



GOVERNMENT OF LAO PEOPLE'S DEMOCRATIC REPUBLIC

OFFICE OF THE GOVERNOR OF SARAVANE PROVINCE

UNITED NATIONS DEVELOPMENT PROGRAMME

**SARAVANE GOVERNANCE, PUBLIC ADMINISTRATION REFORM
AND DECENTRALIZED SERVICE DELIVERY**

PROJECT ID: 00043575/00032148

EU Contract Number: ASIE/2006

TERMINAL PROJECT REPORT

Reporting Period: 03 February 2005 – 31 March 2011

BRIEF PROJECT BACKGROUND

The Project Document was signed on 03 February 2005 with a total budget of US \$ 3,178,040. However, there was an amendment on the total budget allocation resulting additional UNCDF allocation of total 270,000 USD and the total budget has scaled up to 3,448,040 US dollars; wherein UNDP (TRACT): USD 542,630; UNCDF: USD 2,269,410 and EU: Euro 500,000 equivalent to USD636,000. The GPAR SP has launched its activities since April 2005 to March 2011 (six years) including one year no-cost extension. For six year period the project has covered 8 districts of Saravane Province. GPAR SP was executed by the Office of the Governor, Saravane Province under the UNDP's NIM modality.

The Saravane Governance, Public Administration Reform and Decentralized Service Delivery Project (GPAR SP) aims to improve local level delivery of public goods and services in Saravane Province and, in so doing, will inform national policy on public administration reform, decentralization and poverty reduction. GPAR SP is a policy pilot that clearly aims at assisting the Government of Lao PDR in its efforts to implement its overall governance agenda through the national public administration reform program under the auspices of PACSA. Thus it targets high priority reforms such as the development of clearer separation of roles and responsibility for central-local relation whilst introducing infrastructure and service delivery innovations.

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LIST OF ACRONYMS

APR	Annual Project Report
BIA	Baseline Institutional Assessment
BoL	Bank of Laos
COP	Committee for Organization and Personnel
CPI/MoPI	Committee of Planning & Investments (now Ministry of Planning & Investments)
CRC	Citizens Report Card
DIC	Department of Information and Culture
DAIP	District Annual Investment Plan
DIC	Department of Information and Culture
DoF	Department of Finance
DPC	District Planning Committee
DPI	Department of Planning and Investment
DDF	District Development Fund
DPT	District Planning Team
DSEDP	District Socio-Economic Development Plan
EC/EU	European Commission/ European Union
EDC	Enterprise Development Company
GEPR	Gender Empowerment for Poverty Reduction
GPAP	Governance, Public Administration Reform
KB	Kumban
LWU	Lao Women's Union
MC	Minimum Conditions
MDG	Millennium Development Goals
MoF	Ministry of Finance
MoFA	Ministry of Foreign Affairs
NGPES	National Growth and Poverty Eradication Strategy
NSEDP	National Socio-Economic Development Plan
OoG	Office of the Governor
O&M	Operation and Maintenance
ODS	One Door Service
PACSA	Public Administration and Civil Service Authority
PO/PS	Programme Officer/Specialist
PEM	Public Expenditure Management
PFD	Provincial Finance Department
PFM	Public financial management
PIMS	Personnel Information Management System
PSC	Project Steering Committee
PMU	Project Management Unit
PPI/DPI	Provincial Planning and Investments/Department of Planning & Investments
PSEDP	Provincial Socio-Economic Development Plan
PST	Project Support Team
SRF	Strategic Results Framework
TNA	Training Need Analysis
ToR	Terms of Reference
ToT	Training Of Trainer
TPR	Tripartite Review Meeting
TSM	Technical Support Mission

UNCDF	United Nations Capital Development Fund
UNDAF	United Nations Development Assistance Framework
UNDP	United Nations Development Programme

1. Executive Summary

The Saravane governance, public administration reform and decentralized service delivery (GPAR SP) has been one of four regional GPAR Projects and one National GPAR Project. The implementation period was 6 years, April 2005 – March 2011, including one year's no-cost extension.

The GPAR SP's logical framework has three pillars. The central pillar is the DDF process which has three outputs: finance and financial management, planning and budgeting and implementation procedures. A second pillar comprises human resource management and administrative re-organization of the province and the districts. And, the third pillar is the transmission of learning from GPAR SP's experience into provincial replication, national policy debate and reform. GPAR SP contributes to provincial replication and national policy debate principally through channeling its experience and lessons through GPAR Central/SBSD.

The project addresses several key issues specified in UNDAF, especially the need for institutional and administrative capacity building in Lao PDR and the need for effective, transparent and accountable operational mechanisms and procedures at all levels of the Government. The project is also in line with the National Growth and Poverty Eradication Strategy and the 6th National Socio-economic Development Plan where all four pillars of good governance: i) People's participation, ii) Rule of Law, iii) Public Administration Reform and iv) Sound Financial Management, are keys for social-economic growth and sustainable development.

To achieve this outcome, GPAR-SP will deliver the following six key inter-related outputs:

- Output 1:** Procedures for inclusive and pro-poor planning and budgeting of local public service delivery are established and applied.
- Output 2.** Transparent and effective procedures for sustainable production/delivery of public services are established and applied.
- Output 3.** Financing and financial management of local public service provision are improved.
- Output 4.** Provincial and district administrative organisations are rationalised/right-sized on the basis of clearly defined mandates.
- Output 5.** HRM procedures and practices (and selected individual capacities) are improved.
- Output 6.** National policies on decentralisation, public administration reform and poverty reduction are informed by Saravane experience.

The joint support by United Nations Development Programme (UNDP), United Nations Capital Development Fund (UNCDF) and the European Union (EU) to the "Saravane Governance, Public Administration and Decentralized Services Delivery Project" (GPAR-SP) started from February 2005 up to March 2011. Under the leadership of the Office of the Governor (OoG), the project has capacitated a number of provincial line departments and eight district local governments to deliver basic services. Its combined cumulative expenditure delivery by 31 March 2011 is US\$ 3,377,797.00 (98 %) of the approved US\$ 3,448,040 budget.

