



Government of Lao PDR



Schweizerische Eidgenossenschaft  
Confédération suisse  
Confederazione Svizzera  
Confederaziun svizra

Swiss Agency for Development  
and Cooperation SDC



Lao PDR

## Governance and Public Administration Reform (GPAR) project: Support for Better Service Delivery (GPAR-SBSD)

Country: Lao PDR

### Link to Government priorities:

- NSEDP 2006-10
- Draft Strategic Plan on Governance 2006-2010

### UNDAF Outcome(s) /Indicator(s):

(Link to UNDAF outcome.,

### Expected Outcome(s)/ Indicator (s):

(CPAP outcomes linked to the MYFF goal and service line)

### Expected Output(s)/ Annual Targets:

(CPAP outputs linked to the above CPAP outcome)

Implementing partner:

Collaborating Ministries/ Government agencies:

'The Government intends 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 project activities are based on priority strategies as detailed in the draft Strategic Plan on Governance 2006 – 2010

**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**

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

*Strengthened capacities of central administration (PACSA) for decentralized planning, management & service delivery*

- (1) *Strategic oversight, monitoring framework provides for evidence based policy and performance analysis in governance reform;*
- (2) *Improved organizational structures and systems enable the delivery of more effective accountable and transparent services;*
- (3) *Human Resource Management (HRM) & Human Resource Development (HRD) policies, procedures and capacity are strengthened;*
- (4) *Decentralized finance, planning & public expenditure management increase access to infrastructure & services for the poor and vulnerable;*
- (5) *Funding support for public service improvements.*

*Enhanced capacities at the central level and within the Office of the Governor and selected line departments in target provinces resulting in higher levels of service delivery in the areas of agricultural extension, primary health, and education.*

### **Public Administration and Civil Service Authority (PACSA), Prime Minister's Office (PMO)**

Committee for Planning and Investment, Ministry of Education, Ministry of Health, Ministry of Finance, Ministry of Agriculture and Forestry, Ministry of Communications, Transport, Post and Construction, Central Committee for Organisation and Personnel, National Organisation for Study of Policy and Administration (NOSPA), Ministry of Justice, Secretariat of the Government, PMO, among others.

## Project Brief

The Support for Better Service Delivery (SBSD) programme will strengthen capacity for strategic planning, financing, management and monitoring of governance reform for more effective, accountable and transparent delivery of services. The design proposes five interrelated outputs to realise this outcome. It will strengthen policy development, strategic oversight and monitoring of governance reform; improve organisational and systems development for more effective, accountable and transparent services; strengthen Human Resource Management and Human Resource Development policies, procedures and capacity and establish a cost effective and sustainable system for civil service training and development; provide a formula based district development funding mechanisms for devolved service delivery, with a particular focus on the provision of expanded and improved health, education, agriculture, and rural development services, identified as key priorities within the Lao Government's 5-year National Socio-Economic Development Plan (NSED) 2006-2010; focus on supporting demand-driven governance reforms at Central and local levels which directly impact on service delivery. The proposed timeframe for the programme is four years until end 2010 in alignment with the NSED.

<b>Programme period</b>	2007 - 2011		
<b>Program Component</b>			<b>TOTAL BUDGET</b>
			\$10,343,083
<b>Project Title</b>	GPAR Support for Better Service Delivery (SBSD)		<b>Allocated Resources</b>
			<ul style="list-style-type: none"> <li>• Government</li> <li>• Regular</li> <li>• Other</li> </ul>
<b>Project ID</b>	00056568. Award: 00047224		UNDP 990,000
<b>Project Duration</b>	1 July 2007 – 30 June 2011		SDC 3,500,000
			Luxembourg 4,000,000
			UNCDF 700,000
			Unfunded budget 1,153,083
<b>Management Arrangements</b>	National Execution		

Agreed by (Government)



28/6/07

Mrs. Bounpheng Mounphoxay  
Minister of the Prime Minister's Office  
Chairperson of Public Administration and Civil Service Authority

Agreed by (UNDP/UNCDF):



28/6/7

Sonam Yangchen Rena  
UN Resident Coordinator and UNDP Resident Representative  
On behalf of UNDP and UNCDF

## EXECUTIVE SUMMARY

Continued progress towards meeting the MDGs by 2015 is dependent on supportive public policies and strengthened institutions. Poverty reduction has been more closely linked to service provision than growth in the last decade<sup>1</sup>. Progress in meeting the Government's civil service reform and poverty reduction objectives in the NSEDP<sup>2</sup> is hampered by limited capacity for strategic management and implementation of the governance reform agenda, need for increased levels of accountability and transparency in service delivery. This problem, in turn, manifests itself in the lack of alignment between government structures, functions and finances; duplication of mandates; ineffective planning and budgeting; inefficient operating systems; and the need for the development of a structured, coordinated and sustainable civil service training and development system.

The Support for Better Service Delivery (SBSD) programme is designed as a response to this problem. The main outcome will be strengthened capacity for strategic planning, management and monitoring of governance reform for more effective, accountable and transparent delivery of services. The design proposes five interrelated outputs to realise this outcome. Output one will strengthen policy development, strategic oversight and monitoring of governance reform. Output two will improve organisational and systems development for more effective, accountable and transparent services. Output three will strengthen Human Resource Management and Human Resource Development policies, procedures and capacity, and establish a cost effective and sustainable system for civil service training and development to strengthen service delivery performance. Output four will strengthen fiscal decentralization, devolved planning and financial management for improved service delivery for the poor. Output five will focus on supporting demand-driven governance reforms at Central and local levels which directly impact on service delivery. The proposed timeframe for the programme is four years to 2010 to obtain alignment with the Government's timeframe (NSEDP).

While SBSBD will build upon previous governance reform initiatives under GPAR I and II, the new programme will differ in a number of critical respects:

- *Firstly, it will be more strategic in focus by developing a stronger policy analysis mechanism across Government including the Secretariat of the Government at the PMO reporting to the Standing Deputy Prime Minister and linked to other research and policy development agencies.*
- *Secondly, it will be more accountable for implementation and impacts of Governance reform initiatives by developing a new oversight and monitoring mechanism which will provide support to the Government institution for reviewing progress across the Governance sector.*
- *Thirdly, it will have a strong service delivery orientation supported by a formula based District Development Fund (DDF) mechanism for local infrastructure and services based on inclusive planning and transparent decision-making. This mechanism will include simple performance criteria to access devolved block grants at district level linked to a poverty weighted formula for funds disbursement.*
- *Fourthly, it will have a clear results orientation through: a) a performance framework contained within the DDF funding mechanism designed to promote participatory planning and improved financial management; b) a GPAR Fund designed to promote and reinforce change through funding innovations in local service delivery in priority sectors. This fund will be governed by clear criteria and good practice benchmarking. The fund may also support the implementation of post-training performance improvement projects that meet agreed service improvement criteria.*

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<sup>1</sup> Sen, B., 2000, 'Growth, Poverty and Human development'

<sup>2</sup> National Socio-Economic Development Plan 2006-2010

- *Fifthly, it will develop a uniform, sustainable and work based training system across all levels of the civil service. In the context of capacity development and learning opportunities particular attention will be given to ensuring a high quality learning experience where results are demonstrable. Eligible women and candidates from ethnic groups shall be given priority to avail of such learning opportunities.*
- *Sixthly, SBSB will graduate from a project-oriented approach at the center linked to a series of pilots to a national programme with a sequenced roll-out of selected reforms and service delivery enhancements throughout the country with a priority focus on the health, education, and rural development sectors targeting the poorest provinces and districts.*
- *Finally, it will establish a cost effective mechanism for strengthening implementation by facilitating internally generated change through Governance Reform Teams (GRTs) at ministry, provincial and district level.*

The underlying logic of the design derives from evaluation findings which highlight the need to strengthen, broaden, deepen and sustain key reform initiatives in governance<sup>3</sup>. Whilst the proposed SBSB programme will continue to implement on-going reforms alongside new reforms, it provides a number of new modalities and mechanisms for improving policy oversight and monitoring, strengthening implementation, facilitating change and extending programme coverage. The proposed strategy and design recognises the significant challenges associated with any reform process that aims to promote institutional, organisation and individual change.

It is for this reason that the proposed approach includes: (i) a District Development Fund component which will seek to achieve poverty reduction through supporting direct investments in infrastructure and service delivery to enable Districts to respond to local needs, service delivery challenges and development priorities and ensuring that lessons learned from these activities are mainstreamed into a wider policy framework at the national level and then replicated on a larger scale, and (ii) a GPAR Fund initiative which will provide support to agencies willing to introduce organisational and administrative reforms that lead to improved service delivery.

While the programme will continue to focus on the implementation of reforms in public administration and civil service management, it will provide a strategic location for the oversight and monitoring of reforms across the governance sector (including the Finance and legal sectors as well as the National Assembly). Since the main programme objective relates to strengthening governance for improved service delivery, SBSB will prioritise activities in the key service areas highlighted in the NSEDP (2006-10) which include health, education, agriculture and (small-scale) infrastructure by complementing on-going sector reforms. The programme will also provide strong linkage with proposed UNDP projects in gender empowerment<sup>4</sup> and the implementation of the NSEDP<sup>5</sup>.

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<sup>3</sup> Four provinces with a poverty headcount ratio of 55-75% not previously covered.

<sup>4</sup> See Draft Project Document "Gender Empowerment for Poverty Reduction: Building Capacity for Stronger Policy and Practice", UNDP 2006

<sup>5</sup> Refer project document - Support For Implementation of the Sixth Five-Year Plan (2006-2010)

## COMPONENT 2: SITUATION ANALYSIS

The existence of the Lao PDR as a modern-day nation-state, governing a specific geographical territory which is clearly defined by borders is a relatively recent phenomenon. In this process of nation-building, the country faces fundamental challenges that necessitate an emphasis on strengthening the government structure and functions.

The Lao PDR is ranked 133 among 177 countries on the UNDP Human Development Index 2005<sup>6</sup>. The latest Census figures (March 2005) show that the population of Lao PDR is 5.62 million with 2.82 million females (50.2 percent). The age distribution of this population demonstrates the characteristic of a young population with about 50 percent of the population currently younger than 20 years of age. About 73 percent of the population lives in rural areas and derive their livelihood from agriculture, fishing and related occupations. Subsistence farming remains the source of livelihood for a large majority of the population, although since 1995 (previous census data) there has been a substantial movement from rural to urban areas across all provinces.<sup>7</sup> The net primary enrolment ratio in education is 83% (see CPD<sup>8</sup> 2:1-5, MDG 04<sup>9</sup>)

In 2005, average GDP per capita reached US\$490. Poverty reduction has been significant and economic growth over the years has been consistent, with an average GDP growth over the past 5 years of 6.2 percent. This puts Lao PDR among the better performing nations in the region. The new government's Socio-Economic Development Plan for the period 2006-2010 is to boost economic growth to reach the projected annual rate of 7.5 percent and to achieve a GDP per capita of US\$800 by 2010. Total revenue is expanding in line with increasing investments in mining and power which will provide a sound basis for planned public expenditure reforms.

Despite sustained economic growth, almost one-third<sup>10</sup> of the population still remains under the poverty line. Although regional disparities have narrowed, poverty retains strong geographic features. Northern provinces have an average of 65 percent of districts categorised amongst the 47 poorest, while southern and central provinces have an average of 47 percent and 35 percent respectively. Whilst different measures of poverty demonstrate different inter-provincial distributions, poverty remains widely distributed throughout most districts and all regions. In spite of this, certain indicators on household consumption and expenditure patterns appear to demonstrate a concentration of poverty in the more remote districts of the north and south. Whilst the overall incidence of poverty has decreased, urban-rural disparities have increased and the poorest segment of the population (the ethnic groups in remote areas in particular) has remained the same or became poorer demonstrating the uneven nature of economic growth across the country as a whole.

Human development indicators have been improving in recent years. The overall literacy rate stands at 73 percent while the net enrolment rate at the primary school level reached 84.2 percent in 2005. For the lower secondary and higher secondary levels, the rates are 54.8 percent and 34.4 percent respectively. Today, 45 percent of all families have access to electricity and 64 percent have access to clean water. Eighty percent of the districts and 60 percent of the villages can now be reached by phone. As a result of these positive developments, life expectancies for men and women have increased significantly over the past decade although life expectancy is still only 63 years for women and 59 years for men.

The transition to a modern market based economy, which began in 1986, has been proceeding steadily but cautiously over the intervening years. Governance is directly linked to poverty reduction insofar as limited public resources must be used effectively and efficiently to reach out to the poor (CPD 5:18). It is

<sup>6</sup> In the 1993 index Laos was ranked 141 out of 173 countries.

<sup>7</sup> In 1995 83 percent of the population lived in rural areas – 1995 Census data

<sup>8</sup> Draft Country Programme Document Lao PDR 2007-2011

<sup>9</sup> MDG Progress Report Lao PDR 2004

<sup>10</sup> Pre-final draft projections for 2005 estimate that 31% of the population live in poverty - Lao PDR Poverty Assessment Report – June 2006

therefore important that due attention be paid to increasing domestic resources for financing development, including the provision of better public services for the people (CPD 3:5).

Although progress on governance reforms has been modest to date there is clear evidence that a positive trend is emerging. The institutional framework for strengthening the capacity of government for improved service delivery has evolved gradually with assistance from UNDP. Early initiatives helped to build commitment from government and determine the overall character of the reform process. More recent initiatives under GPAR II have supported the formulation of a Draft Policy on Governance and a variety of reform oriented decrees. GPAR II has also helped to create the newly empowered Public Administration and Civil Service Authority (PACSA) and initiate important actions on conducting a civil service census and design of a new personnel information management system (for details see Integrated Outcome Evaluation May 06). More recently, the inclusion of a DDF pilot project in Saravane province within the wider GPAR portfolio has increased the programme's emphasis on strengthening decentralised finance and planning for improved service delivery and poverty reduction. This initiative has performed well to date and, with certain modifications and adjustments will provide a sound foundation for further expansion and enhanced strategic leverage.

The institutional framework for reform is provided by the new Strategic Plan on Governance (November 2006) as well as the National Socio-Economic Development Plan (NSEDP) 2006-2010<sup>11</sup>. The governance plan emphasises the government's commitment to building "an effective, efficient, well-trained, honest and ethical public service that is able to meet the needs of the multi-ethnic Lao people". It highlights the need for greater accountability, transparency and public participation in planning and decision making as well as more accessible and efficient legal enforcement institutions. Given the projected increases in public revenues over the life of the current NSEDP period as a result of investments in the energy and mining sectors, there is an immediate requirement to strengthen governance for more accountable and transparent service delivery.

The challenges to realising the Government's reform objectives are highlighted in the Integrated Outcome Evaluation of UNDP supported initiatives in governance and public administration reforms (May 2006). The main lessons highlighted include: the need for: greater strategic oversight and monitoring of governance reform; evidence-based policy analysis; strengthening decentralization at district level and local level; improving linkages between management, planning and finance in government; enhancing specific initiatives in organisational and human resource development; establishing sustainable mechanisms for replicating good practices and delivering job related training.

In this context, the central problem which SBSB aims to address is the limited capacity for the strategic management and implementation of reforms and continuing need for improved accountability, efficiency and transparency in service delivery. Consequently, the proposed programme will aim to strengthen the capacity of civil servants, particularly at the decentralized levels for more effective, accountable and inclusive service delivery.

SBSB also aims to address the lack of a systematic and predictable mechanism for decentralised funding of local services within an inclusive and transparent planning and budgeting process. Consequently, the proposed DDF initiative will aim to strengthen local level planning and financing of services through the provision of district development funds for pro-poor infrastructure and service provision at the local level. At the same time, the proposed initiative will aim to influence wider fiscal decentralisation policy to enhance budgetary certainty and predictability for local service delivery at district level. Together, these objectives are in line with the Strategic Plan on Governance, and the NSEDP 2006-10. and will help to realise UNDAF 2007-11 outcome 3 for "strengthened capacities of public and private institutions to fulfill their duties and greater people's participation in governance".

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<sup>11</sup> Both documents are accessible at the following website <http://www.rtm.org.la> under "Background Documents"

### COMPONENT 3: STRATEGY GPAR-SBBD (Support for Better Service Delivery)

Continued progress towards meeting the MDGs by 2015 is dependent on supportive public policies and strengthened institutions. Poverty reduction has been more closely linked to service provision than growth in the last decade<sup>12</sup>. Progress in meeting the Government's civil service reform and poverty reduction objectives in the NSEDP<sup>13</sup> is hampered by limited capacity for strategic management and implementation of the governance reform agenda, need for increased levels of accountability and transparency in service delivery. This problem, in turn, manifests itself in the lack of alignment between government structures, functions and finances; duplication of mandates; ineffective planning and budgeting; inefficient operating systems; and the need for the development of a structured, coordinated and sustainable civil service training and development system.

The proposed programme is designed to address this problem by supporting governance reform for improved service delivery. The main outcome will be strengthened capacity for strategic oversight and monitoring of governance reform for more effective, accountable and transparent delivery of public services with greatest impact on sustained human development and poverty reduction, such as health, education, and priority rural development initiatives through the provision of district-level block grants. The programme will have a strong results orientation linked to indicators and outcomes identified in the Strategic Plan on Governance as well as the NSEDP with a focus on evidence-based policy monitoring and analysis, policy implementation and performance improvement.

The design proposes 5 interrelated outputs to realise the main outcome. **Output 1** will strengthen the governance policy oversight, monitoring and analysis. **Output 2** will support organisational systems and local governance development. **Output 3** will strengthen human resource management and development capacity for improved performance in service delivery. **Output 4** will strengthen decentralised planning and funding of local infrastructure and services at district and sub-district levels. **Output 5** will focus on supporting demand-driven governance reforms at Central and local levels which directly impact on service delivery.

While output 1 will elevate strategic oversight within Government to facilitate inter-ministerial coordination and policy advocacy across SBSB as a whole; outputs 2 and 3 will strengthen organization and human resource development for improved service delivery; output 4 will provide formula based block grant funding for decentralized planning and budgeting of local infrastructure and services; and output 5 will provide direct support to demand-driven initiatives which can demonstrate a direct impact on service delivery. SBSB programme implementation will be based on cost effective and sustainable mechanisms for supporting the roll-out of DDF planning and funding mechanisms as well as complementary support for organisational development and human resource management to strengthen service delivery structures, functions, operations and maintenance.

The underlying logic of the design derives from the evaluation findings which highlight the need to strengthen, broaden, deepen and sustain key reform initiatives<sup>14</sup>. While the proposed programme will build upon previous governance reform initiatives, it will differ in a number of critical respects:

- *Firstly, it will be more strategic in focus by developing a stronger policy analysis mechanism across Government including the Secretariat of the Government at the PMO reporting to the Standing Deputy Prime Minister and linked to other research and policy development agencies.*
- *Secondly, it will be more accountable for implementation and impacts of Governance reform initiatives by developing a new oversight and monitoring mechanism which will provide support to the Government institution for reviewing progress across the Governance sector.*
- *Thirdly, it will have a strong service delivery orientation supported by a formula based District Development Fund (DDF) mechanism for local infrastructure and services based on inclusive*

<sup>12</sup> Sen, B., 2000, 'Growth, Poverty and Human development'

<sup>13</sup> National Socio-Economic Development Plan 2006-2010

<sup>14</sup> Four provinces with a poverty headcount ratio of 55-75% not previously covered.

*planning and transparent decision-making. This mechanism will include simple performance criteria to access devolved block grants at district level linked to a poverty weighted formula for funds disbursement.*

- *Fourthly, it will have a clear results orientation through: a) a performance framework contained within the DDF funding mechanism designed to promote participatory planning and improved financial management; b) a GPAR Fund designed to promote and reinforce change through funding innovations in local service delivery in priority sectors. This fund will be governed by clear criteria and good practice benchmarking. The fund may also support the implementation of post-training performance improvement projects that meet agreed service improvement criteria.*
- *Fifthly, it will develop a uniform, sustainable and work based training system across all levels of the civil service. In the context of capacity development and learning opportunities particular attention will be given to ensuring a high quality learning experience where results are demonstrable. Eligible women and candidates from ethnic groups shall be given priority to avail of such learning opportunities.*
- *Sixthly, SBSB will graduate from a project-oriented approach at the center linked to a series of pilots to a national programme with a sequenced roll-out of selected reforms and service delivery enhancements throughout the country with a priority focus on the health, education, and rural development sectors targeting the poorest provinces and districts.*
- *Finally, it will establish a cost effective mechanism for strengthening implementation by facilitating internally generated change through governance reform teams (GRTs) at ministry, provincial and district level.*

It is proposed that the programme run concurrently with the NSEDP for almost a 4 year period until the end of 2010 to align with the national planning framework of government. While the programme will continue to implement and expand on-going reforms alongside the selective roll-out of new initiatives, it will strengthen the implementation of reforms through new modalities for improving strategic oversight and monitoring and new cost effective and sustainable mechanisms for strengthening reform at the provincial and district level.

The programme will also strengthen the accountability framework between the national and provincial pilot projects and other SBSB target provinces. This will be based on national support for the delivery of certain uniform systems, tools and techniques and pilot implementation, analysis and reporting on the evidence of quantitative and qualitative impacts to strengthen policy influence and leverage. For further details, please see Annex 1, which provides a more in-depth Situation Analysis, and a more detailed discussion on the Project Strategy, in addition to documenting the activities incorporated into each of the five Outputs.

**Partnerships** – The design of the project has highlighted the need for the continuing development of partnerships at Government and development partner level. The cross-cutting nature of governance reform initiatives demands regular interaction with key Central and service sector agencies. The partnership with donors will involve continuing dialogue on the project implementation through the Project Board structure involving both supplier and beneficiary representation. For more detail on the detailed partnerships refer to Annex 1 (Partnerships).



**COMPONENT 4: PROJECT RESULTS AND RESOURCES FRAMEWORK**

<p><b>Intended Outcome as stated in the Country/ Regional/ Global Programme Results and Resource Framework:</b> Increased efficiency, effectiveness, transparency, and accountability of the public administration at both central and local levels resulting in the provision of better service delivery</p>
<p>Outcome indicators as stated in the Country/ Regional/ Global Programme Results and Resources Framework, including baseline and targets.</p>
<p>Applicable MYFF Service Line:</p>
<p>Project title and ID (ATLAS Award ID): GPAR Support for Better Service Delivery</p>

**Goal:** Increased efficiency, effectiveness, transparency, and accountability of the public administration at both central and local levels resulting in the provision of better service delivery

**Output 1. Strategic oversight, monitoring framework provides for evidence based policy and performance analysis in governance reform**

Intended Outputs	Output Targets for (years)	Indicative Activities	Responsible parties	Inputs
<p><b>1.1</b> Effective dissemination of Strategic Plan on Governance (2006-2010)</p>	<p>Y1: Dissemination Strategy developed and implemented</p>	<p>1.1.1 Publish and Disseminate Strategic Plan on Governance (2006 – 2010)</p>	<p>PACSA</p>	<p>Printing Workshops</p>
<p><b>1.2</b> Governance reform monitoring framework institutionalized in government</p>	<p>Y1: Governance Reform 'road map' and Monitoring framework (including coordination mechanisms) designed, approved and operating.  (includes donor support on related activities) Y1-4: Implementation progress of Strategic Plan on Governance (2006 – 2010) regularly reported to Government</p>	<p>1.2.1 Design, develop and implement governance reform road map (Implementation Plan)  1.2.2 Design, develop and implement the monitoring framework (including M&amp;E system, procedures, training for users) which incorporates Citizen feedback</p>	<p>Governance Leading Committee CSOI Secretariat (PACSA) As above As above</p>	<ul style="list-style-type: none"> <li>• International TA</li> <li>• Equipment/ software development</li> <li>• Technical Working Groups</li> </ul>

Intended Outputs	Output Targets for (years)	Indicative Activities	Responsible parties	Inputs
<p><b>Citizen feedback is instituted</b></p>	<p>Y3-4: Citizen feedback is collected (including engendered and multi-ethnic group perspectives) as part of the Government M&amp;E system on NSEDP implementation)</p>			
<p><b>1.3 Models and good practice examples of governance reform are identified, documented, evaluated and disseminated for replication – linked with GPAR Fund - Output 5.1</b></p>	<p>Y1: Criteria and strategies for identifying, documentation and dissemination of key reform experiences completed                      Y1-4: Publicity campaign encouraging applications for consideration                      Y1 – 4: Dissemination of good practices undertaken (including CSOI and SOG)                      Y2-4: Assessments of applications</p>	<p>1.3.1 Strategy developed and implemented for sharing lessons learned (awareness raising, policy and systems review)                      1.3.2 Formulate and implement performance award mechanism for Civil Service agencies and/or individuals to recognise high performing national and sub-national institutions and individuals)</p>	<p>Governance Leading Committee                      CSOI Secretariat                      Awards Institute, CCOOP</p>	<ul style="list-style-type: none"> <li>• International TA</li> <li>• Equipment/ software development</li> <li>• Technical Working Groups</li> </ul>

Intended Outputs	Output Targets for (years)	Indicative Activities	Responsible parties	Inputs
<p>1.4 Improved Policy analysis and formulation capacity of the Government</p> <p><b>To be linked with Outcome 3 of NSEDP Implementation project</b></p> <p><i>Establishment of a National Research Network</i></p>	<p>Y1: Structured learning strategy (and action plan) developed for key policy advisors</p> <p>Y2-4: Work-based policy development incorporated into regular learning activities (e.g. executive seminar series)</p> <p>Y2-3: Strategy for institutionalised research and policy development prepared</p> <p>Y 4: Enhanced capacity of organizations on policy research and analysis e.g. NERI, Secretariat of Government, National Social Science Institute</p>	<p>1.4.1 Strengthening government policy analysis capability</p>	<p>PACSA, SOG, NOSPA and NERI</p>	<ul style="list-style-type: none"> <li>• International TA</li> <li>• Exchange Visits</li> <li>• Technical Working Groups</li> <li>• International/Regional Policy experts</li> </ul>

**Output 2: Improved organizational structures and systems enable the delivery of more equitable, effective accountable and transparent services**

Intended Outputs	Output Targets for (years)	Indicative Activities	Responsible parties	Inputs
<p>2.1 Improved organisational structures and systems (National policies and guidelines developed, approved and implemented on organisational development)</p>	<p><b>Organisational Development:</b> Y1: OD tools and methodology completed (including Manual and training course) Y1: OD Pilot agencies identified based on agreed criteria Y2: Pilot organisational analysis completed (for selected key service sectors e.g. health, education, Central-Local relations policies and regulations revised) Y2-3: Evaluation / revision of tools and methodology. Legal framework approved Y3-4: Develop and launch national implementation plan (including training materials and trainer familiarization program) Y4: Ongoing capacity building to OD practitioners</p> <p><b>Workforce Planning</b> Y1-2: Staff ratios, gaps and targets reviewed in (2) priority service sectors (e.g. health or education) by PACSA; Action Plan for support drafted and agreed Y3-4: Report on progress of implementation of Action Plan for (2) priority service sectors</p>	<p>2.1.1 Develop OD guidelines and capacity 2.1.2 Pilot test and evaluate organisational development policy and guidelines 2.1.3 National Implementation of OD program (including ongoing capacity development of OD practitioners) 2.1.4 Support systematic Workforce Planning 2.1.5 Support priority reform programs in key agencies</p>	<p>Dept. of Civil Service Management, PACSA Local Administration Dept., PACSA Public Administration Development Dept., PACSA CCOP Service sector agencies MOF Anti-corruption agencies</p>	<ul style="list-style-type: none"> <li>• International TA</li> <li>• National TA</li> <li>• Knowledge Management systems (documentation centre, archive library)</li> <li>• Technical Working Groups</li> <li>• Exchange Visits</li> <li>• Training curricula/ manual</li> <li>• Publicity materials</li> </ul>

<p><b>2.2</b> Improved local governance policies and systems</p>	<p><b><u>Municipal Development</u></b>                  Y1: Legal framework for Municipal development approved; Organisational review completed for Vientiane and Luang Prabang                  Y1: Municipal finance policy formulated;                  Y2: Municipality piloted in Luang Prabang; Organisational review completed for Vientiane Municipality                  Y3: Municipality piloted in Vientiane                  Y3-4: Evaluation of pilot municipalities; strategy for implementation in additional sites (Savannakhet, Champasack, Khammouane                  Y4: Implementation in additional (3) sites  <b><u>Strengthened Ban/ Kum Ban Development</u></b>                  Y1: Government regulations approved; Ban/Kum Ban Management Training Program reviewed and approved by Central agencies                  Y1-2: Pilot implementation of kum ban in select Districts</p>	<p>2.2.1 Support to Municipality Development                  2.2.2 Improved Ban/Kum Ban planning                  2.2.3 Improved Central-Local Relations</p>	<p>Local Administration Department, PACSA                  Local Administration Department, PACSA</p>	<ul style="list-style-type: none"> <li>• International TA</li> <li>• Equipment/ software development</li> <li>• Technical Working Groups</li> <li>• Training programs</li> <li>• Study tours</li> <li>• Workshops</li> </ul>
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<p><b>2.2</b> Improved local governance systems (cont)</p>	<p><b>Improved Central-Local Relations</b>                  Linked to OD pilot (Workforce Planning)                  Y1: Analysis of Central-Local Relations (roles, functions, workloads, staffing, resources including provincial and district level offices) and baseline service delivery report in service sector agencies (Agriculture, Health, Education)                  Y2-3: Implementation of agreed changes                  Y3-4: Evaluation of changes (including service delivery impact)                  Y2-4: Further development and implementation of legal framework; Development &amp; implementation of implementing guidelines for:</p> <ul style="list-style-type: none"> <li>• Law on Local Administration:</li> <li>• Law on Government</li> </ul>	<p>Local Administration Department, PACSA                  Public Administration Development Department, PACSA                  Dept. of Civil Service Management, PACSA                  CCOP                  MOE                  MAF                  MOH                  MCTPC</p>	<ul style="list-style-type: none"> <li>• International TA</li> <li>• Workshops</li> <li>• Technical Working Groups</li> <li>• Training programs</li> </ul>
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Intended Outputs	Output Targets for (years)	Indicative Activities	Responsible parties	Inputs
<p><b>2.3</b> Improved service delivery through expansion of One Door Service sites</p>	<p>Y1: Strategy for expansion of ODS (no. of sites and range of services) developed and approved; improvements to (streamlined) administrative processes;</p> <p>Y1-2: M&amp;E function established in PACSA; M&amp;E designed;</p> <p>Y2: At least 4 ODS operational; M&amp;E operational in 10 districts, Baseline studies completed</p> <p>Y2-3: Evaluation of impact on service delivery</p> <p>Y3-4 At least 6 ODS operational; PIMS implemented nationally; M&amp;E operational in 20 districts</p>	<p>2.3.1 Facilitate and document the development of 'One Door Services', including development of information systems</p> <p>2.3.2 Publication and dissemination of findings of public service delivery survey</p> <p>2.3.3 Design and implement simple output monitoring system for district level services.</p>	<p>Local Administration Department, PACSA</p> <p>Public Administration Development Department, PACSA</p> <p>CCOP</p> <p>MOF</p> <p>CPI</p> <p>MCTPC</p>	<ul style="list-style-type: none"> <li>• International TA</li> <li>• Equipment/ software development</li> <li>• Technical Working Groups</li> <li>• Workshops</li> </ul>

**Output 3: Human Resource Management (HRM) and Human Resource Development (HRD) policies, procedures and capacity are strengthened**

Intended Outputs	Output Targets for (years)	Indicative Activities	Responsible parties	Inputs
<p><b>3.1</b> Improved human resource management policy and performance-based practices enable more effective and inclusive service delivery</p>	<p>Y1 National Civil Service Management Strategy implemented; HRM regulations for key policies are approved; Civil service personnel data reported for pilot ministries and provinces; Evaluation of PIMS pilot implementation; Report on existing pay and conditions with recommendations for improved remuneration management; Action Plan developed for further salary</p>	<p>3.1.1 National Civil Service Management Strategy - Approved and disseminated</p> <p>3.1.2 HRM Policy Development - support to development and implementation of regulations and operational procedures</p>	<p>Dept. of Civil Service Management, PACSA</p> <p>CCOP</p> <p>PCOP</p> <p>Provincial Public Administration Section</p> <p>Office of the Governor</p> <p>Ministry of</p>	<ul style="list-style-type: none"> <li>• International TA</li> <li>• National Researcher</li> <li>• Provincial HR teams</li> <li>• Technical Working Groups</li> <li>• National and provincial ICT support team</li> <li>• Consultation meetings and workshops</li> </ul>

Intended Outputs	Output Targets for (years)	Indicative Activities	Responsible parties	Inputs
<p>3.1 Improved human resource management (cont)</p>	<p>reform.</p>	<p>3.1.3 Management Information Systems – design, develop and implement PIMS (including payroll management)</p> <p>3.1.4 Analyze Civil Service Remuneration</p> <p>3.1.5 Finalise and Implement Civil Service Code of Conduct</p>	<p>Finance, Ministry of Labour and Social Welfare Ministry of Justice National Assembly</p>	<ul style="list-style-type: none"> <li>• Related Training, including ICT training, updates and support skills and Data collection team training</li> <li>• Published detailed standard operating procedures</li> <li>• Dissemination strategies, materials and training</li> <li>• Personnel and payroll data (including e.g. ESSS)</li> <li>• ICT resources / equipment</li> <li>• PIMS System including the Payroll module</li> <li>• Evaluation/data collection/ study methodology</li> <li>• Data collection and analysis</li> <li>• Reports including PIMS data reports and Evaluation report</li> <li>• Specialist legal advice and legal framework</li> <li>• Government approval</li> </ul>
<p>Y1-2 Implementing guidelines approved; Code of Conduct approved; National approach to English Language Training in the Civil Service developed &amp; approved; training approaches identified;</p> <p>Y1-4 Improved awareness by managers of new HRM policies</p> <p>Y2 Payroll management module designed and pilot tested in PIMS; Code of Conduct Implementation strategy developed.</p> <p>Y2-3 HRM Regulations implemented; National implementation of personnel management system (PIMS)</p> <p>Y2-4 PIMS data utilized for personnel planning; Civil service reported for all ministries and provinces; Government response to Civil Service Remuneration Review recommendations and Action Plan; Code of Conduct is implemented in agencies.</p> <p>Y3 HRM regulations (3) for key are approved; Implementing guidelines developed and approved for HRM regulations; Evaluation of national PIMS implementation.</p>				



Intended Outputs	Output Targets for (years)	Indicative Activities	Responsible parties	Inputs
<p><b>3.1</b> Improved human resource management (cont)</p>	<p>Y3-4 Evaluation of implementation of HRM Regulations including impact assessment</p> <p>Y4 Additional HRM regulations for key policies are implemented; Evaluation of implementation of Code of Conduct</p>			
<p><b>3.2</b> Human resource development capacity enhanced for the sustainable development and delivery of a uniform, work based training at all levels in government</p>	<p>Y1 National Training &amp; Development (HRD) framework approved; National Leading Committee and TWGs established; National Civil Service Learning Strategy developed and approved; National Strategy for Competency Development is approved; Curriculum Development Matrix approved; HRM technical training and generic module piloted; Management and leadership training methodology and pilot action plan developed; approved; National Training Delivery Network formally established; Performance Management guidelines drafted; Delivery of English Language Training to government officials across the Governance Sector; proposal prepared for the establishment of a National CS Training Institute.; Develop 'Gender and Governance' policy and strategy;</p> <p>Y1-2: Trainer-training program developed and; Draft Guidelines pilot-tested in selected agencies</p>	<p>3.2.1 HRD Framework Development: Design, develop and implement national training policy, protocols and systems, including the establishment of a National Training &amp; Development body</p> <p>3.2.2 Design, develop and implement a Competency-Based Approach to Human Resource Management and Development</p> <p>3.2.3 Design, develop and implement a National Civil Service Curriculum, which includes HRM, Generic and Leadership programs</p> <p>3.2.4 Support the delivery of the National Civil Service Curriculum at Central and Local levels through the development of Enhanced Training Delivery Capability</p>	<p>Dept. of Civil Service Management, PACSA, CCOOP, NOSPA, NUOL, MOE, DIC, CPI, MOF, ELRC (MOE), MOFA, LWU, NCAW, GEPR project And other Ministries</p>	<ul style="list-style-type: none"> <li>• International TA</li> <li>• National researcher</li> <li>• Regional study tours</li> <li>• Technical Working Groups</li> <li>• National and provincial pilot support team</li> <li>• Leading T&amp;D Committee</li> <li>• Workshops and consultations</li> <li>• Printing</li> <li>• TWG on Curriculum Development</li> <li>• TWG on HRD Policy &amp; Procedures</li> <li>• TWG on Competency development</li> <li>• TWG on Performance Management</li> <li>• TWG on Gender and Governance</li> <li>• Dissemination strategy</li> <li>• Dissemination and Implementation equipment/resources</li> </ul>

