

# UN JOINT PROGRAMME DOCUMENT

Country: Lao PDR

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

Joint Programme Outcome(s): Improved capacity in the local administration helps deliver services that improve the lives of the poor, especially in rural areas

UNDAF OUTCOME 2: By 2015, the poor and vulnerable benefit from the improved delivery of public services, an effective protection of their rights and greater participation in transparent decision making

UNDAF 2012-15 OUTPUT 2.2: Improved capacity of the civil service at national and sub-national level to better manage and deliver services to the poor

|                                |   |                          |                 |
|--------------------------------|---|--------------------------|-----------------|
| Programme Duration:            | 4 years   | Total estimated budget*: | US\$ 12,568,800 |
| Anticipated start/end dates:   | 01 February 2012 – 31 December 2015   | Out of which:            |                 |
| Fund Management Option(s):     | Parallel for UNDP and UNCDF core funds; Pass-through for relevant third party contributions | Confirmed Funding:       | US\$ 6,402,000  |
| Managing/Administrative Agent: | UNDP  | Expected Funding (TBC):  | US\$ 4,000,000  |
|                                |   | Unfunded budget:         | US\$ 2,166,800  |

## Sources of funded budget:

|                       |      |                 |
|-----------------------|------|-----------------|
| Government (parallel) | US\$ | 702,000         |
| UNDP                  | US\$ | 400,000         |
| UNCDF                 | US\$ | 1,300,000       |
| SDC                   | US\$ | 4,000,000       |
| ROK*                  | US\$ | 2,000,000 (TBC) |
| GEF (parallel)**      | US\$ | 2,000,000 (TBC) |

| UN organizations  | National Coordinating Authorities  |
|---|--|
| <b>Name of Representative:</b> Mr. Minh Pham, Resident Representative<br><b>Signature:</b> <br><b>Name of Organization:</b> United Nations Development Programme<br><b>Date &amp; Seal:</b> <br><b>Name of Representative:</b> Mr. David Morison, Executive Secretary<br><b>Signature:</b> <br><b>Name of Organization:</b> United Nations Capital Development Fund<br><b>Date &amp; Seal:</b>  | <b>Name of Head of Partner:</b> Mr. Khampane Philavong, Minister<br><b>Signature:</b> <br><b>Name of Institution:</b> Ministry of Home Affairs<br><b>Date &amp; Seal:</b>  |

\* The final decision for \$2,000,000 from ROK will be confirmed by UNDP HQ by the end of February 2012

\*\* The availability of \$2,000,000 from the GEF LDCF (parallel) will depend on the final approval by the GEF Secretariat by the end of 2012.

## UN Joint Programme Document

### 1. Executive Summary

The new National Governance and Public Administration Reform Programme (GPAR) of the Government of Lao People's Democratic Republic (PDR) has been formulated for the period 2011-15. In support to the implementation of the National GPAR Programme, UNDP and UNCDF have formulated this Joint Programme titled "Strengthening Capacity and Service Delivery of Local Administrations (GPAR SCSD)". This document provides the details of the Joint Programme, which will be supported by several development partners including the Swiss Agency for Development Cooperation (SDC) and Republic of Korea (RoK).

The 7<sup>th</sup> National Socio-Economic Development Plan (NSED) 2011-2015 stresses the need for the public administration system to be accountable, effective, transparent and responsive. Developing a professional, competent and people-centred public administration, at national and sub-national levels, is an essential component of the 7<sup>th</sup> NSED and also a condition for achieving the MDGs by 2015 and the higher levels of human development needed to enable Lao PDR to graduate out of the ranks of the Least Developed Countries by 2020. Important progress has been made, and Lao PDR was recently identified in the latest UNDP Human Development Report<sup>1</sup> as one of the 10 Top Movers, in terms of progress on Human Development over the past 20 years. However, these impressive achievements at the aggregate level also mask important disparities and inequalities and risks of environmental degradation. These critical issues and solutions have been highlighted in the framework for accelerating progress towards the MDGs, highlighting the strategic role of the service delivery systems piloted and scaled up by GPAR interventions in Lao PDR.

The GPAR SCSD Joint Programme will contribute significantly to meet the objectives of the new National GPAR Programme. The National GPAR Programme is designed to assist the newly established Ministry of Home Affairs (MOHA) to address a comprehensive package of reforms in public administration ranging from: strengthening the institutional and legal environment of public administration and local administration; organizational improvement in government; strengthening MDG-focused service delivery at district level; building capacity for human resource development and training in the civil service; strengthening civil society engagement in governance. Together, these reforms represent a comprehensive strategy to address the capacity constraints in public administration and, at the same time, reflect the main work priorities of MOHA.

The design of the National GPAR Programme is based around 8 clusters, 7 of which address the reforms highlighted above, with the 8<sup>th</sup> providing support to the management arrangements to be established within MOHA for Programme oversight and coordination. The comprehensive nature of the design of the National GPAR Programme relates to the fact that these reforms (and related work streams of MOHA) are largely inter-dependent and complementary, requiring a holistic approach to programme design. The management arrangements for this National GPAR Programme comprise a single Programme Board chaired by the Vice Minister of MOHA and a Programme Secretariat headed by a Director General (DG) of MOHA responsible for reporting and coordination across the Programme clusters. Each cluster will be then be headed by a Deputy DG responsible for all cluster activities, outputs and budgets as approved by the Programme Board.

The new National GPAR programme marks the transition from separate development assistance projects (central and sub-national) to a fully integrated programme of the government that has evolved out of the Strategic Plan on Governance (2011-20) and is fully aligned with the new UNDAF 2011-2015 Outcome 2. The overall direction of the new programme is well aligned to the breakthrough strategy approved by the 9<sup>th</sup> Party Congress which emphasized improved governance and management systems and the development of human resources as a prerequisite for

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<sup>1</sup> HDR 2010: <http://hdr.undp.org/en/reports/global/hdr2010/>.

growth and poverty reduction. The design also addresses the 7<sup>th</sup> NSEDP priorities for increased socio-economic development through governance and public administration reform in Lao PDR.

This Joint Programme is supporting the implementation of outputs that come under Clusters 3 and 4 of the National GPAR Programme, which are focused on strengthening the institutional frameworks and capacity of local public administration to improve the delivery MDG focused services. The Joint Programme derives from the very substantial body of experience and lessons gathered to date on strengthening the capacity of local administration for improved MDG service delivery through previous programmes, as well as the Government's own vision for Governance Reform more generally across the various elements of public administration policy, laws and regulations, local administration delivery capacity and civil service management and training.

The overall objective of this Joint Programme is to ensure increased capacity in the local administration leading to better delivery of services which improve the lives of the poor, especially in rural areas of Lao PDR. The strategy is to build around a series of interrelated outputs that take forward proven results and innovations to realise the overall outcome. Through the establishment of district level Performance Based Block Grants (capital and recurrent) which will provide incentives for improved overall performance linked to the local administration mandate, the Joint Programme will seek to improve local MDG-targeted service delivery through increased capacity and long term reform.

The desired results by the end of this Joint Programme are improved policies and capacities that enable local administrations to initiate and monitor service delivery interventions against localized priorities which accelerate progress towards the MDGs, and Improved capacities of district administrations to finance and implement service infrastructure and delivery that lead to improved access to public services and as well as improvements in human development levels, including key indicators related to women and children.

## **2. Situation Analysis**

Lao People's Democratic Republic (Lao PDR) has a population of about 6 million and is classified as a 'least developed country' (LDC), defined by low levels of per capita income, low levels of human resource development and lack of economic diversification. The vast majority of the population lives in rural areas with over 70% of the population engaged in subsistence agriculture. The country has significant natural resources and the economy has become more diversified with a projected GDP growth rate of 8% per annum for 2011-15.

### **Achievements and issues:**

Although Lao PDR is ranked as 122<sup>nd</sup> out of 182 countries on the Human Development Index, it has made significant progress over the years in improving human development and is cited as one of the 10 Top Movers in the UNDP Human Development Report 2010 with a reduction in the proportion of people below the poverty line to 26% by 2007-08. There has been an increase in the number of primary schools across the country and the enrolment rate has increased to 93% (2009-2010). Over 78% of the population has access to clean drinking water and 52% to sanitation.

However, these overall achievements mask important disparities and inequalities and risks of environmental degradation. Half of the rural poor live in 7 chronically poor provinces. While overall health and education indicators have improved, literacy in the rural and remote areas, particularly for girls, is still very low. Gender disparities also widen further at each level of education. One fifth of all the Lao villages still do not have a school. The nutrition status of children and food security especially of the rural poor is still of great concern. Infant and maternal mortality is high and only 8% of Lao villages have their own health center and the doctor/population ratio

is still among the lowest in South East Asia. Low capacity, lack of preparedness and limited resources make Lao PDR also vulnerable to natural disasters, exacerbated by the increasing effects of Global Climate Change.

Table: MDG Progress in Lao PDR

| MDGs  | Target  | Seriously off Track | Off Track | On Track | No Target | Data Gaps |
|---|---|---------------------|-----------|----------|-----------|-----------|
| Goal 1: Poverty and Hunger                      | Reduce extreme poverty by half  |                     |           | •        |           |           |
|   | Reduce hunger by half   | •                   |           |          |           |           |
|   | Achieve full and productive employment and decent work for all        |                     |           |          | •         |           |
| Goal 2: Universal Primary Education             | Universal primary schooling   |                     | •         |          |           |           |
| Goal 3: Gender Equality and Women's Empowerment | Eliminate gender disparity in all levels of education                 |                     | •         |          |           |           |
| Goal 4: Child Mortality                         | Reduce child mortality under five years of age by two-thirds          |                     |           | •        |           |           |
| Goal 5: Maternal Health                         | Reduce maternal mortality by three-quarters                           |                     | •         |          |           |           |
|   | Universal access to reproductive health                               | •                   |           |          |           |           |
| Goal 6: HIV/AIDS, malaria, and other diseases   | Halt and reverse the spread of HIV/AIDS                               |                     |           |          | •         |           |
|   | Achieve universal access to HIV/AIDS treatment                        |                     |           |          |           | •         |
|   | Halt and reverse the spread of malaria                                |                     |           | •        |           |           |
|   | Halt and reverse the spread of TB                                     |                     |           | •        |           |           |
| Goal 7: Environmental Sustainability            | Reverse the loss of environmental resources                           | •                   |           |          |           |           |
|   | Reduce rate of biodiversity loss                                      |                     |           |          | •         |           |
|   | Halve the number of people without safe drinking water in rural areas |                     | •         |          |           |           |
|   | Halve the number of people without safe drinking water in urban areas |                     |           | •        |           |           |
|   | Halve the number of people without sanitation in rural areas          |                     | •         |          |           |           |
|   | Halve the number of people without sanitation in urban areas          |                     |           | •        |           |           |

Source: UNDP Lao PDR MDG Progress Report 2009

It is evident that these shortcomings are the consequence of resource constraints, policy gaps as well as weak implementation of Government services. These issues are most acutely experienced at the sub-national level, which is mandated to deliver services to address the MDGs. While the sector ministries and their provincial departments implement most of the infrastructure development projects, district administrations have limited budgets and resources to support this process. The resource constraint of the district administrations is even more severe when it comes to operational budgets for service delivery; a recent survey by GPAR (2010) shows that less than 0.5% of the district current budget (approximately \$3,000 per year) is available for service outreach after accounting for staff salaries, allowances and office overheads. As a result, service delivery tasks that involve interaction with citizens are limited and inadequate to effectively address the requirements of communities. This resource allocation and management scenario is reflective of the policy environment and administrative systems in which service delivery has been taking place, where districts have been provided with a very limited mandate. This is due to significantly change in 2011, with the direction being indicated in the recent clarification to Prime Minister's Decree No. 01 of 2000 and with the newly established Ministry of Home Affairs (MoHA).

Notwithstanding these higher level issues, the local administration has significant capacity constraints. In a review of capacities of the civil service, only 12% of the civil servants were observed to have qualifications of Bachelor's degree or higher level, and that around 41% had a medium level diploma. It is evident that the bulk of civil servants with low level qualifications are concentrated in the local administration. The low level of capacity poses serious challenges for policy initiatives that often demand conceptual abilities to correctly interpret legal and administrative documents and directions, or to use information technology and other mechanisms for decision making. These capacity challenges make significant demands for simplification of procedures and interventions, as well as greater investment in practical training, technical back-stopping and supervision.

**Current Government directions:**

The 7<sup>th</sup> NSEDP (2011-2015) aims to address these challenges by aligning MDG goals and targets with government's own medium term plans, to achieve a reduction in poverty to 19% by 2015 and graduation from the LDC status by 2020. The plan sets specific targets that have been identified as responses to bottlenecks in the framework for accelerating progress to the MDGs, which include reducing malnutrition, reducing infant and maternal mortality rates, increased primary school enrolments, improved access to clean water and others. It also emphasizes the importance of growth with equity, and stresses the need for the public administration system to be accountable, effective, transparent and responsive. The development of a professional, competent and people-centred public administration, at national and sub-national levels, is an essential component of the Plan, to help achieve the MDGs by 2015 and the higher levels of human development that are needed for Lao PDR to graduate out of the ranks of LDCs by 2020. Excellence in public service is therefore a signpost of good governance in Laos. The plan also underlines the importance of popular participation through decentralised systems of state administration. The Strategic Plan on Governance, which is a sub-set of the NSEDP, addresses governance and civil service matters pertaining to improving public service delivery systems and human resources to support the achievement of national goals and policies.

In order to achieve NSEDP targets for the attainment of MDG and poverty reduction targets there is a need to strengthen the capacity of local administration since the local administration plays a vital role in the management and delivery of MDG services and overall economic activities at the district level. Improving capacity of the local level to delivery better services does not only include capacity development of individuals but also of institutions, provide an enabling policy and regulatory framework, on addition to providing financial resources to the local level to deliver on its mandate. There are a number of recent policy initiatives that demonstrate this wider recognition of the role of Local Administration in the overall development process and in meeting NSDEP/ MDG targets in particular. Significantly, these include a renewed political commitment in the 9<sup>th</sup> Party Congress 2011 to give effect to the Prime Minister's Decree No 1 of 2000. Until now this decree has been interpreted in a minimalistic manner which has not provided more responsibilities to the local level while creating unclear mandates between levels. The new commitment by the 9<sup>th</sup> Party Congress will require provinces to assume a greater strategic management role and district to become a full sub national unit of government with budget planning responsibility.

*"Districts must have strong factors in terms of economy, finance, personnel, leadership and supervision. Therefore districts must be developed to become strong local administrative authority in all aspects."*

Directions from the IX Party Congress (July 2011)

The second main change is the establishment of Ministry of Home Affairs (MoHA). This is a significant development and proves the new commitment and focus that the Government is placing on public administration and related reforms.

The main implications arising from the evolving policy environment are the 1) urgent need to support the MoHA in implementing its new mandate and planned reforms, and 2) directly strengthen the local administrations to enable them to assume their new mandate and responsibilities. It is in this context that the MoHA proposes to work with development partners to build on the achievements of the GPAR Programme to date to strengthen local administration through capacity development, organisational and systems improvement and devolved planning, budgeting and financing of priority services in key MDG areas.

### **3. Lessons learned and the proposed Joint Programme**

#### **3.1 Background and significance of the Joint Programme:**

Public administration reform has been a priority activity of the Government of Lao PDR from the early 90's. The focal point for this activity has been the Prime Minister's Office (PMO), and the focal agency has been the Public Administration and Civil Service Authority (PACSA) which now has been turned into MoHA. Given the wide scope of governance reforms, related activities have been taken up in several ministries and offices of the Government, which include the Ministry of Finance and Ministry of Planning & Investment. The longstanding activity of the Government in this area is the Governance and Public Administration Reform Programme (GPAR). The GPAR projects, implemented at central and provincial levels provided a strong foundation for developing and implementing public administration reform in Lao PDR. At central level, Laws and regulations have been developed and improved in a systematic manner. The capacity of the civil service has gradually improved, both in quality and numbers, and the unified civil service management system, established since 1993 has been incrementally implemented and improved across the country. GPAR also supported efforts to experiment further with refining the national framework on the local governance and central-local relationships. This framework has constantly evolved – and continues to do so – in search of the right harmony between centralized management, deconcentration and decentralization. That balance is important to ensure that local development and local decision-making goes hand in hand with social peace, political stability, economic expansion, solidarity among provinces and a sound macro-economic management. Four phases of GPAR projects have been implemented to date under the leadership of the Prime Minister's Office and PACSA, in addition to the provincial administrations of Luang Prabang, Saravane, Xiengkhouang, Khammouane and Sekong provinces.

The scope of these governance reforms have been outlined in the Strategic Plan on Governance 2006-10 and the new Strategic Plan on Governance 2011-15. The strategic plans emphasize the government's commitment to building "an effective, efficient, well-trained, honest and ethical public service that is able to meet the needs of the multi-ethnic Lao people", through four major governance themes: "Public Service Improvement, People's Participation, Rule of Law and Sound Financial Management". The GPAR activities relate primarily to two pillars: Public Service Improvement and People's Participation, and fall into four broad areas:

- a. Formulation of policy initiatives to strengthen public administration including civil service
- b. Preparation of strategies, methodologies and implementation plans for the above
- c. Training and capacity building to support implementation
- d. Implementation support, including equipment and infrastructure

The GPAR platform has been able to create a space for innovation and debate, in an area that remains politically sensitive and has been the main driver behind governance reforms in general. Many innovations that have been tested out in the provinces benefited from the political support of PACSA, without which these reforms would have met with far more resistance. The provincial pilots have also significantly strengthened organisational and human capacities at both the provincial and district levels not only through a number of important training initiatives but essentially through a learning-by-doing approach, supported by the introduction of model offices, the introduction

of job descriptions in human resource management, the One Door Service Centres and the piloting of the District Development Funds (DDFs). Provincial level experiments in operational financing and information systems have significantly contributed to the effectiveness, transparency and accountability of the public service. Several GPAR projects have also leveraged technology to improve the effectiveness of administration, such as through the provision of servers to host the Personnel Information Management System database or setting up wireless network to upgrade office management systems in the Office of Governor (Xiengkhouang) and the provincial Departments of Finance (Luang Prabang and Xiengkhouang), linked to the central server of the Ministry of Finance.

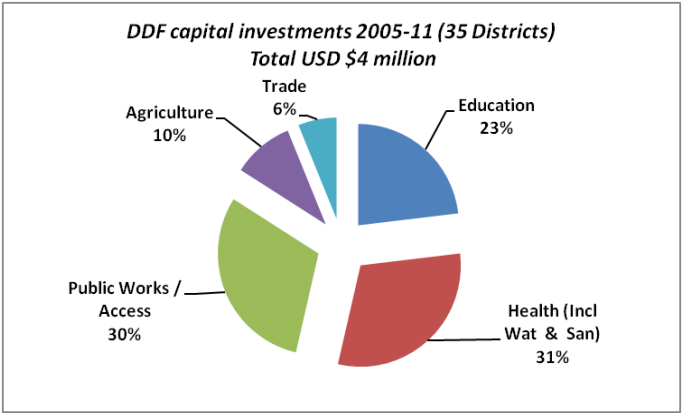
The District Development Fund (DDF) initiative, piloted in Saravan and then scaled up in four other provinces (Xiengkhuang, Huaphan, Oudomxay and Sekong) to cover a total of 35 districts has introduced public expenditure management systems that have significantly improved the capacity of the districts to manage expenditure and plan for small scale investments that have a direct impact on improved service delivery (e.g. the building of a village school or the renovation of a community market). In Xiengkhuang, these block grants were complemented by small block grants to support operations and maintenance (e.g. to support agricultural extension services to the villages). The government recognizes that the provision of services through the DFF – covering nearly 25% of all districts - has yielded tangible results and that there is a need for scaling up this initiative and to integrate it more closely with national public expenditure instruments, with clear procedures and monitored through a set of simple indicators. The DDF constitutes a model of governance reforms in which capacity development and direct service delivery occur simultaneously. A major part of these interventions focused on improving capacities and strengthening service delivery, particularly at the sub-national level. The key interventions are highlighted here.

**Improved service infrastructure and local administration capacity:** The District Development Fund (DDF) capital investments have financed 286 local infrastructure projects across 35 districts (five provinces) that have had a

| DDF capacity support | Total  | Female |
|----------------------|--------|--------|
| Government officers  | 3,059  | 724    |
| Village/Kumban Heads | 1,631  | 320    |
| Villager/Community   | 17,983 | 6,484  |

significant impact on improving access to education, health, agriculture and public works for communities in remote rural locations. Such initiatives have contributed to an improved coverage and access to public services. The 2010 GPAR Mid-term Evaluation observed that “(...) District Development Fund

system has made service delivery more accountable, effective and efficient in provinces and districts it has been implemented in”. By emphasizing step by step scaling up to cover all districts in each province, it has helped to minimize bias towards districts that were more easily accessible. The scale of investment has been distributed between district and village levels on a 30:70 basis to ensure greater distributive equity across villages. This has resulted in impressive improvements in service delivery across the provinces of Houaphan, Oudomxay, Sekong and Xiengkhouang. We have observed that steps initiated by the project with the district administrations have directly served local communities, and led to sustainable improvements in capacity of the local government machinery. Over 352,000 people have benefited from the project supported investments, which addressed education, health, commerce, transportation and infrastructure with the help of fiscal transfers to districts through District Development Funds. Remote areas have now been linked through access roads, and areas. In the process, there was sustainable enhancement of district level capacity to successfully lead, plan, budget and manage the creation of infrastructure for public service delivery. In all, the DDF has given direct capacity development support to over 3,000 local government staff from 2006-11, in addition to building stronger local communities;





***Simplified service delivery mechanisms:*** The project has built on the experience from the previous phase to expand the availability of simplified service delivery mechanisms at the district level. The simplified mechanism, titled One Door Service Centres, was established in 8 more districts across 5 provinces - Khammouane, Luangnamtha, Phongsaly, Bokeo, Savanakheth and Vientiane Capital, and served more than 7,000 citizens during the previous year. The simplified services addressed the widely used services such as certification of birth and marriage, change of name and correction of date of birth, permission to migrate, land registration and permission to construct buildings/boundaries. The recent evaluation of ODS pointed out that a large majority (86%) of users were satisfied, and 60% gave the highest level of satisfaction to the service. Among them, the most important reason for satisfaction was related to time saved in accessing the service.

***Improved practices in public service delivery:*** The project developed and rolled out tools to identify, implement and track improvements in service delivery at the Vehicle Licensing Office and Mahasot Hospital in Vientiane, which are widely used by residents of the capital city. The improvements recommended through the analytical tools were implemented during the previous year, to improve delivery of services to the public. Among the significant indicators were improvements in relation to personnel efficiency (59% to 64%) and speed of processing (41% to 47%), while user satisfaction with the level of fees decreased (73% to 68%) apparently due to the rising expectations for better service in relation to the amount of fee paid. Overall, 63% of users were satisfied with the service delivery provided by the Vehicle Licensing Office. Service has been improved in term of speed in the issuance of registrations for new vehicles and vehicles with correct documents.

***Small grants to support demand based capacity development:*** GPAR successfully initiated the first small grants programme in the governance sector, called the GPAR Fund, to help offices of the government at the national, provincial and district level, to replicate good practices and innovate/adapt from successful experiences in Lao PDR. A highlight of this output was the close collaboration of multiple stakeholders from the Government (PACSA, Ministry of Planning & Investment, Ministry of Finance) as well as development partners (Swiss Agency for Development and Cooperation, and UNDP) in designing and implementing all steps. The call for Expression of Interest evoked wide interest from the national and sub-national level. 33 selected grantees have successfully implemented their planned activities.

### **3.2 Lessons Learned from supporting service delivery interventions:**

The following summary of lessons learned from the GPAR projects reflects both on successes and weaknesses that have taken into account in the design of the new National GPAR programme and subsequently the SCSD.

***Lack of a strategic framework for public administration reforms:*** Central and provincial GPAR projects have developed at different points in time (1997, 2002, 2005, 2007) and their design was not based on a clear national strategy outlining the links between the different initiatives undertaken at central and sub-national levels. This lack of a consistent strategic approach hampered effective implementation of the reforms and coordination among the projects. The GPAR reform process even though supported by GPAR branded projects at central and local levels, lacked an updated vision and strategic direction and this also caused some constraints in coordination, and in timely information, dissemination and experience sharing and feeding of lessons learned into the national policy dialogue.

***Transforming Technical Capacities of District Administration:*** The combination of training and on-job-learning has transformed and empowered both provincial and district staff, to carry out tasks hitherto addressed through projects and consultants. District personnel are now able to prepare 3 year plans and annual investment plans in a participatory manner; prepare basic costing and technical feasibility reports, and tender evaluation in a systematic and transparent manner. Local administrations have been able to adopt the National Accounting System (NAS), effective operation of bank accounts, cash management, payments, reporting and internal controls. This is



evidenced by the very high degree of compliance achieved by local administration to the new management procedures that govern the disbursement of funds across under the DDF as well as other similar GPAR initiatives such as Service Delivery Fund in Luang Prabang.

***The need for a more comprehensive approach to capacity development:*** Overall, capacity development continues to be seen as merely training of staff rather than being addressed in a more comprehensive manner, focusing not only on the individual (skills and competencies) but also on the enabling environment (including policies, laws and regulations) and on organizations (processes, resources, facilities and management systems). GPAR initiated a new approach to capacity development that has changed perceptions. Districts that are generally believed to have only limited capacity, have successfully managed the DDF activities without separate project units or external personnel. As a result, there is now a growing consensus that the awakening of capacities, even where limited, is feasible when local decision-makers and their staff are given the right incentives to act, leading to demonstrable improved service delivery. The longer term benefits from the capacity created – through learning by doing and peer exchanges between districts - will become evident in the years ahead. The positive results should inspire the establishment of an incentive system which links performance to established development goals and public administration best practice.

***Improving effectiveness in financing district development:*** One of the most significant lessons of relevance for the proposed Programme is the GPAR project's ability to achieve results that contributed to pro-poor impacts in remote rural areas by innovative planning and funding of MDG services, whilst ensuring the sustainability of these innovations through focused capacity development of local administration. A critical element was the introduction of new systems and procedures that align with government at all levels of administration whilst promoting more efficient, effective and transparent processes for local service delivery. Another significant lesson is the cost effectiveness and scalability of pilot innovations when aligned with and working through existing governance systems. This combination of strategic reforms complemented by funding critical MDG service gaps provides the bedrock for current and future success and a sound platform for the current proposal. A technical mission (2010) highlighted not only the efficiency of disbursing of funds but also in the reporting of expenditure by sector and activity and went on to observe that the overall standards achieved are higher than in many other countries where problems of reporting have been a major issue.<sup>2</sup> Greater community oversight and accountability result in funds being well spent with minimum leakages. This is primarily due to the close working partnership between the district administration and the community and the fact that the District Office has direct responsibility for inspection and payments so that contractors on DDF projects get paid more quickly and thus able to submit tenders at very competitive rates. Many DDF projects are also completed ahead of schedule due to reduced bureaucracy of having local control and management, which reduce procedures and time.

***Catalytic impact of Operational Block Grants:*** GPAR provincial projects successfully piloted operational expenditure block grants through an Agricultural Development Support Fund (ADSF) in Xieng Khouang to strengthen extension services and through the Service Delivery Fund (SDF) in Luang Prabang for recurrent funding in health, education and agricultural extension delivery. While these grants were very small in size, they effectively doubled and tripled the resources that district offices had, to carry out their mandated activities, and multiplied the volume and impact of their work. In following these pilots with a multi-sector block grant, GPAR was able to establish a robust platform to support activities that allow local authorities to direct their activities around local priorities to overcome bottlenecks associated with lack of recurrent investment in MDG related services. Operational expenditure block grants have been highly appreciated by provincial and district line department staff whose institutions do not have adequate resources to provide adequate service coverage to a large numbers of remote communities. A recent study by UNICEF shows that service outreach to the most excluded areas is 60% more cost effective in terms of generating positive human development outcomes than focusing efforts on less

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<sup>2</sup> Mission report by Jesper Steffensen, 2010

remote and/ or deficient areas. The introduction of co-funding between government and GPAR, while financially modest, represents an important precedent in joint funding of locally decided priorities.

