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Government of Lao PDR



**GOVERNANCE AND PUBLIC ADMINISTRATION REFORM:**

# **Strengthening Capacity and Service Delivery of Local Administrations (GPAR SCSD)**

**(UNDP- AWARD: 00064630)**

**PROGRESS REPORT QUARTER 1/2014**



Schweizerische Eidgenossenschaft  
Confédération suisse  
Confederazione Svizzera  
Confederaziun svizra

Swiss Agency for Development  
and Cooperation SDC



**LE GOUVERNEMENT**  
*du Grand Duché de Luxembourg*

## I. PROJECT INFORMATION AND RESOURCES

Project ID and title:	Strengthening Capacity and Service Delivery of Local Administrations (GPAR SCSD) GPAR SCSD-00081322. Award: 00064630
Executing Agency:	Ministry of Home Affairs
Collaborating Ministries/ Government agencies:	Ministry of Finance, Ministry of Planning and Investment, Provincial and District Administrations.
Project duration:	February 3, 2012 - December 31, 2015

Period covered by report:	January 1, 2014 - March 31, 2014
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Total Budget	Original Budget (US\$)	Latest Signed Revision (US\$)
	12,568,800	12,568,800

Resources	Donor	Amount (US\$)
		United Nations Dev. Programme
	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

Summary of expenditure for period covered by report	Amount (US\$)	
	Budget for Quarter	394,291 US\$
	Expenditure in Quarter	255,591 US\$
	Delivery Rate %	65%

## Project Performance and Results

### Overview

Strengthening Capacity and Service Delivery of Local Administrations (GPAR SCSD) project was officially launched on 03 February 2012 and became operational from 1<sup>st</sup> July 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.

The seven outputs of the project are:

1. Policies and regulatory frameworks for effective local administration at province and district level.
2. Improved capacities of local administrations to fulfill its service delivery mandates.
3. Improved MDG focused service delivery provided through formula based and equity focused block grants to the districts.
4. Improve Access to Citizens Service through One Door Service
5. GPAR Capacity Development and Modernisation Fund (CADEM) to support strategic innovations in Public Administration reforms
6. Citizens' Feedback and district mechanisms for responsive and accountable service delivery
7. Project administration and support.

### Overview of activities during period

The main activities carried out by the project during the Quarter are listed below:

#### 1 Policies and regulatory frameworks for effective local administration at province and district level:

- Consultation Meeting on Civil Service Appraisal System was conducted in 5 provinces to collect information from provincial and districts offices. This is to provide input for drafting the future Decree on Civil Service Appraisal

#### 2 Improved capacities of local administrations to fulfill its service delivery mandates:

- Since January to March 2014, four batches of training/refreshment on DDF Guidelines have been organized for DDST/DDSC/PST of Xiengkhouang, Houaphan, Oudomxai and Luangnamtha. A total 263 government officials including 67 women participated the training.

- The first performance assessment exercise of district administrations in Lao PDR has been completed for the 8 District Administrations of Saravane Province. The performance assessment measured the performance of the 8 districts across 21 indicators covering Planning (10 Indicators), Financial Management & Procurement (3 Indicators), Execution & Service Delivery (5 Indicators) and Accountability & Transparency (3 Indicators). The scores achieved affect the future fiscal assignments to each District, as a way of incentivising better performance of each District Administration.

Results of the first District performance Assessment in Lao PDR						Effect
8 Districts of Saravane Province	Planning	Financial Management & procurement	Execution & Service Delivery	Accountability & Transparency	Overall Score	% Gain or (Loss) on future DDF Grant
<i>Max points</i>	40	20	22	18	100	
<i>Saravane</i>	40	20	22	13	95	3.3
<i>Ta Oy</i>	37	20	20	11	88	(0.6)
<i>Toumlane</i>	33	20	19	13	85	(2.3)
<i>Lakhonpheng</i>	40	20	21	13	94	2.8
<i>Vapi</i>	37	20	17	11	85	(2.3)
<i>Khongsedone</i>	37	20	17	11	85	(2.3)
<i>Lao Ngam</i>	37	20	19	10	86	(1.7)
<i>Samuay</i>	40	20	20	11	91	1.1

- All 8 Districts had excellent overall scores – ranging from 85% to 95%. The purpose of the performance assessment system is to raise the average overall and have generally higher performing districts that can better manage socio-economic development to serve their residents.

### 3 Improved MDG focused service delivery provided through formula based and equity focused block grants to the districts.

