



**ORIGINAL**



ສາທາລະນະລັດ ປະຊາທິປະໄຕ ປະຊາຊົນລາວ  
Lao People's Democratic Republic

ອົງການສະຫະປະຊາຊາດເພື່ອການພັດທະນາ  
United Nations Development Programme

**Government of Lao People's Democratic Republic  
Ministry of Planning and Investment**

**United Nations Development Programme**

**PROJECT ID: 00053063  
PROJECT TITLE: "SUPPORT FOR  
IMPLEMENTATION OF THE SIXTH FIVE-YEAR PLAN  
(2006-2010)"**

**ANNUAL PROJECT REPORT  
(APR)**

**Reporting period: January - December 2009**

## I. PROJECT INFORMATION AND RESOURCES

<b>Project number and title:</b>	Support for implementation of the Sixth Five-Year Plan (2006-2016)
<b>Implementing Partner:</b>	Ministry of Planning and Investment
<b>Responsible Parties (if applicable):</b>	Ministry of Planning and Investment
<b>Donors:</b>	UNDP, SNV

Project Starting date		Project completion date	
Originally planned	Actual	Originally planned	Current estimate
October 2006	October 2006	September 2010	September 2010

<b>Period covered by this report:</b>	December 2008 – December 2009
<b>Date of annual review:</b> <i>(Indicate if planned or actual)</i>	18 January 2010 (planned)

Total Budget	Original Budget (US\$)	Latest Signed Revision (US\$)
\$2,454,500	\$ 2,454,500	\$ 2,454,500

Resources	Donor	Amount
	04000 UNDP TRAC ( Lines 1.1.1 and 1.1.2)	\$ <i>Awaiting final CDR</i>
	25200 UNDP TTF PRSD Participatory Process	\$
	30000 STORA ENSO Programme Cost Sharing	\$
	60250 SNV CAP 2015-STF SNV, NET	\$

**A SUMMARY OF BUDGET AND EXPENDITURE AGAINST EACH OUTCOME**

<b>Expected outputs</b>	<b>Total Budget</b>	<b>Total Expenses</b>	<b>%</b>
<b>Outcome 1:</b> Incorporation of poverty reduction and MDG priorities and programmes in the Sixth Plan (2006-2010) in annual plans and budgets	352,233		
<b>Outcome 2:</b> NSEDP VII is formulated in participatory manner, is results-orientated enabling effective monitoring, and integrates MDG and other national priorities	324,989		
<b>Outcome 3:</b> Enhanced capacities of MPI, selected Ministries and three provinces for improved implementation monitoring, evaluation and reporting for NSEDP VI and NSEDP VII	185,789		
<b>Outcome 4:</b> Improved coordination and dissemination of research in order to have better integration into the national and sub-national policy, planning and budgeting system	199,800		
<b>Outcome 5:</b> Independent SEI study on Stora Enso project	78,337		
Realized gains/losses			
<b>Total</b>	<b>1,141,148</b>		

## II. PURPOSE

The project will assist the Government of Lao in the implementation of the Sixth Plan (2006-2016) including the constituent poverty reduction strategy and the MDGs; and in monitoring and evaluating the results. Specifically, the project will help the Government of Lao PDR in achieving four outcomes

- I. Incorporation of poverty reduction and MDG priorities and programmes in the Sixth Plan (2006-2010) in annual plans and budgets.
- II. NSEDP VII is formulated in participatory manner, is results-orientated enabling effective monitoring, and integrates MDG and other national priorities.
- III. Enhanced capacities of MPI, selected Ministries and three provinces for improved implementation monitoring, evaluation and reporting for NSEDP VI and NSEDP VII
- IV. Improved coordination and dissemination of research in order to have better integration into the national and sub-national policy, planning and budgeting system

In 2009 the project focuses on the following:

With Outcome 1 the priority is to ensure that the pro-poor and MDG focus of the NSEDP 2006-2010 is integrated into the annual plans and budget for FY2009-2010. Another main aspect of Outcome 1 is to support the government's targeted poverty reduction programs in the poorest and poor districts, through supporting participatory planning at the sub-district (or Kumban) level. The Participatory Planning Manual and trainings will be revised and will take into consideration other planning manuals such as the gender mainstreaming toolkit.

Outcome 2 is new and focuses on the formulation process of the future NSEDP VII (2011-2015). The priority is to ensure that the continued and enhanced pro-poor and MDG focus is integrated into the 7<sup>th</sup> Plan. Another main aspect of this outcome is to support the government in its efforts to mainstream environmental considerations into the 7<sup>th</sup> Plan through the UNDP supported poverty-environment initiative (PEI).

The focus of Outcome 3 is to improve the NSEDP M&E systems and capacities at both the national and sub-national level. New to this outcome is the inclusion of the support to the formulation of the M&E system for the 7<sup>th</sup> NSEDP.

Outcome 4 is implemented by the National Economic Research Institute (NERI), MPI, and aims to reinforce Outcomes 1, and 3 by improving the coordination and dissemination of research as input to policy making and planning.

### Annual key priorities/outputs

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|-------------|--|
| Priority 1  | Support to the preparation of annual NSEDP and PIP 2009-2010 including review of 2008-2009 plan, ensuring that MDGs are integrated into national and subnational plans and budgets |
| Priority 2  | Finalization and dissemination of the Mid term review of the 6 <sup>th</sup> NSEDP   |
| Priority 3  | Poverty line is revised and agreed on and the poorest and poor districts have been revised accordingly   |
| Priority 4  | Review and Revise the process for preparing the kumban plans including revision of the participatory manual, including gender considerations                                       |
| Priority 5  | Update existing kumban plans and prepare kumban plans in poorest and poor districts (15 kumban)  |
| Priority 6  | Institutional and operational framework for NSEDP VII formulation and ongoing oversight established  |
| Priority 7  | Support to the formulation of NSEDP VII is undertaken through preparation of analytical research reports, consultation with public and private sector stakeholders                 |
| Priority 8  | Full MDG needs assessment and costing conducted, including the MDG on Gender   |
| Priority 9  | Poverty-environment considerations are mainstreamed into planning process through the PEI  |
| Priority 10 | Support MPI in the development of an M&E and reporting system for the 7 <sup>th</sup> NSEDP  |
| Priority 11 | Strengthened capacity of LMs to undertake M&E and reporting activities for the 7 <sup>th</sup> NSEDP   |
| Priority 12 | Strengthened capacity in provinces to undertake M&E and reporting activities   |
| Priority 13 | Develop research guidelines for formulation of 7 <sup>th</sup> NSEDP   |
| Priority 14 | Undertake research activities to support preparation of 7 <sup>th</sup> NSEDP and annual plan preparation  |

