Government of Lao People's Democratic Republic

Ministry of Home Affairs

United Nations Development Programme

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

ANNUAL PROJECT REPORT 2011

Reporting period: January 1 to December 31, 2011

I. PROJECT INFORMATION AND RESOURCES

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

Project Starting date		Project completion date	
Originally planned	Actual	Originally planned	Current estimate
1 July 2007	1 July 2007	30 June 2011	30 June 2012

Total Budget	Original Budget (US$)	Latest Signed Revision (US$)
	$10,343,083	10,996,084

Resources	Donor	Amount (US$)
	United Nations Dev. Programme	1,460,000
	United Nations Capital Dev. Fund	700,000
	Swiss Agency for Dev. Cooperation	3,500,000
	Luxemburg Government	4,000,000
	UNDP - SNV Cost Sharing	182,999
	Yet to be funded	1,153,085

Period covered by this report:	January 1 to December 31, 2011
Date of annual review:	January 24, 2012

Current Year	Budget (US$)	Expenditure till Dec 31, 2011 (US$)
	1,366,693	1,024,737

II. PURPOSE

The programme relates to the goal of the Govt. of Lao PDR to "build an effective, efficient, well-trained, honest and ethical public service that is able to meet the needs of the multi-ethnic Lao people". The main objective of the programme is to increase efficiency, effectiveness, transparency, and accountability of the public administration at central and local levels, and directly relates to UNDAF outcome: "Strengthened capacities of public and private institutions to fulfill their duties and greater people's participation in governance and advocacy for the promotion of human rights in conformity with the UN Millennium Declaration" and CPAP outcome: Strengthened capacities of central administration for decentralized planning, management & service delivery.

III. PROJECT PERFORMANCE AND RESULTS

1. Contribution to the strategic goals

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

Related to SRF outcome: Strengthening accountable and responsive governing institutions

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

Annual outputs and indicators	Key activities completed during reporting period	Expenditure to date (US$)	Progress towards achieving outputs/ targets against indicators	Reasons if progress below target and response strategies
Output 1: Strategic oversight, monitoring framework pro-vides for evidence based policy and performance analysis in governance reform		77,658		
Target: 1.1: Wide awareness of governance strategy (2011-15)	• Draft Governance Strategic Plan widely discussed among stakeholders		• Target partly achieved; dissemination deferred till Plan is formally approved	• New National Assembly and Government to approve plan; follow up by MoHA
Target: 1.2: Sector information matrix 2011	• Preparation of information matrix		• Target Achieved; information matrices complete	
Target: 1.3: Strategic Plan Monitoring System designed	• Preparation of Strategic Plan Monitoring system		• Target achieved; system ready to be used when Plan is finalized	
Target: 1.4: National GPAR Programme (2011-15) designed	• Preparation of National GPAR Programme (2011-15) & projects		• Target Achieved; Programme and designed & 3 projects complete	
Output 2: Improved org. structures and systems enable delivery of more equitable, effective accountable and transparent services		70,384		
Target: 2.1: Training module for Org. Analysis practitioners in Govt.	• Lessons learned workshop and training for practitioners		• Achieved; Team established and first round of training provided	
Target: 2.2: Team of District Admn. Resource persons	• Training for 12 districts to conduct district capacity building		• Achieved; Teams from 12 districts on district capacity building	•
Target: 2.3: Team of Village Admn. Training Resource persons	•		• Not Achieved; Task not yet initiated by Government	• Will be carried out in next phase of GPAR Programme

Annual outputs and indicators	Key activities completed during reporting period	Expenditures to date (US$)	Progress towards achieving outputs & targets against indicators	Reasons if progress below target and response strategies
Output 3: HRM and HRD policies, procedures and capacity are strengthened		172,496		
Target: 3.1: Draft of Civil Service Management Law	• Drafting of civil service management law commenced		• Partially achieved; reviews of earlier legal frameworks complete	• Further review and drafting by Govt. in 2012
Target: 3.2: Implementation of PIMS in 10 offices	• PIMS implementation in 16 offices		• Achieved; PIMS implemented in 16 offices	
Target: 3.3: Draft Guidelines to implement Code of Conduct	• Instructions to implement Code of Conduct included in draft of code		• Achieved; instructions for implementation in Code of Conduct	
Target: 3.4: Draft of Civil Service Training Centre Strategy	• Draft Civil Service Management Strategy prepared for ARTI • Proposal to support Civil Service Training through PPTP-2		• Achieved; Civil Service Training Strategy available for MoHA to pursue scale up plans	
Target: 3.5: Elem. English Lang. Curriculum for civil servants - Materials	• Material for Elem. English Lang. Curriculum prepared by TA		• Achieved; Material for Elem. English Lang. Curriculum available	
Target: 3.6: Gender in Governance Strategy disseminated	• Gender in Governance Strategy workshop with stakeholders		• Achieved; Gender in Governance Strategy shared with stakeholders	

