

INTERMEDIATE EVALUATION

LAO/030

Strengthening the Effectiveness of Official
Development Assistance Management in
Lao People's Democratic Republic

PROJECT SUMMARY DATA

Country	Lao People's Democratic Republic
Long project title	Strengthening the Effectiveness of Official Development Assistance Management in Lao People's Democratic Republic
Short project title	Strengthening ODA Effectiveness in Lao PDR
LuxDev Code	LAO/033
Version of the Report	March 2023

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: 2 Coherence: 4 Efficiency: 3 Sustainability: 4

EXECUTIVE SUMMARY

This Mid-term Evaluation assignment of Lux-Development (LuxDev) project LAO/033 “Strengthening the Effectiveness of Official Development Assistance Management in Lao People’s Democratic Republic” was undertaken by an international consultant mobilised by Eurecna.

The mission's main objective was to analyse the project's progress toward achieving the specific objective and planned results at the time of the evaluation. The assignment consisted of three distinct phases: the desk phase, the field phase in Laos, and reporting phase. The first and second phases took place without constraints, but the third one had to be longer than initially planned to conduct some interviews remotely, which could not be held due to stakeholders' unavailability.¹ The insistence on interviews with other key development partners proved pertinent since it helped confirm preliminary conclusions from the analysed documentation, conducted meetings, and formed understandings while in Laos.

The LAO/033 project is a four-year capacity-strengthening initiative aimed at addressing the Official Development Assistance management needs of the Ministry of Planning and Investment's Department of International Cooperation and six of its provincial Sections for International Cooperation, as well as of the Ministry of Planning and Investment's 's Department of Inspection, particularly concerning anti-corruption measures. It also provides capacity strengthening for the national Sustainable Development Goals Secretariat housed in the Ministry of Foreign Affairs. The project has as its overall objective/ impact to ensure that Official Development Assistance effectively supports the implementation of the National Socio-Economic Development Plan, and per specific objective/ outcome to ensure that key Lao agencies effectively manage and coordinate Official Development Assistance to support National Socio-Economic Development Plan and the achievement of Sustainable Development Goals. Moreover, LAO/033 has two expected results/outputs: 1) the Department of International Cooperation has the capacity to effectively manage and coordinate Official Development Assistance through provincial Sections for International Cooperation and line ministries and report timely on Official Development Assistance, and 2) the cross-cutting issues reflected in the Sustainable Development Goals are appropriately considered in Official Development Assistance interventions and support National Socio-Economic Development Plan. It has an overall budget of 1,500,000.00 Euros.

The evaluation that was conducted in line with the Organisation for Economic Cooperation and Development - Development Aid Committee criteria concluded the following:

Relevance: The project continues and builds on the experience and gains of previous LuxDev's efforts in terms of strengthening the capacity of Ministry of Planning and Investment's - Department of International Cooperation. Namely project LAO/028 "Capacity Strengthening of the Ministry of Planning and Investment's Department of International Cooperation," whose specific objective was to strengthen the Department of International Cooperation's capacity to manage aid effectively, build partnerships and establish effective working practices with national and international stakeholders. When analysing the objectives of LAO/033, it seems that notwithstanding the success of the previous initiative, there was a need to further develop and consolidate the results achieved through LAO/028. This was corroborated in the problem analysis conducted in the context of the design of LAO/033, which identified persisting challenges and needs in the management and coordination of Official Development Assistance in Laos that still required further addressing and specific support. The lack of an exit strategy for the previous initiative did not facilitate the definition of the scope of LAO/033. Nevertheless, the fact that the project was designed by Ministry of Planning and Investment's Department of International Cooperation itself - with the support of LuxDev consultants – ensured its relevance to the target groups, as all contacted stakeholders confirmed it. LAO/033 remains a priority and relevant to the national context, especially since it is a key tool/mechanism to enable the implementation of actions planned by Ministry of Planning and Investment's and Ministry of Foreign Affairs, otherwise limited by insufficient national funding.

