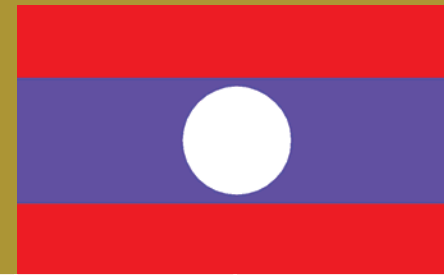


2008



Effective Technical Cooperation for Capacity Development

Lao PDR Country Case Study

Effective Technical Cooperation for Capacity Development Country Case Study



Joint Study on Effective TC for CD



Effective Technical Cooperation for Capacity Development

Lao PDR Country Case Study



**Joint Study on
Effective TC for CD**

ACKNOWLEDGEMENTS

This country study was prepared under the guidance, direction and review of a country management team consisting of the following people:

MR. HOUMPHANH SOUKPRASITH, General Department of International Coordination, Ministry of Planning and Investment

MR. VIXAY XAOVANA, General Department of Evaluation, Ministry of Planning and Investment

MR. KOICHI TAKEI, Deputy Resident Representative, JICA Laos Office

MS. MIDORI FURUKAWA, Project Formulation Advisor, JICA Laos Office

Representatives of Asian Development Bank, German Technical Cooperation (GTZ), United Nations Development Program and World Bank.

Preparation of the study was assisted and facilitated by: Ms. Somsisouk INTHAVONG And Ms. Somsisay RATANAVONG; National Consultants and Mr. James Lee; International Consultant (Asia Region) and Mr. Mike Ratcliffe; International Consultant (Team Leader).

ACRONYMS AND ABBREVIATIONS

ACMS	Aid Co-ordination and Monitoring System
ADB	Asian Development Bank
ADS	Australian Development Scholarship
AFD	Agence Française de Développement
APAW	Action Plan for the Advancement of Women
ASEAN	Association of South East Asian Nations
AusAID	Australian Development
BEGP	Basic Education (Girls) Project
CAP	Country Action Plan
CD	Capacity Development
CLIL	Content and Language Integrated Learning
CPI	Committee for Planning and Investments
DEB	District Education Bureau
DGE	Department of General Education
DGP	Department of General Planning
DIC	Department for International Cooperation
DNFE	Department of Non Formal Education
DOE	Department of Evaluation
DOP	Department of Personnel
DP	Development Partners
DPC	Department of Planning and Cooperation
DS	Department of Statistics
DTT	Department of Teacher Training
DPACS	Department of Public Administration & Civil Service
DWG	Donor working group (See SWG)
EC	European Commission
GEMEU	Gender
GMS	Great Mekong S
GOL	Government of Lao PDR
GPAP	Governance & Public Administration Reform Project
GTZ	Gesellschaft für Technische Zusammenarbeit, German Technical Cooperation
HDSLAL	High Diploma for Surveyors and Land Administration
HRD	Human Resource Development
HRM	Human Resource Management

IT	Information Technology
ICC	In-Country Course
INGOs	International Non-Governmental Organizations
JICA	Japan International Cooperation Agency
KFW	Kreditanstalt Fur Wiederaufbau (German Bank)
JGSWG	Joint Governance Sector Working Group
LABEP	Lao-Australia Basic Education Project
LLTP	Lao Land Titling Project
LWU	Lao Women’s Union
MAF	Ministry of Agriculture and Forestry
MCTPC	Ministry of Communication, Transport, Post and Construction (see TCTI)
MDG	Millennium Development Goals
MOE	Ministry of Education
MOFA	Ministry of Foreign Affairs
MOF	Ministry of Finance
MOH	Ministry of Health
MOJ	Ministry of Justice
MPI	Ministry of Planning and Investment
MPWT	Ministry of Public Works and Transport
NPD	National Project Director
NGPES	National Growth and Poverty Eradication Strategy
NSC	National Statistics Centre
NSEDP	National Socio Economic Development Plan
ODA	Official Development Assistance
PACSA	Public Administration & Civil Service Authority
PAR	Public Administration Reform
PBA	Programme Based Approach
PES	Provincial Education Service
PFM	Public Financial Management
PIU	Project Implementation Unit
PMO	Prime Minister’s Office
RMF	Road Maintenance Fund
RTM	Round Table Meeting
RTP	Round Table Process
SEA	South East Asia
SIDA	Swedish International Development Agency

SWG	Sector working group (8 in total) coordinated by DIC and MOF (See DWG)
TC	Technical Cooperation
TCTI	Telecommunication & Construction Training Institute in (MCTPC)
TOT	Train the Trainer
TWG	Technical Working Group
UNDP	United Nations Development Programme
UNFPA	United Nations for Population Fund
UNHCR	United Nations High Commissioner for Refugees
VD	Vientiane Declaration
WB	World Bank
WFP	World Food Programme
WHO	World Health Organization

TABLE OF CONTENTS

ACKNOWLEDGEMENTS.....	I
ACRONYMS AND ABBREVIATIONS	II
1. OVERALL SITUATION ANALYSIS AT THE NATIONAL LEVEL	2
1.1. REVIEW OF TECHNICAL COOPERATION TRENDS AND PATTERNS	2
1.2. REVIEW OF OVERALL POLICY ENVIRONMENT FOR TECHNICAL COOPERATION	6
1.3. REVIEW OF OVERALL OPERATIONAL ENVIRONMENT FOR TECHNICAL COOPERATION.....	9
1.4. SUMMARY OF SWOT ANALYSIS OF THE OPERATIONAL ARRANGEMENTS FOR TC	9
1.5. OVERALL FINDINGS ON EFFECTIVENESS OF TECHNICAL COOPERATION AT THE NATIONAL LEVEL	11
2. OVERALL SITUATION ANALYSIS AT THE SECTOR/THEMATIC LEVEL.....	16
2.1. REVIEW OF OVERALL SECTOR/THEMATIC POLICY AND STRATEGIC CONTEXT	16
2.2. REVIEW OF TRENDS AND PATTERNS IN TECHNICAL COOPERATION.....	18
2.3. REVIEW OF TECHNICAL COOPERATION COORDINATION MECHANISMS.....	19
2.4. REVIEW OF COMPLEMENTARY OF TC WITH OTHER INSTRUMENTS FOR CAPACITY DEVELOPMENT	22
3. DETAILED ANALYSIS OF GOOD PRACTICES AND LESSONS LEARNED AT THE SECTOR THEMATIC LEVEL	23
3.1. OVERALL FINDINGS ON EFFECTIVENESS OF TECHNICAL COOPERATION AT THE SECTOR LEVEL	23
3.2. DETAILED ANALYSIS OF GOOD PRACTICE EXAMPLES.....	25
3.3. OVERALL SUMMARY OF LESSONS LEARNED	45
4. OVERALL CONCLUSIONS, ISSUES IDENTIFIED AND RECOMMENDATIONS.....	49
4.1. OVERALL CONCLUSIONS	49
4.2. ISSUES IDENTIFIED	50
4.3. KEY RECOMMENDATIONS.....	53
REFERENCES.....	56

1. OVERALL SITUATION ANALYSIS AT THE NATIONAL LEVEL

1.1. REVIEW OF TECHNICAL COOPERATION TRENDS AND PATTERNS

Public Investment Program (PIP) is the instrument through which the Government of the Lao PDR plans and allocates capital investments in the public sector to promote growth and development for the implementation of National Socio-Economic Development Plans (NSEDP) and the National Growth and Poverty Eradication Strategy (NGPES). The PIP provides a consolidated framework within which aid agencies can concentrate and coordinate their assistance efforts. The Aid Co-ordination and Monitoring System (ACMS) database are compiled, maintained and verified on continuing basis by the Department of International Cooperation (DIC).

Trend: Over the past five years, the structure of the PIP has markedly shifted towards increased emphasis on the social-cultural sectors (especially education sector) and away from the economic sectors.

Table 1: Public Investment Plan: 2001-2006

Sector	2001-02 Actual %	2002-03 Actual %	2003-04 Actual %	2004-05 Actual %	2005-06 Actual %	2006-07 Planned %
Economic Sectors	51.0	63.0	60.6	60.4	64.9	58.9
Agriculture/Forestry	16.1	24.6	14.4	11.7	12.0	9.4
Industry & Handicraft (Electric Power & Mine)	4.1	3.4	2.5	1.1	1.2	4.2
Communications	30.3	34.8	43.7	47.6	51.7	45.3
Socio-Cultural	27.0	25.0	29.1	30.3	27.6	32.4
Education	11.2	10.3	13.4	14.0	17.7	21.6
Health	7.9	7.8	8.2	10.4	5.5	3.5
Information & Culture	3.8	2.3	3.3	3.5	3.2	4.4
Labor & Social Welfare	4.4	4.3	4.2	2.4	1.2	2.6
Others (Rural Development, Housing, Office...)	22.0	12.0	10.4	9.3	7.5	8.6
Total	100	100	100	100	100	100

Source: Dept. of General Planning, Committee for Planning and Investment

Public Investment, Official Development Assistance (ODA) and Government Budget: The Public Investment Program (PIP) is an integral part of the national budget formulation process. It accounted for about four-fifths of the total Government expenditures over the last four fiscal years. On average, ODA has funded around four-fifth of the overall capital expenditures, in the form of grants or concession loans. The percentage of ODA in PIP also has increased from 48 percent up to 87 percent between 2001 and 2006.

Table 2: Public Expenditure, PIP and ODA: 2001/06 (Market prices)

Item (US\$ Million)	2001-02 Actual	2002-03 Actual	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Planned
Total Expenditure	330	438	354	514	682	792
Current Expenditure	138	167	199	248	362	456
Capital Investment (PIP)	192	271	155	266	320	336
of which:						
ODA	93	165	96	177	278	284
Domestic	99	106	59	89	42	52
PIP/Total Expenditure (%)	58	62	44	52	47	42
ODA/PIP (%)	48	61	62	67	87	85
ODA/Total Expenditure (%)	28	38	27	34	41	36

Source: Dept. of General Planning, Committee for Planning and Investment

The ODA grant and loan amounts in agreement between the Government and its bilateral and multilateral development partners were in approximately equal proportion. In 2005/06 ODA disbursements by bilateral and multilateral institutions (including international financial institutions, such as ADB, IDA/WB, the UN agencies, European Union and the Mekong River Commission) were 54 percent and 46 percent respectively of the total disbursement amount of US\$ 419.18 million.

ODA Disbursement per level: The disbursement shares between national level and provinces were at approximately two thirds national and one-third provincial.

Table 3: Distribution of ODA disbursements (%)

Level	2001-02	2002-03	2003-04	2004-05	2005-06
National	61	58	66	61	68
Provincial	39	42	34	39	32

ODA Disbursements by sector: In 2005/06 disbursement by sector shows that nearly one quarter of bilateral ODA disbursement were concentrated in the transport sector, followed by development administration, social development and agriculture, forestry and irrigation. Since 2001 to 2006, ODA disbursement for education/human resource development has increased steady from US\$ 24.28 Million in 2001 to US\$34.08 Million in 2006 (representing a rise from 12 percent to 15 percent of the share).

Table 4: Bilateral ODA Disbursement by Sector 2001-2006

Sector	2001-02		2002-03		2003-04		2004-05		2005-2006	
	US\$ Million	%	US\$ Million	%	US\$ Million	%	US\$ Million	%	US\$ Million	%
Transport	42.7	21.6	35.9	12.0	29.7	16.1	26.3	13.0	65.2	29.2
Development Administration	40.8	20.6	42.8	19.6	41.7	23.6	44.8	22.0	45.3	20.3
Education / Human resource	24.3	12.3	26.1	12.0	33.9	18.4	37.2	18.0	34.1	15.3
Energy	24.2	12.2	40.9	18.7	9.6	5.2	14.2	7.0	16.3	7.3
Social Development	19.5	9.9	22.3	10.2	18.3	9.9	22.4	11.0	9.6	4.3
Agriculture, Forestry & Irrigation	14.5	7.3	14.7	6.7	8.8	4.8	10.4	5.0	8.8	3.9
Area and Rural Development	11.3	5.7	7.7	3.5	13.1	7.1	15.5	8.0	12.5	5.6
Health	8.8	4.4	11.3	5.2	13.7	7.4	12.1	6.0	14.8	6.6
Disaster Preparedness	4.7	2.4	5.4	2.5	5.5	3.0	3.9	2.0	5.0	2.2
Communications	4.5	2.3	7.3	3.3	6.5	3.5	15.4	7.0	5.4	2.4
Natural Resources	1.7	0.9	2.9	1.3	2.9	1.6	3.0	1.0	4.0	1.8
Economic Management	0.9	0.5	0.9	0.4	0.5	0.3	0.0	0.0	2.6	1.2
Domestic Trade	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.0		
Industry			0.1	0.0			0.2	0.0		
Total	198.0	100.0	218.2	100.0	184.2	100.0	205.4	100.0	223.5	100.0
Transport	42.7	21.6	35.9	12.0	29.7	16.1	26.3	13.0	65.2	29.2
Development Administration	40.8	20.6	42.8	19.6	41.7	23.6	44.8	22.0	45.3	20.3
Education / Human resource	24.3	12.3	26.1	12.0	33.9	18.4	37.2	18.0	34.1	15.3

ODA disbursement by multilateral donors tended to favor energy, social development, transport and rural development sectors, which absorbed two-thirds of all multilateral disbursement.