### Annual key deliverables/targets

- Project National Advisory Board (NAB) established
- NSEDP & PIP for 2009-2010 published by September
- Mid-term review of 6<sup>th</sup> NSEDP published in Lao and English
- Revised poverty line and reassessment of poorest and poor districts in accordance with revised poverty line
- Revised Participatory Planning Manual is published, which takes into consideration other planning manuals such as the gender mainstreaming toolkit
- Revised training program for provincial and district authorities in participatory planning is established and rolled out to 3 provinces
- At least 12 kumban plan are revised and 15 new kumban plans prepared, of which 10 kumban plans are prepared in line with revised PP Manual and PCAP
- Implementation and Funding Strategy for Kum Ban Plans developed and published (with links to DDF and PRF)
- Advocacy and promotional material to attract investments to Kum Ban plans developed and published
- Terms of reference for Steering Committee and Task Force established
- Six technical background/research papers for NSEDP VII formulation published, including poverty-environment linkages
- Full MDG needs assessment and costing report published
- Draft 7<sup>th</sup> NSEDP planning guidelines prepared, including M&E
- Draft training program for 7<sup>th</sup> NSEDP implementation prepared
- Complete 7<sup>th</sup> NSEDP M&E framework (based on the diagnostic assessment from 2008 and the assessment of capacities at sub national level in 2008)
- Training of trainers in MPI and LM on new M&E system
- Capacity development program on M&E system for provinces
- Research guideline for formulation of NSEDP VII finalized
- Research papers for NSEDP VII formulation to be produced by NERI are identified, drafted and published

**III. PROJECT PERFORMANCE AND RESULTS**

**1. Contribution to the strategic goals [To be completed in cooperation with UNDP Programme Analyst]**

**Outcome 1:** Incorporation of poverty reduction and MDG priorities and programmes in the Sixth Plan (2006-2010) in annual plans and budgets

**Progress towards achieving outcome Annual NSEDP and PIP completed. Poverty line has been revised. Activities relating to the poor and poorest districts and kumban plans are still work in progress as this is a long-term activity**

*i) The poor and poorest districts will be reassessed according to the new poverty line;*  
*ii) Participatory Planning Manual is in the process of being revised, first draft expected in Q1 2010;*  
*iii) As a result, kumban plans have been prepared according to the existing manual and existing plans will be updated next year;*  
*iv) Explicit direction of public funds towards the poor and poorest districts is yet to happen as PIPs have, until recently, not been 'Kumban Plan' based*

Annual outputs and indicators [According to project document and/or annual work plan]	Key activities completed during reporting period	Expenditures [Actual expenditures against activities completed]	Progress towards achieving outputs and targets achieved against indicators	Reasons if progress below target and response strategies [If applicable, explore underlying factors and reasons for gaps in output and target]
<p><b>Output 1.1</b></p> <p>Support the preparation of the annual NSEDP and PIP 2009-2010, including review of 2008-09 Plan, and ensure that MDG priorities are integrated into national and sub-</p>	<ul style="list-style-type: none"> <li>➢ Conduct study visit to Vietnam to share experiences on PIP Laws and Management.</li> <li>➢ Supported the implementation of PIP 2008-09 and give advice on the preparation the annual NSEDP 2009-2010 at the provincial level.</li> </ul>	<p>Expenditures for Output 1.1:</p> <p align="center">\$ 738</p>	<p align="center">Completed</p>	

<p>national plans and budgets</p> <p><b>Target 1.1.1</b></p> <p>The annual NSEDP and PIP 2009-10, including a review of the 2008-9 Plan, is produced and disseminated to all stakeholders by September 2009</p> <p><b>Performance Indicator 1.1</b></p> <p>Availability of the comprehensive costing and prioritization of priority programmes in four sectors</p>	<ul style="list-style-type: none"> <li>➤ Conducted consultation meeting to discuss the framework on how to achieve MDGs at the central and provincial level.</li> <li>➤ Organized trainings on GDP calculation for provincial and district officials at the Department of Planning and Investment of Vientiane Capital.</li> <li>➤ Conducted a series of consultation meetings at the central level with concerned line ministries and economic sector on the implementation of the Annual NSEDP 2008-09 and prepared for the formulation of Annual NSEDP 2009-2010.</li> <li>➤ Supported in conducting meetings at the central level &amp; disseminating and advise on the NSEDP (2011-2015) to the provincial level.</li> <li>➤ Publish Annual NSEDP &amp; PIP</li> </ul>	<p>\$ 706</p> <p>\$ 2,330</p> <p>\$ 1,968.5</p> <p>\$ 2,636</p>	<p>Provincial consultation postponed to Q1, 2010</p> <p>Completed</p> <p>Completed</p> <p>NSEDP and PIP 2009-2010 completed and published, Sept. 2009</p>	<p>Non-availability of officials and shortage of resources</p> <p>NA cleared Lao version only in Oct./Nov. 2009</p>
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	<p>2009-10 NSEDDP (Lao): 3000 copies) &amp; PIP: 800 copies</p> <ul style="list-style-type: none"> <li>➤ Conducted consultation meeting on improving the draft decree on Annual NSEDDP 2009-2010 &amp; making remark on PIP Law.</li> <li>➤ 22-26/07/09, accompanied the vice-minister in attending the workshop to exchange lesson learned on the preparation of the VIII Five-Year Plan in Vietnam.</li> </ul>	<p><b>Direct Payment</b> \$ 19,511</p> <p>\$ 227</p> <p><b>Direct payment</b> \$ 843</p>	<p>Lao version complete, English version should be completed Q1 2010</p> <p>Completed</p> <p>Completed</p>		
<p><b>Output 1.2:</b> Finalization and dissemination of the Mid-Term Review of the NSEDDP 2006-2010</p> <p><b>Target 1.2</b> Mid-Term review of the NSEDDP 2006-10 is published in Lao and English and disseminated to all stakeholders by June 2009.</p> <p><b>Indicator 1.2</b> MTR printed in English and</p>	<ul style="list-style-type: none"> <li>➤ Published (in summary), Lao and English versions of the Five-Year NSEDDP (2006-10), Mid Term Review. English: 500 copies; 500 copies (1.2.1)</li> </ul>	<p>Expenditures for Output 1.2: \$ 3,454</p>	<p>Executive Summary completed and published. Full version to be published in Q1 2010.</p>		



<p>Lao; Mailing list of stakeholders who received copy of MTR</p>					
<p><b>Output 1.3</b> Poverty line is revised and agreed on, and the poorest and poor districts have been revised accordingly</p> <p><b>Target 1.3</b> The national poverty line is revised, and the poorest and poor districts reassessed accordingly by end 2009.</p> <p><b>Indicator 1.3</b> Workshop reports from workshops in northern, central and southern region; evidence of agreement amongst MPI, PMO and LM regarding revised poverty line</p>	<p>Conducted consultation workshop with concerned line ministries in improving the poverty line / criteria at the central level (2times) and the provincial level (at Savannakhet &amp; LPB province) to share the views and comments to the revised draft of Poverty line</p> <p>Workshops held</p>	<p>Expenditures for Output 1.3: <b>\$ 23,340</b></p>	<p>Consultations completed as per schedule</p> <p>Poverty line revised</p> <p>Poverty line finalized</p>	<p>Assessment takes time – almost a year; hence target incorrectly indicated, due to linguistic misunderstanding.</p>	

