

GPAR Assessment and Concept Development

Lao PDR



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CONCEPT NOTE FOR 2016 AND BEYOND

ACRONYMS

AUSAID	Australian Agency for International Development
BBG	Basic Block Grants
CADEM	Capacity Development and Modernization Fund
CTA	Chief Technical Advisor
DDF	District Development Fund
DP(s)	Development Partner(s)
EoI	Expression of Interest
EM	Evaluation Mission
FAO	UN Food and Agriculture Organization
GAD	Gender and Development
GEF	Global Environmental Facility
GPAR	Governance and Public Administration Reform
GSWG	Governance Sector Working Group
JSDF	Japanese Social Development Fund
MoHA	Ministry of Home Affairs
MoPI	Ministry of Planning and Investment
MoJ	Ministry of Justice
NGPAR	National Governance and Public Administration Programme
NGPS	National GPAR Secretariate Support
NLCG	National Leading Committee on Governance
NSEDP	National Socio-Economic Development Plan
OEBG	Operational Expenditure Block Grants
ODSC	One Door Service Centres
PRF	Poverty Reduction Fund
PACSA	Public Administration and Civil Service Authority
RTM	Round Table Meetings
SCSD	Strengthening Capacity for Service Development Project
SDC	Swiss Agency for Development and Cooperation
UN	United Nations
UNCDF	United Nations Capital Development fund
UNDAF	United Nations Development Assistance Framework
UNDP	United Nations Development Programme
UNESCO	United Nations Education Science and Culture Organization
UNFPA	United Nations Population Fund
UNICEF	United Nations Children´s Fund
UNV	United Nations Volunteer Programme
WFP	UN World Food Programme

EXECUTIVE SUMMARY

As far as 1993 the Government of Laos has recognized the need to improve and modernize its Civil Service in order to ensure better implementation of government policies and improve the government's capacity to manage their affairs and deliver services to its citizens in a more accountable, transparent, effective and cost efficient manner. UNDP has cooperated with this effort through several phases dating back to 1997. Currently the Governance and Public Administration Reform Programme (GPAR) is composed of five projects.

Two of these form in themselves a distinct programme and they are the subject of the current evaluation. They both have a common management structure as the same persons act as Project Manager and Chief Technical Advisor (CTA) for both projects. They started in 2012 and are scheduled to be completed at the end of 2015. For these, the Government of Laos through the Ministry of Home Affairs (MoHA) and the UNDP sought and obtained the partnership of the Swiss Development Cooperation Agency (SDC) the United Nations Capital Development Fund (UNCDF), the Government of the Republic of Korea and the Government of Luxembourg. The Global Environmental Facility (GEF) also participates with parallel financing.

The detailed Terms of Reference of the Evaluation Team is included as an annex, but in essence it was to carry out a mid-term evaluation to determine the relevance of the programme to national objectives and the objectives spelled out in the United Nations Development Assistance Framework (UNDAF), look at the effectiveness and potential future impact of these two projects, draft a "Concept Note" that would encompass corrective measures that may be required to improve their future impact, assess stakeholder satisfaction with the projects, assess the effectiveness in the use of funds and assess their design and managerial structure of the two projects. To do this the mission reviewed 80 documents, interviewed 113 persons and in addition to the capital city and its immediate surroundings, visited several villages in two provinces where programme activities were being implemented. It talked to UN and other Development Partners (DPs) government staff at the central, provincial and district levels as well as beneficiaries.

The first conclusion of the Evaluation Mission was that indeed these two projects had been managed as a programme, were complementary to each other and were consistent with the objectives of the 7th National Socio-Economic Development Plan: 2011-2015 (NSEDP) which stresses the need for the public administration system to be accountable, effective, transparent and responsive. They were also in line with the National Governance Development Strategy of the Lao PDR 2020 and the Public Sector Development Strategy of the government for 2011-2015 and Outcome 2 of the current UNDAF.

The first of the two projects concerned was approved in January of 2012 and is entitled the "National GPAR Programme Secretariate Support Project" (GPAR NGPS).

It has a budget of US\$ 1,185,000 and its objectives can be summarized as: **(1)** Strengthening the capacity of public administration to deliver efficient, effective and accountable services to citizens; **(2)** Assisting MoHA in providing oversight and coordination of several

components of the GPAR Programme, led by the National Leading Committee on Governance (a government body chaired by the Vice-Prime Minister which includes all the Ministries dealing with governance) and the National GPAR Programme Board and (3) coordination and resource mobilization for the national GPAR Programme, through the Governance Sector Working Group (GSWG), a body composed of the Government and its main Development Partners where governance and public sector reform initiatives are discussed.

The Evaluation Mission reached a series of main conclusion in regard to this project. The first had to do with the fact that the staff in MoHA designed to carry out the day to day tasks of GPAR was insufficient in number and capacity and that this resulted in project staff needing to undertake tasks that by now should be carried out by government counterparts given the long involvement with GPAR. The Team therefore recommends that as part of an exit strategy, a hiring plan and a training plan be designed.

The second conclusion was that the work of the GSWG was of great potential importance. While it was still to produce important results, resources should continue to be assigned towards supporting it as it is the only forum for governance reform where the government and its DPs can discuss governance reform issues.

A third main conclusion was that the current human resources management tools for the civil service (job-descriptions, performance evaluation system, skills inventory) are either deficient or in the later case non-existent. They do not allow for allow for: 1) proper civil service career planning, 2) support an evaluation process that would reward merit 3) nor provide for a system to gather and keep records (centrally and for all the civil service) of the skills the government has at its disposal (knowledge management).

The second project, entitled “Strengthening the Capacity and Service Delivery of Local Administrations” (GPAR SCSD).

Approved in January of 2012 it has a stated budget of U\$ 12,568,800 of which U\$ 1,180,800 are still unfinanced. Its objectives can be summarized as: 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 project has 3 main components as follows:

1) The Capacity Development and Modernization Fund (CADEM)

The FUND had in its portfolio 26 CADEM operations reported up to Sept. 2014, for a total value of U\$ 265,793 U\$ with 6,872 direct beneficiaries. This results in an investment of U\$ 38.67 per beneficiary. Given this level of investment per beneficiary, the Evaluation Mission concluded that most of these training programmes would have been of short term duration (one or two days). Its operations are scattered geographically, by level of government beneficiaries, by institution and by subject.

Of these, 8 were submitted by central government level institutions and 18 were submitted by provincial government level institutions. In this last group, 12 provinces were represented. Subjects covered ranged from computer skills development, agricultural planning, regional integration, gender and prevention of family violence, public sector policy and regulation dissemination, Sam Sang experience dissemination etc. After a review of the thematic covered and talking to many concerned officials/beneficiaries, the mission concluded that all of this leads to believe training may have limited impact and sustainability and that recommended that, in the future the FUND try a new approach, concentrating on a few “key” thematic areas that promote “scalable good governance practices” such as per example gender and ethnicity, children, climate change/carbon emissions reduction and others that derive from Laos’ obligations to meet international standards. Furthermore, it recommended that the FUND concentrate on activities that target senior government officials/policy makers.

2) One Door Service Centers

The One Door Service Centres were conceived as “one stop shops” designed to serve multiple needs for basic services of local populations. Documents the mission were given indicated that there were 17 of them throughout Laos. The mission had an opportunity to read documentation on them, visit three of them and to hold talks with several concerned officials on these Centres. The Evaluation Mission was able to ascertain that none of the 17 Centres functions as planned. Some do not exist at all and others provide very limited services. There is no common policy on what services they are to provide or a common cost structure for those services. The mission therefore concluded that none of the ODSCs are fully operational or provide uniform, coordinated services. They have no budget, no power to approve locally even the most menial of requests, few or no computers, and no trained staff. No standard fee table, valid across the country, exists for the services they are supposed to provide. Therefore, the impact of the ODSCs to date is practically non-existent. This was also made apparent in discussions with several government officials that agreed with the validity of this conclusion, but stressed that the concept itself was a good one that they thought deserved to be tried once again albeit in a more comprehensive way. The Evaluation Mission fully agrees that the concept is a good one that deserves to be tried once again and therefore, as explained in the next paragraph, has recommended that in the context of the new phase of the District Development Fund (DDF) this be done.

