the practical leadership in the implementation of the activities, along with monitoring of the progress. Development partners are expected to provide technical expertise and financial support in implementing the desired component that links to the strategic pillars.

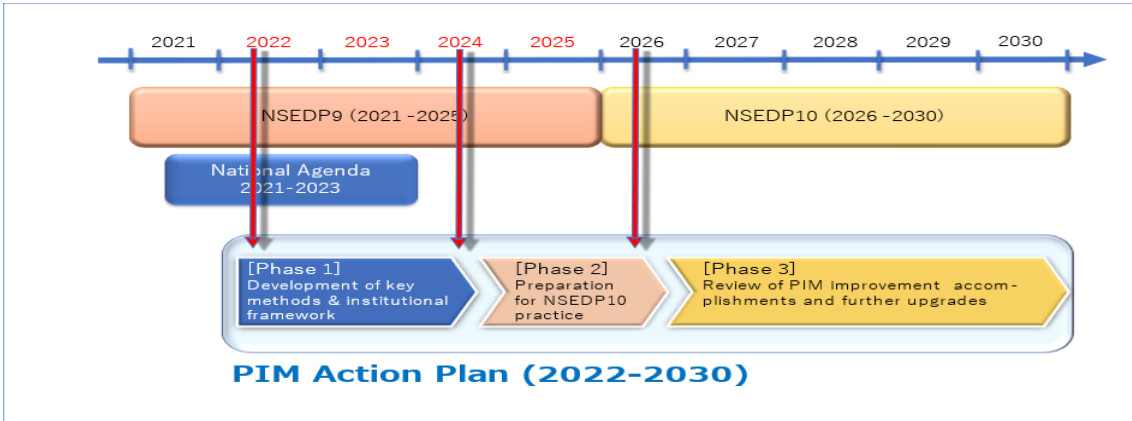
(e) Outcomes

It generally takes a few years to find the improvement of PIM through public investment performance. Therefore, indicators for outcomes are set apart from the PIM Action Plan 2030 Target. Ideally, a third-party management assessment such as a Public Expenditure and Financial Accountability (PEFA) or a Public Investment Management Assessment (PIMA) is conducted to acknowledge the public investment performance status before and after implementing the PIM Action Plan.

Chart 14 Outline of the Strategic Pillars

Main Approach		Outline
(1)	PIP Guidelines and Policy	Develop a workable five-year public investment plan (5YPIP) that will be an attachment of the 5-year development plan for each government entity. The project listed in the 5YPIP will determine appropriate financial resources.
(2)	Budget Management	Improve the budgeting practices for capital expenditure. Achieve multiple-year transparent and sensible budget management for public investment projects in all types and phases. Introduce the 3-year public investment rolling plan concept.
(3)	Project Formulation and Appraisal	Improve the quality of public investment projects at their formulation and appraisal processes to ensure that projects are vetted as economically and socially beneficial.
(4)	Project Implementation	Improve the management of projects at the downstream level; preparation, implementation, and monitoring. Improve adjustment and modification measures in case of necessity.
(5)	Operation and Maintenance, and Asset Management	Improve evaluation and asset management procedures at the completion stage of a project. Standardize operation and maintenance plans.
(6)	ODA Management	Establish linkage with ODA and domestically funded project management.
Cross-Cutting Approach		Outline
(1)	Disaster and Climate Change, Green Growth Promotion	Introduce practical and functional PIM measures to incorporate preventive, emergency, and post-disaster rehabilitation for disaster and climate change resilience in all stages of the project cycle. Introduce promotion instruments and specific criteria for Green Growth
(2)	Environmental and Social Concerns	Introduce a capacity development scheme to ensure all stipulated projects conduct the Environment and Social Impact Assessment (ESIA) and obtain Environment Compliance Certificate (ECC) at their formulation stage. Environmental monitoring is undertaken at the implementation and operation stages.
(3)	Central and Local Government Relations	Introduce the local government level standard PIM procedures at all stages of the project management cycle. Includes discussions with central government entities.
(4)	Risk Management	Establish and enforce robust risk management guidelines for public investment projects. Establish a systematic quantitative evaluation method of uncertainties and risks at formulation, implementation, and completion stages.
(5)	Public-Private Partnership Management	Consider a unified (or quasi-unified) project planning, formulation, implementation, and operation among PPP and conventional public investment projects.
(6)	State-Owned Enterprises Management	Consider SOEs' transparent and accountable involvement in implementing and operating public investment projects.

The PIM Action Plan 2022-2030 will be implemented through the initiative of the PIM Improvement Steering Committee. It will be divided into three implementation phases. Phase 1 is linked with the National Agenda on Economic Financial Solution 2021-2023, phase 2 during the NSEDP9 2021-2025, and phase 3 during the NSEDP10 2026-2030.



7.4. Output 3 Achievement Levels

Three indicators were set for Output 3 “*Project management and prioritization are standardized.*” The following charts show the three indicators and their achievement levels at the completion of the Project.

[Indicator 1] The Three-Year Public Investment Rolling Plan (3YRP) as a management and prioritization method is developed and functioning at pilot organizations.	
Target	Achievement Level
[By the completion of the Project] ➤ The 3YRP 2022-2024 is developed at four pilot organizations. ➤ The handbook of the 3YRP Concept is designed and utilized.	[Partially achieved] ➤ The 3YRP 2022-2024 is developed for three organizations; MPWT, Champasak Province and Vientiane Capital. The draft handbook was developed for distribution at MPI and three pilot organizations.
[Indicator 2] Budget allocation and its timely notification by MPI through agreement with MOF are made.	
Target	Achievement Level
Based on an agreement with MOF on the budget envelope in March, MPI announces the instructions of the annual PIP development along with their respective budget ceilings in June.	[Partially achieved] ➤ Based on discussions among MPI and MOF, the development budget 2022 ceiling was agreed amid a massive cut in the development budget due to the financial difficulties under the COVID-19 pandemic. ➤ Discussions on the budget ceiling continue in 2022 to agree on the medium-term budget ceiling for 2023-2025.
[Indicator 3] Physical and financial monitoring frameworks of projects are developed and functioning at pilot organizations.	
Target	Achievement Levels
➤ Physical and financial monitoring frameworks are established at MPI and pilot organizations. ➤ Monitoring formats and attachments are standardized. ➤ A partial database is introduced for project monitoring.	[Partially achieved] ➤ Financial monitoring was introduced as a component of the 3YRP Concept. ➤ The Project established the procedures to collect project-wise disbursement information from finance departments/divisions. ➤ Financial monitoring information was exchanged at three pilot organizations (MPWT, Champasak Province, and Vientiane Capital). ➤ The 3YRP dataset was developed given a future extension to a budgeting/monitoring database

The outline of the 3YRP Concept, developed and validated through the Output 3 activities, follows.

The 3YRP Concept is the annual budget planning and monitoring procedure based on the medium-term budget estimations. It will be applied to all government entities eligible to apply for the development budget to MPI. The 3YRP was initially limited to a tool for budget requests but expanded so that the budget approval outcomes and financial monitoring results can be updated to utilize for the subsequent budget request. However, to cope with the revision of project-wise financing information at various steps in the annual budget cycle, it was necessary to track every revision to ensure that the subsequent budget request reflects the updated information. For this reason, the 3YRP dataset was developed to centralize revised project-wise budget and financial monitoring information.

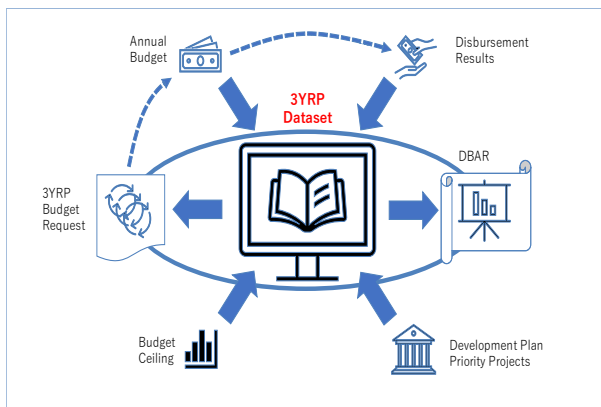


Diagram 6 3YRP Concept Outline

As shown in the diagram, the 3YRP Concept consists of the (a) 3YRP dataset, (b) DBAR, and (c) 3YRP Budget Request. All updated information about the development budget and capital expenditure is aggregated to the 3YRP dataset. The DBAR and the 3YRP Budget Request are considered outputs from the 3YRP dataset.

In detail, the financial progress of each and all of the projects is accumulated in the 3YRP. Information related to the approved annual budget (d) and the disbursement results from the previous year (e) are updated for its use in the yearly DBAR.

The DBAR is an annual report that analyses the financial status of every project listed in the PIP at the time of the development budget approval. The planning sector in each government entity complies the DBAR and reports to the authorities of the entities while sharing with MPI and MOF. The DBAR allows the government entity to find their financial position from a birds-eye viewpoint. It becomes a solid reference to develop the 3YRP budget request for the following year. MPI and MOF may utilize the DBARs collected from government entities to identify the resource envelope and set the budget ceiling and allocation.

The ideal annual budget formulation procedures based on the 3YRP Concept is as shown in the diagram. The planning sector collects the approved budget and the project-wise disbursement information and analyses the information to compile the DBAR report, ideally by the end of February. The report will be distributed within its entity and submitted to MPI and MOF as part of information sharing.

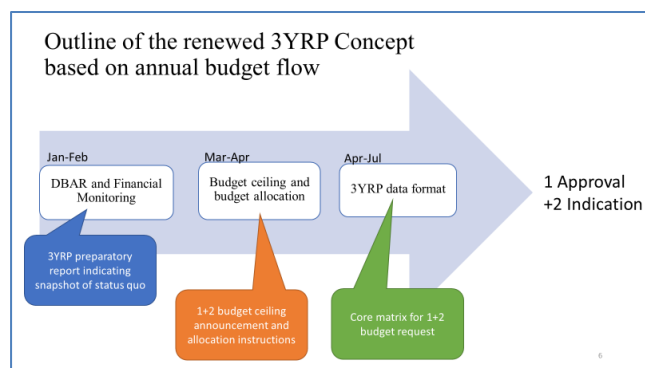


Diagram 7 Annual 3YRP Concept Procedures

Meanwhile, MPI and MOF start discussions on determining the budget envelope from March to April. Within April, MPI is expected to announce the medium-term budget ceiling indications to all government entities, including specific guidelines to formulate the annual budget request. Unless schedule changes are reported in the MPI guidelines, all government entities are expected to submit their annual budget request, including two additional years of indicative

budget, by 15 July. Budget negotiations may be done among MPI and government entities before further proceeding with the budget request documents.

The National Assembly will approve the budget only for the following year. After the approval of the budget is announced through the Government and MPI, the government entities start the annual preparation for the following year by compiling the next DBAR

The annual financial monitoring information for each project is embedded in the 3YRP Concept. Project-wise disbursement information is collected from finance sectors when the fiscal year ends. Disbursement results are added to the accumulated payment and compared with the total cost. They will be further analyzed to check whether payment progress is according to laws and regulations. An early collection of project-wise disbursement results was agreed among the planning and finance sectors in MPWT and Champasak Province.

7.5. Output 4 Achievement Levels

Output 4 aims at "Project Assessment, and Evaluation methods are standardized" and have three performance indicators. The achievement level at the project completion is shown below.

[Indicator 1] Project proposal and assessment methods/tools/flow are standardized under the revised Public Investment Law, Guidelines, and Government Instructions. (Given transparency levels and deadlines)	
Target	Achievement
<ul style="list-style-type: none"> ➤ By March 2022, With Pilot Organizations, standardized project proposal and assessment methods/tools/flow, including the internal appraisal, are developed, and validated in the light of the objectives and contents of revised Public Investment Law and relevant regulations. 	<p>[Partially Achieved]</p> <ul style="list-style-type: none"> ➤ Project Proposal formats and SPAS formats are updated to align with Public Investment Law and relevant instructions. ➤ Internal appraisal formats and procedures are developed and validated to upgrade the project proposal and assessment system. ➤ The validation in the actual workflow did not occur because of the irregular project proposal and assessment under the COVID 19 pandemic.
[Indicator 2] New projects follow the standardized project proposal and assessment.	
Target	Achievement
<ul style="list-style-type: none"> ➤ By March 2022, new projects of Pilot Organizations follow the standardized project proposal and assessment, including the internal appraisal. 	<p>[Partially Achieved]</p> <ul style="list-style-type: none"> ➤ MPI-DOE is proofreading the updated project proposal and SPAS and plans to start using them in financial year 2022 on a pilot basis.
[Indicator 3] Methods and tools for mid-term review and evaluation are standardized and validated.	
Target	Achievement
<ul style="list-style-type: none"> ➤ By March 2022, the Mid-term review and evaluation objective becomes clarified, and the method/tools are developed and validated based on the defined goals. 	<p>[Partially Achieved]</p> <ul style="list-style-type: none"> ➤ The purpose of the Mid-Term Review was confirmed, and selection criteria for Mid-Term Review were developed.

(1) Project Proposal and SPAS

Project Proposal and SPAS are updated to align with the project category stipulated in Article 21 of Public Investment Law. The table below illustrates the seven updated project proposal formats.

Project proposal formats	
1	Project of construction and maintenance on infrastructure construction
2	Project of equipment supply
3	Project of technical promotion
>	Project of feasibility studies or survey and design
>	Project for compensation and relocation of obstacles
>	Project for hiring the project consultant;
>	Project for project management cost/monitoring and inspection of the project implementation
>	Project of technical promotion which is not related to the construction and equipment supplies

The following adjustments were made to improve the quality of the project proposal and project assessment.

- Currently, projects associated with a particular construction project, e.g., equipment supply, compensation, project management, hiring consultants, are recognized as independent projects. MPI-DOE conducts those projects assessment separately. Thus, it was challenging

to comprehend the outline of the construction project. The upgraded project proposal format requests all relevant project costs and schedules. And the new sub-criteria were included to assess the balance of project cost and the sequence of activities between the main construction project and relevant associated projects.

- The project proposal format for hiring consultants, project management, project monitoring, inspection, and equipment supply are simplified.
- The explanation of each item in the project proposal was increased to standardize the information the writer provides.
- The items of the project proposal were increased to cover the new issues, such as SDGs and Climate Change.

(2) Internal Appraisal

The internal appraisal for the construction project was developed and validated. The checking points in the internal appraisal ensured consistency between the contents of the project proposal and the assessment criteria of project assessment. The project proposal and assessment workflow differ by project type and owner. So, the three different internal appraisal formats for each of those workflows were developed and validated. The table next shows the differences between the three.

Project type	Assessment Organization	Organization in charge of Internal Appraisal
1 The public investment project all Type (Type I, II, III, IV and V) of Ministry/ Equivalent Organization	MPI	Planning Department of Ministry/ Equivalent Organization
2 The public investment project Type I, II, III, and IV (The project with cost 20 billion kips and more) of Province/ Capital.	MPI	DPI in Province/ Vientiane Capital Planning Division of Sector Department/ Office in Province/ Vientiane Capital
3 The public investment project Type V (The project with cost less than 20 billion kips) of Province/ Capital.	DPI in Province/ Vientiane Capital	Planning Division of Sector Department/ Office in Province/ Vientiane Capital

Source: Articles 18 and 34 of Public Investment Law

The internal appraisal format is composed of three parts. The table below explains the contents of each element. In the case of the "The public investment Type I, II, III, and IV (The project with cost 20 billion kips and more) of Province/ Capital", DPI in the same Province/ Vientiane Capital submits the project proposal to the MPI. Then the internal appraisal for such project was designed to be conducted at 1) Planning Division of Sector Department/ Office, and 2) DPI in terms of sector or technical and provincial development and budget viewpoints, respectively.

Contents of each part	
Part I	To confirm whether the documents required for the project proposal are attached.
Part II	To examine whether the project proposal was enough and adequate information for project assessment.
Part III	To provide the overall comments of the Planning Department/ Division to Sector Department/ Division.
Part only for DPI	In the case of the "The public investment Type I, II, III, and IV (The project with cost 20 billion kips and more) of Province/ Capital", to examine whether the proposed project is adequate in the light of provincial development and budget.

(3) Manual

The manuals were developed to enable the project proposal writer to include the information required for project assessment and the staff in charge of internal appraisal to check the quality of the same information. The following three manuals were provided.

Title of Manuals	
1	Manual for Project Proposal
2	Manual for Internal Appraisal
3	Manual for Project Assessment

(4) Mid-term review

The selection criteria for public investment project for MTR and the procedure of MTR was developed and shared with the MPI-DOE.

The selection criteria for public investment projects for MTR were developed based on the modification, suspension, and cancelation conditions stipulated in Articles 54, 55, and 57 of Public Investment Law and proposed as below.

Conditions
<ul style="list-style-type: none"> • The project does not comply or is likely not to comply with procedures and technical standards, as stipulated in the laws, regulations, and instructions relevant to public investment project management. • The project is facing or is likely to face a drastic change of policies and beneficiaries' demands. • The project will not be completed or is highly unlikely to be completed within the planned timeframe and cost. • The project is having or is likely to be having a significant negative impact on the social and natural environment.

7.6. Expectations for Achievement of the Overall Goal

Two indicators were set for the Overall Goal “*Public investment performance is improved and contributed to fiscal stability.*” Although both indicators are yet to be measured at the time of the Project completion, some signs of achievement progress can be given. The following charts show the two indicators and their achievement expectations.

[Indicator 1] Improvement of PIM Indicators	
Targets	Achievement Expectations
The PIMA indicators show improvement in investment efficiency and productivity compared to baseline.	<p>[Difficult to Measure, Need Alternative Indicators]</p> <ul style="list-style-type: none"> ➤ The Project recommended to received PIMA as measuring the public investment performance levels at the baseline. MPI discussed with IMF but disagreed. ➤ PEFA was conducted in 2018. Indicators related to public investment can be used as alternative baseline indicators. The Project suggests that a PEFA be performed as an end-line performance measurement of PIM improvement.
[Indicator 2] The capital expenditure is managed on a medium-term basis based on the targets set in the PIM Action Plan.	
Target	Achievement Expectations
Achievement of milestones and targets of the PIM Action Plan, especially for budget management.	<p>[Measurable]</p> <ul style="list-style-type: none"> ➤ The PIM Action Plan indicates that by 2026 the MTBF and 3YRP will be fully utilized as the standard budget preparation tool. Measurement of this milestone will allow the achievement level of this indicator. ➤ Achievement levels of other PIM improvement milestones and targets can be referred to to measure this indicator.

The abovementioned indicators attempt to measure the overall goal from both subjective (from PIM Action Plan achievements measured by the Government) and objective (third-party assessments such as PIMA and PEFA) viewpoints.

The Project recommended MPI accept PIMA from IMF. IMF had direct discussions with MPI while the Project also had talks with IMF on the PIMA promotion in 2019. However, since the Government just completed the PEFA with the World Bank in 2018⁹, it was regarded as a burden to receive a third-party assessment in consecutive years. There were no further discussions after the COVID-19 pandemic. Since some PEFA indicators measure public investment management performance, they may be used as baseline indicators. The Project recommends that MPI accept either PEFA or PIMA at the time of NSEDP⁹ completion, around 2026, to have an end-line check of some of the PEFA indicators.

⁹ <https://www.pefa.org/node/286>

8. Lessons Learned and Recommendations for Sustainability

The essential effect of PIM improvement comes not only through administrative reform and capacity building but is strongly influenced by the development and financial policies that the Government promotes. In fact, during the 2000s, when Laos was enjoying a GDP growth of over 8%, the Government actively promoted sizeable public investment projects, ODA loans, and ambitious foreign investment. Among these large projects and loans, some have not performed as planned or caused additional financial burden due to lack of appropriate management. Ironically, the importance of the balance between development and financial stability was raised after the economy started to slow down in the late 2010s. Administrative reforms related to PFM and PIM were instructed by the Government through NSEDP9 and the National Agenda 2021-2023 while shedding light on the approaches of the Project.

Whichever the economy and financial situations turn, the PIM measures and capacity enhancement schemes developed and introduced through the Project have to be sustained to ensure that the performance of public investment shall improve. The following indicates concrete measures for the sustainability of the Project outputs.

8.1 [General Remarks] PIM Improvement for Lao PDR

(1) Implementation of a Comprehensive PIM Improvement Scheme

The PIM Action Plan 2022-2030 and the PIM Improvement Steering Committee signifies the comprehensive, inter-organizational approach for PIM improvement in Lao PDR. The PIM Action Plan covers ODA, PPP, and SOE management improvements, in addition to the conventional domestic budget public investment.

Sustainable activities in line with the PIM Action Plan and its monitoring activities through the PIM Improvement Steering Committee are essential. Technical and financial support from development partners may still be needed in some improvement approaches. However, it is crucial for MPI, MOF, and all government entities to maintain initiatives for PIM improvement and have the responsibility in their activities to achieve the milestones and targets set in the PIM Action Plan.

(2) Enhancing MPI/MOF Functions as PIM/PFM Supervisory Organizations

A comprehensive cooperation scheme and a systemized information sharing platform are required among MPI and MOF to ensure that PIM and PFM function as a monolithic administrative alignment. In budget ceiling discussions, economic estimations provided by MPI and revenue estimates supplied by MOF are essential information for determining the medium-term budget estimations. While MPI promotes the 3YRP based on these budget estimations, MOF promotes the MTBF approach, where data from 3YRP will be essential for capital expenditure. In addition, budget management information such as monitoring of payment arrears and annual commitments through new projects should be shared among MPI and MOF to provide adequate guidance to government entities.