<p><b>Output 1.4</b></p> <p>Review and Revise the process for preparing the K um Ban Plans, including revision of the Participatory Planning Manual</p> <p><u>Target 1.4.1</u></p> <p>The process for preparing K um Ban plans is revised, including the Participatory Planning Manual by September 2009, and revised training program for provincial and district authorities in participatory planning is established and rolled out in 5 provinces</p> <p><u>Indicator 1.4.1</u></p> <p>Published revised Participatory Planning Manual; Curriculum of revised training program for provincial and district authorities in participatory planning</p>	<p>Expenditures for Output 1.4:</p>	<p>Review report completed. PPM in the process of being revised by the consultant</p> <p>Not completed because draft revised PPM not completed yet</p> <p>Not completed because full consultation not yet complete</p> <p>Not completed because full consultation not yet complete</p> <p>Two workshops organized</p>	<p>The consultant's contract has been extended until 31 Jan 2010. Draft revised PPM expected in Q1 2010.</p> <p>Consultation workshops and follow-up on activities below have been moved to 2010 work plan (Q1&amp;Q2)</p> <p>Consultation yet to happen</p> <p>Consultation yet to happen</p>
<ul style="list-style-type: none"> <li>- Recruited International Consultant to revise the participatory Planning Manual.</li> <li>- Conducted consultation workshops with MPI and concerned line ministries and provinces.</li> <li>- Review the manual and system on participatory planning and conduct consultations at national and provincial level for feedback.</li> <li>- Organize Refresher course on participatory planning (based on revised PP Manual) for local official and leaders in the province (TOT).</li> <li>- Conducted consultation meetings (twice) within DOP &amp; concerned sectors on improving the participatory planning manual at KUMBAN level.</li> </ul>	<p>\$ 438</p>		

<p><b>Output 1.5:</b> Support the updating of existing Kum Ban Plans and preparation Kum Ban plans in poorest and poor districts</p> <p><b>Target:</b> Kum Ban plans prepared from Q2 onwards (ie after the PP Manual has been revised) feature improved quality and the project proposals are inline with PCAP procedures for PTP projects</p> <p><b>Indicator:</b> 15 new kumban plans prepared, of which 10 follow new procedures; and 12 existing kum ban plans are updated</p>	<p>Fiscal Year 2008-09, conducted Participatory Planning process/exercise in 35 Kumbans of 14 Districts in 17 provinces (provisional, not complete list):</p> <ul style="list-style-type: none"> <li>➤ 7 Kumbans of 3 districts namely: Bouneau, Yordou &amp; Samphan of Phongsaly Province.</li> <li>➤ 3 Kumbans of 1 districts namely: Meang of Borkeo Province.</li> <li>➤ 8 Kumbans of 4 districts namely: Namor, Ngn, and Bang &amp; Houn of Oudomxay province.</li> <li>➤ 3 Kumbans of 1 district namely: Samneau of Houaphan province.</li> <li>➤ 3 Kumban of 1 district namely: Korp of Xayabouly province.</li> <li>➤ 4 Kumbans of 2 districts namely: Phonxay &amp; Pakxang</li> </ul>	<p>Expenditures for Output 1.4: \$ 302,734 as of Nov 1<sup>st</sup> 2009</p>	<p>32 plans new plans prepared vs a target of 15 new plans. The plans as yet follow the existing procedures since the new ones are yet to be put in place</p>	<p>The new plans have so far followed the existing procedures and the existing plans are yet to be updated, as the new manual is yet to be finalized and accepted by the government (see output 1.4 above).</p> <p>2010 AWP target to revise at least 10 existing plans based on new procedures.</p>
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<p><b>Baseline:</b> As of Dec 2008, 68 Kum Ban plans have been prepared</p>	<p>of Laungprabang province.</p> <ul style="list-style-type: none"> <li>➤ 2 Kumban of 1 district namely: Phalanxay of Savannakhet province.</li> <li>➤ 4 Kumban of 2 districts namely: Nakai &amp; Boualapha of Khammouan Province.</li> <li>➤ Translated 10 Kumbans profile and plan operation (Lao – English)</li> <li>➤ 8-14/02/2009, organized study visit to Vietnam to exchange and learn about the public investment law and PIP allocation norm.</li> </ul>				
<p><b>Output 1.6:</b> Support the increase and improvement of coordination of public funds to the poorest and poor districts, and the projects identified in the Kum Ban Plans.</p> <p><b>Target:</b> Implementation and funding strategy for kum ban plans is developed and published (with links to DDF and PRF); improved coordination of public funds is established through investment database; and promotional</p>	<ul style="list-style-type: none"> <li>➤ Organized consultation workshop on PIP Law and PIP allocation norm in the three parts of the country: North, Central &amp; South</li> <li>➤ Developed advocacy and promotional material to attract donor and corporate funding for KUMBAN Plans.</li> <li>➤ Establish a database at DOP to monitor PIP and donor funded investment into poorest and</li> </ul>		<p>Complete</p> <p>Organized central workshop</p> <p>Not taken up</p> <p>Not taken up</p>	<p>Regional meetings postponed due to resource shortage and non-availability of personnel</p> <p>Not found necessary this year</p>	<p>Consultation on databases not completed since it is closely</p>

<p>material is developed and published to attract more investments to kum ban plans.</p> <p><b>Indicators:</b> Evidence of database at DOP; Implementation and Funding Strategy published; promotional material published.</p>	<p>poor districts.</p> <p>➤ Support regular coordination and meetings among LM and DPs through sector working groups to share information about poverty reduction programs, projects.</p>		<p>Macro SWG organized, to provide inputs for the 7<sup>th</sup> Plan.</p> <p>In summary, target for output has to await the finalization of the M&amp;E Framework, to be taken up in Q1 and Q2</p>	<p>linked to the M&amp;E Framework, which in turn is under discussion</p>
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**Outcome 2:** NSEDP VII is formulated in participatory manner, its results-oriented enabling effective monitoring and integrates MDG and other national priorities.

**Progress towards achieving outcome 7<sup>th</sup> Plan is being formulated. A series of consultations and research have been carried out to support the 7<sup>th</sup> Plan. i) MDG Needs assessment and costing report is being finalized and then will be integrated into draft NSEDP VII; ii) Two workshops carried out under PEI component to identify key environmental issues for incorporation into the NSEDP. First full draft of 7<sup>th</sup> Plan is expected by end March 2010.**

Annual outputs and indicators [According to project document and/or annual work plan]	Key activities completed during reporting period	Expenditures [Actual expenditures against activities completed]	Progress towards achieving outputs and targets achieved against indicators	Reasons if progress below target and response strategies [If applicable, explore underlying factors and reasons for gaps in output and target]
<p><b>Output 2.1</b> Institutional and operational framework for NSEDP VII formulation and ongoing oversight established</p> <p><b>Target 2.1</b> Steering Committee and Task Force established; Macroeconomic framework, guidelines on process and timeline for NSEDP VII prepared and disseminated by September 2009</p>	<ul style="list-style-type: none"> <li>➤ Steering Committee and Taskforce established to work on drafting the 7<sup>th</sup> Plan.</li> <li>➤ (Q2) support in attending seminar on the “Integration and competitiveness of Lao PDR in Sub-regional and international integration. At Savannakhet province</li> <li>➤ Conducted consultation meeting on Macro-</li> </ul>	<p>Expenditures for Output 2.1:</p> <p style="text-align: right;">\$ 344</p> <p style="text-align: right;">\$ 269</p>	<p>Completed</p> <p>Completed</p> <p>Completed</p>	