Intended Outputs	Output Targets for (years)	Indicative Activities	Responsible parties	Inputs
<p><b>3.2</b> Human resource development capacity enhanced (cont)</p>	<p>Y1-3 Basic set of generic CS competencies developed, piloted and evaluated in conjunction with key HRM elements (e.g. Performance Management);</p> <p>Y1-4 Regular participation in the ASEAN Committee for Civil Service Matters (ACCSM);</p> <p>Y2 Evaluation of training modules; revision of training materials;; national implementation strategy developed; Evaluation of Performance Management pilot test and National implementation strategy developed;</p> <p>Y2-3 Trainer-training programs are delivered;; ELT Trainer-training programs are delivered;</p> <p>Y2-4 National HRD Policy &amp; Procedures disseminated; Pilot HRD Policy &amp; Procedures; Y2-4: Implement pilot Management Development Action Plan; Development of specialized English Language curriculum for CS; syllabus disseminated; Pilot test initiatives as per the LaoNCAW Gender and Governance Action Plans and the LWU/GEPR Action plans;</p> <p>Y3: National training calendar - schedule of training programs; Evaluation of revised EGO curriculum and delivery approach; ACCSM event in Lao PDR is conducted;</p>	<p>3.2.5 Design, develop and implement a Civil Service Performance Management System</p> <p>3.2.6 Support English Language Learning through the delivery of training and the development of a strategic vision and a national syllabus</p> <p>3.2.7 Develop a strategy for the creation of a National Civil Service Training &amp; Information Centre</p> <p>3.2.8 Build HRM and HRD operational capacity through the establishment of a HR Practitioners Network</p> <p>3.2.9 Support Regional representation on Civil Service Matters</p> <p>3.2.10 Engender Civil Service Matters through effective collaboration and the design, development and implementation of a Gender and Governance policy and strategy.</p>		<ul style="list-style-type: none"> <li>• HRD policy and procedures</li> <li>• Training including update and implementation support</li> <li>• Piloting and Evaluation methodology</li> <li>• Evaluation/data collection meetings</li> <li>• Analysis and workshop to present evaluation report</li> <li>• Regional comparisons/exchanges</li> <li>• Linkages with the Performance Management pilot and the preparatory ACCSM – 2009 activities</li> <li>• Regional lessons learned sample competency dictionaries</li> <li>• National Learning Strategy</li> <li>• Suitable local training providers or regional expertise/ collaboration/ exchange visits</li> <li>• Local and regional expertise on designing courses on Introduction to HRM, and Office Administration Training</li> <li>• Timely knowledge of offers of support from international development partners and regional links</li> <li>• Training on SOPs for use of the National Training Calendar</li> <li>• TOT and pre-delivery content training</li> </ul>

Intended Outputs	Output Targets for (years)	Indicative Activities	Responsible parties	Inputs
<p><b>3.2</b> Human resource development capacity enhanced (cont)</p>	<p>Y3-4 Evaluate HRD Policy &amp; Procedures; ; New trainers deliver nationally-approved courses;;                      Y4 Basic set of generic CS competencies approved;;                      Evaluation of Performance Management implementation; ELT incorporated into the national training calendar; Evaluate impact of pilot initiatives as per the LaoNCAW Gender and Governance Action Plans and the LWU/GEPR Action plans;</p>			<ul style="list-style-type: none"> <li>• Strategy for creating delivery capacity at both central and local levels</li> <li>• Personnel available to deliver and evaluate training programs as per an annual training calendar</li> <li>• The materials and approach established by the ELT project while at the MOJ</li> <li>• ELT Training resources</li> <li>• ELT Training location</li> <li>• Local and regional lessons learned in designing ELT with CLIL approach</li> <li>• Associated ACCSM participation costs (travel etc)</li> <li>• Conference Organizational resources</li> </ul>

Output 4. Decentralized finance and planning increase access to services for the poor and vulnerable					
Intended Outputs	Output Targets for (years)	Indicative Activities	Responsible parties	Inputs	
4.1 DDF lessons and experiences inform policy dialogue on decentralization	Y1: PACSA Dept of Local Admin providing counterpart support to DDF Y2-3: Policy dialogue under PMO on local public expenditure and financial management Y3-4: Policy dialogue under PMO on DDF impacts and implications Y4: Key aspects of DDF process and procedures incorporated into national policy and emerging practice	4.1.1 Local public expenditure & public financial management reviews 4.1.2 DDF effectiveness & impact assessment studies 4.1.3 DDF lesson learning and policy dialogue	PROGRAMME PACSA Target ministries (MoF, CPI, SBSB sectors ministries) Target provinces DDF provincial focal teams/ GRTs Districts	<ul style="list-style-type: none"> <li>• International TA</li> <li>• National TA</li> <li>• Policy events (workshops, retreats)</li> <li>• Dissemination and communication</li> </ul>	
4.2 Devolved financing mechanisms increase quantity and availability of services for the poor	Y1: DDF fund access guidelines developed, adopted and funds flow extended to at least 8 new districts Y2: DDF funds flow covers 18 districts Y3-4: DDF funds flow covers 26 districts and provincial allocations (matching funds) to DDF increase over time Y3-4: Operational and social protection grants piloted in at least 4 districts	4.2.1 Establish DDF guidelines & procedures 4.2.2 Introduce DDF modalities and processes 4.2.3 Disburse DDF block grants	PROGRAMME PACSA Target ministries (MoF, CPI, SBSB sectors ministries) Target provinces DDF provincial focal teams/ GRTs Districts	<ul style="list-style-type: none"> <li>• International TA</li> <li>• National TA</li> <li>• Block grants</li> </ul>	
4.3 Improved sub national finance and planning systems enhances efficiency, quality and inclusiveness of services for the	Y 1 Gender equitable plans and budgets approved in 8 new districts in compliance with participatory process with provision for O&M	4.3.1 Establish procedure for local public expenditure and financial management 4.3.2 Introduce local public	PROGRAMME PACSA Target ministries (MoF, CPI, SBSB sectors ministries)	<ul style="list-style-type: none"> <li>• International TA</li> <li>• National TA</li> <li>• Operational support budgets</li> <li>• DDF CB events (training workshops, exchange visits)</li> </ul>	

Intended Outputs	Output Targets for (years)	Indicative Activities	Responsible parties	Inputs
poor	<p>Y2: Timely implementation of budgets and schemes in compliance with designs in 8 new districts; plans and budgets approved in 18 new districts, procurement guidelines adopted</p> <p>Y3-4: Timely implementation of budgets and schemes in 18 new districts; plans and budgets approved in 26 new districts</p> <p>Y3-4: public availability of information increases, internal auditing process institutionalized and audit irregularities reduced</p>	<p>expenditure and financial management guidelines</p>	<p>Target provinces DDF provincial focal teams/ GRTs Districts</p>	<ul style="list-style-type: none"> <li>• Printing, publication</li> </ul>

Output 5: Funding support for public service improvements resulting in improved delivery of services				
Intended Outputs	Output Targets for (years)	Indicative Activities	Responsible parties	Inputs
<p>5.1 Financing mechanism to support priority Governance 'Road-Map' reform initiatives (GPAR Fund)</p>	<p>Y1: Criteria, regulations and management systems established /approved for GPAR Fund</p> <p>Y1: Selected target offices (and activities) approved; M&amp; E systems developed &amp; approved</p> <p>Y2: Implementation of activities in at least 3 pilot sites (Central/Provincial)</p> <p>Y2-4: Lessons shared with policy makers (CSOI, SOG)</p> <p>Y3: Implementation of activities in at least 4 pilot sites (Central/Provincial)</p> <p>Y3: Initial evaluation of activities</p> <p>Y4: Final evaluation of activities – shared with policy makers (CSOI, SOG)</p>	<p><b>Activities:</b></p> <p>5.1.1. Operationalise the GPAR Fund facility to support implementation of public service improvement</p> <p>5.1.2 Implement GPAR Fund to facilitate and support the implementation of the key public service reforms in target ministries and provinces</p> <p>5.1.3 Identify and disseminate examples of "Good Practice" and share experiences</p>	<p>PACSA (Coordination Teams)</p> <p>GRTs</p>	<ul style="list-style-type: none"> <li>• International TA</li> <li>• Equipment/ software development</li> <li>• Technical Working Groups</li> <li>• Workshops</li> </ul>

**COMPONENT 5: ANNUAL WORKPLAN BUDGET SHEET**

**ANNUAL WORK PLAN BUDGET SHEET**  
 United Nations Development Programme  
 Lao P.D.R.



**Year: 2007-2011**

**Project Number:**  
**Project Title: GPAR Support to Better Service Delivery**

Expected Output	Timeframe				Responsible Party	Planned Budget			
	Y1	Y2	Y3	Y4		Fund	Donor	2007	
<b>TOTAL</b>									
<b>Output 1: Strategic oversight and monitoring framework provides for evidence based policy and performance analysis in governance reform</b>								<b>1,138,140</b>	<b>7,303,637</b>
<b>1.1 Effective dissemination of Strategic Plan on Governance 2006 - 2010</b>								<b>8,800</b>	<b>8,800</b>
1.1.1 Publish & Disseminate Strategic Plan on Governance	X	X	X	X	PACSA			8,800	8,800
<b>1.2 Governance Reform monitoring framework institutionalized in government.</b>								<b>42,700</b>	<b>136,400</b>
1.2.1 Design, develop and implement Governance Reform Roadmap (Implementation Plan)	X	X	X	X	Secretariat of the Government (PMO), CSOI Secretariat (PACSA)			27,900	43,200
1.2.2 Design, develop and implement the monitoring framework (including ongoing Citizen feedback)	X	X	X	X				14,800	93,200

Expected Output	Timeframe				Responsible Party	Planned Budget			
	Y1	Y2	Y3	Y4		Fund	Donor	2007	TOTAL
<b>1.3 Models and good practice examples of governance reform are identified, documented, evaluated and disseminated for replication</b>									
1.3.1 Strategy developed and implemented for sharing lessons on Governance Reform	X	X	X	X	CSOI Secretariat; Awards Institute, CCOP			30,900	90,600
								16,100	
1.3.2 Formulate and implement performance award mechanism	X	X	X	X			14,800	59,200	
<b>1.4. Improved policy analysis and formulation capacity of the Government</b>									
1.4.1 Strengthening government policy analysis capability	X	X	X	X	PACSA, SOG, NOSPA and NERI			28,800	105,600
<b>Output 2: Improved delivery of services (Focus on effectiveness, accountability, equity, access and transparency (including organizational structures and systems and financing mechanisms) services</b>									
<b>2.1 Improved organization structures and systems</b>									
2.1.1 Develop OD guidelines and capacity	X	X	X	X	PACSA CCOP Service sector agencies			118,100	279,480
2.1.2 Pilot test and evaluate organisational development policy and guidelines	X	X	X	X				43,400	58,880
2.1.3 National Implementation of OD program (including ongoing capacity development of OD practitioners)	X	X	X	X				8,500	8,500
2.1.4 Support systematic Workforce Planning	X	X	X	X				3,000	26,000
								16,200	22,100
								<b>284,600</b>	<b>757,980</b>



Expected Output	Key Activities	Timeframe				Responsible Party	Planned Budget				
		Y1	Y2	Y3	Y4		Fund	Donor	Budget Description	2007	TOTAL
	2.1.5 Support priority reforms in key agencies	X	X	X	X			• Training curricula/manual	47,000		164,000

2.2 Improved local governance policies and systems												
		X	X	X	X	PACSA CCOP				International TA • Equipment/software development • Technical Working Groups • Training programs • Study tours	116,100	306,500
											64,200	149,400
	2.2.1 Support to Municipality Development	X	X	X	X							
	2.2.2 Improved Ban/Kum Ban planning	X	X	X	X						7,700	92,700
	2.2.3 Improved Central-Local Relations	X	X	X	X						44,200	64,400
<b>2.3 Improved service delivery through expansion of One Door Service sites</b>											<b>50,400</b>	<b>172,000</b>
	2.3.1 Facilitate and document the development of 'ODS', including development of Information systems	X	X	X	X	PACSA (Coordination Teams)				International TA • Equipment/software development • Technical Working Groups • Workshops	36,300	59,300
	2.3.2 Publication and dissemination of findings of public service delivery survey										5,700	50,700
	2.3.3 Design and implement simple output monitoring system for district level services.	X	X	X	X						8,400	62,000

Expected Output	Key Activities	Timeframe				Responsible Party	Planned Budget					
		Y1	Y2	Y3	Y4		Fund	Donor	Budget Description	2007	TOTAL	
<b>Output 3: Human Resource Management (HRM) &amp; Human Resource Development (HRD) policies, procedures and capacity are strengthened</b>												
<b>3.1 Improved human resource management policy and performance-based practices enable more effective and inclusive service delivery.</b>												
3.1.1 National Civil Service Management Strategy - Approved and disseminated	3.1.2 HRM Policy Development - support to development and implementation of regulations and operational procedures	X	X	X	X	PACSA CCOP: PCOP Provincial Public Administration Sections, Office of the Governor				<ul style="list-style-type: none"> <li>International TA</li> <li>National Researcher</li> <li>Technical Working Groups</li> <li>Consultation meetings</li> <li>Strategy publication and dissemination material</li> <li>Provincial teams</li> <li>Consultation meetings</li> <li>Training</li> <li>Published detailed standard operating procedures</li> <li>Dissemination materials</li> <li>Personnel data</li> <li>International TA</li> <li>National and provincial ICT support team</li> <li>ICT resources / equipment</li> <li>ICT training including update and</li> </ul>	13,640	13,640
		X	X	X	X						7,500	65,000
		X	X	X	X						9,700	175,750
		X	X	X	X						54,900	104,900
		X	X	X	X						50,600	69,300
3.1.3 Management Information Systems – design, develop and implement PIMS (including payroll management)												
3.1.4 Analyze Civil Service Remuneration												
3.1.5 Finalise and Implement a Civil Service Code of Conduct												

Expected Output	Key Activities	Timeframe				Responsible Party	Planned Budget					
		Y1	Y2	Y3	Y4		Fund	Donor	2007	TOTAL		
<b>3.2 Human resource development capacity enhanced for the sustainable development and delivery of a uniform, work based training at all levels in government</b>												
	3.2.1 HRD Framework Development: Design, develop and implement national training policy, protocols and systems, including the establishment of a National Training & Development body	X	X	X	X	PACSA, CCOP NOSPA NUOL MOE DIC CPI MOF MAF MCTPC MOH					231,700	577,600
	3.2.2 Design, develop and implement a Competency-Based Approach to Human Resource Management and Development	X	X	X	X						31,100	50,200
	3.2.3 Design, develop and implement a National Civil Service Curriculum, which includes HRM, Generic and Leadership programs	X	X	X	X						27,800	46,900
	3.2.4 Support the delivery of the National Civil Service Curriculum at Central and Local levels through the development of Enhanced Training Delivery Capability	X	X	X	X						54,400	122,200
	3.2.5 Design, develop and implement a Civil Service Performance Management System	X	X	X	X						29,900	48,500
											4,800	26,100

Expected Output	Key Activities	Timeframe				Responsible Party	Planned Budget		
		Y1	Y2	Y3	Y4		Fund	Donor	2007
	3.2.6 Support English Language Learning through the delivery of training and the development of a strategic vision and a national syllabus	X	X	X	X			13,400	113,500
	3.2.7 Develop a strategy for the creation of a National Civil Service Training & Information Centre	X	X	X	X			6,200	6,200
	3.2.8 Build HRM and HRD operational capacity through the establishment of a HR Practitioners Network	X	X	X	X			12,300	45,500
	3.2.9 Support Regional representation on Civil Service Matters	X	X	X	X			12,000	62,500
	3.2.10 Engender Civil Service Matters through effective collaboration and the design, development and implementation of a Gender and Governance policy and strategy	X	X	X	X			39,800	56,000
<b>Output 4: Decentralized finance and planning increase access to services for the poor and vulnerable</b>									
4.1 DDF lessons and experiences inform policy dialogue on decentralization						PACSA and selected Ministries and provinces		60,000	260,000
4.2 Devolved financing mechanisms increase quantity and availability of services for the poor								-	3,535,977
4.3 Improved sub national finance and planning systems								108,800	360,960
4.4 Output support								170,400	358,600
								<b>339,200</b>	<b>4,515,537</b>

<b>Output 5: Funding support for public service improvements resulting in improved delivery of services</b>										<b>35,100</b>	<b>682,530</b>	
<b>5.1 Financing mechanism to support priority Governance 'Road-Map' reform initiatives (GPAR Fund)</b>										<b>35,100</b>	<b>682,530</b>	
	5.1.1. Operationalise the GPAR Fund facility to support implementation of public service improvement	X	X	X	X	X				<ul style="list-style-type: none"> <li>• International TA</li> <li>• National TA</li> <li>• Workshops</li> <li>• Printing</li> <li>• Travel</li> </ul>	11,400	11,400
	5.1.2 Implement GPAR Fund to facilitate and support the implementation of organisational improvement initiatives in target ministries and provinces	X	X	X	X	X					23,700	657,330
	5.1.3 Identify and disseminate examples of "Good Practice" and share experiences	X	X	X	X	X					-	13,800

## COMPONENT 6: MANAGEMENT ARRANGEMENTS

The project management structure reflects the need to ensure that the programme is:

- in alignment with the Strategic Plan on Governance (2006-2010) UNDAF (2007-2011), NSEDP (2006-2010) and the Vientiane Declaration on Harmonization and Aid Effectiveness, endorsed by the GoL and donors at the Roundtable Meeting on 29 November 2006;
- guided by the strategic reform priorities of the Government through the Governance Leading Committee; and
- effectively managed and coordinated by PACSA

The **Outcome Board** will be responsible for reviewing and monitoring the delivery of Outcome 3 of the UNDAF (2007-11). The Outcome Board will oversee progress across the range of UN/UNDP supported project interventions in the governance sector and, specifically, the related project outcome as agreed by Government in the Project document. The Outcome Board will monitor the strategic direction and intermediate outcomes arising from the project as reported through the CSOI and the PMO.

A **Governance Leading Committee** will provide strategic guidance for the GPAR SBSB project. oversight role for the project. This committee will be chaired by the Deputy Prime Minister and will include high-level representation from the key Central level agencies (PACSA, CCOP, SOG, MOF, & CPI) and service sector agencies (Ministry of Agriculture and Forestry, Ministry of Health, Ministry of Education). Its role will include overseeing the implementation of the Governance Reform 'road-map', reviewing policy related issues identified through various sources including GPAR projects, DDF and GPAR Fund initiatives and other project/program initiatives (e.g. PEMSP, NSEDP Implementation) and considering good practice examples which can be replicated or promoted across the governance sector. Refer Annex 2 – Terms of Reference

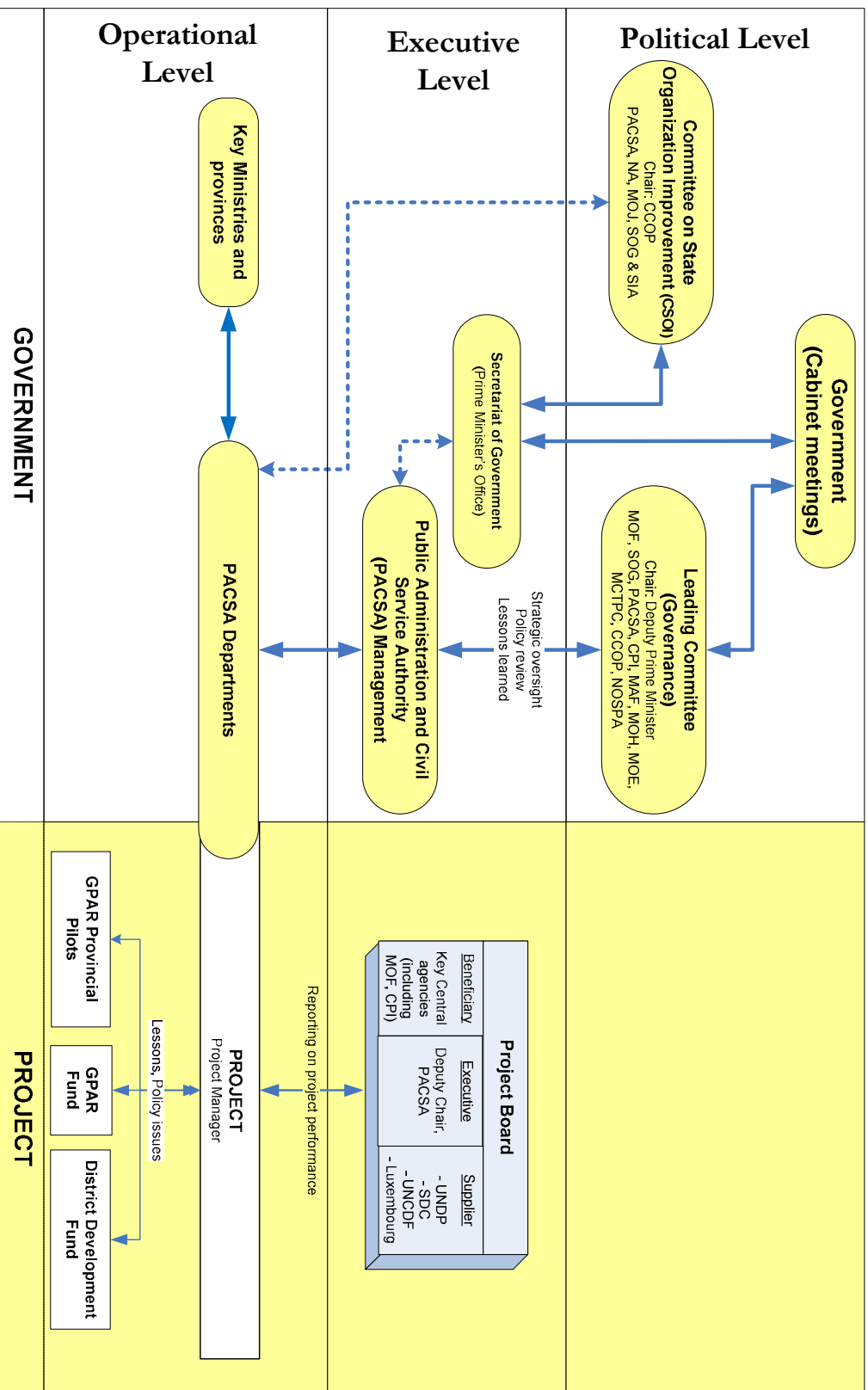
### **Project Board**

A Project Board will provide policy guidance and monitor the performance (timely implementation of all components) of the project. Members of the Project Board will be collectively responsible for the management of the project outputs as identified in the Project Document and the Annual Work Plans. The Project Board is responsible for reviewing progress on a periodic basis in terms of the delivery of project results and benefits. The Project Board will provide guidance on matters concerning overall project management and project finances. The day to day implementation of the project will be the responsibility of the Project Manager (who is not a member of the Project Board). Project implementation will be carried out according to an agreed workplan and within set budget ceilings.

It is reasonable to anticipate a few emerging priorities and new opportunities which were not earlier envisaged. Under such circumstances, where substantive revisions in the workplan (defined as an increase of 15% or more in the financial costs than budgeted) are required, a Project Board meeting shall be convened to carefully consider the case so that an appropriate decision can be taken and duly noted for the record. Project Board members will include: the Chair of the Project Board who will be a high ranking PACSA official in an executive role; representatives of key recipient ministries/agencies in a beneficiary role and UNDP, SDC, Luxembourg and UNCDF and other international development partners' representatives in a supplier role. The board will work on a consensus basis. While project assurance is the responsibility of each Board member, the assurance role will be performed by Governance Unit (UNDP) programme staff who will perform objective and independent oversight and monitoring of the project. This role will ensure that project management milestones are managed and completed.

The Project Board will also approve the selection of recipient agencies under the GPAR Fund, based on recommendations made by PACSA and the Project Manager and in accordance with the agreed criteria. Refer Annex 3 for Terms of Reference. An overview portraying the linkages between the project and the government mechanisms for strategic oversight and policy review is outlined below.

GPAR SBSD (Support for Better Service Delivery) Program Structure



**National Project Manager (PM):**

In support of continued Government ownership the PM will be a senior government official who will be full-time and who have previous experience in managing complex projects involving several Government agencies, preferably at central and local levels. The PM will be responsible for the delivery of outputs under this project document and in doing so, shall lead the coordination efforts between PACSA and the GPAR SBSB project. The PM will facilitate PACSA's engagement in all project activities; thereby ensuring that line departments and staff are available to lead and support reform actions and activities within target ministries and provinces working alongside project personnel. The PM will manage inter-ministerial coordination of the implementation of the Strategic Plan on Governance (2006-2010) ensuring effective establishment of the monitoring and evaluation framework and institutionalization within government structures and systems.

The PM will also provide coordination, management and oversight over the establishment and activities of the GRTs in target ministries and provinces as part of the GPAR Fund. The PM will be responsible for all matters concerning the day-to-day running of the project on behalf of the Project Board. S/he will assume full responsibility for the implementation and management of all project activities in the right quantity, at the right standard of quality and within the stipulated budget so as to realise intended outputs. S/he will chair the Project Implementation Committee (PIC) which will meet monthly to review progress. The PIC will comprise the PM, PM Assistant, Project Coordinator, Lead Advisor/ International Technical Advisors, UNDP Programme Manager/Officer, and the heads of the PACSA Coordination teams (Deputy Director General level of line operational departments - see below). Refer Annex 4 for Terms of Reference.

The PM will be responsible for the human resource and financial management of the Project. In this regard annual performance evaluations will be completed for all project staff, including consideration of professional development needs and provision of access to appropriate development programs.

**PACSA Coordination Teams:**

The Project Manager will be supported by an assistant (seconded from PACSA) a Project Coordinator and up to 4 PACSA Coordination teams of 2-3 staff each) headed by a Deputy DG from each department. The PACSA Coordination teams will be responsible for maintaining policy and management linkages between the programme and PACSA departments. They will also support programme activities and technical inputs at central and provincial level as well as taking prime responsibility for ensuring effective oversight, management and operation of the GRTs. Refer Annex 5 for Terms of Reference.

**Technical Assistance Arrangements**

As signatories to the Vientiane Declaration on Aid Effectiveness and Harmonization (November 2006), UNDP and the Lao Government will ensure that the programme will be supported by international and national technical assistance, with a progressive shift towards developing and utilizing national capacities, wherever possible. However, it is also recognized that given the considerable expansion in the size, scope, and complexity of the current project focusing on service delivery, there will be a continuing need for significant inputs from experienced international technical advisors backed by a strong national support team. Detailed Terms of Reference for each of the project support positions are appended to the Annexes. Whilst it is understood that each advisor will focus on key areas within their respective areas of expertise, they will be required to assist in other aspects of project planning, implementation, coordination, and monitoring and evaluation as necessary. All national and international advisory and support positions will report to the Project Manager. The key resource support roles are as follows:

***PM Assistant (PACSA):***

A new position of PM Assistant will be *seconded* from PACSA on a full-time basis and will take responsibility for assisting the PM and Lead Advisor on all day-to-day aspects relating to the implementation of the project to prepare: correspondence and reports; work plans; assist in recruitment; performance appraisal; procurement and contracting. This position will facilitate formal liaison with PACSA, in addition to supporting informal communication, arranging regular update meetings and preparing draft activity reports for PACSA management. The PM Assistant will also have financial



delegation to authorize payments on activities previously approved by the Project Board (in the absence of PM or Project Board executive) to enable implementation of project activities. Ideally this position should be rotated (possibly after 12 months) to enable a pool of PACSA staff to develop awareness and competencies across a broader range of governance reform issues. Refer Annex 6 for Terms of Reference.

***National Project Coordinator:***

This position will provide administrative and coordination support to the project by facilitating regular and transparent communication between GPAR provincial and Central project activities (including GPAR Fund and DDF initiatives), in addition to supporting coordination activities between the project and key government agencies and development partners. The project coordinator shall support the project manager to prepare workplans and budgets, coordinate internal and external project-related meetings and prepare associated documentation. Refer Annex 7 for Terms of Reference.

***International Lead Advisor:***

The Lead Advisor will focus primarily on strategic, advisory and technical support to assist the PM, the PM Assistant and the Project Coordinator in overall project management, including both on substantive and administrative matters, as required. The Lead Advisor will be responsible for providing broad policy and technical advice at both central and local levels, liaison with donors and support to PACSA, as necessary. The post will support the CSOI secretariat (chaired by PACSA and involving key stakeholder agencies) in the development and implementation of the oversight monitoring and evaluation mechanisms including the Governance reform 'road-map' and Citizen feedback initiatives. The Lead Advisor will also support capacity building on policy research and analysis with the Secretariat of the Government, NERI, NOSPA, CPI and PACSA as well as provide higher level coordination with the provincial projects and initiatives. The Lead Advisor, with assistance from short-term technical advisors (where required), will also support the Local Governance initiatives involving Central-Local Relations, Municipality Development, Ban/Kum Ban development and One Door Service. In conjunction with the GPAR Fund advisors support the Central Committee for Organisation and Personnel (CCOP) to develop and implement a methodology for identification, award and replication of good practice models of governance reform. Where required, the lead Advisor will provide technical assistance on broader governance reform issues e.g. anti-corruption and public finance management reforms (e.g. PEMSP). The Lead Advisor may be required to support GPAR pilot projects as needed. Refer Annex 8 for Terms of Reference.

***International Human Resource Advisor/Deputy Lead Advisor:***

The HR Advisor will be responsible for the provision of technical support in all aspects of HRM, HRD and capacity building at Central and provincial levels, and will also act as the Deputy Lead Advisor when required. This position will be responsible for supporting PACSA in areas such as: workforce planning and management; pay and compensation; the development and implementation of the new Civil Service Training and Development Framework including the development of generic civil service competencies, curriculum development, and enhanced training delivery capabilities. In addition, the HR Advisor will support the development of the National Civil Service Management Strategy, related policy and practices, performance management, the HR practitioner's network, gender and governance, and ethical practices. With assistance from short-term advisors (where required) the HR advisor will also support Organisational Development and Functional Analysis initiatives. The HR Advisor may be required to support GPAR pilot projects as needed. Refer Annex 9 for Terms of Reference.

***International ICT Specialist***

The ICT Specialist will be a full time post responsible for providing broad ICT support to PACSA and the GPAR SBSB project. The ICT capability within PACSA is still limited and an important part of the ICT specialist's role will be to progressively build capacity within PACSA. This will take the form of formal and training and development initiatives. This technical support will cover: procurement, installation and maintenance of the networks, software and hardware; all aspects of the piloting and implementation of the PIMS and a computerised payroll system (linked to PIMS and the new Chart of Accounts). The ICT Specialist may be required to support GPAR pilot projects as needed. The ICT Specialist, in collaboration

with other project staff, will also be responsible for the development of an output based monitoring system (for tracking project initiatives (and activities) and their impacts on service delivery at the central and local levels) and supporting policy monitoring and project monitoring inputs under the GPAR SBSB project. The ICT Specialist will support other ICT issues as necessary including website design and development, network installation and maintenance and general support to ICT management. The ICT Specialist will also assist target ministries and provinces in identifying and implementing management information systems and e-business solutions. Refer Annex 10 for Terms of Reference.

***DDF International Technical Advisor***

A new post of international DDF Technical Advisor will be responsible for all aspects of the DDF component including: guiding and supervising the expansion of DDF implementation in target provinces; supervising the development and/ or updating of all operational guidelines and manuals; defining and managing the capacity building strategy for DDF; all day to day liaison and support to PACSA Dept of Local Administration; overseeing progress (physical and financial) and process monitoring; commissioning component evaluations and impact studies; disseminating and communicating findings on policy lessons. Refer Annex 11 for Terms of Reference.

***DDF National Planning and Budgeting Specialist***

The DDF Planning and Budgeting Specialist will be a national post to support the expansion of the DDF component in target provinces. The main responsibilities of this post will be to develop/ update and modify planning guidelines and processes including scheme identification, prioritization, selection, implementation and monitoring. The planning specialist will assist all aspects of progress and process monitoring of the DDF component. The planning specialist will assist with all capacity building of government staff on DDF planning processes. The planning and budgeting specialist contribute to policy analysis and dissemination of lessons in support of policy reform on decentralized planning. The planning and budgeting specialist will report to the DDF Technical Adviser and Project Manager. Refer Annex 12 for Terms of Reference.

***DDF National Public Finance (PF) Specialist***

The DDF public financial management specialist will be a national post to support the expansion of the DDF component in target provinces. The main responsibilities of this post will be to develop/ update and modify guidelines on funds flow procedure, oversee the phasing and sequencing of funding over the programme period as well as fund access, fund management, reporting and auditing. The PF specialist will be responsible for DDF programme level monitoring of financial progress. The specialist will provide capacity building to government staff at all levels on DDF financing and fund management systems and procedures. The PF specialist will also contribute to policy analysis and disseminate lessons in support of policy reform on fiscal decentralization. The PF specialist will report to the DDF Technical Adviser and Project Manager. Refer Annex 13 for Terms of Reference.

**GPAR Fund**

The GPAR Fund will focus on supporting demand-driven governance reforms at Central and local levels which directly impact on service delivery. The establishment of a GPAR Fund to facilitate the expansion of the District Development Fund and to stimulate innovation and expansion of governance reform initiatives at central and local levels will be supported by a GPAR Fund Team which will include several national and international advisors and coordinators.

The GPAR Fund will aim to:

- Encourage the initiation, recognition and replication of new ideas, models and best practices in public administration reform at both central and local levels;
- Support the organization of research on governance reform-related issues; and
- Encourage the engagement of stakeholders in discussions on governance reform issues, through the Government-led joint governance sector working group established under the Round Table Process (RTP).

The Fund, which will be available for access by all Ministries and Provinces, will be guided by a strict set of application guidelines and selection criteria which will be drafted, issued and approved to central and local agencies in the early stages of the GPAR SBSD project. Applications from agencies for Fund access will be judged against the selection criteria, and if approved by the Project Board will be refined as necessary with the assistance of GPAR Fund advisors. These advisors will also assist the agency to establish and implement the activity, acting as a support to government colleagues and reporting regularly to the Project Board on activity.

(Refer Annex 1 – Output 5 - GPAR Fund).

#### ***GPAR Fund Advisor***

The new posts of international GPAR Fund Advisor (2 positions) will be created to support central and local level agencies to consider and implement governance reform initiatives. Initially based at Central level, but relocating to local level for prolonged periods as necessary, these Advisors will offer practical support to Fund applicants. This support will cover assistance with development of proposals and implementation strategies, including outcome targets and indicators and a practical monitoring, evaluation and reporting framework, documentation of local experiences as case studies and reporting to project management and PACSA on policy-related issues. This position will also provide ongoing implementation and reporting support to the recipient agencies. It is envisaged that each Advisor will support at least two provinces/Ministries and will work alongside PACSA coordinators and pilot office GRTs as necessary. These posts will be under International UNV Contract modality. It is anticipated that in the first year one position will be established. Upon review of the progress and demand for level of support this may be increased to 2 positions in following years. Refer Annex 14 for Terms of Reference.

#### **GPAR Fund Coordinator**

The new posts of national GPAR Fund coordinators (4 positions) will work with the GPAR Fund Advisors to support broad implementation of the GPAR Fund program at local level. The role of the national GPAR Fund coordinator will include backstopping assistance, implementation assistance and local capacity building with regard to: proposal preparation; implementation, monitoring and evaluation and reporting of key results for consideration by PACSA.. It is anticipated that in the first year two (2) positions will be established. Upon review of the progress and demand for level of support this may be increased to 4 in the following years. Refer Annex 15 for Terms of Reference.

#### **Other Team Positions:**

##### **National Local Governance coordinator**

This new post will support the Local Administration Department (PACSA) and short-term technical assistance on key areas of reform covering Central-Local Relations including fiscal and functional relations; Municipality development, strengthening district administration; One-Door Service and district and kum ban planning and development. This Coordinator will work closely with the DDF Adviser and Specialists as well as the Lead Advisor to ensure consistency across all components of SBSD. This position will, with minimal direction and support, conduct research studies, develop draft regulations/Instructions, complete basic process mapping, support bilingual facilitation and translation needs, and complete first draft speeches and presentations. The Coordinator will also support short term international and national advisors on missions related to improving local governance systems and act as a key liaison with the Department of Local Administration, PACSA.

Refer Annex 16 for Terms of Reference.

##### **National HRM coordinator**

The new post of National HR Coordinator will be created to support research and analysis capability across the GPAR Program, focusing primarily on supporting data collection and analysis relating to HR Component functions. This Coordinator will support such activities as; the National Training and Development Framework, the development of HRM and HRD policy and practices, PIMS, the Code of Conduct and Organizational Development, working closely with the HR Advisor and ICT Specialist. This

position will, with minimal direction and support, conduct research studies, develop draft regulations/instructions, complete basic process mapping, support bilingual facilitation and translation needs, and complete first draft speeches and presentations. The Coordinator will also support short term international and national advisors on missions related to HRM, HRD and OD and act as a key liaison with the Department of Civil Service Management, PACSA. Refer Annex 17 for Terms of Reference.

### **International and National English Language Teachers and Advisors**

In order to support capacity building in the area of English Language as an integral component of the National Training and Development Framework, two International positions will be required. In addition to supporting the continued development of English language skills across the civil service, these two positions, with the assistance of short term consultants as necessary, will support the development of an English Language Learning Strategy, the enhancement of English Language teacher training and the development of a National English Language Curriculum, which will adopt a competency-based approach for life-long learning. While one of these positions will focus primarily on the creation of the ELT Curriculum, the other position of ELT Teacher Training Adviser, will focus on the delivery of ELT courses to officials from across the Governance sector and the development of delivery capacity for the ELT Curriculum. The two National English Language Teacher positions, working alongside the International positions, will support the delivery of basic and introductory level language skills to Lao government officials, in addition to participating in the Curriculum development, ensuring cultural appropriateness and context relevance.

The two National English Language Teacher positions, working alongside the International positions, will support the delivery of basic and introductory level language skills to Lao government officials, in addition to participating in the Curriculum development, ensuring cultural appropriateness and context relevance. Refer Annexes 18 to 20 for Terms of Reference.

Other posts will continue as per current staffing structure but will include;

- The expansion of an existing role to include a project staff member dedicated to Information Management (M&E) & Communication. The expansion of this role will support the important work of dissemination of information, sharing of lessons learned, replication of activities, and facilitation of efficient communications between the GPAR SBSB project, government agencies, development partners and the wider community. This position will also support the increasing need to ensure efficient and effective document management across a wide range of activities, in addition to supporting the establishment of a project Monitoring and Evaluation system. Refer Annex 21 for Terms of Reference
- The recruitment of an additional translator, due to the increased volume of project activities. This role will facilitate bilingual communications across a range of stakeholders towards a number of outcomes. Therefore, this position will require a range of competencies including basic workshop facilitation and training skills, and basic media and public relations awareness.