The overall GPAR SP orientations/implementation were endorsed and overseen by the Provincial Leading Committee (PLC) which comprised of representatives from provincial level departments and agencies (i.e. the Vice Governor (as Chairperson), the chief of the Cabinet of the Office of the Governor, the Provincial Finance Department, the Provincial Planning and Investment Department and the Provincial Organization and Personnel Department). The project has been managed by senior staff from OoG, i.e. National Project Director (NPD) and the National Project Manager (NPM) who has been, day-to-day, in charge of implementation by heading the Project Support Team (PST). The NPM has been assisted by the Project Support Team including National and International Specialists/Advisor and other national support staff.

2. Project Information and Resources

Project number and title:	00043575/00032148- " Saravane Governance, Public Administration Reform and Decentralized Service Delivery" EU Contract Number: ASIE/2006/120998
Implementing Partner:	"Office of the Governor of Saravane Province"
Responsible Parties (if applicable):	
Donors:	00012 (UNDP)/01853 (UNCDF)/00280 (EC)

Project Starting date		Project completion date	
Originally planned	Actual	Originally planned	With no-cost extension
October 2004	03 February 2005	30 September 2009	31 March 2011

Period covered by this report:	03 February 2005 – 31 March 2011
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Total Budget	Original Budget (US\$)	Latest Signed Revision (US\$)
	3,178,040	3,448,040

Resources	Donor	Amount
UNDP	00012	542,630
UNCDF	01853	2,269,410
EU	00280	636,000

3. Purpose of the Project

3.1 Project Objectives

- To strengthen the organisational basis of decentralised government. This will focus on piloting improvements in the local public administration within Saravane Province. Such improvements will ensure greater effectiveness, efficiency and transparency in service delivery. It will include organisational streamlining within departments and greater coordination across departments, personnel re-deployment and clarification of roles and functions, development of simpler administrative and regulatory procedures (such as the one-stop shop), adoption of nationally approved financial management procedures, and clarification of the roles of grassroots organisations (villages and Kumban pattana). Lessons will be fed into national policy-making for local public administration reform, the organisational structure and horizontal inter-relations of sub-national government, the organic relations between levels.
- To decentralise the financing and management of public service delivery. This will focus on piloting improvements in the financing, planning and delivery of basic infrastructure and services at District level. It includes the establishment of a District Development Fund (DDF), development of simple, bottom-up, District planning and budgeting procedures for basic infrastructure and service delivery, and for implementing and monitoring of the same. Lessons will be fed into national policy-making to finance, plan and manage local pro-poor service delivery and, in a related way, on fiscal issues such as inter-governmental fiscal transfers and sub-national expenditure assignments.
- To strengthen the capacities of Saravane Provincial and District authorities to implement decentralisation and public administration reforms in support of good local governance and poverty reduction.

3.2. UN Development Assistance Framework

3.2.1. UNDAF Outcome 3.3: Increased efficiency, effectiveness, transparency, and accountability of the public administration at both central and local levels through deeper participation, broad partnerships and building institutional and administrative capacity.

3.2.2. MDG Goals 1-7 will be complied with through improved governance and transparent use of public resources such as improved local level provision of public goods and services in Saravane Province.

3.2.3. The project has indirect compliance or links with UNDAF outcome 3.3 and MDG 1-7, thus promoting and contributing to the implementation of the Sixth National Socio-Economic Development Plan (NSEDP) and also specified in UNDP CPD and its CPAP.

4. Project Performance and Results

4.1 Contribution to the strategic goals

Strengthened public administration reforms and decentralized service deliver through strengthening capacity and accountability in delivering services to citizens – (strengthened transparency and empower local authorities and develop their capacity to deliver decentralized services, accountable, effective and efficient, and that this will contribute to the Government strategy on poverty eradication).

The intended outcome as stated in the Country Cooperation Framework (CCF) (ProDoc p. 9):

- Strengthening PAR, aiming at improved efficiency, accountability, and transparency in the civil service and in the delivery of public services
- Public administration reforms strengthened in selected provinces

The Project Outcome (ProDoc p. 9):

Improved local level provision of public goods and services in Saravane Province:

- *increased access to public infrastructure*
- *improvement in quality of public service delivery (faster services, better services, etc.)*
- *greater provincial and district discretion in planning and budgeting*
- *greater efficiency in public service delivery systems*

The outcome is envisaged to be achieved by generating 6 inter-related outputs:

Output 1: Procedures for inclusive and pro-poor planning and budgeting of local public service delivery are established and applied.

Output 2. Transparent and effective procedures for sustainable production/delivery of public services are established and applied.

Output 3. Financing and financial management of local public service provision are improved.

Output 4. Provincial and district administrative organizations are rationalized/right-sized on the basis of clearly defined mandates.

Output 5. HRM procedures and practices (and selected individual capacities) are improved.

Output 6. National policies on decentralization, public administration reform and poverty reduction are informed by Saravane experience.

4.2 Review of Outputs

Output 1: Procedures for inclusive and pro-poor planning and budgeting of local public service delivery are established and applied.	
Main areas of project activities	Implementation and Achievements