3) District development Fund

The mission feels that the most successful component of the NGPAR Programme is this Fund. Its operative objective of the DDF is ***to ensure that district authorities provide services fairly & efficiently to local citizens.*** To do this it has set up two mechanisms. The first is the Basic Block Grants. A series of small untied grants destined to provide communities with very basic developmental infrastructure (roads, irrigation canals, schools, health centres and others) in a process that is participatory (the communities set their priorities) and that is managed 100% by the chosen district administrations. To do so, they have trained district level civil servants in participatory planning and basic fund management and reporting. To date they have

financed 66 projects with a total investment of approximately US\$ 1,800,000. This is a unique experiment as district authorities have historically never had at their disposal “untied funds”. The second mechanism is the Operational Expenditure Block Grants (OEBG). These are minor grants provided to assist district authority staff to undertake related “outreach” activities that otherwise would not be possible given the very limited operational budgets of the district authorities. Having held extensive discussions on the DDF at the central, provincial and district levels with government officials, project staff, donors, observers and beneficiaries the Evaluation Mission concluded that the DDF has been and continues to be a very worthwhile investment. This very limited pilot (in terms of scale, number and type of projects, and geographic coverage) has nonetheless proven that given a decentralization of untied resources and appropriate training, it is possible to carry out successfully a fully participatory planning model at the district level. The Evaluation Mission feels it is time to tie it to other related efforts in the country with a view to “scaling up” both financially and substantively. To do this, the mission suggests also complementing the model with the introduction of other potential development partners such as local civil society organizations, public/private partnership initiatives and others. This is further expanded further below in this report as well as in the attached “Concept Note for 2016 and beyond”.

The Evaluation Mission also reached the conclusion that in terms of efficacy (use of funds) UNDP Financial Rules and Regulations had been followed, the funds used as planned and properly recorded and reported on. The report also provides a list of lessons learnt and in section K. below entitled **NON- PROJECT RELATED RECOMMENDATIONS FOR 2015 AND BEYOND**, a series of recommendations in respect to deficiencies that, while not related to the programme, came to its attention in the course of the evaluation.

Overall, there was no coherent gender and ethnic mainstreaming strategy in the NGPAR program. CADEM included gender and environment as crosscutting themes and supported 6 gender-related projects out of 26 projects it funded. DDF introduced participatory planning that involved separate discussions for groups of men and women in the initial stage of project identification at the village level. In both CADEM and DDF, gender mainstreaming’ targets were more explicit in some output areas but implementation was limited to involving women as participants to training and meetings, and as co-beneficiaries in infrastructure projects. There was no mention of ethnic diversity perspective in the project design and reports. This may imply that ethnicity was not considered as a perspective to be applied or that ethnicity is not an important issue to be addressed. This is a significant gap considering that environmental sustainability includes active support for the development of diverse ethnic communities who are based in remote upland communities.

A. BACKGROUND, EVALUATION MISSION HISTORY AND METHODOLOGY

A.1. Background

Going back as far as 1993 the Government of Laos has recognized the need to improve and modernize its Civil Service in order to ensure better implementation of government policies and improve the government's capacity to manage their affairs and deliver services to its citizens in a more accountable, transparent, effective and cost efficient manner.

The UNDP, with its own resources as well as with cost-sharing contributions from other international partners, has been cooperating in this effort practically since its inception through the provision of financing for the execution of a series of government projects. This cooperation was channeled through a unit within the Prime Minister's office called the Public Administration and Civil Service Authority (PACSA) that in 2012 became part of the new Ministry of Home Affairs (MoHA). The **National GPAR Secretariate Support** (NGPAR), which is also responsible for the execution of other projects, became the operative unit under this Ministry, responsible for the execution of these two projects. The last phase of this process started in 2011 and will be completed by the end of 2015.

The current program is composed of the these two separate projects and is inserted into a coherent governance support structure at whose apex lies the National Leading Committee on Governance (NLCG) and aligned to it is the Governance Sector Working Group (GSWG). The functions and composition of them are described below. As Governance is broad and cuts across many sectors, several other governance entities are also involved, the main ones being the the National Assembly, the Ministry of Finance, Ministry of Justice (MoJ) and the Ministry of Planning and Investment (MoPI).

This structure currently receives the support of five technical assistance projects, of which, as stated, two are the subject of this evaluation. Schematically this can be seen in the following image:



The two red ellipses represent the areas of support for this programme, that is to say strengthening the GPAR Secretariate in all its functions as well as strengthening the capacity of local government administrations.

The first of these two projects, approved in January of 2012, is entitled the “**National GPAR Programme Secretariate Support Project**” (GPAR NGPS). It has a budget of US\$ 1,185,000 of which US\$ 800,000 come from UNDP TRAC resources and US\$ 385,000 is contributed by the Swiss Agency for Development and Cooperation (SDC). It started its activities in February of 2012 and was designed with two OUTCOMES and three main OUTPUTS in mind.

The overall OBJECTIVE and expected OUTCOMES were:

Objective 1: Strengthen the capacity of public administration to deliver efficient, effective and accountable services to citizens through high level oversight and leadership, strategic management and support to all components of the National GPAR Programme in Lao PDR

Outcome 1.1: High level oversight and systematic coordination of all components of the GPAR Programme, implemented at national and sub-national levels, by national authorities, led by the National Leading Committee on Governance and National GPAR Programme Board

Outcome 1.2: Multi-stakeholder collaboration, coordination and resource mobilization for the national GPAR Programme, through an effectively operating Governance Sector Working Group

The expected OUTPUTS are:

1. High level institutional mechanisms to provide oversight and coordination across the Governance sector established.
2. Strengthening capacity in MoHA to effectively coordinate and monitor the implementation of the GPAR programme and related activities.
3. Coordination of development partner assistance through the Governance Sector

Working Group, and resource mobilization to support programme implementation.

Therefore, this project was designed to be an “institutional strengthening project” in support of the GPAR Secretariate’s mandate. The Mission identified its main purposes as:

- 1) To strengthen the GPAR Secretariate’s capacity to support the High Level Leading Committee on Governance. A very high level organ where only government participates (chaired by a Vice-Prime Minister) and that constitutes a forum where Governance and Public Reform issues are discussed and decided upon and adequate policies formulated.
- 2) To strengthen the GPAR Secretariate’s capacity to provide support for the Governance Sector Working Group. It is Co-Chaired by the Vice-Minister of MoHA, a Vice-minister of the Ministry of Justice (MoJ) and the UNDP. Under this working group there are two sub-working groups one on Legal and Institutional Oversight and another dealing with Public Service Improvement and People’s Participation. The NGPAR NGPS project also provides support to the later in the preparation of several thematic workshops it carries out every the year.
- 3) The NGPS project assists the GSWG Secretariate in:
 - coordinating the work of the Programme Management Group and the various clusters under it.
 - providing selected training to MoHA and other Civil Service staff
 - the preparation of the Governance related papers prepared to be presented at the anual meetings of the Round Table Process, as well as in other meetings.

The second project, entitled “**Strengthening the Capacity and Service Delivery of Local Administrations**” (GPARG SCSD) and approved in January of 2012 has a stated budget of US\$ 12,568,800 towards which the UNDP contributes US\$ 400,000 from its TRAC funds, UNCDF US\$ 1,300,000 from its core funds, the Swiss Development Cooperation Agency (SDC) US\$ 4,000,000 (channeled through both UNDP and UNCDF) the Republic of Korea US\$ 2,000,000 and the Government of Luxembourg US\$ 1,000,000 (also channeled through both UNDP and UNCDF) The government contribution in kind was estimated at US\$ 702,000. It also manages, as parallel funding, US\$ 2,000,000 from the Global Environmental Fund (GEF). A remaining amount of US\$ 1,180,800 of the planned budget is still unfinanced.

Its two expected outcomes were stated as follows:

The overall objective of the GPARG 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 achieved 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

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

Therefore, this project was designed with the institutional strengthening of district administrations as its main purpose and to bring together the local villages and their corresponding district administration into piloting a participatory joint planning process. To do this, it has had several conceptual lines, such as components designed to strengthen through the financing of very specific training and other initiatives/activities of other civil service units at all levels (CADEM FUND) and assist provincial and district administrations in providing improved services through the One Door Service Centers (one stop shops designed to serve multiple needs for basic services of local populations).

Another key conceptual component of this project has been the District Development Fund. Its most immediate purpose has been stated as to assist district authorities to provide services fairly & efficiently to local citizens through the demonstrating the feasibility & impact of providing untied budgets to districts and as such GPAR SCSD strives to change national budgeting & fiscal transfer system in Laos.