Table 5: Multilateral ODA Disbursement by Sector 2001-2006

Sector	2001-02		2002-03		2003-04		2004-05		2005-2006	
	US\$ Million	%	US\$ Million	%	US\$ Million	%	US\$ Million	%	US\$ Million	%
Energy	39.2	21.6	26.5	14.4	15.3	7.7	7.9	5.0	59.0	24.0
Social Development	31.7	17.5	16.9	9.2	25.4	12.8	14.9	9.0	43.7	18.0
Transport	29.4	16.2	57.2	31.2	51.8	26.0	29.7	19.0	26.3	11.0
Area and Rural Development	20.3	11.2	22.9	12.5	20.6	10.3	28.0	17.0	36.6	15.0
Health	14.3	7.9	10.0	5.4	17.0	8.5	21.6	13.0	21.8	9.0
Education / HRD	13.8	7.6	9.7	5.3	14.9	7.5	15.6	9.0	17.3	7.0
Agriculture, Forestry & Irrigation	13.5	7.4	9.7	5.3	20.4	10.2	18.9	11.0	21.2	9.0
Development Administration	10.3	5.7	5.2	2.9	13.3	6.6	12.1	7.0	8.7	4.0
Natural Resources	5.3	2.9	3.8	2.1	3.4	1.7	1.4	1.0	4.2	2.0
Economic Management	2.0	1.1	20.5	11.1	15.7	7.9	9.2	5.0	3.5	1.0
Disaster Preparedness	1.5	0.9	1.2	0.7	0.8	0.4	5.6	3.0	2.8	1.0
Communications	0.1	0.1	0.0	0.0	0.3	0.2	0.3	0.0	0.0	0.0
Domestic Trade	0.0	0.0	0.0	0.0	0.8	0.4	0.9	1.0	0.1	0.0
Total	181.3	100.0	183.6	100.0	199.6	100.0	166.0	100.0	244.9	100.0

ODA disbursement by source (country): During 2005/06, among the 14 donor countries, Japan accounted for approximately 30 percent of the bilateral disbursements to Lao PDR, followed by Vietnam, China, Sweden, Thailand, France and Australia. Sectors shares by selected bilateral agencies are shown in the Table 6 below:

Table 6: Bilateral Disbursement by Source (country), 2005/06

Country	Sector Distribution	US\$ Million	%
Japan	Development administration, transport, and education.	62.18	27.83
Vietnam	Transport, education and human resources development, and development administration	24.86	11.13
China	Transport, communications, health, education and human resources development, and agriculture (including irrigation) and forestry sectors	21.16	9.47
Sweden	Transport, education and human resources development, and agriculture (including irrigation) and forestry	19.79	8.86
Thailand	Transport and agriculture (including irrigation) and forestry	18.79	8.86
France	Energy, social development sectors, education and human resources development, development administration, and agriculture (including irrigation) and forestry sectors	18.79	7.91
Australia	Idem as France	17.68	7.69

1.2. REVIEW OF OVERALL POLICY ENVIRONMENT FOR TECHNICAL COOPERATION

The Government of Lao PDR (GOL) recognizes that strengthening coordination and management of foreign aid is critical for the implementation of NSEDP. In order to ensure a more harmonized approach by all development partners, in recent years, the Government has intensified its efforts and implemented a number of key initiatives. The Vientiane Declaration and its Country Action Plan boosts the work effectiveness between country and donor partners. These are fundamental basis for all joint-activities and implementations linked to Ownership, Alignment, Harmonization, Managing for Results, and Mutual Accountability. Round Table Process and Sector Working Groups, as main coordination mechanisms, are well established.

1.2.1. STATUS OF COUNTRY ALIGNMENT/HARMONIZATION PLANS AND RELATION TO CD AND USE OF TC

Alignment and Harmonization are clearly defined in the Vientiane Declaration and its Country Action Plan.

Alignment

Goals 1 and 3: all Development Partners (DPs) align to national plans and Capacity Development Frameworks (CDFs); that is DPs align programme cycle to NSEDP cycle, EU Code of Conduct. By 2010 all DPs have broadly aligned their assistance strategies to the NSEDP and sector strategies.

Goal 2: DPs do not create structures for implementing ODA-funded projects that are parallel to GOL structures. All SWGs agree on guidance for integrating project implementation functions within their sector by mid 2008.

Goals 4-6: Planning Financial Management (PFM) systems being significantly strengthened; 54% of ODA use GOL PFM, 40% use Procurement procedures.

Harmonization

Goals 1 and 2: More joint research, reviews, missions and trainings.

Goal 3: Common Procedures. Study to be undertaken into financial distortions.

1.2.2. STATUS OF ANY COUNTRY/DONOR PARTNER WORKING GROUP FOR CD AND TC

The overall responsibility for aid coordination within the Government rests with the Department of International Cooperation which recently moved from the MFA to the MPI in order to strengthen the linkages between internal and external resources in development planning and PIP. UNDP provides the lead donor role in for the coordination process.

Under the Round Table Process, the coordination framework, jointly formulated by the Government and its DPs, set up eight Sector Working Groups in June 2005. The SWGs are the forums to discuss and build consensus on sector development priorities and improve aid coordination and effectiveness, as set out in the Vientiane Declaration and the Country Action Plan. These groups are committed to Lao PDR's development efforts and contribute in the areas of their expertise under the leadership of the Government of Lao PDR.

For example, the Joint Governance Sector Working group (JWSWG) is comprised of PACSA, MoF, MoJ, multi-lateral and bi-lateral agencies and one INGO (Netherlands Development Organization - SNV) with the GOL, UNDP and SIDA co-chairing the group. Minutes of the meeting are sent to DIC for approval.

During the last RTIM in November 2007, it was decided that the current SWG structure will be maintained and the existing SWGs will be further strengthened.

1.2.3. EXTENT OF CLEAR CD AND TC PRIORITIES IN NATIONAL DEVELOPMENT PLANS AND/OR NATIONAL POVERTY REDUCTION STRATEGIES

Capacity Development and Effectiveness of TC are recognized as major development strategies by GOL and its DPs within the context of several international and national mandates over the past 10 years, including:

- National Socio Economic Development Plans (NSEDPP)
- Decree 82/PM (2003) on Civil Service of the Lao PDR
- National Growth and Poverty Eradication Strategy (NGPES)
- Proceedings of the VIII Party Congress Resolution 2006-2010 (PMO)

- The 2020 goal of the GOL relating to the Millennium Development Goals (MDG)
- Paris Declaration on Aid Effectiveness
- United Nations Development Assistance Framework for Lao PDR 2007-2011 (UNDAF)

1.2.4. SUMMARY OF COUNTRY CAPACITY DEVELOPMENT PLAN, PRIORITIES, AND FORMULATION

In the medium-term operational framework of NGPES, capacity development is identified as a key cross cutting issue. CD is particularly of high importance for decentralization reform which is the primary strategy of the Government to effectively respond to the needs of its citizens. The emphasis on participatory development planning, alongside implementation and monitoring, are inclusive in all the priorities identified within the NGPES framework.

In the Round Table Implementation Meeting (RTIM) 2007, the Prime Minister strongly emphasized three core issues which are of vital importance for the implementation of the Government's policy actions: (i) individual and institutional capacity building; (ii) technical and financial resources; and (II) harmonized coordination mechanisms.

1.2.5. SPECIFIC COUNTRY POLICIES ON THE USE OF TC, INCLUDING OVERALL DECISION BY COUNTRY/DONOR IN TC PROCUREMENT AND MANAGEMENT

GOL has formulated a number of policies, laws and regulations over the past ten years to enhance capacity building and governance. The current challenge is to turn these policies, laws and regulations into sustainable actions at central, provincial and district levels. The principle country policies are:

- The National Training and Development Framework and Capacity Development Framework;
- Align the organizational structure of the Civil Service to functional areas and job descriptions
- Target overseas scholarships to meet the needs of GOL Five Year Plans
- Decree Pertaining to the Management and Use of ODA Assistance (No.168/PM, 22 November 2004)
- Implementing of the PM Decree on the Management and Use of ODA Assistance (No. 1467/MOFA, 22 March 2006)
- Vientiane Declaration on Aid Effectiveness (VD) signed on 29 Nov.2006

- Country Action Plan (CAP) for the VD, endorsed by the GOL and its Development Partners (DPs) on 31 May 2007, and approved by the Government of Lao PDR in the same year.

1.3. REVIEW OF OVERALL OPERATIONAL ENVIRONMENT FOR TECHNICAL COOPERATION

The Round Table Process (RTP) is the coordination mechanism of the Government and its development partners to strengthen policy dialogue, consolidate partnership, enhance government ownership and ensure harmonized and effective utilization of ODA in line with the national strategies, priorities and programs. The RTP comprises the Round Table Meeting (RTM) and the Round Table Implementation Meeting (RTIM) at the national level, and eight Sector Working Groups (SWGs) at the sectoral level.

The 9th RTM for Lao PDR concluded on the 29 November 2006 in Vientiane and ended with a vote of confidence for the Lao PDR's development progress. Subsequently, the Country Action Plan of the Vientiane Declaration was formulated and jointly endorsed and approved by GOL and its partners.

Prior to the RTIM 2007, in-depth pre-consultations and workshops were organized covering a wide range of topics and issues, including: education and gender, transport and public health . Other notable activities included: (i) preparation of the National Millennium Development Goals (MDGs) Report II, public financial management, (ii) a session on the structure of the Sector Working Group; and (iii) lecture on "Development Implications of Natural Resources Based Growth" by Dr. Stiglitz at the Lao Business Forum.

In the RTIM 2007, the GOL and its DPs reaffirmed their mutual commitment to the Vientiane Declaration. And at the sector agency level, some concrete actions have been initiated for the implementation of the CAP, particularly in Ministry of Public Works and Transport and Ministry of Education.

1.4. SUMMARY OF SWOT ANALYSIS OF THE OPERATIONAL ARRANGEMENTS FOR TC

1.4.1. STRENGTHS

The Government has explicitly expressed its commitment to improve the effectiveness of ODA/TC through the coordinated planning/allocation process of PIP in order to enable effective implementation of the NGPES and its annual plans. As a result, economic growth has been robust and achieved the target range set by NSEDP. The national poverty reduction fund also has been expanded to cover more districts, clusters of villages and villages. It is widely recognized that the Vientiane Declaration and its Country Action Plan has enhanced the effectiveness of the working relationships between GOL and its partners.

Moreover, GOL now has clear policies, legislations and operational guidelines in place on the use of TC for capacity development. The ACMS database are compiled, maintained and verified on a continuing basis to allow for better needs identification and greater Government involvement in the procurement and management of TC. Nevertheless, strengthening the overall effectiveness of governance and public administration reforms, alongside the need for harmonizing the legal framework in accordance with international standards, were raised and discussed as key actions during the last RTIM in November 2007.

1.4.2. WEAKNESSES

The Government budget is heavily dependent on foreign aids. Another weakness is institutional and human resource capacity, especially in the public sector. There is limited number of qualified and experienced staff that can perform the work requirements in projects, especially at the local level. Staff time also is not clearly allocated for government officials working on TC. Project tasks therefore have to be executed in addition to staff's normal duties. Weakness also remains in the broader service reform and remuneration which constrain effective capacity development in some ministries.

1.4.3. OPPORTUNITIES

The Lao Government ratified the International Covenant on Economic Social and Cultural Rights. It is also a signatory of ten multilateral environmental agreements, thus demonstrating the commitment of the Lao people to global issues and agenda. As the country moving towards greater regional and global integration, the legal and judicial framework is increasingly being harmonized according to international standards, especially in the areas of commerce, bankruptcy and labor. Regional integration and improved cooperation with bilateral and multilateral organizations also present new opportunities for TC

In compliance with VD and CAP, all donor partners should have broadly aligned their assistance with the NSEDP and sector strategies by 2010; all SWGs have agreed on issuing guidance on integrating project implementation functions within the respective sectors by mid 2008 and ensuring alignment of 50% of new capacity development interventions with the Capacity



Development Frameworks by mid 2009.

1.4.4. THREATS

Capacity development is a long-term goal and should be carried out in all sectors so to ensure sustainability and efficiency of development. This can be achieved only with the support and cooperation of donors in designing and implementing appropriate and results-oriented strategies and programs. The Government is aware that building long-term sustainable capacity is both challenging and demanding and there is a long way to go before reaching desirable international standards.

Maintenance budget: Despite the emphasis on maintenance budget in recent years, including the mobilization of donor funding for periodic maintenance of infrastructures (e.g., roads, schools, equipment, etc.), maintaining assets will still require continued support from the donor community and a new resolve from the GOL to increase this recurrent financing.

While the range of issues identified as part of the Comprehensive Framework Agreement is extensive, much of that agenda requires ongoing reviewing and refinement in order for it to be operational.

Finally, another threat is that qualified and/or trained staff often leaves or are moved to other posts.

1.5. OVERALL FINDINGS ON EFFECTIVENESS OF TECHNICAL COOPERATION AT THE NATIONAL LEVEL

The effectiveness of technical cooperation has resulted partly from the injection of funds into various ministries/sectors but depended critically on key institutional and organizational development:

1.5.1. KEY INSTITUTIONAL AND POLICY FACTORS

Enabling Factors:

- *Strengthening of Policies, Laws, Regulations, Systems:* (i) many international and national mandates for change have been set out and agreed; (ii) initiatives have been taken regarding the National Training & Development Framework; (iii) the Divisions of Women's Advancement have been established within some ministries; (iv) the alignment of the organizational structure with the functional areas and job descriptions of the civil service; and (v) the target overseas scholarships meet the needs of the Five Year Plan of GOL.
- *Harmonization process between GOL ministries and donors:* foreign aid is better coordinated and managed and this is great potential for more harmonized approach

(especially the more strategic sector program approach) to maximize available human and financial resources.

- *Institution building*: regarding governance reform, need to translate policies into easy to understand plans with accompanying training manuals to enable staff to learn how to implement them.

