

LAO PEOPLE'S DEMOCRATIC REPUBLIC
PEACE INDEPENDENCE DEMOCRATIC UNITY PROSPERITY



GOVERNMENT'S OFFICE
NATIONAL COMMITTEE FOR RURAL DEVELOPMENT
AND POVERTY ERADICATION

Poverty Reduction Fund

Annual Progress Report
(October 2014 – September 2015)

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Abbreviations

BOQ	Bill Of Quantities
DAFO	District Agriculture and Forestry Office
DFAT	Australian Department of Foreign Affair and Trade
DRM	Disaster Risks Management
CDD	Community Driven Development
CD	Community Development
DDM	District Development Meeting
Deepen CDD	Deepen Community Driven Development
DOI	Department Of Irrigation
DRM	Disaster Risks Management
ECOP	Environmental Code of Practices
EMP	Environmental Monitoring Plan
EMR	Environmental Monitoring Report
FA	Finance and Administration
FM	Financial Management
FRM	Feedback and Resolution Mechanism
FY	Fiscal Year
GESI	Gender Equality and Social Inclusion
GIS	Geographic Information System
GOL	Government of Laos
HE	His Excellency
HHs	Households
HR	Human Resource
IAU	Internal Audit Unit
ICR	Implementation Completion Report
IDA	International Development Association
IEC	Information, Education, Communication
IEE	Initial Environmental Examination
IFR	Interim Financial Report
ILO	International Labor Organization
KBF	Kum ban Facilitator
KDP	Kum ban Development Plan
LAK	Lao Kip (Lao Currency)
LONG	Livelihood Opportunity and Nutrition Gain
LUFSIP	Lao Uplands Food Security Improvement Project
LWU	Lao Women Union
LYU	Lao Youth Union
MDTF	Multi-Donor Trust Fund
M&E	Monitoring and Evaluation
MIS	Management information system
MAF	Ministry of Agriculture and Forestry
MOF	Ministry of Finance
MPI	Ministry of Planning and Investment

MTR	Mid Term Review
NAFES	National Agriculture and Forestry Extension Services
NCRDPE	National Committee for Rural Development and Poverty Eradication
NOL	No Objection Letter
NUDP	National Uplands Development Project
ODF	Open Defecation Free
PAFO	Provincial Agriculture and Forestry Office
PDNA	Post Disaster Needs Assessment
PDO	Project Development Objective
PDR	Popular Democratic Party
PMT	Project Management Team
PPM	Participatory Planning Manual
PRF I	Poverty Reduction Fund Project (2003-2011)
PRF II	Poverty Reduction Fund Project (2011-2016)
QA/QC	Quality Assurance / Quality Control
QMS	Quality management Team
SDC	Swiss Agency for Development and Cooperation
SHG	Self Help Group
SP	Sub-Project(s)
TOR	Terms of Reference
UXO	Unexploded Ordnance Program
VDP	Village Development Plan
VIT	Village Implementation Team
WASH	Water, Sanitation and Hygiene
WB	World Bank
WSP	Water and Sanitation Project

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Part I. Executive summary

This annual progress report covers the implementation period from October 2014 to September 2015, and provides a summary of the implementation of PRF key activities. It covers Cycle XII sub-projects implementation, preparation of the Cycle XIII and also some information from the previous Cycle IX Cycle X and Cycle XI sub-projects progress. Achievements against the indicators and targets defined in the PRF phase II Results Framework are also discussed in this report, as well as key issues faced and action taken to solve them.

Up to date, the PRF II has supported the implementation of four cycles (Cycle IX, X, XI and XII) with a total of 1,426 sub-projects.

For the cycle XII (fiscal year 2013-2014), the PRF team has continue to work in 278 Kum bans located in 42 poor districts and 10 provinces. 438 sub-projects have been approved and supported by the PRF of which 74 sub projects are directly supported by the Government contribution, and providing improved access to basic services for approximately 210,000 beneficiaries including women (49% of the total number of beneficiaries) and small ethnic groups (78% of the total number of beneficiaries). For the very poor villages, water and sanitation remain a priority (36% of the total number of sub-projects selected) while for the poor villages Education becomes the priority (40% of the total number of sub-projects selected). There is a similar trend in the public works and transport sector as well as the health sector where the priorities from these sectors declined when the poverty level decreased. However, agriculture priorities become more and more prioritized when the poverty status decrease (from 2% of the total number of sub-projects selected for the poorest villages while 11% of the total number of sub-projects selected for both the poor and moderately poor villages). This data seems to show that livelihood priorities increased when access to basic services has been improved.

At the end of the reporting period (30 September 2015), major progress has been made with 91.4% of the total sub projects within the three previous cycles (IX, X, XI and XII) completed (1,304 sub-projects out of 1,426 sub-projects). Completion rate of the cycle XII reaches 73.7% (323 out of 438 sub-projects). For the Cycle XI, five sub projects (over 50% physical progress have not yet been completed while only one sub project from Cycle X is underconstruction and one sub projects for the Cycle IX). Three of these sub-projects are trail bridges which are part of a pilot aiming at introducing new construction technology in Lao PDR.

Based on PRF monitoring, 98% of completed sub-projects from Cycles IX, X, XI and XII are in good condition and functional after being handover to the community and 95% of them have an operation and maintenance committees in place. For the remaining 5%, the establishment and training of the operation and maintenance committee is already planned and will be set during the next quarter.

The decision making level on the list of priorities to be supported by the PRF, has involved a large number of women in the process (48% of a total number of 65,869 adult participants are women) which is above expectation, and 91% of the sub-projects supported comes from the women list or both men and women lists.

During the reporting period, feedbacks were received regularly via communication channels offered including feedback box, hot line, mail, meeting etc. Number of feedbacks received has increased gradually, thanks to better promotion of the FRM. By the end of September 2015, 560 feedbacks were received (29 requests for information, 423 requests for financial support from PRF, 100 feedbacks to thank PRF, and 8 complaints). Complaints were mainly related to technical issues or implementation delays. These issues have been solved and daily phone calls are made to ensure that the hot line respondent can be reached.

As of September 2015, 135 out of 278 Kum ban Development Plans (48%) developed by communities with PRF facilitation have been used by both government agencies and other development partners, above the target set in the results framework. The percentage of KDPs used by other organizations has been increased gradually from cycle to cycle. This indicates that the outputs of CDD planning developed by communities are definitely accepted by various development partners.

On the Government contribution for cycle XII, LAK16 billion, or approximately US\$2 million has been transferred to PRF account by the National Treasury during August 2015. This contribution is used to support the implementation of 74 sub projects in 6 provinces (approximately US\$1.97 million).

As of 30 September 2015 disbursement reached 79% for the IDA grant (H6850) and 96% for the MDTF (executed trust fund grant (TF 12419)) The Swiss Agency for Development Cooperation (SDC) disbursement rate reached 101% and the Government of Lao's contribution 50%.

The M&E system and staff capacity have been further strengthened and the M&E rating have been upgraded to Satisfactory. In response to the previous MIS issues, MIS Consultant Company has been hired. Key areas of improvements include further addition of necessary data for reporting against all results indicators, key LN indicators and offline/online system. This is expected to be completed in November 2015.

In order to improve the effectiveness of FRM, an internal study was conducted by M&E team to assess awareness and perception of the target villagers. The findings indicate that villagers had great understanding about FRM. Only a few villagers remain having limited knowledge about how to use the tool. As a result, PRF has planned to conduct further awareness raising campaign and to maximize the effectiveness of the tool by providing refresher trainings to responsible staff and the communities as well as redesigning some PRF promotion materials..

Following the Baseline Survey in 2012, a PRF Endline Survey was conducted in the same target villages and households. Before the field survey during October 2015, several

discussions were held between WB, Indochina and PRF to revise and finalize questionnaires to simplify while maintaining core objectives of the questionnaires. Two pilots were conducted in two villages of Vientiane Capital during August 2015 together with training of the two teams of enumerators. The final report will be available by February 2016.

LN has achieved 100% physical progress for the targeting of the district and villages covering 85 villages in 4 districts. The number of direct project beneficiaries under the livelihood activities is 26,430 people against target of 15,600 achieving 165% progress. Against the target of 260 SHG, 306 SHG have been established. LN is encouraging women and poorest in decision making and against the targets of 50 and 60% for women and poorest members, there is 72% participation of women and 70% participation of women in decision making.

15 VNCs has been established of which 6 VNCs are in Hiem district, 2 VNCs in Son, 4 in Sepon and 3 in Nong district. All VNC are headed by women. In past the participation of members in mid-day meal was not regular but after February, midday meal is being regularly organized at all VNCs.

This fiscal year, the PRF has started a partnership with ILO in the area of rural employment creation and livelihood improvement. These activities are intended to contribute to productive job creation and the improvement of the living and working conditions for women and men in the rural setting. A pilot subproject for livelihood and labor base road maintenance was implemented in Sekong province as well as a community fish pond. These sub-projects have been completed and communities are currently continuing to raise fish to sell to the market.

Following on PRF/LONG activities and the need to integrate hygiene and sanitation improvement in villages where PRF and LONG works to strengthen poverty alleviation impact, it was decided to develop a partnership with the Water and Sanitation Project (WSP). 4 provinces, 6 districts and 40 villages have been selected to start piloting. This partnership highlights the leading role that the PRF can play as a platform for the other Rural Development actors working in the same areas as the PRF. A Memorandum of Understanding with WSP and Namsaath has been developed, and the orientation and training activities have already started for the province, district, Kum ban and village level. The Triggering activities at the community level will start during the next quarter.

The development of a concept note aiming at producing map at the Kum ban level has been prepared during this fiscal year. It is expected that these maps will assist to identify current village with and without access to the basic services, guide the identification and selection of the village who should be prioritized to receive assistance. The pilot will start in one district and all Kum ban within this district. The PRF engineers from all provinces have been trained on using GPS appropriately and entering data in the right software so that maps can be produced for the intend purpose. The list of the infrastructures to be included has been finalized and the data collection will start next quarter.

Part II. Achievements and Analysis

2.1. Summary of implementation progress to date

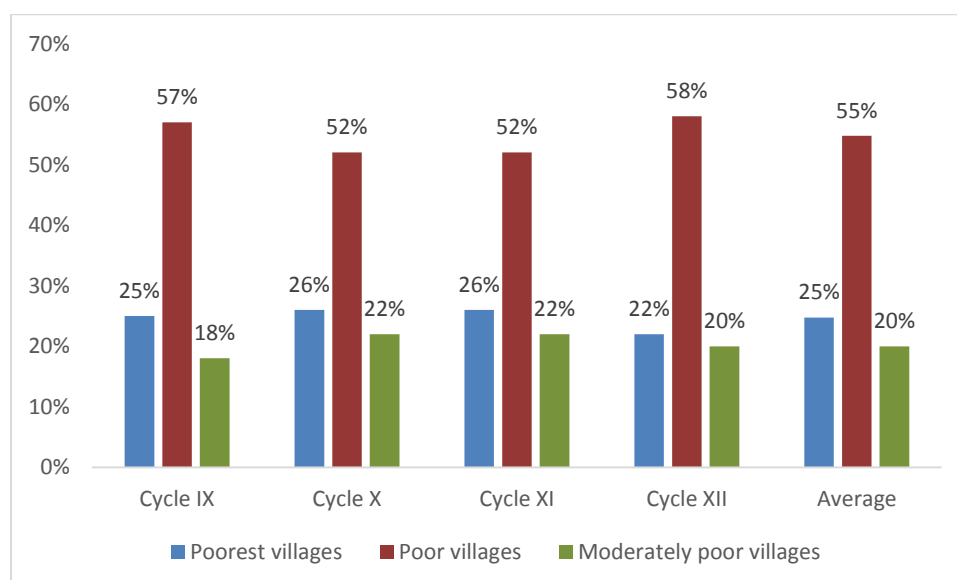
The following sections highlight PRF’s coverage, sub-project implementation progress and financial disbursements from October 2014 to September 2015.

1). PRF Poverty Targeting

Following on community perception towards their poverty status, and based on the Lao PDR Poverty criteria related to access to basic services, in average around 25% of the potential village beneficiaries are in the “poorest” category, 55% are in the “poor” category and around 20% in the “moderately poor” category (Figure 1).

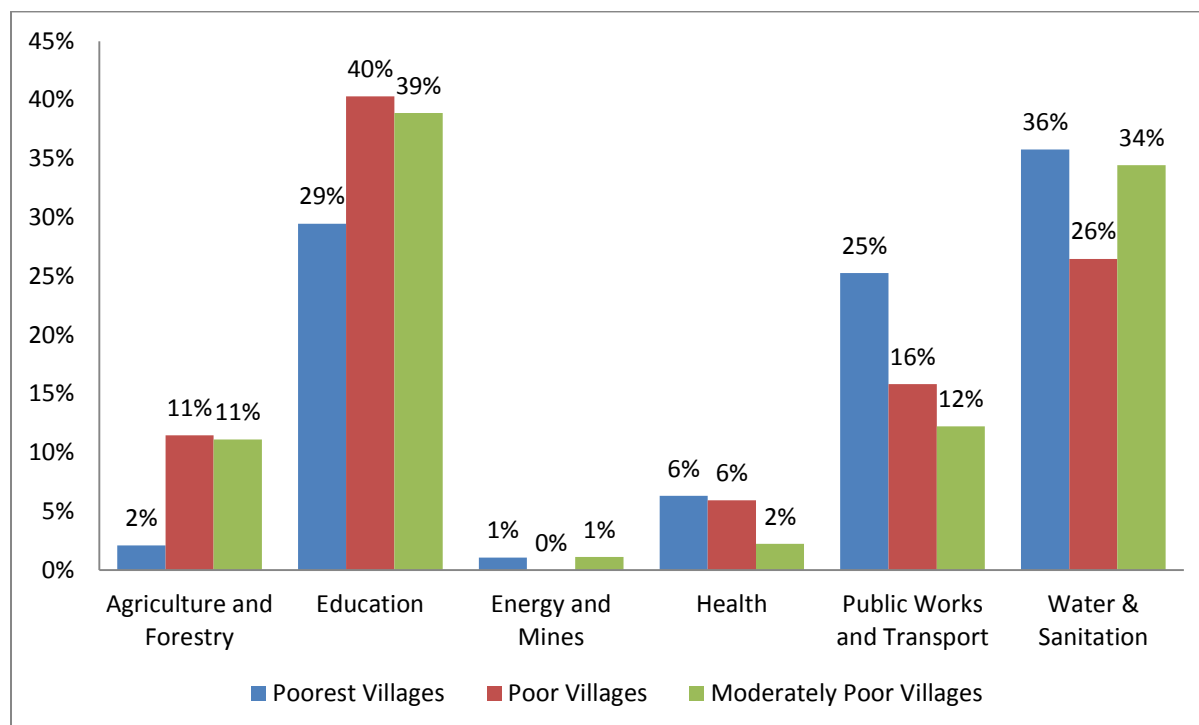
For the Cycle XII, more than 55% of village beneficiaries are those classified as “poor” and represent a slight increase by 6% in comparison with previous cycle. PRF target is to give priorities to the “poorest” category. Nevertheless, it is important to note that even for sub projects located in the “moderately poor” villages, a key consideration is to be able to also improve indirect access to basic services for the poor and poorest villages. The cost-benefit in the “poorest” villages is lower due to lower population size in poorest villages. To maximize the total number of beneficiaries, sub projects sometimes are more suitably located in “moderately poor” villages where there are higher number of potential beneficiaries compared to “poor” and “poorest villages”. This still allows population in “poor” and “poorest” villages to indirectly access sub projects. This method of location selection is based on section 4.1.1 “ Selection of Locations for PRF II” of the PRF II Manual of Operations 2013 in order to maximize cost-effectiveness, that is the potential direct and indirect beneficiaries.

Figure 1: Poverty ranking ratio of the village covered by the PRF



Source: MIS of Monitoring and Evaluation Division, 30 September 2015

Figure 2: Village poverty status and sub-project ratio per sector (Cycle XII)



Source: MIS of Monitoring and Evaluation Division, 30 September 2015

The figure 2 shows that for the very poor villages, the water and sanitation sub-projects remain a priority (36% of the total number of sub-projects selected) while for the poor villages Education becomes the priority (40% of the total number of sub-projects selected). There is a similar trend in public works and transport as well as the health sector where the priorities of these sectors declined as poverty status decreased. However, agriculture priorities become more and more significant when the poverty status decrease (from 2% of the total number of sub-projects selected for the poorest villages while 11% of the total number of sub-projects selected for both the poor and moderately poor villages). This data seems to show that livelihood priorities increased when access to basic services has been improved.

2). Progress of sub-project implementation and beneficiaries

Cycle XII

The progress of sub-project implementation for Cycle XII has been very satisfactory. Out of a total of 438 sub-projects, 323 (73.7%) have already been completed. This is comparable with Cycle XI progress where 72.3% of the total number of sub-projects was completed as the end of September 2014. The completion of sub-projects in Cycles IX, X, XI and XII is also summarized in table 7. Only 5 sub-projects from Cycle XI are not yet completed and 2 sub-projects from Cycles IX and X.

3). Sub-project implementation financial management

The progress of sub-projects budget transfers to community bank account has been timely and has met the financial needs for sub-project physical implementation

Key achievements are as follows:

- 99.5% of the total sub-grants budget has been transferred to the 261 completed sub-projects implemented under Cycle IX.
- 99.7% of the total sub-grants budget has been transferred to the 392 completed Cycle X sub-projects.
- 97.4% of the total sub-grants budget has been transferred to the 328 completed Cycle XI sub-projects.
- 323 sub-projects of Cycle XII (73.7% of the total number of sub-projects) were already completed and 50% of the total sub-grants budget has been transferred. The reason why the percentage of expenditure is less than percentage of completed sub-projects is because PRF is currently in the process of preparing budget transfer. Therefore, percentages between sub-projects construction progress and percentage of budget transfer will be slightly similar around October-November 2015.