In accordance with the Joint GoL-Donor Declaration on Aid Effectiveness (Vientiane Declaration), there will be a progressive shift from the current GPAR project management unit (PMU) structure to one that is fully integrated into PACSA. For example, the capacity of PACSA finance staff will be progressively developed to enable the project accounting system to be carried out by government staff. In this regard the GPAR project finance staff will develop a capacity development (learning) strategy to encourage transfer of skills to counterpart government staff, which will result in financial responsibility for project budget/expenditure residing within the finance department of PACSA, with technical support provided initially by the project's finance staff. Similarly, when conducting project activities with collaborating ministries, agencies, and provinces, it is expected that ownership and responsibility will be taken by designated government staff without having to establish a parallel unit with additional administrative overhead costs and management structures.

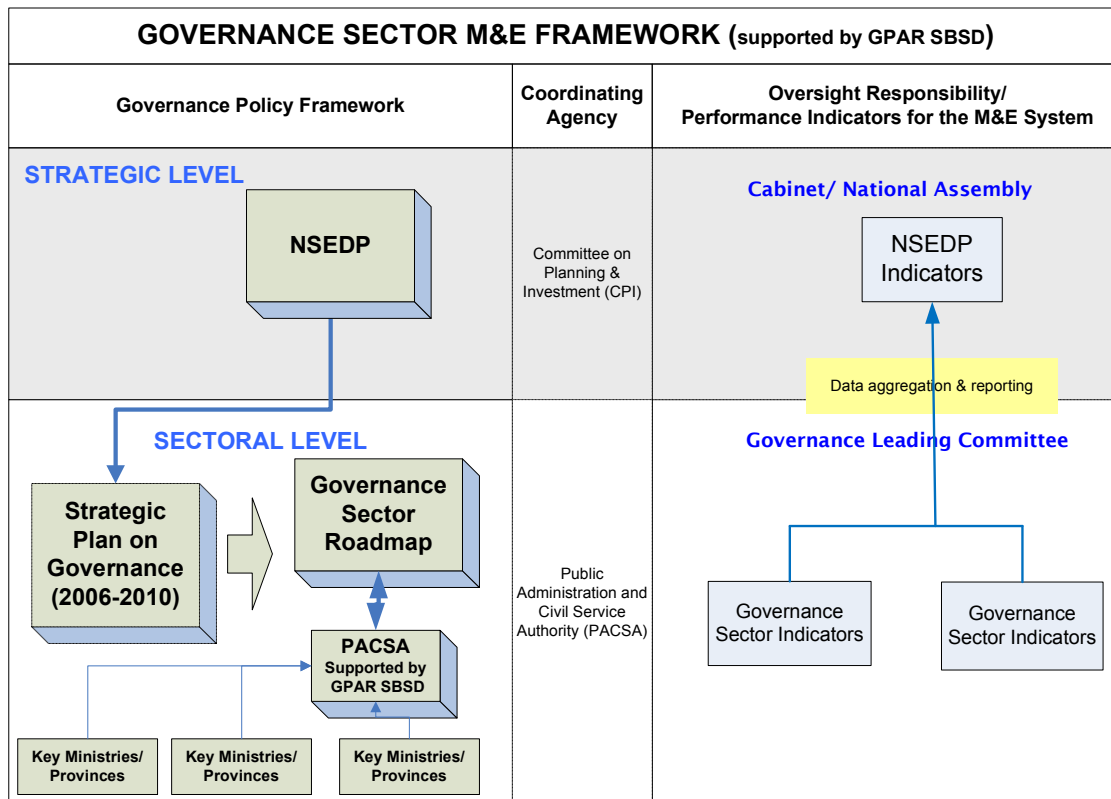
An organogram of the Project Team structure is detailed at Annex 22:

**Continuity and flexibility**

To enable a seamless transition from the existing GPAR Central to the new project it will be vital to retain as much continuity in staffing as possible. A substantial investment has already been made in the acquisition of project and programme specific knowledge and expertise. This process will need to be managed carefully and flexibly by the current project and UNDP so as to maximise these benefits, minimise institutional memory loss and optimise continuity in the transition process. To this end, UNDP and PACSA shall ensure that adequate and appropriate staffing levels are maintained to support project momentum prior to and immediately post inception. It may therefore be important to exercise flexible contracting and procurement arrangements in order to engage the required expertise fairly quickly, particularly during the initial start-up phase in the new project.

## COMPONENT 7: MONITORING & EVALUATION

At the national level the Government has identified the need to establish a monitoring and evaluation system to assist in the review of progress against the NSEDP 2006-2010 targets. The 6<sup>th</sup> 5-year plan identified the need to 'to take steps to establish a uniform and consistent national database on economic, social and governance indicators'. At the sectoral level the GPAR SBSB project will support PACSA to link the M&E system for the Governance sector roadmap with the national M&E system for NSEDP reporting.



Within the project the monitoring system will work at various levels. At outcome level - the M&E system will link to the strategic oversight and monitoring framework for the governance reform road map as well as targets in the NSEDP. Outcome level monitoring will include an independent outcome assessment and policy outcome review at the end of the programme period. At output level - the M&E system will track progress against defined output indicators for each of the 5 SBSB outputs. Each output will monitor progress against defined outputs and indicators through routine component monitoring and reporting as well as periodic mid term review and independent impact assessments as required by each component. At activity level – each component will report on physical, financial and process monitoring of planned activities as well as key results.

Once developed and operational the project monitoring system will help to guide the formulation of annual workplans in Years 2-4. The system will provide a tool that supports project and programme oversight as well as day to day activity management by:

- Assessing quantitative progress and impact of outputs and activities
- Assessing qualitative progress of procedures and systems based on process indicators
- Tracking bottlenecks in implementation and planning remedial measures
- Forecasting changes and assessing alternatives

The system will be based on the following key principles to ensure optimal integration and consolidation across various reform initiatives:

Sector wide approach – There is a need to develop the system to harmonise with existing or new M&E frameworks so as to eliminate duplications. The programme M&E system will link to the Strategic oversight and monitoring framework and NSEDP monitoring.

Simple and practical - The system will be as simple and practical as possible in order to operationalise and sustain M&E systems in government. There is often an inverse relationship between the amount of data collected and the intelligent analysis of such data.

Based on easily available data - An automatic corollary of the above principle is the need to build on easily available data and data sources. This will imply relying where possible on existing information flows (accounts statements, tax registers, progress data and reports). This would not only ensure that up to date data is readily available but that staff are well conversant in handling the data.

Collection of judgement neutral data - A web based M&E system should allow users at local level to simply fill up basic unitary data and the software should automatically generate all the reports. This automatic calculation of performance indicators minimises reporting errors and value judgments made by the data collectors if they are asked to compile the indicators rather than the basic data.

Complemented by periodic customer survey - Any computerised system can efficiently capture only quantitative information. Qualitative aspects which are not easily amenable to quantification or yes / no simplification are difficult to capture in this way. The M&E system will provide a mechanism for capturing both quantitative and qualitative aspects.

Feedback to and from users - 'Closed door M&E' systems used by internal teams typically suffer from lack of an effective feedback mechanism for the beneficiaries and target groups. In order for the M&E to be effective it must be constantly refined over a period of time and for this it is essential that it has an inbuilt information sharing and dissemination provision.

### **Baselines**

As noted above, the M&E system will generate information on the physical and financial progress of activities as well as progress towards achieving the outputs identified in the resources framework. This will be done by establishing baseline statements. These will be designed to generate cost effective baseline information to assess changes arising from different activities against a baseline position. Since it may not be practical or feasible to initiate robust baseline surveys in each case, the M&E system will develop a set of baseline statements that will be adequately triangulated to include a range of different stakeholder perceptions on current services and standards.

The baseline statements will be formulated using secondary sources, formal and informal discussion and specific anecdotal evidence that can be validated on the ground. Wherever possible the M&E system will aim to report gender and disaggregated data and will incorporate participatory beneficiary monitoring techniques. The system will include the assessment of customer perceptions (internal and external) by capturing information on the views of service users. The system may include reference to user panels. The system will create a mechanism for tracking down client feedback and/or results of interventions as activities are implemented. This will be linked to the overall strategic M&E system being developed for governance reform.

### **Management Reporting**

The monitoring system will comprise regular management reporting. This will include:

- Quarterly progress reports at activity to output level
- Annual reports at output to outcome level, including client-based surveys/qualitative assessments of service delivery at provincial and central levels
- Annual audits focusing on inclusion of gender and ethnic groups in the provision of capacity development opportunities (e.g. training, study tours etc).

- Reports for concurrent and final evaluation.

### External M&E Activities

**Evaluation Policy:** The programme will be subject to an independently conducted mid-term and final evaluation, in compliance with the UNDP/UNCDF mandatory evaluation requirements in the UNDP Evaluation Policy.

**Role of Evaluation:** UNDP/UNCDF considers that independent evaluation of its programmes plays the following critical roles:

- *Results Based Programme Management and Decision-making:* promotes the quality of individual pilot programmes by providing objective, independent reviews that feeds into programme management decision-making and programme improvement;
- *Accountability:* holds UNDP/UNCDF accountable for results and the utilization of its own/partner funds;
- *Knowledge management:* contributes to organizational learning, practice development, and refinement of the local development programme/inclusive financial sector approach;
- *Support to Policy Impact and Replication:* Aims to establish, credibly, for UNCDF, UNDP, co-funding partners and the Government of Lao PDR, the viability and desirability of the extension, replication and scaling up of pilots, and helps to establish the validity or otherwise of pilot experiences and lessons as a basis for adjusting national policy, regulatory and legal frameworks; creates a trigger and basis for discussion in the Lao PDR on inclusive financial sector development/local development and decentralization progress and options.

External M&E processes will operate for all Outputs and will be based on the following:

#### 1. TPR

The first TPR for SBSB all outputs within 12 months of start up, and among other things, will include a thorough assessment of the management arrangements for the project.

#### 2. Mid Term Evaluations/ Reviews

Mid term evaluation/ reviews (MTE/R) for all SBSB outputs will be undertaken approximately mid-way through the programme cycle, not later than 18 months after project start-up, thus coinciding with completion of the first planning and budgeting cycle (in pilot DDF Districts) and partial completion of the second planning and budgeting cycle. The MTE/R will focus on assessing programme relevance, effectiveness and efficiency of management and implementation, programme effectiveness and the sustainability of results and recommend action to be taken in response to the findings. In particular, the MTE/R will:

- evaluate and (if necessary) fine tune arrangements for planning, budgeting, financing and implementation of local ISD; and
- examine project management arrangements to ensure that they are adequate for and consistent with the attainment of assigned project outcomes and the implementation of agreed project activities.

**Note:** At the time the GPAR SBSB project was developed the Government and its development partners were considering appropriate project management modalities which reflected the Paris Declaration (2005) and the Vientiane Declaration on Aid Effectiveness (November 2006).. The Vientiane Declaration provides that ‘the Partners will seek to avoid creating parallel structures that are not well integrated with the regular Government regulations and procedures, such as parallel Project Implementation Units (PIUs) or parallel Project Management Units (PMUs) for the day-to-day management and implementation of aid-financed projects and programmes’.

In this regard it is proposed that during the mid-term review of the project that the project management modality be reviewed to reflect the (updated) approach on project management modality.



### **3. Impact Assessment Studies**

SBSB DDF will commission periodic impact assessments to identify, document and present impacts that can feed into the for policy reform process. Other impact assessment studies will be undertaken across the other Outputs relating to: GPAR Fund initiatives, One Door Service initiatives; and Strategic Plan on Governance.

### **4. Final Evaluations**

Final evaluations will take place approximately three months prior to the expected completion of the project, focusing on programme performance with respect to results achievement (effectiveness), the efficiency with which results are achieved, the sustainability of results achieved, lessons from programme design, implementation arrangements, management and partnerships and reflect on the strategic justification for the future role, if any, of UNDP/UNCDF in the programme country.

Success in carrying out development evaluation requires partnerships in evaluation with national and international actors. In the context of wider efforts to improve the efficiency and added value of the UN's development operations, opportunities for collaboration on evaluations are actively sought.

Donors and UN Agencies, namely representatives from SDC, Luxembourg, UNDP, UNCDF and other international development partners that provide financial support to the project, will participate in the joint drafting of terms of references for all project reviews and will be involved in the selection processes for evaluation teams and invited to attend evaluation mission debriefings. Evaluation reports will be shared with the international development partners in a timely manner.

**Responsibility** - The UNDP/UNCDF Evaluation Adviser is responsible for ensuring that UNDP/UNCDF-managed programme evaluations are undertaken in accordance with the Evaluation Policy and related Evaluation Quality Standards, as well as the UN Norms and Standards for Evaluation in the UN System.”

The Annual Work Plan (AWP) Monitoring Tool is attached at Annex 23 which identifies: (i) expected outputs and indicators (ii) planned activities; (iii) expenditures; (iv) results of activities; and (v) progress towards achieving outputs.

**COMPONENT 8: ANNEXES**

Annex 1.	Detailed Project strategy
Annex 2.	TOR Governance Leading Committee
Annex 3.	TOR Project Board
Annex 4.	TOR National Project Manager
Annex 5.	TOR PACSA Coordination Team(s)
Annex 6.	TOR Project Manager Assistant
Annex 7.	TOR National Project Coordinator
Annex 8.	TOR International Lead Advisor
Annex 9.	TOR International HR Advisor
Annex 10.	TOR International ICT Specialist
Annex 11.	TOR DDF International Technical Advisor
Annex 12.	TOR National Planning and Budgeting Specialist
Annex 13.	TOR National Public Finance Specialist
Annex 14.	TOR International GPAR Fund Advisor
Annex 15.	TOR National GPAR Fund Coordinator
Annex 16.	TOR National Local Governance Coordinator
Annex 17.	TOR National HRM Coordinator
Annex 18.	TOR International ELT Program Advisor
Annex 19.	TOR International ELT Teacher- Training Advisor
Annex 20.	TOR National English Language trainer
Annex 21.	TOR Information Management and Communication coordinator
Annex 22.	GPAR SBSB Project Team structure
Annex 23.	AWP Monitoring Tool
Annex 24.	DDF Technical Note

**This Annex provides a more in-depth and detailed discussion on the Project Strategy, in addition to documenting the activities incorporated into each of the five Outputs.**

## **SITUATION ANALYSIS**

### **Country profile**

The Lao People's Democratic Republic was established in 1975 as a sovereign state. The country has a multi-ethnic population of 5.5 million (02) with a growth rate of 2.8% per annum. Over 70% of the population resides in rural areas. Per capita GDP stands at around \$330 (2002) with a growth rate of 6% per annum. Although the percentage of the population living below the poverty line decreased from 48% in 1990 to an estimated 31% (03) the country remains one of the 13 least developed in the Asia Pacific region and ranks 133 out of 177 in the Global HDR (04). The main MDG indicators reveal life expectancy of 59 years with an infant mortality rate of 82 per 1,000 live births and a maternal mortality ratio of 530 per 1000,000. The net primary enrolment ratio in education is 83% (see CPD<sup>15</sup> 2:1-5, MDG 04<sup>16</sup>)

The transition to a modern market based economy is a relatively recent phenomenon, beginning in 1986 and proceeding steadily but cautiously over the intervening years. Amongst some of the more significant influences on the prevailing system of governance is a strong tradition of loyalty, personal allegiance and regional autonomy. In such circumstances it is difficult to impose externally driven models of reform. Instead, a more pragmatic approach is required, where reforms can be interpreted and incorporated into Lao political culture whilst helping to shape evolving structures, systems and practices. The challenge for governance reform in a context such as this is how to harmonise traditional systems with the requirements of modern government.

Governance reform to date has largely been the outcome of an effective partnership between Government and UNDP since 1993. Early interventions were formulated under the Public Administration Programme which was successful in developing government commitment to reform and helping to determine and articulate the character of the subsequent reform process. This initiative was followed up by GPAR I (1997-2000) which provided support to the Department of Public Administration and Civil Service within the Prime Ministers Office (PMO) and target ministries and provinces. This intervention helped to prepare new policy and legal frameworks and related capacity building. The programme coincided, however, with the Asian financial crisis of the late 1990s which hampered progress in a number of areas. This slowed down progress in a number of areas such as the planned review of the civil service pay and compensation system.

GPAR II (2001-06) has provided support for the formulation of a Governance Policy Paper and roundtable coordination mechanisms as well as helping to transform the then DPACS into PACSA at sub ministry level. It has also supported the formulation of a number of governance policies and decrees as well as improvements in government organisation, civil service management and specific decentralisation initiatives (in collaboration with pilot projects). This intervention has helped to establish a firm commitment in government to public administration reform and an increasing awareness of the need for governance reforms to improve service delivery.

### **Institutional framework for reform**

The broad framework for governance reform was originally set out in the Draft Policy Paper on Governance (March 2003) which highlighted four priority areas of reform. The principles contained in each of these areas were incorporated in the draft Sixth National Socio-Economic Development Plan (2006-2010). The plan acknowledges the need for public administration reform to improve the public service by increasing coordination within government, developing a professional civil service through improved human resource management and development, improving financial management and developing and

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<sup>15</sup> Draft Country Programme Document Lao PDR 2007-2011

<sup>16</sup> MDG Progress Report Lao PDR 2004

using ICT more extensively in government. The development of the Strategic Plan on Governance (2006 – 2010) in late 2006 further refined these priority areas.

The Governance reform agenda has now been mainstreamed into the National Socio-Economic Development Plan (NSED) 2006-2010 with specific reference to the following objectives:

The Government intends 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. It will ensure that all Lao people are given the opportunity to be associated in all areas of decision-making so that they can fully enjoy their constitutional rights and that they are educated and well-informed to be able to express their opinions on Government policy. It is vital that a coherent, credible and predictable legal framework is established in a transparent and participatory manner, providing efficient, effective, equitable and accessible justice and law enforcement institutions and systems. Additionally, accountable and transparent financial management practices are necessary to achieve macro-economic stability and sustainable growth, which will provide a sound basis for eradicating poverty.

NSED 2006-2010

At the core of the NSED strategy is (a) a focus on improved service delivery in certain key “poverty-reducing” sectors, and (b) the introduction of more effective geographic targeting to poor areas (including special focus on the “47 poorest districts”).

At the same time GoL intends to move ahead with its commitments to good governance and, specifically, to push ahead in implementing its policy commitments to greater decentralisation of public service delivery responsibilities to Provinces and Districts (initiated with Prime Ministerial Instruction 01/2000, and reflected in subsequent decrees and regulations and in the Law on Local Administration).

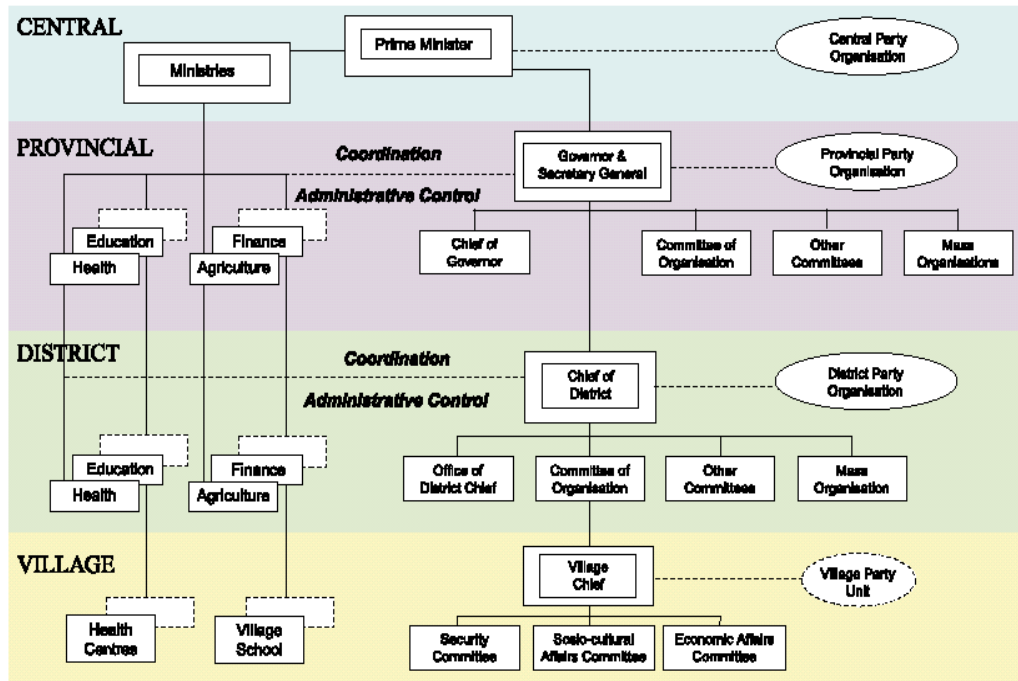
The governance priority areas (drivers) of particular relevance to a proposed expanded DDF programme are:

Public service reform - supported by a new civil service statute (Decree No 82/PM) which provides for greater accountability, transparency and performance in government; Law on Local Administration (2003) which clarifies roles and responsibilities of sub national governments and provides for greater citizen participation in governance;

Public financial management reforms – supported by the new Budget Law (December 2006) designed to centralise treasury, customs and tax functions in government which will create a new opportunities for the reform of inter-governmental fiscal relations and public expenditure management policy frameworks - supported by the Public Expenditure Management Strengthening Programme (PEMSP) managed by Ministry of Finance.

Strengthening poverty reduction and participatory development – supported by National Growth and Poverty Eradication Strategy (2003) which recognises that poverty reduction in Lao PDR will require local level, community-based, planning, as well as an alignment of public expenditure patterns towards pro-poor service delivery.

*Schematic Overview of the Institutional Framework for Decentralisation*



## Reform Challenges

In spite of a favourable institutional framework, there remain a number of significant challenges that need to be overcome if the reform agenda is to be addressed in a meaningful and lasting manner. These challenges can be summarised from the Integrated Outcome and Evaluation of May 2006 as follows:

1. A governance reform master action plan needs to be developed to detail the steps various agencies should take to realise the intention of the policy paper. Governance issues cut across different sectors and agencies. It is necessary to strengthen policy linkages between improved public administration and service delivery which will include addressing specific planning and finance policy initiatives along with civil service management policy. The oversight, steering and monitoring of reforms need to be positioned at a level higher.
2. Although PACSA has been upgraded to an agency with additional authority and resources there is a need to strengthen its capacity so that it can follow-up on initial actions and support SBSB reform initiatives in strengthening organizational and human resource development and decentralized financing mechanisms for local service delivery. Without greater capacity it will be extremely difficult for PACSA to impact significantly on the process of public administration reform.
3. Downward accountability mechanisms remain weakly defined and poorly operationalised. The Law on Local Administration does allow for some kind of consultative process at local levels but is vague as to how this is to be institutionalised. Recent guidelines on the establishment of community structures at kum ban (sub district level) refer to village development/ deployment groups with political and functional responsibilities.
4. Decentralisation policy (Instruction 01/PM) and related regulations lack clarity on functional responsibilities and fiscal assignments. Planning continues to be centralised, budgets highly constrained and capacities weak. However, NGPES and NSEDP provide useful policy direction on the need for more effective local level planning and service delivery as intrinsic parts of a more decentralised approach to service delivery, especially in key sectors such as agriculture, health and education.

5. Fiscal decentralisation remains a critical issue clouded by notions of fiscal self reliance at provincial level which have resulted in the absence of any transparent process for the collection and distribution of revenues linked to a systematic and equitable process of inter-governmental fiscal transfers. Reforming this process is a major challenge and is fundamental to the long term success of DDF. Important steps are now under way as a result of mounting pressure for public expenditure management improvements. The new Budget Law of 2006 has initiated this process with the centralisation of treasury, customs and tax functions. The multi-donor funded Public Expenditure Management Support programme (PEMSP) is designed to capitalise on these changes and develop new proposals for inter-governmental fiscal transfers (IGFT). This presents an important and valuable opportunity for DDF to engage in this process.
6. Whilst there has been some restructuring of ministries and agencies to date, there is a major challenge to develop a more systematic approach to organisational change. This will need to include a linked process of functional review, job analysis, workforce planning and systems development with a focus on improved access to services, especially for the poor and vulnerable. There is also an important need to devise systems improvement initiatives that will impact on provincial and district planning, finance and management systems as a priority. At present there is no coherent linkage between planning systems and budgets. This is largely due to weak expenditure management systems and inadequate revenues to ensure budgetary certainty and predictability. This will need to be addressed through further support to policy development.
7. While there has been good progress in conducting a civil service staff census which will be linked to the new personnel management information system a key challenge will be to establish a fully functioning civil service staff planning and management capability and to translate human resource management policy into practices that will improve work performance. At the same time there is a need for greater buy-in of key stakeholders to change management processes. The preparation of job descriptions is only a first step towards this objective.
8. There has been a substantial effort to date in the provision of ad hoc training programmes and workshops in support of specific project initiatives. However, there is now an urgent requirement to build a sustainable HRD and training structure with sufficient outreach to provinces and districts. This can best be achieved by leveraging established training institutions and resources to increase the capacity to train civil servants. It will also be important to ensure training more closely matches the work and office environment and provides opportunities for trainees to put into use knowledge and skills imparted.

In this context there is a clear recognition of the need to carry forward the governance reform agenda that has been established by and developed over previous phases of the GPAR programme. Much of the policy framework for reform has now been put in place alongside a number of important laws and decrees. Various activities have been initiated at the centre and a number of pilot governance programmes established at provincial level. However, in the light of the above it can be seen there is a clear need for donor support to increase the strategic management of the reform process and strengthen the capacity of government for improved service delivery at central and local levels in order to achieve the goals and targets of the NGPES, NSEDP and MDGs.

## **Justification**

Discussions with the Government and donor community (including IMF, World Bank, ADB and EU) confirm that there is a positive environment for an initiative such as SBSB at the present time. SBSB provides an opportunity to build upon and replicate successful initiatives at central and provincial level with additional policy leverage. The new Budget Law (Dec 2006) will help to strengthen treasury management and revenue control providing an opportunity for a more equitable system of inter-governmental fiscal transfers. This process will be supported through technical assistance under the multi-donor funded PEMSP and provides a very strategic opportunity for DDF to influence policy outcomes with the Fiscal Policy Division of MoF. At the same time, planned investments in natural resources (mining and energy) are forecast to yield substantial additional revenues in 2-3 years of more than \$130 million with another 12 potential projects in the pipeline. There is strong consensus amongst government and the donor community that in this context it is now essential to strengthen governance institutions and build

accountability and transparency frameworks in government organisations for more effective and sustainable service delivery in future.

The Support for Better Service Delivery (SBSD) programme would thus be a natural complement to the Public Expenditure Management Strengthening Programme (PEMSP) where the two initiatives would work together to develop the capacity for more effective and accountable governance. At the same time, the two programmes would help to address underlying problems that result in major disparities in service delivery by establishing clear service norms and standards as well as financial parameters to improve access to services especially for the poor and vulnerable.

The Outcome Evaluation of Governance Reform and GPAR II (May 06) identified a clear requirement for strengthening the strategic oversight and monitoring of governance reform as a whole and greater focus on the implementation of reforms designed to improve service delivery and strengthen accountability and transparency at the local, provincial and central levels. In line with the recommendations of the Outcome Evaluation, these twin objectives will provide the foundation for the new Strengthening Governance for Service Delivery Programme.

At the same time the proposed programme will provide a strategic framework for the oversight and monitoring of all UNDP governance programme area initiatives indicated in the Results and Resources Framework of the Draft CDP (2007-11) and will thus provide a direct mechanism for ensuring progress on one of the three UNDAF outcomes. At the same time it will provide an indirect mechanism for the remaining 2 outcomes helping to create a more enabling governance environment to promote livelihoods and increased access to social services for the poor in line with the NSEDP and MDG targets. The justification for support is further reinforced by the high level of ownership over the reform process in government which provides UNDP and donor partners with a significant opportunity to continue to influence the reform agenda in a meaningful way.

UNDP has developed an approach to supporting change that is appropriate to the conditions in the Lao People's Democratic Republic: high-level policy dialogue, identification and support for change and advice to policymakers; flexibility in meeting emerging needs and creative innovations. This SBSD programme will enhance this niche by continuing to strengthen national capacities for reform whilst deepening and widening service delivery reforms across 11 provinces. The programme will also provide a strategic location for other UNDP governance related projects including support to: the Lao Bar Association, National Assembly, Lao Women's Association; and support to implement NSEDP.

UNCDF & UNDP (with EC co-funding) are currently supporting a relatively small Local Development Programme (LDP) pilot in Saravane Province. This pilot began in 2005 and has now completed its first planning/budgeting cycle in three of the province's Districts. This year (Lao FY 2006/2007), the three Districts will be implementing the annual investment plans that they formulated last year (Lao FY 2005-2006). Initial results from Saravane are encouraging. Institutionally, the project has:

- put into place a District Development Fund (DDF), which makes annual block grant allocations to Districts based on a simple formula.
- established the principle of a fiscally equitable funding formula that takes into account the poverty and population characteristics of each district (the poorer the district and the larger its population, the larger is its DDF allocation).
- Introduced simple performance measures through conditions (mainly related to sound financial management) with which districts must demonstrate compliance before accessing their annual block grants.

## **PROJECT STRATEGY**

### **Key Principles**

The GPAR SBSD design is based on an understanding that reform needs to be both long term and process driven if it is to be effective and sustained. This is particularly relevant in Lao PDR where politico-administrative change is incremental in nature. Here, it is important that the reform initiatives proposed as part of the Support for Better Service Delivery Programme build upon the recognised achievements of GPAR II.

The overall design is based on a number of key principles intended to optimise potential impact where the programme will:

- Embody a strategic approach to reform with high level oversight and monitoring of the change process through an inter-ministerial committee at the highest level in government. This will help to prioritise, guide and sequence interventions to help generate visible and tangible improvements in services, especially for the poor and vulnerable.
- Adopt a flexible approach in order to avoid the main pitfalls of over-specifying tasks at the outset. This reflects an understanding that reform is part of a dynamic political process that requires flexibility and adaptability as well as the commitment of all parties involved.
- Promote engagement and participation in the reform process in order to generate the necessary consensus and support for identified changes. Specific initiatives will be most effective when they attract the interest and participation of both internal and external stakeholders in the process.
- Be based on a demand driven rather than supply oriented approach within a broad framework of strategic direction and monitoring. This will require supporting internally initiated rather than externally imposed change in order to enhance ownership and generate commitment.
- Adopt a problem oriented approach which will aim to support initiatives that are designed to overcome key obstacles that currently impede service delivery rather than attempting broad based changes that may have little immediate impact on improving performance.
- Entail well-designed, incremental interventions that can provide a necessary foundation for the further expansion of reforms in future.

## **Features**

In addition to the 5 outputs, the project design covers a range of outcomes as cross-cutting themes across several outputs and objectives. These include:

### *Service delivery*

Improved service delivery represents the primary focus of SBSD. Whilst certain elements of the programme will be common to the civil service as a whole, such as the development of a strategic oversight and monitoring mechanism for governance reform, PIMS and payroll management, other aspects of governance reform in organisational development HRD and strengthening decentralized planning and finance, requiring more intensive support at ministry and department level, may initially be targeted at key service sectors (health, education, agriculture and infrastructure) as prioritised in the NSEDP and at district level (DDF). Here, SBSD will focus on supporting reforms involving changes in public administration practice, organisational development, civil service management and decentralized planning and finance at district level. Where relevant, the DDF will ensure convergence with other decentralized planning initiatives (e.g. the Village Development Fund and the Poverty Reduction Fund. Refer DDF Technical Note Annex 23. This may include assistance in conducting functional reviews, workforce planning, human resource management and leadership initiatives, participatory planning and budgeting and improved development funding and financial management at district level. Since many sectors already receive donor support, the objective of working in priority service sectors will be to complement on-going technical support by strengthening OD and HR and DDF initiatives. SBSD will, however, undertake a rapid review at the outset of the project to refine specific areas of intervention to minimise duplication and maximise the opportunity for complementing existing initiatives in line with NSEDP and UNDAF priority outcomes.

### *Public Financial Management*

The new Budget law (2006) represents an enabling policy context for DDF since it aims to initiate fundamental changes in fiscal relationships that will ultimately allow for a more rationale and equitable allocation of funds to provinces and districts. The multi-donor funded Public Expenditure Management Strengthening Programme (PEMSP) will support this process by providing technical assistance and guidance on the development of new fiscal frameworks and expenditure and revenue assignments. SBSD will also work closely with the Public Expenditure Management Strengthening Programme (PEMSP) on



the development of expenditure management frameworks and inter-governmental fiscal relations drawing on experiences, lessons and impacts of the expanded DDF component. SBSB may also assist PEMSP in the development of civil service pay policy and payroll modeling and the roll-out of the new accounting system in GPAR supported provinces (see DDF Technical Note on Public Financial Management Policy – Annex 23). The support on municipal development will provide technical assistance to elaborate the local revenue management policy (as broadly outlined in the new Budget Law) and to enable greater financial management autonomy at the municipal level.

### *Gender*

The GPAR SBSB project will primarily adopt a gender-mainstreamed approach to all five outputs, so that the gender dimension of governance reform, public service management and decentralized planning and budgeting remain a central focus of improved service delivery.

Gender indicators will be incorporated into the development of the Governance M&E system, and models of good gender practice in governance reform will be identified and disseminated for replication through the Performance Award Mechanism. The subject of Gender and Development will be inserted into the structured learning strategy for key policy advisors, and a tool for considering gender in organizational development will be incorporated into the proposed National Approach to Organisational Development. Support to Workforce Planning will include consideration of gender equity in reviewing staff ratios, gaps and targets in the priority service sectors. A pre-requisite for access to the GPAR Fund will be the demonstration of a gender positive approach to both the activity design and completion, with a clear explanation of how both women and men will benefit from the activity implementation. The District Development Funds will utilize gender-sensitive planning and budgeting dimensions (e.g. participation and decision-making requirements) and as they will work specifically in the poorest districts, DDF will directly support some of the poorest women and men in Lao PDR. In addition, GPAR SBSB will support the inclusion of gender statements in the National Civil Service Management Strategy, and in HR regulations and standard operating procedures in such areas as recruitment and selection, performance appraisal, and contract employment. PIMS will provide access to civil service gender-disaggregated data, and the proposed review of existing civil service pay and conditions will include an analysis through a gender filter. The Code of Conduct will contain a clear Gender Statement, in addition to setting standards of acceptable workplace behaviour, clearly defining discrimination and harassment, and establishing a legal framework for grievance procedures and disciplinary action. The development of the National Training and Development Framework, will include policies and procedures for the promotion of gender equity in access to capacity building opportunities, which consider the different challenges which male and female civil servants may experience in gaining access to, and effectively using, training and development opportunities. As far as possible, all Technical Working Groups will include both women and men. The HR Practitioners Network will include a strong gender focus, including awareness raising on gender issues, and the development of eligible women and candidates from ethnic groups.

In addition, GPAR SBSB will specifically support key government drivers of gender-related activities. Support will be given to LaoNCAW in the development of a “Gender and Governance” strategy paper, policy, and action plan, which will focus on the strengthening of LaoNCAW’s capacity to participate in the formulation of engendered governance policy and planning, and the creation of a more engendered civil service workplace. The GPAR SBSB project will also collaborate with the Lao Womens Union (LWU) and the UNDP-funded Gender Empowerment for Poverty Reduction (GEPR) project to facilitate the inclusion of a gender training program into the National Civil Service Training Curriculum. Please see Activity 3.2.10 for further details.

### **Output 1. Strategic oversight, monitoring framework provides for evidence based policy and performance analysis in governance reform**

A well designed strategic oversight and monitoring framework under the guidance of the Governance Leading Committee and reporting to the Committee for State Organisation Improvement and its secretariat will help to direct and shape governance reform in line with the key service delivery priorities of government as indicated in the NSEDP and the Strategic Plan on Governance. Moreover, it will provide an important incentive for ministries and departments to implement identified reforms and achieve agreed results. This aspect of strategic oversight and monitoring has been absent in previous governance reform initiatives.

This framework will help to establish a clear evidence based policy making process in the PMO with a focus on specific governance and civil service reform indicators that can demonstrate the likelihood of being able to achieve national level goals and outcomes. The framework would not only provide a tool for tracking the performance of ministries and departments in implementing organisational change but would also help to inform the wider policy making process. The framework may also contain an incentive dimension which can be used to reward examples of best, good or promising practices within specific ministries and provinces. A well designed and effectively implemented strategic policy framework will help to avoid certain operational problems associated with most reform processes by:

- Establishing and agreeing clear definitions for how governance reforms will contribute to improved service delivery and greater access for the poor.
- Shifting the focus of reporting from outputs to outcomes and results
- Ensuring policy and project design is based on a set of practical, realistic and achievable objectives

SBSD will support the Government (through the Secretariat of the Government) to develop the oversight and monitoring framework for review by the Standing Deputy Prime Minister responsible for governance. The Deputy PM will monitor performance and chair specific oversight meetings as and when required. The Deputy PM may also officiate at an annual award event that will benchmark and reward examples of good practice and innovation linked to the monitoring framework. PACSA will provide support to the Deputy PM's office to convene the inter-ministerial technical working group on a periodic basis to formulate the monitoring framework, advise on reporting and benchmarking protocols, support policy analysis and promote policy development.

This initiative represents a practical and workable means of enhancing the strategic oversight and direction of the governance programme. It will greatly assist the work of PACSA and other agencies involved in promoting governance reform by establishing a clear understanding of the results expected by each ministry, which will, in turn, encourage staff to implement changes in a serious manner. Strategic oversight by the Deputy Prime Minister's office will provide a more enabling environment for PACSA to improve civil service management and strengthen service delivery.

### ***Sub-output 1.1: Effective dissemination of Strategic Plan on Governance***

#### ***Activity 1.1.1: Publish and disseminate Strategic Plan on Governance (2006 – 2010)***

This activity will support the dissemination of the Strategic plan on Governance to ensure that all state institutions are informed of the priority targets and initiatives as detailed in the strategic plan. A Dissemination Strategy will be developed to inform objectives, methodology, timing, resources and costs. This activity will commence once the Project Team is established and the Strategic Plan on Governance formally endorsed by state authorities.