***Improving Access to Citizen Services through One Door Service:*** Initiatives designed to improve access to citizen services through the establishment of One Door Service (ODS) Centres have succeeded in generating a number of results. There have been two recent evaluations and reviews comprising an independent external evaluation (2010) and internal review (2011) which have reported a range of positive impacts on citizen service delivery. These reviews highlight that the ODS centres, when taken together, have transacted around 56,000 services per annum although there remain good scope to increase this further. Citizens using the ODS have expressed a high level of satisfaction with the service pointing out that they experience a greater level of assistance and information than in the past when they had to obtain services from various different service points. The findings also highlight faster speed of service delivery with shorter document turnaround time and a considerably higher level of transparency in the process than in the past. The assessments have quantified the level of improvement in speed of service delivery showing that there has been a 200% improvement in the time taken to obtain a land registration certificate (ranging from 7-14 days as compared to 30-60 days in the past). The Business Facilitation One Stop Shop (OSS) in Luang Prabang has shown how a modest project investment in upgrading and reorganising a service can generate a significant return in terms of clearly measurable benefits in service delivery. This is reflected in the overall improvement in the speed of service delivery reflected in a reduction in the time taken for the issuance of a business licence from an original average of around 218 days (2007) to a current average of around 40 days. In spite of these achievements, the evaluations have also highlighted a number of areas where the ODS facility could be improved in order to maximise the potential of this innovative reform in citizen-focused service delivery.

***Opening space for community monitoring of services:*** In line with the goal of improving people's participation, stated in the 6<sup>th</sup> NSEDP, the GPAR Programme piloted the first Citizen Report Card in Lao PDR. The Citizen Report Card is a means to improve the flow of information from people to the government, which enables communities to provide feedback on the services that they use. The first pilot covered health, education business registration and agriculture extension services in select districts across Saravane, Luang Prabang and Xiengkhouang provinces, as a partnership activity involving the central and provincial GPAR projects, with strong support from the provincial administrations. The success of the pilot has led to steps to initiate wider implementation of this good practice, covering more sectors and provinces. There is also wide interest among development partners to support the use of this approach, as it helps to assess improvements from the beneficiary perspective.

***Local governance – a long-term evolving agenda:*** Governance reforms takes time and local governance systems are not built over night, neither do they consolidate in a few decades only. The experience gained over the past two decades in terms of re-centralization, deconcentration, decentralization – and experimentations with the implementation of the Law on Local Administration (2003) and the Instruction of the Prime Minister 01/PM on the role of the provinces, districts and villages - taken together, represent elements of an emerging model of deconcentrated local governance that is rooted in the Lao institutions and that brings services closer to its people. There is recognition that these experiments have not yet fully informed national policies on central-local relationships. The recent policy directions from the Lao government bring in greater clarity regarding centre-local relations and mandates, and strengthen the role of districts in managing service delivery; these directions strengthen the foundations (capacities, resources, control systems) for a stable national local governance system, in line with the Party instructions and policies.

### **3.3 National GPAR Programme 2011-2015**

The National Governance and Public Administration Reform Programme (GPAR) 2011 to 2015 is the new National Government programme which will guide the overall work of the Government and its partners in further developing an efficient and effective local administration and local service delivery systems. The former Public

Administration and Civil Service Authority (PACSA) was recently upgraded to become the Ministry of Home Affairs (MoHA) and is the owner of this programme. The new programme marks the transition from a set of development assistance projects (central and sub-national) to a fully integrated programme of the government that has evolved out of the Strategic Plan on Governance (2011-20) and is fully aligned with Outcome 2 of the new UNDAF 2011-2015.

The overall direction of the new programme is well aligned to the breakthrough strategy approved by the 9<sup>th</sup> Party Congress' which emphasized improved governance and management systems and the development of human resources as a prerequisite for growth and poverty reduction. The programme design also addresses the draft 7<sup>th</sup> NSEDP priorities for increased socio-economic development through governance and public administration reform in Lao PDR. The new national programme provides the institutional framework for integrating all development assistance for governance and public administration reform. The umbrella National GPAR Programme is based on 8 clusters, 7 of which correspond to a specific area of work of MOHA as listed below, whilst the 8th cluster is aligned to the work of the management structure which will be established within MOHA. These clusters have been designed to address the main capacity development priorities of MOHA in relation to strengthening:

1. Legal and institutional frameworks for effective public administration
2. Organizational development in the state machinery
3. Organizational development in the local administration
4. Capacity and service delivery of local administrations
5. Civil service management systems
6. Civil Service Training Institute
7. Institutional frameworks and capacity to expand civil society
8. National Programme Secretariat and sector partnerships

These clusters align closely with the main work streams of the MoHA thus ensuring that specific project activities within the programme are fully mainstreamed into the routine work plans of the Ministry rather than being imposed activities that sit alongside other regular work responsibilities of government.

The new programme is therefore well aligned to the following focal areas of work of the MOHA:

- Public administration policies and legislation (structures, systems & procedures)
- Decentralised administration and local service delivery
- Civil service management and training

In addition, the clusters correspond to the main capacity development priorities of MOHA with respect to strengthening public administration and governance reform. As can be seen from the above, the clusters cover a comprehensive package of reform related work in MOHA ranging from institutional and legal reform to organisational improvement in government, an enabling regulatory environment for local administration, improved capacity for service delivery at district level, strengthening human resource management and training in the civil service and strengthening the role of civil society organisations in governance. Cluster 8 covers the overall programme management arrangements to direct, guide and coordinate work within and across the respective clusters and work streams of MOHA and support activities to any specific cluster/s provided through one or more donor partners.

This represents an important development in the evolution of the GPAR programme where it is now a fully owned Ministry programme with the facility for development partners to support one or more areas of work depending on their priorities and interests. The Government has committed about US\$ 8 million to the National GPAR Programme budget which is estimated to be about US\$44 million.

### **3.4 The Joint Programme: *Strengthening Capacity and Service Delivery of Local Administrations (SCSD)***

The Government of Lao PDR is committed to up-scale the local delivery of public services and to provide further capacity development support to local public administration to improved local service delivery and meet set MDG targets, while continuing to fine tune and innovate within areas that still needs further development. The support of development partners have been requested to further this objective, including further financing from United Nations agencies UNDP and UNCDF, the Global Environment Facility (GEF), Swiss Development Cooperation (SDC), the Government of the Republic of Korea, the Government of Luxembourg in addition to other partners.

The current phase of the GPAR Programme provides a sound foundation for the further development of key initiatives to strengthen local administration in the delivery of MDG services. The lessons learned from supporting service delivery interventions (see 3.2 above) have been addressed in the design of this Joint Programme, and will build on results already achieved by scaling up efforts that have yielded positive results, and will continue to focus on pro-poor governance and local administration support through capacity development linked to the provision of devolved block grants. MoHA will lead this process in close coordination with the Ministry of Planning & Investment (MPI) and the Ministry of Finance (MOF). The design of the National GPAR Programme, consistent with the Strategic Plan on Governance addresses the previously experienced absence of a strategic framework for public administration reforms.

This Joint Programme will support the implementation of the National GPAR Programme, focusing on organisational development and strengthening the capacity of local administration to deliver improved and MDG targeted local services. It will enable sub-national administrations, at province and district level, to improve their capacity and deliver priority services to achieve NSEDP/ MDG goals and targets, whilst at the same time building a more enabling policy and regulatory environment at national level for local administration to deliver key MDG services at the local level. This will be done by delivering all outputs and results through the government system as opposed to parallel project structures, thereby building and reinforcing the value of a i) coherent partnership with Government/ MOHA, ii) optimising available resources for capacity development, and ii) enhancing sustainability for programme/ project activities. The GPAR SCSD programme is therefore fully integrated into the newly established MOHA. The Programme oversight will be strategically located under a Government Leading Committee on Governance and a Programme Board. These initiatives will provide a strong institutional base for all activities and outputs. This will not only increase the sustainability of Programme outputs and results but will also ensure lessons and learning are endorsed at strategic level in government as well as being embedded into the regular work of the Ministry.

### **3.5 Participating UN Organizations:**

**UNDP and UNCDF Comparative Advantage:** The UN system is committed to the Millennium Development Goals and to Aid Effectiveness (Paris Declaration and Accra Agreement). Within this context, UNDP and UNCDF will continue their joint programme support, drawing on their respective comparative advantages which in partnership create added-value for achieving the overall objectives of the programme.

The proposed intervention draws on UNDP's recognised core mandate in the areas of capacity development, democratic governance and policy development, which synergizes with UNCDF's specialized expertise in local development, improved access to social services, investment capital, and fiscal decentralization. In addition, UNDP's operational capacity in Lao PDR, combined with UNCDF's in-house technical capacity, will further support this delivery model. This partnership is a preferred delivery model which is being successfully implemented in more than 20 least-developed countries (LDCs) around the world

The method of implementation will also support donor harmonization in particular to technical assistance and capacity development, as the intervention will be a partnership of key donors involved in local governance in Lao PDR (UNCDF, UNDP, SDC, ROK, and Luxembourg).

**UNDP and UNCDF roles and responsibilities within the Programme:** UNDP will take the lead in supporting the Government for the implementation of activities related to the promotion of democratic governance, local governance, participatory development, capacity development and women empowerment. Where technical areas overlap with the areas of expertise of UNCDF, UNCDF will provide technical support as required, in particular in terms of international technical assistance.

UNCDF, given its specific capital investment mandate, will ensure support to Inter-Governmental Fiscal Transfers (IGFT) and overall fiscal decentralization aspects, and the development and delivery of performance based grant systems to local government Institutions. This support will also entail overall support to PEM/PFM systems and policy promotion related to these areas. Where technical areas overlap with the areas of expertise of UNDP, UNDP will provide technical support as required.

### **3.6 Design principles: complementarity, scalability and simplicity with quality:**

**Complementarity:** This principle addresses on the one hand the programmatic aspect of the new Joint Programme and relates to its adherence to Paris Declaration principles. The initiative is embedded in the GPAR programme logic and is in line with the national programme framework in addition to the 7th NSEDP.

It also complements the **Poverty Reduction Fund (PRF)** which envisaged to work in ten provinces<sup>3</sup> with the aim to expand social services through grants for community-identified infrastructure, in addition to capacity building of villagers and local authorities. DDF and PRF have the same overall goal of poverty reduction but aim to achieve that through different means. While the PRF uses larger funds and seeks rapid improvement in poverty rates through infrastructure and other capital investments, injected through a financing system that runs parallel to the national budget process, the DDF also injects capital grants but they are smaller in nature and are essentially used within a longer-term process of developing the capacity of the district administration for the (participatory) planning and financing of local services. While the DDF focuses on the local administration at provincial and essentially the district level, the PRF rather focuses on the villages and the Kumban. A new phase for the PRF is currently being designed and there are discussions underway over ways of integrating the PRF more closely into the governance system.

Given the extremely low level of access to services, both forms of support are required in many parts of Lao PDR, particularly the poorest districts where PRF works. The GPAR SCSD interventions can strengthen the capacity of the District Administration to interface with PRF, in the overlapping districts, to harmonize the support of PRF with its own investment plans, and engage PRF in a dialogue through the District Planning Committee to share its priorities in relation to achieving the MDGs, as well as planning for maintenance and sustainability of the PRF investments. In this process, the district administration will function as a nucleus to promote sustainable local service provision and poverty reduction, but also be a local focal point for interacting with current and future community representatives, civil society organizations and, potentially, local councils.

In addition, close coordination with **UNICEF** will be an interesting new angle to this programme, which will strengthen the focus in service delivery and MDG targeting in the areas of education, health and water and

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<sup>3</sup> The ten provinces are: Savannakhet, Saravanh, Houaphanh, Luang Namtha, Sekong, Xiengkhouang, Phongsaly, Oudomxay, Luangphabang and Attapeu

sanitation. In this regard, initial coverage in Luangnamtha could strategically allow cost effective collaboration with UNICEF on the development of equity focused planning tools and methods. This would also leverage UNICEF Provincial field office support and resources designated for a Learning Zone on MDG level planning. Should this collaboration prove successful there may be a further opportunity for fund convergence with UNICEF which has a project budget of US\$ 8 million for Luangnamtha for the period 2012-2015. UNICEF is interested in collaborating with MOHA and GPAR SCSD to design, test and disseminate a model that converges GPAR SCSD and UNICEF funds at district level for more effective MDG service delivery, using the resources of its field office in Luangnamtha.

Another interesting cooperation possibility is the **Global Environment Facility (GEF)** programme which is presently being programmed focusing on Climate Change Adaptation. GEF projects are designed to build on the comparative advantage of UNDP by working in close collaboration with on-going or new UNDP projects and programme initiatives. There is a good possibility of the new National GPAR programme working with GEF and in particular UNCDF's Local Adaptation Living Facility (LoCAL) to strengthen the capacity of districts to plan and implement small scale climate change projects through a climate adaptation window in the GPAR SCSD block grant facility. This window would need to be focused on schemes designed to focus on water storage initiatives as well as small scale irrigation, flood protection, water supply augmentation and flood proofing other infrastructure. This window would need to work on environmentally fragile/ risk prone areas of Champasack and Savanakheth.

**Scalability, Sustainability and potential for exit:** This principle means that the focus of SCSD will be explicitly on ensuring that its activities can easily be taken to scale. Therefore, the Joint Programme is fully aligned and incorporated in the Government regular activities both at the national and the sub-national levels (Province and District) focusing on improving local participation, accountability and effectiveness of local service delivery and overall development, which ensures that no parallel project structures are established and where Government staff at all levels are empowered and capacitated accordingly. In addition, the grant allocations provided through this Joint Programme will also be fully integrated in Government system and procedures which means that they are responsible throughout the PEM cycle.

Unlike some of the large infrastructure development projects, implemented by the Government with large loans and grants, the block grant investments proposed under the GPAR SCSD Programme deliberately involve small amounts of support. It is important to keep in mind that the block grant transfer from the programme is meant to pave the way for the government's core resources and a "real" district discretionary budget to be available to the districts, which are being discussed in the context of increasing revenues from hydropower and mining. The Ministry of Finance is preparing the ground for targeted block grants which will operationalize such support in the social sectors. Hence, the design of SCSD's block grant support has carefully aligned the scale of support to a level that can be taken forward by the Government by 2015. The programme will work closely with MoF in providing support for a formula-based district allocation, which would go hand-in-hand with the revision of district mandates. A key focus of the technical work around the block grant during this new phase is to work closely with the Government in terms of establishing a sustainable formula-based district allocation which is well aligned to the actual costing of services mandated to be delivered by the districts.

As earlier mentioned, the programme is clearly institutionalised within the structures of MoHA and the sub-national levels both in terms of staffing, procedures and institutional framework. Therefore, programme activities are mainly carried out through Government staff, and capacity building carried out with the help of peer trainers from the government itself, the GPAR SCSD approach does not require the large implementation machinery that is sometimes used by other large projects. In this way, the programme's methodology for capacity development is very sustainable and will clearly contribute to overall development of government staff capacity and improved capacities will continue to be available even after the closure of the programme itself.

While the technical assistance for policy reform is seen as a strategic time bound input, the downstream activities are expected to continue beyond the duration of the GPAR SCSD Joint Programme. It is evident that the major part of the resources for the current intervention is provided by development assistance. In several countries, like Bangladesh and Cambodia, the country wide scale up of block grants have been co-financed by internal resources of the government and the multilateral development banks. Given the expected growth in revenues that were mentioned earlier, and the changing pattern of financing large scale development in Lao PDR, it is likely that the long term activities initiated by the Joint Programme, which are of a manageable scale, will be mainstreamed completely and continued by the government, largely with the support of multilateral assistance.

***Simplicity with quality:*** This principle is related to providing simple solutions that leverage local capacity and resources. Priority will be given to the institutionalization of these solutions (and their financing) within the sub-national governance structure and macro fiscal envelope. The introduction of medium-term planning framework and fiscal envelope will facilitate this as will the holistic approach that addresses all the resources available to the Districts and not just the SCSD grant allocations.

***Geographical and beneficiary Focus:*** Since the Joint Programme is intended to up-scale a package of select reforms in a cost effective manner, the design proposes to support outputs that will build upon work undertaken to date. Given that the Joint Programme is part of a wider Government National Programme that may attract additional funding support at any point over the duration of the Programme, it would be prudent to retain the option to select Provinces on a case by case basis based on the criteria established below. The overall objective of the Government is to expand the coverage of activities to at least 50 percent of the Provinces within the next five years, however, this will depend mainly of available funds. Therefore, this Joint Programme will take a phased approach to coverage and expand when and if funding is made available from the Government or collaborating development partners. Although the GPAR approach to support local development has tended to adopt a “whole province strategy” in the past, greater emphasis or weightage on equity aspects during planning may also result in not wishing to provide geographical coverage to areas with adequate or above average service provision.

Within this context, the main criteria governing selection of provinces in this Joint Programme would include:

- Selected provinces should have significant numbers of poor households and at least 50% of its districts categorised among the country’s poorest
- The overall distribution should reflect balanced regional representation (i.e. north, centre and south)
- Selected provinces should either have an existing GPAR presence or present an important opportunity for value addition (i.e. where adoption of particular province will result in leveraging additional funds or an opportunity for significant collaboration).

Based on these criteria the initial aim in terms of provincial coverage, and committed resources, the GPAR SCSD Joint Programme may provide support for up to 50 percent of the provinces (66 districts) including Saravane, Sekong, Xieng Khouang, Luang Prabang, Houaphan and Oudomsay with the possibility of limited but strategic coverage in Lunagnamtha. Districts in each province will be covered by capital (BBG) and operational (OEBG) allocations in a phased manner. This strategy will of course very much depend on available funding. It may be possible to extend support to two further provinces in the south (Champasack and Savanekhet) which are environmentally fragile in order to work with the UN Global Environment Facility (GEF) on climate change adaptation initiatives associated with the water sector.



## 4. Results Framework

### 4.1 Overall Objective

The overall objective of the GPAR SCSD Joint Programme is to ensure increased capacity in the local administration leading to better delivery of services which improve the lives of the poor, especially in rural areas of Lao PDR.

This will be realised through two specific outcomes:

**Outcome 1:** Improved policies and capacities that enable local administrations to initiate and monitor service delivery interventions against localized priorities which accelerate progress towards the MDGs

Indicator1.1: Regulations and instructions from relevant ministries to strengthen the mandate of district administrations, related to financing and improving service delivery

Target 1.1: Regulations and instructions from relevant ministries strengthening the mandate of all 144 district administrations across Lao PDR, on financing and improving public service delivery

Indicator 1.2: Number of staff at district administration and kumban level representatives having necessary skills to plan and monitor local investments for public services

Target 1.2: At least 810 staff from 66 district administrations and 378 Kumban representatives, equipped with skills to plan and monitor local investments in public services

**Outcome 2:** Improved capacities of district administrations to finance and implement service infrastructure and delivery that lead to improved access to public services and as well as improvements in human development levels, including key indicators related to women and children

Indicator2.1: Increase in availability of local services for men and women in the district

Target 2.1 At least 540 MDG infrastructure and/or service delivery initiatives implemented by district administrations improve access to services for at least 40,000 households, of which 50% serve women and girl children.

Indicator2.2: Increase in utilization of local services provided through the district administration

Target 2.2 Tangible improvements in availability and usage of health and education services contributing to 10% improvement in attendance of girl students in primary schools, 10% improvement in access to safe drinking water and 10% increase in mothers accessing maternal and child health services.

The overall result chain and “theory of change” is shown in the figure below:

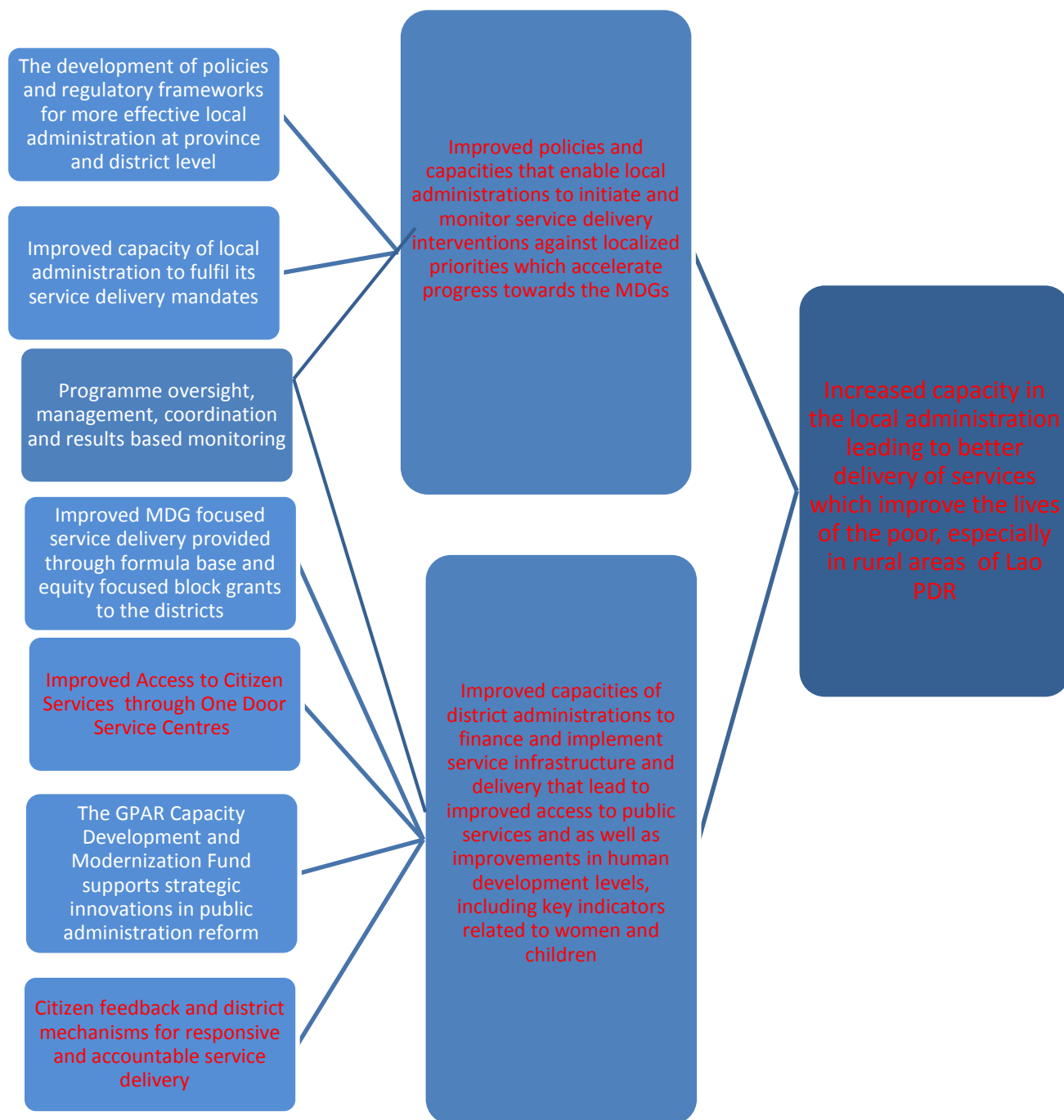
## GPAR Strengthening Capacity and Service Delivery of Local Administrations – Joint Programme

### Result chain

#### OUTPUTS:

#### OUTCOMES

#### OVERALL OBJECTIVE



## 4.2 Strategy

The strategy for this Joint Programme integrates policy development, capacity development, public service improvement and service delivery monitoring. While focusing on developing critical policy interventions that empower local administrations, the Joint Programme will develop capacity of district stakeholders, to establish a platform for action around community linked MDG localization, which will drive well targeted investment for expanding service infrastructure and delivery to address bottlenecks to achieving MDGs. This major effort will be complemented with a small grant programme that enables demand driven initiatives that identify and promote innovations in capacity development. The process will be tied together through a simple service delivery monitoring system that will engage intended beneficiary communities in the process.

The Joint Programme strategy directly addresses the key issues that were identified in the situation analysis. It seeks to provide a window through which the paucity of local resources and capacities for improving service delivery is addressed, while engaging relevant stakeholders in policy development that would address the inadequacy of policies and mandates to drive service improvement initiatives by the district administration. The strategy also seeks to allow grounding and reflection of community priorities by bringing in locally relevant priorities and localized targets that adequately address gender considerations, while enabling communities to effectively participate in planning and oversight. From a programming perspective, the strategy clearly marks the transition away from small pilots to mainstreaming and cost effective scale up using a mix of programmed and demand driven interventions.

### **Output 1: Policies and regulatory frameworks for effective local administration at province and district level**

In the administrative system of the Lao PDR the village leader, the District Chief and the Provincial Governor have overall responsibility for administration and service delivery within the territories they administer. The village leader reports to the District Chief, the District Chief reports to the Provincial Governor and the Provincial Governor, in turn, reports to the Government (Law on Local Administration 2003). Therefore the roles assigned to each level are considered as delegated from the higher levels. Prime Minister's Instruction 01/PM of 2000 sets out a framework within which the Province is responsible for strategy, the District for planning and budgeting and the village for implementation. However this instruction is only partially implemented. In particular, the Law on State Budget of 2006 does not mention the District as a budgeting level. There is a need for improved clarity regarding the roles of civil servants working at Province and District levels, particularly in the delivery of services.

Therefore, this output will provide support to the upstream policy and regulatory work for improved local administration structures, systems and procedures through studies, design and pilot innovations in financing of local services including performance based grants, and formulate appropriate improvements to the legal and regulatory framework. In the process, the lesson learned from the earlier GPAR phases about the need for a more comprehensive approach to capacity development will be addressed. This output will assist in establishing an informed and evidence based policy making process where any changes to policy or legal frameworks may be made on the basis of measured results arising from the programme. Well designed and effectively implemented policy for local administration will help to overcome a wide range of operational problems and bottlenecks experienced presently at local level. Support to these upstream activities and outputs will thus help to:

- provide a policy and oversight framework for further replication and mainstreaming of reforms
- establish clear protocols for the respective reforms within acceptable limits and boundaries
- define how such reforms will contribute to improved service delivery
- provide coordination across clusters and assist programme management in monitoring and oversight

The Joint Programme provides a conducive environment for further piloting and testing new innovations in terms of policy and other regulations, which can provide crucial information about what works and what does not work before taking new policies to scale. This is an important aspect of the Programme linking policy to actual pilot testing and implementation with the aim at generating empirical lessons that inform the national policy process.

The indicative activities that GPAR SCSD will undertake in order to deliver Output 1 are as follows:

- Support provided to clarify PM 01/2000 and to harmonization of legal and regulatory framework for LA;
- Prepare and disseminate strategy on implementation of PM 01/2000 and related regulations;
- Review and support drafting and/or update regulations/instructions on local administration (planning, budgeting, procurement, financing block grant);
- Review block grant formula for both capital and recurrent expenditures;
- Establish a system for Performance Based Grant allocation linked to a capacity development strategy;
- Analysis and design of institutional performance standards and measures;
- Establish a data collection system and MIS for socio-economic data and service delivery to be used for strategic planning at the district level;
- Prepare civil servants performance appraisal framework linked to district targets;
- Review current model for ODS to offer more services at local level and standardise agreement on revenue sharing.

## **Output 2:      Improved capacity of local administration to fulfill its service delivery mandates**

Strengthening the capacity of district authorities and administrative personnel to fulfill its service delivery mandate will require broad based support, including human resources development and organizational improvements in systems and procedures based on learning mechanisms that are practical and appropriate to the current skills levels of local administration, in addition to an increase of resource capacity at the local level for actual infrastructure investment and overall service delivery for the local level to act on their mandate. Given the urgency of achieving MDG targets, a key priority will be to help districts to identify current MDG status, adjust targets and plan service delivery to address the main equity gaps in provision.

Capacity development initiatives will target various levels from national down to the village level with focus on local administration engagements with citizens in local processes and on horizontal sector-specific capacity linked to the capacity of the District administration to plan, budget and execute delivery of local services. Provincial and District civil servants will require training to assist them to undertake new roles as well as to improve their performance in existing roles. There is a need to further strengthen the capacity of District administrations for transparent and efficient budget execution in cooperation with the spending agencies (District level technical departments). This will include improved capacity for procurement and contract administration and should strengthen participation of village authorities and the local population in delivery and monitoring of local services. At the same time, it is crucial that the Provincial level takes on its role as oversight and technical support to the District level authorities. The experiences and lessons learned from previous phases of GPAR on Transforming Technical Capacities of District Administration will be reflected in these interventions.

The grassroots administration consists of locally elected village chiefs who have a vital role in delivery of local services, but in remote areas these village chiefs may have only limited formal education. Village chiefs are elected for three year terms and there is a considerable turnover at each election, so developing capacity at this level is a challenge. Empowerment and participation of people in local administration is a key element of the Strategic Plan for Governance. The 7<sup>th</sup> National Socio-Economic Development Plan emphasizes the importance of people's participation in planning at the grassroots (village and kumban) level. Important progress has been made in piloting participatory planning systems and in developing standardised procedures under the guidance of the Ministry of Planning and Investment. There is a need to continue to strengthen the participatory planning system and in

particular, to link grassroots participatory planning to formulation of strategic plans, medium-term expenditure frameworks and budgets, integrating capital and operational expenditures, at District level. Given the urgency of achieving MDG targets, a key priority will be to help districts to identify current MDG status, adjust targets and plan service delivery to address the main equity gaps in provision. The basis for such integrated, participatory planning and budgeting includes a predictable resource envelope and spatially disaggregated data on basic socio-economic indicators and access to services as well as the local needs and priorities identified through grassroots planning meetings, with adequate representation of women and reflection of their priorities. In accordance with the principles of governance of the Lao PDR, District plans and budgets will be aligned with strategies developed at the National and Provincial levels.

