COMBINED OUTPUT AND

OUTCOME EVALUATION

VOLUME 1

OVERALL REPORT ON GPAR PROJECTS

GOVERNANCE & PUBLIC ADMINISTRATION REFORM

SUPPORT FOR BETTER SERVICE DELIVERY

LAO PEOPLE’S DEMOCRATIC REPUBLIC

Final Report 19th January 2010

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# ACRONYMS AND LAOTIAN TERMS

|  |  |
| --- | --- |
| ADSF | Agricultural Development Support Fund |
| AWP | Annual Workplan |
| CB/SD | Capacity building/service delivery |
| CCOP | Central Committee for Organisation and Personnel |
| CPAP | Country Programme Action Plan |
| CPC | Committee for Planning and Cooperation |
| CSF | Coordination Support Facility |
| DCOP | District Committee for Organisation and Personnel |
| DDC’s | District Development Committees |
| DDF | District Development Fund |
| DDT’s  | District Development Teams |
| DoF | Department of Finance |
| DIAP | District Annual Investment Plan |
| DPACS | Department of Public Administration and Civil Service  |
| DPC | District Planning Committee |
| DPI  | Department of Planning and Investment |
| DPT | District Planning Team |
| DSEDP | District Socio-Economic Development Plan |
| ESSS | Enhance Salary Scale System |
| GoL | Government of Lao PDR |
| GPAR  | Governance, Public Administration Reform Programme |
| GPAR SBSD | Governance, Public Administration Reform Support for Better Service Delivery  |
| GPAR LP | Governance, Public Administration Reform Programme, Luang Prabang Province |
| GPAR SK | Governance, Public Administration Reform Programme, Sekong Province |
| GPAR SP | Governance, Public Administration Reform and Decentralised Service Delivery Project |
| GPAR XK | Governance, Public Administration Reform Programme, Xieng Khouang Province |
| HRD | Human Resource Development |
| HRM | Human Resource Management |
| ICT | Information and Communication Technology |
| IRDO | Integrated Rural Development Office |
| ISD | Infrastructure Service Delivery |
| JICA | Japan International Cooperation Agency |
| KB | Kumban |
| Kumban | A number of villages clustered together for planning purposes |
| Lao PDR & LPDR | Lao People’s Democratic Republic |
| LBRDPR | Leading Board for Rural Development and Poverty Reduction |
| LDP | Local Development Programme |
| LED | Local Economic Development |
| LWU | Lao Women’s Union |
| M&E | Monitoring and Evaluation |
| MIS | Management Information System |
| MIS-LG | Management Information System – Local Government |
| MPI | Ministry of Planning and Investment |
| MoF | Ministry of Finance |
| MTR  | Mid-Term Review |
| Naiban | Village chief |
| NAPPA | National Academy of Politics and Public Administration |
| NOSPA | National Organization for the Study of Politics and Administration |
| NCSMS | National Civil Service Management Strategy |
| NGPES | National Growth and Poverty Eradication Strategy |
| NSEDP  | Sixth National Socio-Economic Development Plan |
| NPD | National Project Director |
| NPM | National Project Manager |
| OoG | Office of the Governor |
| OD Manual | Organizational Development Manual |
| ODS | One Door Service/One Door System |
| O&M | Operations and Maintenance |
| PACSA | Public Administration & Civil Service Authority |
| PCOP | Provincial Committee for Organisation and Personnel |
| PCAP | Project for Capacity Building for Public Investment Plan |
| PD | Project Document |
| PEM | Public Expenditure Management |
| PFM  | Public Finance Management |
| PEMSP | Public Expenditure Management Support Programme |
| PSEDP | Provincial Socio-Economic Development Plan |
| PSU | Project Support Unit |
| PIP-FPR | Public Investment Plan – Fund for Poverty Reduction |
| PIMS | Personnel Information Management System |
| PLC | Project Leading Committee (in Saravane province) |
| PMO | Prime Minister’s Office |
| PO | Programme Officer |
| POP | Project Operational Plan |
| PRF | Poverty Reduction Fund |
| PST | Project Support Team |
| ROAR | Results Oriented Annual Reporting  |
| SBSD | Support for Better Service Delivery |
| SDC | Swiss Development Cooperation |
| SDF | Service Delivery Fund |
| SDIS | Service Delivery Information System |
| SEDP | Socio-Economic Development Plan |
| Sida | Swedish International Development Cooperation Agency |
| SMART | Specific, Accurate, Measurable and Timed |
| SNV | Dutch Development Cooperation |
| SoG | Secretariat of Government |
| TA | Technical Advisor |
| TDF | Training and Development Framework |
| UNCDF | United Nations Capital Development Fund |
| UNDAF | United National Development Assistance Framework |
| UNDP | United Nations Development Programme |
| UNV | United Nations Volunteer |
| WB  | World Bank |
| WREO | Water Resources and Environmental Office |

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# EXECUTIVE SUMMARY

## 1. Background on the projects

The present Overall Report on Governance and Public Administration Reform Projects is Volume 1 of a 6 volume evaluation of the GPAR projects. In addition to the present volume, these projects comprise final reviews of the Xieng Khouang Project (GPAR XK) and the Luang Prabang Project (GPAR LP), mid-term reviews (MTRs) of the Sekong Project (GPAR SK) and a follow-up review of the Saravane Project (GPAR SP). These reviews were carried out between the 24th June and 5th August 2009. In addition, two members of the team undertook a final review of the GPAR SP project in November and December 2008, as a separate exercise. The report on the evaluation of the GPAR (SP) project may be read as a 7th volume in this series.

The present volume summarises the findings on the GPAR projects taken together. It sets out the country context and evaluation methodology applicable to all the reports. Its focus is on assessing the degree to which the provincial pilot projects (XK, LP, SK & SP) and the national project (SBSD) achieved their intended outcomes to strengthen the capacity of the public administration to deliver pro-poor public services and to meet the United Nations Development Assistance Framework (UNDAF) and Country Action Plan (CPAP) objectives. It provides a condensed statement of the overall the recommendations. The detailed findings on each project and associated recommendations are to be found in the six separate project reports.

## 2. The country context

The Lao People’s Democratic Republic (LPDR), established in 1975, has a multi-ethnic population of around five and a half million people and a GDP per capita around US$ 330 per annum.

The government’s poverty reduction objectives are laid out in the Sixth National Socio-Economic Development Plan (NSEDP) of 2006, which sets poverty reduction and equitable economic growth targets consistent with the United Nations Millennium Development Goals (MDGs).

Section D of the NSEDP expresses a commitment to good governance in four areas: Public Service Improvement, People’s Participation, the Rule of Law and Sound Fiscal Management.

The government has set out its decentralisation intentions in Decree No. 01/PM of 2000, which is an instruction of the Prime Minister to build the provinces into strategic units, districts into budget-planning units and villages into implementation units.

## 3. The GPAR programme

The Governance and Public Administration Reform (GPAR) programme assists the government to develop and implement its decentralization strategy. It is situated within the Public Administration and Civil Service Authority (PACSA), a sub-ministry within the Prime Minister’s Office (PMO) whose mandate is to drive civil service reform. PACSA is the UNDP’s main government partner in promoting governance reform in Lao PDR.

The intended outputs of the GPAR projects are strengthened human, institutional and financial capacities in the public administration, and enhanced monitoring and oversight capacity. The latter output is intended to inform national reform by channelling lessons learned from the project into national policy debate.

The putative intended outcome of all the projects taken together is strengthened capacity of the national and local public administration to deliver pro-poor services and promote equitable economic growth.[[1]](#footnote-1)

## 4. The terms of reference

The terms of reference for this series of evaluations call for an assessment of the projects’ outputs and outcomes and their contribution to UNDAF outcomes, in particular Country Programme Action Plan (CPAP) outcome 8:

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

Also to be assessed are the projects’ contributions to other CPAP outcomes and to the NSEDP.

## 5. Evaluation approach

The team’s approach was to develop a hypothesis based on pre-mission reading of project documents and on its prior local knowledge. This hypothesis was then tested during the field work against emerging findings

The team engaged the parties involved in the GPAR national and provincial projects in a structured dialogue in which the team asked questions about project performance, presented evolving findings and recommendations and elicited stakeholder response.

The team developed quantitative measures of key variables, notably on capacity building and service delivery improvements and applied these to each output to obtain a composite measure enabling a comparison of the projects. These measures are described in Annex 2.

## 6. Overall findings on the provincial projects

The provincial projects have brought about significant improvements in institutional and human capacities through the model office, one stop shop, management and technical training initiatives.

Provincial level experiments in social investment and operational financing and information systems have significantly contributed to the effectiveness, transparency and accountability of the public service through better public expenditure management, budgeting, participatory planning, agricultural extension work and the establishment of information and monitoring systems.

The innovations developed in the provincial projects, taken together, represent elements of an emerging, organic model of decentralised local governance that is rooted in the institutions of Lao and brings services closer to its people. This embryonic model should be distilled, further tested and evolved to fully demonstrate its relevance and effectiveness.

Environmental issues were not included in the GPAR project documents. Nevertheless, some of the provincial projects have taken up environmental issues, in partnership with the provincial units of the Water Resources and Environmental Offices (WREAs).

Statements regarding the importance of gender are present in the GPAR project documents. However, the team found that level of understanding of gender issues at the project level, particularly the operationalisation of a gender sensitive approach within project activities was low and a great deal needs to be done to actualize gender issues within the projects.

## 7. Findings on the national project

The intended outcome of the SBSD Project is increased efficiency, effectiveness, transparency, and accountability of the public administration at both central and local level resulting in the provision of better service delivery.

The national project has made progress but has not met many of its intended targets. The main reason for this is that the project document sets out objectives that underestimate the inherent challenges of civil service reform, which is a large-scale, complex and slow moving process.

The project has laid much of the groundwork for reform, but implementation of the policy documents, guidelines, manuals and systems it has developed has been held up by slow approval processes within government, a problem that largely lies outside the control of the project.

Amongst its successes, the SBSD has played an important role in providing advisory support to the provincial projects. It has held workshops with district chiefs on awareness of civil service reform. It has developed and overseen the holding of successful English language training courses for civil servants.

It has recently produced an Organisation and Development (OD) Manual which has been approved by the government and is ready to be rolled out as part of the institutional re-organization of the public administration in the whole country. This is an outstanding achievement.

It has piloted the One Door Service (ODS), which aims to streamline and accelerate the processing of public services and has a strong client orientation, another important achievement that will eventually be rolled out across the country.

Substantial preparatory work has been done on municipal development at both the national and provincial levels. Currently, the Government of Lao PDR is reviewing the Law on Government, and Law on Local Administration, in the context of the plans to establish provincial assemblies. The slow political decision making process over municipal development, a factor beyond the control of the Project, has brought the initiative to a halt for the present.

A version of the District Development Fund (DDF) that is intended to rely less on external technical assistance and funding than the GPAP SP, and be more closely aligned with national public expenditure instruments and procedures has begun to be implemented. At the time of the mission it was too soon to judge whether this form of the DDF was sustainable, since implementation of the DDF in these provinces continued to depend heavily on the support of the staff of the national project.

The GPAR Innovation Fund has been designed and advertised and the first proposals had been processed, but funds had not yet been allocated at the time of the evaluation mission.

There are statements of intention about gender in the Even though there are in the GPAR SBSD programme document, but no gender strategy had been developed that spells out how to address gender issues in a practical manner in each of the project outputs.

The remaining challenges facing the SBSD are to complete and/or gain official approval for a number of policy documents, manuals, guidelines and systems. Most important amongst these are the Governance Strategy, Civil Service Management Strategy, Code of Conduct, Training and Development Framework, National Civil Service Curriculum, National Civil Service Training Centre, Performance Management System.

## 8. Findings on the UNDP’s contribution

The UNDP has mobilised substantial support from a number of donors to pursue reform through the GPAR projects, in particular, the support of Swiss Development Cooperation, Luxembourg Cooperation and Netherlands Development Cooperation.

It has effectively used its position as chair of the Donor Round Table to share the experience in the provincial pilots with other donors and to promote the governance and service delivery reform agenda.

The donors increasingly recognise that the SBSD project is dealing with a complex, large scale and slow-moving reform. There is growing consensus that more effort should go into ensuring that these reforms not only build capacity within government, but that this capacity actually leads to demonstrably improved service delivery, particularly for the poor.

The involvement of these donors would be further encouraged by the UNDP demonstrating clearly how good governance reform can, in practice, be combined with visible, direct service delivery for the poor not only in the medium to long term but also in the short term. The evaluation team found the elements of an embryonic service-delivery focussed governance system in the provinces that holds this promise.

## 9. Recommendations

Fuller recommendations may be found in the chapters of this report and, in more detail in the six project reports that make up this series. The following summarises the team’s main recommendations:

*Reflection, dialogue and project revision/reformulation*

The UNDP should support a facilitated process of reflection and dialogue within the provincial pilots, national project and its own units (Governance, Poverty Reduction and Environment) to extract more fully the lessons learned from past experience and use these for project revision and reformulation for a further phase. The findings and recommendations of this series of reports could be used as a basis for this reflection.

This revision should aim to distil the elements of the evolving model of local governance for better, pro-poor, sustainable service delivery identified by the evaluation team, re-combine these elements into a conceptually and practically coherent model of local governance that addresses provincial and district level functions.

