Experiences on Decentralisation
of the Lao - Swedish Forestry Programme (LSFP)

I. INTRODUCTION

This paper presents experiences of decentralisation in the LSFP. On the basis of these experiences the paper includes suggestions on how the experiences could be followed up and used in order to improve efficiency in the LSFP and in other projects aiming to build capacity at the Provincial and District levels.

II. BACKGROUND

The Lao-Swedish Forestry Programme was started in 1977 with the Sida Contribution Fund. It was, from 1977 to 1982, the period for the preparation of the forest inventory, the procurement of all necessary investments aiming to establish 2 State Forest Enterprises such as: SFE 1 in MuongMay and SFE 3 in Thabok (at present they belong to the Borikhan and Thaphabath Districts respectively in Borikhamxay Province).

At the very start, these 2 State Forest Enterprises belonged to the Department of Forestry and Environment as well as to the Ministry of Agriculture, Forestry and Irrigation directly. This means that the planning, management and implementation were carried out directly by the Central level with the support of the Silviconsult Firm. In essence, the overall philosophy was very much “Top Down”. The objectives of the Programme were to support these 2 Enterprises to be able to log annually 30,000 m3.

1. Phase I

During the period of 1982 - 1987, the Programme started its first phase and there were some activities carried out such as forest inventory, silviculture, training and central support in addition to the support given to the two State Enterprises. This was the very first phase of the Programme focusing primarily on investment and technical assistance, and from the beginning up to the end of the phase, SIDA and the consultant firm implemented the Programme by themselves.

2. Phase II

In phase II which started from January 1988 to June 1991, The Lao-Swedish Forestry Programme encompassed 9 Sub-Programmes whose operation and coordination was centralised at the Lao-Swedish Forestry Co-operation Office. However, the responsibility for the implementation was entrusted to the Heads of the Sub-Programmes and Technical Divisions concerned of DOF.

The Programme, during this phase, emphasised institutional building and capability development together with the gradual transfer of the responsibility for the phased Programme Management to the Lao side.
The objective of the Programme for this phase was to promote the sustained yield utilisation of forest resources and land with the main focus on the 3 following works as:

- Land use planning and strategies for resource development.
- Sustained yield forest resource management.
- Cost efficiency improvement in relation to logging and wood processing.

3. Phase III

The third phase of Sida support began in July 1991 with the emphasis on the institutional development and transfer of full programme management responsibility to Lao side based on sector support. The role of advisers is to provide technical advice.

For this phase, the Programme consists of 6 Sub-Programmes and Selected Field Areas (SFA). Of these sub-Programmes, 5 are under the technical patronage of the consortium consultant firm “ISO/SWEDFOREST” and the other one under that of International Union for Conservation of Nature (IUCN):

1. Central Support
2. Forest Inventory
3. Silviculture
4. Forest Training
5. Shifting Cultivation Stabilisation
6. Forest Conservation

Selected Field Areas (SFA)

One of the distinctive features of the third phase of the programme was the creation of a number of Selected Field Areas (SFA). The purpose of these areas was to provide a geographical location where a focus on methods development could take place. They were the testing ground for methods and concepts initiated at the Central level. Each SFA was located in a particular District, although the SFA infrastructure was kept separate from the District Agriculture and Forestry Office (DAFO), which is the Government institution at this level. In most cases the resources in terms of both Investment and Operating budgets greatly exceeded that of the DAFO to which it was linked. The SFA’s however provided a model that assisted in the development of the increased decentralised emphasis implicit in phase IV of the programme.

4. Phase IV

The phase IV of the Lao-Swedish Forestry Programme started its Programme Document Preparation in 1995 and is scheduled to run until the year of 2000.
The goal of this phase is “Improved productivity and sustainable use of forest and agricultural land in combination with Conservation and Protection in target areas”.

The main vehicle would be through the Department of Forestry at the Central level and then through the Provincial and District Agriculture and Forestry Offices.

The ambitions of the programme encompass method development activities, competence development and research. The first two ambitions are mutually dependent. The LSFP is a process orientated programme which stresses “Learning by doing” and so the development of methods, models and methodologies will contribute to the competence development of staff. At the same time competence development is a prerequisite, both for starting, developing, documenting and finally learning from models and new methods. The creative tension to hold these two in balance is a distinctive feature of the programme.

