



Lao PDR



Govt. of Lao PDR



Microfinance - Capital Development

Government of Lao People's Democratic Republic

Ministry of Home Affairs

United Nations Development Programme

UNDP/00081322:
STRENGTHENING CAPACITY AND SERVICE DELIVERY OF LOCAL ADMINISTRATIONS
(GPAP SCSD)

ANNUAL PROJECT REPORT 2012

Reporting period: February 1 to December 31, 2012



Schweizerische Eidgenossenschaft
Confédération suisse
Confederazione Svizzera
Confederaziun svizra

Swiss Agency for Development
and Cooperation SDC

Republic of Korea



LE GOUVERNEMENT
du Grand-Duché de Luxembourg

I. PROJECT INFORMATION AND RESOURCES

Project number and title:	UNDP/00081322: Strengthening Capacity and Service delivery of Local Administrations (GPAR SCSD)
Implementing Partner:	Ministry of Home Affairs (MOHA), Lao PDR
Responsible Parties:	
Donors:	United Nations Development Programme, United Nations Capital Development Fund, Swiss Agency for Development Cooperation, Republic of Korea, Grand Duchy of Luxemburg

Project Starting date		Project completion date	
Originally planned	Actual	Originally planned	Current estimate
December 2011	1 February 2012	31 st December 2015	31 st December 2015

Total Budget	Original Budget (US\$)	Latest Signed Revision (US\$)
	\$12,568,800	12,568,800

Resources	Donor	Amount (US\$)
	United Nations Dev. Programme	400,000
	United Nations Capital Dev. Fund	1,300,000
	Swiss Agency for Dev. Cooperation	4,000,000
	Republic of Korea	2,000,000
	Luxembourg Government	1,000,000
	GEF (parallel)	2,000,000
	Government (parallel)	702,000
	Yet to be funded	1,166,800

(Note The MAF (Millennium Acceleration Framework) sub-project was implemented by SCSD during 2012, but externally funded by UNDP MDG global project.)

Period covered by this report:	February 1 to December 31, 2012
Date of annual review:	February 18 th , 2013

Current Year	Budget (US\$)	Expenditure till Dec 31, 2012 (US\$)
	1,463,855	1,412,150

II. PURPOSE

Strengthening Capacity and Service Delivery of Local Administrations (GPAR SCSD) project was officially launched on 03 February 2012. This project is being implemented in alignment with other projects of the National GPAR Programme. The overall objective of this project is increased capacity in the local administration, leading to better delivery of services which improve the lives of the poor, especially in rural areas of Lao PDR. The strategy is to build around a series of interrelated outputs that take forward proven results and innovations to realise the overall outcome. These include the introduction of district level performance assessments and performance based Block Grants (capital and recurrent) that will provide incentives for improved overall performance linked to the local administration mandate, the project seeks to improve local MDG-targeted service delivery through increased capacity and long term reform.

III. PROJECT PERFORMANCE AND RESULTS

1. Contribution to the strategic goals

<p>Outcome: Improved capacity in the local administration helps deliver services that improved the lives of the poor, especially in rural areas.</p> <p>Related UNDAF Outcome(s): By 2015, the poor and vulnerable benefit from the improved delivery of public services, an effective protection of their rights and greater participation in transparent decision making.</p> <p>Progress towards achieving outcome: Activities have progressed, in all strategic areas including policies and frameworks for more effective local administration, and related local capacity building, design and introduction of a performance based district block grant that will encourage improved public service delivery, participatory and transparent prioritisation of local service interventions for District Development Fund block grants across, preparation for expansion of district One Door Services and to 11 government offices from the CADEM in support of strategic innovations in Public Administration reforms.</p>

Outputs and indicators & annual targets	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
<p>Output 1: Support to develop policies & regulatory framework for more effective local administration at province and district level</p>		\$56,281		
<p>Overall Result1: New policies enable local administrations to implement service delivery in line with local priorities.</p> <p>Indicators: *Policies on implementation of PM /2000 and related directions. *Mechanisms that promote effective use of resources assigned for local administration and service delivery</p>				
<p>Target: 1.1 Support provided to clarify PM 01/2000 and to harmonize legal and regulatory framework for Local Administration</p> <p>Target: 1.2 Prepare and disseminate strategy on implementation of PM 01/2000 and related regulations</p>	<ul style="list-style-type: none"> Workshops led by MoHA on policy dissemination for Politburo Resolution No.3/2012 ("3 Builds" and & Prime Minister Order 16/2012) on devolution of authority to sub-national administrations. 		<ul style="list-style-type: none"> Target achieved: Support given to implementation of large scale pilot implementation on new national policies for devolution of greater authority to local administrations. (Politburo Resolution 03/2012 and PM 	

