

ANNUAL REPORT



International Federation of Red Cross and Red Crescent Societies
Fédération internationale des Sociétés de la Croix-Rouge et du Croissant-Rouge
Federación Internacional de Sociedades de la Cruz Roja y de la Media Luna Roja
الاتحاد الدولي لجمعيات الصليب الأحمر والهلال الأحمر

LAO PDR

May 2002

This Annual Report is intended for reporting on the Federation's Annual Appeals only.

Appeal No. 01.44/2001

Appeal Target: CHF 877,157 (USD 541,000 / EUR 600,000)

Operational Developments

The Lao People's Democratic Republic (Lao PDR), a small landlocked country governed by the Lao people's Revolutionary Party, is one of the most impoverished in southeast Asia.

While many countries in the region gradually recovered from the economic crisis in 1997, the situation in Lao PDR in 2001 remained critical. Inflation was high and the majority of the population of 5.2 million lived in poverty. The country numbered no fewer than 48 ethnic minorities, approximately half the population, who symbolized Lao PDR's cultural diversity. These ethnic groups were particularly affected by the difficult economic situation, since they lived in mountainous regions and particularly remote areas with limited access to clean water, health care and education. The adult literacy rate for men and women in Lao, at 63 and 31.7 per cent respectively (UNDP 2001), was the lowest in the region; the multiplicity of ethnic languages made communication on any subject particularly challenging, most notably so on health issues.

The Mekong river traverses the country and causes periodic flooding, although droughts affect some provinces in most years. Since 85 per cent of the population is employed in the agricultural sector, such disasters have a disastrous impact on the economy. Devastating village fires also routinely cause economic losses, particularly during the slash-and-burn season. Unexploded ordnance left behind after the wars of the 1960s and 1970s pose an additional hazard for farmers and their families, killing or injuring some 200 people per year. The problem of drugs was another major cause for concern. Drug related crimes have increased as have road traffic accidents (particularly among young people). Yet another problem was the increase in illicit smuggling across the Mekong between Thailand and Laos. All these factors impacted negatively on the economy. Lao PDR is ranked 131 out of 175 in the Human Development Index (Human Development report, UNDP 2001). Poverty is glaringly reflected in the health statistics of the population. Lao PRD has the lowest life expectancy in the region at 51.9 years (for males) and 54.4 years (for females) (UNDP 2001) and the highest maternal mortality rate at 653 per 100,000 (UNICEF 1998).

Objectives, Achievements and Constraints

Activities in the first six months largely revolved around the start of a new period in the blood programme, reshaping the disaster preparedness programme, closing the flood operation, assisting the Lao Red Cross (LRC) to prepare its annual work plan for 2001 based

on the five- year plan and recruiting for the new Federation representative (who started in July 2001).

In the last six months of the year, there was a considerable improvement in the coordination of Red Cross partners in Laos, which included refining the Cooperation Agreement Strategy (CAS). Solid progress was made in the somewhat delayed Organizational Development (OD) programme, and positive action was taken on the issue of funds left over from the flood operation. These were used to strengthen the LRC Community-Based Disaster Preparedness (CBDP) capacity.

The Federation's work in Lao from mid-2001 focused on OD and capacity building, particularly at the LRC headquarters. Support continued for developing LRC capacity in CBDP linked to the existing CBFA programme. The LRC and its partners were enthusiastic and confident about building strong partnerships around a comprehensive CAS with the LRC five-year development plan and the annual work plan as foundations.

The Federation's new representative took up his post at the end of July, and his main task was to prepare the Lao Appeal 2002-2003, in close consultation with the LRC and the Federation's regional delegation.

Coordination and management of external support to build up LRC capacity, was provided by the delegation with support from the regional delegation. The delegation's primary task was to support the CAS process.

From the beginning of 2001, much of the groundwork was done, building on the initiatives launched at the Bangkok partnership meeting in May 2000, followed by an LRC, Federation and PNS planning workshop in August. This resulted in the preparation of the LRC's five-year development plan. The OD governance workshop in November then set the strategic direction and priorities for the OD/RD programme this year.