For ODA projects, loans (by MOF) and grants and technical assistance (by MPI) are supervised separately. Monitoring information of all ODA projects and contents and implementation status of the national contribution fund (NCB) attached to ODA projects must be shared among MPI and MOF so that both can provide appropriate supervision to the government entities. MPI-IPD is the supervisory organization for PPP. However, that may require cooperation from MOF for topics such as government guarantee and asset management.

(3) Capacity Building at Government Entities

The Project proposed measures to improve the project and the financial management status of government entities that function as the project owners. Capacity building activities to all government entities as the potential project owners are essential. The PIM Action Plan 2022-2030 outlines the capacity building schedules by each approach. Consideration of effective and

efficient design of capacity building measures, such as conducting training for multiple approaches. The original Committee members, MPI, and pilot organizations are potential lead trainers when conducting training for government entities.

MPWT actively collaborated in developing and validating methods and tools for the Project. In addition, MPWT has incorporated PIM improvement in their sector capacity development target in their 5YP 2021-2025. Therefore, it can be said that PIM improvement was institutionalized in a Government policy document. The MPWT 5YP also incorporates the 3YRP as their monitoring framework. Thus, the documents and tools developed by the project are sustainable at the policy and the institutional level. Further promotion for practical use of such tools is needed, along with active participation as a Committee Working Group member for PIM improvement.

Champasak Province has been cooperative as a critical pilot organization throughout previous phases of the Project. Many officials have since been promoted, and close collaboration has been realized with provincial standard formats and models. Cooperation from sector organizations, in addition to DPI and DOF, was discovered due to the dedication under the Governor's instructions. Therefore, sustainability in PIM methods at Champasak Province is likely. Further collaboration among Champasak Province and MPI is expected to promote the standard provincial model.

(4) Development of a PIM Information System

Needs for the Public Investment Management Information System (PIMIS) are rising. The Financial Management Information System (FMIS) upgrades are underway with the World Bank support. When developing the PIMIS, features unique to PIM and its procedures must be installed independently, while linkage of capital expenditure information with the FMIS must be considered.

The Project installed servers at MPI-DOP and MPI-DOE to aggregate and manage essential information related to their duties. In MPI-DIC, an ODA Management Information System (ODAMIS) was developed with the support of AusAid and is already in operation. IFAD supported installing the project monitoring system in MAF. The World Bank has installed the Poverty Reduction Fund Monitoring System. MPWT is also planning to establish its unique monitoring system. Given these new developments in management information systems, close coordination is needed to avoid duplication in updated information.

8.2 [Detailed Remarks] Sustainability of Project Outputs and Products

Based on the sustainability requirements mentioned above, the following charts explain the sustainability requirements for each output that the Project produced. Recommendations and lessons learned for sustainability are categorized in seven viewpoints; (a) institution, (b) inter-organizational coordination, (c) supervising organizations, (d) project owner organizations, (e) capacity building, (f) technical requirements, and (g) finance.

(1) The PIM Improvement Steering Committee

The following chart explains the recommendations and lessons learned for the sustainability of the PIM Improvement Steering Committee established through Output 1 support.

Viewpoint	Recommendations and Lessons Learned
(a) Institution	Maintain the Committee status to initiate the PIM Action Plan after its Government approval. It is advised to gradually expand the Committee to promote the implementation to other government organizations.
(b) Inter-Organizational relations	Coordination among Committee member organizations is essential in initiating the PIM Action Plan.
(c) Supervising Organizations	MPI and MOF actively propose periodical meetings. Topics discussed for each meeting should be planned and announced by MPI/MOF under Chairperson and Deputy Chairperson directives.
(d) Project Owner Organizations	Active participation by member organizations is required through on-site opinions on PIM improvements and monitoring the results of improvement activities.
(e) Capacity building	Create opportunities for capacity development activities through training, seminars, and workshops among Committee members. Capacity Development for Committee members should be inter-organizational to ensure a variety of comments can be exchanged.
(f) Technical requirements	Expertise and technical approaches related to PIM may be exchanged through the Committee members. For some technical practices, experts from development partners may be invited to the Committee meetings, seminars, training, or workshops to obtain advice.
(g) Finance	Attempt to self-sustain the Committee with government cost.

(2) The PIM Action Plan (2022-2030)

The following chart explains the recommendations and lessons learned for the sustainability of the PIM Action Plan (2022-2030), established through Output 2 support. The suggestions include activities towards the Government approval, implementation of actions, and achievements of milestones and targets.

Viewpoint	Recommendations and lessons learned
(a) Institution	Government endorsement of the PIM Action Plan is essential. In addition to its official announcement, promotion activities, including an explanation to higher authorities, is essential. A comprehensive capacity development establishment may be considered to involve all levels of government personnel. Opportunities to report the progress of the PIM Action Plan to the Government and National Assembly are suggested.
(b) Inter-Organizational relations	The PIM Action Plan emphasizes inter-organizational and cross-cutting approaches for actions toward achieving PIM improvement.
(c) Supervising Organizations	MPI/MOF initiates the activities indicated in the PIM Action Plan towards achieving milestones and targets. Comprehensive monitoring of the Plan and its feedback and countermeasures should be proposed from MPI/MOF for discussions at Committee meetings.
(d) Project Owner Organizations	Member Project Owner organizations initiate PIM Action Plan activities designed for government entities. Monitoring of activities within its organization should be done, and when needed, exchange comments with MPI/MOF or at the Committee meetings for PIM improvement.
(e) Capacity building	Actively participate in capacity building activities (seminars, training, and workshops) closely related to each member organization's duties. Utilize the knowledge and expertise obtained through these opportunities.
(f) Technical requirements	Collect and share technical requirements to implement the PIM Action Plan. When needed, efficiently obtain expertise from private organizations, consultants, and development partners.
(g) Finance	Secure reasonable financial resources to maintain the PIM Action Plan implementation. If the domestic budget is not enough, financial support from development partners may be considered. Efficiency and priorities in activities may be considered to ensure that milestones and targets may be achieved effectively.

(3) Three-Year Public Investment Rolling Plan

The following chart explains the recommendations and lessons learned for the sustainability of the 3YRP Concept, which was developed jointly with MPI and pilot organizations through Output 3 activities.

Viewpoint	Recommendations and lessons learned
(a) Institution	The linkage between the 3YRP Concept and the MTBF is underway. Since the MTBF is stipulated in the State Budget Law and MOF instructions on the budget preparation, the 3YRP will become the standard procedures that supplement the development budget information for MTBF. Further discussions are needed between MPI and MOF involving the World Bank to ensure specific linkages are made.
(b) Inter-Organizational relations	MPI/MOF coordination at the institutionalization process and during its operation stages are vital for maintaining the medium-term budget. Standardization of determining the budget envelope and the development budget ceiling is needed.
(c) Supervising Organizations	
(d) Project Owner Organizations	
(e) Capacity building	Promotion and capacity development of the usage of 3YRP at government entities is needed. It will be done through seminars and training based on the PIM Action Plan schedule.
(f) Technical requirements	The 3YRP dataset is excel-based. Although technical requirements to complete the dataset are not complicated, future applications such as the PIMIS dataset should be developed to ensure broader and transparent information collection and analysis.
(g) Finance	Dissemination costs for 3YRP require training and seminar fees. A sufficient cost may be needed when the dataset is developed as part of PIMIS. Support from development partners on system development is imminent.

(4) Upgrades of Project Proposal, Assessment, and Mid-Term Reviews

The following chart explains the recommendations and lessons learned for the sustainability of formats and procedures upgraded with the Project and MPI-DOE joint efforts through Output 4 activities.

Viewpoint	Recommendations and lessons learned
(a) Institution	As a result of the extended support in this area, the project proposal and assessment framework is reflected in the Public Investment Law and its related instructions. The upgrades supported by the Project are based on the revisions of the Law. Methods for mid-term reviews need more legal and procedural clarifications before they can be implemented.
(b) Inter-Organizational relations	The concept of internal appraisal was proposed to government entities. When they are introduced, careful discussion among the government entities and MPI-DOE are needed to ensure that the appraisal and assessment procedures are smooth.
(c) Supervising Organizations	MPI-DOE maintains the role of the supervising organization for project proposals through their assessments. With the introduction of the internal appraisal at government entities, supervising and capacity building roles of the MPI-DOE may have to become more mature.
(d) Project Owner Organizations	Through the introduction of the internal appraisal, internal working procedures may change. The planning sector in each entity may be required to strengthen its functions.
(e) Capacity building	Technical training such as F/S, CBA, and ESIA may be needed at project owner organizations to cope with the legal requirements upon project proposal submission. Assessment skills at MPI-DOE and DPIs have been standardized. Constant training is necessary to ensure newcomers understand the required skills and knowledge. A permanent training program and structure may be needed.
(f) Technical requirements	Technical expertise for F/S, CBA, and ESIA, including hiring appropriate consultants, is required. New evaluation methods based on the mid-term review requirements may be necessary. MPI-DOE will have an essential role in registering project proposals and assessment results for future project-wise databases. Technical requirements for data registration may be needed when the PIMIS is established.
(g) Finance	Many potential projects have not secured the budget to implement F/S. Many skip F/S in submitting the project proposals, affecting the project quality altogether. The revised Public Investment Law and its instructions included consultant hiring before formulation so that the project owners can secure the budget for F/S. Practical application of the new procedures is necessary.

Appendix 1
PDM of the Project

Project Title: Project for Improving Public Investment Management (PIMCAP)

Implementing Agency: MPI


Target Group:

Period of Project: February 2019 to March 2022

Project Site: Entire Laos & Pilot activity sites

*Pilot ministries: MPWT and MAF, Pilot provinces: Champasak Province, Vientiane Capital

Narrative Summary	Objectively Verifiable Indicators	Means of Verification	Important Assumption
Overall Goal			
Public investment performance is improved and contributed to fiscal stability.	1) PIMA (Public Investment Management Assessment) indicators (e.g., efficiency and productivity of investment) 2) The capital expenditure is managed in a mid-term basis based on the targets set in the PIM Action Plan	PIMA Report (in Lao PDR) PIM Action Plan & the Implementation report	
Project Purpose			
Public investment management is strengthened through reform aligned with fiscal management.	1) PIM Action Plan is authorized by the GoL. 2) <i>PIM Improvement Steering Committee</i> is authorized as permanent formal committee. 3) Improved PIM methods/tools/flow are aligned with the revised Public Investment Law. 4) Measures to advance and disseminate the PIM methods/tools/flow are incorporated into <i>PIM Action Plan</i>	Authorized <i>PIM Action Plan</i> <i>PIM Improvement Steering Committee</i> establishment papers Annual reports of the <i>PIM Improvement Steering Committee</i>	Fiscal situation in Laos is not significantly deteriorated.
Outputs			
1. PIM Improvement Steering Committee and its Working Group are established and managed.	1) Establishment of the <i>PIM Improvement Steering Committee</i> 2) Establishment of the PIM Improvement Steering Committee Working Group 3) The PIM Improvement Steering Committee is functioning* based on its agendas. *The functions including the pillars of reform, timespan, phasing and the implementation plan will be determined at the initial stage of the Project.	<i>PIM Improvement Steering Committee</i> establishment papers <i>Working Group</i> establishment papers Annual reports of the <i>PIM Improvement Steering Committee</i> Review Report	Legal framework related to public investment management is aligned with the objective of the Project.
2. PIM Action Plan is completed.	1) Draft <i>PIM Action Plan</i> is completed by the Working Group. 2) <i>PIM Action Plan</i> is submitted to the PIM Improvement Steering Committee.	Draft <i>PIM Action Plan</i> Minutes of PIM Improvement Steering Committee Meeting	
3. Project Management and Prioritization are standardized.	1) "Three-Year Public Investment Rolling Plan" as project management and prioritization methods is developed and functioning at pilot organization(s). 2) Budget allocation & its timely notification by MPI through agreement with MOF 3) Physical / financial monitoring framework of projects are developed and functioning at pilot organization(s).	"Three-Year Public Investment Rolling Plan", Budget management / project prioritization handbook, Validation report at pilot organization(s) MPI official documents announcing budget allocation/ceiling Project monitoring framework, Validation report at pilot organization(s)	
4. Project Assessment and Evaluation methods are standardized.	1) Project proposal and assessment methods/tools/flow are standardized under the revised Public Investment Law, Guidelines and government instructions. (in view of transparency levels and deadlines) 2) New projects follow the standardized project proposal and assessment methods/tools/flow. 3) Methods and tools for mid-term review and evaluation are standardized and validated.	MPI official documents announcing transparency Project assessment procedure manual Project lists and documents Project mid-term review and evaluation method manual	

Activities	Inputs		Important Assumption
<p>1.1 Discuss & agree on the specific structure and functions of the Committee/Working Group</p> <p>1.2 Conduct PIM Improvement Steering Committee Working Group Meetings</p> <p>1.3 Conduct Kick-Off and Annual PIM Improvement Steering Committee Meetings</p> <p>1.4 Review on PIM Improvement Steering Committee and its roles</p> <p>1.5 Summarize report on the effects of PIM Improvement Steering Committee (based on Activity 1.4)</p> <p>2.1 Prepare concept documents for the PIM Action Plan formulation</p> <p>2.2 Conduct Working Group Meetings for PIM Action Plan development</p> <p>2.3 Present the PIM Action Plan outline at the PIM Improvement Steering Committee Kick-Off Meeting</p> <p>2.4 Develop the draft pillars and agendas of the PIM Action Plan</p> <p>2.5 Present the PIM Action Plan draft pillars and agendas at the Annual PIM Improvement Steering Committee Advisory Board Meeting</p> <p>2.6 Develop draft PIM Action Plan, review the draft final and submit for approval</p> <p>2.7 Set up monitoring framework (parallel with the PIM Action Plan)</p> <p>2.8 Present the PIM Action Plan at the Annual PIM Improvement Steering Committee Advisory Board Meeting</p>	<p style="text-align: center;">The Japanese Side</p> <ul style="list-style-type: none"> • Chief Advisor/PIM reform • Expert for budget management & prioritization • Expert for project assessment & evaluation • Project Coordinator / Committee management 	<p style="text-align: center;">The Lao Side</p> <ul style="list-style-type: none"> • Project Director: MPI vice minister • Project Manager: MPI, DG of DOP • Deputy Project Managers: MPI, DDG of DOP MPI, DDG of DOE 	
<p>3.1 Review the current budget management and project prioritization procedures, and select pilot organization(s)</p> <p>3.2 Conduct discussion on the development budget ceiling and allocation (including multi-year estimates)</p> <p>3.3 Develop model budget management and project prioritization procedures and validate with pilot organization(s)</p> <p>3.4 Review the model, and develop / finalize budget management and project prioritization handbook</p> <p>3.5 Present the draft/final model at the Annual PIM Improvement Steering Committee Advisory Board Meeting and conduct provincial/ministerial seminar</p> <p>3.6 Conduct project monitoring survey</p> <p>3.7 Develop physical / financial monitoring framework</p> <p>3.8 Present the draft/final monitoring framework at Annual PIM Improvement Steering Committee Advisory Board Meeting and conduct provincial/ministerial seminar</p>			<p>Pre-Conditions</p>
<p>4.1 Review the current project assessment procedures, and select pilot organization(s)</p> <p>4.2 Develop & validate the model project assessment procedures with pilot organization(s)</p> <p>4.3 Review validation results and revise existing manual</p> <p>4.4 Present the draft/final assessment procedures at Annual PIM Improvement Steering Committee Advisory Board Meeting and finalize manual through validation</p> <p>4.5 Review project evaluation methods</p> <p>4.6 Develop project mid-term review & evaluation methods, revise manual and conduct training</p> <p>4.7 Present the draft/final project mid-term review and evaluation methods at Annual PIM Improvement Steering Committee Advisory Board Meeting and finalize manual</p>			

Appendix 2
Plan of Operation and Results

Appendix 3
Monitoring Sheet Ver. 1

September 2019

Attn: Mr. Yoshiharu YONEYAMA, Chief Representative, JICA Laos Office
Dr. Kikeo CHANTHABOURY, Vice Minister of MPI, Project Director

Project for Improving Public Investment Management (PIMCAP)

Project Monitoring Sheet (Version 1: March to September 2019)

This summary report along with attached sheet is the JICA standard format for providing monitoring information for PIMCAP. JICA requires a monitoring report in a biannual basis, therefore this report covers the period from March 2019 to September 2019. This is prepared with the joint effort of Ms. Phonevanh OUTHAVONG, Director General of MPI-DOP as PIMCAP Project Manager, and Mr. Ichiro OKUMURA, Chief Advisor of the PIMCAP Expert Team.

I. Summary

1 Progress

1-1 Progress of Inputs

The members of PIMCAP as shown in the INPUTS of the PDM (PM Form3-2 Monitoring Sheet I) are as follows.

Japanese side	Lao Side
Chief Advisor/PIM reform Expert for budget management & prioritization Expert for project assessment & evaluation Project Coordinator / Committee management	Project Director: Vice Minister of MPI Project Manager: Director General of MPI-DOP Deputy Project Managers: Deputy Director Generals of MPI- DOP, MPI-DOE

The following table shows the Person Months (MMs)¹ for the Japanese experts during the period of March 2019 to September 2019. JICA approved the expert team's proposal to add one expert under the expertise of *Inter-Organizational Strengthening* to facilitate better consultation and collaboration with the pilot organizations.

[Japanese side] MMs from March 2019 to September 2019

		Plan	Actual
Mr. Ichiro OKUMURA	Chief Advisor/ PIM Reform	3.40MM	2.80MM
Mr. Ryuji KASAHARA	Deputy Chief Advisor/ Project Assessment and Evaluation	3.83MM	3.37MM
Mr. Atsuo SATO	Budget Management and Prioritization	2.33MM	2.33MM

¹ Person Months (MM): JICA counts the dispatch amount of experts by this unit. 1 MM is equivalent to 30 days.

Mr. Hiromi OSADA	Inter-Organizational Strengthening	1.67MM	1.63MM
Ms. Natsumi OHASHI	Organizational Management and Project Coordinator*	2.00MM	1.43MM
Total Person Months as of September 2019		13.23MM	11.56MM

* Ms. Natsumi OHASHI joined the team as a replacement of Ms. Ayumi HORI after June 2019.

As seen above, the actual input of Japanese experts are slightly less than originally plan. However, this will be recovered in the next six months when they will have intensive dispatches in Oct-Nov 2019 and February 2020.

The following table represents the assigned members of the Joint Coordinating Meeting (JCC). With the instructions from the Project Director, the Project Manager, Deputy Project Managers and Members were official assigned as planned.

[Lao side] The following members are assigned as JCC Members.

Position of the Project	Position in the Ministry	Name
Project Director	Vice-minister, MPI	Dr. Kikeo CHANTHABOURY
Project Manager	DG of DOP, MPI	Ms. Phonevanh OUTHAVONG
Deputy Project Manager	DDG of DOP, MPI	Mr. Kalouna NANTHAVONGDUNANGSY
Deputy Project Managers	DDG of DOE, MPI	Dr. Sengphaivanh SENGAPHONE
Members (of JCC)	DPS of Cabinet, MPI	Dr. Vanthana NOLINTHA
Members (of JCC)	DDG of DIC, MPI	Ms. Saymonekham MANGNOMEK
Members (of JCC)	DDG of BD, MOF	Ms. Thongchanh SOULINPHOUMY
Members (of JCC)	DDG of FPLD, MOF	Mr. Pasompheth KHAMTANH
Members (of JCC)	DDG of NT, MOF	Mr. Nouxoey PHOMSICHANH
Members (of JCC)	DDG of EFDMD, MOF	Ms. Vanida SAVADTY

In addition to the abovementioned JCC members from Lao side, MPI-DOP and MPI-DOE have formulated technical teams and coordination teams respectively to jointly work with JICA Experts.

1-2 Progress of Activities

The table below shows the planned activities during the period of March 2019 to April 2020 (first term of the project) and the actual mid-term progress of activities during this monitoring period from March 2019 to September 2019.

