

FINAL EVALUATION

LAO/028

Capacity Strengthening
of the Ministry of Planning and Investment's
Department for International Cooperation

PROJECT SUMMARY DATA

Country	Lao PDR
Long project title	Capacity Strengthening of the Ministry of Planning and Investment's Department for International Cooperation
Short project title	Capacity Strengthening of DIC/MPI
LuxDev Code	LAO/028
Version of the Report	December 2017

RATING OF THE PROJECT BY THE EVALUATION MISSION

Global rating (Effectiveness)	3 On a scale of 1 (excellent results, significantly better than expected) to 6 (the project was unsuccessful, or the situation has deteriorated on balance)
Rating using other evaluation criteria	Relevance: 1 Effectiveness: 3 Efficiency: 3.5 Sustainability: 3

EXECUTIVE SUMMARY

The bilateral cooperation between the governments of Luxembourg and Lao People's Democratic Republic began in 1997. Today, the cooperation between the two countries is ongoing under the fourth Indicative Cooperation Programme (2016-2020), which was signed in September 2015. The Indicative Cooperation Programme coincides with the 8th National Socio-Economic Development Plan of the Lao government. The three core sectors continue to be rural development, health and vocational training while stronger emphasis has been put on the cross-cutting issues of good governance, climate change and gender equality.

LAO/028, which is being evaluated, is in the area of capacity strengthening and good governance of Official Development Assistance management, and is in this way covering all sectors of cooperation. Luxembourg is actively involved in discussions on quality standards of the Official Development Assistance and LAO/028 also fits well in that framework.

Through the continued support Luxembourg has become an important and reliable partner in development cooperation for Laos. Under the overall objective of poverty reduction, Luxembourg Development Cooperation Agency supports the efforts of the Lao government in the achievement of the Sustainable Development Goals as well as its target to graduate from least developed country status to middle income country by 2020. The Indicative Cooperation Programmes and interventions supported by Luxembourg are closely aligned with national strategies and policies and the general framework of the National Socio-Economic Development Plan. Luxembourg also actively participates in the donor Round Table Meetings, which not only provides a platform to discuss relevant and topical issues but also contributes to more effective use of development assistance in Laos.

As part of the normal project cycle Luxembourg Development Cooperation Agency commissioned a final evaluation on LAO/028 to assess the results and objectives achieved and analyse the project against the evaluation criteria. Luxembourg Development Cooperation Agency commissioned an Evaluation Team composed of an international and a Lao expert: Mr Tauno Kaaria, Team Leader and Mrs Phaivanh Changnakham, Team Member. The Team undertook a field visit to Laos between 26 November and 8 December 2017 and, in addition to meetings in Vientiane, visited the provinces of Khammouane and Bolikhamxay.

Project description

The Overall objective of the project is defined as "Improved development cooperation effectiveness in the Lao PDR" and the Specific objective as "To strengthen the capacity of the Department of International Cooperation to effectively manage aid, and establish working practices with national and international stakeholders". The objectives and thus the project itself are very relevant. The Official Development Assistance represents about 25% of financing for the implementation of the National Socio-Economic Development Plan and it is thus utterly important that the effectiveness of development cooperation is improved. The Evaluation Team has rated relevance of the project as 1.

LAO/028 was designed as a three-year project. However, from the very beginning there were serious delays in implementation. The inception period, which was planned for six months, turned out to be 21 months up to the time the Inception Report was approved. Progress was slow during that time. The part-time International Technical Assistant who was coordinating implementation at the project office resigned after the Inception period and it took eight months to recruit a successor, now a full-time Chief Technical Assistant. During that time the project came to a stop still. After the new Chief Technical Assistant came on board project implementation has been flowing smoothly, flexibly and quite efficiently but it is clear that the long delays in the early part of project implementation have had a serious effect on the effectiveness and efficiency of the project and will also reflect on sustainability of the results. Effectiveness and sustainability of the project have been rated as 3 while efficiency is 3.5.

It is clear that the early delays have reflected also on the results. The project period was extended by twelve months and with the more effective way that implementation has taken place in 2017 the project has been able to catch up with most of the results, but they have been achieved towards the end of the project and there has hardly been time to roll out all results, test and pilot them and have them running smoothly before the project comes to an end. Overall the project has been rates as 3.

Result 1

The expected Result 1 of the project is “*Strengthened organisational and managerial capacities*”. Overall, the assessment of Result 1 is mixed. The delays in the early part of the project prevented many activities to be carried out early which would have enabled the results to be available before the end of the project. Thus a large part of the results will remain hanging in the air as they will not have been rolled out and tested and then taken into use. The office renovation was successfully carried out to the great satisfaction of the staff. Also improvement of the Information Technology system has been quite successful. The larger organisational improvements such as the organisational capacity development plan, introduction of the Total Quality Management system and the e-document system for the document handling system have not been fully rolled out. The training has been focusing on individual capacities, as it has not been linked to supporting and ensuring the smooth running of the organisational changes.

Result 2

The expected Result 2 is “*Strengthened capacities for the Official Development Assistance coordination, Monitoring and Evaluation*”. Some of the frameworks and tools that have been developed (Decree 75 review, Standard Operating Procedures Manual, Programme-Based Approach guidelines and Monitoring and Evaluation database) will obviously strengthen the Official Development Assistance coordination, Monitoring and Evaluation capacities once they are finalised and in use, and the training (particularly in the English language, report writing and presentation) will make the work easier and most probably be more professional. However, the results would have been much stronger if the organisational strengthening and changes under Result 1 would have taken place earlier so that development of Result 2 could have been built on a more solid basis.