<p>Testing the District Development Fund (DDF) modality in first 3 districts and expanded to cover all 8 districts in the province</p>	<p>The District Development Fund (DDF) implementation modality institutionalized the bottom-up participatory approach to project planning (budgeting and programming), implementation, monitoring and evaluation of projects. DDF has an initial 9-step process of project identification, selection, appraisal and approval. A feasibility study was added to the 6th step in order to have an effective implementation and transparent reporting system. The Project has published the DDF manual as a hand book including various instructions, guidelines forms and reporting formats for further use of this modality.</p>
<p>Draft/Disseminate district planning and budgeting guidelines (pro-poor, gender sensitive, screening, prioritization, maintenance planning, etc.) Recompile</p>	<p>Planning guidelines based on government participatory planning and investment were developed and implemented in eight pilot districts. Provincial, district and village level actors were trained in the participatory planning guidelines and processes. This strengthened district planning and budgeting capacity, thus facilitating implementation of PM's Order 01 of 2000.</p> <p>Disseminated guidelines to all DPTs in 8 districts. Remaining activity was completed and finalized in the last Review Workshop organized in 5 August 2010. The workshop results were integrated into the revised manual. The DDF manual was recompiled and at least 200 copies of the manual were printed-out to be used in post-GPAR SP project development and implementation.</p>
<p>Introducing local stakeholders to planning/budgeting guidelines</p>	<p>With the UNCDF technical support and close guidance from MoF, PACSA and Provincial authorities, the following DDF guidelines/ procedures and instructions were developed and piloted in Saravane province:</p> <ol style="list-style-type: none"> a. DDF participatory planning guidelines, planning tools and implementing formats developed, b. The financial regulations i.e. principles and procedures and DDF financial management procedures and various formats developed and applied, c. The Memorandum of Understanding (MOU) on the DDF Management Arrangements was signed in mid of October 2006, d. The Procurement Manual for district level has been developed based on the Procurement Manual of the Ministry of Finance and adopted for use at district level;

	<p>The provincial DDF Planning trainer team was established and trained. These trainers have learnt about the provincial DDF planning guidelines and procedures. Then, they continued to provide further training sessions for other DPTs and district officials as well as the provincial line departments.</p>
<p>Establishment of public information mechanisms.</p>	<p>The GPAR PST and DIC has followed up and assessed the use of 56 information boards in seven districts in 2010. The result revealed the usefulness of this communication tool. However, there is a need of further support from all parties to provide updates and regular use of these information boards. Technical support involved the conduct of radio survey, monitoring, updating of information and upkeep of boards.</p> <p>The baseline survey on Citizen Report Card (CRC) for Saravane and TaOy districts was conducted by EDC with 27 participants including 3 women. The aims are to present the rationale of the baseline survey on citizen feedback on public service delivery in TaOy and Saravane district particularly on Education and health services, to test the questionnaires in the fields and obtain the feedback and to share experiences. The surveys in TaOy and Saravane districts were completed and the result of CRC survey reflected the points of views of villagers on public service delivery at grass root level i.e. the strengths and weaknesses of the public service delivery and the range of satisfactory shown: Education 53% & Health 54%.</p>
<p>Introducing local stakeholders to gender mainstreaming strategy</p>	<p>GPAR Saravane has directly supported gender mainstreaming efforts of the Provincial Lao Women's Union and the provincial counterparts of the National Commission for the Advancement of Women (NCAW). Various Organizational Trainings and orientations were provided in 8 districts and the support to livelihood development (through the Village Development Fund) as follows:</p> <ol style="list-style-type: none"> 1. The provincial Lao Women Union has conducted "three good campaigns" in all 8. 2. The training on the establishment of the Village's <u>Women Development Fund</u> (VDF) was piloted in 4 villages in 4 districts with a total of 132 participants including 4 men. The VDF and its committee was established which consisted of five members including one male. The VDF is locally managed and emphasizes on savings and provision of grants for income generating activities by women. <p>The provincial Sub CAW have organized workshops/seminars</p>

on CEDAW for 6 Kumbans and 56 villages with a total of 224 participants. The assessment reflects the real situation/condition of women and children in remote area in terms of gender equity and child labour maltreatment. The common challenges faced by women found during missions were: i) significantly high illiteracy rates ii), low awareness on the government policy on CEDAW and CAW particularly women's role in the development and decision making. PCAW will continue their campaign for women in remote areas to have i) access to the education and health services opportunity. ii) socio-education campaign to eliminate the barriers that discriminate women. iii). Parents who will support/allow all their, especially women to go to school.

As a result, all DDF participatory planning processes/steps, there were women involved to choose their priorities. Most priorities proposed by women were selected and implemented.

Through DDF mechanism, women's voices are heard and respected.

Conclusion on achievement of Output measured against indicators of ProDoc.:

Improved planning/budgeting guidelines available	Fully achieved
District annual plans and budgets are available	Fully achieved
Planning/budgeting procedures introduced	Fully achieved
Local (provincial/district) communications and public information strategies in place	Partly achieved
Gender mainstreaming strategy established	Fully achieved

Output 2. Transparent and effective procedures for sustainable production/ delivery of public services are established and applied.

Main areas of project activities	Implementation and achievements
Establishment and application of transparent and effective procedures for public service delivery	GPAR Saravane has strengthened the working system of eight District Planning Teams and Committees (DPTs and DPCs) in project development and management. GPAR provision of training and coaching by the GPAR Project Support Team has enabled the district staff to have enough

	skills on participatory project development, contract management, reporting and coordination with horizontal line departments and vertical offices (e.g. Kumban, villages, OoG and central level offices).
Trial options for cost effective methods of delivering services and providing information to the public (e.g. One-Door Services)	<p>a. ODS completed in the Office of the Governor with a total of 750 clients and revenue of LAK 46,182,000 as of December 2010. GPAR has supported the strengthening of ODS in the Land Management Unit which showed increased revenue and increased services provided to clients.</p> <p>b. LaoNgam ODS expansion WS was postponed due to budget constraint.</p> <p>GPAR PST and the OoG provided continued liaison and technical assistance to LaoNgam district on the ODS installation efforts.</p>
Adapt/improve procurement regulations (pre-qualifications, beneficiary oversight, etc.)	Procurement guidelines for district level was developed and disseminated through DDF implementation process and those conducted in parallel by the Dept. of Finance. Procurement procedures were disseminated to the members of 8 district planning team members, district planning committees (88 participants), and all Kumban leaders engaged in DDF implementation.
Establish technical ISD supervision arrangements-Including implementation plan and supervision plans and ISD handover and O&M in 8 Districts.	The manual on operations and maintenance were developed by Saravane Department of Public Works and Transports (DPWT). Training on ISD supervision arrangement for O&M for the DPTs were conducted by the DPWT. The DPWT staff at district (DPTs) provided direct technical assistance to construction projects in collaboration with other department's technical staff (for health centres, water supply system, irrigation, markets, fishponds and schools).
Trial Operations and Maintenance (O&M) arrangements	The current effort remains in the individual Departments regular function. However, it is notable to mention, parents/Teachers associations in all school building projects who have devised their internal operations/maintenance activities and support from the DPWT manual.
Conclusion on achievement of Output measured against indicators of ProDoc.:	
OSS-type model developed and tested	Partly achieved
Adapted procurement regulations established	Fully achieved
Procurement procedures introduced	Fully achieved
O&M provided for (recurrent budget allocations and supervision arrangements)	Achieved
District ISD management guidelines available	Achieved

