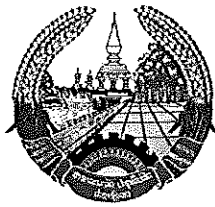




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Government of Lao PDR



**GOVERNANCE AND PUBLIC ADMINISTRATION REFORM:**

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

**(UNDP- 00081322/ AWARD: 00064630)**

**PROGRESS REPORT QUARTER 3/2013**



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

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

<b>Period covered by report:</b>	July 1, 2013 - September 30, 2013
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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 (in kind)	702,000
	Yet to be funded	1,166,800
<p><i>Note *: GEF project "Effective Governance for small-scale rural infrastructure and disaster preparedness in a hanging climate" (Project ID 00084024) was signed by Ministry of Natural Resources and Environment (MONRE) and UNDP in May 2013. The SCSD joint program will collaborate by delivering Climate Change grants to the local administrations, but does not have any direct control or primary responsibility for these fund, which remains with MONRE as Implementing Partner.</i></p>		

Summary of expenditure for period covered by report	Amount (US\$)	
	Budget for Quarter	391,709 US\$
	Expenditure in Quarter	430,526 US\$
	Delivery Rate %	110%

## Project Performance and Results

### Overview of SCSD

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 2013. 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.

### Progress towards Key Priorities and Expected Results for 2013

#### *Output 1: Support to the Development of Policies and Regulatory Framework for more Effective Local Administration at Province and District Levels*

##### **Target 2013: Support pilot “3 Sang” in 52 Districts**

- The majority of the work undertaken to date has been done by government officials and using national budget. SCSD support in 2013 has been applied selectively through CADEM small grants and through the DDF system of trainings and support to selected Districts. 7 of the 26 CADEM grants (amounting to 458 million kip/\$59,301) awarded in 2013 support the efforts of 3 Sang and DDF has invested 3,949,766,000 KIP, - about US \$513,000 – in 21 3 Sang districts together with associated DDF training and support to local officials.

##### **Target 2013: Law on Local Administration updated**

- Steady progress is being made in the process to revise the implementation of Local Administration Law. A series of consultation meetings have continued during the year to date. Following high level consultation meetings, two proposed Law on Local Administration: Province and District, and the Law on City and Municipality were presented in a Government meeting in August 2013. Based on that meeting a decision was made by the Government to integrate the two proposed laws under one Law on Local Administration. A decision was further made to defer further revision/amendments until 2015 to enable proposed changes in regulations based on

the lessons learned in the pilot implementation of the Sam Sang to be incorporated the Law on Local Administration..

The Target to Develop new district service delivery monitoring system is linked to Output 6, and dealt with there.

***Output 2: Improved Capacity of Local Administration to fulfill its Service Delivery Mandates***

**Target 2013: 224 officials in 16 new districts can plan & monitor local service priorities**

- The training of local officials here is directly linked to the extension of the District Development Fund system to 16 new districts during 2013. In addition, a DDF Launching workshop for raising awareness on NGPAR Programme and DDF- PBGS and Strengthening Capacity of Local Administration through DDF in relation with Party Resolution - Sam Sang (3 built). The 12 districts of Luang Prabang and 4 remaining districts of Luang Namtha, bring to a total of 53 districts now benefiting from the DDF support and trainings.
- Three batches of training were given during 2013 for the 16 new districts. This builds upon the 5 batches of refreshment trainings, on DDF-BBG and DDF-OEBG guidelines given in 2012, which was the beginning of FY 2012/13. The total number of local officials trained during FY 2012/13 amounts to 963 of which 121 were women. Key participants were the local DDF support organizations, including the District Development Support Committees and District Development Support Teams from 21 districts of 3 provinces (Luangprabang, Luangnamtha and Sekong).
- A total 447 district officers including 57 women received refresher training on planning, financial management, implementing local development priorities and monitoring and reporting.

**Target 2013: Assessment report for applying civil service performance assessment framework at districts**

- Draft concept note on performance appraisal framework for district discussed with MoHA's Department of Civil Service Appraisal & Development with a view to assessing the possibilities for developing and pilot testing a performance-based civil service evaluation framework at the district level.
- Additional 224 local officers from 16 new districts are able to plan and monitor the investments related to local service priorities.