Annual outputs and indicators	Key activities completed during reporting period	Expenditures to date (US$)	Progress towards achieving outputs & targets against indicators	Reasons if progress below target and response strategies
Output 4: Decentralized finance and planning increase access to services for the poor and vulnerable		473,436		
Target: 4.1: Pilot Operational. Exp. Block Grants in 2 districts	• Operational expenditure block grant piloted in 2 districts • Lessons learned documented		• Achieved; operational expenditure successfully implemented in 2 districts	
Target: 4.2 Design for Social Protection Pilot	• Activity deferred		• Deferred	• Did not emerge as immediate priority in GPAR formulation
Target: 4.3: National DDF Strategy outlined in new GPAR Programme	• Formulation of new GPAR Progarmme, PBG approach and scale up of OEBG		• Achieved; DDF strategy in "Strengthening Capacity and Service Delivery Programme"	
Target: 4.4: Delivery & utilization of grants for 2010-11 in 27 districts	• delivery of grants and completion in line with plans for 2011		• Achieved; Grants delivered & utilized as planned in 27 districts	
Output 5: Funding support for public service improvement for improved service delivery		152,900		
Target: 5.1: Delivery & utilization of grants for 2010-11	• Grants released to 10 subprojects • All projects completed		• Achieved; grants delivered and projects completed	
Target: 5.2: Lessons learnt document - GPAR Fund grants: 2010-11	• Lessons learned workshop in GPAR Fund		• Achieved; GPAR Fund Lessons learned document completed	

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

- Governance Sector Working Group, two Sub Sector Working Groups and Secretariat operational
- Secretariat strengthened and roles assigned
- Sector Working Group and Sub Sector Working Group meetings and reports completed
- Governance Information Matrices completed
- Governance Sector Working Group consultations on new National GPAR Programme

3. Update on partnerships

- Close partnership with provincial and district administrations on capacity development
- Partnership with Ministry of Planning & Ministry of Finance on DDF Implementation
- Multi-ministry partnerships around PIMS scale up
- Collaboration with Lao NCAW on finalizing the Gender in Governance Strategy

4. Update on gender mainstreaming

- Partnership with Lao NCAW in revising Gender in Governance Strategy and Action Plan

5. Update on audit recommendations

- Satisfactory rating by audit
- Procedure for making corrections on vouchers: Implemented

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

Challenge/Issue	Response
• Approval of Strategic Plan on Governance by Government has been postponed	• Dissemination of this key policy will be supported after approval is complete
• Training for village administrations	• Upcoming clarifications in mandate of different levels of administration will provide basis for developing new training package
• Developing civil service management law to take into account several institutions	• Large multi-stakeholder consultations initiated and will be followed up in next Programme
• Social protection pilot could not be designed and piloted	• Clear mandate sought from Government on responsible ministry and scope for the pilot
• Additional time taken for formulating new National GPAR Programme	• Extension of GPAR SBSD project till June 30, 2012 and support through Initiation Plan

7. Rating on progress towards results

Output:		
Output 1: Strategic oversight, monitoring framework provides for evidence based policy and performance analysis in governance reform	☒	Positive change
	☐	Negative change
	☐	Unchanged
Output 2: Improved organizational structures and systems enable the delivery of more equitable, effective accountable and transparent services	☒	Positive change
	☐	Negative change
	☐	Unchanged

Output 3: Human Resource Management and Human Resource Development policies, procedures and capacity are strengthened	☒	Positive change
	☐	Negative change
	☐	Unchanged
Output 4: Decentralized finance and planning increase access to services for the poor and vulnerable	☒	Positive change
	☐	Negative change
	☐	Unchanged
Output 5: Funding support for public service improvements resulting in improved delivery of services	☒	Positive change
	☐	Negative change
	☐	Unchanged

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

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

- Formulation of National GPAR Programme 2011-15

V. FUTURE WORK PLAN

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

Priority steps to overcome constraints:
- Follow up plans to address dissemination of Strategic Plan on Governance in place
- Follow up to build capacity of village administrations based on clarifications to PM 01/2000
- Support to formulate civil service management law in place, through EU-UNDP funded project
- Fully funded National GPAR Programme Secretariat Project to roll out of GPAR Programme

Steps to build on current achievements:
- High level leadership being formulated to provide direction and oversee sectoral reforms
- Strengthened Programme approach to facilitate scale up and mainstreaming
- Emphasis on sub national capacity development to ensure that benefits reach people
- Wider scale of capacity development for civil servants

Steps to build on partnerships:
- Formulation of National GPAR Programme involving several new development partners
- New programme formulation involving cooperation on climate change and MDGs

Use of lessons learned:
- Lessons learned provide strong inputs for formulating new GPAR Programme
- Lessons provide shared body of knowledge used by Government and development partners
- Stakeholders from national and sub-national level contributing valuable insights and lessons