Out put 3. Financing and Financial management of local public service provision are improved.	
Main areas of project activities	Implementation and Achievements
<p>Improvement of local capacity through DDF participatory planning and budgeting and decentralized fiscal transfer</p>	<p>GPAR Saravane's operation of the DDF has provided direct services in response to basic community needs. GPAR Saravane has delivered 93 projects amounting to LAK 10,794,981,415 (US\$1,246,413.06)¹ using District Development Fund (DDF) modality. DDF process is characterized by a bottom-up participatory approach to project development, implementation, monitoring and evaluation. Projects identified and implemented consisted of school buildings and dormitories, potable water system, toilets/latrines, health centre buildings and equipment/supplies, rural roads and bridges, and income generating or food production projects like irrigation, community or kumban markets and fishponds. Financial decentralization was realized thru close linkages with financial and budgeting units at the central level in Vientiane for fund releases, reporting and direct cash transfers to eight individual district bank accounts. Auditing was done by the Provincial Department of Finance while spot checks and evaluations were done jointly by UNDP, the Ministries of Finance, and Planning & Investments and by donor offices like UNCDF, EU and UNDP. The spans of impact of the DDF projects are evident within a total of 55/58 (95%) Kumbans (village clusters), 391/668 (59%) villages (bans), 282,155 people (84%) with 139,665 women (81%) beneficiaries in all eight districts.</p>
<p>Draft /disseminate DDF guidelines & procedures (fund allocation, conditions of access, performance measures & incentives, menus & prescriptions, community contributions, disbursements, etc.)</p>	<p>With the UNCDF technical support and close guidance from MoF, PACSA and Provincial authorities, the following DDF guidelines/procedures and instructions were developed and piloted in Saravane province:</p> <p style="padding-left: 40px;">A DDF participatory planning guidelines, planning tools and implementing formats</p>

¹ Refer to Annex 1 for the listing of the completed 93 DDF projects by type, cost and coverage.

	<p>developed,</p> <p>e. The financial regulations i.e. principles and procedures and DDF financial management procedures and various formats developed and applied,</p> <p>f. The Memorandum of Understanding (MOU) on the DDF Management Arrangements was signed in mid of October 2006,</p> <p>g. The Procurement Manual for district level has been developed and adopted;</p> <p>h. The provincial DDF Planning trainer team was established and trained.</p>
Introduce DDF modalities and procedures	<p>1. Based on the set DDF regulations/guidelines, the institutional framework were set and the DPTs and DPCs were established in eight pilot districts;</p> <p>2. Training of Trainers (TOT) training on DDF participatory planning was organized at district and Kumban levels. Exercises on the 9-step DDF planning process were conducted at the village level with the participation of majority of community representatives.</p> <p>3. Local authorities understand how to set and select development priorities in consultation with villagers. Planning and budgeting follow bottom-up and consultative processes for DDF investment planning and budgeting. Local communities and authorities have been empowered to identify and decide on their own needs through the participatory planning approach.</p>
Disburse DDF Annual Allocations (with DDF flow and disbursement)	<p>As of date, all DDF transfers to 93 projects in 8 districts amounted to a total of LAK10,794,981,415 versus its planned estimates of LAK 10,878,978,450 or a shortfall of LAK 83,997,035 (please refer to Table No.1 above). The latest transfer as of Q3 Disbursed the DDF second (last) advance from New York total of 225,000 USD to 8 districts. At present all 93 activities were completed and handed over to the communities.</p>
Introduce National Accounting System (NAS)	<p>The DoF provided updated guidelines on the NAS to all DDF projects as well as to other stakeholders engaged in PAR activities.</p> <p>The GPAR SP has supported the finance department on the establishment of the Government Financial Information System (GFIS) at provincial level.</p>

Trial arrangements for improved monitoring and auditing of local public expenditure DoF conduct annual DDF Audit.	Audit for the counterparts were conducted on the regular basis at least once a year. The project completed the last DoF audits this QII 2010. GPAR Saravane has completed the entire mandatory financial audit for all the 93 DDF since 2006.
Trial organizational improvements in public expenditure management at local level	Training on expenditure management and on the use of GFIS formats and the revenue collection were conducted by the DoF. The result showed that the revenue collection increased by about 4.9 billion Kip equivalent to 40%.
Provide appropriate office equipment and motorbikes to the provincial line departments and eight districts.	DoF- 4 sets of computers/printers PCOP- 2 sets of computers/printers DPI- 1set of computers/printers OoG-2 sets of computers/printer and one fax. District- 8 motorbike, 8 photocopy machines, 8 sets of computers/ printer; 5 fax (except Ta Oy, Samouay & Lakhonepheng).
Conclusion on achievement of Output measured against indicators of Pro Doc.:	
DDF guidelines and procedures established and introduced	Fully achieved
DDF disbursements made	Fully achieved
NAS introduced	Achieved
Financial monitoring and auditing system tested	Achieved
Organisational improvements in PEM developed and tested	Achieved
Equipment provided	Fully achieved

Output 4. Provincial and district administrative organisations are rationalised/right-sized on the basis of clearly defined mandates.	
Main areas of project activities	Implementation and Achievements
	It has supported with success the One-Door Service operations of the Land Mgt. Unit which became the basis to establish the same in the Office of the Governor. District ODS is being started in one district and shall follow in the remaining seven districts in a post GPAR scenario. Organizational enhancements including direct assistance to re-organization were completed in the Dept. of Finance, Dept. of Public Works & Transport, National

