Government of Lao People's Democratic Republic

Public Administration and Civil Service Authority
Prime Minister's Office

United Nations Development Programme

UNDP/00056568: GOVERNANCE AND PUBLIC ADMINISTRATION REFORM - SUPPORT TO BETTER SERVICE DELIVERY PROGRAMME (GPAR-SBSD)

ANNUAL PROJECT REPORT 2010

Reporting period: January 1 to December 1, 2010

Schweizerische Eidgenossenschaft
Confédération suisse
Confederazione Svizzera
Confederaziun svizra

Swiss Agency for Development
and Cooperation SDC

LE GOUVERNEMENT
du Grand-Duché de Luxembourg

Project number and title:	UNDP/00056568: Governance And Public Administration Reform - Support To Better Service Delivery Programme
Implementing Partner:	Public Administration and Civil Service Authority, Prime Minister's Office
Responsible Parties:	
Donors:	United Nations Development Programme, United Nations Capital Development Fund, Swiss Agency for Development Cooperation, Grand Duchy of Luxemburg

Project Starting date		Project completion date	
Originally planned	Actual	Originally planned	Current estimate
1 July 2007	1 July 2007	30 June 2011	30 June 2011

Total Budget	Original Budget (US$)	Latest Signed Revision (US$)
	$10,343,083	10,896,175

Resources	Donor	Amount (US$)
	United Nations Dev. Programme	1,360,000
	United Nations Capital Dev. Fund	700,000
	Swiss Agency for Dev. Cooperation	3,500,000
	Luxemburg Government	4,000,000
	UNDP - SNV Cost Sharing	183,092
	Yet to be funded	1,153,085

Period covered by this report:	January 1 to December 1, 2010
Date of annual review:	December 9, 2010

Current Year	Budget (US$)	Expenditure till Dec 1, 2010 (US$)	Projected Delivery by Dec 31, 2010 (US$)
	3,388,100	1,450,684	3,326,964

The programme relates to the goal of the Govt. of Lao PDR to "build an effective, efficient, well-trained, honest and ethical public service that is able to meet the needs of the multi-ethnic Lao people". The main objective of the programme is to increase efficiency, effectiveness, transparency, and accountability of the public administration at central and local levels, and directly relates to UNDAF outcome: "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 UN Millennium Declaration" and CPAP outcome: Strengthened capacities of central administration (PACSA) for decentralized planning, management & service delivery.

III. PROJECT PERFORMANCE AND RESULTS

1. Contribution to the strategic goals

Outcome: Increased efficiency, effectiveness, transparency, and accountability of the public administration at both central and local levels

Related to SRF outcome: Strengthening accountable and responsive governing institutions

Progress towards achieving outcome: Activities have progressed, in all strategic areas including sector working group, Strategic Plan on Governance, civil service management mechanisms and capacity building, establishing One-Door-Service-Delivery-Centres, and District Development Fund. Block Grants have been provided to 20 districts through the District Development Fund across 4 provinces, and to 22 government offices from the GPAR Fund.

Annual outputs and indicators	Key activities completed during reporting period	Expenditure to date (US$)	Progress towards achieving outputs/ targets against indicators	Reasons if progress below target and response strategies
Output 1: Strategic oversight, monitoring framework pro-vides for evidence based policy and performance analysis in governance reform		227,803		
Target: 1.1: Draft governance strategy for period 2011-15	• Drafting of Strategic Plan • Consultations with stakeholders		• Target Achieved; all stakeholders consulted in the drafting process	
Target: 1.2: Sector information matrix 2010	• Preparation of information matrix covering three pillars		• Target Achieved; three reform information matrices complete	
Target: 1.3: Service Delivery Baseline Monitoring Report 2010	• Pilot baseline for service delivery monitoring in two districts		• Target partly achieved; full baseline yet to be completed	• Limited availability of baseline data at districts
Output 2: Improved org. structures and systems enable delivery of more equitable, effective accountable and transparent services		153,578		
Target: 2.1: Orgn. Analysis in one Ministry & lessons report	• Orgn. Analysis carried out MoFA; report to be finalized		• Partially achieved; lessons analysis and report to be completed	• Lessons analysis deferred till report on MoFA Orgn. Analysis complete
Target: 2.2: Revised curriculum for training Naibans	• Field review of Naiban role • Naiban training curriculum revised		• Achieved; revised Naiban training curriculum complete	•
Target: 2.3: Revised curriculum on service delivery for districts	• Revised manual to strengthen district service delivery drafted		• Achieved; revised manual used for pilot implementation	•
Target: 2.4: 10 operational One Door Service Centres in the country	• Evaluation of ODSCs complete • Review of multi level services		• Achieved; 10 operational ODSCs	•

