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| **ºö¤¡¾­­²ñ©ê½­Ì¾¦¾¡íÌ¦½¸óÀ©Ì­**  **Swedish International Development Agency** | ¦¾ê¾ì½­­½ìñ© ¯½§¾êò¯½Äª ¯½§¾§íÌÖà×  **Lao People's Democratic Republic** | ºö¤¡¾­­¦½¹½¯½§¾§¾©À²ˆº¡¾­­²ñ©ê½Ì­¾  **United Nations Development Programme** |

**GPAR Luang Prabang Phase II: Decentralized Participatory Governance and Service Delivery Reform Project**

**2005-2010**

**ID 00045991**

**ANNUAL PROJECT report**

**(ApR)**

**Year 2010**

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# 1. Project Manager’s Overview

## 1.1 End of Project

As the Project has almost reached its planned closing date by end of December 2010 (including a one year no-cost extension), it is timely to review progress during the year 2010 and to take stock of some major results for the entire intervention.



In 2010 emphasis has been on phasing out activities, further documenting lessons from implementing GPAR LP II, preparation of concluding reports and other requirements of UNDP and Government in connection with project closing, and considerations about possible GPAR activities in Luang Prabang after 2010 with preparation of a preliminary proposal.

**Phasing out of activities** has two aspects, (a) making sure that all planned activities and inputs are provided timely and (b) making sure that the full output is generated and that it is sustainable (consolidation). We have by and large been able to ensure that activities are implemented as planned and we have made special efforts to ensure sustainability in some critical areas, e.g. the Service Delivery Information System (please see below in this overview and in the main body of the report).

## 1.2 Activities and Outputs in 2010

During 2010 the Project continued the work initiated in 2006 with the clear aim of concluding all project activities in a smooth manner, avoiding any abrupt termination without either a final phasing out or consolidation with subsequent future sustainability. A detailed list of the activities undertaken and progress towards achieving the Project results are shown in Project Performance and results later in this review. Below are summarized some of the key activities and outputs. Since we are approaching the closing date rapidly a brief summary activities and outputs from 2006 are included.

**Output 1: Strengthened decentralized administration and expenditure management of pro-poor services.**

The Project implemented the National Accounting System (NAS) with training in all 16 departments and in 12 districts. This has improved the transparency and accountability of provincial expenditure management.

The Project helped computerise the Government Financial Information System for national accounting. This has made it possible to perform daily operations in all provincial departments and some districts and has helped Luang Prabang Province to improve budgeting and expenditure management in relation to service provision. Revenue collection, transparency and accountability have all been strengthened by this change.

Provincial revenues are increasing. Since 2006, tax collections exceeded Ministry of Finance targets and this enabled the Province to have discretion over surplus spending. Budget details of transfers, cash and income of districts and departments are now available on demand to the management of the Department of Finance.

DoF was fitted with fiber cables for rapid transfer of financial information during 2010. The plan to connect all the provincial departments and the districts with fiber cables still remains to be implemented. Further TOT training on ICT was provided at DoF during 2010.

Luang Prabang District Citizens’ **One-Door-Service** began operation in July 2008 with various services provided by visiting only one office – instead of several – at the District Administration. Related staff training was carried out, however, due to staff transfers, retraining was carried out again in 2010 as new staff took over the function. This illustrates the need for careful institutional anchoring of such functions in order to maintain sustainability.

The programme also supported the office of the **National Assembly at Provincial level** to create awareness in the districts on the role of the Assembly and new laws and regulations. This has helped provincial officials, villagers and district heads to gain a deeper understanding of the role of the National Assembly, the Constitution, and key Lao PDR laws. There have not been any activities during 2010 on this subject.

To enhance local administration capacity, the project developed and implemented a training package including socio-economic development, village planning and administration, office management and reporting to four districts with weak service delivery and this has tangibly strengthened capacities. During 2010 a number of training and workshop activities has taken place for strengthening socio-economic review and planning capacity at district, kumban and village level. Other activities during the year include management and administrative training for district cabinet offices. Also PCAW received training for capacity building during the year, mostly for district level offices.

**Output 2: Public service delivery reforms in Health and Education Sectors**

The health and education sectors have been in strong focus by the project all way during implementation. Functional analysis and job descriptions have been done for both the sectors and this has created greater clarity on roles and responsibilities of staff, thus increasing effectiveness and efficiency in their work and in delivery of services.

In addition to these organizational improvements, the capacity of both managers and technical staff in the two sectors has been substantially increased. In education, the project provided training on monitoring, reporting and education management for managers, educational administrators and principals. At the technical level, the training has also been delivered to teaching staff. The training covers such topics as how to produce and manage teaching materials, volunteer teachers training, low qualified teachers training and training on child centred teaching methods.

Action training was also given to improve district health service delivery. Mother and Child Health (MCH) is a priority sector for Luang Prabang, MDGs and NGPES and with the Project’s support a Mobile Health Team visited and revisited a large number of villages, giving primary and potentially life saving care to the population. The Project’s support to this service does not include drugs, medical supplies. Other Health technical training included Village Health Volunteers on Respiratory Inspection & Infections in Nam Bak District. Action trainings directly benefit service delivery to citizens, particularly in rural districts.

During 2010 training was carried out on office administration for health staff of 6 sections and 12 districts; further, strategic planning skills training (at Province & District level), incl. evaluation of public programs / client survey techniques / data & evidence analysis / etc, was implemented. Volunteer Teacher Training for non-formal education was implemented in Phonxay dist. Primary Service (Mother & Child) for Mobile team in 5 Districts (LP, PO, CHP, NB & Ngoi).

**Output 3: Business Facilitation Centre (BFC) providing enabling environment for business activities in Luang Prabang district.**

The Business Facilitation Centre (One Stop Shop) set up in the offices of the provincial Department of Planning and Investment (DPI) is staffed, equipped and functioning. It has reduced business registration time from 1 year to 45 days for key registration requirements, which is obviously a very major achievement. It has also helped to substantially increase the investment license tax revenues now being collected in Luang Prabang. A survey undertaken following the establishment of the BFC reveals that there is improved client satisfaction with registration procedures amongst those sampled, and a greater number of firms are now registering.

Staff related to the BFC has received training on various relevant subjects and they are thus well prepared for advising new potential business people on opportunities, regulatory framework, and registration requirements.

A further achievement made during 2010 is that the DPI has established its own website for business promotion with training in how to update the site. It promotes Luang Prabang amongst potential investors as well as small scale businesses in terms of business potentialities, business environment and regulatory requirements for starting up. Also in 2010, a workshop on job descriptions for DPI was carried out as well as lessons a learning workshop on investment promotion.

**Output 4: Provincial oversight & public information mechanism for the Office of the Governor: Service Delivery Information System (SDIS).**

This output will discussed in more detail that the other outputs as it has been in a critical phase during 2010 in terms of sustainability. In 2008 and 2009 SDIS looked like an obvious success story, however in 2010 its sustainability turned out to be fragile and maybe beyond reach.