- The results of the District Performance Assessment (see above) directly affects the DDF allocations to each of the 8 participating Districts for FY 2014/15. The DDF calculation for FY2014-2015 has been completed and the final DDF allocation FY2014-2015 for 53 districts of 7 provinces has been approved by MoHA.
- The Quarter expenditure refers to Performance Assessment and support costs and not DDF grants. For information on overall progress of DDF grant: To date a total 1,917,424,545 Kip(\$238,739 USD approx.) of the first 50% installment has been transferred to 36 of 53 district accounts.

### 4 Improve Access to Citizens Service through One Door Service

- TOR for Local Consultant to assess the ODS implementation and Action Plan was circulated to DoLA, DPAD and feedback were provided
- Dissemination Seminar on One Door Service was organized for key Ministries on March 5-7, 2014 in Vientiane Province. A total of 33 participants attended; 10 women.

- A similar Dissemination Seminar on ODS for key provincial departments and districts was organized in Champassak Province on March 31-April 2, 2014. The workshop was attended by 87 participants of which 12 were women.

## 5 GPAR Capacity Development and Modernisation Fund (CADEM) to support strategic innovations in Public Administration reforms

- 24 projects out of 26 projects (granted for the years 2012 and 2013) were closed including the projects bank accounts
- Following the screening of project proposals 15 projects selected for the year 2014; MoUs between NGPAR and 15 organizations/projects were signed in Feb 2014.
- The CADEM team completed training on project proposal writing in Lanxang Hotel in Jan 2014 and training on project management and financial management for all 15 organizations/ project from Feb-Mar 2014. There were a total of 191 participants of which - 85 females)
- Transferred 1<sup>st</sup> installment (50%) about 500,785,500 kip in Mar 2014
- Draft questionnaire for the Assessment of CADEM Projects for the year 2012-13 drafted for comments.

## 6 Citizens' Feedback and district mechanisms for responsive and accountable service delivery

- Dissemination Seminar on the District-Service Delivery Monitoring System (D-SDMS) was organized for MoHA Task Force Technical Team on January 23, 2014. The seminar was aimed at explaining the objectives and design of the MOHA Task Force team members to enhance understanding especially vis-à-vis MoHA's work with local authorities.
- The international mission to develop a framework on District Service User Feedback Survey (D-SUFS) was conducted from 3-7 March 2014. The Consultant Team met with the staff of the Lao National Statistic Bureau, Poverty Reduction Fund and MoHA. The mission also met with provincial and district officials in Oudomxay Province to obtain information on existing feedback system from concerned sector as well as explore operational issues on the implementation of a user survey at the district level. The information were intended to inform the design of the framework, sample size and survey questionnaire. The report on the Design Framework was submitted and circulated to selected organizations.
- As part of the ongoing international technical service, further technical discussion were held in March 2014 with the Lao National Statistics staff to discuss technical assistance support in the implementation of the D-SDMS.
- Plans are progressing for field trials of both the D-SDMS and the D-SUFS during 2014.

## 7 Project administration and support.

- Field visit by Development Partners in Sekong and Saravan in Jan 2014 (participated by representatives of MOHA, MPI, MoF, UNDP, SDC, EU, Luxembourg, R.Korea). The mission visit selected DDF projects (primary schools) and provincial level ODSC and met with project beneficiaries DDF projects in the two provinces.
- Annual Review Meeting for 2013 was organized on 24 January 2014. The meeting presented the key accomplishments and progress to date and priorities for 2014 of the 4 projects under the NGPAR framework, namely: NGPAR Secretariat Support Project (NGPS), Strengthening Capacity for Service Delivery of Local Administration (SCSD)

Project, Civil Society Support Project (CSSP), and the Governance and Capacity Development for Public Sector Management (GCDPSM) Project.

- 3<sup>rd</sup> NGPAR Board Meeting on 24 Jan 2014 to approve annual work plan for 2014 of the 3 projects: NGPS, SCSD and CSSP. The meeting noted the improved reporting of the project results. The Ministry of Finance also informed that it is currently in the process of revising the 2006 State Budget Law and expressed interest to learn more about the District Development Fund (DDF) modality and how its features maybe adapted in the on-going revision of the budget law. Annual Review Meeting for 2013.