This model should be used to revise the project documents in the provincial pilots that are at mid-term and re-formulate those at final-term to enable a further phase of experimentation and adaptation of the model. This conceptual development and continuing experience and learning should be used to more deeply inform national dialogue and policy reform.

Based on the models of district and provincial governance emerging from the GPAR Projects, the UNDP, in collaboration with it Government partners, should support the development and roll-out a national governance reform programme that is linked directly to the aims of the NSEDP and the MDGs during the next phase of the GPAR projects.

*Public administration reform*

The UNDP should strengthen its partnership with PACSA through GPAR and use this to continue its support for civil service reform. However, GPAR’s work should be re-conceived within a longer time frame and be focused on more carefully selected, do-able interventions that demonstrably lead to better service delivery, each with achievable time frames.

Specific recommendations are made in the chapters below and in the individual reports on the areas in which action is needed. These include the rapid distribution of the OD manual, finalisation of important policy documents (the Governance Strategy, Civil Service Management Strategy, Code of Conduct, Training and Development Framework, National Civil Service Curriculum, National Civil Service Training Centre, Performance Management System and a Leadership Training Module for district heads), production of Naiban training assessment, development of guidelines on Kumban training, acceleration of decision taking on municipal development and release and adaptation of the Citizen Report Card report.

*National co-ordination of provincial projects*

Steps should be taken by the UNDP, in partnership with PACSA, to ensure that there is effective national coordination of the provincial projects without this removing the relative autonomy of the provincial teams and stifling creative initiative. This coordination roll would be undertaken by PACSA, with the support of the SBSD, with the eventual aim of developing and rolling out a national public administration reform programme.

*Further evolution of the DDF and other financing mechanisms*

The experiment with a lighter version of the DDF being overseen by the SBSD Project requires further evolution to secure its sustainability. The provincial authorities should play a greater oversight role in the implementation of the DDF in future and the capacities of the districts to implement the DDF should be strengthened. The SBSD should speed up the development of guidelines for the innovative Block Grants given the limited amount of time that is remaining for the project.

The concepts of the Service Delivery Fund, Service Delivery Information System (LP) and the Agricultrural Development Support Fund (XK) should be integrated into project revisions and reformulations in the provinces in which they are not currently in existence.

*Support for the LDRDPF*

The National Board for Rural Development and Poverty Reduction is being positioned by Government to play a key role in coordinating a national poverty reduction programme. While continuing, and where necessary strengthening, its current partnerships with PACSA, MPI and MoF, the UNDP should enter into discussions with the LBRDPR over ways to provide the Board with support for Lao PDR’s poverty reduction programme.

These discussions would provide an important opportunity to develop a harmonized approach to poverty reduction through financial and administrative decentralization that accords with the intentions of Decree No. 01/PM of 2000. At the centre of this harmonisation challenge is to combine the approach to fiscal decentralisation embodied in the DDF with the rapid service delivery approach being promoted by the PRF.

*Dialogue with the PRF*

The UNDP, with the UNCDF, should enter into substantive discussions with the PRF on the conceptual work and practical steps that need to be taken to harmonize the DDF and PRF approaches in support of the Government’s poverty reduction programme.

*Gender*

The policy statements and intentions on gender in the GPAR project documents need to be operationalised within all GPAR project outputs and progress with their implementation carefully monitored and evaluated to ensure that the intentions of policy are actually realized. Project staff should be provided with gender training to ensure that they have the skills to do this effectively.

*Environment*

Environmental sustainability issues should be fully incorporated in any future project revisions and reformulations for GPAR projects.

# CHAPTER 1. BACKGROUND, PURPOSE AND APPROACH

## 1.1. Background and context of the projects

The Lao People’s Democratic Republic (LPDR), established in 1975, has a multi-ethnic population of around five and a half million people and a GDP per capita around US$ 330 per annum, making it one of the least developed countries in the Asian Pacific region and placing it at 133 on UNDP’s global Human Development Index of 2008.[[2]](#footnote-2)

The government’s poverty reduction objectives are set out in the Sixth National Socio-Economic Development Plan[[3]](#footnote-3) (NSEDP) of 2006, which sets poverty reduction and equitable economic growth targets consistent with the United Nations Millennium Development Goals (MDGs).

Section D of the NSEDP expresses a commitment to good governance in four areas: Public Service Improvement, People’s Participation, the Rule of Law and Sound Fiscal Management. This commitment is elaborated in the Strategic Plan on Governance 2006-2010[[4]](#footnote-4), a document that has yet to be finally approved.

The government has set out its decentralisation intentions in Decree No. 01/PM of 2000[[5]](#footnote-5), which is an instruction of the Prime Minister to build the provinces into strategic units, districts into budget-planning units and villages into implementation units.

The Governance and Public Administration Reform (GPAR) programme assists the government to develop and implement its decentralization strategy. GPAR was established in 1997 to promote civil service reform. It is situated within the Public Administration and Civil Service Authority (PACSA), a sub-ministry within the Prime Minister’s Office (PMO) whose main mandate is to drive civil service reform. PACSA is the UNDP’s main government partner in promoting governance reform in Lao PDR. GPAR is the vehicle through which the UNDP provides support to PACSA.

In 2007, GPAR added the sub-title Support for Better Service Delivery to its name. This marked a shift in the organization’s orientation and the beginning of a third phase in the GPAR programme. From this point onwards, governance and public administration reform were conceived explicitly with the aim of improving public service delivery, particularly for the poor.

## 1.2. Description of the projects

1.2.1 Project aims

GPAR consists of one national and four provincial pilot projects. The national project is called GPAR Support for Better Service Delivery (SBSD). The pilots are GPAR Luang Prabang (LP), GPAR Xieng Khouang (XK), GPAR Sekong (SK) and GPAR Saravane (SP).

Each of the projects has its own project document. The main intended outputs are strengthened human, institutional and financial capacities in the public administration and enhanced monitoring and oversight capacity. The latter output is intended to inform national reform by channeling lessons learned from the project into national policy debate.

The project document for GPAR SBSD sets out the aim to “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”.[[6]](#footnote-6)

1.2.2 Capital investment funds

In three of the four provinces, the projects implement a formula-based district development fund (DDF). The DDF is used to promote local governance reform through improved public expenditure management (PEM), participatory planning and strengthened implementation procedures. The aim of the DDF approach is to ensure that the local public administration is empowered to deliver tangible services demanded by the poor efficiently, cost effectively and rapidly.

An important difference exists between the way in which the DDF was conceived and implemented in Saravane Province, on the one hand, and in Xieng Khouang and Sekong on the other. The SP project was conceived as a pilot that would inform a national roll out programme and therefore given a high level of technical support. The XK and SK projects were conceived as part of a replication programme in which the SP experience would be rolled out in other provinces with a lower level of technical assistance and greater reliance on the regular provincial and district staff. The latter formula for DDF implementation was to be aligned with national public expenditure instruments and procedures to ensure the financial sustainability of the DDF. The question that this raised for the evaluation was whether this more institutionally and financially embedded version of the DDF, as compared to the pilot in SP, can build capacities and deliver services sustainably in practice.

Within one province, Luang Prabang, the project contributes to small scale infrastructure through the Service Delivery Fund (SDF) based on improved planning through the Service Delivery Information System (SDIF).

In another province, Xieng Khouang, the project has established an Agriculture Service Delivery Fund (ASDF). The fund is intended to strengthen the management and delivery capacities of the district agricultural offices’ extension services so that extension services are more efficient and effective.

The evaluation team has given close attention to these capital investment funds as they combine capacity building within the provincial and district administrations with direct service delivery, thereby providing important elements of a potential model for local governance at the provincial and district levels.

1.2.2 Core problem, project hypothesis and expected outcome

The ***core problem*** which the GPAR project aims to address is poor service delivery. It is argued in the project document that this results from limited capacity for the strategic management and implementation of reforms, limited capacity of the civil service to provide services in an efficient and accountable way, and the lack of a predictable, transparent system of financing of services.[[7]](#footnote-7)

The ***core hypothesis*** is that improved, pro-poor service delivery will be achieved by strengthening the Lao government’s capacity for strategic monitoring and implementation of reforms, strengthening the capacity of civil servants (particularly at the decentralised levels) for service delivery, providing a predictable mechanism for decentralised funding (the DDF), fostering local level planning and transparency in the use of funding.

The expected ***core outcomes*** are thus strengthened capacities of public and private institutions for accountable service delivery, and improved, more transparent, efficient and cost-effective pro-poor services delivered, especially in the areas of education, agriculture and health services, as set out in the SBSD programme document and in the NSEDP.

## 1.3. Purpose of the evaluation

1.3.1 Terms of reference

The TOR require an evaluation of the projects’ outputs and outcomes, their contribution to the Lao Government’s NSEDP, and to the UNDAF outcomes, in particular CPAP outcome 8. Outcome 8 is:

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

1.3.2 The GPAR projects and the UNDAF and CPAP outcomes

In Figure 1 overleaf, Outcome 8 is set in the context of the United Nations Development Action Framework (UNDAF), Country Action Plan (CPAP) and Millennium Development Goals (MDGs).

As shown, there are a number of other UNDAF and CPAP outcomes that are relevant to the GPAR programme. The bold arrow shows that GPAR projects aim directly to influence outcome 8. This corresponds to the Governance and Public Administration Reform (GPAR) part of the projects’ titles.

The broken arrow shows that GPAR projects also aim to bring about improved service delivery outcomes, equitable growth and poverty reduction as expressed in the other CPAP outcomes. This corresponds to the Support for Better Service Delivery (SBSD) in the projects’ subtitles.

As shown, the UNDAF outcomes, in turn, aim to realise the Millennium Development Goals.

Figure 1. GPAR projects in the context of UNDAF, CPAP & the MDGs

1.3.3 The GPAR projects & the NSEDP

Figure 2 overleaf shows how the GPAR projects are intended to support the Sixth National Socio-Economic Development Plan (NSEDP). Their main intended line of impact, illustrated by the bold arrow, is through Section D of Chapter VII of the NSEDP, which sets out four main areas of focus for governance reform, as illustrated.

Figure 2. GPAR projects in the context of the NSEDP

Note that the GPAR projects also relate to other areas of the NSEDP, illustrated by the broken arrow, notably poverty reduction, sector and regional development.

It is through improvements in service delivery that reform of the civil service is intended to bring about poverty reduction and help stimulate equitable economic growth. The sectors prioritised for this in the GPAR projects are agriculture, education and health.

Regional development is promoted through the strengthening of the Offices of the Governors (OoGs) capability for monitoring of strategic reform and service delivery interventions. Rural development is promoted through the involvement of villages and Kumbans in the prioritisation of investments in services.

In three of the four provinces, the GPAR projects contribute to improved small scale infrastructure through the DDF. The fourth project, Luang Prabang, operates the Service Delivery Fund, which is used to make strategic investments in small scale infrastructure and service delivery. The Xieng Khouang project operates the Agricultural Service Delivery Fund.

Private sector development is tackled through measures to improve the environment for business.

Gender did not feature prominently in the project activities but is currently gaining increased attention.

Natural resources and the environment were not mentioned in the project documents, but are included in this evaluation.

## 1.4. Scope of the evaluation and key questions

1.4.1 The scope of the evaluation

Figure 3 illustrates the scope of the evaluation. Of the five projects covered, two require a final review and two a mid-term review (MTR), while a fifth requires a review of responses to the recommendations of a previous MTR.

Figure 3. The scope of the evaluation

The final reviews include recommendations on possible follow-up approaches at the end of the project life. The mid-term reviews include recommendations on re-alignment and strengthening of the projects.

The Saravane Project (SP) was evaluated in November 2007.[[8]](#footnote-8) It requires a review of the findings and recommendations of the MTR, further recommendations on realignment and strengthening the project, and recommendations on a possible follow-up approach.

1.4.2 Key questions

The evaluation has two components: an output (project) level and an outcome level component.

***The output level***

The output level component evaluates the five projects in terms of:

* Projects approach
* Results achieved by the projects
* Factors affecting the projects’ performance
* Findings that can impact future engagements and recommendations.

***The outcome level***

The outcome level component evaluates how the GPAR programme has contributed to CPAP outcome 8, namely ***“Increased efficiency, effectiveness, transparency, and accountability of the public administration at both central and local levels”,***and the government’s governance and public administration reform agenda and goals more broadly, in terms of the following questions:

* To what extent were the intended results attained?
* What effect did the UNDP interventions have on changes?
* To what extent were national priorities addressed?
* How efficient was the program approach?
* Were the right issues addressed?
* Were the issues addressed in the right way?
* Are the results sustainable?
* What lessons can be learned?

## 1.5. Evaluation hypothesis, approach and tools

1.5.1 Conceptual framework

Confronted with the challenge of achieving a combined output and outcome evaluation comprising four provincial and one national project within the space of 41 days, each with a logical framework of its own displaying considerable complexity and, in some cases, lack of coherence, the team develop a number of conceptual tools. These include a framework for analysing local government functions, a definition of “governance” and an explanation of the meaning of “services”. These conceptual tools are described in Annex 5.

1.5.6 Quantitative measures

Given the pressure to draw its findings together rapidly and to make meaningful cross-project findings as it moved from the national level to the provinces and from one province to the next, the team developed a number of quantitative measures using an interval scale of 1 to 5. These are described in Annex 2. These measures were then applied by the team collectively to each of the following variables:

* Project design
* Project Support Unit
* Institutional capacity building
* Human capacity building
* Social investment and operational finance facilities
* Information, citizen feedback and planning systems
* Lesson learning and policy reform
* Gender
* Project outcomes
* Service delivery improvements.