¹ Interviews with Korea International Cooperation Agency - KOICA, Swiss Agency for Development and Cooperation - SWISSAID, and Australian Agency for International Development - AUSAID-DFAT, etc. – unfortunately, despite several attempts, the United Nations Development Programme – UNDP - was not available.

Design: LAO/033's design reflects the problem analysis. Its results chain was properly structured around two main results/components, one specific and one overall objective, to contribute to the effective implementation of the National Socio-Economic Development Plan (1 - Improving Department of International Cooperation capacity to manage and report Official Development Assistance; and 2 - Ensuring that cross-cutting issues reflected in Sustainable Development Goals are appropriately considered and mainstreamed in Official Development Assistance interventions). Methodologically speaking, indicators at the overall objective/ impact level are vague and hardly verifiable in an objective manner, while at specific objective/ outcome levels seem to adequately translate the effect of results achievement. However, some result indicators linked to increased knowledge are not complemented by their threshold definition of minimum requirements, while others relate to processing indicators for activities. In terms of identified risks and mitigation strategies, important ones are missing, such as the high staff rotation in Laos. This is an old problem mentioned by development partners, as it undermines the achievement of high-quality and long-lasting results and its effects, but nothing has been done on this front.

Notwithstanding the relevance of LAO/033, the scope of intervention is believed to be too broad, with insufficient resources to achieve the expected results. Financially: to fully ensure the planning of training packages that contribute at the national and provincial level to have adequate know-how to execute the staff members' functions and mandates at six Sections for International Cooperation and the central level. Human resources: there is an inadequate number of staff members at the national and provincial levels to implement their mandates and functions. Technically: there is a limited number of Ministry of Planning and Investment's Department of International Cooperation staff members that reunites sufficient knowledge and capacities to be considered an expert on all dimensions related to Official Development Assistance management and effectiveness and that can successfully sensitize and train their peers frequently. The underlying implementation strategy and operational arrangements seem unfit to achieve the planned results in quality and sustainability. Moreover, there are doubts regarding the relevance and effectiveness of including some activities as they have been under implementation for a while with incipient results yet (English lessons, the development of the Official Development Assistance – Management Information System – under development since 2016, and the software beta version launched in 2017, etc.). Though these appear to be crucial, there seems to exist misunderstandings among Ministry of Planning and Investment's -Department of International Cooperation officers involved in project planning and implementation concerning the difference between "trainings", "workshops", "awareness raising", "being trained/being capacitated" and "having the knowledge vs having the skills" to fully perform work-related core functions/mandates, etc. which hampers their capacity to realistically plan and operationalize activities that can lead to tangible and strong results through the implementation of comprehensive capacity building plans.

Coherence and Complementarities: LAO/033 is fully coherent and consistent with national policies and strategies, namely the National Socio-Economic Development Plan, the Vientiane Declaration on Partnership for Effective Development Cooperation, Agenda 2030, and the Laos Sustainable Development Goals Roadmap. In fact, the project is a tool for Laos to safeguard and track the implementation of said Plans and Agreements. However, despite relevant examples having been listed in the Technical Document of LAO/033², there was no evidence of specific coordination and synergies with other pertinent interventions, not even those funded by LuxDev and implemented by Ministry of Planning and Investment (for instance, LAO/030, as both projects appear to be strictly focusing on their topics, paying little attention to key common dimensions to enable proper collaboration). Ministry of Planning and Investment's Department of International Cooperation still lacks an institutionalised (non-ad-hoc), functional, active, robust project coordination and planning mechanism with appropriate tools and guidelines. This reduces the capacity to ensure synergies, add value to actions, and promote value for money of national and foreign investment in Laos, avoiding duplications and uncoordinated efforts. The Official Development Assistance-Management Information System, initially funded by Australian Aid - Department of Foreign Affairs and Trade in 2016, could be a key tool to support labour and geographic division of the interventions to maximize the usage of funds while providing stronger results. On a positive note, there was a critical synergy promoted by LuxDev between LAO/033 and LAO/031 (workshop on anti-corruption and financial investigations) that raised Ministry of Planning and Investment's Department of Inspection awareness of important/relevant issues and showed how to tackle them. However, the workshop duration was reduced, and unfortunately, no follow-up existed – despite its obvious relevance.