The indicative activities that GPAR SCSD will undertake in order to deliver Output 2 are as follows:

- Development of CD strategy for each target district;
- Build awareness and capacity in districts regarding clarified Instruction PM 01/2000;
- Capacity development in target districts to strengthen overall responsiveness and effectiveness of the local administration in accordance with their mandate;
- Draft, implementation and training on CS performance framework in target districts;
- Support to districts to establish specific MDG targets and monitor achievements against these;
- Conduct civil servants performance appraisal linked to district targets and report annually on the performance of civil servants at district level.

**Output 3:        Improved MDG focused service delivery provided through formula-based and equity focused block grants to districts**

A key part of the capacity development strategy is the District Development Fund (DDF) supported through GPAR since 2005, which will be a key source of revenue in the medium-term expenditure and revenue frameworks of districts. The success of the discretionary block grant allocations for capital and operational expenditures in supporting local service delivery across five Provinces and 35 districts to date, provides a strong platform for scale up. The experience from both Lao PDR and internationally have shown that this link between available discretionary local budget allocations and overall capacity development is substantive and it will provide an environment for on-the-job training and learning-by-doing rather than just formal classroom training. In recognition of the key role that DDF has played, the Government intends to scale up block grant modality nationwide and has included it as a critical element of its new National GPAR programme. This scale up will leverage the lessons learned in previous phases of GPAR on improving effectiveness in financing district development. The scale-up of the DDF will provide the space for this modality to become more fully established within the government systems and thus facilitate its mainstreaming in the medium term as an integral part of the administration operated and funded by government. This gradual progression to full absorption into the machinery of government is in line with international experiences.

In addition, the allocation of grants to participating Districts is according to a pre-defined formula (population, poverty, area), which ensures a more equity-based distribution of resources compared to equal shares. Based on experience, lessons learned and stakeholder feedback, it is proposed that the new generation of DDF will continue to invest in improving the service delivery capacity of the sub-national government machinery, for long term and sustainable development results as highlighted above whilst building upon recent innovations in block grant funding. Efforts will be specially made to identify improvements in the formula so that investments that positively benefit women will receive priority, which will help realize improved services for women. In this regard DDF will also seek to extend the use of operational expenditure block grants (OEBG), which are currently being piloted in 2 Districts, so that new DDF will include both capital and operational expenditure block grants. This is a key addition to the original DDF since the OEBG can offer an effective way of overcoming key MDG service bottlenecks in a cost effective manner as highlighted earlier in line with the lessons learned referred to earlier on the catalytic impact of this modality. Considering the cost of rolling out both capital (basic block grant) and recurrent (OEBG) at the same

time, the programme will take a flexible and phased approach in accordance with available funds. This may mean that some provinces may have both capital and recurrent grants while others may only receive recurrent grants (OEBG). Given the impact on service delivery in terms of overall costs compared to total cost of capital investments, the roll out of OEBG may occur quicker than capital investment grants.

Further, the DDF being currently implemented is a simple performance-based grant allocation system subject to achievement of minimum conditions of performance in management of the previous year's DDF. It is now time to expand this system into a fully-fledged performance-based grant system (PBGS) which not only include basis Minimum Conditions (MCs) in terms of management of the DDF, but it will take into account a whole range of other administrative performance indicators which is directly linked to the mandate and responsibilities of the district administrations. An extension of this system, which has proved successful in other countries, ideally links 1) the capital-development grant scheme; 2) the performance-incentive system (including the assessment system and process); and 3) the capacity-building support (demand- and/or supply-driven), which provides for a mutually reinforcing triangle which is facilitated by robust institutional arrangements and supported by an effective coordination of the entire system by the central government in close consultation with the local governments and other stakeholders. The allocation formula will include a performance-based element (in addition to regular MCs), so that Districts that demonstrate greater capacity will receive higher allocations which will incentivize Districts to improve their performance. In parallel, lower performing district will be able to access a capacity development grant for support to increase their capacities and come up to par with better performing districts.

#### **Performance-Based Grant Systems (PBGSs) objectives**

- Promote strong incentives for LGs (as corporate bodies) to improve in key performance areas and adhere to standards by linking the access to and size of the release of grants with their performance in pre-determined areas;
- Provide more funds for local priorities and ensure that spending is where there is a clear absorption capacity – basic safeguard against misuse of funds;
- Supplement capacity development (CD) needs assessment and M&E systems;
- Strengthen the CD efforts – new approach towards demand-driven CD;
- Improve management and organisational learning;
- Improve accountability (up/down), participation and citizens' access to information, and - governance;
- Strong tool to bring funds on-budget and streamline/harmonize and align donor support.

To facilitate informed local planning processes the availability of information will be very important. The establishment of a district Management Information System (MIS) which collects village data and is able to monitor and measure the effectiveness of overall service delivery of the District is proposed to be established in pilot areas. Experience which one can draw upon is the Service Delivery Information System (SDIS) tested in Luang Prabang and in agricultural extension delivery project in Xieng Khouang. The new Joint Programme will thus aim to consolidate this experience and work towards developing a new integrated tool that can be applied in a practical manner to strengthen equity focused planning and delivery.

The indicative activities that GPAR SCSD will undertake in order to deliver Output 3 are as follows:

- Support the implementation of a Performance Based Grant system and a Capacity Development Grant;
- Capacity development in target districts to prepare medium-term strategic plans and expenditure framework to deliver local services based on available revenue with a focus on MDG established targets;
- Support to annual PBGS evaluations and Capacity Development Grant need assessments;

- Establish an analysis, tracking and monitoring progress on service improvement in target districts including village data collection;
- Support and implement IEC related initiatives with particular focus on outreach;
- Support and strengthen national and local capacities on gender mainstreaming in Government policies and strategies.

#### **Output 4: Improved Access to Citizen Services through One Door Service Centres**

The government has identified a need to streamline the delivery of administrative services (Statement of the President, 26<sup>th</sup> January 2011). Progress has been made through the piloting of One Door Services under GPAR, as reflected in the lessons learned about Improving Access to Citizen Services. A well-functioning ODS remains conditional upon the local leadership's commitment to its promotion and upon the willingness, within the administration, to improve inter-ministerial and inter-agency coordination and collaboration and to modify the internal working processes of relevant public administration units. The policies and regulations developed and monitored at the macro-level will need to be implemented at the level of then provincial and district administrations.

There is a need for further strengthening of the ODS and for its extension to the District level for improved access by citizens to ensure that people have detailed information on procedural requirements, including the type of documents they have to submit, the processing duration, and service fees. Gradually, and starting in the urban districts, the concept will be expanded to also cover more complex inter-agency procedures, and the simplification of administrative procedures and relationships, between units at the same level and also between units at different administrative levels. Among the sectors that will receive particular attention over the next programme cycle are land administration, legal identity and business registration, which all have a direct impact on poverty and livelihoods. There is also a need to continue and scale up the GPAR initiatives to improve the access of citizens to information about their local administration and services.

It is envisaged the proposed programme will support the scaling up of the ODS to achieve a coverage of 50% of all districts in the country through 70 ODS centres. While the MoHA is further developing this model to expand the range of services provided and improve the efficiency of procedures and structures, the expansion of the network will ensure that there is a large platform covering the basic services in place and serving the people in the interim. At a later stage, when the new mechanisms for further improvement of service delivery are finalized, the National GPAR Programme could upgrade the One Door Centres.

MOHA will ensure lessons from the existing experience and detailed evaluations are incorporated into the further planning and development of the initiative. In particular, it will aim to reduce the level of ambiguity and variation in the standard package of services available whilst expanding the range of services offered at each centre. It will also examine new options for streamlining business processes and the policy on fees and revenue that are generated through service delivery with some provision to incentivise performance through modalities to retain a proportion of revenue generated.

The indicative activities that GPAR SCSD will undertake in order to deliver Output 4 are as follows:

- Identify new locations and establish new ODS;
- Public dissemination of information on role and services of ODS;
- Periodic assessment of ODS efficiency and overall performance;
- Review of services provided in the ODS module.



**Output 5:      The GPAR Capacity Development and Modernisation Fund (CADEM) supports strategic innovations in public administration reform**

The GPAR fund has been a very successful initiative within GPAR SBSB providing small grants for innovative initiatives that build capacity, strengthen management or improve service delivery in public administration. It has shown that it is possible to have wide impacts across a range of initiatives in a short space of time. Since the activities involve previously approved methodologies and processes they can be implemented with limited technical inputs. This initiative has generated widespread interest in the public administration system evidenced by over 200 applications for each funding call. The fund has enabled a wide range of offices from central ministries to sub-national offices to innovate or replicate a variety of good practices on civil service management and improved service delivery. The output will continue to use and develop simple management tools and procedures to minimize the work of fund management whilst maintaining the integrity of fund disbursement and use by grantees.

The process will involve for calling for applications, supporting the application process, appraising and evaluating responses, monitoring initiatives and reporting and disseminating results and lessons and encouraging the scaling up of good practices. The small grant facility will be open to any government offices at central, provincial or district level and will operate on similar lines to the current GPAR fund with some modifications to streamline the application process. Although the competitive nature of the process ensures that funding is focused on those which are well planned and likely to succeed there is scope for tighter pre-qualification criteria and a staged short listing to reduce the amount of work invested in unsuccessful applications.

The indicative activities that GPAR SCSD will undertake in order to deliver Output 5 are as follows:

- Review CADEM criteria to optimise utility and results and update EoI & evaluation criteria
- Issue Request for Proposals (RfPs)
- Provide capacity building for selected EoIs
- Evaluation of grant proposals and selection of grantees
- Manage CAPDEM grant cycles, covering fund release, utilization, and reporting results
- CAPDEM lessons learned reports and formulate scale up plans

**Output 6:      Citizen feed-back and district mechanisms for responsive and accountable service delivery**

This output builds on several good practices that were piloted under various GPAR projects, about opening space for community space for monitoring services. It seeks to integrate a set of monitoring and information tools for use by the district administration in a manner that also enables community representatives and beneficiaries to provide feedback on improvements and limitations.

A central task that would be taken up under this output is district level monitoring of activities and outputs in the various sectors, against the plans and targets established in Output 2. The information generated will feed into a larger monitoring platform that will operate across the National GPAR Programme and allow for peer reviews and learning. A second component will be district level consultations and reviews with kumban representatives and representatives of specifically selected segments, particularly women, and civil society organizations. A third important component will be a citizen report card exercise to generate feedback from communities on the quality of public services and improvements in the recent period. This exercise will pay special attention to feedback from women on service access and quality.

The indicative activities that GPAR SCSD will undertake in order to deliver Output 6 are as follows:

- District Service Delivery Monitoring
- Citizen Report Cards

## **Output 7:      Programme oversight, management, coordination and results based monitoring**

This output is designed to contribute both to the overall support to implementation of the above outputs outlined in this document and to provide support for high level programme oversight arrangement through a Leading Committee on Governance as well as management and results based monitoring by a Programme Board supported by a National Programme Secretariat. The Secretariat will also help to provide coordination across the main Programme Clusters<sup>4</sup> and Departments within MOHA. The contributions to the Programme Secretariat will allow the GPAR SBSD Joint Programme to benefit from specialized long term technical assistance and specific short term technical inputs required for effective implementation. The Programme Secretariat will also be responsible for external cooperation in MOHA and liaising with international development partners and other stakeholders. This strategy represents an efficient and cost effective way of ensuring the Programme has access to appropriate types of technical support and high level oversight.

### ***Cross Cutting Themes:***

As highlighted in the 7<sup>th</sup> NSEDP there is a great need for improved participation at the grassroots level. Additional focus on citizen engagement is therefore incorporated in this Programme as key to ensure an inclusive development process. Since many civil society activities are at the community level, and have close relationship with the MDGs, it will be a strategic step to link and strengthen cooperation at the district level. Hence, an information sharing and dialogue mechanism will need to be established at the district level, to enable better coordination between civil society activities and district administration initiatives to achieve the MDGs. This will be done through ensuring that civil society organizations are invited to local planning meetings and that there is an on-going dialogue throughout the process.

Access to information is key for proper and active citizen participation in the public sphere, and will be a key activity in this programme to ensure a closer link between the local government level and the citizens. The aim is to ensure general knowledge about government affairs, policies and decisions in a form that is not only understood by the literate but also the large number of illiterate population. This initiative will strengthen transparency and accountability of the local government and allow for broader citizen participation in government affairs.

The Programme will mainstream gender through the respective outputs, as indicated in the output descriptions, so that the gender dimension of governance reform generally and decentralized planning and budgeting remain a central focus of improved service delivery. Gender indicators will have a central place in the equity focused planning and budgeting system and will be reflected in all related policy frameworks for local administration. Models of good gender practice will be identified and disseminated for replication through the respective projects and tools for considering gender in organizational strengthening of district administration will be developed. A pre-requisite for access to block grant funds will be demonstrated evidence of addressing particular gender exclusion issues.

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<sup>4</sup> The Government's national GPAR Programme consists of eight clusters.

**Table 1: Results Framework**

### Programme Result Framework

|  |  |
|--|--|
| <b>Related UNDAF Outcomes:</b>   |  |
| <b>UNDAF Outcome 2:</b> By 2015, the poor and vulnerable benefit from the improved delivery of public services, an effective protection of their rights and greater participation in transparent decision making |  |
| <b>Joint Programme Objective:</b> Ensure increased capacity in the local administration leading to better delivery of services which improve the lives of the poor, especially in rural areas of Lao PDR         |  |
| <b>Outcome 1:</b>  | Improved policies and capacities that enable local administrations to initiate and monitor service delivery interventions against localized priorities which accelerate progress towards the MDGs  |
| Indicator1.1:  | Regulations and instructions from relevant ministries to strengthen the mandate of district administrations, related to financing and improving service delivery   |
| Target 1.1:  | Regulations and instructions from relevant ministries strengthening the mandate of all 144 district administrations across Lao PDR, on financing and improving public service delivery   |
| Indicator 1.2:   | Number of staff at district administration and kumban level representatives having necessary skills to plan and monitor local investments for public services  |
| Target 1.2:  | At least 810 staff from 66 district administrations and 378 Kumban representatives, equipped with skills to plan and monitor local investments in public services  |
| <b>Outcome 2:</b>  | Improved capacities of district administrations to finance and implement service infrastructure and delivery that lead to improved access to public services and as well as improvements in human development levels, including key indicators related to women and children                   |
| Indicator2.1:  | Increase in availability of local services for men and women in the district   |
| Target 2.1   | At least 540 MDG infrastructure and/or service delivery initiatives implemented by district administrations improve access to services for at least 40,000 households, of which 50% serve women and girl children.   |
| Indicator2.2:  | Increase in utilization of local services provided through the district administration   |
| Target 2.2   | Tangible improvements in availability and usage of health and education services contributing to 10% improvement in attendance of girl students in primary schools, 10% improvement in access to safe drinking water and 10% increase in mothers accessing maternal and child health services. |

| JP Outputs  | Participating UN organization-specific Outputs | Participating UN organizations | Participating UN organization corporate priority | Implementing Partner | Indicative activities for each Output  | Resource allocation and indicative time frame* |    |        |    | Total  |
|---|--|--------------------------------|--|----------------------|--|--|----|--------|----|--------|
|   |  |                                |  |                      |  | Y1   | Y2 | Y3     | Y4 |        |
| <b>Output 1:</b> Policies and regulatory frameworks for effective local administration at province and district level<br><b>Result 1:</b> New policies enable local administrations to implement service delivery in line with local priorities<br><b>Baselines:</b><br>- Budget Law 2006 offering more robust basis for district budgeting but not aligned with PM 01/2000<br>- Absence of performance incentives for district administrations<br><b>Indicators:</b><br>- Policies on implementation of PM 01/2000 and related directions<br>- Mechanisms that promote effective use of resources assigned for local administration and service delivery |  | UNDP/UNCDF                     |  | MoHA                 | 1.1 Support provided to clarify PM 01/2000 and to harmonization of legal and regulatory framework for LA   | 5,000  |    |        |    | 5,000  |
|   |  | UNCDF                          |  | MoHA                 | 1.2 Prepare and disseminate strategy on implementation of PM 01/2000 and related regulations   | 10,000   |    |        |    | 10,000 |
|   |  | UNDP                           |  | MoHA/MoF/MPI         | 1.3 Review and support drafting and/or update regulations/instructions on local administration   | 5,000  |    |        |    | 5,000  |
|   |  | UNDP                           |  | MoHA/MoF             | 1.4 Review block grant formula for both capital & recurrent expenditures   | 19,000   |    |        |    | 19,000 |
|   |  | UNDP                           |  | MoHA/MoF             | 1.5 Establish a system for Performance Based Grant allocation;   | 22,000   |    | 14,000 |    | 36,000 |
|   | UNDP   |                                |  | MoHA                 | 1.6 Analysis and design of institutional performance standards and measures  | 5,000  |    |        |    | 5,000  |
|   | UNDP   | UNCDF                          |  | MoHA                 | 1.7 Establish a data collection system and MIS for socio-economic data and service delivery to be used for strategic planning at district level; | 5,000  |    |        |    | 5,000  |

|  |      |       |  |      |  |         |         |         |        |         |
|--|------|-------|--|------|--|---------|---------|---------|--------|---------|
|  | UNDP |       |  | MoHA | 1.8 Prepare civil servants performance appraisal linked to district targets  | 10,000  |         |         |        | 10,000  |
|  |      |       |  |      | 1.9 Output Support   | 90,000  | 50,000  | 50,000  | 50,000 | 240,000 |
| <p><b>Output 2:</b> Improved capacity of local administration to fulfill its service delivery mandates</p> <p><b>Result 2:</b> Staff from 66 district administrations and related Kumban representatives are able to prepare plans and monitor investments in priority services related to MDGs</p> <p><b>Baselines:</b></p> <ul style="list-style-type: none"> <li>- Performance evaluation of civil servants based only on job descriptions</li> <li>- Tools and systems yet to reflect civil servant performance in relation to district targets</li> </ul> <p><b>Indicators:</b></p> <ul style="list-style-type: none"> <li>- Plans produced by district staff to meet local priorities related to MDGs</li> <li>- Performance assessment of district staff linked to district service delivery targets</li> </ul> | UNDP | UNCDF |  |      | 2.1 Development of CD strategy for each target district  | 25,000  |         |         |        | 25,000  |
|  | UNDP | UNCDF |  |      | 2.2 Build awareness and capacity in districts regarding clarified Instruction PM 01/2000   | 10,000  | 5,000   |         |        | 15,000  |
|  | UNDP | UNCDF |  |      | 2.3 Capacity development in target districts to strengthen overall responsiveness and effectiveness of the local administration in accordance with their mandate | 218,000 | 118,000 | 111,000 | 70,000 | 517,000 |
|  |      | UNDP  |  |      | 2.4 Support to districts to establish specific MDG targets and monitor achievements against these targets  | 19,000  | 10,000  | 5,000   | 5,000  | 39,000  |
|  |      | UNDP  |  |      | 2.5 Draft, implementation and training on CS performance framework in target districts   | 30,000  |         |         |        | 30,000  |
|  | UNDP |       |  |      | 2.6 Conduct civil servants performance appraisal linked to district targets and report annually on the performance of civil servants at district level           |         |         |         |        | 0       |

|  |       |       |  |  |  |         |           |           |         |           |
|--|-------|-------|--|--|--|---------|-----------|-----------|---------|-----------|
|  |       |       |  |  | 2.7 Output Support   | 83,000  | 104,000   | 104,000   | 74,000  | 365,000   |
| <p><b>Output 3: Improved MDG</b><br/>focused service delivery provided through formula based and equity focused block grants to the districts</p> <p><b>Result 3:</b> At least 540 infrastructure &amp; service delivery interventions improve access to services for 40,000 households (50% serve women &amp; girl children)</p> <p><b>Baselines:</b></p> <ul style="list-style-type: none"> <li>- Block grants established in 35 districts for capital expenditure</li> <li>- Block grants piloted in 2 districts for operational expenditure</li> </ul> <p><b>Indicators:</b></p> <ul style="list-style-type: none"> <li>- No. of districts with capacity in planning, management &amp; finance functions</li> <li>- No. of Districts receiving formula based grants</li> <li>- No. of Infrastructure and service interventions implemented by districts</li> </ul> | UNCDF | UNDP  |  |  | 3.1 Support the implementation of a Performance Based Grant system and a Capacity Development Grant  | 875,000 | 1,775,000 | 2,198,000 | 0       | 4,848,000 |
|  | UNCDF | UNDP  |  |  | 3.2 Capacity development in target districts to prepare medium-term strategic plans and expenditure framework to deliver local services based on available revenue with a focus on MDG established targets | 107,000 | 107,000   | 107,000   | 106,000 | 427,000   |
|  | UNCDF | UNDP  |  |  | 3.3 Support to annual PBGS evaluations and Capacity Development Grant need assessments   | 6,000   | 8,000     | 8,000     | 8,000   | 30,000    |
|  | UNCDF | UNDP  |  |  | 3.4 Analysis, tracking and monitoring progress on service improvement in target district   | 349,250 | 231,650   | 169,450   | 169,450 | 919,800   |
|  | UNDP  | UNCDF |  |  | 3.5 Support and implement IEC related initiatives with particular focus on outreach  | 10,000  | 10,000    | 10,000    | 10,000  | 40,000    |
|  |       |       |  |  | 3.6 Output Support   | 121,500 | 121,500   | 121,500   | 121,500 | 486,000   |

|  |      |  |  |  |  |         |         |        |        |         |
|--|------|--|--|--|--|---------|---------|--------|--------|---------|
| - Households benefiting from improved access to MDG services   |      |  |  |  |  |         |         |        |        |         |
| <u>Output 4: Improving Access to Citizen Services through One Door Service</u>   | UNDP |  |  |  | 4.1 Identify new locations and establish new ODS   | 290,000 | 270,000 |        |        | 560,000 |
| <u>Outcome 4: 70 One Door Service Centres providing 50% faster and more convenient services and information to citizens, leading to 25% increase in revenue collection</u> | UNDP |  |  |  | 4.2 Public dissemination of information on role and services of ODS                            | 1 5,000 |         |        |        | 15,000  |
| <u>Baselines:</u>  | UNDP |  |  |  | 4.3 Periodic assessment of ODS efficiency and overall performance                              | 26,000  | 16,000  | 32,000 | 16,000 | 90,000  |
| - 16 One Door Service Centres operational  |      |  |  |  | 4.4 Output support   |         |         |        |        |         |
| - Pilot Provincial Governance Info. Centre successfully tested   |      |  |  |  |  |         |         |        |        |         |
| - PM's instruction on establishing One Door Service Centres  |      |  |  |  |  | 37,500  | 37,500  | 37,500 | 37,500 | 150,000 |
| <u>Indicators:</u>   |      |  |  |  |  |         |         |        |        |         |
| - Citizen satisfaction with ODS services   |      |  |  |  |  |         |         |        |        |         |
| - Increase in speed of services  |      |  |  |  |  |         |         |        |        |         |
| - Increase in revenue collection   |      |  |  |  |  |         |         |        |        |         |
| <u>Output 5: GPAR Capacity Development and Modernisation Fund (CADEM) supports strategic innovations in Public Administration reforms</u>                                  |      |  |  |  | 5.1 Review CADEM criteria to optimise utility and results and update EoI & evaluation criteria | 2,500   |         |        |        | 2,500   |
|  |      |  |  |  | 5.2 Issue Request for Proposals (RfPs)   | 2,500   | 2,500   | 2,500  | 2,500  | 10,000  |



|   |  |  |  |   |         |         |         |         |                |
|---|--|--|--|---|---------|---------|---------|---------|----------------|
| <p><b>Result 5:</b> 50 demand driven capacity development initiatives to improve service delivery implemented by government offices, of which at least 50% are at the subnational level.</p> <p><b>Baselines:</b></p> <ul style="list-style-type: none"> <li>- GPAR Fund piloted with 32 projects</li> <li>- Multi-agency working group manages GPAR Fund</li> <li>- Capacity developed and good practices replicated in 32 offices</li> </ul> <p><b>Indicators:</b></p> <ul style="list-style-type: none"> <li>- Small grant fund to support capacity development in governance</li> <li>- Multi-agency partnership to manage small grant programme</li> <li>- Number of offices served by small grants programme</li> </ul> <p><b>Output 6:</b> Citizen Feedback and district mechanisms for responsive and accountable service delivery</p> <p><b>Result 6:</b> Feedback from citizens and service providers in 70 districts shows improved access to services and informs</p> |  |  |  | 5.3 Provide capacity building for selected Eols   | 7,500   | 7,500   | 7,500   | 7,500   | <b>30,000</b>  |
|   |  |  |  | 5.4 Evaluation of grant proposals and selection of grantees                               | 2,500   | 2,500   | 2,500   | 2,500   | <b>10,000</b>  |
|   |  |  |  | 5.5 Manage CAPDEM grant cycles, covering fund release, utilization, and reporting results | 157,500 | 157,500 | 157,500 | 157,500 | <b>630,000</b> |
|   |  |  |  | 5.6 CAPDEM lessons learned reports and formulate scale up plans                           | 0       | 7,500   | 0       | 10,000  | <b>17,500</b>  |
|   |  |  |  | 5.7 Output Support  | 30,000  | 40,000  | 40,000  | 40,000  | <b>150,000</b> |
|   |  |  |  | 6.1 District Service Delivery Monitoring  | 87,500  | 87,500  | 87,500  | 87,500  | <b>350,000</b> |
|   |  |  |  | 6.2 Citizen Report Cards  | 87,500  | 87,500  | 87,500  | 87,500  | <b>350,000</b> |
|   |  |  |  | 6.3 Output Support  | 30,000  | 40,000  | 40,000  | 40,000  | <b>150,000</b> |

|   |            |  |  |  |                              |         |         |         |         |                  |
|---|------------|--|--|--|------------------------------|---------|---------|---------|---------|------------------|
| service delivery strategies<br><u>Baselines:</u> <ul style="list-style-type: none"> <li>- Pilot Citizen Report Card complete in three provinces</li> <li>- Service Delivery Monitoring system piloted</li> </ul> <u>Indicators:</u> <ul style="list-style-type: none"> <li>- Districts and provinces covered by Citizen Report Card</li> <li>- Districts and provinces covered by Service Delivery Monitoring System</li> </ul> |            |  |  |  |                              |         |         |         |         |                  |
| <u>Output 7:</u> Programme support (oversight, management, coordination and results based monitoring)   |            |  |  |  | 7.1 Output support (General) | 381,750 | 393,750 | 582,750 | 618,750 | <b>1,977,000</b> |
| <u>Result 7:</u> Well functioning and effectively coordinated Programme   | UNDP/UNCDF |  |  |  |                              |         |         |         |         |                  |
| <u>Baselines:</u>   | UNCDF      |  |  |  |                              |         |         |         |         |                  |
| <u>Indicators:</u>  | UNDP       |  |  |  |                              |         |         |         |         |                  |
| - Successful GPAR projects since 1994   | UNDP       |  |  |  |                              |         |         |         |         |                  |
| - PACSA/MoHA experience in managing multi-stakeholder project   | UNDP/UNCDF |  |  |  |                              |         |         |         |         |                  |
| <u>Indicators:</u>  | UNDP/UNCDF |  |  |  |                              |         |         |         |         |                  |
| - Implementation of activities in line with work plans and budgets  |            |  |  |  |                              |         |         |         |         |                  |

|   |  |  |  |  |  |                  |                  |                  |                  |                   |
|---|--|--|--|--|--|------------------|------------------|------------------|------------------|-------------------|
| <ul style="list-style-type: none"> <li>- Reporting to Programme Board and external stakeholders</li> <li>- Participation of key stakeholders in oversight mechanisms</li> </ul> |  |  |  |  |  |                  |                  |                  |                  |                   |
| <b>Total cost</b>   |  |  |  |  |  | <b>3,182,500</b> | <b>3,689,900</b> | <b>3,975,200</b> | <b>1,721,200</b> | <b>12,568,800</b> |

## 5. Management and Coordination Arrangements

The GPAR SCSD Joint Programme will be executed through National Implementation (NIM), which is the principal implementation modality under the 2011-2015 Country Programme Action Plan (CPAP) in Lao PDR.