SDIS is an innovative management oversight tool being developed by the Luang Prabang Provincial administration with the support of the GPARLP II project. A number of data collection runs have been undertaken across the province, which have yielded useful service delivery information, particularly being applied for identification of small scale projects and activities for SDF funding. These data runs also served to troubleshoot this pilot system and to identify problems and potential improvements. As expected with any new system and especially where multiple partners are involved in statistical collection and service data monitoring a number of challenges have emerged. Based on review workshops held during 2009 and 2010 to assess SDIS’s status a number of core challenges were identified:

* Potential overlap in SDIS functions between Office of Governor and Department of Planning and Investment and also at District level between their counterpart offices, i.e. the District Cabinet and District Planning and Investment Office (DPIO).
* Service delivery departments have their own individual formats for data collection, methods of obtaining data from field level, and modes of transmitting data from field to district and onwards to provincial level. DPI, including its statistical section, also have their formats and methodologies. Harmonisation of departmental data collection and reporting formats is therefore an issue to be dealt with and eventually reach a solution.
* Frequent changes in District and Provincial level staff responsible for managing the SDIS and loss of institutional memory. This calls for a stronger institutionalisation of capacity and experience, e.g. through further clarification of roles and responsibilities, better documentation of procedures and methodologies, and users’ manual(s) that is clear, informative and up-dated.
* Quality of data is still an issue: incomplete data and often the reliability is an issue (same information collected by different parties shows different data).
* Low levels of capacity at District level to use computer systems and software and to maintain systems.
* Capacity / ability to apply SDIS information by Provincial Administration for policy making and strategic planning and by District Administration for plannng; both to identify needs to be addressed and capture success stories for lessons learning.
* SDIS has focussed on supporting SDF and in future for DDF – however **more so** for use by province / district to spent government and government managed resources in a strategic, effective and efficient way for the benefit of poverty alleviation with achieving key MDGs.

In mid-2010 – considering the limited time available for further consolidation – it was found necessary to focus additional support on those issues that are most likely to ensure sustainability of the basic structure and processes of SDIS. The following issues have therefore been addressed:

* Consolidate the role and responsibility of OoG as user of information generated by SDIS for provincial oversight, i.e. province wide monitoring of poverty and efforts and strategies to combat poverty. This will enable OoG to allocate resources to the most needy areas, i.e. geographically, thematically, and sectorally. The main focus at provincial level shall be to ensure optimal resource allocation among districts. OoG will in future specify if new indicators shall be included in the SDIS.
* Consolidate the role and responsibility of DPI, including DPI’s statistical section, to be the focal point for SDIS data base management (or management of data sheets), all technical and organisastional aspects of data collection, regular supply of SDIS data and information to OoG and other provincial institutions, and supervise district level DPIs to carry out their functions at district level.
* Finalise and approve a MoU between OoG and DPI about their respective roles and responsibiliies (TOR for both parties). The MoU to be signed at high managerial level in order to ensure the required commitments to operate SDIS.
* Make efforts to establish a similar structure of roles and responsibilities at district level, so that DPI (district) is responsible for data collection and collation of data while the District Cabinet is responsible for needs assessment and priorities in planning based in information from SDIS.
* As data quality and reliability is an issue, DPI at provincial and district level shall possess the necessary capacity to supervise data collection and also provide training on data sheet formats and collection methodologies.
* The 146 indicators for which data is currently collated by SDIS has been reviewed with DPI / OoG and GPARLP, assisted by a national consultant, for greater alignment and elimination of overlaps / duplication of efforts.
* DPI will map the SDIS data – and other relevant data, and have identified LaoInfo as their preferred programme.

The above developments will enhance the utility, management and sustainability of the SDIS. The move to transfer technical responsibility for the operation of SDIS from Office of the Governor to the Department of Planning and Investment will greatly improve its potential as a nationally relevent monitoring and planning tool.

**Output 5: GPAR support facility which facilitates a wide range of small GPAR initiatives in the Province: Service Delivery Fund (SDF).**

Since 2007, GPAR LP has developed a Service Delivery Fund (SDF) to support basic services in the key areas of primary education, maternal and child health, access to clean water and sanitation and agricultural extension activities. The SDF is a provincial fund and not a district discretionary fund like the DDF. It is managed by the Provincial Leading Committee on Public Administration Reform with assistance from GPARLP. In practice decisions are taken at the Provincial level by a team comprising the NPD, PM, PSC, APSC and the SDF team. However this is not done unilaterally because proposals are authorised by relevant village, district, and provincial officials.

The SDF was subject to a careful design process during 2007 and designed in tandem with the SDIS. This included external / international consultancies for design and fine-tuning after testing. A number of meetings and workshops were held with all stakeholders in order to make sure all parties were fully aware of procedures and purpose.

In addition, a manual for selection process was prepared, called SDF Guidelines.

Disbursement of SDF funds has taken place during 2008, 2009, and 2010. More than half of all projects have been in the area of safe water supply and sanitation with 41 projects. Other areas that have received support are agriculture development activities, education, and women’s health related activities.

During 2010 12 projects were contracted and completed, namely five clean water and sanitation projects, two projects on other infrastructure, one project on purchase of textbooks for primary schools, one project on training for agricultural demonstration, one project on support to mobile health service team, and two projects for strengthening the capacity of Lao Women’s Union in all 12 districts.

Selection of projects has been facilitated by SDIS generated information, in combination with information available at departments. It was due to the SDIS generated information that safe water supply and sanitation was given such a high priority in the SDF programme.

**Output 6: GPAR Resource Centre in OoG through which GPAR learning mechanisms are established and strengthened.**

Establishment of the Resource Centre has been the key activity under output 6. A large number of activities has been carried out through the Resource Centre, such as baseline surveys, training and information workshops for departmental and districts staff, and exchange visits.

Through the Resource Centre an excellent video was produced; it demonstrated and publicised the SDIS at its early stage of implementation and helped to inform stakeholders of the use of SDIS.

The Resource Centre has produced a newsletter and collected and stored national policy documents, decrees and orders. It has a collection of reports on development projects in the province and is establishing a provincial archive, which will also include the GPAR LP Project documentation.

An OoG website has been developed and uploaded; it contains information about the provincial administration and is a useful tool for disseminating information. The future challenge is to keep the website continuously updated in order to serve as a source of latest news and information on policies, regulatory statements and administrative issues in Luang Prabang Province.

Activities during 2010 under output 6 include GPAR LP Lesson Learning and Public Administration Improvement Plan workshop in June, Luang Prabang Provincial Administration Improvement Plan follow-up and final workshop in October 2010 with discussions on the proposal for GPAR in LP after 2010, and review meeting in August with Training of Trainers (ToT) team, including update and publication of training manuals.

## 1.3 Gender

Gender has been treated as a cross-cutting issue in the GPARLP II projects, not as a specific outcome or output. In Luang Prabang Province, as in other provinces in Laos, there is documented evidence that women are more disadvantaged in many areas seen in relation to men. In the context of the project, gender issues arise continously and have affected all stages and components of the project. Thus, when it was decided to treat gender as a cross-cutting issue, gender activities were to be taken into account in all stages and reflected in all the components of the project. This has been attempted as much as possible in GPARLP II, for instance in connection with the SDF support to school sanitation for girls (water supply and sanitation) and a small number of rural livelihood training exercises by the Lao Women’s Union. The selection of Mother and Child mobile clinics further represents the Project’s proactive gender approach.

The establishment of the Provincial Committee for the Advancement of Women (PCAW) in 2008 was supported by the Project. Continuing assistance was provided to help PCAW understand their strategic role and learn to plan gender mainstreaming for officials. Awareness workshops have been held across the Province so that senior officials better understand of role of PCAW in promotion of the advancement of women, including in the public service. In each District a Committee for the Advancement of Women (DCAW) has been established.