<p>Target: 1.3 Review and support drafting and/or update regulations/instructions on local administration</p>	<ul style="list-style-type: none"> Support to 6 specialist support teams led by MoHA, for nation-wide capacity development workshops, in support of PM Order (16/2012) on mandates and plans for strengthening sub-national administrations, for all 17 Provincial Administrations and 51 participating District Administrations, including 105 selected Villages. Participants numbered 2,140 people, from the leadership of Provinces and Districts and senior sector management, divisions and offices. 		<p>16/2012).</p>	<p>Target: 1.4 Review block grant formula for both capital and recurrent expenditures & MTEF</p> <p>Target: 1.5 Establish a system for Performance Based Grant allocation</p> <p>Target: 1.6 Analysis and develop institutional performance standards /measures (Linked to above)</p>	<ul style="list-style-type: none"> Preparatory work on equity focused block grants for capital and recurrent (operational expenditures) begun under previous related project (GPAR SBSD) and finalized internally by GPAR SCSD. Mission undertaken to Review of Operational Expenditure Block Grant (OEBG) and Options for the Future. Mission undertaken to support establishment of (DDF) Performance based Grant 	<ul style="list-style-type: none"> Target achieved: District Development Fund (DDF) block grant formula, which are a proven mechanism to promote effective use of resources for local administration and service delivery, have been reviewed and updated. The new DDF system introduces a Performance Based Grant System for district administrations, which provide a basis to monitor and analyse in coming years, comparative district performance across 21 indicators addressing key institutional performance areas of planning, financial 	
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	<p>System, and related MOU, Performance Assessment Manual (PAM), operation guidelines and manuals.</p> <ul style="list-style-type: none"> MOU (above) finalized and signed by MoHA, MoF, MPI, provincial authorities and UNCDF, on 7 August 2012. 	<p>management & procurement, and implementation / execution of service delivery.</p>	
<p>Target: 1.7 Establish a data collection system and MIS for socio-economic data and service delivery to be used for strategic planning at the district level;</p>	<ul style="list-style-type: none"> Development and implementation of an innovative approach to service black-spot (off-track MDGs) and bottleneck analysis. Independent review in Nov/Dec 2012 (MAF-OEBG Review 2012), - providing lessons on practical MDG targeting for expansion to more target districts by DDF supported district block grants, both capital and operation expenditure <p>What are activities here?</p>	<ul style="list-style-type: none"> Target partially achieved under MDG focused local planning initiatives within the MAF-OEBG activities that were implemented by SCSD, with funding external to the project (see 2.4 below) 	<ul style="list-style-type: none"> Framework for performance appraisal of civil servants, linked to district performance, to be initiated in 2013 - and in context of Capacity Development Strategy and mid-term review of 3 Builds pilot. When GPAR CTA on board.
<p>Target: 1.8 Prepare civil servants performance appraisal framework linked to district targets</p>		<ul style="list-style-type: none"> Target partially achieved under new Performance Based Grant System above. 	

Outputs and indicators & annual targets	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 2: Improved capacity of local administration to fulfill its service delivery mandates		\$183,053		
<p>Overall Result 2: Staff from 66 district administrations and related Kumban representatives are able to prepare plans and monitor investments in priority services related to MDGs Indicators: *Plans produced by district staff to meet local priorities related to MDGs. *Performance assessment of district staff linked to district service delivery targets</p>				
Target: 2.1 Development of CD strategy for each target district			<ul style="list-style-type: none"> • Deferred. Overtaken by new policies on devolved mandates for local administration (3 Builds & Pm 16/2012). 	To review in 2013 in context of mid-term review of 3 Builds pilot and GPAR CTA on board.
Target: 2.2 Build awareness and capacity in districts regarding clarified Instruction PM 01/2000			<ul style="list-style-type: none"> • Target achieved under Output 1 above re “3 Builds” pilot 	<ul style="list-style-type: none"> •
Target: 2.3 Capacity development in target districts to strengthen overall responsiveness and effectiveness of the local administration in accordance with their mandate			<ul style="list-style-type: none"> • Target achieved under PBGS technical design mission and (Output 1 above) and DDF capacity development for 37 selected districts. Plans produced by 37 Districts for DDF funded local priorities related to MDGs. Performance Based Grant System introduced for district administrations, addressing key institutional performance areas of planning, financial management & procurement, and implementation / execution of service delivery 	<ul style="list-style-type: none"> •