### ***Sub-output 1.2: Governance reform monitoring and benchmarking framework institutionalised in government***

#### ***Activity 1.2.1: Design, develop and implement governance road map (Implementation Plan) and monitoring framework***

This activity will provide support to the CSOI and its secretariat (technical working group) to develop a strategic Road map for reporting to the Government, in addition to ongoing support to the updating of the Roadmap, review of progress, and reporting against the implementation of the Strategic Plan on Governance (2006-2010).

This will entail providing technical assistance to help develop relevant (intermediate) indicators for governance reforms that are linked to national goals and outcomes as identified in the NSED. Annual reviews/surveys will be conducted and reports made publicly available. Key results indicators should be kept to a minimum and based, as far as possible, on existing information flows so as to minimise additional reporting burdens. An important aspect of this activity will be to ensure that there is wide-spread understanding at all levels of government of the targets as set by the Government relating to Governance sector reform.

*Activity 1.2.2: Design, develop and implement the Governance Roadmap monitoring framework*

This activity will provide support to the CSOI and its secretariat (technical working group) to develop and implement a Monitoring framework, in addition to ongoing support to the updating of the Roadmap and Monitoring Framework, review of progress, and reporting against the implementation of the Strategic Plan on Governance (2006-2010).

This activity will include the specification of the line ministry and province reporting protocols within the monitoring framework. This framework and indicators will also need to form the basis of the SBSB project monitoring system to ensure consistency and economy of effort. This activity may support the implementation of proxy indicators such as periodic surveys or Citizen Feedback to measure client satisfaction. This may involve measuring the views of internal clients or external clients/ citizens depending on what is most appropriate to the specified reform. The activity will require the design and testing of the survey type and method (eg feedback form, assessment survey, report card, complaints system).

*Sub-output 1.3: Models and good practice examples of governance reform are identified, documented, evaluated and disseminated for replication (linked with GPAR Fund – Output 5.1)*

*Activity 1.3.1: Strategy developed and implemented for sharing lessons learned*

This activity will aim to develop the documentation of lessons across the governance sector and to provide a mechanism for the distribution and sharing of these. Whilst this activity will be linked to the GPAR Fund the changes and practical reforms which have been demonstrated should not be limited to initiatives only funded through the GPAR Fund. In this regard a simple mechanism is required to capture lessons from across the governance sector and across all levels.

*Activity 1.3.2: Formulate and implement performance award mechanism for Civil Service agencies and individuals to recognise good governance reform practices*

This activity will aim to establish performance benchmarking by identifying examples of good performance as benchmarks for other organisations and departments. Benchmarking will be linked to an annual award process which will recognise and reward high performing individuals and agencies at national and sub-national institutions. It will be necessary to ensure that clear assessment criteria are developed as part of the benchmarking activity. This activity will link with, and strengthen, the existing performance awards mechanisms which are managed by the Awards Institute within the Central Committee for Organisation and Personnel. This activity will develop a set of performance criteria for the identification of eligible applicants for the annual award and benchmarking process. The criteria should be simple, transparent and easily verifiable. To ensure equity in the application and awarding process it will be useful to devise several broad categories of award.

*Sub-output 1.4: Improved governance policy analysis and formulation capacity*

*Activity 1.4.1: Strengthening governance policy analysis capability*

This activity will involve support to the Secretariat of the Government within the PMO to attend regular internal and inter-ministerial consultation forums/workshops for the formulation of governance policies, decrees and regulations and to undertake policy study visits to examine comparative experience in sector policy development. These workshops, development activities and visits will aim to expose members of the Secretariat and other policy makers from relevant line ministries to aspects of comparative policy that will be used to inform the policy development process. In addition, support will be given to workshops to review and develop key policies and to develop a plan to support the newly formed National Social Science Institute

The activity will also entail support for international and national TA to assist in policy formulation in priority areas. Support may include: policy studies as inputs to sector policy formulation; preparation of draft policy papers; formulation of draft implementing regulations and decrees. Indicative areas of policy

assistance may include: governance reform road map and monitoring; municipal financial and functional assignments; civil service remuneration (pay and conditions), HR policy; transparency and audit; and for the finalisation and dissemination of the Decree on the Establishment of National NGOs.

It is anticipated that this activity will also support an annual high level policy retreat for inter-ministerial policy advisors to assess sector policy requirements, consider past performance and formulate proposals for reform. The retreat will also consider applications for the annual performance award and make recommendations on nominations to the Deputy Prime Minister. Annual policy retreats will be thematic, focusing on current government priorities and featuring international or regional guest speakers.

This activity will be linked with Outcome 3 of NSEDP Implementation project (UNDP) which will support CPI (NERI) to establish a National Research Network to ensure strong linkages between research and policy development initiatives.

## **Output 2: Improved organizational structures and systems enable the delivery of more effective accountable and transparent services**

Output 2 will deepen and strengthen organizational development and system improvement initiatives already begun in GPAR II, focusing on more effective, accountable and transparent service delivery. There will be an emphasis on supporting Organisational Development (OD) and systems improvements in the four priority service areas of the NSEDP (education, health, agriculture and infrastructure) at central, provincial and district level. The output will also provide OD and systems support for the establishment of new municipal structures, initially in Vientiane and Luang Prabang and on-going support to strengthening local governance activities such as Kum Ban Development and One-Door Services. The activities will include the development of a systematic functional review process linked to organisational change and process re-engineering. The output is designed to strengthen the enabling capacity to promote and support organisational development and systems. These activities will cover the review of organisational structures and systems at the province and District levels.

Support to ban and kum ban development will focus on the strengthening of the legal and operational framework for these levels to strengthen their role to facilitate socio-economic development and service delivery access at grass-roots level. The design of capacity development initiatives for these levels will include the role of kum ban in areas of administration, planning and monitoring, financial management and arbitration. The design of this support will also need to be mindful of sustainability issues and to ensure that existing capacity building efforts are considered.

A major focus of activity will be the strategic and functional review and selected systems development for staff planning, payroll management and output based monitoring. The PIMS will make it easier for PACSA and government to plan civil service staffing and management in line with development requirements and budgets. It will help to strengthen quota management and optimize deployment within the civil service and between the centre, provinces and districts. The output will also further link PIMS to the computerisation of payroll to enable more effective management of civil service pay and allowance which represents one of largest items of public expenditure. The activity will also help to increase the efficiency of salary payments which will provide a useful motivating tool for public sector employees.

The output will introduce a systematic and well sequenced approach to OD and systems improvement based on an internally driven process of change, which is demand driven, relevant and tailored to the priority needs of organizations. As this main strategy is based on the concept of facilitating the internal dynamics of change (demand driven) rather than imposing external directives (supply driven), the approach will increase ownership and commitment in government.

### ***Sub-output 2.1: Improved organizational structures and systems in priority areas***

#### ***Activity 2.1.1: Develop OD guidelines and capacity***

This activity will focus on the development of a standardized national approach to conducting organisational analysis within the civil service. In addition to the creation of an action plan and the creation and piloting of the standardised approach at Central and Local levels, a replicable methodology and set of tools will be created and tested which will include an organisational analysis manual and training course.

SBSD will work with PACSA, CCOP and other identified stakeholders and PACSA taskforce members will assist in training local level staff on the analysis techniques.

*Activity 2.1.2: Pilot test and evaluate OD guidelines*

Following on from Activity 2.1.1, an organisational analysis will be implemented in target ministries and province on an incremental basis. It may also be undertaken in support of the establishment of municipalities. The organisational development will help organizations to analyze problems relating to organizational structures and functions, identify areas for improvement and formulate these into an OD Improvement Action Plan. The organisational review will be conducted in the form of a series of workshops and desk research in line with the agreed action plan. Following evaluation, the on-going strengthening of capacity in this area will be supported through annual Organisational Development training programmes as part of the National Training and Development Framework.

*Activity 2.1.3: National implementation of OD program*

The national implementation of Organisational Development program will involve the capacity development of key staff from Organisation and Personnel at Central level and local level. The emphasis will be on practical work-based scenarios which enable staff to link OD with strategic and operational level plans. To ensure sustainable development of OD practitioners the project will provide ongoing support to strengthen this network in the form of workshops to share lessons and identify further development needs.

*Activity 2.1.4: Support systematic workforce planning*

Based on requests of support from key service sector agencies the project will work with PACSA to address key public administration reform issues. For example, the GPAR SBSB project will support PACSA, and Ministry of Health to review the recent study<sup>17</sup> which identified the following priority areas for reform to enable MOH to improve service delivery. These identified priority areas are: (i) salaries and incentives; (ii) category ratios and job descriptions; and (iii) recruitment and training

Other Ministries will be consulted to identify where PACSA support can facilitate their reform agenda. For example ADB is currently supporting a sector wide development program for the education sector. A further mission in 2007 will undertake an analysis of several aspects of the education sector including a review of the institutional capacity required in MOE, line agencies, teacher training institutions to manage the projected expansion of different levels of the school sector. Potential areas for support include staffing quotas and organisational development, recruitment and training however the ADB study will further detail this and the project will consult regularly with this work as it develops.

*Activity 2.1.5: Support priority reform programs in key agencies*

The continuing support from the GPAR SBSB will also provide timely assistance to related reforms as outlined in the Strategic Plan on Governance. It is anticipated that additional assistance will be provided to the government in relation to anti-corruption initiatives and public finance management. The Government will continue to develop a national anti-corruption strategy and as part of this is currently reviewing a number of initiatives proposed by the State Inspection Authority. Once agreed, these initiatives will require external assistance to progress their development. Such initiatives will support the implementation of the Law on Anti-Corruption in the area of public awareness and technical assistance with implementation guidelines and regulations.

With the proposed expansion of the District Development Fund the GPAR SBSB can leverage increased awareness and discussion on policies relating to inter-governmental fiscal transfers through the CSOI, MOF and the Secretariat of the Government. Activities which are envisaged include the evaluation of the DDF implementation and studies on sub-national public financial management systems.

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<sup>17</sup> 'Human resources for health - analysis of the situation in Lao PDR' – December 2006, WHO and Ministry of Health

## ***Sub-output 2.2: Improved local governance systems***

### ***Activity 2.2.1: Support to Municipality Development***

There are currently 26 urban areas that meet the legal criteria for urban local government with a population over 10,000 or provincial capital.<sup>18</sup> There are 5 well-established UDAs in the larger towns comprising: Vientiane (VUDAA), Luang Prabang, Thakhek (Khammouane), Kaysone (Savannakhet), and Pakse (Champasack) with a combined population of 725,000. Vientiane and Luang Prabang alone have a population of around 580,000 with vast majority in and around Vientiane city. Although the potential impact of urban municipalities, based on proportion of population of the country served, is not as great as in most developing countries, there is significant potential for the establishment of a small number of municipalities in the largest urban areas. The Government is now resolved to implement the PM's decision No 83 of Dec 2005 to establish two municipalities in Luang Prabang and Vientiane Capital City by October 2007.

A draft municipal decree is currently under preparation and 4 working groups have been constituted to collect data on district/ municipal services, finances, assets and boundaries in preparation for the implementation of the decree in 2007. SBSB will support a number of early actions to facilitate the process of establishment. This will be based on the identification of select technical inputs to cover some of the areas identified below on a priority basis.

#### **Municipal Administration**

- Formulation of a municipal corporate plan including identification of mission, roles and mandates
- Design of model organisational structure in alignment with assigned functions (as indicated in the draft decree)
- Analysis of staffing requirements and needs and formulation of transfer protocols
- Procedures for appointments of mayors, deputy mayors, etc.
- Preparation of select job descriptions and specifications

#### **Municipal Finance**

- Analysis of assets and liabilities including land, buildings, equipment, bank accounts, contracts.
- Assignment and distribution of offices and equipment between agencies
- Analysis of expenditure and revenue assignments (taxes and fees) including how to extend UDAA fees into whole municipality and administration of fees now administered by district.
- Formulation of fiscal transfer mechanism and guidelines for municipal accounting and budgeting

#### **Municipal Planning and Management**

- Formulation of municipal planning guidelines
- Formulation of guidelines for municipal administration and regulation
- Guidelines for municipal management

The support to municipality development will focus on assisting the Government to establish pilot municipalities in Luang Prabang province and Vientiane Capital City. This support will include further analysis of legal framework and supporting regulations, analysis and development of municipal financing mechanisms and organisational development to support the transfer of functions and resources to the pilot municipalities. Over the life of the project further support will be provided to develop longer-term implementation strategies for expansion of municipalities to other provincial areas to build on the work initiated under the secondary towns project.

### ***Activity 2.2.2: Improved Ban/Kum Ban planning and development***

The implementation of PM Instruction 01 (2000) and Central Party Committee Instruction 09 (2004) have been constrained through a lack of clear implementing guidelines and monitoring systems to ensure the further development of village (*ban*) and group of village (*kum ban*). The project will support PACSA to provide continued development of a legal framework for local administrations and to provide capacity building support to facilitate their role in planning, implementation and monitoring of NSEDP performance targets. In particular the project will review previous experiences across various sectors (e.g. agriculture,

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<sup>18</sup> Lao Urban Data Book: Development Indicators For the Urban Areas of Lao PDR (Draft Final Report, May 2003, ADB TA No 3492-LAO),

health, education)) to consider and incorporate good practice examples into a national legal and operational framework for kum ban.

*Activity 2.2.3: Improved Central-Local relations*

The implementation of the (new) Law on Local Administration and revised Law on Government in 2003 provided a sound basis for clarifying the Government's policy on central-local relations (decentralisation). The project will provide support to PACSA to ensure implementation guidelines are developed and effected. This activity will be linked to Activity 2.2.1 (Municipal Development) to ensure that changes relating to strengthened local governance are consistent with the broader local governance legal framework. This activity will work in consultation with key service sector Ministries to ensure that staffing ratios and resource levels are sufficient to achieve identified performance targets.

*Sub-output 2.3: Improved service delivery through expansion of ODS sites*

*Activity 2.3.1: Facilitate and document the development of One Door Services (ODS) including the development of Information systems*

This activity will support the establishment of a select number of ODS facilities in locations where there is sufficient volume of user service demand. The activity will comprise support for the hardware and software required for an ODS facility along with the introduction of new processing procedures and systems in areas such as registration of births and deaths, marriages, land transfers and business licenses. The activity will aim to streamline and accelerate the processing of services with a strong emphasis on improving customer interface. Priority funding will be based on the strength of the application and justification based on service impacts. Each ODS will be required to record citizen satisfaction levels with the new service.

*Activity 2.3.2: Publication and dissemination of findings of public service delivery survey*

This activity will support the development and implementation of an action plan for the publication and dissemination of survey findings, following which a future action plan will be developed in consultation which will institutionalise annual public service delivery surveys. This activity will collaborate with the NSEDP project and CPI to ensure that these survey findings are linked with qualitative data reporting on the NSEDP implementation.

*Activity 2.3.3: Design and implement simple output monitoring system for district level services.*

This activity aims to develop an integrated information system to monitor outputs in key service areas that can be linked to the budget process. The activity is intended to strengthen the bottom up approach to management information from village to district to province and line ministry in order to strengthen the management of services within government. The activity will entail the design and specification of a simple management information system at district level taking care not to increase the additional reporting burden at this level. The system will then integrate this information at provincial level to enhance planning, management and budgeting within key service ministries.

**Output 3: Human Resource Management (HRM) & Human Resource Development (HRD) policies, procedures and capacity are strengthened**

***Human Resource Management***

Strengthening the human resource management systems and practices in government is identified as a priority issue in both the 2003 policy paper on Governance and the 2006 Strategic Plan on Governance. The GPAR SBSB project will support this goal by improving human resource management policy and performance-based practices to enable more effective and inclusive service delivery. The creation and dissemination of a National Civil Service Strategy, including a HR shared vision and operational strategy, will provide a clear set of targets, actions plans and indicators to support progressive reforms in this area. The development of priority civil service management regulations which are integrated and efficient will be accompanied by practical operating procedures to support local level implementation. The GPAR SBSB project will support continued modernization of civil service personnel management, including the use of ICT as a tool to enhance productivity, accountability and transparency, by improving personnel information through continued development of a Personnel Information Management System (PIMS) linked to improved workforce planning. The critical area of reform in civil service remuneration will be supported through a review of current pay and compensation conditions and recommendations for

improved remuneration management. The work initiated with the drafting of the Code of Conduct will be continued with the goal of the development of a transparent performance culture which promotes ethical behaviour on the part of civil servants and imposes sanctions when such behaviour is found to be lacking. In particular HRM activities will support the development and implementation of civil service HR systems and mechanisms which will enable better service delivery, focusing on effective implementation consensus of such mechanisms throughout the country, in a manner that is sustainable and equitable.

### **Human Resource Development and Training**

In order to realize the Government's vision of an efficient and effective civil service, there is an urgent requirement to develop a more coherent and effective approach to human resource development and training for the civil service. The Draft National Training and Development Framework provides a sound foundation on which to support HRD and training which will incorporate the systematic allocation and alignment of training resources to job related training needs, performance oriented training outputs and quality control mechanisms. Such an approach addresses not only potential training delivery and knowledge management, but also provides for the important linkages to job descriptions, an effective performance appraisal system, and the provision of pertinent management information to support timely decision making and future manpower planning. The approach is based on moving beyond training delivery to job related training impact focusing on personnel development for improved service delivery. Here, training under SBSB will focus on supporting the critical organisational, functional and human resource management changes being promoted within the civil service in order to facilitate the implementation of positive work-based changes and reforms. This approach specifically provides strategic direction to the realization of *Component A: Personnel Planning* and *Component E: Human Resource Development* in the Government's draft Civil Service Management Strategic Framework, and will support the development of a new modernized system of civil service personnel planning, and training and development that will be strategically linked to and supportive of the National Socio-Economic Development Plan 2006-2010 for Lao PDR, in addition to supporting broader Civil Service transformation, institution building and Human Resource development.

In order to realize these objectives it will be important to seek to develop appropriate institutional mechanisms to sustain HRD and training for the civil service at central as well as provincial levels. Initial indications arising from a recent Training and Development Working Group include the possibility of allocating a clear division of responsibility amongst stakeholders with existing capacity building and training responsibilities under the guidance of a national Training Body. The approach then is to strengthen these capacities as a cost-effective and optimal arrangement for building a new civil service training framework, including supporting the establishment of a National Training and Development Committee.

The project will support the design, development and management of the delivery of a new job related National Civil Service curriculum aligned with a set of generic Civil Service Competencies. The training curriculum and course materials will be developed through a series of exchange visits with selective civil services training institutes in Asia along with specialist inputs to contextualize and tailor content to the Lao reform context. This curriculum will then be delivered through a range of preferred training providers within the context of the National Training Delivery Network. An additional emphasis will be to build internal delivery training capacity, with the aim of developing a pool of accredited trainers within Ministries and Provinces. The project will also seek to develop a new entry level induction programme for the civil service in order to build a common set of knowledge, values and competencies which are appropriate to pursuing a career in the civil service, in addition to a leadership development program and a HR management program which will be linked to a HR practitioners network.. An additional focus will be on supporting the Government's activities towards the development and nationwide implementation of an effective performance management system, which has clear linkages to job descriptions, training and development design and activities, and the process of performance appraisal. This will be particularly important in 2009 when the Lao PDR plays host to the ASEAN Committee for Civil Service Matters (ACCSM) in order to showcase progress in this area. This activity will also directly support initiatives which work towards engendering civil service management reform through work with LaoNCAW and LWU. Finally, adopting a long-term vision, this activity will also support the development of a strategy for the establishment of a National Training Facility. The emphasis in all HRD activities will be on the promotion of: quality, accountability and cost-effectiveness; uniform outcomes through multiple providers; and positive learning outcomes which add value to individual and organizational capacity.

### *English Language Training*



This activity has been designed to include the absorption of the (former) English for Legal Purposes (ELP) programme and to mainstream this important activity within the National Civil Service Training and Development Framework as a HRD activity. At present there is substantial unmet demand for English language training in government and the need for ELT is raised repeatedly by government. The lack of proficiency in English significantly reduces the capacity of government personnel to access wider policy debates, engage effectively with ASEAN member nations and to dialogue with development partners. Moreover, projects continue to report that the lack of English language skills has a direct impact on the capacity of government staff to access information, maximise use of ICT, benefit from overseas training and scholarships and participate in international and regional events.

This activity will therefore support the ongoing development of English Language competency in the Lao civil service through the delivery of English Language Training (ELT) to government officials across the Governance Sector, while also supporting the development of a National Approach to ELT and a National ELT Syllabus and accompanying materials, which will adopt a competency-based approach for life-long learning. As this activity may see future opportunities for attracting separate donor funding from a range of agencies, this activity has been separated from other training delivery and development initiatives to support future potential expansion.

***Sub-output 3.1: Improved human resource management policy and performance-based practices enable more effective and inclusive service delivery.***

***Activity 3.1.1: National Civil Service Management (CSM) Strategy - approved and disseminated***

This activity will support the finalisation and dissemination of a Civil Service Management (CSM) Strategy for the Lao PDR. Although the first version of such a CSM Strategy was presented and accepted at the Annual PACSA Conference in October 2004, there remains the requirement for further detailing, in advance of stakeholder consultations, and finalisation for dissemination. The completion of such a strategy is an important part of the Lao broader strategic context, as it will draw on local and international best practice, and will provide agencies with an enabling tool for the integration of the different elements of Human Resource Management and Development (HRM/HRD). The CSM Framework will focus on the current operating environment for public sector agencies, the impact on employees, and will detail how human resource strategies and activities can support the achievement of the broader government and business outcomes. This strategic approach to HR, which will separate civil service management activity into 6 main components, will provide senior officials, managers and HR professionals with a broad overview of forthcoming HR-related public administration reforms, and an agreed structure for planning, training and discussion regarding CSM improvements, facilitating a bridge between the legislative/policy documents and the practical implementation of CSM reform.

***Activity 3.1.2: HRM Policy Development - support to development and implementation of regulations and operational procedures***

This activity will support the creation of HRM regulations and operational procedures for key policies, in addition to implementation and evaluation strategies, which will initially focus on the management of contract staff, the introduction of the necessary procedures and processes to manage the movement of people into, within and out of the Lao civil service, and will incorporate activities in the area of job description creation, recruitment, appointment, promotion and transfer, temporary staffing, redeployment and separation. In particular, the development, communication and dissemination of a series of Standard Operating Procedures in these and other areas will be important to facilitate effective implementation, ensure management awareness and support positive workplace impact.

***Activity 3.1.3: Management Information Systems – design, develop and implement PIMS (including payroll management)***

This activity will support the piloting and roll-out of the PIMS in all central government organizations and provinces in a phased manner. The activity will also enhance PIMS design to capture additional HR information as required including job description, performance appraisal, training and development and develop practical solutions to implementation challenges and problems as encountered. In addition, the activity will entail the development of PIMS into a fully integrated personnel system including payroll management coded in line with the new chart of accounts. This will include comprehensive training and technical support for systems implementation and operation.

*Activity 3.1.4: Analyze Civil Service Remuneration*

This activity will support a review of existing pay and conditions with recommendations for improved remuneration management and the development of a draft Action Plan for further salary reform, with the purpose of identifying methodologies for ensuring that quality staff can be attracted and retained in the civil service. This will include measures to ensure transparent and equitable pay and conditions. The activity will include analytical review of pay, allowances, social security benefits, conditions, and the management of ill and injured workers. An important area of short-term international consulting support will include local and regional compensation benchmarking, payroll modelling and clarity on awarding allowances.

*Activity 3.1.5: Finalise and Implement a Civil Service Code of Conduct*

The finalisation, approval and implementation of a Civil Service Code of Conduct is an important component in the series of reform initiatives to build, enhance and maintain a transparent performance culture which promotes ethical behaviour on the part of civil servants and imposes sanctions when such behaviour is found to be lacking. The current draft Code of Conduct, completed under GPAR II, is a set of guidelines which aims to be aspirational, guiding and regulatory in character and clearly delineates such issues as the Principles of Civil Service Management, the Rights and Obligations of Civil Servants and the Principles of Conduct. When finalised, it will present a coherent statement of ethical conduct to all civil servants, reflecting the Government's vision by drawing together the ethical statements which are contained in numerous different areas of legislation. Taking as its legislative basis regulations such as Decree 82 (Decree on Civil Service), the Constitution of Lao PDR, the Law on Government of the Lao PDR, and the Law on Anti-Corruption, it is anticipated that the Code will promote public trust and confidence in the ethical performance of civil servants, and clearly communicate appropriate standards of behaviour which reflect community expectations. Critical areas of support will include the assistance of a short-term international consultant to develop and implement legal strategies for dealing with breaches of the Code of Conduct, the creation of a Grievance or Ombudsman's office, and a Civil Service Disciplinary process as well as a communications strategy.

***Sub-output 3.2: Human resource development capacity enhanced for the sustainable development and delivery of a uniform, work based training at all levels in government***

*Activity 3.2.1: HRD Framework Development: Design, develop and implement national training policy, protocols and systems, including the establishment of a National Training & Development body*

Increasing the capacity in the Lao Civil Service, and more specifically, the design and delivery of effective training to civil servants, is recognized by the Lao Government as being of fundamental importance to meaningful, effective public administration reform and better service delivery. As such, this activity aims to establish a clear vision to guide the introduction and implementation of new policies, procedures and mechanisms aimed at transforming civil service training and development into a dynamic, competency-based and pro-active instrument, capable of playing an integral and strategic part in the processes of building a strong civil service for the Lao PDR. This activity will entail further development and refinement of a national Learning Strategy and training protocols and the finalization of a training policy and set of procedures, which will provide legislative and implementation clarity, highlighting the objectives of the Framework, and the operational implications and requirements. In addition, this activity will support the launch of both a National Leading Training and Development Committee and accompanying Technical Working Groups (TWGs), and the development and dissemination of a national HRD vision in the critical areas of; Legal and Operational; Coordination and Leadership; Delivery Mechanism Component; and the management of Knowledge and Materials.

*Activity 3.2.2: Design, develop and implement a Competency-Based Approach to Human Resource Management and Development*

This activity will support the development of a National Strategy for Competency Development which will clarify the concept of a Civil Service-wide Competency Framework, develop a set of individual competencies required to meet present and future Civil Service requirements, and an action plan to facilitate the introduction of a competency approach into the HRM and HRD cycles which is sustainable. In addition, this activity will support the setting of standards in such areas as the minimum required levels of civil servant skills and knowledge, the identification of expected levels of performance and operating

efficiency (in line with the Civil Service Code of Conduct), and the documentation of civil servant competencies.

*Activity 3.2.3: Design, develop and implement a National Civil Service Curriculum, which includes HRM, Generic and Leadership programs*

This activity will support the creation of a national Civil Service Curriculum and for the implementation, evaluation and refinement of a series of HRM, Generic Administrative and Management Development training programs. The Curriculum Matrix will support the identified Civil Service Competencies, resulting in training programs which offer the opportunity for competency development in targeted areas. These targeted areas will be those most needed to support a civil servant in completing his or her duties to a high level of quality, and programs/modules will be designed, developed and piloted with local/regional capacity to deliver internal work based training. Generic modules may include: Induction programme; Office Management; and Planning. HRM modules may include: an introduction to basic HRM and HRD; recruitment and selection; analyzing work and designing jobs; and organisational change. Leadership modules may include: junior and senior managers training programs. Training will aim to impart technical skills and competencies as well as promote the concept of post training performance improvement projects (PIPs), following the successful pilot workplace-change based approach used in delivering Office Management Training during GPAR II. The identification and implementation of these projects will be facilitated by the local T&D team and PACSA.

Curriculum design and materials development will be based on a series of exchange visits and internships with selected civil service training institutes in the region, in addition to visits to Lao by visiting faculty to gain an understanding of curriculum objectives and context, and then later to present materials and undertake an initial training of trainers. Internships may be comprised of Lao Government team visits to the host institute (comprising PACSA and other related technical staff, TWG focal points and intended training providers) to attend courses, review available materials and select and modify. On completion, the Curriculum may contain training programs which are in existence in Lao PDR, in either government or private training institutions, currently under development, or are commonly utilized by Civil Services worldwide. Prior to curriculum finalization, each program will require evaluation, standardization and alignment with established competencies before inclusion in a National Civil Service Training Calendar.

*Activity 3.2.4: Support the delivery of the National Civil Service Curriculum at Central and Local levels through the development of Enhanced Training Delivery Capability*

In order to ensure the sustainable delivery of high quality training in the national training calendar, this activity will support the creation of National Guidelines for Training Delivery and the establishment of a formal National Training Delivery Network which is operational, capable of meeting identified central and local level capacity building needs, and is self-reviewing. The network should be self-sustaining through the identification of a methodology for delivering subsequent short refresher training and training follow up. It is envisaged that providers may be internal to the Government or licensed external providers from private industry, however all training providers will require registration with the National Training Delivery Network under the administration of the National Civil Service Training and Development Committee. Having attended a Training of Trainers program, members of the network shall utilize participatory learning techniques, and their performance will be monitored and evaluated regularly, in order to ensure that the learning process is a positive one which meets Government standards.

*Activity 3.2.5: Design, develop and implement a Civil Service Performance Management System*

Utilizing the approach recommended by the TWG on Competency Development, and in line with the National Learning Strategy, this activity will support the Government's activities towards the development and nationwide implementation of an effective performance management system, by clearly identifying the linkages between the requirement for job descriptions, training and development design and activities, and the process of performance appraisal. A series of practical operational guidelines will be initially piloted and following feedback and the creation of an implementation strategy, a nationwide rollout of a national performance management system will be implemented.

*Activity 3.2.6: Support English Language Learning through the delivery of training and the development of a strategic vision and a national syllabus*

This activity will support the development of English Language competency in the Lao civil service through the delivery of English Language Training (ELT) to government officials across the Governance Sector, while also supporting the development of a national approach to ELT which will include the development

of an English Language Learning Strategy and the enhancement of English Language teacher training, the identification of prioritized training approaches and the development of an action plan to implement the strategy. This action plan will also identify the appropriate methodology for institutionalizing English language training as a core component of the National Civil Service Training and Development Framework. In addition, this activity will support the development of a specialized English Language curriculum for Lao Civil Servants, which will adopt a competency-based approach for life-long learning, and disseminate the revised syllabus and teacher materials. Accompanying materials will include an updated English/Lao Governance Terms glossary, and an English/Lao document detailing Government Structure.

*Activity 3.2.7: Develop a strategy for the creation of a National Civil Service Training and Information Centre*

This activity will support the long-term vision for the creation of a National Civil Service Training and Information Centre through the development of a strategy and costed proposal for Government consideration, which will include all resource requirement and infrastructural needs.

*Activity 3.2.8: Build HRM and HRD operational capacity through the establishment of a HR Practitioners Network*

This activity recognizes the critical role which HRM practitioners will play in implementing HRM, HRD and OD related reforms at both central and local level, and also recognizes the current lack of technical capacity within the civil service in these areas. Following the identification of suitable delivery strategies, a HR Practitioners program will be designed, launched, delivered on a pilot basis and refined and then rolled out nationwide. It is envisaged that the network will perform the dual functions of the provision of a formal route for HR-related information dissemination, competency development and central/local communications, in addition to the provision of an informal network for mentoring, coaching and life-long learning. In order to institutionalize the network, a National Statement of approach for Human Resource Practitioners will be developed, which will include a TOR for the HR Practitioners Network and Annual Action Plan for the delivery of National HR Seminars and Learning Events, information dissemination, internships and exchange experience workshops. This network will also offer the benefit of an engendered approach for the support of female HR practitioners.

*Activity 3.2.9: Support Regional representation on Civil Service Matters*

This activity will support the Government of Lao PDR as they participate in the ASEAN Committee for Civil Service Matters (ACCSM). In particular, an emphasis will be placed on supporting the preparations for 2009 when Lao PDR will host the Annual Regional Event, showcasing progress in public administration reform, and sharing lessons with regional partners which have been learned in the area of managing performance.

*Activity 3.2.10: Engender Civil Service Matters through effective collaboration and the design, development and implementation of a Gender and Governance policy and strategy*

As has been previously highlighted in the section entitled "Features" (above), the GPAR SBSD project will adopt a mainstreamed approach to the issue of gender in project activities. However, in addition, this activity will specifically support key government drivers of gender-related activities. The GPAR SBSD project will support LaoNCAW in the development of a "Gender and Governance" strategy paper, policy, and action plan, which will focus on the strengthening of LaoNCAW's capacity to participate in the formulation of engendered governance policy and planning; the preparation of appropriate guidelines for organisations at central and local level to facilitate the integration of gender equality issues into all areas of work; and to support the creation of a more engendered civil service workplace, which in turn will reflect a gender positive approach to service delivery. The GPAR SBSD project will also collaborate with the LWU and the new UNDP-supported project entitled "Gender Empowerment for Poverty Reduction (GEPR)" project to facilitate the inclusion of a gender training program into the National Civil Service Training Curriculum which will include a comprehensive, multi-sectoral gender mainstreaming toolkit.

## **Output 4: Decentralized finance, planning & public expenditure management increase access to infrastructure & services for the poor and vulnerable**

The scaling up of the District Development Fund (DDF) initiative from a pilot province with 8 districts (GPAR Saravane) to 5 provinces and 34 districts (with further provision for a 6th province to cover a total of 40 districts) will provide a significant opportunity for the programme to generate recommendations and lessons of policy relevance. The strategic nature of the scaled-up DDF within the current context of PEMSP's planned work on fiscal policy reform in general and specifically its work on local government financial management, provides the SBSB/DDF component with a unique opportunity to inform policy on fiscal decentralization based on a body of empirical evidence generated from within the programme itself and assessed independently. Moreover, the scale of operations in 5-6 provinces coupled to more sustainable institutional support arrangements for guiding and managing implementation, will greatly increase the opportunity for future expansion and/ or adoption by the government.

### **Block Grant Framework**

The block grant framework will be broadly similar to that already piloted and tested in Saravane. Development funds will be released by Government to districts as block grants assuming minimum access criteria are fulfilled. These include compliance with a simple participatory planning process at village, kum ban and district levels, opening of bank account and furnishing requisite financial statements, completion reports and bank reconciliations. At the sub-provincial level, BBG funds will be allocated on the basis of a poverty/population weighted formula and in a phased manner covering one third of all districts in the first annual cycle and increasing by a third of all districts in two subsequent cycles with full coverage of all districts by Year 3.

The expanded DDF is designed to incorporate two additional funding innovations to enhance the impact of devolved block grants on local service delivery. These innovations are designed to provide the block grant mechanism with greater budgetary flexibility to fund operations and maintenance, equipment and social protection requirements that may arise during the annual implementation planning exercise. It is anticipated that the expanded DDF will comprise approximately US \$ 3.6 million. The bulk of these funds will be in the form of a basic block grant plus two small innovation funds as follows:

- A. Basic Block Grant (BBG)
- B. Operational Expenditure Block Grant (OEBG)
- C. Social Protection Block Grant (SPBG)

The other two facilities will be two experimental funds to pilot initiatives to strengthen service delivery operations and maintenance and social protection for the most marginal and/ or vulnerable poor. Whilst the procedures and systems for the basic block grant are well established for local capital investment, the two new funds will pilot support for operational expenditures to improve service delivery. The specific criteria for the pilot funds will be developed during the inception phase of SBSB but the intention is that the funds will provide a more flexible approach to strengthening service delivery through investments in capital, operations and maintenance. The OEBG may, for example, provide funding for extending service delivery operations at kum ban and village level through provision of moveable assets, extension activities, small equipment etc. The third pilot fund will include a small fund to pilot social safety net programmes within the DDF framework. This could include two types of funding: a) for wage employment on construction and/ or maintenance of public assets (funded by DDF or other programmes) based on minimum wage levels to ensure it works as a self targeted mechanism; b) conditional or unconditional cash or asset transfers and/or special entitlements to services for the non working poor and vulnerable (see DDF Technical Note at Annex 24). These innovations are thus designed to enhance the responsiveness of the DDF planning and budgeting process to meet the priority service delivery requirements and needs of the poor. The SBSB sector focus on MDG related services of health, education and agricultural extension arising from NSEDP, means that the operational aspects of service delivery will often be more critical than the capital requirements and that the DDF will thus seek innovative ways of addressing this.

### **Province Selection**

In terms of geographical coverage, the DDF facility will initially provide support to four provinces (with Saravane continuing to be covered by the existing GPAR pilot) comprising Sekong, Borikhamxay, Xieng

Khouang and Houaphan. All districts in each province will be covered by BBG allocations by in a phased manner. In addition, a strategic DDF/BBG reserve fund will enable the programme to support another province, starting in Year 2/3. These provinces have been selected on the basis of a combination of factors including: poverty, complementarity with existing GPAR and other projects, proximity to local capacity building resources and representative character. The proposed provincial location for the expanded DDF facility means that this component of SBSB will now be operating in 4 of the 6 provinces with the highest percentage of poor household with the possibility of further expansion to 5 out of 6 provinces. At the same time, in absolute terms, the expanded DDF will cover more than half of all districts in the country that have a total poor population of more than 3,000.

### **Institutional Support**

Institutional support for Output 4 will work at two levels and in three ways. At provincial level there will be two forms of oversight and support.

- At provincial level: support will be provided through existing GPAR provincial project teams functioning in two of the 4 new provinces. These teams will provide in-province support and extension support to those provinces without dedicated GPAR teams (ie Borikhamxay and Houaphan). At the same time, Output 4 will establish a *DDF Focal Group* in each province comprising a senior representative of the Office of the Governor (Local Public Administration section), Dept for Planning and Investment, Dept of Finance. Nominating and operationalising this DDF Focal Group will be a condition of the DDF MoU at provincial level. Focal Group members may also be members of the SBSB Provincial Management Development Teams (MDT) where these are established. The DDF Focal Group will be particularly important in Borikhamxay and Houaphan given the lack of a direct external support.
- At central level: support will be provided through the DDF core team comprising DDF Adviser, Planning Specialist and Finance Specialist supported by short term TA inputs. The DDF core team will also work closely with the Lead Adviser/ Local Government Specialist and other SBSB short term TA inputs on local government as well as drawing on the wider SBSB support team in OD/ HR and ICT. The DDF core team will be assisted by PACSA Dept of Local Administration and PACSA SBSB Coordinators who will function as counterparts to the DDF core team. Together, the central support team will provide oversight, direction, guidance and on-the-job support to the DDF Focal Group and SBSB project teams as well as provincial and district staff.