<p><b>Indicator 2.1</b> TOR of the Steering Committee and minutes of first meeting; Macroeconomic framework published; guidelines for NSEDP VII published</p>	<p>Economic Management &amp; Mechanism, held at DOP.</p> <p>➤ Conducted consultation meetings on Prime minister's mandate/ direction in preparing the formulation of the VII NSEDP (2011-2015).</p> <p>➤ Conducted a series of consultation meetings on improving the draft of VII Five-Year NSEDP (2011-2015) with all concerned sectors</p>	<p>\$ 205</p> <p>\$ 1542.8</p>	<p>Completed.</p> <p>Completed, but 7<sup>th</sup> Plan is yet to be fully drafted</p>	<p>First full draft of 7<sup>th</sup> Plan is expected by end-March 2010.</p>	
<p><b>Output 2.2</b> Formulation of NSEDP VII is undertaken through preparation of analytical research reports, consultation with public and private sector stakeholders.</p>	<p>➤ 05 / 01 / 2009, conducted internal consultation meeting to discuss the draft of research paper on "Local integration for</p>	<p>Expenditures for Output 2.2: \$ 200</p>	<p>Done</p>		

<p><u>Target 2.2</u></p> <p>Six technical background/research papers for NSEDP VII formulation published including technical inputs on poverty-environment issues and a set of policy recommendations for the NSEDP; a set of south-south learning events for the 7th plan developed; and the draft NSEDP VII disseminated by end FY 2008/09</p> <p><u>Indicator 2.2</u></p> <p>Copies of 6 technical background papers; agenda of south-south learning workshops; first draft of NSEDP VII</p>	<p>NSEDP VII formulation”</p> <p>➤ (Q2) conducted a series consultation meetings within MPI (DOP &amp; NERD) on the preparation and formulation of the 7th Year NSEDP (2011-2015)</p> <p>➤ 13-16 / 06 / 2009, NPPD attended seminar on the integration and competitiveness of Lao PDR in sub-regional, regional and international integration, held at Savannakhet Province. (2.2.1).</p> <p>➤ Support research on six identified topics: PEI National Workshop on the role of climate, environment and natural resource management to achieve the MDGs &amp; existing LDC status. (</p>	<p>\$ 150.6</p> <p>\$ 344</p> <p>\$ 2,917</p>	<p>Done</p> <p>Papers completed; south-south consultations to be done in Q1 2010</p>	<p>PEI program started late, and there also is resource shortage</p>
	<p>Completed, Includes two workshops carried out under PEI component to identify key environmental issues for incorporation into the NSEDP</p>			



<p><b>Output 2.3</b></p> <p>MDG Needs Assessment and Costing integrated into NSEDP VII and Annual Plans</p>	<p>held at Don Chan Palace Hotel on Oct 14, 2009</p>	<p>Expenditures for Output 2.3:</p>		
<p><b>Target 2.3</b></p> <p>MDGI report published by end August 2009 detailing needs of sectors and associated costs to achieve the MDGs</p>	<p>➤ During Q1-Q2, organized a consultation workshop with all Thematic Group on future work plan in MDG Needs Assessment and Costing, in order to archive the MDG by 2015. (2.3.1) held at Lao Plaza Hotel.</p>	<p>\$ 4,562</p>	<p>Completed</p>	
<p><b>Indicator 2.3</b></p> <p>MDGI Needs assessment and costing report published; evidence of MDG costing integrated into draft NSEDP VII</p>	<p>➤ During Q2, conducted Collective meeting with all TTF in launching the process and clarifying group composition and leadership for MDG Needs Assessment and costing. (2.3.1) held at Lanexang Hotel.</p>	<p>\$ 1,720</p>	<p>Completed</p>	
<p><b>Baseline 2.3</b></p> <p>No</p>	<p>➤ Conducted a series of consultation meetings / technical workshop with all concerned TTF Group in order to identify</p>	<p>\$ 557</p>	<p>Completed</p>	

	<p>existing policies, what additional policy decisions are needed to achieve MDG Target, Generic list of interventions, What MDG interventions are selected to be costed and Plan for the next follow up meeting where data entering will be started.</p> <ul style="list-style-type: none"> <li>➤ Advertised in Vientiane Time and Vientiane Mai Newspaper for Senior Assistants to the MDG costing consultant for 5days.</li> <li>➤ Recruited 2 Senior Assistants to support the MDG Costing consultant in assisting with overall technical support to the working groups for the MDG Needs Assessment and Costing. 2.3.1</li> <li>➤ 17-20 June 2009, Organized preparatory meeting with all TTF group</li> </ul>	<p>\$ 8,524</p> <p>\$ 2,648</p>	<p>Complete</p> <p>Complete</p> <p>Complete</p>	
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	<p>in identifying the comprehensive list of interventions to archive the MDGs in each sector, held at Khammoung Resort, Thalat, Vientiane Province.</p> <ul style="list-style-type: none"> <li>➤ Conducted National Workshop and training to ensure that there is consensus between the technical staff doing the costing and the decision maker in each Ministry.</li> <li>➤ 16-17/07/09, Conducted internal consultation meetings within MPI in finalizing the National Workshop on MDG which was held on July 10 2009.</li> <li>➤ Conducted internal consultation meetings within the MDG team and some concerned line ministries, in order as to gain consensus on the initial findings and update on the progress of the work and other</li> </ul>	<p>\$ 175</p> <p>\$ 204</p> <p>\$ 1,993</p> <p>\$ 64</p>	<p>Completed</p> <p>Complete</p> <p>Complete</p> <p>Complete</p>	
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Output 2.4:	<ul style="list-style-type: none"> <li>➤ 26/08/2009, organized final workshop with all TTF group to gain consensus on the findings of the intervention list, Target and Data matching for MDG. (held at Lao Plaza Hotel)</li> <li>➤ 04/09/2009, conducted internal consultation meeting with the MDG team (DOP &amp; DOS) on the initial findings of MDG Needs Assessment and Costing, held at DOP Meeting room.</li> </ul>	Expenditures for	<p>Complete</p> <p>Complete</p> <p>In summary, 'MDG Needs Assessment and Costing Report' has been finalized. It would be integrated into draft NSEDP VII. In addition, the capacity of key officials involved has been strengthened in regard to MDG costing.</p> <p>Initial thoughts have begun</p>	
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<p>Support the preparation of the draft implementation guidelines for NSEDP VII</p> <p><u>Target 2.4</u> Draft NSEDP VII implementation guidelines prepared, disseminated and training programme developed by end 2009</p> <p><u>Indicator 2.4</u> Draft NSEDP VII implementation guidelines prepared; curriculum for training program for NSEDP VII implementation</p> <p><u>Baseline 2.4</u></p>	<p>➤ Guidelines are a part of the implementation process of the plan. Hence, they will be prepared after the plan has been approved by the government in mid-2010.</p>	<p>Output 2.4:</p>	<p>to emerge, but actual work will begin in late 2010. It was erroneously believed earlier that guidelines will precede the plan.</p>	
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**Outcomes 3: Enhanced capacities of MPI, selected Ministries and three provinces for improved implementation monitoring, evaluation and reporting for NSEDP VI and NSEDP VII**