Table 1: Disbursement from Cycle IX –XII (as of September 2015)

Provinces	#SPs	Cycle IX			Cycle X			Cycle XI			Cycle XII		
		Budget	Expenditure	%	Budget	Expenditure	%	Budget	Expenditure	%	Budget	Expenditure	%
Houaphan	389	2,031,705	2,031,705	100%	1,866,616	1,866,616	100%	1,718,110	1,718,110	100%	2,444,209	1,876,666	77%
Savannakhet	201	1,825,180	1,825,180	100%	1,389,466	1,389,466	100%	1,408,567	1,354,156	96%	1,359,923	424,081	31%
Xiengkhuang	137	1,144,095	1,144,095	100%	951,591	951,591	100%	845,871	845,871	100%	881,042	427,306	49%
Saravanh	80	567,382	567,382	100%	578,930	578,930	100%	539,029	514,973	96%	785,210	252,043	32%
Luangnamtha	92	617,070	617,070	100%	471,446	469,840	100%	445,274	419,065	94%	461,214	314,657	68%
Sekong	88	923,279	923,279	100%	652,663	632,175	97%	670,643	670,643	100%	644,620	208,080	32%
Attapeu	73	530,577	513,745	97%	534,244	532,899	100%	522,001	456,893	88%	601,912	166,121	28%
Phongsaly	73	-	-	-	670,438	670,438	100%	618,782	593,120	96%	646,585	376,156	58%
Oudomxay	158	-	-	-	1,580,140	1,580,140	100%	1,648,401	1,648,401	100%	1,468,546	804,736	55%
Luangprabang	135	-	-	-	1,194,342	1,188,285	99%	1,264,302	1,210,238	96%	1,070,322	317,702	30%
Total	1,426	7,639,288	7,622,456	99.5%	9,889,875	9,860,379	99.7%	9,680,978	9,431,470	97.4%	10,363,584	5,167,547	50%

Source: PRF Financial Report, 30 September 2015

The preparation of Cycle XII (2014-2015) started in July 2014 with the planning review the at village level. By the end of February 2015, No Objection Letter (NOL) from the World Bank for the implementation of 440 sub projects out of 441 submitted for the NOL was received (1 sub-project in Sekong was put on hold because of the overrun budget).

Of the 440 sub projects, two sub projects were canceled during the reporting period leaving the total number of sub projects implanted during Cycle XII to be 438. The detail of the 2 canceled sub projects is outlined below:

1. Ferry/Raft Construction, Sopkoi Village, Sopxai Kum ban, Xiengkhor District, Huaphan Province

The technical inspection results suggest that there are possible safety issues with the use of the ferry/raft. Additionally, the investment would not be cost-effective since the project could only be used during dry season. More importantly, there could be difficulties with the maintenance of the ferry/raft because during rainy season it would have to be removed from the river and relocated elsewhere for storage. This process requires taking apart and reassembling the parts that can only be done by supervision from technicians with specialized skills.

2. RC Stair Access to River, Thinhome Village, Thinhome Kumban, Chomphet District, Luangprabang Province

The sub project was canceled due to budget insufficiency. Initially, the result of sub project survey-design and cost estimation from the provincial technical assistance team suggested that it was possible for the Kum ban to implement 2 sub projects (Reinforce Concrete Bridge Construction and RC Stair Access to River) under the Kum ban available budget. However, after further inspection by the central technical assistance team on the Reinforce Concrete Bridge Construction sub project, it turned out that constructing the bridge using pre-existing piers would not meet required quality standard. Thus, it required another sub project survey-design and cost estimation. The second round cost estimation suggested that the new estimated cost would exceed available budget. This means that the Kum ban could only implement 1 sub project. As a result, the target village (Huaykor Village) and Thinhome Kum ban made an agreement to choose the Reinforce Concrete Bridge Construction to be implemented and canceled the RC Stair Access to River project.

In accordance to the below table, a majority of investments has been in the Education sector (37.7%), indicating the priorities requested by communities, following by Water and Sanitation sub-projects with a proportion of 30.1%. The Agriculture& Forestry, Health, Public Works&Transport and Energy & Mines combined contributing approximately one third of the totalnumber of sub projects selected.

Table 2: Sub projects of Cycle XII (2014-2015) by sector

Sector	# SP	%
Agriculture and Forestry	41	9.4%
Education	165	37.7%
Energy and Mines	2	0.5%
Health	23	5.3%
Public Works and Transport	75	17.1%
Water & Sanitation	132	30.1%
Total	438	100%

Source: MIS of Monitoring and Evaluation Division, 30 September 2015

The below table shows the number and percentage of sub projects by province. Huaphanh is the province that supports the highest total number of sub-projects (124 sub projects) since Huaphanh consists of more districts and Kum ban than others provinces. It is also worth to note that the density of population in a Kum ban does influence budget ceiling of a sub project and may, at some extent, influence the number of sub projects supported in each province.

Table 3: Cycle XII number of Sub projects per province

Province	#SP	%
Phongsaly	25	6%
LouangNamtha	21	5%
Oudomxay	50	11%
LouangPrabang	48	11%
Huaphanh	124	28%
Xiengkhouang	42	10%
Savannakhet	59	13%
Saravanh	31	7%
Sekong	20	5%
Attapeu	18	4%
Total	438	100%

Source: MIS of Monitoring and Evaluation Division, 30 September 2015

2.2. Achievements against indicators in PRF's result framework

2.2.1. Progress against project development objective (PDO) indicators (Annex 2: Results framework)

A). Decision-making on allocation of PRF resources involves at least 40% women and 60% poorest community members.

One significant component of measuring the “voice of women” in decision-making on allocation of PRF resources is through the proportion of women who participate in village planning meetings. As shown in table 4, for Cycle XII, female participants account for approximately 50% of total adult participants which exceeds the indicator target of 40%. However, the percentage of poorest community members participating in the process remains below the minimum quota of 60% (45% for the cycle XII), and remained at similar level for the previous cycles (46% for the cycle X and 48% for the cycle XI).

As the smallest unit to record poverty ranking at the village level, the PRF staff is not able to identify, during village meetings, the participants who belong to the poorest households. Therefore, this task is delegated to the Kum ban Facilitator and the village chief who will use their own data. Therefore, PRF can hardly proceed to data quality checking in order to ensure reliability of the data regarding participation of the poorest community members. Therefore, the PRF has implemented in the 5 “Deepen CDD” pilot districts a new approach where PRF staff are facilitating the process of identifying the poorest households by using poverty criteria selected by the community members. The second key change piloted in the “Deepen CDD” district is the request to have at least one member of each household to participate village meetings, with a preference given to the women. Such measures are considered to increase the participation of poorest community members. Given the success, the approach will be applied in all districts.

The total number of participants from small ethnic groups remain high (69%). This shows that preference given towards most vulnerable groups is high. Nevertheless, the total number of poor participants to village planning review remains below the target of 60%, but slightly similar compare to previous cycles average (49%). This percentage tends to show that the best way to increase poor participants involvement in meetings is to change the project methodology and adopt the one that is use in “Deepen CDD” districts (at least one representative per household).

Table 4: Participants in village planning meetings (2014-2015)

	Cycle XII (2014-2015)	
	Number	%
Adults in villages	136,119 ¹	
All participants	65,869	48%
Female participants	31,788	48%
Ethnic participants	45,128	69%
Poor participants	29,397	45%

Source: MIS of Monitoring and Evaluation Division, 31 March 2015

Female decision-making power on allocation of PRF resources can also be shown through their ability in selecting types of sub projects.

Table 5: Priorities selected by groups, Cycle XII (2014-2015)

Sectors	Female	%	Male	%	Both	%	Total
Agriculture and Forestry	3	7%	14	34%	24	59%	41
Education	20	12%	8	5%	137	83%	165
Energy and Mines ²	0	0%	1	50%	1	50%	2
Health	5	22%	1	4%	17	74%	23
Public Works and Transport	8	11%	5	7%	62	83%	75
Water & Sanitation	15	11%	12	9%	105	80%	132
Total	51	12%	41	9%	346	79%	438

Source: MIS of Monitoring and Evaluation Division, 30 September 2015

Table 5 illustrates sub projects priorities selected by gender. Around 9% of a total number of sub projects is from men priority while more than 90% are those prioritized by women or both. It clearly indicates that women' needs are strongly taken into account during planning and decision-making process as to reflect a principle of PRF, enhancing gender equity. Therefore, these sub projects will bring benefit to women and to the family as a whole.

Specific efforts have been made during the planning phase to enable women's voice to be heard in term of proposing, and prioritizing sub-projects. Consequently, the large majority of PRF's sub-projects correspond to the needs of women.

B). Greater than 75% satisfaction levels reported by beneficiaries in targeted villages regarding improved services and local development planning.

During August – September 2015, an Internal Sub-projects Sustainably Assessment was conducted in all 10 targets districts to monitor and assess sustainability of sup-projects after

¹ Total population of the villages selected to receive sub-projects during Cycle XII

² This is mainly for village electrification.

being handed over to the community, their impacts to the community as well as to measure community's level of satisfaction on PRF sub-projects. The finding suggests that 95% of the respondents were “very satisfied” and 4.5% were “satisfied”.

Feedback and Resolution Mechanism

The objective of the PRF Feedback and Resolution Mechanism (FRM) is to ensure that the PRF has in place a system to receive feedback from citizens, assuring that the voices are heard from the poor and vulnerable, and the issues are resolved effectively and expeditiously. Such a system is expected to enable the PRF to be fully responsive to its beneficiary community and empower the ethnic groups and poor in villages.

Table 6: Summary of FRM feedback

Feedback Received	2014			2015									Total
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	
Request for information	3	1	1	4	5	2	-	4	1	-	8	-	29
Request for fund/ technical assistance	1	171	2	27	6	4	7	32	18	9	108	38	423
Thanks to PRF	1	-	2	10	5	-	12	8	13	4	1	44	100
Complaints	-	1	-	-	1	1	1	-	-	-	4	-	8
Total	5	173	5	41	17	7	20	44	32	13	121	82	560

Source: MIS of Monitoring and Evaluation Division, 30 September 2015

During this reporting period (October 2014 – September 2015), based on Feedback and Conflict Resolution Mechanism Report of the 10 target provinces (Luang Namtha, Houaphanh, Xiengkhouang, Savannakhet, Saravanh, Sekong, Attapeu, Luangprabang, Phongsaly and Oudomxay), a total of 560 feedbacks were received via the feedback boxes, hotline 161 and e-mail. When compared with the previous reporting period (fiscal year 2013-2014), the total number of feedbacks received increased by more than two (from 262 to 560). The large majority of the feedback, (76%) received are related to request for fund or technical assistance. This is comparable to the last reporting period where the majority of feedbacks (58%) were related to request for fund or technical assistance. The number of complaints received during this reporting period is 8 and all these complaints have been resolved.

Sub-project utilization and maintenance

Status of used and unused sub projects by beneficiaries are regularly monitored by PRF district staff and Kum ban facilitators. By the end of September 2015, 1,294 out of a total 1,304 completed sub-projects (99.2%) from Cycles IX, X, XI, and XII are in good condition and functional after being handover to the community. For the remaining 0.8% of completed sub-

projects that remains unused, the majority have been affected by natural disasters while some are still waiting for the government to provide and assign human resources to operate the sub-projects. PRF is currently making great effort in working with concerned sectors in addressing all the issues in order to allow these sub-projects to be functioning as soon as possible.

Table 7: Number of completed sub-projects used and unused by province

Province	Cycle IX				Cycle X				Cycle XI				Cycle XII				Total sub-projects (Cycle IX - XII)				
	#SP	100%	Used	Unused	#SP	100%	Used	Unused	#SP	100%	Used	Unused	#SP	100%	Used	Unused	#SP	100%	Used	Unused	% unused
Attapeu	17	17	16	1	20	20	20	0	18	16	16	0	18	15	13	2	73	68	65	3	4%
Huaphanh	107	107	107	0	89	89	89	0	69	69	69	0	124	118	118	0	389	383	383	0	0%
Luangnamtha	26	25	24	1	29	28	28	0	16	14	13	1	21	16	16	0	92	83	81	2	2%
Luangprabang	0	0	0	0	44	44	44	0	43	42	42	0	48	26	26	0	135	112	112	0	0%
Oudomxay	0	0	0	0	54	54	54	0	54	54	54	0	50	39	39	0	158	147	147	0	0%
Phongsaly	0	0	0	0	25	25	25	0	23	23	23	0	25	4	4	0	73	52	52	0	0%
Saravane	14	14	14	0	19	19	19	0	16	16	16	0	31	8	8	0	80	57	57	0	0%
Savannakhet	41	41	41	0	56	56	56	0	45	45	45	0	59	48	48	0	201	190	190	0	0%
Sekong	25	25	22	3	23	23	22	1	20	20	20	0	20	8	7	1	88	76	71	5	7%
Xiengkhuang	32	32	32	0	34	34	34	0	29	29	29	0	42	41	41	0	137	136	136	0	0%
Total	262	261	256	5	393	392	391	1	333	328	327	1	438	323	320	3	1,426	1,304	1,294	10	0.8%

Source: MIS of Monitoring and Evaluation Division, 30 September 2015

An operation and maintenance committees fully operational does influence the sustainability of sub projects. According to the Internal Sub-project Sustainability Assessment 2015 conducted during August – September 2015, as shown in table 8 below, of all the 856 visited sub-projects, 95% have an operation and maintenance committees in place. For the remaining 3% the establishment and training of the operation and maintenance committee is already planned during the next quarter. Most committees levied user fees and encouraged villagers to provide voluntary labor for routine maintenance to ensure sub-projects sustainability.

Table 8: The establishment of sub-project operation and maintenance committees for visited sub-projects (Cycles IX, X, XI)

Province	Total #SPs Visited (SPs from Cycles IX, X and XI)	Established	To be established	%
Phongsaly	30	29	1	97%
Louangnamtha	51	49	2	96%
Oudomxay	98	92	6	94%
LouangPrabang	72	71	1	99%
Huaphanh	220	220	0	100%
Xiengkhouang	93	89	4	96%
Savannakhet	140	139	1	99%
Saravanh	46	44	2	96%
Sekong	51	43	8	84%
Attapeu	55	37	18	67%
Total	856	813	43	95%

Source: Internal Sub-project Sustainability Assessment, August-September 2015

C). Community Contribution

From a total budget of US\$ 10,363,584 planned for the 438 sub-projects in Cycle XII (2014-2015), the beneficiaries have pledged to contribute an equivalent of US\$ 1,185,407. The large part of this contribution is in the form of community labour. Expressed as a percentage of the PRF contribution, the community contribution is expected to reach approximately 11%. This contribution has varied between provinces, with an average contribution of 6% in Luangnamtha and up to an average contribution of nearly 17% of the PRF contribution in Xiengkhuang province.

Table 9: Community contribution in fiscal year 2014-2015 (US\$)

By Province	Population	Community Contribution	PRF Contribution	%
ATTAPEU	13,120.00	59,757	610,753	10%
HUAPHANH	52,424.00	269,951	2,453,718	11%
LUANGNAMTHA	8,674.00	29,564	468,199	6%
LUANGPRABANG	23,120.00	106,221	1,060,848	10%
OUDOMXAY	31,844.00	174,824	1,400,497	12%
PHONGSALY	8,390.00	42,896	656,069	7%
SARAVANE	16,424.00	78,968	796,245	10%
SAVANNAKHET	26,691.00	185,000	1,385,044	13%
SEKONG	7,293.00	86,274	660,111	13%
XIENGGHUANG	21,919.00	151,951	872,100	17%
Total	209,899	1,185,407	10,363,584	12%

By Sectors	Population	Community Contribution	PRF Contribution	%
Agriculture and Forestry	17,416	109,929	820,816	13%
Education	85,488	435,751	4,580,901	10%
Energy and Mines	853	5,378	43,279	12%
Health	13,537	90,595	599,140	15%
Public Works and Transport	30,749	173,227	2,073,150	8%
Water & Sanitation	61,856	370,528	2,246,298	16%
Total	209,899	1,185,407	10,363,584	12%

Source: PRF Financial Report, 30 September 2015

Considering the community contribution by sector (Cycle XII), Table 9 shows that the proportion of community contribution in the public works and transport sector is only 8%, while in Water a& Sanitation, the percentages doubles at 16%. This is because sub-projects related to roads requires greater technical skills while less technical skills are required for sub-projects related to water systems.

D). Total number of beneficiaries of which x% are female and ethnic³

PRF simply defines the sub-projects beneficiaries from a perspective of the village population where the sub-project is located. In some cases, this will result in an underestimate of the number of people using the infrastructure (e.g. roads) as other villages may benefit from the road, and in other cases an overestimated number (e.g. primary schools and the total number of students that really attend school).

As shown in table below, small ethnic groups represent a large majority of PRF beneficiaries for Cycle XII. Females which are also key beneficiaries represent around half of the total number which is above the target as set in the project's result framework.

³ The determination of ethnic minorities is based on the official government manual created based on the National Assembly Agreement 2008 on Ethnic Classification of Lao PDR.

Table 10: Number of beneficiaries by sector (Cycle XII)

Sectors	#SP	Total Population	Women	Small Ethnic Group	Lao
Agriculture and Forestry	41	17,416	8,513	5,793	11,623
Education	165	85,488	42,417	70,831	14,657
Energy and Mines	2	853	448	853	-
Health	23	13,537	6,579	10,226	3,311
Public Works and Transport	75	30,749	15,353	26,040	4,709
Water & Sanitation	132	61,856	30,658	50,433	11,423
Total	438	209,899	103,968	164,176	45,723
%			50%	78%	22%

Source: MIS of Monitoring and Evaluation Division, 30 September 2015

2.2.2. Progress against PRF Intermediate Results Indicators (IRI)

A). Outputs/outcomes of IRI 1: Number/type of sub-project activities implemented

With the support from the GOL and donors over four fiscal years (2011-2015), there has been significant progress in sub-projects implementation.

Education and water related sub-projects remain the key sectors prioritized by the communities (approximately 2/3 of the total number of sub-projects in average), followed by the Public Work and Transport sector (1/5 of the total number). For Cycle XI and XII, request Education sub-projects are higher than Water related sub-projects while they are lower during Cycle IX and X. One possible hypothesis to explain this trend is that because access to clean water has considerably increased in the project areas, the second prior key priorities which is education becomes first priority. Nevertheless, this assumption will need to be confirmed by the final external studies.