² Such as UNDP's Support Programme for the National Socio-Economic Development Plan Implementation towards Least Developed Countries Graduation, Middle Income Countries Transition, and Sustainable Development Goals Achievement; KOICA's Official Development Assistance management training in Korea (held once a year for the past 3 years); UNICEF's support to monitoring of Sustainable Development Goals in Official Development Assistance interventions through the development of specific criteria; etc.

Efficiency: LAO/033's modality of implementation appears adequate, with Ministry of Planning and Investment's Department of International Cooperation managing the funds and leading the decision-making, as it facilitates the implementation and is conducive to the direct mobilization and inclusion of high-level stakeholders, such as from Directorate level individuals involved at key moments – Project Steering Committee, Project Quarterly Meetings, Project Monthly Meetings, etc. There is a precise engagement of Ministry of Planning and Investment's Department of International Cooperation in decision-making and discussions of the project with the Technical Assistance (Chief Technical Adviser and Administration and Finance Officer) that allow for Ministry of Planning and Investment's Department of International Cooperation staff to strengthen their knowledge on project cycle management and raise awareness on the importance of strategic planning towards the achievement of results. However, a more hands-on engagement at operational and technical level from Ministry of Planning and Investment's Department of International Cooperation appears to be necessary for more efficient/strategic implementation and effective results. Moreover, planning tends to be done at central level by Ministry of Planning and Investment's Department of International Cooperation without consistent and concrete involvement of its Sections for International Cooperation, Ministry of Planning and Investment's Department of Inspection, Ministry of Foreign Affairs - Department of International Organizations -National Sustainable Development Goals Secretariat in the discussions of the overall project strategy and implementation plans, as well as on specific activities to give coherence to the entire action. This could be one of the reasons why until now, LAO/033 has mainly focused on the implementation of activities rather than ensuring that results and long-lasting behaviour change are being effectively achieved. On another note, several factors have contributed to delays in the project implementation – though not significant. Mainly regarding the national Chief Technical Adviser hiring process - which delayed the drafting of the Annual Operational Plan and the revised technical and financial document, contributing to the activities starting with roughly a seven-month delay - and other experts such as the Information Technology expert (for the Official Development Assistance-Management Information System Assessment and Capacity Needs Assessment). The COVID-19 pandemic also impacted the implementation of LAO/033. The Project Steering Committee had to be postponed and then conducted online; English lessons could not start as was planned to be undertaken in loco, etc. Consequently, until 31/10/2022, with 77% of the total 48 months completed, only 54% of the project funding had been executed.

Effectiveness: Notwithstanding some of the challenges, most deliverables are of good quality and relevant to the topics tackled by LAO/033. However, at times they were delivered in a complex manner - considering the level of expertise of beneficiaries - and lacking a more straightforward approach with specific mechanisms and practical examples to facilitate understanding and ownership. Regarding capacity building, all interviewed beneficiaries considered that LAO/033 has helped broaden their awareness of Official Development Assistance. The results of the assessments conducted pre- and post-activities by Ministry of Planning and Investment's personnel and the Chief Technical Adviser – to determine both the level of satisfaction of beneficiaries and the knowledge gained - seem to corroborate this. However, when the consultant asked beneficiaries to elaborate on the knowledge achieved on Official Development Assistance and its applicability to their work functions, the answers were vague, hinting that: "trainings" were mostly theoretical, at times without clear contents, with short duration and too many participants, with at times some "improvised trainers", without proper certification, and without considering their capacities/job descriptions/functions.

