



Governance and Public Administration Reform Programme – Support for Better Service Delivery

ANNUAL PROGRAMME¹, COMBINED NARRATIVE AND FINANCIAL PROGRESS REPORT

REPORTING PERIOD: 1 JANUARY – 31 DECEMBER 2010

<p>Programme Title & Number</p> <ul style="list-style-type: none">• Programme Title: Governance and Public Administration Reform Programme – Support for Better Service Delivery• Programme Number: Joint Programme No. UNDP-BU (Core): Award ID: 47224, Project ID: 56568 UNDP-BU (Luxembourg): Award ID: 47224, Project ID: 56568 UNDP-BU (SDC): Award ID: 47224, Project ID: 56568 UNCDF-BU (Luxembourg): Award ID: 47746, Project ID: 57583 UNCDF-BU (UNCDF core): Award ID: 47791, Project ID: 57655• MDTF Office Atlas Number: Award ID: 00055647 Project ID: 00067647	<p>Country, Locality(s) Lao PDR: Vientiane Capital and other 4 provinces</p> <p>Thematic Area(s) Democratic Governance</p>
<p>Participating Organization(s)</p> <p>UNDP UNCDF</p>	<p>Implementing Partners</p> <ul style="list-style-type: none">• Public Administration and Civil Service Authority (PACSA), Prime Minister’s Office, Government of Lao PDR.

¹ The term “programme” is used for programmes, joint programmes and projects.

Programme/Project Cost (US\$)

All AA functions are undertaken at the CO level.

Agency Contribution

UNDP: \$1,360,000

UNCDF: \$700,000

Other Contribution (donor):

SDC: \$3,500,000

Luxembourg: \$4,000,000

SNV: \$182,999

TOTAL: \$9,742,999

Programme Duration (months)

Overall Duration: 4 years

Start Date: 01 July 2007

End Date or Revised End Date: 30 June 2011

Operational Closure Date: 30 June 2011

Expected Financial Closure Date: 30 June 2012

Programme Assessments/Mid-Term Evaluation

Assessment Completed - if applicable *please attach*

Yes Date: 24 June-05 August 2009

Mid-Evaluation Report

Yes: Date: 24 June- 05 August 2009

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ANNUAL PROGRESS REPORT
On Joint Programme on
Governance and Public Administration Reform Programme:
Support for Better Service Delivery
For the period 01/01/2010 – 31/12/2010

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ABBREVIATIONS and ACRONYMS

ACCSM	ASEAN Conference for Civil Service Management
APR	Annual Project Report
CPAP	Country Programme and Action Plan
CCOP	Central Committee for Organizations and Personnel
DDF	District Development Fund
DIC	Department of International Cooperation
FM	Financial Management
GPAR	Governance and Public Administration Reform
GSWG	Governance Sector Working Groups
HRM	Human Resources Management
MPI	Ministry of Planning and Investment
MoF	Ministry of Finance
NAPPA	National Academy of Politics and Public Administration
NCAW	National Committee for Advancement of Women
NSEDP	National Socio-Economic Development Plan
ODSCs	One Door Service Centers
PACSA	Public Administration and Civil Service Authority
PIMS	Personnel Information Management System
P/B	Planning and Budgeting
PB	Project Board
PMO	Prime Minister's Office
PMSU	Programme Management Support Unit
SBSD	Support for Better Service Delivery
SDC	Swiss Agency for Development and Cooperation
UNCDF	United Nations Capital Development Fund
UNDAF	United Nations Development Assistance Framework
UNDP	United Nations Development Programme

I. EXECUTIVE SUMMARY

Continued progress towards meeting the MDGs by 2015 is dependent on supportive public policies and strengthened institutions. Poverty reduction has been more closely linked to service provision than growth in the last decade. Progress in meeting the Government's civil service reform and poverty reduction objectives in the NSEDP is hampered by limited capacity for strategic management and implementation of the governance reform agenda, need for increased levels of accountability and transparency in service delivery. This problem, in turn, manifests itself in the lack of alignment between government structures, functions and finances; duplication of mandates; ineffective planning and budgeting; inefficient operating systems; and the need for the development of a structured, coordinated and sustainable civil service training and development system.