Separate sets of measures were generated for mid-term and final evaluations to ensure that like was compared with like.

The team used the resulting measures to produce summary tables of project performance against each output. The team used these summary tables to formulate overall assessments of each project’s performance in terms of their outputs, outcomes and influence on service delivery.

The measures for the last two variables listed above, namely project ***outcomes*** and ***service delivery improvements*** (SDI), were then applied to the team’s evaluation hypothesis, described in the next sub-section. The team placed each of the five projects within the capacity building/service delivery trade off matrix enabling cross-project comparisons of performance.

1.5.4 The team’s evaluation hypothesis

The team developed an ***evaluation hypothesis*** based on prior reading and knowledge of Lao PDR to guide the evaluation. The evaluation hypothesis is illustrated in Figure 6, overleaf.

Figure 6. Team’s evaluation hypothesis

The hypothesis is based on the observation that governance and service delivery projects confront trade-offs between capacity building and direct, visible service delivery, illustrated in the vertical and horizontal axes, respectively. The assumption underlying the vertical axis is that building human and institutional capacity in the public sector increases the sustainability of service delivery.

The square illustrating humanitarian aid is in the south east quadrant because such projects generally focus on rapid, visible service delivery and not on building human and institutional capacity. The reason is that disasters create an emergency in which action has to be taken swiftly, leaving no time to build capacities.

The Poverty Reduction Fund was not assessed by the team, but is also provisionally placed in the south east quadrant. This positioning is based on the team’s experience of the World Bank’s Social Action Funds in other countries where, typically, the emphasis has been on rapid service delivery and not on building governance institutions within the country.

Based on the findings of the MTR, Saravane is placed is in the north east quadrant because it has demonstrably build local governance institutions and, ***at the same time***, delivered visible services meeting the needs of the poor. GPAR SP’s success is partly explicable in terms of the DDF, which enabled district authorities to build their capacity in Public Expenditure Management (PEM), involve villages and Kumbans in service prioritisation ***and*** achieve fairly rapid delivery of infrastructure and services.

The team’s pre-mission reading of the programme documents for GPAR LP, SK, SBSD & XK suggested that these projects were likely to have focussed more on capacity building than service delivery and had less success in dealing with the capacity building/service delivery (CB/SD) trade off. They were therefore placed in the North West quadrant.

The broken arrow from GPAR SP indicates the direction of recommendations the team made for GPAR SP. These sought to strengthen the project in such a way that it would build towards achievement of the NSEDP poverty reduction aims through improved service delivery, while ***at the same time*** continuing to build institutional and human capacity.

The circle and dotted arrow over the other GPAR projects indicates the line of recommendations the team expected to make in relation to the other projects, namely to focus on improving service delivery impact while continuing to build institutional capacity in order to meet the goals of the NSEDP sustainably.

In the presentation of the team’s findings, mid-term and final evaluations are assessed separately to enable comparison of achievements within the same time frames, something which Figure 6 does not make possible. The results are presented in Chapter 11, Section 4 below.

1.5.5 Evaluation approach and fieldwork tools

The team’s approach was to engage the parties involved in the GPAR projects in a structured, dialogue in which the team asked questions about project performance, presented evolving findings and recommendations and elicited stakeholder response.

The stakeholders involved included staff on the Project Support Units, the Project Managers, Technical Advisors, donors, partner ministries and line departments at national, provincial and district level, representatives of Kumbans (KBs) and villages and service user community members in meetings, coupled with documentary and data analysis. The tools used for structured dialogue were interviews, facilitated workshops and focus group discussions.

The dialogue began with a kick-off workshop for national stakeholders in Vientiane where the team’s methodology was explained, based on the Inception Report. In each province the team began with a kick off workshop and ended with a debriefing where the findings and recommendations were presented to the stakeholders. The debriefing meetings were followed by a display card exercise in which all participants were asked to write down their comments, criticisms, questions and suggestions on the team’s presentation.

On the team’s return to Vientiane debriefings were held with the UNDP Resident Representative, the Chair of PACSA, the GPAR SBSD Project Manager and members of the GPAR SBSD Project Support Unit, prior to the national debriefing.

By all these means, the emerging findings and recommendations were repeatedly tested and strengthened in the light of stakeholder responses.

A summary record of the people with whom the team interacted is set out in Table 1.

Table 1. People with whom the team interacted



The team interacted with 991 people of whom 37% were women. The relatively high number of women results mainly from the attendance of quite large numbers of women in the community meetings in the provinces.

## 1.6. Team composition

|  |  |  |
| --- | --- | --- |
| **Team member** | **Position** | **Focus** |
| Dr. Hindson Doug | International consultant & team leader | Project management & technical assistance, project monitoring & strategic capacity, lesson transmission to national policy dialogue, environmental sustainability, UNDP strategic positioning & partnerships |
| Dr. Chiweza Asiyati | International consultant | Public expenditure managements, planning & budgeting, service delivery systems, gender |
| Mr. Souksoumay Saisouphanh  | National consultant | Institutional re-organisation, human resource development & management |

## 1.7. Calendar of activities

The team’s calendar of activities is illustrated in Figure 7 below.

Figure 7. Evaluation team’s calendar of activities


# CHAPTER 2. PROJECT DESIGN, APPROACH AND APPROPRIATENESS

## 2.1 Project logical framework

Although there is no overarching framework for all the projects, the logical framework of the GPAR SBSD project contains the main elements that appear, in one formulation and another, in the all the provincial projects. It is presented in Figure 8 overleaf.

The overall goal of the project is to reduce poverty. It seeks to do this by strengthening the capacity of public and private institutions to deliver accountable services, which is the outcome of the project. The outputs are strengthened human, institutional and financial systems and improved monitoring capacity in the OoG to enable strategic reforms. Lessons from the project experience are intended to inform national policy dialogue.

Note that both the outputs and outcomes are defined in terms of capacity building, which conflates ends and means. Note also that improved service delivery, although an indispensable step between capacity building and poverty reduction, is missing from the design logic. This is illustrated by the red star representing the development goal.

With the exception of GPAR SK, the logical frameworks of the provincial projects repeat the ends/means conflation between outputs and outcomes, namely defining human, institutional and financial capacity building outputs that lead to strengthened public administration capacity, although they vary considerably in the more detailed specification of the outputs.

Figure 8. GPAR SBSD Logical Framework

The clearest and most robust logical framework is that for GPAR SP, which has as it central column the steps in the DDF approach, namely financing, planning and budgeting and implementation. Human resource management and administrative re-organisation fall into place as supports to the DDF process.

The other project designs that seek to include the DDF (XK and Sekong) do not achieve the same clarity. The main reason for this is that the relationship between the human and institutional capacity building outputs and the outputs containing the DDF are not well integrated and do not follow a clear implementation logic.

Apart from GPAR SP, the project logical frameworks are marked by complexity, ends/means conflation, lack of integration between outputs and an unclear implementation logic. The most extreme case of this is the GPAR XK framework which has had to be revised twice. Notwithstanding these revisions to GPAR XK project document, the sub-outputs, of which there are 13, remain fragmented and difficult to follow.

Aside from the weaknesses mentioned above, the project designs are clearly appropriate to the GPAR’s mandate to promote civil service reform as a means to provide better service delivery. The reform of the civil service through the improvement of the civil service administrative systems, the better placement of staff within those systems and the building of their personal capacities, is clearly relevant to the aim of improving service delivery, though it is a large and complex process that, even in the best of circumstances, will take time to bear fruit.

The effort to integrate the DDF (and other financing facilities to be discussed in the volumes on the provincial projects) into the reform process at the district level represents a crucial departure from GPAR’s earlier approach, which attempted to build human capacities and transform institutional arrangements without linking these directly to capital investment.

The DDF constitutes a model of governance reform in which capacity building and direct service delivery occur simultaneously. It is therefore an approach that seeks to overcome the conventional capacity building/service delivery trade off illustrated in sub-section 1.5.4 above on the team’s evaluation hypothesis.

At the core of this evaluation is to assess how effectively the DDF, and other capital investment funds, have been used to stimulate governance reform within the pilot provinces and districts and to assess the extent to which the lessons learned from this experience are informing national policy processes.

## 2.2 Inputs: Donor funding

Figure 9 presents total donor funding sources for all GPAR projects taken together, between 2004 and 2009. The bulk of funding came from SDC, followed by UNDP, Sida and SNV.

Figure 10 presents funding flows between 2004 and 2009. Funding increased steeply between 2004 and 2008 and flattened out between 2008 and 2009, a curve that is typical for project cycles reaching their mid to final terms.

Figure 11, overleaf, presents total GPAR project expenditure between 2004 and 2008. Note that 24% or total expenditure went to technical assistance and 22% to the running of the project support units, leaving only 54% to other expenditures on achieving outputs.

Figure 9. Donor funding for GPAR projects 2004-2009

Figure 10. Donor funding flows 2004-2009

Figure 11. Project Expenditure: All GPAR projects together, 2005-2009

Figure 12 shows the expenditure on the PSUs as a percentage of total project expenditure. These figures exclude the cost of technical advisors, higher than PSU costs for all projects. The net effect is that only just over 50% of project funds were spent on project implementation. The relatively low ratio in Saravane reflects the throughput of DDF funds.

Figure 12. Expenditure on PSU as % of total project expenditure


# CHAPTER 3. OUTPUT 1 INSTITUTIONAL RE-ORGANISATION

## 3.1 Objective

This output aims at improving the organizational structure and systems and strengthening the functions of the government institutions, including working processes, procedures and policies, in order to enable more equitable, effective, efficient and accountable service delivery, at national, provincial and district level, especially in the four priority areas of the NSEDP, namely education, health, agriculture and infrastructure.

The key activities under this output include the development of national policies and guidelines on organizational development and its implementation and rollout at national and local levels, the development of job descriptions, the improvement of local governance policies and systems, introduction of a new municipal system, the strengthening of Khumban administration, and the improvement of service delivery through the expansion of One Door Service (ODS).

## 3.2 Achievements

Functional analyses have been done in all projects on a pilot basis with some selected offices, but not all of these analyses have actually led to implementation of organizational improvements. In some provinces the functional analyses were initiated by the project technical advisors with without reference to the work being done in PACSA and central ministries.

At central level, PACSA developed the Organizational Development (OD) manual and piloted it in two offices (Mahosot hospital and driving license office). The manual has now been approved and is ready to be used as a guideline for the roll-out implementation of organizational reform in the whole country. This is a very major achievement and the manual should now be used across the country as the reference point to bring about organizational change.

In Luang Prabang, functional analysis and job descriptions have been done in most of offices, especially in the two key prioritized sectors of health and education. The results are substantial. It has led to greater clarity of roles and responsibilities of the offices and individual staff, and increased the effectiveness and efficiency of their work and of service delivery.

In Xieng Khouang, the SNV advisors undertook functional analyses of four pilot offices: OoG, PCOP, DoF and DPI. The reports have been submitted, but the evaluation team did not see evidence of the organizational improvement having been implemented in the offices visited.

In Sekong, the UNDP advisor undertook functional analysis in two selected offices, namely the OoG and DPI, but this initiative was without reference to the work going on in the PACSA/SBSD Project. The governor approved this analysis and the functional reorganization has taken place in the OoG and led to visible organizational improvement. The report on the functional analysis done at the DPI was sent to the relevant parties, and awaits comment and approval from MPI.

Job descriptions have been implemented and monitored by PACSA for many years. Therefore, changes in this area cannot all be directly attributed to the GPAR Projects. In all provinces, job description was prepared and updated by the respective offices based on their own practice. However, PACSA/SBSD is developing a manual on job description writing and the current HR Specialist is working on simplifying the guidelines for preparing job description. This should lead to the standardization of job descriptions nationally.

The One Door Service (ODS) is being piloted in all projects. Those offices that are already in operation (Vientiane, Xieng Khouang, and Luang Prabang) have proved their worth as centers providing basic services like marriage, birth and death registration and referral services. However, in terms of tangible services (health, education, water, sanitation etc.), the ODS centers provide referral services, rather than providing direct information themselves.

Despite the progress made in streamlining registration, there is considerable room for further improvement in the speed of registration and permitting for business and individuals. This will involve not only the ODS centres themselves but the parent departments involved in registration and permitting.

With regard to municipal development, some major steps have been completed and a point has been reached where key political decisions need to be made. The political decision making process is holding up the process.

There have been efforts to strengthen Khumban administrations (KBs), but these structures have not yet been fully recognized in law.

## 3.3 Challenges

The SBSD is responsible for setting the national framework for the Institutional Development (ID) but key initiatives such as the functional analysis manual and job description guidelines came too late to be used as the reference for implementation in the provinces. The functional analysis manual has been approved and printed out, but awaits distribution to the ministries and provinces. Job description guidelines still need to be simplified and approved by PACSA before they can be distributed to the ministries and provinces.

Some initiatives being implemented in the provinces, even though on a pilot basis, have no connection with the work being done at the national level and do not use the national guidelines. An example is the functional analysis in Sekong, which was done by the project advisor without reference to the work being undertaken by the SBSD Project. Even though the quality of this work is sound, it is necessary to harmonise it with national guidelines, if the work is to be approved.