**Progress towards achieving outcome [A brief analysis of the status of the situation and any observed change, any project contribution,] M&E, being a comprehensive process that ensures completion of projects, works at several levels. The project has so far demonstrated its application at the micro (Kumbar level), and has identified key areas requiring strengthening at the macro level, systemically. The actual designing of an 'M&E' system at the MPI level is still being debated and worked upon.**

Annual outputs and indicators [According to project document and/or annual work plan]	Key activities completed during reporting period	Expenditures [Actual expenditures against activities completed]	Progress towards achieving outputs and targets achieved against indicators	Reasons if progress below target and response strategies [If applicable, explore underlying factors and reasons for gaps in output and target]
<p><b>Outcome 3.1</b> The NSEDP VII has a comprehensive M&amp;E and reporting system which is introduced in Year 1 of NSEDP VII period (2010/2011). <b>Target:</b> Draft M&amp;E system for NSEDP VII with adequate integration of poverty - environment linkages is developed by end 2009</p> <p><b>Indicator 1.2</b> Core set of indicators identified for each sector and</p>	<p>➤ Finalize the M&amp;E Diagnostic Study prepared and print Hold Dissemination workshop to concerned line ministries and stakeholders. ➤ Develop a unified M&amp;E and reporting system for NSEDP VII Recruit consultant</p>		<p>1. Micro level issues, process of data collection for monitoring at that level have been worked out. Capacity-rated issues are also identified. Two studies have been prepared in this regard. 2. MPI's M&amp;E indicators are being finalised 3. PE indicators are a part of point (2) above. Since the P-E programme began late, P-E indicators have been slow to evolve. Point (2) is progressing</p>	

<p>cross sector of NSEDP VII, including priority P-E indicators; draft reporting templates and reporting schedule.</p> <p><b>Baseline:</b> Diagnostic Assessment of NSEDP M&amp;E system undertaken from Oct07-April08, and an assessment of capacities at sub-national level was undertaken in Sept-Oct 08</p>	<p>to integrate findings from M&amp;E diagnostic at the central and Sub-national level in order to design a unified M&amp;E and reporting system for NSEDP VII.</p> <p>➤ Organized workshops with LM and GPAR and concerned stakeholders to agree upon a set of indicators to monitor the NSEDP VII.</p> <p>➤ Develop clear guidelines for M&amp;E activities and reporting requirement to be shared with LMs.</p>		<p>slowly, pending finalisation of a Statistical Master Plan. Through Q1 and Q2 (2010), this work should begin to take shape.</p> <p>Work is behind schedule for reasons explained above</p>	
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<p><b>Output 3.2:</b> Strengthened capacity of MPI to manage and coordinate the NSEDP M&amp;E system for NSEDP VII and provide accurate and informative reports to Government, and utilise the information in planning.</p> <p><b>Target:</b> NSEDP VII guidelines include information on new M&amp;E system and a training of trainers programme (MPI and LMs) on M&amp;E system is developed by Q4 2009</p> <p><b>Indicators:</b> NSEDP VII guidelines include information about new M&amp;E system; TOT programme to MPI staff on new M&amp;E system</p>	<p>➤ Upgrade the Monitoring information compilation in MPI including training of personnel, computer software and hardware, communications equipment (including links with selected ministries and agencies and three provinces) and other support facilities.</p> <p>➤ Workshop with MPI departments on M&amp;E capacity development programme for district and village levels.</p> <p><i>Input from PEI: Technical inputs</i></p>		<p>1. As stated in 3.1 above, fieldwork for M&amp;E at the micro level was carried out at three locales. Along with the fieldwork, training was also imparted to local officials.</p> <p>2. Development of guidelines and training of officials and trainers on MPI's M&amp;E processes will probably happen in Q3 and Q4 (2010), after MPI's list of indicators is finalized.</p>	<p>The lead and partnership of staff from MPI, NSEDP &amp; SNV in conducting CEP activities have enhanced capacity of MPI staff in M&amp;E work and the knowledge is transferred to local levels.</p> <p>The project has been authorized to directly consult with district officials and pilot the capacity development. The lessons learned from fieldwork can be shared with LMs and integrated into the revision of the participatory planning manual and process.</p> <p>Some training is being imparted while preparing the</p>
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<p><b>Output 3.3:</b> Strengthened capacity of Line Ministries to undertake M&amp;E and reporting activities for the NSEDP VII</p> <p><b>Target:</b> New M&amp;E system installed in LMs by end 2009 and training programmes started.</p> <p><b>Indicator:</b> workshop reports; draft training plan</p>	<p>on-p-e in the training programme and deliver training sessions on poverty-environment M&amp;E. Support additional participants from PEI pilot provinces</p>		<p>➤ Conduct consultation workshop with LM and DP to discuss M&amp;E capacity development programme for district and village levels.</p> <p>* Input from PEI: Technical inputs on the M&amp;E system for poverty environment linkages</p>		<p>This activity has been staggered pending completion of MPI's M&amp;E programme</p> <p>The team has been authorized directly to consult with district officials and pilot the capacity development. The lessons learned can then be shared with LM and be integrated into the revision of the participatory planning manual and process. Another reason was due to the non-availability of stakeholders at this time, (i.e. preparation of Annual NSEDP 2009-2010 and NSEDP VII (2011-2015))</p>
<p><b>Output 3.4:</b> Strengthened capacity of local authorities to undertake M&amp;E and reporting activities</p> <p><b>Target:</b> Local authorities in 3 pilot provinces and PEI pilot</p>	<p>➤ Prepared and revised the Draft Report on M&amp;E at District and Village level, as to share it with MPI &amp; concerned line ministries.</p>		<p>Completed on pilot basis in three districts</p>		<p>Kumban level plans. The whole process is somewhat slow, but should still make some strides during the work plan.</p>

