



Lao PDR



Govt. of Lao PDR



Microfinance • Capital Development

Government of Lao People's Democratic Republic

Ministry of Home Affairs

United Nations Development Programme

**UNDP/00081322:
STRENGTHENING CAPACITY AND SERVICE DELIVERY OF LOCAL ADMINISTRATIONS
(GPAR SCSD)**

ANNUAL PROJECT REPORT 2012

Reporting period: February 1 to December 31, 2012



Schweizerische Eidgenossenschaft
Confédération suisse
Confederazione Svizzera
Confederaziun svizra

Swiss Agency for Development
and Cooperation SDC

Republic of Korea



LE GOUVERNEMENT
du Grand-Duché de Luxembourg

I. PROJECT INFORMATION AND RESOURCES

| | |
|----------------------------------|--|
| Project number and title: | UNDP/00081322: Strengthening Capacity and Service delivery of Local Administrations (GPAR SCSD) |
| Implementing Partner: | Ministry of Home Affairs (MOHA), Lao PDR |
| Responsible Parties: | |
| Donors: | United Nations Development Programme, United Nations Capital Development Fund, Swiss Agency for Development Cooperation, Republic of Korea, Grand Duchy of Luxemburg |

| Project Starting date | | Project completion date | |
|-----------------------|-----------------|--------------------------------|--------------------------------|
| Originally planned | Actual | Originally planned | Current estimate |
| December 2011 | 1 February 2012 | 31 st December 2015 | 31 st December 2015 |

| Total Budget | Original Budget (US\$) | Latest Signed Revision (US\$) |
|--------------|------------------------|-------------------------------|
| | \$12,568,800 | 12,568,800 |

| Resources | Donor | Amount (US\$) |
|-----------|-----------------------------------|---------------|
| | United Nations Dev. Programme | 400,000 |
| | United Nations Capital Dev. Fund | 1,300,000 |
| | Swiss Agency for Dev. Cooperation | 4,000,000 |
| | Republic of Korea | 2,000,000 |
| | Luxembourg Government | 1,000,000 |
| | GEF (parallel) | 2,000,000 |
| | Government (parallel) | 702,000 |
| | Yet to be funded | 1,166,800 |

(Note The MAF (Millennium Acceleration Framework) sub-project was implemented by SCSD during 2012, but externally funded by UNDP MDG global project.)

| | |
|---------------------------------------|----------------------------------|
| Period covered by this report: | February 1 to December 31, 2012 |
| Date of annual review: | February 18 th , 2013 |

| Current Year | Budget (US\$) | Expenditure till Dec 31, 2012 (US\$) |
|--------------|---------------|--------------------------------------|
| | 1,463,855 | 1,412,150 |

II. PURPOSE

Strengthening Capacity and Service Delivery of Local Administrations (GPAR SCSD) project was officially launched on 03 February 2012. This project is being implemented in alignment with other projects of the National GPAR Programme. The overall objective of this project is increased capacity in the local administration, leading to better delivery of services which improve the lives of the poor, especially in rural areas of Lao PDR. The strategy is to build around a series of interrelated outputs that take forward proven results and innovations to realise the overall outcome. These include the introduction of district level performance assessments and performance based Block Grants (capital and recurrent) that will provide incentives for improved overall performance linked to the local administration mandate, the project seeks to improve local MDG-targeted service delivery through increased capacity and long term reform.

III. PROJECT PERFORMANCE AND RESULTS

1. Contribution to the strategic goals

Outcome: Improved capacity in the local administration helps deliver services that improved the lives of the poor, especially in rural areas.

Related UNDAF Outcome(s): By 2015, the poor and vulnerable benefit from the improved delivery of public services, an effective protection of their rights and greater participation in transparent decision making.

Progress towards achieving outcome: Since signature of the project document in February and the gradual receipt of funds over the subsequent months, activities have progressed, in all strategic areas including policies and frameworks for more effective local administration, and related local capacity building, design and introduction of a performance based district block grant that will encourage improved public service delivery, participatory and transparent prioritisation of local service interventions for District Development Fund block grants across, preparation for expansion of district One Door Services and to11 government offices from the CADEM in support of strategic innovations in Public Administration reforms.