Support to PCAW has continued during 2010 with Gender mainstreaming training & Awareness on PCAW, consolidation of PCAW with strategic planning & project management training, workshop on Promotion of women’s participation in Kumban Development, and support to PCAW providing awareness training on office administration for DCAW staff in Viengkham and Phonthong districts.

## 1.4 Progress towards achievement of results

**Outputs:** The outputs expected during 2010 have mostly been achieved as per annual indicators. The exceptions are – in relation to output 1 – that the fibre optic cables were not put in place to connect DoF with all departments, fiber optic cables have only been installed internally in DoF. This does not jeopardise the system or endanger sustainability, however, once installed it will be very useful and make financial information to flow more quicly and thereby improve effectiveness.

Another exception is output 4: provincial oversight vis-a-vis SDIS. As described above additional efforts were made during 2010 to attempt ensuring the sustainability of SDIS. The framework has been improved with further clarification of roles and responsibilities, however, it can not the claimed that the output that reads “**Indicator: DPI collects and analyses SDIS data, Target: DPI takes over the technical aspects of SDIS from OoG”** has been fully achieved as of December 2010.

**Outcome:** During 2010 the generated outputs have further strengthened generation of the expected outcome. The achievement of outcomes at the end of 2010 may be summarised in the following way:

* Computerized Government Financial Information System (National Accounting) in sustainable daily operation in all provincial departments and all Districts. Revenue collection, transparency and accountability have all been strengthened. Next step is to connect DoF to all provincial departments by optic-fibre cables for swift communication, reporting and sharing of information.
* Provincial finance undergoes full audit inspection by Central Committee on Inspection and a Provincial 3 year Audit Plan agreed with Ministry of Finance.
* One-Door-Service opened for Luang Prabang District citizens; staff retrained in 2010 for enhanced sustainability subsequent to significant staff rotation.
* Functions and Job Descriptions are now current for Health and Education provincial services staff in all 12 Districts. Reporting systems for Health and Education Services improved and action training continued to strengthen the organizational ability to deliver selected basic services. Strategic planning skills improved at provincial and district level for both departments.
* Reduction in the time taken to get business licenses in Luang Prabang is significant, from 217 to 45 days. DPI has in 2010 installed its own website for easier information on business environments and requirements in Luang Prabang Province.
* The Service Delivery Information System – a Provincial service delivery oversight tool - has been up and running since 2008 and has particularly benefitted the identification of project6s to be supported under Service Delivery Fund (SDF). In 2010 further efforts were made to clarify roles and functions between information users – mainly OoG – and information providers – mainly DPI and key departments – to ensure future sustainability and more effect use and application of information from SDIS.
* The Service Delivery Fund contributed to the improvement in delivery of selected basic services for rural households with a poverty alleviation focused approach. 12 projects were contracted and completed during 2010, mainly within clean water supply and sanitation, primary education related activities, and to a lesser extent agriculture and LWU activities.

Capacity created in GPAR Resource Centre, which now functions as an integral part of Office of the Governor, to implement a document management system for Office of the Governor and to foster awareness of GPAR and lessons learned.

## 1.5 Achievements on Vientiane Declaration parameters

No specific activities or changes in project structure, procedures, management or activity implementation during 2010 contributes to further adherence to Vientiane Declaration parameters regarding aid effectiveness. However, the initial considerations on GPAR in Luang Praqgang after 2010 are based on further application of Vientiane Declaration parameters, such as:

* No Project Support Unit but implementation by fully responsible Government Agenncy;
* Further alignment with Government policies and strategies, e.g. NSEDP and Strategic Plan for Governance 2011 - 2020.
* Better development partner harmonisation through the suggested Programme approach to GPAR 2011 – 2015.

## 1.6 Project Management issues

During the last year of the project, a Project Board was established for the sake of conformity among all the GPAR projects and it held its first meeting on 30 June 2010. The Project Board assumed the policy guidance role previously carried out by the Leading Committee. The Chairmanship of the Project Board remained the same as of the Leading Committee.

The total number of PSU staff in 2006 was 24 persons which was reduced to 11 by the end of 2010 with no reduction in number during 2010. The accountant was on maternity leave until March 2010, during her absence with a stand in. The long term International Technical advisor left the project by end December 2009 due to expiry of his contract in accordance with the originally planned conclusion of the project by end December 2010. A new international Technical Advisor was recruited for the extension year, 2010, however due to various formalities he could not begin his assignment until late May 2010.

The position of NPD was changed twice during 2010. This has obviously meant that this position has been able to play a pro-active role in project implementation as it takes time to achieve good knowledge of the project routines, challenges and opportunities.

The project was audited in March 2010, with only a few minor comments and recommendations. During Q3 a spot check mission visited the Project. Also here, no major issues were identified, only minor subjects had to be addressed subsequently, such as providing the remaining computer with virus protection, appointing a deputy for the PM if he is absent, and that the PM carries out the variance analysis according to template provided.

On the flow of funds side timely receipt of POA advances continued to be a challenge. The average time for receipt of 6 weeks in 2009 was not significantly reduced. The late disbursement has impacted on the ability of the Project to meet its delivery targets during the Quarters and to meet the UNDP requirement to spend 80% of each Quarter’s POA within the Quarter.

Two budget revisions were carried out during 2010 due to adjustments in total amount of funds available from the donors and over / under expenditure on some budget lines. The budget revisions also became pertinent for the Project in order to avoid any over spending and enable closing down with full knowledge of remaining, not yet utilized funds.

As a preparatory move towards Vientiane Declaration on Aid Effectiveness requirements the Project is working with Department of Finance and the implementing partners to pay POA supports via Department of Finance where possible. This brings the funds on to the Department of Finance books, uses the existing national systems to transfer support funds to the implementing partners and imposes national controls, checks and balances. The results of this pilot will also be captured as a Lesson Learned by the Project.

As we approached the closing date of GPARLP II, an increasing interest among stakeholders in Luang Prabang about possible future GPAR support could be observed. The ‘Provincial Administration Improvement Plan’ had been prepared in a participatory process and provided a needs identification and ‘wish list’ for further support. Based on this the Project prepared a preliminary project identification document for GPAR in Luang Prabang 2011 – 2015; it was submitted to UNDP and National Authorities for consideration during the envisaged GPAR Programme formulation process.

## 1.7 Lessons learned and documentation.

The GPAR Luang Prabang Lesson Learning Report (Draft September 2009), has identified a wide range of lessons arising from each of the main thematic areas contained within the GPAR Luang Prabang Project. The report has been updated during 2010 with a few new observations or modification of original observations; the title of the final document is “Summary of Processes and Lessons Learned”.

The report identified the main interventions supported by the project under each theme and has, in each case, identified the process of intervention as well as the lessons. Whilst it can be seen from the main body of the report that the project has generated a very substantial number of lessons, the most significant are summarised below as concluding lessons.

1. The projects dual focus on governance reforms and funding for improved service delivery (SDF funds, not mainstreamed flow of funds) in core MDG sectors such as primary education, mother and child health, clean water supply and livelihoods has been an approach appreciated at village and community level. It illustrates clearly that if enhanced capacity and enhanced resource availability go in tandem, the optimal results are achieved.
2. The project’s strong focus on building capacity for improved management of MDGs, which has been achieved by placing this objective at the centre of two of the most important initiatives in strategic oversight and planning through the Service Delivery Information System (SDIS) and the service delivery fund (SDF).
3. Support to the National Accounting System (NAS) clearly demonstrates the importance of identifying opportunities for reform that are consistent with national priorities and accompanied by on-going project support. This is the basis for strong alignment in the financial sector in accordance with the Vientiane Declaration.
4. The GPAR LP experience with supporting NAS includes that there are significant economy of scale advantages to aligning project outputs with the replication of systems that have already been developed elsewhere.
5. The GPAR LP experience shows that rather complex systems that involve multiple stakeholders – such as the Service Delivery Information System (SDIS) – can be fragile in terms of sustainability, particularly if the system development has been heavily facilitated by national and international consultants and technical assistance. Institutionalisation and ensuring ownership is essential to remedy this fragility.