1.5.2. KEY ORGANIZATIONAL AND OPERATIONAL FACTORS

Enabling Factors:

- *Human resource development* has been improved substantially regarding: (i) basic skills (language and computing); (ii) management skills (financial and planning) at central and provincial levels; and (iii) technical skills through training programs. These skills also have been cascaded down through the processes of “learning by doing” and “training”
- *Existence of organizational development plan*: (i) use of development roadmaps; (ii) clear/coherent policies and consensus to clarify the position and objectives between the donors and the country; (iii) develop plans based on government policies and national needs and in close collaboration with the concerned organizations; (iv) adequate technical staff; (v) broad in-depth participation of the key concerned stakeholders; and (vi) consensus between consultants and the concerned organization.
- *Country-led design and decision making over TC priorities, including use of consultants, training and scholarships*: (i) effective CD assessment of targeted groups; (ii) highly qualified foreign consultants and understand the conditions and needs of the country; (iii) individual consultants/experts monitored by the senior staff in the beneficiary organizations; (iv) clear training policy, and wherever possible, to train within Lao PDR which is a more effective and efficient use of funds - staffs are sent overseas only if the ministries cannot train them in country; (v) capacity development of technical staff be done for all levels (central, province and district) and capable staff be retained at each level; (vi) CD improvement through self learning by providing make available various learning materials or methods; and (vii) civil servants work in accordance with their own areas of specialization.
- *Degree of Government control of TC procurement, management and monitoring: performance improved both sector and organization*; (i) staff confidence built up in their ability to complete their work and responsibilities; (ii) learning and reflection increased within organizations to help facilitate change; (iii) rules and regulations managed and enforced; (iv) permanent appointment of human resources within the TC until the project completion; (v) appropriate training based on the needs of the trainees; (vi) adequate/sufficient provision of materials, equipments, vehicles and tools; (vii) comprehensive work plan at each step; (viii) regular and systematic

setting-up of monitoring and evaluation system and other workshops on lessons learned; and (ix) better coordination/consensus with other organizations both in-country and abroad.

- *Complementarity and coordination of TC with other forms of support:* (i) pooling TC funds from a number of donors was found more effective in building capacity than separate, stand-alone TC from a single donor; and (ii) TC proves to be more effective when it is linked to other form of support, such as infrastructure equipment and other equipment provision (finding from national level perception survey).

Impeding Factors:

- *Country-led Planning* Need TC to lead the preparation of capacity development plans
- *Country-led design and decision making over TC priorities, including use of consultants, training and scholarships:* (i) lack of systematic CD assessment of target groups; (ii) lack of flexibility in response to changes in organizational priorities and needs; (iii) risk of foreign or local experts substituting for technical staff in their organization; (iii) risk of hiring foreign consultants who do not know about the local situation of the country; (iv) risk of TC focusing on specific groups of individual and not on the entire organization; (v) risk of trained individuals leaving the organization or being moved by the organization without considering the consequences
- *Degree of Government control of TC procurement, management and monitoring:* (i) a generally weak environment related to procedural mechanisms and regulations related to cooperation; (ii) policies of the donors are not always consistent with the policies of the country; (iii) lack of communication/coordination or support from other organizations both in-country and abroad; (iv) no unanimity on the cooperation time table; (v) inappropriate staff appointed leading to ineffective TC; (vi) monitoring and evaluation are not undertaken systematically during or after the project completion.

1.5.3. ANALYSIS OF KEY ORGANIZATIONAL AND OPERATIONAL FACTORS

The following analysis of key organizational and operational factors is based on the national-level perception survey carried-out in the Ministry of Education, Ministry of Agriculture and Forestry, Ministry of Public Health and Ministry of Public Works and Transport (21 respondents in total):

Existence of organizational development plans: The majority, 95% of respondents from the national-level perception survey indicated that the capacity development roadmaps have contributed to more effective use of TC for capacity development, and 81% confirmed that the majority of the TC designs are appropriate and well targeted, meeting the demands of country development priorities.

Among the enabling factors of effective TC for CD, the respondents pointed out that the organizational development plans should be based on government policies and national needs and done in close collaboration with the concerned organization, specifically with involvement of appropriate technical staff in the design and with broad and in-depth participation of key stakeholders, leading to an understanding/consensus regarding the standing points and objectives.

Factors impeding effectiveness of TC for CD can be found in TC programs that are not relevant to country priorities and needs because there is no clear/coherent policy between the donors and the recipient country. In addition, data collection and analysis at the starting phase is not detailed and inappropriate to the real situation.

Leadership and ownership processes: Only 19% of respondents agreed that the central and sector ministries and organizations are always willing and able to lead the preparation of capacity development plans without the need for TC; about 52% were undecided about the statement and 29% partially agrees.

Country-led design and decision making over TC priorities, including use of consultants, training and scholarships: About 71% of respondents agreed that the effectiveness of TC is increased when it is linked to a previous capacity assessment of the targeted organization or group; and 71% also agreed that TC is more effective when the design allows for a high degree of flexibility in response to changes in organizational priorities and need. 76% indicated that TC proves to be more effective when there is a commitment to change and reform within the organization, “especially when the changes and reforms are made by administrators who know about those problems” as highlighted by several respondents.

Regarding the use of consultants, while 38% agreed that TC programs have created a serious risk of foreign or local experts substituting for technical staff within their organization, more than 62% were undecided or partially agree with this risk. However, about 67% confirmed that individual consultants/experts perform better when their performance is regularly monitored by the senior staff in the beneficiary organization. They explained that some foreign consultants are weak and cannot transfer their skills/experiences to the local people; even in the field of monitoring, guidance and evaluation. Therefore, consultants must be excellent; especially they must be qualified and understand the conditions and needs of local/remote areas of the country.

Almost all respondents, about 90%, agreed that TC has proven to be more effective when it focuses on the needs for the entire organization, rather than specific groups of individuals. There is a clear policy, wherever possible, to train within Lao PDR which is a more effective and efficient use of funds; staffs are sent overseas only if the ministries cannot train them in country. Other enabling factors indicated by respondents were: (i) the civil servants should work in accordance with their own areas of specialization; (ii) capacity development of technical staff should be done for all levels (central, province and district) and be kept at

each level; and (iii) improvement of knowledge can be done individually by the civil servants themselves through various learning materials or methods available.

Impeding factors remain to be the low internal capacity of the government staff. In addition, about 67% agreed that the effectiveness of TC in building capacity is reduced by trained individuals leaving their organizations; and confirmed that the transferring of trained individuals by the organization is done without considering the consequences and the newly appointed staffs are not always specialized in the field of the concerned projects.

Degree of Government control of TC procurement, management and monitoring: Almost all, 90% of respondents agreed that the TC has proved effective in contributing to improvements in both sector and organizational performance and result; and 94% indicated that TC programs have been effective in building up staff confidence in their ability to complete their work and responsibilities, as well as increasing learning and reflection within organizations and helping to facilitate change.

The enabling factors to ensure the effectiveness of TC for CD as cited by the respondents include: (i) TC implementation must be done in accordance with the Government priorities and needs and considerations have to be taken regarding management and enforcement of the rules and regulations; (ii) appointment of human resources within the cooperation projects should be stable/permanent until project completion; (iii) appropriateness of training, materials, equipments, vehicles and other tools; (iv) the monitoring and evaluation system that should be carried out at each project's phase, including conducting workshops on lessons learned before, during and after implementation; and (v) preparation of comprehensible work plan at each step of implementation.

The impeding factors pointed out by the respondents are mainly: (i) a weak environment related to procedural mechanisms and regulations concerning cooperation; (ii) the policies of the donors that are not always relevant to the policies of the host country; (iii) lack of communication/coordination or support from other organizations both in the country and abroad; and (iv) no unanimity in the cooperation and timing. There is also pressure from different working levels and difficulties to handle the work due to inappropriate/unqualified staff appointed leading to ineffective TC. Monitoring and evaluation are not always undertaken systematically during or at the project's completion.

Complementarity and coordination of TC with other forms of support: The majority, 86% of respondents agreed that pooling TC funds from a number of donors is more effective in building capacity than separate, stand-alone TC from a single donor; and almost all, 90% of respondent agreed that TC proves to be more effective when it is linked to other form of support, such as infrastructure equipment and equipment provision. The respondents confirmed that these factors are helping effective TC for capacity development. The complementarity and coordination of TC with other forms of support can be seen in many projects (e.g., education - see the good practice 5)

2. OVERALL SITUATION ANALYSIS AT THE SECTOR/THEMATIC LEVEL

The Public Administration & Civil Service Authority (PACSA) started in 2004 with the support of the Governance & Public Administration Reform Project (GPAR). PACSA becomes the focal point for governance reform and change management activities. It is an on-going massive job and still needs donor support and capacity development to strengthen policies and frameworks for the reform initiatives as they gain momentum towards achieving the GOL's long term goal of "Towards Better Governance".

Likewise, the Lao Government will improve and implement the Decree on the Use of Official Development Assistance, which is under the mandate of the Department of International Cooperation of the Ministry of Planning and Investment (MPI) that serves as the focal point for effective ODA management, with responsibilities including monitoring and timely reporting and efficient disbursement and utilization of aid.

(Note: The Committee of Planning and Investment (CPI) has been officially renamed as Ministry of Planning and Investment (MPI) on the 3rd of January 2008. All official documents regarding CPI are to be referred to MPI even those which were produced before the 3rd of January 2008.)

2.1. REVIEW OF OVERALL SECTOR/THEMATIC POLICY AND STRATEGIC CONTEXT

MPI is a high level central coordinator of the Government and is responsible for the coordination and formulation of the NSEDP and Public Investment Programs. It is also the focal point to coordinate the activities among the ministries and sectors to prepare the monthly, periodic and annual progress reports on the implementation of the Plan to be presented to the monthly meeting of the Government.

2.1.1. SPECIFIC MPI POLICIES AND STRATEGIES ON THE USE OF TC:

Conforming to the Decree Pertaining to the Management and Use of Official Development Assistance (No.168/PM, 22 November 2004), Chapter III, Article 10, the MPI has the rights and duties to take the initiatives in the



formulation of the national strategy and plans, to identify detailed grant-aid and loan programs/projects; to co-ordinate with the concerned ministries, organizations and localities and to take the initiatives concerning the annual allocation of Government contribution funds for the implementation of ODA programs/projects. MPI is also charged with the responsibility to take the initiatives on formulation of specific programs/projects for the implementation of the National Growth and Poverty Eradication Strategy; and to coordinate the monitoring, supervision, fostering and assessment of ODA programs/projects, including the conduct on technical training on project monitoring and evaluation

2.1.2. STATUS OF MPI ALIGNMENT/HARMONIZATION PLANS AND RELATION TO CD AND USE OF TC:

- Conforming to the NSEDP and the investment law
- Conforming to the Implementing Instruction of the Prime Minister's Decree on the management and Use of ODA No.1467/MOFA/DIC, 22 March 2006. Chapter III, article 10, regarding the MPI Right and Duties.
- MPI is the lead agency for the CAP: Alignment (Goals 1 and 3).
- Status of any sector-level country / donor partner working groups for CD and TC:
- MPI together with UNDP: Alignment (Goal 1) through the SWG, to ensure DPs broadly align and harmonize their assistance strategies to sector strategies and NSEDP.
- MPI together with PACSA and WB: Alignment (Goal 3) to ensure DPs provide technical cooperation and other capacity building interventions in alignment with the Lao Government sector Capacity Development Framework.

2.1.3. EXTENT OF CLEAR CD AND TC PRIORITIES IN CPI DEVELOPMENT PLANS AND PROGRAMS:

- Conforming to the Implementing Instruction of the Prime Minister's Decree on the Management and Use of ODA (No.1467/MOFA/DIC, 22 March 2006). Chapter III, Article 10, the MPI has the right and duties (i) to prepare short, medium and long term strategies and socio-economic plans; (ii) to prepare and consolidate the International Co-operation Projects based on the co-operation strategies/plans and based on the proposals from the concerned ministries/sectors, organizations and local authorities; and (iii) responsible for the determination of the co-operation project's costs and submit it to the Government for consideration and approval.
- MPI has set up a strategic planning function to improve the technical knowledge and skills of its staff from the central to the local levels (the HRD Plan is one the 11

national priorities). Seniors as well as younger personnel have been trained accordingly to their responsibilities in order to enable them to carry out their tasks effectively. Capability in working within modern context/technology and with international partners has been improved.

- Within MPI, the Department of Personnel is in charge of coordination for CD and works with the other departments for: planning in-country course/training, selecting staff to be sent for overseas training, giving the opportunity for other departments to get scholarships for their staff from public and private agencies, and foreign aid.

2.1.4. SUMMARY OF MPI CAPACITY DEVELOPMENT PLAN, PRIORITIES AND FORMULATION:

- Efficient and effective PIP management system is a priority within both the central and local governments of Laos. The government formulated and proclaimed Prime Minister Decree 58, which stipulates the overall structure of PIP management system in 2002. The PCAP project meets the needs because it attempts to build a framework for PIP management system in details to improve the effectiveness and efficiency of the whole PIP along with the capacity development of the staff in charge of PIP.

2.2. REVIEW OF TRENDS AND PATTERNS IN TECHNICAL COOPERATION

Trends and patterns in Technical Cooperation within the MPI were adjusted to the needs and reality of each period along with institutional and organizational changes.

In the 1990's, MPI was known as "Committee for Planning and Cooperation (CPC)". 1991-1995 was the implementation period of the Third 5-Year Plan, followed by the implementation of the 8-Year Plan (1993-2000) and the Fourth 5-Year Plan (1996-2000) under the directives defined by the 5th Party Congress which are: (i) moving to the oriented-market economy, (ii) progressively improving infrastructure and people living conditions, and (iii) expanding cooperation with foreign countries and mobilizing foreign investment. The over-arching objective set by the 6th Party Congress in 1996 is to exit from the group of Low Developing Countries by 2020.

Along with its responsibilities in developing and coordinating the implementation of the NSEDP, CPC was responsible for the expansion of regional and international cooperation. Through cooperation development, the Lao PDR became a member of ASEAN in 1997.

During the period of the Fifth 5-Year Plan (2001-2005), CPC was renamed as "Committee for Planning and Investment (CPI)" in response to the globalization context for national development which presented numerous opportunities and challenges, especially regional and international integration and cooperation such as AFTA and GMS.

The global issue is the poverty reduction has always been accorded the highest priority by the Government of Lao PDR. CPC and its Coordination Office for Poverty Eradication led

the formulation of the National Growth and Poverty Eradication Strategy (NGPES) in June 2004. The organizational structure of CPC after becoming CPI also changed, including the creation of the Division of Investment Evaluation and the Division of International Cooperation was moved to the Ministry of Foreign Affairs (MFA).