## 3.4 Recommendations

The SBSD Project should rapidly distribute the OD manual for the rollout of organizational reform across the country. This will remedy the problem of the use of different methods being used for functional re-assignment in different provinces. Experience gained from implementing the new system should constantly inform the updating of the national OD manual.

For those projects that are coming to an end (XK, LP), there may be insufficient time to complete current work on organisational development using the approved OD manual. Should these projects not have a further phase, PACSA should nevertheless ensure that the work on organisational development is completed.

The SBSD Project should finalize the job description guidelines and have them approved as soon as possible. They should then be distributed to the provinces. All job description initiatives at national and provincial levels should be harmonised, using the same guidelines, and experience on the ground should be used to constantly update the national guidelines.

Provincial projects should implement all of their initiatives in line with and in cooperation with the national level even if they are implementing on a pilot basis. The experience from the provincial projects should be used to inform national policies and lesson learning.

Regarding the municipal development initiative, PACSA/SBSD should request the government to accelerate the process of political decision making so that that the initiative can be continued.

Drawing on the experience of measures being taken to strengthen the administrative and planning capacity of the Khumbans in the province, the SBSD Project should develop guidelines enabling the roll out these changes nationally.

In addition to their referral activities, the ODS offices should provide information about services for businesses and citizens. This could take the form of pamphlets providing breakdowns of provincial and district income and expenditure, illustrating the location of industrial and commercial estates, infrastructure and services available and providing guidelines on business registration.

Registration and permitting procedures for businesses and individuals should be further rationalised and speeded up within the responsible parent departments themselves. There is substantial experience available internationally on ways to improve the regulatory environment for business, including methods for identifying and cutting red tape, that the project could draw on to take this work further.

# CHAPTER 4. OUTPUT 2 HUMAN RESOURCE DEVELOPMENT & MANAGEMENT

## 4.1 Objectives

The goal of this output is to improve Human Resource Development (HRD) and Human Resource Management (HRM) policy and procedures and to build the capacity of civil servants to enhance the productivity, accountability and transparency and to enable more efficient and effective service delivery.

This goal will be achieved by the development and dissemination of national civil service management strategy and policy, introduction of the Personnel Information Management System (PIMS) and Enhanced Salary Scale System (ESSS), the development of national civil service curriculum and the delivery of training.

## 4.2 Achievements

Although the PIMS software is still being developed, the Provincial Projects have been conducting training on the implementation of this system for relevant staff in provinces and districts. Some personnel data have been collected for input using this software. Since there is uncertainty that the software will actually materialize in a useable form, this initial work may prove to be fruitless.

The Enhanced Salary Scale System (ESSS) is working very well in Xieng Khouang province. It has proved to be a very useful tool for payroll preparation and is highly appreciated by the users.

Within the provincial pilots, key initiatives like finance training, English and computer training and office management training have been carried out with substantial positive results for staff in terms of their effectiveness at work.

Through the training initiatives undertaken by the provincial projects, the capacities of government personnel have substantially improved, especially in the field of office management and reporting. This is particularly evident in Luang Prabang, where staff at provincial, district and village level demonstrated their capacity for well structured and content-rich reporting.

In all provinces, the computer training displays very substantial impacts on staff proficiency in the use of computers for report writing and other areas of their work. Moreover, the team found that staff who received trained in various fields were able to act as trainers of staff at lower levels, another indicator of the effectiveness of the original training.

The setting up of the National Accounting System (NAS) and training in its use has substantially enhanced province-wide PEM, and increased transparency and accountability. The training on accounting, auditing and tax collection at provincial, district and village level has contributed to the steady increase in revenues in the provinces.

The finance staff at provincial and district level are now not only able to audit the financial statements of the government offices but also those of the private sector. This has contributed to the increase of collected revenue. At village level the village chiefs and other resource persons are now able to undertake tax collection in their villages and report to the district finance officials.

## 4.3 Challenges

At national level, the SBSD Project, in collaboration with PACSA, is responsible for setting up the framework for the HRM and HRD component, but there are a number of key initiatives have not moved far as yet. These are the National Civil Service Management Strategy, HRM policy, regulations and procedures, Civil Service Code of Conduct, Training and Development Framework and National Civil Service Curriculum. These initiatives are important in that they will create the foundation for HRM and HRD reforms in the provinces. The lack of progress in these areas impedes the implementation of project initiatives in the provinces.

The PIMS initiative has stalled in all projects. Although the software is not yet ready, there has been considerable training on the implementation of this system in the provinces. There is a danger that this training will turn out to have been a waste of resources if this system is not eventually installed.

## 4.4 Recommendations

The SBSD Project is currently having its work reviewed by the newly appointed GPAR SBSD HR advisor who is providing guidelines for the work of the Project to the end of its term. The essence of the HR advisor’s recommendations is that the SBSD should focus on those activities that are doable within the time left to the project, while the large scale, more complex activities should be reconceived within a longer time frame. These activities are listed below.

PACSA and GPAR SBSD should speed up and complete all stalled initiatives that would pave the way for its activities, giving priority to the following:

PACSA should finalize the National civil service management strategy (NCSMS) and have it approved and released.

PACSA, in cooperation with NAPPA and NUOL, should develop and finalize a comprehensive curriculum for civil service training, building on the curriculum available in these institutes, focused on short term skill training in public management.

SBSD should request PACSA management to expedite the review of Civil Code of Conduct and have it approved as quickly as possible.

Regarding the PIMS software, SBSD should actively discuss with the provider and other relevant parties the current status of its development. Should it appear doubtful that the existing software is going to materialise, it should develop a contingency plan for the use of alternative software. The provincial projects should postpone PIMS trainings until there is clarity that a viable system can be put into place.

SBSD should rapidly finalize and test the job description guidelines and simplified procedures for writing job descriptions. Once available, the provinces should use these guidelines to ensure there is a unified procedure for implementing this initiative.

PACSA should finalize and approve the National Training and Development Framework to be used as the base for TOT training programmes.

Until the National Civil Service Training Institute is established, the projects should focus on the establishment of a HR practitioners’ network and make use of other training institutes like NAPPA or NUOL (National University of Laos) to serve as an extended arm of PACSA in delivering information on HR. The network would involve staff from the HR departments in the different state organisations at central level and throughout the country. The HR network and NAPPA/NUOL would thus be the main target for receiving the HR related training and its members will then become the trainers.

The establishment of the planned Civil Service Training Centre, the foundation for the effective delivery of the National Civil Service Curriculum, should be made as an urgent priority. This is to remedy the problem of a lack of an institutional foundation for delivering training programs for the civil service on a major scale. It will constitute a base for full-scale delivery of the National Civil Service Curriculum, and hopefully also a platform for innovation and development in the future.

Given the fact that geographical accessibility in Laos is difficult, local resources in provinces and districts should be made use of for delivering the training programs.

# CHAPTER 5. EXPERIMENTS IN FINANCING FACILITIES

## 5.1 Objective

This chapter reviews a number of experiments in financing facilities that have been established in the different projects. The common aims of these facilities have been to improve the capacities of local authorities (provincial and district) to manage public expenditure and to delivery services more transparently, accountably, efficiently and effectively.

A detailed discussion of these facilities is provided in Annex 4.

## 5.2 Overview of the facilities

Table 2 below describes and assesses implementation progress of the different facilities. It provides a basis for commenting on their potential to contribute to the achievement of the CPAP outcome and the National Social Economic Development Plan.

Table 2 Assessing financing facilities in the Provincial Projects

|  |  |  |
| --- | --- | --- |
| **Project** | **Initiative implemented** | **Score** |
| **Final review**  |  | **x/5** |
| **GPAR LP**  | **SDF-Provincial Funding Facility to support the Province to respond to service delivery gaps identified in the SDIS** | **4** |
| **GPAR XK** | **ADSF- Provincial Agriculture extension management system & finance for extension services**  | **4** |
| **CSF- Funding for provincial OoG Coordination capacity**  | **3** |
| **Mid-term review** |  |  |
| **GPAR SBSD**  | **GPAR Fund for demand driven governance reforms.** | **2.5** |
| **DDF replication in XK, SK**  | **3** |
| **GPAR SP** | **DDF- Formula based block grant to districts for small scale infrastructure & capacity building**  | **4.5** |
| **GPAR SK** | **No financing facility project document** |  |

The table shows that the GPAR Projects have piloted a mix of operational and investment block grants. With the exception of the GPAR SBSD Governance Reform Fund which has just commenced its activities, and cannot yet be meaningfully assessed, the most promising facilities in terms of tangible results for wider application and development of systems at the national level are the Service Delivery Fund (SDF) in Luang Prabang, the Agriculture Development support Fund (ADSF) in Xieng Khoaung and District Development Fund (DDF) in Saravane

How does each of these identified promising financing experiments contribute to the goals of NSEDP and CPAP 8? This is discussed in the next sections.

## 5.3 The Service Delivery Fund

The team found that this facility, along with the Service Delivery Information System (SDIS) established in the Province, has greatly strengthened provincial capacity to implement and manage services in a transparent, accountable and equitable manner. In its design it allows good governance and rights based principles to be a key element of the project screening process. It also provides a potentially powerful instrument for learning and strategic intervention.

It has also improved district staff project management and proposal development capacity. It has also strengthened community participation in monitoring and management of development activities and also the cooperation between province, districts and villages in development implementation and monitoring of projects.

## 5.4 The Agricultural Development Support Fund

The ADSF has supported an agriculture extension management system that is geared up towards mainstreaming planning, reporting and financial management of the funds. Through this system, District Agriculture Officers are able to plan their extension activities in a systematic manner and remain accountable to the Provincial Agriculture Office through the fund disbursement and reporting process.

GPAR XK has made funds available to the PAFO to enable regular monitoring of fund utilization and engagement in planning processes. In the final Agriculture Advisor Advisor’s report[[9]](#footnote-9), The EMS is assessed as representing a genuine attempt by PAFO XK to establish procedures for clear financial accountability of DAFO’s to a) their PAFO, and b) the villages they are serving, associated with the financing of extension services. Based on its effectiveness, the system has been adopted in all the districts in the Province and it holds potential to attract further donor support.

## 5.5 The District Development Fund

The GPAR SP MTR found that the DDF, through the use of a formula based block grant, has provided tangible lessons for a system for financing decentralized development activities efficiently and effectively, hence bringing services closer to people.

It has also strengthened district public expenditure and project management capacities, district financial reporting and transparent procurement capacity, in this way giving effect to the intentions of the local law on administration at the district level.

The GPAR SBSD Project is replicating DDF in XK, SK and other provinces, but these initiates are facing some quite serious problems. Most notable is the weak understanding of DDF procedures among the relevant actors and the absence of a strong role of the key provincial officers in the management and backstopping of district DDF activities. This is in contrast with GPAR SP, where provincial officers are playing these roles very successfully. Unless these issues are resolved the replication of DDF under GPAR SBSD runs the risk of not achieving the stated project goals in this area.

## 5.6 Recommendations

The SDF should be seen within the context of the government’s efforts to introduce the Public Investment Programme Fund for Poverty Reduction.The PIP-FPR represents a ring-fenced Poverty Reduction Fund within the annual Public Investment Plan put together by the MPI. The significance of this fund is that although it runs through the MPI account, it is used for expenditure on small scale infrastructure to provide services for the poor in targeted districts. The PIP-FPR is a home-grown pilot for the national programme of poverty reduction. It demonstrates the government’s commitment to prioritizing poverty reduction using national treasury and funds sourced from donors and elsewhere.

In the light of the PIP-FPR initiative, it would not make sense to continue to use the SDF as separate top up investment fund at the Provincial level. Instead, the SDF principles and operational guidelines could be refined and modified so that they can be mainstreamed into the work of MPI to enhance the effective targeting and implementation of the PIP-FPR.

The ADSF represents an operational grant facility that has been institutionalized and has demonstrated its potential for sustainability within the agriculture sector. The GPAR SBSD could borrow some insights from the ADSF in the design of the operational expenditure facility that is part of the SDSD DDF support the districts to improve the delivery of local services for their communities. In the design of this operational expenditure facility, care should be taken to ensure that there is a provincial support team in place that is able to effectively monitor, coordinate and backstop the district DDF activities.

In light of the success and perceived benefits of the ADSF in XK, the team recommends dialogue with the Ministry of Agriculture to consider rolling the model it out to the other Provinces.

The CSF though potentially a useful coordination fund has not developed to a point where it can be replicated in other areas. Wherever it is adopted, reporting guidelines of the CSF should be enforced, meaning that reports should include progress on planning and service delivery. Otherwise the tool cannot serve as an aid to the decision making process of the OoG.

As for DDF, there is need for GPAR SBSD and its partners to deal with the problems detailed in the SBSD evaluation report. These need to be addressed if the potential of a light-weight DDF approach is to be realised within Lao.

It is also important that the SBSD as well as the Saravane DDF lesson learning process be clearly linked with the ongoing PEMSP in the Ministry of Finance. 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.

The SBSD project document states that in the creation and operationalisation of the GPAR Fund there will be opportunities to consider how the fund can support DDF activities. This will be done 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.

The GPAR Fund could be creatively used to experiment with ways of overcoming the capacity problems that have emerged at the district level where the SBSD Project has been trying to pilot the DDF. It is striking that among the proposals received by the GPAR Fund, none focusing on these issues and none was received from the districts themselves. This may reflect weak capacity on the part of district staff to develop funding proposals, in which case support could be given to the districts to build this capacity.