The LRC annual work plan, which is based on the five-year development plan, was finalized and implemented. The LRC and the participating national societies (PNS) were all actively involved in monitoring progress. One of the Federation's priorities was to assist the LRC, in close cooperation with all the PNS, to foster a clearer understanding of the importance of the annual planning process both at headquarters and branches through a series of regional and national planning and review meetings supported by regular informal consultations between all the partners. The LRC annual planning meeting was held in Vientiane from 16 to 19 December during which the annual work plan was finalized and approved.

In Health and Care, the Federation continued to provide administrative and financial reporting services to the Japanese Red Cross/LRC blood programme. The delegation also facilitated the technical support role of the regional health unit in strengthening the capacities of the LRC health division in the planning, management and coordination of the CBFA and water and sanitation (watsan) programmes in addition to complementing the ongoing work of the LRC/ARC HIV/AIDS peer group education programme. Another priority was to expand dissemination as well as to assist the LRC to develop an appropriate communications plan in close cooperation with the ICRC and the regional information unit.

The main constraint for the first six months of the year was the absence of a full time representative in Laos to assist the LRC with 'driving the programme along', facilitating coordination among the partners (CAS stakeholders) and providing direct support for the LRC with the OD and DP capacity building programmes.

There were no significant funding constraints, except in Coordination and Management. The Swiss government and the German Red Cross (GRC) funded OD/capacity building, the JRCS continued to provide support for the blood programme and the unspent funds from the flood operations were reallocated to the DP programme.

Disaster Preparedness

The balance of funds left over from the “Laos Floods 2000” disaster response operations, which were completed during the first quarter of 2001, enabled the Federation to assist the LRC in developing an ongoing programme of disaster preparedness activities focusing initially on the southern provinces and on the LRC headquarters.

Objective 1 To create a disaster response capability in every branch of Lao Red Cross.

Achievements

The main priorities in 2001 included restocking the three regional DP warehouses to provide an emergency buffer stock, provision of equipment, training in stock management and inventory control for DP warehouse staff, preparation of a CBDP volunteer training module to be incorporated into ongoing CBFA training, holding regular LRC volunteer training workshops, and initiating DP activities in the branches.

By the end of 2001, the procurement of equipment and the restocking of the three provincial DP warehouses had been completed. A first draft of the CBDP module was nearly finished.

The LRC disaster relief and preparedness division prepared its annual work plan and budget for 2002, part of which could be funded from the small balance of funds left over from the relief operations.

Objective 2 To build a national disaster preparedness system with effective links to the state system and the regional Red Cross societies.

Achievements

A framework agreement with the government’s National Disaster Management Office (NDMO) was put in place. Within the agreement, the LRC’s role was outlined in emergency response. Discussions were held with the NDMO, the LRC, the Federation, the UN system, and NGOs regarding ways and means of building greater disaster prevention, mitigation and preparedness capacities into the Lao disaster management system at both central and local levels.

The LRC’s links with other regional Red Cross initiatives continued to improve with the head and deputy head of LRC DP department attending regular regional disaster management work plans, meetings and events.

Health and Care

In the area of health and care in the community, the Japanese Red Cross Society (JRCS) and the Federation have supported the LRC national blood programme since 1995. In 2001, the Federation continued to provide administrative support and financial reporting services for the blood programme.

The 2002-2003 Appeal process led to a shift in the Federation’s support for the LRC in the health sector towards a growing role for the regional health unit in Bangkok. This was done in close cooperation with PNS, WHO and other partners, to promote capacity building within the LRC health division, enhanced networking, skills development for voluntary blood donor recruitment, CBFA, watsan and HIV/AIDS awareness.

Objective 1 To develop an effective national blood donor recruitment system.

Achievements

The target for 2001 was that 90 per cent of blood donors would be non-remunerated. During the last three months of 2001 an average of approximately 99.4 per cent was achieved, a figure similar to that of the previous six months. Dissemination and voluntary blood donor

recruitment activities continued to increase. Blood donor recruitment campaigns were organized in eight provinces with the ministries of health and education as well as at universities, schools, technical colleges, government training institutes, police and army training academies and hotels in Vientiane.