CPI became the Ministry of Planning and Investment (MPI) officially on the 3rd of January, 2008. The National Statistic Center is now the Department of Statistics and the Coordination Office for Poverty Eradication has been moved to the Cabinet of Prime Minister, and the Department of International Cooperation has been moved back to the MPI.

Summarize of key changes in TC trends and patterns over the past five years:

At present, the projects presented in the Lao PDR Public Investment Program (PIP) include only investments costs and not the associated recurrent costs. Estimation of the recurrent costs associated with such investment projects can help to readdress budget imbalances caused by insufficient allocation for recurrent costs. Estimation of unit costs can provide useful benchmarks for evaluating projects.

In 2003, an approximately one-month TA financed by the WB was set-up to facilitate the preparation of the recurrent cost estimates and to advise the GOL. The counterpart teams were CPC/MOF. The consultant provided by the TA produced a brief manual for estimating unit and recurrent costs in different sectors which can be used for training purposes. The manuals were used in training seminars for central and local provincial officials regarding the unit and recurrent costs methodology. Effective calculation of recurrent costs for the targeted projects was the responsibility of CPC/MOF. The consultant was expected to play more of a coaching and training role rather than perform the actual estimation by himself. The final inputs of the consultant were reviewed to provide additional guidance and direction for follow-up working sessions conducted by Government officials.

2.3. REVIEW OF TECHNICAL COOPERATION COORDINATION MECHANISMS

In the past, MIP has undertaken capacity development of its staff in terms of knowledge and skills in many fields. The main themes and titles of assistance, both grant and loan projects, and their implementation, include:

- Assistance in the strengthening of PIP planning and management from ADB (department of planning);
- Short-term training of staff (IT system, English language, computerizing, etc.) with aid from India;
- Lao-Thai cooperation provided various short-term trainings and scholarships at Master level.

Over the past ten years, international organizations such as UNDP, UNFAP, UNHCR, SIDA, ADB, WB, and JICA also have provided assistance in major surveys and studies.

Through the implementation of these technical cooperation projects, MPI and other sectors have developed and improved their technical capacity and practical skills. Data and information management have been improved that match many international systems and standards.

Organizational and individual knowledge and skills have been developed considerably in planning coordination, monitoring and reporting, implementation evaluation, results evaluation, together with improvements in relationship and cooperation with donors which leads to the capability of attracting additional aid, grants and loans.

Table 1: SWOT Analysis of the Operational Arrangements for MPI TC

Strengths

- Consistency between TC provision and stated MPI level priorities, including harmonization/alignment efforts (e.g., pooled TC financing):

There is a consistency between TC provision and stated MPI level priorities as shown by the institutional framework. There are clear policies, legislation and operational guidelines regarding the rights and duties of the Ministry for Planning and Investment (MPI). And as for the other ministries, the capacity building of the MPI is being strengthened in order to fulfill their work: provide advice, monitor and evaluates PIP project on a regular basis as well as to verify the relevance of PIP projects in each sector.

Thus, there have been new changes in the mechanisms of investment administration, including: (i) well defined objectives on budget usage; (ii) improvement of the investment laws; (iv) improvement and delegation of responsibilities in investment management at each level; and (v) well defined rights and tasks of sectors and local authorities.

- Effectiveness of different practices related to the identification, procurement and management of TC:

Each department has to carry out their own identification, procurement and management of TC. For example:

- The Department of Statistics: The Department of Statistics, which was known as National Statistics Center until recently, is the central producer and collector of statistics, and consists mostly of qualified staff. Since 1992 this department has been supported by SIDA in strengthening its capacity and promoting the country's capability to produce official economic and social statistics. The development of statistics has gained a lot from this long-term cooperation with a very professional agency (Statistics Sweden contracted by SIDA) which ensures necessary continuity.

In addition, some organizations or agencies such as UNFPA, UNICEF and UNDCP have funded special surveys or researches in different areas. Others such as UNDP, ESCAP, SIAP, IMF and FAO have provided training or funds for computer equipments. Cooperation with these organizations/donors has added to the knowledge and experience of staff working in the area of statistics.

- The Training Center for Economics and Planning Management which has been under MIP since November 2007. This Center was part of the National Economics Research Institute (NERI) which was built up, refurbished and equipped with aid from the SR of Vietnam, and was established in late 2003. Those institutions received expertise cooperation and financial support from the SR of Vietnam and GTZ to conduct training sessions especially at the provincial and local levels.

- Work effectiveness between MPI and donor partners in identifying and responding to TC gaps and needs.

Before 2003, there was a huge gap between the national development plan and implementation of the PIP that was done arbitrarily due to the lack of capacity for managing programs and projects by the MPI and provincial Departments of Planning and Investment (DPI). To respond to the gaps and needs, MPI and JICA work together on the Project for Capacity Building in Public Investment Program (PCAP) Management during three years (2003-2007).

- Work effectiveness between MPI and donor partners in monitoring and evaluation of TC and CD outputs and outcome

The technical, organizational and personnel sustainability of the Government has made impressive progress to-date. There are now sufficient number of staffs in DIME and DGP who have developed skills in conducting assessment and monitoring and evaluation, using the manuals and handbooks developed by the PCAP project

Weaknesses

- MPI has received support from foreign aid in the past, but the types of TC and the number of donors are still limited.
- There is not sufficient appraisal of the results after TC support have been provided.
- Budget constraints limit the transfer of knowledge and skills that have been received through TC to the provincial and local levels.

Opportunities

- Recently, there have been more special and strategic relationships with the SR of Vietnam and PR of China, continuing good cooperation with Japan and Korea and ASEAN countries through regional cooperation projects such as GMS.

2.4. REVIEW OF COMPLEMENTARY OF TC WITH OTHER INSTRUMENTS FOR CAPACITY DEVELOPMENT

There is a lack of complementarity of TC with other instruments for CD within MPI so far. However, continuity in cooperation has been useful in the implementation of some projects:

- NSC received support from Sweden (SIDA) for the surveys of Lao Expenditure and Consumption Surveys (LECS) I and II together with the analysis supported by Canada International Development Agency;
- PCAP improved the database system funded by ADB by: (i) simplify and make it more practical; (ii) consistent with the existing PIP framework, especially economic/financial aspects; (iii) incorporate new social- environmental aspects.

3. DETAILED ANALYSIS OF GOOD PRACTICES AND LESSONS LEARNED AT THE SECTOR THEMATIC LEVEL

3.1. OVERALL FINDINGS ON EFFECTIVENESS OF TECHNICAL COOPERATION AT THE SECTOR LEVEL

The following analysis of the key conditions and actors that are helping or impeding effective TC for capacity development in the MPI are based on the sector/thematic level perception survey findings, carried-out in the DIME and DGP (20 respondents in total).

3.1.1. ORGANIZATIONAL CAPACITY DEVELOPMENT PLANS:

Majority of the respondents (70%) strongly agreed or agreed that TC proves more effective when their organization and donors working together on the CD needs assessment; and that the majority of TC designs are appropriate and well targeted, meeting the demands of sector/thematic development priorities. Among the respondents, 30% were still undecided and 15% did not give a strong answer regarding the above statements.

Enabling factors in organizational capacity development planning identified include: (i) regular discussions to ensure that issues are identified and understood in the same way and with consensus between consultants, experts and the concerned organization; (ii) aid and technical cooperation are relevant to the country's socio-cultural aspects and style of governance; and (iii) participation of technical staff concerned as they are the core target of capacity development and ensure appropriate approaches are used that meet the needs of beneficiaries.

Impeding factors include insufficient consultation/discussion before implementation and disparity of opinions during implementation leading to lower performance.

3.1.2. LEADERSHIP AND OWNERSHIP PROCESSES:

In almost the same proportion, 40% of the respondents agreed and 45% partially disagreed that the MPI is always willing and able to lead the preparation of CD plans without the need for TC.

Factors to be considered to help and ensure leadership and ownership: (i) assigned staff having some knowledge and skills and some experiences, especially in the development field, and being capable to carry out activities; and staff being confident enough to express their ideas/opinions; (ii) details of administrative aspects of the project as well as information on budget and project expenses be provided to the national side in order to enhance desirable transparency between the two sides; (iii) disbursement of financial allocations to staff involved in on-the-field work to be made timely or in advance and the utilization of those financial allocations to be decided by the staff themselves (including

accommodations and per diem); and (iv) whenever translation is used, it has to be accurate to avoid misunderstanding of issues due to language.

3.1.3. DEGREE OF GOVERNMENT CONTROL OF TC PROCUREMENT, MANAGEMENT AND MONITORING PROCESSES:

Respondents thought that TC is more effective when the sector/thematic organization directly control the processes of procurement (55% strongly agreed or agreed) and of management (80%). Majority of them (85%) also strongly agreed/agreed that “consultants have proven to perform better when they are fully monitored by the beneficiary organization”. As for the effectiveness of TC being reduced due to trained individuals leaving the organization, this was agreed by more than the half of respondents (53%) while 47% were undecided or partially disagrees.

Helping factors include: (i) unanimity between all levels, from ministries to villages; (ii) sufficient financial resources and staff capacity, especially in transferring information and knowledge to the local level and in expanding the project; (iii) financial allocations or incentives be provided to staff according to the workload performed at each phase of the project in order to enhance staff motivation.

Impeding factors include: (i) trained staff being moved to other posts; (ii) lack of constructive feedbacks; (iii) shortage of funds; (iv) unclear systematization of administrative forms and reports and the insufficient quality of documents leading to low confidence of staff and trust in staff; (v) lack of manuals, tools and equipment for provinces, districts and villages; and (vi) limited time for implementation to effectively perform the project tasks.

3.1.4. COUNTRY-LED DESIGN AND DECISION MAKING OVER TC PRIORITIES, INCLUDING USE OF CONSULTANTS, TRAINING AND SCHOLARSHIPS:

More than the half of respondents (55%) indicated that the TC programs have proved to be more effective when the types of support can be regularly adjusted to meeting any changing needs of organization. About 68% of them strongly agreed or agreed that TC has proved to be effective in contributing to improvements in both sector and organizational performance and results; and when it focuses on the needs for the entire organization, rather than specific groups of individuals.

The use of consultants in the TC programs was seen by 15% of respondents as a serious risk of foreign or local experts substituting for technical staff within the MPI. About the half of respondents were undecided and others partially disagreed or disagreed with that statement.

About 60% of the respondents agreed that local or regional consultants have proved more effective than international ones because they understand the country’s context better; and the majority of them (85%) agreed that the long- term consultants have proved to be more

effective than short-term ones because they have time to understand the organizational context and needs.

Helping factors include: (i) the participation of the organization or project owner in decision making; (ii) consultants capable of understanding the demands/needs or real issues of the organization and capable of transferring knowledge and lessons; (iii) appropriate training approaches/methods; (iv) clear understanding of the real situations and duties performed according to the reality, (e.g. administration in compliance with real economic situation; solving problems according to the reality); and (v) appropriate TC design according to the objectives that meet the priorities of the sector.

Impeding factors include: (i) the use of too strict principles and procedures, relying only on documents (and not on reality) leading to difficult relationship with other concerned parties; (ii) lack of solidarity due to consultants and experts underestimating the capacity of national staff and leading less willingness of staff to fully participate; (iii) lack of in-depth understanding from some local consultants concerning governmental working system; (iv) disparity of opinions between consultants/experts and staff on the completion of works leading to dissatisfaction and bad working atmosphere; (v) coordinators having not enough time to perform their duties; and (vi) insufficient quantity and quality of equipments to carry out duties

3.1.5. COMPLEMENTARITY AND COORDINATION OF TC WITH OTHER FORMS OF SUPPORT:

Less than the half of respondents (about 40%) agreed that pooling TC funds from a number of donors is more effective in building capacity than separate or stand-alone TC from a single donor, with 60% undecided or partially agreed. About 65% of them agreed that the TC proves to be more effective when it linked to other form of support, such as infrastructure and equipment provision; and 30% did not give an answer (undecided).

3.2. DETAILED ANALYSIS OF GOOD PRACTICE EXAMPLES

3.2.1. GOOD PRACTICE 1: COUNTRY-LED TC PLANNING

Case Study Outline: Project Type Technical Cooperation – PCAP

Line of investigation: TC works best when the necessary conditions are in place that will ensure a willingness and ability for country-led planning of a realistic sector/thematic capacity development plan

3.2.1.1. BRIEF DESCRIPTION OF THE INTERVENTION

The Public Investment Program (PIP) is the Government's most important means to achieving the NSEDP and NGPES targets. It is critical to ensure effective and efficient use of limited resources for PIP projects implementation and management.

Upon the request of the GOL, the Government of Japan agreed to provide a technical cooperation and support in order to strengthen the PIP management system and to enhance the capacity of staff in charge of PIP within the related agencies at central and provincial levels.

Since monitoring and evaluation of PIP is of the vital capacity issues for the nation, CD planning was a core part of the PIP management system and had been linked with national priorities. The TC interventions comprised of supporting major studies, development and validation of methods and tools, and organizing different kinds of training at central and provincial levels, workshops and seminars.

The TC was supported by the Japanese International Cooperation Agency (JICA), the co-counterparts of which were the Department of General Planning (DGP) and Department of Investment, Monitoring and Evaluation (DIME) under the Ministry of Planning and Investment (MIP).

3.2.1.2. EMPIRICAL EVIDENCE OF SUCCESSFUL CAPACITY DEVELOPMENT RESULTS

Measure of the improved organizational performance: the sector has selected and ranked the priorities, improved the contents of plans and programs to fit the purposes and objectives of the project. At the organizational level, 23 staffs from DGP and DIME had been trained as trainers (TOT) and are able to lecture and/or facilitate training sessions held in the provinces.

The key areas of improved individual capacity are analysis, assessment, and evaluation of the implementation, which has resulted to building organizational and individual confidence from central to local levels.

Trained staff has gained improved skills which enable them to upgrade their working methodology in many fields. In order to sustain the improved capacity, it is necessary that: (i) sufficient equipments and tools be provided at all levels; (ii) the staff continue to be assigned tasks for which they had been trained to improve the effectiveness and efficiency of their work.

Changes in capacity were measured through the implementation of the NSEDP. Key tasks, such as project planning/program building, assessment and analysis, and management, monitoring and evaluation, were effectively conducted in the same way in monitor locations.