PROJECT PERFORMANCE

Outputs	Budget for Quarter	Expenditure in Quarter	Update on activities during Quarter	Reasons for delay and constraints
1. Polices and regulatory frameworks for effective local administration at province and district level	66,895 US\$	21,230US\$	<ul style="list-style-type: none"> <li>Consultation Meeting on Civil Service Appraisal System conducted in 5 provinces</li> </ul>	<ul style="list-style-type: none"> <li></li> </ul>
2. Improved capacity of local administrations to fulfill its service delivery mandates	75,112 US\$	35,707 US\$	<ul style="list-style-type: none"> <li>Four batches of training/refreshment on DDF Guidelines have been organized for DDST/DDSC/PST of Xiengkhouang, Houaphan, Oudomxai and Luangnamtha.</li> <li>The first performance assessment exercise of district administrations in Lao PDR has been completed for the 8 District administrations of Saravane Province. The results of this exercise are reflected in revised DDF allocation to each of the 8 Districts for FY 2014/15.</li> </ul>	<ul style="list-style-type: none"> <li></li> </ul>
3. Improved MDG focused service delivery provided through formula based and equity focused block grants to the districts	36,040 US\$	23,343 US\$	<ul style="list-style-type: none"> <li>The Quarter expenditure refers to Performance Assessment and support costs and not DDF grants.</li> <li>(For information on overall progress of DDF grant: First tranche of DDF Funds for the FY2013-2014 of \$877,796 USD was transferred to DDF Special Account in Bank of Lao (BoL), while the request for the final tranche for FY2013-2014 of \$120,204 is being submitted to UNCDF CO through MOF (total transfer to BoL for FY 2013/14 is \$998,000 approx. ) To date a total 1,917,424,545 Kip(\$238,739 USD approx.) of the first 50% installment has been transferred to 36 of 53 district accounts. This amount includes DDF-Capital investments (BBG) of total 1,131,673,145 Kip (\$140,865 USD) and DDF-Operational</li> </ul>	<ul style="list-style-type: none"> <li>The low capacity in some Districts in submission of proper financial reports on the 1<sup>st</sup> Tranche often results in delay in transferring the 2<sup>nd</sup> Tranche funds to these Districts, However, with ongoing capacity developing and backstopping the situation is improving, as expected.</li> </ul>

Outputs	Budget for Quarter	Expenditure in Quarter	Update on activities during Quarter	Reasons for delay and constraints
			Expenditure (OEBG) of total 785,751,400 Kip (\$97,874 USD ))	
4. Improved Access to Citizen Services through One Door Service	20,867 US\$	14,613 US\$	<ul style="list-style-type: none"> <li>• TOR for Local Consultant to assess the ODS implementation and Action Plan drafted and circulated to DoLA, DPAD and feedback were provided</li> <li>• Dissemination Seminar on One Door Service was organized for key Ministries on March 5-7, 2014 in Vientiane Province. A total of 33 participants attended; 10 women.</li> <li>• A similar Dissemination Seminar on ODS for key provincial departments and districts was organized in Champassak Province on March 31-April 2, 2014. The workshop was attended by 87 participants of which 12 were women.</li> </ul>	
5. GPAR Capacity Development and Modernisation Fund (CADEM) supports strategic innovations in Public Administration reforms	93,675 US\$	104,999 US\$	<ul style="list-style-type: none"> <li>• 24 projects out of 26 projects (granted for the years 2012 and 2013) were closed including the project bank accounts</li> <li>• MoUs between NGPAR and 15 organizations/projects were signed in Feb 2014</li> <li>• Training on project proposal writing in Lanxang Hotel in Jan 2014 and training on project management and financial management for all 15 organizations/ project conducted from Feb-Mar 2014</li> <li>• The first installment for all 15 project was transferred to their bank account for implement</li> </ul>	
6. Citizen Feedback and district mechanism for responsive and accountable service delivery	31,038 US\$	14,263 US\$	<ul style="list-style-type: none"> <li>• In-country mission to develop a framework on Service User Feedback Survey held in March 2014. The mission submitted its report which has been accepted by NGPAR.</li> <li>• Dissemination Seminar on the District-Service Delivery Monitoring was organized for MoHA Task Force Technical Team on January 23, 2014</li> </ul>	



Outputs	Budget for Quarter	Expenditure in Quarter	Update on activities during Quarter	Reasons for delay and constraints
7. Project Administration	70,663 US\$	41,436 US\$	<ul style="list-style-type: none"> <li>Field visit by Development Partners in Sekong and Saravan in Jan 2014 (participated by representatives of MOHA, MPI, MoF, UNDP, UNCDF Regional Office, SDC, EU, Luxembourg, R.Korea).</li> <li>Annual Review Meeting for 2013 was organized on 24 January 2014. The meeting presented the key accomplishments and progress to date and priorities for 2014 of the 4 projects under the NGPAR framework.</li> <li>3<sup>rd</sup> NGPAR Board Meeting on 24 Jan 2014 approved annual work plan for 2014 of the 3 projects: NGPS, SCSD and CSSP</li> </ul>	
Total	394,291 US\$	255,591 US\$		