<p>Target: 2.4 Support to districts to establish specific MDG targets and monitor achievements against these</p>	<ul style="list-style-type: none"> • Meetings with 3 Districts in Xiengkhouang province to establish data availability and appropriate MDG planning tools compatible with local conditions and capacities. • Launch of MAF-OEBG in Xiengkhouang province and related training/planning workshops conducted for all 8 Districts of the Province to support preparation of eligible MDG focused targets for each District. (MAF-OEBG). • MAF-OEBG block grants awarded to 8 Districts for MDG focused services delivery (\$48,000 approximately) • External Review conducted on the MAF-OEBG • Capacity development support and planning workshops for all 8 districts in Saravan, in both capital grants (the basic Block Grant or BBG) and the Operational Expenditure Block Grants, in support to the new DDF Performance based Grant System (PBGs) was launched there during August. • Capacity development for new DDF system (OEBG) given to a further 29 Districts covering Xiengkhouang, Huaphan, Oudomxay, Sekong and Sing District of Luang Namtha Province. 	<p>MAF-OEBG was implemented by SCSD project, but at no cost to project. (Total expenditure \$97,167 funded directly by MAF project, UNDP New York)</p>	<ul style="list-style-type: none"> • Achieved: While all DDF plans are directly related to the 7th NSEDP, which is itself fully MDG compliant, MDG targeting of DDF plans were specifically supported in 8 districts of Xiengkhouang province. This field testing of an innovative approach to service black-spot (off-track MDGs) and bottleneck analysis was independently reviewed in November 2012 (MAF-OEBG Review 2012), and will provide lessons on how to expand MDG targeting to more target districts in the context of future rounds of DDF supported district block grants, both capital and operation expenditure. . • Experience and lessons from MAF-OEBG Review is informing approach to future OEBG planning for more focus on local off-track MDGs/ services black-spots and bottlenecks. • New DDF Performance based Grant System (PBGs) was launched in Saravan province during August 	<ul style="list-style-type: none"> • Comment: (MAF-OEBG Review 2012) will provide lessons on how to expand MDG targeting to more target districts in subsequent years in the context of DDF supported district block grants, both capital and operation expenditure.
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<p>Target: 2.5 Draft, implementation and training on CS performance framework in target districts</p>		<ul style="list-style-type: none"> • Deferred: Overtaken by new policies on devolved mandates for local administration (3 Builds & Pm 16/2012). 	<ul style="list-style-type: none"> • See 2.1 above. To review in 2013 in context of mid-term review of 3 Builds pilot and GPAR CTA on board.
<p>Target: 2.6 Conduct civil servants performance appraisal linked to district targets and report annually on the performance of civil servants at district level</p>		<ul style="list-style-type: none"> • Deferred: Overtaken by new policies on devolved mandates for local administration (3 Builds & Pm 16/2012). 	<ul style="list-style-type: none"> • Premature. To review in 2013 in context of mid-term review of 3 Builds pilot and GPAR CTA on board.

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
<p>Output 3: Improved MDG focused service delivery provided through formula base and equity focused block grants to the districts</p>		<p>\$662,980</p>		
<p>Overall Result 3: At least 540 infrastructure & service delivery interventions improve access to services for 40,000 households (50% service women & girl children)</p> <p>Indicators:</p> <ul style="list-style-type: none"> • No. of districts with capacity in planning, management & finance functions *No. of districts receiving formula based block grants. *No. of infrastructure and service interventions implemented by districts. *Households benefiting from improved access to MDG services. <p>Target: 3.1 Support implementation of a Performance Based Grant system & a Capacity Development Grant</p>	<ul style="list-style-type: none"> • First tranche of DDF block Grants funds transferred to Bank of Lao, for onward provision through government systems, to meet the agreed plans of 37 districts to address local services priorities. 174 (23 BBG + 151 OEBG) service 	<p>MAF-OEBG was implemented by SCSD project, but at no cost to project. (Total expenditure \$97,167)</p>	<ul style="list-style-type: none"> • Achieved. • Additionally the project implemented the MAF-OEBG sub project. Some 52 local MDG priority activities in health and education were undertaken with a total investment of some \$48,000, delivered through the OEBG block grant mechanism, a DDF grant facility. 	<ul style="list-style-type: none"> • The number and gender composition of direct beneficiaries will be monitored during implementation in 2013.