Constraints

While the number of voluntary non remunerated donors increased, the amount of blood collected remained stable.

Objective 2 To ensure the hygienic collection and full screening of all donated blood, and its safe transition including use of component therapy.

Achievements

A standard procedure was introduced to ensure that all blood units were routinely tested for: ABO, Rh, HIV, HBV, HCV, syphilis and screened for antibodies. This procedure was introduced to ensure that pre transfusion testing was performed before blood transfusion.

Clinicians in various hospitals regularly gave lectures on blood component therapy. The work plan of the blood programme for the year 2002 was prepared and presented during the annual review of 2001 and planning for the Lao Red Cross 2002 workshop.

Objective 3 To develop capacity in administration and management.

Achievements

The Federation's delegation continued to provide administrative support and financial reporting services to the LRC blood programme, funded by the JRCS.

Organizational Development

As stated above, the main thrust of the Federation's work in Lao was in OD and capacity building, particularly with the LRC headquarters to build strong partnerships around the Lao CAS framework.

In May 2001, the LRC annual work plan, which is based on the five-year development plan, was finalised and implemented. The LRC, the Federation and the PNS were all actively involved in supporting the process and monitored progress through the newly established OD focal point. The annual planning process was seen as an integral part of OD/capacity building through a series of regional and national planning and review meetings supported by regular informal consultations between all partners.

Objective 1 To ensure that all Lao Red Cross senior managers are equipped with the basic management skills to run the society.

Achievements

Following the provision of funds from the Swiss government for capacity building, and GRC funds for OD/RD, the Federation had the resources to support a range of activities, in cooperation with the PNS. The Danish Red Cross (DRC), the Netherlands Red Cross (NRC), and the Australian Red Cross (ARC) in particular, were all committed to supporting headquarters capacity building in addition to their other programmes.

Since his arrival, the new Federation representative focused on the following core areas, which are priorities in the LRC's annual work plan:

- conducting a training needs assessment (TNA).
- assisting the LRC to develop an HRD policy and strategy.
- assisting the LRC to prepare a national resource mobilization strategy and plan of action drawing on the experiences of headquarters and branches.

- promoting dissemination in close collaboration with the ICRC (two dissemination workshops were held at Attpeu and Luang Nam Tha) and support for the planning process.

During the last two months of the year, solid progress was made in all the above activities. The TNA was completed and the annual planning process was established within LRC as an integral part of capacity building. A fund raising policy was drafted and reviewed with partners.

At the national planning meeting, the LRC was urged by both the Federation and the PNS to develop a realistic HRD/RD policy and practical plan of action.

Fruitful cooperation continued with the ICRC. This was based on a shared commitment to assist the LRC in the significant expansion of dissemination, information and communications activities in 2001.

Objective 2 To ensure that the society has functioning systems and clear procedures for monitoring, finance, information, and relief goods, and for management processes and decisions.

Achievements

The Annual Work Plan 2001, which was implemented in May, proved to be a valuable tool for involving the LRC, PNS, Federation and ICRC in monitoring progress in a more cohesive and effective manner. This comprehensive branch development, planning and consultation process began with a needs assessment and planning workshop in Luang Prabang at the end of May and was sponsored by the Netherlands Red Cross.

Two regional planning and review meetings were held in Savnakheth (17 to 19 October) and Udomsai (8 to 10 November), followed by the national planning meeting in Vientiane (16 to 19 December) when the annual work plan for 2002 was finalized.

The PNS and the Federation were actively engaged in supporting the LRC with the planning process in which the branches all have a key role to play by contributing their experiences gained when implementing various activities. The cost of these planning and review meetings was shared between the LRC and its partners.

The NRC bilateral programme continued to provide strong support for the LRC branch development unit (BDU) to finalize the headquarters and branch development plan in close consultation with the Federation and PNS. The NRC also provided support for branch development in the southern region while the DRC and the SRC continued to support branch development in the northern provinces. There was a much more integrated approach by all the partners to assist the LRC in developing its own model of branch development.

Objective 3 To significantly strengthen the management and programming of the four most recently established branches which received no external assistance.