This phase of the Programme is comprised of 6 Sub-Programmes such as:

- Institution Strengthening and Human Resource Development.
- Extension
- Land Use Planning
- Conservation
- Shifting Cultivation
- Forest Research

These Sub-Programmes are performing their activities in 7 districts within 4 provinces as follows:

- Hongsa (Xayabury Province)
- Nan and Xieng Ngeunh (Luangprabang Province)
- Phinh, Atsaphorn and Phalanxay (Savannakhet Prov.)
- LaoNgam (Saravanh Province).

In each province there is a Provincial Co-ordination Office which acts as a link between the Province and the Co-ordination Office in Vientiane. Besides there are 2 Training Centres and 1 Technical school:

- Xieng Ngeunh as Northern Training Centre
- Xeponh as Southern Training Centre
- MuongMay Forestry Technical School (Borikhamxay Province).

The Programme is Lao owned, process oriented, adviser supported and demand driven.

During the phase IV, the Lao-Swedish Forestry Programme is therefore supporting the process of decentralisation and strengthened institutional capacity at Central, Regional, Province and District level.
The initial organisational structure of the programme therefore consolidated the structure at the Central level in the form of sub-programmes. This structure therefore managed at the same time to establish both a central focus and a decentralised focus, although at the start the emphasis and power remained at the centre. It therefore created a foundation for future changes and the progressive process of decentralisation but also created a structure at the centre which would need to be modified considerably during the life of the phase.

The development of sub programme units also indirectly contributed to the co-ordination problems that are significant in any organisation with strong functional units.

III. DECENTRALISATION PROCESS

With reference to the Decree 21 dated 8 May 1993 of the Polit Bureau on the Guidelines and Principles of the sectoral Management, during the bridging period of the phase IV at the beginning of 1996, the LSFP has started delegating powers and responsibilities step by step to the PAFO and DAFO. The delegation was carried out through a series of seminars in the target provinces by clarifying and explaining the Concept of the Programme, the planning and all their responsibilities and obligations they have to fulfil.

The initial organisational change process therefore had to work with this existing structure while laying the foundations for a gradual and progressive transfer of responsibility to the decentralised units.

1. Start up seminars

At the beginning of the Phase, in January 1996, the opportunity was taken to undertake a series of seminars in the target Provinces to explain the programme concept and to explain the ramifications to all stakeholders. A substantial part of the seminar was devoted to each sub programme explaining its modus operandi to the geographical units and then working with them to ensure that the activities within the Provinces/Districts were consistent with the aspirations of the sub programme. The eventual output of this exercise was a workplan covering the period April 1996 to September 1996. Although the workshop included a wide variety of participants it would be difficult to describe the initial process as participatory. Operational workplans were needed and the sub programmes took the lead in formulating them. At this stage there was no real alternative. The planning timescales for the new financial year, 1996/97 also resulted in a broadly similar exercise, although the Provincial units did play a more active role in formulation. The seminars however physically demonstrated that the Provinces lay at the centre of the programme and that the centre both in terms of Advisers and Heads of sub programmes needed to place the programme in context in each locality. The seminars were also one of the initial building blocks in creating a Provincial identity. This would need further development over the course of time. Provincial based events coupled with programme wide meetings in Vientiane still remain the main vehicle for developing programme identity and disseminating information.
2. **Transfer of Funds**

A key feature of the LSFP Phase IV is that funds for each entity in the programme are planned for, transferred to and accounted for by the entity. Funds were therefore transferred to units to enable them to undertake activities at the decentralised level. This transfer process was initiated from the start of the phase. In parallel to this the Finance office undertook an extensive process of formal training and regular monitoring visits during 1996 to ensure that individual units developed the competence to handle the funds. This feature, where the Department is responsible for Financial Management of the programme at each level lays an important foundation for future donor support.

3. **Co-ordination Offices**

The co-ordination offices were a new institution which have been developed during the course of Phase IV. Human resources have been added progressively and they have taken increasing responsibility for the activities within their Province. Two designated Provincial Advisers were deployed to assist the developments in Salavan and Luang Prabang while support to Sayaboury was provided by the Luang Prabang Provincial Adviser. In the case of Savannakhet, support was provided by the Community Liaison Adviser in addition to her overall responsibilities for the work of JFM (Joint Forest Management).

The Co-ordination Offices have taken on responsibility for co-ordinating the planning of the work, the collation of reports, basic monitoring and technical support. The Financial Management of the decentralised programme has also been a major activity of the office.