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

1. <u>Dissemination of Strategic Plan on Governance (2011-20)</u> The Strategic Plan on Governance 2011-20 has been submitted for approval by the Government and National Assembly. Given the sensitiveness of this strategy, dissemination can commence only after it is formally approved. 2. <u>Village Administration training</u> The manual for training village administrators was prepared, but the training plans deferred in the light of proposed changes in mandates that will emerge from clarification of PM 01/2000 in 2012. 3. <u>Code of Conduct guidelines</u> The Code of Conduct document was revised and clarified, making the need for separate guidelines redundant. 4. <u>Civil Service Management Law</u> Initial support to review the current decree on civil service management has been completed. The detailed formulation of the new Civil Service Law will be part of the next GPAR Programme. 5. <u>Social Protection Pilot</u> The formulation of the new National GPAR Programme did not place the social protection pilot as a priority initiative. Hence, the design of a Social Protection pilot was not further pursued.

3. Estimated total budget required for the following year: $ 256,000

VI. ANNEXES

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

CERTIFIED BY

Mr. Khammoune Viphongxay
Executive of Project Board
GPAR SBSD project

Dated

Annex 1: COMBINED DELIVERY REPORT

Annex 2: DRAFT ANNUAL WORK PLAN 2012

Annex 3: GPAR SBSD PROGRAMME: COMMUNICATION AND MONITORING PLAN/REPORT 2011 p1

Project Title:	GPAR SBSD PROGRAMME	Award iD:	00047224		Date:	10/01/2012

Type of Action	Stakeholders	Method of communication	Due by	Completed on	Status
Annual Work Plan and Budget: 2011	UNDP, UNCDF, SDC, Govt. of Luxembourg	Report	01/01/11	09/12/10	Completed
Work plan and FACE form: Q1-2011	UNDP	Report	10/01/11	08/01/11	Completed
Quarterly Progress Report for Q4-2010, including logs	UNDP, UNCDF, SDC, Govt. of Luxembourg	Report	10/01/11	08/01/11	Completed
Work plan and FACE form: Q2-2011	UNDP	Report	10/04/11	09/04/11	Completed
Quarterly Progress Report for Q1-2011, including logs	UNDP, UNCDF, SDC, Govt. of Luxembourg	Report	10/04/11	09/04/11	Completed
Work plan and FACE form: Q3-2011	UNDP	Report	10/07/11	08/07/11	Completed
Quarterly Progress Report for Q2-2011, including logs	UNDP, UNCDF, SDC, Govt. of Luxembourg	Report	10/07/11	06/07/11	Completed
Work plan and FACE form: Q4-2011	UNDP	Report	10/10/11	10/10/11	Completed
Quarterly Progress Report for Q3-2011, including logs	UNDP, UNCDF, SDC, Govt. of Luxembourg	Report	10/10/11	10/10/11	Completed
Annual Progress Report: 2011	UNDP, UNCDF, SDC, Govt. of Luxembourg	Report	01/12/11	10/01/12	Completed
Quarterly Progress Report for Q4-2011, including logs	UNDP, UNCDF, SDC, Govt. of Luxembourg	Report	10/01/12	10/01/12	Completed

Annex 3: GPAR SBSD PROGRAMME: COMMUNICATION AND MONITORING PLAN/REPORT 2011 p2

Type of Action	Stakeholders	Method of communication	Due by	Completed on	Status
Governance Sector Working Group Update	Sector Working Group members	Report	15/06/11	30/09/11	Complete
GPAR SBSD Newsletter	UNDP, UNCDF, SDC, Govt. of Luxembourg, Sector Working Group members	Newsletter	15/06/11		Delayed
Governance Reform Initiatives Matrix	UNDP, UNCDF, SDC, Govt. of Luxembourg, all Dev. Partners	Report	01/06/11	30/09/11	Complete
National GPAR Programme document	UNDP, UNCDF, SDC, Govt. of Luxembourg, all Dev. Partners	Report	01/05/11	02/06/11	Complete
Governance Sector Information Matrix	UNDP, UNCDF, SDC, Govt. of Luxembourg, all Dev. Partners	Report	15/06/11	30/09/11	Complete
Strategic Plan Road Map Framework	UNDP, UNCDF, SDC, Govt. of Luxembourg, all Dev. Partners	Report	01/06/11	30/09/11	Complete
Strategic Plan Monitoring Framework	UNDP, UNCDF, SDC, Govt. of Luxembourg	Report	15/07/11	30/09/11	Complete
Service Delivery Pilot Baseline	UNDP, UNCDF, SDC, Govt. of Luxembourg	Report	15/05/11	19/08/11	Complete
Civil Service Management Guidelines	UNDP, UNCDF, SDC, Govt. of Luxembourg	Report	01/05/11		Delayed
Civil Service Management Law - draft	UNDP, UNCDF, SDC, Govt. of Luxembourg	Report	01/06/11	-	Deferred to next phase
District Development Funds Strategy	UNDP, UNCDF, SDC, Govt. of Luxembourg	Report	01/06/11	30/12/11	Complete
GPAR Fund: Lessons Learned Report	UNDP, UNCDF, SDC, Govt. of Luxembourg	Report	15/06/11	27/06/11	Complete