### **Policy Influence and Leverage**

The main objective of this component of DDF will be to contribute to and align with Output 1 of SBSB to provide lessons which inform the development of the policy, legal and regulatory framework for decentralization, and for the financing and local management of basic service delivery. The development of policy lessons derived from the experience of an expanded and more sustainably managed DDF will make a direct contribution to the policy reform agenda under PEMSP which aims to improve policy consistency, effectiveness and responsiveness of fiscal allocations to sub national government for improved service delivery at district and local levels. This will require specific and applied policy analysis tracking and review activities to assess gains in efficiency, effectiveness, accountability and transparency arising from DDF supported formula based block grants. At the same time this component of the DDF initiative will help to strengthen the accountability, effectiveness and efficiency of DDF activities themselves.

The policy influencing strategy of the DDF component will be based on the compilation of internal monitoring and review reports as well as independently generated, systematic and empirical evaluations and impact assessments. This evidence base will then feed into the wider policy arena in two ways:

- Firstly, it will relate to fiscal policy reforms through direct interface and linkages with the Public Expenditure Management Strengthening Programme (PEMSP). PEMSP is designed to coordinate support in public financial management to enable government to ensure that expenditure planning and budgeting systems effectively allocate public resources according to the Government's development and poverty reduction policy objectives. PEMSP provides a framework for influencing and implementing fiscal policy reform and will gradually expand the scope its work to include revenue management. PEMSP will prioritize and sequence initiatives taking requirements and institutional capacity into account. The PEMSP is structured around the following 5 modules:
  1. Fiscal Planning and Budget Preparation

2. Budget Execution, Accounting and Financial Reporting
3. Local Government Financial Management
4. Financial Legislation and Regulatory Framework
5. Overall Capacity Building Strategy and Actions

The Fiscal Policy Department of MoF is responsible for the implementation of these modules, supported by international technical advice. The DDF initiative is recognized by the World Bank and MoF (Fiscal Policy Division) as having a distinct comparative advantage in assisting the process of sub national fiscal reform. Given its practical experience in the successful piloting of devolved fiscal modalities and knowledge base derived from working at district and sub district level, the DDF provides an important instrument for policy analysis and reform. Here, DDF support for policy reviews, evaluations, and impact assessments of the expanded and more versatile formula based block grant system in 5 provinces and over 34 districts will provide PEMSP Module 5 with an extremely useful range of material and inputs into the fiscal policy reform process in MoF. By deepening its engagement with PEMSP there is also scope for GPAR to broaden its governance reform activities and to link the GPAR agenda more directly with MoF.

- Secondly, DDF supported policy tracking, reviews and impact studies will also feed into the wider Governance policy reform process as specific inputs into SBSD Output 1 support to the PMO Secretariat and political oversight committee on Organisational Improvement in Government Here, DDF will be in a position to report on the functional and organizational implications of direct block grant funding for development departments at district and sub district level. Here, DDF policy impact studies will identify changed and/ or improved roles, responsibilities and functions of departments engaged in the planning, budgeting, implementation and monitoring of district development funds. These studies will provide clear recommendations on departmental structures, functions and systems for improved service delivery at local level. These studies will also capture and report on the impact of any organizational and human resource changes arising from innovations funded under the GPAR incentive fund.
- Thirdly, DDF lessons and evaluations will also feed into the on-going monitoring and evaluation of the National Socio-Economic Development Plan (NSED). This will work in two ways: a) DDF policy lessons and dialogues with CPI and National Economics Research Institute (NERI) which has the responsibility for undertaking the impact evaluation of NSED; b) with the National Statistics Centre (NSC) which will be undertaking the implementation evaluation of NSED.

### **DDF operational modalities**

In general, the SBSD/DDF facility will be modeled on the systems and procedures that have been pioneered in Saravane, which will – where necessary – be upgraded and fine-tuned. The main DDF/BBG facility will operate in the following ways:

1. Local public expenditure and financial management

Basic procedures for inclusive and pro-poor planning and budgeting of local public service delivery will be established and applied. This will largely mean establishing mechanisms by which District level planning and budgeting processes become more participatory and thus more likely to result in pro-poor budgetary outcomes. However, activities will also include fostering greater transparency and two-way communications between citizens and local government, seen as a way of increasing downward accountability, as well as exploring meaningful ways of mainstreaming gender issues into all aspects of service delivery.

In addition, more transparent and effective procedures for sustainable production/delivery of public services will need to be established and applied – this will focus in on making the production/delivery of public infrastructure and services more efficient and more sustainable. This will be done by fostering sound procurement procedures, introducing adequate oversight mechanisms for infrastructure and service delivery, and setting up robust operations and maintenance processes at local levels. All of this will lead to higher quality and more cost effective infrastructure and service delivery.

## 2. Funding mechanisms

Under this output, the project will expand the use of DDF Basic Block Grants, aimed at financing local infrastructure and service delivery. The DDF will act as an incentive for sound planning and budgeting, as well as for general improvements in local administration and service management. The DDF/BBG facility will provide districts with access to predictable annual transfers and a hard budget constraint within which districts will need to meaningfully prioritise investments (through a participatory planning process). DDF/BBG allocations will be formula-driven, based on population and poverty criteria.

As described earlier, the SBS/DDF component will also include provision for the piloting of conditional block grants – for non-salary operational expenditures in certain, selected sectors, and for social protection purposes in a number of selected districts. In both cases, SBS/DDF will develop appropriate systems and procedures for the use and management of such block grants, based in the same principles as apply to BBGs.

For all of this, SBS/DDF will ensure that local level capacity building takes place

### *Sub-Output 4.1. DDF lessons and experiences inform policy dialogue on decentralization*

#### *Activity 4.1.1: Local Public Expenditure & Financial Management Studies and Reviews*

This activity will entail undertaking PEM/ PFM analysis and reviews to inform policy making at national level. These reviews will examine local public financial management and local public expenditure management (building on GPAR-SP Baseline Study 2004, and Public Financial Management Report, 2006). These reviews will document normative procedures, identify areas where practice differs, identify problems and recommendations. The reviews will comprise:

- Public financial management review of: revenue assessment, collection and management systems and procedures; asset management and valuation; expenditure planning and budgeting; development and recurrent expenditure shares; procurement; treasury management; accounting, financial control and audit.
- Public expenditure management review of: province and district expenditure and revenue trends, patterns and composition; payroll management, extra-budgetary revenue and expenditures (user charges, community contributions etc); budgeting data.
- Local expenditure and revenue assignment study of: present structure of local public administration; capacities to perform legislated functions and implement NSEDP priorities; current functional assignments and capacities to perform mandated tasks; distribution of transfers to districts and adequacy of transfers; identification of revenue sources and potential; draft recommendations on optimal expenditure and revenue assignments.

These studies will liaise closely with the PEMSP task forces on budget planning and budget execution and will invite representation from the respective task forces either in terms of the scope and terms of reference for the substantive exercise or in terms of assimilating and considering the implications.

#### *Activity 4.1.2: Assessment of DDF Effectiveness and Impacts*

This activity will entail systematic analysis of the effectiveness and impacts of the DDF component across different target provinces with further in-depth analysis in a sample of districts and provinces. The assessment will focus on both effectiveness and impact of the basic block grant, planning and budgeting procedures, procurement process, pilot block grants for operations and social protection. The assessment will analyse the relative efficiency, effectiveness and quality of DDF block grants and procedures including pilot operational and social grants. The study will combine technical assessments and estimates of the cost, quality and durability of DDF works and services as well as the benefits, value additions and impacts in terms of improved livelihoods, social capital and/ or quality of life for the poor.

#### *Activity 4.1.3: Lesson Learning and Policy Dialogue*

This activity will entail a systematic compilation of promising and best practice emerging from DDF operations in 34 districts. This will include identifying, processing, reviewing and assimilating selective information from each district and compiling an inventory of emerging practice and lessons. The activity will also be responsible for collating and presenting findings of the respective public financial management



reviews. This activity will include support for policy workshops and policy retreat. The activity will entail documenting, publishing and disseminating summary findings, lessons and recommendations.

### ***Sub-Output 4.2. – Devolved financing mechanisms increase quantity and availability of infrastructure & services for the poor***

#### ***Activity 4.2.1: Establish DDF guidelines and procedures***

This activity will entail – for each of the DDF sub-facilities – developing basic procedures for the allocation and administration of block grants. With respect to the BBG sub-facility, this will largely consist of refining and fine-tuning the set of procedures that have already been trialled in Saravane province and rolling them out to new provinces. Procedures (for allocations, conditions of access, investment menus, proscriptions, community contributions and the like) and institutional arrangements at each level will be based on the principles outlined in Annex 24 of this document. The same will apply to the other two DDF sub-facilities – and, again, will be done in accordance with the principles outlined in the Technical Note at Annex 24).

#### ***Activity 4.2.2: Introduce DDF modalities and processes***

SBSD/DDF will ensure that all its systems and procedures are enshrined in suitably formal and binding documents. These official guidelines will form the basis for the training of local level stakeholders.

#### ***Activity 4.2.3: Disburse DDF block grants***

DDF block grants will be disbursed to districts on a timely basis, using procedures adapted from those that currently apply in Saravane. The programme will, as far as possible, ensure that transfers follow GoL procedures.

### ***Sub-Output 4.3. – Improved sub national planning, public expenditure and financial management systems enhances efficiency, quality and inclusiveness of infrastructure & services for the poor***

#### ***Activity 4.3.1: Establish procedures for local public expenditure and financial management***

This activity will entail the preparation of appropriate guidelines for district-level planning, budgeting, budget execution and other PFM activities (including procurement), and for the associated institutional arrangements at each level. Annex 24 of this document provides a broad framework for this, largely based on the Saravane pilot project. To the extent possible, these guidelines will ensure high levels of participation (by both women and men), transparency and technical robustness.

#### ***Activity 4.3.2: Introduce DDF public expenditure and public financial management guidelines***

Through this activity, SBSD/DDF will ensure that all stakeholders are properly trained and familiarised with PEM/PFM procedures. Training will be followed up by regular mentoring and backstopping on the part of programme staff.

## **Output 5: Funding support for public service improvements – GPAR Fund**

The proposed strategy and design recognises the significant challenges associated with any reform process that aims to promote institutional, organisation and individual change. It is for this reason that the proposed approach includes a GPAR Fund component to encourage and influence the nature and direction of change at central and provincial level. Such a fund will help to mitigate a number of risks associated with change management processes.

The GPAR Fund will operate on the supply side of change, specifically at the performance improvement project (PIP) level, based around SBSD support. Here, the GPAR Fund will support specific organizational and HR changes, innovations that can demonstrate a clear link to improving service delivery. This will provide a complementary funding channel to the DDF component which will primarily focus on capital grants for improving service delivery. The GPAR Fund will provide a flexible mechanism to support organizational and systems improvements within service delivery agencies. Such activities will be self-

identified by Central and Local agencies, documented in a proposal constructed according to stringent, pre-communicated guidelines, implemented according to strict operational procedures, monitored according to agreed performance indicators, and with a reporting requirement to the Project Board.

In order to qualify for access to the GPAR Fund, government agencies at Central and Local levels, will be required to demonstrate willingness to establish *Governance Reform Teams (GRTs)* to facilitate the implementation of the identified requisite changes that will achieve the results expected by the inter-ministerial monitoring committee. The design proposes that the project enter into an MoU with each beneficiary organisation (Ministry and Province) to support a GRT to identify, plan for and implement the required changes. This contract will be negotiated and agreed with targeted Ministries and Provinces to reflect their specific priorities and needs in relation to the intended outcomes, and will be supported by the GPAR Fund Advisors and Coordinators. Access to the GPAR fund will be dependent on reporting tangible and visible progress towards key change objectives. SBSB will develop clear eligibility criteria for access to the fund and appraisal criteria for screening all proposals.

The main criteria for GPAR fund operation will include:

- Demonstrated alignment with SBSB priorities as outlined in the Strategic Plan on Governance. The main area of support will be on Public Service Improvement
- Level of support already provided by existing donors or special government programmes to the sector, ministry, province or district
- Proposed impact on service delivery (internal and external) with priority being given to those initiatives that can demonstrate: a) a clear link between funding and tangible service improvements for citizens at sub district (kum ban) or district level; b) proposals in the 4 priority sectors c) proposals that focus on provinces/ districts with a higher percentage of poverty/ service deficiency
- Demonstrated commitment by ministry and or province as demonstrated by level of own resources to be committed to proposal (staff, finance, equipment etc)
- Potential for quick impact, ease and timeliness of implementation
- Potential for policy review and cost effective replication

### *Sub-output 5.1: Financing mechanisms to support priority Governance 'Road-map' reform initiatives*

#### *Activity 5.1.1: Operationalise the GPAR Fund facility to support implementation of governance reform roadmap*

As has been previously highlighted, the GPAR Fund component will encourage and influence the nature and direction of change at central and provincial level. In addition to the DDF component GPAR Fund, will support a broader range of governance reform activities which will lead to increased service delivery. Such activities will be self-identified by Central and Local agencies, documented in a proposal constructed according to stringent, pre-communicated guidelines, implemented according to strict operational procedures, monitored according to agreed performance indicators, and with a reporting requirement to the Project Board. Access to the GPAR fund will be dependent on reporting tangible and visible progress towards key change objectives. Eligibility criteria for access to the fund and appraisal criteria for screening all proposals will be further elaborated during the initial months of the project.

#### *Activity 5.1.2: Implement GPAR Fund to facilitate and support the implementation of the organisational improvement initiatives in target ministries and provinces*

Following the approval of Activity 1.2, whereby the GPAR Fund operational guidelines have been developed and approved by the Project Board, a communication strategy will be devised for use with pilot sites at central and local levels. With support from the GPAR Fund team, proposals will be created, submitted, evaluated and approved by the Project Board, and following fund transfer will be implemented, monitored and evaluated in accordance with the GPAR Fund regulations. An annual evaluation of the GPAR Fund impact will provide lessons learned.

In addition, capacity building activities will take place in selected ministries and provinces which have identified organisational improvement as a requirement. Such capacity building activities will include local

attendance at training courses and on-the-job experience of conducting organisational analysis, thereby creating a locally-based pool of resources for further improvement initiatives.

*Activity 5.1.3: Identify and disseminate examples of 'good practice' and share experiences*

Following the identification of a methodology for identifying and disseminating good practice, an action plan will be created which will include supporting a good practice workshop on "HRM, HRD, and Organizational Improvement". Stakeholders including GRTs and other interested parties from central and provincial agencies will be invited to share experiences. The main objectives of this workshop will be to: identify successful HRM, HRD and organizational improvement practices and to help refine support methodologies and techniques as well as to share lessons on implementation and application. The workshop will provide important internal monitoring information to SBSD on overall progress and performance. The workshop may be linked to the annual performance award process so as to institutionalise this practice in government. In addition a Gender and Governance Network will be established, whereby a semi-annual Gender and Governance network event is initiated to share experiences, raise awareness of Gender and Governance issues, and provide an important platform for experience sharing in this area.

## Partnerships

An important outcome for the GPAR SBSD project will be the institutionalization (and sustainability) of key initiatives. In this regard the design of the project is focusing on linking (partnering) project initiatives with existing and emerging systems. For example:

### **With GPAR Provincial projects**

The GPAR SBSD project will continue to work with the provincial GPAR projects at a number of levels:

- Shared resources across the governance reform program (e.g. collaboration on the Citizen Feedback survey, provision of technical support to assist with organisation development, municipal development, kum ban development, one door service). This sharing of resources will be managed through the conduct of quarterly work planning meetings where intersection of activities and resources can facilitate the negotiation of the provision and timing of resources.
- Sharing of lessons from pilot activities at the provincial level to ensure that policy-related and good practice experiences can be elevated and considered at the national level. The PACSA Coordination teams with support from the GPAR SBSD Project Team will ensure that these experiences are captured and communicated through the appropriate Government mechanisms.
- Support to implementation of national policies and programs which have been approved for national implementation (e.g. PIMS, Code of Conduct, HRM regulations)

**With Government oversight mechanisms** – In 2006 the Government established the CSOI with high-level, cross-agency representation responsible for monitoring and supporting organisational improvement (structural and systems). The CSOI meets monthly. A cross-agency secretariat has also been established under the chair of PACSA and Organisational Improvement Committees are being established within each Ministry (under the leadership of the Minister) and Province<sup>19</sup> (under the leadership of the Governor). GPAR SBSD will work directly with PACSA, the CSOI secretariat and the agency committees to design, implement and maintain suitable monitoring and reporting mechanisms. The Government will also establish a Governance Leading Committee under the leadership of the Deputy Prime Minister to provide broad guidance on oversight of the governance reform program as outlined in the Strategic Plan on Governance (2006 – 2010) and review of policy-related issues.

**Government Policy capacity development mechanisms** – the Government has identified several key policy areas that require further analysis and development. The project will provide capacity development support to the policy analysts who will be involved in these key areas. In doing so, the project will work closely with the Secretariat of the Government (PMO); and other key policy development agencies including the National Economic Research Institute - NERI, NOSPA and the newly formed National Social Science Institute (NSSI). SBSD will interface closely with the Department of Fiscal Policy (MoF) and the

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<sup>19</sup> As at February 2007 Committees are being established in Ministries with Provincial still to be established

Public Expenditure Management Support Programme (PEMSP) to assist the development of policy on fiscal decentralization and the formulation of a system for inter-governmental fiscal transfers drawing on lessons and impacts derived from DDF. The GPAR SBSB programme will also consult closely with CPI on decentralized planning procedures and 'Support for Implementation of the 6<sup>th</sup> 5Year Plan' (NSED Implementation) project which aims to facilitate the establishment of a Research Network as one of its key outcomes. GPAR SBSB will work with this Network to provide capacity building on priority policy areas.

**Institutionalised Citizen feedback** – in collaboration with the provincial GPAR projects PACSA (with support from the GPAR SBSB) will facilitate the pilot Citizen Feedback Card focusing on community feedback relating to the delivery of key services in Luang Prabang, Xieng Khouang and Saravane provinces. Once piloted, this initiative may then be replicated in other DDF target provinces. The GPAR SBSB will continue to work with CPI, the National Statistics Centre and the NSED Implementation project to incorporate future Citizen Surveys into the M&E system for the NSED implementation.

**With Service Delivery** sectors – The GPAR SBSB project will continue to work with PACSA, as it engages with priority ministries to identify areas of public administration reform to enable better service delivery. For example, the GPAR SBSB project will support PACSA, and Ministry of Health to review the recent study<sup>20</sup> which identified the following priority areas for reform to enable MOH to improve service delivery. These priority areas:

- **Salaries and incentives:**
  - Incentive package for high and middle level staff to priority districts;
  - Modify the salary scales for the improvement of self-worth and self-confidence of staff to ensure a living wage;
  - Introduce a transparent and common funding system for performance-based incentives of health workers.
- **Category ratios and job descriptions**
  - Define coverage criteria for Health Centre and other health facilities;
  - Define benchmarks and criteria for the most cost-effective allocation of Health Workers among health facilities;
  - Review job descriptions of the staff at health facilities to aim at standardization
- **Recruitment and training**
  - Enforce or review the preference selection system for pupils from priority areas;
  - Develop a contracting system for the recruitment, training and allocation of pupils;
  - Upgrade the low-level staff to middle staff through a national integrated and harmonized approach.

Other Ministries will be consulted to identify where PACSA support can facilitate their reform agenda. For example ADB<sup>21</sup> is currently supporting a sector wide development program for the education sector. A further mission in 2007 will undertake an analysis of several aspects of the education sector including a review of the institutional capacity required in MOE, line agencies, teacher training institutions to manage the projected expansion of different levels of the school sector. Potential areas for support include staffing quotas and organisational development, recruitment and training however the ADB study will further detail this and the project will consult regularly with this work as it develops.

**With other UNDP projects-** the GPAR SBSB project work will collaborate with other UNDP projects on key reforms including:

**National Assembly project** – the NA project is currently developing a Code of Conduct for NA members and will link with the guidelines developed for the Civil Service Code of Conduct to ensure consistency of approach and legal basis.

**Implementation of NSED project** – the GPAR SBSB project will link with this project at two levels: (i) sharing of citizen feedback (through the Citizen Report card) as part of the Government's monitoring and evaluation of the implementation of the 6<sup>th</sup> 5-year Plan; and (ii) links with CPI, NERI and national Statistics Centre to strengthen research and policy development capabilities.

<sup>20</sup> 'Human resources for health - analysis of the situation in Lao PDR' – December 2006, WHO and Ministry of Health

<sup>21</sup> 'Sector Wide Approach in Education Sector Development' Fact-Finding mission report – December 2006

Round Table Process project – The GPAR SBSD project will provide continuing support to the governance sector joint working group meetings within the framework of the round table process.

Gender Empowerment for Poverty Reduction (GEPR) – the GPAR SBSD project will directly collaborate with LWU and the GEPR project to increase gender awareness among government officials through dissemination of information regarding gender mainstreaming. Refer Activity 3.2.10 for additional details.

With other development partners - SBSD will seek to optimize linkages with development partner programmes. The linkages with the Swiss Agency for Development and Cooperation (SDC) will enable lessons and policy-related issues, particularly in the agriculture sector in Xieng Khouang province, to be elevated within the Governance sector under the guidance of the Governance Leading Committee. The potential linkages with Luxembourg relate to on-going and planned development projects in health, education, vocational training, agriculture and small scale infrastructure in Xieng Khouang, Khammouane and Borikhamxay provinces. Whilst the first two provinces are existing GPAR pilot provinces, Xieng Khouang and Borikhamxay have also been identified as DDF provinces whilst there is a possibility of extending DDF into Khammouane with World Bank funding. While SBSD will offer the possibility of strengthening organizational and HR development in sectoral activity supported by Luxembourg, DDF will provide a decentralized, participatory planning and budgeting framework which offer the possibility of enhancing sector convergence in areas such as small scale infrastructure, agricultural extension, vocational training and primary health care at district level.

The project will also link with the ILO Social Security project to share data and experiences on payroll management. The ILO SSP has been piloting expanded social security coverage amongst civil servants and through this pilot has updated data which can be accessed as part of the national census to be undertaken under the PIMS implementation.

## **Risk Analysis**

The design of the new GPAR SBSD program has a number of inherent risks associated with it. It is a substantially larger project than the previous GPAR Central project and the increased focus on strategic policy support and the requirement for increased accountability for the implementation of reforms will place an increased demand on PACSA and key counterpart agency resources. There is therefore a need for PACSA to undertake a stronger coordination role across Government.

Capacity – The project design requires an increased integration of the SBSD Program initiatives with PACSA's workplan. This will require additional responsibility and commitment from PACSA placing demands on existing capacity. To mitigate this risk SBSD structure provides for PACSA coordination teams to work closely with SBSA advisers. To facilitate this, a senior PACSA official will be identified as the 'focal point' for each of the key functional responsibilities of PACSA and will lead the PACSA Management Coordination team in each component area (Policy, OD/ HRM, Local Administration).

PACSA will also have new responsibilities in aspects of funds management. Whilst DDF procedures and systems are already well established, the GPAR fund concept will require additional fund management capacities. This risk can be mitigated through the development of simple, clear and transparent criteria for funds eligibility, appraisal and monitoring.

Policy Influence – There is a risk that SBSD programme activities do not influence policy decisions or the wider governance policy reform process. This risk has been mitigated in the SBSD design by the inclusion of a distinct component (Output 1) on strategic oversight and policy analysis. Output 1 activities will include: support for Governance Roundtable; strengthening the PMO Secretariat in policy analysis and formulation; support to CSOI and other policy related agencies. At the same time SBSD includes an expanded Project Board with representatives from key line ministries such as MoF and CPI to establish closer inter-agency working relations in areas such as decentralized finance and planning including inter-governmental fiscal relations. Finally, SBSD will continue to develop operational linkages with policy oriented reform programmes such as PEMSP already initiated under GPAR. Further mitigation to the risk of a lack of policy influence is provided by the close alignment of SBSD outputs and component activities with government's existing priorities.

Fiduciary Risk – SBSBD includes two distinct funding mechanisms. With an expanded DDF facility working in 4 new provinces and a reduced level of dedicated technical support resources at provincial level, there is an increased fiduciary risk. However, this risk is not considered to be high given that the DDF mechanism has already been developed and tested in Saravane with in-built checks and balances. Moreover, the DDF model is designed to be easily replicated and scaled-up without additional risks. To further mitigate this risk the expanded DDF will provide for an experienced international DDF adviser as well as technical back stopping, monitoring, and QA linked to independent and external evaluation and impact assessment. Finally, a recent World Bank Public Expenditure Tracking Survey (PETS) has reported minimum levels of leakage and fiduciary risk associated with public expenditure fund flows at provincial and district level. Risks associated with the GPAR fund management will be mitigated by the formulation of clear and simple access criteria, a robust appraisal process and adequate technical support from (GPAR fund adviser and coordinators).

Commitment (& Ownership) – SBSBD activities at provincial level will require a high level of ownership and understanding on the part of provinces. Previous experiences have shown that where there is not strong understanding and active ownership by the implementing agency the effectiveness of implementation is significantly reduced. Therefore the leadership, accountability and responsibility for implementation of activities rests with the PACSA Coordination Teams with technical and financial support provided by the Project Team. Support given by PACSA staff and GPAR Fund Advisors and Coordinators will play an important role in assisting agencies and provinces engage productively in the SBSBD programme and benefit from access to the GPAR Fund. This will require pragmatic support from the Project Team to ensure that proposals are realistic, capable of implementation, and are sustainable. Additionally, in the creation and operationalisation of the GPAR Fund, there will be opportunities to consider how the GPAR fund can support DDF activities by providing line departments with access to incentive funding to implement organisational and HR improvements that reinforce decentralized planning and delivery of DDF infrastructure and services.

Project Management – The expansion of the proposed project initiatives combined with a stronger focus on strategic policy development, impacts on service delivery, oversight of the governance reform program and encouragement for demand-driven innovation will place additional demands on the project management. It will be necessary to ensure sound project management mechanisms are in place to meet the demands of this expanded program and allow for efficient and effective reporting and decision-making.

The establishment and regular meeting of the PIC will enable the PM to monitor progress of the project against the verifiable indicators. The PACSA Coordination Teams will work closely with the PM and advisors to ensure close monitoring of progress.

Availability of key stakeholders – a key strategy for the sustainability of initiatives to be undertaken is to utilize cross-agency working groups to work with advisors (international and National) development. The availability of key staff to participate in these working groups is limited and the project needs to provide these working groups with access to resources that will support their work. There is increasing perception of 'working group fatigue' among projects which limits active participation and ownership by the Government. The approach to the design and staffing of working groups needs to be creative and to recognise and reward their active participation. In this regard the Project will provide necessary equipment to support the working groups in carrying out their tasks. By not providing access to these resources will not fully utilise the available time of these staff.

Delays in recruitment - Whilst the structure of the SOG has been established (providing at least 25 full-time staff), there is a risk that recruitment action may be delayed. Any delays in completing recruitment action will delay planned activities until possibly Year 2 of the project. Efforts to mitigate against this scenario will include recruitment action commencing in advance of the formal project signing by all parties.

## Undertakings

There are a number of actions and/or undertakings that need to be agreed with government prior to project start up. These include:

- PACSA is able to identify and second the members of the PACSA Management Coordination teams, representing each of the three operational departments, to the programme as needed and in a timely manner to facilitate the development and implementation and evaluation of all project activities;
- The Government will convene regular meetings of the Governance Leading Committee and the Committee for State Organization Improvement (CSOI) to ensure review of the progress of the implementation of the governance reform 'road-map' and to consider ongoing feedback resulting from GPAR activities at central and local levels;
- Staff from the Secretariat of the Government (together with policy analysts representing key line ministries including Finance, CPI, Foreign Affairs and Justice as well as sector ministries in health, education, agriculture and infrastructure) will be available to participate in initiatives to strengthen cross-agency strategic policy development, including annual policy review retreats;
- Each DDF selected province will sign a Memorandum of Understanding with PACSA. The MoU will detail the roles and responsibilities of each party in respect of financing and funds flow, financial accounting, control and audit, district planning procedures and overall DDF management and support.
- Provinces will identify three senior provincial focal persons to support DDF activity in target provinces. These persons should comprise experienced and effective personnel from a) Provincial Local Public Administration Department b) Provincial Department of Planning and Investment c) Provincial Department of Finance. These personnel will help to coordinate and support all DDF activity at provincial level and support DDF roll-out at district level.
- The selection of pilot office sites under the GPAR Fund will be based upon a set of criteria that will include: their commitment to contribute to the administrative support and recurrent costs of the establishment GRT mechanism (fuel, office accommodation, training etc) and subsequent reform initiatives in departments and districts; ability to identify and make available suitably qualified personnel for the GRT;
- Support to Government agencies at the Central and local levels for activities under the GPAR Fund will be provided on the basis of a package of assistance. This package should be seen as coming from within government (PACSA) and thus be administered in line with existing government rates as far as possible rather than as an ad hoc project intervention. This is in line with desired objectives of the Vientiane Declaration and is intended to help move towards a more sustainable approach to training and capacity development that could extend beyond the lifetime of the project;
- PACSA will take responsibility for providing counterparts for supporting the governance reform program as required.

## Initial Project Activities

To initiate the new GPAR SBSD project there are a number of foundation activities that need to be undertaken in the first few months once the project is formally established. These include: (as listed below)

### Initial Project Activity

It is proposed that a series of priority initiatives be undertaken in the initial months of project commencement. These initiatives are required to establish a strong foundation for following activities to commence. These include:

- *Maintain priority ongoing initiatives* started under the GPAR II project. Whilst these initiatives have clear objectives and strategies it is important that these activities continue without interruption to ensure continued momentum and ownership created in the previous project. Examples of these activities include: (i) Personnel Information Management System – PIMS; (ii) development of pilot municipality; (iii) English language training; (iv) Citizen feedback study
- *Initiate consultation* with target agencies and provinces on SBSB programme components (organizational strengthening, HRD, DDF and GPAR Fund). The consultations will explain the objectives of SBSB and each component, identify potential programme activities and coverage and working modalities.
- *Formulate/fine-tune DDF financial guidelines* on fund flow, sequencing/ phasing, access criteria, community contributions, financial control and accounting, monitoring and reporting requirements, audit process
- *Formulate/ update DDF planning guidelines* for participatory scheme identification, prioritization, screening and selection as well as guidelines on scheme implementation, community supervision and monitoring, community contracting.
- *Formalise GPAR Fund eligibility* criteria, selection process, monitoring, evaluation and reporting practices. The consultations will also determine the communication methodologies to be developed to maximise sharing of lessons and issues resulting from these activities;
- Support the *development of the Governance Reform 'road-map'* including identifying activities, outputs, milestones, costs and existing support and initiatives. Further elaboration of the monitoring & evaluation system to clarify the links with the Secretariat of the Government and NERI to ensure lessons from the GPAR Fund activities are appropriately considered at the Central level. As the Secretariat is not yet fully established, initial work will be undertaken to further scope their involvement within the GPAR SBSB Project;
- *Develop capacity and understanding* among all project collaborating partners of the new project management arrangements being rolled out globally by UNDP (Prince 2 / Results Management Guide) including the roles and responsibilities of all parties;
- Develop, finalise and receive *approval for the project's Monitoring and Evaluation Framework*, including agreement on performance indicators;

The deliverables during this initial period will be as follows:

Clear implementation plans and timelines will be available for each of the 5 Outputs. These strategies will be created by the PACSA Management Coordination Teams with advisory support. Clear workplans will exist for each component and will be compiled to:

- *create DDF guidelines* on: a) fund flow and financing process to incorporate any modifications and innovations (eg financing of moveable assets, other non salary recurrent expenditures for health, education and agriculture); b) planning guidelines for participatory identification, prioritization, screening and selection of proposals; c) guidelines on institutional structures, roles and responsibilities of stakeholders at village, kum ban and district level including role of district council; d) DDF appraisal guidelines.
- *Develop GPAR Fund guidelines* that clearly define operational procedures, including eligibility criteria, approval processes, administration and management processes, including monitoring, evaluation and reporting practices. The communication methodologies will have been created to maximise sharing of lessons and issues resulting from these activities.
- *Ensure training in Prince 2 and the Results Management Guide* is carried out towards full implementation of the revised management arrangements. A report on initial lessons learned and



recommendations for improved management, if applicable, will be made to the Project Board in this regard;

- The *project's Monitoring and Evaluation Framework*, including component specific M&E requirements for the DDF and GPAR Fund based on performance indicators and milestones that will be developed or refined and reported to the Project Board;
- the Project Board will be established, and the Project Manager will be responsible for the day-to-day management and decision-making within the project, and will report to the Project Board on the above deliverables.
- Establish a PACSA management coordination team for each project component which will establish a monitoring and evaluation plan in line with the component's workplan. These M&E plans will include performance indicators and will be presented to the Project Board.

## TERMS OF REFERENCE

### GOVERNANCE LEADING COMMITTEE

#### I. Background: Governance Reform

The oversight needs of the Strategic Plan on Governance and the subsequent development of the 'road-map' (Implementation Plan) has led to the establishment of a high-level representative body to guide and monitor the progress against this plan and targets. The spread of coverage of initiatives within this Strategic Plan requires broad and senior level representation across the sector. In this regard it is proposed that a Governance Leading Committee be established under the leadership of the Deputy Prime Minister who is also the Standing Member of Government.

The Governance Leading Committee is responsible for providing overall guidance and policy advisory support to the Governance sector including the GPAR SBSB project.

#### II. Objectives of the Governance Leading Committee

The key objectives of the Governance Leading Committee are to:

- Ensure effective and timely implementation (oversight) of the Strategic Plan on Governance;
- Identify policy interventions and strategies which reflect the Government's socio-economic development policies and strategies;
- Support the innovation of good practice examples across the governance sector;

To achieve these objectives, the Governance Leading Committee will meet to:

- endorse the Governance reform 'road-map', including the performance indicators, timing and responsible agencies;
- oversee the implementation of this 'road-map' and make recommendations to strengthen the implementation activities. Regular reports will be submitted by a cross-ministerial working group (coordinated by PACSA) to the Leading Committee based on inputs from each stakeholder agency;
- review governance reform experiences across the sector to:
  - consider good practice examples which can be replicated or promoted across the governance sector;
  - support further analysis of issues and options for the Government to consider;
  - consider policy-related changes to enable more effective and efficient delivery of Government programs and initiatives and referral to appropriate organisations for further development. These policy related issues will be identified through various sources including GPAR projects, DDF and GPAR Fund initiatives, other project/program initiatives (e.g. PEMSP, NSEDP Implementation) ;
- consider and approve appropriate criteria to be used for the application of the GPAR Fund and 'good practice' awards; and
- provide guidance to the GPAR SBSB project on ongoing adjustments to priorities based on the needs of the Government.

#### III. Membership of Committee

The Committee, under the chairmanship of the Deputy Prime Minister (Prime Minister's Office), should include senior representatives of the stakeholder Ministries. The proposed membership of the Committee is:

- PACSA.
- Secretariat of the Government (PMO)
- Ministry of Finance
- Committee for Planning and Investment
- National Assembly
- Ministry of Justice
- Central Committee for Organisation and Personnel
- National Organisation for the Study of Policy and Administration
- Ministry of Agriculture and Forestry
- Ministry of Public Health
- Ministry of Education

#### **IV. Committee Support**

The Governance Leading Committee will be supported by a secretariat established under the guidance of PACSA. Technical and financial assistance to be provided by GPAR SBSD project as needed. Secretariat services to the Committee will include preparation of agenda, minutes and follow-up action to be taken. Where additional research is required, the Committee may choose to refer this task to a technical working group or to request PACSA to support this work through a sub-project activity, either within GPAR SBSD or a through other mechanisms.

#### **V. Reporting**

Minutes of these discussions will be made and follow-up action will be the responsibility of individual representatives.

## TERMS OF REFERENCE

### PROJECT BOARD

The Project Board is the group responsible for making management decisions on a consensus basis for a project when guidance is required by the Project Manager, including approval of project revisions. In Lao PDR, the Project Board is equivalent to the Project Steering Committee. Final decision making on project activities and accountability rests with the Project Board with applicable regulations, rules, policies and procedures as outlined within the National Execution (NEX) Guidelines. Project assurance reviews by this group are made at key decision points (e.g. Annual, mid-term), or as necessary when raised by the Project Manager.

#### Composition and organization:

Project Board		
Beneficiary	Executive	Supplier
Key Central agencies (including MOF, CPI)	Deputy Chair, PACSA	- UNDP - SDC - UNCDF - L'bourg

This group contains three roles, including:

- An Executive representing the project ownership to chair the group,
- Suppliers to provide guidance regarding the technical feasibility of the project, and
- Beneficiaries to ensure the realization of project benefits from the perspective of project beneficiaries.

The Project Board is not a democracy controlled by votes. Therefore, the Executive takes the final decisions based on consultation and advice from other group members.

#### The Project Executive

- The Executive is ultimately responsible for the project, supported by the Beneficiary and Supplier representatives.
- The Executive's role is to ensure that the project is focused throughout its life cycle on achieving its outputs.
- The Executive has to ensure that the project has a cost-conscious approach to the project, balancing the demands of the user (beneficiary) and supplier.

#### The Beneficiary:

- Is responsible for the specification of the needs of key stakeholder agencies who will be primarily using or benefiting from the project outputs;
- Is responsible for user liaison with the project team and for monitoring that the solution will meet those needs.
- Has the authority to and commits user resources and monitors project outputs against agreed requirements.

#### The Supplier

- Represents the interests of those developing, facilitating, procuring, implementing and possibly maintaining the outputs of a project.
- Is accountable for the quality of the outputs delivered by the supplier(s).
- Supplier representatives must have the authority to commit or acquire supplier resources required.