Annual outputs and indicators	Key activities completed during reporting period	Expenditures to date (US$)	Progress towards achieving outputs & targets against indicators	Reasons if progress below target and response strategies
Output 3: HRM and HRD policies, procedures and capacity are strengthened		338,189		
Target: 3.1: 1 new HRM procedure: Performance Mgmt. Guidelines	• Draft of performance mgmt. guidelines		• Partially achieved; performance mgmt. guidelines to be piloted and finalized	• Approvals required to commence pilot
Target: 3.2: 10 offices prepared to report personnel data in PIMS	• PIMS pilot implementation in 5 offices		• Partially achieved; to be implemented in more offices during 2011	• Delays in finalizing the manual and data entry
Target: 3.3: 2 more modules of Civil Service Curriculum piloted	• Modules on training of trainers and leadership development piloted		• Achieved; two more modules piloted through civil service training programmes	
Target: 3.4: 4 trainings delivered by Civil Service Training Centre	• Trainings on training of trainers, performance appraisal, leadership development and office management		• Achieved; all planned trainings for civil servants completed	
Target: 3.5: Pilot implementation of improved Perf. Mgmt. System	• Performance management implementation plan drafted		• Partially achieved; performance mgmt. system to be piloted	• Approvals required to commence pilot
Target: 3.6: New English Training Curriculum for civil servants	• English Language for Government Official Elementary level 1 completed • Drafting of curriculum for level 2		• Achieved; Curriculum for Level 1 complete	
Target: 3.7: Technical meeting, Governance Forum and ACCSM+3	• Preparation of papers and conduct of Technical meeting, Governance Forum and ACCSM+3 Conference		• Achieved; Technical meeting, Governance Forum and ACCSM+3 Conference complete	
Target: 3.8: Finalized Gender in Gov. Strategy and Action Plan	• Revision of Gender in Governance Strategy and Action Plan • Submission for approval		• Partially achieved; Gender in Gov. Strategy and Action Plan submitted for approval	• Multi - stakeholder approval required to finalize Strategy

Annual outputs and indicators	Key activities completed during reporting period	Expenditures to date (US$)	Progress towards achieving outputs & targets against indicators	Reasons if progress below target and response strategies
Output 4: Decentralized finance and planning increase access to services for the poor and vulnerable		356,873		
Target: 4.1: Design of Operational Expenditure Block Grant	• Survey on operational expenditure • Design of operational expenditure block grant modality		• Achieved; operational expenditure to be implemented in 2011	
Target: 4.2: Minimum conditions met in 27 districts	• Minimum conditions guidelines provided and provincial teams trained		• Achieved; all 27 districts complied with conditions	
Target: 4.3: Officials of 27 dist. Trained in P/B, FM & procurement	• Training workshops on these three themes for officials from 27 districts as well as related provincial officials		• Achieved; officials from 27 districts trained in P/B, FM & procurement	
Output 5: Funding support for public service improvement for improved service delivery		231,898		
Target: 5.1: : 20 sub-projects supported by GPAR Fund	• Grants released to 22 subprojects • Proposals sought for next round of grant making		• Achieved; twenty two sub projects selected, and grants released	

2. Update on implementation of the Vientiane Declaration and its Action Plan

- Governance Sector Working Group, two Sub Sector Working Groups and Secretariat operational
- Sector Working Group and Sub Sector Working Group meetings and reports completed
- Governance Reform Information Matrices completed
- Governance Sector Working Group consultations in preparation of Strategic Plan on Governance (2011-15) and sector recommendations for the 7th NSEDP

3. Update on partnerships

- Close partnership with provincial GPAR projects, provincial and district administrations
- Partnership with Ministry of Planning & Ministry of Finance on DDF Implementation
- Support to PACSA on leadership of DDF, covering Khammouane and Bolikhamxay
- Collaboration with Lao NCAW on preparing Gender in Governance Strategy

4. Update on gender mainstreaming

- Completion of gender in governance study
- Partnership with Lao NCAW in conducting study and planning implementation
- Gender equity in selecting of participants for capacity building support: training & study tours

5. Update on audit recommendations

- Satisfactory rating by audit
- Remitting of income tax on time: Implemented
- Timely settlement of advances: implemented

6. List main challenges and issues (if any) faced during reporting

Challenge/Issue	Response
• Postponed revision of Law on Government and Law on Local Administration	• Activity deferred to next year
• Resources for next Citizen Report Card	• To be addressed during planning for 2011
• Multi-level services through ODSCs	• Recommendations under review
• Web based PIMS software	• Modifications addressed in-house
• Approval of draft Code of Conduct	• Being discussed in government with stakeholders
• Initiation of Performance Management pilot	• Being discussed with stakeholders
• Initiation of Performance Management pilot	• Discussions with districts and provinces in progress
• Social Protection activities	• Social Protection to be taken up in next phase
• Budget not yet fully funded	• Activities readjusted within available budget

7. Rating on progress towards results

Output:		
Output 1: Strategic oversight, monitoring framework provides for evidence based policy and performance analysis in governance reform	☒ ☐ ☐	Positive change Negative change Unchanged
Output 2: Improved organizational structures and systems enable the delivery of more equitable, effective accountable and transparent services	☒ ☐ ☐	Positive change Negative change Unchanged
Output 3: Human Resource Management and Human Resource Development policies, procedures and capacity are strengthened	☒ ☐ ☐	Positive change Negative change Unchanged
Output 4: Decentralized finance and planning increase access to services for the poor and vulnerable	☒ ☐ ☐	Positive change Negative change Unchanged
Output 5: Funding support for public service improvements resulting in improved delivery of services	☒ ☐ ☐	Positive change Negative change Unchanged

IV. ADDITIONAL ACTIVITIES WHICH CONTRIBUTE TO 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.

> - Preparations for next GPAR Programme using Programme approach
> - Collaboration with non-GPAR provinces on DDF

V. FUTURE WORK PLAN

4. 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?