<p>Target: 3.2 Capacity development in target districts to prepare medium-term strategic plans and expenditure framework to deliver local services based on available revenue & focus on MDG established targets</p>	<p>interventions</p> <ul style="list-style-type: none"> • Release of MAF-OEBG small non-capital block grants to 8 Districts in Xiengkhouang, with a strong emphasis on helping to address the MDG bottlenecks in each District. • Training and backup by MoHA 	<ul style="list-style-type: none"> • Achieved; Training and backstopping of targeted districts done in conjunction with 2.3 above. 	
<p>Target: 3.3 Support to annual PBGS evaluations and Capacity Development Grant need assessments</p>	<ul style="list-style-type: none"> • MoHA support to Provincial oversight and PoHA. 	<p>Premature to conduct annual PBGS evaluations and reporting in 2012.</p>	<p>First assessment will be later in 2013 when first rounds of DDF grants have been invested.</p>
<p>Target: 3.4 Analysis, tracking and monitoring progress on service improvement in target district</p>	<ul style="list-style-type: none"> • Procurement in process for equipment to support DDF at national and sub-national levels. • Provincial Oversight support 	<p>Target achieved;</p> <ul style="list-style-type: none"> • Initial preparations undertaken. • Provincial Oversight support to 6 DDF provincial Support teams. 	
<p>Target: 3.5 Support and implement IEC related initiatives with particular focus on outreach</p>	<ul style="list-style-type: none"> • Provincial Oversight support 	<ul style="list-style-type: none"> • Deferred; Premature to do in advance of provision of services outreach grants to selected districts. (Information bulletins and radio programmes focusing on outreach) 	<p>Defer to 2013 and recruitment of NGPAR Communication coordinator.</p>

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: Improving Access to citizen Services through One Door Service		\$41,502		

Overall Result 4: providing 50% faster and more convenient services and information to citizens, leading to 25% increase in revenue collection			
Indicators: * Citizen satisfaction with ODS services		* Increase in speed of services	
* Increase in speed of services		* Increase in revenue collection	
Target: 4.1 Identify new locations & establish new ODS	<ul style="list-style-type: none"> Procurement in process for initial equipment & office furniture 	<ul style="list-style-type: none"> Partially achieved; Planning and procurement process begun for initial ODS support. Actual refurbishment will be implemented during 2013. Selection of additional locations will be addressed from 2013. 	Some activities deferred to 2013 and GPAR CTA
Target: 4.2 Public dissemination of information on role and services of ODS	<ul style="list-style-type: none"> 	<ul style="list-style-type: none"> Not Achieved: - Premature for 2012 	<ul style="list-style-type: none"> Deferred to 2013 and GPAR CTA
Target: 4.3 Periodic assessment of ODS efficiency and overall performance	<ul style="list-style-type: none"> 	<ul style="list-style-type: none"> Not Achieved: - Premature for 2012 	Annual ODS Client survey to begin from 2013

Outputs and indicators & annual targets	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 5: GPAR Capacity Development and Modernisation Fund (CADEM) supports strategic innovations in Public Administration reforms		\$157,799		
Overall Result 5: 50 demand driven capacity development initiatives to improve service delivery implemented by government offices, of which at least 50% are at the subnational level.				
Indicators: * Small grant fund to support capacity development in governance				
* Multi-agency partnership to manage small grant programme				
Number of offices served by small grants programme				
Target: 5.1 Review CADEM criteria to optimize utility and results and updates EOI	<ul style="list-style-type: none"> Consultation workshops held Capacity development given by external facilitators to the new 		<ul style="list-style-type: none"> Target Achieved. Selection criteria for CADEM revised and reflects a stronger emphasis on local 	

& evaluation criteria	CADEM Technical Working Group, (MoHA, MOF, MPI, UNDP, UNCDF and SDC), <ul style="list-style-type: none"> Formal request for Expressions Of Interest (EOI) issued. 284 EOIs received and short listed to initial 14 EOIs, with 10 from local levels. These shortlisted applicants received capacity development on CADEM / proposal development. The final selected 11 proposals for 2012/13 benefit from addition capacity development for implementation of CADEM projects. 		administration and cross-cutting themes such as gender and environment.		
Target: 5.2 Issue Request for Proposals (RfPs)				<ul style="list-style-type: none"> Target achieved. Grants awarded to 11 public administration offices 	Reporting results will follow in 2013
Target: 5.3 Provide capacity building for selected Eols				Target: 5.4 Evaluation of grant proposals and selection of grantees	
Target: 5.5 Manage CAPDEM grant cycles, covering fund release, utilization, and reporting results	<ul style="list-style-type: none"> Formal award and CADEM grant release event 				

Outputs and indicators & annual targets	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 6: Citizen Feedback and district mechanisms for responsive and accountable service delivery		\$10,832		
Overall Result 6: Feedback from citizens and service providers in 70 districts shows improved access to services and informs service delivery strategies.				
Indicators: *Districts and Provinces covered by Citizens' Report card *Districts and Provinces covered by Delivery Monitoring System				
Target: 6.1 Carry out Local Level Monitoring	<ul style="list-style-type: none"> TOR developed for CRC survey related to objectives and scope of SCSD project. 		<ul style="list-style-type: none"> Partially achieved. CRC design and field exercise deferred to 2013 	Arrival of new GPAR CTA.