The PIP management flow model covered sector programming, project planning, monitoring and evaluation. Specific methods and formats for each procedure were developed, validated and properly adjusted to suit Lao's standards and capacity. They also responded to demand and matched the situation or category of projects, e.g. Participatory Sector Programming method and Simplified Project Assessment Sheet.

3.2.1.3. DESCRIPTION OF IMPLEMENTATION ARRANGEMENTS AND PROCESSES

The planning concept of PCAP resulted from the mandate of MIP from the government: to manage a total system of assessment, monitoring and evaluation for all PIP projects nationwide in order to ensure projects' effectiveness and efficiency. The management system as well as the direct capacity development approaches were planned and designed so that the existing staff could acquire knowledge and skills in the most practical way and at the most practical time.

The organizational set-up for PCAP activities was in the form of working groups composed of officials and staff from DGP, DIME, Japanese experts and local consultants working together and responsible for fields of expertise: Manual Development, Project Management and Program Management, Financial and Economic Analysis, Social Analysis, Environment Analysis, Training development, Training Curriculum Development, Seminar Arrangement and Development.

A Kick-Off Meeting was officially held to provide the outlines of the Project to managerial staff from central and provincial levels. It also created a good motivation within the MPI members to perform a better PIP management. It was strategically arranged on the same day and at the same venue with the "Workshop for Preparation of the Sixth 5-Year NSEDP (2007-2010)".

Objectively Verifiable Indicators were defined for each of the 4 outputs: (i) appraisal, monitoring and evaluation methods that are suitable to Laos are developed; (ii) staffs at supervising agencies attain knowledge and skills for PIP management, appraisal, monitoring and evaluation; (iii) PIP projects are managed under the newly developed methods at the designated monitor provinces and ministry; (iv) organization-based coordination network in PIP management is established and functioning appropriately.

3.2.1.4. ANALYSIS OF COUNTRY CONDITIONS THAT HELPED ACHIEVE SUCCESS

The planning process was under the Government's supervision, beginning with the National Assembly's agreement including directives and policies, the ranking of priorities in the plans and programs of the project for each level, from central to the local levels. The results of the implementation were assessed at each stage for further planning and implementation (ante- and post-evaluation) as well as for managing improvement.

Key factors ensuring achievements include: (i) needs, demands and motivation within the government, sectors and provinces; (ii) policy changes with broad opening to exterior; (iii) issue of proper investment laws and regulations.

External factors include: the demand from multiethnic people and the socio-cultural and economic development.

However, impeding factors within the organization should be solved: (i) some aspects of negative social points; (ii) internal constraints within the organization; and (iii) misunderstandings concerning procedures between the institution and donors.

3.2.1.5. SUMMARY OF DONOR PARTNERS' ROLE IN ACHIEVING SUCCESS

There was an initial dialogue and consultation between the Government and donors. Meetings were conducted regularly to exchange ideas at both central and provincial levels in an effective manner.

Donor partners supported the capacity assessment process (technical assistance contracted), developed planning process, supported and strengthened technical capacity development; and greatly contributed to all achievements.

Donor partners conducted detailed and proper consultations with the Government at the project design stage and complied with the procedures of planning processes, including: regularly assessing, reporting, requesting permission, and monitoring and evaluating.

Due to the good relationship between the Government and donor partners, this has resulted in an increased level of external assistance.

3.2.1.6. LESSONS LEARNED

The technical cooperation was a good fit with country-led plan at each stage and as a whole:

- PCAP works and operates through rules, principles, procedures as well as good coordination
- At times, many activities were done simultaneously under different set of objectives, so activities must be carefully aligned to avoid duplication and to ensure efficiency.
- Selection and ranking of priorities, planning and design were effectively conducted.
- Directives were turned into project plans; feasibility studies and assessments were also conducted.
- Appropriate timing in assessment and forward planning.

3.2.2. GOOD PRACTICE 2: FLEXIBLE AND RESPONSIVE TC DESIGN

Case Study Outline: Project Type Technical Cooperation – PCAP

Line of investigation: TC works best when the necessary conditions are in place that allow for sufficient flexibility in TC design and provision to secure expected results

3.2.2.1. BRIEF DESCRIPTION OF THE INTERVENTION

MPI is responsible for technical management of the Public Investment Program. Due to the lack of methods and tools, the MPI, on behalf for the Government, requested a technical assistance from the Government of Japan/JICA.

The main purpose of the TC intervention was to develop the technical capacity of staff related to the PIP management along with the development and validation of manuals and tools to be used effectively and efficiently in Public Investment Program (PIP) management.

This Project Type Technical Cooperation was focusing on CD, including development of methods and tools, staff training, management of PIP projects under the newly developed methods at designated monitor locations, and establishment of organization-based coordination network that can function effectively. The TC had met the needs at both organizational and individual levels in terms of methodology, principles and procedures to enable them to work properly in PIP management.

The project design was in the form of matrix, Project Design Matrix. The Project Design Matrix and the Plan of Operations were reviewed annually, allowing modifications and adjustments during its implementation for over three years.

The Department of General Planning (DGP) and Department of Investment, Monitoring and Evaluation (DIME) under The Ministry of Planning and Investment, and JICA supported the intervention.

3.2.2.2. EMPIRICAL EVIDENCE OF SUCCESSFUL CAPACITY DEVELOPMENT RESULTS

A Capacity Building Model was developed to see the progress of development for each individual in PIP management. The Model consists of 4 levels: Consensus, Knowledge, Skill and Action. Depending on the level of understanding and use of PIP management concept and methods, each staff is placed according to their level of understanding and capacity level. They are also advised on what is further required in terms of new knowledge and skills for better PIP management.

From the organizational perspective, the CB Model is also used. The Model shows the distribution of staff at each level, and can be compared with the ideal capacity structure of each organization, or with component organizations. Furthermore, organizations would be able to advise specific training schemes to their staff, or make decisions on appropriate job rotations and staff retraining, whenever it is required

The organizational and individual levels have been strengthened as well as knowledge and skills through trainings and practical implementation, including: socio-economic and environmental analysis, assessment and planning, monitoring and evaluation. MPI staffs

trained as trainers also have been able to provide training on those subjects in their monitor locations

Capacity changed and improved: (i) at organizational level: deeper knowledge about one's roles and responsibilities, about time framework and personnel administration; and manuals and handbook are now available within the MPI to be utilized for further training on PIP management; (ii) at individual level: gaining potential knowledge and skills after training, having the opportunity to develop oneself during on-the-job training (facing real situations/issues). The TC was designed so that the staff could participate in the coordination or in working with foreign experts to get knowledge and on how to utilize it.

At the staff level, the evolution in knowledge and skills has been clearly positive: at the beginning of the project, staffs knowledge about projects management was very limited; then through training (pre- and post-tests) and project implementation, it was developed drastically and attained 80% and more. These improvements were assessed through the effectiveness of NSEDP implementation.

3.2.2.3. DESCRIPTION OF IMPLEMENTATION ARRANGEMENTS AND PROCESS

The Proposal-Type Technical Cooperation, the scheme utilized by JICA, required the contractor (IC Net Limited) to support in the formulation process based on the ideas given by DGIP (DGP) and DIME, both under CPC (MPI). Major studies of current PIP issues and problems were also included in the discussions with MPI and other concerned organizations. The selection of monitor provinces was made with the recommendation from MPI. The formulation of the Project Design Matrix and Plan of Operations was conducted through sharing of opinions with MPI and JICA Laos Office and with consensus jointly reached by all three parties. The final draft of Project Design Matrix and Plan of Operations were attached to the Record of Discussion and Minutes of Meeting, signed as official agreement documents. This type of scheme allowed project members to gradually make adjustments and changes within its development transition. Modifications were reported to the Joint Coordination Committee, the governing body of the project.

Scheduling the training sessions along the PIP budget process was one of the important factors for effective and efficient capacity development. The PIP management process that PCAP developed is a systemized set of the development - validation - training - practical use cycle, with each component having a very specific process. This total concept was designed by both PCAP and MPI during project formulation and initial implementation stage. As was the core topic of the project, the annual PIP budget schedule was taken into consideration from the initial stage of the project, and modifications were made whenever there were changes in the budgeting schedule.

The TC intervention experienced two major modifications of project direction along with the project design. Adjustments were made in order to match the context of the Sixth 5-Year

Plan (2005-2010) and the 2007/2008 PIP budget approval process. There were some changes in the scope of the project and objective variable indicators to match the real situations.

3.2.2.4. ANALYSIS OF COUNTRY CONDITIONS THAT HELPED ACHIEVE SUCCESS

The Government approved arrangements and processes as well as manuals and handbook developed by PCAP.

Inputs from the Laotian side were mobilized sufficiently and flexibly in a timely manner.

High level of motivation on the Laotian side is one of the most significant factors for achieving most of the intended outputs.

3.2.2.5. SUMMARY OF DONOR PARTNERS' ROLE IN ACHIEVING SUCCESS

The project design was formulated under conditions of JICA technical cooperation framework and the project guideline of 3 years. It was linked to the annual PIP budget schedule and took into account the NSEDP targets. It was relevant to the donor partner policy and program and met the needs of MPI and the monitor organizations. JICA and MPI had a sustained dialogue and joined their continuous efforts so that good results emerged from activities. Inputs from the Japanese side were also mobilized sufficiently and flexibly.

JICA and Japanese experts paid attention to requests and needs of their counterparts and local organizational/civil groups. They made necessary modifications and changes to match specific situations. For example, they supported the development of 12 different types of Simplified Project Assessment Sheet and Simplified Project Evaluation Sheet forms to meet requests. During the PCAP Workshop and Wrap-up Seminar, they provided different contents of the workshop according to their respective requirements and duties.

3.2.2.6. LESSONS LEARNED

- PCAP can be considered as an example of technical cooperation because of its precise and appropriate methodology in writing the description and contents of the project, its flexible design which is consistent to the real situations and takes into consideration of the staff's capacity level and working conditions.
- Both parties must have immediate alternatives or counter-measures upon discussion whenever changes arise.

3.2.3. GOOD PRACTICE 3: ORGANIZATIONAL CHANGE MANAGEMENT

3.2.3.1. CASE STUDY OUTLINE: MCTPC ORGANIZATIONAL CHANGE AND DEVELOPMENT

Note: the Ministry of Communication, Transport, Post and Construction (MCTPC) has been renamed very recently as Ministry of Public Work and Transport (MPWT). The case study, based on old documents/reports therefore uses the former MCTPC name.

Line of investigation: TC works best when necessary conditions are in place that will sustain an organizational change management process and expected results

3.2.3.2. BRIEF DESCRIPTION OF THE INTERVENTION

Over the past ten years, the Ministry of Communication, Transport, Post and Construction (MCTPC) has taken a systematic and holistic approach to capacity development across the Ministry at Central, Provincial and District levels with continuous support from GOL and donors. This “successful change story” describes the application of organizational change and development strategies and capacity building applied to policy making, training and education, operational levels of the organization; and innovations and changes in the fields of HRD and HRM.

MCPTC is the core ministry responsible for infrastructure. The Telecommunication & Construction Training Institute (TCTI) of MCPTC provides training in technical, management and administration areas. The selected initiatives are based the Capacity Development Framework (supported by WB) and the completed job descriptions for staff. Ministry has taken a leading role in CD and shifted away from projects implemented by donors to managing projects through its line functions. An annual meeting was organized to harmonize line ministries and donors’ CD activities. English training at every level of the organization aims for high International English Language Testing System (IELTS) score. The Ministry target young talented staff for overseas scholarships and leadership positions upon return.

In-country training wherever possible is a more effective and efficient use of funds and is recommended as a clear policy. To respond to the change management process, different types of training were provided in different forms to MCTPC staff in a continuous and systematic manner and focused not only on building technical capacity, but also on building administrative and management capacity. Staff has been provided with short term training, long-term education and on-the-job coaching on: (i) Technical areas: road management, project management and supervision, etc; (ii) Administrative and managerial areas: procurement management, financial management, organizational management, office management, public administration and governance, presentation skills, etc; and (iii) Social issues: occupational health and safety, etc. Many donors such as SIDA, WB, ADB and Japan supported the TC.

3.2.3.3. EMPIRICAL EVIDENCE OF SUCCESSFUL CAPACITY DEVELOPMENT RESULTS

The expected changes in capacity for which the change management process intends to achieve are to: innovate and change in the fields of Human Resource Development (HRD) and Human Resource Management (HRM); develop change by the use of a sector wide program based approach; and build technical as well as administrative and management capacities. The MOE and PACSA recognize the success of MCTPC in this change management process.

Capacities changed and improved at both organizational and individual levels. The staff receives training structured in accordance with their career paths as they are promoted from one level to another. They are able to handle procurement process, financial management and road maintenance relatively well without much support from TA. MCTPC has long-term and annual strategic HRD plans, which were developed based on the results of TNA and capacity rating.

There was sufficient budget for the team from Central level to go to provinces and conduct capacity rating (appraisal).

These changes in capacity were measured by the Department of Personnel (DOP). All capacity building efforts are monitored and coordinated by the DOP. The DOP endeavors ensure that there is no duplication in training activities and that they are in line with strategic HRD plan of the ministry.

3.2.3.4. ANALYSIS OF COUNTRY CONDITIONS THAT HELPED ACHIEVE SUCCESS MIGHT INCLUDE:

Most reforms succeed only when they have an influential champion: the current Minister, H.E. Sommad Pholsena has played a vital role in the Lao PDR transport sector for over a period of a decade; first as the director of roads, than as Vice-Minister before being promoted to the Minister post. H.E. Sommad Pholsena is responsible for the creation of the Road Maintenance Funds (RMF) and the decision to abolish Project Implementation Units in order to channel all aid projects through a central line department. He advocates decentralized administration of road maintenance, increasingly outsourcing maintenance to private sector contractors, and promoting local responsibility for community roads.

In support of the government's commitment, there has been strong support from the donors, in particular making long-term commitment to these policies which emerged from extensive partnership dialogue on knowledge sharing and human resource development needs. This partnership also has been assisted by a considerable degree of stability in the composition of donor teams working with MCTPC.