The management and accountability structure for the Joint Programme will be aligned to the management arrangements that will be established by MOHA for the overall National GPAR Programme. These arrangements will comprise, a National GPAR Programme Board, headed by the Vice Minister of MOHA, which will be responsible for the overall National GPAR Programme along with all its respective components. The Programme Board will, in turn, report to a high level Leading Committee on Governance which will be responsible for reviewing progress of the national Governance Strategy.

The Programme Board will be supported by a Programme Secretariat headed by a Director General of MOHA. The Secretariat will be responsible for all coordination, management and reporting of outputs from the respective clusters. The Secretariat will also coordinate the provision of Technical Assistance inputs to the respective clusters in line with work plans and budgets approved by the Programme Board. Each cluster will be headed by a Deputy Director of MOHA and responsible for all day to day management of cluster outputs, activities and related budgets. The higher level management arrangements are as following:

**Leading Committee on Governance:** Leadership for implementing the GPAR national programme will rest with the government. The mechanism commonly used by the government of Lao to exert national leadership over important programmes is to establish a Leading Committee, composed of relevant ministries and high level bodies. The overall political direction, coordination and monitoring of the programme will be at the level of the new Leading Committee on Governance Reform in Lao PDR, which will oversee the implementation of the Strategic Plan on Governance, including activities to be undertaken under the national GPAR programme and this project as a subset thereof. The Leading Committee will be co-chaired by the Deputy Prime Minister and the Deputy Speaker of the National Assembly and will include among its members all the key ministries and ministry-equivalent agencies, as well as mass organizations that have a key role to play in the implementation of the governance strategy. The Leading Committee will meet at least twice a year. The MoHA will operate as the secretariat to this Leading Committee.

**National GPAR Programme Board:** The GPAR SCSD Joint Programme will be institutionally housed in the MoHA and will be directly accountable to the National GPAR Programme Board under the guidance of the Vice-Minister who will be the Executive of the National Programme Board. The Programme Board will meet four times per year to discuss GPAR progress and endorse programme orientations. It will be responsible for providing oversight to the implementation of all GPAR projects including the GPAR SCSD Programme. The Programme Board will be responsible for preparing and endorsing the quarterly work plans, quarterly progress reports, annual work plans and annual progress reports. It will supervise the overall programme implementation and management. It will meet on a quarterly basis. The Programme Board will consist of:

- Vice-Minister of MoHA (Chair)
- Ministry of Finance (MoF)
- Ministry of Planning and Investments (MPI)
- Ministry of Natural Resources and Environment (MoNRE)
- One representative in rotation, from Office of Governor of pilot provinces
- UNDP
- UNCDF
- Participating development partners (SDC, ROK, etc.)

**Programme Management Group (PMG):** The Programme Management Group will comprise the MOHA Heads of Department (DGs) with responsibility over the various project clusters under the National Programme, and will be responsible for coordination of activities involving multiple clusters. The Provincial Sub-Projects will be represented in the PMG by the Chief of Cabinet of the particular provinces, and will attend the PMG meetings. This group will:

- Plan the activities of the programme in line with the frameworks for the National GPAR Programme as a whole, as well as the scope and specific targets for the particular clusters
- Review programme risks identified by clusters, discuss new risks with the Programme Board, and propose possible actions if required; and
- Review progress of events in the Programme Plan, and approve changes

The Programme Management Group (PMG) will be supported by the National GPAR Programme Secretariat

**National GPAR Programme Secretariat:** The National GPAR Programme Board and the MoHA Programme Management Group (PMG) will be supported by the National GPAR Programme Secretariat, which will carry out the following tasks for the National GPAR Programme:

- Coordinate with clusters/projects to ensure that activities meet National GPAR Programme targets
- Compile information on risks from clusters and propose steps to the PMG
- Monitor events in the Programme Monitoring Plan, and update plans periodically
- Mobilize goods and services to initiate activities, including TORs and work specifications;
- Manage requests for financial resources, using advance of funds and direct payments;
- Monitor financial resources and accounting ensuring accuracy and reliability of reports;
- Preparing and submitting financial reports on a quarterly basis;
- Prepare the Programme Progress Report for the Programme Board;
- Prepare the Annual Review Report, and submit to the Programme Board;
- Prepare the AWP for the following year, as well as Quarterly Plans if required;
- Recruitment of staff and procurement of equipment and materials
- Coordinate the pool of national and international TA to support the Programme
- Documentation and knowledge management
- Shared facilities such as internet access, accounting team, etc.
- Support to Programme communication, knowledge management and partner outreach

The members of the National GPAR Programme Secretariat will consist of the following members:

- Head of National Programme Secretariat (MOHA Director General) - also National Programme Manager
- Assistant to National Programme Manager (MOHA Staff)
- National GPAR Programme Cluster Managers (MOHA Deputy Director General) – ex officio members
- Lead Governance Advisor (International) (NGPS & SCSD supported position)
- Local Governance Advisor (International) (SCSD supported position)
- Governance Sector Support Coordinator (NGPS supported position)
- Local Governance Support Coordinator (NGPS supported position)
- Organization Development Support Coordinator (Gov. Policy and OD supported position)
- Capacity Development Support Coordinator (PPTP supported position)
- Civil Service Management Support Coordinator (CSMP supported position)
- Local Planning and Budgeting Coordinator (NGPS supported position)
- Local Finance and Procurement Coordinator (NGPS supported position)
- Monitoring and Coordination Coordinator (SCSD supported position)
- Communication Coordinator (Gov. Policy and OD supported position)
- Information Technology Services Coordinator (NGPS supported position)
- Programme Finance Support Coordinator (NGPS supported position)

- Programme Accountant (Gov. Policy and OD supported position)
- Programme Administration Assistant (NGPS supported position)
- Programme Secretary (NGPS supported position)
- Drivers (2) (1 SCSD supported position)
- Cleaner (NGPS supported position)

The responsibility for the delivery of this Joint Programme is with the Executive of National GPAR Programme Board, and assisted for matters related to the UNDP-UNCDF Joint Programme activities by a Programme Manager designated by the Programme Board, who will be usually be the Head of the Programme Secretariat. Operational responsibility for specific outputs will be assigned to the specific divisions of the MoHA or equivalent office at the provincial and district level, and the person in charge designated the Output Coordinator. The activities related to these outputs will be part of the annual work plans of the particular offices. Administrative responsibility for planning, budgeting, preparing quarterly funding plans, tracking of activities and outputs, settlement of resources utilized, and reporting, will rest with relevant Deputy Director Generals, who will be Cluster Managers responsible for more than one output, from the GPAR SCSD Programme as well as other projects of the National GPAR Programme. The Cluster Managers will report vertically to their Director Generals for technical purposes, and for programme administration matters to the Programme Secretariat.

The operational responsibility of Output 1, 2 and 6 will be with the Cluster Coordinator from the Department of Local Administration. The operational responsibility of Output 4 will be with the Cluster Coordinator from the Department of Public Administration Development. The operational responsibility for the delivery of Output 3 will lie with the selected Provincial Governments, and coordinated by the Head of the Department of Local Administration. The Director General (DG) of the Department of Home Affairs of the particular province will be the responsible party at the Provincial level while the Deputy Head of District Administration responsible for Home Affairs will be the District focal point. District/ Provincial GPAR coordinators will be provided by the Joint Programme to assist and backstop at the sub-national level as required. And finally, the operational responsibility of Output 5 and 7 will be with the Cluster Coordinator from the Department of Planning & Cooperation.

The core team for these outputs will consist of two international technical advisers and national technical staff namely Local Planning and Budgeting Coordinator, Local Finance and Procurement Coordinator, Monitoring and Coordination Coordinator, Local Governance Support Coordinator and Governance Sector Support Coordinator, and draw support from the fully-fledged multidisciplinary competencies and administrative services managed by the Secretariat. Short term specialist assistance will be sourced as per requirements. The team will benefit from technical backstopping by UNCDF regional technical advisers and technical consultants as needed, as well as programme support from UNDP/UNCDF in the form of a National Programme Officer (NPO) and National Programme Assistant (NPA).

**SCSD Joint Programme Steering Committee:** For purposes on managing the specific legal requirements of the UN Joint Programme a Steering Committee (SC) will be established to formally specify the agreements regarding allocation of donor resources among participating UN organizations. The SC will be called initially after signature of the Joint Programme and thereafter whenever it is required and will make fund allocation decisions on funds received, taking into account needs, priorities and absorptive capacities

However, overall monitoring and oversight will be carried out by the NGPAR Programme Board and covers the following functions:

- Provide overall guidance and direction to the Joint Programme, including guidance on the implementation of the JP.

- Review and approve JP budgets and annual work plans, and approve substantive programme and budget revisions.
- Advise on resource mobilisation strategy for the JP.
- Review Programme performance against the intended results, i.e. outcome, sub-outcome and outputs.
- Initiate reviews of the JP and in particular on the management arrangements, and advise on follow-up actions related to review and evaluation findings/recommendations, including audit.
- Approve JP progress reports submitted by the JP Lead Agency.

**Project Coordination:** The close coordination and support that this large Joint Programme requires will be provided through quarterly coordination meetings which will take place before the Programme Board meetings as required. The Programme Coordination meetings will be attended by nominated managers for the 7 outputs, the Programme Officers from UNDP and UNCDF, as well contributing donors. Representatives from provinces, in rotation, will participate in these coordination meetings. The representatives of district projects will meet at the provincial office of the Governor, twice a year, to ensure coordination and oversight.

**Project Assurance:** Delegated by the Programme Board, the Project Assurance role will be ensured by the Governance Unit of the UNDP Country Office and the UNCDF Asia-Pacific Regional team. Project assurance will ensure that the project management delivers planned outputs as per the annual work plan on the basis of the monthly, quarterly and annual progress reports.

**Donor Partners:** The new national GPAR programme is designed so as both to accommodate a range of development partners across a variety of support areas and to also offer flexibility to scale up the size and timing of implementation in line with the availability of existing and new funding. Thus, the new programme can accommodate existing development partners who may wish to increase their financial support in more areas and to facilitate new development partners to participate in selected areas of their interest.

**Programme Communication:** For all of its knowledge management and promotional materials, the GPAR SCSD Programme will include Government, UNDP and UNCDF logos, in compliance with relevant national and corporate standards and requirements. All programme-related publications (documents, brochures, press releases, websites, newsletters, results-reporting, banners etc.) and events (press conferences, programme seminars, public events and visits) will bear the names of all partners (with the appropriate logo of the organization). UNDP and UNCDF, in consultation with the Ministry of Home Affairs, shall take appropriate measures to publicize the joint programme and give due credit to the participating UN organizations. Information given to the press, to the beneficiaries of the joint programme, all related publicity material, official notices, reports and publications, shall acknowledge the role of the Government of Lao PDR, UNDP, UNCDF and any other relevant parties. In particular, the Administrative Agent will include and ensure due recognition of the role of Government of Lao PDR, UNDP and UNCDF in all external communications relating to the joint programme.

**Resource Mobilization:** Resource mobilization will be an integral part of the GPAR SCSD Programme's on-going work, and will be led by the Government with close support of the UNDP and UNCDF. The preparatory efforts involved dialogue with long term partners, who have supported the GPAR Programme over several phases such as Swiss Agency for Development Cooperation, the Grand Duchy of Luxembourg and the European Union as well as new partners such as the Asian Development Bank, Republic of Korea, Global Environment Fund and AusAID. The GPAR SCSD Joint Programme is being initiated with an unfunded budget of US\$ 2,166,800, which needs to be addressed through efforts of the Programme and partners. The GPAR SCSD Joint Programme will devote

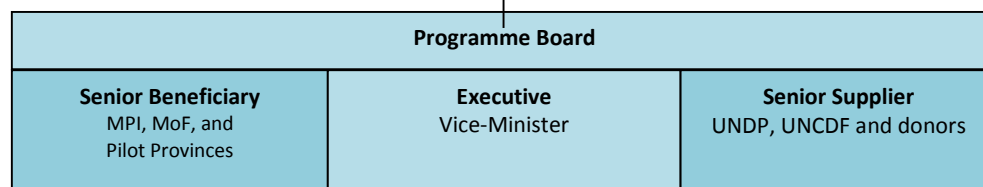


specific attention during its regular planning exercise to ensure relevant activities that will help effectively mobilize required support from strategic partners and donors. The modular nature of the GPAR SCSD Joint Programme allows for scaling up the number of districts covered and range of support provided in line with the extent of additional resources mobilized.

**Partnerships:** The programme will rely on partnerships and cooperation of a wide range of international and national stakeholders to maximize the programme impacts and to ensure that its interventions are harmonized with and complement the efforts of other partners. The GPAR SCSD Joint Programme draws on the well established partnership from the previous phase with the Ministry of Planning & Investment and the Ministry of Finance at the national level on policy initiatives, with provincial administrations in Luang Prabang, Saravane, Xiengkhouang, Sekong, Hoauphan and Oudomxay as well as the 35 districts across these provinces on local governance and development. The new Programme brings in a new partnership with the Ministry of Natural Resources and Environment, to roll out GEF linked tasks. Within the UN system, the Joint Programme partners, UNDP and UNCDF, are in close dialogue with UNICEF on technical and operational cooperation to up-scale service delivery interventions. The GPAR SCSD Programme complements the other projects and programmes of its current development partners, in the areas of improving service delivery, capacity development and good governance. These partnerships are key to ensuring wider policy support, convergence and coherence during implementation and harmonization required by the Vientiane Declaration on Aid Effectiveness.

## Management Arrangements Overall N-GPAR Programme

### National Leading Board on Governance



\*Major supporting Donors to be added

**Programme Management Group**  
(Director Generals of relevant MoHA Depts)

**Audit Function**

**Programme Assurance**

**National GPAR Programme Secretariat Support Project**

**National GPAR Programme Secretariat**

**National Programme Manager (Head) Secretariat Unit**

Technical Advisors + Short Term Advisors  
Coordinators  
Finance Officer  
Accountants  
Admin assistants  
Drivers

**DPAD**

**DOLA**

**CSM**

**PARITC**

**Strengthen Capacity & Service Delivery Programme**

**Central Legal Frameworks Cluster**

**Central Org. Development Cluster**

**Civil Society Management Cluster**

**Local Org. Development Cluster**

**Local Capacity & Service Delivery Cluster**

**Civil Service Management Cluster**

**Civil Service Training Centre Cluster**

## 6. Fund Management Arrangements

The Joint Programme financing arrangements will be the Parallel funding modality for UNDP and UNCDF Core resources and for Government contributions, while the Pass-Through modality will apply to relevant parts of the Third Party contributions to the programme.

For the pass-through portion, the Participating UN Organizations have selected UNDP (through the Multi-Partner Trust Fund Office) to act as Administrative Agent (AA) for the Joint Programme. The Administrative Agent will enter into a Memorandum of Understanding (MoU) with the Participating UN Organizations based on the portfolio of activities that have been mutually agreed in line with the common workplan, and a Standard Administrative Agreement (SAA) with each donor that will set out the terms and conditions governing the receipt and disbursement of funds.

The Administrative Agent will:

- Establish a separate ledger account under its financial regulations and rules for the receipt and administration of the funds received from the donor(s) pursuant the Administrative Arrangement. This Joint Programme Account will be administered by the Administrative Agent in accordance with the regulations, rules, directives and procedures applicable to it, including those relating to interest;
- Make disbursements to Participating UN Organizations from the Joint Programme Account based on instructions from the Steering Committee, in line with the budget set forth in the Joint Programme Document.

The Participating UN Organizations will:

- Assume full programmatic and financial responsibility and accountability for the funds disbursed by the AA.
- Establish a separate ledger account for the receipt and administration of the funds disbursed to it by the Administrative Agent.

Each UN organization is entitled to deduct their indirect costs on contributions received according to their own regulation and rules, taking into account the size and complexity of the programme. Each UN organization will deduct 7% as overhead costs of the total allocation received for the agency.

The Administrative Agent is entitled to receive 1% of the amount contributed by donors, for the costs of performing the functions described above. The rate will be stipulated in both the MoU and the SAA.

For the thirds party funds not passed through to UNCDF, UNDP will charge it regular GMS fee of 7% as per standard cost sharing agreement.

UNCDF will negotiate a separate MoU with government that governs the use of the fiscal facility that ensures fiduciary accountability whilst enabling the funds to be integrated within the government public financial management framework.

With regard to financial management, all UNDP and UNCDF-funded expenditures will be managed and audited in accordance with standard UNDP and UNCDF procedures.

Any grants made to districts and Municipalities (within the framework of GPAR SCSD) will be an integral part of the budget of GoL, and will be classified as “grants” in the budget nomenclature. Expenditures from these grants will be undertaken within the framework of government procedures for procurement and financial management and audited as per Government audit regulations.

***Transfer of cash to national Implementing Partners:***

For regular non-grant budget standard NIM regulations will be applicable in terms of establishing a project account and quarterly advances using the FACE form for reporting. For grant transfers a detailed MoU will be established between MoHA and relevant agencies to facilitate smooth fund flow of agreed grant allocations.

## **7. Monitoring, Evaluation and Reporting**

**Monitoring:** Regular monitoring of the Programme will be conducted through the framework of a Programme Monitoring Framework (PMF). The National GPAR Programme Secretariat, headed by the Proprogramme Manager, will play a key role in the monitoring function. All stakeholders will be encouraged to be involved in this process. GPAR's M&E framework will provide information on progress against assigned outputs and activities.

**Table 2: Joint Programme Monitoring Framework (JPMF)**

| Expected Results (Outcomes & outputs)  | Indicators (with baselines & indicative timeframe)  | Means of verification  | Collection methods (with indicative time frame & frequency)   | Responsibilities  | Risks & assumptions   |
|--|---|--|---|---|---|
| <b>Output 1:</b><br>Policies and regulatory frameworks for effective local administration at province and district level | <b>Indicators:</b> <ul style="list-style-type: none"> <li>- Policies on implementation of PM 01/2000 and related directions (greater discretionary powers assigned by 2015)</li> <li>- Mechanisms that promote effective use of resources assigned for local administration and service delivery (PBGS is established and operational by 2013)</li> </ul> <b>Baselines:</b> <ul style="list-style-type: none"> <li>- Budget Law 2006 offering more robust basis for district budgeting but not aligned with PM 01/2000</li> <li>- Absence of performance incentives for district administrations</li> </ul> | <ul style="list-style-type: none"> <li>- New policy or policy clarification or new subsidiary regulations by GoL published in the Official Gazette</li> <li>- PBGS approved and pilot tested in selected districts</li> </ul>            | <ul style="list-style-type: none"> <li>- Review of official Government "Gazette" (Annually, in December during Joint Annual Technical Review - JATR)</li> <li>- Review of project progress reports (JATR/ annual)</li> </ul>                              | MoHA, MoF with TA support from the project                            | <ul style="list-style-type: none"> <li>- Policy discussions and political will to clarify PM 01/2000 is stalled or policy is changed</li> <li>- PBGS not approved and/or applied in a manner which ensures overall incentive structure</li> <li>- Planned capacity development fund not operational as a result of lack of funding</li> </ul> |
| <b>Output 2</b><br>Improved capacity of local administration to fulfil its service delivery mandates                     | <b>Indicators:</b> <ul style="list-style-type: none"> <li>- Plans produced by district staff to meet local priorities related to MDGs</li> <li>- Performance assessment of district staff linked to district service delivery targets</li> </ul> <b>Baselines:</b> <ul style="list-style-type: none"> <li>- Annual performance evaluation of civil servants at district level is based on job descriptions</li> <li>- Tools and systems to reflect performance in relation to district targets not yet in place</li> </ul>  | <ul style="list-style-type: none"> <li>- Data on improvements in performance of civil servants</li> <li>- Data on actual implementation of district activities;</li> <li>- Annual performance evaluations completed each year</li> </ul> | <ul style="list-style-type: none"> <li>- Annual performance evaluation</li> <li>- Annual reviews of District annual plans and district reports on actual implementation of plans and budgets (reports from provincial oversight teams/ annual)</li> </ul> | MoHA, Provinces, Districts with technical support from the project    | <ul style="list-style-type: none"> <li>- Framework for performance assessment not approved</li> <li>- Annual performance assessment not conducted</li> <li>- Results from annual assessment not taken seriously</li> <li>- Annual data on implementation of plans and budget not available</li> </ul>   |
| <b>Output 3</b><br>Improved MDG focused service delivery provided through formula based and                              | <b>Indicators:</b> <ul style="list-style-type: none"> <li>- No. of districts with capacity in planning, management &amp; finance functions</li> <li>- No. of Districts receiving formula based grants</li> <li>- No. of Infrastructure and service interventions implemented by districts</li> </ul>  | <ul style="list-style-type: none"> <li>- Annual MC/PM performance evaluations/audits</li> <li>- # of provinces/Districts</li> </ul>  | <ul style="list-style-type: none"> <li>- Annual performance evaluations/audits of district performance;</li> </ul>  | Districts, Provinces and MoHA with technical support from the project | <ul style="list-style-type: none"> <li>- Limited available resources which will directly compromise the implementation of programme activities</li> </ul>   |

| Expected Results<br>(Outcomes & outputs)   | Indicators (with baselines & indicative timeframe)  | Means of verification  | Collection methods<br>(with indicative time<br>frame & frequency)  | Responsibilities                          | Risks & assumptions  |
|--|---|--|--|---|--|
| equity focused block grants to the districts   | <ul style="list-style-type: none"> <li>- Households benefiting from improved access to MDG services</li> </ul> <p><b>Baselines:</b></p> <ul style="list-style-type: none"> <li>- Lack of integrated framework planning and estimation of available revenue/resource envelope at the district level</li> <li>- Limited district capacity in PEM</li> <li>- Block grants established in 35 districts for capital expenditure</li> <li>- Block grants piloted in 2 districts for operational expenditure</li> <li>- no direct MDG related planning at the local level</li> </ul> | receiving BBG and/or OEBG through approved NP budgets<br>- Annual budgets evaluated against MDG targets and priorities   | (reports from provincial oversight teams/ annual)<br><br>- review of annual district budget envelopes approved by NP; (JATR/ annual) |   | and may undermine the credibility of the programme approach<br><br>- Plans to cover 7 of the poorest provinces may need to be postponed with direct impact on MDG progress if funds are limited; |
| <b>Output 4</b><br>Improving Access to Citizen Services through One Door Service   | <p><b>Indicators:</b></p> <ul style="list-style-type: none"> <li>- Citizen satisfaction with ODS services</li> <li>- Increase in speed of services</li> <li>- Increase in revenue collection</li> </ul> <p><b>Baselines:</b></p> <ul style="list-style-type: none"> <li>- Sixteen One Door Service Centres operational</li> <li>- Pilot Provincial Governance Information Centre successfully tested</li> <li>- PM's instruction on establishing One Door Service Centres</li> </ul>  | <ul style="list-style-type: none"> <li>- Data from citizen satisfaction feedback survey</li> <li>- ODS data base on service delivery speed &amp; completion</li> </ul>       | Customer satisfaction survey (twice during duration of SCSD)<br>Periodic surveys<br><br>Review of internal database (JATR/ annual)   | MoHA and Provinces                        | <ul style="list-style-type: none"> <li>- ODS not authorised to deliver wider range of services</li> <li>- Limited investment in ODS for continuous improvement</li> </ul>                        |
| <b>Output 5</b><br>The GPAR Capacity Development & Modernisation Fund (CADEM) supports strategic innovations in public administration reform | <p><b>Indicators:</b></p> <ul style="list-style-type: none"> <li>- Small grant fund to support capacity development in governance</li> <li>- Multi-agency partnership to manage small grant programme</li> <li>- Number of offices served by small grants programme</li> </ul> <p><b>Baselines:</b></p> <ul style="list-style-type: none"> <li>- GPAR Fund piloted with 32 projects</li> <li>- Multi-agency working group manages GPAR Fund</li> <li>- Capacity developed and good practices replicated in 32 offices</li> </ul>  | <ul style="list-style-type: none"> <li>- SCSD Programme activity reports</li> <li>- Grant management committee reports</li> <li>- SCSD Programme activity reports</li> </ul> | Review of reports (JATR/ annual)   | MoHA<br>PB<br>Secretariat<br>Fund manager | Fund fails to become operational<br><br>Fund criteria not sufficiently robust to identify winning applications<br><br>Fund fails to support innovations  |

| Expected Results<br>(Outcomes & outputs)  | Indicators (with baselines & indicative timeframe)   | Means of verification   | Collection methods<br>(with indicative time<br>frame & frequency)  | Responsibilities  | Risks & assumptions  |
|---|--|---|--|---|--|
| <b>Output 6</b><br>Citizen Feedback and district mechanisms for responsive and accountable service delivery | <b>Indicators:</b> <ul style="list-style-type: none"> <li>- Districts and provinces covered by Citizen Report Card</li> <li>- Districts and provinces covered by Service Delivery Monitoring System</li> </ul> <b>Baselines</b> <ul style="list-style-type: none"> <li>- Pilot Citizen Report Card complete in three provinces</li> <li>- Service Delivery Monitoring system piloted</li> </ul>  | <ul style="list-style-type: none"> <li>- Publications based on completed Citizen Report Cards</li> <li>- Annual service delivery monitoring reports</li> </ul>  | Review of Programme progress reports (JATR/annual)   | MoHA Secretariat  | Provinces do not cooperate to conduct the surveys<br><br>Conflict over data quality and analysis   |
| <b>Output 7</b><br>Programme oversight, management, coordination and results based monitoring               | <b>Indicators:</b> <ul style="list-style-type: none"> <li>- Programme's progress against the established target</li> <li>- Degree of integrated national oversight in the Governance Sector</li> <li>- Effectiveness of the Secretariat coordination mechanisms across the clusters</li> </ul> <b>Baselines:</b> <ul style="list-style-type: none"> <li>- Programme management structure approved and to be set up</li> <li>- Programme secretariat to be made functional</li> </ul> | <ul style="list-style-type: none"> <li>- Bi annual and quarterly progress reports to Leading Committee and PB</li> <li>- Data provided to PB meetings</li> <li>- Data on coordination of cluster activities &amp; TA inputs from Secretariat outputs and reports</li> </ul> | <ul style="list-style-type: none"> <li>- Review of annual RBM results and reports; (JATR/annual)</li> <li>- Review of PB meeting reports and minutes (JATR/annual)</li> <li>- Review of Secretariat outputs &amp; reports (JATR/annual)</li> </ul> | <ul style="list-style-type: none"> <li>- Stakeholder Ministries (MOF, MOJ MPI)</li> <li>- MoHA, -Secretariat</li> </ul> | <ul style="list-style-type: none"> <li>- Leading Committee not established;</li> <li>- Stakeholder partners reluctant to enhance coordination</li> <li>-Poor coordination across clusters</li> </ul> |

The Joint Programme M&E system will track progress against output indicators for each output defined in the Results and Resources Framework (Table 1). In addition to day-to-day monitoring by the Cluster Manager, quarterly and annual review mechanisms will be put in place to assess progress against planned activities and achievement of key results.

**Quarterly Programme Reviews:** The Programme Board Meeting will be conducted on a quarterly basis to review the extent to which progress is being made toward achievement of outputs. The fourth quarter meeting of the year will also be an opportunity to approve the Annual Work Plan (AWP) for the following year.

**Joint Annual Technical Review:** A Joint Annual Technical Review (JATR) will take place each year. The review team will include the Government, UN agencies and development partners. The JATR will examine progress against Programme objectives and make recommendations to the Programme Board to provide consistent guidance.

**Quarterly Review Reports:** Quarterly Review Reports shall be prepared by the Programme Manager and shared with the Programme Board in preparation for the Quarterly Project Review. As minimum requirement, the Quarterly Review Report shall consist of financial and physical progress of activities for the quarter under review, as well as a summary of progress towards achieving pre-defined targets at the output level.

**Mid-term Review:** The programme will be subject to a mid-term review. The JATR in the third year will provide the platform for the mid-term review which will focus on assessing programme relevance, efficiency, effectiveness, and likely sustainability of results and make recommendations in response to the findings.

**Final Review:** The programme will do a combined final review including all the cluster programmes within the umbrella of the national programme within the last year of the programme timeframe.

**Reporting for the Pass-Through portion:** Each Participating UN Organization will prepare the following reports on its contribution in accordance with its financial rules and regulations:

- Annual narrative progress reports, to be provided no later than three months (31 March) after the end of the calendar year;
- Annual financial statements and reports as of 31 December with respect to the funds disbursed to it from the Joint Programme Account, to be provided no later than four months (30 April) after the end of the calendar year;
- Final narrative reports, after the completion of the activities in the Joint Programme Document and including the final year of the activities in the Joint Programme Document, to be provided no later than four months (30 April) of the year following the financial closing of the Joint Programme. The final report will give a summary of results and achievements compared to the goals and objectives of the Joint Programme;
- Certified final financial statements and final financial reports after the completion of the activities in the Joint Programme Document and including the final year of the activities in the Joint Programme Document, to be provided no later than six months (30 June) of the year following the financial closing of the Joint Programme.