Achievements

The French Red Cross was scheduled to begin its programme in 2002 to support two unsponsored branches – Sayabouri and Vientiane Province – through an institutional development, CBFA and watsan programme.

Only the Luang Nam Tha and Vientiane municipalities remained unsponsored. The Federation provided some support for all the unsponsored branches through the OD programme and funded their participation in the aforementioned planning and review meetings. The ICRC and the Federation cooperated on information dissemination activities for all branches.

Constraints

Achievement of this objective was constrained by the need to focus on developing LRC headquarters capacity so that it was able to provide more direct support and better service to the branches and, in particular, to the unsponsored branches.

A number of issues reflecting the view that the branches were inadequately supported by headquarters, were highlighted at the LuangPrabang branches needs assessment workshop in May, and were again raised at the regional planning meetings in October and November and at the national planning meeting in December.

Coordination and Management

Objective 1 To establish a fully inclusive country assistance strategy which supports the Lao Red Cross's national plan and is accepted by all the partners.

Achievements

The LRC, PNS and ICRC acknowledged the importance of the Federation's role in facilitating and guiding the CAS process to a successful conclusion. The LRC assumed ownership for the CAS which it perceived as essential to promoting its 'model' for the development of the national society in an inclusive and well coordinated manner with the full support of all the stakeholders. The Lao CAS was seen as a "flexible framework and business arrangement for strengthening programme coordination and facilitating capacity building."

Objective 2 To develop the in-country management approaches needed to ensure the CAS is correctly implemented.

Achievements

The delegation's main priority was to further strengthen the existing cooperation between the LRC, the Federation, PNS and the ICRC through a shared commitment to making the Lao CAS work. Central to this was the collective involvement in the annual planning and progress monitoring process. Regular trilateral coordination meetings were held in each quarter in addition to informal coordination meetings between the Federation, PNS and the ICRC on specific issues. The delegation's priorities included finalizing the CAS, strengthening coordination between all the stakeholders (particularly of external resources), providing support for the annual planning process, and headquarters capacity building as part of the focus on OD/RD.

Constraints

No specific constraints were noted other than the need to secure additional PNS support for delegation core costs.

The Federation's delegation

At the end of July 2001, the new Federation representative, sponsored by the Danish RC, took up his post in Vientiane and was able to start building on the momentum achieved during the first six months of the year. Over the second half of the year, the delegation was fully re-established and continued to develop all the Federation's core programme areas of support for the LRC as outlined in the appeal, and to expand practical working level cooperation with the ICRC and other international agencies in Laos. The task of drafting the Lao Appeal for 2002-2003 was successfully completed with the support of the regional delegation. The delegation was comprised of the representative and three national staff (a programme officer, a finance officer, and a driver). The country delegation worked closely with, and received good support from the regional delegation.

Monitoring and Evaluation

Monitoring against Appeal 2001 was carried out by the delegation with support from the head of the regional delegation and Bangkok-based technical units. The LRC established an OD focal point who worked closely with the delegation to monitor progress by implementing the annual work plan. The Lao-based consultant who assisted with preparing the Annual Work Plan 2001 provided some input to assist the representative in monitoring progress.

Financial monitoring support for the delegation was provided by the regional finance unit (RFU). Assisting the LRC to establish a standardized, more professional and transparent financial management and reporting system was seen as a priority. The delegation participated actively in the regional OD review which was conducted in October and November.

Lessons Learned

Lessons learned were highlighted in the programme updates and remained valid throughout the year. The key role played by the Danish Red Cross in supporting the new Federation representative, and the willingness of other PNS to contribute towards the cost of running the delegation in Vientiane, demonstrated the value of working as a Federation towards assisting the LRC to achieve its goal of becoming a well-functioning national society by 2010.

Financial update (see annex)

Ongoing support from the Japanese Red Cross for the blood programme, the pledge of Sfr 50,000 from the German Red Cross, funds from the Swiss government for organizational development and capacity building, and the funds left over from flood operations, meant that the Appeal remained well funded in 2001.

The main problem for the OD programme was that early in 2001 the delegation was not in a position to build on the momentum which was gradually being developed through the annual planning process supported by the regional delegation.