**NATIONAL GPAR SCSD PROJECT: COMMUNICATION AND MONITORING PLAN/REPORT 2014**

<b>Project Title:</b> National GPAR SCSD Project	<b>Award ID:</b> 00064630	<b>Updated to:</b> 31/03/2014
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Type of Action	Stakeholders	Method of communication	Due by	Completed on	Status
Annual Work Plan and Budget: 2013	UNDP, UNCDF, SDC, Govt of Korea, GD of Luxembourg	Report	01/03/13	18/02/13	Completed
Tentative Work plan and FACE form: Q1- UNDP	UNDP	Report	10/01/13	10/01/13	Completed

2013						
Quarterly Progress Report for Q1-2013, including logs	UNDP , UNCDF, SDC, Govt of Korea, GD of Luxembourg	Report	10/04/13	10/04/13	Completed	Completed
Work plan and FACE form: Q2-2013	UNDP	Report	10/04/13	10/04/13	Completed	Completed
Quarterly Progress Report for Q2-2013, including logs	UNDP , UNCDF, SDC, Govt of Korea, GD of Luxembourg	Report	10/07/13	10/07/13	Completed	Completed
Work plan and FACE form: Q3-2013	UNDP	Report	10/07/13	10/07/13	Completed	Completed
Quarterly Progress Report for Q3-2013, including logs	UNDP , UNCDF, SDC, Govt of Korea, GD of Luxembourg	Report	10/10/13	10/10/13	Completed	Completed
Work plan and FACE form: Q4-2013	UNDP	Report	10/10/13	10/10/13	Completed	Completed
Annual Report 2013 (incl. Q4-2013, including logs )	UNDP , UNCDF, SDC, Govt of Korea, GD of Luxembourg	Report	10/01/14	10/01/14	Completed	Completed
Joint Annual Technical Review (JATR)	UNDP , UNCDF, SDC, Govt of Korea, GD of Luxembourg	Report	31/12/13	Replaced by Mid Term Review held on 25/07/13	Completed	Completed
Annual Work Plan 2014	UNDP , UNCDF, SDC, Govt of Korea, GD of Luxembourg	Report	31/01/14	10/01/14	Completed	Completed
Tentative Work plan and FACE form: Q1-2014	UNDP	Report	10/01/14	10/01/14	Completed	Completed
Quarterly Progress Report for Q1-2014, including logs	UNDP , UNCDF, SDC, Govt of Korea, GD of Luxembourg	Report	10/03/14	10/04/14	Completed	Completed

NATIONAL GPAR SCSD PROJECT: RISK LOG - 2012-14

<b>Project Title:</b> National GPAR SCSD project	<b>Award ID:</b> 00064630	<b>Last Reviewed Date:</b> 31/03/2014
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#	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 NNGPAR	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=22; I=3; PXI=66	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=8 (down from 12)	Continuous dialogue with donor community and coordination of all resource mobilization by MoHA	Programme Manager	Programme Manager	30/06/2012	Changed. \$1million from Govt Luxembourg
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; PXI=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	NNGPAR Programme framework will be basically altered	Discussions with MONRE and UNDP initiated to develop suitable framework	Programme Manager	Programme Manager	30/06/2012	Changed – moved to

									Issues
7	MAF sub-project may delay other implementation plans	15/05/12	Operational	P=5; I=2; Pxl=10 Core activities implementation delayed P=2; I=3 Pxl=6	Merge MAF and SCSD/OEBG activities where possible	Programme Manager	Programme Manager	30/09/12	Risk reduced from 9 following successful DDF trainings.

NATIONAL GPAR SCSD PROJECT: ISSUES LOG - 2013-14

<b>Project Title:</b>	National GPAR SCSD project	<b>Award ID:</b>	00064630	<b>Last Reviewed Date:</b>	31/03/2014
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#	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; Pxl=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	21/04/13	CTA report on 11/2012
3	GEF funds will be delivered through a parallel project		Operational problem	NGPAR Programme framework will be basically altered with less funds for SCSD project P=5; I=2; Pxl=10	Agreement was reached between UNDP/MONRE and UNCDF/GPAR that the DDF mechanism in SCSD will be used to channel Climate Change funds to district on behalf of the LDCF2 Project. LDCF2 Project will deploy a national consultant to manage/ coordinate some of the	Project Manager	New	31/12/13	Clarified

					additional expected work load on SCSD/DDF.				
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**NATIONAL GPAR SCSD PROJECT: LESSONS LEARNED LOG**

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"> <li>• Documentation of various options that can be shared with potential partners</li> </ul>
02	31/03/13	Positive	MAF-OEBG successfully implemented in 2012 & approach & tools adopted by OEBG for general use	<ul style="list-style-type: none"> <li>• MAF-OEBG Review conducted &amp; available. Inform DP of successes &amp; impact on local beneficiaries of DDF - created DVD for advocacy</li> </ul>



Certified by: \_\_\_\_\_  
 Nisith Keopanya, Programme Manager,  
 National GPAR Programme

Date: April 10, 2014