**Overall responsibilities of the Project Board<sup>22</sup>:**

- The Project Board is the group responsible for making executive management decisions for a project when guidance is required by the Project Manager, including approval of project plans (annual and quarterly) and revisions.
- This group is consulted by the Project Manager for decisions when project manager tolerances have been exceeded.
- Based on the approved annual work plan (AWP) and revised quarterly work plans, the Project Executive Group reviews and approves project plans and authorizes any major deviation from these agreed stage plans.
- It is the authority that signs off the completion of each stage (quarterly) plan as well as authorizes the start of the next (quarterly) plan. It ensures that required resources are committed and arbitrates on any conflicts within the project or negotiates a solution to any problems between the project and external bodies.
- It approves the appointment and responsibilities of the Project Manager; and
- It delegates its Project Assurance responsibilities.

**Specific responsibilities of the Project Board**

*For the initial establishment of the GPAR SBSB project:*

- Agree on Project Manager's and Project Management Team's responsibilities;
- Appraise and approve stage (quarterly) plans submitted by Project Manager;
- Delegate any Project Assurance roles as appropriate;
- Commit project resources required by the next stage (quarterly) plan.

*During the ongoing implementation of the project:*

- Provide overall guidance and direction to the project, ensuring it remains within any specified constraints;
- Agree on Project Manager's tolerances in the quarterly workplan and budget;
- Review each completed project stage plan and approve the next quarterly plan and budget;
- Review and approve end project report, make recommendations for follow-on actions;
- Provide ad-hoc direction and advice for exception situations when project manager's tolerances are exceeded;
- Assess and decide on project changes;
- Assure that all planned deliverables are delivered satisfactorily and programme management directives are complied;
- Conduct annual review of AWP and pass on the results to the Outcome Board.

*Termination of the project:*

- Assure that all products and deliverables are delivered satisfactorily;
- Review and approve the end project report;
- Make recommendations for follow-on actions and post project review plan;
- Notify project closure to the Outcome Board.

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<sup>22</sup> Source: Guidelines on UNDP Implementation of UNDAF Annual Review Process

## TERMS OF REFERENCE

### NATIONAL PROJECT MANAGER

In support of continued Government ownership the PM will be a senior government official who will be *full-time* and who has previous experience in managing complex projects involving several Government agencies, preferably at central and local levels. The PM will be responsible for the delivery of outputs under this project document and in doing so, shall lead the coordination efforts between PACSA and the GPAR SBSB project. The PM will facilitate PACSA's engagement in all project activities; thereby ensuring that line departments and staff are available to lead and support reform actions and activities within target ministries and provinces working alongside project personnel. The PM will manage inter-ministerial coordination of the implementation of the Strategic Plan on Governance (2006-2010) ensuring effective establishment of the monitoring and evaluation framework and institutionalization within government structures and systems.

The PM will also provide coordination, management and oversight over the establishment and activities of the GRTs in target ministries and provinces as part of the GPAR Fund. The PM will be responsible for all matters concerning the day-to-day running of the project on behalf of the Project Board. S/he will assume full responsibility for the implementation and management of all project activities in the right quantity, at the right standard of quality and within the stipulated budget so as to realise intended outputs. S/he will chair the Project Implementation Committee (PIC) which will meet monthly to review progress. The PIC will comprise the PM, PM Assistant, Project Coordinator, Lead Advisor/ International Technical Advisors, UNDP Programme Manager/Officer, and the heads of the PACSA Coordination teams

### Duties and Responsibilities

- a) operational management of the production of project outputs according to the project document and the procedures in the official NEX manual.
- b) preparation and updating of project annual workplans; submission of approval to the Project Board of the annual and quarterly workplans; the assignment and allocation of resources according to the project work plan; and quarterly reporting of progress against the work plan.
- c) selection, recruitment and performance management of project administrative support staff; including coordination, supervision and performance evaluation of project personnel.
- d) in collaboration with the UNDP country office, ensuring that all government letters of agreement are prepared and negotiated with appropriate parties, as needed (e.g. such agreements with pilot provinces and ministries).
- e) initiation and mobilization of all project inputs not covered by the government letters of agreement in accordance with the relevant procedures in the NEX manual, and authorization of expenditures for these inputs (and in certain cases, requiring joint approval and/or sign off by the local UNDP office).
- f) organization and management of project activities and tasks according to the agreed work plans in order to produce the specified outputs, results and outcomes.
- g) ensuring close co-ordination of the project with other agencies at central and local levels of government.

- h) timely preparation and submission of the quarterly and Annual Project Reports and any other required progress reports, and assurance that reports prepared by project personnel or participants are prepared, reviewed and acted upon as required.
- i) reporting to the Project Board on a regular basis and identification and resolution of implementation issues, with the assistance of the Project Board and UNDP as necessary.

### **Selection Criteria**

- Strong understanding of the Government's priority initiatives and indicator targets for reform as outlined in the NSEDP 2006 - 2010 and Strategic Plan on Governance (2006 – 2010);
- Strong understanding of public administration, project and management skills and experience;
- High level capacity to work with, and support, other agencies to achieve results;
- Strong technical knowledge and experience related to program management, governance and public administration reform;
- Demonstrated capacity to lead reform programs;
- Well developed English reading, writing and speaking skills
- Strong focus on results-based performance and ability to monitor performance against agreed targets;
- Strong advocacy and representational capacity

## **TERMS OF REFERENCE**

### **PACSA Co-ordination Team (s)**

With an increasing emphasis on government ownership the new GPAR SBSD project will establish PACSA Coordination teams to take primary responsibility for planning, implementing and reporting on project activities. The PACSA Coordination teams will also be responsible for maintaining policy and management linkages between the project and PACSA departments. They will also support programme activities and technical inputs at central and provincial level as well as taking prime responsibility for ensuring effective oversight, management and operation of the GRTs at central and local levels.

#### **Objectives of the PACSA Coordination Teams**

The key objectives of the PACSA Coordination teams are to:

- Ensure full alignment of the project activities with PACSA and government priorities and workplans;
- Ensure that project management is regularly updated on progress of agreed project activities and timeframes;
- Assume implementation responsibility for the delivery of the outputs as agreed, and to identify appropriate interventions where necessary;
- Produce a first draft of the relevant output's quarterly workplan and budget, in preparation for consultation with Project Management;
- Liaise with the necessary government stakeholders to ensure efficient and effective implementation;
- Ensure that the sustainability of the activity implementation and workplace impact is considered and developed;
- Provide guidance to GRTs on implementation issues which reflects an integrated solution on governance and public administration reform at both central and local levels of government;
- Share lessons learned with other Co-ordination Teams, pilot GPAR teams and other stakeholders.

#### **Approach of the PACSA Coordination Teams**

The PACSA Coordination Teams should complement each other in their activities to support the achievement of the GPAR SBSD outputs in the most cost-effective, collaborative, efficient and transparent way possible.

Therefore the approach of the PACSA Coordination Teams is to:

- i) provide a forum for discussion, knowledge sharing, decision making, promoting best practice and delivering outcomes according to agreed timelines; and
- ii) develop a comprehensive and detailed workplan with clear accountability.

#### **Composition of the PACSA Coordination Teams**

The Coordination Teams will be chaired by the Deputy Director General of the aligned PACSA Department, and will be comprised of the following members:

- two/three Technical Staff from the aligned Department;
- the GPAR SBSD translator who will provide communication support; and
- the assigned GPAR SBSD advisors will provide technical advice and implementation support.



### **Logistics of the PACSA Coordination Teams**

It is essential that the PACSA Coordination Teams provide timely inputs to the implementation of GPAR SBSD activities. Therefore the team members shall maintain specific and active liaison, including meeting at least once every week, or as agreed, to review progress made against action plans set. Should additional meetings be required, the Head of the PACSA Coordination Team will convene such special meetings. In addition, technical working groups will be established to support the Coordination Teams as needed. Minutes of these discussions and meetings will be made and follow-up action will be the responsibility of individual team members as assigned. A quarterly written report will be submitted to GPAR SBSD Project Management to outline implementation status and the follow-up action to be taken.

### **PACSA Coordination Teams Support**

The PACSA Coordination Teams will be supported by the GPAR SBSD project. This support will include the provision of secretariat services as necessary, including coordination, preparation of documentation, minutes and communication. Where additional support is required, the Coordination Team may choose to outsource or refer this task to an external provider or technical working group following the approval of Project Management.

## TERMS OF REFERENCE

### NATIONAL PROJECT MANAGER ASSISTANT

A new position of PM Assistant will be *seconded* from PACSA on a full-time basis and will take responsibility for assisting the PM and Lead Advisor on all day-to-day aspects relating to the implementation of the project to prepare: correspondence and reports; work plans; assist in recruitment; performance appraisal; procurement and contracting. This position will facilitate formal liaison with PACSA, in addition to supporting informal communication, arranging regular update meetings and preparing draft activity reports for PACSA management. The PM Assistant will also have financial delegation to authorize payments on activities previously approved by the Project Board (in the absence of PM or Project Board executive) to enable implementation of project activities. Ideally this position should be rotated (possibly after 12 months) to enable a pool of PACSA staff to develop awareness and competencies across a broader range of governance reform issues.

### Duties and Responsibilities

The PM Assistant will support:

- a) operational management of the production of project outputs according to the project document and the procedures in the official NEX manual.
- b) preparation and updating of project annual workplans; submission of approval to the Project Board of the annual and quarterly workplans; the assignment and allocation of resources according to the project work plan; and quarterly reporting of progress against the work plan.
- c) selection, recruitment and performance management of project administrative support staff; including coordination, supervision and performance evaluation of project personnel.
- d) in collaboration with the UNDP country office, ensuring that all government letters of agreement are prepared and negotiated with appropriate parties, as needed (e.g. such agreements with pilot provinces and ministries).
- e) initiation and mobilization of all project inputs not covered by the government letters of agreement in accordance with the relevant procedures in the NEX manual, and authorization of expenditures for these inputs (and in certain cases, requiring joint approval and/or sign off by the local UNDP office).
- f) organization and management of project activities and tasks according to the agreed work plans in order to produce the specified outputs, results and outcomes.
- g) ensuring close co-ordination of the project with other agencies at central and local levels of government.
- h) timely preparation and submission of the quarterly and Annual Project Reports and any other required progress reports, and assurance that reports prepared by project personnel or participants are prepared, reviewed and acted upon as required.
- i) reporting to the Project Board on a regular basis and identification and resolution of implementation issues, with the assistance of the Project Board and UNDP as necessary.

## **Selection Criteria**

- Strong understanding of the Government's priority initiatives and indicator targets for reform as outlined in the NSEDP 2006 - 2010 and Strategic Plan on Governance (2006 – 2010);
- Strong understanding of public administration, project and management skills and experience;
- High level capacity to work with, and support, other agencies to achieve results;
- Strong technical knowledge and experience related to program management, governance and public administration reform;
- Demonstrated capacity to lead reform programs;
- Well developed English reading, writing and speaking skills
- Strong focus on results-based performance and ability to monitor performance against agreed targets;
- Strong advocacy and representational capacity

**TERMS OF REFERENCE**  
**NATIONAL PROJECT COORDINATOR**

This position will provide administrative and coordination support to the project by facilitating regular and transparent communication between GPAR provincial and Central project activities (including GPAR Fund and DDF initiatives), in addition to supporting coordination activities between the project and key government agencies and development partners. The project coordinator shall support the project manager to prepare workplans and budgets, coordinate internal and external project-related meetings and prepare associated documentation. This position will be the primary coordination and liaison role between the GPAR SBSD project, PACSA, provincial GPAR pilot projects and other external partners, maximizing the effectiveness of the communication between the participants in the GPAR Program.

**Duties and responsibilities:**

The Project Coordinator will:

- Provide effective coordination between GPAR SBSD, the provincial GPAR Projects and PACSA
- Assist pt members with the implementation of project activities at central and local levels
- Provide ongoing support to the project activities of the National Project Manager and Project Board, particularly in the research, analysis and summary of key documents
- Act as a liaison point between the project team and the PACSA Coordination Team(s) e.g. gathering information, gaining clarification, arranging meetings etc.
- Assist the project team with communication and interaction with other government offices, agencies etc.
- Assist with occasional translation of documents as required: English to Lao, and Lao to English
- Assist with informal oral translations where necessary
- Assist project management with planning and reporting responsibilities
- Other duties as directed by the Project Manager

**Note:** This position will respond to issues (policy, technical or resource-related) raised by GPAR pilot offices by referring these to the PACSA Coordination Team(s) where appropriate

**Selection Criteria**

- Strong understanding of the Government's priority initiatives and indicator targets for reform as outlined in the NSEDP 2006 - 2010 and Strategic Plan on Governance (2006 – 2010);
- Strong understanding of public administration, project and management skills and experience;
- High level capacity to work with, and support, other agencies to achieve results;
- Strong technical knowledge and experience related to program management, governance and public administration reform;
- Demonstrated capacity to lead reform programs;
- Well developed English reading, writing and speaking skills
- Strong focus on results-based performance and ability to monitor performance against agreed targets;
- Strong advocacy and representational capacity

## **TERMS OF REFERENCE INTERNATIONAL LEAD ADVISOR**

The Lead Advisor will focus primarily on strategic, advisory and technical support to assist the PM, the PM Assistant and the Project Coordinator in overall project management, including both on substantive and administrative matters, as required. The Lead Advisor will be responsible for providing broad policy and technical advice at both central and local levels, liaison with donors and support to PACSA, as necessary. The post will support the CSOI secretariat (chaired by PACSA and involving key stakeholder agencies) in the development and implementation of the oversight monitoring and evaluation mechanisms including the Governance reform 'road-map' and Citizen feedback initiatives. The Lead Advisor will also support capacity building on policy research and analysis with the Secretariat of the Government, NERI, NOSPA, CPI and PACSA as well as provide higher level coordination with the provincial projects and initiatives. The Lead Advisor, with assistance from short-term technical advisors (where required), will also support the Local Governance initiatives involving Central-Local Relations, Municipality Development, Ban/Kum Ban development and One Door Service. In conjunction with the GPAR Fund advisors support the Central Committee for Organisation and Personnel (CCOP) to develop and implement a methodology for identification, award and replication of good practice models of governance reform. Where required, the lead Advisor will provide technical assistance on broader governance reform issues e.g. anti-corruption and public finance management reforms (e.g. PEMSP). The Lead Advisor may be required to support GPAR pilot projects as needed.

### **Duties and Responsibilities with Respect to Overall Project Support**

The Lead Advisor will:

- Advise the government on the design and implementation of major programs of change, governance and public administration reform; and to facilitate the national, regional and international transfer of know-how and experiences in these subject areas.
- Support the government in project and program monitoring, reporting and evaluation activities; to participate in and facilitate project and program meetings as required.
- Design and support a structured learning program to enhance strategic policy capacity across key agencies;
- Assist the government in designing systems for expanding experiences, lessons learned and addressing policy issues throughout the Government system.
- Advise the government on methodologies and practices associated with program and project management.
- Advise the government on the design and implementation approaches to specific components of the overall program (i.e. Output 1: deliver particular support to the development of strategic oversight, and the governance reform monitoring framework to provide for evidence based policy and performance analysis in governance reform; and Output 2: the improved delivery of services with a focus on effectiveness, accountability, equity, access and transparency (including organizational structures and systems and financing mechanisms), in addition to other areas which will include Output 5: supporting the GPAR Fund development and implementation).
- Support the government in the development and maintenance of project annual and quarterly work-plans, budgeting, resource allocation, workload management, and performance assessment,
- Advise and support the government in the development of policy papers and technical-legal documents as required;
- Provide technical advice and support to the project team, including supporting appropriate on-the-job training for counterpart staff;
- Support and be involved in the organization and facilitation of project meetings, workshops etc.

- Provide general technical inputs and advice in areas of reform activity where capacity gaps otherwise exist in the project team
- Support regular ongoing communication with the project manager and Project Board Executive., in order to advise on the activity of project staff, and on-going involvement in donor relations
- Support the government and the UNDP in the functions of donor coordination, coordination of governance-reform related donor funded projects, and the mobilization of additional donor funding to the Governance sector.
- Provide other such advice and support as may be required by the Government and the UNDP as is to be expected in a dynamic process of governance reform.

### **Skills/Competencies required**

The Lead Advisor is an experienced professional with a demonstrated track record in providing sound policy advice, strategic planning and organizational guidance. S/he has extensive experience in the governance sector understanding the complex inter-related nature of public sector reform, justice and legal sectors, and institutional strengthening. S/he has excellent interpersonal skills and is able to negotiate with diplomacy and tact. S/he has excellent written English and capacity to provide high quality reports in a professional and timely manner. Therefore s/he is expected to have:

- Solid relevant experience (15-20 years) in governance and public administration, reform and change management, both regionally and internationally
- Strong understanding of the requirements of effective governance sector reform;
- Substantive experience in policy development, workshop facilitation and secretariat functions
- Solid experience in program and project management, monitoring and evaluation.
- Familiarity and experience with the Lao program and similar programs in the region and internationally.
- Solid experience in process facilitation.
- Excellent oral and written English communications skills, results oriented, strong team player.
- Sound judgment, flexibility and adaptability, cultural sensitivity.
- Minimum of Masters degree in Public Administration/Public Management or closely related field

### **Work Conditions**

Based in Vientiane, able to participate on a regular basis in provincial missions

## **TERMS OF REFERENCE**

### **INTERNATIONAL HUMAN RESOURCE ADVISOR / DEPUTY LEAD ADVISOR**

The HR Advisor / Deputy Lead Advisor will be responsible for the provision of technical support in all aspects of HRM, HRD and capacity building at Central and provincial levels, and will also act as the Deputy Lead Advisor when required. This position will be responsible for supporting PACSA in areas such as: workforce planning and management; pay and compensation; the development and implementation of the new Civil Service Training and Development Framework including the development of generic civil service competencies, curriculum development, and enhanced training delivery capabilities. In addition, the HR Advisor will support the development of the National Civil Service Management Strategy, related policy and practices, performance management, the HR practitioner's network, gender and governance, and ethical practices. With assistance from short-term advisors (where required) the HR advisor will also support Organisational Development and Functional Analysis initiatives. The HR Advisor may be required to support GPAR pilot projects as needed.

#### **Duties and Responsibilities with Respect to Overall Project Support**

The HR Advisor / Deputy Lead Advisor will primarily focus on Output 3: supporting the government in strengthening Human Resource Management (HRM) & Human Resource Development (HRD) policies, procedures and capacity by;

- Advising on human resource management policy and performance-based practices which will enable more effective and inclusive service delivery to include:
  - The development of a National Civil Service Management Strategy;
  - The provision of support to the development and implementation of HRM Policy Development, regulations and operational procedures
  - An analysis of Civil Service Remuneration
  - The finalisation and Implementation of a Civil Service Code of Conduct
- Supporting the enhancement of Human Resource Development capacity for the sustainable development and delivery of a uniform, work based training at all levels in government through supporting the:
  - Design, development and implementation of a national training policy, protocols and systems, including the establishment of a National Training & Development body;
  - Design, development and implementation of a Competency-Based Approach to Human Resource Management and Development;
  - Design, development and implementation of a National Civil Service Curriculum, which includes HRM, Generic and Leadership programs
  - Delivery of the National Civil Service Curriculum at Central and Local levels through the development of Enhanced Training Delivery Capability
  - Design, development and implementation of a Civil Service Performance Management System;
  - Development a strategy for the creation of a National Civil Service Training & Information Centre;
  - Strengthening of HRM and HRD operational capacity through the establishment of a HR Practitioners Network;

- Government's Regional representation on Civil Service Matters, by advising on the development of policy papers and technical-legal documents as required;
- Engendering of Civil Service Matters through advising on effective collaboration and the design, development and implementation of a Gender and Governance policy and strategy

In addition, the HR Advisor / Deputy Lead Advisor will;

- Support the English Language Learning activity through the provision of advice in the development of a strategic vision and a national syllabus;
- Align HRM and HRD activities with the ICT Specialist, in particular with regard to the design, development and implementation of PIMS (including payroll management) as necessary;
- Support the relevant PACSA Coordination Team in the development of annual work plans (including performance indicators and targets) and regular monitoring and reporting against the indicators;
- Support CSM reform implementation and coordination across ministries, provinces, districts and related projects;
- Support appropriate training in the area of human resource management, and to provide on-the-job training for counterpart staff; and
- Support the Project Manager and Lead Advisor as necessary, including; supporting project-based HR-related issues, conducting analytical work (e.g. evaluations and reviews), ensuring close working relationships with stakeholders, representing the project as necessary, providing support to the UNDP Country Office as required, and providing substantive technical support and guidance to the implementation of the project.

### **Skills/Competencies required**

The HRM Advisor is an experienced HR professional with a demonstrated track record in providing sound policy advice, strategic planning and organizational guidance with counterpart agencies. S/he has extensive experience in HRM and HRD, and advising on appropriate policies, strategies and systems that can be sustained. S/he has high level interpersonal skills and is able to negotiate with diplomacy and tact. S/he has excellent written English and capacity to provide high quality reports in a professional and timely manner. Therefore s/he is expected to have:

### **Job Specifications**

- Minimum of Bachelor degree, Masters preferred, in one or more of Public Administration, Public Policy, Management, Human Resource Management;
- At least 10 years of relevant professional experience in HRM-related activities including experience in capacity building, strategy development, human resource management and development, and the planning and delivery of training in a developing country;
- Familiarity and experience with the Lao program;
- Excellent written and oral communication in English
- Understanding of development issues, and demonstrated ability to support the management of development projects;
- Initiative, adaptability and skill in adapting policies and techniques to local circumstances;
- High level computer literacy;
- Sound judgment, flexibility and adaptability, cultural sensitivity; and
- Ability to adapt to diverse education and cultural backgrounds



## TERMS OF REFERENCE

### INTERNATIONAL INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SPECIALIST

The ICT Specialist will be responsible for providing broad ICT support to PACSA and the GPAR SBSD project. The ICT capability within PACSA is still limited and an important part of the ICT specialist's role will be to progressively build capacity within PACSA. This will take the form of formal and training and development initiatives. This technical support will cover: procurement, installation and maintenance of the networks, software and hardware; all aspects of the piloting and implementation of the PIMS and a computerised payroll system (linked to PIMS and the new Chart of Accounts). The ICT Specialist may be required to support GPAR pilot projects as needed. The ICT Specialist, in collaboration with other project staff, will also be responsible for the development of an output based monitoring system (for tracking project initiatives (and activities) and their impacts on service delivery at the central and local levels) and supporting policy monitoring and project monitoring inputs under the GPAR SBSD project. The ICT Specialist will support other ICT issues as necessary including website design and development, network installation and maintenance and general support to ICT management. The ICT Specialist will also assist target ministries and provinces in identifying and implementing management information systems and e-business solutions.

#### Duties and Responsibilities with Respect to Overall Project Support

The ICT Specialist will support a range of systems and project technical needs, which will include;

- Advising PACSA on the technical aspects of information systems and information and communications technology policies and procedures, related to the management of civil servants and to advise on the adaptation and maintenance of such systems and information management methodologies.
- Supporting the development, implementation and maintenance of the civil service data base (PIMS);
  - to oversee and ensure national implementation and support regular updating of the data base;
  - to support the development and implementation of the payroll module; and
  - to assist PACSA in identifying and producing regular statistical reports on the civil service population;
- Reviewing existing IT systems established in line ministries as necessary, and advise PACSA on the development of IT networks to ensure proper linkages (e.g. with Ministry of Finance – payroll management, and Ministry of Labour and Social Welfare – Social Security) between these data bases and PIMS;
- Collaborating with the provincial-based GPAR projects in assessing the linkages between the provincial IT systems and the GPAR initiatives (e.g. PIMS)
- Advising the government on the determination of information technology requirements (e.g. computers and related facilities such as backup systems), the development of specifications, and support to procurement;
- Actively participating in work analyses of identified systems and related activities, to support the establishment of technical standards, to review the work outputs of other information and related systems management team members (e.g. sub-contract);
- Assisting the Project Manager in advising the government on the preparation of terms of reference and design for recruitment of international and other consultants and advisors in the field of ICTs; and in the development of bid documents needed to support competitive sub-contracting processes;
- Supporting the management of systems sub-contracts to ensure that deliverables are produced on time, according to scope and within budget/contract parameters;
- Providing other such advice and support as may be required by UNDP and the government as is to be expected in a dynamic processes of governance and public administration reform;

- Facilitating the transfer of information technology and communications know-how and experience to the staff of PACSA and selected pilot sites under the GPAR program, through a range of means such as coaching and formal training;
- Supporting the technical training of government staff, such that they can assume responsibility for the ongoing maintenance and support of implemented systems and networks, related to the management of civil servants.

In addition, the ICT Specialist will;

- Align ICT activities with the HR Advisor, in particular with regard to the design, development and implementation of PIMS (including payroll management) as necessary; and
- Support the relevant PACSA Coordination Team in the development of annual work plans (including performance indicators and targets) and regular monitoring and reporting against ICT-related the indicators.

### **Skills/Competencies required**

The ICT Specialist is an experienced ICT professional with a demonstrated track record in providing broad ICT-related support and guidance to counterpart agencies. S/he has high level interpersonal skills and is able to negotiate with diplomacy and tact. S/he has excellent written English and capacity to provide high quality reports in a professional and timely manner. Therefore s/he is expected to have:

### **Job Specifications**

- Minimum of Bachelors Degree, Masters preferred, in Information Technology and/or related areas;
- At least 10 years of relevant experience in an ICT environment, and with relevant experience in a developing country, with specific experience in;
  - information management and administrative systems;
  - systems development (from user needs analysis, feasibility studies, systems design and implementation);
  - a range of proprietary software products such as Windows, Windows NT (or other network software), operating systems, data base management;
  - technical and operations support, and systems trouble-shooting;
  - data communications, networks, Internet, web design;
  - systems project management, including systems contract management;
  - systems planning, including the development of systems specifications and architectures;
  - the installation and support of computer systems networks;
  - developing technical specifications and supporting systems procurement;
  - data base design;
  - systems and technical training
- Familiarity and experience with the Lao program;
- Excellent written and oral communication in English; results oriented, strong team player
- Initiative, adaptability and skill in adapting techniques to local circumstances;
- Sound judgment, flexibility and adaptability, cultural sensitivity; and
- Ability to adapt to diverse education and cultural backgrounds

## **TERMS OF REFERENCE DDF INTERNATIONAL TECHNICAL ADVISOR**

The DDF Technical Adviser will be a part-time position over two years. S/he will have the following responsibilities. The DDF Technical Adviser will be responsible for all aspects of technical support in establishing the DDF component in all target provinces and for overseeing subsequent funding cycles. The DDF Technical Adviser will also be responsible for providing policy advice to SBSB/ PACSA and GoL through the preparation of policy papers, workshops and other technical assistance to PMO Secretariat, Department of Fiscal Policy, MoF and CPI.

### *Main Role*

To provide overall technical direction and support on DDF implementation

### *Key duties and responsibilities*

#### Technical Support

- Provide overall leadership, guidance and training to the national SBSB/DDF team.
- Work with the national team in supporting SBSB/DDF implementation and institutional development at local level.
- Provide overall technical guidance for the development of systems and procedures for SBSB/DDF roll-out into selected provinces.
- Oversee SBSB/DDF capacity building activities at the sub-national and national levels.
- Liaise with and report to the SBSB National Project Manager with regards to the progress of implementation activities, highlighting emerging issues and problems, and proposing options for their resolution.
- Determine the need for additional external technical assistance and develop ToR for short term technical advisors required by SBSB/DDF, guide these advisors, and interpret their recommendations into action plans for implementation.
- Oversee the preparation of SBSB/DDF annual work plans in collaboration with the overall SBSB team and UNCDF/UNDP.
- Review periodic progress reports and outputs produced by SBSB/DDF to redesign and improve outputs.
- Supervise implementation of sound M&E mechanisms in collaboration with SBSB as a whole.
- Assist in the supervision of national SBSB/DDF staff and international consultants.

#### Policy Support

- Provide policy-relevant advice to SBSB as a whole with regard to decentralised infrastructure/service delivery and sub-national fiscal and financial issues.
- Generally, facilitate and act as resource-person to SBSB with regard to the development of an evidence-based policy framework for sub-national infrastructure/service delivery and local public finance in Lao PDR.
- Provide policy lessons from SBSB/DDF activities to SBSB as whole as input into ongoing policy discussions on local government and administration in Lao PDR.
- Assist SBSB in identifying areas where external technical assistance will be required, draft ToR, provide guidance, and assist in translating recommendations into action.
- Provide other such advice and support as may be required by SBSB.

- Provide other relevant professional advice and assistance as needed.

### *Skills/ competencies required*

The DDF Technical Adviser is an experienced professional with a demonstrated track record in providing sound technical support and policy advice to projects/ programmes in the area of finance and planning. The DDF Technical Adviser will have experience in designing funds flow and funding mechanisms with strong familiarity of participatory planning processes and local accountability systems. S/he has extensive experience in advising counterpart agencies of appropriate policies, strategies and systems that can be sustained. S/he has high level interpersonal skills and is able to negotiate with diplomacy and tact. S/he has excellent written English and capacity to provide high quality reports in a professional and timely manner. Therefore s/he is expected to have:

### *Job Specification*

- A post-graduate degree in public administration, public finance or a related subject.
- At least five years of practical experience in working on sub-national infrastructure/service delivery issues;
- A sound knowledge of Lao PDR and its local administrative system.
- A proven track record of leading a team of professionals and of working in a team.
- At least seven years of practical experience in working on aspects of local government oversight of service delivery, local government monitoring & evaluation, and other related fields.
- Knowledge of UNCDF's regional programme.
- Good communications and facilitation skills.
- Fluent command of spoken and written English.
- Knowledge of the Lao language would be an advantage.

## **TERMS OF REFERENCE DDF PLANNING & BUDGETING SPECIALIST**

The DDF Planning and Budgeting Specialist (national) will work under the technical supervision of the DDF International Technical Adviser and will assist in the design, implementation, capacity development and monitoring of all aspects of the DDF planning process at sub district (village, kum ban) district and provincial levels

### *Main Role*

To provide technical and capacity development support on all aspects of DDF planning and budgeting

### *Key duties and responsibilities*

- Assisting in and advising on the design of sub-national planning, budgeting, and implementation procedures.
- Overseeing the implementation of sub-national planning, budgeting, implementation and finance guidelines at provincial and district levels.
- As and when necessary, adapting district planning and other procedures in order to take into account lessons learned through implementation.
- Ensuring that capacity development activities (e.g. training) are consistent with SBSD/DDF procedures and principles.
- Backstopping planning, budgeting, and implementation activities at provincial and district levels.
- Providing mentoring to provincial and district officials.
- Contributing to regular reporting on SBSD/DDF progress.

### *Key Skills and Competencies*

The National Planning and Budgeting Specialist will be a development professional with extensive experience in local and participatory planning and budgeting systems and procedures. S/he will have experience of designing simple planning procedures as well as training and mentoring staff on the use and implementation of planning tools. S/he has high level interpersonal skills and is able to negotiate with diplomacy and tact. S/he has excellent written English and capacity to provide high quality reports in a professional and timely manner. Therefore s/he is expected to have:

### *Job Specifications.*

- An academic background in the social sciences or related disciplines.
- At least five years' practical experience of working on rural or community development issues in rural areas of Lao PDR.
- Experience of working with local administrations in Lao PDR.
- Experience of local level planning and budgeting.
- A proven track record of team working.
- A sound knowledge of spoken and written English.
- Good communications and facilitation skills.

**TERMS OF REFERENCE  
DDF PUBLIC FINANCE SPECIALIST**

The DDF Public Finance Specialist (national) will work under the technical supervision of the DDF International Technical Adviser and will assist in the design, implementation, capacity development and monitoring of all aspects of the DDF financing procedures and process at provincial, district and sub district level

***Main Role***

To provide technical and capacity development support on all aspects of DDF financing

***Key duties and responsibilities***

- Assisting in and advising on the design of the SBSD/DDF sub-national financing modalities and financial management procedures.
- Overseeing the implementation of SBSD/DDF's financial management procedures at national, provincial and district levels.
- Ensuring that capacity-building in the area of local public financial management is consistent with SBSD/DDF procedures.
- Backstopping and mentoring of provincial and district finance offices in the use of SBSD/DDF financial management procedures.
- Liaising with the Ministry of Finance with regard to DDF disbursement procedures.
- Tracking and recording DDF-related expenditures and fund flows.

***Key Skills and Competencies***

The National Public Finance Specialist will be a trained Finance professional with experience in public financial management. S/he will have experience in designing simple financing modalities as well as financial accounting and audit. S/he has high level interpersonal skills and is able to negotiate with diplomacy and tact. S/he has excellent written English and capacity to provide high quality reports in a professional and timely manner. Therefore s/he is expected to have:

***Job Specifications.***

- An academic background in public finance, public administration or related fields.
- Professional/practical experience of public expenditure management and/or public administration.
- Experience of working with local administrations in Lao PDR.
- A proven track record of team working.
- Some experience in using financial management software.
- A sound knowledge of spoken and written English.
- Good communications and facilitation skills.

## **TERMS OF REFERENCE**

### **INTERNATIONAL GOVERNANCE AND PUBLIC ADMINISTRATION REFORM (GPAR) FUND ADVISOR**

The International GPAR Fund Advisor (2 positions) will be created to support central and local level agencies to consider and implement governance reform initiatives. Initially based at Central level, but relocating to local level for prolonged periods as necessary, these Advisors will offer practical support to Fund applicants. This support will cover assistance with development of proposals and implementation strategies, including outcome targets and indicators and a practical monitoring, evaluation and reporting framework, documentation of local experiences as case studies and reporting to project management and PACSA on policy-related issues. This position will also provide ongoing implementation and reporting support to the recipient agencies. It is envisaged that each Advisor will support at least two provinces/Ministries and will work alongside PACSA coordinators and pilot office GRTs as necessary. These posts will be under International UNV Contract modality. It is anticipated that in the first year one position will be established. Upon review of the progress and demand for level of support this may be increased to 2 positions in following years.

#### **Duties and Responsibilities with Respect to Overall Project Support**

The International GPAR Fund Advisor will provide overall technical direction and support on the GPAR Fund implementation;

- Operationalise the GPAR Fund facility to support implementation of governance reform roadmap:
  - Provide overall leadership, guidance and training to the GPAR Coordinators, and the PACSA Coordinators in order to establish the GPAR Fund, including the development of clear annual work plans (including performance indicators and targets) and regular monitoring and reporting against the indicators;
  - Provide overall technical support for the development of GPAR Fund systems, procedures and documentation for initial launch and subsequent roll-out nationwide, ensuring that the GPAR fund;
    - operates on the supply side of change;
    - provides a flexible mechanism to support activities as self-identified by Central and Local agencies; and that
    - activities are documented in a proposal constructed according to stringent, pre-communicated guidelines, implemented according to strict operational procedures; and monitored according to agreed performance indicators;
- Implement GPAR Fund to facilitate and support the implementation of the organisational improvement initiatives in target ministries and provinces:
  - Support the Fund's effective implementation and maintain clear communication between central and local levels in order to support specific organizational and HR changes, and innovations that can demonstrate a clear link to improving service delivery;
  - Oversee and directly support GPAR Fund-related capacity building activities at the sub-national and national levels through the provision of on-the-ground technical assistance;
  - Liaise with and report to the SBSN National Project Manager with regards to the progress of GPAR Fund implementation activities, highlighting emerging issues and problems, and proposing options for their resolution;

- Determine the need for additional external technical assistance and liaise with the Lead Advisor and other SBSB advisors as necessary; interpret their recommendations into action plans for implementation;
- Provide technical advice and support to the project team, including supporting appropriate on-the-job training for counterpart staff; and
- Support the Project Manager in the reporting requirement to the Project Board.
- Identify and disseminate examples of 'good practice' and share experiences;
  - Support the development of a methodology for identifying and disseminating good practice to:
    - identify successful HRM, HRD and organizational improvement practices;
    - help refine support methodologies and techniques; and
    - share lessons on implementation and application.
  - Identify potential linkages to the annual performance award process so as to institutionalise this practice in government.
  - In conjunction with the HR Advisor, support the establishment of a Gender and Governance Network to share experiences, raise awareness of Gender and Governance issues, and provide an important platform for experience sharing in this area.
- Provide policy lessons from GPAR Fund activities to SBSB as a result of reported tangible and visible progress towards key change objectives which will be inputted into ongoing policy discussions on local government and administration in Lao PDR;
- Assist GPAR SBSB in identifying areas where external technical assistance will be required, draft ToR, provide guidance, and assist in translating recommendations into action;
- Provide other such advice and support as may be required by SBSB;

### **Skills/Competencies required**

The International GPAR Fund Advisor is an experienced professional with experience in providing sound technical support and advice to projects/ programmes in the area of finance and planning. The International GPAR Fund Advisor will have experience in designing and managing funding mechanisms with experience in fund planning and application processes and local accountability systems. S/he has experience in advising counterpart agencies of appropriate policies, strategies and systems that can be sustained. S/he has high level interpersonal skills and is able to negotiate with diplomacy and tact. S/he has excellent written English and capacity to provide high quality reports in a professional and timely manner. Therefore s/he is expected to have:

- A Bachelor Degree or post-graduate degree in public administration, public finance or a related subject.
- At least five years of relevant, practical experience; which should include aspects of local government in service delivery, monitoring & evaluation, and other related fields.
- A proven track record of leading a similar initiative and of leading and working within a multi-cultural team with sensitivity and success;
- Initiative, adaptability and skill in adapting policies and techniques to local circumstances;
- Knowledge of governance and public administration reform;
- Good communication, facilitation and reporting skills.
- Fluent command of spoken and written English.



## **TERMS OF REFERENCE**

### **NATIONAL GOVERNANCE AND PUBLIC ADMINISTRATION REFORM (GPAR) FUND COORDINATOR**

The National GPAR Fund coordinators (4 positions) will work with the GPAR Fund Advisors to support broad implementation of the GPAR Fund program at local level. The role of the national GPAR Fund coordinator will include backstopping assistance, implementation assistance and local capacity building with regard to: proposal preparation; implementation, monitoring and evaluation and reporting of key results for consideration by PACSA.. It is anticipated that in the first year two (2) positions will be established. Upon review of the progress and demand for level of support this may be increased to 4 in the following years.