Table 11: Type of sub-projects covered by PRF by sector (Cycle IX – XII)

Sectors	Cycle IX (2011-2012)	Cycle X (2012-2013)	Cycle XI (2013-2014)	Cycle XII (2014-2015)	Total	%
Agriculture and Forestry	19	18	38	41	116	8%
Education	73	94	119	165	451	32%
Energy and Mines	3	7	6	2	18	1%
Health	10	22	23	23	78	5%
Public Works and Transport	45	107	57	75	284	20%
Water & Sanitation	112	145	90	132	479	34%
Total	262	393	333	438	1,426	100%

Source: MIS of Monitoring and Evaluation Division, 30 September 2015

2.2.3. Outputs/outcomes of PRF's program component two: *Local Development Capacity-building Support - Communities and local government officials increase their Capacity to carry out local level planning and development*

A). Number of communities able to plan, implement and monitor their activities

For Cycle XII, 278 Kum bans with 440 villages have developed/reviewed their long-term Kum ban/Village Development plans as of September 2015.

B). Number of districts where district officials provide technical assistance and supervision to communities

Close cooperation between PRF staff and GOL officers at all levels is essential for the implementation of PRF cycle. District officials, in particular, who work closely with communities, are invited and participating in every activities of the cycle since the starting of the cycle including planning meeting, confirmation meeting, decision making meeting survey and design, bid opening, sub projects implementation and supervision as well as handover of sub projects. The participation of district officials will ensure coherence of PRF implementation to the Government procedures, more importantly, transparency is of great consideration.

C). Percentage of PRF Kum ban plans used by government and/or other development actors for planning and funding.

As of September 2015, 135 (48%) Kum ban Development Plans (KDPs) out of 278 Kum ban Development Plans (KDPs) developed by communities with PRF facilitation have been used by both government agencies and other development partners. This has exceeded the target identified in the results framework by 13% (35% set in the Results Framework). The percentage of KDPs used by other organizations has been increased gradually from 25% by September 2013, 34% by September 2014, 44% by March 2015 (in Semi-annual Progress Report) and 48% by September 2015. This indicates that the outputs of CDD planning developed by communities are definitely accepted by various development partners. Thanks to other organizations and Government support, the total number of priorities addressed in the Kum ban covered by the PRF reaches 1,830 sub-projects (80% are supported by the PRF and 20% by others). Further details on the amount of budget spent to support these plans are provided in annex 4.

The coordination aspects can also be further strengthened in order to ensure that more of the priorities selected by the communities can found financial and technical support. On this matter, the PRF plan to improve the organization of the "District Planning and Coordination Meeting" by harmonizing its development plan to the District Development Fund (DDF) to make it more comprehensive and coherent. Based on the field visit experience in some target districts, it has been found that PRF KDPs have been widely utilized by district authority in their development plan.

Table 12: Number of KDPs used by GOL agencies and other development partners

	# KDP with SP supported by PRF	# KDP with S.P. supported by other	# Districts with SP supported by other	# villages with SP supported by other	Fund Sources							Total #SP	
					GOL	GOL+ Private Sector	GOL+ NGO	GOL+ Community	NGO	Private Sector	Community		
Huaphan	52	16	4	34	50					3	1		54
Oudomxay	44	5	3	6	1					5			6
Luangprabang	34	20	5	47	19			3	24	2			48
Luangnamtha	13	6	3	11	8					4			12
Phongsaly	19	13	1	28	19			5	19	5	1		49
Salavan	14	7	3	7	4					1	2		7
Savanakhet	40	20	5	38	14					21	12	3	50
Sekong	21	12	3	24	30					1	1		32
Attapeu	16	16	3	52	18	15	28		9	5			75
Xiengkouang	25	20	4	49	37		1			19		4	61
Total	278	135	34	296	200	15	29	8	106	28	8		394

Source: MIS of Monitoring and Evaluation Division, 30 September 2015

2.2.4. Outputs/outcomes of PRF's program component three: Project Managementis supported administratively and managerially

A). Percentage of PRF fully staffed

As of September 2015, PRF II employs 256 staff (including 76 females) which represents 100% of the total number of PRF approved positions (256) meaning that PRF office is fully staffed. Female staff account for about a third of the PRF staff. The percentage of female staff represents 29.7% which is nearly 1% higher than the last year. The total number of female staff working increased from 72 since last year to 76 this year. However, there is a big difference between number of female and male staff, especially district staff in Attapeu province for instance, where there is no existing woman staff.

The proportions of staff at the three levels as computable of 37, 80 and 139 staff which is equivalent to 15%, 31% and 54% at central, provincial and district level respectively. Those proportions of staff are in accordance with the approved organization and positions (please see table 12for further details).

Table 13: Number of PRF staff by province (% female)

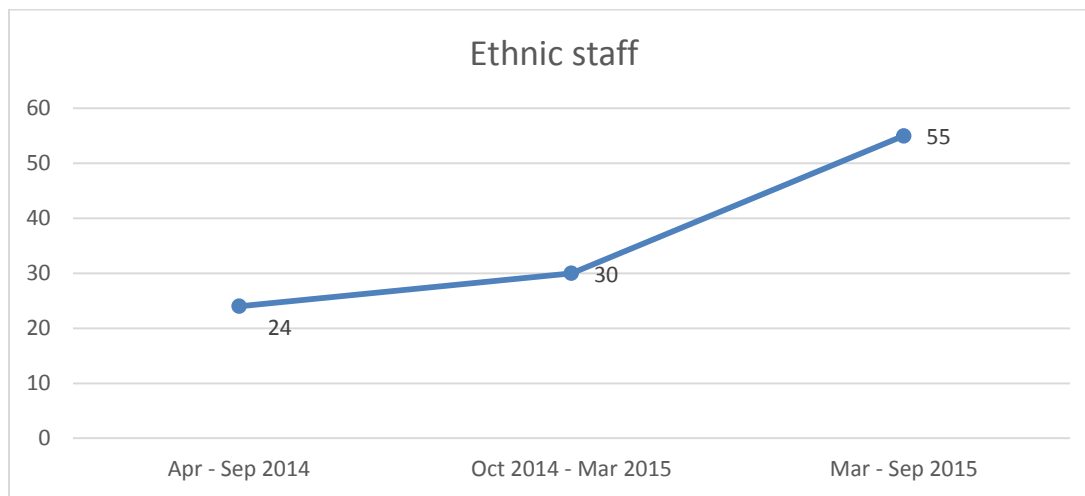
Office	Central			Province			District			Total
	Male	Female	Total	Male	Female	Total	Male	Female	Total	
Vientiane	24	13	37							37
Savannakhet				6	2	8	11	6	17	25
Sekong				7	1	8	10	3	13	21
Salavan				7	1	8	8	1	9	17
Attapeu				6	2	8	9	0	9	17
Xiengkhouang				7	2	9	9	4	13	22
Houaphanh				4	4	8	12	8	20	28
LuangNamtha				5	3	8	7	2	9	17
LuangPhabang				5	3	8	12	8	20	28
Oudomxay				6	2	8	13	7	20	28
Phongsaly				6	1	7	6	3	9	16
Total	24	13 (35.1%)	37	59	21 (26.2%)	80	97	42 (30.2%)	139	256
Percentage of total female staff: 29.7%										

Source: Human Resource Unit, PRF, September 2015

*: Percentage of female in table 16 expresses only the female percentage in each individual PRF office at all level. It is not the female percentage compared with total PRF staff throughout the targeted provinces.

Of all the 256 staff PRF employs 55 staff are from small ethnic groups(21% of the total number of staff). The number almost doubled compared to the last six-month period where there were only 30 staff from small ethnic groups.

Figure 3: Increased number of PRF staff who belong to smaller ethnic group



Source: Human Resource Unit, PRF, September 2015

The Kum ban facilitators (KBFs) play an important function at the grass root level by facilitating the link between the PRF and the communities.

The role of the KBFs is to assist the community in organizing all sub-project cycle activities at the village and Kum ban level and in the planning and implementation of sub-projects, with the support and assistance from the PRF's district team. Out of a total of 616 KBFs, 271 are female (44%). The number of female KBFs have increased significantly when compared to Cycle X and XI where there were only 29% and 39% female KBF respectively. The main role of the KBFs is to help facilitate all Kum ban and village-levels aspects of the Program including participatory planning steps (Village Visioning and Kum ban Development Planning) as well as sub-projects implementation.

B).Progress reports prepared on time

- PRF's provincial reports have been shared with the PRF office at central level every first week of each month.
- PRF at central level has shared its monthly reports with the National Committee for Rural Development and Poverty Eradication every first week of each month.
- Semi Annual progress report for the period October 2014 - March 2015 has been completed on time.

C).MIS is improved to produce necessary information for monitoring program effectiveness and results

More than 80% of data for this report is derived from MIS database. The rest of the data comes from internal assessment. In response to the previous MTR findings, PRF has made contract with external consultants to develop the MIS. Currently, the MIS is in the process of development to include all necessary data to report against PRF result framework and LN indicators and is expected to be completed in November 2015.

Part III. SPECIFIC ISSUES

3.1. Meetings and Training

During the reporting period, capacity building activities remained a key focus. Main objective of these trainings is to strengthen capacity of community as well as PRF staff at all levels and Government counterpart. The table 13 summarizes trainings and workshops conducted all along the year:

Table 14: Workshops and Trainings during October 2014-September 2015

No.	Training topic
	Engineering
1	Learning Exchange Workshop for PRF Engineers and KDP Engineers
2	Technical Exchange Experiences between PRF's TA staffs
3	Water Cad software training for central and provincial Engineer
4	Social and Environment Safeguard Workshop
5	Bio-engineers workshop
6	Training on Environmental and Social Safeguard, Bio-Engineering application Techniques
7	Annual Meeting
	Monitoring and Evaluation
1	Workshop on PRF Indicators framework
2	MIS data required for reporting
3	Training on Indicators Result Framework for provincial staff
4	Attending "Asia Regional Conference on Community Driven Development" held in the Philippines
5	M&E Division Mid-year workshop
6	Training on SP sustainability assessment and FRM community awareness assessment
7	M&E Division Annual Workshop
	Community Development
1	On the job training on KDP on CDD
2	Training on building capacity implementation method to community of cycle 12
3	A Social and Environmental Safeguards Workshop

4	A workshop on PPM at local area of Lao
5	Refresher training on Social and Environmental Safeguards for PRF province and district staff
6	Kum Ban Monthly meeting and refresher training
7	Annual District Evaluation meeting
8	Village Social Audit committee training
9	Provincial Orientation meeting
10	District Orientation meeting
	Finance and Administration
1	Refresh training on internal control system, disbursement procedures, producing report from Accpac.
2	FA training on Budget planning (2015-2016), financial management and audit recommendations

3.2. LN's annual overview

As of September 2015, project intervention has reached in all 85 target villages of 4 districts achieving 100% targeting for the outreach. Against the target of 260 SHG, LN has established 306 SHGs. Project has benefited 4,405 households covering 26,430 people under livelihood activities against the target of 2,600 households and 15,600 people. It has become possible because of the growing interest of the community for the CDD approach and dedicated work of the LN project team. Project has given proper emphasis on the gender mainstreaming as against target of 50%, 73% members of SHG are women.

Based on the lesson learnt in 1st Cycle, LN has focused to promote livelihood activities for cycle-2 targeted 178 SHG (51 SHG in Sepon, 44 villages in Nong, 38 in Hiem and 45 in Son district) in 54 villages. Out of the total members of 2,604 under cycle-2 SHG, 2,325 members have started IGA. Maximum 49.5% members started chicken raising followed by 24.1% pig raising, 7.2% goat raising 6.2% duck raising. Other key activities are weaving, Fish raising in ponds, catfish raising frog raising and mushroom.

Cycle-3 target villages are comparatively new and efforts are being made for their capacity building and promoting them for the regular meetings and savings. Out of the total 104 SHG formed in 25 villages comprising of 1,436 members, 790 members have been started IGA.

SHG members are regularly conducting savings. 67 SHG in Hiem district saved 200.7 million Kip, 68 SHG in Son district has saved 44.7 million Kip, 104 SHG in Sepone district 96.6 million Kip and 67 SHG in Nong district has saved 35.8 million Kip. As of September 2015, 4,215,228,000 Lao Kip have been disbursed (91% of the total seed fund).

15 VNCs have been established and are operational of which 6 VNCs are in Hiem district, 2 VNCs in Son, 4 in Sepon and 3 in Nong district. Membership of VNC has been revised by exclusion of PoP from VNC and inclusion of only pregnant and lactating women and children up to 24 months of age. Currently there are total 429 members of VNC and membership of VNC ranges from 7 members in Sopman of Hiem district to maximum 64 members in Kaenglin

village with average of 28.6 members per VNC. Out of the total members, 97% are from the SHG and 97% are from ethnic groups. 11% of the total members are pregnant women, 23 lactating women, 17% children age group 0-6 months and 49% children age group 6-24 months of age. Some lactating women are children 0-6 months but majority are with children 0-24 months of age because in rural areas, a lot of lactating women feed breast milk to children even after 6 months of age. There are 67 members in the VNC management committee and all are women. All VNC are headed by women. In past the participation of members in mid-day meal was not regular but after the February, midday meal is being regularly organized at all VNCs. From March 2015 MCH are being organized regularly in coordination with district health office. LN activities have also been replicated by non-targeted households. LN approach to support the livelihood based on CDD and SHG has significant impact not only the targeted community, this model is being replicated by the other non-target household to support their livelihood. 34 HH in Kaengkee village have been trained by district LWU and started weaving activities. These households successfully conducting the weaving and generated net income of 152 million Kip. District LWU of Sepon district, who performed as master trainer for the LN target households in Kaengkee village, has used the similar approach and replicated weaving activities in 6 new villages. 84 households in Ban BanAsing, Ban Phosai, Ban Labor, Ban Manchi, Ban Thame and Ban KengKok of Sepon district are conducting the weaving activities.

LN has achieved 100% physical progress for the targeting of the district and villages covering 85 villages in 4 districts. No. of direct project under the livelihood activities are 26,928 people against target of 15,600 achieving 168% progress. LN is encouraging women and poorest in decision making and against the targets of 50 and 60% for women and poorest members, there is 72% participation of women and 70% participation of women in decision making. Most of the IGA started in cycle-1 of targeting hence against the target of 60%, till now 18% HH adopted pro-nutrition livelihood activities. Against the target of 260 SHG, 306 SHG have been established and 78% has satisfactory performance rating against the target of 60%. It is because of very good interest from the target community to adopt CDD. Women are taking lead role in SHG management as against the target of 50% leadership position for the women, 57% management position occupied by the women. 90% of the SHG has expressed the satisfaction with quality of service provided. 42% of SHG showing increased livelihood opportunities against the target of 70%. 10 types of livelihood activities has been started using seed grant and savings from SHGs. Against the target of 50% of women in SHG, 15% women members have adopted more balance diet. There is need to further capacity building for the nutrition and improvement of livelihood to achieve this target. Regarding behavior changed strategy for the nutrition link livelihood need further analysis.

Special meal has been changed with supplementary meal. Midday supplementary meal has been started at 15 VNCs. Frequency of supplementary meal has been reduced from 5 days a week to 3 days a week. Members of the VNC has also contributed in the form of local vegetables, some

rice etc. for the supplementary meal. However, higher cost of supplementary meal is still an issue in Savanakhet province and efforts are being made to limit the expenditure on supplementary meal by changing the concept from special meal to supplementary meal.

During the transition period until August 2015, LN will focus on more capacity building of SHGs for the savings and credit, family investment plan, loan repayment and capacity building for the technical aspects for the activity implementation. LN staff will also work for the sustainability of the activities by the SHG by providing the backstopping technical support to SHG and promotion of repayment of the credit and revolving of the credit to other members of the SHG. Project will establish the linkages of the SHG with bank for the easy access of finance for the SHG from the commercial bank.

Implementation steps of livelihoods and nutrition have been significantly simplified and the integration of livelihood activities with the PRF's overall village planning processes has been strengthened. Many data are available to clarify where significant gaps exist. The Management Information System (MIS) of LN indicators have been revised to focus only on critical indicators to assess the project progress in achieving LN objectives and help design LN aspects of the PRF III.

Part IV. Management and accountability: Specific activities during a period of report

4.1. Administration and finance (Financial report)

4.1.1. Government contribution

The Lao Government contribution for the cycle XII (LAK 16 billion, or (approximately US\$ 2 million) has been transferred to PRF account by the National Treasury at the end of August 2015 timely for Financial Fiscal year (2014 – 2015). This fund has been disbursed to support 74 sub-projects in the 6 old provinces, following the fund flow and disbursement mechanism as per the Financial and Administration Manual.

4.1.2. Interim unaudited financial report (IFR)

The PRF's IFRs have been submitted in a timely manner as well as the improvement to the IFRs from quarter to quarter, by following all donors recommendations. However, Variance analysis has to be further strengthened using inputs from all divisions. The key recommendations from the WB team on the last IFR report are to include more details on variance analyze and the fund received against the expenditures should be reconciled consistently. The PRF team plan to take into account these recommendations in the next IRF quarterly report IV (Jul - Sept 2015)

4.1.3. External Audits

The PRF Financial Audit report and management letter for the FY 13/14 fiscal year has been submitted on time (end of March 2015) and considered unqualified and satisfactory by the World Bank. However, the major audit recommendations were related to the issues of supporting documents without Paid stamp, payment for sub-project (the condition before the first installment to the bank account of VIT and long outstanding advances). PRF agreed with the auditor's recommendations and tried to solve the issue mentioned by organizing training to all provincial and district staff on the Financial Management training during September 2015. The training focused on budget planning, internal financial management system and following the donors, internal & external audit recommendations. The training was organized for the northern provinces in LuangPhabang and for the southern provinces in Champassak. After this refresher training, the PRF provincial and district staffs will be able to pay more attention to these issues and the central level will specifically focus its attention to ensure external audits findings will not be repeated again.

For the next Financial Audit (fiscal year 2014/2015), the audit work program will commence in mid-November 2015.

4.1.4. The World Bank's Integrated Fiduciary Review Assessment

The Financial Management's review, field visit and Integrated Fiduciary Review Assessment (IFSA) finding and recommendations to the PRF project are as follow:

- Before transfer the first installment to Village account, VIT had to complete the condition in the community contract, such as 1) building community information board and certified of explode clearing area.
- When PRF transfer the sub-grant to VIT bank account and VIT transfer to Contractor, The amount is transferred by following the contract strictly without deduction of bank charge.
- PRF district has to train the VIT team to record the bank book following item appeared in the bank statement, VIT team should not record the item following in the contract.
- When the first installment is transferred to the VIT bank account, VIT team is required to withdraw cash to refund for the bank account opening fee to VIT team.
- VIT team has to pay attention to pay for service of water inspection. The invoice of inspection service must be certified from health division.
- VIT team has to pay attention before paying the community technician for project implementation monitoring service. The invoice has to certify by Head of VIT that VIT team can do the payment
- The payment supporting document such as payment of Daily Survival Allowance "DSA", Travel costs and other expenditure are required to stamp PAID.