The Support for Better Service Delivery (SBSD) programme is designed as a response to this problem. It builds on the reform and capacity development initiatives since the mid 90's through Governance & Public Administration Reform projects (GPAR) at the central and provincial levels. The main outcome will be strengthened capacity for strategic planning, management and monitoring of governance reform for more effective, accountable and transparent delivery of services.

II. PURPOSE

The GPAR SBSBD programme builds upon successful reforms and activities of previous governance reform initiatives under GPAR I and GPAR II. The GPAR SBSBD Programme is more strategic in focus; more accountable for implementation and impacts of Governance reform initiatives; has a strong service delivery orientation; has a clear results orientation; develops a uniform, sustainable and work based training; helps graduate from a project-oriented approach at center level to a service provision oriented approach focusing on health, education, agriculture and rural development sectors targeting the poorest provinces and districts; and establishes a cost-effective mechanism for strengthening implementation.

The Support for Better Service Delivery (SBSD) programme strengthens capacity for strategic planning, financing, management and monitoring of governance reform for more effective, accountable and transparent delivery of services. The design uses five interrelated outputs to realize this outcome. It strengthens policy development, strategic oversight and monitoring of governance reform; improves organisational and systems development for more effective, accountable and transparent services; strengthens Human Resource Management and Human Resource Development policies, procedures and capacity and establish a cost effective and sustainable system for civil service training and development; provides a formula based district development funding mechanisms for devolved service delivery, with a particular focus on the provision of expanded and improved health, education, agriculture, and rural development services, identified as key priorities within the Lao Government's 5-year National Socio-Economic Development Plan (NSEDP) 2006-2010; supports demand-driven governance reforms at Central and local levels which directly impact on service delivery. The timeframe for the programme is four years until mid 2011 in alignment with the NSEDP.

The programme links to the goal of the Govt. of Lao PDR to "build an effective, efficient, well-trained, honest and ethical public service that is able to meet the needs of the multi-ethnic Lao people". The main objective of the programme is to increase efficiency, effectiveness, transparency,

and accountability of the public administration at central and local levels, and directly relates to UNDAF outcome: “Strengthened capacities of public and private institutions to fulfill their duties and greater people’s participation in governance and advocacy for the promotion of human rights in conformity with the UN Millennium Declaration” and CPAP outcome: Strengthened capacities of central administration (PACSA) for decentralized planning, management & service delivery.

Five interrelated outputs are used to achieve this outcome:

1. Strengthened policy development, strategic oversight and monitoring of governance reform
2. Improved organizational and systems development for more effective, accountable and transparent services;
3. Strengthened human resource management and human resource development policies, procedures and capacity, and establish a cost effective and sustainable system for civil service training and development
4. Provision of a formula-based district development funding mechanism for devolved service delivery with a particular focus on the provision of expanded and improved health, education, agriculture, and rural development services
5. Supporting demand-driven governance reforms at central and local levels which directly impact on service delivery

The programme links to UNDAF Outcome 3.3: Increased efficiency, effectiveness, transparency, and accountability of the public administration at both central and local levels; and UNCP/CPAP outcomes 8.1 Strengthened capacities of central administration (PACSA) for decentralized planning, management & service delivery. It also links to MDG goals 1-7, through improved governance and accountable use of public resources. Governance and public administration is a cross-cutting theme that supports the provision of public goods and services to country citizens. If all citizens equally and transparently benefit from government services, their livelihood opportunities will improve.

The main Implementing Partner is the Public Administration and Civil Service Authority (PACSA), Office of the Prime Minister and the responsible parties include UNDP, UNCDF, PACSA and concerned provincial authorities. Other Partners include all lines ministries, Central Committee for Organization and Personnel, National Academics of Politics and Administration (NAPPA), Secretariat of Government, PMO and some selected targeted provincial authorities in Lao PDR. Other development partners are Swiss Agency for Development and Cooperation (SDC) and the Government of Luxembourg. These partners play different roles according to the RBM Project Board Arrangements. They interact through project monthly meetings, quarterly project board meetings and annual review meetings.