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

- DDF use of government systems, procedures and officials represents a clear working example of alignment with national systems, greater national ownership and an effective method for sustainable development
- The Project operates as an integral part of the national GPAR programme and participates, along with its sister NGPS project, in the Governance Sector Working Group, and two Sub Sector Working Groups and Secretariat operational.

3. Update on partnerships

- Close partnership with provincial and district administrations on capacity development
- Partnership with Ministry of Planning and Investment & Ministry of Finance and local authorities on DDF Implementation
- Collaboration with UNICEF around DDF-OEBG and enhanced local-level targeting/planning, beginning in Sing District, Luang namtha

4. Update on gender mainstreaming

- The SCSD project design, outcomes and targets are well regarded as being gender sensitive. SCSD project also includes mainstreams affirmative action and specifically identifies impacts on women and girls.
- The DDF system design and implementation ensures transparent and gender sensitive local planning and inclusion, thus helping to incorporate a gender focus and awareness within the local administration officials and participating communities.

5. Update on audit recommendations

- Project was signed in February 2012 and on completion of legal and funding agreements with development partners, began to undertake operations and activities thereafter. Project will undergo its first audit of 2012, scheduled for April 2013, in accordance with UNDP standard procedures and timetable.

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

Challenge/Issue	Response
<ul style="list-style-type: none">• Project was signed in February, with funding agreements being formalized thereafter. Funds began to flow to the project accounts over the following months, with the final receipt in August. While this is a normal start-up process, it has an obvious impact on the pace of implementation of the Annual Work Plan (which envisaged a full 12 months operation and funds availability).	<ul style="list-style-type: none">• Focus attention on activities were financial resources and human resources were available / becoming available.
<ul style="list-style-type: none">• Recruitment of some key technical advisory staff	<ul style="list-style-type: none">• New UNDP GPAR Chief Technical Advisor arrived 1st November 2012
<ul style="list-style-type: none">• Graduation from project based management and implementation to new national Programme approach involves an expansion of coordination mechanisms, organizational structures and monitoring/oversight bodies.	<ul style="list-style-type: none">• Project support provided for awareness raising, training and workshops.

<p>This additional burden has come at the same time as the establishment of a new Ministry of Home Affairs itself, which is the Implementing Partner for the project, thus increasing the overall challenges.</p>	
<ul style="list-style-type: none"> Limited awareness and understanding of concerned MoHA departments over the new NGPAR programme Management Arrangements 	<ul style="list-style-type: none"> Increase and continue discussions and dialogue with those MoHA departments and some provincial authorities to ensure that the level of understanding exists thus improving their involvement and contribution,

7. Rating on progress towards results

Output:		
Output 1: : Support to develop policies & regulatory framework for more effective local administration at province and district level	<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	Positive change Negative change Unchanged
Output 2: Improved capacity of local administration to fulfill its service delivery mandates	<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	Positive change Negative change Unchanged
Output 3: Improved MDG focused service delivery provided through formula base and equity focused block grants to the districts	<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	Positive change Negative change Unchanged
Output 4: Improving Access to citizen Services through One Door Service	<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	Positive change Negative change Unchanged
Output 5: GPAR Capacity Development and Modernisation Fund (CADEM) supports strategic innovations in Public Administration reforms	<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	Positive change Negative change Unchanged
Output 6: Citizen Feedback and district mechanisms for responsive and accountable service delivery	<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	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.

The MAF (Millennium Acceleration Framework) sub-project was implemented by SCSD during 2012,

but funded by non-project budget expenditure of \$97,167. Some 52 local MDG priority activities in health and education were undertaken with a total investment of \$48,054 in block grants delivered through the OEBG block grant mechanism, a DDF grant facility. Lessons from the development of practical problem analysis tools and recommendations for improvements to the use of operational expenditure supports will contribute to the future outputs and outcomes of the SCSD project.

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 support for the further clarification, and focused capacity support for programme-based implementation.

Steps to build on current achievements:

- Continue support to the "3 Builds" pilot devolving greater authority to sub-national levels.
- Collaborated with Ministry of Natural Resources and Environment (MONRE) around Climate Change adaptive living initiatives, through the mechanism of the District Development Fund.
- Continue emphasis on sub national capacity development to ensure that benefits reach people

Steps to build on partnerships:

- Collaborated with Ministry of Natural Resources and Environment (MONRE) around Climate Change adaptive living initiatives, and related Global Environment Facility (GEF) and UNCDF's LoCAL¹ system that ensures the efficient and effective use of Climate Change block grants by local authorities.

Use of lessons learned:

- Lessons learned from design and implementation of MAF-OEBG sub project will inform improvements to the DDF block grants system within SCSD.
- 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. Policy framework for more effective local administration at province and district
Continue support to the "3 Builds" pilot devolving greater authority to sub-national levels.