| Outputs and indicators & annual targets | Key activities completed during reporting period | Expenditure to date (US\$) | Progress towards achieving outputs/ targets against indicators | Reasons if progress below target and response strategies |
|---|---|----------------------------|---|--|
| Output 1: : Support to develop policies & regulatory framework for more effective local administration at province and district level | | \$56,281 | | |
| Overall Result1: New policies enable local administrations to implement service delivery in line with local priorities. | | | | |
| Indicators: *Policies on implementation of PM /2000 and related directions. *Mechanisms that promote effective use of resources assigned for local administration and service delivery | | | | |
| Target: 1.1 Support provided to clarify PM 01/2000 and to harmonize legal and regulatory framework for Local Administration | <ul style="list-style-type: none"> Workshops led by MoHA on policy dissemination for Politburo Resolution No.3/2012 (“3 Builds” and & Prime Minister Order 16/2012) on devolution of authority to sub-national administrations. Support to 6 specialist support | | <ul style="list-style-type: none"> Target achieved: Support given to implementation of large scale pilot implementation on new national policies for devolution of greater authority to local administrations. (Politburo Resolution 03/2012 and PM 16/2012). | |
| Target: 1.2 Prepare and disseminate strategy on implementation of PM 01/2000 | | | | |

| | | | | | | |
|--|--|--|---|--|--|--|
| and related regulations | <p>teams led by MoHA, for nation-wide capacity development workshops, in support of PM Order (16/2012) on mandates and plans for strengthening sub-national administrations, for all 17 Provincial Administrations and 51 participating District Administrations, including 105 selected Villages. Participants numbered 2,140 people, from the leadership of Provinces and Districts and senior sector management, divisions and offices.</p> | | | | | |
| <p>Target: 1.3 Review and support drafting and/or update regulations/instructions on local administration</p> | | | | | | |
| <p>Target: 1.4 Review block grant formula for both capital and recurrent expenditures & MTEF</p> | <ul style="list-style-type: none"> • Preparatory work on equity focused block grants for capital and recurrent (operational expenditures) begun under previous related project (GPAR SBSB) and finalized internally by GPAR SCSD. • Mission undertaken to Review of Operational Expenditure Block Grant (OEBG) and Options for the Future. • Mission undertaken to support establishment of (DDF) Performance based Grant System, and related MOU, Performance Assessment Manual (PAM), operation guidelines and manuals. • MOU (above) finalized and signed | | <ul style="list-style-type: none"> • Target achieved: District Development Fund (DDF) block grant formula, which are a proven mechanism to promote effective use of resources for local administration and service delivery, have been reviewed and updated. The new DDF system introduces a Performance Based Grant System for district administrations, which provide a basis to monitor and analyse in coming years, comparative district performance across 21 indicators addressing key institutional performance areas of planning, financial management & procurement, and implementation / execution of service delivery. | | | |
| <p>Target: 1.5 Establish a system for Performance Based Grant allocation</p> | | | | | | |
| <p>Target: 1.6 Analysis and develop institutional performance standards /measures (Linked to above)</p> | | | | | | |

| | | | | |
|---|--|--|--|---|
| | by MoHA, MoF, MPI, provincial authorities and UNCDF, on 7 August 2012. | | | |
| Target: 1.7 Establish a data collection system and MIS for socio-economic data and service delivery to be used for strategic planning at the district level; | <ul style="list-style-type: none"> • Development and implementation of an innovative approach to service black-spot (off-track MDGs) and bottleneck analysis. • Independent review in Nov/Dec 2012 (MAF-OEBG Review 2012),- providing lessons on practical MDG targeting for expansion to more target districts by DDF supported district block grants, both capital and operation expenditure | | <ul style="list-style-type: none"> • Target partially achieved under MDG focused local planning initiatives within the MAF-OEBG activities that were implemented by SCSD, with funding external to the project (see 2.4 below) | <ul style="list-style-type: none"> • Framework for performance appraisal of civil servants, linked to district performance, to be initiated in 2013 – and in context of Capacity Development Strategy and mid-term review of 3 Builds pilot. When GPAR CTA on board. |
| Target: 1.8 Prepare civil servants performance appraisal framework linked to district targets | What are activities here? | | <ul style="list-style-type: none"> • Target partially achieved under new Performance Based Grant System above. | |