In addition to the main Summary of Processes and Lessons Learned report, a three pages summary report on lessons learned has been prepared in accordance with UNDP requirements.

## 1.8 Final Project Evaluation.

The Final Evaluation of GPAR Luang Prabang Project was undertaken by an independent team in July / August 2009. The evaluation team summarized that “the achievement of the project in terms of its intended outcome has been very substantial in terms of improvements in administrative practices and capacities. This has resulted in more visible, reliable, responsive, accountable, pro-poor services delivery occurring within the districts, Kumbans and villages where the project has been operating”.

The evaluation results were reported in greater detail at the 2009 ARM and shall not be repeated here.

## 1.9 Project Assets and Equipment

During Q3 and Q4 of 2010 all the project assets and equipment have been checked and verified by GPARLP II staff, including visits to all districts and cooperation departments. The final inventory has been handed over to UNDP for further processing with eventually transfer of all assets and equipment to OoG.

## 1.10 GPAR in LP in 2011 - 2015

During the second half of 2010 the GPARLP II has provided its contribution to formulation of a new GPAR Programme for 2011 – 2015 by preparing a first proposal for possible activities in Luang Prabang Province. The proposal is preliminary as the new GPAR programme has not yet been formulated, however, a number of key principles have been provided by UNDP and PASCA. The preliminary proposal for GPARLP has been participatory and reflects needs and opportunities as viewed from Luang Prabang.

The needs identification presented in the Provincial Administration Improvement Plan has provided important guidance for the proposal. In addition, also the comprehensive Lessons Learned report for GPAR LP II has provided useful information on what has been successful and therefore suitable for scaling up for implementation in the entire province as well as beyond. The 7th NSEDP 2011 - 15 and the Strategic Plan for Governance of Lao PDR 2011 – 2020 have been applied as guiding principles as far as national policies, strategies and priorities are concerned. Other principles for the proposed components include:

* Should be part of (components of) a new National GPAR Programme 2011 – 15 which will have well defined goals and outcomes at the higher programme level.
* A new GPAR LP 2011-15 should be more focused on strategic provincial objectives than GPARLP phase I and II have been. This will facilitate implementation and avoid diluting effects and impact by spreading the inputs too thinly over too many activities.
* Management of the components should be more integrated in the designated implementing institutions and not be managed by a Project Support Unit. The designated institutions shall then be fully responsible and accountable for implementing the concerned component; this is envisaged to enhance ownership, sustainability and accumulation of knowledge and experience at institutional level.
* The interventions shall directly or indirectly (by creating an effective and conducive governance environment) address critical MDGs, such as MDG #1: eradicate extreme poverty and hunger; MDG #2: Achieve universal primary education; MDG #4: Reduce child mortality; and MDG #5: Improve maternal health. MDG #3, promote gender equality and empower women, will also be addressed, both as a crosscutting issue and directly through supporting gender focused institutions. These are also believed to be priority areas for UNDP.

From Luang Prabang Province we urge that this preliminary proposal is taken into consideration when the new GPAR Programme is going to be designed and formulated in 2011.

Mr Bounthanh Sisouphanh

Project Manager

9th December 2010

# 2. Project Information and Resources

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| **PROJECT INFORMATION AND RESOURCES** | | | | | | | | | | | |
| **Project ID and title:** | | | 00045991: Decentralized Participatory Governance and Service Delivery Reform Project Luang Prabang – Phase II 2005-2010 (incl. 2010 no-cost extension year) | | | | | | | | |
| **Executing Agency:** | | | Office of the Governor of Luang Prabang Province. | | | | | | | | |
| **Other Responsible Partners:** | | | Government of Lao PDR, Ministry of Foreign Affairs, GPAR programme, PACSA, UNDP, Department of Planning and Investment, Department of Information and Culture, Provincial Committee of Organization and Personnel, Provincial Agriculture and Forestry Department, Department of Education, Department of Public Health, Districts of Ngoi, Pak Ou, Pakxeng, Phonxay and Luang Prabang. | | | | | | | | |
| **Project Starting date** | | | | | **Project completion date** | | | | | | |
| Originally planned | Actual | | | | Originally planned | | | | Current estimate | | |
| 1 October 2005 | 1 January 2006 | | | | 31 December 2009 | | | | 31 December 2010  (No-cost extension 12 months ) | | |
| **Period covered by this report:** | | | | January – December 2010 | | | | | | | |
| **Total Budget** | | **Original Budget**  **(US$)** | | | | | **Latest Signed Revision**  **(US$)** | | | | |
|  | | SIDA: 2,500,000  UNDP(Trac): 589,000  Total: 3,089,000 | | | | | 3,089,000 | | | | |
| **Resources** | | **Donor & Trac** | | | | |  | **Amount (US$)** | | |  |
|  | | SIDA & UNDP | | | | |  | 3,089,000 | | |  |
| **Summary of expenditure for the period covered by this report** | | | | | | **Amount (US$)** | | | | | |
| **BUDGET 2010** | | | | **414,957** | |
| **EXPENDITURE 2010 (estimated to**  **End December)** | | | | **408,106** | |

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| **II. PURPOSE of PROJECT** |

# 3. Purpose of the Project

## 3.1 National Development Objectives

The project is directly related to realizing the goal of the NGPES, of equitable economic growth and poverty eradication, with governance and public administration reform, as a means to achieve this policy goal. Its mission is “to support the design and implementation of governance and public administration reforms related to functioning of provincial departments so as to improve delivery of selected basic services for rural households and urban businesses”.

The Project addresses the NSEDP priority sectors of agriculture, economic investment, Health and Education. The key outcomes are in support of the MDGs - specifically Outputs 2, 4 and 5 on universal primary education; gender equality in primary education; reduced child mortality; and improved maternal health. The Project contributes to these strategic objectives through targeted institutional supports for financial system improvements, decentralized administration and service delivery strengthening - including One-Door-Service, core pro poor and pro mother-and-child Health and Education services improvement, support to business facilitation, agriculture extension service and enhanced Provincial government oversight capability.

## 3.2 UN Development Assistance Framework (2007-2011)

In the Lao PDR the UNDAF is organized around three core pillars of governance, poverty and food security, and the social sector. These were identified by the UN system in 2004 as being criticial sectors for the Lao PDR to reach the MDGs and as such formed a realignment of UNDAF 1 (2002-2006) during its mid-term review.

The three outcome areas are:

1. By 2011, the livelihoods of poor, vulnerable and food insecure populations are enhanced through sustainable development;

2. By 2011, increased and more equitable access to and utilization of quality and prioritized social services; and

3. By 2011, strengthened capacities of public and private institutions to fulfill their duties and greater people’s participation in governance and advocacy for the promotion of human rights in conformity with the Millennium Declaration.

The Project has been in general compliance with all three UNDAF outcomes and specifically the UNDAF Outcome 3: “ By 2011, strengthened capacities ……… Millennium Declaration”.