Plan	Actual
Activities under the Output 1	
<ul style="list-style-type: none"> ● Activity 1.1: Discuss and agree on the specific structure and functions of the Committee and the Sub-Committees. ● Activity 1.2: Conduct PIM Reform Sub-Committee Meetings <ul style="list-style-type: none"> ➢ Conduct first PIM Reform Action Plan Development Sub-Committee (linked with Output 2) ➢ Conduct first Project Information 	<ul style="list-style-type: none"> ● The JICA expert team consulted with key stakeholders, including DOP-MPI, and drafted the concept paper of the PIM Reform Committee (Annex: concept paper 01). ● The JICA expert team drafted the concept paper for collaboration with Ministry of Finance (MOF) and consulted with MOF. (Annex: concept paper 05) ● The JICA expert team supported MPI to hold the

<ul style="list-style-type: none"> ➤ Sub-Committee ➤ Conduct first Project Management Sub-Committee ● Activity 1.3: Conduct Kick-Off and Annual PIM Reform Committee/ Meetings <ul style="list-style-type: none"> ➤ Conduct Kick-Off Meeting of the PIM Reform Committee ➤ (2) Conduct Annual PIM Reform Committee Meetings 	<p><i>First PIM Improvement Steering Committee Meeting</i> on 26 July 2019, and, at the said meeting, presented the functions and expected members of Committee and sub-committees. The “Reform” term for this meeting was changed to “Improvement” due to the weight of the word in Government context. Further discussions will be made on how these terms will be used in the future. Meanwhile, official documents will be shown with “Improvement” terms until further decision. (Annex: Meeting report).</p> <ul style="list-style-type: none"> ● Official formulation of the Committee and appointment of members were supposed to be conducted before the Kick-Off Meeting. However, it was decided that they will be done by MPI after the Meeting. Follow up is required.
Activities under the Output 2	
<ul style="list-style-type: none"> ● Activity 2.1: Prepare concept documents for the Action Plan formulation ● Activity 2.2: Conduct PIM Reform Action Plan Development Sub-Committee Meetings <ul style="list-style-type: none"> ➤ (1) Conduct first PIM Reform Action Plan Development Sub-Committee (linked with Activity 1.2(1)) ➤ (2) Conduct PIM Reform Action Plan Development Sub-Committee Meetings ● Activity 2.3: Present the PIM Reform Action Plan Outline at the PIM Reform Committee Kick-Off Meeting ● Activity 2.4: Develop the draft pillars and agendas of the PIM Reform 	<ul style="list-style-type: none"> ● The expert team consulted with key stakeholders and prepared the Concept Paper <i>Formulation of the Public Investment Management Reform Action Plan</i> (Annex: concept paper 02). ● PIMCAP presented the concept and approaches for PIM Improvement Action Plan development at the <i>First PIM Improvement Steering Committee Meeting</i> in 26 July. ● The first sub-committee meeting is expected to be held in November, under conditions that the official formulation of the Committee and appointment of sub-committee members will be completed.
Activities under the Output 3	
<ul style="list-style-type: none"> ● Activity 3.1: Review the current budget management and project prioritization procedures, and select pilot organization(s) ● Activity 3.2: Conduct discussion on the development budget ceiling and allocation (including multi-year estimates) ● Activity 3.3: Develop model budget management and project prioritization procedures and validate with the pilot organization(s) <ul style="list-style-type: none"> ➤ (1) Develop model budget management and project prioritization procedures with the pilot organization(s) ➤ (2) First round validation of model with pilot organization(s) ● Activity 3.6: Conduct project monitoring survey 	<ul style="list-style-type: none"> ● The expert team consulted and drafted the concept paper for Project Management and Prioritization. (Annex 1: concept paper 03). ● The JICA expert held an explanatory meeting for DOP technical officers to share the concept on 3-Year Public Investment Rolling Plan and project monitoring framework. ● Official appointment of pilot organizations are delayed. MPWT, MAF, Champasak Province and Vientiane Capital are unofficially agreed, but official instructions from MPI are yet to be released. ● The expert team conducted studies for the potentials in introducing Output 3 products at Champasak Province in 3-5 July, and 12-14 August. (Annex 2: preliminary findings of each study)
Activities under the Output 4	
<ul style="list-style-type: none"> ● Activity 4.1: Review the current project assessment procedures, and select pilot organization(s) ● Activity 4.2: Develop and validate the model project assessment procedures with pilot 	<ul style="list-style-type: none"> ● The expert team consulted with MPI-DOE and drafted the concept paper for the Project Assessment and Evaluation method. (Annex 3: concept paper 04). ● Official appointment of pilot organizations are

<p>organization(s)</p> <ul style="list-style-type: none"> ➤ (1) Develop model project assessment procedures with pilot organization(s) ● Activity 4.5: Review project evaluation methods 	<p>delayed. MPWT, MAF, Champasak Province and Vientiane Capital are unofficially agreed, but official instructions from MPI are yet to be released.</p> <ul style="list-style-type: none"> ● The expert team conducted studies to understand the status of project preparation and assessment for preparation in introducing Output 4 products at Champasak Province in 3-5 July, and 12-14 August.
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* Source of information: Inception report of PIMCAP

The Plan of Operation (the Monitoring Sheet II: Form 3-3) presents the comparison of the planned and actual timeline of activities.

At this point, some delays in i) appointing pilot organizations and the ii) formulation of the Committee is affecting the efficiency of project implementation. Some events that were planned to be held in August, such as sub-committee meetings, did not take place, which is mainly affecting the development process of Outputs 3 and 4. The official approval of the abovementioned two aspects is in process by MPI.

1-3 Achievement of Outputs

The table below shows the progress of the planned outputs and their indicators. As this is the initial stage of the project implementation, full achievement of outputs have not yet been seen. The expert team has been conducting the assignment in consideration of both effectiveness and efficiency.

Planned Outputs	Planned indicators of Outputs	Actual Outputs
1. PIM Reform Committee and its Sub-Committees are established and managed.	<ol style="list-style-type: none"> 1) Establishment of the "PIM Reform Committee" 2) Establishment of each Sub-Committee (PIM Reform Action Plan Development/ Project Information/Project Management) 3) The "PIM Reform Committee" is functioning based on its agendas. 4) Sub-Committees are functioning based on their agendas. 	There has been a delay in the achievement due to delay in the authorization process. Will follow up with functionalization as soon as it is officially formulated.
2. PIM Reform Action Plan is completed.	<ol style="list-style-type: none"> 1) Draft "PIM Reform Action Plan," is completed by the Sub-Committee. 2) "PIM Reform Action Plan" is submitted to the PIM Reform Committee. 	Initial concept is shared. Will progress as soon as the Committee is established.
3. Project Management and Prioritization are standardized.	<ol style="list-style-type: none"> 1) "Three-Year Public Investment Rolling Plan (3YRP)" as project management and prioritization methods are developed and functioning at the pilot organization(s). 2) Budget allocation & its timely notification by MPI through an agreement with MOF 3) Physical/financial monitoring framework of projects is developed and functioning at the pilot organization(s). 	Discussion within MPI and with MOF is under progress. Consensus on the introduction of the 3YRP is made.
4. Project Assessment and Evaluation methods are standardized.	<ol style="list-style-type: none"> 1) Project proposal and assessment methods/tools/flow are standardized under the revised Public Investment Law, Guidelines, and government instructions. (in view of transparency levels and deadlines) 2) New projects follow the standardized project proposal and assessment methods/tools/flow. 	Current status of the proposal and assessment is studied. Will further propose upgrade.

3) Methods and tools for mid-term review and evaluation are standardized and validated.

1-4 Achievement of the Project Purpose

The Project Purpose indicates the situation that is expected at the completion of PIMCAP. The table below shows the expected project purpose and their relevant indicators. The relevance of the project purpose has not changed, since they maintain the consistency with the existing national policy and development needs.

Project Purpose	Indicators for the Project Purpose	Achievement
Public investment strengthened through management is reform Aligned with fiscal management.	1) "PIM Reform Action Plan" is authorized by the GoL.	Yet to be available
	2) PIM Reform Committee is authorized as a permanent formal Committee.	Yet to be available
	3) Improved PIM methods/ tools/ flow is aligned with the revised Public Investment Law.	Yet to be available
	4) Measures to advance and disseminate the PIM methods/ tools/ flow are incorporated into "PIM Reform Action Plan."	Yet to be available

1-5 Changes of Risks and Actions for Mitigation

In the Project Design Matrix of PIMCAP an important assumption "*Legal framework related to public investment management is aligned with the objective of the Project*" was stated as a condition to assure that project will achieve its outputs. Both MPI and the expert team is monitoring the situation to ensure that they work within the existing country system/ legal framework, as well as ensuring new systems and/or legal framework will not be conflicted with the project.

1-6 Progress of Actions for 1-5 undertaken by JICA

JICA constantly provide useful information and advice on movements by development partners and ministries related to changes of systems and/or law that may be positive or negative to PIMCAP.

1-7 Progress of Actions for 1-5 undertaken by Gov. of Laos

Close discussions are made in a daily basis between MPI and the expert team of any changes of systems and/or law that may be positive or negative to PIMCAP.

1-8 Progress of Environmental and Social Considerations (if applicable)

Laos has been facing serious disasters, which require emergency public investment projects and relief budget. There have been requirements for coping with these emergency cases as part of the PIM system. Further discussions will be made within PIMCAP.

1-9 Progress of Considerations on Gender/Peace Building/Poverty Reduction (if applicable)

Not directly applicable to this project as of present.

1-10 Other remarkable/considerable issues related/affect to the project (such as other JICA's projects, activities of counterparts, other donors, private sectors, NGOs, etc.)

The expert team has been constantly communicating with other JICA and Development Partners projects to obtain information and seek for collaboration that may have positive impact for project purpose achievement.

- Participated in the Japan-Lao Joint Policy Research and Dialogue Program for Fiscal Stabilization meetings, and exchanged views
- Having close exchange of opinion with the World Bank *Lao Road Sector Project 2* under MPWT concerning the demarcation of PIM tasks among MPI and ministries
- Collaboration with the World Bank/ADB PFM program team on further PFM/PIM development.

2 Delay of Work Schedule and/or Problems (if any)

Official appointment of pilot provinces that have been already been discussed and internally agreed to have MPWT, MAF, Champasak Province and Vientiane Capital has been delayed. All organizations are waiting for the official appointment letter since June.

Official formulation and appointment of the PIM Reform Committee (or in form of a different name) has been delayed. This may cause delays in sub-committee meetings that are expected in October-November.

3 Modification of the Project Implementation Plan

If the abovementioned two official formulation/appointment are delayed, some activities will be significantly delayed.

Need further discussions whether “Reform” will be continuously used in the process as well as in the target of the whole project. If change is required, it will be approved in the next JCC to be held in February 2020.

4 Current Activities of Gov. of Laos to Secure Project Sustainability after its Completion


Key activities are to provide official formulation and appointment to the PIM Reform Committee.

II. Project Monitoring Sheet I & II as Attached

Project Monitoring Sheet I (Revision of Project Design Matrix)

Version 0
Dated, drafted based on RD

Project Title: Project for Improving Public Investment Management
Implementing Agency: MPI
Target Group:
Period of Project: March 2019 to April 2022
Project Site:

Overall Goal	Means of Verification	Important Assumption	Achievement	Remarks
<p>Overall Goal Public investment performance is improved and contributed to fiscal stability.</p>	<p>PIMA Report (in Lao PDR) PIM Reform Action Plan & the Implementation report</p>			
<p>Project Purpose Public investment management is strengthened through reform aligned with fiscal management.</p>	<p>1) PIMA (Public Investment Management Assessment) indicators (e.g., efficiency and productivity of investment) 2) The capital expenditure is managed in a mid-term basis based on the targets set in the PIM Reform Action Plan. 3) The "PIM Reform Committee" is authorized by the GoL. 4) Improved PIM methods/tools/flow are aligned with the revised Public Investment Law. 5) Measures to advance and disseminate the PIM methods/tools/flow are incorporated into "PIM Reform Action Plan".</p>	<p>Fiscal situation in Laos is not significantly deteriorated.</p>		
<p>Outputs 1. PIM Reform Committee and its Sub-Committees are established and managed. 2. PIM Reform Committee is authorized as permanent formal committee. 3. Improved PIM methods/tools/flow are aligned with the revised Public Investment Law. 4. Measures to advance and disseminate the PIM methods/tools/flow are incorporated into "PIM Reform Action Plan".</p>	<p>"PIM Reform Committee" establishment papers "Sub-Committee Meetings" establishment papers Annual reports of the "PIM Reform Committee". Review Report Reports of each Sub-Committee meeting, Review Report Draft "PIM Reform Action Plan"</p>	<p>Legal framework related to public investment management is aligned with the objective of the Project.</p>		<p>There has been a delay in the achievement due to delay in the authorization process. Will follow up with functionalization as soon as it is officially formulated.</p>
<p>3. Project Management and Prioritization are standardized.</p>	<p>1) "Three-Year Public Investment Rolling Plan" as project management and prioritization methods is developed and functioning at pilot organization(s). 2) Budget allocation & its timely notification by MPI through agreement with MOF 3) Physical / financial monitoring framework of projects are developed and functioning at pilot organization(s). 4) Project proposal and assessment methods/tools/flow are standardized under the Revised Public Investment Law, Guidelines and government instructions. (in view of transparency levels and deadlines) 5) New projects follow the standardized project proposal and assessment methods/tools/flow. 6) Methods and tools for mid-term review and evaluation are standardized and validated.</p>	<p>Minutes of "PIM Reform Committee"</p>		<p>Initial concept is shared. Will progress as soon as the Committee is established.</p>
<p>4. Project Assessment and Evaluation methods are standardized.</p>	<p>1) "Three-Year Public Investment Rolling Plan" as project management and prioritization methods is developed and functioning at pilot organization(s). 2) Budget allocation & its timely notification by MPI through agreement with MOF 3) Physical / financial monitoring framework of projects are developed and functioning at pilot organization(s). 4) Project proposal and assessment methods/tools/flow are standardized under the Revised Public Investment Law, Guidelines and government instructions. (in view of transparency levels and deadlines) 5) New projects follow the standardized project proposal and assessment methods/tools/flow. 6) Methods and tools for mid-term review and evaluation are standardized and validated.</p>	<p>"Three-Year Public Investment Rolling Plan", Budget management / project prioritization handbook, Validation report at pilot organization(s) MPI official documents announcing budget allocation/ceiling Project monitoring framework, Validation report at pilot organization(s) MPI official documents announcing transparency Project assessment procedure manual Project lists and documents Project mid-term review and evaluation method manual</p>		<p>Discussion within MPI and with MOF is under progress. Consensus on the introduction of the 3YRP is made.</p>
<p>Activities 1.1 Discuss & agree on the specific structure and functions of the Committee/Sub-committees 1.2 Conduct PIM Reform Sub-Committee Meetings 1.3 Conduct Kick-Off and Annual PIM Reform Committee/ Meetings 1.4 Review on PIM Reform Committee and its roles 1.5 Summarize report on the effects of PIM Reform Committee (based on Activity 1.4) 2.1 Prepare concept documents for the Action Plan formulation 2.2 Conduct PIM Reform Action Plan Development Sub-Committee Meetings 2.3 Present the PIM Reform Action Plan Outline at the PIM Reform Committee Kick-Off Meeting 2.4 Develop the draft pillars and agendas of the PIM Reform Reform Meeting 2.5 Present the draft PIM Reform pillars and agendas at the Annual PIM Reform Meeting 2.6 Develop draft PIM Reform Action Plan, review the draft final and submit for approval 2.7 Set-up monitoring framework (parallel with the PIM Reform Action Plan) 2.8 Present the PIM Action Plan at the Annual PIM Reform Meeting 3.1 Review the current budget management and project prioritization procedures, and select pilot organization(s) 3.2 Conduct discussion on the development budget ceiling and allocation (including multi-year estimates) 3.3 Develop model budget management and project prioritization procedures and validate with pilot organization(s) 3.4 Review the model, and develop / finalize budget management and project prioritization handbook 3.5 Present the draft/final model at Annual PIM Reform Meeting & Conduct provincial/ministerial seminar 3.6 Conduct project monitoring survey 3.7 Develop physical / financial monitoring framework 3.8 Present the draft/final monitoring framework at Annual PIM Reform Meeting & conduct provincial/ministerial seminar 4.1 Review the current project assessment procedures, and select pilot organization(s) 4.2 Develop & validate the model project assessment procedures with pilot organization(s) 4.3 Review validation results and revise existing manual 4.4 Present the draft/final assessment procedures at Annual PIM Reform Meeting & finalize manual through validation 4.5 Review project evaluation methods 4.6 Develop project mid-term review & evaluation methods, revise manual and conduct training 4.7 Present the draft/final project mid-term review and evaluation methods at Annual PIM Reform Meeting, and finalize manual</p>	<p>The Japanese Side • Chief Advisor/PIM reform • Expert for budget management & prioritization • Expert for project assessment & evaluation • Project Coordinator / Committee management</p>	<p>The Lao Side • Project Director: MPI vice minister • Project Manager: MPI, DG of DOP • Deputy Project Managers: MPI, DGG of DOP MPI, DGG of DOE</p>	<p>Pre-Conditions</p> 	<p>Current status of the proposal and assessment is studied. Will further propose upgrade.</p>

Appendix 4
Monitoring Sheet Ver. 2

April 2020

**Attn: Mr. Yoshiharu YONEYAMA, Chief Representative, JICA Laos Office
Dr. Kikeo CHANTHABOURY, Vice Minister of MPI, Project Director**

Project for Improving Public Investment Management (PIMCAP)

Project Monitoring Sheet (Version 2: October 2019 to March 2020)

This summary report, along with the attached sheets, is the JICA standard format for providing monitoring information for PIMCAP. JICA requires a monitoring report in a biannual basis. We submitted the version 1 of Project Monitoring Sheet September 2019. Version 1 covers the period from March 2019 to September 2019, and therefore this report, Version 2, covers the period from October 2019 to March 2020. This report is prepared with the joint effort of Ms. Phonevanh OUTHAVONG, Director General of MPI-DOP as PIMCAP Project Manager, and Mr. Ichiro OKUMURA, Chief Advisor of the PIMCAP Expert Team.

I. Summary

1 Progress

1-1 Progress of Inputs

The members of PIMCAP, as shown in the INPUTS, are as follows.

Japanese side	Lao Side
Chief Advisor/PIM reform	Project Director: Vice Minister of MPI
Expert for budget management & prioritization	Project Manager: Director General of MPI-DOP
Expert for project assessment & evaluation	Deputy Project Managers: Deputy Director Generals of
Expert for Inter-Organizational Strengthening*	MPI- DOP, MPI-DOE
Project Coordinator / Committee management	

* Expert for Inter-Organizational Strengthening was not included in the original PDM (PM Form3-2 Monitoring Sheet I). JICA approved the expert team's proposal to add one expert under the expertise of Inter-Organizational Strengthening to facilitate better consultation and collaboration with the pilot organizations.

The following table shows the Person/Man Months (MMs)¹ for the Japanese experts from October 2019 to March 2020, together with the input from the beginning of the project, namely March 2019 to September 2019, and total MM as of March 2020.

¹ Person Months (MM): JICA counts the dispatch amount of experts by this unit. 1 MM is equivalent to 30 days.

[Japanese side] MMs from March 2019 to September 2019

		Total as of Sep 2019		From Oct 2019 to March 2020		Total as of Mar 2020	
		Plan	Actual	Plan	Actual	Plan	Actual
Mr. Ichiro OKUMURA	Chief Advisor/ PIM Reform	2.80	2.80	3.77	3.77	6.57	6.57
Mr. Ryuji KASAHARA	Deputy Chief Advisor/ Project Assessment and Evaluation	3.83	3.37	2.50	2.97	6.33	6.33
Mr. Atsuo SATO	Budget Management and Prioritization	2.33	2.33	2.67	2.67	5.00	5.00
Mr. Hiromi OSADA	Inter-Organizational Strengthening	1.67	1.63	1.33	1.37	3.00	3.00
Ms. Natsumi OHASHI	Organizational Management and Project Coordinator*	2.00	1.43	1.0	1.55	3.00	2.99
Total Person Months as of September 2019		13.23	11.56				

* Ms. Natsumi OHASHI joined the team as a replacement of Ms. Ayumi HORI after June 2019.

<COVID-19 and Progress of input>

Because of JICA's instruction on 18th March 2020, requesting the Japanese experts of all JICA related projects to go back to Japan in considering the worldwide COVID-19 contamination risk, the Japanese experts of PIMCAP terminated the mission on 20th March 2020. After Japanese experts went back to Japan, *the experts kept working mobil in Japan, supervised the national consultants and managed the project implementation*

1-2 Progress of Activities

The table below shows the planned activities from March 2019 to April 2020 (the first term of the project) and the actual mid-term progress of activities during this monitoring period from October 2019 to March 2020.