# CHAPTER 6. EXPERIMENTS IN PLANNING, INFORMATION AND CITIZEN FEEDBACK SYSTEMS

## 6.1 Objective

The team assessed a number of experimental planning, information and citizen feedback systems set up by GPAR projects, which all aim to improve citizen participation in service delivery.

## 6.2 Summary of experiments

Table 3 below summarises the initiatives and their contribution to CPAP outcomes.

Table 3. Planning, information and citizen feedback systems

|  |  |  |
| --- | --- | --- |
| **Project** | **Initiative implemented** | **Score** |
| **Final review**  |  | **x/5** |
| **GPAR LP**  | **SDIS** | **4.5** |
| **Resource Centre** | **4** |
| **GPAR XK** | **Resource centre** | **3** |
| **Citizen Score Card** | **2** |
| **Bill Boards**  | **2** |
| **Midterm review** |  |  |
| **GPAR SBSD**  | **DDF Participatory Planning system** | **2** |
| **GPAR SK**  | **Bill Boards**  | **3** |
| **Village Statistics book & mapping** | **3** |
| **Community Radio** | **2** |
| **Citizen score card**  | **2** |
| **GPAR SP** | **DDF Participatory planning system** | **4.5** |
| **Radio initiative** | **2** |
| **Citizen score card**  | **2** |

Source: Team assessment using assessment criteria set out in annex 1.

Three systems stand out in terms of their potential for replication: the Service Delivery Information System (SDIS) in Luang Prabang, the District Development Planning system under the DDF in Saravane, and the Resource Centre in Luang Prabang.

## 6.3 The Service Delivery Information System

The Service Delivery Information System (SDIS) is a pilot initiative within GPAR LP. The main objective of the SDIS is to improve the management of service delivery at provincial and district level by assisting the OoG and District Administration to oversee and monitor service delivery in 4 priority sectors in line with MDGs and NSEDP goals of growth and poverty reduction, namely primary health, safe water supply, primary education and agriculture extension services. It aims to strengthen the accountability of provincial and district administration in terms of rights based service delivery through the establishment of an oversight mechanism designed to identify current service levels, gaps and needs in these priority sectors. An effort has been made to ensure that the SDIS produces gender disaggregated data.

A Service Delivery information/contact board has been erected in every district giving basic entry-point information to citizens on primary, pro-poor services, including Health, Education, Agriculture, and information on the District Chief’s Office, Lao Women’s Union and National Assembly citizen’s Hot-Line.

This information system though not fully refined has already demonstrated its potential to enhance the provincial strategic capacity to plan, monitor, and make evidence based decisions on service delivery. It has also enabled planning and monitoring service delivery at district and village level. The information the system provides has considerable potential for future monitoring of MDGs and also for facilitating realistic planning at the village and Kumban level. With proper training of staff the gender disaggregated information that the SDIS provides has the potential of improving gender sensitive service delivery and planning at provincial and district levels. These are major achievements.

## 6.4 The DDF planning system

In the DDF approach, districts that receive basic block grant allocations are expected to follow a technically sound, participatory, planning and budgeting process.[[10]](#footnote-10) The aim of this is to ensure that local communities have an opportunity to voice their priorities on the basis of robust and transparent appraisal and prioritization processes at the district level. The process starts with village units identifying their development priorities[[11]](#footnote-11). These are sent to the Kumban where Kumban priorities are identified. At this point the district line departments identify sector priorities for district level investments and submit sector priorities to the District Planning Team (DPT). The district planning team registers Kumban and sector priorities, verifies and appraises sub projects, prepares a list and budgets for prioritized projects and submits these to the District Planning Committee (DPC). The DPC endorses the draft district Investment plan and submits to the district head.

From the experience of Saravane, this system has strengthened district capacity to facilitate citizen participation and cooperation with villages in project activities. Decentralized planning has promoted the involvement of communities (men, women, ethnic groups) in the choice of infrastructure projects. The establishment of District Planning Teams & District Planning Committees under the DDF has introduced structures that promote district wide coordination and monitoring of planning & budgeting of investment. These are all major achievements.

Most importantly, the planning and budgeting framework linked to basic block grant allocations (and to decisions about their use) introduces a degree of downward accountability into the local administrative system in Lao PDR. This is done through the establishment of District Planning Committees (DPCs), which are expected to provisionally approve district investment plans (DIPs).[[12]](#footnote-12)

## 6.5 The GPAR resource centers

GPAR Resource Centers are document management systems that are created within the OoGS. They are intended to foster awareness of GPAR and to facilitate the drawing of lessons and their sharing with provincial and national stakeholders.

These centers have been piloted in GPAR, LP, and XK. In XK, the OoG established a resource centre in 2006, which is staffed, operating and being used by line departments, mainly those from the province. However, the most successful pilot of this appears to be in Luang Prabang, a video DVD has been produced to capture and disseminate in an easy way the rationale and lessons learned from the piloting of the Service Delivery Information System. It has also produced a newsletter and is in the process of collecting and storing national policy documents, decrees and orders. It has a collection of reports on development projects in the province and is establishing a provincial archive.

This experiment has improved access to citizen information on national legal and policy documents. Staff of the OoG and the line departments are using this information source in their activities.

There are other initiatives that have not been fully implemented but show potential on the basis of what has been done so far. If implemented fully and effectively, the Community radios and bill boards hold potential for improving participation and access to information for ethnic groups. The village statistics and mapping experiments hold potential for improving participatory processes at the local level

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## 6.6 Recommendations

There is still work to be done in LP to fully stock the centre with national and provincial documents. The resource centre in LP is an important initiative that should be given the funding and staff it needs to complete its work and function effectively.

In GPAR Sekong, the community radios and bill boards hold potential for improving participation and access to information for ethnic groups. Similarly the village statistics and mapping experiments hold potential for improving participatory processes at the local level. These should be supported so that they can be fully and effectively implemented on time.

With respect to the SDIS, The LP project is well aware of the potential of this tool. The recommendations below represent encouragement to move further along the lines already identified by the project:

* Use SIDS more fully for statistically informed, realistic district and village level planning.
* Work with DPI on using the SDIS as a tool for provincial planning.
* Promote SDIS nationally as a potentially powerful tool that provinces can install and use for strategic planning and decision taking on service delivery.

The planning tools as are currently developed and utilized in the DDF participatory process do not enable local actors to make choices on the basis of a deeper local understanding and diagnosis of development problems and opportunities. A recommendation to develop and experiment planning tools that facilitate deep understanding of needs and priorities was already made during the Saravane MTR and the Saravane PST concurs with it. This recommendation also applies to the participatory planning process under the GPAR SBSD.

This recommendation should be considered in light of the ongoing initiatives to harmonize participatory processes in Lao PDR.

# CHAPTER 7. GENDER

## 7.1 Backgound on gender

Gender is generally approached in terms of the social differences and relations between women and men that vary widely within and between cultures and change over time[[13]](#footnote-13). It covers roles of women and men, values, expectations and social aspects of women’s and men’s opportunities, benefits and social.

Gender mainstreaming is the process of assessing the implications for women and men of any planned action, including legislation, policies or programmes, making women's concerns and experiences an integral dimension of the design, implementation, monitoring and evaluation of policies and programmes so that women and men benefit equally. It involves the integration of gender issues into policy guidelines, regulations and laws, programmes, projects and work plans. It should inform an organisation’s working methodology, procedures and processes, and be supported by a monitoring and evaluation system that tracks gender difference in performance. Gender mainstreaming tools include gender analysis and research, collecting sex-disaggregated statistics, gender sensitive planning and gender budgeting.

## 7.2 Gender Policy in Lao PDR

In Lao PDR, gender equality is guaranteed under the Constitution of 1991 as reflected in Articles 22 and 24 . The Government’s commitment to gender equality is also expressed in various policy documents, including the Population and Health Policy document. Lao PDR is a signatory to the UN Convention on the Elimination of All Forms of Discrimination against Women (1981), the Beijing Declaration and Platform for Action in 1995, and the Millennium Development Goals (MDGs) in 2000. MDG Goal 3 is to promote gender equality and the empowerment of women.

In May 2000, the Prime Minister’s Office issued a directive on the integration of sex disaggregated statistics in policy and to plan gender sensitive development programmes and projects. To provide further guidance on the same, a guideline (018/PMO) on the collection, dissemination and use of gender disaggregated data was issued by the Prime Minister’s office in 2005. Party decrees call for the participation of women and ethic minorities in all. Further, the NSEDP which articulates Lao’s development framework for poverty reduction recognises gender as a crosscutting issue. It also lists gender equity as one its key priorities.

The Lao Women's Union (LWU), as a mass organization, is the only institution constitutionally decreed and politically endorsed to promote women's rights and gender equality. In 2003, the Prime Minister’s Decree 37 established the National Commission for the Advancement of Women (NCAW) with the role of assisting the Government with national policy guidance and to be the focal point for implementation of Party and Government policy on gender equality and the advancement of women. NCAW has the mandate for gender policy formulation, monitoring, evaluation and reporting on the implementation of CEDAW and Beijing Action Plan.

In 2004, the National Assembly passed the law on The Development and Protection of Women, a comprehensive policy document on the advancement of women. In 2006, NCAW drafted the Action Plan for the Advancement of Women (APAW) 2006-2010. It describes specific actions and targets to address obstacles and barriers to women’s advancement across key sectors, including agriculture, health, and education.

## 7.3 UNDP and gender equality.

In Lao PDR, UNDP has been working in partnership with several donors and the Lao Women's Union to promote gender equity across all sectors. The UNDP supported the development of the Gender Resource Information and Development Centre (GRID) as a project under the LWU. GRID was established at the end of 1997 under the cooperation agreement between the Lao Government, the Norwegian Aid Agency (NORAD) and the UNDP.

The main objectives of the GRID project are to promote and disseminate information on gender and development in Lao PDR, to incorporate gender issues into the planning processes at all levels, to strengthen women's participation in the development process and decision making and to upgrade gender knowledge and the ability of government officials to mainstream gender at different levels. The upgrading of the abilities of government officials in gender issues includes training on quantitative and qualitative research methods, conducting gender training of trainers, gender training, carrying out gender research to collect data and promoting gender through the media.

More recently UNDP has supported The Gender Empowerment for Poverty Reduction (GEPR) project under LWU to assist the Government to build its capacity for stronger policy and practice to overcome gender inequalities.  The emphasis is on “learning-by-doing” through connected pilot activities at the central, provincial, district, and village level. The short-term goal is to build gender equality advocacy, planning and resource allocation skills within LWU, NCAW, CPI, and the National Assembly. The medium term goal is to create a more conducive environment and mechanisms for the Government to implement gender-sensitive development for poverty alleviation.

## 7.4 Gender in GPAR projects

In line with the initiatives described above, gender has also been identified as a cross-cutting issue in all the GPAR projects. For example, GPAR SBSD in its programme document highlights that the project will primarily adopt a gender-mainstreamed approach to all five outputs**.**

Based on this understanding the team undertook an assessment of each GPAR project in terms of the set of criteria show in the top column of table 4 below. The main finding is that the manner in which gender has not been systematically and consistently operationalised within the projects.

Table 4 Assessment of GPAR projects against gender criteria

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Project** | **Gender analysis/studies or included in project baseline assessment to inform strategy** | **Availability of Gender Strategy to guide mainstreaming** | **Integration of gender in all project components** | **Some relevant gender activities in action plan** | **Some Gender related activities in project implementation** |
| **Final evaluation** |  |  |  |  |  |
| **GPAR LP** |  |  |  | **X** | **X** |
| **GPAR XK** | **X** |  |  | **X** | **X** |
| **Midterm evaluation** |  |  |  |  |  |
| **GPAR SBSD** |  | **X draft** |  | **X** |  |
| **GPAR SK** |  |  |  | **X** | **X** |
| **GPAR SP** | **X** |  |  | **X** | **X** |

Source: Team assessment using assessment criteria set out in annex 2.

## 7.5 Achievements

In Xieng Khouang an analysis of the gender situation in the provincial administration was done in 2007. This formed the basis of a guiding document on how to implement gender through the project. A plan to develop a gender mainstreaming strategy was included in the results and resources framework. In Saravane, the baseline assessment the preceded the establishment of the project included some gender analysis, and a gender assessment study was done in 2005, even though no strategy on how to mainstream gender was developed.

The provincial projects have sought to promote gender related activities without systematically integrating them with their outputs. The main approach in practice has been to support the setting up of district and village level structures and, where applicable, support capacity development of LWU and PCAW members at provincial, district and village levels. These organisations have been supported with gender awareness training.

Almost all the projects collect gender disaggregated data, particularly for training and in terms of the numbers of men and women holding positions in various government portfolios. An example is in Luang Prabang, where a Memorandum of Understanding was agreed with GEPR on a partnership to mainstream gender into the design and operation of the pilot Service Delivery Information System.

In DDF activities, an effort has been made to include both men and women in planning committees such as the District Planning Committees and to ensure that women voices are heard in the participatory planning process.

Some provincial projects have implemented initiatives geared towards the needs of women. For example, the SDF in Luang Prabang has supported school sanitation for girls and a small number of rural livelihoods training by Lao Women’s Union. They have established Mother and Child mobile clinics that target the needs of poor women in remote parts of Luang Prabang. Similarly in Saravane some projects under the DDF have been implemented with the needs of women in mind.