**The Country Programme (CP)** has 9 outcomes in support of the UNDAF outcome targets. In particular outcome 8 is relevant for GPARLP II: “Increased efficiency, effectiveness, transparency and accountability of the public administration at both central and local levels” (also CP outcome 3.3). The three outputs to achieve this outcome were identified as:

**Output 8.1**: Capacities at central and local administrations for decentralized planning, management and service delivery further strengthened. (also called CP output 3.3.1)

**Output 8.2**: Enhanced capacities and incentive structures to facilitate more effective fiscal management in terms of stimulating greater domestic revenue collection and strengthened public expenditure management. (also called CP output 3.3.2)

**Output 8.3**: Strengthened implementation of anti-corruption legislation and practices through reforms in administrative systems, public information dissemination and law enforcement. (Also called CP output 3.3.3)

The UNDAF Monitoring and Evaluation framework suggests the following indicators for output 8.1 – 8.3:

* Functional analysis of government departments, including job descriptions completed, resulting in enhanced pairing of staff skills with job requirements
* National civil service training curriculum developed and implemented nationwide (ensuring CEDAW principles included)
* Increased number of Annual Audits conducted by State Audit Organization
* Increased number of Anti-Corruption cases brought before the State Inspection Authority number of investigations carried out and cases resolved
* Establishment of a national tax and customs administration reporting to the central Ministry of Finance
* Establishment of citizen information centres containing information on laws and policies, but also on budgetary allocation, public expenditure, audit results, and procurement contracts
* Increased salary of civil servants on the basis of a merit and performance based system of evaluation

All three outputs have been addressed by GPARLP II, in particular 8.1 and 8.2, output 8.3 only to a lesser extent.

# 4. Project Performance and Results

## 4.1 Contribution to the strategic goals

The **overall goal** of the project is the same as the goal of NPGES, namely

***Equitable economic growth and poverty eradication***

Governance and public administration reform is seen as a means to achieve this policy goal.

The intended **project outcome** of GPARLP II is (ProDoc p. 14):

***Sustainable improvements in provincial policies, administrative practices and capacities which will:***

* ***improve availability, reliability and responsiveness of pro-poor services***
* ***enable greater transparency and citizens’ participation in governance***
* ***strengthen clarity and accountability in delivering services to citizens***

The outcome is envisaged to be achieved by generating 6 project outputs under the heading:

“Strengthen capacities of selected government institutions at the provincial and district levels to contribute to the improvement in delivery of selected basic services for rural households and urban businesses”.

1. Strengthened decentralized administration and expenditure management of pro-poor services
2. Public service delivery reforms in Health and Education sectors
3. Business Facilitation Centre (BFC) providing enabling environment for business activities in Luang Prabang district
4. Provincial oversight & public information mechanism for the Office of the Governor
5. GPAR support facility which facilitates a wide range of small GPAR initiatives in the Province
6. GPAR Resource Centre through which GPAR learning mechanisms are established and strengthened

The ProDoc makes further description of the e**xpected end of project situation:**

By the end of the project, the province is expected to have well-established systems to ensure priority and timeliness in financial support for departments providing basic services, supported by restructured district administrations and district plans in pilot districts. These systems will also have active involvement and oversight by the Office of the Governor, as well as greater dissemination of relevant information to enable citizens to better access services and play the role of active citizens. Indicative improvements in availability and reliability of education and health services should be evident by the end of the project, in several areas. Urban business would have greater convenience in complying with regulations. A range of small reform related initiatives involving several departments and districts would be complete, indicating greater involvement and ownership of the GPAR process in the province. Learning from this project would have influenced and benefited other GPAR pilots and emerging central GPAR initiatives.

These outputs originate from the Project Document and are in principle not changed. However, during inception it was realized that it was necessary to focus project activities and be less ambitious if the intended outputs were to be reached. The focusing was mainly a narrowing of the number of sectors involved to Health and Education, which are also considered as focus sectors in the NSEDP and Government strategy.

# 5. Project performance and results

**III PROJECT PERFORMANCE AND RESULTS**

**1 Contribution to the strategic goals**

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| **Outcome (heading for envisaged outputs)**: Strengthen capacities of selected government institutions at the provincial and district levels to contribute to the improvement in delivery of selected basic services for rural households and urban businesses.  **Related to SRF outcome**: Strengthening accountable and responsive governing institutions |
| **Progress towards achieving outcome**:   * Computerized Government Financial Information System (National accounting) in sustainable daily operation in all provincial departments and all Districts and has helped Luang Prabang province to improve budgeting and expenditure management of Provincial Services and other departments. Revenue collection, transparency and accountability have all been strengthened. Next step is to connect DoF to all provincial departments by optic-fibre cables for swift communication, reporting and sharing of information. * Provincial finance undergoes full audit inspection by Central Committee on Inspection and a Provincial 3 year Audit Plan agreed with Ministry of Finance. * One-Door-Service opened for Luang Prabang District citizens; staff retrained in 2010 for enhanced sustainability subsequent to significant staff rotation. * Functions and Job Descriptions are now current for Health and Education provincial services staff in all 12 Districts. Reporting systems for Health and Education Services improved and action training continued to strengthen the organizational ability to deliver selected basic services. Strategic planning skills improved at provincial and district level for both departments. * Following the 2007 Business Investment analysis to improved services to businesses and increased economic activity and revenue, significant reduction in the time taken to get business licenses in Luang Prabang are apparent, from 217 to 45 days. DPI has in 2010 installed its own website for easier information on business environments and requirements in Luang Prabang Province. * The Service Delivery Information System – a Provincial service delivery oversight tool - has been up and running since 2008 and has particularly benefitted the identification of project6s to be supported under Service Delivery Fund (SDF). In 2010 further efforts were made to clarify roles and functions between information users – mainly OoG – and information providers – mainly DPI and key departments – to ensure future sustainability and more effect use and application of information from SDIS. * The Service Delivery Fund contributed to the improvement in delivery of selected basic services for rural households with a poverty alleviation focused approach. 12 projects were contracted and completed during 2010, mainly within clean water supply and sanitation, primary education related activities, and to a lesser extent agriculture and LWU activities. * Capacity created in GPAR Resource Centre, which now functions as an integral part of Office of the Governor, to implement a document management system for Office of the Governor and to foster awareness of GPAR and lessons learned. |