In order to address all of issues mentioned above, PRF central office has sent an official notice to all province and district to follow up and take action to address and organize training regarding these issues to the Village Implementation Team.

4.1.5. Disbursement

As of September 30, 2015 disbursement reached 81% for the IDA grant (H6850) and 78% for the MDTF (executed trust fund grant (TF 12419)) The Swiss Agency for Development Cooperation (SDC) disbursement rate reached 91% and the Government of Lao's contribution 39%.

Table 15: PRF II Financing - Disbursement (as of September 30, 2015)

Source of Financing	Disbursement as of September 30, 2015	Disbursement (Percent of Total Allocated by Source of Financing)	Total Allocated (US\$ million)
World Bank (DA)	20,326,479.56	81%	25,000,000.00
MDTF	13,650,843.67	78%	17,500,000.00
SDC	11,957,069.11	91%	13,200,000.00
GOL	3,938,560.94	39%	10,000,000.00
OTHERS	1,130.91		-
	<u>49,874,084.19</u>	<u>76%</u>	<u>65,700,000.00</u>

Source: PRF FA Division, 30 September 2015

During the reporting period, PRF has preceded withdrawal application (SOE "statement of expenditure) from the donors' total amount of USD 17,833,381.04(USD 3,399,202.44 from IDA6850, USD 6,741,992.54 from TF12419, USD 3,736,000.00 from SDC and USD 3,956,186.06 from GOL contribution).

Table 16: Summary fund use

Fund Source	Fund Received FY 2014 – 2015	Expenditure FY2014 - 2015	percentage of Uses
IDA6850	3,399,202.44	2,687,052.70	79%
TF12419	6,741,992.54	6,497,810.70	96%
SDC	3,736,000.00	3,761,312.26	101%
GOL	3,956,186.06	1,961,838.92	50%
OTHERS		254.71	
Total:	17,833,381.04	14,908,269.22	84%

Source: PRF FA Division, September 2015

Table 17: Expenditure in each component

Description for component	Expenditures (2014-2015)	percentages
Village Subproject Grants	11,043,295.21	74.07%
Capacity Building	1,163,635.63	7.81%
Project Management	2,701,338.45	18.12%
Total	14,908,269.29	100.00%

Source: PRF FA Division, September 2015

During the reporting period, PRF has spent a total amount of USD 14,908,269.29 (USD 11,043,295.21 supported to the village subproject grants, USD 1,163,635.63 was disbursed for the capacity building, IEC materials and subproject monitoring activities and USD 2,701,338.45 was used for the project management activities).

PRF had transferred the sub-grant budget to villagers for a total amount of USD10,544,471.13 (USD 1,754,195.50 from IDA6850 fund, USD 4,028,668.22 from TF12419 fund, USD 2,806,196.38 from Swiss Agency Development Corporation (SDC) fund and USD1,955,411.03 from Lao PDR Government contribution). As the annual budget plan 2014-2015 for sub-grant is only USD 10,900,000.

The details of the procurement activities during the fiscal year 2014-2015 can be seen in annex IX.

4.2. Human Resources

During the reporting period, the HR Unit completed recruiting 68 new staff and young graduates (Based in 7 districts) for Livelihood linked Nutrition activity and 15 positions where 14 are local staff replacing resigned staff and 1 short term HR Policy Specialist. In addition to recruitment work, the HR Unit also finished conducting Annual staff performance assessment and reviewed TORs for some positions. In terms of the development of Human Resources Development and Management Handbook, the unit has worked with the HR Policy Specialist and 70% of development has been done.

The HR unit has always given priority to the capacity building of PRF new recruited staff by organizing induction trainings. During these trainings, new recruited staff are trained on HR policies which include staff rules, roles and responsibilities. New recruited staff also learn about PRF's organizational structure, cycle of implementation as well as technical skills required to achieve their tasks and good performances.

Key issues

Clear policy, including budget allocation for staff capacity building needs to be established through discussion and agreement between the project and donors. This is to ensure staff's long term development as well as creation of staff commitment and motivation to work.

4.3. Monitoring and evaluation

4.4.1. The performance of Monitoring and Evaluation System

As mentioned in the period semi-annual report (October 2014-March 2015), that the initial design of the MIS for PRF II did not cover all the information needed to report against the indicators in the Results Framework because some indicators created after the system had been set up. In these cases, new forms were designed and distributed with email instructions to the Provincial M&E Officers and district staff to enable them to collect the required information.

A TOR has been developed for an IT consultant to make minor modifications to the MIS to capture information on the newly developed forms and highlight those fields to the MIS data entry forms that are for the key MIS data to ensure that these fields are always fully and accurately completed. As of September 2015, the main parts of MIS modification have been done, including the LN MIS for Self Help Group (SHG). To avoid any difficulties of internet connection at district and provincial level, the ONLINE and OFFLINE system is being developed and expected to be done by November 2015. Regarding the performance of the 5 districts with M&E staff working at the district office, it is noteworthy that these districts tend to have better performance in terms of data management/provision compared to the 37 districts with no M&E staff.

Based on the review of what information was accurately, comprehensively and consistently collected and what was used, PRF M&E Division has recommended the MIS to focus on comprehensively and accurately recording the information essential for project management and used in project reporting to WB, donors and GoL.

4.4.2. FRM performance

Continuing from the last semi-annual report (October 2014 - March 2015), to ensure the effectiveness of using FRM, M&E team has conducted internal study to evaluate the perception of villagers on FRM. This was conducted in all targeted district of PRF, which 3,249 questionnaires have been used at the village level. The results of this study are very important because they are the actual voice from the community. The findings indicate that villagers had great understanding about FRM. They knew how to use the tool and who to report to when witnessing issues related to PRF work. Of all the 3,249 respondents, 3,061 (96.4%) reported were aware about FRM tools. More importantly, study results suggest that the communities were able to find resolutions to problems by themselves in cooperation with village authorities and local concerned sectors. This shows that the communities have participated and are very responsive to the support provided by PRF. However, there were a few cases where villagers still had limited awareness about how to use FRM tools.

In reference to the result of this study, M&E team set up a plan to improve this mechanism, through awareness raising campaign to local community to make sure that communities understand about how to use FRM tools and to ensure that responsible PRF staff clearly understand their roles and the objectives of FRM. The details of this plan are as follows:

- Provide refresher training to PRF provincial and district staff about PRF work and to make everyone understand that FRM promotion is the responsibility of everyone
- Responsible committees at the village level must also receive refresher training on FRM work and they should be welcome to attend some PRF meetings to learn and increase their capacity and show PRF's recognition towards them
- Some details of FRM tools especially FRM introduction and promotion poster on 161 hotline must be reviewed.

4.4.3. Internal Sustainability Assessment

As a capacity building activity for PRF staff and following WB recommendations, an internal assessment on sub-project sustainability was conducted to monitor and assess the use of PRF II sub-projects (which captures some key indicators of 6/12 months checklist). The assessment took place during August 2015 in all target provinces, and more particularly villages where sub-projects were completed. For this internal study, a total of 853 sub-projects were surveyed from Cycle IX, X and XI and six aspects related to sustainability were assessed. Overall, the findings were satisfactory, showing a high proportion of sub-projects used as well as satisfaction level of the community towards sub-projects supported (more than 90%).

4.4.4. Geographic information system (GIS)

The following highlights the GIS work completed during the reporting period:

- Rechecked sub project locations of Cycle IX, X, XI of all the 10 target provinces and 42 districts
- Produced maps that capture Kum ban areas, "Sam Sang" locations and priority areas of the Government (both Lao and English)
- Updated Kum ban maps and maps of the Government electricity dams project within PRF target areas
- Continued developing sub project locations of Cycle XII and preparing data to produce maps for Cycle XIII
- Produced maps of national conservation areas within PRF target areas to assist in identifying sub projects with social and environmental impact potentials

4.4.5. Challenges of Monitoring and Evaluation System

Through the implementation of PRF II, Monitoring and Evaluation System is considered to be an important component of project; however, PRF had faced different issues(both internal and external) that have influenced its implementation. Those factors are considered as key challenges

but also lessons learnt that we can be strengthened for future implementation. The challenges and impacts as well as solution proposed by the M&E team is summarized below:

Challenges	Impacts	Solutions	Solutions Implementation Status
Some unnecessary data entered to the system (useless)	Difficulties to focus on the analysis of key data and time spent to check all data	<ul style="list-style-type: none"> • Prioritizing key data and information that should enter to the system 	Implemented during November 2014
Clear information/definition for some achievement indicators are not provided	Difficult to accurately provide required data that actually reflect the result framework	<ul style="list-style-type: none"> • Discuss with donors to finalize the definition of each indicator • Develop manual and definition for each result framework areas • Conduct indicator training for all staff 	Implemented during December 2014
Lack of understanding about the role of M&E system.	It is hard to evaluate the performance progress of project/missing key data to support achievement indicators.	<ul style="list-style-type: none"> • Conducting training for key projects management team. • Inform about the key of M&E and its roles to the project to all staff in each division • Include monitoring activities in staff performance review 	Implemented in December 2014; April 2015 and September 2015
Data and information are provided by different division	Inconsistent data, poor data quality	<ul style="list-style-type: none"> • Set up explicit guideline about which data to provide by which division • Make sure that a particular type of data comes from only one data source • Set up a team as one person from each division to double check data 	Implemented since October 2015
Some key data is not entered in the MIS database	Incomplete data, inconsistent data overtime	<ul style="list-style-type: none"> • Inform the importance of having complete data to data entry persons (provincial and district ME staff) • Formally explain and inform data entry 	Implemented regularly

		<p>persons about what key data is required to be entered</p> <ul style="list-style-type: none"> • Set clear and strict deadline for each key data to be entered into the database 	
New forms are developed after MIS already firmly established	Difficult to include new data in the database	<ul style="list-style-type: none"> • For any change should discuss with MIS officer or M&E team. Set up additional budget for MIS modification or minor change. 	Implemented during the medication of MIS Database system 2015

Source: Monitoring and Evaluation Division

4.4. Community Development

4.4.1. Gender Equality and Social Inclusion

Regarding the implementation of the “Deepen CDD” approach in the 5 pilot districts, it was found that the community participation, especially women and ethnic minorities during VDP largely increased. As a result, the number of women participated in the VDP increased to reach 61% and the number of ethnic participants increased to 91%. The table 20 provides more details of the participation of women and small ethnic groups per province:

Table 18: Number of women and ethnic participants in deepen CDD

No	Province	District	# of Kum ban	Participants				
				Total	# of Women	Women	# of small Ethnic Groups	Small Ethnic Groups
1	Oudomxay	Xay	4	3,733	2,266	61%	3,652	97%
2	Oudomxay	Namor	5	3,045	1,916	63%	3,006	99%
3	LuangPrabang	Chomphet	4	2,359	1,370	58%	1,778	75%
4	LuangPrabang	Nambak	4	2,654	1,542	58%	2,131	85%
5	Savannakhet	Nong	7	2,385	1,545	66%	2,385	100%
Total:			24	14,176	8,639	61%	12,952	91%

Source: PRF CD Division, September 2015

In the 5 “deepen CDD” districts, it is expected that 75% of the Kum bans will have two women KBF (or 2 women and 1 man /Kum ban). During the cycle XII, this indicator was successfully achieved. Of all the 72 KBFs, 48 of them (66.7%) are women while in Cycle XI, only 25 (47.2%) out of 53 KBFs are women. This indicates that PRF has made significant achievement in promoting gender equality.

In the first quarter of cycle XII, GESI committee members coordinated with the Gender Network members to discuss and share experiences on project implementation of each organization. The programs discussed were 1) The implementation of activities that related to Gender equality and 2) The planning for the process of exhibition on prevention and elimination of the international's day of violence against women. PRF and NCRDPE attended the exhibition on prevention and elimination of violence against women to commemorate the International day of Violence against Women, which was held at the Laos ITEC Mall on December 15, 2014.

4.4.2. Information, Education and Communication (IEC)

One component of the IEC is to support effective implementations process, functions of coordination mechanism between PRF, communities and development partners. To achieve this goal, the IEC Annual work plan was developed by following the IEC strategy objectives with assistance from the World Bank. In Cycle XII (2014-2015), IEC is more focused on the production of CDD and LN IEC materials and tools. During the reporting period over 200 articles of PRF information have been disseminated through the media in national and local level such as newspapers, Lao national radio, community radio, community speaker, as well as PRF website(List of IEC produced can be seen in annex 7).

IEC material has been developed for the livelihood and nutrition activities. Project has developed SHG Guidelines, savings and credit manual, several technical guidelines for the livelihood activities, 11 modules for the professional nutrition activities and 7 modules for the livelihood linked nutrition activities. VNC record management hand book and nutrition data collection handbook also developed and distributed the staff. Project has procured and distributed the height and weight measurement equipment to record the child malnutrition. Midday supplementary meal has been started at 15 VNCs. Frequency of supplementary meal has been reduced from 5 days a week to 3 days a week. Members of the VNC has also contributed in the form of local vegetables, some rice etc. for the supplementary meal. However, higher cost of supplementary meal is still an issue in Savanakheth province and efforts are being made to limit the expenditure on supplementary meal by changing the concept from special meal to supplementary meal.

LN has produced 30 types of IEC material comprising of manuals, flipbooks, posters and leaflets. IEC materials is produced to target the District and Kum Ban staff and for the target farmers.

4.4.3. Social Audit Committee

The advent of Social Audit Committee under the Deepen CDD has become another social accountability tool. This applies into each target pilot area of Deepen CDD. Each Village Social Committee comprises of 5 communities members (not including village authorities) where at least 2 out of the total members must be women. Main responsibilities of the committees include:

- Checking whether the village implementation team follow rules as agreed
- Checking on community contribution and certify if correct
- Making sure that project benefits go to the poor and women
- Reporting and monitoring on FRM at the village level

4.5. Environmental and Social Safeguards

Two consultation workshops, one in the north and one in the south, were held in order to present the changes of the Social and Environmental safeguards and share comments and experiences learned about the safeguards implementation. The Table 15 summarizes the changes presented at these two workshops.

Table 19: Summary of social & environmental safeguard issues identified during the preparation of the AF and mitigation measures to be applied during AF.

Impact	Description of potential impact	Mitigation measures
Rural road rehabilitation sub-project	Road improvement in protected areas	The district authorities have to establish a monitoring committee including representatives from the Environment and natural resource office to confirm that the sub-project is not (?) located in a protection area.
		To develop a Environmental Management Plan between community, PRF and the Environment and Natural resource office
		In the future, PRF will not support rural road rehabilitation or improved access to protected areas (in the list of the ESMF prohibited activities)
	Improved road access to village which require house hold(s) land acquisition	During survey and design step, the PRF team and village team must organize a consultation meeting with community and the village and agree to compensate impacted households through allocation of other land of similar value in the village
Irrigation channel impacted	The contractor in charge of improving the rural road access to village planned the land and pushed the soil on the irrigation channel. Consequently, the water flow was blocked	The community call the contractor for a meeting and the contractor agreed to pay to community around 2,000,000 kip to rehabilitate the irrigation the channel
Road potential impact on agriculture land	The design of the road lead to loss of productive land for	Engineers and community agree to change the road alignment so that the productive

	agriculture activities	land will not be impacted
Irrigation construction sub-project	The leveling of the weir are too high which create water flood into the agriculture land	PRF and agriculture sector engineer worked together to review the design related to the high of the weir. Another water gate was added in order to lower the water level and open the other channel in front of the weir. Therefore community did not have to pay any compensation for the land impacted.
Social impact		
Primary school construction sub-project	The selected location was close to the grave of a boy	The village committee agree to compensate the impacted family who receive new land and money to organize a traditional ceremony for the spirits
Irrigation channel construction sub-project	The design of an irrigation channel passes an agriculture land and the land owner is unhappy.	The meeting was set up and the Engineer re-designed the channel and let the channel located between the two land owners. It was also agreed that the two land owner can use the water without pay the free
Gravity water Fed construction sub-project	The water source is located in a private land and the land owner use the water for is own business (fish pond breeding).	The meeting was established between community and the land owner. As agreed, the community have to pay the money to the land owner for the water loss
The contractor access to the construction site	The contractor borrow rice, chicken and other type of food from the community	Before sub-project handing over, the community have to clear everything with the contractor to ensure there are no debts left

Source: Engineering Division, PRF, 31 March 2015

The environment safeguard guidelines were reviewed in the Additional Funding of PRF II. The guideline and the form were developed by World Bank consultant, and trained to the PRF Engineer at all level. The monitoring form was developed based on the experience of PRF and the Environment Code of Practice (ECOP), the ECOP were trained to community and combined to the contract condition for contractor to monitor during construction.