| Outputs and indicators & annual targets | Key activities completed during reporting period | Expenditure to date (US\$) | Progress towards achieving outputs/targets against indicators | Reasons if progress below target and response strategies |
|---|--|----------------------------|---|--|
| Output 2: Improved capacity of local administration to fulfill its service delivery mandates | | \$183,053 | | |
| Overall Result 2: Staff from 66 district administrations and related Kumban representatives are able to prepare plans and monitor investments in priority services related to MDGs Indicators: *Plans produced by district staff to meet local priorities related to MDGs. *Performance assessment of district staff linked to district service delivery targets | | | | |
| Target: 2.1 Development of CD strategy for each target district | | | <ul style="list-style-type: none"> • Deferred. Overtaken by new policies on devolved mandates for local administration (3 Builds & Pm 16/2012). | To review in 2013 in context of mid-term review of 3 Builds pilot and GPAR CTA |

| | | | | |
|---|---|---|--|---|
| | | | | on board. |
| Target: 2.2 Build awareness and capacity in districts regarding clarified Instruction PM 01/2000 | | | <ul style="list-style-type: none"> • Target achieved under Output 1 above re “3 Builds” pilot | <ul style="list-style-type: none"> • |
| Target: 2.3 Capacity development in target districts to strengthen overall responsiveness and effectiveness of the local administration in accordance with their mandate | | | <ul style="list-style-type: none"> • Target achieved under PBGS technical design mission and (Output 1 above) and DDF capacity development for 37 selected districts. Plans produced by 37 Districts for DDF funded local priorities related to MDGs. Performance Based Grant System introduced for district administrations, addressing key institutional performance areas of planning, financial management & procurement, and implementation / execution of service delivery | <ul style="list-style-type: none"> • |
| Target: 2.4 Support to districts to establish specific MDG targets and monitor achievements against these | <ul style="list-style-type: none"> • Meetings with 3 Districts in Xiengkhouang province to establish data availability and appropriate MDG planning tools compatible with local conditions and capacities. • Launch of MAF-OEBG in Xiengkhouang province and related training/planning workshops conducted for all 8 Districts of the Province to support preparation of eligible MDG focused targets for each District. (MAF-OEBG). • MAF-OEBG block grants awarded to 8 Districts for MDG focused services delivery (\$48,000 approximately) | MAF-OEBG was implemented by SCSD project, but at no cost to project. (Total expenditure \$97,167 funded directly by MAF project, UNDP New York) | <ul style="list-style-type: none"> • Achieved: While all DDF plans are directly related to the 7th NSEDP, which is itself fully MDG compliant, MDG targeting of DDF plans were specifically supported in 8 districts of Xiengkhouang province. This field testing of an innovative approach to service black-spot (off-track MDGs) and bottleneck analysis was independently reviewed in November 2012 (MAF-OEBG Review 2012), and will provide lessons on how to expand MDG targeting to more target districts in the context of future rounds of DDF supported district block grants, both capital and operation expenditure. • Experience and lessons from MAF- | <ul style="list-style-type: none"> • Comment: (MAF-OEBG Review 2012) will provide lessons on how to expand MDG targeting to more target districts in subsequent years in the context of DDF supported district block grants, both capital and operation expenditure. |

| | | | | |
|---|---|--|---|---|
| | <ul style="list-style-type: none"> • External Review conducted on the MAF-OEBG • Capacity development support and planning workshops for all 8 districts in Saravan, in both capital grants (the basic Block Grant or BBG) and the Operational Expenditure Block Grants, in support to the new DDF Performance based Grant System (PBGS) was launched there during August. • Capacity development for new DDF system (OEBG) given to a further 29 Districts covering Xiengkhouang, Huaphan, Oudomxay, Sekong and Sing District of Luang Namtha Province. | | <p>OEBG Review is informing approach to future OEBG planning for more focus on local off-track MDGs/ services black-spots and bottlenecks.</p> <ul style="list-style-type: none"> • New DDF Performance based Grant System (PBGS) was launched in Saravan province during August | |
| Target: 2.5 Draft, implementation and training on CS performance framework in target districts | | | <ul style="list-style-type: none"> • Deferred: Overtaken by new policies on devolved mandates for local administration (3 Builds & Pm 16/2012). | <ul style="list-style-type: none"> • See 2.1 above. To review in 2013 in context of mid-term review of 3 Builds pilot and GPAR CTA on board. |
| Target: 2.6 Conduct civil servants performance appraisal linked to district targets and report annually on the performance of civil servants at district level | | | <ul style="list-style-type: none"> • Deferred: Overtaken by new policies on devolved mandates for local administration (3 Builds & Pm 16/2012). | <ul style="list-style-type: none"> • Premature. To review in 2013 in context of mid-term review of 3 Builds pilot and GPAR CTA on board. |