MCTPC has the capacity to clearly identify emerging priorities and needs and formulate the phasing and types of TC provision to meet these needs. The operational environment also

has improved which has contributed to staff job satisfaction and motivation: computerized accounting system (AccPac), capacity rating system, vehicle and equipment have been developed and provided.

3.2.3.5. SUMMARY OF DONOR PARTNERS' ROLE IN ACHIEVING SUCCESS:

Donors maintain extensive dialogue both with the GOL and among themselves. At times however, donors tend to identify areas of special interest to them. The ultimate objective of collaboration may be seen as a sector wide approach in which the government formulates a strategy and operational plan for the sector and with all donors agree to support financially, using harmonized procedures for prioritization, procurement, financial management, and environmental and social safeguards.

Two distinct aspects of collaborative activity arise from the Vientiane Declaration. The first concerns the alignment of donor activities in development and support of the sector strategy. Efforts are being made to optimize synergies between donors. The second area of potential concerns is the harmonization of process, which the MCTPC strongly encourages through harmonization workshops. Significant progress already has been made in aligning financial management and procurement processes as well as reporting and monitoring.

WB, SIDA and ADB have worked in close cooperation with government officials to harmonize financial, procurement and reporting systems.

Some donors like SIDA have a decentralized system which makes harmonization easier as advisers can make decisions at the local level without having to refer to Headquarters in Sweden. SIDA still recognizes that their Headquarters has a major role to play in quality assurance regarding the use of funds.

3.2.3.6. SUMMARY OF CONDITIONS AND FACTORS THAT MAY PREVENT WIDER ADOPTION OF THIS APPROACH UNDER OTHER CIRCUMSTANCES

- Lack of an influential champion to promote, to initiate and/or advocate the approach;
- Lack of dialogue/commitments between donors and the GOL; and among donors themselves to formulate strategy and operational plan for the sector and to support the sector financially;
- Lack of harmonized procedures for prioritization, procurement, financial management, and environmental and social safeguards;
- Lack of long-term commitment to the policies emerging from the partnership dialogue on knowledge sharing and human resource development.

3.2.3.7. LESSONS LEARNED

The organizational change management processes are initiated, managed and sustained by the MCTPC (DOP) itself with a support of many donors (such as SIDA, WB, ADB and Japan). MCTPC has a systematic and holistic approach to organizational development and change which includes:

- A Ministry wide Capacity Development Framework for HRD comprising of a five year strategic plan and annual HRD plans, administered by the Department of Personnel and Organization, which are used as the baselines for all project capacity development planning
- All department CB plans, curricula and teaching materials are being centralized to one department i.e. the Department of Personnel and Organization
- A group of skilled staff needed to be trained fully and systematically in performance appraisal with coaching and mentoring support after the training
- The Performance Appraisal plan needs to be developed at the beginning in conjunction with the HRD plan and the indicators need to match job descriptions
- Wherever possible, training needs to be conducted in country to maximize the effective use of donor funds. Where local and international technical assistants' expertise is insufficient, it may be useful to import training staff from overseas
- Generic and systematic training to be provided for all staff, including English, IT, and management and administration, and managed by the Department of Personnel and Organization or equivalent.
- Technical training managed by each technical department
- Staff need to be actively encouraged to suggest ideas and implementing these ideas e.g. suggestions on how to use the new accounting system
- Provide as many training opportunities as possible to staff at the provincial and local level.
- At the provincial level, support should be provided by top management which also need to ensure assigning qualified people to the positions according to the job descriptions

3.2.4. GOOD PRACTICE 4: COUNTRY-LED TC IMPLEMENTATION AND MANAGEMENT

Case Study Outline: Project Type Technical Cooperation – PCAP

Line of investigation: TC works best when necessary conditions are in place that will ensure a country led-control and management of TC

3.2.4.1. BRIEF DESCRIPTION OF THE INTERVENTION

The improvement of budget management, and especially the improvement of Public Investment Program (PIP), is crucial to achieving equitable economic growth and sustainable social development as well as to reduce the high dependency on external assistance. As the PIP management was not implemented efficiently and effectively in the past, the GOL requested the cooperation of GOJ to provide means of improvement. Therefore, the Project for Capacity Building in Public Investment Programs (PIP) Management (PCAP in short) was agreed.

The TC objectives were to develop a standardized monitoring and evaluation system for PIP projects and an appropriate and sustainable methodology, to train staff to the level required to perform their duties and to establish an organizational network.

3.2.4.2. EMPIRICAL EVIDENCE OF SUCCESSFUL CAPACITY DEVELOPMENT RESULTS

The organization and its staff members had increased knowledge and skills in planning, monitoring, evaluating and implementation. As knowledge and skills had been acquired through training (TOT), the staff could be able to perform successfully as trainers in monitor provinces. The TC was highly effective: the number of staff having the capacity to train/trainers increased from 4-5 persons to 30 persons.

In order to ensure sustainability of the training, the organization decided to provide continuous training to staff working nationwide on PIP management. The training is based on the manuals developed by PCAP, especially PIP Manual for Program Management and PIP Manual for Project Management.

MPI staff with increased knowledge and skills has been assigned with responsibilities according to the roles of their departments and divisions, in compliance with the Resolution No. 784, dated 04 August, 2005.

3.2.4.3. DESCRIPTION OF IMPLEMENTATION ARRANGEMENTS AND PROCESS

Studies were conducted by internal and external partners. Sector and local partners as well as donors conducted many studies and worked together to draw the short-, mid- and long-term plans to ensure conformity with policies and effectiveness at each step.

Seminars with the presence of governmental organizations, civil society groups and other concerned people, including partners/donors provided positive results. Frank and direct discussions led to unanimity in the process and arrangements for project implementation, ensuring effectiveness and also conformity between supervising sectors/provinces and donors.

3.2.4.4. ANALYSIS OF COUNTRY CONDITIONS THAT HELPED ACHIEVE SUCCESS

The main condition helping to achieve success was the good supervision from national high level. The organization encouraged and promoted the participation of all the staff in drawing lessons from foreign experts.

During implementation, local authorities participated actively in every aspect of the project; they received directives from top levels and were supportive. They provided premises for seminars, necessary equipments, an appropriate and good scheduling of activities. They were able to participate in the study and to effectively draw lessons, strengths and weaknesses after the seminars or during implementation of activities.

The country-led CD implementation and management helped to make the TC effective because of the high expectations of the government on PCAP and timely top decision making; changes or modifications could be agreed, re-scheduled and implemented in time, following the information and suggestions provided by top levels of the Government.

3.2.4.5. SUMMARY OF DONOR PARTNERS' ROLE IN ACHIEVING SUCCESS

Donors had sought for proper methods from which the organization and staff could get increased knowledge and skills.

3.2.4.6. LESSONS LEARNED

- Activities were closely linked with those major 4 outputs and conducted based on the Plan of Operation
- There was a good use of evaluation tools, notices, recommendations ensuring a good fit of the implementation.
- The assignment of implementation tasks and management responsibilities within the sector and provinces were conducted based on consultations and unanimous consensus.
- Manuals were developed accordingly to the results of the studies

3.2.5. GOOD PRACTICE 5: COMPLEMENTARITY OF TC AND OTHER SUPPORT

Case Study Outline: MOE Complementary of TC

Line of investigation: TC works best when necessary conditions are in place that will ensure that TC provision will complement various forms of CD support and development assistance in achieving expected results

3.2.5.1. BRIEF DESCRIPTION OF INTERVENTION

The Ministry of Education's basic education plan emphasized three key objectives: equitable access, quality improvement, and improved relevance. There is limited access to primary education, especially for remote areas - girls in areas of ethnic minorities suffer most of all. Nationally, approximately 8,000 schools needed to be built, extended or refurbished. Furthermore, providing furniture, books, teaching materials, and of course, teachers. In response to these priorities, the Government requested a soft loan from ADB for the schools construction within the "*Basic Education Girls Project*" (ADB BEGP Loan); and the Government of Australia complemented the basic education needs by providing a grant focusing on teacher training and teaching-learning material production within the "*Lao-Australia Basic Education Project (LABEP Grant)*". The project started in 2001 and ended successfully in 2007.

The long-term objective of the Project was to bring more women into the mainstream of socioeconomic development by progressively improving their education level. In the short term, the overall Project objectives were to expand access to primary schools (especially for girls in ethnic minority areas), to improve the relevance, quality, and efficiency of primary education and to strengthen management systems and capacity. Project activities covered all levels from the central ministry (MOE) down to the villages.

In addition to school construction, the ADB-BEGP loan also provided support on the education management system and capacity. Project activities included strengthening of the management support systems at the Ministry of Education (MOE); and educational management capacity building of MOE, provincial education services, and district education bureaus. To complement the school construction and in order to improve the relevance, quality, and efficiency of primary education, the LABEP component provided supplementary materials and adapted curricula, in-service support for teachers and school principals in multi-grade schools and schools in ethnic minority areas, professional supervision for teachers, and support for the recruitment and training of ethnic minority teachers (especially female teachers were recruited and trained).

All aspects of the educational development were included as part of either BEGP or LABEP. Specific trainings were carried-out at all level from central down to districts and villages

(community development). Study tour and overseas training sessions were organized in Australia for the project staff.

ADB and AusAID supported the TC intervention within their own components: the ADB Loan for school construction (Component I) and strengthening the management capacity of civil servants at all levels (Component II); and the AusAID Grant for Teacher Training and Learning-teaching material production (Component III).

3.2.5.2. EMPIRICAL EVIDENCE OF SUCCESSFUL CAPACITY DEVELOPMENT RESULTS

The phasing and sequencing of complementary TC were done simultaneously. For example, the recruited ethnic trainees' graduation (LABEP) was linked to the completion of school construction (BEGP).

The capacity was changed and improved at both organizational and institutional levels. BEGP/LABEP has improved the capacity of various MOE departments (such as DPC, DGE, DTT, DNFE, and GEMEU) and their working efficiency and transfer of knowledge to the provinces and districts. At the institutional level, due to the project's willingness to recruit female ethnic teachers, new policy on recruitment of females in the Ethnic Teachers School has been adopted and being implemented at the village and districts levels.

The use of flexible design including both TC /other forms of support helped to make the TC more effective than if these activities are planned and implemented separately. For example, in the early days of the project, both ADB and AusAID convinced MOE to change project districts to move from 2 or 3 districts per province across all the original 18 targeted provinces to a more geographically focus approach. As a result, all districts in 6 out the 11 project supported provinces (Phongsaly, Oudomxay, Luangnamtha, Houaphan, what were Saysomboun and Sekong) were involved. Where all districts are involved, the PES becomes more involved. Interestingly, one of the final evaluations showed that there was greater improvement in enrollments and internal efficiency in those provinces where all districts are involved in the project than those provinces where only some districts were involved. In addition, it was found that TC for school management capacity development and community mobilization to encourage children, especially girls, was more effective when the program includes building new schools, providing equipment and textbooks.

3.2.5.3. ANALYSIS OF COUNTRY CONDITIONS THAT HELPED ACHIEVE SUCCESS

One of the reasons for BEGP/LABEP being successful was the good and close working relationship between the two Team leaders and the National Project Director on behalf of MOE. On paper, LABEP and BEGP appear as two related but separate projects with different funding mechanisms, different procurement methods and different reporting procedures. However, the two Team leaders and the National Project Director worked much

more closely than this. The BEGP team Leader was invited to meetings to discuss LABEP related aspects and the LABEP was invited to decision-making meetings of BEGP. For example, the two team leaders were able to closely link the timing of LABEP recruited ethnic trainees graduation to completion of school construction.

Through the very close cooperation, villagers would have seen one related project rather than two different donors doing different things. In addition, the two projects together managed to provide TC across all aspects of education development needed by villagers and District Education Bureaus (DEBs), including: community mobilization and participation, new school building, new teacher and new learning materials such as textbooks and supplementary materials. For the DEBs, they received a new building, additional PAs with motorbikes and traveling budget and training. MOE through Gender Ethnic Minority Education Unit (GEMEU) was able to provide the resources to communities and DEBs as a single project without any apparent competition between donors. Importantly, all aspects of the educational development were included as part of either BEGP or LABEP.

3.2.5.4. SUMMARY OF DONOR PARTNERS' ROLE IN ACHIEVING SUCCESS

The joint review missions, with a single common Aide memoir were also an important factor in maximizing project benefits. Both ADB and AusAID were willing to have the other donor make comments (both informal and formally in the aide memoir) and each other's activities. As a result, TA inputs funded by both ADB and AusAID were able to be changed or refocused according to the real needs. Aide memoirs often had agreements for additional TA that was often identified by one donor but was to be funded by the other donor. This is not to say that this was easy but both the ADB and AusAID managers were prepared to pursue this even when it caused friction. In the middle, the Nation Project Director was able to sway the outcomes by focusing on what the MOE saw as being needed by the whole project.

3.2.5.5. SUMMARY OF CONDITIONS AND FACTORS THAT MAY PREVENT WIDER ADOPTION OF THIS APPROACH UNDER OTHER CIRCUMSTANCES

- Lack of good and close working relationship between the two Team leaders and the National Project Director on behalf of MOE.
- Lack of consensus in the implementation of activities (decision making regarding timing, type of training and so on)
- Lack of joint mission between the two donors
- Lack of a single common Aid Memoir.

3.2.5.6. LESSONS LEARNED

- Good and close working relationship between the International Consultants (especially Team leaders) and the Government team (especially the National Project Director who works generally on daily basis with both projects)
- Regular formal and informal meetings with other concerned departments to ensure consensus before making of any final decision
- Regular and constructive meetings between the two teams were set-up as needed, so all processes and issues related BEGP/LABEP could be discussed and coordinated, especially timing and phasing of activity implementation.
- Systematic consultations with the local authorities were conducted through meetings or workshops.

Implications for national authorities:

- The villagers would have seen one related project rather than two different donors doing different things. The two projects together managed to provide TC across all aspects of education development needed by villagers and DEBs. The two projects together managed to provide a good operating environment for community;

Implications for donor partners' role and participation at various stages of the process:

- The joint review missions, with a single common Aide memoir is an important factor in maximizing project benefits.