Annex 4: GPAR SBSD PROGRAMME: RISK LOG – 2011 p1

Project Title:	GPAR SBSD PROGRAMME		Award ID:	00047224		Date:	10/01/2012		
#	Description	Date Identified	Type	Impact & Probability	Countermeasures / Mgmt. response	Owner	Submitted/ updated by	Last Update	Status
1	New project may not be in place by December 31, 2011	01/12/11	Strategic	Inadequate support for transition and launch of new GPAR Programme	Request for extension of project	Project Manager	Project Manager	03.01.11	Resolved
2	Key outputs may not be completed by project close date	03/05/11	Operational	Project outputs not achieved by closure P=5; I=3; PXI=15	Request for extension of project	Project Manager	Project Manager	01.07.11	Resolved
3	Next Strategic Plan on Governance may be approved only by next Nat. Assembly	24/03/10	Strategic	Framework for formulating next GPAR Programme may become tentative P=5; I=3; PXI=15	Discussions with stakeholders to prepare next GPAR Programme based on current framework	Project Manager	Project Manager	01.04.11	Resolved
4	Formulation of next GPAR programme not be completed by the RTM	04/10/10	Operational	Key activity which may not reach completion in time; funds may need to be reassigned P=3; I=3; PXI=9	Discussion with stakeholders and revised time frame proposed	Project Manager	Project Manager	01.12.10	Moved to issues log
5	Revision of Law on Govt. and Law on Local Admn. may be delayed	15/06/10	Strategic	Key activity which may not reach completion; funds may need to be reassigned P=3; I=3; PXI=9	Discuss with PACSA; internal discussions on revision taking place	Project Manager	Project Manager	24.09.10	Change
6	Funding currently available for Social Protection pilot may not be adequate	31/03/10	Strategic	Key new modality would remain unaddressed; funds will need to be raised from other sources P=3; I=5; PXI=15	Proposal with UNCDF to seek separate EU grant; proposals being prepared to pilot Social Protection in next GPAR phase	Project Manager	Project Manager	24.09.10	Resolved
7	Time may not be sufficient to pilot Operational Expend-iture Block Grant	31/10/09	Strategic	Key new modality would remain unaddressed; funds will need to be reassigned P=3; I=5; PXI=15	International Advisor commenced preparation of OEBG strategy; OEBG to be piloted from Q4:2010	Project Manager	Project Manager	24.09.10	Resolved
8	Weak compliance with Minimum Conditions for DDF	30/06/09	Operat-ional	Further release of DDF curtailed and loss of cooperation P=3; I=5; PXI=15	Training for districts, and reviews with provincial governors; full compliance achieved in 2010	Project Manager	Project Manager	24.09.10	Resolved
9	Activity related to Workforce Planning cannot be done as planned	30/06/09	Strategic	Activity depends on detailed sector plans, including staffing projections which are beyond project scope P=5; I=5; PXI=25	Revised Results and Resources Framework removes this activity from the work plan	Project Manager	Project Manager	10.09.10	Resolved

Annex 4: GPAR SBSD PROGRAMME: RISK LOG – 2011 p2

#	Description	Date Identified	Type	Impact & Probability	Countermeasures / Mgmt. response	Owner	Submitted/ updated by	Last Update	Status
10	M&E of service delivery may need to be through MPI	30/06/09	Strategic	Possible objection from MPI on establishing parallel M&E mechanism P=3; I=3; PXI=9	Initial steps being taken in relation to GPAR Districts	Project Manager	Project Manager	10.09.10	Resolved
11	Public Policy capacity building may need revision	30/06/09	Strategic	Activity in current form a duplication of ADB supported input P=5; I=3; PXI=15	Revised Results and Resources Framework removes this activity from the work plan	Project Manager	Project Manager	10.09.10	Resolved
12	Follow up of Gender in Governance Strategy not in Project Strategy	31/03/10	Operat-ional	Key activity which may not reach completion due to lack of funding P=5; I=3; PXI=15	Project Board agrees to allocate additional funds for this activity	Project Manager	Project Manager	28.04.10	Resolved
13	Kumban develop-ment outside scope of PACSA and cannot be implemented	30/06/09	Strategic	Kumban development activities are being implemented by MPI P=5; I=5; PXI=25	Activity may be reviewed and revised to support capacity development at Ban level	Project Manager	Project Manager	30.06.09	No change
14	Uncertainties in securing multiple clearances for policy initiatives	30/11/07	Strategic	Delays in policy reform approval and implementation, applicable to many activities P=5; I=4; PXI=20	Monitoring and follow up by project management; revision of work plans by Project Board	Project Manager	Project Manager	29.05.08	No change
15	Dissemination of findings from CRC based on 2007 data may not be fruitful	31/10/09	Strategic	Findings based on 2007 data may not be seen as relevant for discussion and action P=3; I=5; PXI=15	Dissemination to focus on way forward, with ministries and development partners	Project Manager	Project Manager	31/01/10	Moved to issues log
16	Some GPAR Fund grantees may need early release of 2nd installment	31/10/09	Operat-ional	Inability of grantees to initiate planned activities till funds provided P=3; I=5; PXI=15	Case by case review and flexibility to be exercised in required cases	Project Manager	Project Manager	31/01/10	Moved to issues log
17	PIMS software provider may not deliver last module	30/06/09	Operat-ional	Roll out of PIMS and capacity to facilitate use on stand-alone platforms will be delayed P=3; I=5; PXI=15	Discussions with the provider and contingency plans for developing alternate software	Project Manager	Project Manager	31/01/10	Moved to issues log
18	ODSC's may not be able to deliver services involving multiple levels	30/06/09	Strategic	Differences in policies and changes in policies of ministries affect expan-sion of role of ODSCs P=5; I=5; PXI=25	Technical assistance mission to prepare new approach	Project Manager	Project Manager	31/01/10	Moved to issues log