| Annual outputs and indicators | Key activities completed during reporting period | Expenditures to date (US\$) | Progress towards achieving outputs & targets against indicators | Reasons if progress below target and response strategies |
|--|---|--|--|--|
| Output 3: Improved MDG focused service delivery provided through formula base and equity focused block grants to the districts | | \$662,980 | | |
| <p>Overall Result 3: At least 540 infrastructure & service delivery interventions improve access to services for 40,000 households (50% service women & girl children)</p> <p>Indicators:</p> <ul style="list-style-type: none"> No. of districts with capacity in planning, management & finance functions *No. of districts receiving formula based block grants. *No. of infrastructure and service interventions implemented by districts. *Households benefiting from improved access to MDG services. | | | | |
| <p>Target: 3.1 Support implementation of a Performance Based Grant system & a Capacity Development Grant</p> | <ul style="list-style-type: none"> First tranche of DDF block Grants funds transferred to Bank of Lao, for onward provision through government systems, to meet the agreed plans of 37 districts to address local services priorities. 174 (23 BBG + 151 OEBG) service interventions | <p>MAF-OEBG was implemented by SCSD project, but at no cost to project. (Total expenditure \$97,167)</p> | <ul style="list-style-type: none"> Achieved. Additionally the project implemented the MAF-OEBG sub project. Some 52 local MDG priority activities in health and education were undertaken with a total investment of some \$48,000, delivered through the OEBG block grant mechanism, a DDF grant facility. | <ul style="list-style-type: none"> The number and gender composition of direct beneficiaries will be monitored during implementation in 2013. |
| <p>Target: 3.2 Capacity development in target districts to prepare medium-term strategic plans and expenditure framework to deliver local services based on available revenue & focus on MDG established targets</p> | <ul style="list-style-type: none"> Release of MAF-OEBG small non-capital block grants to 8 Districts in Xiengkhouang, with a strong emphasis on helping to address the MDG bottlenecks in each District. Training and backup by MoHA | | <ul style="list-style-type: none"> Achieved; Training and backstopping of targeted districts done in conjunction with 2.3 above. | |
| <p>Target: 3.3 Support to annual PBGS evaluations and Capacity Development Grant need assessments</p> | <ul style="list-style-type: none"> MoHA support to Provincial oversight and PoHA. | | <p>Premature to conduct annual PBGS evaluations and reporting in 2012.</p> | <p>First assessment will be later in 2013 when first rounds of DDF grants have been invested.</p> |
| <p>Target: 3.4 Analysis, tracking and monitoring progress on service</p> | <ul style="list-style-type: none"> Procurement in process for equipment to support DDF at | | <p>Target achieved;</p> <ul style="list-style-type: none"> Initial preparations undertaken. | |

| | | | | |
|---|--|--|---|---|
| improvement in target district | national and sub-national levels. | | <ul style="list-style-type: none"> Provincial Oversight support to 6 DDF provincial Support teams. | |
| Target: 3.5 Support and implement IEC related initiatives with particular focus on outreach | <ul style="list-style-type: none"> | | <ul style="list-style-type: none"> Deferred; Premature to do in advance of provision of services outreach grants to selected districts. (Information bulletins and radio programmes focusing on outreach) | Defer to 2013 and recruitment of NGPAR Communication coordinator. |

| Annual outputs and indicators | Key activities completed during reporting period | Expenditures to date (US\$) | Progress towards achieving outputs & targets against indicators | Reasons if progress below target and response strategies |
|---|---|-----------------------------|---|--|
| Output 4: Improving Access to citizen Services through One Door Service | | \$41,502 | | |
| Overall Result 4: providing 50% faster and more convenient services and information to citizens, leading to 25% increase in revenue collection | | | | |
| Indicators: * Citizen satisfaction with ODS services * Increase in speed of services * Increase in revenue collection | | | | |
| Target: 4.1 Identify new locations & establish new ODS | <ul style="list-style-type: none"> Procurement in process for initial equipment & office furniture | | <ul style="list-style-type: none"> Partially achieved; Planning and procurement process begun for initial ODS support. On a no-cost basis for the project, MoHA has organized internal discussions on the dissemination of new ODS guidelines and undertaken site inspection visits and assessments in preparation for the development of a ODS road-mapping, which will be undertaken in 2013. Actual refurbishment for selected targets will be implemented during 2013. Roll-out to additional locations will be assessed during 2013. | Preparatory undertaken by MoHA directly. Subsequent roadmap and roll-out to be addressed in conjunction with new GPAR CTA. |
| Target: 4.2 Public dissemination of information on role and services of ODS | <ul style="list-style-type: none"> | | <ul style="list-style-type: none"> Not Achieved: - Premature until ODS road-map is agreed in 2013 | Deferred to 2013 and agreed ODS road-map. |
| Target: 4.3 Periodic assessment of ODS efficiency and overall performance | <ul style="list-style-type: none"> | | <ul style="list-style-type: none"> Not Achieved: - Premature for 2012 | Annual ODS Client survey to begin from 2013 |