III. RESOURCES

Financial Resources:

The Programme is funded by the Government of Luxembourg, Swiss Agency for Development and Cooperation, UNDP, UNCDF and SNV. Total estimated programme budget for the year 2010 based on the latest revised Annual Work Plan was US\$3,388,100 which came from the following sources:

- Regular (core) resources

- UNCDF(Core): US\$231,700
- UNDP (Core): US\$400,000
- Cost-share Contributions:
 - SDC: US\$832,524
 - Luxembourg: US\$1,878,500 (1,618,201 from UNCDF Non-Core and 260,299 from UNDP Non-core)
 - SNV: US\$45,376

Human Resources:

- Government: 3 (1 Project Board Executive, Project Manager and Assistant Project Manager)
- National Staff: 8 (programme) and 10 (Operations)
- International Staff: 5 (programme)

IV. IMPLEMENTATION AND MONITORING ARRANGEMENTS

Regular programme monthly meetings are organized to review progress made, challenges and issue faced during the previous month. On a quarterly basis, the Programme reports the progress against assigned outputs and activities (based on the approved quarterly work plan), challenges and issues in the consolidated report. All logs: Risks, Issues, communication and monitoring, lessons learnt are updated with project management responses. Annual project report (APR) is prepared and shared with all key project stakeholders, development partners and donor communities on the achievements, challenges and issues during the year.

A regular quarterly Project Board (PB) meeting is organized to discuss the pending issues and recommend proposals and requests from the project manager and team. Some important issues related to governance were presented in the Governance Sector Working Group or Sub-sector Working Group for advice and recommendations.

In addition, two spot check exercises were conducted by the UNDP PMSU and the DIC of MPI. The main objective of the spot check is to identify any gaps of all aspects of the project implementation and to assist the project to take immediate corrective actions.

V. RESULTS

The efforts of the Government of Lao PDR to strengthen the administrative framework as well as state management modalities and structures continued in 2010. The areas in which contribution were made include formulation of laws and policies, establishing sector strategies, improving institutional mechanisms, establishing mechanisms for enhanced transparency, human resource management in the government, capacity development, policy implementation pilots, innovations in fiscal practices and decentralized transfers, and support for mainstreaming best practices.

The GPAR programme has made several important contributions to preparing the Strategic Plan on Governance 2011-2020 as well as inputs related to the governance sector for the draft NSDEP 2011-15. During 2010, a series of Multi-stakeholder consultation workshops of government offices and

development partners were organized to review, revise and finalize the draft Strategic Plan on Governance to incorporate the projects that will be included in the 7th NSEDP. The Strategic Plan was also presented to the Governance Sector and Sub-Sector Working Groups for comments and inputs. With the support of the GPAR SBSB project, PACSA has been instrumental in the establishment of the Governance Sector Working Group, two Sub Sector Working Groups and Secretariat operational (GSWG), which provide effective discussion fora for different national interests and development partners. This mechanism also strengthens the leadership role and functioning of the government in the management of development and aid effectiveness. The GSWG and sub-groups have played the lead role in the very successful UN sponsored Round Table Meetings (RTM) , where government and development partners jointly consider national development policies and priorities for support. In 2010 the GSWG provided the platform for UNDP and UNCDF, through the Project, to effectively contribute to two fundamentally important policy documents – the new draft Strategic Plan on Governance 2011-20 and to the 7th National Socio-Economic Development Plan 2011-15. Reflecting the widely acknowledged success of UNCDF’s signature local development instrument in Lao PDR – the District Development Fund (DDF) – the government announced its intention to scale up the DDF in support of the NSEDP. DDF is unique in that unlike other development funds, it is owned and operated by the government and uses existing national and sub-national government systems and staff to deliver effective local aid programmes in a truly sustainable manner.

Key laws were amended and new laws were formulated and approved by the National Assembly including Law on National Statistics, Law on Prevention and Fight against HIV and Law on Consumer Protection. Besides, we observed improved institutional mechanisms such as expansion of One Dorr Service Centers, strengthening of human resource management in the government through the Civil Service Training Center, and policy implementation pilots including fiscal transfers to districts through District Development Fund to strengthen local service delivery.

GPAR Fund provides opportunities as well as a sound platform for all government organizations, nationwide, to come up with practical innovative ideas to address issues they encounter in providing better service delivery and improving governance in Lao PDR. In 2010, follow up on the implementation of the previous round of grantees were carried out. The third round and final cycle of the fund was launched for 13 grantees.