3. Estimated total budget required for the following year: \$3,680,392

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

¹ LoCAL: UNCDF's Local Climate Adaptive Living, - a Climate Change financing solution for local authorities

- 5. Annex 5: Issues Log
- 6. Annex 6: Lessons Learned log

CERTIFIED BY

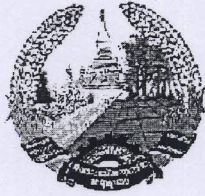


Mr. Khammoune Viphongxay
Executive of GPAR Programme Board

Dated 16 January 2013

Annex 1: COMBINED DELIVERY REPORT 2012

Annex 2: DRAFT ANNUAL WORK PLAN 2013



Empowered lives,
Resilient nations.

**Annual Work Plan: 2013
(January 2013)**

Project Title: Strengthening Capacity and Service Delivery of Local Administrations (GPAR SCSD)

UNDAF Outcome(s): By 2015, the poor and vulnerable benefit from the improved delivery of public services, and effective protection of their rights and greater participation in transparent decision making.

Expected CP Outcome(s): Improved capacity in the local administration helps deliver services that improved the lives of the poor, especially in rural areas

Expected CP Output(s): Improved capacity of the civil service at national and sub-national level to better manage and deliver services to the poor

Implementing partner: Ministry of Home Affairs (MoHA)
Responsible Parties: Ministry of Home Affairs (MoHA)

Programme Period:	4 years	2013 AWP Budget (US\$)	3,680,392
Key Result area:	Governance	Total allocated resources:	
Atlas Award ID:	00064630	• UNDP (TRAC)	99,617
Atlas Project ID:	00081322	• UNCDF	360,000
	00082843	• Other:	
Duration: 01/02/2012	- 31/12/2015	○ Government (parallel)	194,000
		○ SDC (UNDP)	561,784
		○ ROK (UNDP)	676,601
		○ LUX (UNDP)	113,850
		○ GEF(UNDP)* ¹ (parallel)	649,250
		○ SDC (UNCDF)	644,140
		○ LUX (UNCDF)	381,150

*Note *1: Final approval of GEF project and agreement on implementation arrangements expected by mid-2013, whereby it is intended that Climate Change adaption grants will be passed to Districts, via the District Development Fund of the SCSD joint programme.*

Agreed by: Mr. Khammoune Viphongxay, Executive of NPGAR
Programme Board Vice Minister,
Ministry of Home Affairs

Agreed by: Mr. Minh Pham, Resident Representative, UNDP

Date: _____

Overview of SCSD joint programme for 2013

The new National Governance and Public Administration Reform Programme (GPAR) of the Government of Lao People's Democratic Republic (PDR) has been formulated for the period 2011-15. In support to the implementation of the National GPAR Programme, UNDP and UNCDF have formulated this Joint Programme titled "Strengthening Capacity and Service Delivery of Local Administrations (GPAR SCSD)".

The overall objective of this Joint Programme is to ensure increased capacity in the local administration leading to better delivery of services which improve the lives of the poor, especially in rural areas of Lao PDR. The strategy is to build around a series of interrelated outputs that take forward proven results and innovations to realise the overall outcome.

The Annual Work Plan for 2013 continues the broad based support and activities as envisaged in the project design document. These include policies and frameworks for more effective local administration and related local capacity building, including assessment and targeted improvement in Civil Service performance at the local level. The introduction of the performance based district block grant, designed in 2012, within the District Development Fund (DDF), will encourage improved public service delivery and there will be an increase to 53 in the number of Districts that will benefit from the hands-on capacity development associated with operating the DDF facility. With an emphasis on Operational Expenditure Block Grants (OEBG) the DDF will directly strengthen local administrations' capacity to undertake their normal work and to deliver enhanced, locally targeted, MDG services to the local communities. A programme to further expand the sub-national One Door Service (ODS) centres will be finalised and rolled out to improve service delivery capacities of local officials and to improve the service experience of local citizens availing of these public services. The CADEM facility, which supports strategic innovations in Public Administration reforms, particularly in local administrations and cross-cutting themes, will target 15 new projects from the most relevant government offices. A mechanism and related capacity to enable citizen feedback on local service delivery will be developed and initiated during the year. It is intended that the exercise will be repeated towards the end of the project to allow for comparative analysis.

Additionally, support will continue to the the Ministry of Home Affairs to clarify, disseminate and monitor the revitalised approach and related regulations towards devolved forms of sub-national government, including the on-going "3 Sang" pilot.

Finally, further collaboration is anticipated with Ministry of Natural Resources and Environment (MONRE) and the related Global Environment Facility (GEF), around local Climate Change adaptive living initiatives and effective and efficient use of Climate Change block grants by local authorities, via the District Development Fund facility, within the project.