Priority steps to overcome constraints:
- Focused efforts to complete the Results & Resources Framework targets
- Detailed review with project stakeholders on areas with delays
- Preparatory steps for next year's GPAR Fund grants initiated

Steps to build on current achievements:
- District capacity development follow up training for District officials
- Wider scale of implementation of national curriculum to train civil servants
- Roll out of Personnel Information Management System
- Design of the next GPAR Programme

Steps to build on partnerships:
- Formulation of Lao component of ACCSM collaboration with Plus Three countries
- Interface with key ministries and wider set of development partners for Programme formulation
- Close linkages with provincial administrations for scale up of GPAR best practices

Use of lessons learned:
- Support for capacity development at district level envisaged in the draft 7th NSEDP
- Expanding the scale of delivery of training for civil servants
- Expanding the role of Sector Working Group Secretariat to support Government oversight
- Detailed documentation on project activities and results to enable systematic evaluation

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

1.	**Dissemination Strategy developed and implemented (2006-10)** It was planned that the Strategic Plan on Governance (2006-10) would be disseminated on the basis of a clearly articulated strategy. However, the discussions on formal approval were taking time. Hence, the dissemination was initiated without preparation of clear strategy, through annual conferences of civil servants for the central and provincial level and through capacity building workshops for heads of district administration.
2.	**Governance Reform Monitoring framework & Progress of Strategic Plan (2006 – 2010) regularly reported to Government** It was planned that the Strategic Plan on Governance (2006-10) would be monitored through a clearly defined monitoring framework. Since the formal acceptance of targets set in the Strategic Plan did not take place, an information sharing exercise on these targets was initiated, in the form of Governance Sector Information Matrices. This enables the Sector Working Group to track and monitor progress of reforms in the Governance sector.
3.	**Performance award mechanism** The performance appraisal system being developed under Output 3 is yet to be ratified by the Government. Hence this activity has been deferred till such ratification is complete and appraisals under the new system are taking place regularly.
4.	**Improved Policy analysis and formulation capacity of the Government** The initial plans included modest support for building public policy formulation capacity in key offices of the government. Since a large ADB supported initiative took on this task, this output would have been duplication - hence the output was terminated.
5.	**Workforce Planning** It was anticipated that Organizational Analysis of all key government offices would take place during the project period, which would make it possible to review and define staff ratios and gaps, and implement activities to address related targets in priority service sectors. However, the Organizational Analysis exercise is yet t be rolled out, and not expected to be complete before end of the current phase of the project. Hence the output has been deferred to a later stage.
6.	**Municipal Development** The initial plans of the project envisaged a substantial set of activities. After the operational guidelines for establishing municipalities was prepared, it emerged that legal frameworks needed to be amended before implementation could take place. Hence, subsequent steps related to organizational reviews completed for Vientiane, preparation of municipal finance policy, piloting of municipality in Luang Prabang and Vientiane, evaluation of pilot municipalities, strategy for implementation in additional sites and Implementation in additional sites, were deferred.
7.	**Kumban Development** The kumbans have been operational as a development support platform. Since they have not been established a formal administrative level, no Government regulations have been prepared. Hence the capacity building support has been oriented towards the Ban (Village) level.
8.	**Workforce Planning in activities involving Centre-Local relations** The review of tasks that involve central-local relations in service sector agencies were to be taken up as part of this exercise. However, the Organizational Analysis exercise is yet t be rolled out, and not expected to be complete before end of the current phase of the project. Hence the output has been deferred to a later stage, as in Point 6 above
9.	**National Training Delivery Network** A national Training Delivery Network was envisaged as a support mechanism for civil service capacity building. However, the Civil Service Training Centre has been set up recently, and the pool of trainers are being identified and developed. Hence, the establishment of this network has been deferred to a later stage.
10.	**Performance Management system** The Performance Management system for the civil service has been recently completed, and is expected to be approved soon. Hence preparation of the national implementation strategy and the evaluation of the operational system have been deferred till the system has been approved, piloted and mainstreamed.

3. Estimated total budget required for the following year: _____ $ 1,050,000

VI. ANNEXES

1. Annex 1: Combined Delivery Report
2. Annex 2: Annual Work Plan for following year
3. Annex 3: Communication and Monitoring Plan
4. Annex 4: Project Risk Log
5. Annex 5: Issues Log
6. Annex 6: Lessons Learned log
7. Annex 7: Updated Audit Action Plan

CERTIFIED BY

_____   _____
Mr. Khammoune Viphongxay   Dated
Executive of Project Board
GPAR SBSD project

Annex 3: GPAR SBSD PROGRAMME: COMMUNICATION AND MONITORING PLAN/REPORT 2010 p1

Type of Action	Stakeholders	Method of communication	Due by	Completed on	Status
Annual Work Plan and Budget: 2010	UNDP, UNCDF, SDC, Govt. of Luxembourg	Report	01/01/10	18/12/09	Complete
Work plan and FACE form: Q1-2010	UNDP	Report	10/01/10	08/01/10	Complete
Quarterly Progress Report for Q4-2009, including logs	UNDP, UNCDF, SDC, Govt. of Luxembourg	Report	10/01/10	08/01/10	Complete
Work plan and FACE form: Q2-2010	UNDP	Report	10/04/10	09/04/10	Complete
Quarterly Progress Report for Q1-2010, including logs	UNDP, UNCDF, SDC, Govt. of Luxembourg	Report	10/04/10	09/04/10	Complete
Work plan and FACE form: Q3-2010	UNDP	Report	10/07/10	09/07/2010	Complete
Quarterly Progress Report for Q2-2010, including logs	UNDP, UNCDF, SDC, Govt. of Luxembourg	Report	10/07/10	09/07/2010	Complete
Work plan and FACE form: Q4-2010	UNDP	Report	10/10/10	08/10/2010	Complete
Quarterly Progress Report for Q3-2010, including logs	UNDP, UNCDF, SDC, Govt. of Luxembourg	Report	10/10/10	08/10/2010	Complete
Annual Progress Report: 2010	UNDP, UNCDF, SDC, Govt. of Luxembourg	Report	01/12/10	01/12/10	Complete
Quarterly Progress Report for Q4-2010, including logs	UNDP, UNCDF, SDC, Govt. of Luxembourg	Report	10/01/11		