Table 20: Summary of Environmental Issues for Cycle XII

No	Identified impacts	Recovery proposal	Recovery action	Sub-project type	Province	District	Village
I	Earth excavation, Landslide and erosion on building						
1	Bridge Surface is erosion	Villager resolve	Retrofit Bridge's surface with concentrate Plaster	Overflood Bridge	Phongsaly	Mai	Nalam
2	Land slide	Villager resolve	excavation the earth volume from the impacted area	Rural road	Phongsaly	Mai	Khaji
3	Land slide	Villager resolve	excavation the earth volume from the impacted area	Rural road	Phongsaly	Mai	Sanluang
4	Land slice and sedimentation in intake	Villager resolve	excavation the earth volume from the impacted area	GFS water	Luangnamtha	Nalae	Poutang
5	Soil erosion in entrance	Contractor resolve	Fill back soil and compaction	Culvert pipe	Luangnamtha	Long	Phayalouangkhaming
6	Soil erosion and Land slide	Contractor resolve	Excavation the earth volume from the impacted area and fill back soil and compaction	Rural road	Luangnamtha	Viengpoukha	Namloung
7	Soil erosion on one side	Contractor resolve	Retaining wall construction is needed	Weir	Luangnamtha	Viengpoukha	Donmai
8	Pipeline trough cemetery and forest	Villager resolve	Changed the line	GFS water	Salavan	Samoi	Lavanua
9	Land slice in drainage cannel	Contractor resolve	Repair in shape as design	Rural road	Savannakhet	Sepon	Lakun
10	Soil erosion in riprap cannel	Contractor resolve	Laying pipe in problem area	irrigation cannel	Sekong	Dakjung	Dakle
11	Land slice and sedimentation in intake	Villager resolve	excavation the earth volume from the impacted area	GFS water	Xiengkouang	Nonghed	Sanyom

12	Soil erosion in entrance	Contractor resolve	Reconstruction and Retaining wall construction is needed	Overflood Bridge	Huaphan	Xamtai	Naxeo
13	Landslide and soil erosion in paddy field	Contractor resolve and Villager	excavation the earth volume from the impacted area and separate Paddy field from road 3 meters width	Rural road	Attapu	Sanxay	Mai nakok
14	Soil erosion and Land slice to school building	Contractor resolve and Villager	excavation the earth volume from the impacted area	School	Luangpabang	Pakseng	Vangpom
15	Soil erosion and Land slide to school building	Contractor resolve and Villager	excavation the earth volume from the impacted area	School	Luangpabang	Pakseng	Phonetong
16	Soil erosion in river bank cause of waste water drainage	Villager resolve	Plant the tree to protect River bank	GFS water	Luangpabang	Chomphet	Kokluang
II	Construction and operation trash						
1	Contractor do not clearly remove operation trash	Contractor resolve	Clearing all waste from constructed operation	Community water supply	Sekong	Lamam	Senoi
2	Contractor do not clearly remove operation trash	Contractor resolve	Clearing all waste from constructed operation	School	Oudomxay	Xay	yaongai
III	Water drainage facility, water and land pollution						
1	It is not good enough for waste drainage	Villager resolve	Digging hole and cover the hole to collect waste water	Dug well	Attapue	Pouvong	Vongsamphan
				GFS water	Luangpabang	Chomphet	Kokluang

4.6. PRF Internal Audit Activities

The Internal Audit Unit (IAU) of the PRF is now functioning independently, objectively and professionally. During October 2014 to September 2015 IAU has completed audits at national and provincial/ district level and issued 14 internal audit reports. Altogether, 127 recommendations were included in preliminary audit reports. The IAU selected 85 recommendations for follow-up after consideration of comments and evidences. Out of those 85 recommendations, 9 are linked to a total amount of LAK 54,364,200. Significant matters reported by IAU are summarized in two parts, national level and provincial level. The matters raised in this annual report have improved compare to previous year audit.

National Level:

Audit has noted that the PRF is designing and implementing project activities as per its objectives and sub projects implementation is in track of achieving progress as planned. System and procedures are in place for Community development, Engineering standards, Monitoring and Evaluation, Financial management, Procurement, and Human Resource management.

Main recommendations offered for the improvement of operations at National level that leads to improvement at provincial level as well are presented below.

- The Operational manual of PRF is a leading document and we consider updating of the manual will strengthen internal control system and procedures in place.
- Community Development is central to the PRF operation to build capacity of villagers in sub-project selection, procurement, implementation, procurement, monitoring and financial management of resources available for sub- projects implementation.
- Quality of sub- projects remains a challenge for Engineering Division to make sure that technical staffs at sub- national level are able to comply with engineering standards.
- Activity wise detail program budget will serve as a control and monitoring tool for all divisions and units at national level.
- Development and maintaining Human Resources database will serve as a control and monitoring tool for personal record.
- Compliance with the procedures needs to be strengthened to achieve PRF objectives efficiently and effectively.
- Additional scrutiny is needed to make sure adequate supporting documents and evidences are available to substantiate the payments.

Provincial Level:

Audit noted with satisfaction that the sub-projects are identified, implemented and monitored as per PRF procedures. Beneficiaries have been involved and demonstrate progress in achievement PRF objectives. However, there are numbers of observations suggesting strengthening the system as well as need for stricter compliance with procedures in place.

- Progress of sub-projects implementation is significantly delayed.
- Expenditures are not as per budget plan and exceeding of expenditures is not justified.
- MIS is not updated in timely manner to reflect status of sub-projects.
- Daily allowance and transportation expenses are paid without proper supporting document.
- Nutrition activities are not implementing regularly.
- Nutrition Center construction behind the plan/schedule.
- VAT amount over calculated in some of the contract.
- Different quantity of item in BOQ for the same size of constructions.
- Contributions of the Communities are included in contract price.
- Quality of sub-project works is not as per specification and/or contracts.
- Monitoring system of advance clearance is not effective.
- Capacity of Shelf Help Group (SHGs) needs to be improved.
- Incomplete financial record in the financial forms by SHGs.
- Bid examination process should be completed with enough level of detail.

Implementation of recommendations is the main concern as the remaining recommendations (85 out of 187 recommendations) have not been implemented or closed. The Technical Internal Auditor will join the project starting from 16th November 2015 the auditor will help IAU in assessing quality of sub-projects design and implementation.

Part V. Cooperation and partnership

5.1. Partnership with the International Labour Organization (ILO)

The International Labour Organization (ILO) through its Turin International Training Center, invited the PRF to participate the learning forum on Innovations in Public Investment and Employment Program organized from September 29 – October 10, 2014. The key PRF interest was towards enhancing our capacity to work with the NCRDPE on policy and operational measures related to the effectiveness and impact of public investment in infrastructure and public employment program to reach Government objectives related to poverty reduction. Based on the topics discussed during this forum as well as experiences shared with the other participants, PRF agreed to mainstream community force accounts, as it will be a great opportunity for direct cash transfer to the village level. This cash transfer can be use as a key element for poverty alleviation as households can use it as buffer in case of emergency or be injected in livelihood investments. Community Force Account Promotion will starts in the 5 “Deepen CDD” pilot.

The PRF has also started cooperation in the field with ILO. In Lao PDR, the ILO is developing and demonstrating an integrated approach to rural employment creation and livelihood improvement. Activities are intended to contribute to productive job creation and the improvement of the living and working conditions for women and men in the rural setting.

The Poverty Reduction Fund (PRF) under the National Committee for Rural Development and Poverty Eradication has been nominated by the Provincial Steering Committee as the main partner at local level for community asset development. They will therefore be directly selected and contracted to carry out the necessary activities to support small-scale fish farming in close collaboration with PAFO.

The Province of Sekong has been selected as the first pilot province. Fishpond development has been identified as a priority area to support local income generation and food security. It provides an opportunity to bring together the different components that make up the rural employment creation approach. The development of the fish ponds allows for the demonstration of community contracting and the engagement of local labour in the construction of the fishponds and fencing. The development of fish ponds has been done in close collaboration and through two project partners: the poverty reduction fund under the rural development and poverty eradication office (PRF) and the provincial agricultural and forestry office (PAFO). These sub-projects were completed in July 2015 and community and sees then, communities have been raising fish. Fish are typically raised for 4 months prior to sending to the market.

Below are the key lessons learnt from this partnership

Strengths:

- The project management team at provincial level regularly helps and supports on the technical issue and provides good guidance
- Good coordination between ILO and the PRF for funding and implementation

Weaknesses:

- The construction was done during the raining season and it was difficult to access to the site to supervise the work and some of the supervision committee were unable to access to the site

5.2. Partnership with Water and Sanitation Project

Following on PRF/LONG activities and the need to integrate hygiene and sanitation improvement in villages where PRF and LONG works to strengthen poverty alleviation impact, it was decided to develop a partnership with the Water and Sanitation Project (WSP). The objective of the partnership is as follow:

- Increase collective demand and behavior change among communities and households through CLTS
- Support maternal and child health objectives and principles of LONG through collective action to increase access and behavior change around WASH

Therefore, it was decided to start a pilot project in 4 provinces, 6 districts and 40 villages following the below criteria:

- Overlap with proposed National Health & Nutrition Program, which includes CLTS activities
- Access to supply and sanitation marketing activities (PSI)
- Overlap with PRF II; Water supply projects already complete
- District Nam Saat staff already trained (Lamam, Dakcheung)
- Poor health, nutrition and sanitation indicators

Pilot projects activities will be organized towards 4 key steps implemented over a duration of 11 months:

1. Training for Nam Saat and Kum ban Facilitators in CLTS, hand wash with soap and monitoring
2. Village level triggering by Kum ban Facilitators (including linkage with sanitation marketing and supply chain)
3. Post-triggering follow-up activities (including training of village CLTS committee)

4. Open Defecation Free (ODF) status verification
5. ODF Declaration

A budget of around US\$53,000 per year has been already allocated.

The implementation will take place in the 4 south provinces with 6 districts and 40 villages who have access to clean water.

Key achievements during this fiscal year is summarized below:

- a. MOU between Namsaat and PRF was finalized and signed
- b. Budget from different partner (WSP for Namsaat,) and PRFfinalised
- c. Several administrative arrangement meetings at central level were conducted
- d. Provincial Roadshow in 4 provinces with 117 participants from Provincial and targeted districts mass organization and Government was conducted
- e. Wrap up Provincial Road events and discussed to agree upon the following topics :
 - District roadshow event will combine with Facilitators training at district level
 - The project target villages district PRF and district Namsaat will update and consult with provincial PRF and Namsaat and then confirm to Central level
 - The composition of the committee would be:
 - District Authorities (District Administration's Office)
 - Rural Development
 - Poverty Reduction Fund (PRF)
 - Lao Women's Union
 - Health Sector
 - Education Sector

The workshop on the orientation has started at provincial level in 4 provinces and the training will be organized for villagers and mass organizations at the districts level during the next quarter. Afterwards, these teams will mobilize the community to construct the water & sanitation program advised by Namsaath and PRF team (triggering).

5.3. Partnership with the Center for Development and Environment (Bern University)

During this fiscal year, a concept note has been developed, aiming at producing map at the Kum ban level. The Kum ban level plays a key role in the Bottom-up planning process: The five years District Development Plans, which feed the five years Provincial Development Plans, are Government strategic documents, and include needs and priorities of the province and the districts (Provincial Investment Program (PIP) projects). The five year Kum ban Plans are taken in to consideration in the Five Year District Development Plan. Annual plans are produced, based on the Five years plan to plan priority projects, allocate PIP budget and monitor the implementation of the Five Years Plan.

It was proposed to pilot the Kum ban mapping in two of the 5 “deepen CDD Districts” but the sampling has been reviewed and the pilot will be implemented in only one district but in all Kum ban within this district. This fiscal year, PRF engineers from all provinces have been trained on using GPS appropriately and entering data in the right software so that maps can be produced for the intend purpose. The list of the infrastructures to be included have been discussed and agreed, and the first quarter of the next fiscal year (October-December) will be used to collect data in the field.

Part VI. Planned activities for the fiscal year 2015-2016

6.1. Highlights

The PRF action plan for the fiscal 2015-2016 has been prepared upon the lesson learns from working experiences of the last fiscal year (2014-2015). Besides the focus on the completion of sub-projects activities and related capacity building activities, an important part of the next fiscal year will be devoted to the preparation of the PRF phase III. A first workshop preparation is planned in October 2015, and will be followed by several other workshops in order to ensure the timely preparation for smooth transition between this current phase and the next phase.

Another important focus during the fiscal year 2015-2016 will be allocated to the scaling up of the Deepen CDD and LN activities. Three districts have been selected: Thapangthong district in Savannakhet province, HouaMeuang and Xiengkhor district in Houaphanh province, which represents a total of 19 Kum ban, 140 villages and around 124,000 people.

6.1.1. Additional Financing (AF)

The Board of Executive Directors of the World Bank approved the Additional Financing (AF) to the Project through an IDA credit. The AF will be US\$ 14 million including US\$ 11.6 million from the World Bank and US \$2.4 million from the Department of Foreign Affairs and Trade (DFAT) of Australia. The Swiss Agency for Development Cooperation has also expressed a commitment to provide US\$ 3.62 million of complementary financing to this AF in support of additional community subprojects. The AF will allow the PRF to maintain its implementation capacity in all provinces until project closure in December 2016.

The proposed additional financing (AF) would finance about 200 additional infrastructure sub-projects; continue to implement the livelihood and nutrition pilot in selected villages; and support community engagement and facilitation under the Government of Lao PDR (GoL)'s Open Defecation Free (ODF) program on a pilot basis. The PRF II Results Framework (RF) has been updated (see Annex 2) based on the implementation experience and project indicators have also been modified to reflect changes in target values. The updated AF includes new intermediate results indicators to measure progress in livelihood, nutrition, and health and sanitation activities.

The Operations Manuals (OM) has been updated and submitted to the Bank for review on June 15, 2015. The updated OM includes overall implementation procedures for livelihood and nutrition activities as well as many innovations that the PRF initiated following the mid-term review in 2014.

6.2. Details of planned activities

6.2.2. Finance and Administration

- PRF's FA team at the central level will prepare the Financial Management training for provincial accountants from 10 provinces, which will focus on the control system and the improvement of the financial report and review on Accpac system. The training is planned for June 2016.
- Preparation for the External Audit by E&Y by mid of November 2015 and submit to donors by the end of March 2016.
- WB's FM supervision to the PRF office is planning in June 2016.
- Submission of Interim unaudited financial report (IFR) to the WB by November 15, 2015.

6.2.3. Procurement activities

- Conduct the bid opening for the remaining contracts as mentioned in the Procurement Plan for PRF and PRF-AF
- Prepare the Procurement Guideline for VIT for sub-project
- Conduct the procurement training for VIT for CDD pilot districts, which have been scheduled for beginning of November 2015
- Assist the VITs to conduct the bid opening and evaluation for sub-projects using CFA on CDD
- Conduct bid opening and evaluation for CDD sub-projects
- Prepare the Sub-Project Procurement Plan for sub-project for Cycle XIII
- Follow-up on the progress of all the sub-projects in Cycle 12

6.2.4. Human Resources

- Follow up and complete of HRM and HRD handbooks with the HR Policy Specialist
- Conduct the yearly staff performance review for 2015
- Prepare of yearly staff employment contract for 2016
- Review some TORs for implementation of livelihood linked nutrition activities

6.2.5. Monitoring and Evaluation

- Organize training for Monitoring and Evaluation staff at national office for many staff just recruited in 2015.
- Develop Manual for the new MIS database and manual of achievement indicators for PRF II Additional period.
- Conduct PRF's new MIS database training for M&E staff and LN staff from national, provincial and district offices.
- At the end of the year 2016, organize the M&E workshop on general M&E system, including lesson learned and evaluation assessment based on achievement indicators, all

M&E staff from central, provincial and district staff will attend this workshop, this is important to get more information for PRF III's database design .

- Follow up the progress of Sub-project implementation and disbursement monitoring of PRF II (2011-2015), particularly all delay sub-projects and action plan propose for concerned provinces and follow up the activities of Cycle 13 which is the last cycle of PRF II, as to ensure that all sub-projects can be completed on time.
- Complete internal Assessment for sub-project operation and maintenance in each province, as to provide information about the impact those supported sub-projects (2011-2014).
- Complete the internal assessment of using FRM mechanism and plan to improve the system, which capture all issues related the activities of PRF. Together with new strategy to improve the use of this mechanism to all PRF provinces and districts.
- Support and supervise LN team on LN MIS data entry and report structuring.
- Involve in the study of experience implementing the Sam Sang Directive in Lao PDR. The purpose of the case studies is to provide the NCRDPE, the Poverty Reduction Fund (PRF) implementers and development partners with a better understanding of Sam Sang in practice in terms of its objectives, processes, and outcomes to date as well as practical challenges.
- Follow up the outcome of End line survey which outlines the achievements of PRF.
- Prepare for PRF III database design which may be different from PRF II because of different activities and project development objectives (PDO).
- Field visit to support provincial and district staff on M&E system and its important role, including awareness raising for the use of FRM to local staff and communities.
- Cross exchange between M&E staff in each province, a good performance staff will support a weak performance staff and exchange their experiences.
- Create maps of Cycle XII Sub-project and prepare map of Cycle XIII
- Update poverty mapping, population density, villages location and other maps by using new data available from National Statistic Centre (2015) and others source
- Update map of GOL's Hydropower project in PRF's targeting areas
- Organize GIS training on GIS data collection by using GPS and GIS software

6.2.6. Technical Assistance

- Train local PRF staff regarding Deepen CDD approach
- Conduct sub project survey and design for Cycle XIII
- Conduct the assessment on the cost effective study during October 2015 – January 2016. The study will cover six provinces which are Louangnamtha, Houaphanh, Xiengkhouang, Savannakhet, Saravanh and Sekong
- Start the implementation of approved 52 GoL sub projects which currently are under procurement process. For the other 58 GoL sub projects, they will get approval in October 2016 and the implementation will take place shortly afterwards

6.2.7. Community Development

- Training of the trainer on participatory planning for core team trainer and KBFs in CDD+LN district
- During planning stage of PRF project cycle 13, new additional CDD+LN districts will start village planning during November-December 2015
- Organize Village social audit committee (VSAC) training/refresher training for VSAC member of each target SP village in cycle 13 of CDD districts (including CDD+LN districts)
- Arrange a coordination meeting PRF/NCRDPE/concerned sectors at central level
- GESI mainstreaming training for PRF staffs in CDD+LN districts to raise awareness on GESI related to CDD and LN activities
- Regularly monitor on GESI mainstreaming in CDD and LN target areas (in Houaphan and Savannakhet)
- Disseminate PRF information through 11 media channels at national and local level
- Produce film Lesson learn of SP implementation focusing on Community force account approach
- Printing PRF Manual, Book, Report and IEC packages of CD, FA, Procurement and Engineers works for PRF staff and community
- Develop 2 success story films on (operation and maintenance, community ownership in implementation sub-project).