It is obvious that the operative objective of the DDF is ***to ensure that district authorities provide services fairly & efficiently to local citizens.*** Therefore, the evaluation mission was very clear from the beginning that what is to be assessed is not whether a bureaucracy is capable of providing training and transferring small amounts of untied funding efficiently and transparently from the national to the district level, but rather whether district authorities use this capacity to deliver effectively, in a participatory planning process and transparently, the services that improve the lives of LAO citizens. This is where the impact of this effort can lie.

For this the DDF provides training and channels funds through the district authorities in support of infrastructure projects through the district authorities through what are known as grants Basic Block Grants (BBGs). To date the project has approved funding for 66 BBG project totaling 14,549,649,378 Kip or approximately U\$ 1,800,000. Of this amount, 12,843,516,308 Kip or approximately U\$ 1,600,000 comes from the NPGAR SCSD budget and the rest from government and local community contributions. Therefore, the project has dedicated about 18.5% of the total amount of its budget of U\$ 8,700,000 to BBG DDF sub-projects in two provinces (SEKONG and SALAVAN). The average project sub-project cost will therefore be 218,422,964 Kip or approximately U\$ 27,200 of towards which the GPAR SCSD budget contributed on average 191,712,644 Kip or approximately U\$ 23,900 dollars.

In order to allow the district authorities to train staff and provide outreach support to the village level and as such the concept of Operational Expenditure Block Grants) was also designed. To date the project has approved through next year 578 DDF OEBG sub-projects and invested **6,677,110,500** Kip equivalent to approximately 830,000 US dollars. The average cost of each OEBG operation will therefore be 11,590,695 Kip or approximately US \$ 1,450 each. All funding for OEBG operations come out of the GPAR SCSD project budget and represent about 9.6% of the GPAR SCSD total budget allocation. The OEBG has operations in 53 districts located in 7 provinces out of the 143 districts located in the 18 provinces existing in Laos.

During this period a series of parallel events (of great importance and effect on the two NPGAR projects we are concerned with) have taken place.

The first is the approval of the second stage of a large poverty reduction programme entitled Lao Poverty Reduction Fund (PRF) under the National Committee For Rural Development and Poverty Eradication which is an organ of the Prime-Minister's Office. This Fund has a budget of approximately US \$ 68 million financed through a World Bank Loan as well as important contributions from the Swiss Agency for Development and Cooperation (SDC), the Australian Agency for International Development (AusAID), the Japanese Social Development Fund (JSDF) and the Government of the Lao People's Democratic Republic itself. It has delivered about over 980 infrastructural development projects to date covering 10 different provinces out of the 18 that comprise Laos at an average cost of approximately 28,000 US dollars each. During the first phase it had already delivered 3200 projects. It is anticipated that this phase will continue for one additional year past its originally foreseen closing date of September 2016 and donors have agreed in principle to add an additional US \$ 27 million to the budget in order to finance activities during this extended period. To deliver these projects, it has set up a relatively large structure composed of technical and administrative staff that has worked in parallel (rather than with) the local government structures (although they do involve the sectoral technical staff of the concerned districts in the planning and oversight of their projects). It has worked directly with villages and Kumbans (village clusters) developing also a participatory planning approach, where the villages and Kumbans express their "wish list" of projects and establish priorities.

The second major event refers to the approval of the Sam Sang Policy (Three Builds) designed to bring the delivery of services closer to the population by defining the Central Government's role as that of issuing policy, the Provincial Authorities are to operate as strategy-making units and the District Authorities are to become operational planning and budgeting units that assist the Villages in the implementation of physical infrastructure and services (as such the villages become development units). Tied to this policy is the idea of re-grouping, where possible, small villages into larger units so as to make the provision of infrastructure and services more viable and less expensive through economies of scale. A pilot Sam Sang programme was launched in 2012. As stated by the President and the Vice-Prime Minister quoted in the Vientiane Times, in total during the past two years 109 villages were targeted of which 47 have been regrouped into larger village units. They received 943 projects designed to boost development and improve income mainly through increased agricultural production and productivity. For this a total of 248

billion Kip (equivalent to approximately 31,000,000 US dollars) have been spent. The average project has therefore meant an investment of 263 million Kip or 32,800 Us dollars. More will be said below on how these two events affect the GPAR programme and the challenges and opportunities they pose.

A.2. Evaluation History

Given UNDP's long involvement with GPAR and as the current programme was coming to its mid-term point, the Government and UNDP, in consultation with its other partners (UNCDF, SDC, the Governments of Luxembourg and Korea) decided to put together an evaluation mission with a view to having an external opinion on the progress achieved so far by these two projects, the possible impact and sustainability of the anticipated results and a possible vision of what if anything should be done to build on what has already been achieved. The specific Terms of Reference of the Evaluation Mission (EM) are attached as an annex to this report. The main products of the Evaluation Mission were:

- A Mid-Term Evaluation Report
- A "Concept Note" for the future (dependant on the EM's findings)
- A DDF stand alone Report
- A Gender and Ethnicity stand alone Report (financed by the SDC)

After a selection process an Evaluation Team composed of four members was selected. The Team, co financed by UNDP and SDC has a Team Leader, an expert specifically to support the team expected as well as to focus on the DDF and prepare the DDF "stand alone" report and two experts to review the Gender and Ethnicity cross-cutting themes. Two of the members would be international and two would be LAO nationals.

A.3. Evaluation Methodology

As stated, the way that the projects were originally designed did not allow for a strict log-frame impact evaluation. Furthermore, while the documentation is copious, useful, reliable, ample and pre-analyzed data is hard to find. Therefore the Evaluation Mission decided to use a different approach. Firstly, base its work on gathering evidence of the quantity and quality of OUTPUTS produced from the extensive documentation available (80 documents – SEE DOCUMENTS LIST ATTACHED).

Additionally, carry out interviews with several categories of stakeholders and observers with a view to attempt to determine, through their experience and opinions, what "has worked" and what changes have occurred or are likely to occur in the future as a result of the contributions made by these two projects. For this purpose, 113 persons were interviewed in the provinces of Salavan, Sekong and centrally in Vientiane. Of these, 44 were central level civil servants, including GPAR Secretariate staff, UNDP/UNCDF staff, other donor staff and knowledgeable observer. Of the people interviewed, 69 were provincial and district level civil servants. Additionally meetings were held with over 136 DDF beneficiaries of both sexes and several ethnicities. – SEE LIST OF PERSONS INTERVIEWED ATTACHED).

B. PROGRAMME EFFECTIVENESS

B.1. Relevance of the GPAR programme/Relationship to National Objectives

Without a doubt an efficient and service oriented civil service is a crucial asset to any country and more so to a country that wishes to maximize its economy and distribute amongst its population the fruits of economic growth in the form of services that in turn maximize their wellbeing. Therefore, it is quite relevant that the Government of the Lao Peoples Democratic Republic request UNDP and other development partners to jointly assist it in the modernizing of their public service sector. It is completely aligned with the 7th National Socio-Economic Development Plan: 2011-2015 (NSED) which stresses the need for the public administration system to be accountable, effective, transparent and responsive. Such a programme is also in line with the National Governance Development Strategy of the Lao PDR 2020 and the Public Sector Development Strategy of the government for 2011-2015. By stressing the decentralization of functions and the empowerment of local governments and communities to play a more vibrant role in the provision of services and the construction of the necessary infrastructure work to provide those services, the GPAR programme is also in full synchrony with Resolution number 3 of the Lao Peoples Revolutionary Party where the base for the Sam Sang (Three Builds) policy is outlined.

From the United Nations perspective, the GPAR programme supports Outcome 2 of the United Nations Development Assistance Framework (UNDAF) which states that *“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”* as well as to the UNDP Country Programme for 2012-2015 which has as two of its main outputs to achieve *“Increased capacities to deliver pro-poor services”* and to provide *“Support to macro-reforms for improved efficiency, accountability and transparency in public administration”*

Conclusion 1: The programme, as such, is quite relevant as it is inserted in the national effort to improve the efficiency of public service and decentralize resources and responsibilities to strengthen the role of local governments and communities in the development process. The programme is also the main source of support for the Governance Sector Working Group (GSWG) which is the key forum at the disposal of the Government to inform, analyze and hold discussions on governance issues with its Development Partners (DPs) (SEE BUILDING ON THE CURRENT PROGRAMME – SUMMARY OF A CONCEPT FOR THE FUTURE below)

B.2. Project Design

As can be seen from the project description above, the expected OUTCOMES from the two projects that compose the GPAR Programme, are very general and are not formulated with specific “baseline indicators” linked to them. The same holds true for the expected changes which are not formulated with specific “success indicators” that describe, in measurable terms, the substantive changes that should occur as a result of the programme’s intervention. As a

way of example of what the Evaluation Mission means by this, let us a look at a particular Outcome

“Improved policies and capacities that enable local administrations to initiate and monitor service delivery interventions against localized priorities which accelerate progress towards the MDGs”

The question would be improved from what to what? What policies are to be improved? How? What capacities are to be developed? What will the changes in policies and capacities anticipated modify?