Annex 3: GPAR SBSD PROGRAMME: COMMUNICATION AND MONITORING PLAN/REPORT 2010 p2

Type of Action	Stakeholders	Method of communication	Due by	Completed on	Status
Governance Sector Working Group Update	Sector Working Group members	Report	15/06/10 15/12/10	24/09/10	Complete
GPAR SBSD Newsletter	UNDP, UNCDF, SDC, Govt. of Luxembourg, Sector Working Group members	Newsletter	15/06/10 15/12/10		Not prepared Under preparation
Governance Reform Initiatives Matrix	UNDP, UNCDF, SDC, Govt. of Luxembourg, all Dev. Partners	Report	01/07/10	24/09/10	Complete
Strategic Plan on Governance (2011-20)	UNDP, UNCDF, SDC, Govt. of Luxembourg, all Dev. Partners	Report	01/12/10		Under preparation
Civil Service Management Strategy	UNDP, UNCDF, SDC, Govt. of Luxembourg, all Dev. Partners	Report	01/12/10		Under preparation
District Capacity Development Manual	UNDP, UNCDF, SDC, Govt. of Luxembourg, all Dev. Partners	Report	01/06/10	11/10/2010	Complete
GPAR Programme Retreat Report	UNDP, UNCDF, SDC, Govt. of Luxembourg	Report	01/07/10	22/09/10	Complete
One-Door-Service-Centres Evaluation Report	UNDP, UNCDF, SDC, Govt. of Luxembourg	Report	01/06/10	07/09/10	Complete
District Development Funds: Concept Note	UNDP, UNCDF, SDC, Govt. of Luxembourg	Report	01/07/10	1/10/2010	Complete
District Development Funds Strategy	UNDP, UNCDF, SDC, Govt. of Luxembourg	Report	01/07/10		Deferred to 2011
Social Protection Fund: Approach Paper	UNDP, UNCDF, SDC, Govt. of Luxembourg	Report	01/10/10		Draft under review
GPAR Fund: First Round Progress Report	UNDP, UNCDF, SDC, Govt. of Luxembourg	Report	01/06/10	5/11/2010	Complete

Annex 4:   GPAR SBSD PROGRAMME: RISK LOG - 2010 p1

Project Title:	GPAR SBSD PROGRAMME			Award ID: 00047224			Date:		01/12/2010
#	Description	Date Identified	Type	Impact & Probability	Countermeasures / Mgmt. response	Owner	Submitted/ updated by	Last Update	Status
1	Formulation of next GPAR programme not be completed by the RTM	04/10/10	Operat-ional	Key activity which may not reach completion in time; funds may need to be reassigned P=3; I=3; PXI=9	Discussion with stakeholders and revised time frame proposed	Project Manager	Project Manager	01.12.10	Moved to issues log
2	Revision of Law on Govt. and Law on Local Admn. may be delayed	15/06/10	Strategic	Key activity which may not reach completion; funds may need to be reassigned P=3; I=3; PXI=9	Discuss with PACSA; internal discussions on revision taking place	Project Manager	Project Manager	24.09.10	Change
3	Funding currently available for Social Protection pilot may not be adequate	31/03/10	Strategic	Key new modality would remain unaddressed; funds will need to be raised from other sources P=3; I=5; PXI=15	Proposal with UNCDF to seek separate EU grant; proposals being prepared to pilot Social Protection in next GPAR phase	Project Manager	Project Manager	24.09.10	Resolved
4	Time may not be sufficient to pilot Operational Expend-iture Block Grant	31/10/09	Strategic	Key new modality would remain unaddressed; funds will need to be reassigned P=3; I=5; PXI=15	International Advisor commenced preparation of OEBG strategy; OEBG to be piloted from Q4:2010	Project Manager	Project Manager	24.09.10	Resolved
5	Weak compliance with Minimum Conditions for DDF	30/06/09	Operat-ional	Further release of DDF curtailed and loss of cooperation P=3; I=5; PXI=15	Training for districts, and reviews with provincial governors; full compliance achieved in 2010	Project Manager	Project Manager	24.09.10	Resolved
6	Activity related to Workforce Planning cannot be done as planned	30/06/09	Strategic	Activity depends on detailed sector plans, including staffing projections which are beyond project scope P=5; I=5; PXI=25	Revised Results and Resources Framework removes this activity from the work plan	Project Manager	Project Manager	10.09.10	Resolved
7	M&E of service delivery may need to be through MPI	30/06/09	Strategic	Possible objection from MPI on establishing parallel M&E mechanism P=3; I=3; PXI=9	Initial steps being taken in relation to GPAR Districts	Project Manager	Project Manager	10.09.10	Resolved
8	Public Policy capacity building may need revision	30/06/09	Strategic	Activity in current form a duplication of ADB supported input P=5; I=3; PXI=15	Revised Results and Resources Framework removes this activity from the work plan	Project Manager	Project Manager	10.09.10	Resolved