3.2.6. GOOD PRACTICE 6: ORGANIZATIONAL LEARNING AND SUSTAINED CHANGE

Case Study Outline: In-Country Course for Surveyors and Land Administration

Line of investigation: TC works best when necessary conditions are in place that will ensure that TC provision will complement various forms of CD support and development assistance in achieving expected results.

3.2.6.1. BRIEF HISTORY OF THE INTERVENTION

The “In-Country Course for Surveyors and Land Administrators” (ICC) was part of the Lao PDR Land Titling Project (LLTP), one of the biggest governance development initiatives undertaken by the Lao Government in the early 1990s. The project aimed to encourage more efficient use of land for improved economic and social development purposes. In line with gender policy, the LLTP integrated gender-sensitive strategies into its implementation in urban and associated village areas in six provinces. The Customer Relations Service of the Department of Lands worked with the Lao Women's Union (LWU) and its nationwide

network of branches and members to ensure women's titling rights in project implementation.

The LLTP focused on development of a legal and policy framework for land management, land titling, valuation, and administration. However, it was hindered by the lack of capacity of government staff, and the Polytechnic School did not have the capacity to rectify this situation in the required time frame. So it was necessary to develop a solution for the long-term education requirements.

A number of options were examined and it was then decided to improve existing courses and facilities especially in relation to ongoing capacity building and sustainability. In 1998 senior officers from the Polytechnic School under the Ministry of Education and the agencies involved in the LLTP agreed on the goals and objectives of surveying education in Lao PDR. The overall goal was “to significantly improve educational and training courses in surveying and land administration so that the courses provide graduates that meet government, industry, and employer needs”.

The ICC's objective was to upgrade the skills and knowledge of land surveyors and land registration personnel employed by the Department of Lands, provincial land offices, other government departments, and lecturing staff from the Polytechnic School.

This education sub-component of the LLTP, designed and delivered in country, comprised of 18 months of full time study and responded to the need to train a critical mass of people in order to enable them to operate a modern land registration system. It is important to note that strengthening the education courses in land administration also assisted in providing trained personnel for the many tasks of national development, particularly those dealing with the physical infrastructure such as large civil engineering projects for roads, bridges, drains, dams, irrigation.

The LLTP was/is supported by the loans from World Bank (95%) and 5% contribution from the Government of Lao PDR. The Government of Australia provided technical in country support to this education program via AusAID.

3.2.6.2. EMPIRICAL EVIDENCE OF SUCCESSFUL CAPACITY DEVELOPMENT RESULTS

The ICC was divided into two main parts to: (i) educate and train staff who work in the area of land survey and land title administration from the Ministry of Finance to enable them to fulfill their technical tasks and interactions with the community more effectively; and (ii) develop a High Diploma level course in Surveying and Land Administration for the Polytechnic School in order to build capacity of land surveyors and land title administration staff for future employment as it expanded across the country.

The ICC modules were successfully delivered and an Australian accreditation for the course was obtained. The High Diploma for Surveyors and Land Administration (HDSL A) was developed from the ICC and recognized by the Ministry of Education.

A set of comprehensive lecture notes for each module in English and Lao languages was produced. Following the completion of the ICC, those materials were updated and a large number of copies were then produced and included in the Polytechnic School's library as reference materials.

Twenty students (including 11 women) successfully graduated and were awarded with HDSL A. In completion of the ICC, the participants returned to their work in their respective government departments across the country. Many participants have been promoted or assigned more and important responsibilities. As all teaching materials and student booklets were bi-lingual, participants improved their English speaking and writing skills.

The course was identified by Lao Government, WB and AusAID as a positive example of cost effectiveness. The course and the Polytechnic School gained credibility in Lao PDR and registered an increasing number of students during the past years. Because of its success, Aus AID, the World Bank and other international organizations continue to support capacity building for LLTP and the Lao Civil Service. Additionally, the WB and AusAID decided to continue to support the school with short-term Technical Advisers. HSDL A is now fully sustainable by Lao Government and delivered by Lao lecturers with no direct involvement of overseas lecturers. The teaching staff who attended the ICC as full participants transferred teaching and learning outcomes in their own working environment

3.2.6.3. DESCRIPTION OF IMPLEMENTATION ARRANGEMENTS AND PROCESS

During the design phase of the LLTP, issues of education and training as well as the establishment of an appropriate education system within a tertiary institution were seen as key factors in ensuring the long-term sustainability of the project activities. A steady supply of skilled personnel to support both the public and private sectors was also identified as the most important condition for the successful implementation of the land registration system. An In-Country Course in Surveying and Land Administration was decided within the Polytechnic School, the staff of which also provided assistance and participation.

The needs analysis and curriculum design (tailored to the Lao situation) were performed in-country using participatory processes. The development process was preceded by an initial Develop a Curriculum (DACUM, described in Hogan, 1999) workshop with a follow-up workshop some 6 months after.

Foreign Technical Advisers taught a pilot in-country course with Lao staff assistance or in class. Participants were selected on merit through compulsory written selection tests administered across the country.

Clear learning outcomes were stated for each module. Learning outcomes and participants' progress were assessed at the end of each module. There were on-going and final evaluations of the course. Lao staff could apply knowledge learnt between each module and reported on changes at next module.

The Polytechnic teaching staff attended the ICC courses as full participants and used the teaching materials, which had been prepared for the ICC for their subsequent teaching on the HDSL A. They were exposed to the use of and teaching of technology related skills.

3.2.6.4. ANALYSIS OF COUNTRY CONDITIONS THAT HELPED ACHIEVE SUCCESS

This ICC received full and on-going support from top management as well as support and input of Lao teaching staff. At least one selected lecturer attended each module of the course. Lao lecturers' commitment in receiving education from Australian lecturers was critical in the devolvement of the course and ultimate acceptance by the Ministry of Education of the three-year High Diploma (HDSL A).

The Polytechnic teaching staff was able to learn and apply practical, interactive adult teaching-learning techniques by observation and discussion with Australian lecturers. This staff could attend an additional in-country, short-term teaching-learning course funded by GTZ.

Right participants were selected for the right course. They were highly motivated, with excellent attendance records and time keeping. As a result, all participants passed examinations and practical tests for each module.

There were good coordination and cooperation from many stakeholders: the Polytechnic School, National Geographic Department, Lao Women Union, the Treasury Department, the Land Planning and Development Department and AusAID.

The course received attention from the government as it contributed to provide trained personnel for an effective land management system to meet the national development, especially in building physical infrastructure, which remains one of the government's high priorities.

3.2.6.5. SUMMARY OF DONOR PARTNERS' ROLE IN ACHIEVING SUCCESS

The Australian Government through AusAID provided the necessary funding to establish and run the ICC. This included the funding for technical assistance as well as the refurbishment of lecture rooms, installation of air conditioning and provision of lecturing facilities.

Foreign expertise was utilized effectively in-country: Lecturers from the Central TAFE and International Advisers who wrote and delivered the modules were highly experienced and

qualified in their respective fields and in practical adult teaching-learning methods. An Australian accreditation for the course could be obtained.

3.2.6.6. SUMMARY OF CONDITIONS AND FACTORS THAT MAY PREVENT WIDER ADOPTION OF THIS APPROACH UNDER OTHER CIRCUMSTANCES

- LLTP was one of the biggest government governance initiatives undertaken and the ICC was recognized by the Lao Government as the most vital sub-component of the project. Less recognition and adoption of any approach is critical as top level support and decision making are quite necessary.
- The approach taken was to improve the capacity of a tertiary institution to provide an acceptable level of ongoing tertiary education. Therefore, variations in the willingness and preparation of the tertiary institution to accept changes in the curriculum are to be considered.

3.2.6.7. LESSONS LEARNED

There have been a number of lessons learnt during the development, implementation and follow on activities of the ICC. These lessons should be considered in the implementation of any similar approach to capacity building in the education sector and include:

- There needs to be a strong commitment from the relevant tertiary institution to changes in the approach to the presentation of education.
- The tertiary institution must be prepared to accept changes in the curriculum.
- Selection of personnel to undertake the program must follow strict guidelines and pressure to nominate personnel that do not meet the selection criteria must be resisted.
- Support needs to be provided to the lecturers of the tertiary institution to ensure they have skills, knowledge and ability to be able to present the subjects that are included in the curriculum.
- Follow-up support is required to the tertiary institution after the completion of the course. Although lecturers were actively involved in the education program, there was still a need to provide them with some hands on support, especially with the very technical based subjects.

3.3. OVERALL SUMMARY OF LESSONS LEARNED

This section summarizes the main factors and conditions that help and/or impede TC contributing to sustainable capacity development:

3.3.1. INSTITUTIONAL FACTORS, INCLUDING POLICY CONTEXT, FORMAL AND INFORMAL RULES AND REGULATIONS, CIVIL SERVICE CONDITIONS AND REFORMS

- It is highly desirable that the National Training & Development Framework now moves ahead with strong and harmonized support from partners becomes operational. This includes Capacity Development Frameworks at Ministerial level and a Common Core Curriculum for the Lao Civil Service. Currently MCTPC and now MOE and MOH are cooperating with WB to build Capacity Development Frameworks. In order to ensure sustainable and consistent implementation, there is a need to integrate these Frameworks into the National Capacity Development Framework in the next GPAR SBSB phase.
- Relevance to national policies and targets, and full support from top levels
- Conducting activities in accordance with the country style of governance

3.3.2. ORGANIZATIONAL FACTORS, INCLUDING LEADERSHIP, PLANNING, CHANGE MANAGEMENT AND MONITORING/LEARNING PROCESSES

- Flexibility of the design and willingness from parties involved to adopt necessary changes

Leadership – change management:

- For an effective capacity-development effort to be launched, capacity development needs to be recognized as a major component at the sectoral level and a major priority of those responsible for the sector. Leadership and full support from top levels are essential.
- Ownership of the capacity-development effort needs to be internalized in the local institutions by appropriate recognition and incentives. This technical assistance is best directed through a single Project Management Department rather than through project-specific Project Implementation Units.

Monitoring/learning processes:

- Regular and constructive meeting set-up as needed: all processes and issues aspects were discussed during informal and formal meetings in order to get a consensus before making the final decision. Additional consultations with the local authorities systematically were done through meetings or workshops.
- Devolution of responsibilities to province and district levels creates an awareness of the needs for training and stimulates staff to seek training even at the lowest levels of an organization.

- The personnel function must be given high status and adequately staffed, and a formal capacity-development strategy is required at the sector level.
- This strategy must be comprehensive, in terms of the human resource skills addressed, covering basic skills as well as management and technical competencies.
- The training strategy must be inclusive, addressing needs at all levels and not only in central staff functions. Only in this way can a culture of capacity development pervade the whole sector.
- Training programs should be based on thorough reviewing of personal, organizational, and institutional needs and subject to ex-post appraisal of their effectiveness.
- Careful attention needs to be paid to the arrangements for the “training of trainers,” which can effectively cascade down a training effort. This may require assessment and support of the local education and training institutions, but also requires a structure for transfer of skills internally within the government institutions.

3.3.3. ROLE OF DEVELOPMENT PARTNERS IN TERMS OF POLICY DIALOGUE AND APPROACHES AND TYPE OF ASSISTANCE

- Taking into consideration Lao needs (in depth analysis of needs and demands) and capacity of beneficiaries together with clear objectives and goals, ensuring a strong commitment and high motivation
- Donor assistance in capacity development can have significant leverage on sustained change, and is likely to be most effective when it is embedded as a component of a broader national development initiative, rather than as a free-standing capacity development project.
- Program-based assistance, because it has a longer time scale, and can contain triggers related to capacity-development efforts, is a more appropriate vehicle for capacity development than traditional project loans.
- A degree of stability in the composition of donor teams is important to the creation of confidence in government to work together with donors on a longer term capacity development effort.
- Donor assistance is also likely to be more effective if it can be arranged as collaboration between government and several donors. While government must ultimately lead the effort, donors should be pro-active in establishing and supporting the institutions of collaboration.

- In the case of complementarity of TC with other forms of support, the joint review missions, with a single common Aide memoir is an important factor in maximizing project benefits.

4. OVERALL CONCLUSIONS, ISSUES IDENTIFIED AND RECOMMENDATIONS

4.1. OVERALL CONCLUSIONS

Through the implementation of the Fifth NSEDP (2001-2005) and the first year of the Sixth NSEDP (2006-2010), the Lao economy has maintained rapid and sustainable growth which has been linked to structural changes and the enhancement of quality within the target range set by NSEDP. The balance of development funding (investment) has steadily improved. Governance and public administration reforms as well as the harmonization of legal framework with international standards have proved to be effective.

The Government budget and official development assistance (ODA) funds concentrated on important sectors with urgent requirements, such as agriculture and rural development, poverty eradication, human resources (HRD), science and technology developments and infrastructure development, in particular. Given the country's high level dependency on external assistance, the Government accords very high importance on coordination and management of ODA in order to improve the overall effectiveness of aid. Currently, ODA accounts for 85% of public investments ¹ and 38% of total public expenditures, and ODA grants and loans amounted to 420 million US\$ in terms of commitments during FT 2005-2006 with loans and grants sharing almost the same proportions.

Implementing the Decree No.168/PM, 22 November 2004 on the Management and Use of ODA, the Government of Lao PDR has intensified its efforts and has taken key initiatives in recent years to continuously improve coordination and management of foreign aid as well as the effectiveness of technical cooperation for capacity development. The Vientiane Declaration and its Country Action Plan boosts the work effectiveness between country and donor partners. These are fundamental basis for all joint-activities and implementations linked to Ownership, Alignment, Harmonization, Managing for Results, and Mutual Accountability. Round Table Process and Sector Working



¹ RTIM 2007-, Main Background Document, CPI/DIC, 5 November 2007

Groups, as main coordination mechanisms, are well established.

