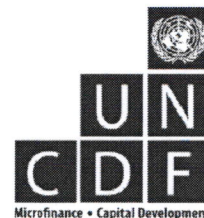




Government of Lao PDR



Lao PDR



GOVERNANCE AND PUBLIC ADMINISTRATION REFORM:

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

(UNDP- 00081322)

PROGRESS REPORT QUARTER 3/2012



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:	
Project duration:	February 3, 2012 - December 31, 2015

Period covered by report:	July 1, 2012 - September 30, 2012
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Total Budget	Original Budget (US\$)	Latest Signed Revision (US\$)
	12,568,800	12,668,800

Resources	Donor	Amount (US\$)
		United Nations Dev. Programme
	UN Capital Development Fund	1,300,000
	Government (parallel)	702,000
	Swiss Agency for Dev. Cooperation	4,000,000
	Govt. of Republic of Korea	2,000,000
	Global Environment Facility (parallel)	2,000,000
	Millennium Acceleration Fund (parallel)	100,000
	Unfunded	2,166,800

Summary of expenditure for period covered by report	Amount (US\$)	
	Budget for Quarter3 /2012	384,632
	Expenditure in Quarter3/2012	272,758
	Delivery Rate %	71 %

Project Performance and Results

Overview

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.

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 administrations:

- Support was given to Ministry of Home Affairs to help clarify the emerging new policy and regulatory frameworks (notably Politburo Resolution No.3/2012 and & Prime Minister Order 16/2012) on increased delegated authority for all 17 Provincial Administrations and 51 participating District Administrations, including 105 selected Villages.
- Implementation of the dissemination strategy for the "3 Builds" Pilot, relevant materials and documentation, and related capacity development programme was also assisted by the project. This was mainly in the form of financial support to in-field operations, which comprised 6 specialist support teams under the guidance of MoHA. Participants numbered 2,140 people, drawn from the leadership of Provinces and

Districts and senior sector management, divisions and offices. (This Activity was also supported in part by with Output 2 and Output 7)

2 Improved capacities of local administrations:

- Launch of MAF-OEBG¹ initiative in Xiengkhouang province and related training/planning workshops conducted for all 8 Districts of the Province. Purpose was to inform about the Millennium Acceleration Framework (MAF) sub-project, which will be implemented during 2012 under SCSD, and to prepare eligible MDG focused targets for each District. (MAF-OEBG block grants were released later in the Quarter under Output 3)
- Building on earlier design mission in Quarter 2, the new DDF Performance based Grant System (PBGS) was launched in Saravan province during August. The PBGS for Saravan includes both capital grant (the basic Block Grant or BBG) and the Operational Expenditure Block Grants and thus, extensive capacity development support and planning workshops were supported by the project for all 8 districts in Saravan.

3 Improved MDG focused service delivery by districts

- Release of MAF-OEBG small block grants of \$6,000 per District applicable for Health, Education, Agriculture and Public Works - but with a strong emphasis on activities that link to helping to address the MDG bottlenecks in each District. In line with OEBG terms, only non-capital and non-salary services may be supported by MAF-OEBG grants.
- Procurement in process for equipment to support DDF at national and sub-national levels.

4 Improve Access to Citizens Service

- Procurement in process for initial equipment & office furniture.

5 GPAR Capacity Development and Modernisation Fund (CADEM)

- Following internal preparatory meetings and finalization of design within Ministry of Home Affairs, - with the representative from Ministry of Planning and Investment, Ministry of Finance, UNCDF, UNDP, - capacity development was given by external facilitators to the newly appointed CADEM Technical Working Group, which comprises representatives from MOF, MPI, UNDP, UNCDF and SDC. The formal request for Expressions Of Interest (EOI) was issued in July. A total of 284 EOIs were received and subsequent to the first round of shorting listing, 14 EOIs were identified and underwent capacity development training on CADEM and proposal development and presentation; 10 of these EOIs are from local administration). A final selection process will be completed early in Quarter 4.

¹ MDG Acceleration Framework-Operational Expenditure Block Grant initiative in SCSD project.

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

- No budget-impacting activity was planned for Q3Q3.

