



**Lao People's Democratic Republic**  
*Peace Independence Democracy Unity Prosperity*

Prime Minister's Office  
National Leading Committee  
for Rural Development and Poverty Eradication  
Poverty Reduction Fund (PRF)

No 1495 /PRF.11  
Vientiane Capital, 08 JUL 2011

**Cooperation and Coordination Agreement  
between  
the Poverty Reduction Fund and the Ministry of Education and Sports**

With a view of building up rural education infrastructure, mainly schools in villages and koumbans, to the best available standards regarding sustainability and safety, the Ministry of Education and Sports (MOES) and the Poverty Reduction Fund (PRF), are entering, under the aegis of the National Leading Committee for Rural Development and Poverty Eradication (NLCRDPE), into an agreement to ensure adequate standards regarding rural schools built by the PRF.

The PRF II is essentially concerned with providing basic access infrastructure in vital areas to koumbans and their villages (access to basic services like health, education and water; road access; irrigation). The PRF will closely adhere to the standards set by MOES regarding primary, lower secondary and higher secondary schools for all its investments, and in particular follow the "School Construction Guidelines" as developed by ECDM and adopted in December 2009 as well as the Ministry's Operation Manual "Community-based Contracting of School Construction".

These reference documents contain a series of options for construction, equipment and maintenance that will respond to the variety of situations encountered by PRF rural access-investments. It is agreed that all PRF investments will be jointly discussed between PRF and the district education offices to reach a common understanding, in view of the various responsibilities that will be shared between district education offices and PRF koumban investments in rural education infrastructure. It is also understood that the principle of flexibility, when needed, will be adhered to, and this in close collaboration with the MOES provincial and district offices.

It is further agreed that no school will be built, even if the bidding process was successful, as long as there is no formal commitment from MOES to assign adequate teaching personal to the new schools.

This agreement covers survey for location, implementation arrangements, monitoring and evaluation, maintenance and training. It also deals with cooperation, coordination and reporting at central, provincial and district/koumban levels.

1. To ensure *coherence in cooperation and coordination* at the **central** level (MOES), the central level endorses the principle of close coordination between MOES and PRF and encourages its provincial and district offices to seek optimal cooperation with the PRF. MOES reasserts the principle of flexibility at village level. MOES and PRF agree to regularly exchange information, including PRF koumban lists and MOES initiatives, explore



possibilities to further deepen cooperation and assess progress made. MOES will be informed of any new school projects, prepared through the PRF community-based koumban planning process as soon as they have been approved by the District Validation Meeting. MOES will commit to provide adequate teaching personal to the new schools to be built. MOES will also facilitate cooperation with the PRF by providing, when possible, central resources, incl. through donor projects, to district/koumban education infrastructure. The MOES, being already a standing member of the NLCDRPE Board, will participate in all technical meetings organised by the NLCDRPE regarding cooperation and coordination in matters of rural development.