***Output 3: Improved MDG focused Service Delivery provided through Formula based and Equity focused Block Grants to the Districts.***

**Target 2013: 50 officials across 8 districts can apply performance assessment standards (PAM)**

**Target 2013: Officials in 16 new districts & 37 existing districts have increased capacity in planning, budgeting, management and finance functions**

- Local level training for district performance assessment standards is scheduled for Q4/2013 and will be implemented in 8 Districts in 2013, as planned, with a further 4 districts added in 2014.
- The results of the ever increasing capacity of local staff across 53 districts – 16 new and 37 existing districts – to better plan, budget and do financial management is perhaps best demonstrated by the resulting increases services rendered, or currently underway, to their communities..
  - The 37 existing DDF districts supported in FY 2012/13 are approaching the end of a successful cycle of delivering 182 new local service interventions for their communities. This involved the management and investment of 5,230,124,000 KIP, which is about \$655,158 USD.
  - The 16 new districts have been trained on DDF Guidelines and now all 53 are being submitted their DAIPs (District Annual Investment Plan) and OEBG plans/proposals for FY 2013/14. This will mean that 53 districts will receive DDF support for FY 2014/15 with a budget of some \$1million to be invested in local service delivery improvements.

***Output 4: Improving Access to Citizen Services***

**Target 2013: Action Plan to implement PM instruction on ODS developed**

**Target 2013: Officials 17 provinces understand & can apply new ODS guidelines**

- PM Instruction 09/13, on expansion of ODSC, was signed on January 28, 2013. And revised guidelines on ODS have now been approved by the Minister of Home Affairs. The new Ministerial Instruction and guidelines were disseminated and discussed at a recent national workshop. The workshop included participants from concerned ministries, provinces and districts and provided a forum for discussion and exchange of experience on the implementation of ODS. MoHA has been conducting field visits to assess the implementation of ODSC.

***Output 5: GPAR Capacity Development and Modernization Fund (CADEM) support strategic innovative in public administration reforms***

**Target 2013: 15 govt. offices use CADEM to improve administrative procedures**

- 15 government offices (5 central & 10 local organizations) used GPAR CADEM Fund to improve administrative procedures - 1,068,167,000 kip ( about \$ 135,000 USD). 4 projects focus on gender mainstreaming and 7 projects focus on 3 Sang initiatives and the transfer of the first tranche to the 15 offices was completed in March 2013.
- A CADEM Fund technical team provided advice/coach the coordinators and accountants of the provincial departments (7 departments) in Borikhamxay and Oudomxay which

received CADEM Fund for year 2012-2013. This is to improve their capacity on financial management and reporting of their actual expenses and activities supported by CADEM Fund

**Target 2013: 5 govt. offices use CADEM to improve gender focused interventions**

- 4 projects on gender mainstreaming and 7 projects on 3 Sang initiatives
- Field monitoring for projects granted 2012 has also been conducted and will continue as part of monitoring and evaluation of the CADEM projects supported in 2012 and 2013.

***Output 6: Citizen Feedback and District Mechanisms for Responsive and Accountable Service Delivery***

**Target 2013: DSDMS for at least 4 Districts is designed & endorsed**

**Target 2013: New Citizen feedback mechanism designed & endorsed.**

- Following a 2-week in-country mission in July 2013 by a Consultancy Team a *Design Framework* was submitted (and approved by MoHA/NGAPR) with recommendations for next step action. Based on the proposed next steps, the following follow-up actions have been taken: (i) a MoHA Technical Team has been established to coordinate the implementation of the DSDMS; (ii) 4 pilot districts in Huaphan province and Saravan province have been identified by the Technical Team; and (iii) agreement with the Lao Bureau of Statistics has been secured to provide the necessary technical support in the pilot implementation of the DSDMS initiative. Preparations are currently underway for the initialization of the field trials.

## Overview of activities during period

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

## PROJECT PERFORMANCE

Outputs	Budget for 3 <sup>rd</sup> Quarter	Expenditure in 3 <sup>rd</sup> Quarter	Update on activities during Quarter	Reasons for delay and constraints
<p>1. Polices and regulatory frameworks for effective local administration at province and district level</p>	<p>24,490 US\$</p>	<p>23,069 US\$</p>	<ul style="list-style-type: none"> <li>• GPAR SCSD Project support provided to the Open Dissemination Meeting on the proposed Local Administration Law on: 1) Province, District, Village; 2) Capital and Municipality organized at the National Convention Centre on 23<sup>rd</sup> -24<sup>th</sup> of July 2013. Participants included Vice Ministers, Vice Provincial Governors, high ranking officials from Government Office, National Assembly, Central Party Committee , representative from provincial departments and District Heads..</li> <li>• MoHA presented the laws to the officials of Government Cabinet Office on 13 -14 September 2013. It was agreed from the meeting that: 1) the Local Administration Law should not be split into 2 laws; instead integrated into one Local Administration Law. 2) The draft law will not be submitted to National Assembly until 2015 to enable proposed recommendations from the Sam Sang pilot to be incorporated in the amendments of the revised law. .</li> </ul>	<ul style="list-style-type: none"> <li>• Linked with Output 6)</li> </ul>
<p>2. Improved capacity of local administrations to fulfill its service delivery mandates</p>	<p>34,174 US\$</p>	<p>33,728 US\$</p>	<ul style="list-style-type: none"> <li>• Three batches of training were given during 2013 for the 16 new districts. A total 447 district official including 57 women participated the training. Key participants were the local DDF support organizations, including the District Development Support Committees and District Development Support Teams from 21 districts of 3 provinces (Luangprabang, Luangnamtha and Sekong)DDF BBG (Capital investments)- guidelines/regulations refreshment for Sekong on 6 to 17 May 2013.</li> <li>• OEBG Guidelines/regulations training for Luang Namtha on 5 to 12 June 2013. Provincial Workshop was organised in Luang Namtha as</li> </ul>	<ul style="list-style-type: none"> <li>•</li> </ul>