Annex 4: GPAR SBSD PROGRAMME: RISK LOG - 2011 p3

#	Description	Date Identified	Type	Impact & Probability	Countermeasures / Mgmt. response	Owner	Submitted/ updated by	Last Update	Status
19	Luang Prabang Municipality may not be set up in the project time frame	30/06/09	Strategic	Likely to depend on revisions in Law which are beyond project scope P=5; I=5; PXI=25	Activity may be reviewed and revised or removed from the plan	Project Manager	Project Manager	31/01/10	Moved to issues log
20	Budget not yet fully funded	30/11/07	Financial	Activities in later years may face financial constraint P=5; I=3; PXI=15	Clarification of activities that have to wait for funding to be available by Project Board	Project Manager	Project Manager	30.11.09	Moved to issues log
21	Assistance to emerging opportunities for reforms	30/11/07	Financial	Revision of work plans to add activities, and postponing or dropping planned activities P=5; I=3; PXI=15	Oversight of Project Board; budget revision approved by Project Board	Executive of Project Board	Project Manager	25.09.08	Resolved
22	Time required to secure approval of Governance Strategic Plan	30/11/07	Strategic	Adverse comments from development partners; delay in commencing reforms P=3; I=5; PXI=15	Follow up by project management with government and development partners	Executive of Project Board	Project Manager	29.05.08	Moved to Issue log
23	Clearances for establishing Project Board	30/11/07	Organi-zational	Delay in establishing mandatory oversight mechanism P=3; I=2; PXI=6	Follow up by project management with government and UNDP	UNDP Country Office	Project Manager	29.05.08	Moved to Issue log
24	Delay in recruiting Info. Mgmt. & Comm. Support	30/11/07	Operat-ional	Delay in implementation of communication plan and sharing of GPAR SBSD results; P=5; I=4; PXI=20	Request for assistance from UNDP in recruitment process	Project Manager	Project Manager	29.05.08	Moved to Issue log
25	Delay in recruiting of DDF Advisor	30/11/07	Operat-ional	Delay in commencing DDF activities and missing planning cycle of government in 2008; P=5; I=5; PXI=25	Request for short term assistance from UNCDF and GPAR Saravane team	UNCDF Regional Office	Project Manager	29.05.08	Moved to Issue log

Annex 5: GPAR SBSD PROGRAMME: ISSUES LOG – 2011 p1

Project Title:	GPAR SBSD PROGRAMME		Award ID:	00047224		Date:	01/07/2011		
#	Description	Date Identified	Type	Priority (P) & impact (I)	Countermeasures / Mgmt. response	Owner	Status change	Last update	Current status
1.	Support to ensure completion of DDF/ formulate NGPAR	07/07/11	Problem	Key activity involving 27 districts P=5; I=3; PXI=15	Extension of duration of contract of key staff	Project Manager	Change	01/09/11	Resolved
2.	Support required to ensure proper completion of DDF	03/05/11	Problem	Key activity involving 27 districts P=5; I=3; PXI=15	Extension of project duration	Project Manager	Change	01.07.11	Resolved
3.	Monitoring framework of Strategic Plan awaiting formal plan approval	24/03/11	Problem	Key activity which may not be completed during duration of project P=5; I=3; PXI=15	Discussions with stakeholders; monitoring framework based on draft plan	Project Manager	Change	01.04.11	Resolved
4.	PIMS software provider not delivered last module	31/01/10	Problem	Roll out of PIMS and capacity to facilitate use on stand-alone platforms have been delayed P=3; I=5; PXI=15	PACSA/project team adjust the functionalities and make software operational	Project Manager	Change	01.04.11	Resolved
5.	Formulation of next GPAR programme not be completed by the RTM	04/10/10	Problem	Key activity which may not reach completion in time; funds may need to be reassigned P=3; I=3; PXI=9	Discussion with stakeholders and revised time frame finalized	Project Manager	No Change	01.12.10	Resolved
6.	ODSC's not be able to deliver services involving multiple levels	31/01/10	Problem	Differences in policies and changes in policies of ministries affect expansion of role of ODSCs P=5; I=5; PXI=25	Technical assistance mission prepared new approach	Project Manager	No Change	01.12.10	Resolved
7.	Project budget not fully funded	30/11/09	Problem	Budgeting for activities in 2010 and 2011 limited by availability of funds P=5; I=5; PXI=25	Revised Results and Resources Framework within available budget	Project Manager	No Change	10.09.10	Resolved
8.	Delay in formulation of Social Protection Fund may leave only 1 year for piloting	30/09/09	Problem	Inadequate time to carry out a pilot and derive lessons P=5; I=5; PXI=25	Revised Results and Resources Framework removes this activity	Project Manager	No Change	10.09.10	Resolved
9.	Delayed OEBG formulation calls for two new funds to be piloted in 2010 - 11	30/06/09	Problem	Risks, difficulties and limited lessons from 1 year of pilot implementation P=5; I=5; PXI=25	OEBG to be piloted from Q4:2010	Project Manager	No Change	10.09.10	Resolved