IV. **ADVANTAGES AND PROBLEMS ENCOUNTERED**

1. **Advantages**

1- The Decentralisation has created new and better atmospheres of working environment and conditions. It reflects the Decentralisation Policy of the Lao Government as well as the philosophy of the LSFP which is supported by Sida.

2- The LSFP has been completely merged into the Lao Organisation at all levels (from the Central to the local level).

3- The target Province and District Authorities understand the concept as well as the objectives of the programme much better than before.

4- The local Authorities have paid more attention and taken responsibility to support the Programme.

5- The Lao staff at all levels have direct responsibility to undertake their duties and run and monitor the programme while advisers only have duties to give advice. It means that all concerned parties have devoted their
participatory actions satisfactorily for the Programme. Main activities that have been transferred to and undertaken fully by the Lao side are:

- Programme Management
- Financial Management
- Procurement
- Plans and reports produced from the grass-root level (DAFO and PCO respectively).

6- The decentralisation and delegation of powers and responsibilities have however made the Lao staff pay more serious attention to improve their know-how and experiences through learning by doing, training courses and from skills transfer from advisers.

2. Problems encountered

At the beginning period of the decentralisation, there were of course problems and constraints. All concerned actors, both Lao staff and advisers, however have to solve them seriously and can manage progressively step by step. Main problem encountered are as follows:

1- The concept of the Programme is not well understood in the same way by all concerned parties.

2- The provincial and district Authorities as well as staff at all levels are not well prepared, in terms of their capacity to take full and immediate responsibilities to run the Programme.

3- Additional staff have been made available in all Provinces, but there are still indications that there are resource gaps. Many of the standards demanded by the programme demand higher levels of staff competence than was previously available. There is no “quick fix” solution to this problem, particularly given the constraints on recruitment that the Government is adhering to.

4- The financial structure was initially extremely complicated at District levels.

5- Reorganisation and replacement of staff always occurred.

6- Lack of training on main fields:

- Programme management
- Financial management
- Procurement procedures
- Computer

7- English competence level of staff is still low

8- Lack of full time and adequate staff
9- Co-ordination still weak at both Central and local levels

V. LESSONS LEARNED

1- At one extreme, an individual District might have to maintain six separate financial records, one for each sub programme that was undertaking activities in the District. In a different context it may have been advisable to prepare clear financial guidelines, train staff and ensure that all the relevant structures were in place before transferring the money. The need to initiate method development activities however meant that financial competence had to be developed in parallel with ongoing activities.

2- Ultimately the co-ordination offices must be able to create more efficient working conditions and practices which will enable more to be done with the existing staff levels. It could also be seen as a long term objective for the co-ordination offices to provide support to all relevant donor projects/programmes working within the Province.

3- The decentralisation should also be introduced clearly to all concerned parties through seminars, learning by doing, regular and open discussion or meetings in order to gain lessons learned. It means that all introductions and explanations on the concept of the programme must be obvious and well understood by all concerned parties from the Central to the Grass-Root levels such as:

- What is the goal of the Programme?
- What are the main objectives and ambitions of the Programme?
- What to do?
- How and when to do? (planning, monitoring, reporting etc...)
- Who will be responsible for what?

4- All staff, at all levels and positions, who have been assigned to work for the Programme should have full time for their responsibilities and they should not be removed to other jobs.

5- The organisations and staffing, at all levels, should be well prepared and improved as a first priority before the decentralisation is carried out.

6- All organisations, at all levels, have to check if there are requirements for training of their staff in order to improve their knowledge and experiences.
There are still obvious training needs and this is a key area where the training function at the centre together with outside collaborators needs to be more responsive to the expressed needs of the decentralised level.

It should be noted that many of the training courses currently on offer at external institutions are not sufficiently tailored to the needs of decentralised staff both in terms of language and content. The needs for
relevant ongoing training for these staff in Lao language demand an imaginative and on-going training programme designed to meet their needs.

7- The process of decentralisation is therefore not a smooth development but a process of steps. Each step is followed by a period of consolidation where all the stakeholders at both the central and decentralised levels adjust themselves to their new responsibilities. The process of adjustment is therefore as great at the central level as it is at the decentralised level. Both levels need to adjust their ways of working to adjust to the new realities. This fact needs to be clearly identified as staff at the central level also need to adjust to their new role as support staff responding to demands to support and as catalysts for change.