Participating national societies

In 2001, the LRC had several development partners based in the country:

The Japanese Red Cross supported the blood programme through the Federation and also made a significant contribution to DP. The Swiss Red Cross continued to provide financial support for Luang Prabang and two other northern branches (Udomsai and Bokeo). The Netherlands Red Cross supported branch development at both LRC headquarters and branch level with specific support for three central branches (Bolikhamsay, Khammouane and Savannaket). The Australian Red Cross had an agreement for the HIV/AIDS peer education programme, including branch support and staff training. The Danish Red Cross has worked with the LRC since 1997 and started a long-term, integrated programme of primary health care in three northern provinces (Xiengkouan, Pongsali, Huaphan). The DRC also provided significant support for LRC capacity building at the national level as well as to the Federation's delegation. All the PNSs in the country actively supported the LRC annual planning and the CAS processes.

The ICRC has had a close working relationship with the LRC since the mid eighties, and the Federation and ICRC worked closely together to expand dissemination and communications activities at all levels of Lao society.

CAS PROCESS

The first draft of the Lao CAS was prepared in October/November 2000 by a Federation consultant, submitted to the regional delegation, and then circulated to stakeholders for comment.

Some revisions were made and the secretary general of the LRC, with the support of the regional delegation, made a presentation at the Phnom Phen Partnership Meeting in April 2001.

In October 2001, the Lao CAS was revised by the Federation's representative (second draft) and circulated to all the key stakeholders for comment, i.e., the LRC, RD, secretariat, ICRC, key PNS in the country, and the French and Swedish Red Cross Societies.

Conclusions

On balance progress was made with OD, Coordination and Management (CAS, coordination, trilateral meetings, etc.). The delegation provided solid administrative and financial reporting support for the LRC/JRC blood programme (the only health programme this year). DP made only limited progress, but the CAS progressed well.

The Federation's primary role in Laos as facilitator, demonstrating 'quiet leadership' and being prepared to listen and seek advice from different quarters, was well established.

Experiences in 2001 clearly demonstrated the importance of maintaining a Federation representative in Lao to facilitate, support and guide the CAS process, the coordination of external resources, and to play the lead role in the OD/capacity building programme, particularly at the LRC headquarters.

During the first six months of 2001, there was only limited progress in governance and disaster preparedness. However, in the second half of the year, after the Federation representative arrived, a full-time delegate presence in Lao made it possible to follow up all aspects of the programme in the country. Thus satisfactory overall progress 'across the board' was achieved between August and December.

In Lao, given its political system and its influence on the LRC, as well as the multiethnic and cultural diversity, the key to success in promoting the development of the national society lies in a patient, painstaking approach based on building up relationships of trust and mutual confidence over a period of time. With the best intentions, and with the best will in the world, this cannot be done from a distance.

With regard to cost sharing and pooling of resources, Lao was quite advanced since the Federation/PNS (except the LRC in Luang Prabang) were already located in the same compound as the LRC. This greatly facilitated communication, coordination (trilateral meetings, etc.), pooling of resources (training), and cost sharing (annual planning process, and OD/RD). The Federation and the ICRC pooled resources and shared costs for dissemination and communications activities. The Federation's delegation did not pay rent and shared the monthly utilities costs with the ARC. Both the DRC and NRC, who were based in the new building (partly funded by the DRC) on the LRC compound, chose to pay some rent to the LRC as a means of generating income.

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All International Federation Operations seek to adhere to the Code of Conduct and are committed to the Humanitarian Charter and Minimum Standards in Disaster Response (SPHERE Project) in delivering assistance to the most vulnerable.

For further information concerning Federation operations in this or other countries, please access the Federation website at <http://www.ifrc.org>.