<p>provinces trained in M&amp;E and reporting by Q3 2009</p> <p><b>Indicators:</b> Draft training program; list of trainers from DOP, DOS and MPI Training Centre trained; lessons learned report</p>	<p>➤ Conduct internal meeting with MPI Training center, DOS, DOP to seek cooperation in developing training programme, and conduct internal MPI workshops.</p> <p>➤ Conducted internal MPI consultation meeting to share the findings from the M&amp;E assessment with MPI and get feedback as well as to discuss the outline of the training program and get feedback; also identified the trainers from DOS &amp; MPI Training Centre.</p> <p>➤ (4/02/09) Undertake consultation</p>	<p>\$ 790</p>	<p>Done, with fruitful cooperation</p> <p>Complete</p> <p>Completed</p>	
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	<ul style="list-style-type: none"> <li>➤ Identified the CEP Training team Representative from DOP, MPI Training Center, DOE and DOS and discuss the future work plan.</li> <li>➤ Consultation workshop in Vientiane to share Lao version of report and training materials to DPI officials from pilot provinces and districts.</li> </ul>		<p style="text-align: center;">Done</p> <p style="text-align: center;">Done at MPI Training Center</p>	
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	<ul style="list-style-type: none"> <li>➤ Develop training materials with DOP, DOS and MPI training centre.</li> <li>➤ Develop the Village Monitoring and Reporting Folders. Coordinate with LM to collect data collection forms and Report templates used at district and village level. Develop Instructions to accompany the folders, where necessary.</li> <li>➤ Coordinated and consulted with the core CEP team continuously on revising the training materials.</li> <li>➤ 30/4/09 meeting with the core team to</li> </ul>		<p>Done, received a strong support for the initiative at local levels in pilot provinces.</p> <p>Done</p>	
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	<p>prepare for the consultation workshop with district officials.</p> <p>➤ 07/05/09, Supported in conducting consultation workshop on the capacity Development program on monitoring, evaluation and reporting system at district and Village level, held at MPI Training centre, NERL.</p> <p>➤ Conducted 2weeks pilot training on Planning, Monitoring,</p>	<p>\$ 529</p> <p>\$ 21,513</p>	<p>Done</p> <p>Done</p> <p>Done</p>	
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	<p>Evaluation and Reporting on the NSEDP Implementation at Khammouan Province. (23/5-7/06/09) 3.4.1</p> <ul style="list-style-type: none"> <li>➤ Draft lessons learned report from the Khammuan pilot.</li> <li>➤ revised CD for the training in Attapue province, planned for 4-23 July 2009</li> <li>➤ Recruited Participatory Planning Consultant.</li> <li>➤ 4-19/07/09, continue to implement capacity development program for pilot districts and villages in Attapeau Province in 2 districts namely: Sanamxay &amp;</li> </ul>	<p>\$ 22,936</p>	<p>Done</p>	
	<ul style="list-style-type: none"> <li>➤ 4-19/07/09, continue to implement capacity development program for pilot districts and villages in Attapeau Province in 2 districts namely: Sanamxay &amp;</li> </ul>	<p>\$ 3,137</p>	<p>Done</p>	

	<p>Samakryay.</p> <p>➤ 20-22/07/09, Follow up and evaluate the capacity Development Programme conducted for District and villages at Boualapha &amp; Mahaxay, Khammouan &amp; Province.</p> <p>➤ Document the lessons learned of the Capacity Development Program in order to provide input into the formulation of the Village Statistic Book for NSEDP VII and village and district level M&amp;E systems for NSEDP (CEP).</p> <p>➤ Based on lesson learned, develop " facilitators training pack" for the CD</p>	<p>\$ 13,740</p>	<p>Done</p> <p>Done</p> <p>Done, partly on gender, but limited on Environment as PEI as PEI program began late</p>	
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<p><b>Output 3.5:</b> Both Planning Department and project activities are strategically linked by</p>	<p>➤ Purchased necessary office equipment such as working desk, office chair,</p>	<p>\$ 2,039</p>	<p>The purchases were satisfactory and deliveries received</p>	
	<p>➤ 29/08-5/09/2009 Follow up and evaluate the capacity Development Programme conducted for District and villages at Sannakyyai &amp; Sanamxay, Attapeau Province.</p>		<p>Done</p> <p>Put succinctly, this output has met success only to the extent that it was possible, since the MPI's final M&amp;E details are yet to be finalized. It has been restricted to internal meetings and consultations and the training of LM officials will happen only after the above details are finalized</p>	



<p>enhanced and effective project support</p> <p><b>Target 1:</b> No high risk audit observations and no qualified audit opinions (expenditure, cash and asset statements)</p> <p><b>Indicator 1:</b> No high-risk NEX Audit observations.</p> <p><b>Baseline1:</b> 4 high risk audit observations and qualified audit opinion in 2007</p> <p><b>Target 2:</b> 90% project delivery</p> <p><b>Baselines 2:</b> 2007 project delivery - 85%</p>	<p>mouse, USB, and cabinet for the project team (STA, PP International Consultant, MDG International consultant and two senior assistant to MDG Costing.</p> <p>➤ During Q1/09, project management team attended workshop on Results-based Management and Procurement Policies and Procedures and (2008 NEX Audit Kick Off)</p> <p>➤ 22-23 July 2009, Project Staff attended the Financial and Budget Management Training in Luangprabang as invited by the Nim</p>	<p>No cost</p>		
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	<p>Project, DIC / MPI.</p> <ul style="list-style-type: none"> <li>➤ Q4/2009. Project management team attended and co-organized a joint retreat within the project supported by UNDP under MPI, held at Lao Plaza hotel. Nov 13, 2009</li> <li>➤ Q4/2009, Project management staff attended Result-Based Management Training for UNDP supported projects, held at Donchan Palace Hotel</li> <li>➤ 07/08/09, moved to new office. Renovation of new office space (2 rooms).</li> <li>➤ Purchase Air-2 unit of Conditioners for</li> </ul>	<p>No cost</p>		
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	<p>new project office.</p> <p>➤ Install LAN line within the project office for internet connection.</p>				
<p><b>Outcome 4: Improved coordination and dissemination of research in order to have better integration into the national and sub-national policy planning and budgeting system</b></p>					
<p><b>Progress towards achieving outcome:</b> <i>The research was carried out mainly by the National Economic Research Institute, an institute working under the MPI. There are several reports prepared on private sector development. The Institute has also prepared an econometric model of the Lao economy, the first of its kind prepared fully by Lao scholars. NERI is also working establishing a database and a research network. The latter two are expected to be long-term, on-going activities of the NERI.</i></p>					
<p><b>Annual outputs and indicators</b> [According to project document and/or annual work plan]</p>	<p><b>Key activities completed during reporting period</b></p>	<p><b>Expenditures</b> [Actual expenditures against activities completed]</p>	<p><b>Progress towards achieving outputs and targets achieved against indicators</b></p>	<p><b>Reasons if progress below target and response strategies</b> [If applicable, explore underlying factors and reasons]</p>	

<p><b>Output 4.1:</b> Develop a research plan to guide formulation of the NSEDP VII and the annual plans.</p>	<p>➤ Consultation workshops to review and collect information on research activities from line ministries.</p> <p>➤ Collect and compile research information from line ministries and research institutes related</p> <p>➤ Produce a quick assessment of the research gaps and needs in the areas of policy-relevant research, addressing poverty-environment linkages to be presented to the steering committee.</p>	<p><b>\$ 2,077</b></p>	<p>➤ Revised the research network regulation.</p> <p>(Q2) First National Research Network workshop was conducted internally within the research network. Reaching out to other line ministries is yet to be undertaken. Part of the reason is that work on this activity has begun late, since the National Consultant was hired at the end of September 2009. Output can be expected only in 2010</p>	<p><i>for gaps in output and target]</i></p> <p>PEI National Consultant was hired at end of September of Q3</p>	
<p><b>Indicator:</b> Research master plan/guideline for the formulation of the NSEDP VII has been developed, including key P-E research needs for the development of the NSEDP VII identified</p> <p><b>Baseline:</b> Research in the past and ongoing research activities from line ministries and related research institutes are not share and unified.</p>					
<p><b>Output 4.2:</b> Develop the NERI Research Data Centre,</p>	<p>➤ Collect information on research which have done and on going to</p>	<p><b>\$ 5,914</b></p>	<p>Library, research database including research documents from line</p>		