In this respect, the intended results as outlined in the project document state:

“Regulations and instructions from relevant ministries strengthening the mandate of all 144 district administrations across Lao PDR, on financing and improving public service delivery issued and at least 810 staff from 66 district administrations and 378 Kumban representatives, equipped with skills to plan and monitor local investments in public services”

The question would be concrete:, What regulations and instructions are expected to be developed? In particular, what staff skills are to be developed? Why 810 staff? What staff? What services? Left hanging on their own they seem to be arbitrarily picked numbers, without a particular “change strategy” attached to them.

The fact is that Secretariates or District authorities are not “strengthened” for their own sake, nor does training of staff constitute an end in itself. Trained staff, improved policies and strengthened units or organs, are OUTPUTS resulting from pre-planned activities rather than objectives in themselves. We produce these OUTPUTS to effect change ... change that affects people’s lives, so ideally OUTCOMES to be achieved should be formulated to express (in quantitative and/or qualitative terms) what are those expected changes that the project will be a catalyst for.

This deficiency in project design is not unique to these two projects. Members of the Evaluation Team have been faced time and time again with having to evaluate the impact of programmes/projects without clear baseline data or clearly defined success indicators. In spite of many years of training invested in project design by donors and governments, the urgency to start projects and the apparent “costs” required to gather baseline data and set indicators expressed in time as well as in human and financial resources, seem in most cases to prevail.

The Evaluation Mission therefore decided to concentrate on attempting to identify what “significant changes” have indeed occurred to date or are likely to occur in the future, as a result of the execution of these two projects. To do this, the opinions of all stakeholders and was sought in regard to what changes they had perceived during the last biennium that they felt could, totally or partially, be attributed to the work of the GPAR programme.

Conclusion 2: Both projects were not designed with a log-frame logic (one that includes pre-defined S.M.A.R.T baseline and success indicators and agreed means of verification), and therefore required the Evaluation Mission to use a different methodology to attempt to evaluate impact. Even at this date in the execution of the programme, the Evaluation Mission feels that relevant baseline indicators should be gathered.

B.3. Managerial Structure of the Programme

Both projects that constitute this programme are executed by the Ministry of Home Affairs of the Government of the LAO PDR and are monitored on behalf of all its funding partners by the Governance Unit of UNDP.

The projects are both under the management of the GPAR Programme Manager (also the Head of the NGPAR Secretariate) , as are another three UNDP/Donor financed projects. Both of the projects that are the subject of this evaluation, have a common Chief Technical Advisor (CTA) and another international expert was recruited by the UNCDF to manage the District Development Fund (a key component of this programme).

The mission received information that a group of 5 project national technical staff was hired to support the Project Manager, the CTA and the DDF Expert to execute both projects. The Project Manager has only 7 technical level staff on the government's payroll at his disposal. Of these, 3 are managerial positions (one of the three is currently out on long-term training) and 4 are technical staff. So currently he has only 6 staff to assist him in his two roles as Head of the NGPAR Secretariate itself and of Programme Manager of the GPAR NGPS and GPAR SCSD (this in addition to 3 other donor financed projects which he is also expected to manage).

The mission is aware that, in his capacity as Head of the MoHA planning unit, the Project Manager also has another 10 technical staff under him that also do provide limited support services to GPAR (as their main functions lie elsewhere).

From this, it is clear that, given the overstretched capacity of the counterpart, the project staff is a crucial element allowing the GPAR Secretariate to discharge both project and core responsibilities. By their own account, if the two projects concerned were to close tomorrow, the NGPAR Secretariate could only continue to discharge some of its core responsibilities.

Conclusion 3: The international and local project staff is crucial to NGPAR in discharging its core and project management responsibilities and therefore an "exit strategy" that transfers knowledge and task management capacity to permanent government staff is required if goals such as graduating from LDC status by 2020 are to be achieved.

C. FINDINGS

C.1. Support to GPAR Secretariate (NGPS)

The project has provided short term training to MoHA and MoPI and other staff from relevant sectors and agencies through workshops of a duration of one week or longer on subjects such as: IT, RBM, Financial Management, Project Proposal Writing and in general Communication skills. It has also assisted in the drafting of reports such as: documents for the NGPAR Annual Programme Review, Project Implementation Review and Board meetings as well as contributed to the design of the GPAR website and the conception and publication of a newsletter. Several papers on Governance and Public Administration presented to regional meetings received contributions from the project.

One of the key set of activities that the project calls for is the support given to the GPAR Secretariate for the organization of the meetings of the National Leading Committee on Governance (NLCG). This body, chaired by the Deputy Prime Minister is composed of senior members representing all concerned Ministries and Agencies. It is charged with the implementation of the National Strategy on Governance. The GPAR Secretariate also supports the Governance Sector Working Group (GSWG) and provides assistance r to service the GSWG's two sub-sector working groups in the running of thematic workshops.

While it still may be too early in the process to fully evaluate the concrete changes that emerge from the work of the NLBG and the GSWG, the Evaluation Mission wishes to emphasize that the GSWG is of great importance, as it is the only forum where the Government can discuss governance issues, advances and plans with its development partners.

The project was also designed to assists the NGPAR Secretariate to service the Programme Management Group and its operational clusters, although in practice these clusters have not been operative. The project has also enabled MoHA/GPAR to prepare the documentation on Governance that went to the RTP.

Conclusion 4: The project has enabled the GPAR Secretariate to service various Governance bodies as well as provide, limited but relevant, training and allowed the GPAR Secretariate to draft papers, organize meetings and manage other projects under its responsibility. In the opinion of the Evaluation Mission, a more structured capacity building strategy for GPAR staff should have been envisioned and executed but we recognize the constraints faced.

The GPAR Programme Achievements Report drafted by Sylvia Kimpe in 2011 on page 4 recommended scaling –up/leverage certain initiatives that were developed under the previous phase of the GPAR programme. One of the initiatives mentioned refers to the Civil Service Human Resources Management System (job descriptions, performance evaluation system, skills inventory etc.) . This is a very important recommendation as the current civil service performance management tools are deficient, in that they do not: 1) allow for proper civil service career planning, 2) support an evaluation process that would reward merit 3) nor provides for a system to gather and keep records (centrally and for all the civil service) of the skills the government has at its disposal (knowledge management).

Conclusion 5: The Evaluation Mission saw no evidence that this has yet been done, but as can be seen below, recommends that the Government and its DPs consider supporting more work along these lines.

C.2. CADEM Fund (SCSD)

The Evaluation Mission had at its disposal, amongst other documents, the report entitled “CADEM Internal Assessment Report” and the CADEM “Guidelines”. It interviewed beneficiary civil service staff as well as staff of the GPAR Secretariate, the project and observers, to ascertain their views services provided by the CADEM FUND.

The CADEM FUND had in its portfolio 26 CADEM operations reported up to Sept. 2014, for a total value of U\$ 265,793 U\$ with 6,872 direct beneficiaries. This results in an investment of U\$ 38.67 per beneficiary. Given this level of investment per beneficiary, the Evaluation Mission concluded that most of these training programmes would have been of short term duration (one or two days).

Information on the details of this sub-programme in respect of the content syllabus of each training activity, its duration and levels of responsibility/qualifications of participants was difficult to obtain despite several requests. The Evaluation Mission was able to secure a model of the expected Expression of interest form (EOI) as well as certain Power Point presentations, but the syllabus themselves were not made available. Similarly, the registration forms which are kept, we were told would be of little use to the Mission in order to determine these parameters, as they indicate only the names of participants but not their levels or what criteria were used for their individual selection.

The Mission did secure a copy of an internal evaluation of CADEM completed in September of this year which states that 284 EOI were submitted in 2012. For 2013 we only know that there were substantially less EOIs submitted which the Mission believes is a product think of some “frustration” on the part of past applicants, as in 2012 out of the 284 EOIs submitted only 26 (or about 9%) actually received funding.