GPAR SCSD Annual Work Plan 2013 (January)

Expected outputs and indicators including baseline and annual targets	Planned activities: <i>List all activities including M&E during the year towards stated outputs</i>	Timeframe				MoHA Responsible party	Outputs	Planned budget				
		Q1	Q2	Q3	Q4			Source of Funds		Budget Description	Amount AWP 2012	
								Fund	Donor			
JP Output 1: Support to development of policies and regulatory framework for more effective local administration at province and district level							1					142,050
Result: 1) New policies enable local administrations to implement service delivery in line with local	1.1 Support to clarify PM 01/2000 and to harmonization of legal and regulatory framework for LA- Consultation WS	X	X			DoLA	1	TOTAL			2,500	
Baselines: 1) Budget Law 2006 offering more robust basis for district budgeting but not aligned with PM 01/2000 2) Absence of performance incentives for district administrations Indicators: 1) Policies on implementation of PM 01/2000 and related directions 2) Mechanisms that promote effective use of resources assigned for local administration and							1	30000	11315	71600	1,250	
							1	30000	11315	73100	125	
							1	30000	11315	73400	175	
							1	30000	11315	72500	125	
							1	30000	11315	74200	200	
							1	30000	11315	74500	625	
1.2 Prepare & disseminate strategy on implementation of PM 01/2000 and related regulations - Consultation WS	X		X			DoLA	1	TOTAL			5,000	
							1	30000	11315	71600	2,500	
							1	30000	11315	73100	250	
							1	30000	11315	73400	350	
							1	30000	11315	72500	250	
							1	30000	11315	74200	400	
							1	30000	11315	74500	1,250	
1.3 Review & support drafting/update regulations/instructions on local administration - Consultation workshops				X	X	DoLA	1	TOTAL			2,500	
							1	30000	11315	71600	300	
							1	30000	11315	73100	300	
							1	30000	11315	72500	300	
							1	30000	11315	74200	300	
							1	30000	11315	74500	1,300	
1.4 Review block grant formula for both recurrent and capital expenditure- Consultation WS	X	X	X	X		DoLA / DoPC (DoLA)	1	TOTAL			2,500	
							1	30000	11315	73100	400	
							1	30000	11315	72500	300	
							1	30000	11315	74200	300	
							1	30000	11315	74500	1,500	
1.5 Establish system for Performance Based Grant System allocation/regulations & the establishment of a capacity development fund linked to the PBGS_ Consultation WS		X	X			DoLA/ DoPC (DoLA)	1	TOTAL			2,500	
							1	30000	11315	73100	400	
							1	30000	11315	72500	300	
							1	30000	11315	74200	300	
							1	30000	11315	74500	1,500	
1.6 Analysis and develop institutional performance standards and measures (Linked to above) - new protocol approved on achieving District targets by 2014				X		DoPAD / DoLA	1	TOTAL			2,500	
							1	30000	11315	71600	1,250	
							1	30000	11315	73100	125	
							1	30000	11315	73400	175	
							1	30000	11315	72500	125	
							1	30000	11315	74200	200	
1.7 Establish a data collection system & MIS for socio-economic and service delivery data collection for strategic planning - review workshop for target districts, incl village data focal points						DoPC	1	TOTAL			2,500	
							1	30000	11315	73100	500	
							1	30000	11315	72500	300	
							1	30000	11315	74200	300	