Annex 4:   GPAR SBSD PROGRAMME: RISK LOG – 2010 p2

#	Description	Date Identified	Type	Impact & Probability	Countermeasures / Mgmt. response	Owner	Submitted/ updated by	Last Update	Status
9	Follow up of Gender in Governance Strategy not in Project Strategy	31/03/10	Operat-ional	Key activity which may not reach completion due to lack of funding P=5; I=3; PXI=15	Project Board agrees to allocate additional funds for this activity	Project Manager	Project Manager	28.04.10	Resolved
10	Kumban develop-ment outside scope of PACSA and cannot be implemented	30/06/09	Strategic	Kumban development activities are being implemented by MPI P=5; I=5; PXI=25	Activity may be reviewed and revised to support capacity development at Ban level	Project Manager	Project Manager	30.06.09	No change
11	Uncertainties in securing multiple clearances for policy initiatives	30/11/07	Strategic	Delays in policy reform approval and implementation, applicable to many activities P=5; I=4; PXI=20	Monitoring and follow up by project management; revision of work plans by Project Board	Project Manager	Project Manager	29.05.08	No change
12	Dissemination of findings from CRC based on 2007 data may not be fruitful	31/10/09	Strategic	Findings based on 2007 data may not be seen as relevant for discussion and action P=3; I=5; PXI=15	Dissemination to focus on way forward, with ministries and development partners	Project Manager	Project Manager	31/01/10	Moved to issues log
13	Some GPAR Fund grantees may need early release of 2nd installment	31/10/09	Operat-ional	Inability of grantees to initiate planned activities till funds provided P=3; I=5; PXI=15	Case by case review and flexibility to be exercised in required cases	Project Manager	Project Manager	31/01/10	Moved to issues log
14	PIMS software provider may not deliver last module	30/06/09	Operat-ional	Roll out of PIMS and capacity to facilitate use on stand-alone platforms will be delayed P=3; I=5; PXI=15	Discussions with the provider and contingency plans for developing alternate software	Project Manager	Project Manager	31/01/10	Moved to issues log
15	ODSC's may not be able to deliver services involving multiple levels	30/06/09	Strategic	Differences in policies and changes in policies of ministries affect expan-sion of role of ODSCs P=5; I=5; PXI=25	Technical assistance mission to prepare new approach	Project Manager	Project Manager	31/01/10	Moved to issues log
16	Luang Prabang Municipality may not be set up in the project time frame	30/06/09	Strategic	Likely to depend on revisions in Law which are beyond project scope P=5; I=5; PXI=25	Activity may be reviewed and revised or removed from the plan	Project Manager	Project Manager	31/01/10	Moved to issues log

Annex 4:   GPAR SBSD PROGRAMME: RISK LOG - 2010 p3

#	Description	Date Identified	Type	Impact & Probability	Countermeasures / Mgmt. response	Owner	Submitted/ updated by	Last Update	Status
17	Budget not yet fully funded	30/11/07	Financial	Activities in later years may face financial constraint P=5; I=3; PXI=15	Clarification of activities that have to wait for funding to be available by Project Board	Project Manager	Project Manager	30.11.09	Moved to issues log
18	Assistance to emerging opportunities for reforms	30/11/07	Financial	Revision of work plans to add activities, and postponing or dropping planned activities P=5; I=3; PXI=15	Oversight of Project Board; budget revision approved by Project Board	Executive of Project Board	Project Manager	25.09.08	Resolved
19	Time required to secure approval of Governance Strategic Plan	30/11/07	Strategic	Adverse comments from development partners; delay in commencing reforms P=3; I=5; PXI=15	Follow up by project management with government and development partners	Executive of Project Board	Project Manager	29.05.08	Moved to Issue log
20	Clearances for establishing Project Board	30/11/07	Organizational	Delay in establishing mandatory oversight mechanism P=3; I=2; PXI=6	Follow up by project management with government and UNDP	UNDP Country Office	Project Manager	29.05.08	Moved to Issue log
21	Delay in recruiting Info. Mgmt. & Comm. Support	30/11/07	Operat-ional	Delay in implementation of communication plan and sharing of GPAR SBSD results; P=5; I=4; PXI=20	Request for assistance from UNDP in recruitment process	Project Manager	Project Manager	29.05.08	Moved to Issue log
22	Delay in recruiting of DDF Advisor	30/11/07	Operat-ional	Delay in commencing DDF activities and missing planning cycle of government in 2008; P=5; I=5; PXI=25	Request for short term assistance from UNCDF and GPAR Saravane team	UNCDF Regional Office	Project Manager	29.05.08	Moved to Issue log

Annex 5:   GPAR SBSD PROGRAMME: ISSUES LOG – 2010 p1

| Project Title: | GPAR SBSD PROGRAMME | | | | Award ID: | 00047224 | | Date: | 01/12/2010 | |

#	Description	Date Identified	Type	Priority (P) & Impact (I)	Countermeasures / Mgmt. response	Owner	Status change	Last update	Current status
1.	Formulation of next GPAR programme not be completed by the RTM	04/10/10	Problem	Key activity which may not reach completion in time; funds may need to be reassigned P=3; I=3; PXI=9	Discussion with stakeholders and revised time frame finalized	Project Manager	Change	01.12.10	Resolved
2.	ODSC's not be able to deliver services involving multiple levels	31/01/10	Problem	Differences in policies and changes in policies of ministries affect expansion of role of ODSCs P=5; I=5; PXI=25	Technical assistance mission prepared new approach	Project Manager	Change	01.12.10	Resolved
3.	Project budget not fully funded	30/11/09	Problem	Budgeting for activities in 2010 and 2011 limited by availability of funds P=5; I=5; PXI=25	Revised Results and Resources Framework within available budget	Project Manager	Change	10.09.10	Resolved
4.	Delay in formulation of Social Protection Fund may leave only 1 year for piloting	30/09/09	Problem	Inadequate time to carry out a pilot and derive lessons P=5; I=5; PXI=25	Revised Results and Resources Framework removes this activity	Project Manager	Change	10.09.10	Resolved
5.	Delayed OEBG formulation calls for two new funds to be piloted in 2010 - 11	30/06/09	Problem	Risks, difficulties and limited lessons from 1 year of pilot implementation P=5; I=5; PXI=25	OEBG to be piloted from Q4:2010	Project Manager	Change	10.09.10	Resolved
6.	Guidelines on DDF Planning and Financial Management not approved	30/06/09	Problem	Compliance with required practices will not be enforceable P=5; I=5; PXI=25	PACSA authorizes use of guidelines after receiving comments from MPI and MoF	Project Manager	Change	10.09.10	Resolved
7.	DDF minimum conditions assessment not completed	30/11/09	Problem	DDF funds allocation for districts for 2010-11 planning cannot be announced till review completed P=5; I=5; PXI=25	Follow up by project team with provincial teams; complete compliance with minimum conditions in 2010	Project Manager	Change	24.09.10	Resolved
8.	Delay in start of pilot Org. Analysis in service Ministries	30/06/09	Problem	Delay in Output 2 activities P=3; I=3; PXI=9	Pilot Org. Analysis completed in 2 offices; commenced in 3rd office	Project Manager	Change	10.09.10	Resolved