#### **Duties and Responsibilities with Respect to Overall Project Support**

The National GPAR Fund coordinator will support the GPAR Fund Advisors and the PACSA Coordination team in the launch and implementation of the GPAR Fund. In addition, s/he will act as a primary coordination and liaison point between all stakeholders and will;

- Provide effective coordination between GPAR SBSB, the GRTs, the provincial administration, and PACSA;
- Assist GPAR Fund Team members with the operationalisation and on-going implementation of activities at central and local levels;
- Provide administrative and secretarial support services to the GPAR Fund Team, including assisting with the document preparation for meetings, workshops, training, planning and reporting;
- Provide ongoing support to GPAR Fund activities, particularly in the research, analysis and summary of key documents;
- Assist with occasional translation of documents as required: English to Lao, and Lao to English;
- Assist the GPAR Fund Advisors with stakeholder communications, planning and reporting as necessary
- Perform such other duties as may be assigned by the GPAR SBSB project management, including supporting the Project Manager in the reporting requirement to the Project Board.

#### **Skills/Competencies required**

The National GPAR Fund coordinator is an early to mid-career professional with experience in providing sound administration, coordination and secretarial support in the area of finance and planning. The National GPAR Fund coordinator will have an understanding of funding mechanisms with some experience in planning processes. S/he has experience in supporting teams in complex activities and has a high level interpersonal skills, being able to negotiate with diplomacy and tact. S/he has excellent written English and capacity to provide high quality reports in a professional and timely manner. Therefore s/he is expected to have:

- A relevant Bachelor Degree in business or public administration, finance, business management, law or equivalent;
- at least 2 years experience in similar work or related fields;
- sound working knowledge of MS Word, Excel and Powerpoint;
- excellent written and oral English and Lao language skills

- good interpersonal, communication, facilitation and reporting skills.
- strong organizational and analytical skills;
- experience in conducting research; and
- experience working within a multicultural team

In addition, s/he should be available to undertake travel to the provinces to provide support to project activities for prolonged durations as necessary.

## **TERMS OF REFERENCE**

### **NATIONAL LOCAL GOVERNANCE COORDINATOR**

This post will support the Local Administration Department (PACSA) and short-term technical assistance on key areas of reform covering Central-Local Relations including fiscal and functional relations; Municipality development, strengthening district administration; One-Door Service and district and kum ban planning and development. This Coordinator will work closely with the DDF Adviser and Specialists as well as the Lead Advisor to ensure consistency across all components of SBSB. This position will, with minimal direction and support, conduct research studies, develop draft regulations/Instructions, complete basic process mapping, support bilingual facilitation and translation needs, and complete first draft speeches and presentations. The Coordinator will also support short term international and national advisors on missions related to improving local governance systems and act as a key liaison with the Department of Local Administration, PACSA.

#### **Duties and Responsibilities with Respect to Overall Project Support**

The National Local Governance Coordinator will support the Project Advisors and the PACSA Coordination team in the development, coordination and implementation of local governance related activities. In addition, s/he will act as a primary coordination and liaison point between all local governance related stakeholders and will;

- Provide effective coordination between GPAR SBSB, the Local Administration Department, the provincial administration, and PACSA on key areas of reform covering Central-Local Relations including fiscal and functional relations;
- Assist PACSA and Advisors with the operationalisation and on-going implementation of activities at central and local levels;
- Provide administrative and secretarial support services to the GPAR Advisors and the GPAR Coordination team, including assisting with the document preparation for meetings, workshops, training, planning and reporting;
- Provide ongoing support to GPAR Fund activities, particularly in the research, analysis and summary of key documents;
- Assist with occasional translation of documents as required: English to Lao, and Lao to English;
- Assist the GPAR Fund Advisors with stakeholder communications, planning and reporting as necessary
- Perform such other duties as may be assigned by the GPAR SBSB project management, including supporting the Project Manager in the reporting requirement to the Project Board.

#### **Skills/Competencies required**

The National Local Governance Coordinator is an early to mid-career professional with experience in providing sound administration, coordination and secretarial support in the area of local governance. The National Local Governance Coordinator will have an understanding of governance and public administration reform, with practical experience in Central-Local Relations including fiscal and functional relations. S/he has experience in supporting teams in complex activities and has a high level of interpersonal skills, being able to negotiate with diplomacy and tact. S/he has excellent written English and capacity to provide high quality reports in a professional and timely manner. Therefore s/he is expected to have:

- A relevant Bachelor Degree in business or public administration, finance, business management, law or equivalent;
- at least 2 years experience in similar work or related fields;
- sound working knowledge of MS Word, Excel and PowerPoint;
- excellent written and oral English and Lao language skills
- good interpersonal, communication, facilitation and reporting skills.
- strong organizational and analytical skills;
- experience in conducting research; and
- experience working within a multicultural team

In addition, s/he should be available to undertake travel to the provinces to provide support to project activities for prolonged durations as necessary.

## **TERMS OF REFERENCE**

### **NATIONAL HUMAN RESOURCE MANAGEMENT COORDINATOR**

The new post of National HR Coordinator will be created to support research and analysis capability across the GPAR Program, focusing primarily on supporting data collection and analysis relating to HR Component functions. This Coordinator will support such activities as; the National Training and Development Framework, the development of HRM and HRD policy and practices, PIMS, the Code of Conduct and Organizational Development, working closely with the HR Advisor and ICT Specialist. This position will, with minimal direction and support, conduct research studies, develop draft regulations/Instructions, complete basic process mapping, support bilingual facilitation and translation needs, and complete first draft speeches and presentations. The Coordinator will also support short term international and national advisors on missions related to HRM, HRD and OD and act as a key liaison with the Department of Civil Service Management, PACSA.

#### **Duties and Responsibilities with Respect to Overall Project Support**

The National HR Coordinator will support the GPAR Advisors and the PACSA Coordination team in the development, coordination and implementation of human resource related activities. With advisory support, s/he will undertake research and data collection, including the analysis of administrative functions and selected services of selected government organizations. In addition, s/he will act as a primary coordination and liaison point between all local governance related stakeholders and will;

- Develop the methodology and tools for research and analysis of administrative functions in the civil service;
- Undertake the collection of primary and secondary data in pilot areas;
- Work with stakeholders involved in data collection;
- Document and analyze findings;
- Develop flow charts for administrative functions (process mapping);
- Conduct workshops to present findings and recommendations;
- Present a report to the Project and other concerned stakeholders;
- Provide effective coordination between GPAR SBSD, the Local Administration Department, the provincial administration, and PACSA on key areas of reform covering Central-Local Relations including fiscal and functional relations;
- Assist PACSA and Advisors with the operationalisation and on-going implementation of activities at central and local levels;
- Provide administrative and secretarial support services to the GPAR Advisors and the GPAR Coordination team, including assisting with the document preparation for meetings, workshops, training, planning and reporting;
- Provide ongoing support to GPAR Fund activities, particularly in the research, analysis and summary of key documents;
- Assist with occasional translation of documents as required: English to Lao, and Lao to English;
- Assist the GPAR Fund Advisors with stakeholder communications, planning and reporting as necessary
- Perform such other duties as may be assigned by the GPAR SBSD project management, including supporting the Project Manager in the reporting requirement to the Project Board.

**Skills/Competencies required**

The National HR Coordinator is an early to mid-career professional with experience in providing sound administration, coordination and secretarial support in the area of Human Resource Management. The National HR coordinator will have an understanding of HRM, HRD and capacity building with experience in conducting primary and secondary research. S/he has experience in supporting teams in complex activities and has a high level of interpersonal skills, being able to negotiate with diplomacy and tact. S/he has excellent written English and capacity to provide high quality reports in a professional and timely manner. Therefore s/he is expected to have:

- A relevant Bachelor Degree in HRM, business or public administration, business management, or equivalent;
- at least 2 years experience in similar work or related fields, including experience in research work, such as primary data collection, report writing and delivering presentations;
- have a demonstrated ability to prepare flow charts
- be results oriented and a team player, with strong analytical skills
- sound working knowledge of MS Word, Excel and Powerpoint;
- excellent written and oral English and Lao language skills
  
- good interpersonal, communication, facilitation and reporting skills.
- strong organizational and analytical skills;
- experience in conducting research; and
- experience working within a multicultural team

In addition, s/he should be available to undertake travel to the provinces to provide support to project activities for prolonged durations as necessary.

## **TERMS OF REFERENCE**

### **ELT PROGRAM ADVISOR**

The ELT Program Advisor will work closely with the ELT Teacher Training Advisor to develop a national ELT curriculum for government officials and supervise the delivery of ELT courses to officials from across the Governance sector.

#### **Duties and Responsibilities with Respect to Overall Project Support**

The ELT Curriculum Development Advisor will;

- Supervise ongoing ELT courses for government officials;
  - Oversee the delivery of ongoing integrated ELT courses for officials from the Governance sector, piloting the national ELT curriculum.
  - Oversee the planning and management of courses, including applications and placement, scheduling, assessment, reporting and supervision of teaching staff.
- Plan and deliver short-term specialised courses;
  - Design and implement the delivery of short-term specialised training to support study tours, conferences and technical training, including the development of training materials as required.
- Develop a national approach to ELT for the Lao Civil Service;
  - Work closely with leading government training institutions to develop an English Language Learning Strategy and Action Plan.
- Develop ELT Curriculum and materials;
  - Advise in the development of a multi-level competency-based ELT curriculum and system of assessment of EL proficiency for the Lao Civil Service for inclusion in the National Training and Development Framework;
  - Support the establishment of the Technical Working Group on English Language Curriculum Development. Take responsibility for development of course materials.
- Develop a system of Teacher Training support;
  - Develop Teacher Training materials and a programme of teacher training support for delivery of the ELT curriculum in government training institutions;
  - Liaise closely with institutions to implement delivery of the curriculum.
- Develop a system of Training Quality Assurance
  - Assist in the development of a system of Training Quality Assurance for government training institutions delivering the ELT syllabus;
  - Liaise closely with institutions to ensure effective implementation.

**Skills/Competencies required**

The ELT Curriculum Development Advisor is an ELT professional with solid experience in curriculum development, and the development and delivery of ELT programs. S/he has experience in working within development cooperation projects, and has a high level of interpersonal skills, being able to negotiate with diplomacy and tact. S/he has a high level capacity to provide quality reports in a professional and timely manner. Therefore s/he is expected to have:

- Internationally recognised qualification in TEFL or TESOL;
- Extensive experience in materials and curriculum development, in particular development of English for Specific Purposes materials;
- Experience of monitoring and evaluation of ELT programmes;
- Demonstrated knowledge and experience in programme planning and management;
- Ability to build teams, coordinate, network, and establish relationships with government agencies;
- Strong management and interpersonal skills and understanding of development issues within the Lao context;
- Demonstrated ability to work collaboratively with stakeholders, and in particular within government institutions;
- Extensive experience of teaching English as a Foreign Language, particularly in developing countries;
- Experience in teacher training, in particular with Lao national teachers;
- Familiarity with the role of English language training in development cooperation projects;
- Proven report writing skills
- Lao Language skills are desirable



## TERMS OF REFERENCE

### ELT TEACHER TRAINING ADVISOR

The ELT Teacher Training Advisor will work closely with the ELT Program Advisor to develop a national ELT curriculum for the Lao Civil Service, and assist in the delivery of ELT courses to officials from across the Governance sector.

#### **Duties and Responsibilities with Respect to Overall Project Support**

The ELT Teacher Training Advisor will support the:

- **Delivery of ongoing ELT courses for government officials**
  - Deliver integrated ELT courses to officials from the Governance sector, piloting the national ELT curriculum;
  - Work closely with Lao national teachers, supporting teacher training and their professional development.
- **Delivery of short-term specialised courses**
  - Deliver short-term specialised training to support study tours, conferences and technical training;
  - Assist in planning and development of training materials as required.
- **Development of a national approach to ELT for the Lao Civil Service**
  - Work closely with leading government training institutions to develop an English Language Learning Strategy and Action Plan.
- **Development of a system of Teacher Training support**
  - Develop a programme of Teacher Training support for delivery of the ELT curriculum in government training institutions;
  - Liaise closely with institutions to implement delivery of the curriculum;
  - Organise and conduct teacher training workshops.
- **Curriculum and materials development**
  - Assist the ELP Program Advisor in the development of a multi-level competency-based ELT curriculum and system of assessment of EL proficiency for the Lao Civil Service for inclusion in the National Training and Development Framework;
  - Support the Technical Working Group on English Language Curriculum Development
  - Advise on the development of Teacher Training materials included in the curriculum.
- **Development of a system of Training Quality Assurance**
  - Assist in the development of a system of Training Quality Assurance for government training institutions delivering the ELT syllabus;
  - Liaise closely with institutions to ensure effective implementation.

**Skills/Competencies required**

The ELT Teacher Training Adviser is an ELT professional with solid experience in curriculum development, the delivery of ELT programs and the development of teaching capacity. S/he has experience in working within development cooperation projects, and has a high level of interpersonal skills, being able to negotiate with diplomacy and tact. Therefore s/he is expected to have:

- Internationally recognised qualification in TEFL or TESOL;
- Extensive experience in materials and curriculum development, in particular development of English for Specific Purposes materials;
- Extensive experience in teacher training, in particular with Lao national teachers;
- Extensive experience of working within government institutions;
- Ability to build teams, coordinate, network, and establish relationships with government agencies;
- Experience of monitoring and evaluation of ELT programmes;
- Extensive experience of teaching English as a Foreign Language, particularly in developing countries;
- Familiarity with the role of English language training in development cooperation projects;
- Excellent interpersonal and communication skills and sensitivity to working with other cultures; and
- Proven report writing skills
- Lao Language skills are desirable

## TERMS OF REFERENCE

### NATIONAL ENGLISH LANGUAGE TEACHER

The Lao National English Language Teacher will work under the guidance of the Curriculum Development Adviser to deliver ELT courses to government officials from across the Governance sector

#### **Duties and Responsibilities with Respect to Overall Project Support**

The National English Language Teacher will support the;

- **Delivery of ongoing ELT courses to government officials**
  - Teach up to 15 contact hours per week, piloting the national ELT curriculum for the Lao Civil Service; with
  - Additional duties including lesson planning and preparation, marking of assignments, record-keeping, placement testing, mid-course and end-of-course assessment, preparation of individual student reports, participation in teacher training and professional development.
- **Administrative support for delivery of courses**
  - Assist in administrative tasks involved in management and delivery of courses, including management of the database, establishment and running of the Self Access Centre, translation of documents, applications and registration, and liaison with participating institutions.
- **Curriculum and materials development**
  - Pilot and give feedback on new materials;
  - Provide input on cultural issues and translation as required.
- **Teacher Training support**
  - Pilot and give feedback on the development of Teacher Training materials;
  - Assist in Teacher Training workshops.

#### **Skills/Competencies required**

The National English Language Teacher is an Lao ELT professional with extensive experience in ELT, and in particular with teaching English for Specific Purposes. S/he has experience in working within development cooperation projects, and has a high level of interpersonal skills, being able to negotiate with diplomacy and tact. Therefore s/he is expected to have:

- University-level English language teaching qualification;
- Extensive teaching experience;
- Experience of teaching English for Specific Purposes;
- Familiarity with communicative teaching methodology;
- Experience of working in Lao government institutions;

- Ability to work as part of a team;
- Good interpersonal skills;
- Reliability and ability to work alone without supervision;
- Interest in professional development;
- High standard of written and spoken English;

## **TERMS OF REFERENCE**

### **INFORMATION MANAGEMENT AND COMMUNICATION SUPPORT**

This position is an expansion of an existing role to include a project staff member dedicated to Information Management & Communication. The expansion of this role will support the important work of dissemination of information, sharing of lessons learned, replication of activities, and facilitation of efficient communications between the GPAR SBSD project, government agencies, development partners and the wider community. This position will also support the increasing need to ensure efficient and effective document management across a wide range of activities, in addition to supporting the establishment of a project Monitoring and Evaluation system.

#### **Duties and Responsibilities with Respect to Overall Project Support**

The Information Management and Communication Support position will:

- Assist in the development of a public relations and communications plan in order to expand awareness and understanding of the GPAR SBSD project, its outputs and activities, with government, donor and community stakeholders;
- Assist in the development of output profiles which can be used in communication with development partners, possibly in order to secure additional donor resources for the implementation of GPAR SBSD as necessary;
- Support the establishment of a project Monitoring and Evaluation system to track progress against project indicators and provide a results-based approach to reporting;
- Assist with the maintenance of the GPAR institutional memory through the development of an information management system, which includes both paper and electronic records, files, documents, minutes, activity reports etc, in such a way as to provide ease of access and facilitate sharing;
- In conjunction with the PACSA Coordination Teams and the GPAR SBSD advisors, support the development and implementation of communication and dissemination action plans aligned with outputs as required;
- Coordinate the production and publication of the GPAR SBSD newsletter;
- Support project management, and GPAR SBSD and PACSA counterparts in the preparations for public presentations, press conferences, and meetings, and in writing and editing press releases, speeches, articles and annual reports;
- Support the maintenance and updating of information on the PACSA/GPAR SBSD website;
- Support the preparation and production of project related brochures, handouts, leaflets, videos, photographs, and multimedia programmes;
- Complete research, surveys, focus groups, and data collection as necessary in order to support GPAR SBSD activities;
- Support the organization of special events, such as conferences, exhibitions, exchange workshops, functions and stakeholder meetings;
- Assist with counterpart development through formal and informal skills transfer.

#### **Skills/Competencies required**

The Information Management and Communication Support position is an early to mid-level professional volunteer with prior experience in supporting the establishment and maintenance of effective information management and communication systems – both from an internal and an external / public relations perspective. S/he has experience in working within a developing environment, clearly demonstrates high levels of creativity, initiative, and interpersonal skills, and has an ability to negotiate with diplomacy and tact. Therefore s/he is expected to have:

- Minimum of a Bachelor degree in the field of communications/public relations or a related field which could include public administration, business administration, management or journalism;
- Minimum of three years experience in the field of communications/public information/ public relations;
- Solid experience in creating both technical and journalistic documents and in a range of writing styles such as reports, press releases, pamphlets, training materials etc;
- Prior experience in graphic design and layout of publications;
- Prior experience in organising events, preparing action plans and conducting research;
- An ability to establish and maintain information management and monitoring systems;
- A results orientation, with strong analytical, interpersonal, communication, facilitation and reporting skills;
- Sound working knowledge of MS Word, Excel, PowerPoint, and other relevant software;
- Excellent written and oral English;
- Some experience in training and skills transfer; and
- Experience working within a multicultural, consultative team.

In addition, s/he should be available to undertake travel to the provinces to provide support to project activities as necessary.

**Proposed GPAR SBSD Project Team Structure**

**PROJECT BOARD**  
 Executive: PACSA  
 Senior Beneficiary: Key Ministries  
 Senior Supplier: Donors

**Project Manager**

1x Project Management Assistant (PACSA)  
 1x Project Coordinator (Nat.)  
 1x Lead Advisor (Int.)\*

**PACSA Management  
 Coordination Team  
 (Deputy DG + 2-3 Staff)**

**Strategic Policy Formulation/  
 Governance Sector oversight**

1x Lead Advisor (Int.)\*  
 1x HRM Advisor (Int.)\*\*  
 1x ICT Specialist (Int) \*\*\*

**PACSA Management Coordination Team  
 (Deputy DG + 2-3 Staff)**

**Local Governance Component**  
 Central-Local relations  
 Municipality  
 One-Door-Service  
 Ban/Kum Ban Development

1x Lead Advisor (Int)\*  
 1x Local Governance Coord. (Nat.)  
 1x HRM Advisor (Int.)\*\*  
 1x ICT Specialist (Int) \*\*\*

**PACSA Management  
 Coordination Team  
 (Deputy DG + 2-3 Staff)**

**HRM Component**  
 Nat'l Training & Dev Program  
 Policy & Practices (incl – Gender)  
 PIMS  
 Ethical Practices  
 ELP  
 Organizational Development

1x HRM Advisor (Int.)\*\*  
 1x ICT Specialist (Int.) \*\*\*  
 1x HRM Researcher (Nat.)  
 2x ELP advisors (Int)  
 2x ELP. Teachers (Nat)

**PACSA Coordinators & Pilot  
 Office Teams**

**GPAR Fund**

2x GPAR Fund Advisors (Int)  
 4x GPAR Fund Coordinator (Nat.)

**Project Support Team**

1x Accountant  
 1x Senior Office Assistant  
 1x Information Management & Communication  
 2x Translator  
 1x Secretary  
 2x Driver  
 2x Cleaner

**Note:** The asterisks (\*, \*\*, \*\*\*) denotes that these are the same persons that are involved in delivering the outputs

The Annual Workplan (AWP) Monitoring Tool

Year 2007-2010

CP Component

Implementing Partner

Expected Output and Indicators	Planned Activities	Expenditures	Results of Activities	Progress Towards Achieving Output
<b>Output 1. Strategic oversight, monitoring framework provides for evidence based policy and performance analysis in governance reform</b>				
<b>1.1 Effective dissemination of Strategic Plan on Governance (2006 2010)</b> Y1: Dissemination Strategy developed and implemented	1.1.1 Publish and Disseminate Strategic Plan on Governance (2006 – 2010)			



Annex 23: AWP Monitoring Tool

Expected Output and Indicators	Planned Activities	Expenditures	Results of Activities	Progress Towards Achieving Output
<p><b>1.2 Governance reform monitoring framework institutionalized in government</b></p> <p>Y1: Governance Reform 'road map' and Monitoring framework (including coordination mechanisms) designed, approved and operating. (includes donor support on related activities)</p> <p>Y1-4: Implementation progress of Strategic Plan on Governance (2006 – 2010) regularly reported to Government</p> <p>Y3-4: Citizen feedback is collected (including engendered and multi-ethnic group perspectives) as part of the Government M&amp;E system on NSEDP implementation)</p>	<p>1.2.1 Design, develop and implement governance reform road map (Implementation Plan)</p> <p>1.2.2 Design, develop and implement the monitoring framework (including M&amp;E system, procedures, training for users) which incorporates Citizen feedback</p>			

Annex 23: AWP Monitoring Tool

Expected Output and Indicators	Planned Activities	Expenditures	Results of Activities	Progress Towards Achieving Output
<p><b>1.3 Models and good practice examples of governance reform are identified, documented, evaluated and disseminated for replication – linked with GPAR Fund - Output 5.1</b></p> <p>Y1: Criteria and strategies for identifying, documentation and dissemination of key reform experiences completed</p> <p>Y1-4: Publicity campaign encouraging applications for consideration</p> <p>Y1 – 4: Dissemination of good practices undertaken (including CSOI and SOG)</p> <p>Y2-4: Assessments of applications</p>	<p>1.3.1 Strategy developed and implemented for sharing lessons learned (awareness raising, policy and systems review)</p> <p>1.3.2 Formulate and implement performance award mechanism for Civil Service agencies and/or individuals to recognise high performing national and sub-national institutions and individuals)</p>			

Annex 23: AWP Monitoring Tool

Expected Output and Indicators	Planned Activities	Expenditures	Results of Activities	Progress Towards Achieving Output
<p><b>1.4 Improved Policy analysis and formulation capacity of the Government</b>  <b>To be linked with Outcome 3 of NSEDP Implementation project</b>  <i>Establishment of a National Research Network</i>                      Y1: Structured learning strategy (and action plan) developed for key policy advisors                      Y2-4: Work-based policy development incorporated into regular learning activities (e.g. executive seminar series)                      Y2-3: Strategy for institutionalised research and policy development prepared                      Y 4: Enhanced capacity of organizations on policy research and analysis e.g. NERI, Secretariat of Government, National Social Science Institute</p>	<p>1.4.1 Strengthening government policy analysis capability</p>			

Expected Output and Indicators	Planned Activities	Expenditures	Results of Activities	Progress Towards Achieving Output
<b>Output 2. Improved delivery of services (Focus on effectiveness, accountability, equity, access and transparency (including organizational structures and systems and financing mechanisms))</b>				
<p><b>2.1 Improved organisational structures and systems</b>  <i>(National policies and guidelines developed, approved and implemented on organisational development)</i></p> <p><b>Organisational Development:</b>                      Y1: OD tools and methodology completed (including Manual and training course)                      Y1: OD Pilot agencies identified based on agreed criteria                      Y2: Pilot organisational analysis completed (for selected key service sectors e.g. health, education, Central-Local relations policies and regulations revised                      Y2-3: Evaluation / revision of tools and methodology. Legal framework approved                      Y3-4: Develop and launch national implementation plan (including training materials and trainer familiarization program)                      Y4: Ongoing capacity building to OD practitioners</p>	<p>2.1.1 Develop OD guidelines and capacity                      2.1.2 Pilot test and evaluate organisational development policy and guidelines                      2.1.3 National Implementation of OD program (including ongoing capacity development of OD practitioners)                      2.1.4 Support systematic Workforce Planning                      2.1.5 Support priority reform programs in key agencies</p>			

Expected Output and Indicators	Planned Activities	Expenditures	Results of Activities	Progress Towards Achieving Output
<p><b><u>Workforce Planning</u></b>                      Y1-2 - Staff ratios, gaps and targets reviewed in (2) priority service sectors (e.g. health or education) by PACSA; Action Plan for support drafted and agreed</p>				
<p>Y3-4: Report on progress of implementation of Action Plan for (2) priority service sectors</p>				
<p><b>2.2 Improved local governance systems</b>  <b><u>Municipal Development</u></b>                      Y1: Legal framework for Municipal development approved; Organisational review completed for Luang Prabang                      Y1: Municipal finance policy formulated;                      Y2: Municipality piloted in Luang Prabang; Organisational review completed for Vientiane Municipality                      Y3: Municipality piloted in Vientiane                      Y3-4: Evaluation of pilot municipalities; strategy for implementation in additional sites (Savannakhet, Champasack, Khammouane                      Y4: Implementation in additional (3) sites</p>	<p>2.2.1 Support to Municipality Development                      2.2.2 Improved Ban/Kum Ban planning                      2.2.3 Improved Central-Local Relations</p>			

Expected Output and Indicators	Planned Activities	Expenditures	Results of Activities	Progress Towards Achieving Output
<p><b><u>Strengthened Ban/ Kum Ban Development</u></b>                      Y1: Government regulations approved; Village Management Training Program reviewed and approved by Central agencies                      Y1-2: Pilot implementation of kum ban in select Districts</p>				
<p><b><u>Improved Central-Local Relations</u></b>                      Linked to OD pilot (Workforce Planning)                      Y1: Analysis of Central-Local Relations (roles, functions, workloads, staffing, resources) and baseline service delivery report in service sector agency                      Y2-3: Implementation of agreed changes                      Y3-4: Evaluation of changes (including service delivery impact)                      Y2-4: Further development and implementation of legal framework; Development &amp; implementation of implementing guidelines for:</p> <ul style="list-style-type: none"> <li>• Law on Local Administration:</li> <li>• Law on Government</li> </ul>				

Expected Output and Indicators	Planned Activities	Expenditures	Results of Activities	Progress Towards Achieving Output
<p><b>2.3 Expansion of ODS sites</b></p> <p>Y1: Strategy for expansion of ODS (no. of sites and range of services) developed and approved; improvements to (streamlined) administrative processes;</p> <p>Y1-2: M&amp;E function established in PACSA; M&amp;E designed;</p> <p>Y2 At least 4 ODS operational; M&amp;E operational in 10 districts, Baseline studies completed</p> <p>Y2-3: Evaluation of impact on service delivery</p> <p>Y3-4 At least 6 ODS operational; PIMS implemented nationally; M&amp;E operational in 20 districts</p>	<p>2.3.1 Facilitate and document the development of 'One Door Services', including development of Information systems</p> <p>2.4.2 Publication and dissemination of findings of public service delivery survey</p> <p>2.4.3 Design and implement simple output monitoring system for district level services.</p>			
<p><b>Output 3: Human Resource Management (HRM) and Human Resource Development (HRD) policies, procedures and capacity are strengthened</b></p>				
<p><b>3.1 Improved human resource management policy and performance-based practices enable more effective and inclusive service delivery</b></p> <p>Y1 National Civil Service Management Strategy finalized, approved and disseminated; 3 x HRM regulations for key policies (and implementation and evaluation strategies) are approved; Civil service personnel data reported for pilot ministries and provinces; Evaluation of PIMS pilot implementation (including impact assessment); Report on existing</p>	<p>3.1.1 National Civil Service Management Strategy - Approved and disseminated</p> <p>3.1.2 HRM Policy Development - support to development and implementation of regulations and operational procedures</p> <p>3.1.3 Management Information Systems – design, develop and implement PIMS (including payroll)</p>			

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Expected Output and Indicators	Planned Activities	Expenditures	Results of Activities	Progress Towards Achieving Output
<p>pay and conditions with recommendations for improved remuneration management; Action Plan developed for further salary reform.</p> <p>Y1-2 Implementing guidelines (standard operating procedures) developed and approved for 3 HRM regulations; Civil Service Code of Conduct and legal framework approved; National approach to English Language Training in the Civil Service developed &amp; approved; prioritized training approaches identified and action plan developed;</p> <p>Y1-4 Improved awareness by managers of new HRM policies</p> <p>Y2 Payroll management module designed and pilot tested in PIMS; Code of Conduct implementation strategy developed.</p> <p>Y2-3 3 x HRM Regulations implemented; National implementation of personnel management system (PIMS)</p> <p>Y2-4 PIMS data utilized for personnel planning; Civil service personnel and payroll data reported for all ministries and provinces; Government response to Civil Service Remuneration Review recommendations and Action Plan; Code of Conduct is implemented in agencies.</p> <p>Y3 3 (additional) x HRM regulations for key policies (and implementation and</p>	<p>management)</p> <p>3.1.4 Analyze Civil Service Remuneration</p> <p>3.1.5 Finalise and Implement Civil Service Code of Conduct</p>			



Expected Output and Indicators	Planned Activities	Expenditures	Results of Activities	Progress Towards Achieving Output
<p>evaluation strategies) are approved; Implementing guidelines (standard operating procedures) developed and approved for additional 3 HRM regulations; Evaluation of national PIMS implementation.</p> <p>Y3-4 Evaluation of implementation of HRM Regulations including impact assessment</p> <p>Y4 Additional 2 x HRM regulations for key policies are implemented; Evaluation of implementation of Code of Conduct and follow-up action undertaken</p>				
<p><b>3.2 Human resource development capacity enhanced for the sustainable development and delivery of a uniform, work based training at all levels in government</b></p> <p>Y1 National Training &amp; Development (Human Resource Development – HRD) framework approved including the establishment of National Leading Committee and Technical Working Groups; National Civil Service Learning Strategy developed and approved and prioritized training areas identified; National Strategy for Competency Development is developed and approved; Curriculum Development Matrix for HRM and Generic Administrative programs and for Management Development developed and approved; One (1)</p>	<p>3.2.1 HRD Framework Development: Design, develop and implement national training policy, protocols and systems, including the establishment of a National Training &amp; Development body</p> <p>3.2.2 Design, develop and implement a Competency-Based Approach to Human Resource Management and Development</p> <p>3.2.3 Design, develop and implement a National Civil Service Curriculum, which includes HRM, Generic and Leadership</p>			

Expected Output and Indicators	Planned Activities	Expenditures	Results of Activities	Progress Towards Achieving Output
<p>HRM technical training and one (1) generic module designed, developed and piloted with local capacity to deliver internal work based training; Management and leadership training methodology and pilot action plan developed; National Guidelines for the Training Delivery Network developed, approved; National Training Delivery Network formally established; Working Group established; Performance Management guidelines drafted; Delivery of English Language Training to government officials across the Governance Sector; Working group established to develop strategy and costed proposal for the establishment of a National CS Training Institute; National Statement of approach for Human Resource Practitioners developed, approved, to include a TOR for HR Practitioners Network and Annual Action Plan; Develop 'Gender and Governance' policy and strategy (initiatives) to include Action Plan; and develop Action Plan for collaboration with LWU and GEPR;</p> <p>Y1-2: Trainer-training program developed and approved by National T&amp;D Committee; Draft Guidelines pilot-tested in selected</p>	<p>programs</p> <p>3.2.4 Support the delivery of the National Civil Service Curriculum at Central and Local levels through the development of Enhanced Training Delivery Capability</p> <p>3.2.5 Design, develop and implement a Civil Service Performance Management System</p> <p>3.2.6 Support English Language Learning through the delivery of training and the development of a strategic vision and a national syllabus</p> <p>3.2.7 Develop a strategy for the creation of a National Civil Service Training &amp; Information Centre</p> <p>3.2.8 Build HRM and HRD operational capacity through the establishment of a HR Practitioners Network</p> <p>3.2.9 Support Regional representation on Civil</p>			

Expected Output and Indicators	Planned Activities	Expenditures	Results of Activities	Progress Towards Achieving Output
<p>agencies</p> <p>Y2 Evaluation of training modules; revision of training materials; training materials approved by National Leading Committee; national implementation strategy developed; Officials are selected to be developed as trainers; Officials are selected to be developed as Delivery Quality Assurance Evaluators; Evaluation of Performance Management pilot test and National implementation strategy developed; Preparation activities (meetings) for hosting the ACCSM in 2009;</p> <p>Y1-3 Basic set of generic CS competencies developed, piloted and evaluated in conjunction with key HRM elements (e.g. Performance Management);</p> <p>Y1-4 Regular participation in the ASEAN Committee for Civil Service Matters (ACCSM);</p> <p>Y2-3 Trainer-training programs are delivered; Selected officials are trained in Training Quality Assurance and Evaluation; ELT Trainer-training programs are delivered and Selected officials are trained in Training Quality</p>	<p>Service Matters</p> <p>3.2.10 Engender Civil Service Matters through effective collaboration and the design, development and implementation of a Gender and Governance policy and strategy.</p>			

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Expected Output and Indicators	Planned Activities	Expenditures	Results of Activities	Progress Towards Achieving Output
<p>Assurance and Evaluation;</p> <p>Y2-4 National HRD Policy &amp; Procedures approved and disseminated; Pilot HRD Policy &amp; Procedures; Y2-4: Implement pilot Management Development Action Plan, e.g. Management development program/ modules designed, developed and piloted with local/regional capacity to deliver internal work based training;</p> <p>Revision of the English for Lao Government Officials syllabus; syllabus disseminated; Annual HR Practitioners Action Plan drafted and implemented, to include National HR Seminars and Learning Events, and information dissemination; Pilot test initiatives as per the LaoNCAW Gender and Governance Action Plans and the LWU/GEPR Action plans;</p> <p>Y3: National training calendar - schedule of training programs; Evaluation of revised EGO curriculum and delivery approach; ACCSM event in Lao PDR is conducted;</p> <p>Y3-4 Evaluate HRD Policy &amp; Procedures; Evaluation of Management Development approach and development program activities; New trainers deliver nationally-approved courses; New</p>				

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Expected Output and Indicators	Planned Activities	Expenditures	Results of Activities	Progress Towards Achieving Output
<p>Evaluators conduct quality assurance evaluations; Evaluation of the impact of HR Practitioners Network;</p> <p>Y4 Basic set of generic CS competencies, approved and disseminated; Revision of management development approach and materials, approved by National Leading Committee, and national implementation strategy developed; Evaluation of Performance Management implementation; ELT incorporated into the national training calendar with Trainers delivering new syllabus and Evaluators conduct quality assurance evaluations;</p> <p>Handover of ACCSM hosting to Malaysia; Evaluate impact of pilot initiatives as per the LaoNCAW Gender and Governance Action Plans and the LWU/GEPR Action plans;</p>				

Expected Output and Indicators	Planned Activities	Expenditures	Results of Activities	Progress Towards Achieving Output
<b>Output 4. Decentralized finance and planning increase access to services for the poor and vulnerable</b>				
<p><b>4.1 DDF lessons and experiences inform policy dialogue on decentralization</b></p> <p>Y1 PACSA Dept of Local Admin providing counterpart support to DDF</p> <p>Y2-3 Policy dialogue under PMO on local public expenditure and financial management</p> <p>Y3-4 Policy dialogue under PMO on DDF impacts and implications</p> <p>Y4 Key aspects of DDF process and procedures incorporated into national policy and emerging practice</p>	<p>4.1.4 Local public expenditure &amp; public financial management reviews</p> <p>4.1.5 DDF effectiveness &amp; impact assessment studies</p> <p>4.1.6 DDF lesson learning and policy dialogue</p>			
<p><b>4.2 Devolved financing mechanisms increase quantity and availability of services for the poor</b></p> <p>Y1 DDF fund access guidelines developed, adopted and funds flow extended to at least 8 new districts</p> <p>Y2 DDF funds flow covers 18 districts</p> <p>Y3-4 DDF funds flow covers 26 districts and provincial allocations (matching funds) to DDF increase</p>	<p>4.2.4 Establish DDF guidelines &amp; procedures</p> <p>4.2.5 Introduce DDF modalities and processes</p> <p>4.2.6 Disburse DDF block grants</p>			

Expected Output and Indicators	Planned Activities	Expenditures	Results of Activities	Progress Towards Achieving Output
<p>over time</p> <p>Y3-4 Operational and social protection grants piloted in at least 4 districts</p>				
<p><b>4.3 Improved sub national finance and planning systems enhances efficiency, quality and inclusiveness of services for the poor</b></p> <p>Y1 Gender equitable plans and budgets approved in 8 new districts in compliance with participatory process with provision for O&amp;M</p> <p>Y2 Timely implementation of budgets and schemes in compliance with designs in 8 new districts; plans and budgets approved in 18 new districts, procurement guidelines adopted</p> <p>Y3-4 Timely implementation of budgets and schemes in 18 new districts; plans and budgets approved in 26 new districts</p> <p>Y3-4 public availability of information increases, internal auditing process institutionalized and audit irregularities reduced</p>	<p>4.3.3 Establish procedure for local public expenditure and financial management</p> <p>4.3.4 Introduce local public expenditure and financial management guidelines</p>			

Expected Output and Indicators	Planned Activities	Expenditures	Results of Activities	Progress Towards Achieving Output
<b>Output 5: Funding support for public service improvements resulting in improved delivery of services</b>				
<p><b>5.1 Financing mechanism to support priority Governance 'Road-Map' reform initiatives (GPAR Fund)</b></p> <p>Y1 Criteria, regulations and management systems established /approved for GPAR Fund</p> <p>Y1 Selected target offices (and activities) approved; M&amp; E systems developed &amp; approved</p> <p>Y2 Implementation of activities in at least 3 pilot sites (Central/Provincial)</p> <p>Y2-4: Lessons shared with policy makers (CSOI, SOG)</p> <p>Y3 Implementation of activities in at least 4 pilot sites (Central/Provincial)</p> <p>Y3 Initial evaluation of activities</p> <p>Y4 Final evaluation of activities – shared with policy makers (CSOI, SOG)</p>	<p><b>Activities:</b></p> <p>5.1.1. Operationalise the GPAR Fund facility to support implementation of public service improvement</p> <p>5.1.2 Implement GPAR Fund to facilitate and support the implementation of the key public service reforms in target ministries and provinces</p> <p>5.1.3 Identify and disseminate examples of "Good Practice" and share experiences</p>			



## SBSD – DDF COMPONENT

### TECHNICAL NOTE

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This annex provides some background to and technical guidelines for the functional and operational aspects of SBSB’s District Development Fund (DDF) facility. The guidelines are indicative and will be detailed during the inception phase for SBSB/DDF, as well as during the life of the programme.