List of Annex

Annex 1: PRF staff turnover during October 2014-September 2015

Positions		Gender	Reasons for leaving	Replaced	%
Centre	Data Analysis & Evaluation Officer	Female	Working for a new project	yes	8.11
	Reporting Officer	Male	Own business	yes	
	Driver	Male	Move to work for government office	yes	
National office Total staff : 37					
Savanakhet	No change				
Savannakhet office Total staff : 25					
Phongsaly	District Engineer	Male	Promoted to Provincial Engineer	yes	5.88
Phongsaly office Total staff: 17					
Hauphanh	No change				
Huaphanh office Total staff: 28					
Xiengkhoang	Provincial FA Staff	Male	Own business	yes	4.76
Xiengkhoang office Total staff: 21					
Oudomxay	No change				
Oudomxay office Total staff: 28					
LuangNamtha	No change				
LuangNamtha office Total staff: 17					
LuangPrabang	District Engineer	Male	Personal business	yes	7.41
	Provincial Engineer	Male	Studying	yes	
LuangPrabang office Total staff: 28					
Sekong	District Engineer	Male	Promoted to Provincial Engineer	yes	19.05
	District FA Staff	Female	Health issue	yes	
	District Engineer (Phonexay district)	Male	owning personal business	yes	
	District Engineer (Nambak district)	Male	family issue	yes	
Sekong office Total staff: 21					
Salavan	District Engineer	Male	Terminate contract	yes	18.75
	District FA Staff	Female	Personal business	yes	
	Provincial Coordinator	Male	Move to his government office	yes	
Salavan office Total staff: 17					
Attapeu	No change				

	Attapeu office Total staff: 17
	Grand Total: 256 Staff
	Average of Percent of change: 5.46%

Source: PRF's HR Unit, 30 September 2015

Annex 2: PRF Results Framework

Project Development Objective Indicators

►Greater than 75% satisfaction levels reported by beneficiaries in targeted villages regarding improved services and local development planning (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	80.00	99.00	80.00
Date	09-Jun-2011	31-Dec-2013	Oct-2015	31-Dec-2016
		Capacity Building Study	Internal Sustainability Assessment 2015	
Comments	.			

►Improved access to and utilization of basic economic and social services in kum bans supported by PRF (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0	--	Impact Evaluation expected in February 2016-	The supplementary school enrollment indicator has been dropped. The outcome is measured by level of satisfaction (PDO indicator above) and #/type of sub-project implemented

(intermediate results indicator). End targets have been set for different types of sub-projects: 6% point increase in access and utilization of health services; 8% point increase in access to and use of safe water resources; 8% point increase in access to and use of roads.

Date	31-Oct-2012	05-Dec-2014	01-Jul-2015	31-Dec-2016
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Comments

End targets have been set for different types of sub-projects. By project design, respective sub-indicators will be assessed through the impact evaluation. The endline survey will start in Sept 2015.

▲Lowest two quintiles benefit from above services (Yes/No, Custom Supplement)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	N	Y	Y	Y

▲% of HHs with access to and utilization of health services (Percentage, Custom Supplement)

	Baseline	Actual (Previous)	Actual (Current)	End Target
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Value	36.00	--	Impact evaluation expected February 2016	6.00
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▲%. of HHs with improved access to and utilization of safe water resources (Percentage, Custom Supplement)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	75.00	--	Impact evaluation expected February 2016	8.00

▲%. of HHs with access to all weather roads (Percentage, Custom Supplement)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	30.00	--	Impact evaluation expected February 2016	38.00

►Direct project beneficiaries (Number, Core)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	474600.00	684,559.00	700000.00
Date	09-Jun-2011	05-Dec-2014	30-Sep-2015	31-Dec-2016

Comments

Target value changed to accommodate the AF. The target value of female beneficiaries is modified per implementation experience. The current value is the same as the previous value which was collected at the beginning of the current Subproject Cycle.

▲Female beneficiaries (Percentage, Core Supplement)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	49.57	49.53	50.00
		30-Sep-2014	30-Sep-2015	31-Dec-2016

▷Ethnic beneficiaries (Percentage, Custom Supplement)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	67.00	70.00	70.00
		30-Sep-2014	30-Sep-2015	31-Dec-2016

►Decision-making on allocation of PRF resources involve at least 40% women (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	47.7	47.8	40.00
Date	09-Jun-2011	30-Sep-2014	30-Sep-2015	31-Dec-2016

Comments

Overall Comments

Intermediate Results Indicators

►Sub-projects with post-project community engagement or O&M arrangements (%) (Percentage, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	99.00 ⁴	95.00 ⁵	90.00
Date	09-Jun-2011	30-Sep-2014	30-Sep-2015	31-Dec-2016
Internal sustainability Assessment				
<p>Comments</p> <p>Current data is based on the Technical and Cost Effectiveness survey conducted in Dec 2013. By project design this indicator is assessed through a special survey. The next survey will be conducted in October 2015 and assess the level of improvements due to measures taken to strengthen O&M arrangements. Monitoring will be carried out through bi-annual follow-up visits.</p>				

►Grievances registered related to delivery of project benefits addressed (%) (Percentage, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	100%	100% ⁶	90.00
Date	09-Jun-2011	30-Sep-2014	30-Sep-2015	31-Dec-2016
MIS				

⁴ An internal assessment of whether SPs were operational or were unused by PRF district staff with Kumban Facilitators under supervised by M&E staff (September 2015), as total of 635 SPs of 648 SPs completes in Cycle 9 and 10 were operationa with O&M committeel.

⁵ An internal assessment in 30 September 2015, total of 813 SPs of the 856 SPs completion in Cycle9, 10 and 11 were operational with O&E committee.

⁶ All complains were addressed

Comments
MIS

►Community contribution in the total project costs (%) (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	11.00	11.00	0.00
Date		30 Sep 2014	30 Sep 2015	--
MIS				

Comments

►% PRF kum ban plans used by government and/or other development actors for planning and funding (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	33%	48%	35.00
Date	09-Jun-2011	30- Sep- 2014	30- Sep- 2015	31-Dec-2016
MIS				

Comments
Semi annual progress report

►% of districts where district officials provide technical assistance and supervision to communities (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	98%	100%	85.00
Date	09-Jun-2011	30-Sep-2014	30-Sep-2015	31-Dec-2016
			MIS/Annual Report 2014-2015	

Comments

The current value is the same as the previous value which was collected at the beginning of the current Subproject Cycle. PRF is updating the value for the next status report.

▶# of communities able to plan, implement and monitor their activities (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	850	1,124	1,300.00
Date	09-Jun-2011	30 Sep 2014	30 Sep 2015	31-Dec-2016
			MIS	
Comments	.			

▶x% of sub-project activities are of high technical quality (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	Technical audit expected January 2016	85.00
Date	09-Jun-2011			31-Dec-2016
Comments	Current value based on Tech cost effectiveness study conducted in Dec 2013. By project design, this indicator is assessed through a special survey. The indicator will be updated based on a survey to be conducted in Oct, 2015. The low current value is because many school subprojects were missing latrines. Retrofitting of latrines is under way which will increase the value.			

▶#/#/type of sub-project activities implemented (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	988 (IX, X, XI)	1,426 (IX, X, XI, XII)	1200.00
Date	09-Jun-2011	30 Sep 2014	30 Sep 2015	31-Dec-2016
MIS				
<p>Comments The current value is the same as the previous value which was collected at the beginning of the current Subproject Cycle.</p>				

▶Improvement in dietary diversity among pregnant/ lactating women and children aged 6-24 months (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	LN Impact evaluation March 2016	30.00
Date	01-Sep-2015	--	--	31-Dec-2016
<p>Comments New indicator introduced under AF. Impact data to be collected through Endline survey in February, 2016.</p>				

►No. and type of livelihood activities supported by seed grant (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	1675.00	0.00	LN Impact evaluation March 2016	2400.00
Date	01-Sep-2015	--	--	31-Dec-2016
<p>Comments New indicator introduced under AF. Impact data to be collected through Endline survey.</p>				

Annex 3: Brief Summary of the Internal Sustainability and FRM Assessments

A. Methodology

Both assessments were conducted in all 10 target provinces of PRF. The M&E Division assigned the team in each province with the cooperation of the district teams to collect data, and then the provincial staff gathered all questionnaires from district team to analyze and develop the assessment in each province under the supervision and guidance of the M&E team at national office.

The M&E team at National Office was responsible for developing questionnaire, establishing a small database (SPSS program) and small manual for the assessment, organized training for provincial staff on how to analyze and report the data collected.

Data collection process on the field was organized by the M&E staff in each province with the cooperation of the PRF team in each target district and the Kum ban representatives. The assessments were conducted during August – September 2015.

B. Assessment Findings

B.1. Sustainability Assessment

The assessment was conducted in 10 target districts of PRF with 856 completed sub projects visited. The overall findings of the study were quite satisfactory since large majority of visited sub projects were well functioning.

Community level of satisfaction and sub projects conditions were very important towards sustainability of sub projects. The findings suggest that 99% of the respondents reported being satisfied with the sub projects received. Approximately 98% of visited sub projects were well functioning (2% unused sub projects were affected by natural disasters and some lack human resources which was expected to be supported by the government soon) and over 94% were in very good and good conditions. Sustainability of sub projects was also assessed by the presence of sub projects operation and maintenance committees. According to the findings, 95% of sub projects visited had operation and maintenance committees in place.

B.2. FRM Assessment

The same with the Sustainability Assessment, FRM Assessment was conducted in 10 target districts of PRF with the objective to evaluate level of awareness and understanding of communities towards FRM tools. The assessment also aims to use the findings in improving the effectiveness of the tools in the future.

3,249 questionnaires have been used at the village level. Overall, the results of this study are very important because they are the actual voice from the community. The findings indicate that

villagers had great understanding about FRM. They knew how to use the tool and who to report to when witnessing issues related to PRF work. Of all the 3,249 respondents, 3,061 (96.4%) reported were aware about FRM tools. More importantly, study results suggest that the communities were able to find resolutions to problems by themselves in cooperation with village authorities and local concerned sectors. This shows that the communities have participated and are very responsive to the support provided by PRF. However, there were a few cases where villagers still had limited awareness about how to use FRM tools.

Annex 4: Sample Data⁷ for Kum ban Development Plan Used by Others with Sub Projects Budget

Province	District	Kum Ban	Village	Sub-Project	Number	Size	Budget in LAK	Supported By
Luangnamtha	Nalae	PhouLuang	Sang Ak	Gravity System Construction	1	150m	88,519,000	Lao Red Cross
Luangnamtha	Nalae	Phou Cha lae	Phou Cha lae	Rural Area Road Repair	1	12.5 Km	1,280,000,000	District Public and Transportation Office
Luangprabang	Pakxeng	Buamkok	Hathwarn	Primary School Construction	1	1 Class	160,000,000	PhousongAr you
Luangprabang	Phonxay	Sopchier	Huaysiyua	Low Voltage Electricity Net	1	220 Vol	1,200,000,000	Government
Luangprabang	Phonxay	Nernsoong	Longngaed	Dispensary Construction	1	3 Rooms	480,000,000	Government
Luangprabang	Viengkham	Donekoon	Mai	Rural Road Improvement	1	18 Km	620,000,000	National Disaster Management Office
Oudomxay	Namor	Phoupad	Tao	Spring gravity fed system	1	5 Km	160,171,000	SoumXonSeun Chai
Oudomxay	Xay	Na ngam	Lang	Primary school construction	1	4 Classes	210,076,000	French Student Association
Sekong	Dakcheung	Dakpa-dakkao	DakMoung	Suspension bridge construction	1	70 m	728,000,000	Government
Sekong	Dakcheung	Prao (Tangyeung)	TangBlong	Spring gravity fed system construction	1	4 Km	288,000,000	CARE
Sekong	Lamam	Chavick	NawaSen	Community water supply construction	1	1 Km	400,000,000	Government
Sekong	Dakcheung	Prao (Tangyeung)	Tangyeung	Primary school construction	1	3 Classes	420,000,000	Government
Sekong	Lamam	Kasangkang	NamHieng	Provide medium voltage electricity	1	1 Km	130,000,000	Government
Sekong	Lamam	Torongkeo	Torongkeo	Dispensary construction	1	5 Rooms	1,079,000,000	Government
Saravanh	Toumlan	Kokmouang	Ta Nua	Rural road extension	1	8 Km	180,000,000	Government
Saravanh	Samouy	KB3 (Ah Soke)	AhVong	Spring gravity fed system construction	1	4 Km	150,000,000	Rural Development Office
Saravanh	Samouy	KB4 (TahLor)	KawaTawai	Village electricity network	1	4.5 Km	320,000,000	Chinese Project
Xiengkhouang	Thatom	Yamchaleur	Yamchaleur	Kindergarten construction	1	2 Classes	260,000,000	Government + Japanese Fund
Xiengkhouang	Mork	Longmo	NamKiew	Latrine construction	1	34 Latrines	51,000,000	ADRA
Xiengkhouang	Mork	Namchath	NamTeun	Electricity network construction	1	14 Km	840,000,000	Government
Xiengkhouang	Mork	Kengvieng	ThamSoi	Spring gravity fed system rehabilitation	1	1.5 Km	45,000,000	ADRA
Xiengkhouang	Thatom	Pakyong	ThidNoon	Suspension bridge construction	1	100 m	140,000,000	CARITAS

⁷ This is just some sample derived from the 394 priorities supported by others.

Annex 5: FRM Complaints

Date feedback received	Channel	Feedback source	Location	Details	Status
03/02/2015	Box	Villagers	Huaypiek Village, Phonxay District, Luangprabang Province	The villagers demanded the contractor to change window frames of sub project	Solved
02/03/2015	161	Villagers	Nakham Village, Houn District, Oudomxay Province	The community would like to understand why the contractor that initially won the bidding in constructing school sub project was not given the contract	Solved
02/04/2015	161	Villagers	Huayni Village, Xamtai District, Huaphanh Province	The contractor that won the bidding gave another contractor the construction work without informing the community	Solved
05/08/2015	Box	Anonymous	Phouluang Village, Nalae District, Luangnamtha Province	The community would like some explanation about the next step of bridge construction sub project since it has been delayed since Cycle XI	Solved
07/08/2015	Box	Villagers	Panone Village, Kaluem District, Sekong Province	The community complained about that the contractor did not pay wage to them	Solved
07/08/2015	Box	Anonymous	Pakkayong Village, Lamam District, Sekong Province	The community complained about delayed construction of water supply sub project in the area	Solved
07/08/2015	Box	Anonymous	Tuidan Village, Lamam District, Sekong Province	The community would like some explanation about how to use the 5% Kum ban administrative budget	Solved
21/09/2015	161	Villagers	Nabuen Village, Xamtai District, Huaphanh Province	The villagers seek explanation about budget transfer at the village level whether or not it required signatures from all villager finance team members	Solved

Annex 6: Number of KBF in each PRF's target districts (Cycle X, XI and XII)

Province/District	# Kum Ban	Village	KBF-C 10			KBF - C11			KBF-C 12		
			Total	Female	%	Total	Female	%	Total	Female	%
	278	1,951	618	180		624	241		616	271	
PHONGSALY	19	158	35	9	26%	35	14	40%	38	10	26%
KHOUA	3	29	6	2	33%	6	2	33%	6	1	17%
MAI	8	73	16	2	13%	16	5	31%	16	2	13%
SAMPHAN	8	56	13	5	38%	13	7	54%	16	7	44%
XIENGKHUANG	25	185	62	17	27%	66	20	30%	60	18	30%
NONG HAET	11	101	31	5	16%	29	7	24%	29	7	24%
MORK	5	26	10	3	30%	16	4	25%	10	4	40%
KHOUN	6	43	14	6	43%	14	6	43%	14	4	29%
THA THOME	3	15	7	3	43%	7	3	43%	7	3	43%
HUAPHAN	52	396	122	45	37%	127	51	40%	126	51	40%
HUAMUEANG	8	66	21	7	33%	22	8	36%	22	8	36%
ZAMTAI	17	127	33	12	36%	38	17	45%	38	17	45%
VIENGTHONG	9	61	21	8	38%	20	8	40%	20	8	40%
XIENGKHOR	5	44	15	5	33%	15	5	33%	15	5	33%
ZAMNUEA	8	62	19	8	42%	19	8	42%	18	8	44%
VIENGXAY	5	36	13	5	38%	13	5	38%	13	5	38%
LUANGNAMTHA	13	76	26	6	23%	26	11	42%	26	13	50%
NALAE	5	24	10	2	20%	10	4	40%	10	5	50%
VIENGPHUKAH	3	16	6	1	17%	6	3	50%	6	3	50%
LONG	5	36	10	3	30%	10	4	40%	10	5	50%
OUDOMXAI	44	268	88	14	16%	87	39	45%	96	49	51%
PAK BAENG	11	51	22	1	5%	22	11	50%	22	11	50%
BAENG	5	17	10	0	0%	10	4	40%	10	5	50%
NAMO	5	33	10	3	30%	10	5	50%	15	10	67%
HOUNE	12	79	24	1	4%	23	11	48%	23	11	48%
NGA	7	50	14	5	36%	14	4	29%	14	4	29%
XAY	4	38	8	4	50%	8	4	50%	12	8	67%
LUANGPRABANG	34	230	68	28	41%	68	30	44%	76	38	50%
PHONE XAY	7	46	14	7	50%	14	7	50%	14	7	50%
PAK ZAENG	6	43	12	4	33%	12	4	33%	12	4	33%
PHOUKUNE	6	33	12	3	25%	12	3	25%	12	5	42%
NAMBARK	4	25	8	5	63%	8	5	63%	12	8	67%

VIENGHAM	7	53	14	5	36%	14	6	43%	14	6	43%
CHOMPHE	4	30	8	4	50%	8	5	63%	12	8	67%
SAVANNAKHET	40	237	110	37	34%	110	37	34%	89	49	55%
NONG	7	56	19	6	32%	19	6	32%	21	14	67%
SEPONE	12	62	36	12	33%	36	12	33%	24	12	50%
VILABULY	8	39	24	8	33%	24	8	33%	16	8	50%
PHINE	7	54	19	5	26%	19	6	26%	16	9	56%
TAHPANGTHONG	6	26	12	6	50%	12	6	50%	12	6	50%
SEKONG	21	170	44	11	25%	42	14	33%	42	22	52%
LAHMAM	6	36	12	5	42%	12	6	50%	12	6	50%
KAHLUEM	7	58	14	3	21%	14	3	21%	14	7	50%
DARKCHUENG	8	76	18	3	17%	16	5	31%	16	9	56%
ATTAPUE	16	85	32	10	31%	32	11	34%	32	10	31%
ZANXAY	4	31	8	4	50%	8	4	50%	8	4	50%
PHUVONG	4	15	8	3	38%	8	3	38%	8	3	38%
SANAMXAY	8	39	16	3	19%	16	4	25%	16	3	19%
SARAVAN	14	146	31	3	10%	31	14	45%	31	11	35%
TAH OEI	5	56	8	0	0%	10	5	50%	10	5	50%
SAMOAY	4	53	8	0	0%	11	4	36%	10	2	20%
TOUMLAAN	5	37	15	3	20%	10	5	50%	11	4	36%
				180	29%		241	39%		271	44%