VI GUIDELINES FOR THE FUTURE

The LSFP is now in the middle of Phase IV and so the remaining guidelines outline further work that still needs to be attended to.

1. There is still a need for an increased ownership of the programme at the District and Provincial level. Once the overall priority goals of the programme for the forthcoming year have been set, the Provinces need to develop mechanisms for setting their own priorities. This will particularly involve the process of improving and expanding existing methodologies. These need to take into account the resources they have on the ground and the resources they can call on from Vientiane.

2. The demands on the Central level need to be defined by the Provincial and District levels. A developing partnership arrangement needs to evolve. It is therefore important for the Province to be able to identify clearly the needs it has for additional technical support.

3. This in turn requires a new responsiveness from the Central level. They need to adapt their organisation to be responsive to the demands from below.

4. The Provinces will need to undertake a more active co-ordination role. The planning of activities by sub programmes has in the past led to duplication of effort and sometimes a complete overload at the decentralised level where a variety of teams from Vientiane appear at the same time. The Provinces will have to learn to control the flow of resources from the centre to match their own absorptive capacity.

5. There is a need to develop a monitoring function within the LSFP at all levels and this is now receiving considerable attention. In whatever way this is developed it is clear that the primary responsibility for ongoing monitoring within a Province will need to lie with the Provincial authorities. They are responsible and they need to be the first lines of routine monitoring. Different models and methods are already being developed.
6. Additional training support is clearly needed at the Provincial level. One of the key challenges for the LSFP is how to use the regionally based Training Centres at both Xieng Ngern in the North and Xepone in the South to support this process. Advisory support at both a technical and management level is also needed but as a prerequisite to this it is essential that the language capabilities of both the Advisor and the counterpart staff are sufficient to ensure that a reasonable transfer of knowledge and expertise can take place.

7. The ultimate aim is to integrate the work of the Provincial Co-ordination offices into the ongoing work of the PAFO’s. The existing co-ordination offices for the LSFP themselves can be seen as an interim step. In the long run, the co-ordination offices could take on a wider remit to co-ordinate other donor efforts in a Province.

8. The development of dissemination channels so that best practice from one province or area can be transferred to others. The use of different staff for peer group scrutiny, monitoring exercises and ongoing training will be further pursued. Monitoring exercises have already been undertaken where staff from one province or provinces join a central team in its monitoring function. A recent example within Savannakhet was the mobilising of a Departmental team drawn from other projects and central staff to review the Joint Forest Management exercise being undertaken within the LSFP. Many positive learning experiences have arisen from this exercise, both for the JFM team in Savannakhet and for the external reviewers who are able to incorporate some lessons into the ongoing development of their own programme.

This results in three advantages
- firstly it increases the effectiveness and ability of the team to undertake its work
- secondly it provides an invaluable form of on-the-job training
- thirdly, it provides a forum for exchange of ideas from one province to the other by practitioners working on similar levels

9. Further efforts will be made to document best practice in the form of manuals and guidelines.

10. The need to focus and prioritise training to support and consolidate the steps that have been already taken. Partnerships could be forged with Regional training institutes to design relevant programmes which can be tailored both to the operational constraints and the ongoing responsibilities of the decentralised units.

11. The creative tension between ongoing method development and competence development must be maintained. Method development without competence development is unrealistic and unsustainable, while competence development without method development is a waste of a scarce resource which cannot be justified in the light of the development challenge facing Lao PDR.
VII IMPLICATIONS FOR OTHERS

The Government policy of decentralisation is a critical part of Government reform. The LSFP in Phase IV is supporting this ongoing process. To stimulate debate and to contribute to ongoing learning, the following decentralisation checklist is provided.

1. The decentralised unit should have a focal point for proposed activities and there may be a need for additional resources.

2. The capability of decentralised staff will need to be enhanced.

3. The centrally based unit must be committed to transferring resources and responsibility to the decentralised level. They will need assistance to adjust to their new roles.

4. The Central level will need to support the process of change in terms of managerial and training support.

5. Additional levels of advisor support may be required and consideration will need to be given to the absorptive capacity of the decentralised unit.

6. Guidelines/regulations need to be in place.

7. All staff need to understand the overall programme concept/goal.

8. Peer group scrutiny should be developed to ensure that you draw on existing experiences from similar programmes.

9. The experiences outlined in this paper can be adapted to the particular context of my project.

10. The development of our project/programme can contribute to the institutional learning in this field.