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| **Annual outputs (Results Based Management)** | **Key activities completed during reporting period**  **(2010)** | **Progress towards achieving outputs and targets achieved against indicators** | **Comments, Issues & management Actions** |
| **Output 1: Strengthened decentralized administration and expenditure management CDR:** | | | |
| **1 Consolidate decentralised expenditure management**   * **Indicator: The number of Provincial govt. offices linked by fibre-optic to Department of Finance’s GFIS Server for Budget information and reporting Target : 14 Main provincial Depts are linked. Baseline : Provincial Offices using computerized GFIS but no permanent real-time access to GFIS on DoF Server** | * Installation of fibre optic system in DoF * TOT training. on ICT & Computer at DoF | * Further training on IT provided to enhance sustainability. * The fibre-optic cabling has only been installed in DOF; connecting with the provincial departments is one of the future challenges | Ownership and technical sustainability of the provincial Financial Management system high. |
| **2 Consolidate HR / Provincial Committee for Organisation and Personnel**   * **Indicator : No of PCOP staff trained in Personnel Database applications. Target: 3 key PCOP staff trained and using Personnel Database. Baseline: Personnel management database not in general use** | * Computer training for Database management (PIMS) in Xieng Ngeun District |  | Has internal Personnel management database, but more work / support to enable an operating external database system to go into general use. |
| ***3* Sustain citizens One Door Service (ODS)** | * ODS LP District Management/Staff follow-on training on ODS operations & IT training. | ODS is being operated in LP Province after retraining of personnel.  Provincial authorities have reviewed the ODS operation, identified improvements and future supports to operations. | The more ODS is being integrated into the normal district routines the higher the sustainability will be. |
| **4.Consolidate Decentralised Local Administration**   * **Indicator : No. of Districts and Departments know about role & plans of PCAW. Target: 14 Departs & 12 Districts Baseline: Provincial main Depts & 11 Districts aware of establishment of PCAW.** * **Indicator : Number of Province-wide socio-economic review meetings held. Target: 3 provincal socio-economic meetings held Baseline : GPARLP introduced practice of 3 Socio-Economic Review workshops per Annual .** | * Gender mainstreaming training & Awareness on PCAW in Viengkham district (22 - 24 / 2 / 2010) * PCAW consolidated with strategic planning & Project management training (25 - 26 / 2 / 2010) * Workshop on Promotion of women’s participation in Kumban Development in Xieng Ngeun, Nan & Phoukhoune districts (1 - 10/ 3 / 2010) * PCAW provide awareness training on office administration for DCAW staff in Viengkham and Phonthong districts (18 – 24 May 2010) * Provincial socio-economic review meeting in LP (3) for 12 districts (1-7 /03/2010) * District cabinet office management & methods/sustainable continuous   training in Pak Ou dist. (15-21/03/10).   * Kumban socio-economic development planning training for 12 districts in Phonthong * Provincial socio-economic review meeting for all districts at OoG (26 – June 2010) * Consolidate District Cabinet office management and methods in Phonthong District (7 – 13 June 2010). * Consolidate Kumban socio-economic development at district level in Ng * Consolidate Khumban Socio-economic development in 12 Districts, 20 – 26 Sep 2010 | All the main provincial departments and all 12 districts have basic knowledge about the role of PCAW and DCAW  Socio-economic reviews carried out in all 12 district and a good knowledge of socio-economic planning is emerging, however, much more training and exposure is required. |  |
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| **2. Public service delivery reforms in health and education sectors** | | | |
| * **Indicator: Number of Education & Health senior managers receiving Leadership / strategic planning training. Target : 4 senior Provincial managers 12 District . Baseline: No leadership / strategic planning training for sustainable reform given in Health & Education sectors** | * Training on Office Administration for health staff in 6 sections and 12 districts at XNG * Strategic planning skills training (at Province & District level) incl evaluation of public programs / client survey techniques / data & evidence analysis / etc), * Volunteer Teacher Training for non-education in Phonxay dist. * Primary Service (Mother & Child) for Mobile team in 5 Districts(LP, PO, CHP, NB & Ngoi). | All 12 districts Education officials understand their management functions and can better perform these duties  1 District receive teacher training. |  |
| ***3. Business Facilitation Centre providing an enabling environment for business activities in Luang-Prabang district*** | | | |
| 1. **Develop Capacity for BFC**  * **Indicator: Business Investment Website is up-loaded and functioning Target : Website can be accessed from WWW and DPI staff can respond to queries Baseline: No functioning website for Luang Prabang Business Investment promotion.** | * Establish web site, accessible from WWW * Training on Website * Workshop on job descriptions for DPI * Lessons learning workshop on investment promotion by DPI | DPI has developed own website (accessible directly from www) on business promotion and registration requirements. |  |
| * **Output 4 Provincial Oversight / Service Delivery Information System** | | | |
| * **Indicator: DPI collects and analyses SDIS data Target : DPI takes over the technical aspects of SDIS from OoG Baseline: OoG collects & analyses SDIS data with DPI assistance** | * Technical & data collection, analysis training at Province & District/Khumban levels. Workshop in Nam Bak District * Enable GIS of SDIS / DPI Laoinfo & Mapinfo supports. Training on Map Info support in Pak Ou District * Consolidate SDIS through increased DPI & Statistics Office collaboration (National consultant). * Definition and clarification of roles and responsibilities between OoG and DPI on SDIS operations (national consultant) * Training for Leadership / LCPAR /National Assembly LP & Office of the Governor re SDIS Data interpretation & application + Gender sensitivity | A more clear division of role and responsibilities (TOR) between OoG and DPI has been established through an agreed MoU.  DPI will take lead of the technical operations and OoG (and other users) will in future apply the SDIS generated date more effectively. |  |
| **Output 5 Service Delivery Special Fund - CDR:** | | | |
| **1 Disseminate information & training on GPAR Support Fund / Disbursements Made**   * **Indicator: Percentage of SDF Budget successfully delivered. Target : 80% Baseline: 90% delivered in 2008/09** | * Installation of electricity system for community education center in Xienglom village (LP dist.) (13/03/10). * SuanLuang Primary school (XNG dist.) building repair (Const.material supply) (30/03/10) * Textbooks purchased for primary education * Construction of clean water system for Phonsavang dispensary and sanitation syst. for N/B secondary school (June 2010) * Construction of clean water system in Moklak (June 2010) * Construction of clean water system in Phakhom and Phonsa-ath Primary schools (June 2010) * Training on agricultural demonstration – alternative to slash & burn in Phonxay and Pakseng districts (27 – 30 May and 2 – 5 June 2010) * Training on office management for LWU in 12 districts in Xieng Ngeun and Ngoi (24 May – 11 June 10) * LWU Leadership training for 12 districts in Xieng Ngeun and Ngoi (24 May – 11 June) * Mobile Service Team in 5 districts 19 – 26 Aug 2010. * Water system. for Phonsavang dispensary –Pak Ou District * Improve access to clean Water in Moklak, Phonsaad, Pkakhom. | 12 new projects were contracted and completed in 2010  102 % of budgeted funds spent in 2010. |  |
| **Output 6 GPAR Luang Prabang Ressource Centre** | | | |
| **1 Establish GPAR Resource Centre**    **Indicator: GPAR LP 2011+ Formulation report available Target : Facilitated reflection & formulation of GPAR program 2011+ undertaken Baseline: Evaluation Report & Lesson Learning Report & LP Management Improvement Plan produced in 2009 and updated in 2010** | * GPAR LP Lesson Learning and Public Administration Improvement Plan workshop (23-24 Jun.10) in Ngoi dist. * Luang Prabang Provincial Administration Improvement Plan follow-on workshops (Sept 2009) * Final workshop on Improvement Plan and future of GPAR in Luang Prabang Province (Oct 2010) * Review meeting with TOT team, update & publication of training manuals. Review meeting on 30 Aug 2010 in Luang Prabang. * ICT training & Website for GRC. | A preliminary project (component) formulation report for GPAR LP 2011+ in the context of a new GPAR Programme is available. Reflection through LP based workshops, facilitation by Project Support Unit.  Other documents prepared and related to future GPAR Programe include a ‘ Summary o Processes and Lessons Learned’ report and a ‘Provincial Administration Improvement Plan’. |  |
| **7. Project Support** | | | |
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# 6. Update on implementation of the Vientiane Declaration and its Action Plan