The Lead Agency (UNDP) will:

- Prepare the Consolidated Narrative Report based on the narrative progress reports received from the Participating UN organizations.

The Administrative Agent will:



- Prepare consolidated narrative and financial progress reports, based on the narrative consolidated report prepared by the Lead Agency and the financial statements/ reports submitted by each of the Participating UN Organizations;
- Provide those consolidated reports to each donor that has contributed to the Joint Programme Account, as well as the Steering Committee, in accordance with the timetable established in the Administrative Arrangement.
- Provide the donors, Steering Committee and Participating UN Organizations with:
  - ✓ Certified annual financial statement (“Source and Use of Funds” as defined by UNDG guidelines) to be provided no later than five months (31 May) after the end of the calendar year;
  - ✓ Certified final financial statement (“Source and Use of Funds”) to be provided no later than seven months (31 July) of the year following the financial closing of the Joint Programme.

## **8. Legal Context or Basis of Relationship**

This Joint Programme document shall be the instrument referred to as such in Article 1 of the SBAA between the Government of Lao and UNDP, signed on (date). Consistent with the Article III of the Standard Basic Assistance Agreement, the responsibility for the safety and security of the executing agency and its personnel and property, and of UNDP’s property in the executing agency’s custody, rests with the executing agency.

The executing agency shall:

- put in place an appropriate security plan and maintain the security plan, taking into account the security situation in the country where the Programme is being carried;
- assume all risks and liabilities related to the executing agency’s security, and the full implementation of the security plan.

UNDP reserves the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of this agreement.

The Implementing Partners agree to undertake all reasonable efforts to ensure that none of the funds received pursuant to this Joint Programme are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by Participating UN organizations do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). The list can be accessed via <http://www.un.org/Docs/sc/committees/1267/1267ListEng.htm>. This provision must be included in all sub-contracts or sub-agreements entered into under this programme document.

## 9. Work plans and budgets

| EXPECTED OUTPUTS<br>And baseline, associated indicators & annual targets   | PLANNED ACTIVITIES<br><i>List activity results and associated actions</i>   | TIME FRAME 2012 |    |    |    | RESPO-<br>NSIBLE<br>PARTY | PLANNED BUDGET  |                    |                |
|--|---|-----------------|----|----|----|---------------------------|-----------------|--------------------|----------------|
|  |   | Q1              | Q2 | Q3 | Q4 |                           | Source of Funds | Budget Description | Amount (US\$)  |
| <b>Output 1: Support to develop policies &amp; regulatory framework for more effective local administration at province and district level</b>   |   |                 |    |    |    |                           |                 |                    | <b>171,000</b> |
| <b>Result 1:</b> New policies enable local administrations to implement service delivery in line with local priorities<br><b>Baselines:</b><br>- Budget Law 2006 offering more robust basis for district budgeting but not aligned with PM 01/2000<br>- Absence of performance incentives for district administrations<br><b>Indicators:</b><br>- Policies on implementation of PM 01/2000 and related directions<br>- Mechanisms that promote effective use of resources assigned for local administration and service delivery | <b>1.1 Support provided to clarify PM 01/2000 and to harmonize legal and regulatory framework for LA</b>  |                 |    |    |    |                           |                 |                    | <b>5,000</b>   |
|  | Consultation Workshops  | X               |    |    |    | MoHA                      | UNDP SDC        | Workshop           | 5,000          |
|  | <b>1.2 Prepare and disseminate strategy on implementation of PM 01/2000 and related regulations</b>   |                 |    |    |    |                           |                 |                    | <b>10,000</b>  |
|  | Prepare strategy on implementation of PM 01/2000 updated policy and related regulations   |                 | X  |    |    | MoHA                      |                 |                    |                |
|  | Consultation Workshops  |                 | X  |    |    | MoHA                      | UNDP SDC        | Workshop           | 10,000         |
|  | <b>1.3 Review and support drafting and/or update regulations/instructions on local administration</b>   |                 |    |    |    |                           |                 |                    | <b>5,000</b>   |
|  | Consultation Workshops  |                 |    | X  |    |                           | UNDP SDC        | Workshop           | 5,000          |
|  | <b>1.4 Review block grant formula for both capital and recurrent expenditures &amp; MTEF</b>  |                 |    |    |    |                           |                 |                    | <b>19,000</b>  |
|  | Review block grant formula for recurrent & capital expenditure  | X               | X  |    |    | MoHA                      | UNCDF SDC       | Int TA             | 8,000          |
|  | Review formula  | X               | X  |    |    | MoHA                      | UNCDF SDC       | Int Travel         | 3,000          |
|  |   |                 |    |    |    | MoHA                      | UNDP SDC        | Nat TA             | 3,000          |
|  | <b>1.5 Establish a system for Performance Based Grant allocation</b>  |                 |    |    |    |                           |                 |                    | <b>22,000</b>  |
|  | Support the establishment of a PBGS and connected regulations   |                 | X  | X  |    | MoHA                      | UNCDF SDC       | Int TA             | 14,000         |
|  | Support the establishment of a capacity development fund linked to the PBGS   |                 | X  | X  |    | MoHA                      | UNDP SDC        | Nat TA             | 3,000          |
|  | Consultation Workshops  |                 | X  | X  |    | MoHA                      | UNDP SDC        | Workshop           | 5,000          |
|  | <b>1.6 Analysis and develop institutional performance standards /measures (Linked to above)</b>   |                 |    |    |    |                           |                 |                    | <b>5,000</b>   |
|  | New protocol approved and issued on achieving district service delivery targets by 2014   |                 |    | X  |    | MoHA                      | UNDP SDC        | Workshop           | 5,000          |
|  | <b>1.7 Establish a data collection system and MIS for socio-economic data and service delivery to be used for strategic planning at the district level;</b> |                 |    |    |    |                           |                 |                    | <b>5,000</b>   |
|  | Review workshop for target districts including village level data collection focal points   |                 |    | X  |    | MoHA                      | UNDP SDC        | Workshop           | 5,000          |
|  | <b>1.8 Prepare civil servants performance appraisal linked to district targets</b>  |                 |    |    |    |                           |                 |                    | <b>10,000</b>  |
|  | Prepare manual for Civil service performance framework  |                 |    | X  |    | MoHA                      | UNDP SDC        | Int TA             | 5,000          |
|  |   |                 |    |    |    | MoHA                      | UNDP SDC        | Int Travel         | 2,000          |
|  |   |                 |    |    |    | MoHA                      | UNDP SDC        | Loc TA             | 3,000          |
|  | <b>1.9 Output Support</b>   |                 |    |    |    |                           |                 |                    | <b>90,000</b>  |
|  | Long term International technical Assistance  | X               | X  | X  | X  | MoHA                      | UNCDF           | Int TA             | 30,000         |
|  | Study Tour(s) (UNDP)  |                 |    | X  |    | MoHA                      | UNDP            | Int Travel         | 30,000         |
|  | Study Tour(s) (RoK)   |                 |    |    | X  | MoHA                      | UNDP ROK        | Int Travel         | 30,000         |

| EXPECTED OUTPUTS<br>And baseline, associated indicators & annual targets   | PLANNED ACTIVITIES<br><i>List activity results and associated actions</i>  | TIME FRAME 2012  |    |    |    | RESPO-<br>NSIBLE<br>PARTY | PLANNED BUDGET  |                    |               |        |
|--|--|--|----|----|----|---------------------------|-----------------|--------------------|---------------|--------|
|  |  | Q1   | Q2 | Q3 | Q4 |                           | Source of Funds | Budget Description | Amount (US\$) |        |
| JP Output 2: Improved capacity of local administration to fulfil its service delivery mandates   |  |  |    |    |    |                           |                 |                    | 385,000       |        |
| <u>Result 2:</u> Staff from 66 district administrations and related Kumban representatives are able to prepare plans and monitor investments in priority services related to MDGs<br><u>Baselines:</u><br>- Performance evaluation of civil servants based only on job descriptions<br>- Tools and systems yet to reflect civil servant performance in relation to district targets<br><u>Indicators:</u><br>- Plans produced by district staff to meet local priorities related to MDGs<br>- Performance assessment of district staff linked to district service delivery targets | 2.1 Development of CD strategy for each target district  |  |    |    |    |                           |                 |                    | 25,000        |        |
|  | CD assessment of selected districts  |  | X  | X  |    | MoHA                      | UNDP SDC        | Int TA             | 10,000        |        |
|  | Prepare CD strategy  |  |    | X  |    | MoHA                      | UNDP SDC        | Int Travel         | 3,000         |        |
|  | Prepare CD modules   |  |    | X  |    | MoHA                      | UNDP SDC        | Nat TA             | 5,000         |        |
|  | Consultation workshop  |  | X  | X  |    | MoHA                      | UNDP SDC        | Workshop           | 5,000         |        |
|  | Translations   |  | X  | X  |    | MoHA                      | UNDP SDC        | Translator         | 2,000         |        |
|  | 2.2 Build awareness and capacity in districts regarding clarified Instruction PM 01/2000   |  |    |    |    |                           |                 |                    | 10,000        |        |
|  | Outreach information sessions  |  |    |    |    | MoHA                      |                 | Loc Travel         |               |        |
|  | Public information material  | Printing (SDC)   |    |    | X  |                           | MoHA            | UNDP SDC           | printing      | 10,000 |
|  |  | Printing (RoK)   |    |    |    |                           | MoHA            | UNDP SDC           | printing      |        |
|  |  |  |    |    |    | MoHA                      |                 | Training           |               |        |
|  | 2.3 Capacity development in target districts to strengthen overall responsiveness and effectiveness of the local administration in accordance with their mandate |  |    |    |    |                           |                 |                    | 218,000       |        |
|  | Prepare manual for strategic planning framework for medium-term expenditure & revenue framework  |  | X  | X  |    | MoHA                      | UNDP SDC        | Int TA             | 14,000        |        |
|  | Prepare manual/instruction on how to establish MDG target at the District level  |  | X  | X  |    | MoHA                      | UNDP SDC        | Int travel         | 3,000         |        |
|  |  |  |    |    |    | MoHA                      | UNDP RoK        | Loc TA             | 6,000         |        |
|  |  |  |    |    |    | MoHA                      | UNDP RoK        | Translator         | 2,000         |        |
|  | Support to districts to prepare strategic and annual plans and budgets based on availability of resources  |  |    | X  |    |                           |                 |                    |               |        |
|  |  |  |    |    |    | MoHA                      | UNDP RoK        | Training           | 20,000        |        |
|  |  |  |    |    |    | MoHA                      | UNDP GEF        | Training           | 10,000        |        |
|  | Training of participating districts  |  |    | X  | X  |                           |                 |                    |               |        |
|  |  | Step 1   |    |    |    | MoHA                      | UNDP RoK        | Training           | 40,000        |        |
|  |  | Step 2 (UNFUNDED)  |    |    |    |                           | UNFUNDED        | Training           |               |        |
|  |  | Step 2 (GEF)   |    |    |    |                           | UNDP GEF        | Training           | 33,000        |        |
|  |  | Step 2 (ROK)   |    |    |    |                           | UNDP ROK        | Training           | 25,000        |        |
|  |  | Step 3   |    |    |    |                           | UNFUNDED        | Training           |               |        |
|  |  | Training Kumban & village leaders in key tasks to support service delivery |    |    | X  | X                         |                 |                    |               |        |
|  |  | Training (GEF)   |    |    |    |                           | MoHA            | UNDP GEF           | Training      | 25,000 |
|  |  | Training (RoK)   |    |    |    |                           | MoHA            | UNDP ROK           | Training      | 40,000 |
| EXPECTED OUTPUTS   | PLANNED ACTIVITIES   | TIME FRAME 2012  |    |    |    |                           | PLANNED BUDGET  |                    |               |        |

| And baseline, associated indicators & annual targets   | List activity results and associated actions   | Q1 | Q2 | Q3 | Q4 | RESPONSIBLE PARTY | Source of Funds | Budget Description | Amount (US\$)    |
|--|--|----|----|----|----|-------------------|-----------------|--------------------|------------------|
|  | <b>2.4 Support to districts to establish specific MDG targets and monitor achievements against these</b>   |    |    |    |    |                   |                 |                    | <b>19,000</b>    |
|  | Support to districts to prepare MDG targets  |    |    | X  |    | MoHA              | UNDP SDC        | Workshop           | 5,000            |
|  |  |    |    |    |    | MoHA              | UNDP ROK        | Loc Travel         | 4,000            |
|  |  |    |    |    |    | MoHA              | UNFUNDED        | Loc training       | 10,000           |
|  | <b>2.5 Draft, implementation and training on CS performance framework in target districts</b>  |    |    |    |    |                   |                 |                    | <b>30,000</b>    |
|  | Support implementation of framework including annual assessments   |    | X  |    |    | MoHA              | UNDP ROK        | Loc training       | 30,000           |
|  | <b>2.6 Conduct civil servants performance appraisal linked to district targets and report annually on the performance of civil servants at district level</b>  |    |    |    |    |                   |                 |                    | <b>0</b>         |
|  | Annual performance appraisal of district civil servants linked to performance framework  |    |    |    | X  |                   |                 |                    | <b>0</b>         |
|  | <b>2.7 Output Support</b>  |    |    |    |    |                   |                 |                    | <b>83,000</b>    |
|  | <b>National staff</b>  |    |    |    |    |                   |                 |                    |                  |
|  | Overheads  | X  | X  | X  | X  | MoHA              | UNDP ROK        |                    | 3,000            |
|  | <b>International staff</b>   |    |    |    |    |                   |                 |                    |                  |
|  | Long Term International Technical Assistance (1)   | X  | X  | X  | X  | MoHA              | UNCDF           | Int. TA            | 30,000           |
|  | Long Term International Technical Assistance - GEF   | X  | X  | X  | X  | MoHA              | UNDP GEF        | Int. TA            | 50,000           |
| <b>JP Output 3: Improved MDG focused service delivery provided through formula base and equity focused block grants to the districts</b>   |  |    |    |    |    |                   |                 |                    | <b>1,468,750</b> |
| <b>Result 3: At least 540 infrastructure &amp; service delivery interventions improve access to services for 40,000 households (50% serve women &amp; girl children)</b><br><b>Baselines:</b><br>- Block grants established in 35 districts for capital expenditure<br>- Block grants piloted in 2 districts for operational expenditure | <b>3.1 Support implementation of a Performance Based Grant system &amp; a Capacity Development Grant</b>   |    |    |    |    |                   |                 |                    | <b>875,000</b>   |
|  | Provide Basic Block Grant (Capital) and OEBG (Current) to selected districts   |    |    |    |    |                   |                 |                    |                  |
|  | Step 1 SDC (BBG 8 Districts)   |    |    |    | X  | MoHA              | UNCDF SDC       | Block Grants       | 198,000          |
|  | Step 1 UNCDF (BBG 8 Districts)   |    |    |    | X  | MoHA              | UNCDF           | Block Grants       | 233,000          |
|  | Step 1 (OEBG 8 Districts)  |    |    |    | X  | MoHA              | UNCDF SDC       | Block Grants       | 48,000           |
|  | Step 2 BBG ( 12 Districts / cost sharing)  |    |    |    | X  | MoHA              | UNDP GEF        | Block Grants       | 108,000          |
|  | Step 2 OEBG (12 Districts / cost sharing)  |    |    |    | X  | MoHA              | UNDP GEF        | Block Grants       | 12,000           |
|  | Step 1 (OEBG - 44 Districts)   |    |    |    | X  | MoHA              | UNCDF SDC       | Block Grants       | 276,000          |
|  | Step 3 (BBG 1 Province 12 Districts)   |    |    |    |    | MoHA              | UNFUNDED        | Block Grants       |                  |
|  | Step 3 OEBG 1 Province 12 Districts)   |    |    |    |    | MoHA              | UNFUNDED        | Block Grants       |                  |
|  | <b>3.2 Capacity development in target districts to prepare medium-term strategic plans and expenditure framework to deliver local services based on available revenue &amp; focus on MDG established targets</b> |    |    |    |    |                   |                 |                    | <b>107,000</b>   |
|  | Training & backstopping districts on DDF (additional to 2.3 Above)   |    |    | X  | X  |                   | GOVT            | Loc travel         | 107,000          |
|  | <b>3.3 Support to annual PBGS evaluations and Capacity Development Grant need assessments</b>  |    |    |    |    |                   |                 |                    | <b>6,000</b>     |
|  | Support annual PBGS evaluations and report preparations(audit)   |    |    |    | X  | MoHA              | GOVT.           | Loc Travel         | 6,000            |

| EXPECTED OUTPUTS | PLANNED ACTIVITIES | TIME FRAME 2012 |  | PLANNED BUDGET |
|------------------|--------------------|-----------------|--|----------------|
|------------------|--------------------|-----------------|--|----------------|

| And baseline, associated indicators & annual targets                         | List activity results and associated actions  | Q1 | Q2 | Q3 | Q4 | RESPONSIBLE PARTY | Source of Funds | Budget Description | Amount (US\$)  |
|--|---|----|----|----|----|-------------------|-----------------|--------------------|----------------|
| Indicators:  | <b>3.4 Analysis, tracking and monitoring progress on service improvement in target district</b> |    |    |    |    |                   |                 |                    | <b>349,250</b> |
| - No. of districts with capacity in planning, management & finance functions | Support to data collection and analysis   |    |    |    |    |                   |                 |                    |                |
|  | Travel Govt   |    | X  | X  |    | MoHA              | GOVT            | Loc Travel         | 8,000          |
|  | Travel UNDP   |    | X  | X  |    | MoHA              | UNDP            | Loc Travel         | 1,250          |
| - No. of Districts receiving formula based grants                            |   |    |    |    |    | MoHA              | UNDP            | Loc IT TA          | 2,000          |
|  |   |    |    |    |    | MoHA              |                 | Loc Travel         |                |
| - No. of Infrastructure and service interventions implemented by districts   | Motorbikes  |    |    |    |    |                   |                 |                    |                |
|  | Phase 1 (UNDP)  |    | X  |    |    | MoHA              | UNDP            | Vehicles           | 18,000         |
|  | Phase 1 (SDC)   |    | X  |    |    | MoHA              | UNDP SDC        | Vehicles           | 17,000         |
| - Households benefiting from improved access to MDG services                 | Phase 2   |    |    |    |    | MoHA              | UNFUNDED        | Vehicles           |                |
|  | Vehicles ( 6 Pick-ups)  |    |    |    |    |                   |                 |                    |                |
|  | Phase 1 (UNDP)  |    | X  |    |    | MoHA              | UNDP            | Vehicles           | 50,000         |
|  | Phase 1 (SDC)   |    | X  |    |    | MoHA              | UNDP SDC        | Vehicles           | 50,000         |
|  | Phase 1 (ROK)   |    | X  |    |    | MoHA              | UNDP ROK        | Vehicles           | 50,000         |
|  | Phase 2   |    |    |    |    | MoHA              | UNFUNDED        | Vehicles           |                |
|  |   |    |    |    |    |                   |                 |                    |                |
|  | Vehicles ( 1 SUV)   |    | X  |    |    | MoHA              | UNDP SDC        | Vehicles           | 40,000         |
|  | Office package ( PC, Printer/fax, furniture/filing)   |    |    |    |    |                   |                 |                    |                |
|  | Phase 1 (ROK)   |    | X  |    |    | MoHA              | UNDP ROK        | Eqp. & Furn.       | 68,000         |
|  | Phase 1 (GEF)   |    | X  |    |    | MoHA              | UNDP GEF        | Eqp. & Furn.       | 24,000         |
|  | Phase 2   |    |    |    |    | MoHA              | UNFUNDED        |                    |                |
|  | Provincial Oversight support  |    |    |    |    |                   |                 |                    |                |
|  | Phase 1 (UNDP)  |    | X  | X  | X  | MoHA              | UNDP            | Loc Travel         | 6,000          |
|  | Phase 1 (ROK)   |    | X  | X  | X  | MoHA              | UNDP ROK        | Loc Travel         | 15,000         |
|  | Phase 2   |    |    |    |    | MoHA              | UNFUNDED        |                    |                |
|  | Monitor performance against set targets   |    |    |    |    |                   |                 |                    |                |
|  | Phase 1   |    |    |    |    | MoHA              | GOVT            | Loc Travel         |                |
|  | Phase 2   |    |    |    |    | MoHA              | UNFUNDED        |                    |                |
|  | <b>3.5 Support and implement IEC related initiatives with particular focus on outreach</b>      |    |    |    |    |                   |                 |                    | <b>10,000</b>  |
|  | Bi-monthly information bulletin   |    |    |    |    |                   |                 |                    |                |
|  |   |    |    | X  | X  | MoHA              | UNDP            | Print/prod         | 5,000          |
|  | Quarterly radio programmes  |    |    |    |    |                   |                 |                    |                |
|  |   |    |    | X  | X  | MoHA              | UNDP ROK        | Print/prod         | 5,000          |

| EXPECTED OUTPUTS<br>And baseline, associated<br>indicators & annual targets  | PLANNED ACTIVITIES<br><i>List activity results and associated actions</i>                                | TIME FRAME 2012 |    |    |    | RESPO-<br>NSIBLE<br>PARTY | PLANNED BUDGET     |                       |                  |
|--|--|-----------------|----|----|----|---------------------------|--------------------|-----------------------|------------------|
|  |  | Q1              | Q2 | Q3 | Q4 |                           | Source of<br>Funds | Budget<br>Description | Amount<br>(US\$) |
|  | <b>3.6 Output Support</b>  |                 |    |    |    |                           |                    |                       | <b>121,500</b>   |
|  | <b>National staff</b>  |                 |    |    |    |                           |                    |                       |                  |
|  | DDF Coordinator  | X               | X  | X  | X  | MoHA                      | UNDP SDC           | Loc. Staff            | 16,500           |
|  | Finance and procurement (Provided by NGPAR National Secretariat)   |                 |    |    |    |                           |                    |                       |                  |
|  | M&E (provided by NGPAR National Secretariat)   |                 |    |    |    |                           |                    |                       |                  |
|  | Overheads (UNDP)   | X               | X  | X  | X  | MoHA                      | UNDP               |                       | 2,500            |
|  | Overheads (ROK)  | X               | X  | X  | X  | MoHA                      | UNDP ROK           |                       | 7,500            |
|  | <b>International staff</b>   |                 |    |    |    |                           |                    |                       |                  |
|  | Longterm International Technical Assistance (1) (UNCDF)  | X               | X  | X  | X  | MoHA                      | UNCDF              | Int. TA               | 15,000           |
|  | Longterm International Technical Assistance (1) (SDC)  | X               | X  | X  | X  | MoHA                      | UNCDF SDC          | Int. TA               | 30,000           |
|  | Longterm International Technical Assistance – GEF  | X               | X  | X  | X  | MoHA                      | UNDP GEF           | Int. TA               | 50,000           |
| <b>JP Output 4: Improving Access to citizen Services through One Door Service</b>  |  |                 |    |    |    |                           |                    |                       | <b>368,500</b>   |
| providing 50% faster and more<br>convenient services and<br>information to citizens, leading<br>to 25% increase in revenue<br>collection<br><u>Baselines:</u><br>- 16 One Door Service<br>Centres operational<br>- Pilot Provincial Governance<br>Info. Centre successfully<br>tested<br>- PM's instruction on<br>establishing One Door<br>Service Centres<br><u>Indicators:</u><br>- Citizen satisfaction with<br>ODS services<br>- Increase in speed of<br>services<br>- Increase in revenue<br>collection | <b>4.1 Identify new locations &amp; establish new ODS</b>  |                 |    |    |    |                           |                    |                       | <b>290,000</b>   |
|  | Procurement of suitable ODS equipment and refurbishment of facilities                                    |                 | X  |    |    | MoHA                      | UNDP SDC           | Eqp. & Mat.           | 100,000          |
|  |  |                 |    |    |    | MoHA                      | UNDP SDC           | Refurb                | 100,000          |
|  |  |                 |    |    |    | MoHA                      | UNDP SDC           | Study Visits          | 50,000           |
|  | Provide training on ODS systems and procedures including routine tracking of service delivery efficiency |                 |    | X  |    | MoHA                      | UNDP SDC           | Training/WS           | 40,000           |
|  | <b>4.2 Public dissemination of information on role and services of ODS</b>                               |                 |    |    |    |                           |                    |                       | 15,000           |
|  | Develop public information material  |                 |    | X  |    | MoHA                      | UNDP SDC           | Loc TA                | 5,000            |
|  | Printing and dissemination   |                 |    | X  |    | MoHA                      | UNDP SDC           | Print                 | 10,000           |
|  | <b>4.3 Periodic assessment of ODS efficiency and overall performance</b>                                 |                 |    |    |    |                           |                    |                       | <b>26,000</b>    |
|  | Annual survey of client satisfaction in selected districts   |                 |    | X  |    | MoHA                      | UNDP SDC           | Loc TA                | 9,000            |
|  |  |                 |    |    |    | MoHA                      | UNDP SDC           | Print                 | 1,000            |
|  | Central oversight of ODS   |                 |    | X  |    | MoHA                      | UNDP SDC           | Travel                | 16,000           |
|  | <b>4.4 Output support</b>  |                 |    |    |    |                           |                    |                       | <b>37,500</b>    |
|  | Long Term International Technical Assistance   | X               | X  | X  | X  | MoHA                      | UNDP               | Int. TA               | 17,500           |
|  | Long Term International Technical Assistance   | X               | X  | X  | X  | MoHA                      | UNDP SDC           | Int. TA               | 20,000           |

| EXPECTED OUTPUTS<br>And baseline, associated indicators & annual targets  | PLANNED ACTIVITIES<br><i>List activity results and associated actions</i>                      | TIME FRAME 2012 |    |    |    | RESPO-<br>NSIBLE<br>PARTY | PLANNED BUDGET  |                    |               |
|---|--|-----------------|----|----|----|---------------------------|-----------------|--------------------|---------------|
|   |  | Q1              | Q2 | Q3 | Q4 |                           | Source of Funds | Budget Description | Amount (US\$) |
| JP Output 5: GPAR Capacity Development and Modernisation Fund (CADEM) supports strategic innovations in Public Administration reforms   |  |                 |    |    |    |                           |                 |                    | 202,500       |
| <div>Result 5: 50 demand driven capacity development initiatives to improve service delivery implemented by government offices, of which at least 50% are at the subnational level.</div> <div>Baselines:</div> <div><div>- GPAR Fund piloted with 32 projects</div><div>- Multi-agency working group manages GPAR Fund</div><div>- Capacity developed and good practices replicated in 32 offices</div></div> <div>Indicators:</div> <div><div>- Small grant fund to support capacity development in governance</div><div>- Multi-agency partnership to manage small grant programme</div></div> <div>Number of offices served by small grants programme</div> | 5.1 Review CADEM criteria to optimise utility and results and update Eol & evaluation criteria |                 |    |    |    |                           |                 |                    | 2,500         |
|   | Consultation workshop  |                 | X  |    |    | MoHA                      | UNDP SDC        | Workshop           | 2,500         |
|   | 5.2 Issue Request for Proposals (RfPs)   |                 |    |    |    |                           |                 |                    | 2,500         |
|   | Printing and dissemination   |                 | X  |    |    | MoHA                      | UNDP SDC        | Print              | 2,500         |
|   | 5.3 Provide capacity building for selected Eols  |                 |    |    |    |                           |                 |                    | 7,500         |
|   | Training   |                 |    | X  |    | MoHA                      | UNDP ROK        | Workshop           | 7,500         |
|   | 5.4 Evaluation of grant proposals and selection of grantees                                    |                 |    |    |    |                           |                 |                    | 2,500         |
|   | Consultation Workshop  |                 |    | X  |    | MoHA                      | UNDP SDC        | Workshop           | 2,500         |
|   | 5.5 Manage CAPDEM grant cycles, covering fund release, utilization, and reporting results      |                 |    |    |    |                           |                 |                    | 157,500       |
|   | Grant Release event  |                 |    | X  |    | MoHA                      | UNDP ROK        | Workshop           | 2,500         |
|   | Grants   |                 |    | X  |    | MoHA                      | UNDP ROK        | Grants             | 150,000       |
|   | grant monitoring   |                 |    |    | X  |                           | UNDP SDC        | Travel             | 5,000         |
|   | 5.6 CAPDEM lessons learned reports and formulate scale up plans                                |                 |    |    |    |                           |                 |                    | 0             |
|   | Lessons learned  |                 |    |    |    | MoHA                      | UNDP SDC        | Workshop           |               |
|   | 5.7 Output Support   |                 |    |    |    |                           |                 |                    | 30,000        |
|   | Long term international Technical Assistance   | X               | X  | X  | X  | MoHA                      | UNDP SDC        | Int TA             | 30,000        |
|   | CAPDEM Coordinator (Provided by NGPAR Secretariat)   |                 |    |    |    | MoHA                      |                 | Loc TA             |               |