#### 1. DDF FINANCE: PRINCIPLES AND PROCEDURES

This section outlines the fundamental principles that underlie the DDF as a local financing facility – what it will do, how it will do so, and the procedures that will underpin DDF modalities.

##### 1.1. DDF VARIANTS

The DDF facility is intended to provide “real-time” finance to Districts in a variety of forms:

- Basic Block Grants (BBGs): the vast majority of DDF resources will be dedicated to the allocation of BBGs to districts in the selected provinces. BBGs, which will be allocated to districts on an annual basis, are intended to finance the provision of basic, small-scale, infrastructure and development related activities – all of which are to be identified and prioritised through a simple, participatory, gender-sensitive, and technically robust local planning process. As such, BBGs correspond to unconditional capital expenditure block grants. The BBG element of the DDF facility has already been piloted in Saravane province as an integral element of the ongoing GPAR provincial project – which, with some fine-tuning and updating, will provide the procedural foundations for the larger DDF/BBG facility.
- Operational Expenditure Block Grants (OEBGs): a small proportion of DDF resources will be reserved for OEBGs, which will be allocated (on an annual and pilot basis) to a selected number of districts in order to finance non-salary operational expenditures (e.g. transport costs, maintenance costs, operating costs, etc.). OEBGs have already been successfully piloted in Xieng Khuang province – and the DDF facility will enable SBSB to scale up this kind of transfer.
- Social Protection Block Grants (SPBGs): a small proportion of DDF resources will be earmarked for SPBGs, which will be allocated (on an annual and pilot basis) to a selected number of districts in order to finance expenditures related to social protection. Two types of social protection safety nets will be financed through SPBGs: (i) workfare programmes, whereby poor people will be paid a cash wage to undertake public works or to maintain public infrastructure; (ii) cash transfers, whereby poor people who are unable to work (due to disability, domestic circumstances, etc.) will receive a small quarterly cash transfer to assist them on a conditional or unconditional basis. The SPBG sub-facility clearly has the potential to ensure gender-sensitive service delivery, as well as to ensure inclusion of ethnic minority groups, members of which are often among the poorest Lao citizens.

In all its variants, the DDF facility is intended to operate as a simulated funding pool for inter-governmental fiscal transfers (IGFTs).

##### 1.2. BASIC BLOCK GRANTS (BBGS)

The heart of the DDF facility is the Basic Block Grant system. For districts which are eligible to receive them, BBGs will be predictable, annual, formula-based allocations. Districts will be able to use their BBG allocations to finance public goods and services in largely discretionary ways (subject to certain proscriptions) – and thus be in a position to address local needs.

### 1.2.1. Geographical focus

In its BBG form, SBSB's DDF facility will roll-out to a range of provinces and districts over the course of three annual fiscal cycles. Strategically, the DDF facility is intended to take a "whole" province approach, and – in each selected province – will progressively cover all districts. In general, however, DDF allocations will usually start by targeting the poorer districts in selected provinces, before being rolled out to other districts.

Initially, four provinces will access basic DDF allocations. These provinces have been selected on the basis of a number of criteria:

- (i) most importantly, an emphasis has been placed on ensuring that selected provinces include significant numbers of poor households and that the proportion of the poorest districts<sup>23</sup> is at least 50% ;
- (ii) a representative regional focus, with provinces from the north, centre and south of Lao PDR;
- (iii) a balance between provinces where GPAR/UNDP pilot projects are currently underway and provinces where there are no GPAR/UNDP pilot projects;
- (iv) synergies with existing development projects supported by Luxembourg's bilateral programme.

In accordance with these underlying criteria, the following four provinces will be able to access DDF allocations as of Year 1.

Table 1: initial selection of provinces

Province	Poor h/hs as % of total no of h/hs	No of poorest districts as % of total no, of districts	No. of poorest districts	Region	GPAR pilot	Existence of Luxembourg supported projects
Sekong	82%	50%	2	South	Yes	No
Borikhamxay	71%	50%	3	Centre	No	Yes
Xieng Khuang	35%	50%	4	Centre	Yes	Yes
Houaphane	65%	88%	7	North	No	No

DDF allocation scenarios (see below) indicate that it may be possible, at a later stage in the programme, to include an additional province in the basic DDF package.

As an embryonic platform for harmonised multi-donor support for local development, the DDF facility has been deliberately designed so as to operate as a form of basket funding facility – it will therefore be able to absorb additional donor assistance if, as, and when this becomes available.

### 1.2.2. Basic Block Grants: provincial and district allocations

Aggregate BBG allocations from the DDF will be to each province – and these provincial allocations will then be further broken down into district allocations.

- (i) Provincial allocations

Annual BBG allocations to selected provinces will be calculated on the basis of a simple population based formula – such that each province will be allocated a maximum annual allocation of US\$

<sup>23</sup> GoL officially recognizes that 47 of the country's total of 140 districts as classified as the poorest.

1.50 per capita<sup>24</sup>. The following table provides a summary of the maximum annual BBG allocation to each of the four selected provinces.

Table 2: Maximum annual BBG allocation (US\$) to selected provinces

Province	Total Population	Maximum annual BBG allocation (US\$)
Sekong	85,316	127,974
Borikhamxay	225,537	338,306
Xieng Khuang	237,314	355,971
Houaphane	280,492	429,738
<b>Totals</b>	<b>828,659</b>	<b>1,251,989</b>

However, these maximum annual allocations to provinces from the DDF facility will be incrementally rolled out, with approximately one additional third of the population of each province being covered every year – thus, over a period of three fiscal cycles, provinces will gradually attain their maximum annual allocations. The following table provides indicative figures for the three annual allocations that will be made to each province.

Table 3: Indicative annual BBG allocations to selected provinces over 3 years

Province	Max. annual BBG allocation	ANNUAL ALLOCATIONS (US\$)			Totals (US\$)
		I	II	III	
Sekong	127,974	42,231	84,463	127,974	254,668
Borikhamxay	338,306	111,641	223,282	338,306	673,228
Xieng Khuang	355,971	117,470	234,981	355,971	708,382
Houaphane	429,738	138,844	277,687	429,738	837,269
<b>Totals</b>	<b>1,251,989</b>	<b>410,186</b>	<b>820,413</b>	<b>1,251,989</b>	<b>2,473,547</b>

Provincial BBG allocations for the following financial year<sup>25</sup> will be announced and made public in the month of November in the preceding FY – thus providing sufficient time for adequate planning and budgeting.

(ii) District allocations

DDF/BBG annual allocations to districts within each province will be determined as a function of their population size and their relative poverty. The larger the population of a district and the poorer it is, the larger will be the share of the total provincial DDF/BBG funding pool that is allocated to it.

<sup>24</sup> This is the same rate as is applied to Saravane.

<sup>25</sup> In Lao PDR, the official FY runs from October to September.

Exact district-level allocations for each selected province will be determined during the inception phase of SBSD/DDF. However, the following table provides a summary of maximum annual sub-provincial allocations in Saravane and thus indicatively shows how DDF/BBG allocations to districts will be estimated.

Table 3: DDF/BBG maximum annual allocations to districts, Saravane province

District	Pop. weight	Pop.allocation (US\$)	Poor h/hs as % of total no. of district h/hs.	Poverty weight	Pop./poverty weight	Poverty allocation (US\$)	Total allocation (US\$)	% of total provincial allocation	Per capita allocation (US\$)
Saravane	23.95	71,849	21.45	0.22	5.15	30,836	102,686	22.8	1.36
Lao Ngam	18.73	56,202	22.92	0.23	4.29	25,692	81,894	18.2	1.39
Konxedone	17.24	51,709	15.87	0.16	2.74	16,412	68,121	15.1	1.26
Wapi	10.06	30,193	4.12	0.04	0.41	2,471	32,664	7.3	1.03
Lakhonpeng	12.01	36,026	10.87	0.11	1.31	7,839	43,865	9.7	1.16
Tum Lan	6.98	20,954	59.79	0.60	4.18	25,014	45,968	10.2	2.09
Ta Oi	7.22	21,655	77.03	0.77	5.56	33,286	54,941	12.2	2.42
Samoi	3.80	11,411	37.06	0.37	1.41	8,451	19,861	4.4	1.66

## Notes:

- Pop. weight = district population as a proportion of total provincial population
- Pop. allocation = district allocation weighted for population, applied to population-based funding pool (two thirds of total annual provincial allocation)
- Poverty weight = poor households in each district as proportion of total number of households in the district
- Pop/poverty weight = poverty weight multiplied by population weight
- Poverty allocation = pop/poverty weight of each district as a proportion of total pop/poverty weight for the province, as a proportion of total poverty-based funding pool (one third of total annual provincial allocation)
- Total allocation = population allocation + poverty allocation.

In each province, an annual Circular (to be issued by the Governor of the province in November of each year) will:

- (i) determine the districts that will benefit from DDF allocations;
- (ii) determine the size of any DDF allocations to districts.

### **1.2.3. Conditions of access to BBG allocations**

BBG allocations (to both provinces and districts) from the DDF facility will be conditional upon compliance with a number of basic pre-conditions.

#### **(i) Province**

Each province will be required to enter into a Memorandum of Understanding (MoU) with PACSA, acting on behalf of SBS/DDF. The MoU will detail the roles and responsibilities of each party in respect of financing, funds flow, allocations, financial accounting, control and audit, district planning procedures and overall DDF management and support. In addition, the MoU will specify the extent to which provinces will commit complementary funding (for non-salary operational expenditures) as part of their engagement with the programme. The MoU will be the instrument through which provinces officially commit themselves to complying with basic DDF procedures and principles.

In addition, provinces will identify three senior provincial focal persons to support DDF activities. These persons should comprise experienced and effective personnel from (a) the provincial Governance or Local Public Administration Department in the Office of the Governor, (b) the provincial Department of Planning and Investment, and (c) the provincial Department of Finance. These personnel will help to coordinate and support all DDF activities at provincial level and support DDF roll-out at district level.

#### **(ii) District**

In order to access their DDF/BBG allocations, districts will need to demonstrate compliance with Minimum Conditions (MCs). The use of MCs is intended to ensure that districts are meeting minimum standards of management and complying with fundamental DDF principles and procedures. MCs will be progressively “tightened” up over time, such that districts which have already benefited from BBG allocations will be expected to meet more stringent requirements than those which are entering the DDF/BBG scheme for the first time.

These MCs will be more clearly defined during the inception phase of SBS/DDF and over the life of the programme. The inset below, however, provides an illustration (from the Saravane GPAR pilot) of the types of MCs that “second generation” districts will be expected to comply with in order to qualify for further BBG allocations.

Assessing district compliance with these MCs will be the responsibility of provincial authorities, who will nominate a team each year to carry out such assessments. PACSA, through SBS, will reserve the right to independently validate such MC assessments in order to ensure their integrity.

### DDF Minimum Conditions for Saravane districts – compliance after year 1

In order to access their DDF allocations for a third year, districts in Saravane need to demonstrate compliance with the following Minimum Conditions:

1. The District Planning Committee (as defined by the DDF Planning Guidelines) met at least once during the previous FY.
2. The District Planning Committee made final recommendations on investment projects in accordance with the provisions for a two-thirds quorum of Kum Ban representatives present at the annual DPC meeting.
3. The district has a finalised and approved Annual Investment Plan and Budget for the coming FY.
4. At least 70% of a District's DDF allocation for the coming FY is to be used for funding sub-district (or Kum Ban) level investments.
5. Planned district investments do not include any of the items on the list of investments that cannot be funded out of DDF allocation, namely:
  - administrative buildings and equipment;
  - religious buildings (e.g. churches, temples);
  - salaries and other recurrent costs;
  - any costs related to involuntary resettlement;
  - communications facilities (e.g. radio stations, telephone systems);
  - sports infrastructure (e.g. football stadiums or grounds);
  - investments that would normally be made by individuals or the private sector;
  - credit programmes;
  - livestock reconstitution schemes;
  - investments that would be considered to be "central" government responsibilities.
6. Local contributions for planned District investments do not exceed 15% of the total budgeted cost of each planned investment project.
7. The District publicly disclosed information about its annual DDF allocation for the previous FY in the following ways:
  - a copy of the official DDF announcement by the Governor of the Province was posted on the District Administration's notice board and on other public notice boards at the Kum Ban level.
  - the official DDF announcement by the Governor of the Province was read out on local radio stations.
8. The District Head sent letters providing details of the previous FY's DDF allocation to the district and requesting sectors and Kum Bans to begin their annual planning process. Such letters will have been sent to:
  - each Line Department Head in the district;
  - each Kum Ban Head.
9. The district posted the approved District Investment Plan for the previous FY at the District Administration Office and in each Kum Ban in the District.
10. The district provided regular monthly, quarterly and annual financial reports on DDF financial management to the Provincial Finance Department during the previous FY.
11. The district's regular bank reconciliations demonstrated no serious discrepancies in DDF financial management.
12. During previous FYs, the District used procurement procedures in accordance with the District Procurement Manual.

In the event that a District is unable to demonstrate compliance with these Minimum Conditions, it will not access its DDF allocation for the coming FY.

#### 1.2.4. Eligible and proscribed expenditures

Although DDF/BBG allocations to districts are to be seen, for the most part, as discretionary grants, a number of restrictions will apply to their use.

(i) District and sub-district investments

Of the total DDF/BBG allocation made to any district:

- 30% or less will be used for financing district level expenditure responsibilities;
- 70% or more will be used for financing sub-district (or Kum Ban) level expenditure responsibilities.

In other words, at least 70% of a district's DDF/BBG allocation is to be used for funding sub-district (or Kum Ban) level investments (as defined by prescribed guidelines).

(ii) Eligible types of investment

In general, DDF/BBG allocations can be used by districts to finance investments that:

- have some direct or indirect impact on income-poverty or human poverty.
- are "developmental" and not of a routine, administrative nature – administration buildings and equipment, as well as regular annual salaries, are thus excluded.
- are located in primarily rural areas.
- are clearly local (rather than central or provincial) government responsibilities - thus paved roads and national referral hospitals, for example, are excluded.
- benefit a significant number of community members, not just one or two households – as a result, support to credit schemes, or to individually-owned businesses or farms, will be excluded.
- can be maintained either by communities or from local user fees, and which require only pre-agreed government staffing levels or pre-agreed recurrent budget allocations from central government to operate and maintain.

Table 4 (below) provides an indicative list of investments that can be financed out of district allocations.

In addition to these types of investment, districts will be permitted to use a **maximum** of 5% of their annual DDF/BBG allocation to finance technical support services (TSS) required for planning, the design and costing of investment projects, and for supervising their implementation. Expenditure items related to technical support services include consultancy fees for engineers, transportation and displacement costs. In the case of transportation and displacement costs, these will be budgeted in accordance with official Government norms. All TSS costs will be budgeted in the District Annual Investment Plan as a separate line item.



Table 4: indicative menu of eligible investments

District level	Sub-district (or Kum Ban) level
<p>Health &amp; sanitation:</p> <ul style="list-style-type: none"> <li>• district referral facilities and basic equipment</li> <li>• district town water supply systems</li> </ul> <p>Education:</p> <ul style="list-style-type: none"> <li>• secondary school facilities</li> <li>• dormitories for secondary schools</li> </ul> <p>Agriculture and natural resources:</p> <ul style="list-style-type: none"> <li>• medium-sized irrigation schemes</li> <li>• erosion control (gabions)</li> </ul> <p>Economy:</p> <ul style="list-style-type: none"> <li>• extensions to electrical grid</li> <li>• district market facilities</li> </ul> <p>Transport:</p> <ul style="list-style-type: none"> <li>• motorable bridges (including buttresses and gabions)</li> <li>• unpaved intra-district roads (including drainage)</li> <li>• bus depots</li> </ul>	<p>Health &amp; sanitation:</p> <ul style="list-style-type: none"> <li>• health centres and basic equipment</li> <li>• drinking water supply systems (spring capping, tube-wells, wells, etc.)</li> <li>• public sanitation schemes ??</li> </ul> <p>Education:</p> <ul style="list-style-type: none"> <li>• pre-school facilities</li> <li>• primary school facilities (rehabilitation and upgrading, new classrooms, toilets, etc.)</li> <li>• adult education (functional literacy) centres</li> </ul> <p>Agriculture and natural resources:</p> <ul style="list-style-type: none"> <li>• small-scale irrigation schemes (&lt;10 has.)</li> <li>• livestock vaccination pens</li> <li>• erosion control (gabions, etc.)</li> <li>• flood control structures</li> </ul> <p>Economy:</p> <ul style="list-style-type: none"> <li>• market sheds</li> </ul> <p>Transport:</p> <ul style="list-style-type: none"> <li>• culverts and improved fords</li> <li>• pedestrian bridges (including buttresses and gabions)</li> <li>• tracks</li> <li>• intra-Kum Ban roads (rehabilitation, construction, drainage)</li> </ul>

While table 4 provides an indication of investments that are eligible for funding out of DDF/BBG allocations to districts, the following items **cannot** be funded out of such allocations:

- administrative buildings and equipment (e.g. government offices, sector department offices, staff housing, vehicles, office computers, generators, etc.);
- religious buildings (e.g. churches, temples);
- salaries and other recurrent costs;
- any costs related to involuntary resettlement;
- communications facilities (e.g. radio stations, telephone systems);
- sports infrastructure (e.g. football stadiums or grounds);

- investments that would normally be made by individuals or the private sector (e.g. consumable medical supplies, agricultural inputs such as seeds and fertiliser, grain mills, tractors, etc.);
- credit programmes;
- livestock reconstitution schemes;
- investments that would normally be considered to be “central” government responsibilities (e.g. paved roads, university facilities);

The planning and budgeting process through which districts decide upon the use of their DDF/BBG allocations will be defined by official guidelines issued by PACSA and incorporated into the PACSA/provincial MoU mentioned earlier.

Procedures for DDF/BBG financial management and for the procurement of all works, goods and services related to DDF-funded investments will be determined in accordance with official Government procedures and will also be defined in the PACSA/provincial MoU.

#### **1.2.5. Local contributions**

In order to maximise the sense of local ownership of all investments, all DDF-funded sub-projects will also include a local matching contribution. This contribution can either be made in kind (labour, materials, etc.) or in cash.

However, under no circumstances should the estimated monetary value of any local contribution to any individual investment project exceed 15% of the total monetary value of that project. This limitation on the size of local contributions to individual sub-projects financed out of DDF/BBG allocations is intended to avoid a tendency to pass on extra-budgetary costs to local citizens.

#### **1.2.6. Fund flow mechanisms**

DDF/BBG allocations will be disbursed to districts in accordance with a set of fund flow procedures mutually agreed between SBSD/DDF and the Ministry of Finance. Insofar as possible, such fund flows will be on-budget. However, given the nature of current Treasury arrangements in Lao PDR, this may not be feasible – in which case (as currently applies in Saravane) fund flows will be off-budget.

### **1.3. CONDITIONAL BLOCK GRANTS**

Whilst the vast majority of DDF financial resources will be ear-marked for the Basic Block Grant scheme (and will therefore be used by districts – on a largely discretionary basis – to finance a range of small-scale infrastructure and service delivery activities), the DDF facility is also intended to trial two simple types of conditional block grant transfer mechanism. The parameters and arrangements for these conditional block grants to districts will be defined in greater detail during the inception and subsequent phases of SBSD/DDF. The following sections, however, describe the broad approach that will be taken.

#### **1.3.1. Operational Expenditure Block Grants (OEBGs)**

There is much anecdotal evidence to the effect that current sub-national budgetary allocations in Lao PDR are heavily skewed towards large capital expenditure items, with the result that recurrent budget allocations are squeezed and thus almost entirely absorbed by salaries. This, in turn, results in service delivery shortfalls – agricultural extension staff have no budgets out of which to finance field visits, schools have little in the way of financial resources to pay for maintenance and other non-salary operational expenditures, health departments are unable to cover recurrent costs for maintaining cold chains, etc.

The GPAR pilot project in Xieng Khuang province has already tested, on a limited basis, a way of supplementing operational budgets for agricultural extension services. Results to date have been encouraging, and it is therefore the intention of SBSDD/DDF to further experiment with this budgetary support modality. In exactly the same way as in Xieng Khuang, the basic objective will be to demonstrate that by injecting supplementary (non-salary) operational funds into specific sectors, service delivery will improve in measurable ways.

To do this, SBSDD/DDF will maintain a DDF reserve fund of approximately US\$ 300,000. These resources will be used selectively to supplement existing recurrent budgets for the agriculture, education and health sectors in one or more of the provinces in which DDF/BBG allocations will be made.

OEBGs will be allocated to districts in accordance with the following principles and considerations:

- a clear benchmarking of the expected results and outcomes that emerge from the injection of OEBGs;
- a robust monitoring system to track OEBG results and outcomes;
- the application of a pre-determined set of financial management arrangements;
- clear provincial commitments to both monitor OEBG outcomes and (in the event that they prove positive) to follow through with a mainstreaming of OEBG principles into future provincial budgets.

Where SBSDD/DDF decides to use its OEBG reserve fund, such block grants will be made to districts and will be the subject of a separate MoU between the province in question and PACSA.

### **1.3.2. Social Protection Block Grants (SPBGs)**

Evidence from around the world increasingly points to the need for well-targeted social protection mechanisms (safety nets) as a way of contributing towards poverty reduction. In addition, it is also becoming clear that the management and administration of such safety nets may be improved when carried out at the local, rather than national, level.

This component of SBSDD/DDF, then, will test the use of conditional fiscal transfers, in addition to BBGs, for service delivery functions (such as social protection) that can be administratively devolved to local levels. Such grants will be made available to local governments/administrations subject to the continued attainment of specific, pre-agreed, performance criteria.

SBSDD/DDF will thus include a pilot component of conditional block grants for safety net programmes, which will be implemented in a selected number of districts. This pilot project will test district level abilities to assume greater financial and administrative responsibilities for safety net programmes. In total, SBSDD/DDF will maintain a reserve fund for approximately US\$ 150,000 for this purpose. As with the OEBG pilot, the precise parameters for social protection block grants will be determined during and after the SBSDD/DDF inception phase.

The safety net pilot will potentially include two separate sub-programmes:

- cash transfers for poor households with no adult labour available for work, such as those headed by women with many children, the senior citizen, the disabled, etc. Such households will normally not be in a position to engage in programmes such as food-for-work or other income-earning activities. In addition to such unconditional cash transfers, there would also be room to pilot conditional cash transfers to poor households – which, for example, would receive quarterly transfers on condition that all their school age children were attending school.
- cash-based public workfare, to be operated when adult labour is available for work in poor households and where seasonal shortfalls in employment are pervasive. SBSDD/DDF's public workfare programme will be cash-wage-based and community-driven. It will be implemented by districts with significant community oversight and involvement in decision-making at all stages, including selection of schemes and sub-projects, in accordance with the overall accountability framework of the DDF/BBG facility, such as open meetings and consultations, and public posting of programme details.

SPBGs will be allocated to districts in accordance with the following principles and considerations:

- a clear benchmarking of the expected results and outcomes that emerge from the injection of SPBGs;
- a robust monitoring system to track SPBG results and outcomes;
- the application of a pre-determined set of financial management arrangements;
- clear provincial commitments to monitor SPBG outcomes.

Where SBSD/DDF decides to use its SPBG reserve fund, such block grants will be made to districts and will be the subject of a separate MoU between the province in question and PACSA.

Central to this SPBG sub-facility will be the need to ensure that lessons learned are fed into policy processes at the national level.

## 2. DDF & LOCAL PUBLIC EXPENDITURE MANAGEMENT

### 2.1. BASIC BLOCK GRANTS

This section of the DDF Technical Annex covers issues related to the planning, budgeting implementation and other PEM arrangements that will need to be introduced to beneficiary provinces and districts. Much of this is drawn from experience from Saravane, but will probably need to be reviewed and adapted during the SBS/DDF inception phase, as well as in subsequent phases of the overall programme.

#### 2.1.1. Institutional framework

The following table presents a summary of the indicative institutional framework for the the district-level investment planning process that will be rolled out through BBG allocations.

The planning and budgeting process that will be associated with BBG allocations will be participatory and will involve local citizens (women and men) at both the village and Kum Ban levels. This will ensure, as far as possible, that investments and activities that are funded through BBG allocations correspond to local needs and priorities.

Table 5: indicative institutional framework for district investment planning process

Actors and levels	Composition	Role & responsibility
Villagers	<ul style="list-style-type: none"> <li>Village units</li> <li>Female focus group</li> <li>Male focus group</li> </ul>	<ul style="list-style-type: none"> <li>Identification of Village development priorities</li> </ul>
Village Office	<ul style="list-style-type: none"> <li>Village chief</li> <li>Village Office members</li> </ul>	<ul style="list-style-type: none"> <li>Organisation of Village Annual Planning Meeting</li> <li>Facilitation of Village-level prioritisation</li> <li>Submission of Village priorities to Kum Ban level</li> </ul>
Kum Ban	<ul style="list-style-type: none"> <li>Kum Ban Head</li> <li>Kum Ban Committee</li> <li>Village representatives:               <ul style="list-style-type: none"> <li>Chief of each Village</li> <li>1 woman from each Village</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Facilitation of Village-level prioritisation</li> <li>Screening of Village-level priorities</li> <li>Organisation of Kum Ban Annual Planning Workshop</li> <li>Identification of Kum Ban priorities</li> <li>Submission of Kum Ban priorities to DPT</li> </ul>
District Line Departments	<ul style="list-style-type: none"> <li>Education</li> <li>Health</li> <li>Agriculture</li> <li>Transport</li> </ul>	<ul style="list-style-type: none"> <li>Identification of sector priorities for District-level investments</li> <li>Prioritisation of sector level priorities for District-level investments</li> <li>Submission of sector priorities to DPT</li> </ul>
District Planning Team (DPT)	<ul style="list-style-type: none"> <li>District Planning &amp; Investment Department Head and staff</li> <li>Sector technicians</li> </ul>	<ul style="list-style-type: none"> <li>Facilitation of Kum Ban Annual Planning Workshops</li> <li>Registration of Kum Ban and sector priorities</li> <li>Verification, appraisal and preliminary design/costing of sub-projects</li> <li>Preparation of listing and budgeting of prioritised projects</li> <li>Presentation of DPT report and submission to DPC</li> </ul>
District Planning Committee (DPC)	<ul style="list-style-type: none"> <li>Deputy Head of District</li> <li>Head of District Dept. of Finance</li> <li>Heads of main sector departments (Education, Health, Agriculture, Transport)</li> <li>3 representatives of each Kum Ban in the district:               <ul style="list-style-type: none"> <li>Kum Ban Head</li> <li>1 Village Chief from the</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Endorsement of Draft District Investment Plan (DIP)</li> <li>Submission of Draft DIP to District Head</li> <li>Oversight of plan implementation</li> </ul>

	Kum Ban - 1 woman from the Kum Ban	
District Administration	• District Head	• Approval of District Annual Investment Plan
Provincial Administration	• Provincial Governor	• Final approval of District Annual Investment Plan

It should be clear from this indicative framework that the BBG mechanism will enable SBSD to pilot some highly innovative institutional arrangements. Most importantly, the planning and budgeting framework linked to BBG allocations (and to decisions about their use) introduces a degree of downward accountability into the local administrative system in Lao PDR – through the establishment of District Planning Committees (DPCs), which are expected to provisionally approve district investment plans (DIPs). The following inset provides further details on the DPC as an institution.

#### DDF/BBG – the District Planning Committee (DPC)

A District Planning Committee (DPC) will be established in each District.

##### Composition:

- Deputy Head of District (Chair);
- Head of District Finance Department;
- Heads of the main sector departments (Education, Health, Agriculture and Transport);
- Head of the District Lao Women's Union (LWU);
- 3 representatives from each Kum Ban:
  - Kum Ban head
  - 1 Village Chief
  - 1 Women village representative

##### Role:

- Consultative function to provide sound recommendations to the District Head on the DDF/BBG planning & implementation process.

##### Functions:

- Decision-making body for the final recommendations made to the District Head on the District Annual Investment Plan;
- Manage and provide oversight to the DDF/BBG planning and implementation process on behalf of the District Head;
- Ensure accountable and transparent financial management of the DDF/BBG;
- Ensure timely and sufficient information flows from the district to the Kum Ban and village level regarding the DDF/BBG process and progress.

##### Quorum:

The DPC can only make final recommendations to the District Head on the District Annual Investment Plan if at least two-thirds of its Kum Ban members are present at the annual DPC meeting. In the event that this quorum is not attained, final recommendations cannot be forwarded to the District Head for approval; the DPC will then need to organise another meeting in order to attain a quorum.

### 2.1.2. DDF/BBG planning and budgeting processes

Districts that receive BBG allocations will be expected to follow a technically sound, participatory, annual planning and budgeting process. The aim of this is to ensure not only that local communities have an opportunity to voice themselves with respect to their developmental priorities, but also to introduce robust and transparent appraisal and prioritisation processes at the district level.

Table 6 below (drawn from experience in Saravane province) provides an indicative, step-wise, planning and budgeting process which will be used by districts to determine the investments and development activities that they will finance out of their BBG allocations. During inception, SBSD/DDF will review and finalise this indicative and time-bound planning/budgeting process – and then develop suitable (and detailed) guidelines and training materials for roll-out to selected provinces and districts.

Table 6: Indicative district investment planning steps

Step	Actors	Timeline	Purpose
1. Announcement of the DDF/BBG allocation	MoF Provincial Governor District Head	November	To provide hard budget ceilings within which to meaningfully prioritise investments
2a. Village level identification and prioritisation of sub-projects (Village Annual Planning Meeting)	Villagers (women and men) Village Offices & Chiefs Kum Ban facilitator	December January	To establish community-level priorities
2b. Sector identification and prioritisation of sub-projects	Sector departments	December January	To establish sector level priorities
3. Kum Ban screening and prioritisation of sub-projects (Kum Ban Annual Planning Workshop)	Kum Ban Committee & Head Village Chiefs Women Village representatives	January February	To prioritise Village level submissions
4. DPT registration and initial sector appraisal	DPT	February	To register all submissions and carry out initial sector screening
5. DPT verification and appraisal of sub-projects	DPT	February March	To collect technical & other information on sub-project submissions To determine the feasibility of sub-projects
6. Preparation of DPT report and submission to DPC	DPT	March April	To undertake initial analysis and comparison of submissions To develop initial prioritisation of all submissions
7. DPC discussion, prioritisation and recommendation of Draft DIP	DPT DPC	April	To discuss DPT appraisals and recommendations To finalise prioritisation of sub-projects for inclusion in Draft DIP

8. Submission of Draft DIP to District Head for approval	District Head	May	To approve Draft DIP
9. Submission of Draft DIP to Provincial Governor for approval	Provincial Governor	May June	To approve DIP

DDF/BBG-related planning and budgeting processes will ensure that other local development initiatives (such as GoL's Poverty Reduction Fund and Village Development Funds) are fully taken into account as complementary activities.

### **2.1.3. Implementation arrangements for DDF/BBG allocations**

Subsequent to eventual approval and finalisation of each district's investment/-development plan and budget, districts will be expected to then implement their priority activities. Implementation of schemes will follow a simple, step-wise, process – as shown in table 7 below.



Table 7: indicative district implementation steps and activities

Step	Actors	Purpose
1. Finalising preparations	DPT	<ul style="list-style-type: none"> <li>finalise tender documents</li> </ul>
2. Procurement & contracting	As per GoL regulations and District Procurement Manual	<ul style="list-style-type: none"> <li>select contractors for project implementation</li> </ul>
3. Preparation of project implementation plan	DPT	<ul style="list-style-type: none"> <li>ensure adequate organisation of implementation</li> </ul>
4. Technical and local oversight	DPT Technical units (technical departments, consultants) Project Oversight Committees (POCs) Contractors	<ul style="list-style-type: none"> <li>ensure quality of works</li> </ul>
5. Payments	District Head District Department of Finance Technical units Contractors	<ul style="list-style-type: none"> <li>disbursement of funds to contractors</li> </ul>
6. Operations & maintenance	DPT Local O&M management	<ul style="list-style-type: none"> <li>ensure that investments are operated and maintained</li> </ul>

Again, these implementation steps (based on the Saravane model) will need to be reviewed, revised and then formalised through the development of DDF/BBG guidelines during the inception and subsequent phases of SBSD/DDF.

## 2.2. CONDITIONAL BLOCK GRANTS

Public expenditure management (PEM) procedures for DDF's reserve funds for OEBG and SPBG schemes will need to be developed by SBSD/DDF during the course of programme implementation.

As far as possible, any such PEM procedures will seek to:

- maximise participation, local oversight and downward accountability;
- be as simple, but nonetheless as technically robust, as possible;
- fit into the official Lao FY cycle;
- replicable in the long term.

## 3. DDF AND LOCAL FINANCIAL MANAGEMENT

### 3.1. Basic considerations

SBSD/DDF will develop sound local public financial management (PFM) procedures (for procurement, accounting, reporting, audit, etc.), which districts will be expected to use.

As far as possible, DDF PFM procedures will be based on:

- existing Government of Lao PDR financial management procedures and forms;
- the recommendations made by any SBS/DDF technical support missions;
- sound principles.

It should be noted that DDF/BBG expenditures will largely be related to the acquisition of goods or payment for works – and thus largely dominated by capital expenditure. This will require close adherence to established public procurement procedures<sup>26</sup>,

There are two fundamental principles that should be respected by DDF PFM procedures:

- the strict maintenance of the distinction between the *ordonateur* (or budget authorising officer) and the *comptable* (or treasurer, as the actual disburser of payments). This is, in principle, the underlying basis for the entire PFM system in Lao PDR;
- the limitation of all DDF transactions to bank-based operations, insofar as this is possible. Cash payments are not to be encouraged for any DDF-related expenditures.

DDF PFM procedures will be developed during the inception and subsequent phases of SBS/DDF. They will be integrated into a comprehensive PFM manual, which will form the basis for subsequent capacity building activities.

### **3.2. Bank accounts**

Each district will be expected to open a single bank account at a local branch of a recognised commercial bank. This bank account will be where all DDF funds (BBG, OEBG, SPBG) are to be lodged.

Bank account transactions will always require two signatures:

- (i) the District Finance Officer (DFO);
- (j) either the Vice-Head of the District or (in the absence of the former) the Head of the DPI (District level).

This provision will remain in place for as long as DDF allocations of whatever kind are managed off-budget.

### **3.3. Financial reporting and fund flows**

All DDF related expenditures will be managed by districts, which will be expected to provide regular financial reports to both provincial and national authorities.

Regular financial reporting on the part of districts will be a pre-condition for DDF disbursements.

## **4. DDF CAPACITY BUILDING ACTIVITIES**

The SBS/DDF will include a set of orthodox capacity building activities – which will largely be concerned with training and peer-learning events. Training will be provided to provincial and district officials and stakeholders in the following areas:

- Training of provincial trainers, who will then go onto to provide districts with appropriate capacity building support;
- Basic DDF “rules of the game”;
- Planning, budgeting and implementation (including design and costing);

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<sup>26</sup> A District Procurement Manual has already been developed for the Saravane project and will be used as the foundation for DDF/BBG procurement processes.

- Financial management.

The roll-out of these DDF-linked training activities will be closely coordinated with other SBSB human resource development components.

## **5. DDF POLICY SUPPORT**

The new Budget law (2006) represents the beginning of a fundamental change in fiscal relationships that will facilitate a more rationale distribution of funding and service provision in the medium term. Specific initiatives include the centralisation of Treasury, Customs and Tax to provide an enhanced revenue base for the more equitable distribution of financial allocations across provinces. It is anticipated that the proposed multi-donor funded Public Expenditure Management Strengthening Programme (PEMSP) will support the process of developing a variety of agreements over different revenue assignments at national, provincial and district level as well as helping to identify appropriate expenditure assignments based on key expenditure norms to facilitate this process. Given the significance of these changes in terms of the past fiscal framework, the impact of the new budget law will be incremental in nature since the government is keen to ensure that no province will be worse off financially in the short term.

These changes will provide DDF with a unique opportunity to influence and shape proposals for an effective system of inter-governmental fiscal transfers with enhanced budgetary certainty and predictability at district level. Here, the presence of an expanded DDF facility in a number of provinces will help to build a body of experience and lessons on simple formula based funding for infrastructure and services based on participatory planning and improved local financial management. SBSB will thus also work closely with the Public Expenditure Management Strengthening Programme (PEMSP) on the development of expenditure management frameworks and inter-governmental fiscal relations drawing from experiences, lessons and impacts of the expanded DDF component. This may include support for expenditure and revenue assignment studies and strengthening local government financial management. SBSB will also assist PEMSP in areas such as civil service pay policy and payroll modeling and will continue to support the roll-out of financial management training at provincial and district level