Plan*	Actual				
Activities under the Output 1					
<ul style="list-style-type: none"> ● Activity 1.1: Discuss and agree on the specific structure and functions of the Committee /Working Group. ● Activity 1.2: Conduct PIM Improvement Steering Committee Working Group Meetings <ul style="list-style-type: none"> ➤ Conduct the first PIM Reform Action Plan Development working group (linked with Output 2) ➤ Conduct first Project Information Sub-Committee ➤ Conduct first Project Management Sub-Committee ● Activity 1.3: Conduct Kick-Off and Annual PIM Improvement Steering Committee Committee/ Meetings 	<ul style="list-style-type: none"> ● The PIM Improvement Steering Committee (formerly proposed as the PIM Reform Committee) was initially planned to be established by July 2019. It was officially established in 16 March 2020 through the MPI Minister's <i>Agreement on Appointment of PIM Steering Committee and Working Group Responsible for PIM Improvement</i> (No. 0425), along with the appointment of members. ● The JICA expert team consulted and updated the concept note (Annex 1: concept paper 01, version 2.2) to incorporate the results of the consultation on the name, function, and members of the committee and its working group, and action plan in considering the context of PIM in Lao PDR and stakeholders' capacity. The table below shows some modifications made in terminology. <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Before</th> <th>After</th> </tr> </thead> <tbody> <tr> <td>PIM Reform Committee</td> <td>PIM Improvement Steering Committee</td> </tr> </tbody> </table>	Before	After	PIM Reform Committee	PIM Improvement Steering Committee
Before	After				
PIM Reform Committee	PIM Improvement Steering Committee				

<ul style="list-style-type: none"> ➤ Conduct Kick-Off Meeting of the PIM Reform Committee ➤ (2) Conduct Annual PIM Reform Committee Meetings 	<table border="1" data-bbox="678 262 1399 331"> <tr> <td>Sub-Committee</td> <td>Working Group</td> </tr> <tr> <td>PIM Reform Action Plan</td> <td>PIM Action Plan</td> </tr> </table> <ul style="list-style-type: none"> ● After appointing the committee members, the Annual PIM Improvement Steering Committee Advisory Board Meeting 2020, and relevant working group meetings had been planned to be held in mid-March 2020. However, considering the risk of COVID-19 and the Government’s announcement of restriction of organizing the events in general, and so the said meetings did not take place as of end March 2020. Because of the risk of COVID-19. The Project Manager and the Deputy Project Manager will seek for the right opportunity to hold the Meeting. 	Sub-Committee	Working Group	PIM Reform Action Plan	PIM Action Plan
Sub-Committee	Working Group				
PIM Reform Action Plan	PIM Action Plan				
Activities under the Output 2					
<ul style="list-style-type: none"> ● Activity 2.1: Prepare concept documents for the PIM Action Plan formulation ● Activity 2.2: Conduct Working Group Meetings for PIM Action Plan Development <ul style="list-style-type: none"> ➤ (1) Conduct first PIM Reform Action Plan Development Sub-Committee (linked with Activity 1.2(1)) ➤ (2) Conduct PIM Reform Action Plan Development Sub-Committee Meetings ● Activity 2.3: Present the PIM Action Plan Outline at the PIM Improvement Steering Committee Kick-Off Meeting ● Activity 2.4: Develop the draft pillars and agendas of the PIM Action Plan 	<ul style="list-style-type: none"> ● The expert team consulted with key stakeholders and drafted the <i>Strategic Pillars of the PIM Action Plan</i> (Annex 2: Summary (draft) Strategic Pillars for the PIM Action Plan). ● PIMCAP presented the draft Strategic Pillars at the <i>Second JCC Meeting</i> on 28 February 2020. ● It was expected the discussions to elaborate Strategic Pillars of PIM Action Plan with the abovementioned Committee Meeting and the Working Group Meetings had taken place. However, as explained above, the concerned meetings did not take place, and follow up is required. 				
Activities under the Output 3					
<ul style="list-style-type: none"> ● Activity 3.1: Review the current budget management and project prioritization procedures, and select pilot organization(s) ● Activity 3.2: Conduct discussion on the development budget ceiling and allocation (including multi-year estimates) ● Activity 3.3: Develop model budget management and project prioritization procedures and validate with the pilot organization(s) <ul style="list-style-type: none"> ➤ (1) Develop model budget management and project prioritization procedures with the pilot organization(s) ➤ (2) First-round validation of model with pilot organization(s) ● Activity 3.6: Conduct project monitoring survey 	<ul style="list-style-type: none"> ● The expert team consulted and updated the concept paper for Project Management and Prioritization. (Annex 3: concept paper 03, version 2.0). ● The expert team made the prototype for the Rolling Plan by the use of actual figures of FY 2018 in the Public Investment Projects list to check the availability and usefulness of existing budget information to formulate the Rolling Plan. ● The expert team conducted the workshop with MPWT as a pilot organization to formulate the Rolling Plan using data on PI projects for FY 2020 on 25-25 Feb 2020. ● Discussions to determine the 3-year indicative budget ceiling have started among MPI-DOP and MOF. ● The expert team started reviewing the project monitoring mechanism, especially financial monitoring. 				
Activities under the Output 4					

<ul style="list-style-type: none"> ● Activity 4.1: Review the current project assessment procedures, and select pilot organization(s) ● Activity 4.2: Develop and validate the model project assessment procedures with pilot organization(s) <ul style="list-style-type: none"> ➢ (1) Develop model project assessment procedures with pilot organization(s) ● Activity 4.5: Review project evaluation methods ● Activity 4.6: Develop project mid-term review & evaluation methods, revise manual and conduct training** ● Activity 4.7: Present the draft/final project mid-term review and evaluation methods at Annual PIM Reform Meeting, and finalize manual** 	<ul style="list-style-type: none"> ● The expert team consulted with MPI-DOE and updated the concept paper for the Project Assessment and Evaluation method. (Annex 4: concept paper 04, version 2.0). ● The expert team conducted the workshop with MPWT as a pilot organization to develop the approach and outline of internal appraisal of new project proposal at Ministry level as the upgraded system of project formulation and assessment on 3-4 March 2020. ● The expert team analyzed the characteristics of targeted projects for Mid-Term Review (MTR) and project evaluation, starting from October 2019, and developing the procedure and format of MTR and project evaluation. The expert team observed MPI-DOE's implementation of MTR and project evaluation. <p>** To meet the MPI-DOE' request, the expert team expanded the activities related to Mid-Term Review (MTR) and project evaluation ahead of schedule, namely Activities 4.6 and 4.7. In contract, for Activity 4.1 and 4.2, the expert team focused on one pilot activity.</p>
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* The parts highlighted in red are the parts, modified by the approval of the 2nd JCC meeting.

Along with abovementioned activities, the expert team conducted the study of the current IT environment for PIM, to consider future upgrading of the Management Information System (MIS) for PIM. Based on the findings of the said study, the expert team drafted the updated a concept note (Annex 5: concept paper 09, version 2.0). Further consultations with stakeholders are required.

The Plan of Operation (the Monitoring Sheet II: Form 3-3) presents the comparison of the planned and actual timeline of activities.

<COVID-19 and Progress of activities>

The delay in the formulation of the Committee and the risk of COVID-19* affected the efficiency of project implementation. Some events that were planned to be held in February/March 2020, such as the Annual PIM Improvement Steering Committee Advisory Board Meeting and Working Group Meetings, did not take place, which is partially affecting the development progress of all Outputs.

*Government of Lao PDR is strengthening infection prevention measures including the restriction of holding the events. Thus, under this condition, it is challenging to organize the Annual PIM Improvement Steering Committee Advisory Board Meeting and Working Group meetings.

1-3 Achievement of Outputs

The table below shows the progress of the planned outputs and their indicators. The expert team has been conducting the assignment in consideration of both effectiveness and efficiency.

Planned Outputs	Planned indicators of Outputs*	Actual Outputs
1. PIM Reform Committee and its Sub-Committees are established and managed.	1) Establishment of the <i>PIM Improvement Steering Committee</i> 2) Establishment of the <i>PIM Improvement Steering Committee Working Group</i> 3) The <i>PIM Improvement Steering Committee</i> is functioning* based on its agendas. 4) The <i>Working Group</i> is functioning* based on their agendas.	The formulation was authorized on 16 March 2020 by the MPI Minister's Agreement on Appointment of PIM Steering Committee and Working Group Responsible for PIM Improvement (No. 0425). There has been a delay in the achievement of 3) and 4) because of COVID-19 measures.
2. PIM Reform Action Plan is completed.	1) Draft <i>PIM Action Plan</i> is completed by the Working Group. 2) <i>PIM Action Plan</i> is submitted to the <i>PIM Improvement Steering Committee</i> .	The concept and Strategic Pillars were updated and presented at the 2 nd JCC meeting. Will follow up as soon as the Committee is functionalized.
3. Project Management and Prioritization are standardized.	1) "Three-Year Public Investment Rolling Plan (3YRP)" as project management and prioritization methods are developed and functioning at the pilot organization(s). 2) Budget allocation & its timely notification by MPI through an agreement with MOF 3) Physical/financial monitoring framework of projects is developed and functioning at the pilot organization(s).	The prototype of 3YRP is developed and validated with a pilot organization, namely MPWT.
4. Project Assessment and Evaluation methods are standardized.	1) Project proposal and assessment methods/tools/flow are standardized under the revised Public Investment Law, Guidelines, and government instructions. (in view of transparency levels and deadlines) 2) New projects follow the standardized project proposal and assessment methods/tools/flow. 3) Methods and tools for mid-term review and evaluation are standardized and validated.	The approach and outline of upgrading "standardized project proposal and assessment methods/tools/flow" are developed and consulted with a pilot organization, namely MAF.

* The parts highlighted in red are the parts, modified by the approval of the 2nd JCC meeting.

1-4 Achievement of the Project Purpose

The Project Purpose indicates the situation that is expected at the completion of PIMCAP. The table below shows the expected project purpose and their relevant indicators. The relevance of the project purpose has not changed, since they maintain the consistency with the existing national policy and development needs.

Project Purpose	Indicators for the Project Purpose*	Achievement
Public investment strengthened through management is reform Aligned with fiscal management.	1) <i>PIM Action Plan</i> is authorized by the GoL.	Yet to be available
	2) <i>PIM Improvement Steering Committee</i> is authorized as permanent formal committee.	MPI Minister's Agreement No.0425 issued for establishment
	3) Improved PIM methods/tools/flow are aligned with the revised Public Investment Law.	Yet to be available
	4) Measures to advance and disseminate the PIM methods/tools/flow are incorporated into <i>PIM Action Plan</i>	Yet to be available

* The parts, highlighted in red are the parts, modified by the approval of 2nd JCC meeting.

1-5 Changes of Risks and Actions for Mitigation

Scheduling difficulties by MPI caused delays in meetings and follow-up activities, which caused some delays in the progress of the Project (Output 1 formulation of the Committee, etc). The Project Director instructed the Project members to conduct a monthly monitoring meeting (Annex 6: Concept Paper 07), but the meetings were only held once due to scheduling conflicts. The Japanese experts will continue to issue a monthly monitoring report to the Project Director Closer communication including a possible use of SMS at Project Manager and Chief Adviser levels may be suggested for future improvement of decision making in key topics.

The COVID19 situation will continue to affect follow-up and further planning of activities. Meanwhile, the MPI side will continue activities within the Government restrictions and their progress of relaxation, and local consultants will support such activities under mobile supervision of the Japanese experts.

1-6 Progress of Actions for 1-5 undertaken by JICA

JICA will announce the reasonable period of when Japanese experts will be allowed to continue project activities inside Laos, after considering the local and global situations.

1-7 Progress of Actions for 1-5 undertaken by Gov. of Laos

MPI will continue activities for Output 1 by trying to hold the first Committee meeting as well as soon as the COVID19 restrictions are lifted. Contents and logistic support will be done by Japanese experts and local consultants. Meanwhile, MPI will attempt to provide individual information sharing to the appointed Committee members.

1-8 Progress of Environmental and Social Considerations (if applicable)

As of end March, the COVID19 remains a nationwide threat. Measures will be considered based on the level of affection and Government restrictions.

1-9 Progress of Considerations on Gender/Peace Building/Poverty Reduction (if applicable)

Not directly applicable to this project as of present.

1-10 Other remarkable/considerable issues related/affect to the project (such as other JICA's projects, activities of counterparts, other donors, private sectors, NGOs, etc.)

The expert team has been constantly communicating with other JICA and Development Partners projects to obtain information and seek for collaboration that may have positive impact for project purpose achievement, for example, Japan-Lao Joint Policy Research and Dialogue Program for Fiscal Stabilization.

2 Delay of Work Schedule and/or Problems (if any)

The official formulation and appointment of the PIM Improvement Steering Committee (formerly proposed as the PIM Reform Committee) was approved in 16 March 2020 as the MPI Minister's Agreement. Committee Meetings and Working Group Meetings were not held due to the delay of approval procedures and the COVID19 outbreak. This has also caused delay in approving PIM Action Plan draft Strategic Pillars, which was initially expected initially at the PIM Improvement Steering Committee approves. Follow-ups mentioned in 1-7 by MPI will be conducted.

3 Modification of the Project Implementation Plan

Modification of the Project Implementation Plan is required due to delays of scheduled events and mission in consideration of the risk of COVID-19. However, it is not clear that from when the event and mission can be implemented as of the end of March 2020. The expert team will closely communicate with MPI and JICA and decide when the Japanese experts can resume activities, and prepare the modified project implementation plan.

4 Current Activities of Gov. of Laos to Secure Project Sustainability after its Completion

MPI formulated the PIM Improvement Steering Committee as one of the government official organizational setup according to the PM Decree on MPI and its Function, No.201/PM, dated 30 June 2017. This formulation secures the sustainability of the performance of the PIMCAP.

II. Project Monitoring Sheet I & II *as Attached*

Project Monitoring Sheet 1 (Revision of Project Design Matrix)

Project Title: Project for Improving Public Investment Management (PIMCAP)
 Implementing Agency: MPI
 Target Group:
 Period of Project: February 2019 to March 2022
 Project Site: Entire Laos & Pilot activity sites

Version 2
 As of 28 February 2020

Overall Goal	Means of Verification	Important Assumption	Achievement	Remarks
Public investment performance is improved and contributed to fiscal stability.	1) PIMA (Public Investment Management Assessment) indicators (e.g., efficiency and productivity of investment) 2) The capital expenditure is managed in a mid-term basis based on the targets set in the PIM Action Plan	PIMA Report (in Lao PDR) PIM Action Plan & the Implementation report		
Public investment management is strengthened through reform aligned with fiscal management.	1) PIM Action Plan is authorized by the GoL. 2) PIM Improvement Steering Committee is authorized as permanent formal committee. 3) Improved PIM methods/tools/flow are aligned with the revised Public Investment Law. 4) Measures to advance and disseminate the PIM methods/tools/flow are incorporated into PIM Action Plan	Authorized PIM Action Plan papers PIM Improvement Steering Committee establishment papers Annual reports of the PIM Improvement Steering Committee		
1. PIM Improvement Steering Committee and its Working Group are established and managed.	1) Establishment of the PIM Improvement Steering Committee 2) Establishment of the PIM Improvement Steering Committee Working Group 3) The PIM Improvement Steering Committee is functioning* based on its agendas. *The functions including the pillars of reform, timespan, phasing and the implementation plan will be determined at the initial stage of the Project.	PIM Improvement Steering Committee establishment papers Working Group establishment papers Annual reports of the PIM Improvement Steering Committee Review Report		Outputs The formulation was authorized on 16 March 2020 by the MPI Minister's Agreement on Appointment of PIM Steering Committee and Working Group Responsible for PIM Improvement (No. 0425). There has been a delay in the achievement of 3) and 4) because of COVID-19 measures.
2. PIM Action Plan is completed.	1) Draft PIM Action Plan is completed by the Working Group. 2) PIM Action Plan is submitted to the PIM Improvement Steering Committee.	Draft PIM Action Plan Minutes of PIM Improvement Steering Committee Meeting		Outputs The concept and Strategic Pillars were updated and presented at the 2nd JCC meeting. Will follow up as soon as the Committee is functionalized.
3. Project Management and Prioritization are standardized.	1) "Three-Year Public Investment Rolling Plan" as project management and prioritization methods is developed and functioning at pilot organization(s). 2) Budget allocation & its timely notification by MPI through agreement with MOF 3) Physical / financial monitoring framework of projects are developed and functioning at pilot organization(s).	"Three-Year Public Investment Rolling Plan", Budget management / project prioritization handbook, Validation report at pilot organization(s) MPI official documents announcing budget allocation/celling Project monitoring framework, Validation report at pilot organization(s) MPI official documents announcing transparency Project assessment procedure manual Project lists and documents		Outputs The prototype of 3YRP is developed and validated with a pilot organization, namely MPWT.
4. Project Assessment and Evaluation methods are standardized.	1) Project proposal and assessment methods/tools/flow are standardized under the revised Public Investment Law, Guidelines and government instructions. (in view of transparency levels and deadlines) 2) New projects follow the standardized project proposal and assessment methods/tools/flow. 3) Methods and tools for mid-term review and evaluation are standardized and validated.	Project mid-term review and evaluation method manual		Outputs The approach and outline of upgrading "standardized project proposal and assessment methods/tools/flow" are developed and consulted with a pilot organization, namely MAF.

*Pilot ministries: MPWT and MAF - Pilot provinces: Champasak Province, Vientiane Capital

Objectively Verifiable Indicators

Activities	Inputs	Important Assumption
1.1 Discuss & agree on the specific structure and functions of the Committee/Working Group 1.2 Conduct PIM Improvement Steering Committee Working Group Meetings 1.3 Conduct Kick-Off and Annual PIM Improvement Steering Committee Meetings 1.4 Review on PIM Improvement Steering Committee and its roles 1.5 Summarize report on the effects of PIM Improvement Steering Committee (based on Activity 1.4) 2.1 Prepare concept documents for the PIM Action Plan formulation 2.2 Conduct Working Group Meetings for PIM Action Plan development 2.3 Present the PIM Action Plan outline at the PIM Improvement Steering Committee Kick-Off Meeting 2.4 Develop the draft pillars and agendas of the Annual PIM Improvement Steering Committee/ Advisory Board Meeting 2.5 Present the PIM Action Plan draft pillars and agendas at the Annual PIM Improvement Steering Committee/ Advisory Board Meeting 2.6 Develop draft PIM Action Plan, review the draft final and submit for approval 2.7 Set-up monitoring framework (parallel with the PIM Action Plan) 2.8 Present the PIM Action Plan at the Annual PIM Improvement Steering Committee Advisory Board Meeting 3.1 Review the current budget management and project prioritization procedures, and select pilot organization(s) 3.2 Conduct discussion on the development budget ceiling and allocation (including multi-year estimates) 3.3 Develop model budget management and project prioritization procedures and validate with pilot organization(s) 3.4 Review the model, and develop / finalize budget management and project prioritization handbook 3.5 Present the draft/final model at the Annual PIM Improvement Steering Committee Advisory Board Meeting and conduct provincial/ministerial seminar 3.6 Develop physical / financial monitoring framework 3.7 Present the draft/final monitoring framework at Annual PIM Improvement Steering Committee Advisory Board Meeting and conduct provincial/ministerial seminar 4.1 Review the current project assessment procedures, and select pilot organization(s) 4.2 Develop & validate the model project assessment procedures with pilot organization(s) 4.3 Review validation results and revise existing manual 4.4 Present the draft/final assessment procedures at Annual PIM Improvement Steering Committee Advisory Board Meeting and finalize manual through validation 4.5 Review project evaluation methods and conduct training 4.6 Develop project mid-term review & evaluation methods, revise manual and conduct training 4.7 Present the draft/final project mid-term review and evaluation methods at Annual PIM Improvement Steering Committee Advisory Board Meeting and finalize manual	The Japanese Side - Chief Advisor/PIM reform - Expert for budget management & prioritization - Expert for project assessment & evaluation - Project Coordinator / Committee management The Lao Side - Project Director: MPI vice minister - Project Manager: MPI, DG of DOP - Deputy Project Managers: MPI, DGG of DOP MPI, DGG of DOE	Legal framework related to public investment management is aligned with the objective of the Project. Fiscal situation in Laos is not significantly deteriorated. The approach and outline of upgrading "standardized project proposal and assessment methods/tools/flow" are developed and consulted with a pilot organization, namely MAF.
Pre-Conditions		

	Plan	Actual	○	○	First Period												Second Period												Third Period												Issue	Solution
					2019				2020				2021				2022																									
	Plan	Actual			2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3												
(4) Present the final assessment procedures at the Annual PIM Reform Meeting																																										
4.5 Review project evaluation methods																																										
4.6 Develop project mid-term review and evaluation methods, and revise manual																																										
4.7 Present the draft/final project mid-term review and evaluation methods at Annual PIM Reform Meeting, and finalize manual																																										
(1) Present the draft methods at Annual PIM Reform Meeting																																										
(2) Validate project mid-term review and evaluation methods with pilot organization(s), and finalize manual																																										
(3) Present the final project mid-term review and evaluation methods at Annual PIM Reform Meeting																																										

Monitoring Plan	Plan	Actual	First Period												Second Period												Third Period												Issue	Solution
			2019				2020				2021				2022																									
	Plan	Actual			2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3										
Monitoring																																								
Joint Coordinating Committee																																								
Set-up the Detailed Plan of Operation																																								
Submission of Monitoring Sheet																																								
Monitoring Mission from Japan																																								
Joint Monitoring																																								
Post Monitoring																																								
Reports/Documents																																								
Inception Report																																								
Progress Report																																								
Project Completion Report																																								

Conducted First JCC in July 2019. Second JCC planned Feb 2020.

Appendix 5
Monitoring Sheet Ver. 3

November 2020

Attn: Mr. Yoshiharu YONEYAMA, Chief Representative, JICA Laos Office
Dr. Kikeo CHANTHABOURY, Vice Minister of MPI, Project Director

Project for Improving Public Investment Management (PIMCAP)

Project Monitoring Sheet (Version 3: April/May 2020 to October 2020)

This summary report, along with the attached sheets, is the JICA standard format for providing monitoring information for PIMCAP. JICA requires a monitoring report in a biannual basis. So far, PIMCAP has submitted two reports: Version 1 covers the period from March 2019 to September 2019, and Version 2 covers the period from October 2019 to March/April 2020. ***This report, Version 3 covers the period from April/May 2020 to October 2020.*** This report is prepared with the joint effort of Ms. Phonevanh OUTHAVONG, Director General of MPI-DOP as the PIMCAP Project Manager, and Mr. Ichiro OKUMURA, Chief Advisor of the PIMCAP Expert Team.

I. Summary

1 Progress

1-1 Progress of Inputs

The members of PIMCAP, as shown in the INPUTS, are as follows.

Japanese side	Lao Side
Chief Advisor/PIM reform	Project Director: Vice Minister of MPI
Expert for budget management & prioritization	Project Manager: Director General of MPI-DOP
Expert for project assessment & evaluation	Deputy Project Managers: Deputy Director Generals of
Expert for Inter-Organizational Strengthening*	MPI- DOP, MPI-DOE
Project Coordinator / Committee management	

* Expert for Inter-Organizational Strengthening was not included in the original PDM (PM Form3-2 Monitoring Sheet I). JICA approved the expert team's proposal to add one expert under the expertise of Inter-Organizational Strengthening to facilitate better consultation and collaboration with the pilot organizations.

The following table shows the Person/Man Months (MMs)¹ for the Japanese experts from April 2020 to October 2020, together with the input from the beginning of the project, namely total MM as of October 2020.