Result 3

The expected Result 3 is “*Strengthened Official Development Assistance management and coordination capacity at provincial Sections for International Cooperation*”. Some Information Technology equipment has been provided to the provincial Sections for International Cooperation of the five provincial Departments of Planning and Investment, which has improved their capacity to an extent. The training that has been provided has been focusing on individual capacities, but in the case of the provincial offices the result of that training seems to be marginally more beneficial as no organisational reforms were foreseen at that level in the Project Document.

Recommendations

Recommendation 1

The Department of International Cooperation should develop and establish an “Organisational Capacity Development Plan” based on the Organisational Capacity Assessment report that was produced and reflect implementation of the Plan in its work plan for 2018, and for future years as necessary.

Recommendation 2

The Department of International Cooperation should apply a step-by-step quality management approach in capacity strengthening and focus first on the limited document handling and related decision making process and on the introduction of the e-document system. The “Organisational Capacity Development Plan” for future years could also include remaining elements of capacity building in quality management and digitalisation in a phased out manner.

Recommendation 3

The Department of International Cooperation should prepare a document on how to organise basic civil service training (a centre in Vientiane or otherwise) for presentation and discussion at a donor Round Table Meeting, or other sufficiently high level meeting with development partners, with the aim of raising support for organising civil service training on a more planned and continuous basis. Thereafter project related training could be minimised and tailored to focus on the particular needs of each project’s objectives.

Recommendation 4

The Luxembourg Development Cooperation Agency should consider supporting an extension of LAO/028 so as to ensure smooth roll out of the quality management approach as regards document handling and introduction of the e-document system, thus ensuring sustainability of the work carried out so far under the project. However, when the Department of International Cooperation will have established and approved the “Organisational Capacity Development Plan” for future years, consideration should be given to launching a wider project of continued support for the Department of International Cooperation’s capacity strengthening.

Lessons learned

- Capacity building leading to organisational and institutional change requires time, particularly if the emphasis is not on training but rather on reviewing the organisational set-up, establishing new processes and work procedures, developing models and guidelines, and new tools and model documents which would then be supported by providing the necessary training. The time required for the change and strengthening of the capacity is perhaps exceptionally long for the Department of International Cooperation whose role is to carry out the extremely difficult, complex and multi-faceted task of cooperating with foreign countries and coordinating a number of line ministries in managing the Official Development Assistance. Setting up a project and carrying out a six months inception period and conducting the needs assessment already tend to take the first year. Piloting and rolling new products out with sufficient monitoring and mentoring at the end also needs time. Thus, the lesson learned is that one should not plan for too short a period and quick fixes, with a very tight budget. As there would not be many investments in a capacity building project, the overall budget would still be reasonable. Development takes time; changes in an institutional set up and in work patterns takes more time, as it requires a rather thorough change in the mind set and attitudes and success requires building trust within the organisation. Even more time is required if highly hierarchical management is the tradition;
- The Luxembourg Development Cooperation Agency should assess the proposed Logical Framework or Results Framework Indicators more carefully at the project preparation phase and when the Logical Framework or Results Framework is revised to ensure that the indicators are more meaningful and a helpful tool in monitoring progress and evaluating results;
- In a capacity building process like LAO/028 the project is intimately within the organisation and is dealing partly with rather sensitive issues and materials, although not confidential. In Laos, language is a key issue and a way to build trust with the client, the Department of International Cooperation in this case. Experience shows that the International Technical Assistant seemed to have difficulties in being accepted and in gaining the trust that was needed and that, to a great extent, was a reason for the early delays in the project. The Laotian Chief Technical Assistant on the contrary seems to have worked very well and it apparently has helped that she is Laotian and speaks the language, so there is a lesson to be learned here;
- The Laos-Australia Development Learning Facility’s approach that the Department of International Cooperation should be in the driver’s seat and have the responsibility in developing the Monitoring and Evaluation database is a model where lessons could be learned. The consultant should be a “process consultant” who facilitates the developments, begins with a team within the Department of International Cooperation, helps the Department of International Cooperation team to develop a work programme (for themselves) and sets the ball rolling with an agreement that such and such things need to be achieved by our next meeting (in a month’s time or two or three months’ time, depending on the issues). At that meeting the consultant again facilitates the team to make an assessment on what have we been able to achieve, where are we now, to agree where we want to go next, and then prepare a plan for the next steps. The Department of International Cooperation team goes to work again and a new meeting is arranged in a month, two or three, etc. Thus the responsibility is fully upon the Department of International Cooperation, they also have the ownership and in the process learn to work together, plan the action, monitor the achievements, take responsibility and through the ownership develop the buy in of the team and their colleagues (who of course participate in the developments in accordance with what the plan for each stage has been);

- Organisational culture and commitments of the Department of International Cooperation senior management influence directly the effectiveness of staff capacity building. Without senior management's full support to staff to actively participate and without a supportive environment for them to apply their knowledge and skills, it is unlikely that sustainability will be achieved in staff capacity building. Furthermore, open recognition of staff improvement and/or rewarding thereof also plays an important role in motivating staff to continue improving their performance. Therefore, a staff capacity development plan should be included in the staff annual performance review, and staff should be granted full participation to any required training. In addition, the Department of International Cooperation should link staff performance to the organisational reward system, not always financial incentive, but could be positive recognition, promotion and opportunity for professional development.