	<p>Assembly, Provincial Committee on Organization and Personnel (PCOP), Lao Women's Union & National Commission for the Advancement of Women, and eight District Offices structural reform under Prime Minister Order (PMO) No. 5 and PMO No. 115 (on civil society support and development).</p>
<p>Provide local officials with information on GoL policies on decentralization and public administration reform (PAR).</p>	<p>On the overall, GPAR SP partners have been abreast of the GoL policies on NGPES, PMOs 1, 39, 05, COP1 which are all on structural reform of OoG and districts. With the inclusion of NA as another stakeholder, local officials and the public were informed of national policies.</p>
<p>Conduct pilot action research on Kumban Pathana (village cluster development) Socio-economic Development Communities</p>	<p>DPI organized the training on Kumban Socio-Economic Development Planning for Kumban committees. Focused has been made on i) the principle of participatory planning approach, ii) village/Kumban statistic/Village profile and mapping, iii) project proposal and reporting system on KSEDP. Evidence showed that at least two focal Kumban in each district were selected and piloted.</p>
<p>Propose rationalization of the distribution of functions between the provincial and district levels</p>	<p>a. Initial re-organization of OoG was completed in 2007 under COP No.1 which right-size all OoG structure in Lao PDR into five major units.</p> <p>b. OoG and District Offices assessment of their structure and function versus District and Villages GPAR Saravane initiated district re-organization under PMO 39 in Lakhonpheng District and has completed the re-organization of all 8 districts under PMO5.</p> <p>c. The assessment of the function and structure of district administrative offices was conducted. Overall assessment showed that some remarkable improvements have been made such as:</p> <p>i). a legislative procedures/policy paper on district administration was developed and applied;</p> <p>ii). roles and responsibilities of the DAO were clear defined and the coordination/communication mechanism as well as the HRD plan (short/medium/long term) was set up;</p> <p>iii). the remarkable improvement in public service is the launching of ODS implementation at district</p>

	level; iv). Leadership/ownership and strong commitment of district authorities led to overall improvement.
Review the organizational structure & staffing plans of the pilot organizations at provincial level	Completed functional analysis before COP1 and job descriptions afterwards under OoG. This activity was supported by PACSA on the orientation on job descriptions.
Strengthen coordination and oversight functions of the Office of the Governor (e.g. through the provision of training & ITC)	Draft policies were made through the office of Governor. Trainings on ITC were conducted and e-governance orientation/training was supported by GPAR for top provincial officials/leadership.
Assess feasibility (legal, social, economic, etc.) if establish municipalities in Saravane & Khongsedone districts.	This proposal was shelved by the provincial government. Support was provide to the Dept. of Public Works and Transport in enhancing the Small-Town project activities in Saravane district.
Conclusion on achievement of Output measured against indicators of ProDoc.:	
Methodology for functional reviews available and applied	Partly achieved
Pilot Kumban Pattana activities undertaken	Achieved in eight districts
Tools for HR planning/staffing are available	Achieved
Training provided in priority areas of organisational development	Partially Achieved
Mission statements of provincial and district offices reviewed	achieved
Job descriptions developed	Partially Achieved

Output 5. HRM procedures and practices (and selected individual capacities) are improved.

Main areas of project activities	Implementation and Achievements
What is the main area here?	GPAR Saravane has enhanced local capacities thru public administration reform Interventions in terms of training, coaching and organizational development. As of date, GPAR Saravane had capacitated 14,175 civil servants of which 38% are women since 2005-2010 thru 86 trainings and workshops plus four local and international study tours. The "learning by doing" approach enabled the participants to have applied their learning's to their

	individual workplaces immediately after each trainings or organizational development interventions.
Undertake streamlining of processes/procedures (PIMS, payroll, etc.) for HRM at province & district level.	<p>In collaboration with PACSA, installation and training on Virtual Private Network (VPN) system to encode data and update of PIMS data base at province and district level. Hardware and software installation for electronic filing system of PIMS/ESSS has been two years delayed due to pending progress of the GPAR SBSB and E-Governance in the province.</p> <p>However, the PCOP conducted the encoding of staff profile in seven districts. A total of 321 staff profiles of horizontal line support offices in seven districts were completed or equivalent to 47 % of the total of 680 personnel. For the remaining staff profile of Saravane district and at the provincial level, PCOP have completed at the end of 2010.</p>
Prepare capacity development plans for selected provincial, district and village level administration.	<p>HR plans were developed by stakeholder offices and PCOP was responsible in integration of position quotas, recruitment, and attrition management under national civil service law.</p> <p>The workshop/seminar for streamlining the human resource management at provincial and district level was organized. The workshop achieved the following: i) Identified/Developed HR /employment plan particularly for the head office positions at all sectors. ii). Future HRD plan developed. iii). Identified/selected personnel to the required positions.</p>
Train local officials in public management.	The Provincial Committee for Organization and Personnel has conducted the assessment of civil servant performance in eight districts. The assessment module is based on the PM decree #82 and the PACSA instruction #01. The data/result of this assessment has been recorded and will further be used for staff level promoting/demoting and/or awarding.

Provide village authorities with capacity development & information.	The Governance and Administration Section / the Office of the Governor conducted training on village management and administration for eight districts since 2006 to 2010. A total of 659 village headmen including five women were trained on village management and administration. Apart from training provided the village authorities (Naiban and Kumban leaders) were coached in DDF, Kumban socio-economic development planning, poverty surveys and provision of laws on taxation, health, and update on National Assembly meetings.
Identify and implement "model" office system and processes in pilot departments and provincial offices	Model office policies and procedures were completed, developed and applied in the OoG. As a result, the OoG has been modernized through filing systems, green office, document circulation/flow, development of the OoG Improvement Strategy 2010-2015. However, the provincial department-wide expansion activity was postponed per proposal submitted by OoG. OoG to complete through its own pace and resources as a follow-through of post GPAR activity.