¹ Person Months (MM): JICA counts the dispatch amount of experts by this unit. 1 MM is equivalent to 30 days.

[Japanese side] MMs from May 2020 to October 2020 in context of the second implementation term of the JICA contract: June 2020 to April 2021

		From June 2020 to Oct 2020		Total as of October 2020	
		Plan	Actual	Plan	Actual
Mr. Ichiro OKUMURA	Chief Advisor/ PIM Reform	3.00	3.00	6.17	3.00
Mr. Ryuji KASAHARA	Deputy Chief Advisor/ Project Assessment and Evaluation	2.60	2.10	4.90	2.10
Mr. Atsuo SATO	Budget Management and Prioritization	2.40	2.65	4.57	2.65
Mr. Hiromi OSADA	Inter-Organizational Strengthening	2.33	1.88	3.50	1.88
Ms. Natsumi OHASHI	Organizational Management and Project Coordinator*	2.17	0.67	2.83	0.67
Total Person Months as of Oct 2020		12.5	10.3	21.97	10.3

* Ms. Natsumi OHASHI joined the team as a replacement of Ms. Ayumi HORI after June 2019.

1-2 Progress of Activities

Due to the COVID19 pandemic, all Japanese Experts were instructed to return to Japan. PIMCAP Experts returned on 20th March 2020, and since then initiated mobile work from Japan while national consultants continued on-site project implementation after the Government had lifted their domestic lockdown. JICA has provided additional equipment and internet environment at MPI-DOP, MPI-DOE, MPWT-DPC, MAF-DPF, and Champasak Province DPI respectively to enable online meetings for smooth project implementation under the *new normal* working environment. PIMCAP national consultants and staff have successfully installed the environment by October 2020.

The table below shows the summary of key activities that were conducted from June 2020* to September 2020.

* Second Implementation Period from 8 June 2020 to 30 April 2021

Date/Period	Activity (and related Output/PO)	Contents
8 June, 2020	Official Start of Second Year	Second Implementation Period is set from 8 June 2020 to 30 April 2021
3 July	Submission of Report	The draft Inception Report for Second Period was prepared in English and Lao, later accepted as official report.
	Remote meeting between Project Manager and Chief Advisor	Discussion among Ms Phonevanh, DG, MPI-DOP (Project Manager) and Mr. Okumura, PIMCAP Chief Advisor on the general direction of the second period.
15-18 July	Champasak trip	One MPI-DOP official and PIMCAP national consultants visited Champasak Province for JICA-PCAP3 evaluation, implementation of Output 3&4 studies, and IT information collection.
13-27 July	Inception Report feedback discussion between MPI-DOE and PIMCAP	Exchanged comments related to the inception report among Mr. Manothong, DG, MPI-DOE and Mr. Okumura, PIMCAP Chief Advisor

30 July	PIM Improvement Steering Committee Meeting (postponed)	Meeting was prepared but was postponed due to COVID19 precautions.
31 Aug	MAF Internal Appraisal Discussions (Output 4)	Discussion among MAF-DPF and PIMCAP for preparation of the MAF Internal Appraisal Workshop with DPF and sector departments.
17-18 Sept.	MAF Internal Appraisal Workshop (Output 4)	Explanation of the draft ministry internal appraisal format and flow. Obtain opinions from DPF, Department of Irrigation, and Department of Rural Development officials. Obtained capacity development requirements

The table below shows the planned activities from June 2020² to April 2021 (the second term of the contract), and the actual mid-term progress of activities during this monitoring period from April 2020 to October 2020.

Plan*	Actual
Activities under the Output 1	
<ul style="list-style-type: none"> ● Activity 1.2: Conduct PIM Improvement Steering Committee Working Group meetings <ul style="list-style-type: none"> ➢ (3) Conduct Working Group meetings related to project and budget information topic ➢ (5) Conduct Working Group meetings related to project management topic ● Activity 1.3: Conduct PIM Improvement Steering Committee Advisory Board meetings <ul style="list-style-type: none"> ➢ (2) Conduct Advisory Board meetings ● Activity 1.4: Review on the PIM Improvement Steering Committee and its roles ● Activity 1.5: Summarise a report on the effects of the Committee (based on 1-4 review) 	<ul style="list-style-type: none"> ● PIM Improvement Steering Committee Meeting was postponed amid preparations. ● Scheduled to be conducted on 4th December 2020.
Activities under the Output 2	
<ul style="list-style-type: none"> ● Activity 2.2: Conduct Working Group Meetings related to the PIM Action Plan topic <ul style="list-style-type: none"> ➢ (2) Conduct Working Group Meeting ● Activity 2.6: Develop draft PIM Action, Plan, review the draft final and submit for approval <ul style="list-style-type: none"> ➢ (1) Develop draft PIM Action Plan ➢ (2) Review the draft final 	<ul style="list-style-type: none"> ● The Working Group meetings were not organized because of postponement of the PIM Improvement Steering Committee Meeting. ● The team started drafting the PIM Action Plan.
Activities under the Output 3	
<ul style="list-style-type: none"> ● Activity 3.2: Conduct discussions on the development budget ceiling and allocation ● Activity 3.3: Develop model budget management and project prioritization procedures and validate with pilot organizations <ul style="list-style-type: none"> ➢ (2) First-round validation of the model with pilot organizations ➢ (3) Second round validation of the model ● Activity 3.4: Review the model and develop/finalize budget management and project prioritization Handbook <ul style="list-style-type: none"> ➢ (1) Review the model and develop budget management and project prioritization Handbook ● Activity 3.5: Present the draft/final model at the PIM Improvement Steering Committee Meeting 	<ul style="list-style-type: none"> ● Development of the 3 Year Public Investment Rolling Plan is in progress. <ul style="list-style-type: none"> ➢ Submitted an analysis report on MPWT 3YRP based on Feb2020 workshop results. ➢ Visited Champasak Province for provincial 3YRP studies. ● Further development of the financial monitoring methods

² There are about one month gap between the first term and the second term contracts.

<ul style="list-style-type: none"> ➤ (1) Present the model at the Committee Meeting ➤ (2) Conduct a seminar for ministries/provinces ● Activity 3.7: Develop physical/ financial monitoring framework ● Activity 3.8: Present the draft/final monitoring framework at the PIM Improvement Steering Committee Meeting ➤ (1) Present the model at the committee meeting ➤ (2) Conduct a seminar for pilot ministries and provinces ➤ (3) Validate the monitoring framework at pilot organizations 	<p>are in progress.</p>
Activities under the Output 4	
<ul style="list-style-type: none"> ● Activity 4.2: Develop and validate the model project assessment procedures with pilot organizations ➤ (2) First-round validation of assessment procedures with pilot organizations ● Activity 4.3: Review validation results and revise existing manuals ● Activity 4.4: Present the draft/final assessment of procedures at the Committee Meeting ➤ (1) Present the draft assessment procedures at the Committee Meeting ➤ (2) Conduct seminars for pilot organizations ➤ (3) Second round validation of assessment procedures ● Activity 4.6: Develop project mid-term review and evaluation methods ➤ (1) Develop project mid-term review and reflect them in the manuals ➤ (2) Conduct training to pilot organizations ● Activity 4.7: Present the draft/final project mid-term review and evaluation methods at the Committee Meeting, and finalize the manuals ➤ (1) Present the draft mid-term review at the Committee Meeting ➤ (2) Validate project mid-term review and evaluation methods with pilot organizations and finalize the manuals 	<ul style="list-style-type: none"> ● For the Ministry Internal Appraisal, the team conducted the pilot organization workshop with MAF to obtain opinions on its format and capacity development (training) requirements from officials. ● Visited Champasak Province and studied provincial version of the Internal Appraisal.

* The parts highlighted in red are the parts, modified by the approval of the 2nd JCC meeting.

The Plan of Operation (the Monitoring Sheet II: Form 3-3) presents the comparison of the planned and actual timeline of activities.

1-3 Achievement of Outputs

The table below shows the progress of the planned outputs and their indicators. The expert team has been conducting the assignment in consideration of both effectiveness and efficiency.

Planned Outputs	Planned indicators of Outputs*	Actual Outputs
<p>1. PIM Reform Committee and its Sub-Committees are established and managed.</p>	<p>1) Establishment of the PIM Improvement Steering Committee</p> <p>2) Establishment of the PIM Improvement Steering Committee Working Group</p> <p>3) The PIM Improvement Steering Committee is functioning* based on its agendas.</p>	<p>The formulation was authorized on 16 March 2020 by the MPI Minister's Agreement on Appointment of PIM Steering Committee and Working Group Responsible for PIM Improvement (No. 0425). There has been a delay in the</p>

	4) The Working Group is functioning* based on their agendas.	achievement of 3) and 4) because of COVID19.
2. PIM Reform Action Plan is completed.	1) Draft PIM Action Plan is completed by the Working Group. 2) PIM Action Plan is submitted to the PIM Improvement Steering Committee.	As a part of PIM Action Plan, development budget of the past ten years was studied.
3. Project Management and Prioritization are standardized.	1) "Three-Year Public Investment Rolling Plan (3YRP)" as project management and prioritization methods are developed and functioning at the pilot organization(s). 2) Budget allocation & its timely notification by MPI through an agreement with MOF 3) Physical/financial monitoring framework of projects is developed and functioning at the pilot organization(s).	Drafting a manual for 3YRP is in progress.
4. Project Assessment and Evaluation methods are standardized.	1) Project proposal and assessment methods/tools/flow are standardized under the revised Public Investment Law, Guidelines, and government instructions. (in view of transparency levels and deadlines) 2) New projects follow the standardized project proposal and assessment methods/tools/flow. 3) Methods and tools for mid-term review and evaluation are standardized and validated.	The prototype of internal appraisal is developed and discussed key items with a pilot organization, namely MAF.

* The parts highlighted in red are the parts, modified by the approval of the 2nd JCC meeting.

1-4 Achievement of the Project Purpose

The Project Purpose indicates the situation that is expected at the completion of PIMCAP. The table below shows the expected project purpose and their relevant indicators. The relevance of the project purpose has not changed, since they maintain the consistency with the existing national policy and development needs.

Project Purpose	Indicators for the Project Purpose*	Achievement
Public investment strengthened through management is reform Aligned with fiscal management.	1) PIM Action Plan is authorized by the GoL.	Yet to be available
	2) PIM Improvement Steering Committee is authorized as permanent formal committee.	MPI Minister's Agreement No.0425 issued for establishment
	3) Improved PIM methods/tools/flow are aligned with the revised Public Investment Law.	Yet to be available
	4) Measures to advance and disseminate the PIM methods/tools/flow are incorporated into PIM Action Plan	Yet to be available

* The parts, highlighted in red are the parts, modified by the approval of 2nd JCC meeting.

1-5 Changes of Risks and Actions for Mitigation

The official formulation and appointment of the PIM Improvement Steering Committee (formerly proposed as the PIM Reform Committee) was approved on 16 March 2020 as the MPI Minister's Agreement. Committee Meetings and Working Group Meetings were not held due to the delay of approval procedures and the impact of the COVID19 outbreak. This has also caused delays in consultation on draft deliverables related to Outputs 2, 3 and 4.

1-6 Progress of Actions for 1-5 undertaken by JICA

In October 2020, MPI, JICA and the PIMCAP Team agreed on the revised activity plans for the second implementation period based on a new dispatch plan. Preparations by all parties began to ensure that the minimum dispatch of experts could work effectively from November 2020. The Project is in the process of planning specific workshops and meetings based on the new activity plan.

1-7 Progress of Actions for 1-5 undertaken by Gov. of Laos

MPI will continue activities for Output 1 by holding the first Committee Meeting and working groups with PIMCAP support. The Committee Meeting is scheduled on 4th December

1-8 Progress of Environmental and Social Considerations (if applicable)

Safety measures for COVID19 will continue. The PIMCAP team will strictly follow the instructions from the Government of Laos. Japanese Experts will follow the Government and JICA guidelines for preparation, dispatch and stay.

1-9 Progress of Considerations on Gender/Peace Building/Poverty Reduction (if applicable)

Not directly applicable to this project as of present.

1-10 Other remarkable/considerable issues related/affect to the project (such as other JICA's projects, activities of counterparts, other donors, private sectors, NGOs, etc.).**2 Delay of Work Schedule and/or Problems (if any)**

The same as 1.5.

3 Modification of the Project Implementation Plan

The same as 1.6.

4 Current Activities of Gov. of Laos to Secure Project Sustainability after its Completion

MPI formulated the PIM Improvement Steering Committee as one of the government official organizational setup according to the PM Decree on MPI and its Function, No.201/PM, dated 30 June 2017. This formulation secures the sustainability of the performance of the PIMCAP.

II. Project Monitoring Sheet I & II *as Attached*

Appendix 6
Monitoring Sheet Ver. 4

April 2021

Dr. Kikeo CHANTHABOURY, Vice Minister, Ministry of Planning and Investment

Mr. Toshio NAGASE, Chief Representative, JICA Laos Office

**Project for Improving Public Investment Management (PIMCAP)
Project Monitoring Sheet
(Version 4: from November 2020 to April 2021)**

This summary report and the attached sheets are the JICA standard format for providing the bi-annual monitoring information for PIMCAP.

So far, PIMCAP has submitted three reports as below:

- Version 1 covers the period from March 2019 to September 2019,
- Version 2 covers the period from October 2019 to March/April 2020, and
- Version 3 covers the period from April/May 2020 to October 2020.

This report, Version 4, covers the period from November 2020 to April 2021.

This report is prepared with the joint effort of Ms. Phonevanh OUTHAVONG, Director General of MPI-DOP as the PIMCAP Project Manager, and Mr. Ichiro OKUMURA, Chief Advisor of the PIMCAP Expert Team.

Attachment 1: Report on The First PIM Improvement Steering Committee (PIMISC) Advisory Board Meeting (4 December 2020)

Attachment 2: Report on Champasak Province Trip for Outputs 3 and 4 (15-18 December 2020)

Attachment 3: Report on MPWT workshop for Introduction of the Ministry Internal Appraisal (5 January 2021)

Attachment 4: Report on MPI-DOE workshop on the project proposal and SPAS upgrade (12 February 2021)

Attachment 4: Report on MPWT Workshop on the New concept of the ministry-level 3YRP (5 March 2021)

Attachment 5: Report on PIMISC Working Group Meeting (10 March 2021)

Attachment 6: Report on Champasak Province 3YRP Workshop (5 April 2021)

Attachment 7: Report on The Second PIMISC Working Group Meeting (7 April 2021)

I. Summary

1 Progress

1-1 Progress of Inputs

The members of PIMCAP, as shown in the INPUTS, are as follows.

Japanese side	Lao Side
Chief Advisor/PIM reform	Project Director: Vice Minister of MPI
Expert for budget management & prioritization	Project Manager: Director General of MPI-DOP
Expert for project assessment & evaluation	Deputy Project Managers: Deputy Director Generals of
Expert for Inter-Organizational Strengthening*	MPI- DOP, MPI-DOE
Project Coordinator / Committee management	

* Expert for Inter-Organizational Strengthening was not included in the original PDM (PM Form3-2 Monitoring Sheet I). JICA approved the expert team's proposal to add one expert under Inter-Organizational Strengthening expertise to facilitate better consultation and collaboration with the pilot organizations.

Since late March 2020, the Japanese experts have initiated mobile work while national consultants continued on-site project implementation. Based on the given circumstance of COVID19 and flight availability, JICA decided to resume dispatching PIMCAP experts from November 2020. Two experts: the Chief Advisor/PIM reform and Inter-organizational strengthening, were dispatched to Laos on 15 November 2020. After a two-week quarantine, the experts conducted on-site implementation from 30 November 2020.

The following table shows the Person/Man Months (MMs)¹ for the Japanese experts from November 2020 to March 2021, together with the accumulated input from the beginning of the project, March 2019, to April 2021.

Area of Expertise	Name	Work Location ²	From November 2020 to April 2021		Total as of April 2021	
			Plan	Actual	Plan	Actual
Chief Advisor/ PIM Reform	Mr. Ichiro OKUMURA	Laos	3.17	5.47	5.77	5.47
		Japan	0	0.06	0.40	3.06
Deputy Chief Advisor/ Project Assessment and Evaluation	Mr. Ryuji KASAHARA	Laos	2.30	0	4.30	0
		Japan	0	2.80	0.60	4.90
Budget Management and Prioritization	Mr. Atsuo SATO	Laos	1.00	0	4.17	0
		Japan	0	0.75	0.40	0.75
Budget Management and Prioritization*	Mr. Hiromi OSADA	Laos	0	1.20	0	1.20
		Japan	0	0.24	0	0.24
Inter-Organizational Strengthening	OSADA	Laos	1.17	2.13	3.00	2.13
		Japan	0	0	0.50	1.87
Organizational Management and Project Coordinator	Ms. Natsumi OHASHI	Laos	0.67	0	2.83	0
		Japan	0	1.46	0	2.13
Total Person Months as of April 2021 by Work Location		Laos	9.48	8.80	20.07	8.80
		Japan	0	5.31	1.90	15.60
Total Person Months as of April 2021			9.48	12.18	21.97	24.40

* Mr. Hiromi OSADA concurrently served as a Budget Management and Prioritization expert after January 2021.

¹ Person Months (MM): JICA counts the dispatch amount of experts by this unit. 1 MM is equivalent to 30 days.

² For work locations, *Laos* means on-site assignment, and *Japan* means remote assignment.

The actual assignment and dispatch periods for each Japanese experts are indicated at the top rows of the attached Monitoring Sheet II,

1-2 Progress of Activities

The table below shows the summary of critical activities conducted from November 2020 to April 2021*.

* Second Implementation Period from 8 June 2020 to 30 April 2021

Date/Period	Activity (and related Output/PO)	Contents
4 December 2020	PIM Improvement Steering Committee Advisory Board Meeting (Output 1)	Present the Committee structure and activity outline. Discuss the PIM Action Plan concept and activity outline, including crucial development components.
December 2020 to January 2021	PIM Improvement Steering Committee Working Group Meetings (Individual) (Output 1 and 2)	Conduct specific discussions on the draft PIM Action Plan contents based on the Advisory Board Meeting response, and further find direction and demarcation to prepare the next Advisory Board Meeting. <ul style="list-style-type: none"> • Champasak Province (Governor, Vice Governor, DPI): 15-18 December 2020 • MAF-DPF: 22 December 2020 • MPI-DOE: 28 December 2020 • MPWT-DPC: 12 January 2021 • MOF-SBD: 13 January 2021 • MOF-FPLD: 19 January 2021
15-18 December 2021	Champasak Province Visit and Workshop (Output 3 and 4)	<ol style="list-style-type: none"> 1) Introduce the outline of the new 3 Year Public Investment Rolling Plan (3YRP) concept and the Development Budget Annual Report (DBAR). Obtain opinions from DPI and the sector departments. (Output 3) 2) Explain the draft provincial internal appraisal format and workflow. Obtain opinions from DPI and sector departments. (Output 4) 3) Report PIMCAP outline and the meeting results to the Provincial Governor and the Vice Governor
5 January 2021	MPWT Workshop (Output 4)	Explain the draft ministry internal appraisal format and flow. Obtain opinions from DPC and sub-sector departments.
10 February 2021	MPI-DOP workshop (Output 3)	Introduce the outline of the new 3YRP concept and the DBAR. Obtain opinions from MPI-DOP
12 February 2021	MPI-DOE workshop (Output 4)	Explain the draft upgrade project proposal, internal appraisal, and project assessment. Obtain opinions from MPI-DOE.
5 March 2021	MPWT Workshop (Output 3)	Introduce the outline of the new 3YRP concept and the DBAR. Obtain opinions from DPC
10 March 2021	PIM Improvement Steering Committee Working Group Meetings (Output 1 and 2)	Discuss budget ceiling between MPI and MOF. Introduce the outline of the new 3YRP concept and the DBAR. Obtain opinions from MPI and MOF.
25 March 2021	Champasak Province Workshop (Output 3)	Introduce the new 3YRP concept and the DBAR outline and discuss how to obtain, compile, and analyze information necessary for drafting the DBAR.
31 March 2021	MAF Workshop (Output 4)	Validate the formats of Internal Appraisal for Ministry project Type 1 to 5.
5-6 April 2021	Champasak Province Workshop (Output 4)	Validate the formats of Internal Appraisal for Provincial project Type 5.
7 April 2021	PIM Improvement Steering Committee	Have a pre-discussion on the zero-draft of the PIM Action

Working Group Meeting (Output 1 and 2)	Plan before it is discussed at the Advisory Board Meeting
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The table below shows the comparison of planned and actual mid-term progress of activities from June 2020³ to April 2021 (the second term of the contract) activities during this monitoring period from November 2020 to April 2021.