## 7.6 Challenges

The biggest challenge evident in all GPAR projects among project staff is limited understanding and lack of technical know-how of how to deal with gender as a cross-cutting issue in project settings. The GEPR programme document acknowledges that a major constraint to achieving gender equality and poverty reduction in Lao PDR is lack of government capacity, notably in terms of human resources, lack of sufficient gender awareness, poor attitudes and behaviour on gender issues, and a low level of competence in gender analysis. This is related in part to the absence of a GPAR guideline to help staff and provincial partners in this important area.

In some cases, the activities implemented do not speak to the core agenda of the projects. For example, in Saravane much training support was been provided to members of the LWU. However, the LWU gender training activities were not informed by a needs assessment of project staff and village communities. It appeared that the provincial and district chapters were basically implementing a standard LWU gender training whose agenda was set by the National LWU. Similarly in Xieng Khouang, the project decided to support the provincial LWU to operationalise its existing strategic plan and road map and to enable them to work towards its strategic goals. The problem is that the LWU work plan does not really speak to the issues identified in the SNV study and of the GPAR project in general.

No relevant gender training appears to have been provided to GPAR project staff. This means that they are not in a strong position to understand gender issues and ensure that the projects contribute to gender equality outcomes.

In Xieng Khouang and Saravane where some gender assessment was done either as part of the baseline or separately, but it was not followed through with action plans to deal with the issues identified in the assessments.

The team observed that while most GPAR projects were making an effort to collect gender disaggregated data, in many projects there was no indication that it is being analysed and effectively utilised to inform future programming of suitable gender related activities or interventions to deal with the gender disparities observed, let alone monitoring of such initiatives. Only in Luang Prabang was there some evidence of such data being used in improving training targets for women.

The relationship between UNDP projects seeking to mainstream gender and government institutions such as LWU, and NCAW is fairly weak. This makes it difficult to build the capacity of GPAR project staff and their provincial partners to further gender equality outcomes.

The establishment of the new Lao National Commission for the Advancement in Women (Lao NCAW) provides an opportunity for the Government to mainstream gender issues across sectors. Currently UNDP is also supporting the GEPR project which also seeks to build capacity of LWU and NCAW to build gender analysis, planning and other skills within government and amongst other relevant partners. The issue is how to bring these institutions and projects to bear on GPAR’s capacity and efforts towards gender mainstreaming.

To this end the GEPR programme document indicated that the project was going to support GPAR projects to design and implement participatory planning initiatives in a gender sensitive manner. The project also had the intention to extend technical inputs and gender training to the GPAR staff and partners at the provincial, district and village level. With the exception of GPAR LP, this partnership was not evident in the projects visited, and staff members were visibly grappling with how to deal with the gender issue.

It is hoped that the current effort by the GPAR SBSD gender consultant, which focuses on developing a gender mainstreaming strategy, will inform the GPAR projects on practical ways to mainstream gender in project.

## 7.7 Recommendations

In order to deal with the shortcomings in staff capacity, there is need for targeted training to improve staff capacities to deliver on its commitments to gender equality. It should be based on needs assessment and designed to build gender mainstreaming skills amongst provincial staff and their partners. The idea is to ensure that all staff have a basic understanding of gender and can work in a gender-sensitive manner.

As part of the capacity building, GPAR and provincial staff need to have an orientation on the analysis and use of gender disaggregated data in planning, targeting, and monitoring of gender related project activities.

It is important to develop a simple GPAR gender mainstreaming guideline. This tool will provide the much needed guidance to provincial GPAR projects and their partner offices.

UNDP should ensure that there is effective coordination and collaboration on the different projects it is supporting within Lao PDR. In this case there is need for close working links between the Poverty Reduction and Governance Section so that they complement each other. In this case the GEPR and GPAR projects should work closely together as they both seek to contribute to the implementation of the NSEDP.

# CHAPTER 8. ENVIRONMENT

## 8.1 Findings

Environmental sustainability issues are not included in the programme documents. Nevertheless, there has been come cooperation between the provincial projects and the Water Resource and Environment Offices (WREO), for example in Luang Prabang over stabilising slash and burn activities.

## 8.2 Opportunities

An opportunity exists to support the WREOs to connect environmental sustainability issues with local governance. Local Agenda 21, adopted at the Rio Earth Summit on the Environment and Development in 1992, highlights the role of local authorities and communities in securing environmental sustainability.[[14]](#footnote-14) GPAR is in a good position to put Local Agenda 21 on to its own governance reform agenda.

## 8.3 Recommendations

Training for provincial and district officers should form a starting point for the raising of the awareness of the provincial and district line officers to environmental sustainability issues.

In addition to the stabilization of slash and burn activities, a number of environmental health activities require attention in some of the villages visited. These include the lack of adequate waste removal arrangements and water pollution from various sources including farming and domestic activities.

Land and mine concessions are another area of environmental concern that the Provincial project should take up with the provincial and local authorities, notably where these impact on traditional farming, grazing and forest areas important to the livelihoods of villagers. Local government, working with community based organizations, is in a good position to monitor such activities and report on them to the responsible national authorities for action.

# CHAPTER 9. STRENGTHENING STRATEGIC OVERSIGHT AND MANAGEMENT CAPACITY

## 9.1 Introduction

Table 5 Summarises the team’s findings on the projects’ intended outputs on strengthening oversight and management capacity. Details on management in the different projects are provided in separate reports.

Table 5. Strengthening oversight and management capacity

 Source: Team assessment using assessment criteria set out in annex 2.

The top row sets out the criteria used by the team to make its assessment. The team found considerable variation between the projects on these criteria.

## 9.2 Findings

The Service Delivery Information System (SDIS) established in Luang Prabang and M&E system in Saravane are not only in place and functioning effectively, but being used to inform policy reflection and strategic decision taking over social investments. In the other three projects the only M&E systems are those required for UNDP reporting, which are used to support strategic oversight or reflection in the projects.

Luang Prabang and Xieng Khouang have documentary resource centres attached to their OoGs and these are used by officials in the office and from the line departments. Saravane, SBSD and Sekong have document storage areas, but not actively manned resource centres.

The team assessed management capacity in terms of the grasp of staff of the project managers, coordinators and other PSU of the objectives of their projects. Through the meetings and interviews, the evaluation team was able to assess the relationship between the PSU and provincial and district partners and Kumban and village beneficiaries, and gathered evidence of improved performance of these actors as a result of the work of the project.

In making its assessments, the team took into account project activities aimed at improving office management within the office of the OoG, a practical measure which can nevertheless significantly improve management performance. In terms of these criteria, management capacity within Luang Prabang and Saravane was excellent, and in Sekong very good. In SBSD it was judged fair and in Xieng Khouang is w as judged poor. The evidence on which this judgement is based in set out in more detail in the chapters on the individual projects below.

The team found considerable variation between projects on the question of management capacity for reflection, lesson learning and innovation. This dimension of project performance is set out in more detail in the section below.

## 9.3 Recommendations

Recommendations for the improvement of management have been made in the individual reports on each project. They cannot be meaningfully summarised here due to the variation between the projects.

In general, the team recommends that the project PSU’s come together to share lessons relating to their management experience. This would include discussion of the usefulness of the resource centres and information systems operating in each project, how the PSUs have approached the issue of dialogue with provincial partners, the oversight role of the OoG and governor.

# CHAPTER 10 LESSON LEARNING AND POLICY DIALOGUE

## 10.1 Objective

Enhancing the ability of project managers and their support teams to draw lessons from project experience, to use these lessons to adapt and improve project activities and to inform provincial policy and national policy debate is the main aim of this output.

## 10.2 Findings

The team’s findings on lesson learning and policy dialogue are summarised in Table 6 below. More detail on each project is provided in the evaluation reports on the individual projects.

Table 6. Lesson learning & policy dialogue

Source: Team assessment using assessment criteria set out in annex 2.

Evidence of lesson learning and its use to inform provincial reform was strongest in Luang Prabang and Saravane. In Luang Prabang the SDIS was being used as a tool for strategic investments drawing on the Service Delivery Fund (SDF). The aim of these investments was both to tackle gaps in services in poor areas and simultaneously to draw lessons from these interventions that informed policy.

The M&E system in Saravane was being used in a similar way to inform strategic provincial decision-taking over service delivery in the province. The team was impressed by the ability of the Saravane team not only to inform policy in the province, but also to share its experiences with other provinces and national government actors and other donors.

There was much less evidence of management capacity to reflect on, and to share, lessons from experience in the other three projects, though all of them met the standard reporting requirements on this output, namely sections of reports devoted to lessons learned and reports at quarterly, annual and other mandatory meetings.

## 10.3 Recommendations

The GPAR SP Project has clearly been the leader in terms of drawing lessons from its experience and channelling transmitting these to other provinces and into national policy forums. It provides a model that should be adopted by the other provincial projects.

The SBSD Project faces a different set of imperatives, having to work directly through its partner PACSA to influence national policy debates and reforms. Specific recommendations on its role are made in the report evaluating the SBSD.

# CHAPTER 11. OVERALL OUTCOME

## 11.1 Outcome against key criteria

There is no statement of the intended outcome of all the GPAR projects taken together, as these were conceived as separate projects. Nevertheless, it is possible to construct a putative overall outcome statement from the project statements, as follows:

 ***“The capacity of the public administration in Lao to deliver pro-poor services strengthened”.***

This section assesses the overall performance of the projects in attaining this objective.

Table 7 summarises the quantitative assessment of all the projects against four key criteria: project design, project support unit, project outcome and service delivery improvements. Details of the assessment of projects’ achievement of outcomes are provided in the evaluation reports on each project.

Table 7. Overall outcome: Quantitative assessment against key criteria

Source: Team scores. See definition of measures in Annex 2.

\*Note: The “outcome” for GPAR SK in the project document is a service delivery outcome. We therefore took this as a measure of SDI. The “outcome” for GPAR SKI is calculated as an average of the outputs for the project, rounded to the nearest full digit.

## 11.2 Provincial projects

The provincial pilots have significantly strengthened human capacities at both the provincial and district levels through a number of important training initiatives in Human Resource Management and Human Resource Development. The effects of these reforms are most evident at the provincial level. In this respect the GPAR programmes have substantially contributed to their overall goal of building human capacities in the public administration.

Efforts in the area of capacity building in private sector have been made, but the much more is needed to strengthen this dimension.

The provincial projects have brought about significant improvements in institutional development through the model office initiatives and through the One Door Service.

Considerably more can be done to improve the environment for business in both the agricultural and non-agricultural sectors through the widening of the scope of the One Door Services and through initiatives to improve not only the regulatory environment for business (an area in which there is still scope for more improvement), but also other areas such as business infrastructure and services.

The DDF systems, including participatory project identification and planning has made service delivery more accountable, effective and efficient in those provinces and districts in which it has been implemented. The DDF has introduced Public Expenditure Management systems that have significantly improved the capacity of the districts to manage expenditure and this has gone hand in hand with much improved service delivery. The Fund for Service Delivery in Luang Prabang and the Agricultural Development Support Fund in Xieng Khouang have similarly strengthened the financial and planning capacities of these two provinces, resulting in tangible improvements in service delivery.

The innovations developed in the provincial projects, taken together, represent elements of an emerging, organic model of decentralised local governance that is rooted in the institutions of Lao and brings services closer to its people. This is a major step towards achievement of the putative goal of the GPAR projects to strengthen public institutions for accountable service delivery. However, the full significance of these innovations in local governance have not been fully transmitted into national policy debate and are thus not informing national policy processes.

What remains is to distil this model conceptually, further test it within selected provinces and use the emerging results as the basis for the roll out of a national governance progamme as envisaged in the SBSD project document.

## 11.3 The national project: SBSD

The national project has made some progress towards the outcome of strengthening the capacity of the public administration in Lao to deliver pro-poor services but has yet to meet many of its intended targets. The main reason for this is that the project document sets out objectives that underestimate the inherent challenges of civil service reform, which is a large-scale, complex and slow moving process. The project has laid much of the groundwork for reform, but implementation of the policy documents, guidelines, manuals and systems it has developed has been held up by slow approval processes within government, a problem that largely lies outside the control of the project.

The SBSD’s main contributions to reform have been in the form of English language training, the completion and approval of the manual on Organisational Development and advisory support to provincial pilot projects. The remaining challenges facing the SBSD are to complete and/or gain official approval for a number of policy documents, manuals, guidelines and systems. Most important amongst these are the Governance Strategy, Civil Service Management Strategy, Code of Conduct, Training and Development Framework, National Civil Service Curriculum, National Civil Service Training Centre, Performance Management System.

## 11.4 Outcome against hypothesis

Figure 13 presents the results of the ***final evaluations*** against the team’s original evaluation hypothesis. The squares lined in black represent the team’s original hypothesis regarding the positioning of the projects. The squares lined in red represent the team’s positioning based on the quantitative assessment set out in Figure 7 above. The measures used to place the Projects are “outcome” and “service delivery impact”, as reflected in the two columns on the right of the.

It can be seen that Luang Prabang exceeded the team’s expectations, while Xieng Khouang fell short of them.

Figure 13. Final Reviews against evaluation hypothesis



Figure 14 presents the results of the ***mid-term evaluations*** against the team’s evaluation hypothesis. It can be seen that Saravane exceeded the team’s expectations, while Sekong and the national project fell short of them.