Annex 5: GPAR SBSD PROGRAMME: ISSUES LOG – 2011 p2

#	Description	Date Identified	Type	Priority (P) & impact (I)	Countermeasures / Mgmt. response	Owner	Status change	Last update	Current status
10.	Guidelines on DDF Planning and Fin-ancial Management not approved	30/06/09	Problem	Compliance with required practices will not be enforceable P=5; I=5; PXI=25	PACSA authorizes use of guidelines after receiving comments from MPI and MoF	Project Manager	No Change	10.09.10	Resolved
11.	DDF minimum conditions assessment not completed	30/11/09	Problem	DDF funds allocation for districts for 2010-11 planning cannot be announced till review completed P=5; I=5; PXI=25	Follow up by project team with provincial teams; complete compliance with minimum conditions in 2010	Project Manager	No Change	24.09.10	Resolved
12.	Delay in start of pilot Org. Analysis in service Ministries	30/06/09	Problem	Delay in Output 2 activities P=3; I=3; PXI=9	Pilot Org. Analysis completed in 2 offices; commenced in 3rd office	Project Manager	No Change	10.09.10	Resolved
13.	Luang Prabang Municipality may not be set up in the project time frame	31/01/10	Problem	Awaiting revisions in Law which are beyond project scope P=5; I=5; PXI=25	Activity has been reviewed deferred in work plan	Project Manager	No change	31.03.10	Not resolved
14.	Last PIMS software module not complete	30/06/09	Problem	Roll out of PIMS cannot take place without last module P=5; I=5; PXI=25	Follow up with service provider	Project Manager	Change	01/01/11	Resolved
15.	Delay in completion of Ban training needs assessment	30/06/09	Problem	Inability to proceed with key Output 2 activity P=3; I=5; PXI=15	Follow up with Project Board and PACSA management	Project Manager	No change	30.06.09	Not resolved
16.	Non acceptance of municipality plan in Luang Prabang	30/06/09	Problem	Inability to proceed with key Output 2 activity P=5; I=5; PXI=25	Follow up with project Board and PACSA management for revising activity	Project Manager	No change	30.06.09	Not resolved
17.	Delay in approval of Code of Conduct	25/06/08	Problem	Delay in initiating follow up activities including recruitment of consultants P=5; I=3; PXI=15	Request to PACSA management to expedite review and approval	Project Manager	No change	25.06.03	Not resolved