2. To ensure coherence in cooperation and coordination at the **provincial level** (PDOES), representatives of the provincial DOE will attend relevant koumban and district planning meetings to ensure proper implementation, according to agreed technical standards and proper location, of school infrastructure, and jointly monitor the handing over of completed schools at the koumban level. PDOES will actively support their district offices in their efforts to seek optimal cooperation with the PRF and assist them in implementing the agreed standards by providing, when needed, technical support. The PDOES will designate one of its members as Focal point for PRF contacts. PDOES will also confirm officially the allocation of teaching personal to the rural schools to be built. Provincial representatives will attend training conducted by the PRF and ensure that turn-over of trained officials will be minimal. PDOES will use the list compiled by DOES and PRF all school projects as an input for the annual plan and the maintenance programme.
3. To ensure cooperation and coordination at the **district/koumban level**, district education offices of education and sports (DOES) will participate in relevant planning meetings at the koumban level conducted by PRF and actively contribute to the koumban discussions on school priorities and possible location, surveys, costs and other useful information. In case there are exceptional circumstances (although the various options outlined in EMDC' "School Construction Guidelines" should cover most situations), a letter to the provincial MOES office would ask for approval of the requested exception. District education offices will approve and stamp the designs developed by the consultants hired by koumban/PRF. After the DOES endorses the selected bid, the DOES will countersign the contract with the construction firm, signed first by the koumban representative and the contractor. Once the school projects have been approved, DOES are also responsible for the monitoring of construction during the implementation phase, to ensure agreed standards are met. Their representatives will jointly monitor the handing over of completed school projects together with koumban representatives, PDOE and PRF. DOES are also responsible for maintenance training in koumban communities. The PRF will support DOES in these undertakings in addition to the dispositions of Decree 136/PMO/29.06.2010 on Education implementation, Chap. 10.
4. The PRF's approach to community-based development will define koumban planning regarding access infrastructure. The PRF will invite PDOES and DOES representatives to participate in relevant koumban meeting. Once koumbans have decided upon their access-investment priorities over the next 4 years, incl. Education infrastructure, a District Validation Meeting (DVM), presided by the District Vice-Governor, in presence of koumban representatives, representatives from the National Leading Committee, provincial and districts officials from various sectors concerned, including Education, as well as representatives from the private sector and donor organisations, will adopt the final list of koumban education projects for the next 4 years (to be validated every year). Once the list of access-investment projects has been finalized, the PRF and DOES will support koumbans in preparing work plan, including survey and location, preparation of bidding documents, procurement, supervision, handing over and maintenance. The PRF will provide capacity building to local authorities and related sectors, especially, with regard to the education sector in matters of monitoring and sustainably maintain



koumban education projects. Furthermore, in some cases, the PRF will provide scholarships to upgrade teaching standards. The PRF will also cover per diems and transportation for surveying, evaluating, monitoring and O+M training activities, incurred by DOES.

#### **Other Points of Agreements**

5. Adequate information and a clear reporting system are an integral part of this Cooperation Agreement. The PRF will report to the NLCRDPE immediately upon the conclusion of the District Validation Meeting (DVM) on all the projects approved in all sectors, incl. the education sector, as these projects will be part of the following years' district socio-economic plans, responding to rural development and poverty eradication priorities.
6. DOES will inform the provincial level (PDOES) of all the education projects approved in the DVM (with copy to the central level and the NLC) to have them included in the provincial socio-economic plans. The PDOES will inform the MOES on the school projects approved to have them included in the MOES Plan.
7. The information on the projects approved at the DVM will include projected costs, timeframe, available resources (with their sources) and proposals on how to bridge gaps (in case) as well as a summary table and other useful information.
8. To achieve the objective to ensure highest standards for PRF's access-to-school investments, the following sequence is agreed upon:
  - a. DOES and the PRF will meet and discuss possible design and survey activities and refine cost estimation and assess whether the district office has the capacity to do the location surveys and designs, and what support it would need. In case it is needed, DOES will request technical support from PDOES. A letter from PRF will confirm covering of per diem and transportation costs for provincial expertise needed for survey and design activities.
  - b. Once DOES has finalized the designs of the identified schools, in observance with the agreed standards, it will send them, together with the cost estimate, to the PRF district office, which will in turn send them to the PRF's national office. The PRF at the national level will analyse the proposed schools and evaluate the costs on the basis of the defined unit cost by MOES. The unit cost can be updated from time to time to take into account market conditions.
  - c. Once the design and cost estimation is done, a Koumban meeting with DOES and PRF representatives will evaluate the result and assess funding possibilities for the proposed school projects, on the basis of prepared design and cost estimates and the commitment by MOE to ensure the availability of teaching personal.
  - d. The discussions among DOES, PRF and koumban representatives, must be satisfactorily concluded before the District Validation Meeting.
  - e. PRF's PMT informs the World Bank Office on the projects approved by the DVM and for which a bidding process will be launched and for which the PRF/PMT seeks approval from the World Bank on a 'no-objection' basis. A procurement plan is then prepared and sent to the World Bank Office for information and recording.
  - f. The procurement process will start with the bidding process, launched, according to NCB methods of procurement, by PRF and koumban, announcing the projects open for public bidding, the criteria to be respected and where project documents for the bidding can be obtained as well as the date and the venue of the Bidding Committee where the bids will be opened.
  - g. At the date and time fixed for submitting the bids, which is also the date when the bids are opened, the Bidding Committee, chaired by the Vice-District Governor, will meet. The koumban representative will open the bids, in the presence of officials