| EXPECTED OUTPUTS<br>And baseline, associated<br>indicators & annual targets                           | PLANNED ACTIVITIES<br><br><i>List activity results and associated actions</i> | TIME FRAME 2012 |    |    |    | RESPO-<br>NSIBLE<br>PARTY | PLANNED BUDGET     |                       |                  |
|---|---|-----------------|----|----|----|---------------------------|--------------------|-----------------------|------------------|
|   |   | Q1              | Q2 | Q3 | Q4 |                           | Source of<br>Funds | Budget<br>Description | Amount<br>(US\$) |
| JP Output 6: Citizen Feedback and district mechanisms for responsive and accountable service delivery |   |                 |    |    |    |                           |                    |                       | 205,000          |
|   | 6.1 Carry out Local Level Monitoring  |                 |    |    |    |                           |                    |                       | 175,000          |
|   | CRC and District Monitoring   |                 | X  | X  |    |                           |                    |                       |                  |
|   | Citizen Report Card   |                 | X  | X  |    | MoHA                      | UNDP ROK           | Loc TA                | 87,500           |
|   | District Training   |                 |    |    |    | MoHA                      | UNDP ROK           | Travel                | 87,500           |
|   | 6.3 Output Support  |                 |    |    |    |                           |                    |                       | 30,000           |
|   | Long term International technical Assistance                                  | X               | X  | X  |    | MoHA                      | UNDP SDC           | Int TA                | 30,000           |
| JP Output 7: Programme support (oversight, coordination, results based monitoring)                    |   |                 |    |    |    |                           |                    |                       | 384,250          |
|   | 7.1 Output support  |                 |    |    |    |                           |                    |                       | 384,250          |
|   | Equipment   |                 |    |    |    |                           |                    |                       | 30,000           |
|   | IT equipment  |                 | X  |    |    | MoHA                      | UNDP SDC           | Eqpt.                 | 30,000           |
|   | Technical support   |                 |    |    |    |                           |                    |                       | 64,000           |
|   | International Staff   |                 |    |    |    |                           |                    |                       |                  |
|   | International TA (DDF)  | X               | X  | X  | X  | MoHA                      | UNCDF              | Int. TA               | 30,000           |
|   | international TA (UNDP)   | X               | X  | X  | X  | MoHA                      | UNDP               | Int. TA               | 30,000           |
|   | International TA (phase 2)  |                 |    |    |    | MoHA                      | UNFUNDED           | Int. TA               |                  |
|   | Local Support staff   |                 |    |    |    |                           |                    |                       |                  |
|   | Driver  | X               | X  | X  | X  | MoHA                      | UNDP SDC           | Loc. Staff            | 4,000            |
|   | Operations/programme support  |                 |    |    |    |                           |                    |                       | 88,500           |
|   | Support to programme management costs   | X               | X  | X  | X  | MoHA                      | UNDP SDC           |                       | 40,500           |
|   | Annual work plan workshop   | X               | X  | X  | X  | MoHA                      | UNDP SDC           |                       | 4,000            |
|   | Field monitoring  | X               | X  | X  | X  | MoHA                      | UNDP SDC           |                       | 10,000           |
|   | O&M vehicle   | X               | X  | X  | X  | MoHA                      | UNDP SDC           |                       | 8,000            |
|   | Vehicle insurance   | X               | X  | X  | X  | MoHA                      | UNDP SDC           |                       | 1,000            |
|   | Supplies/stationary   | X               | X  | X  | X  | MoHA                      | UNDP SDC           |                       | 3,000            |
|   | Telephone/radio Motorola  | X               | X  | X  | X  | MoHA                      | UNDP SDC           |                       | 2,000            |
|   | Translation/printing  | X               | X  | X  | X  | MoHA                      | UNDP SDC           |                       | 10,000           |
|   | Misc  | X               | X  | X  | X  | MoHA                      | UNDP SDC           |                       | 2,500            |
|   | International & local travel (incl regional support costs)                    | X               | X  | X  | X  | MoHA                      | UNCDF              | Travel                | 7,500            |
|   | GMS   |                 |    |    |    |                           |                    |                       | 199,250          |
|   |   |                 |    |    |    |                           |                    |                       | 3,163,000        |



## **Annex 1: Current status and achievements**

GPAR SBSB has produced many important lessons of relevance to the new National GPAR Programme. A key feature of GPAR has been its comprehensive design with elements that address all aspects of strengthening governance as well as its ability to work at policy and implementation levels of governance reform. While national leadership provides clear directions GPAR can assist in translating these into policies and decrees whilst helping to implement select reforms through pilot initiatives. A key lesson emerging is emerging from this approach is that working in this manner the programme has strengthened government ownership of all dimensions of the project. This approach is consequently at the heart of the new national programme which will align with the main responsibilities of MOHA and address both the policy and implementation dimensions of reform.

The various initiatives designed to strengthen the capacity of local administration have produced a number of important results evidenced in the success achieved by district administrations in setting up service delivery infrastructure, improving both the quantity and quality of services delivered with much more effective engagement with the community in planning, implementation and monitoring of public services at local level.

### ***Capacity Development of Local Administrations:***

Capacity development of district administration has focused mainly around organizational development based on the design, testing and implementation of new systems and procedures to support: a) improved delivery and monitoring of services at provincial and district level; b) improved coordination and management relationships between different levels of administration and the community; c) strengthening staff competencies and skills to apply new procedures and adopt sound management practices. This has entailed supporting official guidelines which clarify and streamline the roles and responsibilities of different levels of government and stakeholders including the community.

The project has shown that the development of simple diagnostic tools and techniques to identify organisational systems improvement can result in bringing about significant improvement in service delivery as evidenced by the experience in two pilot government offices which have applied the methodology to good effect. The project has also developed a manual for reviewing the current performance of district administration to deliver mandated services in terms of the financial, human and technical resources available, service needs and gaps. This helps the district to set priorities and develop realistic and practical plans. Other important lessons have been developed through innovative pilots such as kumban mapping in Sekong. Here, the project has developed a methodology for carrying out kumban mapping based on GPS technology. The outputs when used in conjunction with the village statistics books provide local administration and communities with a robust planning framework.

In this way it can be seen that capacity development of local administration staff and other stakeholders including the community has been based on an incremental approach, progressively building basic management competencies at provincial and district level as well as specific skills required to support participatory planning, improved financial management, and procurement, contract management & reporting. In recent phases of work MoHA/ PACSA has leveraged the knowledge and skills of participants at local and ministry level to train staff in other provinces and districts as a cost effective way of up scaling capacity development activities for expanded outcomes. This has enabled a rapid roll-out of training for over 3,000 local officials across five provinces and 35 districts of which 24 percent of the trainees were women.

The training provided to provincial and district staff has clearly enabled them to manage work processes in a more effective manner and compliance with newly established procedures in planning budgeting, accounting and monitoring. In terms of enhanced financial management skills, local administrations have been able to adopt the National Accounting System (NAS) and apply the respective account codes as well as maintain an accurate record

of receipt of funds, effective operation of bank accounts (including signatories and balance reporting), improved cash management, payments, reporting and internal controls.

Coordination and management relationship between district and province have been strengthened in a number of ways under the previous GPAR programmes. Local plans are now certified by provincial authorities for legal and budgetary compliance and incorporated into wider provincial development plans. GPAR has been supporting a monitoring and oversight role through provincial support teams set up to guide district administration in plan implementation, financial and technical management. Participatory planning and priority selection requirements of the District Development Fund (DDF) modality has clearly increased the capacity of district and communities to coordinate their efforts in an effective way to plan and implement jointly agreed local development investments and services.

The rationale of providing grant allocations to the local level is of course to facilitate local investments and expanded services but it also provides the key driver for capacity development at both local and national level. Through the allocation of local budgets the districts are provided with resources that allow them to “learn by doing” and government staff are provided with “real-time” opportunity to learn on the job, which is in addition to the more formal training, technical backstopping and mentoring traditionally applied. In short, local officials and community representatives will be able to practice what they learn at all points of the process since it allows the local level to engage in a meaningful and participatory planning and budgeting process, meet local needs and address local priorities, finance a range of investments, and build up their capacities to manage public expenditure and finance. At the same time, national and provincial governments stakeholders are provided with opportunity to learn on the job how to deal with their policy, oversight and backstopping roles. The District Development Fund (DDF) capacity development strategy allows learning-by-doing and on the job training in addition to regular class-room instruction. It goes hand in hand with improvements of local level guidelines for planning, finance management and procurement which provide an enabling environment for increased institutional capacities as well as individual.

As a result of the provision of basic block grants district administrations are now able to prepare 3 year plans and annual investment plans in a participatory manner; prepare basic costing and technical feasibility reports. They are now also able to determine appropriate procurement methods for different types of works and spending limits (e.g. direct purchase, request for quotations, public bidding, etc) as well as prepare detailed scheme designs and estimates, bid documentation and undertake tender evaluation in a systematic and transparent manner. This is evidenced by the very high degree of compliance achieved by local administration to new management procedures including those developed for the disbursement and management of local funds.

In sum, the combination of institutional, organizational and personnel capacity development associated with implementing the DDF has helped those district administrations to be better prepared to fulfill their functions and responsibilities assigned to them as the local administrative arm of government. While much remains to be done, the DDF district administrations are already better equipped to implement government policies and strategies at the sub-national level, including the current National Socio Economic Development Plan and the Strategic Plan on Governance. Additionally they have demonstrated their ability to rise to the challenges of providing better local services to citizens, as capable and transparent public administrations, playing a lead role in planning and implementing local development.

#### ***Available unconditional district budgets for local development and service delivery:***

The ***District Development Fund is an integral part of strengthening the capacity of local administration***. The main objective of DDF is to improve public services through demonstrating and strengthening the capacity of district administrations and testing improved financial management procedures. Commonly used arguments from central

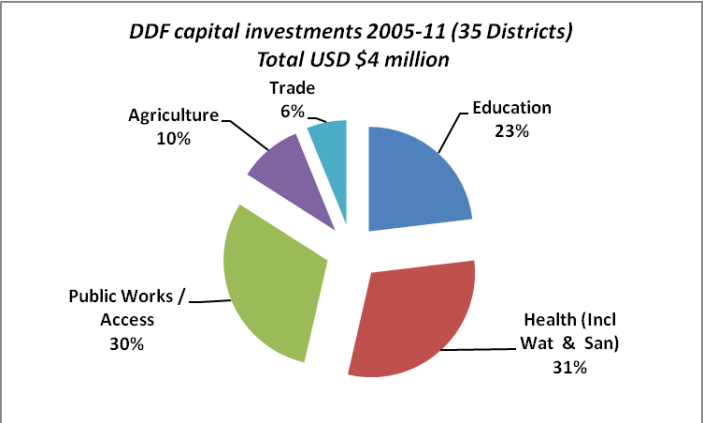
governments to provide greater financial responsibilities to the local level is the lack of local level capacity to cope with the responsibilities given and the possibility of corruption as a result of the lack of central control. Such assumptions may often become self-fulfilling prophecy as the local-level institutions will never be able to prove their capabilities or demonstrate ability to improve their capacity unless such responsibilities are given. The consequential stalemate prevents both the centre and the local institutions from breaking out of the vicious circle. The District Development Fund (DDF) as a finance instrument is therefore the key element of the well tested strategy since it allows a shift of responsibility and authority from central to local-level in terms of planning, decision-making, service delivery and financial management of public expenditures, in addition to evaluation mechanisms and performance incentives.

DDF is a simple performance-based grant system where block grants are regularly transferred from the Treasury to district administration to finance locally identified and planned investments. District administrations have discretion over the type and location of investments within set parameters and are responsible for adhering to planning, budgeting, implementation, monitoring and expenditure management procedures with oversight from the provincial and national levels. DDF district plans are incorporated in the provincial and ultimately national plans and thereby subject to final approval by the National Assembly.

The total block grant allocation to each district is calculated on the basis on an equal share and the total number of population; which means that districts with larger populations will receive larger block grants each year than smaller districts assuming that the cost of delivering public services in larger constituencies is higher. The District allocation formula relies exclusively on population data, thus reflecting the assumption that development needs generally grow with the size of the constituency. Ideally, the DDF would be allocated to districts using both population-based weighting as well as a weighting for relative poverty to take into account “horizontal gaps”. However, poverty data in Lao PDR is not sufficiently reliable and detailed enough to be used at this stage. However, the DDF distribution key should be revised when such data becomes available.

This initiative was initially piloted in Saravan in 2005 and has since been expanded to 4 more provinces covering 35 districts. Total DDF investment since 2006 amounts to 34 Billion Kip, or about US\$ 4 million. Annual budgets have been implemented on time within each fiscal year. DDF uses the existing government staff and systems without the need for a parallel implementation structure and thus develops sustainable capacity of sub-national administrations while significantly reducing overhead costs. DDF capital investments have to date financed 286 local projects that have had a significant impact on improving access to education, health, agriculture and public works for communities in remote rural locations.

One of the most important and visible results of DDF investments is the value addition arising from such investment as compared with more conventional funding of infrastructure and services. This is clearly demonstrated in the case of a road project in Kham District, where an 8 Km DDF rural road has been constructed at a cost of 165 Mk or 20.6 MK per km) which compares very favorably with a similar rural road of identical quality in the same district built at a cost of (39.6 MK per km) demonstrating that the DDF road was built at nearly half the cost of a conventional public works road of similar quality in the same district.



To further enhance the impacts of Block Grants for capital investment in MDG related infrastructure the programme has begun to pilot the use of **recurrent**

**Operational Expenditure Block Grants (OEBG)** to overcome bottlenecks associated with lack of recurrent investment in MDG related services. Operational block grants have been highly appreciated by provincial and district line department staff who suffer from inadequate resources to provide adequate service coverage to a large numbers of remote communities. A recent survey by GPAR (2010) shows that less than 0.5% of the district current budget is available for service outreach after accounting for staff salaries, allowances and office overheads. This means the lack of recurrent budget for service delivery is a major operational bottleneck preventing service delivery, especially in remote areas the OEBG have helped to overcome this bottleneck allowing for service outreach to the most remote areas. This new grant allocation has been piloted under DDF in two districts to date building earlier experiences in Xieng Khouang and Luang Prabang. These grants are a very cost effective way of improving service delivery in remote areas and in key MDG sectors that are more human resource intensive such as health and education. The grants have been used to fund technical visits of agricultural extension staff to advise farmers on cropping patterns, inputs use and conducting field trials; health outreach visits to deliver MCH services; purchase of primary educational materials etc. A recent study by UNICEF shows that service outreach to the most excluded areas is 60% more cost effective in terms of generating positive human development outcomes than focusing efforts on less remote and/ or deficient areas.

A notable result emerging from the DDF is the **increase in solidarity between the District Administration and the community**. District chiefs report that they have seen a new relationship of trust and confidence between the local government and local citizens and that citizens' view of district authority has changed in DDF areas. Here people now have more confidence in the authorities' abilities to address their problems while district chiefs can respond directly and quickly to meet local needs. District chiefs also report that DDF help to maximize value from available funds and that there are no leakages from these funds.

**Greater community oversight and accountability** have resulted in funds being well spent with minimum leakages. This is primarily due to the close working partnership between the district administration and the community and the fact that the District Office has direct responsibility for inspection and payments so that contractors on DDF projects get paid more quickly and thus able to submit tenders at very competitive rates. Many DDF projects are also completed ahead of schedule due to reduced bureaucracy of having local control and management, which reduce procedures and time.

The introduction of co-funding or **matching grants between government and OEBG** in 2 Districts (5 projects) while financially modest, represents an important precedent in joint funding of locally decided priorities. It also represents a step towards the possibility of more formal joint funding by the national budget of the next generation of DDF now being discussed with government against the background of the draft 7th National Socio Economic Development Plan (2011-15).

A recent DDF technical mission in 2010 sums up some of the key results from the DDF experience to date. The report highlighted not only the efficiency of disbursing of funds but also in the districts capacity to accurate report of expenditure by sector and general use of funds. The mission also noted a high level of compliance with rules and regulations and the mission concluded that these achievements have made a significant contribution to enhancing transparency and accountability at local level. The report stated that the DDF has proven to be a highly efficient means of delivering local services as compared to more routine delivery modalities.

#### **Performance Incentives:**

Linked to the DDF is a performance based assessment system consisting of a set of minimum conditions and annual assessments that determine access to the district grant allocation, which not only reduce any fiduciary risk it also provide districts with a performance incentive. The agreed Minimum Conditions, including planning, budgeting and financial management, must be met by a district to show that they have the capability to manage the local funds and in a transparent manner. Each year the Districts are assessed on basis of compliance with Minimum Conditions (MC). Failure to meet the Minimum Conditions can result in a 50% cut in block grant. The MCs are disseminated at the beginning of the planning cycle together with the announcement of the district budget allocation for the following year, thus functioning as incentives for districts to function according to the government regulations. The following MCs are applied in Lao PDR:

### **Present set of DDF Minimum Conditions (MC)**

#### **Ten Minimum Conditions for Planning and Budgeting**

1. The District Planning Committee (DPC) is constituted as per the District Investment Planning Guidelines
2. The DPC met at least twice previous Financial year
3. The District Planning Team (DPT) is constituted as per the District Investment Planning Guidelines
4. The District Annual Investment Plan is consistent with DDF regulations concerning the breakdown between district (<30%) and Khumban/village level (>70%)
5. The District Annual Investment Plan does not include any investments mentioned in the 'negative' list
6. The provision for Technical Support Services as included in the District Annual Investment Plan does not exceed 7% of the total budget
7. The value of local contributions for each sub-project does not exceed 15% of the total estimated project costs
8. The District Annual Investment Plan was approved in a DPC meeting with quorum of Khumban representatives in attendance
9. The communities were consulted during the preparation process for the District Annual Investment Plan
10. The District published information about the district's DDF allocation on the district's notice board(s)
11. The District published information about the District Annual Investment Plan on the district's notice board(s)

#### **One Minimum conditions related to Procurement**

12. Procurement methods used by the district for implementation of the DDF funded projects were in accordance with the prevailing rules and financial thresholds.

#### **Four Minimum conditions for financial management**

13. Quarterly financial reports and related supporting documentation submitted on a timely basis
14. Audits carried out in relation to use of DDF funds did not reveal any major irregularity
15. The (DDF) Annual Financial Report was presented to the DPC
16. Quarterly financial reports on DDF expenditure were posted on the district's notice board(s)

#### **One minimum condition for project implementation**

17. A project oversight committee consisting of Khumban representatives was established for each (khumban or village level) investment project

The annual assessments of the MCs of the districts' performance are conducted by the provincial support team (MPI, MOF and PACSA representative at the provincial level) and it has had a positive impact on the districts' performance. However, there is room for improvement in the "second generation" of performance-based grants which will be a key activity in the new programme.

### **Community Empowerment:**

Community participation and engagement has been a key component of GPAR activities. Awareness and basic training has been delivered to 1,630 (20% female) village headpersons and 15,500 (38% female) village/community residents. Communities form the bedrock of the bottom-up planning system as well as engaging in the process of implementing capital works and monitoring the quality of assets and service delivery. In this way communities are engaged not only in the planning and utilization of services but also contribute to the promotion of improved

practices and behaviours in areas such as agricultural extension (Xiang Khouang ADF) and education, health, hygiene and sanitation and agriculture in Luang Prabang (SDF).

It is clear that engaging communities in MDG related services such as health, education, agriculture and livelihoods promotion has benefits that extend beyond measurable improvements in development outcomes. Such partnerships with communities can also help address other entrenched barriers associated with gender, ethnicity and disability. The community focus has undoubtedly helped to strengthen service delivery at district level. The scaling up of cost-effective interventions for the poor at the community level will necessarily help to improve the accountability, transparency and responsiveness of local administration.

### ***Institutional and regulatory development:***

The piloting of various initiatives designed to strengthen the capacity of local administration to plan and manage service delivery has resulted in the design and introduction of various organizational and systems improvements as well as new procedures and protocols (see achievements below). Having been designed and tested they are then formally approved and adopted by the MoHA / PACSA (Department of Local Administration) as well as the Ministry of Finance (MOF) and Ministry of Planning and Investment (MPI). This ensures that the overarching policy and regulatory framework which guides the activities of local administration enables it to function in an optimal manner. This has been a key dimension of the DDF and wider GPAR programme to date and represents a critical aspect of ensuring that any new systems, structures and processes designed to improve the planning, financing and delivery of services at local level are fully mainstreamed into government.

The main activities to date in this regard have included approval and adoption of Minimum Conditions for accessing DDF funds and the adoption of new procedures and operational manuals designed to improve the functioning of local administration at provincial and district level. Support at this level ensures that new initiatives are appropriately aligned with existing national and sub-national structures and systems as well as being sufficiently flexible to be able to adapt to changes in national policies, laws and regulations.

### ***Improved Access to Citizen Services***

The One Door Service Centre (ODS) initiative is designed to improve access to citizen services. This began with a pilot in Xaysetta district of Vientiane Province which produced good results in terms of improving citizen's access to a range of different over the counter services through a single window facility. This The pilot generated useful lessons for scaling up the initiative which has subsequently been scaled up to 16 centres.

The initiative has succeeded in generating a number of results. There have been two recent evaluations and reviews comprising an independent external evaluation (2010) and internal review (2011) which have reported a range of positive impacts on citizen service delivery. These reviews highlight that the ODS centres, when taken together, have transacted around 56,000 services per annum although there remain good scope to increase this further.

Citizens using the ODS have expressed a high level of satisfaction with the service pointing out that they experience a greater level of assistance and information than in the past when they had to obtain services from various different service points. The findings also highlight faster speed of service delivery with shorter document turnaround time and a considerably higher level of transparency in the process than in the past.

The assessments have quantified the level of improvement in speed of service delivery showing that there has been a 200% improvement in the time taken to obtain a land registration certificate (ranging from 7-14 days as compared to 30-60 days in the past). The reviews also show that in a number of cases there has been a substantial increase in revenue collection through the ODS facility which has grown from to 37,521,500 Kip (2006-2008) to 136,730,000

Kip (2008-2010) in Sing District of Luangnamtha Province. The Business Facilitation One Stop Shop (OSS) in Luang Prabang has shown how a modest project investment in upgrading and reorganizing a service can generate a significant return in terms of clearly measurable benefits in service delivery. This is reflected in the overall improvement in the speed of service delivery reflected in a reduction in the time taken for the issuing of a business license from an original average of around 218 days (2007) to a current average of around 40 days. In spite of these achievements, the evaluations have also highlighted a number of areas where the ODS facility could be improved in order to maximise the potential of this innovative reform in citizen focused service delivery.

## TERMS OF REFERENCE LEADING COMMITTEE ON GOVERNANCE (Version 1: 07 August 2011)

### I. Background: Governance Reform

The Strategic Plan on Governance (2011-20) provides the overarching framework for governance reform in Lao PDR. The Strategic Plan has four pillars: People's Representation and Participation, Public Service Improvement, Rule of Law and Public Financial Management. The lead offices to lead implementation of the Strategic Plan are the National Assembly, Ministry of Home Affairs, Ministry of Justice and Ministry of Finance, respectively.

However, the implementation of activities under the Strategic Plan involves all offices of the Government, to at least some extent, and good coordination between the four lead agencies. It is evident that these offices belong to different parts of the State; hence a suitable high-level mechanism needs to be in place to successfully guide, coordinate and oversee the implementation of this Strategic Plan. It is in this context that the Ministry of Home Affairs is proposing that a National Leading Committee on Governance, be established under the leadership of the Deputy Prime Minister, to guide, coordinate and oversee the implementation of the Strategic Plan on Governance.

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

The key objectives of the National Leading Committee on Governance are to:

- Provide high-level guidance on policy interventions and strategies in the governance sector, so as to reflect national priorities, and the Government's development policies and strategies;
- Ensure effective and timely implementation of the Strategic Plan on Governance, by overseeing policies, programmes and activities being implemented, and guiding inter-agency coordination;

### III. Mandate and scope of the National Leading Committee on Governance

To achieve these objectives, the National Leading Committee on Governance will:

- Review and endorse strategies taken by the ministries and offices in the governance sector to implement the Breakthrough Strategy, and periodically monitor progress
- Review and endorse the implementation plan for the Strategic Plan on Governance, as well as the 'road-map', including the performance indicators, timing and responsible agencies
- Oversee the implementation of the Strategic Plan on Governance and 'road-map' through half yearly reviews with heads of executive boards of national programmes for the sub sectors implementing the Strategic Plan on Governance
- Examine and provide guidance on initiatives and challenges related to establishing and implementing policies that involve multiple ministries and sectors, including special meetings
- Monitor the delivery and utilization of development assistance to implement the Strategic Plan on Governance, that are taking place through various sectoral programmes and projects
- Receive reports, review and provide endorsements where required for initiatives of the Governance Sector Working Group
- Receive periodic reports and provide guidance to Programme Boards of sub sector programmes such as Legal Sector Master Programme, National GPAR Programme and Public Financial Management Support Programme

### IV. Leadership and members of National Leading Committee on Governance

The National Leading Committee on Governance will be chaired by the Deputy Prime Minister, who has been designated to oversee matters of administration, and would include senior representatives of the key stakeholder agencies. The other members of the Committee may be at the level of Vice Ministers or equivalent, selected by name from:

- Central Committee for Organization and Personnel (1)
- Secretariat of the Government, Prime Minister's Office (1)
- Ministry of Home Affairs (1)
- Ministry of Justice (1)



- Ministry of Finance (1)
- Provincial Administration (1)

#### **V. Support for the National Leading Committee on Governance**

The National Leading Committee on Governance will be supported by a Secretariat, based in the Ministry of Home Affairs. This Secretariat will be chaired by the Vice Minister of Ministry of Home Affairs, and the members would consist of representatives, of the level of Director General, from the following agencies:

- National Assembly (1)
- Central Committee for Organization and Personnel (1)
- Ministry of Home Affairs (1)
- Ministry of Justice (1)
- Ministry of Finance (1)

The Secretariat of the National Leading Committee will have an office to provide necessary support to the Leading Committee, to organize meetings, provide necessary documentation and analysis, and follow up with stakeholders to implement the decisions and guidelines provided by the Leading Committee. In order to address these tasks, the Secretariat may have one full time Coordinator nominated from the staff of the Ministry of Home Affairs (of level Deputy Head of Division, International Cooperation), and one part-time Coordinator (of level Deputy Head of Division, International Cooperation), nominated from the other offices represented in the Secretariat. This Secretariat could receive administrative support as well as technical assistance for its regular activities, from the National GPAR Programme or other development assistance projects.

Ad hoc task forces may be set up drawing on relevant expertise from different offices, and using technical assistance when required, to address tasks beyond the available capacities in the Secretariat.

#### **VI. Frequency of meetings and reporting**

The National Leading Committee on Governance, being a high level oversight body rather than an administrative committee, could normally meet twice a year, to discharge its mandate. Special meetings of the Committee could be organized, when required, to discuss specific important issues.

Minutes of discussions of the National Leading Committee on Governance will be made and follow-up action will be the responsibility of individual representatives or organizations as directed by National Leading Committee.

## TERMS OF REFERENCE

### NATIONAL GPAR PROGRAMME BOARD

**Overall responsibilities:** The National GPAR Programme Board is ultimately responsible for making sure that the Programme remains on course to deliver the desired results. It is responsible for making by consensus, management decisions for the Programme\*:

- at designated decision points during the implementation of the Programme (see specific responsibilities below);
- when guidance is required by the National GPAR Programme Manager and Cluster Managers; and,
- when tolerances (normally in terms of time and budget) have been exceeded

The National GPAR Programme Board reviews and approves the annual work plans (AWP) and authorizes any major deviation from these plans. It ensures that the required resources are available, arbitrates on any conflicts within the project and negotiates a solution to any problems between the project and external bodies. In addition, it approves the appointment and responsibilities of the National GPAR Programme Manager and Cluster Managers. It may also decide to delegate its Project Assurance responsibilities to a staff of UNDP, UNCDF and/or the Implementing Partner.