Figure 14. Mid-Term Reviews against evaluation hypothesis


## 11.5 An emerging model of local governance

The innovations developed in the provincial projects, taken together, may be seen elements of an emerging, organic model of decentralised local governance that is rooted in the institutions of Lao and brings services closer to its people. This model requires conceptual distillation and further evolution to fully demonstrate its relevance and effectiveness. Nevertheless, it is already possible to identify a number of key features that hold great promise, as has been described in the report above and in the reports on the provincial pilots.

The emerging model builds human and institutional capacities while simultaneously providing tangible services that are targeted to meet the needs of the poor. It demonstrates how the aims of the Prime Minister’s Instruction 01/2000 to make the provinces the strategic unit and the districts the budgetary unit can be realised in practice. It gives effect to important elements of the Law on Local Administration of 2003, notably participatory planning, PEM, working methods and functions of provincial, district and village levels. It points the way to organizing the provinces and districts to deliver pro-poor services at Kumban and village level sustainably.

## 11.6 Fiscal reform initiatives at different levels of government

Figures 15 illustrates the levels of the Lao public administration that have been the target of the reforms promoted by GPAR.

Figure 15. Public Administration in Lao PDR



At the top is the Office of the Prime Minister and within it PACSA and the Leading Board for Rural Development and Poverty Reduction (LBRDPR). PACSA is charged with civil service reform throughout the system. The LBRDPR is charged with driving the national poverty reduction programme through MPI and in collaboration with MoF. At the time of the mission, it was setting up Integrated Rural Development Offices at provincial and district level to coordinate the budgeting and delivery of services targeted to meet the needs of the poor and had been allocated a significant budget to test models a model of service delivery focusing on the poor.

In the second row on the left are the Sector Ministries, while the cross-cutting ministries are on the right. Within the Offices of the Governor in the provinces and districts are the Integrated Rural Development Offices (IRDO), the local arms of the LRDPR. The red lines represent financial flows. The KBs represent Kumbans and below them are the villages.

Figure 16 reproduces Figure 15 above with a number of financial facilities promoting capital investment in service delivery superimposed in purple.

Figure 16. Public Administration in Lao PDR with financing facilities superimposed.

The SDF and SDIS in Luang Prabang are shown within the OoG at provincial level. The DDF is shown in the OoG of the districts. The PRF is shown alongside government, investing in services at the Kumban and village level, connecting with the districts and provinces to help inform service delivery planning and interacting with national government through the LBRDPR on the national poverty reduction strategy.

The PIP-FPR represents a ring-fenced Poverty Reduction Fund within the annual Public Investment Plan put together by the MPI. The significance of this fund is that although it runs through the MPI account, the LBRDPR is responsible for ensuring that it is used for expenditure on small scale infrastructure to provide services for the poor in targeted districts. The PIP-FPR is a home-grown pilot for the national programme of poverty reduction. It demonstrate the government’s commitment to prioritizing poverty reduction using national treasury and funds sourced from donors and elsewhere.

The PEMSP is the Public Expenditure Management Support Programme being run by the World Bank within the Ministry of Finance. Although not an investment facility per se, it is included here as an important financial reform initiative that has implications for the entire system.

What is striking about these initiatives is that they are taking place in isolation of each other. What is also striking is that they are addressing different levels of the whole system in ways that that are potentially complementary. It is recommended below that the UNDP encourages and provides support for the creation of a harmonized system of capital investment in improved social service delivery that draws on the best of these initiatives.

It should support the government’s efforts to establish the provinces as the strategic, the districts as the budgetary and the Kumbans and villages as the implementation levels for socio-economic development aimed to overcome poverty and stimulate equitable economic growth.

## 11.7 Concluding comments on overall outcome

What has emerged from the evaluation is that there are three distinct kinds of challenge and corresponding approaches to capacity building and service delivery existing and/or evolving in Lao. The first is civil service reform, which is large scale, complex and slow moving, but essential for the modernization of the civil service over the medium to longer term.

The second is rapid service delivery that meets the needs of the poor directly and visibly, but does not necessarily build the capacity within government systems to sustain the services.

The third is a an approach to good local governance that combines both capacity building and accountable, and strategically prioritised, service delivery that is rapid, visible and meets the needs of the poor.

The elements of the latter approach are already visible within the GPAR provincial projects. They need time to further evolve into a fully blown model of local development that can be replicated confidently throughout the country.

## 11.8 Factors affecting outcome

*Internal to projects*

The project designs have been a major factor holding back the attainment of project objectives, due to the complexity and means/ends conflation described in this and the reports evaluating the individual projects. Poor project design has effects that ramify into all stages of the project cycle. It makes it difficult for management to understand and act purposefully on a project’s intentions.

*Within the provinces*

The role of the provinces in Lao has been critical to project success, largely due to the power and/or influence of the Deputy Governors and National Project Directors.

A close and supportive working relationship between the Deputy Governor, National Project Direct and Project Manager have been critical to ensuring provincial ownership of the project and effective oversight of its activities. The regularity of the meetings of project steering committees as well as their vigilance have been important. Where this is absent or weak, project management can become lax.

Dialogue between the project team and provincial and district partners on the objectives of the project and how these correspond to, or can be adapted to, the needs of the line departments is another key to success. It enables adaptations of project activities that remain true to the objectives of the project while providing meaningful support to the line departments. This is the direction in which development has to go if it is to realise the aims of the Vientiane Declaration. This is the interface that produces organic innovation that can lead to sustainable development.

Well managed M&E and other information and documentary systems are another important factor. They support strategic oversight, lesson learning and sharing that informs provincial policy and national policy debate.

*External to the projects*

Donor funding as well as the procurement and placement of highly skilled and experienced technical advisors have been very important contributors to project success. The DDF, as applied in Saravane, is one of the main reasons for that project’s positive results. In contrast, the attempt to manage the DDF from the national SBSD project has not thus demonstrated their sustainability.

The slow, bureaucratic nature of UNDP financial allocation and procurements procedures have created obstacles to rapid implementation of project activities, thereby delaying results and reducing their impact. The enforcement of these procedures in the context of the Vientiane Declaration is anomalous. Other modalities that devolve responsibility to government partners and also ensure effective oversight by the donors should be sought.

An intangible, yet critical, factor accounting for the success of some of the provincial projects is the openness of the Lao government and its official to experimentation. The concept of the “model” is deeply entrenched, as for example in the idea of the “model household” and “model village”. In Lao “models” are conceived as units that are singled out and supported by the authorities to enable experimentation with new approaches. Positive experiences within a “model” is then adopted nationally. The GPAR projects could be readily described and understood in these terms, namely as “model provinces”.

The reform initiatives of the SBSD, in contrast, are more difficult to present as “models” in that they involve the transformation of the entire public administration. Translating the lessons from the provincial models into national policy and institutional change remains GPAR major challenge.

## 11.9 Management

Table 8 summarises the team’s findings on the Project Support Units against the following criteria: management effectiveness, grasp of project aims, PSU/partner relationships and resource use efficiency. Details on management are provided in the individual project evaluation reports.

Table 8. Project Support Units

As may be seen from the table, there was is considerable variation in the performance of the projects, ranging from poor to excellent.

The score for GPAR XK is particularly worrying. In explaining this score, account has to be taken of the fact that the project design for Xieng Khouang was exceedingly complex, requiring two revisions over the project’s life. Another factor is that the project steering committee met infrequently and does not appear to have exercised scrutiny over the project’s activities.

Improvements in management effectiveness may be expected in Sekong, which is at mid-term and has a cohesive team under the effective leadership of the Project Manager, with a good relationship to the OoG and provincial line departments.

There is room for improvement in the grasp of the project aims for three of the PSU’s, whereas two display an exceptional grasp of these aims. A critical factor in management success is the ability to abide by the aims of the Project while engaging in creative dialogue with their national and district partners over project support.

## 11.10 UNDP contribution to outcome

*Placing the UNDP’s contribution within the system of public administration*

This section assesses the contribution of the UNDP to the strengthening of “the capacity of the public administration in Lao to deliver pro-poor services…”

Figure 17, superimposes the work of the UNDP onto Figure 16, shown earlier, as a way of illustrating this contribution.

The ovals in brown represent the existing work of the UNDP and UNCDF through the GPAR projects. GPAR SBSD is the national programme driven in partnership with PACSA. The UNDP partners the OoGs to provide support for governance reform through the provincial pilots, illustrated by the large oval on the right.

Figure 17. Public Administration and reform initiatives in Lao PDR

Planning support is provided to MPI through the funding of a TA whose task is to help the MPI harmonise planning approaches in the country.

The blue ovals represent future initiatives that the evaluation team believes are needed to strengthen the UNDP’s positioning with government. The first is support to the MoF which should aim principally to bring the experience of PEM from the DDF projects into the process of reform of fiscal management being supported by the World Bank.

The second blue oval represents a new initiative to support to the LBRDPR, recommended by the evaluation team below. Drawing on its experience of the DDF, SDF, SDIS and ADSF, the UNDP is in a strong position to help inform the development of the national poverty reduction programme being driven by the LBRDPR. It is also in a strong position to mobilize the donor community to provide funding support for the LBRDPR’s Fund for Poverty Reduction and technical assistance for its work to develop a harmonized system for making these capital investments in social infrastructure and services.

*An overall assessment of the UNDP’s contribution to the GPAR outcome*

The contribution of the UNDP to the outcome described in the last section has been through its funding support, procurement of technical assistance, oversight and guidance of the projects.

The UNDP has funded GPAR for 12 years as its primary vehicle for supporting governance reform through PACSA. The projects under review represent the latest stage in this long-term support relationship. They represent a departure from the previous phase in the emphasis now being given to support for better service delivery within the overarching framework of governance reform.

The partnership between the UNDP and UNCDF has played a crucial role in GPAR’s new phase. The UNDP’s core mandate is to promote poverty reduction through building the capacity of the civil service to for improved governance. The UNCDF’s core mandate is to promote poverty reduction through capital investment in social infrastructure and associated services, building the capacities of local government in participatory planning, budgeting and implementation of services through this process. These two mandates have been brought together creatively in Saravane to germinate a model of good governance and pro-poor service delivery, a very major achievement in Lao PDR with relevance to the work of the UNDP and UNDP internationally. The current experimentation with the DDF using provincial structures and staff needs more time to demonstrate its sustainability as it relies heavily on the support of the national project.

The UNDP has mobilised substantial support from other donors to pursue reform through the GPAR projects, in particular, the support of Swiss Development Cooperation, Luxembourg Cooperation and Netherlands Development Cooperation. It has used its position as chair of the Donor Round Table to share the experience in the provincial pilots with other donors and to promote the governance and service delivery reform agenda.

While donors increasingly recognise that the SBSD project is dealing with a complex, large scale and inherently slow-moving reform programme in which capacity building has been the main focus of attention, there is growing consensus that much more effort should go into ensuring that these reforms do, indeed, lead to improved service delivery, particularly for the poor.

The involvement of these donors would be further encouraged by the UNDP demonstrating clearly how good governance reform can, in practice, be combined with visible, direct service delivery for the poor not only in the medium to long term but also in the short term.

The mission-based and resident technical assistance provided by the UNCDF, UNDP and UN Volunteers in the provinces and nationally is highly skilled and has contributed substantially to the high level of project performance found in some of the provinces.

The main remaining challenge for the UNDP is to help ensure that the emerging model of local governance in the provinces is nurtured to maturity and that the lessons from this model inform national policy reform leading to the intended formulation and roll out of a national governance programme.

## 11.11 Strategic positioning and partnerships

With respect to the GPAR projects, the UNCDF’s positioning relative to the Government of Lao has thus far mainly been through its partnership with PACSA.

With the introduction of the DDF into the GPAR reform agenda, the UNDP’s partnership strategy has began to evolve. A first step was widening it to include the Ministry of Planning and Investment, to bring the DDF experience of planning and budgeting to the ministry’s efforts to harmonise these processes. The UNDP had intended to work more closely with the MoF, to bring the DDF experience of PEM into its fiscal reform process, but this did not happen.

The more explicit focus of GPAR on support for better, pro-poor service delivery after 2007 has raised the question of how the UNDP’s can more substantially support the government’s poverty reduction programme. The two organisations most heavily involved in driving the poverty reduction programme are the Ministry of Planning and Investment and the Leading Board for Rural Development and Poverty Reduction (LBRDPR). While the UNDP is providing support to the MPI, on planning harmonisation, it is not, as yet, providing support to the LBRDPR, a move that is recommended by the team below.

With respect to its relationship with other donors, the UNDP holds a strategic position as chair of the Donor Round Table. It has effectively used this position not only to mobilise donor support for the GPAR projects, but more generally to promote donor harmonisation in Lao PDR around support for the achievement of the goals of the NSEDP and the MDGs.

In terms of donor relationships, the UNDP’s relationship to the Poverty Reduction Fund is a crucial one, even if it has not, for the moment, been given sufficient attention. The DDF and PRF have the same overall goal of poverty reduction. These two development support modalities seek to achieve the same goal by different means, the DDF through building the capacity for service delivery within local government and the PRF by running its own delivery vehicle parallel to government and focussing on building capacity at the Kumban and village level. The DDF is used to support pilot projects while the PRF drives a national poverty reduction programme in 47 poor districts in the country. The PRF is currently in discussion with the LBRDPR over ways of integrating the PRF more closely into the governance system.