<p>including online Research Centre.</p> <p><b>Target:</b> Research Data Centre established</p> <p><b>Indicator:</b> NERI Research Data Centre including NERI Research Webpage has been established and known as Research Data Centre in Lao PDR.</p> <p><b>Baseline:</b> Progress has been made in developing the NERI library.</p>	<p>support the development of NERI websites in order to disseminate research information of NERI and research network to public.</p> <ul style="list-style-type: none"> <li>➤ NERI's Websites and Library system was developed.</li> <li>➤ National Consultant was hired for the Website development and Library system improvement.</li> </ul>		<p>ministries and research institutes in Laos exist at NERI's library.</p>	
<p><b>Output 4.3:</b> Undertake Research Activities to support preparation of NSEDP VII and annual plan preparation.</p> <p><b>Target:</b> policy-relevant research reports including on poverty-environment linkages produced and its results presented for integration into the final NSEDP VII draft.</p>	<ul style="list-style-type: none"> <li>➤ Conduct research to support the formulation of NSEDP VII that NERI is in charge.</li> </ul>	<p>\$ 6,124.5</p>	<ul style="list-style-type: none"> <li>➤ 19-23/01/09, Conducted Business Tendency Survey and Consumer Sentimental Survey in Savannakhet Province.</li> <li>➤ 13-16/02/09, Conducted Business Tendency Survey and Consumer Sentimental Survey in Champasak Province.</li> </ul>	

<p><b>Indicator:</b> Technical research reports, including on key P-E issues available and disseminated to target stakeholders</p>	<p>➤ Conduct surveys to support the Macroeconomic monitoring in order to evaluate and provide policy recommendation for the implementation of the NSEDP.</p>	<p>\$ 5,999</p>	<p>➤ 20-24/04/09, Conducted Evaluation survey on Investment Environment (32 business unit) within Vientiane Capital.</p> <p>➤ (8-19/06/09) Conducted Business Tendency Survey &amp; Consumer Sentiment Survey in Champasak Province (80 business units)</p> <p>➤ 30/06/2009, proposed the results of the survey in the First Research Network Dissemination workshop, held at Setha Palace Hotel.</p> <p>➤ Conducted Business Tendency, Consumer Sentimental and Household survey on 450 years road project within VTE Capital.</p> <p>➤ 23-27/02/09, conducted Consumer Sentimental Survey in Vientiane Capital in order to</p>	
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			<p>support the information to Macro-economic monitoring and Economic quarter report to Minister of MPI</p> <p>➤ 10-16/03/09, conducted Business Tendency Survey in Vientiane Capital.</p> <p>➤ Held research dissemination workshops to disseminate the result of the research that conducted by NERI to other Departments under the MPI.</p> <p>➤ (8-19/06/09) Conducted Business Tendency Survey &amp; Consumer Sentiment Survey in LPB Province (80 unit) and in Vientiane Capital. (230 business unit)</p> <p>➤ Conducted Business Tendency and Consumer</p>		
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	<ul style="list-style-type: none"> <li>➤ Design and undertake research projects jointly with NERI, EEPSEA, UNEP DEPI, IUCN, WWF on e.g. economic valuation of the environment and natural resources, cost-benefit analysis, environmental fiscal reforms, Foreign Direct Investment, community-based natural resource management.</li> <li>➤ Research Dissemination workshop for Planning Department, MPI staff and other concerned Ministries and Agencies</li> </ul>	<p>\$ 2,203</p>	<p>Sentimental Survey in Champasak and LPB Province.</p> <ul style="list-style-type: none"> <li>➤ No progress has made on this output activities.</li> </ul> <p>Conducted a series of Technical meetings on a monthly basis (9 times) on many of the following topics:</p> <ul style="list-style-type: none"> <li>➤ 29/01/2009 “Master plan on Economic Development plan for the northern part of Laos 2008-2020”</li> <li>➤ 17/02/09 “Macro Economic</li> </ul>		
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			<ul style="list-style-type: none"> <li>report for Q4/2008” &amp; “Difficulties in industry development in Laos”</li> <li>➤ 11/03/09 “Initial GDP Calculation method for VII plan”</li> <li>➤ 08/05/09, conducted Dissemination workshop on “Quality, Standard and Export of Lao PDR”</li> <li>➤ 29/05/2009, conducted Technical Meeting to disseminate the research topic on “the movement of Labor to Thailand” and “the importance of special economic and challenges”.</li> <li>➤ 06/07/2009, conducted Technical Meeting to disseminate the research topic on “Consumer’s opinion and Business Tendency for Quarter 2”.</li> <li>➤ 31/07/09 on “Manual in formulating the provincial strategic plan</li> </ul>	
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			<p>in Lao PDR”</p> <ul style="list-style-type: none"> <li>➤ 28/08/09 on “ the impact of fluctuation of fuel price to the people of Laos” and “ Condition of international Fuel price”</li> <li>➤ 30/09/09 on “ Macro-Economic Modelling and its expected outcomes” and “ Inflation rate in Laos in Theory and in actual practice”</li> </ul>	

**2. Update on implementation of the Vientiane Declaration and its Action Plan**  
*[Brief update on any achievement and/or problem related to the implementation of the Vientiane Declaration. It should also include issues related to the introduction of HACT and actions planned for the following period.]*

**Vientiane Declaration on Aid Effectiveness**

*Ownership:*

The projects undertaken under this program have been successful, though some items are running behind time. But the reason for delay has also been an advantage for MPI, as the work is fully done in partnership with the ministries and departments, and is owned by them – this is reflected in the fact that all the background material and outputs prepared have been accepted and are being put to practice.

*Alignment:*

The project is fully aligned with the objectives and approaches of the planning process, as well as with the strategies of line ministries' and other donor-funded projects.

*Harmonization:*

*Managing for results*

Effort is being made to bridge the grassroots reality with the planning process to be as near the targets as possible.

*Mutual accountability:*

The Sixth Plan sought assistance from international agencies (incl. the UNDP-supported project) to develop an M&E Framework, which, it is believed, will be fully in place in the Seventh Plan Period. At the same time, the plan's progress was assessed through the mid-term Appraisal of the plan, the MDG progress report and the different surveys (MICS, LECS), which provided evaluation of the progress.

**3. Update on partnerships** *[Brief update on any achievement and/or problem in developing partnerships and inter-agency collaboration. It should also include strategies for south-south cooperation]*

The project has continued to work in close collaboration with a wide range of government and non-government partners, including:

- **National Economic Research Institute**

The research back up comes from NERI. So do the modelling and other details. Research papers (six in all) have been prepared in partnership with NERI

- **Department of Statistics, MPI and Evaluation Department of MPI:**

DOS co-ordinated the data management in DOP's UNDP-funded exercise on Costing of

MDGs.

DOS partnered DOP in a larger, joint effort to draw up a new poverty line for Lao PDR

The project also partnered with the Evaluation Department of the MPI in carrying out M&E Exercises

- **Provincial DPI (Khammouane, Attapeu, Luang Prabang) with SNV partnership:**

Partnership with the provinces of Khammouane and Attapeu in conducting experiments in M&E at the local levels (district and kumban/village) and also were recipients of a capacity building programme in data collection

This exercise was partnered with SNV through contribution of physical resources and personnel. The DOS was also involved. MPI Training Center at NERI was also a partner

- **UNDP project “GPAR”:**

Initially this project planned to do M&E activities in 3 provinces. However, work in Luang Prabang was being done by GPAR, though instead of this project also doing the same, it was decided to development complementarities, and learns from each other.