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INTERNATIONAL FEDERATION OF RED CROSS AND RED CRESCENT SOCIETIES

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Appeal No & title: 01.44/2001 Laos
Period: year 2001
Project(s): LA000, LA005, LA010, LA160
Currency: CHF

I - CONSOLIDATED INCOME 2001, CASH, KIND, SERVICES

FUNDING	CASH		KIND & SERVICES		TOTAL INCOME
	Contributions	Reallocations	Goods/Services	Personnel	
Appeal budget	877,157				
less					
Cash brought forward	36,815				
TOTAL ASSISTANCE SOUGHT	840,342				
<i>Contributions from Donors</i>					
American Red Cross (DNUS)	33,340				33,340
Danish Govt.via Danish Red Cross (DG)	24,100				24,100
Icelandic Red Cross (DNIS)	4,160				4,160
Japanese Red Cross (DNJP)	153,765				153,765
Japanese Red Cross (DNJP)	18,151				18,151
Japanese Red Cross (DNJP)	19,933				19,933
Japanese Red Cross (DNJP)	20,000				20,000
Japanese Red Cross (DNJP)	24,000				24,000
Liechtenstein Red Cross (DNLI)	13,200				13,200
Monaco Red Cross (DNMC)	4,658				4,658
Netherlands Red Cross (DNNL)	1,806				1,806
Norwegian Govt.via Norwegian Red Cro	146,000				146,000
Norwegian Red Cross (DNNO)	18,900				18,900
Singapore Private donors (DPSG)	30				30
Swedish Red Cross (DNSE)	4,365				4,365
Swiss Govt.via Swiss Red Cross (DGN	112,500				112,500
Switzerland - Private Donors (DPCH)	2,100				2,100
United States - Private Donors (DPUS)	118				118
Denmark				26,612	26,612
TOTAL	601,126			26,612	627,738

II - Balance of funds

Opening balance	36,815
CASH INCOME Rcv'd	601,126
CASH EXPENDITURE	-517,431

CASH BALANCE	120,510

Appeal No & title: 01.44/2001 Laos

Period: year 2001

Project(s): LA000, LA005, LA010, LA160

Currency: CHF

III - Budget analysis / Breakdown of expenditures

Description	Appeal Budget	CASH Expenditures	KIND & SERVICES		TOTAL Expenditures	Variance
			Goods/services	Personnel		
<u>SUPPLIES</u>						
Shelter & Construction						
Clothing & Textiles	60,000	10,084			10,084	49,916
Food/Seeds		24,586			24,586	-24,586
Water						
Medical & First Aid	127,665	102,935			102,935	24,730
Teaching materials						
Utensils & Tools	110,000	24,609			24,609	85,391
Other relief supplies						
Sub-Total	297,665	162,214			162,214	135,451
<u>CAPITAL EXPENSES</u>						
Land & Buildings						
Vehicles		14,130			14,130	-14,130
Computers & Telecom equip.	22,000	5,396			5,396	16,604
Medical equipment	94,050	16,098			16,098	77,952
Other capital expenditures	15,600	47,895			47,895	-32,295
Sub-Total	131,650	83,520			83,520	48,130
<u>TRANSPORT & STORAGE</u>	27,100	33,510			33,510	-6,410
Sub-Total	27,100	33,510			33,510	-6,410
<u>PERSONNEL</u>						
Personnel (delegates)	117,935	77,424		26,612	104,036	13,899
Personnel (local staff)	24,973	33,783			33,783	-8,810
Training						
Sub-Total	142,908	111,207		26,612	137,819	5,089
<u>GENERAL & ADMINISTRATION</u>						
Assessment/Monitoring/experts	18,000	9,631			9,631	8,369
Travel & related expenses	24,248	12,697			12,697	11,551
Information expenses	36,120	41,509			41,509	-5,389
Administrative expenses	28,800	21,309			21,309	7,491
External workshops & Seminars	74,180					74,180
Sub-Total	181,348	85,146			85,146	96,202
<u>PROGRAMME SUPPORT</u>						
Programme management	59,147	19,453			19,453	39,693
Technical services	17,705	5,824			5,824	11,881
Professional services	19,635	6,461			6,461	13,174
Sub-Total	96,487	31,739			31,739	64,748
Operational provisions		10,095			10,095	-10,095
Transfers to National Societies						
TOTAL BUDGET	877,157	517,431		26,612	544,043	333,114

Consumption rate: Expenditures versus income 87%
Expenditures versus budget 62%