Annex 5:   GPAR SBSD PROGRAMME: ISSUES LOG - 2010 p2

#	Description	Date Identified	Type	Priority (P) & Impact (I)	Countermeasures / Mgmt. response	Owner	Status change	Last update	Current status
9.	PIMS software provider has not delivered last module	31/01/10	Problem	Roll out of PIMS and capacity to facilitate use on stand-alone platforms have been delayed. P=3; I=5; PXI=15	Discussions with the provider and contingency plans for developing alternate software	Project Manager	No change	31.03.10	Not resolved
10.	Luang Prabang Municipality may not be set up in the project time frame	31/01/10	Problem	Awaiting revisions in Law which are beyond project scope. P=5; I=5; PXI=25	Activity has been reviewed deferred in work plan	Project Manager	No change	31.03.10	Not resolved
11.	Last PIMS software module not complete	30/06/09	Problem	Roll out of PIMS cannot take place without last module. P=5; I=5; PXI=25	Follow up with service provider	Project Manager	No change	30.06.09	Not resolved
12.	Delay in completion of Ban training needs assessment	30/06/09	Problem	Inability to proceed with key Output 2 activity. P=3; I=5; PXI=15	Follow up with Project Board and PACSA management	Project Manager	No change	30.06.09	Not resolved
13.	Non acceptance of municipality plan in Luang Prabang	30/06/09	Problem	Inability to proceed with key Output 2 activity. P=5; I=5; PXI=25	Follow up with project Board and PACSA management for revising activity	Project Manager	No change	30.06.09	Not resolved
14.	Delay in approval of Code of Conduct	25/06/08	Problem	Delay in initiating follow up activities including recruitment of consultants. P=5; I=3; PXI=15	Request to PACSA management to expedite review and approval	Project Manager	No change	25.06.08	Not resolved
15.	Delay in approval of Nat. Civil Service Mgmt. Strategy	25/06/08	Problem	Delay in initiating several civil service management activities. P=5; I=5; PXI=25	PACSA management review of draft CSM strategy	Project Manager	Change	31.03.10	Not resolved

Annex 5: GPAR SBSD PROGRAMME: ISSUES LOG - 2010 p3

#	Description	Date Identified	Type	Priority (P) & Impact (I)	Countermeasures / Mgmt. response	Owner	Status change	Last update	Current status
16	Dissemination of findings from CRC based on 2007 data may not be fruitful	31/01/10	Problem	Findings based on 2007 data may not be seen as relevant for discussion and action P=3; I=5; PXI=15	Dissemination to focus on way forward, with ministries and development partners	Project Manager	Change	31/03/10	Solved
17	Citizen Report Card study to be formally approved	30/06/09	Problem	Delay in Output 1 and 2 activities P=5; I=5; PXI=25	Approved by PACSA senior management for release	Project Manager	Change	31/03/10	Solved
18	Some GPAR Fund grantees requested early release of 2nd installment	30/11/09	Change	Inability of grantees to initiate planned activities till funds provided P=3; I=5; PXI=15	Case by case review and flexibility to be exercised in required cases	Project Manager	Change	30/11/09	Solved
19	Delay in recruiting HR Specialist Advisor	01/01/09	Problem	Delay in Output 3 activities P=5; I=5; PXI=25	Follow up with Country Office; Advisor in place	Project Manager	Change	16.03.09	Solved
20	Delay in recruiting of GPAR Fund Advisor	25/06/08	Problem	Delay in commencing GPAR Fund activities; P=5; I=5; PXI=25	Recruitment of short term consultant to support start up activities; Advisor in place	Project Manager	Change	01.12.08	Solved
21	Difficulty in recruiting suitable Specialists for DDF	25/06/08	Problem	Delay in effectively completing DDF activities; P=5; I=5; PXI=25	Revised staffing plan based on coordinator to assist project with routine activities	Project Manager	Change	20.03.09	Solved
22	Non availability of PACSA trainers to run generic training	25/06/08	Problem	Delay in delivering training support to provinces and districts P=3; I=3; PXI=15	Outsourcing to training service providers proposed; delivered by PACSA trainers in Q4	Project Manager	Change	01.12.08	Solved
23	Handover of Civil Service Remuneration Study to WB	25/06/08	Change	Staff commitment and budget revision P=3; I=2; PXI=6	To be addressed at next budget revision	Project Manager	Change	01.12.08	Solved
24	Further PIMS modules to be developed In-house	25/06/08	Change	Staff commitment and budget revision P=5; I=2; PXI=10	To be addressed at next budget revision	Project Manager	Change	01.12.08	Solved