Source: PRF CD division March 2015

Annex 7: IEC materials produced during October 2014 – September 2015

The IEC material for PRF activities

IEC	# Unit produced	Key message	Targeted audience	Remark
1. Project Information Package				
Printing Introduction Brochure	5.000	PRF background, principles, processes and procedures, coverage, structure, components, safeguards, lessons learned from PRF I, resources allocation, cycle, capacity building, livelihoods, FRM, expected outcomes	Public, Gov, donors	
Success story on community ownership in implementing Sub-	54	Background of Village and Sub-projects, Community mobilization, brief implementation process and principle of CDD approach, sustainable development	PRF team, donors	

projects DVD		concept and PRF awareness slogan		
Exhibitions and CDD approach awareness/ dissemination	7 times	Display and disseminated methodology, outcome of using CDD approach in the PRF project for the Government and line ministry ASIAN meetings e.g Annual meeting of the National Committee for Mothers and child, Annual meeting of the National for Promotion Women advancement, The 9 th ASIAN-China Exchange meeting, The 9 th AIAN Ministerial meeting on Rural Development and poverty Eradication etc.	Public, Government staff, Donors, INGO's and University student of Lao PDR	
2. Safeguards				
Kumban development planning manual	110	How to do village resource map, analyze village situation, identify the village needs, how to prepare the 5 years Kumban development plan and PRF 4 years investment planning	Kumban facilitator, PRF staffs of district	
3. Feedback Resolution Mechanism				
Released FRM Spot (Eng, Lao and ethnics languages)	11 channels	Introduce Option of FRM and	Community, Government, Public,	
4. Public Information				
Articles	200	PRF activities, PRF approach, CDD.	Government, Donors, Public	
Radio Programmes at central, province and districts	200 articles and 11 Medea channels	PRF activities, PRF approach, CDD.	Government, Community, Public	
PRF Website Management	More than 200 articles and Documents	Uploaded all documents, manuals, IEC tool kits of PRF and News/articles	Government, Community, Public	
PRF Kumban and village target, and Government village, Kumban development focus atlas	24	The atlas shows map of PRF Kumban, Village target groups with supported by The PRF II	Government, Donors, Province and District officer	
Electricity dam and	12	The book maps shows location of Electricity	Government,	

Natural resources protection areas book		Dams and Natural resources protection In The Lao PDR	Donors and Public	
5. Community Education and Communication				
5.1 CDD Pilot				
Full CDD Manual	404	Provide methodologies for meeting facilitators in conducted village, KB planning meetings including principles, rules and community mobilization as well as gender and ethnics inclusions methodologies	FRF Staff of 5 districts 3 provinces, 24 KB and public	
Released CDD Spot (Lao, Khummou and Hmong)	11 channels	Community Participation mobilization	Government, Community, Public	
Redeveloped CDD Tool kits	150	Golden rules, group management, poverty grading, unity, village development planning, rules and regulation, project management awareness, Community inclusion, transparency and accountability, Ownership	Community, Public	
Produce PRF shirts	1000	The Shirts is presented PRF logo and slogan (from the People, For the People and by the people)	PRF staff, Kumban facilitators, village coordinators and Community developers	
Kumban facilitator and Village coordinator bags for CDD tool kits	1100	The bags presented: PRF Logo, CDD Slogan(from the People, For the People and by the people)	community	
6. GESI				
GESI Guidelines	1000	Gender equality, Gender stereotype, Gender mainstreaming, gender data disaggregated, gender ethnic and social inclusions, gender promotion	PRF staff, Community, public	
Released Gender Promotion Spot	11 Channels	Described important of gender equality and gender equality mobilization	Community, public	
Released Domestic Violence In Lao Films	11 Channels	Violence stories in the family of Lao PDR and lesson learn	Community, public	

Source: PRF CD division September 2015

The IEC material for LN activities

No	IEC	Unit	Key message	Targeted audience
I	Nutrition Education			
1	Breast feeding flip book	100 sets	Explain important of breastfeeding, what mother need to do before feeding her new child, how many time in a day mother have to feeds her child, and introduce mother hygiene what mother should do /what should avoid during breastfeeding	District, Young graduate and Community
	Manual of child growth monitoring	1.305 sets	Explain how to measure children, what different growth standard of boy and girl, how to measure high, weight and how to measure Arm circumference, how to records the measurement and decide where it is higher or lower the standards	District, Young graduate
	Growth chart monitoring manual for girl 0-5 years old	1.305 Sets	Present the information how to measure length/high of children 0- 5 years old for evaluate and records the measurement and decide where the girls in the village are higher or lower , fat or thin than last month or not	District, Young graduate
	Growth chart monitoring manual for boy 0-5 years old	50 sets	Described the information how to measure length/high of children 0- 5 years old for evaluate and records the measurement and decide where the boys in the village are higher or lower , fat or thin than last month or not	District, Young graduate
II	Livelihood			
	poster			
	Chicken raising poster	100 Pieces	Provides brief information related to chicken raising technique	Community
	Duck raising poster	100 Pieces	Brief explanation information related to chicken raising technique	Community
	Brochures			
	Duck raising brochure	1,000 sets	Explanation information related to chicken raising technique and how to vaccine Duck	Community
	Pig raising brochure	1,000 sets	Explanation information related to pig raising	Community

			technique and how to vaccinate pig	
	Goat raising brochure	1,000 pieces	Explanation information related to Goat raising technique and how to vaccinate goat	Community
	Catfish raising brochure	1,000 pieces	Explanation information related to fish raising technique and how to manage fish pond	Community
	Corn planting brochure	1,000 pieces	Explanation information related to technique of growing corn and how to manage pest	Community
	Frog raising brochure	1,000 pieces	Explanation information related to frog raising technique and how to maintain water frog pond	Community
	Chicken raising brochure	2,000 pieces	Explanation information related to chicken raising technique and how to vaccinate chicken	Community
III	Livelihood Link Nutrition			
Flip book				
	Flipchart of dried seed hard skin food should collect, its value and cooking methodologies	50 sets	Described information of benefit from eating dried seeds with hard skin of food eg: Bamboo shoot, rattan shoot, almonds seeds, etc; and how to cook those food for saving their nutrient	District, Young graduate and Community
	Food from natural resources should be collect, its value and cooking methodologies,	50 sets	Described information of benefit from eating dried seeds with hard skin of food or wild food eg: Bamboo shoot, rattan shoot, almonds seeds from forest, mushroom, vegetables etc; and how to cook those food for saving their nutrient	District, Young graduate and Community
	Flipchart chapter -9, 11, 12 water supply and hygiene education	50 sets	provides brief information related to Hygiene education and behavior change, in particular personal hygiene like hand washing, clean up housing and village environment, cooking hygiene, drinking safe water and solid waste management	District, Young graduate and Community
	Food flag Flip book	50 sets	provides food groups and eating behavior guidance	District, Young graduate and Community
	How to cook Beans species, their benefit and beans need to plant for consumption	50 sets	Described information of benefit from eating soil bean, ground nuts black bean, red bean and its cooking methodologies for saving its nutrients and minerals may contained in the food	District, Young graduate and Community

	How to cook vegetable, fruits its benefits need to be plant for consumption	50 sets	Brief information of benefit from eating local vegetables and fruit, like papaya, banana, passion fruit, etc; and its cooking methodologies for saving its nutrients and minerals may contained in the food	District, Young graduate and Community
	How to cook sweet potatoes and need to be plant for consumption	50 sets	Brief information of benefit from eating sweet potatoes and its cooking methodologies for saving its nutrients and minerals may contained in the food	District, Young graduate and Community
	New born mother and antenatal care	50 sets	presert information on New born mother and antenatal health care, especially food good for new born mother, and cooking methodology.	District, Young graduate and Community
	Identify malnutrition technique	50 sets	explain information how to evaluate and diagnosis child malnutrition health	District, Young graduate and Community
	Home garden brochure	2.000 sets	provides information on planting vegetables and manage homemade of VNC	District staff, Young graduate and Community

Source: PRF CD division September 2015

Annex 8. Details of training activities

No.	Training topic	Objective	Period	Participants (Number and level)	Location
Engineering					
1	Learning Exchange Workshop for PRF Engineers and KDP Engineers	Follow up on the implementation of the new monitoring, training, management and supervision procedures introduced since the Mid Term Review, including revisions and updates to the Quality Management System.	Dec.22-26, 2014	16 PRF staff (including one woman) and 4 KDP staff and 2 GOL staff.	Khammouan
2	Technical Exchange Experiences between PRF's TA staffs	To exchange experiences on Implementation sub-project between PRF's A staffs.	January - February 2015	60 PRF's TA.	Xiengkhuang Oudomxay Luangprabang Salavan Sekong
3	Water Cad software training for central and provincial Engineer	To be able using the software into designing work and monitoring	Apr.06-10, 2015	16 participants (1 women)	Vientiane

4	Social and Environment Safeguard Workshop	To understanding the Social and Environment Safeguard from construction of PRF's infrastructure sub-projects and solution methodology to PRF's staffs.	Mar. 23, 2015	38 participants (2 women, from 6 northern provinces northern, and the rest PRF's staffs	Houaphan, Attapeu
5	Bio-engineers workshop	About Mainstreaming Slope Stability Management of using Natural plant into slop protection to promoting Climate Resilient Rural Infrastructure	Apr.20-24, 2015	2 participants (staff from the Dept.).	Vietnam
6	Training on Environmental and Social Safeguard, Bio-Engineering application Techniques	To strengthen the capacity of PRF's staffs on Environmental and Social Safeguard, Bio-Engineering application Techniques using in PRF's targeted areas	7-31 July 2015	59 PRF's TA.	Salavan Attapue Xiengkhuang Luangnamtha
7	Annual Meeting	To review and strengthen the capacity of PRF's staff on the Survey and Design sub-projects (Read, Bridge, Irrigation system...)	17-21 August 2015	125 PRF's TA.	Luangprabang
			31 August -4 September 2015	79 PRF's TA.	Champasak
Monitoring and Evaluation					
1	Workshop on PRF Indicators framework	To ensure that all PRF staff have understood clearly about result framework of PRF II, the training/workshop of PRF achievement indicators at PRF central office was organized in December 2014, the representative of staff from each division: M&E, CD, FA, LONG and procurement attended this workshop.	22 Dec 2014	10 participants (ME: 6, FA: 1, CD: 2 and TA: 1)	Vientiane Capital
2	MIS data required for reporting	Moreover, the M&E Division has conducted training for all provincial and district staff in early			

		2015 focusing on the key MIS data required for reporting covering definitions, sources of information, methods for collection, and responsibilities at all levels in each division and unit. Simple guidelines for this information have also been drafted in Lao language. This should further improve coordination and cooperation.			
3	Training on Indicators Result Framework for provincial staff	To introduce indicators set in the Result Framework. It is important that staff understand the important of achieving indicators since the effectiveness and efficiency of the project will be assessed through achieving identified indicators.	Feb 2015	83 participants, 20 are women (province and district staff)	10 target provinces
4	Attending “Asia Regional Conference on Community Driven Development” held in the Philippines	To share and exchange lessons, challenges in applying CDD approach especially from those countries receive support from the WB, Australia and ADB in order to improve and highlight the significance of CDD approach.	24-27 March	Head of ME division (PRF), Head of Planning and International Relations Office (NCRDPE), representative from Ministry of Planning and Investment.	Cebu, the Philippines
5	M&E Division Mid-year workshop	To provide training and build capacity to all M&E staff on the MIS, sustainability assessment, FRM and GIS.	6-10 April	21 participants (6 from M&E central, 10 provincial M&E and 5 district M&E)	Vientiane Capital
6	Training on SP sustainability assessment and FRM community	To provide training to PRF provincial and district M&E staff in conducting SP sustainability and FRM	21-28 June 2015 (North) & 28-05 July 2015 (South)	28 participants (5 from M&E central, 16 provincial office and 7 from district	

	awareness assessment	community awareness assessment		office)	
7	M&E Division Annual Workshop	To provide dialogue and coordination between the GOL and development partners & Experience sharing between PRF and development partner, aiming to strengthen the capacity of M&E staff as well as improving PRF's M&E system	7-11 Sep	51 participants (from PRF central, PRF provincial, PRF district, GOL and development partners)	Vientiane Capital
Community Development					
1	On the job training on KDP on CDD	Objective is to refresh CD staff on capacity building to communities regarding the implementation i.e. planning, decision making etc.	13-17 Oct 2014	participated by 45 people; 20 women	In Pangsa village, Namore district Oudomxai province.
2	Training on building capacity implementation method to community of cycle 12	Objective is to refresh CD staff on capacity building to communities regarding the implementation i.e. planning, decision making etc.	28-30 January, 2015.	participated by 66 people; 13 women	organized in Savannakhet for Southern PRF CD team and in Huaphan for Northern PRF CD team
3	A Social and Environmental Safeguards Workshop	To promote and discuss about the improvement of the Social and Environment Safeguard Frameworks to apply in PRF target areas during period of adjust budget for PRF 2 or PRF in 2016	18&23 March (haft day)	109 participants (women)	At central level organized in Settha palace hotel, in Northern organized in Louagplabang and Sourthern organize in Chapasack Province
4	A workshop on PPM at local area of Lao	To Exchange Lessons Learnt in Participatory Planning Approach at Local level in Laos PDR	31 March 2015	72 persons (include 20 women)	Vientiane Capital

5	Refresher training on Social and Environmental Safeguards for PRF province and district staff	To build the capacity of PRF field staff on in applying a Social and Environmental safeguards policy of WB into PRF target areas during period of adjust budget for PRF II, PRF cycle XII	7-17 July 2015	120 participants (15 women)	In Northern and southern regions
6	Kum Ban Monthly meeting and refresher training	To build the capacity of Kum Ban Facilitators in cycle 12 on sub-project monitoring and facilitated each meeting and training in village and Kum Ban Level	Continuously for three months during sub-project implementation in cycle 12	Around 492 persons (include 189 women) participated in three time of meeting	Each target district
7	Annual District Evaluation meeting	To summarize results of Evaluation of PRF's SP implementation in cycle 12	Sept-Oct 2015	Representatives from all government office at district level and PRF district and province staff	In each target district of 10 provinces
8	Village Social Audit committee training	To build the capacity of village social audit committee team of each target villages in cycle 12	1-17 July 2015	139 persons (include 51 women)	In 5 CDD target districts (Nong, Namore, Xai, Namback and Champet)
9	Provincial Orientation meeting	To raise awareness on PRF new pilot project in cycle 13	August 2015	Representative from all government office at provincial level and PRF province	In Houaphan and Savannakhet provinces
10	District Orientation meeting	To raise awareness on PRF new pilot project in cycle 13	Sept 2015	Representatives from all government office at district level and PRF district and province staff	In Thanpangthong, Xiengkhor and Houameuang districts
Finance and Administration					
1	Refresh training on internal control system, disbursement procedures, producing report from Accpac.	To refresh provincial accountant from 10 provinces on the internal control system improvement at all levels and the sub-project disbursement procedures. Also the training has been reviewed and improved the financial report format from	Oct 2014	Accountants from 10 provinces	Vientiane Capital

		provincial office, which producing from Accpac program. The province will then train the district staff and district staff train the VIT.			
2	FA training on Budget planning (2015-2016), financial management and audit recommendations	<p>To train the 10 provincial and 42 district staff about how to prepare the annual & quarterly work plan and budget planning for the period Oct 2014 - Dec 2015. By following the annual budget template which provided by central level, on these training all units will understand their work plan and budget plan before implementation of activities including the detail calculation of budget planning by line activities. However, the FA has to be the focal point to detail check before releasing the budget to the requester.</p> <p>The training also provide refresher training on financial management especially on reviewing the financial policy and guideline. The training also summarized the recommendations from internal, external and donor supervision to the provincial and district level to response and improve in the future.</p>	Sep 2015	<p>Staff from 10 provinces and 42 districts</p> <p>In the North: 126 participants</p> <p>In the South: 79 participants</p>	<p>- North in LPB - South in Champasak</p>

Annex 9. Procurement activities during the fiscal year 2014-2015

1/ PRF

- Completed the procurement of 2 pick-ups, for which the contract was signed on 18 May 2015 with Keo Auto Group Co. in the contract amount of 463,300,000 LAK, and the pick up were received delivered on 13 Aug 2015.
- Completed the procurement of 15 motorcycles, for which the contract was signed on 18 May 2015 with Santiphap SUZUKI Lao Factory in the contract amount of 166,320,000 LAK, and the goods were delivered on 20 June 2015.
- Completed the procurement of IT equipment, for which the contract was signed on 22 May 2015 with Unitech Computer Company in the contract amount of 716,726,000 LAK, and the goods were delivered on 22 June 2015.
- Completed the procurement of Hotline Automatic Answer Machine (161), for which the contract was signed on 23 July 2015 with Dcom Shop in the contract amount of 22,878,000 LAK, and the goods were delivered on 24 August 2015.
- Completed the procurement of 51 motorcycles under PRF-AF budget, for which the contract was signed on 1 October 2015 with New Chip Xeng Co.; Ltd. in the contract amount of 461,958,000 LAK, and the goods expected to be delivered by the end of December 2015.
- Completed the procurement of printing of PRF II Success Stories (2 Stories) under Information Education Communication Strategy (IEC) budget, for which the contracts were signed on 31 October 2014 with PDS Printing Shop in the amount of 17,700,000 LAK, and the printing materials were received on 1 December 2014
- Completed the procurement of printing of KDP Planning Manual, GESI Manual, CDD Manuals and PRF Introduction Brochures for which the contract was signed on 26 March 2015 with Akhapab Printing Enterprise in the contract amount of 196,264,200 LAK, and the materials were received on 22 March 2015.
- Completed the procurement of produce 1000 T-shirt and 1000 Bags and printing impact of full CDD approach book (500 sets 50 pages) under Information Education Communication Strategy (IEC) budget. For which the contracts were signed on 17 September 2015 with PKS Sign Trading Co. in the amount of 103,290,000 LAK, and the printing materials expected to be delivered by the beginning of October 2015.
- Completed the procurement of printing maps (A3 Atlas) and improve CDD tools kits and Manuals under Information Education Communication Strategy (IEC) budget. For which the contracts were signed on 3 September 2015 with PKS Sign Trading Co. in the amount of 302,038,000 LAK, and the printing materials expected to be delivered by the end of September 2015.
- Completed the bid opening and evaluation process for TA video/film production under IEC budget on 22 December 2014 and the contract was signed with selected bidder on 16 January 2015.
- Completed the procurement of translation service for technical design of training material in 7 CD, for which the contract was signed on 22 May 2015 with DK Art Company in the contract amount of 16,016,000 LAK.