| Outputs and indicators & annual targets | Key activities completed during reporting period | Expenditure to date (US\$) | Progress towards achieving outputs/ targets against indicators | Reasons if progress below target and response strategies |
|---|---|----------------------------|--|--|
| Output 5: GPAR Capacity Development and Modernisation Fund (CADEM) supports strategic innovations in Public Administration reforms | | \$157,799 | | |
| <p>Overall Result 5: 50 demand driven capacity development initiatives to improve service delivery implemented by government offices, of which at least 50% are at the subnational level.</p> <p>Indicators: * Small grant fund to support capacity development in governance * Multi-agency partnership to manage small grant programme * Number of offices served by small grants programme</p> | | | | |
| Target: 5.1 Review CADEM criteria to optimize utility and results and updates EOI & evaluation criteria | <ul style="list-style-type: none"> • Consultation workshops held • Capacity development given by external facilitators to the new CADEM Technical Working Group,(MoHA, MOF, MPI, UNDP, UNCDF and SDC), • Formal request for Expressions Of Interest (EOI) issued. • 284 EOIs received and short listed to initial 14 EOIs, with 10 from local levels. These shortlisted applicants received capacity development on CADEM / proposal development. • The final selected 11 proposals for 2012/13 benefit from addition capacity development for implementation of CADEM projects. | | <ul style="list-style-type: none"> • Target Achieved. Selection criteria for CADEM revised and reflects a stronger emphasis on local administration and cross-cutting themes such as gender and environment. | |
| Target: 5.2 Issue Request for Proposals (RfPs) | | | | |
| Target: 5.3 Provide capacity building for selected Eois | | | | |
| Target: 5.4 Evaluation of grant proposals and selection of grantees | | | | |
| Target: 5.5 Manage | <ul style="list-style-type: none"> • Formal award and CADEM grant release | | <ul style="list-style-type: none"> • Target achieved. Grants awarded to 11 | Reporting results |

| | | | | |
|--|-------|--|-------------------------------|---------------------|
| CAPDEM grant cycles, covering fund release, utilization, and reporting results | event | | public administration offices | will follow in 2013 |
|--|-------|--|-------------------------------|---------------------|

| Outputs and indicators & annual targets | Key activities completed during reporting period | Expenditure to date (US\$) | Progress towards achieving outputs/ targets against indicators | Reasons if progress below target and response strategies |
|--|---|----------------------------|---|--|
| Output 6: Citizen Feedback and district mechanisms for responsive and accountable service delivery | | \$10,832 | | |
| Overall Result 6: Feedback from citizens and service providers in 70 districts shows improved access to services and informs service delivery strategies. | | | | |
| Indicators: *Districts and Provinces covered by Citizens' Report card *Districts and Provinces covered by Delivery Monitoring System | | | | |
| Target: 6.1 Carry out Local Level Monitoring | <ul style="list-style-type: none"> TOR developed for CRC survey related to objectives and scope of SCSD project. | | <ul style="list-style-type: none"> Partially achieved. Discussions initiated between project and MoHA on the appropriate scope and design of a local Monitoring and client feedback mechanisms, which are capable of being taken up by and replicated by local administrations. | Discussions on-going on nature and scope of suitable mechanism. Expected to be agreed in early 2013 with field surveys thereafter. |

2. Update on implementation of the Vientiane Declaration and its Action Plan

- DDF use of government systems, procedures and officials represents a clear working example of alignment with national systems, greater national ownership and an effective method for sustainable development
- The Project operates as an integral part of the national GPAR programme and participates, along with its sister NGPS project, in the Governance Sector Working Group, and two Sub Sector Working Groups and Secretariat operational.