from all sectors, incl. the DOES, the PRF and the submitting firms. He/she will also register whether all required documents are included in the bids and the stipulated criteria (financial capacity, experience, etc.) satisfied. These indications will be registered on a board, together with the name of the bidding firm and the project number as well as the costs. This will also clearly be mentioned in the minutes of the meeting. The minutes of the meeting must be signed by the bidding firms.

- h. At the same meeting, the vice-governor welcomes the bidding firms, gives them some information on the district, and invites those which will be successful to present themselves at his office, once they have signed the contract, and before starting working in the koumbans in order to enable him, among other things, to put the firms in contact with the sectors responsible for monitoring, supervision and inspection.
  - i. An Evaluation committee, comprising DOES, the sectors, koumban representatives and PRF will rank the bids according to their cost, but also according to their technical merits and qualifications, following World Bank procurement guidelines. The list of the final ranking of the bids will be sent to the PRF's PMT in Vientiane, which in turn will forward it to its procurement unit for verification.
  - j. Except in cases of 'prior review' projects, as soon as the PMT endorses the selected bid(s), by sending a letter to the koumban (with copy to the district vice-governor), the contract(s) with the construction firm(s) will be signed by the koumban representative and the contractor, and then countersigned by DOE, with the koumban community retaining overall control over contract management. (Note: two projects by province are selected at the outset by the provincial PRF office as 'prior review' projects to be analyzed by World Bank specialists. Once these latter approve these two 'prior review' projects, the koumban representatives will be authorized to sign the contracts with the contractors. All projects, once implemented will be inspected by World Bank specialists on a random basis ('post-review').
  - k. Payment certificates to the contractor must be certified by DOES, PRF and koumban representative, according to the recorded quantity/quality of work done. The payment request should include a back-up sheet on detail of quantity and quality of works.
  - l. The payment of taxes by the contractor will follow the agreements between PRF and Ministry of Finance (MOF).
9. Supervision and O+M being essential components of any PRF funded project, capacity building needs regarding this aspect will be assessed jointly by the PRF, DOE and koumban representatives.
  10. During project implementation, DOES is the key body for supervision and inspection and will regularly inspect work progress and work quality. The PRF will support the koumban representative(s) in following-up the inspection reports from DOES.
  11. A final inspection will take place in the presence of the PDOES, accompanied by koumban representatives and the PRF. The PDOES will include the new schools in its provincial maintenance plan.
  12. The PRF will support capacity building through DOES, and selected training of district education officials, provided that the officials trained stay in their function at the district for at least three years, in order to strengthen district capacities. Information on training given, and/or training opportunities offered will be made available by PRF to central, provincial and district levels.

This Agreement is a first, and will be revised and improved, in case the need arises. The National Leading Committee, the Ministry of Education and Sports and the Poverty Reduction Fund commit themselves to do their best to honour this agreement and to constantly try to enhance cooperation and coordination at all times at the national, provincial and district levels.



**Mr. Sengsomphone VIRAVOUTH**  
 Director General  
 Department of Planning and Cooperation  
 Ministry of Education and Sports



**Dr. Bounkhouang SOUVANNAPHANH**  
 Acting Executive Director  
 Poverty Reduction Fund

Countersigned:



**Mr. Kongkeo VONGPASEUTH**  
 Head  
 Office of the National Leading Committee  
 For Rural Development and Poverty Eradication