#	Description	Date Identified	Type	Priority (P) & Impact (I)	Countermeasures / Mgmt. response	Owner	Status change	Last update	Current status
25	Delay in recruiting District Restructuring Consultants	25/06/08	Problem	Delay in initiating district restructuring P=5; I=5; PXI=25	ToR provided to PACSA; add task to org. analysis consultancy; recruitment completed	Project Manager	Change	01.12.08	Solved
26	Delay in recruiting Municipality Dev. Consultants	25/06/08	Problem	Delay in initiating municipality in Luang Prabang by October 2008; P=5; I=5; PXI=25	ToR provided to PACSA; expedited approvals sought; recruitment completed	Project Manager	Change	01.12.08	Solved
27	Modalities for funds transfer for offsite activities at Khammouane	08/03/08	Problem	Noncompliance with guidelines while implementing activities P=5; I=4; PXI=20	Guidance sought from Country Office	Project Manager	No change	29.05.08	Solved
28	Resignation of newly recruited Accountant	08/03/08	Problem	Difficulties in completing accounting tasks and settlements P=5; I=4; PXI=20	Recruit candidate from previous interviews; help from other projects	Project Manager	No change	29.05.08	Solved
29	Delay in recruiting UNV: Information Management & Communication	14/02/08	Problem	Delay in implementation of communication plan and sharing of GPAR SBSD results; P=5; I=4; PXI=20	Australian Youth Ambassador took up position	Project Manager	No change	10.03.09	Solved
30	Approval of Capacity Building Study Report	14/02/08	Problem	Delay in preparing capacity development strategy P=3; I=5; PXI=15	Consultant recruited to revise document; revised document accepted and presented	Project Manager	Change	01.12.08	Solved
31	Formal approval by Govt. of Governance Strategic Plan	30/11/07	Problem	Adverse comments from development partners; delay in commencing reforms P=3; I=5; PXI=15	Govt. initiates preparation of next Governance Strategic Plan, and initiates discussion with development partners	Executive of Project Board	Change	31.03.10	Solved
32	Membership of Project Board	30/11/07	Change	Delay in establishing mandatory oversight mechanism P=5; I=3; PXI=15	Follow up by project management with Country Office and government	UNDP Country Office	No change	29.05.08	Solved
33	Delay in recruiting of DDF Advisor	30/11/07	Problem	Delay in commencing DDF activities and missing planning cycle of government in 2008; P=5; I=5; PXI=25	Activities initiated by SBSD team; assistance (short term) of UNCDF & GPAR Saravane; Advisor in place	UNCDF Regional Office	Change	01.12.08	Solved

Annex 6: GPAR SBSD PROGRAMME: LESSONS LEARNED LOG p1

Lesson ID	Date logged	Type	Description	Recommendation
01	01/12/2010	Positive	Block grants significantly enhance credibility and cost effectiveness of activities by district administration	Greater emphasis on be placed on district administration led investments for local development
02	01/12/2010	Constraint	Social protection pilots will require significant policy support and preparation before initiation	Social protection pilot be taken up during next phase of GPAR Programme
03	30/09/2010	Positive	Evaluation of ODS indicates opportunities to widen the scope of ODS activities	ODS scale up plans be prepared after reviewing other activities that can be brought under ODS
04	30/09/2010	Positive	Coordination with MPI and MoF has strengthened DDF impact and confidence of district administrations	Further expansion of this coordination to include sectors such as health, education, public works and agriculture
05	30/09/2010	Positive	Multi-stakeholder coordination has become stronger with representation in GSWG Secretariat	Official allocation of greater time and responsibility for SWG activities to members of GSWG Secretariat
06	30/09/2010	Constraint	Large demand for small grants under the GPAR Fund, cannot be met with existing resources	Larger allocation for small grants to be made when formulating next GPAR Programme
07	31/03/2010	Positive	Drafting by ministries and offices has improved ownership and alignment of Governance Strategy	Periodic strategy implementation monitoring and review jointly by ministries and offices to be supported by Sector Working Group
08	31/03/2010	Constraint	Delay in finalizing evaluation recommendations seriously constrains corrective actions	Recommendations by Project Board based on draft report to be used to take next steps and initiate corrective actions
09	30/11/2009	Positive	Pilot Organizational Analysis in Vientiane Vehicle Licensing Office leads to significant improvements	Wider use of approach to be mainstreamed and supported
10	30/11/2009	Constraint	Current GPAR Fund release procedure is not aligned to work plan and budget of grantees	Specific fund release plans to be finalized with each grantee based on activity plan and budget
11	30/09/2009	Constraint	Evaluations may be constrained by limited time and lack of appreciation of process reforms	More detailed internal reflection and reviews to be carried out on key project outputs, well ahead of next/final evaluation
12	30/09/2009	Positive	Strong demand for small grants related to governance reform from ministries and local administration	Preparations may be made to mobilized further support for GPAR Fund, while closely monitoring grant utilization and improvements
13	30/09/2009	Constraint	Working Groups/ Secretariats take more time to take on mandated tasks: eg. Sector Working Group	Interim support from leadership till the Secretariats are fully organized, and systematic capacity building support to be provided
14	30/11/2008	Positive	Project Board meetings facilitate effective high level support and guidance	Reporting to the Project Board requires small and focused reports, which will effectively support decision making
15	30/11/2008	Positive	Government officials who implemented pilot activities in provinces are effective trainers for scaling up	Project activities to mainstream good practices from pilots can be effectively supported by relevant officials seconded from Govt.