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| The Vientiane Declaration on Aid Effectiveness was signed on 29PthP November 2006. UNDP is a focal point for 32 of the 73 actions that give effect to the five principles; - Ownership, Alignment, Harmonization, Managing for Results and Mutual Accountability. On the Project level -   * Project Implementation Units (Alignment) – UNDP’s aim is to support the government NEX to identify practical ways to integrate projects implementation into Government of Lao sectors. GPARLP Project’s PIU implements the Project activities and Outputs under the managerial direction of the Office of the Governor through a Project Manager and National Project Director, both of whom are Office of the Governor officials. The number of PIU staff has steadily reduced from at the start of Phase 2 in January 2006 to end December 2010.  |  |  |  |  | | --- | --- | --- | --- | | **PIU (paid staff)** | **Lao** | **Foreign** | **Total** | | Phase 2 start 2006 | 21 (incl 4 support) | 3 (Adviser 1; IUNV 2) | 24 | | Year end 2010 | 10 | 1 | 11 |  * Use of country Public Finance Management systems (Alignment) – the Project does not currently use government systems – it uses its own (PIU) / UNDP/NEX/NIM systems for budget execution, financial reporting and auditing. However, the Project has successfully collaborated with Department of Finance and the implementing partners to pay POA allocations via Department of Finance where possible. This brings the funds on to the Department of Finance books, uses the existing national systems to transfer support funds to the implementing partners and imposes national controls, checks and balances. * Use of country procurement systems (Alignment) – the Project continues to use UNDP/NEX/NIM system for procurement and does not use national procurement systems. However, procurement of items and service at a value below 5,000 USD can be procured locally. * National Development Strategy (Ownership) – the Project work planning takes into account the NGPES/MDGs and the key outputs of service delivery in Health, Education, Agriculture, and investment/business facilitation directly reflect NGPES priorities. * The GPAR Resource Centre (Harmonization) – The co-development of a GPAR Resource Centre and Information Units in Office of the Governor and the Project’s support to government Document & Archive management in Office of the Governor will provide a sustainable basis to share research/review results at this level. * Results orientated frameworks (Managing for Results) – the Project operates the Results Based Management system. The Project Outputs contribute to the cross-project/sector level Outcomes and ultimately at the programme level support the UNDAF and the National Development Objectives formulated in the NSEDP. Formal appointment of a Project Management Board, in replacement of the previous Leading Committee on Public Administration Reform (LCPAR) took place in 2010.   **HACT implementation**  Harmonized Approach Cash Transfer system was introduced to the Project in 2007. The purposed is to more closely align different UN agencies accounting procedures and to give more readily comparable Budget and Expenditure information. The HACT system has been successfully introduced by the Project accountant and training / support is continuing. It is recommended that training continue, including for Project management. |

# 7. Update on partnerships

No new partnerships were established during 2010.

# 8. Update on audit recommendations

The Project was audited in March 2010 and a spot was made in September. No major issues were found, only a number of minor observations were made with related recommendations. These include:

* Joint Project – UNDP monthly meetings should bed held regularly (monthly)
* Project Board should be established and meetings held regularly
* The Project should ensure that FACE FORMs are dated and duly signed
* Project management should ensure that variance analysis is carried in accordance with UNDP guidelines
* Project Management should ensure that vehicles maintenance schedules are prepared and implemented properly.
* Project Management should establish a preventive maintenance schedule to systematically maintain and service the IT hardware of the Project.
* Anti virus programmes should be installed on all computers

These and other very minor observations have been attended to by the Project Management and staff.

# 9. List main challenges and issues (if any) faced during reporting period / response strategies adopted

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| * Technical assistance staff such as International Advisor and National Consultant came in late after quite lengthy procedures applied by both UNDP and Government. It has meant that some issues have been attended to late in the year and less effectively than would have been the case with earlier recruitment. * The removal of the earlier cash-flow practice of a 4 month POA request each Quarter and its replacement by the 3 month POA request means that there is no cash-flow cushion to carry on the implementation of the POA activities while awaiting a POA Bank transfer. This situation is compounded by the “80%” rule that requires at least 80% of the Quarterly POA has been spent in a given Quarter before a POA payment can be made for the next Quarter. This has effectively meant that quarters are less than 2 months in stead of 3. UNDP is aware of these difficulties. |

# 10. Rating on progress towards results

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| **Outcome Level:** [From table 1. Contribution to Strategic Goals]  “ Strengthen capacities of selected government institutions at the provincial and district levels to contribute to the improvement in delivery of selected basic services for rural households and urban businesses.” | | |
| improved availability, reliability and responsiveness of primary pro-poor services & business investment facilitation |  | Positive change  Negative change  Unchanged |
| greater transparency and people participation in governance |  | Positive change  Negative change  Unchanged |
| strengthen clarity and accountability in delivering services to citizens |  | Positive change  Negative change  Unchanged |

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| --- | --- | --- |
| **Output Level:** [From table 1. Contribution to Strategic Goals] | | |
| 1. Strengthened decentralized administration and expenditure management of pro-poor services  . |  | No  Partially  Yes |
| 2. Public service delivery reforms in health and education sectors |  | No  Partially  Yes |
| 3. Business Facilitation Centre providing an enabling environment for business activities in Luang-Prabang district |  | No  Partially  Yes |
| 4. Provincial oversight mechanism (POM) for Office of the Governor to oversee administration and public services, and strengthen people’s participation in administration |  | No  Partially  Yes |
| 5. GPAR Support Facility which funds wide range of small GPAR initiatives in province and block grants for districts |  | No  Partially  Yes |
| 6. GPAR Resource Centre through which GPAR learning mechanisms are established and strengthened |  | No  Partially  Yes |

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

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

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| **VI. ANNEXES** |

The Annex forms an integral part of this Report

* Project management Logs
* Combined Delivery Report

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| **PREPARED BY** |

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| --- | --- |
|  |  |
| Mr Bounthanh Sisouphanh,  Project Manager | Dr. Bouakhong Nammavong,  National Project Director. |
| 9 December 2010 | 9 December 2010 |

# Project Results Based Management LOGS

**OFFLINE RISK LOG**

|  |  |  |
| --- | --- | --- |
| **Project Title: GPAR Luang Prabang 2** | **Award ID :00040599** | **Date December 2008** |