The District Development Fund (DDF) modality is part of a broad programme of public service reforms underway in Lao PDR and is a key element of the government’s Governance and Public Administration Reform (GPAR) programme. The DDF directly supports the goals as laid down in the National Socio-Economic Development Plans (2006-2010 and 2011-2015), both directly in terms of improved service delivery to citizens, and also in terms of promoting sustainable economic development as a basis for eradicating poverty. The DDF supplies a discretionary block grant for infrastructure development and service delivery to district administration officials, as well as procedures to improve the quality of services delivered.

DDF initiative has significantly improved the capacity of the local authorities to manage public expenditure and plan for small scale investments that have a direct impact on improved service delivery. The government recognizes the provision of services through the DDF has yielded tangible results and that there is a strong need for scaling it up and integrating it into the new national GPAR programme. As the DDF constitutes a model of governance reform in which capacity development

and direct service delivery occur simultaneously, it will be a key component of the new GPAR programme.

During 2010 DDF capital grants were successfully provided as planned, through the national finance system, to 27 local authorities (Districts). This included 7 new Districts operating the DDF system. The DDF Districts successfully delivered within the fiscal year and in accordance with plan/budget. There were 62 DDF local development projects at a total investment of \$858,861. These investments represent a significant injection of capital in the local economies and result in both better service delivery facilities and socio-economic infrastructure. DDF capital investments have been made in both pro-poor service delivery infrastructures, such as schools, clinics, water and sanitation, etc and in economic infrastructure.

On a strategic level, DDF represents the beginnings of a fiscal transfer system from national to local governments. The deployment of capital under DDF, both human expertise and financial investment, has enabled an increasing number of local authorities to undertake and successfully deliver local capital investments, without the need for parallel project support.

The DDF approach brings both capacity development and capital investment in one package. The DDF has improved the planning and management capacities of the government and community, especially women and the poor. This has resulted in increased efficiency and effectiveness of expenditure and enhanced accountability and transparency over funds utilization. The DDF has demonstrated the effective use of simple manuals and guidelines to build local capacities and assist in local decision making and compliance. There is clear evidence that the DDF has noticeably increased District Administrations' skills in project management.

DDF projects have indirectly contributed to poverty reduction as they subsequently been used to improve MDG related infrastructure and services such as: Provision of clean drinking water; Upgrading education and health infrastructure; Construction or rehabilitation of rural roads accessing markets and public services; and Small scale irrigation schemes providing sustainable means of increasing agricultural productivity and nutrition and food security.

Contribution to outcome level

Through GPAR programme support, capacity, accountability and responsiveness of the public administration at central and local levels have been further strengthened through:

- comprehensive programme design which addresses all aspects of strengthening governance, including legislation and decrees, reorganizing Ministries, setting up procedures and mechanisms for financing initiatives mechanisms to improve performance
- models for improved service delivery in health and licensing offices, that can be scaled up for use across the country
- institutional mechanism to train civil servants in several areas, that serve to improve administrative efficiency and effectiveness of service delivery
- expansion of service delivery across 25% of the country through District Development Fund (DDF) modality, benefiting over a hundred thousand poor Lao citizens in 27 districts of the 4 target provinces

- increasing number of people made use of speeded up procedures through one door service centres during 2010. introduction of operational grants offering has shown large and widespread improvement in service delivery, with very small input of funds, as compared to the large capital grants
- small grants programme that has widened demand based capacity development at national and sub-national level – 300 initiatives proposed in 2010

Contribution to gender equality

Gender equity in the civil service has been enhanced through:

- revised gender in governance strategy that provides clear proposals to improve gender equity in recruitment, service conditions, career advancement and capacity building for women in civil service
- integration of gender in governance initiatives with national strategy on gender equity in coordination with Lao NCAW
- preparation of action plan to implement the gender in governance strategy

Implementation of the Vientiane Declaration on Aid Effectiveness and its Action Plan

The Governance Sector Working Group (GSWG) has been very active and made significant contribution to governance reform agenda. The GSWG is a platform which plays a substantive role in driving forward the policy dialogue, information sharing, consensus building and contributions to the Strategic Plan on Governance and governance sector inputs for the 6th NSEDP during 2010. There is a need to make sure that support and attention is given to the Sector Working Group mechanism to maintain its effectiveness in facilitating better coordination and alignment of development assistance in the sector. Through DDF implementation: participatory, transparent, and accountable processes, UNCDF has also played an important role to contribute to the implementation of the Vientiane Declaration on Aid Effectiveness and its Action Plan. The following progresses have been made in 2010:

- Support to the Donor Round Table Meeting in 2010 and provide inputs into the draft 7th NSEDP
- Governance Sector Working Group, two Sub Sector Working Groups and Secretariat operational (GSWG)
- Sector Working Group and Sub Sector Working Group meetings and reports completed
- Governance Reform Information Matrices completed
- Governance Sector Working Group consultations in preparation of Strategic Plan on Governance (2011-15) and sector recommendations for the 7th NSEDP

Update on partnerships

Throughout 2010, GPAR SBSB continued to build closer working relationships and partnerships with all provincial GPAR projects in both technical and policy advice.

- Close partnership with provincial GPAR projects, provincial and district administrations through technical and policy support from GPAR SBSB, particularly a series of DDF training activities and the preparation for the project conclusion.
- Partnership with Ministry of Planning and Investment (MPI) & Ministry of Finance (MoF) on

DDF Implementation including DDF training on the participatory planning and fund transfer from the Bank of Lao PDR to the district DDF bank accounts. Also, regular sharing of DDF district progress reports to both ministries.

- Support to PACSA to play a strong leadership and ownership of DDF implementation and expansion, covering Khammouane (funded by World Bank) and Bolikhamxay (funded by Lux-Dev. These two provinces are not covered by GPAR SBSB but replicating DDF modality by other programmes implemented in these two provinces.
- Collaboration with Lao NCAW on preparing and revising the Gender in Governance Strategy and its action plan.

Main challenges and issues

Challenge/Issue	Response
• Postponed revision of Law on Government and Law on Local Administration	• Activity deferred to next year
• Resources for next Citizen Report Card	• To be addressed during planning for 2011
• Multi-level services through ODSCs	• Recommendations under review
• Web based PIMS software	• Modifications addressed in-house
• Approval of draft Code of Conduct	• Being discussed in government with stakeholders
• Initiation of Performance Management pilot	• Discussions with districts and provinces in progress
• Social Protection activities	• Social Protection to be taken up in next phase
• Budget not yet fully funded	• Activities readjusted within available budget

VI. FUTURE WORK PLAN

The following activities are planned for the following reporting period (1 January-30 June 2011), using the lessons learned during the previous reporting period.

Development of the new National GPAR Programme:

- Greater efforts and time for the completion of the new National Governance and Public Administration Reform Programme (2010-2011)
- Ensure that the new programme framework and their components are developed, consulted and endorsed by the Government of Lao PDR
- Launching the new GPAR programme

Priority steps to overcome constraints:

- Focused efforts to complete the Results & Resources Framework targets
- Detailed review with project stakeholders on areas with delays
- Preparatory steps for next year's GPAR Fund grants initiated

Steps to build on current achievements:

- District capacity development follow up training for District officials
- Wider scale of implementation of national curriculum to train civil servants
- Roll out of Personnel Information Management System
- Design of the next GPAR Programme

Steps to build on partnerships:

- Formulation of Lao component of ASEAN Conference on Civil Services Matters (ACCSM) collaboration with Plus Three countries such as China, Korea and Japan.
- Interface with key ministries and wider set of development partners for Programme formulation
- Close linkages with provincial administrations for scale up of GPAR best practices

Use of lessons learned:

- Support for capacity development at district level envisaged in the draft 7th NSEDP
- Expanding the scale of delivery of training for civil servants
- Expanding the role of Sector Working Group Secretariat to support Government oversight
- Detailed documentation on project activities and results to enable systematic evaluation

Major adjustments in the strategies, targets or key outcomes and outputs planned.