Plan*	Actual
Activities under the Output 1	
<ul style="list-style-type: none"> ● Activity 1.2: Conduct PIM Improvement Steering Committee Working Group meetings <ul style="list-style-type: none"> ➢ (3) Conduct Working Group meetings related to project and budget information topic ➢ (5) Conduct Working Group meetings related to project management topic ● Activity 1.3: Conduct PIM Improvement Steering Committee Advisory Board meetings <ul style="list-style-type: none"> ➢ (2) Conduct Advisory Board meetings ● Activity 1.4: Review on the PIM Improvement Steering Committee and its roles ● Activity 1.5: Summarize a report on the effects of the Committee (bracket based on 1-4 review) 	<ul style="list-style-type: none"> ● The first PIM Improvement Steering Committee Advisory Board Meeting was held on 4 December 2020. ● PIM Improvement Steering Committee Working Group meeting on budget management was held on 10 March 2021 and 7 April 2021.
Activities under the Output 2	
<ul style="list-style-type: none"> ● Activity 2.2: Conduct Working Group Meetings related to the PIM Action Plan topic <ul style="list-style-type: none"> ➢ (2) Conduct Working Group Meeting ● Activity 2.6: Develop draft PIM Action Plan, review the draft final, and submit for approval. <ul style="list-style-type: none"> ➢ (1) Develop draft PIM Action Plan ➢ (2) Review the draft final 	<ul style="list-style-type: none"> ● Individual meetings with PIM Improvement Steering Committee Working Group Members were held from December 2020 to January 2021. ● PIM Improvement Steering Committee Working Group meeting on PIM Action Plan was held on 7 April 2021.
Activities under the Output 3	
<ul style="list-style-type: none"> ● Activity 3.2: Conduct discussions on the development budget ceiling and allocation ● Activity 3.3: Develop model budget management and project prioritization procedures and validate with pilot organizations. <ul style="list-style-type: none"> ➢ (2) First-round validation of the model with pilot organizations ➢ (3) Second round validation of the model ● Activity 3.4: Review the model and develop/finalize budget management and project prioritization handbook <ul style="list-style-type: none"> ➢ (1) Review the model and develop budget management and project prioritization Handbook ● Activity 3.5: Present the draft/final model at the PIM Improvement Steering Committee Meeting <ul style="list-style-type: none"> ➢ (1) Present the model at the Committee Meeting ➢ (2) Conduct a seminar for ministries/provinces 	<ul style="list-style-type: none"> ● Development of the new concept of 3YRP, DBAR, and financial monitoring framework <ul style="list-style-type: none"> ➢ Consult with MPI, MOF, MPWT, Champasak

³ There is approximately one month gap between the JICA first term and the second term implementation contracts.

<ul style="list-style-type: none"> ● Activity 3.7: Develop physical/ financial monitoring framework ● Activity 3.8: Present the draft/final monitoring framework at the PIM Improvement Steering Committee Meeting <ul style="list-style-type: none"> ➤ (1) Present the model at the committee meeting ➤ (2) Conduct a seminar for pilot ministries and provinces ➤ (3) Validate the monitoring framework at pilot organizations 	
Activities under the Output 4	
<ul style="list-style-type: none"> ● Activity 4.2: Develop and validate the model project assessment procedures with pilot organizations <ul style="list-style-type: none"> ➤ (2) First-round validation of assessment procedures with pilot organizations ● Activity 4.3: Review validation results and revise existing manuals ● Activity 4.4: Present the draft/final assessment of procedures at the Committee Meeting <ul style="list-style-type: none"> ➤ (1) Present the draft assessment procedures at the Committee Meeting ➤ (2) Conduct seminars for pilot organizations ➤ (3) Second round validation of assessment procedures ● Activity 4.6: Develop project mid-term review and evaluation methods <ul style="list-style-type: none"> ➤ (1) Develop the mid-term review method and reflect them in the manuals ➤ (2) Conduct training to pilot organizations ● Activity 4.7: Present the draft/final project mid-term review and evaluation methods at the Committee Meeting, and finalize the manuals <ul style="list-style-type: none"> ➤ (1) Present the draft mid-term review at the Committee Meeting ➤ (2) Validate project mid-term review and evaluation methods with pilot organizations and finalize the manuals 	<ul style="list-style-type: none"> ● Consultation on upgraded Project Proposal, Internal Appraisal, and Project Assessment was held with MPI-DOE, MAF-DPF, MWPT-DPC, and Champasak-DPI, ● Validate Workshop on the Internal Appraisal was held with MAF-DPF, Champasak-DPI on 31 March 2021 and 5 April 2021, respectively.

The Plan of Operation (the Monitoring Sheet II: Form 3-3) compares the planned and actual activities.

1-3 Achievement of Outputs

The table below shows the progress of the planned outputs and their indicators. The expert team has been conducting the assignment in consideration of both effectiveness and efficiency.

Planned Outputs	Planned indicators of Outputs*	Actual Outputs
1. PIM Reform Committee and its Sub-Committees are established and managed.	1) Establishment of the PIM Improvement Steering Committee 2) Establishment of the PIM Improvement Steering Committee Working Group 3) The PIM Improvement Steering Committee is functioning* based on its agendas. 4) The Working Group is functioning* based on their agendas.	The formulation was authorized on 16 March 2020 by the MPI Minister's Agreement on Appointment of PIM Steering Committee and Working Group Responsible for PIM Improvement (No. 0425). Advisory Board and Working Group meetings are being held.
2. PIM Reform Action Plan is	1) Draft PIM Action Plan is completed by the Working Group.	Drafting PIM Action Plan is in progress, and the

completed.	2) PIM Action Plan is submitted to the PIM Improvement Steering Committee.	zero-draft was consulted once at PIMISC Advisory Board Meeting and Working Group Meeting.
3. Project Management and Prioritization are standardized.	1) "Three-Year Public Investment Rolling Plan (3YRP)" as project management and prioritization methods are developed and functioning at the pilot organization(s). 2) Budget allocation & its timely notification by MPI through an agreement with MOF 3) Physical/financial monitoring framework of projects is developed and functioning at the pilot organization(s).	Development of the 3YRP concept, including DBAR and the financial monitoring framework, are in progress.
4. Project Assessment and Evaluation methods are standardized.	1) Project proposal and assessment methods/tools/flow are standardized under the revised Public Investment Law, Guidelines, and government instructions. (given the transparency levels and deadlines) 2) New projects follow the standardized project proposal and assessment methods/tools/flow. 3) Methods and tools for mid-term review and evaluation are standardized and validated.	The internal appraisal prototype for construction projects is developed and validated with a pilot organization, namely MAF-DPF and Champasak-DPI.

1-4 Achievement of the Project Purpose

The Project Purpose indicates the situation that is expected at the completion of PIMCAP. The table below shows the predicted project purpose and their relevant indicators. The relevance of the project purpose has not changed since they maintain consistency with the existing national policy and development needs.

Project Purpose	Indicators for the Project Purpose*	Achievement
Public investment strengthened through management is reform Aligned with fiscal management.	1) PIM Action Plan is authorized by the GoL.	Yet to be available
	2) PIM Improvement Steering Committee is authorized as a permanent formal Committee.	MPI Minister's Agreement No.0425 issued for the establishment
	3) Improved PIM methods/tools/flow are aligned with the revised Public Investment Law.	Yet to be available
	4) Measures to advance and disseminate the PIM methods/tools/flow are incorporated into PIM Action Plan	Yet to be available

1-5 Changes of Risks and Actions for Mitigation

Two experts were able to reach Laos and conduct the on-site implementation of activities from November. Two other experts attempted to reach Laos in February 2021 in vain due to multiple circumstances related to the COVID19 pandemic. The two experts' on-site absence has also caused difficulties in consultation and validations on draft deliverables related to Outputs 2, 3, and 4.

1-6 Progress of Actions for 1-5 undertaken by JICA

JICA has authorized equipment to the Project Office, counterpart, and pilot organizations to smooth remote work. Besides, JICA initiated negotiations with the government of Japan and Laos to realize the dispatch of the two experts mentioned above. Although additional dispatch of the two other experts was not realized due to difficult circumstances, JICA has approved the extension of dispatch to ensure that on-site activities

will be consistently provided until the end of April 2021.

1-7 Progress of Actions for 1-5 undertaken by the Government of Laos

The Government of Laos and MPI has actively made approval procedures to support the dispatch of the two experts. They have also taken the initiative in holding the first PIMISC Advisory Board Meeting on 4 December 2020.

1-8 Progress of Environmental and Social Considerations (if applicable)

Safety measures for COVID19 will continue. The PIMCAP team will strictly follow the instructions and guidelines from the Government of Laos and guidelines from the Embassy of Japan to Lao PDR and JICA.

1-9 Progress of Considerations on Gender/Peace Building/Poverty Reduction (if applicable)

Not directly applicable to this project as of present.

1-10 Other remarkable/significant issues related/affect to the project (such as other JICA's projects, activities of counterparts, other donors, private sectors, NGOs, etc.).

PIMCAP is closely coordinated with the Laos Road Sector Project 2 (LRSP2), conducted at MPWT supported by the World Bank. It attempts to secure linkage among the MPWT Five-Year Plan 2021-2025 with the 3YRP concept developed by PIMCAP. Collaboration with JICA projects in MPWT will also be expected.

2 Delay of Work Schedule and Problems (if any)

The same as 1.5.

3 Modification of the Project Implementation Plan

The same as 1.6.

4 Current Activities of Gov. of Laos to Secure Project Sustainability after its completion

The Deputy Prime Minister and MPI Minister Mr. Somxay SIPHANDON issued an Agreement on the Appointment of the PIM Improvement Steering Committee and Working Group (No.0425, 16 March 2020) as one of the government official organizational setups according to the PM Decree on MPI and its Function, No.201/PM, dated 30 June 2017. This formulation secures the sustainability of the performance of the PIMCAP.

II. Project Monitoring Sheet I & II *as Attached*

Project Monitoring Sheet 1 (Revision of Project Design Matrix)

Version 2
As of 28 February 2020

Project Title: Project for Improving Public Investment Management (PIMCAP)
Implementing Agency: MPI

Target Group:
Period of Project: February 2019 to March 2022

Project Site: Entire Laos & Pilot activity sites

*Pilot ministries: MPWT and MAF - Pilot provinces: Champasak Province, Vientiane Capital

Objectively Verifiable Indicators

Means of Verification

Important Assumption

Achievement

Remarks

Overall Goal	Means of Verification	Important Assumption	Achievement	Remarks
Public investment performance is improved and contributed to fiscal stability.	PIMA Report (in Lao PDR) PIM Action Plan & its implementation report			
Public investment management is strengthened through reform aligned with fiscal management.	Authorized PIM Action Plan papers PIM Improvement Steering Committee establishment papers Annual reports of the PIM Improvement Steering Committee	Fiscal situation in Laos is not significantly deteriorated.		
1. PIM Improvement Steering Committee and its Working Group are established and managed.	1) PIM Action Plan is authorized by the GoL. 2) PIM Improvement Steering Committee is authorized as permanent formal committee. 3) Improved PIM methods/tools/flow are aligned with the revised Public Investment Law. 4) Measures to advance and disseminate the PIM methods/tools/flow are incorporated into PIM Action Plan.	Legal framework related to public investment management is aligned with the objective of the Project.	Outputs The formulation was authorized on 16 March 2020 by the MPI Minister's Agreement on Appointment of PIM Steering Committee and Working Group Responsible for PIM Improvement (No. 0425). There has been a delay in the achievement of 3) and 4) because of COVID-19 measures.	
2. PIM Action Plan is completed.	1) Draft PIM Action Plan is completed by the Working Group. 2) PIM Action Plan is submitted to the PIM Improvement Steering Committee.		The concept and Strategic Pillars were updated and presented at the 2nd JCC meeting. Will follow up as soon as the Committee is functionalized.	
3. Project Management and Prioritization are standardized.	1) "Three-Year Public Investment Rolling Plan" as project management and prioritization methods is developed and functioning at pilot organization(s). 2) Budget allocation & its timely notification by MPI through agreement with MOF 3) Physical / financial monitoring framework of projects are developed and functioning at pilot organization(s).		The prototype of 3YRP is developed and validated with a pilot organization, namely MPWT.	
4. Project Assessment and Evaluation methods are standardized.	1) Project proposal and assessment methods/tools/flow are standardized under the revised Public Investment Law, Guidelines and government instructions. (in view of transparency levels and deadlines) 2) New projects follow the standardized project proposal and assessment methods/tools/flow. 3) Methods and tools for mid-term review and evaluation are standardized and validated.		The approach and outline of upgrading "standardized project proposal and assessment methods/tools/flow" are developed and consulted with a pilot organization, namely MAF.	

Activities	Inputs	Important Assumption
1.1 Discuss & agree on the specific structure and functions of the Committee/Working Group 1.2 Conduct PIM Improvement Steering Committee Working Group Meetings 1.3 Conduct Kick-Off and Annual PIM Improvement Steering Committee Meetings 1.4 Review on PIM Improvement Steering Committee and its roles 1.5 Summarize report on the effects of PIM Improvement Steering Committee (based on Activity 1.4) 2.1 Prepare concept documents for the PIM Action Plan formulation 2.2 Conduct Working Group Meetings for PIM Action Plan development 2.3 Present the PIM Action Plan outline at the PIM Improvement Steering Committee Kick-Off Meeting 2.4 Develop the draft pillars and agendas of the PIM Action Plan 2.5 Present the PIM Action Plan draft pillars and agendas at the Annual PIM Improvement Steering Committee Advisory Board Meeting 2.6 Develop draft PIM Action Plan, review the draft final and submit for approval 2.7 Set-up monitoring framework (parallel with the PIM Action Plan) 2.8 Present the PIM Action Plan at the Annual PIM Improvement Steering Committee Advisory Board Meeting 3.1 Review the current budget management and project prioritization procedures, and select pilot organizations) 3.2 Conduct discussion on the development budget ceiling and allocation (including multi-year estimates) 3.3 Develop model budget management and project prioritization procedures and validate with pilot organizations) 3.4 Review the model, and develop / finalize budget management and project prioritization handbook 3.5 Present the draft/final model at the Annual PIM Improvement Steering Committee Advisory Board Meeting and conduct provincial/ministerial seminar 3.6 Conduct project monitoring survey 3.7 Develop physical / financial monitoring framework 3.8 Present the draft/final monitoring framework at Annual PIM Improvement Steering Committee Advisory Board Meeting and conduct provincial/ministerial seminar 4.1 Review the current project assessment procedures, and select pilot organizations) 4.2 Develop & validate the model project assessment procedures with pilot organizations) 4.3 Review validation results and revise existing manual 4.4 Present the draft/final assessment procedures at Annual PIM Improvement Steering Committee Advisory Board Meeting and finalize manual through validation 4.5 Review project evaluation methods and conduct training 4.6 Develop project mid-term review & evaluation methods, revise manual and conduct training 4.7 Present the draft/final project mid-term review and evaluation methods at Annual PIM Improvement Steering Committee Advisory Board Meeting and finalize manual	The Japanese Side - Chief Advisor/PIM reform - Expert for budget management & prioritization - Expert for project assessment & evaluation - Project Coordinator / Committee management The Lao Side - Project Director: MPI vice minister - Project Manager: MPI, DG of DOP - Deputy Project Managers: MPI, DDG of DOP MPI, DDG of DOE	Pre-Conditions 

Project Monitoring Sheet II (Revision of Plan of Operation)

Version 4

Dated: 9 April 2021

Reporting period of Monitoring Sheet

present

Project for Improving PIM (PIMCAP)	First Period												Second Period												Third Period												Issue	Solution
	2019						2020						2021						2022						Achievements	Issues & Countermeasures												
	1	2	3	4	5	6	1	2	3	4	5	6	1	2	3	4	5	6	1	2	3	4	5	6														
Expert Dispatch																																						
Mr. Ichiro OKUMURA, Chief Advisor/ PIM Reform	Plan																																					
Mr. Ryuji KASAHARA, Deputy Chief Advisor/ Project Assessment & Evaluation	Actual																																					
Mr. Atsuo SATO Budget Management and Prioritization	Plan																																					
Mr. Hiromi OSADA Budget Management and Prioritization	Actual																																					
Mr. Hiromi OSADA Inter-Organizational Strengthening	Plan																																					
Ms. Natsumi OSHASHI Organizational Management and Project Coordinator	Actual																																					
Activities																																						
Sub-Activities																																						
Output 1: PIM Reform Committee and its Sub-Committees are established and managed.																																						
1.1 Discuss and agree on the specific structure and functions of the Committee and the Sub-Committees.	○																																					
1.2 Conduct PIM Reform Sub-Committee Meetings (PIM Reform Action Plan Development, Project Information, Project Committee (linked with Activity 2.2 (1))	○																																					
(1) Conduct first PIM Reform Action Plan Development Sub-Committee (linked with Activity 2.2 (1))	○																																					
(2) Conduct first Project Information Sub-Committee	○																																					
(3) Conduct PIM Project Information Sub-Committee Meetings	○																																					
(4) Conduct first Project Management Sub-Committee	○																																					
(5) Conduct Project Management Sub-Committee Meetings	○																																					
1.3 Conduct Kick-Off and Annual PIM Reform Committee/ Meetings	○																																					
(1) Conduct Kick-Off Meeting of the PIM Reform Committee	○																																					
(2) Conduct Annual PIM Reform Committee Meetings	○																																					
1.4 Review on PIM Reform Committee and its roles	○																																					
1.5 Summarize report on the effects of PIM Reform Committee (based on Activity 1.4)	○																																					
Output 2: PIM Reform Action Plan is completed.																																						
2.1 Prepare concept documents for the Action Plan formulation	○																																					
2.2 Conduct PIM Reform Action Plan Development Sub-Committee Meetings	○																																					
(1) Conduct first PIM Reform Action Plan Development Sub-Committee (linked with Activity 1.2(1))	○																																					
(2) Conduct PIM Reform Action Plan Development Sub-Committee Meetings	○																																					
2.3 Present the PIM Reform Action Plan Outline at the PIM Reform Committee Kick-Off Meeting	○																																					
2.4 Develop the draft pillars and agendas of the PIM Reform	○																																					
2.5 Present the draft PIM Reform pillars and agendas at the Annual PIM Reform Meeting	○																																					

Appendix 7
Monitoring Sheet Ver. 5

November 2021

Ms. Phonevanh OUTHAVONG, Vice Minister, Ministry of Planning and Investment

Mr. Toshio NAGASE, Chief Representative, JICA Laos Office

**Project for Improving Public Investment Management (PIMCAP)
Project Monitoring Sheet
(Version 5: from May 2021 to October 2021)**

This summary report and the attached sheets are the JICA standard format for providing the bi-annual monitoring information for PIMCAP.

So far, PIMCAP has submitted the following four reports:

- Version 1 covers the period from March 2019 to September 2019,
- Version 2 covers the period from October 2019 to March/April 2020, and
- Version 3 covers the period from April/May 2020 to October 2020, and
- Version 4 covers the period from November 2020 to April 2021.

This report, Version 5, covers the period from May 2021 to October 2021.

This report is prepared with the joint effort of Mr. Kalouna NANTHAVONGDUANGSY, Deputy Director General of MPI-DOP, and Deputy Project Manager of PIMCAP and Mr. Ichiro OKUMURA, Chief Advisor of the PIMCAP Expert Team.

I. Summary

1 Progress

1-1 Progress of Inputs

The members of PIMCAP, as shown in the INPUTS, are as follows.

Japanese side	Lao Side
Chief Advisor/PIM reform/ budget management & prioritization	Project Director: Vice Minister of MPI
Expert for project assessment & evaluation	Project Manager: Director General of MPI-DOP
Expert for Inter-Organizational Strengthening*	Deputy Project Managers: Deputy Director Generals of MPI- DOP, MPI-DOE
Project Coordinator / Committee management	

* Expert for Inter-Organizational Strengthening was not included in the original PDM (PM Form3-2 Monitoring Sheet I). JICA approved the expert team's proposal to add one expert under Inter-Organizational Strengthening expertise to facilitate better consultation and collaboration with the pilot organizations.

The following table shows the Person/Man Months (MMs)¹ for the Japanese experts from May 2021 to October 2021 and the accumulated input from the beginning of the project, March 2019, to October 2021.

Area of Expertise	Name	Work Location ²	From May 2021 to October 2021		Total as of October 2021	
			Plan	Actual	Plan	Actual
Chief Advisor/ PIM Reform	Mr. Ichiro OKUMURA	Laos	4.33	4.33	16.67	16.00
		Japan	0	0	0.40	3.45
Deputy Chief Advisor/ Project Assessment and Evaluation	Mr. Ryuji KASAHARA	Laos	2.90	2.80	13.53	9.13
		Japan	0.50	0.50	1.10	5.40
Budget Management and Prioritization*	Mr. Ichiro OKUMURA*	Laos	0	0	0	0
		Japan	0.20	0.20	0.20	0.20
	Mr. Atsuo SATO	Laos			8.00	5.00
	Japan			0.40	3.40	
Mr. Hiromi OSADA	Laos			1.17	1.20	
	Japan			0.00	0.25	
Inter-Organizational Strengthening	Mr. Hiromi OSADA	Laos	2.83	2.83	8.83	8.00
		Japan	0	0	0.50	1.85
Organizational Management and Project Coordinator	Ms. Natsumi OHASHI*	Laos	3.20	3.10	6.03	4.47
		Japan	0	0	0	3.09
	Ms. Miyuki HORI	Laos			3.00	0.67
		Japan			0	0
Total Person Months as of October 2021 by Work Location	Laos		13.26	13.06	57.23	44.47
	Japan		0.70	0.70	2.60	17.64
Total Person Months as of October 2021			13.96	13.76	59.83	62.11

* Expert responsible for the area of expertise as of October 2021.

The actual assignment and dispatch periods for each Japanese expert are indicated at the top rows of the attached Monitoring Sheet II,

1-2 Progress of Activities

Despite the continuous difficult traveling situations under COVID19 restrictions, MPI and JICA arranged dispatch for four PIMCAP experts from 25 June 2021. After the two-week quarantine period stipulated by

¹ Person Months (PM): JICA counts the dispatch amount of experts by this unit. 1 MM is equivalent to 30 days.