Conclusion on achievement of Output measured against indicators of ProDoc.:

Core group of HRM officers trained	Achieved
Rules for implementation of Civil Service Statute implemented	Achieved
Capacity development plans for local administrations available	Achieved
PIMS (Personnel Information Management System) in place at provincial level	Partially achieved
Management training provided at provincial and district levels	Achieved
"Model office" practices established	Partially achieved

Output 6. National policies on decentralisation, public administration reform and poverty reduction are informed by Saravane experience.

Main areas of project activities	Implementation and Achievements
Sharing and exchanging lessons learnt and best practices of GPAR Saravane to the national policies on decentralization	GPAR project has built-in regular interface with central and provincial PST. It has quarterly UNDP technical advisors forum which have discussed overall project strategies, resolution of operational issues and adjustments to program thrust and targets. UNDP

	<p>management were informed of latest development in the field during these sharing and discussion meetings. In parallel, local counterparts forum and workshops were called-upon by GPAR SBSB (GPAR central), MPI, MoF and UNDP on subjects like DDF, procurement, National Implementation Manual, performance reviews, Gender and financial management. GPAR SP has also its regular quarterly stakeholders and steering committee meeting which updated the progress project of each stakeholder's project as well as the venue to air national level concerns related to public administration reform. GPAR SP had significantly influenced the national policy on i) district structural reform and the ii) DDF. Being the pioneer province in the implementation of PMO 39, on district structure re-organization, GPAR SP took the lead in how to transform each district into a more responsive service organization. GPARSP contributed its experience as well as lessons learnt in refining policies and operational procedures in the expansion of DDF operations in GPARS SBSB, for the provinces of Sekong, Oudomsay, Xiengkhouang, and Khammouane.</p>
<p>Conduct baseline survey of local government institutions, (implementation of PM#O1, PAR, community contributions)</p>	<p>Poverty survey completed by DPI and including village statistics conducted by its staff. PAR experience in PMO 1, PMO39 and PMO 5, including PMO 115 (on civil society support) by Saravane were all in line with national policies and were updated regularly.</p>
<p>Pilot NGPES implementation monitoring system at local levels in accordance with national guidelines</p>	<p>GPAR SP supported DPIs continuing poverty mapping and kumban socio-economic development restructuring in order to become effective organization on poverty reduction efforts. Statistical reports on poorest districts and households were disseminated to central agencies, (MPI, PACSA)</p>
<p>Monitor, document and analyse Saravane innovations and experiences</p>	<p>GPAR SP regular organizes monthly evaluation session and quarterly assessment and annual review meeting with stakeholders.</p> <ol style="list-style-type: none"> 1. The project monthly meeting is regularly conducted on-site. 2. Project Annual Review, Retreat were done at least once every year since 2006. 3. Project quarterly meetings were also regularly held on site with each district alternately hosts the activity.

Propose priority areas for wider institutional reforms	GPAR staff and officers regularly participated in workshops and conferences to provide inputs or reform policies and institutional reforms (i.e. DDF allocation-disbursements-procurement and M/E; RBM, procurement, NIM, finance, enhancement of DDF guidelines to other provinces; GPAR fund; SDIS; Mid-term Review formal Management Response, etc)
Conclusion on achievement of Output measured against indicators of ProDoc.:	
Baseline survey carried out	Fully achieved
Pilot NGPES monitoring system established	Achieved to a limited extent
Saravane publications available	Achieved
Priority reforms identified	Partially achieved
Appropriate arrangements for central-local information exchange and policy dialogue established	Achieved

4.3 Update on implementation of the Vientiane Declaration and its Action Plan

The project has developed its annual work plans with involvement of provincial line departments in order to ensure the alignment of all stakeholders' support to the Government policies on Public Administration Reform. Financial management procedures are steps by steps improved particularly the DDF financial management procedures are adjusted compatible with NAS.

Ownership/leadership role of local Government authorities in the decision making process were strengthened through the implementation of DDF participatory planning and budgeting approach. Financial regulations and procedures are in line with the government procedures such as audit and NIM guidelines. Other public administration reform intervention such as the decentralization of financial management thru DDF and under PMO5 is in line with the Vientiane Declaration on stakeholder responsibility for efficient and effective aid management.

4.4 HACT implementation

Harmonized Approach Cash Transfer system was introduced to the Project in 2007. With regard to project management, the project has started using the RBM system to monitor its activities in order to ensure the effectiveness of resources using particularly the HACT. The project realized that the use of HACT is to promote local ownership in planning and budgeting. The HACT system has been successfully introduced by the Project since 2007.

4.5 Partnership Strategy

- The project regularly cooperates and liaised with UNCDF, EU, UNDP, UNV support projects, provincial and central line departments (e.g. Dept. Of International Cooperation under the MoFA) and stakeholders for technical collaboration/assistance and sharing experiences and cumulating lessons learned. UNCDF last 02 Feb. relayed the submission of proposal concept notes and requirements to EU-Brussels call for proposal last 25 Feb. GPAR SP was also informed by EU in Vientiane, that there will be another call for proposal for a separate project concept notes for possible next phase of the project. The study tours in i) Nepal thru GPAR SBSB (re: DDF), ii) Hue and Quangnam Provinces in Vietnam on One-Door-Service, and UNCDF liaison provided occasional project insights for improvement of operations and updates on public administration practices and trends in similarly situated South and Southeast Asian countries.
- The project management and the Project Support Team regularly attended the meetings called upon by central government. It also participated in strategy meetings organized by the other central Government offices in Vientiane such as: Annual Project Review of UNDP, technical workshops and trainings by GPAR SBSB, MoF and MoPI. This was followed by regular monthly project meetings in Saravane.