This situation provides an important opportunity for the UNDP to bring the experience of the DDF and other financing vehicles that have emerged in the provincial pilots into the discussions taking place between the LBRDPR and PRF. The aim of these discussions would be to help the government move step by step towards a harmonised national approach to poverty reduction in which the capacities of local government are built to provide services to the poor visibly, rapidly and sustainably.

# 12. OVERALL RECOMMENDATIONS (RE-ALIGNMENT & STRENGTHENING)

## 12.1 Background

In the companion volumes to this volume, recommendations are made for the individual projects, case by case. Here the focus is on recommendations for the UNDP’s overall approach to the GPAR projects and its positioning and partnership strategy.

## 12.2 Premises and basic approach underlying recommendations

The main challenge taken on by the GPAR projects is to ensure that governance reform leads directly to improved service delivery that meets the needs of the poor. The dilemma, faced not only in Lao but in many developing countries, is that governance reforms focussed on building the capacities of government institutions and their staff take considerable time and resources, and do not rapidly or even necessarily lead to improved service delivery for the poor. The aim of the recommendations put forward here by the team is to help the GPAR projects overcome this dilemma, building on the evolving successful initiatives in the projects themselves.

The experience of the provincial GPAR projects already provides important clues to creative resolution of the capacity building/service delivery dilemma. The team found that the provincial GPAR projects, taken together, are giving birth to a model of local governance in which capacity building and improved service delivery are beginning to be achieved simultaneously. This model is not yet present as such in any one of the provincial projects. It has to be imagined conceptually as a coherent whole drawing on successful elements within the existing projects.

Each provincial project should be looked at individually to see which aspects of its work should continue to be supported to this larger end. In the case of final evaluations, consideration should be given to thorough reformulation of product documents. In the case of mid-term evaluations, project revisions should be undertaken to give effect to these objectives.

GPAR SBSD has a crucial role to play in this process. It is the right time for the GPAR SBSD project, working through PACSA, to play a stronger coordinating role in relation to the provincial projects, and to more systematically and vigorously take the evolving provincial model of governance reform for improved service delivery into the national policy process, as was envisaged in its Project Document. The current preparation of the NSEDP provides exceptionally fertile ground to do this.

The team’s recommendations go beyond the relationship between the UNDP and PACSA to propose strengthened support for other government organs, notably the MPI, MoF and Leading Board for Rural Development and Poverty Reduction (LBRDPR). The reason for this is that GPAR’s goal of improving service delivery through governance reform cannot be achieved without much closer coordination with these actors.

What is needed is to evolve a harmonised approach to planning and budgeting and ensure that public service reforms adhere to this approach. Planning and budgeting are two areas that are not the core mandates of PACSA. It is critical to ensure that the MPI and MoF, who lead reforms in these two areas, are working in tandem with PACSA.

The recommendations for support to the LBRDPR derive from the fact that this body has been tasked by the government of Lao to drive the national poverty reduction strategy. It works through the MPI and MoF and is establishing provincial level organs called Integrated Rural Development Offices to achieve coordinated budgeting and service delivery.

As explained within the evaluation reports dealing with the provincial GPAR projects, potential models for provincial and district level coordination and delivery of services have been evolved within the GPAR projects, the UNDP is in an exceptionally good position to help the GoL achieve this harmonised reform process. It is for this reason that the team makes recommendations to strengthen its support for these government partners.

## 12.3 Recommendations

*A period of reflection and dialogue*

***Recommendation 1. Reflection and dialogue for the UNDP***

In the context of the current reformulation of the NSEDP, the UNDP should undertake a process of internal reflection on its country strategy, followed by dialogue with its government and donor partners on priorities for donor support during the next phase of the projects. The findings and recommendations provided by this report should form a starting point for such reflection.

*Provincial projects*

***Recommendation 2. Facilitated reflection and dialogue for the provincial pilots***

Each provincial project should be provided with the time and resources to enable it to undertake a process of internal reflection followed by dialogue with their main provincial and district partners on the priorities for the activities to be undertaken during the next phase. These processes of internal reflection should be supported with skilled facilitation. Reflection should lead to the revision/reformulation of the project documents. A project design template is provided in Annex 3 to assist this process.

***Recommendation 3. Assembling and sharing lessons learned***

The UNDP, through GPAR SBSD and in partnership with PACSA, should ensure that the provincial projects systematically draw together and share lessons with each other and channel these into national policy dialogue. The process of reflection recommended above provides an opportunity to gather, analyse and transmit these lessons. This means continuing with the current support modality with PACSA through the SBSD project, making sure that the project has the capacity to successfully perform its enhanced role of coordination of the provincial projects (see recommendations 4 - 7) and the national roll out of its public administration reform programme (see recommendation 8).

***Recommendation 4. Integrating successful experiments into other provincial pilots***

The project revisions and reformulations, recommended for the provincial pilots, should integrate the successful experiments from each project into their programme documents and workplans. This will enable the further testing of these systems and evolution of the model of good governance that is already beginning to emerge in the provincial pilots. The main elements are:

* DDF
* SDF
* SDIS
* Resource Centers
* ODS
* Pilot Offices
* OoG management.

***Recommendation 5. Proper setting up the DDF in the provinces***

Steps should be taken by the UNDP, in collaboration with the UNCDF, in partnership with PACSA and through GPAR SBSD, to ensure that provincial teams responsible for the oversight of DDF processes are set up and properly prepared to undertaken their roles.

*GPAR national*

***Recommendation 6. Creating a TA pool***

The costs of TA are very high relative to the total project costs.The TAs staff complement currently in the provinces and in Vientiane should be re-constituted as a pool of TA, the members of which may be deployed between provinces and the national project depending on the need for their specialized skills. This would cut costs and build cross-project knowledge and lessons sharing. Creative measures, such as the use of regular skype conferences involving TAs, should be used to keep the transport costs of this system low.

***Recommendation 7. National coordination of provincial projects***

Steps should be taken by the UNDP, in partnership with PACSA, to ensure that there is effective national coordination of the provincial projects without this removing the relative autonomy or stifling the creative impulse of the provincial teams, where this exists.

This coordination would have the following objectives:

* To provide more effective monitoring and oversight of the provincial projects
* Provide back-up support and advice on the interpretation and application of the project results and resources framework and formulation of workplans
* Ensure effective sharing of lessons across provincial projects
* To take full responsibility for the transmission of lessons from the provincial projects into national policy dialogue.

The team sees this enhanced coordination and policy dialogue role of the SBSD as an important step towards the ambition set out in the project’s Programme Document to evolve the projects into a national roll-out programme.

It is the team’s assessment that the governance model beginning to emerge with the support of the GPAR projects requires further evolution and distillation, as well as thorough national exposure and debate before a fully blown national roll out programme can be formulated and implemented.

***Recommendation 8. Public service reform***

The UNDP should maintain and strengthen its partnership with PACSA through GPAR and use this to continue its support for civil service reform. However, GPAR’s work should be re-conceived within a longer time frame and be focused on more carefully selected, do-able interventions each with achievable time frames. More detailed recommendations on these interventions are given in Volume 4, on the GPAR SBSD project.

*UNDP internal arrangements and procedures*

***Recommendations 9. UNDP Governance, Poverty Reduction and Environmental Units***

The Governance, Poverty Reduction Units and Environmental Units should work more closely together to ensure that their work is integrated into the GPAR projects and mutually informed with respect to the initiatives with MPI, MoF and LBRDPR.

***Recommendation 10. Financial and procurement procedures***

The UNDP should review its finance and procurement procedures to ensure that funding flows to the GPAR projects are more flexible and timely, while ensuring that financial probity is maintained. .

*UNDP positioning and partnerships*

***Recommendation 11. Existing partnerships***

The UNDP should continue its existing partnership with PACSA through GPAR as the main base for its support to governance reform for pro-poor service delivery, using this review to encourage a refocus of the work of GPAR, as set out in the recommendations above and in more detail in Volume 4 on the GPAR SBSD project

The UNDP already supports a technical advisor within the MPI. The UNDP should build on its relationship with MPI, supporting its work on the harmonization of planning approaches in the country. In practical terms this means encouraging more intensive interaction between the technical advisor based in MPI, the UNCDF advisor located within Public Expenditure Management Support Programme (PEMSP) within the MoF.

The UNDP should build a relationship with MoF based on the Projects’ experiences with decentralized PEM with the aim of supporting a unified national system. In practice this means encouraging much more intensive interaction between the UNCDF advisor within GPAR SBSD and the PEMPS within the MoF. The UNCDF advisor would bring the experience of the DDF and SDF in the provinces, as well as the DDF internationally to the reform deliberations taking place within the PEMPS.

***Recommendation 12. Support for the LBRDPF***

The UNDP, through its Poverty Reduction Unit and its Governance Unit, should enter into discussions with the LBRDPR over ways to provide the Board with support to the poverty reduction programme. The UNDP is in a strong position to bring the experience of the GPAR provincial project’s emerging model of governance that combines capacity building and pro-poor service delivery to the work of the LBRDPR, a government organ that is itself beginning to experiment with delivery models through its Integrated Rural Development Offices at provincial and district level, as described in Section 11.4 above

***Recommendation 13. Dialogue with the PRF***

The UNDP, in collaboration with the UNCDF, should enter into substantive discussions with the PRF on the steps that need to be taken to harmonize the DDF and PRF approaches in support of the Government’s poverty reduction programme. The reason for this, as explained in more detail in Section 11.4 above, are that the PRF is supporting a national programme to reduce poverty through improved service delivery but using delivery vehicles outside of local government. The PRF is, however, in discussion with the LBRDPR over ways of integrating its approach into the government system. This provides the UNCDF an exceptional opportunity to enter into discussions with the PRF and LBRDPR over the development of a harmonized national system.

***Recommendation 14. Donor mobilization to support governance reform and service delivery for poverty reduction***

Through the Donor Round Table and other channels the UNDP should mobilize donors around the following initiatives:

* To promote a harmonised approach to planning through the MPI
* To promote a harmonized decentralized fiscal system through the MoF
* To promote local governance reform through GPAR and PACSA that combines capacity building with direct, visible, pro-poor service delivery
* To support the poverty reduction programme through the LBRDPR and its partner ministries, the MPI & MoF within the framework of the NSEDP and the MDGS.

# 13. LESSONS

## 13.1 Policy dialogue and innovation

In the post-Vientiane Declaration era, an important source of project innovation lies in dialogue between those responsible for running a project and their government partners. The challenge lies in remaining true to the project aims while responding creatively to the imperatives faced by the national partners in their efforts to implement existing national policies.

## 13.2 Project design

The Vientiane Declaration has created a new environment in which project design, management and technical advice themselves require reform.

Project design should not only be based on the most advanced and relevant international development models, but also on strong local consultation and a good understanding of the social institutional and political context. Good project design is critical to later project performance and success.

## 13.3 Good governance and rapid, sustainable pro-poor service delivery

Though difficult, it ***is*** possible to combine capacity building with direct, sustainable service delivery and this should be taken as part of the definition and realisation of good local governance.

## 13.4 Technical assistance

Technical assistance, including residential TA in the provinces, remains an important source of project support. A balance needs to be found between the advisory and oversight roles of TAs. While TAs should not manage projects, they should have a reporting function through the UNDP to the donors providing funding that enables them to exercise significant influence over project management should this be needed.

## 13.5 The provincial level

In Lao PDR, the provincial level is the strategic level for social service delivery. This understanding needs to be build explicitly into future project revisions. It is a lesson that has relevance to other countries with three tier governments where the DDF is applied.

# ANNEXES (See separate files)

1. The term putative is used because there is not programme document for the projects taken together. This “output” had to be assumed for the purposes of the combined output and outcome evaluation. [↑](#footnote-ref-1)
2. <http://hdr.undp.org/en/statistics/> [↑](#footnote-ref-2)
3. LPDR, Committee for Planning and Investment (2006) National Socio-Economic Development Plan 2006-2010, Chapter VII, Section D on Governance. [↑](#footnote-ref-3)
4. LPDR, (2006) Strategic Plan on Governance (2006-2010). [↑](#footnote-ref-4)
5. LPDR (2000) No. 01/PM [↑](#footnote-ref-5)
6. GLPDR, GPAR SBSD (n.d. 2007) Programme Document, p. 4. [↑](#footnote-ref-6)
7. Ibid. p. 6. [↑](#footnote-ref-7)
8. UNCDF (2008) Governance, Public Administration Reform & Decentralized Service Delivery Project, Saravane Province, Lao Peoples Democratic Republic, Final Report of the Mid Term Review. [↑](#footnote-ref-8)
9. GPAR Xienkhouang (2009). Completion Report. Agriculture Development Advisor. [↑](#footnote-ref-9)
10. This section should be read together the annex that discusses the financing facilities in greater detail. [↑](#footnote-ref-10)
11. A detailed description is found in the DDF Planning guidelines. [↑](#footnote-ref-11)
12. See DDF Technical note [↑](#footnote-ref-12)
13. Gender information extracted from the Gender Resource Information and Development Centre (GRID) of the LWU [↑](#footnote-ref-13)
14. Local Agenda 21 is a United Nations programme to promote sustainable development through action to be taken globally, nationally and locally by organisations of the UN, governments and major groups in every areas in which human activity impacts on the environment. [↑](#footnote-ref-14)