Expected outputs and indicators including baseline and annual targets	Planned activities: List activities including M&E during the year towards stated outputs	Timeframe				MoHA responsible party	Outputs	Planned budget				
		Q1	Q2	Q3	Q4			Source of Funds		Budget Description	Amount AWP 2012	
								Fund	Donor			
							1	30000	11315	74500	1,400	
	1.8 Prepare civil servants performance appraisal linked to district targets - Prepare manual for Civil service performance framework			x		DoCSED/ DoLA/ DoCSM	1					
	1.9 Output Support						1	TOTAL			-	
	Long term ITA (UNCDF CTA)					NGPAR	1	TOTAL			122,050	
							1	G2802	10714	61300	44,238	
							1	G2802	10714	62300	20,778	
							1	G2802	10714	63300	3,833	
							1	G2802	10714	63500	5,000	
							1	G2802	10714	65100	3,201	
	Study Tour(s) (UNDP)	x	x	x	x		1	04000	00012	71600	15,000	
	Study Tour(s) (RoK)	x	x	x	x		1	55013	54392	71600	30,000	
JP Output 2: Improved capacity of local administration to fulfil its service delivery mandates							2				211,530	
Result:	2.1 Development of CD strategy for each target district						2	TOTAL			-	
1) Staff from 66 district administrations and related Kumban representatives are able to prepare plans and monitor investments in priority services related to MDGs	2.1.1 CD assessment & strategy and CD modules for selected Districts		x	x		DoLA / DoCSED	2					
							2					
							2					
Baselines:	2.1.2 Consultation workshop on the developed CD strategy and modules		x	x			2					
1) Performance evaluation of civil servants based							2					
2) Tools and systems yet to reflect civil servant performance in relation to district targets	2.1.3 Translations		x	x			2					
	2.2 Build awareness and capacity in districts regarding clarified Instruction PM 01/2000				x	DoLA/ DoPAD	2	TOTAL			5,000	
	-Public information material (Printings)						2	30000	11315	74200	2,000	
	-Public information material (Printings)						2	55013	54392	74200	3,000	
Indicators:	2.3 Capacity development in target districts to strengthen overall responsiveness and effectiveness of the local administration in accordance with their mandate					DoLA/ DoCSED/ ARIT	2	TOTAL			96,000	
2) Performance assessment of district staff linked to district service delivery targets	2.3.1 Prepare manual for overall strategic planning framework for medium-term expenditure and revenue framework						2				-	
							2				-	
	2.3.2 Prepare manual/instruction on how to establish MDG target at the District level		x	x	x		DoLA/ DoCSED/ ARIT	2	30000	11315	71600	3,000
								2	30000	11315	71600	3,000
								2	55013	54392	74200	1,000
	2.3.3 Support to districts to prepare participatory strategic and annual plans and budgets based on estimated availability of resources- Training						DoLA/ DoCSED/ ARIT	2				-
							2				-	
	2.3.4 Training of participants of DDF District (1)					DoLA/ DoCSED/ ARIT	2	UNDP	LUX	71600	5,000	
							2	UNDP	LUX	73100	500	
							2	UNDP	LUX	72500	700	
							2	UNDP	LUX	73400	500	
							2	UNDP	LUX	74200	800	

Expected outputs and indicators including baseline and annual targets	Planned activities: List activities including M&E during the year towards stated outputs	Timeframe				MoHA responsible party	Outputs	Planned budget			
		Q1	Q2	Q3	Q4			Source of Funds		Budget Description	Amount AWP 2012
								Fund	Donor		
						2	UNDP	LUX	74500	2,500	
						2	55013	54392	71600	13,000	
						2	55013	54392	73100	1,300	
	2.3.4 Training of participants of DDF District (2)			x	x	DoLA/ DoCSED/ ARIT	2	55013	54392	72500	1,820
							2	55013	54392	73400	1,300
							2	55013	54392	74200	2,080
							2	55013	54392	74500	6,500
							2	UNDP	GEF	71600	16,500
							2	UNDP	GEF	73100	1,650
	2.3.4 Training of participants of DDF District (3)			x	x	DoLA/ DoCSED/ ARIT	2	UNDP	GEF	72500	2,310
							2	UNDP	GEF	73400	1,650
							2	UNDP	GEF	74200	2,640
							2	UNDP	GEF	74500	8,250
							2	UNDP	LUX	71600	5,000
	2.3.5 Training Kumban & village leaders in key tasks to support service delivery Training (1)		x	x		DoLA/ DoCSED/ ARIT	2	UNDP	LUX	73100	500
							2	UNDP	LUX	72500	700
							2	UNDP	LUX	73400	500
							2	UNDP	LUX	74200	800
							2	UNDP	LUX	74500	2,500
							2	55013	54392	71600	5,000
	2.3.5 Training Kumban & village leaders in key tasks to support service delivery Training (2)			x	x	DoLA/ DoCSED/ ARIT	2	55013	54392	73100	500
							2	55013	54392	72500	700
							2	55013	54392	73400	500
							2	55013	54392	74200	800
							2	55013	54392	74500	2,500
	2.4 Support to districts to establish specific MDG targets and monitor achievements against these						2	TOTAL			6,530
							2	55013	54392	71600	1,000
	Local Training			x	x	DoPC/ DoLA	2	UNDP	LUX	73100	2,760
							2	UNDP	LUX	73100	280
							2	UNDP	LUX	72500	390
							2	UNDP	LUX	73400	280
							2	UNDP	LUX	74200	440
							2	UNDP	LUX	74500	1,380
	2.5 Draft, implementation and training on CS performance framework in target districts					DoCSED/ DoPC	2	TOTAL			-
	-Support implementation of framework including annual assessments						2				
	2.6 Conduct civil servants performance appraisal linked to district targets & report annually on performance of civil servants at district level.					DoCSED	2	TOTAL			-
	Annual performance appraisal of district civil servants linked to performance framework						2				
	2.7 Output Support						2	TOTAL			104,000
	Telephone						2				4,000
	Telephone						2	55013	54392	72400	500