² For work locations, *Laos* means on-site assignment, and *Japan* means remote assignment.

the Government of Laos, the experts started on-site activities from 9 July 2020. PIMCAP experts conducted interviews, meetings, and workshops in-person and online, carefully judging the situations and conditions based on Government guidelines. PIMCAP maintained remote communication with Champasak Province, one of the pilot organizations under PIMCAP, where the COVID19 pandemic was severe from June through to August. The pandemic in Vientiane Capital has become severe since mid-September. A lockdown was announced in the Capital from 16 September 2021, which continues as of the end of October.

The table below shows the summary of critical activities conducted from May 2021 to October 2021.

Date/Period	Activity (and related Output/P.O.)	Contents
9 July 2021	DOE Workshop (Output 4)	Consult the formats of Project Proposal (Construction)
27-29 July 2021	MAF Workshop (Output 4)	Validate the formats of Internal Appraisal for Ministry project Type 1 to 5.
28 July 2021	MPWT Workshop (Output 3)	Consultation based on DBAR2021 and upcoming 3YRP preparation
2 – 4 August	Champasak Province Workshop (Output 4)	Validate the formats of Internal Appraisal for Provincial project Type 1 to 4, and Type 5.
11 August	PIM Improvement Steering Committee Third Working Group Meeting (Output 1 and 2)	Discuss and confirm the responses and reflections to the PIM Action Plan, updated based on feedback provided by the Committee members in March-April.
August to September	PIM Improvement Steering Committee Working Group Meetings (Individual) (Output 1 and 2)	Conduct specific discussions with key stakeholders on the draft PIM Action Plan upgrade.
13 September	Vientiane Capital DPI Workshop	Introduce the development status of PIMCAP methods, obtain opinions on further improvements, and discuss additional validation of each component.

The table below shows the comparison of planned and actual mid-term progress of the third term of the contract* activities during this monitoring period from May 2021 to October 2021.

* Third Implementation Period from 26 May 2021 to 25 March 2021

Plan*	Actual
Activities under the Output 1	
<ul style="list-style-type: none"> ● Activity 1-2: Conduct PIM Improvement Steering Committee Working Group meetings <ul style="list-style-type: none"> ➢ (3) Conduct Working Group meetings related to project and budget information topic ➢ (5) Conduct Working Group meetings related to project management topic ● Activity 1-3: Conduct PIM Improvement Steering Committee Advisory Board meetings <ul style="list-style-type: none"> ➢ (2) Conduct Advisory Board meetings ● Activity 1-4: Review on the PIM Improvement Steering Committee and its roles ● Activity 1-5: Summarize a report on the effects of the Committee (based on 1-4 review) 	<ul style="list-style-type: none"> ● Fourth Working Group meeting held on 11 August ● Follow-up interviews with Working Group members from August through to September
Activities under the Output 2	
<ul style="list-style-type: none"> ● Activity 2-2: Conduct Working Group Meetings related to the PIM Action Plan topic <ul style="list-style-type: none"> ➢ (2) Conduct Working Group Meeting ● Activity 2-6: Develop draft PIM Action, Plan, review the draft final, and submit for approval <ul style="list-style-type: none"> ➢ (2) Review the draft final 	<ul style="list-style-type: none"> ● Collected comments from Working Group members ● Further collected comments from key stakeholders through follow-up interviews ● Drafted PIM Action Plan

<ul style="list-style-type: none"> ➤ (3) Submit the draft final PIM Action Plan for approval ● Activity 2-7: Set up monitoring framework (parallel with the PIM Action Plan) ● Activity 2-8: Present the PIM Action Plan at the PIM Improvement Steering Committee Advisory Board Meeting 	<p>version 1.1 based on Working Group comments and key interviews</p>
Activities under the Output 3	
<ul style="list-style-type: none"> ● Activity 3-3: Develop model budget management and project prioritization procedures and validate with pilot organizations <ul style="list-style-type: none"> ➤ (3) Second round validation of the model ● Activity 3-4: Review the model and develop/finalize budget management and project prioritization Handbook <ul style="list-style-type: none"> ➤ (2) Finalize budget management/project prioritization handbook. ● Activity 3-5: Present the draft/final model at the PIM Improvement Steering Committee Meeting <ul style="list-style-type: none"> ➤ (2) Present the model at the Committee Advisory Board Meeting ● Activity 3-8: Present the draft/final monitoring framework at the Committee Advisory Board Meeting <ul style="list-style-type: none"> ➤ (2) Validate the monitoring framework at pilot organizations ➤ (3) Present the final monitoring framework at the Committee Advisory Board Meeting framework at pilot organizations 	<ul style="list-style-type: none"> ● Improved DBAR 2021 report for MPWT and Champasak ● Developing DBART 2021 for Vientiane Capital ● Creating 3YRP datasheet for MPWT, Champasak, and Vientiane Capital
Activities under the Output 4	
<ul style="list-style-type: none"> ● Activity 4-4: Present the draft/final assessment procedures at Annual PIM Improvement Meeting and finalize manual through validation <ul style="list-style-type: none"> ➤ (2) Second round validation of assessment procedures ➤ (3) Review the assessment procedures and finalize the manual ➤ (4) Present the final assessment procedures at the Annual PIM Improvement Meeting ● Activity 4-6: Develop project mid-term review and evaluation methods <ul style="list-style-type: none"> ➤ (1) Develop mid-term reviews and reflect them in the manuals ➤ (2) Conduct training to pilot organizations ● Activity 4-7: Present the draft/final project mid-term review and evaluation methods at the Committee Meeting, and finalize the manuals <ul style="list-style-type: none"> ➤ (2) Validate project mid-term review and evaluation methods with pilot organizations and finalize the manuals ➤ (3) Present the final project mid-term review and evaluation methods at Annual PIM Improvement Meeting 	<ul style="list-style-type: none"> ● Validation Workshop on the Internal Appraisal was held with MAF-DPF, Champasak-DPI on 31 March 2021 and 5 April 2021, respectively. ● Present the internal appraisal to Vientiane Capital-DPI ● Consult the format of project proposal and project assessment with MPI-DOE ● Consult the purpose and selection criteria of Project Assessment for ongoing project

The Plan of Operation (the Monitoring Sheet II: Form 3-3) compares the planned and actual activities.

1-3 Achievement of Outputs

The table below shows the progress of the planned outputs and their indicators. The expert team has been conducting the assignment in consideration of both effectiveness and efficiency.

Planned Outputs	Planned indicators of Outputs*	Actual Outputs
<p>1. PIM Reform Committee and its Sub-Committees are established and managed.</p>	<p>1) Establishment of the PIM Improvement Steering Committee</p> <p>2) Establishment of the PIM Improvement Steering Committee Working Group</p>	<p>The formulation was authorized on 16 March 2020 by the MPI Minister's Agreement on Appointment of PIMISC and Working Group Responsible for PIM Improvement (No. 0425).</p>

	<p>3) The PIM Improvement Steering Committee is functioning* based on its agendas.</p> <p>4) The Working Group is functioning* based on their agendas.</p>	<p>Advisory Board and Working Group meetings are being held.</p>
<p>2. PIM Reform Action Plan is completed.</p>	<p>1) Draft PIM Action Plan is completed by the Working Group.</p> <p>2) PIM Action Plan is submitted to the PIM Improvement Steering Committee.</p>	<p>The draft PIM Action Plan was consulted at PIMISC Advisory Board Meeting and Working Group Meeting. Interviews with members of the Advisory Board, Working Group, and other relevant stakeholders were held. The draft is being revised.</p>
<p>3. Project Management and Prioritization are standardized.</p>	<p>1) "Three-Year Public Investment Rolling Plan (3YRP)" as project management and prioritization methods are developed and functioning at the pilot organization(s).</p> <p>2) Budget allocation & its timely notification by MPI through an agreement with MOF</p> <p>3) Physical/financial monitoring framework of projects is developed and functioning at the pilot organization(s).</p>	<p>Drafting and consulting the DBAR for MPWT, Champasak Province, Vientiane Capital in progress.</p>
<p>4. Project Assessment and Evaluation methods are standardized.</p>	<p>1) Project proposal and assessment methods/tools/flow are standardized under the revised Public Investment Law, Guidelines, and government instructions. (given the transparency levels and deadlines)</p> <p>2) New projects follow the standardized project proposal and assessment methods/tools/flow.</p> <p>3) Methods and tools for mid-term review and evaluation are standardized and validated.</p>	<p>The internal appraisal prototype for construction projects is developed and validated with a pilot organization, MAF-DPF, and Champasak-DPI.</p> <p>Improved Project proposal and Simplified Project Assessment Sheet were proposed and consulted.</p>

1-4 Achievement of the Project Purpose

The Project Purpose indicates the situation that is expected at the completion of PIMCAP. The table below shows the predicted project purpose and their relevant indicators. The relevance of the project purpose has not changed since they maintain consistency with the existing national policy and development needs.

Project Purpose	Indicators for the Project Purpose*	Status
<p>Public investment is strengthened through management reform aligned with fiscal management.</p>	<p>1) PIM Action Plan is authorized by the GoL.</p>	<p>Yet to be available</p>
	<p>2) PIM Improvement Steering Committee is authorized as a permanent formal Committee.</p>	<p>MPI Minister's Agreement No.0425 issued for the establishment</p>
	<p>3) Improved PIM methods/tools/flow are aligned with the revised Public Investment Law.</p>	<p>Yet to be available</p>
	<p>4) Measures to advance and disseminate the PIM methods/tools/flow are incorporated into PIM Action Plan</p>	<p>Yet to be available</p>

1-5 Changes of Risks and Actions for Mitigation

The COVID19 pandemic and nationwide lockdowns have caused difficulties in consultation and validations on draft deliverables related to all outputs. Under these constraints, counterpart and pilot

organizations are collaborating closely with the PIMCAP team through online communication and SMS to achieve the original target set up at the start of the Project.

1-6 Progress of Actions undertaken by JICA

JICA has actively supported the dispatch and return of all experts. JICA has also provided opportunities to discuss and report the progress of the Project to the Embassy of Japan and development partners such as the World Bank, ADB, EU, and UNDP.

1-7 Progress of Actions undertaken by the Government of Laos

The Government of Laos and MPI has actively made approval procedures to support the dispatch and return of the experts. Under remote work of counterpart officials during the lockdown, they actively participated in development activities and arranged pilot organizations discussions.

1-8 Progress of Environmental and Social Considerations (if applicable)

Safety measures for COVID19 will continue. The PIMCAP team will strictly follow the instructions and guidelines from the Government of Laos and guidelines from the Embassy of Japan to Lao PDR and JICA.

1-9 Progress of Considerations on Gender/Peace Building/Poverty Reduction (if applicable)

Not directly applicable to this project as of present.

1-10 Other remarkable/significant issues related/affect to the project (such as other JICA's projects, activities of counterparts, other donors, private sectors, NGOs, etc.).

PIMCAP closely coordinates with the Laos Road Sector Project 2 (LRSP2) at MPWT supported by the World Bank. The significant results of this coordination are as follows: i) LRSP2 has become ready to incorporate the DBAR, 3YRP, and budget monitoring framework into the MPWT 5-year action plan and its monitoring system. ii) The MPWT aims to improve its investment management system by adopting PIMCAP methods such as the *Internal Appraisal* and the *updated Project Proposal formats* into its mandated project preparation and prioritization procedure. MPWT will underpin these results with the official legislation and institutional arrangement that MPWT establishes for the 5-year action plan management.

2 Delay of Work Schedule and Problems (if any)

The same as 1.5.

3 Modification of the Project Implementation Plan

Please see Plan of Operation (Sheet II)

4 Current Activities of Gov. of Laos to Secure Project Sustainability after its completion

HE Mr. Sonexay SIPHANDONE, Deputy Prime Minister and Minister of MPI, issued the *Agreement on the Appointment of the PIM Improvement Steering Committee and Working Group (No.0425, 16 March 2020)* as the government official organizational set up according to the PM Decree on MPI and its Function, No.201/PM, dated 30 June 2017. This formulation secures the sustainability of the performance of the PIMCAP.

II. Project Monitoring Sheet I & II as Attached


Project Monitoring Sheet I (Project Design Matrix)

Project Title: Project for Improving Public Investment Management (PIMCAP)
Implementing Agency: MPI
Target Group:
Period of Project: February 2019 to March 2022
Project Site: Entire Laos & Pilot activity sites

Version 5
 As of 16 November 2021

*Pilot ministries: MPWT and MAF, Pilot provinces: Champasak Province, Vientiane Capital

Narrative Summary	Objectively Verifiable Indicators	Means of Verification	Important Assumption	Achievement	Remarks
Overall Goal Public investment performance is improved and contributed to fiscal stability.	1) PIMA (Public Investment Management Assessment) indicators (e.g., efficiency and productivity of investment) 2) The capital expenditure is managed in a mid-term basis based on the targets set in the PIM Action Plan	PIMA Report (in Lao PDR) PIM Action Plan & the Implementation report			
Project Purpose Public investment management is strengthened through reform aligned with fiscal management.	1) PIM Action Plan is authorized by the GoL. 2) PIM Improvement Steering Committee is authorized as permanent formal committee. 3) Improved PIM methods/tools/flow are aligned with the revised Public Investment Law. 4) Measures to advance and disseminate the PIM methods/tools/flow are incorporated into PIM Action Plan	Authorized PIM Action Plan PIM Improvement Steering Committee establishment papers Annual reports of the PIM Improvement Steering Committee	Fiscal situation in Laos is not significantly deteriorated.		
Outputs 1. PIM Improvement Steering Committee and its Working Group are established and managed.	1) Establishment of the PIM Improvement Steering Committee 2) Establishment of the PIM Improvement Steering Committee Working Group 3) The PIM Improvement Steering Committee is functioning* based on its agendas. *The functions including the pillars of reform, timespan, phasing and the implementation plan will be determined at the initial stage of the Project.	PIM Improvement Steering Committee establishment papers Working Group establishment papers Annual reports of the PIM Improvement Steering Committee Review Report	Legal framework related to public investment management is aligned with the objective of the Project.		The formulation was authorized on 16 March 2020 by the MPI Minister's Agreement on Appointment of PIM Steering Committee and Working Group Responsible for PIM Improvement (No. 0425).
2. PIM Action Plan is completed.	1) Draft PIM Action Plan is completed by the Working Group. 2) PIM Action Plan is submitted to the PIM Improvement Steering Committee.	Draft PIM Action Plan Minutes of PIM Improvement Steering Committee Meeting			PIM Action Plan draft version 1.1 is shared with PIM Improvement Steering Committee Working Group members.
3. Project Management and Prioritization are standardized.	1) "Three-Year Public Investment Rolling Plan" as project management and prioritization methods is developed and functioning at pilot organization(s). 2) Budget allocation & its timely notification by MPI through agreement with MOF 3) Physical / financial monitoring framework of projects are developed and functioning at pilot organization(s).	"Three-Year Public Investment Rolling Plan", Budget management / project prioritization handbook, Validation report at pilot organization(s) MPI official documents announcing budget allocation/ceiling Project monitoring framework, Validation report at pilot organization(s)			The prototype of 3YRPconcept is developed and shared with MPWT, Champasak Province and Vientiane Capital
4. Project Assessment and Evaluation methods are standardized.	1) Project proposal and assessment methods/tools/flow are standardized under the revised Public Investment Law, Guidelines and government instructions. (in view of transparency levels and deadlines) 2) New projects follow the standardized project proposal and assessment methods/tools/flow. 3) Methods and tools for mid-term review and evaluation are standardized and validated.	MPI official documents announcing transparency Project assessment procedure manual Project lists and documents Project mid-term review and evaluation method manual			The approach and outline of upgrading "standardized project proposal and assessment methods/tools/flow" are developed and consulted with a pilot organization, namely MAF and Champasak Province.

Activities	Inputs	Important Assumption
1.1 Discuss & agree on the specific structure and functions of the Committee/Working Group 1.2 Conduct PIM Improvement Steering Committee Working Group Meetings 1.3 Conduct Kick-Off and Annual PIM Improvement Steering Committee Meetings 1.4 Review on PIM Improvement Steering Committee and its roles 1.5 Summarize report on the effects of PIM Improvement Steering Committee (based on Activity 1.4) 2.1 Prepare concept documents for the PIM Action Plan formulation 2.2 Conduct Working Group Meetings for PIM Action Plan development 2.3 Present the PIM Action Plan outline at the PIM Improvement Steering Committee Kick-Off Meeting 2.4 Develop the draft pillars and agendas of the PIM Action Plan 2.5 Present the PIM Action Plan draft pillars and agendas at the Annual PIM Improvement Steering Committee Advisory Board Meeting 2.6 Develop draft PIM Action Plan, review the draft final and submit for approval 2.7 Set up monitoring framework (parallel with the PIM Action Plan) 2.8 Present the PIM Action Plan at the Annual PIM Improvement Steering Committee Advisory Board Meeting 3.1 Review the current budget management and project prioritization procedures, and select pilot organization(s) 3.2 Conduct discussion on the development budget ceiling and allocation (including multi-year estimates) 3.3 Develop model budget management and project prioritization procedures and validate with pilot organization(s) 3.4 Review the model, and develop / finalize budget management and project prioritization handbook 3.5 Present the draft/final model at the Annual PIM Improvement Steering Committee Advisory Board Meeting and conduct provincial/ministerial 3.6 Conduct project monitoring survey 3.7 Develop physical / financial monitoring framework 3.8 Present the draft/final monitoring framework at Annual PIM Improvement Steering Committee Advisory Board Meeting and conduct provincial/ministerial seminar 4.1 Review the current project assessment procedures, and select pilot organization(s) 4.2 Develop & validate the model project assessment procedures with pilot organization(s) 4.3 Review validation results and revise existing manual 4.4 Present the draft/final assessment procedures at Annual PIM Improvement Steering Committee Advisory Board Meeting and finalize manual through validation 4.5 Review project evaluation methods 4.6 Develop project mid-term review & evaluation methods, revise manual and conduct training 4.7 Present the draft/final project mid-term review and evaluation methods at Annual PIM Improvement Steering Committee Advisory Board Meeting and finalize manual	The Japanese Side -Chief Advisor/PIM reform - Expert for budget management & prioritization - Expert for project assessment & evaluation - Project Coordinator / Committee management	The Lao Side -Project Director: MPI vice minister -Project Manager: MPI, DG of DOP -Deputy Project Managers: MPI, DGG of DOP MPI, DGG of DOE Pre-Conditions 

Appendix 8
Monitoring Sheet Ver. 6

March 2022

Ms. Phonevanh OUTHAVONG, Vice Minister, Ministry of Planning and Investment

Mr. Toshio NAGASE, Chief Representative, JICA Laos Office

**Project for Improving Public Investment Management (PIMCAP)
Project Monitoring Sheet
(Version 6: from November 2021 to February 2022)**

This summary report and the attached sheets are the JICA standard format for providing the bi-annual monitoring information for PIMCAP.

So far, PIMCAP has submitted the following five reports:

- Version 1 covers the period from March 2019 to September 2019,
- Version 2 covers the period from October 2019 to March/April 2020,
- Version 3 covers the period from April/May 2020 to October 2020,
- Version 4 covers the period from November 2020 to April 2021, and
- Version 5 covers the period from May 2021 to October 2021.

This report, Version 6, covers the period from November 2021 to February 2022.

This report is prepared with the joint effort of Mr. Kalouna NANTHAVONGDUANGSY, Deputy Director-General of MPI-DOP, and Deputy Project Manager of PIMCAP and Mr. Ichiro OKUMURA, Chief Advisor of the PIMCAP Expert Team.

I. Summary

1 Progress

1-1 Progress of Inputs

The members of PIMCAP, as shown in the INPUTS, are as follows.

Japanese side	Lao Side
Chief Advisor/PIM reform/ budget management & prioritization	Project Director: Vice Minister of MPI
Expert for project assessment & evaluation	Project Manager: Director General of MPI-DOP
Expert for Inter-Organizational Strengthening*	Deputy Project Managers: Deputy Director Generals of MPI- DOP, MPI-DOE
Project Coordinator / Committee management	

* Expert for Inter-Organizational Strengthening was not included in the original PDM (PM Form3-2 Monitoring Sheet I). JICA approved the expert team's proposal to add one expert under Inter-Organizational Strengthening expertise to facilitate better consultation and collaboration with the pilot organizations.

The following table shows the Person/Man Months (PMs)¹ for the Japanese experts from November 2021 to February 2022 and the accumulated input from the beginning of the project, March 2019, to February 2022.

Area of Expertise	Name	Work Location ²	From November 2021 to February 2022		Total as of February 2022,	
			Plan	Actual	Plan	Actual
Chief Advisor/ PIM Reform	Mr. Ichiro OKUMURA	Laos	1.80	1.77	18.47	17.77
		Japan	0	0	0.40	3.46
Deputy Chief Advisor/ Project Assessment and Evaluation	Mr. Ryuji KASAHARA	Laos	1.77	1.57	15.33	10.76
		Japan	0.50	0.77	1.60	6.17
Budget Management and Prioritization*	Mr. Ichiro OKUMURA*	Laos	1.77	1.80	1.77	1.80
		Japan			0.20	0.20
	Mr. Atsuo SATO	Laos			8.00	5.00
	Japan			0.40	3.40	
	Mr. Hiromi OSADA	Laos			1.17	1.20
Japan			0.00	0.24		
Inter-Organizational Strengthening	Mr. Hiromi OSADA	Laos	1.83	1.83	10.70	9.83
		Japan	0	0	0.50	1.87
Organizational Management and Project Coordinator	Ms. Natsumi OHASHI*	Laos	1.83	1.57	7.90	6.10
		Japan	0	0.14	0	3.43
	Ms. Aayumi HORI	Laos			3.00	0.67
		Japan			0	0
Total Person Months as of February 2022 by Work Location		Laos	13.26	9.00	8.54	68.73
		Japan	0.70	0.50	0.91	3.17
Total Person Months as of October 2021			13.96	13.76	13.96	13.76

* Expert responsible for the area of expertise as of October 2021.