#### **Composition and organization:**

1. The Executive of the National GPAR Programme Board will be: **Vice Minister of the Ministry of Home Affairs**. The Executive is Chairperson of the National GPAR Programme Board, and is ultimately responsible to the National GPAR Programme Board. He/she has to ensure that the project remains focused on achieving its objectives and is cost-effective.
2. The representatives of the Senior Suppliers will be: [Five representatives to be identified from among UNDP, UNCDF, EU, SDC, ADB, Embassy of the Republic of Korea, TO BE CONFIRMED AT FIRST NATIONAL GPAR PROGRAMME BOARD MEETING]. The Senior Suppliers represent the collective interests of the parties providing resources and/or technical expertise to the project. Their primary function within the Board is to provide guidance regarding the technical feasibility and ensuring effective use of resources by the Programme. They are accountable for the quality of the resources (funding or technical assistance) provided to the Programme by the suppliers.
3. The representatives of the Senior Beneficiaries will be: [Five representatives from among Ministry of Planning and Investment, Ministry of Finance, Ministry of Natural Resources and Environment, TO BE CONFIRMED AT FIRST NATIONAL GPAR PROGRAMME BOARD MEETING]. The Senior Beneficiaries represent the collective interests of those who will ultimately benefit from the project. They monitor the accomplishments and outputs of the project against the agreed requirements.
4. In addition, the following partners will attend the meetings of the National GPAR Programme Board as observers: [Dept. of International Cooperation of MPI, TO BE CONFIRMED AT FIRST NATIONAL GPAR PROGRAMME BOARD MEETING]

#### **Specific responsibilities:**

##### When the Programme is initiated

- Agree on the responsibilities of the National GPAR Programme Manager and other Programme Cluster Managers, as well as the responsibilities of the other members of the Project team;
- Delegate any Project Assurance function as appropriate;
- Review and appraise detailed Project Plans and AWP, including the risk log and the monitoring and communication plan.

##### During the implementation of the project

- Provide overall guidance and direction to the project;
- Address project issues as raised by the National GPAR Programme Manager and other Programme Cluster Managers;
- Provide guidance and agree on possible management actions to address specific risks;
- Agree on National GPAR Programme Manager and other Programme Cluster Manager tolerances within the AWP;

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\* Decisions by consensus are essential to reflect the joint accountability of the Government, UNDP and UNCDF in accordance with the project document and applicable regulations, rules, policies and procedures.

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- Conduct regular meetings as it may deem appropriate (e.g. to review the different Project Quarterly Progress Report and provide direction and recommendations to ensure that the agreed deliverables are produced satisfactorily according to plans; to review Combined Delivery Reports (CDR) prior to certification by the Implementing Partner);
  - Appraise the Programme Annual Review Report, make recommendations for the next AWP;
  - Provide ad-hoc direction and advice for exception situations when tolerances are exceeded;
  - Assess and decide on project changes through revisions.

When the Programme is being closed

- Assure that all Programme deliverables have been produced satisfactorily;
- Review and approve the Final Programme Review Report, including Lessons-learned;
- Make recommendations for follow-on actions;
- Commission Programme evaluation if it is required;
- Notify operational completion of the Programme.

**Meetings:** The National GPAR Programme Board meets:

- On a quarterly basis to review and approve the regular Programme reports.
- At any other time a meeting is requested by one of its members, the National GPAR Programme Secretariat Support Project Manager or other Programme Cluster Managers, or the Project Assurance because guidance is required, tolerances have been exceeded, or a particular issue or risk requires the intervention of the Programme Board.

## Note on Programme Assurance and Tolerances

Programme Assurance is the responsibility of each Programme Board member. However the role can be delegated by the Programme Board. When this happens, the designated Project Assurance person supports the Programme Board by carrying out objective and independent project oversight and monitoring functions. The Programme Assurance function has to be independent of the Programme Manager; therefore the Programme Board cannot delegate any of its assurance responsibilities to the Manager. A UNDP/UNCDF Programme Officer typically holds the Programme Assurance role given UNDP/UNCDF's ultimate fiduciary responsibility for the project.

The following list includes the key elements that need to be checked for assurance purposes throughout the project.

- Maintenance of thorough liaison throughout the Programme between the members of the Programme Board.
- Beneficiary needs and expectations are being met or managed
- Risks are being controlled
- Adherence to the Programme Justification (Business Case)
- Projects fit with the overall Country Programme
- The right people are being involved
- An acceptable solution is being developed
- The project remains viable
- The scope of the project is not "creeping upwards" unnoticed
- Internal and external communications are working
- Applicable UNDP/UNCDF rules and regulations are being observed
- Any legislative constraints are being observed
- Adherence to monitoring and reporting requirements and standards

### ***Specific responsibilities of the assurance function:***

#### During the implementation of the programme

- Ensure that funds are made available to the programme;
- Ensure that programme outputs definitions and activity definition including description and quality criteria have been properly recorded in the Atlas Project Management module to facilitate monitoring and reporting;
- Ensure that risks and issues are properly managed, and that the logs in Atlas are regularly updated;
- Ensure that critical project information is monitored and updated in Atlas, using the Activity Quality log in particular;
- Ensure that Programme's Quarterly Progress Reports are prepared and submitted on time, and according to standards in terms of format and content quality;
- Ensure that CDRs and FACE are prepared and submitted to the Programme Board;
- Perform oversight activities, such as periodic monitoring visits and "spot checks".
- Ensure that the Programme Quality Dashboard remains "green"

#### When the programme is being closed

- Ensure that the programme is operationally closed in Atlas;
- Ensure that all financial transactions are in Atlas based on final accounting of expenditures;
- Ensure that programme accounts are closed and status set in Atlas accordingly.

#### Tolerances proposed in case of National GPAR Programme:

The National GPAR Programme Manager will need to refer to the Programme Board as soon as it will appear that

- total budget requirements for a quarter are more than 10% higher than planned
- delivery is more than 15% below targets for a quarter
- any new workshop/travel/activity costing more than \$3,000 is required
- the estimated cost of any of the activities is increased by more than \$5,000
- the implementation of any of the activities is delayed by more than 3 months

## TERMS OF REFERENCE

### NATIONAL GPAR PROGRAMME MANAGER

In support of continued Government ownership, the National GPAR Programme Manager will be Director General of the Dept. of Planning & Cooperation of the Ministry of Home Affairs, and will perform this function on a full-time basis. The PM will be responsible for coordinating the delivery of outputs under the Programme, through managing the coordination efforts between MoHA departments, the responsible Cluster Managers and the different projects constituting the Programme including GPAR SCSD. The PM will facilitate MoHA's engagement in all project activities; thereby ensuring that line departments and staff are available to lead and support reform actions and activities within target ministries and provinces working alongside project personnel. The PM will manage inter-ministerial coordination of the implementation of the Strategic Plan on Governance (2011-2015) ensuring effective establishment of the monitoring and evaluation framework and institutionalization within government structures and systems.

The PM will be responsible for all matters concerning the day-to-day running of the project on behalf of the Programme Board. S/he will be Vice-Chair the Programme Management Group (PMG) which will meet monthly to review progress. The PMG will comprise the Executive of the Programme Board, Programme Manager, Director General's of the relevant Departments of MoHA, and Chiefs of Cabinet of provinces implementing block grants.

#### Duties and Responsibilities

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

#### Selection Criteria

- Strong understanding of the Government's priority initiatives and indicator targets for reform as outlined in the NSEDP 2011 - 2015 and Strategic Plan on Governance (2011 – 2020);
- Strong understanding of public administration, project and management skills and experience;
- High level capacity to work with, and support, other agencies to achieve results;
- Strong technical knowledge and experience related to program management, governance and public administration reform;
- Demonstrated capacity to lead reform programs;
- Well developed English reading, writing and speaking skills
- Strong focus on results-based performance and ability to monitor performance against agreed targets;
- Strong advocacy and representational capacity

## TERMS OF REFERENCE

### GPAR CLUSTER MANAGER (MULTIPLE)

In line with the alignment of project activities with respective work plans of the relevant government office, a Cluster Manager (CM) of the rank of Deputy Director General will oversee and manage a set of outputs related to her/his responsibilities on a full time basis. The CM will be responsible for the delivery of programme/project outputs assigned to her/him. The CM will facilitate of assigned project activities, through Output Coordinators, who will be Directors/Deputy Directors of Divisions that are directly responsible for the activity.

The CM will be responsible for all matters concerning the timely delivery of outputs on behalf of the Programme Board. S/he will assume full responsibility for the implementation and management of assigned project activities in the right quantity, at the right standard of quality and within the stipulated budget so as to realise intended outputs. The CM will, in her/his capacity as Deputy Director General be accountable for activities and outputs to the Director General of the Department, and in addition, report to the Programme Secretariat in terms of planning, budgeting, implementing and reporting on completion of outputs and activities being supported through the programme/project budget.

#### Duties and Responsibilities

- a) operational management of the production of outputs, in line with the programme/project document and in compliance with the procedures in the NIM manual
- b) preparation and submission of annual workplans and budgets for the particular clusters to the Programme Secretariat for approval by the Programme Board; identifying specific resources according to the cluster work plan; and quarterly reporting of progress against the work plan.
- c) participation in processes of selection, recruitment and performance management of consultants and support staff related to the cluster; including coordination, supervision and performance evaluation of related personnel
- d) overseeing and coordinating according to the agreed work plans in order to produce the specified outputs, results and outcomes
- e) ensuring close co-ordination of the cluster activities with activities of other clusters.
- f) timely preparation and submission of the quarterly progress reports, and review of reports prepared by Outputs Coordinators or other relevant staff
- g) reporting to the Programme Secretariat on a regular basis on activities, and identification and resolution of implementation issues, with the assistance of the Programme Management Group as necessary

#### Selection Criteria

- Strong understanding of the Government's priority initiatives and targets, particularly with reference to the assigned areas of responsibility
- High level capacity to work with, and support, other agencies to achieve results;
- Strong technical knowledge and experience related to program management, governance and public administration reform;
- Demonstrated capacity to lead reform programs;
- Well developed English reading, writing and speaking skills
- Strong focus on results-based performance and ability to monitor performance

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**TERMS OF REFERENCE**  
**GPAP OUTPUT COORDINATORS (MULTIPLE)**

In line with the alignment of project activities with respective work plans of the relevant government office, Output Coordinator(s) (OC) of the rank of Directors/Deputy Directors of Divisions will be appointed, who are directly responsible for the activity that will lead to the particular output. The OC will oversee and manage the particular outputs related to her/his responsibilities on a full time basis, and be responsible for the delivery of assigned outputs in line with the department's work plan.

The OC will be responsible for all matters concerning the timely delivery of outputs to the Deputy Director General, who will be the Cluster Manager. S/he will have full responsible for the implementation and management of assigned project activities in the right quantity, at the right standard of quality and within the stipulated budget so as to realise intended outputs.

**Duties and Responsibilities**

- a) operational management of activities for the production of outputs, in line with the programme/project document and in compliance with the procedures in the NIM manual
- b) preparation and submission of annual workplans and budgets for the particular outputs to the Cluster Manager for further compilation and submission to the Programme Secretariat ; identifying specific resources according to the output work plan; and quarterly reporting of progress against the work plan.

**Selection Criteria**

- Strong understanding of the Government's priority initiatives and targets, particularly with reference to the assigned areas of responsibility
- High level capacity to achieve results;
- Strong focus on results-based performance and ability to monitor performance

(A SCSD Core position)  
**TERMS OF REFERENCE**  
**INTERNATIONAL LEAD ADVISOR**

The Lead Advisor (international) will focus primarily on strategic, advisory and technical support to assist the Executive of the Programme Board, PM and the PM Assistant in overall project management, including both on substantive and administrative matters, as required. The LA will be responsible for providing broad policy and technical advice at both central and local levels, liaison with donors and support to MoHA, as necessary. The incumbent will support the Governance Sector Working Group and National GPAR Programme Secretariat in the development and implementation of the oversight monitoring and evaluation mechanisms including the Governance reform 'road-map' and Citizen feedback initiatives. The Lead Advisor will also support capacity building, policy research and analysis as well as provide higher level coordination across the different projects under the National GPAR Programme, and with the provincial and district interventions. The Lead Advisor, with assistance from short-term technical advisors (where required), will also support the Local Governance initiatives involving Central-Local Relations, One Door Service and GPAR CADEM. Where required, the Lead Advisor will provide technical assistance on broader governance reform issues e.g. anti-corruption and public finance management reforms as needed.

**Duties and Responsibilities with Respect to Overall Programme Support**

The Lead Advisor will:

- Advise the government on the design and implementation of the National GPAR Programme and on its linkages with the other major programs related to the Strategic Plan on Governance 2011-20 as well as the National Socio-Economic Development Plan
- Advise the government on identifying and designing projects and initiatives related to governance and public administration reform; and to facilitate the national, regional and international transfer of know-how and experiences in these subject areas
- Advise the government on methodologies and practices associated with program management and support the National Programme Manager in project and program monitoring, reporting and evaluation
- Assist the government in designing systems for expanding experiences, lessons learned and addressing policy issues throughout the Government system.
- Support the government in the development and maintenance of programme/project annual and quarterly work-plans, budgeting, resource allocation, workload management, and performance assessment
- Advise and support the government in the development of policy papers and technical-legal documents as required
- Support and be involved in the organization and facilitation of project meetings, workshops etc.
- Provide general technical inputs and advice in areas of reform activity where capacity gaps otherwise exist in the project team
- Support regular ongoing communication with the National Programme Manager and Project Board Executive, in order to advise on the activity of project staff, and on-going involvement in donor relations
- Support the government and the UNDP in the functions of donor coordination, coordination of governance-reform related donor funded projects, and the mobilization of additional donor funding to the Governance sector
- Provide other such advice and support as may be required by the Government and the UNDP as is to be expected in a dynamic process of governance reform

**Duties and Responsibilities with Respect to Specific Programme and Project Support areas**

- Advise the government and the relevant Cluster Manager on the design and implementation approaches to specific components of the National GPAR Programme Secretariat Support Project:
  - Output 1: High level institutional mechanisms to provide oversight and coordination across the Governance sector;
  - Output 2: Strengthening capacity in Ministry of Home Affairs to effectively coordinate and monitor the implementation of the GPAR programme and related activities
  - Output 3: Coordination of development partner assistance through the Governance Sector Working Group, and resource mobilization to support programme implementation;



- Advise the government and the relevant Cluster Managers on the design and implementation approaches to specific components of the Strengthening Capacity & Service Delivery of Local Administration Programme :
  - Output 4: Improving Access to Citizen Services;
  - Output 5: GPAR Capacity Development and Modernisation Fund (CADEM) supports strategic innovations in Public Administration reforms;
  - Output 6: Support responsive service delivery, including Citizen, CSO & Community service delivery information and reporting
  - Output 7: Programme support - oversight, management, coordination and results based monitoring)

### **Skills/Competencies required**

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

- Solid relevant experience (at least 10 years) in governance and public administration, reform and change management, both regionally and internationally
- Strong understanding of the requirements of effective governance sector reform
- Substantive experience in policy development, workshop facilitation and secretariat functions
- Substantive experience in implementing large scale capacity development interventions, including small grants programmes
- Solid experience in program and project management, monitoring and evaluation including beneficiary driven evaluations
- Familiarity and experience with the Lao program or similar programs in the region and internationally.
- Solid experience in process facilitation.
- Excellent oral and written English communications skills, results oriented, strong team player.
- Sound judgment, flexibility and adaptability, cultural sensitivity.
- Minimum of Masters degree in Public Administration/Public Management or closely related field

### **Work Conditions**

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

**(A SCSD core position)**  
**TERMS OF REFERENCE**  
**INTERNATIONAL LOCAL GOVERNANCE ADVISOR**

The Local Governance Advisor (international) will provide strategic, advisory and technical support to the National GPAR Programme in relation to strengthening local governance, with primary responsibilities for providing broad policy and technical advice, at both central and local levels, to improving systems and effective roll out of the block grant supported capacity development for district administrations, and required liaison with donors and support to MoHA, as necessary. The Local Governance Advisor will also be responsible for providing policy advice to the GPAR SCSD programme/ MoHA and GoL through the preparation of policy papers, workshops and other technical assistance.

**Duties and Responsibilities with Respect to Programme Policy Support**

The Local Governance Advisor will advise the government and the relevant Cluster Managers on the design and implementation approaches to specific components of the Strengthening Capacity & Service Delivery of Local Administration Programme. This will include:

- Provide policy advice and be a resource-person to the National GPAR Programme for developing an evidence-based policy framework for sub-national service delivery and local public finance
- Provide policy lessons from the National GPAR Programme as input into ongoing policy discussions on local government and administration in Lao PDR.
- Assist the National GPAR Programme in identifying areas where external technical assistance will be required, draft ToR, provide guidance, and assist in translating recommendations into action.
- Provide other such advice and support as may be required by the National GPAR Programme.
- Provide other relevant professional advice and assistance as needed.

**Duties and Responsibilities with Respect to Programme Technical Support**

- Support to strengthen local governance as specified in Output 1: Support to development of policies and regulatory framework for more effective local administration at province and district level
- Work with the counterparts at national and sub national levels to develop capacity for implementing local governance interventions as specified in Output 2: Improved capacity of local administration to fulfill its service delivery mandates
- Provide overall technical guidance for roll-out into selected provinces as specified in Output 3: Improved MDG focused service delivery provided through formula base and equity focused block grants to the districts
- Liaise with and report to the National Programme Manager with regards to progress of implementation, emerging issues and problems, and proposing options for their resolution in relation to Output 7: Programme support - oversight, management, coordination and results based monitoring
- Determine need for additional technical assistance and develop ToRs, guide these short term technical advisors, and interpret recommendations into implementation plans for implementation.
- Facilitate the preparation of annual work plans in collaboration with the overall National GPAR Programme Secretariat and UNCDF/UNDP.
- Review periodic progress reports and outputs produced to redesign and improve outputs.
- Support implementation of M&E mechanisms in collaboration with NGPAR Programme Secretariat
- Assist in the supervision of national staff and international consultants.

**Skills/Competencies required**

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

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

(A SCSD core position)  
**TERMS OF REFERENCE**  
**LOCAL PLANNING & BUDGETING COORDINATOR**

The Local Planning and Budgeting Coordinator (national) will report to the relevant Cluster Manager and work under the technical supervision of the Local Governance Adviser, to assist in the development of local activity plans, including design, implementation and capacity development, of all aspects of the block grant related to the planning process at sub district (village, kum ban) district and provincial levels. The Local Planning and Budgeting Coordinator will also be responsible for facilitating and supporting the liaison between MoHA and relevant ministries, as well as provincial and district administrations, and ensuring compliance and convergence with agreed approaches.

**Duties and Responsibilities**

- Providing practical assistance for the design of sub-national planning, budgeting systems and the effective implementation
- Overseeing the timely implementation of sub-national planning and budgeting at provincial and district levels, in compliance with guidelines
- As and when necessary, adapting district planning and other procedures in order to take into account lessons learned through implementation.
- Ensuring that planning and budgeting capacities developed are consistent with SCSD procedures.
- Backstopping planning, budgeting, and implementation activities at provincial and district levels.
- Providing mentoring to provincial and district officials.
- Contributing to regular reporting on SCSD progress.
- Provide support for relevant related activities, including assisting in preparing documents for meetings, workshops, translations, training, and reporting

**Skills/Competencies required**

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

- A relevant Bachelor Degree in the social sciences or related disciplines.
- Five years with work experience on local and community development issues Lao PDR
- Experience of working with local administrations in Lao PDR.
- Experience of local level planning and budgeting
- Hands on experience in organizing and facilitating meetings and workshops
- A proven track record of team working.
- A sound knowledge of spoken and written English.
- A sound knowledge of data processing and analysis tools
- Good communications and facilitation skills.

(A SCSD core position)  
**TERMS OF REFERENCE**  
**LOCAL FINANCE AND PROCUREMENT COORDINATOR**

The Local Finance and Procurement Coordinator will report to the relevant Cluster Manager and work under the technical supervision of the Local Governance Adviser, to assist in developing and implementing financing plans, including capacity development and procurement, related to block grants provided to district administrations. The Local Finance and Procurement Coordinator will also be responsible for facilitating and supporting the liaison between MoHA and relevant ministries, as well as provincial and district administrations, and ensuring compliance and convergence with agreed approaches.

**Duties and Responsibilities**

- Providing practical assistance for the design of sub-national financing modalities through block grants, as well as related financial management, procurement and implementation procedures
- Overseeing implementation of financial management functions and procurement procedures at national, provincial and district levels
- Ensuring that capacity-building in the area of local financial management and procurement are consistent with SCSD Programme procedures.
- Backstopping and mentoring of provincial and district finance offices in the use of financial management procedures.
- Liaising with the Ministry of Finance and Ministry of Home Affairs with regard to disbursement procedures.
- Tracking and recording block grant related expenditures and fund flows
- Facilitating timely provision of information for performance based grant allocation
- Provide support for relevant related activities, including assisting in preparing documents for meetings, workshops, translations, training, and reporting

**Skills/Competencies required**

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

- A relevant Bachelor Degree in public finance, public administration or related fields.
- Five years of professional/practical experience with public expenditure management and/or public administration.
- Experience of working with local administrations in Lao PDR.
- Experience in monitoring, analyzing and auditing local finances
- A proven track record of team working.
- Some experience in using financial management software.
- A sound knowledge of spoken and written English.
- Good communications and facilitation skills.

(A SCSD core position)  
**TERMS OF REFERENCE**  
**NATIONAL LOCAL GOVERNANCE COORDINATOR**

The Local Governance Coordinator (national) will report to the relevant Cluster Manager and work under the technical supervision of the Lead Adviser and Local Governance Advisor, to assist in activities related to development of policies and regulatory framework for effective local administration, strengthening One Door Service and expansion of ODS network, and facilitating district service delivery alongside implementation of Citizen Report Card studies. The Local Governance Coordinator will also be responsible for facilitating and supporting the liaison between MoHA and relevant ministries, with regard to strengthening frameworks for improved service delivery and programme oversight.

**Duties and Responsibilities**

- Support the effective coordination between National GPAR Programme, Dept. of Local Administration of MoHA, and related stakeholders, for implementing:
  - Support to development of policies and regulatory framework for more effective local administration at province and district level
  - Improved capacity of local administration to fulfill its service delivery mandates
  - Improving Access to Citizen Services
  - Support responsive service delivery, including Citizen, CSO & Community service delivery information and reporting
- Provide ongoing support, particularly in the research, analysis and summary of key documents;
- Provide support for relevant related activities, including assisting in preparing documents for meetings, workshops, translations, training, and reporting

**Skills/Competencies required**

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

- A relevant Bachelor Degree in business or public administration, finance, law or equivalent;
- At least 5 years experience in similar work or related fields;
- Sound working knowledge of MS Word, Excel and Powerpoint;
- Excellent written and oral English and Lao language skills
- Good interpersonal, communication, facilitation and reporting skills.
- Strong organizational and analytical skills;
- Experience in conducting research; and
- Experience working within a multicultural team

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

**(A SCSD core position)**  
**TERMS OF REFERENCE**  
**MONITORING & COORDINATION COORDINATOR**

The Monitoring & Coordination Coordinator (national) will report to the relevant Cluster Manager and work under the technical supervision of the Local Governance Adviser and Lead Advisor, to assist in monitoring the progress of activities of the National GPAR Programme, and hold particular responsibility in relation to tracking and reporting on the activities related to district level activities. The Monitoring & Coordination Coordinator will also be responsible for facilitating and supporting information sharing between MoHA and relevant ministries, as well as provincial and district administrations, and ensuring timely transmission and follow up on directions and requests for actions.

**Duties and Responsibilities**

- Providing practical assistance for the design of National GPAR Programme monitoring and reporting framework, tools and implementation process
- Overseeing the timely implementation of information flows, analysis of information and reporting by provincial and district levels, in compliance with guidelines
- As and when necessary, adapting the monitoring framework in order to take into account lessons learned through implementation.
- Ensuring that monitoring and review capacities developed are consistent with SCSD procedures.
- Backstopping monitoring and coordination of activities at provincial and district levels.
- Contributing to regular reporting on SCSD progress.
- Provide support for relevant related activities, including assisting in preparing documents for meetings, workshops, translations, training, and reporting

**Skills/Competencies required**

The Monitoring & Coordination Coordinator will be a development professional with extensive experience in the monitoring and evaluation area, with particular focus on implementing systems at the sub national level. S/he will have experience of designing simple monitoring procedures as well as training and mentoring staff on the use and implementation of monitoring tools. S/he has high level interpersonal skills and is able to negotiate with diplomacy and tact. S/he has excellent written English and capacity to provide high quality reports in a professional and timely manner. Therefore s/he is expected to have:

- A relevant Bachelor Degree in the social sciences or related disciplines.
- Five years with work experience on monitoring and evaluation issues in Lao PDR
- Experience of working with local administrations in Lao PDR.
- Experience of local level planning and budgeting
- Hands on experience in organizing and facilitating meetings and workshops
- A proven track record of team working.
- A sound knowledge of spoken and written English.
- A sound knowledge of data processing and analysis tools
- Good communications and facilitation skills.

## **TERMS OF REFERENCE**

### **NATIONAL GOVERNANCE SECTOR SUPPORT COORDINATOR**

The Governance Sector Support Coordinator (national) will report to the relevant Cluster Manager and work under the technical supervision of the Lead Adviser, to assist in activities related to sector oversight by the Leading Committee on Governance, sector coordination through the Governance Sector Working Group, facilitating National GPAR Programme oversight by the National GPAR Programme Board and implementation of the CADEM. The Governance Sector Support Coordinator will also be responsible for facilitating and supporting the liaison between MoHA and relevant ministries, with regard to sector coordination and programme oversight.

#### **Duties and Responsibilities**

- Support the National GPAR Programme Secretariat on establishing and sustaining effective coordination between Dept. of Planning & Cooperation of MoHA, the Governance Sector Working Group Secretariat and related stakeholders, which will include
  - High level institutional mechanisms to provide oversight and coordination across the Governance sector;
  - Strengthening capacity in Ministry of Home Affairs to effectively coordinate and monitor the implementation of the GPAR programme and related activities
  - Coordination of development partner assistance through the Governance Sector Working Group, and resource mobilization to support programme implementation;
  - Plan, coordinate and implement GPAR Capacity Development and Modernisation Fund (CADEM), and ensure regular monitoring and reporting of results
  - Programme support - oversight, management, coordination and results based monitoring
- Provide ongoing support, particularly in the research, analysis and summary of key documents;
- Provide support for relevant related activities, including assisting in preparing documents for meetings, workshops, translations, training, and reporting

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

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

- A relevant Bachelor Degree in business or public administration, finance, law or equivalent;
- At least 5 years experience in similar work or related fields;
- Sound working knowledge of MS Word, Excel and Powerpoint;
- Excellent written and oral English and Lao language skills
- Good interpersonal, communication, facilitation and reporting skills.
- Strong organizational and analytical skills;
- Experience in conducting research; and
- Experience working within a multicultural team

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



## **TERMS OF REFERENCE**

### **ORGANIZATIONAL DEVELOPMENT SUPPORT COORDINATOR**

The Organizational Development Support Coordinator (national) will report to the relevant Cluster Manager and work under the technical supervision of the Lead Advisor, to assist in activities related to development and implementation of policies and practices by the Ministry of Home Affairs to facilitate capacity development, organizational effectiveness and service delivery. The Organizational Development Support Coordinator will also be responsible for facilitating and supporting the liaison between MoHA and relevant ministries, with regard to strengthening frameworks for capacity development and mainstreaming best practices to carry out organizational analysis and improve organizational effectiveness.

#### **Duties and Responsibilities**

- Support the effective coordination between National GPAR Programme, Dept. of Public Administration Development of MoHA, and related stakeholders, for implementing:
  - Support to development of policies and regulatory framework for more effective administration at national level, and initiating roll out to the province and district level
  - Enabling organizational analysis and other analytical work to identify and implement steps to improve organizational effectiveness
  - Facilitate systematic capacity development and ensure best practices are mainstreamed across the administration
  - Support efforts to improve inter-ministerial and centre-local coordination in implementing national policies
- Provide ongoing support, particularly in the research, analysis and summary of key documents;
- Provide support for relevant related activities, including assisting in preparing documents for meetings, workshops, translations, training, and reporting

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

The Organizational Development Support Coordinator is an early to mid-career professional with experience in providing sound administration, coordination and secretarial support in the area of organizational development and capacity development. The Organizational Development Support Coordinator will have an understanding of governance and public administration reform, with practical experience in assessing organizational performance and capacity gaps. S/he has experience in supporting teams in complex activities and has a high level of interpersonal skills, being able to negotiate with diplomacy and tact. S/he has excellent written English and capacity to provide high quality reports in a professional and timely manner. Therefore s/he is expected to have:

- A relevant Bachelor Degree in business or public administration, finance, law or equivalent;
- At least 5 years experience in similar work or related fields;
- Sound working knowledge of MS Word, Excel and Powerpoint;
- Excellent written and oral English and Lao language skills
- Good interpersonal, communication, facilitation and reporting skills.
- Strong organizational and analytical skills;
- Experience in conducting research; and
- Experience working within a multicultural team

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

## TERMS OF REFERENCE

### CAPACITY DEVELOPMENT SUPPORT COORDINATOR

The Capacity Development Support Coordinator (national) will report to the relevant Cluster Manager and work under the technical supervision of the Lead Advisor, to assist in activities related to development and implementation of policies and practices by the Ministry of Home Affairs to facilitate capacity development and delivery of training programmes by the Civil Service Training Centre. The Capacity Development Support Coordinator will also be responsible for facilitating and supporting the liaison between MoHA and relevant ministries, with regard to developing curricula aligned with generic competency requirements as well as specific competencies required for roll out of particular policies and regulations, developing teaching materials, coordinating faculty and evaluating benefits and value added by interventions to improve the effectiveness of the civil service.