The 26 CADEM operations funded are scattered geographically, by level, by institution and by subject. Of these, 8 were submitted by central government level institutions and 18 were submitted by provincial government level institutions. In this last group, 12 provinces were represented. Subjects covered ranged from computer skills development, agricultural planning, regional integration, gender and prevention of family violence, public sector policy and regulation dissemination, Sam Sang experience dissemination etc.

As can be seen, the CADEM Fund which has very limited resources, was used for very short term training on very basic skills, in a very wide geographic context and covering many subjects. While there seemed to be a reasonable level of satisfaction with CADEM activities on the part of the officials that where behind the EOIs, given all of the above the mission was not convinced that these activities will make a substantial contribution to Governance in Laos.

Conclusion 6: All of this leads to believe training may have limited impact and sustainability.

C.3. One Door Service Centers (SCSD)

The Evaluation Mission had at its disposal, amongst other documents, the report entitled “Implementation of the One Door Service Centers (ODSCs)”. It visited “two” ODSCs at the provincial level (SEKONG and SALAVANE) and one at the district level (Chanthabouly in Vientiane Province). It interviewed its staff as well as staff of the GPAR Secretariate, the project and observers, to ascertain their views services provided by these service centers.

Currently there are 17 ODSCs in the country across the 3 administration levels – 11 at the district level, 5 at the provincial level and 1 at the Ministry level. An Action Plan for implementation of the PM Decree on ODS expansion was developed in 2013 and officials were trained to have an understanding of the new ODS Guidelines and be able to apply the guidelines.

The first service center the Evaluation Mission visited was in Sekong Province. It consisted of a large one room office within the building of the provincial government. It was staffed by 3 people. The Mission asked about the services provided and suggested a series of possible services (more than 15) that might be required by the public (driver licenses, vehicle registration, business permits, birth certificates etc.). It was able to determine that the office functioned ONLY as a land title/registration office. That the only services they provided was land titles and land ownership certificates.

The second was, supposedly, located at the provincial government office in Salavan. The Mission was able to ascertain that it did not exist as of yet. All services were still being provided by the various departments concerned.

Third partially, located at Chanthabouly district in Vientiane was a Centre that the report “Implementation of the One Door Service Centers (ODSCs)” states provided services in several of the “9 service areas” (i.e. 1- Administration/Civil Registration, 2- Public Works and Transport, 3- Industry and Commerce, 4- Land Registration, 5- Information and Culture, 6- Tourism 7- Agriculture and Forestry, 8- Planning and 9- Tax). In this case, the Center was reputed to provide services in 5 (Administration/Civil Registration, Public Works and Transport, Land Registration, Tourism). To do this it has 6 officers. After interviewing the staff and the interim head of the Centre it became apparent that they de facto provided very few services on the “One Door” principle. They admitted candidly that in several cases, they merely stamp the requests which then the requesting party must take to the corresponding ministry for action and in others, they have not been granted the right to do anything. By all admission of the people the Mission interviewed, to date none of the ODSCs actually work as planned.

Conclusion 7: None of the ODSCs are fully operational or provide uniform, coordinated services. They have no budget, no power to approve locally even the most menial of requests, few or no computers, and no trained staff. No standard fee table, valid across the

country, exists for the services they are supposed to provide. Therefore, the impact of the ODSCs to date is practically non-existent. The Mission attributes this to a civil service culture of “compartmentalization” by various Ministries that guard control over their services as well as protects income derived from fees. HOWEVER, the Evaluation Mission coincides fully with the view expressed to it by the Head of the GPAR Secretariate that the concept of the ODSC is a very important one that needs to be piloted again in a more restrained geographic environment. (SEE BUILDING ON THE CURRENT PROGRAMME – SUMMARY OF A CONCEPT FOR THE FUTURE below)

C.4. District Development Fund (DDF)

The Evaluation Mission had at its disposal many documents in relation to the DDF, including of course the Project Document, Annual Review (Progress) reports etc. It interviewed 136 project beneficiaries, as well as staff of the GPAR Secretariate, UNDP and UNCDF project staff, representative staff of the SDC and of the Government of Luxembourg in order to ascertain their views on the operations, expected outcomes and impact of the fund.

There is a good understanding that the main objective of the DDF is to improve public service delivery at the district level to end users in the various villages and to do so using a participatory planning process that allow users to prioritize their development support requirements. The current phase of the DDF attempts to do this through strengthening the capacity of district administrations, testing improved financial management procedures and training district authorities staff and community leaders on joint participatory planning.

To provide hands on experience, it disposes of two principal tools. The first are capital grants known as DDF Basic Block Grants or BBGs which provide funding for infrastructure in four basic sectors (Health, Education, Agriculture and Public Works and Transportation). This fund operates as a demonstration pilot in 12 districts of two provinces (4 districts in Sekong province and 8 districts in Salavan). It is expected that by the end of the current phase the BBG will have financed 66 projects amounting to a total financial contribution equivalent to US\$ 1,765,204.

These projects are in fields such as: construction and repair of community water supply systems (more than 50% of the total public health sector’s DDF activities), construction of health care centers, and supply of medical equipment, road construction and renovation and bridge construction and renovation, construction of primary schools, kindergartens and one library as well as the supply of construction materials for schools, school furniture, teaching and learning materials, renovating irrigation schemes, supplying soil testing equipment and constructing a fish breeding tank. The average size of each grant is U\$26,746.

The second tool is a fund to provide district authorities with very small grants to allow it to carry out service outreach programmes. This fund known as DDF OEBG, works in the same four sectors as the BBG but operates in 53 districts in 7 provinces and by the end of the DDF’s current phase will have financed 578 micro-projects with a total investment equivalent to U\$

834,639. The average size of each grant is US\$ 1,449 and about 50 % of them are geared towards providing training and the rest to direct outreach and data gathering exercises.

The average investment of the DDF BBG, if divided by the number of inhabitants of a given province ranges between U\$ 1.49 and U\$ 2.14 per capita. While these small projects are greatly appreciated by the local communities they serve, obviously they are a “drop in the bucket” in terms of the development needs of these communities. The value of the DDF experience does not therefore lie with the impact of its current investment on the lives of the communities of Salavan and Sekong, but rather on having proven that given sufficient training and a discretionary budget, district authorities can effectively carry out an inter-active participatory planning process with local communities respecting their priorities, monitor the execution of the required projects using the funding correctly and report on the results and use of funds. This is of great value to the Government of the LAO PDR at a time when it is in the process of promoting the Sam Sang (Three Builds) model described above.

CONCLUSION 8: The DDF has been and continues to be a very worthwhile investment. Its approach has proven that given a decentralization of untied resources and appropriate training, it is possible to carry out successfully a fully participatory planning model at the district level. However, the Evaluation Mission feels it is time to tie it to other related efforts in the country with a view to “scaling up” both financially and substantively. To do this, the mission suggests also complementing the model with the introduction of other potential development partners such as local civil society organizations, public/private partnership initiatives and others. (THIS WILL BE FURTHER DEVELOPED BELOW IN THE SECTION G. SUMMARY OF THE CONCEPT NOTE SUMMARY FOR 2016 AND BEYOND below)

D. GENDER- ETHNICITY - Key Observations on Gender and Ethnic Analysis of NGPAR

Annexed to this report is a full stand alone Gender and Ethnicity. The following paragraphs only provide the basic findings. The reader may wish to refer to this report where a wealth of additional information of the findings and recommendations of the mission in regard to these two important cross-cutting elements.

The mission found that overall, there is no coherent gender and ethnic equity strategy in the NGPAR program. This is not articulated and evident in the NGPS component. In the SCSD component, ‘Gender mainstreaming’ targets are more explicit in some outputs areas, but implementation is limited to involving women as participants to training and meetings, and as co-beneficiaries in infrastructure projects. There was no mention of ethnic diversity and parity perspective in the project design and reports. It is implied that there is harmony amongst ethnic groups hence ethnicity is not a perspective to be applied or an issue to be addressed.

The program implementation structure, at the levels of the NGPAR, MoHA Secretariate and at the provincial and district support teams, has limited appreciation and knowledge of how a gender-responsive strategy can enhance the achievement of program objectives. From what the Evaluation Mission saw, there was no provision made to orient all NGPAR/MoHA staff on gender equality principles and ethnic diversity issues, and to equip the technical staff with

gender analysis skills in monitoring, evaluation, and reporting. Hence, gender mainstreaming was reflected in a limited way by reporting on the number of men and women participants in training activities and as beneficiaries of projects. Gender specialists have not been tapped to guide the GPAR secretariat in gender-responsive program planning, capacity building, monitoring and evaluation.