3. Update on partnerships

- Close partnership with provincial and district administrations on capacity development
- Partnership with Ministry of Planning and Investment & Ministry of Finance and local authorities on DDF Implementation
- Collaboration with UNICEF around DDF-OEBG and enhanced local-level targeting/planning, beginning in Sing District, Luang namtha

4. Update on gender mainstreaming

- The SCSD project design, outcomes and targets are well regarded as being gender sensitive. SCSD project also includes mainstreams affirmative action and specifically identifies impacts on women and girls.
- The DDF system design and implementation ensures transparent and gender sensitive local planning and inclusion, thus helping to incorporate a gender focus and awareness within the local administration officials and participating communities.

5. Update on audit recommendations

- Project was signed in February 2012 and on completion of legal and funding agreements with development partners, began to undertake operations and activities thereafter. Project will undergo its first audit of 2012, scheduled for April 2013, in accordance with UNDP standard procedures and timetable.

6. List main challenges and issues (if any) faced during reporting

| Challenge/Issue | Response |
|--|---|
| <ul style="list-style-type: none"> • Project was signed in February, with funding agreements being formalized thereafter. Funds began to flow to the project accounts over the following months, with the final receipt in August. While this is a normal start-up process, it has an obvious impact on the pace of implementation of the Annual Work Plan (which envisaged a full 12 months operation and funds availability). | <ul style="list-style-type: none"> • Focus attention on activities were financial resources and human resources were available / becoming available. |
| <ul style="list-style-type: none"> • Recruitment of some key technical advisory staff | <ul style="list-style-type: none"> • New UNDP GPAR Chief Technical Advisor arrived 1st November 2012 |
| <ul style="list-style-type: none"> • Graduation from project based management and implementation to new national Programme approach involves an expansion of coordination mechanisms, organizational structures and monitoring/oversight bodies. | <ul style="list-style-type: none"> • Project support provided for awareness raising, training and workshops. |

| | |
|---|--|
| <p>This additional burden has come at the same time as the establishment of a new Ministry of Home Affairs itself, which is the Implementing Partner for the project, thus increasing the overall challenges.</p> | |
| <ul style="list-style-type: none"> Limited awareness and understanding of concerned MoHA departments over the new NGPAR programme Management Arrangements | <ul style="list-style-type: none"> Increase and continue discussions and dialogue with those MoHA departments and some provincial authorities to ensure that the level of understanding exists thus improving their involvement and contribution, |

7. Rating on progress towards results

| | | |
|--|---|---|
| Output: | | |
| Output 1: : Support to develop policies & regulatory framework for more effective local administration at province and district level | <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> | Positive change Negative change Unchanged |
| Output 2: Improved capacity of local administration to fulfill its service delivery mandates | <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> | Positive change Negative change Unchanged |
| Output 3: Improved MDG focused service delivery provided through formula base and equity focused block grants to the districts | <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> | Positive change Negative change Unchanged |
| Output 4: Improving Access to citizen Services through One Door Service | <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> | Positive change Negative change Unchanged |
| Output 5: GPAR Capacity Development and Modernisation Fund (CADEM) supports strategic innovations in Public Administration reforms | <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> | Positive change Negative change Unchanged |
| Output 6: Citizen Feedback and district mechanisms for responsive and accountable service delivery | <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> | Positive change Negative change Unchanged |

IV. ADDITIONAL ACTIVITIES WHICH CONTRIBUTE TO OUTCOME AND/OR OUTPUTS

Provide information about any activities undertaken by the project that were NOT envisaged in the work plan but which contributed to the outcome and/or outputs? E.g. advocacy and policy dialogue.

The MAF (Millennium Acceleration Framework) sub-project was implemented by SCSD during 2012, but funded by non-project budget expenditure of \$97,167. Some 52 local MDG priority activities in

health and education were undertaken with a total investment of \$48,054 in block grants delivered through the OEBG block grant mechanism, a DDF grant facility. Lessons from the development of practical problem analysis tools and recommendations for improvements to the use of operational expenditure supports will contribute to the future outputs and outcomes of the SCSD project.

V. FUTURE WORK PLAN

4. What are the priority actions planned for the following year to overcome constraints, build on achievements and partnership, and use of the lessons learned during the previous year?

Priority steps to overcome constraints:

- Follow up support for the further clarification, and focused capacity support for programme-based implementation.