The actual assignment and dispatch periods for each Japanese expert are indicated at the top rows of the attached Monitoring Sheet II,

¹ Person Months (PM): JICA counts the dispatch amount of experts by this unit. 1 PM is equivalent to 30 days.

² For work locations, *Laos* means on-site assignment, and *Japan* means remote assignment.

1-2 Progress of Activities

The pandemic in Vientiane Capital has become severe since mid-September. A lockdown was announced in the Capital from 16 September 2021. Since then and up to date, the movement has been restricted. Because of the lack of improvement in the global pandemic situation and the various risks associated with international movement, the two PIMCA experts, who were due to return home in December 2021, have decided to stay and continue their work in Laos until March 2022. PIMCAP experts conducted interviews, meetings, and workshops in-person and online in line with Government guidelines.

The table below shows the summary of critical activities conducted from May 2021 to October 2021.

Date/Period	Activity (and related Output/P.O.)	Contents
30 November 2021	PIM Improvement Steering Committee Fourth Working Group Meeting (Output 1 and 2)	Discuss and confirm the responses and reflections to the PIM Action Plan, updated based on feedback provided by the Committee members in August-October.
2 February 2022	PIM Improvement Steering Committee Fifth Working Group Meeting	Discuss and confirm the final draft of the PIM Action Plan; confirm the way forward to approve the PIM Action Plan
9 and 10 February 2022	DOE Workshop for confirmation of PIMCAP Products	Discussed and confirmed the updated formats of Project Proposal
15 February 2022	PIM Improvement Steering Committee Advisory Board Meeting	Prepare the approval of the PIM Action Plan; Update the status of Output 3 and 4 of PIMCAP
22 February 2022	Joint Coordination Committee Meeting	Confirm the progress and achievement of PIMCAP

The table below shows the comparison of planned and actual activities of the third term of the contract*.

* Third Implementation Period from 26 May 2021 to 25 March 2021

Plan*	Actual
Activities under the Output 1	
<ul style="list-style-type: none"> ● Activity 1-2: Conduct PIM Improvement Steering Committee Working Group meetings <ul style="list-style-type: none"> ➢ (3) Conduct Working Group meetings related to project and budget information topic ➢ (5) Conduct Working Group meetings related to project management topic ● Activity 1-3: Conduct PIM Improvement Steering Committee Advisory Board meetings <ul style="list-style-type: none"> ➢ (2) Conduct Advisory Board meetings ● Activity 1-4: Review on the PIM Improvement Steering Committee and its roles ● Activity 1-5: Summarize a report on the effects of the Committee (based on 1-4 review) 	<p><u>Had reported in the previous monitoring sheet.</u></p> <ul style="list-style-type: none"> ● Held Third Working Group meeting on 11 August ● Held Follow-up interviews with Working Group members <p><u>Reporting newly in this monitoring sheet.</u></p> <ul style="list-style-type: none"> ● Held Fourth and Fifth Working Group meeting on 30 November 2021, and 2 February 2022 ● Held PIM Improvement Steering Committee Advisory Board Meeting held on 15 February 2022
Activities under the Output 2	
<ul style="list-style-type: none"> ● Activity 2-2: Conduct Working Group Meetings related to the PIM Action Plan topic <ul style="list-style-type: none"> ➢ (2) Conduct Working Group Meeting ● Activity 2-6: Develop draft PIM Action Plan, review the draft final, and submit for approval <ul style="list-style-type: none"> ➢ (2) Review the draft final ➢ (3) Submit the draft final PIM Action Plan for approval ● Activity 2-7: Set up monitoring framework (parallel with the PIM Action Plan) ● Activity 2-8: Present the PIM Action Plan at the PIM Improvement Steering Committee Advisory Board Meeting 	<p><u>Had reported in the previous monitoring sheet</u></p> <ul style="list-style-type: none"> ● Collected comments from Working Group members ● Collected comments further from key stakeholders through follow-up interviews ● Drafted PIM Action Plan version 1.1 based on Working Group comments and key interviews

	<p><u>Reporting newly in this monitoring sheet.</u></p> <ul style="list-style-type: none"> ● Presented version 1.1 at the Fourth Working Group meeting ● Drafted PIM Action Plan version 2.0 based on the Working Group comments ● Conducted proofreading on version 2.0 with DOP. ● Presented Present the PIM Action Plan at the PIM Improvement Steering Committee Advisory Board Meeting on 15 February 2022
Activities under the Output 3	
<ul style="list-style-type: none"> ● Activity 3-3: Develop model budget management and project prioritization procedures and validate with pilot organizations <ul style="list-style-type: none"> ➢ (3) Second round validation of the model ● Activity 3-4: Review the model and develop/finalize budget management and project prioritization Handbook <ul style="list-style-type: none"> ➢ (2) Finalize budget management/project prioritization handbook. ● Activity 3-5: Present the draft/final model at the PIM Improvement Steering Committee Meeting <ul style="list-style-type: none"> ➢ (2) Present the model at the Committee Advisory Board Meeting ● Activity 3-8: Present the draft/final monitoring framework at the Committee Advisory Board Meeting <ul style="list-style-type: none"> ➢ (2) Validate the monitoring framework at pilot organizations ➢ (3) Present the final monitoring framework at the Committee Advisory Board Meeting framework at pilot organizations 	<p><u>Had reported in the previous monitoring sheet</u></p> <ul style="list-style-type: none"> ● Improved DBAR 2021 report for MPWT and Champassak ● Developing DBART 2021 for Vientiane Capital ● Creating 3YRP datasheet for MPWT, Champassak, and Vientiane Capital <p><u>Reporting newly in this monitoring sheet.</u></p> <ul style="list-style-type: none"> ● Drafted DBAR report for MPWT, Champassak, and Vientiane Capital ● Supported drafting the handbook for budget
Activities under the Output 4	
<ul style="list-style-type: none"> ● Activity 4-4: Present the draft/final assessment procedures at Annual PIM Improvement Meeting and finalize manual through validation <ul style="list-style-type: none"> ➢ (2) Second round validation of assessment procedures ➢ (3) Review the assessment procedures and finalize the manual ➢ (4) Present the final assessment procedures at the Annual PIM Improvement Meeting ● Activity 4-6: Develop project mid-term review and evaluation methods <ul style="list-style-type: none"> ➢ (1) Develop mid-term reviews and reflect them in the manuals ➢ (2) Conduct training to pilot organizations ● Activity 4-7: Present the draft/final project mid-term review and evaluation methods at the Committee Meeting, and finalize the manuals <ul style="list-style-type: none"> ➢ (2) Validate project mid-term review and evaluation methods with pilot organizations and finalize the manuals ➢ (3) Present the final project mid-term review and evaluation methods at Annual PIM Improvement Meeting 	<p><u>Had reported in the previous monitoring sheet</u></p> <ul style="list-style-type: none"> ● Held Validation Workshop on the Internal Appraisal was held with MAF-DPF, Champasak-DPI on 31 March 2021 and 5 April 2021, respectively. ● Presented the internal appraisal to Vientiane Capital-DPI ● Consulted the format of project proposal and project assessment with MPI-DOE ● Consulted the purpose and selection criteria of Project Assessment for ongoing project <p><u>Reporting newly in this monitoring sheet.</u></p> <ul style="list-style-type: none"> ● Discussed and confirmed the updated draft format of project proposal, internal appraisal, and SPAS ● Discussed and confirmed the compositions and contents of updated

	<p>manuals for project proposal, internal appraisal, and SPAS.</p> <ul style="list-style-type: none"> ● Held DOE workshop for confirmation of PIMCAP products on 9 and 10 February 2022 <p>Provided the technical comments on Draft Guidelines for Project Assessment, drafted by DOE</p>
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The Plan of Operation (the Monitoring Sheet II: Form 3-3) compares the planned and actual activities.

1-3 Achievement of Outputs

The table below shows the achievement of the planned outputs and their indicators. The expert team has been conducting the assignment in consideration of both effectiveness and efficiency.

Planned Outputs	Planned indicators of Outputs*	Actual Outputs
1. PIM Reform Committee and its Sub-Committees are established and managed.	<ol style="list-style-type: none"> 1) Establishment of the PIM Improvement Steering Committee 2) Establishment of the PIM Improvement Steering Committee Working Group 3) The PIM Improvement Steering Committee is functioning* based on its agendas. 4) The Working Group is functioning* based on their agendas. 	The formulation was authorized on 16 March 2020 by the MPI Minister's Agreement on Appointment of PIMISC and Working Group Responsible for PIM Improvement (No. 0425). Advisory Board and Working Group meetings are being held.
2. PIM Reform Action Plan is completed.	<ol style="list-style-type: none"> 1) Draft PIM Action Plan is completed by the Working Group. 2) PIM Action Plan is submitted to the PIM Improvement Steering Committee. 	The final draft PIM Action Plan was consulted at PIMISC Advisory Board Meeting and Working Group Meeting.
3. Project Management and Prioritization are standardized.	<ol style="list-style-type: none"> 1) "Three-Year Public Investment Rolling Plan (3YRP)" as project management and prioritization methods are developed and functioning at the pilot organization(s). 2) Budget allocation & its timely notification by MPI through an agreement with MOF 3) Physical/financial monitoring framework of projects is developed and functioning at the pilot organization(s). 	DBARs, based on 3YRP for MPWT, Champasak Province, and Vientiane Capital, were drafted, and a manual for DBAR/ 3YRP was developed.
4. Project Assessment and Evaluation methods are standardized.	<ol style="list-style-type: none"> 1) Project proposal and assessment methods/tools/flow are standardized under the revised Public Investment Law, Guidelines, and government instructions. (given the transparency levels and deadlines) 2) New projects follow the standardized project proposal and assessment methods/tools/flow. 3) Methods and tools for mid-term review and evaluation are standardized and validated. 	<p>Project proposal and Simplified Project Assessment Sheet were updated in alignment with revised Public Investment Law, Guidelines, and government instructions.</p> <p>The internal appraisal format and flow for construction projects are developed and validated by using the new projects with a pilot</p>

		<p>organization, MAF-DPF, and Champasak-DPI. The validation in the actual workflow is required.</p> <p>The selection criteria of underperforming projects for mid-term review and evaluation are formulated and discussed.;</p>
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1-4 Achievement of the Project Purpose

The Project Purpose indicates the situation that is expected at the completion of PIMCAP. The table below shows the predicted project purpose and their relevant indicators. The relevance of the project purpose has not changed since they maintain consistency with the existing national policy and development needs.

Project Purpose	Indicators for the Project Purpose*	Status
Public investment is strengthened through management reform aligned with fiscal management.	1) PIM Action Plan is authorized by the GoL.	PIM Action Plan is authorized by PIMISC Advisory Board on 15 February 2022.
	2) PIM Improvement Steering Committee is authorized as a permanent formal Committee.	MPI Minister's Agreement No.0425 issued for the establishment
	3) Improved PIM methods/tools/flow are aligned with the revised Public Investment Law.	The formats of Project Proposal, and Simplified Project Assessment Sheets are updated and improved in alignment with the revised Public Investment Laws and relevant instructions.
	4) Measures to advance and disseminate the PIM methods/tools/flow are incorporated into PIM Action Plan	The capacity development and information technology for budget management and project formulation and appraisal are incorporated into the PIM Action plan to advance and disseminate the PIM methods/tools/flow, developed under PIMCAP.

1-5 Changes of Risks and Actions for Mitigation

The COVID19 pandemic and nationwide lockdowns have caused difficulties in consultation and validations on draft deliverables related to all outputs. Under these constraints, counterpart and pilot organizations are collaborating closely with the PIMCAP team through online communication and SMS to achieve the original target set up at the start of the Project.

1-6 Progress of Actions undertaken by JICA

JICA has actively supported the dispatch and return of all experts. JICA has also provided opportunities to

discuss and report the progress of the Project to the Embassy of Japan and development partners such as the World Bank, ADB, EU, and UNDP.

1-7 Progress of Actions undertaken by the Government of Laos

The Government of Laos and MPI has actively made approval procedures to support the dispatch and return of the experts. Under remote work of counterpart officials during the lockdown, they actively participated in development activities and arranged pilot organizations discussions.

1-8 Progress of Environmental and Social Considerations (if applicable)

Safety measures for COVID19 will continue. The PIMCAP team will strictly follow the instructions and guidelines from the Government of Laos and guidelines from the Embassy of Japan to Lao PDR and JICA.

1-9 Progress of Considerations on Gender/Peace Building/Poverty Reduction (if applicable)

Not directly applicable to this project as of present.

1-10 Other remarkable/significant issues related/affect to the project (such as other JICA's projects, activities of counterparts, other donors, private sectors, NGOs, etc.).

(1) Coordination with LRSP2 at MPWT

PIMCAP closely coordinates with the Laos Road Sector Project 2 (LRSP2) at MPWT supported by the World Bank. The significant results of this coordination are as follows: i) LRSP2 has become ready to incorporate the DBAR, 3YRP, and budget monitoring framework into the MPWT 5-year action plan and its monitoring system, and ii) The MPWT aims to improve its investment management system by adopting PIMCAP methods such as the *Internal Appraisal* and the *updated Project Proposal formats* into its mandated project preparation and prioritization procedure. MPWT will underpin these results with the official legislation and institutional arrangement that MPWT establishes for the 5-year action plan management.

(2) Digitization of critical information

PIMCAP supported expanding and strengthening the office environment and function of MPI-DOP and MPI-DOE. By installing IT hardware and software in assigned rooms of MPI-DOP and MPI-DOE, PIMCAP supported partial digitization of critical information and documents currently managed manually or on a paper basis. A simplified data management system and workflow in the MPI-DOP and MPI-DOE were discussed. A draft report on the future full-scale digitalization concept of MPI-DOP and MPI-DOE was prepared.

2 Delay of Work Schedule and Problems (if any)

The same as 1.5.

3 Modification of the Project Implementation Plan

Please see Plan of Operation (Sheet II)

4 Current Activities of Gov. of Laos to Secure Project Sustainability after its completion

HE Mr. Sonexay SIPHANDONE, Deputy Prime Minister and Minister of MPI, issued the *Agreement on the Appointment of the PIM Improvement Steering Committee and Working Group (No.0425, 16 March 2020)* as the government official organizational set up according to the PM Decree on MPI and its Function, No.201/PM, dated 30 June 2017. This formulation secures the sustainability of the performance of the PIMCAP.

II. Project Monitoring Sheet I & II *as Attached*

Project Monitoring Sheet 1 (Project Design Matrix)

Project Title: **Project for Improving Public Investment Management (PIMCAP)**
 Implementing Agency: **MPI**
 Target Group:
 Period of Project: **February 2019 to March 2022**
 Project Site: **Entire Laos & Pilot activity sites**

Version 5
 As of 16 November 2021

*Pilot ministries: MPWT and MAF, Pilot provinces: Champasak Province, Vientiane Capital

Narrative Summary	Objectively Verifiable Indicators	Means of Verification	Important Assumption	Achievement	Remarks
Overall Goal Public investment performance is improved and contributed to fiscal stability.	1) PIMA (Public Investment Management Assessment) indicators (e.g., efficiency and productivity of investment) 2) The capital expenditure is managed in a mid-term basis based on the targets set in the PIM Action Plan	PIMA Report (in Lao PDR) PIM Action Plan & the Implementation report		Overall Goal	
Project Purpose Public investment management is strengthened through reform aligned with fiscal management.	1) PIM Action Plan is authorized by the GoL. 2) <i>PIM Improvement Steering Committee</i> is authorized as permanent formal committee. 3) Improved PIM methods/tools/flow are aligned with the revised Public Investment Law. 4) Measures to advance and disseminate the PIM methods/tools/flow are incorporated into <i>PIM Action Plan</i>	Authorized <i>PIM Action Plan</i> <i>PIM Improvement Steering Committee</i> establishment papers Annual reports of the <i>PIM Improvement Steering Committee</i>	Fiscal situation in Laos is not significantly deteriorated.	Project Purpose	
Outputs 1. PIM Improvement Steering Committee and its Working Group are established and managed.	1) Establishment of the <i>PIM Improvement Steering Committee</i> 2) Establishment of the PIM Improvement Steering Committee Working Group 3) The PIM Improvement Steering Committee is functioning* based on its agendas. *The functions including the pillars of reform, timespan, phasing and the implementation plan will be determined at the initial stage of the Project.	<i>PIM Improvement Steering Committee</i> establishment papers <i>Working Group</i> establishment papers Annual reports of the <i>PIM Improvement Steering Committee</i> Review Report	Legal framework related to public investment management is aligned with the objective of the Project.	Outputs The formulation was authorized on 16 March 2020 by the MPI Minister's Agreement on Appointment of PIM Steering Committee and Working Group Responsible for PIM Improvement (No. 0425).	
2. PIM Action Plan is completed.	1) Draft <i>PIM Action Plan</i> is completed by the Working Group. 2) <i>PIM Action Plan</i> is submitted to the PIM Improvement Steering Committee.	Draft <i>PIM Action Plan</i> Minutes of PIM Improvement Steering Committee Meeting		PIM Action Plan draft version 1.1 is shared with PIM Improvement Steering Committee Working Group members.	
3. Project Management and Prioritization are standardized.	1) "Three-Year Public Investment Rolling Plan" as project management and prioritization methods is developed and functioning at pilot organization(s). 2) Budget allocation & its timely notification by MPI through agreement with MOF 3) Physical / financial monitoring framework of projects are developed and functioning at pilot organization(s).	"Three-Year Public Investment Rolling Plan", Budget management / project prioritization handbook, Validation report at pilot organization(s) MPI official documents announcing budget allocation/ceiling Project monitoring framework, Validation report at pilot organization(s)		The prototype of 3YRP concept is developed and shared with MPWT, Champasak Province and Vientiane Capital	
4. Project Assessment and Evaluation methods are standardized.	1) Project proposal and assessment methods/tools/flow are standardized under the revised Public Investment Law, Guidelines and government instructions. (in view of transparency levels and deadlines) 2) New projects follow the standardized project proposal and assessment methods/tools/flow. 3) Methods and tools for mid-term review and evaluation are standardized and validated.	MPI official documents announcing transparency Project assessment procedure manual Project lists and documents Project mid-term review and evaluation method manual		The approach and outline of upgrading "standardized project proposal and assessment methods/tools/flow" are developed and consulted with a pilot organization, namely MAF and Champasak Province.	

Activities	Inputs	Important Assumption
1.1 Discuss & agree on the specific structure and functions of the Committee/Working Group 1.2 Conduct PIM Improvement Steering Committee Working Group Meetings 1.3 Conduct Kick-Off and Annual PIM Improvement Steering Committee Meetings 1.4 Review on PIM Improvement Steering Committee and its roles 1.5 Summarize report on the effects of PIM Improvement Steering Committee (based on Activity 1.4) 2.1 Prepare concept documents for the PIM Action Plan formulation 2.2 Conduct Working Group Meetings for PIM Action Plan development 2.3 Present the PIM Action Plan outline at the PIM Improvement Steering Committee Kick-Off Meeting 2.4 Develop the draft pillars and agendas of the PIM Action Plan 2.5 Present the PIM Action Plan draft pillars and agendas at the Annual PIM Improvement Steering Committee Advisory Board Meeting 2.6 Develop draft PIM Action Plan, review the draft final and submit for approval 2.7 Set up monitoring framework (parallel with the PIM Action Plan) 2.8 Present the PIM Action Plan at the Annual PIM Improvement Steering Committee Advisory Board Meeting 3.1 Review the current budget management and project prioritization procedures, and select pilot organization(s) 3.2 Conduct discussion on the development budget ceiling and allocation (including multi-year estimates) 3.3 Develop model budget management and project prioritization procedures and validate with pilot organization(s) 3.4 Review the model, and develop / finalize budget management and project prioritization handbook 3.5 Present the draft/final model at the Annual PIM Improvement Steering Committee Advisory Board Meeting and conduct provincial/ministerial seminar 3.6 Conduct project monitoring survey 3.7 Develop physical / financial monitoring framework 3.8 Present the draft/final monitoring framework at Annual PIM Improvement Steering Committee Advisory Board Meeting and conduct provincial/ministerial seminar 4.1 Review the current project assessment procedures, and select pilot organization(s) 4.2 Develop & validate the model project assessment procedures with pilot organization(s) 4.3 Review validation results and revise existing manual 4.4 Present the draft/final assessment procedures at Annual PIM Improvement Steering Committee Advisory Board Meeting and finalize manual through validation 4.5 Review project evaluation methods 4.6 Develop project mid-term review & evaluation methods, revise manual and conduct training 4.7 Present the draft/final project mid-term review and evaluation methods at Annual PIM Improvement Steering Committee Advisory Board Meeting and finalize manual	The Japanese Side • Chief Advisor/PIM reform • Expert for budget management & prioritization • Expert for project assessment & evaluation • Project Coordinator / Committee management	The Lao Side • Project Director: MPI vice minister • Project Manager: MPI, DG of DOP • Deputy Project Managers: MPI, DDG of DOP MPI, DDG of DOE Pre-Conditions 