| **#** | **Description** | **Date Identified** | **Type** | **Impact (1-5) x**  **Probability (1-5)= Risk** | **Countermeasures / Mgmt response** | **Owner** | **Submitted, updated by** | **Last Update** | **Status** |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| *1* | *Reform requires Provincial leadership and departments to actively engage in change efforts - may encounter reluctance to provide the required time and effort to design and implement reforms.* | *Project Design document* | *Political* | *GPAR project is exposed to generic risks of public administration reform projects all over the world, in terms of sustained commitment and perseverance of provincial government leadership to a long-term change process.*  *Without leadership buy-in to the need for reform and commitment to the goals and implementation of the Project it is unlikely that the more challenging elements/ Outputs could be successfully delivered as planned.*  *P = 2*  *I = 4*  ***R = 8*** | * *Discussion between Project & Project Board re need for strong leadership to drive the reform process have taken place on occasions* * *A new Project Board was established in 2010* * *Project fosters and monitors good relationship with key senior partners.* | *Project Manager with assistance from National Project Director / Project Board when deemed desirable* | *Project Manager* | *25/11 2010* | *Latent (.i.e. potential but under control at present)* |
| *2* | *Luang-Prabang experiences severe shortage of funds for even maintenance of infrastructure and routine operation* | *Project Design document* | *Financial (economic factors)* | *Pursuit of Provincial fiscal / budgetary independence (Output 1 – Decentralization & Expenditure Management) is not realistic unless there are adequate local fiscal resources available to the Province.*  *The absence of such funds means that Provincial government has little influence on central Ministry budgets. Project cannot realistically pursue these outputs.*  *P = 5*  *I = 0*  ***R = 0*** | * *This risk is beyond Project or Province influence / control.* * *The Inception Work Shop (2006) revised the work plan to exclude these elements.* | *Project Manager / Project Support Coordinator* | *Project Manager* | *25/11 2010* | *Funds have been limited and much more could be absorbed. Not severe fund shortage* |
| *3* | *Lao language as medium for communication with partner departments and offices* | *Project Design document* | *Environmental* | *The use of two languages – Lao & English – hinders full communication between Project and partners. These impacts on the depth of conceptual communication possible. It also adds to time required for all activities, planning and general management.*  *P = 2*  *I = 2*  ***R = 4*** | * *Project employs a local full-time translator and buys external additional support as required* * *Project plans a full time English teacher in 2008* | *Project Manager* | *Project Manager* | *25/11 2010* | *Regularly under review* |
| *4* | *limited exposure to concepts of reform proposed by the project among staff at the provincial level,* | *Project Design document* | *Environmental* | *GPAR is by nature a complex and conceptual science. Lack of prior experience in such matters and techniques limits the depth of pure thinking / strategizing – requiring a more applied than pure approach to implementation.*  *P = 3*  *I = 2*  ***R = 6*** | * *Less focus on conceptualizing about reform strategies, etc and more emphasis on applying tangible activities / initiatives that, de facto, support reforms.* | *Project Manager* | *Project Manager* | *25/11 2010* | *latent* |
| *5* | *transfer of key officials mid way during the reform process* | *Project Design document* | *Political* | *Rotation policy for senior Provincial officials – and Village Chiefs – can mean Project has to re-do its activities / conditioning. The more pivotal the position then the greater the negative impact.*  *P = 2*  *I = 2*  ***R = 4*** | * *Advocacy with LCPAR* * *Widen the net by involving more than one official where possible.* * *Institutionalize capacity building as much as possible.* | *Project Manager* | *Project Manager* | *25/11 2010* | *Latent* |
| *6* | *Increasing role / demands on project management (e.g. Results Based Management, Project Management Board, VDAE, etc)* | *end 2007* | *Operational & Programmatic* | *The ever increasing project management demands can be a challenge in the short term. Projects not competently managed face obvious array of risks.*  *P = 2*  *I = 5*  ***R = 10*** | * *UNDP Country Office given feedback by Project on need for effective training programme for present and future project management* | *Project Manager* | *Project Manager* | *25/11 2010* | *monitored by Project* |
| 7 |  |  |  |  |  |  |  |  |  |
| 8 | Staff Turnover | End September 2008 | Operational & Programmatic | Service Delivery Fund Manager and NUNV’s will end contracts in Nov / December 2008. Risk that pace of work plans in Service Delivery Information System area constrained in early 2009.  P:5 x I:3 = **R:15** | * Replacement for SDFM has been initiated Need for NUNV’s being assessed by OoG. | Project Manager | Project Manager | *25/11 2010* | No replacement of SDFM and delayed replacement of new ITA |

**Off-LINE LESSONS LEARNED LOG**

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| --- | --- | --- | --- | --- |
| **Lesson ID** | **Date logged** | **Type** | **Description** | **Recommendation** |
| 01/08--4  (New Activities requiring non-regular CO services or process) | 30/09/2008 | Bad | Underestimated time required to agree Procurement process with UNDP for non-routine services, such as Small Scale Infrastructure in new Service Delivery Fund. Amount. | Should follow through and obtain written agreement for any related operational arrangements at the proposal / inception stage of any new Activities/ new pilot schemes. |
| 02/08-4  (The difficulty in accessing reliable information at District level) | October 2008 | Bad | The difficulty in accessing reliable information at District level for Service Delivery Information System was underestimated at the design & activity planning stage, despite initial investigation and subsequent validation | Actual wider trial runs should be performed on the effectiveness of District level structures to deliver reliable data |
| 03/08-1  (Alignment with National policies and programmes) | December 2008 | Good | The alignment of Project support with National policies and programmes has ensured close cooperation of Ministry of Finance to support the Provincial Department of Finance leading to sustainable success of the Government Financial Information System in Luang Prabang | Alignment with National level policies essential for sustainable Provincial supports and interventions. |

**Off-LINE ISSUES LOG**

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| --- | --- | --- |
| **Project Title: GPAR Luang Prabang 2** | **Award ID :00040599** | **Date December 2008** |

| **#** | **Description** | **Date Identified** | **Type** | **Impact x Priority = Importance** | **Countermeasures / Mgmt response** | **Owner** | **Submitted, updated by** | **Last Update** |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 1 | Lack of clear modality & procedures for new Service Delivery Fund Procurement led to delays in tender and contract process for safe drinking water schemes.  Turn-over of UNDP staff added to delays | July 2008 | Operational Problem | Delay to AWP implementation and to improved Health /service delivery improvement  I : 4 x P: 4 **= R:16** | * Following meetings with UNDP & Project, Contracts were issued in Q4 * An international short term consultant engaged Oct/Nov 2008 to review & suggest streamlining procurement process for Service Delivery Fund grants. Project will seek to agreed SDF procedures UNDP for 2009 | Project Manager with assistance from UNDP | Project Manager | *8/12 2008* |
| 2 | Selected trainer, TTC, advised it cannot take up English teaching Contract (for Department of Planning and Investment/ Business Facilitation Centre ) | Oct 08 | Programming & Operational Problem | Delay to AWP implementation and to improved foreign Business Facilitation Centre service in Luang Prabang  I : 5 x P: 2 **= R:**10 | * Deferred to 2009 to re-consider either national teacher or a IUNV English teacher for a wider programme providing assurances are given by Office of the Governor re release of staff | Project Manager | Project Manager | *8/12 2008* |

**OFFLINE COMMUNICATION AND MONITORING PLAN**

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| **Project Title: GPAR Luang Prabang 2** | **Award ID: 00040599** | **Date: December 2008** |

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| --- | --- | --- | --- | --- | --- |
| **Type of Action** | **Stakeholders** | **Method of communication** | **Due by** | **Completed on** | **Status** |
| * FACE forms | Project & UNDP Country Office | Document | Quarterly | by 10 th next month | in compliance |
| * Update of project logs | Project Manager & UNDP Country Office | Document | Quarterly | by 10 th next month | in compliance |
| * Quarterly work plans and progress reports | Project Manager | Report | Quarterly | by 10PthP working day of the next month | In compliance 2007– new format being introduced in Q1 /08 |
| * Annual work plans and progress reports | Project Manager | Report | Annual | by 10 th next month | in compliance |
| * Annual review meeting | Project Manager & UNDP Country Office | Meeting | Annual | December | in compliance |
| * Consolidated delivery reports | UNDP Country Office | Document | Quarterly |  | UNDP production |
| * Monitoring visits, audits and spot checks | UNDP Country Office | Meeting / visits | Annual audit, random spot checks | Monthly, Annual, random | UNDP production |
| * Donor reports (financial and narrative) | UNDP Country Office | Report |  |  | UNDP production |
| * Stakeholders workshops, sector and/or donor working groups and meetings | UNDP Country Office | Meeting |  |  | UNDP production |
| * Monthly Meeting | UNDP Country Office | Meeting | Monthly | Monthly | UNDP production |
| * Donor Visit SIDA / SDC / UNDP | SIDA, SDC, UNDP | Meeting / Field Visit | July 3 / 4 | July 3 / 4 | Completed |

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