1. Dissemination Strategy for Strategic Plan on Governance developed and implemented (2006-10)
It was planned that the Strategic Plan on Governance (2006-10) would be disseminated on the basis of a clearly articulated strategy. However, the discussions on formal approval were taking time. Hence, the dissemination was initiated without preparation of clear strategy, through annual conferences of civil servants for the central and provincial level and through capacity building workshops for heads of district administration.
2. Governance Reform Monitoring framework & Progress of Strategic Plan (2006 – 2010) regularly reported to Government
It was planned that the Strategic Plan on Governance (2006-10) would be monitored through a clearly defined monitoring framework. Since the formal acceptance of targets set in the Strategic Plan did not take place, an information sharing exercise on these targets was initiated, in the form of Governance Sector Information Matrices. This enables the Sector Working Group to track and monitor progress of reforms in the Governance sector.
3. Performance award mechanism
The performance appraisal system being developed under Output 3 is yet to be ratified by the Government. Hence this activity has been deferred till such ratification is complete and appraisals under the new system are taking place regularly.
4. Improved Policy analysis and formulation capacity of the Government
The initial plans included modest support for building public policy formulation capacity in key offices of the government. Since a large ADB supported initiative took on this task, this output would have been duplication – hence the output was terminated.
5. Workforce Planning

It was anticipated that Organizational Analysis of all key government offices would take place during the project period, which would make it possible to review and define staff ratios and gaps, and implement activities to address related targets in priority service sectors. However, the Organizational Analysis exercise is yet to be rolled out, and not expected to be complete before end of the current phase of the project. Hence the output has been deferred to a later stage.

6. Municipal Development

The initial plans of the project envisaged a substantial set of activities. After the operational guidelines for establishing municipalities was prepared, it emerged that legal frameworks needed to be amended before implementation could take place. Hence, subsequent steps related to organizational reviews completed for Vientiane, preparation of municipal finance policy, piloting of municipality in Luang Prabang and Vientiane, evaluation of pilot municipalities, strategy for implementation in additional sites and Implementation in additional sites, were deferred.

7. Kumban Development

The kumbans have been operational as a development support platform. Since they have not been established a formal administrative level, no Government regulations have been prepared. Hence the capacity building support has been oriented towards the Ban (Village) level.

8. Workforce Planning in activities involving Centre-Local relations

The review of tasks that involve central-local relations in service sector agencies were to be taken up as part of this exercise. However, the Organizational Analysis exercise is yet to be rolled out, and not expected to be complete before end of the current phase of the project. Hence the output has been deferred to a later stage, as in Point 5 above

9. National Training Delivery Network

A national Training Delivery Network was envisaged as a support mechanism for civil service capacity building. However, the Civil Service Training Centre has been set up recently, and the pool of trainers are being identified and developed. Hence, the establishment of this network has been deferred to a later stage.

10. Performance Management system

The Performance Management system for the civil service has been recently completed, and is expected to be approved soon. Hence preparation of the national implementation strategy and the evaluation of the operational system have been deferred till the system has been approved, piloted and mainstreamed.

Estimated total budget required for the following year: \$ 1,310,400

ANNEX I: INDICATOR BASED PERFORMANCE ASSESSMENT

	Performance Indicators	Indicator Baselines	Planned Indicator Targets	Achieved Indicator Targets	Reasons for Variance (if any)	Source of Verification	Comments (if any)
Outcome Increased efficiency, effectiveness, transparency, and accountability of the public administration at both central and local levels							
Output 1 Strategic oversight, monitoring framework provides for evidence based policy and performance analysis in governance reform	Indicator 1.1	Draft governance strategy for period 2006-10	Draft governance strategy for period 2011-15	Achieved; all stakeholders consulted in the drafting process		Drafting of Strategic Plan	
	Indicator 1.2	Sector Information matrix of 2009	Sector information matrix 2010	Achieved; three reform information matrices complete		Sector information matrix covering three pillars	
	Indicator 1.3	Pilot Citizen Report Card 2007	Service Delivery Baseline Monitoring Report 2010	Partly achieved; full baseline yet to be completed	Limited availability of baseline data at districts	Pilot baseline for service delivery monitoring in two districts	
Output 2 Improved org. structures and systems enable delivery of more equitable, effective accountable and transparent services	Indicator 2.1	Orgn. Analysis piloted in 2 service agencies	Orgn. Analysis in one Ministry & lessons report	Partially achieved; lessons analysis and report to be completed	Lessons analysis deferred till report on MoFA Orgn. Analysis complete		Orgn. Analysis carried out MoFA; report to be finalized
	Indicator 2.2	Traditional training package for Naibans	Revised curriculum for training Naibans	Achieved; revised Naiban training curriculum complete			
	Indicator 2.3	No systematic training on service delivery for districts	Revised curriculum on service delivery for districts	Achieved; revised manual used for pilot implementation			
	Indicator 2.4	7 operation One Door Service Centres in the country	10 operational ODSCs in the country	Achieved; 10 operational ODSCs			
Output 3 HRM and HRD policies, procedures and capacity are strengthened	Indicator 3.1	Draft Decree HRM operational procedures	1 new HRM procedure: Performance Mgmt. Guidelines	Partially achieved; performance mgmt. guidelines to be piloted and finalized	Approvals required to commence pilot	Draft of performance mgmt. guidelines	
	Indicator 3.2	No reporting of personnel data through PIMS	10 offices prepared to report personnel	Partially achieved; to be implemented in more offices	Delays in finalizing the manual and data		

