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Governance Public Administration Reform Government of Lao PDR

Saravane Province

Press release

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Implementing the DDF as a way to improve public goods and services in Saravane province

Saravane Province, Lao PDR. The Saravane Province is currently executing a 5 year pilot project to improve the public goods and services at the provincial, district and village levels. The project will contribute to the achievement of two main governance outcomes: creating an “*effective legal and policy framework for decentralised policy and management*” and working towards “*improved efficiency, accountability and transparency in the civil service and in the delivery of public services.*” Hence, to inform the Government of Lao PDR on policy issues link to decentralization and sound financial management.

The Saravane Governance, Public Administration Reform and Decentralized Service Delivery Project (GPAR-SP) was initiated last year in February 2005. The project is part of the National Governance, Public Administration Reform Program under Public Administration and Civil Service Authority (PACSA) and supported by UNDP, the United Nations Capital Development Fund (UNCDF) and European Union in partnership with the Ministry of Finance), the Committee for Planning and Investment and the Ministry of Foreign Affairs.

The overall project orientations and policy focus are legitimated by a Provincial Leading Committee (PLC). The PLC is composed of representatives from a range of provincial level departments and agencies and chaired by the Vice Governor. In an interview with the project, Mr. Bounthiem Phommasathith, Vice-governor of the Province, explained ‘*the project endeavors to improve local government level provisions of public goods and services in Saravane province and inform national policy on public administration reform in decentralization in line with the National Growth and Poverty Eradication Strategy (NGPES) of Lao PDR*’. He stated, ‘*the first year activities will take place in three pilot districts namely Ta Oy, Lakhonpheng and Saravane District*’ but will gradually, extend to the other five districts of the province by the end of the project”.

The GPAR SP is been executed by the Office of Governor in collaboration with the Provincial Departments and District Offices of Planning, Finance, Committee of Organization and Personnel, the Technical Sectors of Health, Agriculture, Communication Transport and Construction, Education along with the Lao Women’s Union as gender mainstreaming is a priority for the project and key condition to poverty reduction.

The NPD (National Project Director) **Mr. Phongxay Thabounsouk** added, ‘*the specificity of GPAR SP is the District Development Fund (DDF), a fund accessible to district based on village participatory planning, with the purpose of decentralizing local service delivery in the province*’.

The DDF is an innovative fund since it acts as a budget ceiling for formulating district investments and supports infrastructure and service delivery at district levels. In this sense, the allocations are determined according to an equitable formula based on the population size and relative poverty which in turns contributes to poverty reduction and the local Millennium Development Goals. Thirty percent or less of the total allocations will be used for financing District level expenditure responsibilities, and seventy percent or more will be used for financing Sub-district (or Kumban) level expenditure responsibilities. To ensure compliance, the district has to follow the minimum conditions in order to be qualified for the next annual allocation. Ta Oy, Lakhonpheng and Saravane District are the first three pilot districts getting allocations for the year 2006- 2007 but gradually will extend to Lao Ngam, Kongsedone, Wapi, , TumLan, and Samoi. The total allocation for the years 2006-2010 will be one million two hundred eight thousand two hundred eighty eight dollars (\$1,208, 288).

During the interview, Mr Thavone, National Project Manager (NPM) explained *‘the project ‘kick-off last year in April with a round of meetings at provincial and district levels sharing the finding from the baseline institutional assessment. He added, “all participants agreed that the budget ceiling will improve the quality of DIP (District Investment Plan) and help in defining the role and responsibility of the districts. This process is part of the communication strategy, by giving access to information while involving greater participation”*. In this way, the project has conducted several participatory planning workshops, meetings and has prepared the Technical Inception Mission with the advice of UNCDF consultants.

The GPAR SP is currently in the first phase training at provincial, district and [kumban] levels on the DDF Planning and Budgeting Guidelines in order to start the village level identification and prioritization of local needs as they are heading to the Tripartite Review Meeting on April 2006.

For further information of the project activities please write to P.O Box 56 Office of the Governor Saravane District and Province Lao PDR or contact via E-mail: [gpsarsrv@laotel.com](mailto:gparsrv@laotel.com), thavongboupavong@yahoo.com or call Phone: +856-(034)-212012, Fax: +856-(034)-212011 Attn: Mr. Thavone Boupavong (NPM)