Annex 6: GPAR SBSD PROGRAMME: LESSONS LEARNED LOG p2

Lesson ID	Date logged	Type	Description	Recommendation
16	30/11/2008	Constraint	Large scale training of officials constrained by shortage of good trainers (Govt./Private)	• Prepare distance learning programmes which civil servants can access
17	30/11/2008	Positive	Visible and quick impact of competency building programmes like Office Management module	• Design of all training offered to government be required to give adequate attention to implementation aspects and competencies
18	30/11/2008	Positive	Strong demand from districts to implement service improvements like One Door Service	• Greater support for mainstreaming lessons from pilots, and support for implementation at decentralized offices • Policy dialogue and support required to enable wide implementation
19	30/11/2008	Constraint	Work plans related to formulating reforms and policies face uncertainties and are subject to several revisions	• Roadmaps need to be prepared and continuously updates instead of waiting for finalized and detailed plans
20	30/11/2008	Positive	Awareness of good Governance practices is generating demand for reforms and implementation support	• Additional activities to support systematic dissemination of good governance practices across districts, provinces and ministries

Annex 7: UPDATED AUDIT FOLLOW UP ACTION PLAN
GPAR Support for Better Service Delivery Project Audit 2009: Action Plan

Award No.: 00047924	Project No.: 00056568	Audit Opinion Type: Satisfactory/Unqualified
Observation No	1	
Observation	Based on Lao Tax Law, chapter 4, article 65, "Organisations, enterprises, or individuals who pay salaries to employees, workers, civil servants and other individuals on the basis of a contract or other binding obligation have the duty to calculate and withhold income tax from the monthly salary each month before making payment and submit a tax declaration to the tax authority by the fifteenth of the following month in order to pay tax". However, during our findings we noted that the personal income tax for the project staff was not paid in the month of March 2009. Settlement of the outstanding tax was only made on 9 March 2010.	
Recommendation	The Project Management should ensure that payments are remitted to the local tax authorities within the stipulated time as prescribed by the Lao Tax law.	
Audit Area	PERSONNEL	
Audit Cause	Human Error	
Risk Severity	HIGH	
Proj/CO Management Comments	The delay in payment in relation to remitting tax deducted for one month of the year was on account of human error on the part of the Accountant.	
Action(s) Planned	The Finance Officer will oversee payment of taxes by specified dates, being carried out by the Accountant.	
Target Impl. Date	29-Jun-09	
Action Unit & Person Resp. for Action	Finance and Accounts Unit: Ms. Sengaloun Somchanmavong, Finance Officer, Ms. Vongadala Sirimanotham, Accountant	
Status	Implemented	
Actual Impl. Date	May 2010	
Description of Status Update	The Finance Officer set up the monitoring system with specified dates. Payment is being made within 5 days after paying salary	

Award No.: 00047224	Project No.: 00056568	Audit Opinion Type: Satisfactory/Unqualified		

Observation No	2			
Observation	The guidelines provided by UNDP states that: 1) Advances for in-country training are to be settled within 2 weeks after completion. 2) All other advances apart from in-country training are to be settled within 2 months We noted that the following advances as tabled below have been long outstanding for more than 2 months as at 31 December 2009.			

Voucher No.	Voucher date	Propose of advance	Outstanding advance	Days Outstanding
0906/289	3 June 2009	4.4Advance for DDF development fund Ch.097261	9,109,000	211
0909/459	16 September 2009	5.1.1workshop to finalize GPAR Fund doc. For next year DSA Ch.131627	8,100,000	106
0909/459	16 September 2009	5.1.1workshop to finalize GPAR Fund doc. For next year travel costCh.131628	857,000	106
0909/468	21 September 2009	5.1.1Training in financial management DSA.Ch.131652	10,800,000	101
0909/468	21 September 2009	5.1.1Training in financial management petrol.Ch.131654	10,687,000	101
0909/468	21 September 2009	5.1.1Training in financial management Coffee break.Ch.131655	1,500,000	101
0910/491	02 October 2009	2.3Study tour in Xaysetha district ODSC ch.131684	4,024,400	90
0910/504	19 October 2009	5.1.2Join training on job description Ch185428	450,000	73
0910/504	19 October 2009	5.1.2Join training on job description Ch185430	768,000	73
0910/516	30 October 2009	3.2Human resource development capacity advanced DSA ch.185453	64,500,000	62
0910/516	30 October 2009	3.2Human resource development capacity advanced Photo copy ch.185459	1,200,000	62
0910/516	30 October 2009	3.2Human resource development capacity advanced stationery and bus ticket ch.185461	3,000,000	62
0910/516	30 October 2009	3.2Human resource development capacity advanced petrol ch.185454	5,438,000	62
0910/516	30 October 2009	3.2Human resource development capacity advanced Banner ch.185460	400,000	62
0910/516	30 October 2009	3.2Human resource development capacity advanced meeting room ch.185458	21,200,000	62
		Total	142,033,400	

Recommendation	The Project Management should monitor the long outstanding receivables and should be regularly followed up to ensure that these advances are promptly settled.
Audit Area	GENERAL ADMINISTRATION
Audit Cause	Human Error
Risk Severity	HIGH
Proj/CO Management Comments	The issue related to 0906/289 was on account of the difficulties in completing planned activities till end of the rainy season. Other issues were related to delays when the Accountant had resigned.
Action(s) Planned	The Finance Officer will report outstanding advances every month to the Project Manager. In case of delay, it will be raised at the Monthly Meeting.
Target Impl. Date	May 2010
Action Unit & Person Resp. for Action	Finance and Accounts Unit: Ms. Sengaloun Somchanmavong, Finance Officer, Ms. Vongadala Sirimanotham, Accountant
Status	Implemented
Actual Impl. Date	May 2010
Description of Status Update	The outstanding advances have been raised at the Monthly meeting. In addition, each Project Coordinator has an important role to follow-up with those implementing agencies on this issue.