Regarding the Sustainable Development Goals, beneficiaries assumed that the subject was still challenging since the number of activities conducted by the project on the matter was limited. It is worrying that despite being under development since 2016 – first with funding from AusAID, then from LuxDev through LAO/028, and now LAO/033 - Official Development Assistance-Management Information System is still not fully operational. It is not actively used at central and provincial levels due to shortcomings and challenges that prevented relevant parties from inserting information into the system. Despite its strategic and operational importance, amongst others, the system remains not user-friendly and requires further technical improvements. Also, Official Development Assistance-Management Information System related mandates and how to best use them are still unclear to users/members of the targeted group at central and provincial levels – the same applies to development partners. On this note, it is important to stress that no technical/working meeting was organised with development partners to present the Official Development Assistance-Management Information System and collect their technical inputs to make it fully effective. This could have also contributed to promoting and stimulating their usage of Official Development Assistance-Management Information System (making development partners compromise to ensure that their Official Development Assistance funded projects are inserted into the system and that key information is frequently updated).

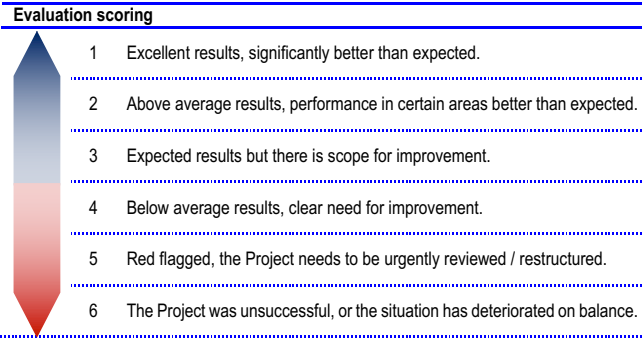
Sustainability: There are signs that Ministry of Planning and Investment's Department of International Cooperation/ Sections for International Cooperation/ Department of Inspection and Ministry of Foreign Affairs - Department of International Organizations - National Sustainable Development Goals Secretariat are still likely to suffer institutional, human, and financial limitations, which could hamper the project's sustainability. Laos is going through a financial crisis that further reduces the availability of the national budget to fund government actions concerning institutional development, recruitment, and strengthening capacities of its staff, etc. This is even more worrying due to the high rotation rates of staff and the fact that the knowledge delivered/achieved, and tools and strategies produced by the project are unlike to be retained. Furthermore, despite the awareness raising/trainings/capacity building actions conducted by LAO/033, the knowledge of Official Development Assistance and Sustainable Development Goals encountered on the ground was still generally low. Nevertheless, some "champions" who can use knowledge and products delivered by LAO/033 were identified and could train their peers if appropriate means were made available (time, simplified materials, funding, equipment, etc.). Access to benefits produced by LAO/033 (policies, strategies, action plans, sensitization, information materials, training resources, etc.) will remain available at no cost to the target groups; however, access to the Ministry of Planning and Investment's website, organization of Sector Working Groups/Round Table Meeting, improvement and operability of Official Development Assistance-Management Information System, capacity building and training' delivery will be a challenge due to budgetary constraints of Ministry of Planning and Investment's . On another note, so far, no exit strategy or plan for LAO/033 seems to have been discussed or already drafted in coordination with all involved parties to allow for timely handover, and appropriation/ownership/sustainability of products created and results achieved.

Cross-cutting issues: LAO/033 does not specifically target gender equality, and environment and climate change in design and implementation, and specific activities were not implemented, except a basic training on gender for government officials from the Department of International Cooperation and the national Sustainable Development Goals secretariat. Thus, it scores 0 for both policy objectives of the Organisation for Economic Cooperation and Development - Development Aid Committee and the Rio Convention markers. No specific strategies have been developed and implemented to ensure the mainstreaming of the project, and there is no evidence that national policies focusing both on gender equality and the environment and climate change were addressed in the project when applicable to contribute to the achievement of Sustainable Development Goals 5, 13, and 14. Regarding participatory development and good governance, the project scores 2 (main objective). It can be stated that LAO/033 is actively contributing to promoting good governance and transparency in Laos through, for instance: supporting the development and dissemination of key strategies and mechanisms, raising awareness on anti-corruption and financial investigations (partnership with LAO/031) to clarify definitions/understanding on public funding management – Official Development Assistance and non-Official Development Assistance; supporting the inclusion of Official Development Assistance mobilization in the Sector Working Groups to best meet the needs of all 10 sectors.