Steps to build on current achievements:

- Continue support to the “3 Builds” pilot devolving greater authority to sub-national levels.
- Collaborated with Ministry of Natural Resources and Environment (MONRE) around Climate Change adaptive living initiatives, through the mechanism of the District Development Fund.
- Continue emphasis on sub national capacity development to ensure that benefits reach people

Steps to build on partnerships:

- Collaborated with Ministry of Natural Resources and Environment (MONRE) around Climate Change adaptive living initiatives, and related Global Environment Facility (GEF) and UNCDF’s LoCAL¹ system that ensures the efficient and effective use of Climate Change block grants by local authorities.

Use of lessons learned:

- Lessons learned from design and implementation of MAF-OEBG sub project will inform improvements to the DDF block grants system within SCSD.
- Lessons provide shared body of knowledge used by Government and development partners
- Stakeholders from national and sub-national level contributing valuable insights and lessons

5. List major adjustments in the strategies, targets or key outcomes and outputs planned.

1. Policy framework for more effective local administration at province and district
Continue support to the “3 Builds” pilot devolving greater authority to sub-national levels.

3. Estimated total budget required for the following year: \$3,520,392

VI. ANNEXES

1. Annex 1: Combined Delivery Report
2. Annex 2: Annual Work Plan for following year
3. Annex 3: Communication and Monitoring Plan
4. Annex 4: Project Risk Log
5. Annex 5: Issues Log

¹ LoCAL: UNCDF’s Local Climate Adaptive Living, - a Climate Change financing solution for local authorities

6. Annex 6: Lessons Learned log

CERTIFIED BY

Mr. Khammoune Viphongxay
Executive of GPAR Programme Board

Dated January 2013

Annex 1: COMBINED DELIVERY REPORT 2012

Annex 2: DRAFT ANNUAL WORK PLAN 2013

| | | |
|--|---------------------------|-------------------------|
| Project Title: National GPAR SCSD Project | Award ID: 00064630 | Date: 01/02/2012 |
|--|---------------------------|-------------------------|

| Type of Action | Stakeholders | Method of communication | Due by | Completed on | Status |
|---|-----------------------------------|-------------------------|----------|--------------|------------------|
| Annual Work Plan and Budget: 2012 | UNDP, UNCDF, SDC, Govt of Korea, | Report | 01/03/12 | 16/02/12 | Completed |
| Work plan and FACE form: Q2-2012 | UNDP | Report | 10/04/12 | 10/04/12 | Completed |
| Quarterly Progress Report for Q2-2012, including logs | UNDP , UNCDF, SDC, Govt of Korea, | Report | 10/07/12 | 10/07/2012 | Completed |
| Work plan and FACE form: Q2-2012 | UNDP | Report | 10/04/12 | 10/07/2012 | Completed |
| Quarterly Progress Report for Q3-2012, including logs | UNDP , UNCDF, SDC, Govt of Korea, | Report | 10/07/12 | 10/10/2012 | Completed |
| Work plan and FACE form: Q3-2012 | UNDP | Report | 10/07/12 | 10/10/2012 | Completed |
| Work plan and FACE form: Q4-2012 | UNDP | Report | 10/10/12 | 10/10/2012 | Completed |
| Quarterly Progress Report for Q4-2012, including logs | UNDP , UNCDF, SDC, Govt of Korea, | Report | 31/12/12 | 31/12/2012 | Completed |
| Joint Annual Technical Review (JATR) | UNDP , UNCDF, SDC, Govt of Korea, | Report | 31/12/12 | | Deferral to 2013 |
| Annual Report 2012 | UNDP , UNCDF, SDC, Govt of Korea, | Report | 31/12/12 | 31/12/2012 | Completed |
| Annual Work Plan 2013 | UNDP , UNCDF, SDC, Govt of Korea, | Report | 31/12/12 | 31/12/2012 | Completed |
| | | | | | |

| | | |
|--|---------------------------|--|
| Project Title: National GPAR SCSD project | Award ID: 00064630 | Last Reviewed Date: 31/12/2012 |
|--|---------------------------|--|