7 Project Output Support

- The Inception Workshop for the new national Governance and Public Administration Reform Programme (NGPAR) was held on 7th August, under the Chair of the Minister for Home Affairs and senior representatives of concerned Ministries and Development Partners. The Inception Workshop was followed by two Signing Ceremonies; (i) the new DDF MOU was signed by Ministry of Finance, Ministry of Planning and investment, the current 6 participating Provinces and UNCDF; and (ii) MoHA and UNICEF signed a Work plan and Budget, which will offer local administration services delivery support to Sing District in Luang Namtha, in parallel to the OEBG introduced there under SCSD project.

Workshops and meetings

- "3 Builds" Pilot Workshops

Six specialist support teams under the guidance of MoHA conducted nation-wide workshops on dissemination for the "3 Builds" Pilot, relevant materials and documentation, and related capacity development. Participants numbered 2,140 people, drawn from the leadership of Provinces and Districts and senior sector management, divisions and offices. (This Activity was also supported in part by with Output 2 and Output 7)

- MAF-OEBG Workshops (Xiengkhouang)

Workshop was held at Xiengkhouang province, under Chair of the Deputy Governor and with 23 participants (5 women) from province, district, MOHA and SCSD, to sign the MAF-OEBG/Province MOU for the MAF-OEBG initiative. District level workshops for training/planning workshops conducted for all 8 Districts of the Province, involving some 72 participants (10 women).

- DDF Workshops (Saravan)

DDF Performance based Grant System (PBGS) was launched in Saravan province during August, under the Chair of the Deputy Governor, with 31 participants (4 women). This was followed by capacity development and planning workshops for all 8 districts in Saravan, with 113 participants (8 women).

- CADEM Workshop

A CADEM capacity development workshop was held in Vientiane Province, for new establish Technical Working Group, with 30 participants. Moreover, 14 EOIs that were selected for short-list. Ten of these EOIs are from local administration was trained on

proposal writhing and budgeting, a total of 3530 participants benefited from the workshop.

- NGPAR Inception Workshop

Inception Workshop for the new national Governance and Public Administration Reform Programme (NGPAR) was held on 7th August, under the Chair of the Minister for Home Affairs. Among the 50 participants were representatives from government agencies, including Ministry of Finance, Ministry of Health, Ministry of Education, Ministry of Planning and investment, UNDP, UNCDF, UNICEF and development partners participated.

- **Project Management**

- Recruitment of staff:

Recruitment to most key positions has been completed. Recruitment of GPAR UNDP Chief Technical Advisor has progressed, with interviews held in the first week of July. The selected person is scheduled to join the SCSD project in early November 2012, once UNDP recruitment and induction processes and procedures are completed.

PROJECT PERFORMANCE

Outputs	Budget for Quarter	Expenditure July-Sept 2012	Update on activities during Q3/Q3/ 2012	Reasons for delay and constraints
<p>1. Polices and regulatory frameworks for effective local administration at province and district level</p>	<p>50,516</p>	<p>40,537</p>	<ul style="list-style-type: none"> • Policy dissemination led by MOHA on Politburo Resolution No.3/2012 and & Prime Minister Order 16/2012) on increased delegated authority for all 17 Provincial Administrations and 51 participating District Administrations, including 105 selected Villages. • Nation-wide capacity development Workshops led by MoHA on government policy on delegate authority and plans Pilot “3 Builds” in line with PM Order (16/2012) of Prime Minister on mandates and strengthening sub-national administrations. (Shared with Output 2 & 7) • Memorandum of understanding for the GPAR-Strengthening Capacity and Service Delivery for Local Administrations Program (SCSD) was finalized and signed on 7 August 2012. 	<ul style="list-style-type: none"> • The cost of Advisor for Review OEBG not charge in the Q3 – final report awaited.
<p>2. Improved capacity of local administrations to fulfill its service delivery mandates</p>	<p>110,709</p>	<p>95,779</p>	<ul style="list-style-type: none"> • 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 block grants were released later in the Quarter under Output 3) • New DDF Performance based Grant System (PBGs) was launched in Saravan province during August. 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. 	<ul style="list-style-type: none"> • The cost of International Technical Advisor for DDF was not charge in this output
<p>3. Improved MDG</p>	<p>87,349</p>	<p>75,990</p>	<ul style="list-style-type: none"> • Procurement in process for equipment to support DDF at national and 	<ul style="list-style-type: none"> • Apparent lack of access to