Human Resource Development (HRD) is one of the 11 national priorities, and technical cooperation for capacity development is a vital means to improve capacity, especially at the sector/thematic level. TC planning and implementation is currently being improved through case study of previous successful practices, recommendations and lessons learnt.

The Ministry of Planning and Investment (MPI) is a high level central coordinator for the Government, and serves as focal point for ODA, effective data improvement, including monitoring and reporting on timely and efficient disbursement and utilization of aid. Because of those high responsibilities, the Ministry has continuously paid attention to the capacity development of its staff, seniors and young ones, from the central to the local level. Short-, medium-, and long-term trainings have been provided accordingly to the HRD policy (HRD is one the 11 national priorities).

- Seniors as well as younger personnel have been trained accordingly to their responsibilities in order to enable them to carry out their tasks effectively. Capability in working within modern context/technology and with international partners has been paid attention and improved.
- Within MPI, the Department of Personnel is in charge of coordination for CD and works with the other departments for: planning in-country course/training, selecting staff to be sent for overseas training, giving the opportunity for other departments to get scholarships for their staff from public and private agencies, and also from foreign aid.

4.2. ISSUES IDENTIFIED

From the findings of the national and MPI level perception surveys, key issues and tentative solutions identified are summarized as follows:

4.2.1. ORGANIZATIONAL DEVELOPMENT PLANS:

The organizational development plans for TC are not always relevant to country priorities and needs due to insufficient consultation/discussion before implementation. Disparity of opinions can lead to lower performance during implementation. Data collection at the project launching phase has not always been detailed nor appropriated to the real situation

To overcome these issues: (i) clear and coherent policies should be enlightened between donors and the recipient country; (ii) use of development roadmaps; plans should be based on government policies and national needs and done in close collaboration with the concerned organization, specifically with adequate and appropriated technical staffs involved in the design and with broad in-depth participation approach of the key concerned stakeholders, leading to an understanding/consensus regarding the standing points and objectives; (iii) regular discussions to ensure that issues are identified and understood in the

same way together and with unanimity or consensus being made between consultants, experts and the concerned organization; (iii) aid and technical cooperation are relevant to the country's socio-cultural aspects and style of governance; and (iv) ensure the full participation of technicians and staff concerned as they are the core target of the development and to ensure appropriate approaches that meet the needs of the beneficiaries.

4.2.2. LEADERSHIP AND OWNERSHIP PROCESSES

Factors to be considered to help/ensure leadership and ownership: (i) assigned staff having some knowledge and skills and some experiences, especially in the development field, and being capable to carry out activities; and staff being confident enough to express their ideas/opinions; (ii) details of administrative aspects of the project as well as information on budget and project expenses be provided to the national side in order to enhance desirable transparency between the two sides; (iii) disbursement of financial allocations to staff involved in on-the-field work to be made timely or in advance and the utilization of those financial allocations to be decided by the staff themselves (including accommodations and per diem); and (iv) whenever translation is used, it has to be accurate to avoid misunderstanding of issues due to language.

4.2.3. COUNTRY-LED DESIGN AND DECISION MAKING OVER TC PRIORITIES, INCLUDING USE OF CONSULTANTS, TRAINING AND SCHOLARSHIPS:

Regarding TC design and decision-making processes, the study found that there are still many issues to be resolved, such as the lack of systematic CD assessment of the targeted groups and limited design flexibility in response to changes in organizational priorities and needs.

Specifically, the use of too strict principles and procedures, relying only on documents (and not on reality) leading to difficult relationship with other concerned parties. To overcome these issues, there must be a full participation of the organization or project owner in decision making; appropriate TC design according to the objectives and meeting sector priorities.

Regarding the use of consultants, there was less concern about foreign or local experts substituting for technical staff within their organization, but more about the qualifications of the consultants and their knowledge about the country context. Key factors include: (i) lack of in-depth understanding of some local consultants concerning governmental working system; (ii) lack of solidarity due to consultants /experts underestimating the capacity of national staff, leading to less willingness of staff to fully participate in TC activities; and (iii) disparity of opinions between consultants/experts and staff, leading to dissatisfaction and bad working atmosphere.

To overcome these issues, considerations should be given to: (i) selection of highly qualified foreign consultants relevant to the conditions and needs of the country; (ii) consultants capable of understanding the demands/needs or real issues of the organization, and capable of transferring knowledge and skills; and (iii) senior staff of the beneficiary organization should regularly monitor the performance of consultants/experts.

Regarding the effectiveness of training programs, the study can confirm that there is a need for more appropriate training methods and approaches. TC is less effective when it focuses only on specific groups of individuals and not on the entire organization. The risks are trained individuals leaving the organization or being transferred out of the organization (without considering the consequences).

To overcome these issues, considerations should be given to: (i) ensure appropriate training approaches/methods; (ii) clear understanding on the organizational context and duties and performance required of the individuals/organizations; (iii) train Government personnel in-country, whenever possible, in order to ensure more effective and efficient use of TC funds (staffs are sent overseas only if the ministries cannot train them in Lao PDR); (iv) civil servants should be assigned works in accordance with their areas of specialization; (v) capacity of technical staff should be carried out at all levels of administration (e.g., central, province and district); and staff should be kept at their level after training; and (v) civil servants should try to improve their knowledge on their own through various learning materials or methods available.

4.2.4. DEGREE OF GOVERNMENT CONTROL OF TC PROCUREMENT, MANAGEMENT AND MONITORING:

In general, the study found that the environment related to Government-led TC management process is weak, due to: (i) lack of procedural mechanisms and regulations; (ii) donor policies sometime are inconsistent with the policies of the country; (iii) unclear and lack of systematization of administrative documents and forms, leading to low quality of reports and low confidence and trust in staff; (iv) inappropriate/unqualified staff appointed to projects leading to ineffective TC performance (sometime trained staff are moved to other posts); (v) limited communication/coordination or support from partner organizations both in-country and abroad; and (vi) lack of consensus on cooperation modalities and time scheduling.

At the provincial, district and village levels, weak working processes often can be attributed to: (i) lack of manuals, tools and guidelines; (ii) limited time allocated to effectively perform TC tasks; (iii) local Government officials often are not provided with adequate equipment to effectively perform their duties; (iv) lack of constructive feedbacks; and (v) weak monitoring and evaluation system (M&E often is not undertaken systematically during or after project cycle, mainly due to shortage of funds).

In order to strengthen Government-led TC management processes, considerations should be given to: (i) building up staff confidence in their ability to undertake their work and responsibilities; (ii) TC must take into account the need for increased learning and reflection within organizations to help facilitate change; (iii) strengthening the rules and regulations for management and their enforcement; (iv) appointment of human resources for cooperation projects should be stable and permanent until project completion; (v) ensure appropriate training is provided; (vi) ensure sufficient procurement of materials, equipment, tools and vehicles; (vii) ensure comprehensive work plan is available at each step of TC implementation; (viii) systematic monitoring and evaluation should be carried out at each phase of the project cycle, workshops should be organized to share lessons learned before, during and after project implementation; (ix) improve coordination/consensus with partner organizations both in-country and abroad; (x) ensure consensus on key decisions at all levels, from central ministries to local villages; (xi) ensure sufficient financial resources and staff capacity available for transfer of information and knowledge to the local levels; and (xii) ensure appropriate financial incentives are provided to staff accordingly to their in order to enhance their motivation.

4.2.5. COMPLEMENTARITY AND COORDINATION OF TC WITH OTHER FORMS OF SUPPORT

At the national level, the majority (86%) of the survey respondents agreed that pooling TC funds from a number of donors is more effective in building capacity than separate, stand-alone TC. Nearly all respondent (90%) agreed that TC proves to be more effective when it is linked to other forms of support (such as infrastructure and equipment provision). The respondents at the national level confirmed that these factors are helping TC to be more effective for capacity development. However, the MPI respondents are less certain about the validity of these statements, possibly due to MPI mainly receiving stand-alone TC from single donors.

4.3. KEY RECOMMENDATIONS

Through the study on the effectiveness use of TC to enhance CD, many successful histories and examples of good practices have been identified. In order to consolidate and expand those successes and to ensure appropriate conditions for effective TC, it is desirable to:

4.3.1. STRENGTHEN FRAMEWORKS AND SYSTEMS

- Essential CD frameworks should be operationalized with strong support and harmonized effort from partners (e.g. the National Training & Development Framework and Capacity Development Frameworks at Ministerial level) ;
- Project documents should be finalized and signed by the relevant governmental organization; then distributed to all agencies concerned for immediate review or further implementation;

- Legal procedures and governmental bodies responsible for taking actions should be identified, in order to formulate relevant laws and establish the enforcement system;
- Institutionalization of new systems through adoption of methods already developed.
- Gender enhancement should be integrated in all TC projects, including establishment of a Division for Women's Advancement within ministries.

4.3.2. INCREASE COORDINATION, HARMONIZATION AND FLEXIBILITY

- All donors should feedback ideas to MPI and UNDP, and to assist with the difficult task of aid coordination;
- Ministries should consider utilization of a holistic approach to organizational development and change (drawing on lessons learnt by MCTPC);
- Flexibility based on country context and in compliance with country style of governance; donors also should adopt a more flexible approach and allow for greater in-country decision-making;
- Database on all key stakeholders engaged in capacity building and governance (developed by UNDP and PACSA) should be distributed and regularly updated;
- Though individual donors have already adopted their own distinct systems, it is necessary to coordinate and synchronize donor's systems with the new Laotian assessment, monitoring and evaluation system.

4.3.3. ENSURE OWNERSHIP, COMMITMENT, FUNDING AND SUSTAINABILITY

- Relevant government departments, target beneficiaries and potential donors should be involved in a participatory approach during project/program formulation;
- Information on budget and financial aspects should be provided, and more decision making on budget utilization should be given to the national side in order to enhance ownership, alongside demonstrating confidence and trust;
- Decentralization processes of planning, budgeting and implementation should be integrated;
- Training should be sustained and national standards need to be established in order to lead to the institutionalization of new systems;
- Local people and organizations should be employed;
- Lao trainers should be involved at the start of the project, so that knowledge transfer is continuous;

- Post-project training should be extended to other ministries, provinces and districts together with continuous review and update of training contents, manuals and tools;
- Be prepared to make long-term efforts on capacity development, including continuous upgrading of training methods and approaches;
- Staffs with specialist skills should not be moved into positions that are no relevant to their capabilities;
- TOT courses should focus on participatory training processes and locally available materials should be used;
- Provincial and district leaders should open training courses and, where appropriate, participate in and support changes (including giving support and endorsement of key initiatives);
- Ensure effective selection procedures so that the right participants are selected for the right training courses;
- Outstanding work should be rewarded appropriately.

4.3.4. ADOPT APPROPRIATE DESIGN AND DELIVERY OF TRAINING COURSES

- The concept of developing education capacity through running of in-country courses should be considered;
- Needs analysis should identify skills gaps in relation to job descriptions;
- Clearly designed competencies should be explained to participants at the beginning of the training;
- Pre- and post- assessment tests should be used;
- Adult learning approach is needed, alongside paying greater attention to participants with different learning styles;
- Greater use of radio as an education medium needs to be taking into consideration in training program design.

REFERENCES

- ADB, RRP: LAO 29288: Basic Education (Girls) Project, 1998
- Gwillian K. *Capacity Development in Lao PDR's Transport Sector*, World Bank, Vientiane, Lao PDR, 25 June 2007
- JICA/ Committee for Planning and Investment: *Project Type Technical Cooperation for Capacity Building in Public Investment Program Management (PCAP)*, Project Completion Report, Lao PDR, October 2007
- Japan-Laos Joint Evaluation Committee, *Terminal Evaluation Report on Project for Capacity Building in Public Investment Program Management (PCAP)*, Lao PDR, August 10, 2007
- Lao PDR, Committee for Planning and Investment: *National Socio-Economic Development Plan 2006-2010*, Vientiane, Lao PDR, October 2006
- Lao PDR: *Report on the Round Table Implementation Meeting*, Vientiane, Lao PDR, 8 November 2007 [http://www.rtm.org.la/documents/RTMI 2007/report RTMI final.pdf](http://www.rtm.org.la/documents/RTMI%2007/report%20RTMI%20final.pdf).
- Lao PDR, CPI/DIC: *Achievements, Constraints and Future Direction within the Implementation of the National Socio-Economic Development Plan 2006-2010*, Main Background Document for the Round Table Implementation Meeting, Vientiane, Lao PDR, 5 November 2007
- Lao PDR: *Recent Developments, Annual Plans and Budgets, and Aid Effectiveness*, Ninth Round Table Meeting, 28-29 November 2006
- Lao PDR: *National Growth and Poverty Eradication Strategy*, Vientiane, Lao PDR, June 2004
- Lao PDR: Vientiane Declaration on Aid Effectiveness, February 2006
- Lao PDR: Country Action Plan of Vientiane Declaration, 2007
- Lao PDR, Ministry of Foreign Affairs: *Foreign Aid Report 2004-2005*, Vientiane, Lao PDR, August 2006
- Lao PDR, Ministry of Foreign Affairs: *Foreign Aid Report 2003-2004*, Vientiane, Lao PDR, November 2005
- Lao PDR, Ministry of Foreign Affairs: *Foreign Aid Report 2002-2003*, Vientiane, Lao PDR, July 2004
- Lao PDR, Ministry of Foreign Affairs: *Foreign Aid Report 2001-2002*, Vientiane, Lao PDR, July 2003
- Lunnay, C. and Virachit V. 2005, *The Lao Titling Project - Innovative Land Tools*, Lao PDR
- Lunnay, C. 2006, *Surveying and Land Administration - Sustainable Tertiary for Developing Countries*, Lao Titling Project, Lao PDR
- Second SIAP/UNESCAP: *Management Seminar for the Heads of National Statistical Offices in Asia and the Pacific*, Luang Prabang, Lao PDR, 14-16 January 2004

UNDP, *Capacity Development Study of Governance in the Lao Civil Service 1997-2007*, Vientiane, Lao PDR, July 2007

UNDP, *Two in-depth successful change stories described in depth to accompany the Capacity Development Study of Governance in the Lao Civil Service 1997-2007*, Vientiane, Lao PDR, July 2007