			data in PIMS	during 2011	entry		
	Indicator 3.3	Office Mgmt. and Org. Development module tested	2 more modules of Civil Service Curriculum piloted	Achieved; two more modules piloted through civil service training programmes			
	Indicator 3.4	No training delivered by Civil Service Training Centre	4 trainings delivered by Civil Service Training Centre	Achieved; all planned trainings for civil servants completed			
	Indicator 3.5	Traditional Performance Mgmt. System	Pilot implementation of improved Perf. Mgmt. System	Partially achieved; performance mgmt. system to be piloted	Approvals required to commence pilot	Draft of Performance management implementation plan	
	Indicator 3.6	Outdated English Language training curriculum for civil servants	New English Training Curriculum for civil servants	Achieved; Curriculum for Level 1 complete		English Language for Government Official Elementary level 1	
	Indicator 3.7	Preparatory Meeting and Main Conference of ACCSM	Technical meeting, Governance Forum and ACCSM+3	Achieved; Technical meeting, Governance Forum and ACCSM+3 Conference complete			
	Indicator 3.8	Draft Gender in Governance Strategy	Finalized Gender in Gov. Strategy and Action Plan	Partially achieved; Gender in Gov. Strategy and Action Plan submitted for approval	Multi – stakeholder approval required to finalize Strategy		<ul style="list-style-type: none"> • Revision of Gender in Governance Strategy and Action Plan • Submission for approval
Output 4	Indicator 4.1	Basic Block Grant in use, Social Protection pilot designed	Design of Operational Expenditure Block Grant	Achieved; operational expenditure to be implemented in 2011		<ul style="list-style-type: none"> • Survey on operational expenditure • Design of operational expenditure block grant modality 	
	Indicator 4.2	Minimum conditions	Minimum conditions met in	Achieved; all 27 districts complied		Minimum conditions	

		assessed in 20 districts	27 districts	with conditions		guidelines	
	Indicator 4.3	District officials of 20 districts trained in FM & Procurement	Officials of 27 dist. trained in P/B, FM & procurement	Achieved; officials from 27 districts trained in P/B, FM & procurement			
Output 5	Indicator 5.1	9 sub-projects supported by GPAR Fund	20 sub-projects supported by GPAR Fund	Achieved; twenty two sub projects selected, and grants released			

VII. FINANCIAL REPORT OF THE ADMINISTRATIVE AGENT FOR THE PERIOD 1 JANUARY TO 31 DECEMBER 2010

JOINT UN PROGRAMME GOVERNANCE AND PUBLIC ADMINISTRATION REFORM: SUPPORT FOR BETTER SERVICE DELIVERY IN LAO PDR

The Governance and Public Administration Reform (GPAR) – Support for Better Service Delivery (SBSD) is a four-year Joint Programme (JP), jointly implemented by UNDP and UNCDF (Participating UN Organizations) through a pass-through funding mechanism. The Participating Organizations appointed UNDP CO Lao PDR (which is a Participating Organization in connection with this Joint Programme) as the Administrative Agent (AA) to serve as the administrative interface between donors and Participating Organizations.

1. Financial Overview

As of the end of the reporting period ending on 31 December 2010, UD\$7,358,000 was deposited into the JP GPAR SBSBD account. Of these, US\$6,992,000 have been transferred to the Participating UN Organizations by 31 December 2010. Table 1.1 gives an overview of the overall sources, uses, and balance of funds for the JP GPAR SBSBD as of 31 December 2010.