Outputs	Budget for Quarter	Expenditure July-Sept 2012	Update on activities during Q3/Q3/ 2012	Reasons for delay and constraints
<p>focused service delivery provided through formula based and equity focused block grants to the districts</p>			<p>sub-national levels.</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 MIDG bottlenecks in each District. 	<p>MDG specific data at District level represents a challenge to MDG bottleneck targeting. SCSD is pursuing with Ministries of health & Education for deeper understanding of possibilities.</p> <ul style="list-style-type: none"> Equipment purchase is in Process by UNDP Provincial oversight support is postponed to next Q4
<p>4. Improved Access to Citizen Services through One Door Service</p>	35,969	1,482	<ul style="list-style-type: none"> Procurement in process for initial equipment & office furniture 	<ul style="list-style-type: none"> Plan for roll out of ODS to districts to be agree with MoHA
<p>5. GPAR Capacity Development and Modernisation Fund (CADEM) supports strategic innovations in Public Administration reforms</p>	27,028	6,672	<ul style="list-style-type: none"> Formal request for Expressions Of Interest (EOI) issued & capacity development given by external facilitators to the new CADEM Technical Working Group,(MoHA, MOF, MPI, UNDP, UNCDF and SDC), 284 EOIs were received and short listed to 14 EOIs, with 10 from -local administration.. Capacity development on CADEM / proposal development and presentation to short-listed 14. (A final selection process will be completed early in Quarter 4). 	<ul style="list-style-type: none"> The cost of UNDP CTA was not charged in this Quarter. Training for Eoi selected organization was postpone to Q4
<p>6. Citizen Feedback and district</p>	15,000		<ul style="list-style-type: none"> No Budget-impacting activity was planned for Q3 	

Outputs	Budget for Quarter	Expenditure July-Sept 2012	Update on activities during Q3/Q3/ 2012	Reasons for delay and constraints
mechanism for responsive and accountable service delivery				
7. Project Administration	58,061	52,298	<ul style="list-style-type: none"> • NGPAR Inception Workshop held on 7th August, under the Chair of the Minister for Home Affairs and participation from concerned Ministries and Development Partners. • (i) Signing Ceremony for new DDF MOU between government & UNCDF and (ii) MoHA / UNICEF signed a Work plan and Budget to offer local administration service delivery support to Sing District in Luang Namtha, in parallel to the OEBG there under SCSD project. • UNDP recruitment process for GPAR CTA ongoing – CTA will arrive 1st November 2012. 	
Total	384,632	272,758		

NATIONAL GPAR SCSD PROJECT: COMMUNICATION AND MONITORING PLAN/REPORT 2012 p1

Project Title: National GPAR SCSD Project	Award ID: 00064630	Date: 01/02/2012
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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		
Joint Annual Technical Review (JATR)	UNDP, UNCDF, SDC, Govt of Korea,	Report	31/12/12		
Annual Report 2012	UNDP, UNCDF, SDC, Govt of Korea,	Report	31/12/12		
Annual Work Plan 2013	UNDP, UNCDF, SDC, Govt of Korea,	Report	31/12/12		

NATIONAL GPAR SCSD PROJECT: RISK LOG - 2012 p1

Project Title: National GPAR SCSD project	Award ID: 00064630	Last Reviewed Date: 30/09/2012
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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 NGPAR	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 nationwide, will be postponed with impact on MDG progress. P=3; I=4; Pxi=12	Continuous dialogue with donor community and coordination of all resource mobilization by MoHA	Programme Manager	Programme Manager	30/06/2012	No change
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 nationwide 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	01/02/12	Strategic	NGPAR Programme framework will be basically	Discussions with MONRE and UNDP initiated to develop	Programme Manager	Programme Manager	30/06/2012	No change

	parallel project				altered P=5; I=2; PXI=10	suitable framework			
7	MAF sub-project may delay other implementation plans	15/05/12	Operational	Core activities implementation delayed P=2; I=3 PXI=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 - 2012 p1

Project Title:	National GPAR SCSD project	Award ID:	00064630	Last Reviewed Date:	30/09/2012
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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; 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 PXI=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

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



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

Date: October 10, 2012