- The project collaborated with several ministries, departments and working groups (composed of government officials and international agencies – incl. UN specialised agencies), while preparing the MDG-costing exercise.

#### **4. Update on gender mainstreaming** [*Brief update on any achievement and/or problem in terms of mainstreaming gender within the project activities. Strategy for the following period*]

Gender mainstreaming has been a cross cutting but yet critical component in planning and executing all activities under this project. Some examples:

1. The project partnered with NCAW and Lao Women’s Union in the MDG Costing Exercise, which attempts to work towards MDG 3 in Promoting Gender Equality and Women’s Empowerment. In the process, it also shared experiences on gender planning with other partners in the government.
2. M&E activities at the decentralised level have been distinctly gender-sensitive: in education, health, employment and all ‘human-related’ sectors.
3. The work on poverty too has been sensitive to gender issues, in the sense that all data collection, analysis and policy options have been gender dis-aggregated.

#### **5. Update on audit recommendations** [*Brief update on progress achieved and problems encountered. Actions planned for the following period*]

Actions have been taken on the Audit recommendation, especially for the priority domain recommended, such as programme, General Management and Finance. Generally, the recommendations have improved to some extent. However it takes some times to implement all the recommendations, as the staff attrition is high and each time a new process has to begin, training the staff. It may be noted that none of the staff from the last year is in place as of now. In two positions out of four national staff, the staff has changed more than once in the year. As at 19 October 2009, all audit recommendations have been implemented.

**6. List main challenges and issues (if any) faced during reporting period [as well as response strategies adopted]**

The main challenges and issues faced during the reporting period are as follows:

- PRODOC was prepared for the VI Plan, while the project actually is supporting in the preparation of the VII Plan. So original budget did not necessarily capture costs for the formulation of the 7<sup>th</sup> Plan.
- Within MPI, it is very challenging to complete all the priorities activities identified in the AWP. This is because of distribution of work within the MPI staff as well as project staff, staff attrition, and training newer staff for work act as retarding forces. It may be noted in this regard that the international STA joined the project only in mid-2009, though the project began in 2007.
- The budget forecasts and program activities are not always synchronized. Some of the activities planned are not implemented or not implemented on time for reasons beyond the control of the project. Beside, some activities come up unexpectedly; this requires money at times when the project is not prepared for it.
- The project has faced the problem of not obtaining 80% delivery rate by the end of the quarter, due to issues stated above: i.e., unexpected activities, activities planned but delayed, repeated revisions in the budget, and less than full synchronisation between work identified in the plan in a time period, personnel availability, on time and the budget in that period.
- It is deemed fit to repeat that frequent project staff and consultants' turnover, meant that some activities have been delayed.
- There is still limited understanding among the government staff on UNDP's rules and technical collaboration programmes.

**7. Rating on progress towards results**

<b>Output:</b> [From table 1. Contribution to Strategic Goals]		
Output 1	<input checked="" type="checkbox"/>	Positive change
	<input type="checkbox"/>	Negative change
	<input type="checkbox"/>	Unchanged
Output 2	<input checked="" type="checkbox"/>	Positive change
	<input type="checkbox"/>	Negative change

	<input type="checkbox"/>	Unchanged
Output 3	<input checked="" type="checkbox"/>	Positive change
	<input type="checkbox"/>	Negative change
	<input type="checkbox"/>	Unchanged
Output 4	<input checked="" type="checkbox"/>	Positive change
	<input type="checkbox"/>	Negative change
	<input type="checkbox"/>	Unchanged

#### 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

- During Q3 / 2009, Project Staff attended the Financial and Budget Management Training in Luangprabang as invited by the Nim Project, DIC / MPI.
- During Q3/ 2009, the project assisted the minister in attending the workshop to exchange lesson learned on the preparation of the VII Five-Year Plan in Vietnam.
- Field visits to the provinces were conducted to support the formulation of the VII NSEDP.
- The Project Management attended a meeting on Statistics and National Financial Planning, held in Savannakhet from 6-11 September 2009.
- Project Management attended meeting on “the Regional Conferences Asia on Quality of Growth” in India from 14-16 September 2009 (supported by GTZ).
- On November 13, 2009, the project staff attended a meeting for Joint Annual Review of UNDP supported project within MPI.
- Project Management team attended training on Result-Based Management, organized by NIM Support on November 26-27 2009, at Don Chan Palace Hotel.

#### V. FUTURE WORK PLAN

1. What are the priority actions planned for the following year to overcome constraints, build on achievements and partnership, and use of the lessons learned during the previous year?

For 2010 the Project will continue with the outcomes to reflect the priorities of the work plan for 2009.

**Outcome 1:** Incorporation of poverty reduction and MDG priorities and programmes in the Sixth Plan (2006-2010) in annual plans and budgets

**Outputs:**

1. Annual plan is poverty- and MDG-sensitive
2. End-term review of 6<sup>th</sup> Plan prepared and used for lessons in the formulation of the 7<sup>th</sup> Plan
3. Preparation of the draft of the revised Participatory Planning Manual
4. At least 20 new kumban plans to be prepared

**Outcome 2:** NSEDP VII is formulated in participatory manner, is results-orientated enabling effective monitoring, and integrates MDG and other national priorities (\*New Outcome)

**Outputs:**

1. Consultations with Line Ministries and Provinces in the formulation of the 7<sup>th</sup> Plan.
2. MDG Costing report accepted by all in a participatory and inclusive manner
3. Work on M&E for NSEDP VII begins
4. New support project for 7<sup>th</sup> Plan NSEDP formulation and implementation

**Outcome 3:** Enhanced capacities of MPI in various facets of planning, linking perspective planning with annual planning (the notion of rolling plan)

**Outputs:**

1. MPI staff versed in various facets of annual planning, incl. policy analysis.
2. MPI staff versed with facets of demand forecasting.
3. NSEDP has a comprehensive M&E Reporting system and strengthened capacities of staff at different levels.

**Outcome 4:** Improved coordination and dissemination of research in order to have better integration into the national and sub-national policy, planning and budgeting system

**Outputs:**

1. A research master plan for 7<sup>th</sup> NSEDP initiated
2. Research on various development issues carried out on a regular basis to support the 7<sup>th</sup> plan
3. Data generating capacity of the planning system is enhanced

**2. List major adjustments in the strategies, targets or key outcomes and outputs planned.**

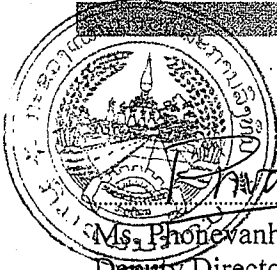
Outcome 2 to support the formulation of the 7<sup>th</sup> Plan has been added as a new outcome to the project this year (2009).

3. Estimated total budget required for the following year: \$460,000 (TRAC)  
\$50,000 (PEI)

VI. ANNEXES

1. Annex 1: Combined Delivery Report
2. Annex 2: Annual Work Plan for following year
3. Annex 3: Monitoring and Evaluation Plan
4. Annex 4: Project Risk Log
5. Annex 5: Lessons learned log

PREPARED BY



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