Table 1.1 Sources, Uses, and Balance of JP (US\$ Thousands)

	Prior Years	2010	Total as of 31 December 2010
Source of Funds			
Gross Contributions	6,588	770	7,358
Fund Earned Interest Income	0	0	0
Participating Organization Earned Interest Income	0	0	0
Total - Source of Funds	6,588	770	7,358
Use of Funds			
Transfers to Participating Organizations	4,311	2,681	6,992
From Donor Contributions	4,311	2,681	6,992
From Earned Interest	0	0	0
Refund of Unutilized Balances on Closed Projects by Participating Organizations	0	0	0
Administrative Agent Fees	0	20	20
Direct Costs: (Steering Committee, Secretariat, etc.)	0	0	0
Other Expenditures from Earned Interest	0	0	0
Bank Charges	0	0	0
Total - Use of Funds	4,311	2,701	7,012
Balance of Funds Available	2,277	-1,931	346

Please note the following:

1. The source of funds excludes UNDP and UNCDF Core funds.
2. Table 1.2 below shows contribution and expenditure from all donors (for more information)

3. SNV funds was transferred from GPAR phase II, and will be used to support capacity building (training and workshop)
4. The AA fees amount of US\$20,000 was paid in 2010. The remaining AA fees of US\$20,000 will be paid in 2011.

Table 1.2 Contribution and Expenditure by Donor, cumulative as of 31 December 2010 (US\$ Thousands)

Donor	Contribution	Expenditure
Swiss Agency for Development and Cooperation (SDC)	3,426	3,165
Grand Duchy of Luxembourg (LUX)	3,750	3,088
SNV/Netherlands Development Organization	182	172
UNDP	965	965
UNCDF	480	480
Total	8,803	7,870

2. Expenditure

Table 2.1 reflects expenditure with a breakdown by the six categories for the period 1 January to 31 December 2010. As shown in the table the highest percentage of expenditure was incurred on the Other direct costs (48 per cent), followed by Personnel (16 per cent), training of counterpart (15 per cent), Supplies and equipment (11 per cent) and Contracts (9 per cent).

Table 2.1. Total Expenditure by Category and Reporting Period (US\$ Thousands)

Category	Total Expenditure		% of Total Programme Costs
	2010	Cumulative	
Supplies and equipment	118	723	11%
Personnel	318	1,050	16%
Training of counterpart	297	967	15%
Contracts	146	575	9%
Other direct costs	1,571	3,090	48%
Indirect costs	20	20	0.2%
Programme Costs Total	2,450	6,405	100%
Total Expenditure	2,470	6,425	100%

Table 2.2. Expenditure by Participating Organization, cumulative as of 31 December 2010 (US\$ Thousands)

Participating Organizations	Transfers		Expenditures				
	Budget amount	Funds Transferred	2007	2008	2009	2010	Cumulative
UNCDF	3,750	3,115		601	916	1,571	3,088
UNDP	3,608	3,877	266	862	1,310	899	3,337
Total	7,358	6,992	266	1,463	2,226	2,470	6,425

Table 2.3. Total Expenditure by Participating UN Organization with breakdown by category, cumulative as of 31 December 2010 (US\$ Thousands)

Participating Organization	Funds Transferred	Total Expenditure	Expenditure by Category						
			Supplies Equipment	Personnel	Training	Contract	Other direct cost	Total Programme Cost	Indirect cost
UNCDF	3,115	3,088	0	0	0	0	3,090	3,090	20
UNDP	3,877	3,337	723	1,050	967	575	0	3,315	0
Grand Total	6,992	6,425	723	1,050	967	575	3,090	6,405	20

Please note that UNCDF supports only block grants which we put under “other direct cost” column. This block grant facility is used for improving local infrastructure.

Table 2.4. Total Expenditure by Participating UN Organization with breakdown by Category, 1 January - 31 December 2010 (US\$ Thousands)

Participating Organization	Funds Transferred	Total Expenditure	Expenditure by Category					Total		
			Supplies Equipment	Personnel	Training	Contract	Other direct cost	Programme Cost	Indirect cost	
UNCDF	1,782	1,571	0	0	0	0	1,571	1,571	20	
UNDP	899	899	118	318	297	146	0	879	0	
Grand Total	2,681	2,470	118	318	297	146	1,571	2,450	20	