Annex 5: GPAR SBSD PROGRAMME: ISSUES LOG – 2011 p3

#	Description	Date Identified	Type	Priority (P) & Impact (I)	Countermeasures / Mgmt. response	Owner	Status change	Last update	Current status
18.	De lay in approval of Nat. Civil Service Mgmt. Strategy	25/06/08	Problem	Delay in initiating several civil service management activities P=5; I=5; PXI=25	PACSA management review of draft CSM strategy	Project Manager	No change	31.03.10	Not resolved
19.	Disse mination of findings from CRC based on 2007 data may not be fruitful	31/01/10	Problem	Findings based on 2007 data may not be seen as relevant for discussion and action P=3; I=5; PXI=15	Dissemination to focus on way forward, with ministries and development partners	Project Manager	No change	31/03/10	Solved
20.	C itizen Report Card study to be formally approved	30/06/09	Problem	Delay in Output 1 and 2 activities P=5; I=5; PXI=25	Approved by PACSA senior management for release	Project Manager	No change	31/03/10	Solved
21.	So me GPAR Fund grantees requested early release of 2nd installment	30/11/09	Change	Inability of grantees to initiate planned activities till funds provided P=3; I=5; PXI=15	Case by case review and flexibility to be exercised in required cases	Project Manager	No change	30/11/09	Solved
22.	De lay in recruiting HR Specialist Advisor	01/01/09	Problem	Delay in Output 3 activities P=5; I=5; PXI=25	Follow up with Country Office; Advisor in place	Project Manager	No change	16.03.09	Solved
23.	De lay in recruiting of GPAR Fund Advisor	25/06/08	Problem	Delay in commencing GPAR Fund activities; P=5; I=5; PXI=25	Recruitment of short term consultant to support start up activities; Advisor in place	Project Manager	No change	01.12.08	Solved
24.	Diff iculty in recruiting suitable Specialists for DDF	25/06/08	Problem	Delay in effectively completing DDF activities; P=5; I=5; PXI=25	Revised staffing plan based on coordinator to assist project with routine activities	Project Manager	No change	20.03.09	Solved
25.	No n availability of PACSA trainers to run generic training	25/06/08	Problem	Delay in delivering training support to provinces and districts P=3; I=3; PXI=15	Outsourcing to training service providers proposed; delivered by PACSA trainers in Q4	Project Manager	No change	01.12.08	Solved
26.	Ha ndover of Civil Service Remunerat-ion Study to WB	25/06/08	Change	Staff commitment and budget revision P=3; I=2; PXI=6	To be addressed at next budget revision	Project Manager	No change	01.12.08	Solved
27.	F urther PIMS modules to be developed In-house	25/06/08	Change	Staff commitment and budget revision P=5; I=2; PXI=10	To be addressed at next budget revision	Project Manager	No change	01.12.08	Solved

Annex 5: GPAR SBSD PROGRAMME: ISSUES LOG - 2011 p4

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

Annex 6: GPAR SBSD PROGRAMME: LESSONS LEARNED LOG p1

Lesson ID	Date logged	Type	Description	Recommendation
01	30/1/2012	Constraint	Social protection pilots will require significant policy support and preparation before initiation	• Plans to pursue Social protection pilot deferred till clear direction emerges from government
02	03/05/2011	Positive	Introduction of programme approach increases scope for an integrated governance programme	• Advocacy for the programme approach, and awareness building with stakeholders
03	31/03/2011	Positive	Small grant support for capacity development has made significant impact with limited cost	• Scope for greater use of small grant programmes for scaling up and mainstreaming better practices
04	01/12/2010	Positive	Block grants significantly enhance credibility and cost effectiveness of activities by district administration	• Greater emphasis on be placed on district administration led investments for local development
05	30/09/2010	Positive	Evaluation of ODS indicates opportunities to widen the scope of ODS activities	• ODS scale up plans be prepared after reviewing other activities that can be brought under ODS
06	30/09/2010	Positive	Coordination with MPI and MoF has strengthened DDF impact and confidence of district administrations	• Further expansion of this coordination to include sectors such as health, education, public works and agriculture
07	30/09/2010	Positive	Multi-stakeholder coordination has become stronger with representation in GSWG Secretariat	• Official allocation of greater time and responsibility for SWG activities to members of GSWG Secretariat
08	30/09/2010	Constraint	Large demand for small grants under the GPAR Fund, cannot be met with existing resources	• Larger allocation for small grants to be made when formulating next GPAR Programme
09	31/03/2010	Positive	Drafting by ministries and offices has improved ownership and alignment of Governance Strategy	• Periodic strategy implementation monitoring and review jointly by ministries and offices to be supported by Sector Working Group
10	31/03/2010	Constraint	Delay in finalizing evaluation recommendations seriously constrains corrective actions	• Recommendations by Project Board based on draft report to be used to take next steps and initiate corrective actions
11	30/11/2009	Positive	Pilot Organizational Analysis in Vientiane Vehicle Licensing Office leads to significant improvements	• Wider use of approach to be mainstreamed and supported
12	30/11/2009	Constraint	Current GPAR Fund release procedure is not aligned to work plan and budget of grantees	• Specific fund release plans to be finalized with each grantee based on activity plan and budget
13	30/09/2009	Constraint	Evaluations may be constrained by limited time and lack of appreciation of process reforms	• More detailed internal reflection and reviews to be carried out on key project outputs, well ahead of next/final evaluation
14	30/09/2009	Positive	Strong demand for small grants related to governance reform from ministries and local administration	• Preparations may be made to mobilized further support for GPAR Fund, while closely monitoring grant utilization and improvements
15	30/09/2009	Constraint	Working Groups/ Secretariats take more time to take on mandated tasks: eg. Sector Working Group	• Interim support from leadership till the Secretariats are fully organized, and systematic capacity building support to be provided
16	30/11/2008	Positive	Project Board meetings facilitate effective high level support and guidance	• Reporting to the Project Board requires small and focused reports, which will effectively support decision making