The mission found that the Capacity Development for Modernization Fund (CADEM) guidelines included gender as a crosscutting theme and listed gender mainstreaming projects as among the eligible projects for funding. However, CADEM's open application and competition process yielded only a few projects that specifically addressed gender and ethnicity issues. The CADEM Guidelines could have included affirmative measures and explicit guidelines, criteria and indicators that would encourage a more inclusive project implementation process. Furthermore, some knowledge on gender mainstreaming gained by male and female participants has yet to be followed up and validated. The few gender related training sub-projects that CADEM funded remained at the basic level and did not provide women with the necessary skills to manage projects.

The DDF introduced participatory planning that involved separate discussions for groups of men and women in the initial stage of project identification at the village level, but tend to de-prioritize women's proposals at the final selection stage at the district level. Women and ethnic groups are automatically assumed to be co-participants and co-beneficiaries of infrastructure projects (e.g. health centers, school buildings, irrigation projects, drinking water supply, roads) that are set-up in their respective villages) A review of DDF training courses from 2012-2014 indicated that there were a total 1,833 district officials trained, of whom 307 or 17 % are women. DDF also reports of 'perfect gender balance' among the direct beneficiaries of its key project components- 49 % women among 969,082 of OEBG activities; 50 % women among 969,082 BBG activities. These figures need to be qualified in terms of the levels and quality of participation. Having one women out of three kumban representatives 'fight the case' at the district-level selection of projects will not suffice to fix the situation of women's marginalization and gender blindness. Provincial and District Support Teams (P/DST) could have been given gender and ethnicity analysis training and tools so that they could have also guided all types of DDF projects to be implemented in a gender and ethnic sensitive way.

The One-Door Service Center had no reports on a sex-disaggregated data of its users of services. In some, there apparently are 'administrative' cluster of services on birth and marriage certificates, etc. that are more likely accessed by women. However, as stated above, it is difficult to assess how useful and efficient ODSC services are to men and women from interviews and field visits.

If NGPAR represents a coherent and comprehensive strategy to address the elements of public administration reform, it has to articulate how men, women and different ethnic groups will equitably participate and benefit from the reform process. NGPAR should invest in solid technical support on gender and ethnicity mainstreaming to mentor the GPAR secretariat and facilitate gender affirmative actions within CADEM, DDF and ODSC. It should also mobilize

partnerships with parallel gender mainstreaming initiatives such as with the Public Administration Research and Training Institute (PARTI) and the MoHA Sub-CAW, which have conducted a self-assessment survey of gender needs in MoHA, developed a Strategy for Gender in Public Administration, developed a training module and manual on Gender Mainstreaming and validate this in a training of GAD trainers. It should also involve the Department of Ethnic and Religious Affairs of MoHA in developing capacities and tools for ethnic sensitivity, so that field projects can benefit diverse ethnic groups more equitably.

CONCLUSION 9: Gender and Ethnicity as “analytical lens” to programme management and implementation is not fully understood and applied in GPAR components. Application is limited to sex-disaggregation of data on participants to meetings, training, and on beneficiaries of infrastructure projects. These data are not subjected to gender analysis that should inform program strategies and priorities in resource allocation. Ethnicity analysis is not regarded as a practical and strategic concern.

CONCLUSION 10. The quality of participation of women and ethnic groups is limited to being resource users and project beneficiaries. They have not yet been trained to be project co-managers/decision-makers and organized to negotiate the inclusion of sub-projects/activities that meet their needs and have a real voice in local decision-making.

CONCLUSION 11. The Evaluation Mission believes that higher levels of participation could have been achieved among women and ethnic groups, had gender equality perspectives and gender-equitable methods been applied. It will be a most welcome innovation if such gender-responsive design and implementation will be demonstrated in all components in the future. In doing so, reference should be made to international and national gender and human rights policies and to recent gender assessment reports that recommend specific gender and governance issues to be addressed.

E. STAKEHOLDER SATISFACTION

E.1. Satisfaction with GPAR GPS

The GPAR staff of MoHA which the mission met are clearly satisfied with the support received from this project. It has allowed them to carry out a series of tasks (mentioned above) that, were it not for the project staff, it could not have carried out. In fact, most of the staff we talked to felt that it should be continued beyond the current phase.

CONCLUSION 12: The Evaluation Mission also agrees that such assistance is still required, but feels strongly that after two decades of assistance, an “exit strategy” needs to accompany any further extension of this support. (SEE SECTION - BUILDING ON NGPAR – SUMMARY OF A CONCEPT FOR THE FUTURE below)

E.2. Satisfaction with GPAR SCSD

- **Satisfaction with CADEM**

The beneficiaries of the CADEM Fund did find that it had been of use to their respective Units in carrying out selective training. Some expressed they would have desired a larger contribution and felt that CADEM had not financed the total amount they had requested. On average, the CADEM Fund financed around 70% of the amounts requested. This was due to two factors, the scarcity of funds available for CADEM grants, as well as the fact that CADEM's guidelines explicitly exclude financing certain types of inputs.

CONCLUSION 13: The users of the Fund were in general satisfied with the assistance they had received. They felt their objectives had been met. The Evaluation Mission does not question if these funds were useful to a particular institution to solve a particular problem but rather if the contribution of these 26 operations (to date) have any REAL AND SIGNIFICANT IMPACT on governance in the LAO PDR. It saw nothing that would so indicate. From looking at the content of some of the training provided, it seemed, very basic, very specific, addressing minor issues and directed at few beneficiaries. Lastly, having been told that the turnover of staff is very high at all levels of government (an issue which we feel MoHA must address in the near future) it is highly unlikely that the training provided will be sustained over time. (SEE BUILDING ON THE CURRENT PROGRAMME – SUMMARY OF A CONCEPT FOR THE FUTURE below)

- **Satisfaction with ODSC**

As far as beneficiaries of the ODSC, the mission was not able to identify or talk to any beneficiary who had used these Centres. The staff of GPAR at all levels, in conversations with the Evaluation Mission agreed that in practice no Centre worked as had originally envisioned. A few provided limited access to limited services.

CONCLUSION 14: Therefore the mission concludes that there is general dissatisfaction with the way that these Centres are currently functioning.

- **Satisfaction with DDF**

In discussing DDF sub-projects and their impact with beneficiaries of the concerned villages, it was evident that the infrastructure constructed and/or renovated undertaken with DDF-BBG financing were highly appreciated by the specific communities they service. The beneficiaries acknowledged that the DDF-BBG had contributed to the socio-economic development of their villages. This had provided them with: better access to markets, clean water supply, better health care, and higher agricultural production (in accordance to the specific sub-project they had benefited from).

The beneficiaries also were very pleased to have participated in the selection of the DDF-BBG sub-project executed in their community. Being able to participate in setting their own development priorities was greatly appreciated. The mission was struck by the clarity in which

each of the villages visited explained how and why they had determined that potable water, or access to markets through roads etc. was their main priority. The community had also taken “ownership” of their particular sub-project by providing in-kind contribution (e.g. labour and available local resources), which on average accounted for 11% of total value of the DDF-BBG investment.

The District staff that the mission met with, also expressed satisfaction that they had received training support and that for the first time they had at their disposal a discretionary budget to manage. The mission does wish to express however, that the “management capacity” developed at the district level is in its opinion still weak and risks being lost completely if not followed-up with more training and “hands on experience” which means having an opportunity to put to use this training (having discretionary budgets to manage in a participatory planning mode). Staff at the Provincial and Central level all expressed their satisfaction with the DDF as did other observers.

CONCLUSION 14: Of the various components of the two GPAR projects the mission was tasked with evaluating, it was clear that the DDF was by far the one generating the greatest consensus on the positive contribution it had made. However, the Evaluation Mission feels that for its potential impact to be realized, it is important to take the logic behind the DDF to its logical conclusion. A “Concept Note” on how to build in the immediate future on this and other GPAR GPS and SCSD components was prepared in the context of this evaluation.

G. PROGRAMME EFFICIENCY - USE OF FUNDS

The mission had at its disposal the project budgets, ledgers on each individual expenditures and figures on approved operational funds (real through September 2014 and forecast through the end of 2015) for DDF BBG and DDF OEBG operations. It also had approved operational funds for the CADEM Fund through October 2014. For purposes of the analysis, the mission assumed that CADEM Fund approvals for the period covering October 2014 through the end of the programme, would be linear based on the previous period and that in 2015 a similar amount would be earmarked. Given the relatively small amounts involved in the CADEM Fund, any variations would not affect the conclusions. The mission also attempted to secure information on what expenditures may have been made in support of the ODSCs but was unable to secure this.