4.6 Gender Mainstreaming

The GPAR SP project with the collaboration of Gender Empowerment for Poverty Reduction Project (GEPR) had conducted the Gender-awareness beneficiary assessment (GABA) in Saravane and Ta Oy Districts, Saravane Province in January to February 2008. GABA looked at the issue of resource mobilization, resource allocations in general, the District Development Fund facility and impact of the DDF-funded sub-projects have on women and men in Saravane and Ta Oy Districts. However, the dissemination of GABA result could not take place due to the analyzing the data and GABA report could not finalize by GEPR.

During the period, GPAR project has supported the Provincial Lao Women Union for organizing workshops/seminars /trainings focusing on strengthening women organization; their roles and participation in socio-development and decision making. The project has also supported the OoG in establishing the office for the Sub Commission of the Advancement for Women's (Sub CAW).

GPAR SP in its exit meetings will continue to advocate that participants in all project activities will continue and/or improve the practice of having at least 30% women stakeholders. Women's decision making and their roles in the socio-development activities were promoted and are currently being strengthened through allocated funds to support LWU/Sub CAW tasks to carry out women empowerment activities such as: i) Follow up gender training on results of Women's Village Development Fund, ii) "Three Good" Campaign in all eight Districts, iv) Dissemination of issues, policies and action in the convention on the elimination of discrimination against women and v) Follow up result of gender-based Pro-Poor planning and budgeting process. As mentioned in the human resources intervention workshops and trainings, about 30% of the participants are women. The system and activities to gather data on the improved conditions of women still has to be developed by the Lao Women's Union as the mass organization and the Provincial Committee for the Advancement of Women, as the government staff counterpart.

5. Project Management

The Project management team of GPAR Saravane has been managed by the head of the provincial cabinet as a national project director (NPD) and a national project manager (NPM), who has been in day-to-day charge of project implementation. In addition, the Provincial Leading Committee (PLC) chaired by the Vice Governor, has played an important backstopping/guidance role ensuring the legitimacy and acceptance of the Project within the province and districts, and is playing a role as a project champion nationally. The PLC composed of representatives from provincial level departments and agencies e.g. chief of the Cabinet of the Office of the Governor (COG), the Provincial Finance Department (PFD), the Provincial Planning & Investment Department (PPID) and the Provincial Committee of Organisation Personnel (PCOP).

The GPAR SP has benefited from very substantial inputs of technical assistance and backstopping of MoF, MPI and PACSA e.g. baseline institutional study, project strategy and concept paper, a large number of aide memoires and technical notes, guidelines for budgeting, planning, implementation and O&M procedures, and templates for activities relating to contracting, procurement and reporting. Technical support has been provided by the international project coordinators and by frequent missions of regional Technical Advisors and consultants. This valuable support has been an important factor in the Project's success.

6. Funds Utilization

From 2005 –March 2011 , the achievements made by the project are categorized below:

- i. **Policy Impact:** The project has allocated fund of total USD 470,160 is equivalent to 14 % of total budget to support the implementation of the planned activities which focused on public administration reform and decentralization. Total delivery comes to USD 619,663.19 equivalents to 131,80 % of USD 470,160. As discussed in the earlier sections and in Annex 2 on GPAR Saravane Implementation Best Practices and Lessons Learnt (2006-2010), GPAR SP has significantly contributed to the i) poverty eradication policies and strategies in its delivery of basic services thru the DDF; ii) decentralization of government financing and the bottom-up and transparent planning, implementation and monitoring/reporting and evaluation of service projects; and iv) government structure reforms in terms of re-organization of the Offices of the Governor, Districts and operations of PCOP.
- ii. **Institutional Capacity Building:** From 2005-2010, the project has allocated fund of total 420,220US Dollar is equivalent to 12 % of total planned budget to implement the planned activities under this component. Total delivery comes to USD 600,216.27 equivalent to 142,43 % of USD 420,220. In the same manner, GPAR SP has contributed to local governments' capacity in project development and management of DDF projects, financing, provincial and district revenue generation, re-organization, human resource administration and management. It has also consciously supported two institutions who are directly addressing the concerns of women in Saravane, GPAR aggressively supported the institution building and service delivery activities of the mass organization of the Lao Women's Union and the national Provincial Committee on the Advancement of Women.

- iii. **Capital Investment:** During 2005-2010 the project has allocated the US\$1,306,800 or equivalent to 38 % of the 3,448,040 approved budget. The current actual DDF expenditure for the 93 projects is US US\$1,246,413.06 or 95,38 % of US\$1,306,800. These investments are directly linked to the Lao PDR MDGs and in line with the governments National Poverty Eradication Strategy.
- iv. **Administration Support Cost:** In 2005- 2010, the project has allocated the funds with a total of 1,250,860 US Dollar equivalent to 36 % of the total planned budget to support the project. Total delivery comes to US\$ 911,504.44 is equivalent to 72,87 % of USD 1,250,860.