Annex 6: GPAR SBSD PROGRAMME: LESSONS LEARNED LOG p2

Lesson ID	Date logged	Type	Description	Recommendation
17	30/11/2008	Positive	Government officials who implemented pilot activities in provinces are effective trainers for scaling up	• Project activities to mainstream good practices from pilots can be effectively supported by relevant officials seconded from Govt.
18	30/11/2008	Constraint	Large scale training of officials constrained by shortage of good trainers (Govt./Private)	• Prepare distance learning programmes which civil servants can access
19	30/11/2008	Positive	Visible and quick impact of competency building programmes like Office Management module	• Design of all training offered to government be required to give adequate attention to implementation aspects and competencies
20	30/11/2008	Positive	Strong demand from districts to implement service improvements like One Door Service	• Greater support for mainstreaming lessons from pilots, and support for implementation at decentralized offices • Policy dialogue and support required to enable wide implementation
21	30/11/2008	Constraint	Work plans related to formulating reforms and policies face uncertainties and are subject to several revisions	• Roadmaps need to be prepared and continuously updates instead of waiting for finalized and detailed plans
22	30/11/2008	Positive	Awareness of good Governance practices is generating demand for reforms and implementation support	• Additional activities to support systematic dissemination of good governance practices across districts, provinces and ministries

UPDATED AUDIT FOLLOW UP ACTION PLAN
GPAR Support for Better Service Delivery Project Audit 2010: Action Plan

Award No.: 00047224			Project No.: 00056568						Audit Opinion Type: Satisfactory/Unqualified	
Observation No	1									
Observation	Changes were made on certain supporting documents using liquid eraser									
	No	Voucher no	Date	Description	Account code	Activity ID	Fund	Donor	Amount in LAK	Comment
	1	10010013	19-Jan-10	3.2.1 Coffee break and lunch charge for WS of Capacity Development for PACSA staffs and PACSA Annual review meeting on 113-14 Jan 10 ch. 235678	74525	3	04000	00012	19,500,000	Used liquid eraser to edit description in voucher
	2	10110024	23-Nov-10	5.1.2 Prepayment-DSA-Log Frame Approach Training/GPAR Fund/22-23 Nov 10/ICTC ch. 470036	71620	5	04000	00012	25,380,000	Used liquid eraser on budget plan for request for payment
	3	10120007	8-Dec-10	3.1.3 Prepayment-DSA-PIMS training 13-17 Dec 10 c.470066	71620	3	30000	00556	31,420,000	Used liquid eraser on budget plan for request for payment
	4	10120044	27-Dec-10	3.1.3 Payment DSA-PIMS training 20-24 Dec 10	71620	3	30000	00556	31,420,000	Used liquid eraser to erase for signatory
	5	10120046	27-Dec-10	5.1.2 Payment DSA-Log Frame Approach Training/GPAR Fund/22-23 Nov 10/ICTC	71620	5	04000	00012	25,580,000	Used liquid eraser to erase the officer name
				Total					133,300,000	

Recommendation	
Audit Area	Accounts
Audit Cause	Human Error
Risk Severity	LOW
Proj/CO Management Comments	Corrections become necessary when partner offices make errors in describing events or the named signatories are unavailable; however, we recognize that it would be a good practice to have such corrections initialed by the person making corrections and countersigned by the Project Manager.
Action(s) Planned	The Finance Officer and Accountant ensure that all corrections are initialed by the person making the correction, and countersigned by the Project Manager.
Target Impl. Date	29-Jun-10
Action Unit & Person Resp. for Action	Finance and Accounts Unit: Ms. Sengaloun Somchanmavong, Finance Officer, Ms. Vongdala Sirimanotham, Project Accountant
Update Status	Implemented
Actual Impl. Date	June 2011
Description of Status Update	

PROJECT PERFORMANCE

Outputs	Budget for 2011	Expenditure 2011	Update on activities	Reasons for delay and constraints
1. Operational and management arrangements for the national GPAR Programme	30,000	34,032	• Draft management arrangements and discussions in MOHA • Technical assistance for high level Programme plans, project documents and management arrangements procured	• Delay in procuring selected technical assistance
2. Detailed project documents, activity plan and implementation arrangements	120,000	107,052	• Draft project documents prepared for Clusters 3&4, and 8 • Draft project outlines for Cluster 1&2, and Cluster 6	• Delay in procuring selected technical assistance
3. Awareness of the Strategic Plan on Governance 2011-15 among stakeholders	22,000	25,183	• Field visit to 2 OEBG districts in Xiengkhouang province • Field visit for follow up DDF Implementation in Sekong province	• Will be taken up after Strategic Plan is approved by National Assembly
4. Governance Sector Working Group reports for RTIM 2011	68,000	65,967	• PSI SSWG thematic workshop • LIO SSWG thematic workshop • GSWG Secretariat meeting • Meeting of Co-Chairs of GSWG • Draft progress report of GSWG for RTIM • Governance sector Information Matrices • District Service Monitoring Pilot - Report	
Total	240,000	232,234		