#### Duties and Responsibilities

- Support the effective coordination between National GPAR Programme, Civil Service Training Centre of MoHA, and related stakeholders, for:
  - Supporting the preparation of capacity development strategies and plans, and coordinating the implementation of the same to strengthen the civil service of Lao PDR
  - Facilitate the preparation of suitable curricula, teaching materials, and effective delivery of specific training, including the Public Policy Training Programme
  - Coordination with faculty, both national and international, for development and delivery of training modules
  - Coordination with organizations of the government on selecting, sponsoring and enabling the participation of civil servants in programmes of the Civil Service Training Centre
  - Systematic evaluation of training programmes, performance of trainees and reporting
- Provide ongoing support, particularly in the research, analysis and summary of key documents;
- Provide support for relevant related activities, including assisting in preparing documents for meetings, workshops, translations, training, and reporting

#### Skills/Competencies required

The Capacity Development Support Coordinator is an early to mid-career professional with experience in providing sound administration, coordination and secretarial support in the area of capacity development and training. The Capacity Development Support Coordinator will have an understanding of governance and public administration reform, with practical experience in developing and delivering training. S/he has experience in supporting teams in complex activities and has a high level of interpersonal skills, being able to negotiate with diplomacy and tact. S/he has excellent written English and capacity to provide high quality reports in a professional and timely manner. Therefore s/he is expected to have:

- A relevant Bachelor Degree in business or public administration, finance, law or equivalent;
- At least 5 years experience in similar work or related fields;
- Sound working knowledge of MS Word, Excel and Powerpoint;
- Excellent written and oral English and Lao language skills
- Good interpersonal, communication, facilitation and reporting skills.
- Strong organizational and analytical skills;
- Experience in conducting research; and
- Experience working within a multicultural team

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

## TERMS OF REFERENCE

### CIVIL SERVICE MANAGEMENT SUPPORT COORDINATOR

The Civil Service Management Support Coordinator (national) will report to the relevant Cluster Manager and work under the technical supervision of the Lead Advisor, to assist in activities related to development and implementation of civil service management policies and practices by the Ministry of Home Affairs to effective human resource management in the Lao civil service. This support will cover several areas such as Code of Conduct, Job Descriptions, Pay and Compensation Surveys, Civil Service Performance Appraisal, and the like. The Civil service Management Support Coordinator will also be responsible for facilitating and supporting the liaison between MoHA and relevant ministries, with regard to developing particular adjustments of policies and practices, to facilitate effective implementation.

#### Duties and Responsibilities

- Support the effective coordination between National GPAR Programme, Civil Service Management Department of MoHA, and related stakeholders, for:
  - Supporting the preparation of civil service management strategies, related implementation plans and regulations, and manuals and guidance for roll out
  - Coordinate with the civil service training centre and other capacity development support programmes to ensure alignment with changing policies and practices
  - Facilitate the preparation of suitable technical papers and documents in close alignment with resource persons and partner institutions
  - Coordination with organizations of the government on planning and roll out of policies and guidelines
- Provide ongoing support, particularly in the research, analysis and summary of key documents;
- Provide support for relevant related activities, including assisting in preparing documents for meetings, workshops, translations, training, and reporting

#### Skills/Competencies required

The Civil Service Management Support Coordinator is an early to mid-career professional with experience in providing sound administration, coordination and secretarial support in the area of capacity development and training. The Civil Service Management Support Coordinator will have an understanding of governance and public administration reform, with practical experience in working on matters dealing with civil service management. S/he has experience in supporting teams in complex activities and has a high level of interpersonal skills, being able to negotiate with diplomacy and tact. S/he has excellent written English and capacity to provide high quality reports in a professional and timely manner. Therefore s/he is expected to have:

- A relevant Bachelor Degree in business or public administration, finance, law or equivalent;
- At least 5 years experience in similar work or related fields;
- Sound working knowledge of MS Word, Excel and Powerpoint;
- Excellent written and oral English and Lao language skills
- Good interpersonal, communication, facilitation and reporting skills.
- Strong organizational and analytical skills;
- Experience in conducting research; and
- Experience working within a multicultural team

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

## TERMS OF REFERENCE

### NATIONAL GPAR PROGRAMME COMMUNICATIONS COORDINATOR

The Communication Support Coordinator (national) will report to the relevant Cluster Manager and work under the technical supervision of the Lead Advisor, to assist in communicating information related to progress and achievements of the National GPAR Programme. The Communication Support Coordinator will be responsible for dissemination of information, sharing of lessons learned, replication of activities, and facilitation of efficient communications between the national GPAR Programme, government agencies, development partners and the wider community. This position will also support the increasing need to ensure efficient and effective document management across a wide range of activities, as well as support bilingual facilitation and translation needs, including drafting speeches and presentations.

#### **Duties and Responsibilities**

- Assist in developing output profiles and reports, to communicate with partners;
- Assist in information management, including paper and electronic records;
- Support implementation of communication action plans aligned with outputs;
- Coordinate the production and publication of the National GPAR Programme newsletter;
- Support press conferences and write/edit press releases, speeches, articles and reports
- Support the maintenance and updating of information on the MoHA/GPAR website;
- Support the production of brochures, handouts, leaflets, videos and photographs;
- Assist with translation of related documents: English to Lao, and Lao to English;
- Support the organization of conferences, workshops, functions and stakeholder meetings;

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

The Communication Support Coordinator will need to be an early to mid-level professional volunteer with at least a Bachelor degree in the field of communications/public relations or a related field which could include public administration, business administration, management or journalism. S/he has experience in working within a developing environment, and clearly demonstrates high levels of creativity, initiative, and interpersonal skills. Therefore s/he is expected to have:

- Minimum three years experience in communications/public information/ public relations;
- Experience in creating reports, press releases, pamphlets, training materials etc;
- Prior experience in graphic design and layout of publications;
- Prior experience in organising events, preparing action plans and conducting research;
- Results orientation, with strong analytical, interpersonal, facilitation and reporting skills;
- Mature personality with experience working in mixed cultural teams
- Sensitivity to gender and ethnic minority issues.
- Strong oral and written English and Lao communications skills.
- Sound knowledge of MS Word, Excel, PowerPoint, Publisher and relevant software;
- In addition, s/he should be available to undertake travel to the provinces to provide support to project activities for durations as necessary.

## TERMS OF REFERENCE

### INFORMATION TECHNOLOGY SERVICES COORDINATOR

The Information Technology Services Coordinator (national) will report to the relevant Cluster Manager, under the National GPAR Programme Secretariat, to ensure fully operational information technology services for the different offices under the National GPAR Programme, and under the guidance of the Lead Advisor facilitate implementation of information technology solutions that would be established under the Programme. This position will also support needs in relation to website design and development, installing networks, maintenance and general support to ICT management, as well as assisting target ministries and provinces in identifying and implementing management information systems and e-business solutions.

#### Duties and Responsibilities

The Information Technology Services Coordinator will to support a range of needs, which will include:

- Advise MoHA on information and communications technology policies and procedures, and advise on the adaptation and maintenance of such systems and methodologies.
- Support development, implementation and maintenance of the civil service data base (PIMS);
  - to oversee national implementation and support regular updating of data base;
  - to support the development and implementation of the payroll module; and
  - to assist MoHA in producing regular reports on the civil service population;
- Reviewing existing IT systems in line ministries, and advise MoHA on the development of IT networks to ensure proper linkages (e.g. with Ministry of Finance – payroll management, and Ministry of Labour and Social Welfare – Social Security) between these data bases and PIMS;
- Collaborating with the province-level GPAR activities in assessing and facilitating the linkages between the IT systems at the local level and the GPAR initiatives
- Advising the government on information technology requirements (e.g. computers and related facilities such as backup systems), development of specifications, and support to procurement;
- Actively participating in work analyses of identified systems and related activities, to support the establishment of technical standards and review the work outputs including sub-contracts;
- Supporting the management of systems sub-contracts to ensure that deliverables are produced on time, according to scope and within budget/contract parameters;
- Facilitating the transfer of information technology and communications know-how to PACSA staff and sites of the GPAR program, through means such as coaching and formal training;
- Supporting the technical training of government staff, to enable them to assume responsibility for maintenance and support of implemented systems and networks.

#### Skills/Competencies required

The ICT Coordinator will need to be an experienced ICT professional with a demonstrated track record in providing broad ICT-related support and guidance to counterpart agencies. S/he should have high level interpersonal skills and is able to negotiate with diplomacy and tact. S/he would also need very good written English and capacity to provide high quality reports in a professional and timely manner. Therefore s/he is expected to have:

- Minimum of Bachelors Degree, in Information Technology and/or related areas;
- At least 5 years of relevant experience in an ICT environment, with experience in;
  - information management and administrative systems;
  - systems development (needs analysis, feasibility studies, systems design implementation)
  - a range of proprietary software products such as Windows, Windows NT (or other network software), operating systems, data base management;
  - technical and operations support, and systems trouble-shooting;
  - data communications, networks, Internet, web design;
  - systems project management, including systems contract management;
  - systems planning, including development of specifications and architectures;
  - the installation and support of computer systems networks;
  - developing technical specifications and supporting systems procurement;
  - systems and technical training
- Excellent written and oral communication in English; results oriented, strong team player
- Initiative, adaptability and skill in adapting techniques to local circumstances;
- Sound judgment, flexibility and adaptability, cultural sensitivity; and
- Ability to adapt to diverse education and cultural backgrounds

## TERMS OF REFERENCE

### NATIONAL GPAR PROGRAMME FINANCE SUPPORT COORDINATOR

The National GPAR Programme Finance Support Coordinator (national) will support the Head of the Finance Office of the Ministry of Home Affairs to execute programme finance management, and support the National Programme Manager in preparing annual & quarterly budgets and expenditure reports, required by different development partners supporting the national GPAR Programme. This position will also support needs in relation to capacity development in the Ministry of Home Affairs to take on a growing role in managing external assistance as well as support channeled to other ministries, provinces, districts or other offices by the Ministry of Home Affairs.

#### Duties and Responsibilities

- Establish and help MOHA implement oversight of all programme accounting activities including financial records, reporting, payments, and support for related project activities
- Assist MoHA to prepare annual and quarterly budget plan
- Facilitate MoHA's team to carry out regular updating of financial system and records, and compilation of monthly, quarterly and annual budget expenditure reports,
- Enable MoHA to release field advances and petty cash funds in accordance with the NIM guidelines and other applicable financial procedures related to agreements with particular development partners
- Assist MoHA to verify payment, direct advance and contract payment request and settle advances
- Follow up on reconciliation of direct payments executed by development partners, including UNDP
- Prepare reports for settling advances from development partners, and related advance requests
- Monitor and analyse programme transactions in relation to approved budgets, for budget revisions
- Advise MoHA on acceptable and requisite accounting and financial management practices
- Ensure recommendations/guidelines/instructions from Audit reports are complied with
- Provide and present report to Monthly Programme Meetings

#### Skills/Competencies required

The National GPAR Programme Finance Support Coordinator position is a mid-level professional with prior experience in supporting a diversified portfolio of development assistance, with strong analytical skills and reporting expertise. S/needs to have experience in working within a developing project environment, clearly demonstrates high levels of responsibility, initiative, and interpersonal skills, and has an ability to negotiate with diplomacy and tact. Therefore s/he is expected to have:

- Minimum of a Bachelor degree in the field of accounting or finance management
- Minimum of five years experience in the field of financial management
- Solid experience in creating technical reports
- Results orientation, with strong analytical, interpersonal, communication and reporting skills;
- Sound working knowledge of MS Word, Excel, PowerPoint, and other relevant software;
- Excellent written and oral English;
- Some experience in training and skills transfer; and
- Experience working within a multicultural, consultative team.

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

## TERMS OF REFERENCE

### NATIONAL GPAR PROGRAMME ACCOUNTANT

The National GPAR Programme Accountant (national) will support the Head of the Finance Office of the Ministry of Home Affairs to perform routine accounting functions, and support the National Programme Manager and National GPAR Programme Finance Support Coordinator in preparing annual & quarterly budgets and expenditure reports, required by different development partners supporting the national GPAR Programme. This position will also support the Finance Office in relation to managing external assistance channeled to other ministries, provinces, districts or other offices by Ministry of Home Affairs.

#### Duties and Responsibilities

- Support MoHA for carrying out all routine financial transactions and preparation of related documents such as payment requests, vouchers and reconciliation related to the National GPAR Programme
- Facilitate timely completion of accounting documents to enable regular updating of financial system and records, including monthly, quarterly and annual expenditure reports
- Assist MoHA in preparation of payment requests, advance requests, contract payments, and making and settling field advances and petty cash funds in accordance with NIM/other relevant guidelines
- Support MoHA and the National GPAR Programme Finance Support Coordinator in liaising with the finance offices of different development partners supporting the National GPAR Programme
- Participate in meetings to review/monitor budgets and expenditure and assist the GPAR Programme Finance Support Coordinator in preparing and presenting report to Monthly Project meetings

#### Skills/Competencies required

The National GPAR Programme Accountant is a mid-level professional with prior experience in accounting functions with a large diversified portfolio of development assistance, displaying high levels of systematic work and strong organizational skills. S/he needs to have experience in working within a developing project environment, clearly demonstrates high levels of responsibility, initiative, and interpersonal skills, and has an ability to negotiate with diplomacy and tact. Therefore s/he is expected to have:

- Minimum of a Bachelor degree in the field of accounting or finance management
- Minimum of two years experience in accounting, and preparing related vouchers and documentation
- Hands on experience in managing advances and petty cash with development assistance projects
- Track record of systematic document management and superior interpersonal and reporting skills
- Sound working knowledge of MS Word, Excel, PowerPoint, and other relevant software;
- Good written and oral English
- Experience working within a multicultural, consultative team.

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

## TERMS OF REFERENCE

### NATIONAL GPAR PROGRAMME TRANSLATOR

The National GPAR Programme Translator (national) will support the National Programme Manager and the National GPAR Programme Secretariat in translating and preparing programme documents and related technical documents, in Lao and English. This position will assist the international advisors and short term international consultants during meetings with interpretation support, and deliver simultaneous interpretation support for trainings, workshops and meetings, as required.

#### **Duties and Responsibilities**

- Support the GPAR Programme Secretariat to carry out written and oral translation work as required by the Programme. He/she will translate a range of documents from English to Lao and vice-versa.
- Perform translation duties in regular meetings, workshops, seminars etc. as well as high level events
- Assist with preparation of the Programme's publications, particularly translation of articles;
- Assist with gathering and classifying all relevant documents for the programme
- Select, and organize relevant information from the Lao media and translate the same when needed

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

The National GPAR Programme Translator is a mid-level professional with prior experience in providing translation and interpretation functions for development assistance projects, with a track record of systematic work. S/he needs to have experience in working within a developing project environment, clearly demonstrates high levels of responsibility, initiative, and interpersonal skills, and has an ability to communicate with diplomacy and tact. Therefore s/he is expected to have:

- Minimum of a Bachelor degree in the field of economics, public administration or related subject
- Minimum of five years experience in development projects
- Hands on experience with translation/interpretation for development assistance projects
- Track record of systematic document preparation and tactful oral communication
- Sound working knowledge of MS Word, Excel, PowerPoint, and other relevant software;
- Good written and oral English and Lao languages
- Experience working within a multicultural, consultative team.

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



## TERMS OF REFERENCE

### NATIONAL GPAR PROGRAMME ADMINISTRATION ASSISTANT

The National GPAR Programme Administration Assistant (national) will support the National GPAR Programme Manager and the Dept. of Planning & Cooperation of MOHA, in organizing and implementing the activities of the National GPAR Programme Secretariat. This position will also support needs in relation to events organized by the Secretariat for the Ministry of Home Affairs, procurement of assets and services supported by the Programme, maintaining inventories and stocks, and facilitate services required for using international personnel.

#### Duties and Responsibilities

- Assist the Programme Secretariat to prepare annual project procurement plan and provide logistical support for implementing programme activities
- Assist the Programme Secretariat to manage procurement of office supplies, materials, printing and services, and manage/maintain the inventory list and maintenance list for all project equipment
- Facilitate logistical support for organizing workshops, conferences and meetings
- Assist the Programme Secretariat to maintain files and documents of all official correspondence, and draft and finalize minutes of meetings such as monthly meetings
- Prepare documentation and provide support to recruit international consultants, and manage visa formalities, travel arrangements, etc. related to project staff and international consultants
- Assist in communications to key stakeholders-government organizations and donors
- Receive visitors and answer telephones when required, and accompany Lao officials and international staff to meetings

#### Skills/Competencies required

The National GPAR Programme Administration Assistant is an early to mid-level professional with prior experience in supporting development projects diversified portfolio of development assistance, with strong analytical skills and reporting expertise. S/he needs to have experience in working within a developing project environment, clearly demonstrates high levels of responsibility, initiative, and interpersonal skills, and has an ability to negotiate with diplomacy and tact. Therefore s/he is expected to have:

- Minimum of a Bachelor degree
- Minimum of five years experience in working with development projects
- Solid experience in providing administrative and logistical support to projects
- Good knowledge of government administrative procedures (visa)
- Good time management skills
- Flexible and adaptable
- Strong oral and written English communications skills, results oriented, strong team player
- Sound judgment, flexibility and adaptability, cultural sensitivity.

In addition, s/he should be available to undertake travel and drive official vehicles to provide support for programme activities, as necessary.

## **TERMS OF REFERENCE**

### **NATIONAL GPAR PROGRAMME SECRETARY**

The National GPAR Programme Secretary (national) will support the National GPAR Programme Manager and the Dept. of Planning & Cooperation of MOHA, in organizing and implementing the activities of the National GPAR Programme Secretariat. This position will also support needs in relation to events organized by the Secretariat for the Ministry of Home Affairs, management of documents, interfacing with visitors, organizing and scheduling meetings, managing petty cash (when required), and telecommunication on behalf of the project.

#### **Duties and Responsibilities**

- Assist the Programme Secretariat to receive, screen, register and file or route correspondence;
- Receive visitors, place and screen telephone, fax and email communications effectively;
- Make all practical arrangements for meetings taking place in the office, confirm date and venue with participants, prepare meeting room and supplies;
- Type correspondence, documents and reports, and ensure proper editing of the documents;
- Where requested create brief communications (emails, memos, letters)
- Maintain list of names, addresses and other contact details of all working contacts;
- Ensure registration of outgoing documents and arrange for distribution of these documents to concerned parties;
- Ensure proper filing and archiving of all office documents;
- Maintain petty cash record for daily office expenditures
- Coordinate/manage the project log books for all project vehicles (including analysis of petrol usage)

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

The National GPAR Programme Secretary Assistant is an early professional, who is well organized and communicates effectively. S/he needs to have some experience in working within a developing project environment, clearly demonstrates high levels of responsibility, initiative, and interpersonal skills, and has an ability to negotiate with diplomacy and tact. Therefore s/he is expected to have:

- Minimum of a Bachelor degree
- Minimum of two years experience in working with development projects
- Good knowledge of a range of software programs
- Good English language skills
- Strong organizational skills and ability to manage time effectively
- Capacity to establish and maintain office procedures
- Strong team player, who is flexible and adaptable and displays cultural sensitivity.

### Annex 3: Conditions for successful realization of the national programme

Links to other governance programmes and initiatives: The GPAR Programme outcome evaluation revealed a strong focus on developing capacity within government and less emphasis on the addressing broader governance challenges. In response, the new GPAR programme is designed to more closely link with broader reforms, including those in the other three pillars of the governance strategy that have a direct relationship to the public administration reform process, which includes: (i) support to the MDG Acceleration Framework; (ii) roll out of the District Development Funds (DDF); (iii) coordination with Poverty Reduction Fund (PRF); and Legal Sector Master Plan.

Attention to gender equality and women's empowerment: Despite robust economic growth and progress on human development, gender inequality remains a barrier to progress, justice and social stability in Lao PDR. The government is addressing this through: (i) the GPAR programme (working with PACSA, the Lao Women's Union, the Lao National Commission for the Advancement of Women amongst others) will fully mainstream gender in the national programme, and all related projects and interventions will be invited to ensure that gender related targets and indicators are included; (ii) the MAF (2010) which includes provisions for a significantly greater investment in women and girls as a proven MDG multiplier; (iii) the new five-year plan for the advancement of women (2011-2015) will further advance linkages with the national GPAR programme by, amongst other goals, strengthening NPA's that work on gender issues.

A comprehensive approach to capacity development: GPAR is a capacity development initiative: all aspects of programme design and implementation arrangements<sup>5</sup> are linked to a strategic understanding of capacity development as a long-term process based on: (i) strengthening the enabling environment for service delivery as well as the organizational structures; (ii) strengthening Human Resources Development by increasing the knowledge and skills of civil servants; and (iii) improving the organizational capacity needed to make effective use of human resources.

- a) Enabling the development of institutions, laws, regulations and organizational structures – based on research, evidence-based development of policy and regulation, piloting and scaling up.
- b) Strengthening of Human Resources – human resources development is based on a *Learning and Doing* strategy. Knowledge and skills of civil servants will be improved through formal and informal learning linked closely to actual tasks the civil servants perform as part of their routine jobs or as a result of reforms introduced. All training will: (i) be based on training needs assessments; (ii) include “post-training plan” to ensure implementation in the workplace; and (iii) be supported by experienced mentors.
- c) Systems and processes and operational environment – GPAR will pay particular attention to human resources management issues including the introduction of: (i) clear job descriptions for all positions; (ii) transparent, merit-based procedures for recruitment and promotion, with an emphasis on gender equity; (iii) incentives for staff, including long-term reform of civil service pay structures; (iv) a performance evaluation system; (v) improved systems and processes including ICT solutions to improve the quality and performance of public administration; and (vi) improved work environment.

Knowledge Management: the sharing of solutions within government: The GPAR programme will provide a framework to generate, organise and disseminate knowledge, inform policy development, provide a basis to evaluate programme results and share lessons learned with the governance/development community in Laos and beyond, in particular with ASEAN partners, through: (i) research studies; (ii) management information, indicators and data; (iii) pilot activities; (iv) knowledge dissemination; and (v) study tours.

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<sup>5</sup> With the exception of an output on training mechanism and infrastructure under the “Civil Service Reform” sub-component (component 1)

## Annex 4: Risk analysis and Mitigation Framework

The Programme would also need to address some risks that have been identified at this stage.

**Lack of buy-in from the local authorities:** There may be lack of buy in from local authorities who may see the programme as a new top down approach to GPAR. Previous GPAR provincial pilots gave the provincial administrations major ownership over project staff and resources. There may no longer be provincial projects as previously designed. The entire component 2 will depend largely on the leadership and ownership of the local authorities (provincial and district). Discontent and lack of buy in at the local level may hamper project implementation, not only in component 2 but in the project overall, as all component activities are interlinked. Hence MoHA will need to raise awareness on the new programme at the local level, clearly explaining the new different modus operandi where the provinces and districts will remain the lead at the local level. Operating modalities may change but budgets will be allocated to the local level and managed by the local authorities.

**Limited resources compromising activities:** Limited resources will directly compromise the implementation of programme activities and may undermine the credibility of the programme approach. As the programme now aims to go nation-wide, the success of the new programme will depend on the amount of resources that can be mobilized. The achievement of many of the outputs will be compromised and may result in a continuation of GPAR pilots with limited impact. Plans to scale up nation-wide, or at least cover the 6 poorest provinces, will then need to be postponed with direct impact on MDG progress. Hence, further awareness raising among the donor community and coordination of all resource mobilization activities at the level of the coordinating body (PACSA). Establishing a GPAR Trust Fund could to address that risk.

**Other government bodies may be reluctant to enhance coordination:** The new programme links with other pillars in the Governance Strategy (people's participation, rule of law and sound public financial management). Lack of coordination and operating in silos will compromise the overall results and the impact will be limited. Hence, institutional arrangements to strengthen collaboration will need to be developed with all government stakeholders. Appointing co-chairs of the Leading Committee and Programme Board is a solution to sensitivities around which agency will take the lead.

**Multiplication of projects, steering committees, project support units and overkill in missions, reporting etc.** The Programme approach introduces a new way of operating, both for the government and for the donor community. There is the risk that the rhetoric will not be followed by concrete action. The impact is that much effort will be again lost in project management and reporting rather than programme implementation. Programme approach will be an evolving concept. Hence, it will be necessary for all partners involved to subscribe to the principles in this programme document. The GPAR Programme Board should oversee projects under the programme framework.

**Risk of having the national programme only partially funded:** Certain components may be more attractive to development partners. There could greater resource mobilization in some components or sub-components. But the programme is an integrated package of outputs that need to come together to achieving the national goals set for 2015 and 2020. If only parts of the programme receive funding, sustainability and/ or nation-wide roll-out of the reforms could become compromised. Hence, resource mobilization will be coordinated by PACSA, in liaison with the DIC (MPI) and negotiations with potential donors with direct engagement of the responsible government bodies (i.e. PACSA and the DIC). The possibility of establishing a GPAR Trust Fund will also be explored.

### Risk and mitigation framework

| Situation | Risk | Potential Impact | Mitigation measures |
|-----------|------|------------------|---------------------|
|-----------|------|------------------|---------------------|

|  |  |   |   |
|--|--|---|---|
| The previous GPAR provincial pilots gave the provincial governors a large amount of ownership over project staff and resources. There may no longer be provincial projects as previously designed. | Lack of buy-in from the local authorities who see the programme as a new top down approach to GPAR.  | The district strengthening results will depend largely on the leadership and ownership of the local authorities (provincial and district). Discontent and lack of buy in at the local level may hamper project implementation, not only in component 2 but in the project overall, as all component activities are interlinked. | PCSA will undertake awareness raising on the new programme at the local level, clearly explaining that there will be a different modus operandi but that the provinces and districts will remain in the lead at the local level. Operating modalities may change but the plan is still to have budgets allocated to the local level and managed by the local authorities. |
| As the programme now aims to go nation-wide, the success of the new programme will depend on the amount of resources that can be mobilized.  | Limited resources will directly compromise the implementation of programme activities and may undermine the credibility of the programme approach. | The achievement of many of the outputs will be compromised and may result in a continuation of GPAR pilots with limited impact. Plans to scale up nation-wide, or at least cover the 6 poorest provinces, will then need to be postponed with direct impact on MDG progress.  | Further awareness raising among the donor community and coordination of all resource mobilization activities at the level of the coordinating body (PACSA). The option of establishing a GPAR Trust Fund aims to address that risk.   |
| The new programme reaches out to the other pillars in the Governance Strategy (people's participation, rule of law and sound public financial management).   | There is a risk that the other government bodies are reluctant to enhance coordination.  | Lack of coordination and operations in silos will compromise the results in the GPAR pillar. If GPAR is not able to connect with other political, legal, constitutional and financial reforms, the impact of the public administration reforms will be limited.   | Institutional arrangements that strengthen collaboration and coordination will need to be further discussed with all key government stakeholders. Appointing co-chairs of the Leading Committee and Programme Board is one solution to avoid sensitivities around which agency will take the lead.  |
| Programme approach introduces a new way of operating, both for the government and for the donor community  | Risk that the rhetoric will not be followed by concrete action.  | Multiplication of projects, steering committees, project support units and overkill in missions, reporting etc. The impact is that much effort will be again lost to project management and reporting rather than programme implementation.   | Programme approach will be an evolving concept. Ensure that all partners involved subscribe to the principles outlined in this programme document. The GPAR Programme Board should play a key role in overseeing all projects under the programme framework.  |
| Certain components may be more attractive to development partners. There could be a push for resource mobilization to some components or sub-components.   | Risk of having the national programme only partially funded.   | The programme comprises an integrated packages of outputs that have an important role in advancing Lao PDR towards its 2015 and 2020 goals. If only parts of the programme receive funding, sustainability and/ or nation-wide roll out of the reforms could become compromised.  | Resource mobilization will be coordinated by PACSA, in liaison with the DIC (MPI). There should be no negotiations with potential donors without informing and engaging the responsible government bodies (i.e. PACSA and the DIC). The possibility of establishing a GPAR Trust Fund will also be explored.  |