The combined budgets of the two projects under review is US\$ 9,835,000. The combined projected expenditures on DDF BBG and DDF OEBG are US\$ 1,605,440 and US\$ 834,639 respectively giving a total expenditure on DDF sub-projects of US\$ 2,440,079. The CADEM Fund projected expenditures are of approximately US\$ 531,000. If we add the projected total expenditures of the DDF plus the CADEM Fund the total expenditures on direct support activities is US\$ 2,971,079. This represents 30.2% of the total programme budget. Allowing for some expenditures in direct support of the ODSCs and other small direct training activities, the mission feels confident in estimating that expenditures in direct support to beneficiaries will be around 35% of the total programme budget and salaries and running costs account for the rest of budget expenditures.

It is therefore the Evaluation Mission's belief that "overhead" or ("fixed costs" if you will) of GPAR projects, the main component of which are staff related costs, constitute a relatively high percentage of the total budget (65%) in relation to "direct investments" in training and and DDF operations(35%) .

In the opinion of the Evaluation Mission this is due to three facts. The first is that a minimum core budget is required to run a programme such as this (fixed costs). The second is that the original budgets were too small to accommodate more "direct investments". The third is that the staff costs of the whole operation are mainly borne by the project, as government staff resources available to the programme are limited.

By their own admission, NGPAR and MoHA staff stated that if the programme disappeared tomorrow, NGPAR/MoHA would be limited to carrying out only the most basic of tasks assigned to it. Therefore, a "donor exit strategy " that strengthens GPAR staff (over the next few years) in quantitative and qualitative terms, needs to be outlined.

CONCLUSION 15: In the immediate future an "exit strategy" whereby the cost of day to day operations of the GPAR Secretariate are transferred to MoHA. In addition to securing a greater amount of government paid staff with adequate basic skills, the programme should establish a structured on the job training programme, a time-table for its execution and clear handover protocols.

CONCLUSION 16: In terms of accounting for funds, reporting and use of funds as planned, the mission reviewed the ledgers and concludes that funds were handled in accordance with UNDP financial rules and regulations.

H. LESSONS LEARNT

- H.1. The mission believes the most important lesson to be learnt from the history of the almost two decades of UN involvement in support of GPAR is that it was missing an "exit strategy". A strategy that would allow the Government to take over fully many of the tasks (that are actually government tasks) but are still carried out by project staff.
- H.2. This lesson does not exclusively affect the two projects covered by this evaluation, but given that the UNDP is supporting several projects within the NGPAR structure, the mission believes it should be shared in this report. From what the Mission was able to ascertain in conversations with the wider NGPAR staff at all levels, there are challenges in securing the desired level of cooperation from other MoHA staff as well as that of other ministries in support of their work as they do not see cooperating with GPAR as part of their "core functions".

- H.3. Designing projects AFTER having gathered relevant “baseline indicators” and agreeing amongst all stakeholders on what would be realistic “success indicators” that would allow M & E to be based on strict impact is desirable. The mission wishes to emphasize that even if this was not done at the design phase, it would still make sense to do so now.
- H.4. Scarce funds to support (CADEM Fund) should not be scattered throughout many government units, at several levels (Central Provincial and District) and covering many topics. Such an approach leads to activities that are “light” in their capacity creation ability, not sustainable over time and providing little impact and “value for money”. Moreover, as it attracted early on many applications of which only about 9% could be financed, this approach may be in effect counterproductive for GPAR.
- H.5. The ODSCs (a very good initiative on paper) cannot be implemented as long as Ministries (at the Central, Provincial and District levels) function as separate entities with their own “turf” to protect. It is important that (as was the case for the Sam Sang pilot) the message go out that at the highest levels of government, the success of pilot ODSCs and “team work” at the decentralized levels are expected and that staff at those levels will be evaluated also on their capacity to exercise this mandate.
- H.6. The Evaluation Mission has on several occasions heard the argument that DDF should not be looked at as a “poverty reduction effort” in view that its objective was to strengthen the capacity of the District level administration to receive and manage funding. All stakeholders must focus on what the true ultimate objective of Governance and Public Service Reform is. Strengthening administrative units is not an objective in itself. Strengthened units are OUTPUTS. These outputs are produced for a purpose (deliver better security to people through the enforcement of laws and regulations, improve the living standards of people through better delivery of services etc.) As such, projects such as DDF would be senseless if not taken to their logical conclusion.

I. SUSTAINABILITY OF CURRENT EFFORTS

As stated above, with the exception of what has been achieved under the DDF, most of what has been done does not at this stage appear to be sustainable over time. In the case of support to the NGPAR Secretariate, the lack of appropriate counterparts (in numbers and skills) and as a result, the lack of an appropriate on the job training plan, hinders the idea of continuity of the tasks that NGPAR needs to undertake. The ODSCs, while a very good idea, are at this time non-functional. The CADEM Fund operations are threatened by high staff mobility and in any case are of very limited value in the overall picture of Governance in the Lao PDR. It is important therefore to focus the rest of this phase of the programme and any future extension

on building upon what has been achieved and putting in place the necessary structures to ensure their sustainability. The proposals of the Evaluation Mission are described here below.

J. SUMMARY OF THE *CONCEPT NOTE SUMMARY FOR 2016 AND BEYOND*

J.1. ON PROJECT MANAGEMENT- STRENGTHENING OF THE NGPAR SECRETARIATE

As stated in chapter **G. PROGRAMME EFFICIENCY - USE OF FUNDS** above, it would be highly desirable to reduce the staff costs of the budgets of the two programmes for the rest of this Phase as well as for any future extensions of a NGPAR programme. This would release funds to support direct investments for training and DDF operations. However, in the opinion of the Evaluation Mission, it is also vital that in the current Phase and in the medium term the Development Partners continue to support the Secretariate with project staff in order to ensure that important tasks such as servicing the Governance Sector Working Group continue without interruption. To achieve both these goals the mission recommends that:

- Consideration should be given to both projects maintaining a single management structure, under a single International Staff as CTA, managing both projects including the DDF component.
- More UNVs be brought to bear in support of the both components as well as one to work on cross-cutting issues such as gender.
- The person in charge of M & E functions should be designated to: 1) Gather baseline and success indicators, and 2) on that basis carry out appropriate monitoring and report on progress. (data analysis).

As stated above, after almost two decades of support, first to PACSA and later to MoHA (after its creation) the mission regrets that an “exit strategy” has yet to be put in place. Normally it could be expected that at this stage, most of the functions that the GPAR Secretariate is entrusted with, could be carried out without substantial support from project staff. The Evaluation Mission suggests that such an “exit plan” be drafted in order to transfer tasks to adequately trained government staff. This plan should be “time bound” and would:

- 1) Allow the government (in stages) to engage sufficient and adequately trained counterpart staff or absorb as civil servants current project staff.
- 2) Would have a training plan to transfer all functions currently carried out by project staff to national counterparts within the specified time period.

J.2. FOLLOW-UP TO THE CADEM FUND

As explained in point **C.2.** above, the CADEM Fund has funded only 26 sub-projects most of which relate to training activities. They were dispersed amongst many government units (at

the central and provincial levels). They also covered a wide range of punctual subjects and given the limited funds available, they were very short term in nature and covered relatively small percentage of civil servants. All of this leads the Evaluation Mission to conclude that the long term impact on Governance and Civil Service Reform in the Lao PDR will be negligible.

Laos is a signatory party to a series of international treaties and has, or is in the process of, joining various integration schemes. The mission is convinced that if the scarce funds available to CADEM were to be used in support of the dissemination of information and training on the required Governance reforms that derive from such obligations, the impact would be much greater. Examples of possible subjects might be: gender and ethnicity, children, climate change/carbon emissions reduction and others. The GSWG could be the mechanism used to identify the subjects. The mission also feels that the Fund should also concentrate on targeting senior to mid-level civil servants who are better placed to influence governance and civil service reforms. Therefore, the mission recommends that:

- A new approach for the CADEM fund, which concentrates resources on a few “key” thematic areas that promote “scalable good governance practices” should be envisioned.
- That the Fund target senior and mid-level civil servants.

J.3. FOLLOW-UP TO THE DDF

The District Development Fund is in the opinion of the Evaluation Mission the most successful of the various components of the NGPAR programme. It has undoubtedly proven that given appropriate training and an untied budget, district authorities can: 1) interact with communities in a participatory planning exercise; 2) manage the process of executing selected infrastructure development projects that are prioritized by those communities; and 3) use funds, monitor expenditures and report on the whole process.