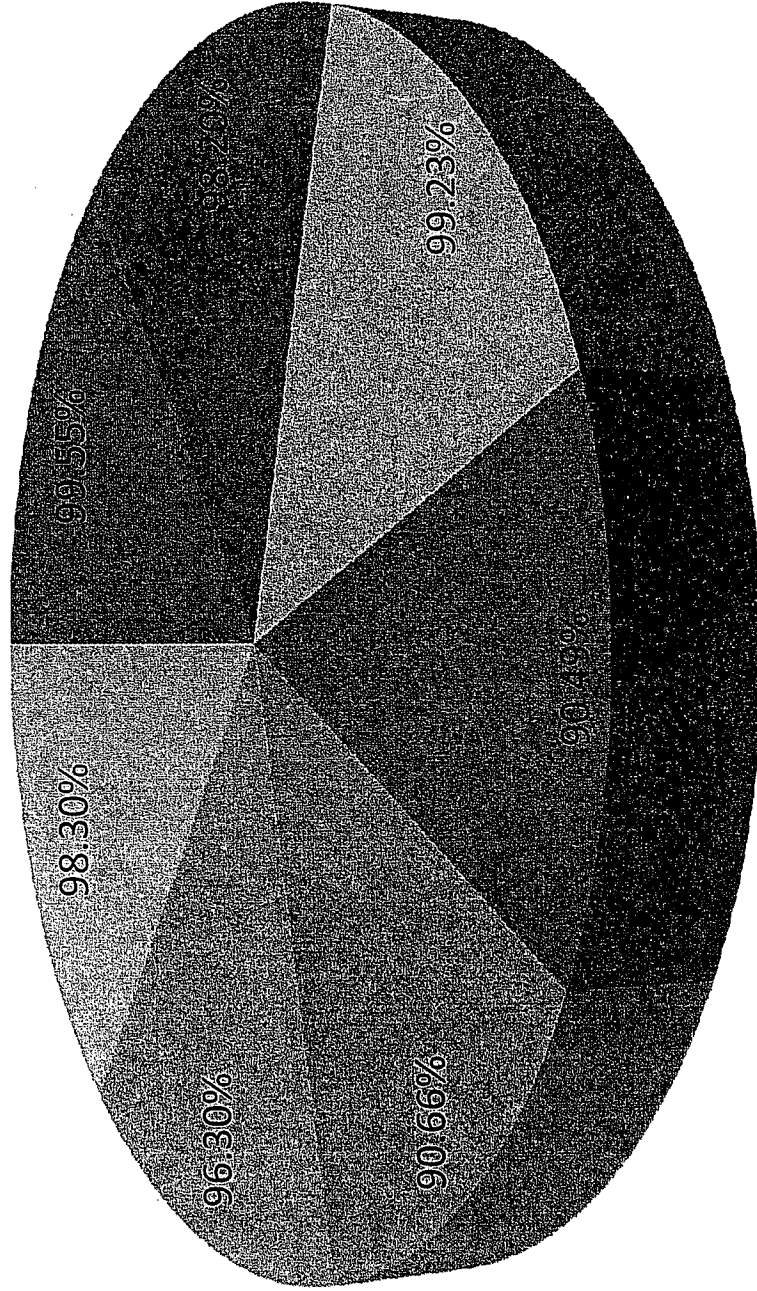
Summary expenditure by Donor from 2004 - 2011

Donor	Exp 2004	Exp 2005	Exp 2006	Exp 2007	Exp 2008	Exp 2009	Exp 2010	Exp 2011	Total Exp
UNCDF	192,249.26	51,365.74	289,319.81	432,862.00	326,938.44	523,778.06	367,851.83	50,000.00	2,234,365.14
UNDP		116,257.05	60,634.49	80,667.00	44,352.22	145,111.01	173,729.14		620,750.91
EC				82,184.88	178,971.55	240,384.19	21,140.29		522,680.91
Total	192,249.26	167,622.79	349,954.30	595,713.88	550,262.21	909,273.26	562,721.26	50,000.00	3,377,796.96

Summary of Expenditure by Output from 2004 2011

Item	Budget 2004 - 2011	2004	2005	2006	2007	2008	2009	2010	Budget Plan 2011	Total (2004 - 2011)	%
Output 1	329,390.00	92,233.54	13,017.33	28,112.87	44,761.33	30,769.96	72,142.72	46,875.13		327,912.88	99.55%
Output 2	132,000.00		5,769.06	-	22,463.18	12,908.46	56,131.77	26,751.60	5,600.00	129,624.07	98.20%
Output 3	1,320,950.00		3,304.16	6,351.03	345,966.66	235,137.35	451,918.81	262,877.82	5,200.00	1,310,755.83	99.23%
Output 4	133,000.00		729.21	8,536.60	15,958.15	26,412.44	46,334.62	22,375.03	-	120,346.05	90.49%
Output 5	112,900.00		-	7,828.78	22,048.75	25,534.46	38,674.37	8,266.17		102,352.53	90.66%
Output 6	441,200.00		5,119.52	29,088.97	20,893.67	89,596.85	141,752.86	119,711.74	18,700.00	424,863.61	96.30%
Output 7	978,600.00	100,015.72	139,683.51	270,036.05	123,622.14	129,902.69	102,318.11	75,863.77	20,500.00	961,941.99	98.30%
Total	3,448,040.00	192,249.26	167,622.79	349,954.30	595,713.88	550,262.21	909,273.26	562,721.26	50,000.00	3,377,796.96	97.96%

Breakdown of Project Expenditure from 2004-2011



- Out put 1
- Out put 2
- Out put 3
- Out put 4
- Out put 5
- Out put 6
- Out put 7

7. Transfer of Assets and Equipment

The inventory of project assets and equipment has been updated on 31 December 2010 with comprehensive physical verification, including visits to all districts and departments.

The inventory has been categorized by value of purchase and by donor including expendable and non-expendable equipment. The provincial authority is currently requesting for formal transfer of all the equipment to OoG. The proposal for transferring of project assets/equipment is detailed in the attached list.

8. GPAR Future

All the current GPAR projects in Laos will be completed during 2010 and 2011. Government of Lao PDR and UNDP have initiated a process of formulating a continuation of the GPAR support under the title: 'National Governance and Public Administration Programme', however, with a slightly different approach and more aligned with the Vientiane Declaration on Aid Effectiveness.

Based on the project steering committee (PLC) the provincial authorities' intension/ suggestion, the project has drafted the proposal/concept note for GPAR SP phase two consistent with the NSEDP 2011-2015 and the UN Lao PDR MDG. Saravane Province intends to achieve expected outputs, outcomes and general impact to reduce the prevailing poverty level. The five-year GPAR SP Phase 2 implementation shall have achieved the following objectives:

1. To have established a sustainable basic services operation and maintenance (O&M) system and fund of existing 93 District Development Fund projects.
2. To have initiated area development and expand DDF to support the NGPES and the seventh NSEDP (2011-2015).
3. To have effectively supported the capacity building of stakeholders at district and provincial levels to plan, manage, evaluate and implement service delivery projects and civil service reforms.
4. To have developed, enhanced, advocated and mainstreamed the policies, procedures and best practice of decentralized service delivery and civil service reform within and outside the province.