Outputs	Budget for 3 <sup>rd</sup> Quarter	Expenditure in 3 <sup>rd</sup> Quarter	Update on activities during Quarter	Reasons for delay and constraints
			<p>part of the introduction of the DDF-OEBG support there from FY 2013/14.</p> <ul style="list-style-type: none"> <li>Discussions with MoHA's Department of Civil Service Appraisal &amp; Development with a view to assessing the possibilities for applying the civil servant performance assessment framework at the district level.</li> </ul>	
3. Improved MDG focused service delivery provided through formula based and equity focused block grants to the districts	44,080 US\$	203,500 US\$	<ul style="list-style-type: none"> <li>Support to districts to OEBG for OEBG investment plans continued. To date 37 districts has started the implementation of their activities and now are in progress. A further 16 Districts have undergone training in 2013 in preparation for transfer of DDF-OEBG funds from FY 2013/14.</li> <li>As of September 2013 a total 174,208 USD ( LAK 1,363,455,000) of the Second 50% of BGG/OEBG FY 2012/13 have been transferred to some Districts, while the remain district to be transferred in 4<sup>th</sup> Quarter 2013.</li> </ul>	
4. Improved Access to Citizen Services through One Door Service	105,048 US\$	34,988 US\$	<ul style="list-style-type: none"> <li></li> </ul>	<ul style="list-style-type: none"> <li>Delay in the implementation of ODS activities due to competing priorities (e.g. amendment of the Law Administration Law; conduct of National Civil Service Examination)</li> </ul>



Outputs	Budget for 3 <sup>rd</sup> Quarter	Expenditure in 3 <sup>rd</sup> Quarter	Update on activities during Quarter	Reasons for delay and constraints
5. GPAR Capacity Development and Modernisation Fund (CADEM) supports strategic innovations in Public Administration reforms	55,813 US\$	24,595 US\$	<ul style="list-style-type: none"> <li>Field monitoring of CADEM Fund supported projects in Borikhamxay and Oudomxay conducted in September 19-27, 2013.</li> <li>Meeting of the CADEM Board to review CADEM Fund guidelines and discuss lessons learned in the implementation of CADEM Fund project initiatives to inform revision of guidelines. Call for Expression of Interest for 2014</li> </ul>	
6. Citizen Feedback and district mechanism for responsive and accountable service delivery	49,053 US\$	38,661 US\$	<ul style="list-style-type: none"> <li>In-country mission (July 29-August 8, 2013) by the Consultancy team for the Design of District Service Delivery Monitoring System including debriefing and presentation of initial finding to MoHA</li> <li>Technical team at MOHA established (composed of DoLA, DPAD, Citizen Management, Planning and Cooperation, Performance Appraisal and Civil Service Development) to coordinate the pilot implementation of DSDMS in four pilot; met on August 8, 2013 to discuss next steps and identify the 4 pilot districts</li> <li>NGPAR team met with Lao Bureau of Statistics to discuss details of the agreed cooperation on this matter.</li> </ul>	(Linked with Output 1)

Outputs	Budget for 3 <sup>rd</sup> Quarter	Expenditure in 3 <sup>rd</sup> Quarter	Update on activities during Quarter	Reasons for delay and constraints
7. Project Administration	79,051 US\$	71,985 US\$	<ul style="list-style-type: none"> <li>Project Implementation Review Meeting held with DPs to report on progress of SCSD's during the first six months of 2013.</li> </ul>	
Total	391,709 US\$	430,526 US\$		