Ratings: The observations by the evaluation team lead to the following assessment:

The global rating of the project is **3**.

Criteria	Scoring
Relevance	2
Coherence	4
Effectiveness	3
Efficiency	3
Sustainability	4
Overall Scoring	3



Recommendations

Recommendation	Priority (high, medium, low)	Sequence (short-, medium-, long-term)	By whom?
1. Conduct internal discussions between Ministry of Planning and Investment, the Government and development partners to address the staff rotation problem and how to ensure proper handover of responsibilities.	high	Short to Mid-term	Ministry of Planning and Investment – Government of Laos; development partners
2. Launch a comprehensive assessment of the Official Development Assistance-Management Information System to understand the reasons why it is still not fully functional (technical reasons, lack of capacity, etc.) and does not include all necessary features to propose and implement a holistic plan to respond to its strategic aim.	high	Short-term	Ministry of Planning and Investment's - Department of International Cooperation & LuxDev
3. Have a Ministry of Planning and Investment's - Department of International Cooperation project coordinator (50%-time allocation) involved in the day-to-day implementation to both benefit from capacity building/technical assistance of the Chief Technical Adviser and strengthen ownership.	high	Short-term	Ministry of Planning and Investment's - Department of International Cooperation & LuxDev
4. Move from an activity based/focused implementation to a results-oriented approach/strategy.	high	Medium-term	Ministry of Planning and Investment's - Department of International Cooperation & LuxDev
5. Select two focus-provinces – based on the likelihood of achieving strong results - and prioritize key actions to ensure success and sustainability.	medium	Medium-term	Ministry of Planning and Investment's - Department of International Cooperation & LuxDev
6. Ensure strategic and timely planning of activities (at least six months) and focus on the delivery of consistent/consecutive training/capacity building – theoretical and technical.	medium	Short-Medium-term	LuxDev
7. Strengthen work coordination and communication with the Provincial levels (Sections for International Cooperation) and line ministries, involving them in critical technical meetings and supporting them with strategic planning, project management, Monitoring and Evaluation, and reporting – with a sequential and duration adequate curricula.	medium	Medium-term	Ministry of Planning and Investment's - Department of International Cooperation, Line Ministries & LuxDev
8. Strengthen coordination mechanisms between line ministries with regard to Official Development Assistance and Sustainable Development Goals monitoring.	high	Medium-term	Ministry of Planning and Investment's - Department of International Cooperation & LuxDev

9. Consider requesting a No-Cost Extension.	medium	Short-term	Ministry of Planning and Investment's - Department of International Cooperation & LuxDev
10. Consider submitting more comprehensive Quarterly and Annual Progress Reports – using the structure of the Annual Operational Plans while providing detailed information on the implementation of activities and clear reasoning on the target achievements.	medium	Short-term	Ministry of Planning and Investment's - Department of International Cooperation & LuxDev
11. Ensure the integration of gender-disaggregated data in the Annual Operational Plans and its inclusion in the internal project monitoring system.	high	Short-term	Ministry of Planning and Investment's - Department of International Cooperation & LuxDev
12. Ensure the effective appropriation, application, and integration of the <i>Criteria and Mechanism for Monitoring Sustainable Development Goals (Gender)</i> in Official Development Assistance interventions in the work conducted by line ministries with an Official Development Assistance mandate.	high	Short-term	Ministry of Planning and Investment's - Department of International Cooperation, Ministry of Foreign Affairs & LuxDev