As stated in point **A.1. Background**, two important events happened simultaneously to this phase of the DDF. The first involves the approval of a new phase of the LAO Poverty Reduction Fund (PRF). This very large Fund (several times the size of the DDF) has been very successful in executing similar infrastructure development projects using also a very similar participatory planning methodology. Its average project investment is similar to that of the DDF but it has executed many times the amount of projects and done so in a wider geographic area. However, the PRF works through its own project staff that de-facto constitutes a parallel mechanism to the state machinery. Both the DDF and the PRF have received funding from the SDC.

The mission feels that there is a unique opportunity to build on the strengths of both experiences. The PRF could benefit from the DDF’s experience in working with and through the district authorities and the DDF could benefit from the experience of the PRF working nationwide and at a larger scale.

As previously stated, the second event refers to the Sam Sang (Three Builds) policy that the Government of the Lao PDR has outlined as its development paradigm. While a pilot experience has been already carry out, it remains clear that the policy is still looking to establish a concrete operational model to implement nationwide. In the opinion of the Evaluation Mission this coincidence creates a unique opportunity. It believes that a pilot exercise where the PRF would take a small amount of funding and provided to one two or three district authorities as an “untied budget” using the DDF experience.

This would be complemented in a parallel financing exercises by the DDF concentrating its funds in those same districts. This approach could create enough of a “critical mass” to address simultaneously all the basic infrastructure development needs of the villages of the selected districts. This could be the base of a programme for the future nationwide launch of Sam Sang. Furthermore, other potential UN, civil society and private sector partners could also make significant financial and “software” contributions. Details of this Scheme is further developed in the full *“CONCEPT NOTE FOR 2016 AND BEYOND”* attached to this report but a brief summary of the proposal would be the following:

- The DDF should also concentrate resources in a small number of districts, in an attempt to “showcase” a comprehensive model that can assist the District authorities address simultaneously ALL the basic development needs of a set of villages in a District. This is consistent with Sam Sang policy that Districts should become comprehensive full-functions Administration.
- To increase both “ownership” sustainability and funding capacity of such a scheme: 1) the government could make a commitment to provide (from its existing sectoral budget allocations) a fixed percentage as un-tied budget to meet District /Community priorities identified as part of the DDF planning (maybe 10% for the first year of such a programme for example) 2) the PRF should be approached to join this effort. 3) Local civil society organizations and the local private sector should be encouraged to support this effort(a showcase for public-private partnerships). 4) Other UN agencies such as UNICEF, WFP, FAO, UNESCO, UNFPA and UN Women could also be encouraged to join the District`s efforts to address and put resources into supporting the “software” aspects of such a “scaled up” PLANNING EFFORT (Delivering as One).
- **J.4. FOLLOW-UP TO THE ODSCs**

The mission concluded that ODSCs are for all practical purposes inexistent but that the concept of a One Door Service Centre is a valid one that should be further pursued. The mission believes that the programme should assist in setting up a couple of centres that provides two levels of service.

The first for matters that can be delegated to be resolved at the district level with simple things such as issuance of birth certificates, land titles, small construction projects etc.

The second for more complex matters such as land grants, forestry concessions etc. For these requests, the district ODSC can serve as a conduit, follow-up on behalf of the “user” the course of the request with the concerned ministry/agency that will approve it and deliver to the “user” the reply.

The centres would charge agreed standard fees for each service that would be set by the concerned ministry or agency plus a percentage to be kept by the District in order to finance the running costs of the ODSCs.

In order to pilot these centres MoHA would have to secure the political backing at the highest level and coordinate with all relevant ministries to ensure that “the message” is clearly received by ministry/agency district staff that they are supposed to establish such a team and work as one and that they will be evaluated accordingly.

- During the current phase, MoHA should negotiate the establishment of such ODSCs in two districts where the DDF “holistic development approach” will be applied.

As stated, such an integrated approach as described in points **J.3.** and **J.4.** above, could constitute an “operational model” for the future of the Sam Sang experience, promoting a sustainable approach to local socio-economic development.

FOR FURTHER DETAILS PLEASE REFER TO THE **“CONCEPT NOTE FOR 2016 AND BEYOND”** THAT THE EVALUATION MISSION HAS PREPARED.

K. NON- PROJECT RELATED RECOMMENDATIONS FOR 2015 AND BEYOND

The GPAR Programme Achievements Report drafted by Sylvia Kimpe in 2011 on page 4 calls for the programme to build and scale up certain successes amongst which is the Civil Service Management System (i.e. improve upon the job descriptions). The Evaluation Mission sees this as a very important recommendation that seems to have not been properly followed up on.

The mission noted that there is no real Civil Service Human Resources Management System. It noted that per example, individuals had been asked to complete their own job descriptions. This of course will describe “what people do today”, not “what they should be doing” to support the goals and tasks of each government unit (from Ministerial levels down to Directorate Generals, through sections, provincial and district authorities etc.). Such a system is not a good support for civil service planning. Job descriptions must flow from mandates.

The current performance evaluation system which, the mission was told, MoHA’s Department of Civil Service Appraisal & Development is field testing, is also deficient. It does not measure in any meaningful way the efficiency and effectiveness with which tasks are performed. The evaluation Mission was informed that currently, each unit fills

out a performance report (without appropriate efficiency and effectiveness performance parameters). Then gives a grade for individual performance. After this the sum total of the grades given are averaged and this information is sent to MoHA as “aggregated data” which allows for little or no analysis. Such a system does not allow the identification of individual truly talented civil servants that should be promoted on merit, nor does it allow MoHA to evaluate what units are fulfilling their assigned objectives (results based management).

Moreover, there is no government wide central skills inventory and data base that would serve as a repository of all the managerial, technical and language skills at the disposal of the government and link those skills to specific individuals that could be called upon to carry out specific tasks (knowledge management)

RECOMMENDATION: The mission recommends that the government initiate a dialogue with potential development partners that can provide both funding for and knowledge on how to establish a proper Human Resources Management system for the entire Civil service.

In speaking with NGPAR Secretariate staff and other interviewees, the mission was made aware that the current structure composed of a Programme Management Group where several MoHA Director Generals are represented and under it a series of Operational Clusters dependant on other Departments of MoHA, is somewhat dysfunctional. This is attributed to the fact that non-GPAR Secretariate staff sees tasks related to the work of the clusters as unrelated to their core functions and therefore deserving of less of their time and attention.

RECOMMENDATION: Additional support should be provided to the NGPAR Secretariate so that the other units of MoHA and other relevant governmental staff from other Ministries understand their contribution in support the Programme Management Group and its clusters, to be a core task within their job description.

The Evaluation Mission is well aware of the existence of PARTI and the support it is receiving from ADB. In the course of the mission, it has become apparent that at least four key training areas are dearly lacking within the Civil Service. Limitations in good foreign language skills are limiting the availability of the Civil Service to take advantage of training opportunities, familiarize civil servants with “state of the art” technical articles and reports, take full advantage of technical and policy meetings limiting opportunities, negotiate advantageous terms for the LAO PDR etc.

The mission also found that Civil Servants at the lower technical levels of the Central Government and at the mid- to lower technical levels of the Provincial and District authorities would require training in skills such as general management, target setting, project design and management, data gathering and analysis, etc.

Interacting with staff at the Provincial and District levels, the mission felt that, as in many Civil Services, there is a tendency to over-emphasize their “comptroller” role by Civil Servants. It is important to provide training that would create a “culture” that emphasizes and values service delivery and problem solving as the main purposes of government officials.

In the course of the mission, it became clear that there is still a need to create a greater understanding of Gender and Ethnicity issues, very specially an understanding that Gender is not just about numbers or access to services. Awareness of key concepts such as per example that projects and services can be “gender/ethnic neutral”, “gender/ethnic negative” or “gender/ethnic supportive” is still lacking.

Building the capacity of oversight agencies in central government to integrate gender and ethnicity as cross-cutting elements, particularly in providing gender & ethnicity analysis to the baseline data, to the design of training and capacity building activities, to the specific projects and to the quarterly progress reports is in the opinion of the mission vital

RECOMMENDATION: MoHA should ensure that the training areas described below are funded, covered in a comprehensive manner and made available widely to senior and mid-level civil servants at the Central, Provincial and District levels.

The areas are:

- **English Language Training**
- **Basic Management Skills Training**
- **Service Orientation Training**
- **Gender and Ethnicity Sensitivity Training**