<b>Project Title:</b> National GPAR SCSD Project	<b>Award ID:</b> 00064630	<b>Updated to:</b> 30/09/2013
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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: Q1-2012	UNDP	Report			Project not operational
Quarterly Progress Report for Q1-2012, including logs	UNDP, UNCDF, SDC, Govt of Korea,	Report			
Work plan and FACE form: Q2-2012	UNDP	Report	10/04/12	10/04/12	
Quarterly Progress Report for Q2-2012, including logs	UNDP, UNCDF, SDC, Govt of Korea,	Report	10/07/12	10/07/12	Completed
Work plan and FACE form: Q3-2012	UNDP	Report	10/07/12	10/07/12	Completed
Quarterly Progress Report for Q3-2012, including logs	UNDP, UNCDF, SDC, Govt of Korea,	Report	10/10/12	10/10/12	Completed
Annual Report 2012	UNDP	Report	01/03/13	14/01/13	Completed
Work plan and FACE form: Q4-2012		Report			Deferred to 2013 as Project Review Meeting
2013					
Annual Work Plan 2013	UNDP, UNCDF, SDC, Govt of Korea,	Report	10/01/13	10/02/13	Completed
		Report	10/01/13	10/01/13	Completed by Prog Board 18/02/13
Annual Work Plan 2013	UNDP, UNCDF, SDC, Govt of Korea,	Report	10/03/13	10/03/13	Completed
Work plan and FACE form: Q2-2013	UNDP	Report	10/03/13	10/01/13	Completed
Quarterly Progress Report for Q2-2013,	UNDP, UNCDF, SDC, Govt of	Report	10/07/13	15/07/13	Completed

Type of Action	Stakeholders	Method of communication	Due by	Completed on	Status
including logs	Korea, Govt of Luxembourg				
Work plan and FACE form: Q3-2013	UNDP	Report	10/07/13	10/07/13	Completed
Project technical review meeting	UNDP , UNCDF, SDC, Govt of Korea, Govt of Luxembourg	Meeting	new	25/07/13	Completed
Quarterly Progress Report for Q3-2013, including logs	UNDP , UNCDF, SDC, Govt of Korea, Govt of Luxembourg	Report	10/10/13		
Annual Report 2013	UNDP	Report	10/01/14		
Joint Annual Technical Review (JATR)	UNDP , UNCDF, SDC, Govt of Korea, Govt of Luxembourg	Report	Mid-2014		Project Review Meeting
2014					
2015					

NATIONAL GPAR SCSD PROJECT: RISK LOG - 2012-13

<b>Project Title:</b> National GPAR SCSD project	<b>Award ID:</b> 00064630	<b>Last Reviewed Date:</b> 30/09/2013
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#	Description	Date Identified	Type	Impact & Probability (P:1-5 & I:1-5)	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=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 nationwide, will be postponed with impact on MDG progress. (P=2; I=4; )=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)=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)=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	Discussions with MONRE and UNDP initiated to develop suitable framework	Programme Manager	Programme Manager	30/06/2012	Changed – moved to

7	MAF sub-project may delay other implementation plans	15/05/12	Operational	P=5; I=2; PXI=10 Core activities implementation delayed (P=2; I=3 )=6	Merge MAF and SCSD/OEBG activities where possible	Programme Manager	Programme Manager	30/09/12	Risk reduced from 9 following successful DDF trainings.
8	DDF funds held in BoL suffer depreciation due to Foreign Exchange losses	03/0413	Operational	Shortage of DDF when come to transfer to Districts. (KIP (P=4, I=4) + 16	Discussions with MoF and UNCDF to open KIP Account for DDF in BoL	Program Manager	Program Manager	30/06/13	Changed. Risk mitigated by opening, KIP Account for DDF in BoLDDF MOU amended & signed by concerned parties.

NATIONAL GPAR SCSD PROJECT: ISSUES LOG - 2012-13

<b>Project Title:</b> National GPAR SCSD project	<b>Award ID:</b> 00064630	<b>Last Reviewed Date:</b> 30/09/2013
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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
3	GEF funds may be delivered through a parallel project	31/03/13	Strategic	NGPAR Programme framework will be basically altered P=5; I=2; PXI=10	Discussions ongoing with MONRE and UNDP on collaboration and implementation modality	Programme Manager	Changed	30/06/13	GEF Project signed. MONRE as implementing partner will appoint UNCDF as Responsible partner under MOU/LoA.. CC grants funds, which will be delivered to districts by SCSD / UNCDF

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 - create DVD for advocacy.</li> </ul>
03	30/06/13	Positive	<ul style="list-style-type: none"> <li>DVD made by UNDP-Korea MDG Trust Fund, featuring DDF impacts</li> </ul>	<ul style="list-style-type: none"> <li>Use for Advocacy.</li> </ul>

Certified by:

Nisith Keopanya, Programme Manager,  
National GPAR Programme

Date: October 10, 2013