| # | Description | Date Identified | Type | Impact & Probability | Countermeasures / Mgmt. response | Owner | Submitted/ updated by | Last Update | Status |
|---|---|-----------------|-------------|--|--|-------------------|-----------------------|-------------|---|
| 1 | Other government bodies are reluctant to enhance coordination under NPAR | 01/02/12 | Strategic | impact of the public administration reforms will be limited. P=2; I=3; PXI=6 | Multi-Stakeholder Leading Committee and Programme Board guidance to initiate dialogue with relevant Government offices | Programme Manager | Programme Manager | 30/06/2012 | No change |
| 2 | Lack of buy-in from the local authorities who see the programme as a new top down approach to GPAR. | 01/02/12 | Strategic | Lack of buy in at the local level may hamper project implementation P=2; I=3; PXI=6 | Early discussions to explain new modus operandi but that the provinces and districts will remain in the lead at the local level. Provincial participation in Prog. Board | Programme Manager | Programme Manager | 30/09/2012 | Risk reduced from 9, following successful local Workshops |
| 3 | Limited resources will directly compromise the implementation of programme activities | 01/02/12 | Strategic | Plans to scale up nation-wide, will be postponed with impact on MDG progress. P=2; I=4; PXI=12 | Continuous dialogue with donor community and coordination of all resource mobilization by MoHA | Programme Manager | Programme Manager | 31/12/2012 | Risk reduced as Luxembourg has become DP |
| 4 | Programme approach introduces a new way of operating, both for the government and for the donor community | 01/02.12 | Strategic | Time & resources lost to project management and reporting rather than implementation. P=3; I=3; Pxl=9 | Programme Board play a key role in overseeing all projects under the programme framework. | Programme Manager | Programme Manager | 30/06/2012 | No change |
| 5 | There could be a stronger attraction by DPs to fund certain components or sub-components | 01/02/12 | Strategic | Sustainability and/ or nation-wide roll out of the reforms could become compromised. P=3; I=3; PXI=9 | Resource mobilization coordinated by MoHA in liaison with the DIC (MPI). Possibility of GPAR Trust Fund could be explored. | Programme Manager | Programme Manager | 30/06/2012 | No change |
| 6 | GEF funds may be delivered through a parallel project | 01//02/12 | Strategic | NGPAR Programme framework will be basically altered P=5; I=2; PXI=10 | Discussions with MONRE and UNDP initiated to develop suitable framework | Programme Manager | Programme Manager | 30/06/2012 | No change |
| 7 | MAF sub-project may delay other | 15/05/12 | Operational | Core activities implementation delayed | Merge MAF and SCSD/OEBG activities where possible | Programme Manager | Programme Manager | 30/09/12 | Risk reduced from 9 |

| | | | | | | | | |
|----------------------|--|--|----------------|--|--|--|--|-------------------------------------|
| implementation plans | | | P=2; I=3 Pxl=6 | | | | | following successful DDF trainings. |
|----------------------|--|--|----------------|--|--|--|--|-------------------------------------|

ANNEX 5 NATIONAL GPAR SCSD PROJECT: ISSUES LOG - 2012 p1

| | | |
|--|---------------------------|--|
| Project Title: National GPAR SCSD project | Award ID: 00064630 | Last Reviewed Date: 31/12/2012 |
|--|---------------------------|--|

| # | Description | Date Identified | Type | Priority (P) & Impact (I) | Countermeasures / Mgmt. response | Owner | Status change | Last update | Current status |
|---|--|-----------------|---------------------|---|---|-----------------|---------------|-------------|---|
| 1 | Delay in nomination of members the Programme Board | 15/03/12 | Problem | Key activity involving leadership for the Programme P=5; I=3; PXI=15 | Discussions initiated by Ministry of Home Affairs | Project Manager | Changed | 30/06/12 | Resolved;- Prog Board members appointed |
| 2 | Delay in appointment of GPAR CTA | 1/07/12 | Operational problem | Delays in key programme/activities delivery P=4; I=4 Pxl=16 | Discussion between MoHA/UNDP on speeding process and with UNCDF on temporary reassignment of urgent/critical GPAR duties to UNCDF Local Governance Advisor in SCSD. | Project manager | Changed | 30/09/12 | CTA will arrive 1/11/12. Urgent/critical GPAR support being provided by UNCDF Advisor |

ANNEX 6 NATIONAL GPAR SCSD PROJECT: LESSONS LEARNED LOG p1

| Lesson ID | Date logged | Type | Description | Recommendation |
|-----------|-------------|----------|---|---|
| 01 | 30/03/12 | Positive | Programme framework allows for several implementation mechanisms to operate in parallel enabling good alignment | <ul style="list-style-type: none"> • Documentation of various options that can be shared with potential partners |