- Completed the procurement of consultancy service (firm) for Additional External Audit 2010-2013 for Trust Fund through SSS procurement method and subject to the World Bank's prior review which the contract was signed on 23 October 2014 with Pricewaterhouse Cooper (Lao) Co. in the amount of contract of USD8,520.
- Completed the amendment of contract for consultancy service (firm) for the Cost-benefit Analysis of the Water Sub-projects in an additional amount of USD 3,795 for carrying out the Cost Effectiveness Study, which was signed with Lao-Asie Consulting Group on 26 Feb 2015, for which the total contract amount now is USD81,795.
- Completed the procurement of consultancy service (firm) for External Audit for FY 2013-2014, 2014-2015, and 2015-2016 under PRF II through CQS procurement method, for which the contract was signed on 5 January 2014 with Ernst & Young Lao Limited in the contract amount of USD27,469
- Completed the procurement of consultancy service (firm) for EMIS Improvement Service through CQS procurement method and subject to post review by the World Bank, which the contract was signed on 14 August 2015 with Buddith Computer Service in the amount of contract of USD15,000

2/ LN

- Completed the procurement of Scale and Meter, for which the contract was signed on 19 November 2014 with ViengthongPharma Co. in the contract amount of 65,340,000 LAK, and the goods were delivered on 19 December 2014.
- For the procurement of printing/publishing of the Information Education Communication Strategy (IEC), the Procurement Team have accomplished the following to date:
 1. Completed the procurement of printing of Book for Village Implementation Guidelines (VIG) including Saving and Loans Book
 2. Completed the procurement of printing of Nutrition IEC Materials for Community VNCs including Flipcharts, Banner Product, Cooking Guides Booklet
 3. Completed the procurement of printing of Livelihood IEC Maternal for Community SHG including Flipcharts
 4. Completed the procurement of printing of Project Operational Guidelines (POG) including Flipcharts

For which the contracts were signed on 18 November 2014 with Akapab Printing Enterprise in the amount of 259,102,000 LAK, and the printing materials were received on 1 December 2014.

- Completed the procurement of consultancy service (firm) for External Audit for FY 2013-2014 and 2014-2015 under LONG through CQS procurement method, for which the contract was signed on 5 January 2014 with Ernst & Young Lao Limited in the contract amount of USD15,942.
- Completed the procurement of consultancy service (firm) for based line survey with Indochina Research Lao Co., for which the contract was signed on 26 May 2014 in the contract amount of USD72,323.20.

3/ Sub-project under PRF II

- Completed the bid opening and evaluation process for 74 sub-projects in cycle 12 using GoL fund after receiving the WB's NOL on 1 October 2014, for which most of the contracts were signed during Oct-Nov 2014.
- Completed the bid opening and evaluation process for 40 sub-projects using additional budget for construction of latrines and ceiling (SPs in cycle 9, 10 & 11) under SDC fund after receiving the WB's NOL on 12 July 2014, for which most of the contracts were signed during Oct-Dec 2014.
- Completed preparing the Procurement Plan for 332 sub-projects under IDA fund for Cycle 12, which was submitted to the World Bank for their information and record after receiving the IDA's NoL for the list of the sub-projects. The WB's NoL for the list of SPs was received on 27 Jan 2015 for the provinces: Houaphan, LouangNamtha, Salavan, Sekong and 5 Feb 2015 for provinces: Phohgsaly, Oudomxai, LouangPrabang, Xiengkhouang, Savannakhet, Attapeu, and on 13 Mar 2015 for the Final list of SPs which excluded the 5 CDD pilot districts in Oudamxai, LuangPrabang and Savannakhet.
- Completed the procurement of education materials including student books and teacher's guides for Ban Katen, KumbanDuob, Taoy District, Salavan Province at the central PRF Office on behalf of VIT based on the Power of Attorney dated 24 Oct 2014 for which the contract was signed on 5 March 2015 with Education Printing Enterprise in the contract amount of 29,000,000 LAK, for which the goods were delivered on 29 March 2014
- Completed the procurement of education materials including student books and teacher's guides for the villages below:
 - Ban Daknoy, KumbanAkalad, Dakcheung District, Sekong Province
 - Ban Dakman, KumbanDaktaokNgai, Dakcheung District, Sekong Province
 - Ban Dery, KumbanAyoun, Dakcheung District, Sekong Province
 - Ban Dakkang, KumbanTangyeung, Dakcheung District, Sekong Province
 - Ban Lagee, Kumban 11, Sepone District, Savannakhet Province
- Completed the procurement of medical equipment for the villages below:
 - Ban Alope, KumbanAlope, Kaleum District, Sekong Province
 - Ban Panone, KumbanPanone, Sepone District, Sekong Province

Annex 10. LUFSSIP Mission and main findings of the LUFSSIP ICR

LUFSSIP Missions

A combined LUFSSIP last Implementation Support Mission and the first Implementation Completion Mission have been undertaken from December 8 to 19, 2014.

The objective of this mission was to (i) review the final project outputs, outcomes and achievements compared with the original targets, (ii) review the financial and procurement achievements, and compliance with relevant safeguards policies, (iii) discuss the lessons learned from the project implementation and (iv) conduct the stakeholders meetings with the project team from all levels to discuss, reflect, and verify project achievements, and discuss the draft Implementation Completion Report (ICR).

To this intend, a field visit in Savannakhet province has been organized on December 12-14, 2014 to visit irrigation areas and discuss sub-project impact and sustainability with the village authorities and the Operations and maintenance team.

This mission was also the time to review the draft of the ICR and provide last recommendations before finalization.

Below are the key highlights of the ICR:

Sub-component 3a⁸ Assessment of achievements

Between 2010 up to 2014 (Cycle VIII to cycle XI), PRF has implemented about 320 sub-projects in the field of capacity building, agriculture related sub-projects, public works, water and sanitation, health and education, which benefitted to ethnic communities living in 17 out of the 47 poorest districts of the country covered by the PRF mandate, and located in the 5 provinces of Xiengkhouang, Houaphan, LuangNamtha, Savannakhet and Sekong. A total of 309 villages have received assistance (17 villages have receive more than one sub-project during the project's life)

Around 1/3 of the total number of sub-projects are related to training⁹ in the area of agriculture and 2/3 of the total number of sub-projects are infrastructure related. Overall (infrastructures and trainings), 71% of the total number of sub-projects are agriculture related, follow by the public work and transport sector (21%), which represents 92% of the total number of sub-projects in “productive” activities.

⁸Rural Infrastructure for Improved Agricultural Livelihoods

⁹Graph 1: Total number of sub-projects per key sector from Cycle VIII to Cycle XI (3a)

Component 3a Assessment of Implementation

The sub-component 3a is implemented by PRF through community driven development approach and established participatory process with a particular attention given to ensuring gender and ethnic group inclusion. Productivity and reliance of upland farming systems were improved through the provision of sub-grants and technical assistance for improving irrigation, road, livestock fencing, biogas facilities and grain storage and other sub-projects requested by the communities were achieved satisfactorily.

Extracted from the Technical Audit Report 2014¹⁰

Satisfaction of the community with the interventions was confirmed. The selected investment sub-projects were consistent with the priorities specified in the Village Development Plans and matched with the priority needs of the different segment within the communities. In general, the villagers mentioned that the sub-projects were the one that mostly contribute to poverty alleviation;

Globally, the community awareness and involvement was satisfactory. In most of the cases, the results were regularly reported to the community and the villagers reported an adequate level and process of contribution. All the contribution was done in kind which appeared to be the preferred contribution of the community;

87% of sub-projects have been rated satisfactory or moderately satisfactory regarding the technical quality (12 sub-projects are considered satisfactory (40%), and 14 sub-projects considered as moderately satisfactory (47%). Only one sub-project have been rated unsatisfactory (3%). Key issues for the unsatisfactory sub-project is related to limited budget that lead to poor design of the road (PRF agreed to support the entire length of the road, rather than focusing on spot improvement. Therefore, the road was eroded during the raining season and can currently only be used by pedestrian.

55% of the sub-project has been ranked satisfactory for the Operation and Maintenance aspect and 1/3 moderately satisfactory. Only 10% are considered as moderately unsatisfactory (mainly roads and animal fencing). None of the sub-projects sampled has been rated unsatisfactory on this aspect.

Less satisfying results were observed by LAC engineers for the Disaster Risk Management although perceived as satisfactory by the beneficiaries, as two sub-projects have been affected by Naly storm in 2013. Main reason is that during the first year of implementation (Cycle VIII), and specifically for the sub-component 3B, the DRM aspects were not yet in place.

¹⁰ Sampling of 10 sub-projects

The procurement method has been properly followed. However, a lack of knowledge concerning the details of the contractors and suppliers selection has been observed during the interview. Therefore, the PRF staffs at Province and District level should receive more training to increase their knowledge on this matter.

Coordination with sectors/Supervision: Very positive results were collected during the survey. The relevant sectors were involved in the technical advising, especially the district level during the survey and monitoring phases. Besides, the proposal was signed and approved by the relevant government departments for the 10 sub-projects.

Environmental safeguards: No important environmental adverse impacts were observed. It is partially due to the small-scale of the LUFSP sub-projects. No resettlement was observed and only few private lands were used. No specific problems were observed concerning the UXO clearance.

Component 3a Factors affected implementation

- The menu of agricultural sub-projects suitable for upland areas was not sufficiently developed and well suited to the local agro-climatic and social environment (2011). To strengthen this aspect of the project PRF signed with the MAF (planning department) a Memorandum of Understanding on the sub-project selection and implementation (including survey).
- Quality control of training sub-projects did not meet the standard required. While the project provides a large and varied menu of training activities, quality of training for some typology of sub-projects has not met expected standards (i.e. organic vegetable production). Thus the delivery of training activities delivered did not have the expected impact on agricultural productivity. It was suggested to reduce the type of training activities in the menu of option to only those (well know) activities/technologies for which there is a demonstrated technical knowledge available in project districts (i.e. NAFES, private sector service providers).
- Although implementation was performed following normal PRF procedures, the productive agriculture sub-projects were not selected and screened in order to get higher economic rate of return on production relative to their cost (irrigation infrastructure investments). The understanding of economic efficiency was not well understood by the facilitators during community participatory process;
- Economic sustainability of productive agriculture sub-project was not enhanced sufficiently with the relevant technical support from MAF (NAFES/DOI, DOLF). There were needs: (i) to associate MAF, PAFOs and DAFOs more closely in the design and implementation of productive infrastructure sub-projects; (ii) to include commitment from PAFOs/DAFOs to provide technical assistance in the contracts/MOUs signed with communities; and (iii) to add the cost associated with such support services from MAF in project budgets.

- Annual work plan has to be performed together with the annual budget plan; and
- High level of turn over within the PRF Monitoring and Evaluation Division resulting in accurate and updated data – LUFSIP reporting format was not used as agreed by PRF.

Component 3a Challenges and Key Lessons Learnt

In order to meet the WB recommendations for improving the C3a Implementation the following challenges have been taken into account during the past quarters:

Strengthen the collaboration between the various Implementing Agencies and to align project flow of funds with the Government decentralization policies. This challenge was considered since 2012 in order to meet the WB recommendations for improving the C3a Implementation.

Challenge under the collaboration between MAF and PRF: the collaboration between MAF and PRF is institutionalized/ mainstreamed into PRF’s implementation process the Agreement on the cooperation between the MAF and PRF was drafted and discussed. The final agreement was reached during a meeting set between PRF and MAF on 26 February 2013. Both sides agreed to seek optimal cooperation. The PRF’s approach to community-based development defined Kum ban planning regarding access infrastructure as well as irrigation rehabilitation and livelihood improvements.

Challenge under the agreed LUFSIP reporting format: LUFSIP agreed formats were improved and agreed by PRF, which has been followed by PRF from mid-2012 up to mid-2013. Since then no data were reported as the PRF Monitoring and Evaluation contact staff left the project. During the 3rd quarter 2014, 2 positions were filled, including the Head of Monitoring and Evaluation Division.

Carry-out the technical and social audit on all 3a sub-projects under Cycle VIII and IX: Long delay in audit firm selection and audit implementation and report submission. PRF selected the audit firm¹¹ to carry-out the technical and social audit and submitted the consultant company to WB in 2013. The contract signing was done at the end of October 2013 but the technical and social audit report was completed only in mid-2014 and is still under revision by December 2014.

Sub-Component 3b¹²: Community-Led Recovery (US\$4.19 million)

C3b Assessment of achievements

¹¹ Lao-Asia Consulting Group

¹²Community-led Recovery

Based on the damage assessment carried out in November 2009 all sub-projects identified for LUFSSIP assistance came from the PDNA.

Out of total 92 sub-projects¹³, 45% are directly related to the agriculture sector¹⁴. With the sub-projects of the other sectors that also support agriculture (access to the market or agriculture areas, gravity fed water supply system that can restore production of home garden, 77 out of the 92 sub-projects (88%) are directly supporting the agriculture sector.

The beneficiaries¹⁵ (direct and indirect) were estimated to be 102,540 persons, of which 51,416 are women.

Component 3b Factors affected implementation

- Strong involvement of the local authorities and the concerned sectors towards the PRF's activities and an active communities' contribution to the implemented activities in form of labors and materials. Thus PRF to rehabilitate Ketsana impacted sub-projects which allow communities to start their activities on time for the production;
- Some baseline information is not properly collected and maintained thus to fill the LUFSSIP format as agreed by PRF Monitoring and Evaluation team;
- The poor condition of roads (due to the rainfall) and the high bidding prices is also the cause of the launching delay of the sub-projects;
- Additional sub-projects were proposed during the end of the cycle and the implementing period was shortened. This might affected the quality of the construction as well as the payment.

Component 3b Challenges and Key Lessons Learnt

Challenge under the collection of baseline information that should be properly collected and maintained prior to the launching, especially information on the impact of the social economic and environment in a long term planning should be considered. Reliable information must be generated from one source; this will ensure the consistence and the correctness of the information as well as to reduce time consuming in project implementation.

Challenge in setting-up the technical and social audit on 3b sub-projects: During the 3rd quarter 2013, PRF selected the audit firm¹⁶ to carry-out the technical and social audit on 3a-3b sub-projects. PRF submitted the consultant company on October 7, 2013 to WB who gave the No objection on October 26, 2013. The contract signing was done on October 29, 2013. The

¹³ Annex V. Output Component 3/ Table 6. Selected Sub-projects covered by Sub-component 3b (2010-2011)

¹⁴ Annex V. Output Component 3/ Graph 10: Total number of Sub-projects per Key Sector for Cycle VIII (3b)

¹⁵ Ref. Annual Report 2011 (Source: PDR Monitoring team)

¹⁶ Lao-Asia Consulting Group

technical and social audit, expected to start beginning of November 2013 and postponed to the 1st quarter of 2014, is presently completed.

Challenge in justifying the DOI expenses before conducting training for farmers: The proposed farmer training using cancelled funds from DOI payments was discussed on May 25, 2013 in Vientiane between WB and PRF. The proposal was supported in principle by the Bank. The issue related to DOI payments was closed on June 2013. By the end of August 2013, the Bank approved the farmer training proposal. Then PRF conducted farmer study visit and exchange in Vientiane capital on September 16-20, 2013.

Annex 11. Donors support mission

Supervision mission

A joint mission of the Swiss Agency for Development and Cooperation (SDC), the Department of Trade and Foreign Affairs (DFAT) of the Government of Australia and the World Bank was conducted during 17 November – 4 December 2014. The objective of the mission is to review implementation of the Poverty Reduction Fund II (PRF II) and the Japan Social Development Fund Grant for Improving Livelihood Opportunities and Nutritional Gains (LONG) against the Project Development Objectives (PDO) and results framework. In addition, the mission will also identify issues, challenges faced during the implementation and make recommendations. Some findings are summarized as follows: (Full details of findings can be seen in the mission Aide Memoire, December 2014)

- Institutionalization and Partnership
 - The Ministry of Planning and Investment (MPI) participated in the mission and expressed a strong support to the PRF
 - The Ministry of Health (MOH) agreed that PRF may build only critical facilities under a dispensary construction sub project. The MoH also agreed that the PRF built dispensaries would be priorities for the provision of staff and equipment, and that the PRF would inform the MoH for help if they are not provided on time.
- Community Engagement
 - The PRF has significantly improved the quality of community engagement under the “Deepen CDD pilot”
 - The PRF made significant progress in implementing the Gender, Ethnicity and Social Inclusion (GESI) action plan.
- Technical
 - The new Quality Management System (QMS) was rolled out to all PRF provinces and districts.
- Capacity Development
 - PRF will assess the technical quality, cost effectiveness, sustainability and impact of PRF sub projects.
- LONG pilot

- The mission in principle agreed that the AF will take over some or all of the activities initiated by LONG.
- Project Management:
 - The overall procurement performance rating remains Satisfactory
 - Many Financial Management (FM) recommendations from the previous mission have been implemented.
 - GOL contribution in the amount of US\$2 million to Cycle XI was received on time.
 - Significant improvements were made in the Monitoring and Evaluation system.
- Safeguards
 - PRF's social safeguard performance has been strengthened since the MTR.

The mission has also updated on the status of agreed action under the previous mission, there were few still in progress. Most of the actions planned during the previous mission were completed as assigned.

Improving Livelihood Opportunities and Nutritional Gains (LONG)

Implementation support mission of the Improving Livelihood Opportunities and Nutrition Gains (LONG) Project was conducted from February 16-27, 2015 to assess progress in the field and to identify measures to further improve the efficiency of the project implementation. Some significant findings are as follows: (Aide Memoire, April 2015)

- SHGs are becoming a useful institutional platform at the village level for welfare improvement of the rural poor including nutrition, sanitation and basic hygiene.
- The project helped generate significant income among beneficiaries of livelihood grants.
- The linkage with nutrition should be further strengthened.
- The extension of the closing date by one year was requested and approved by the Bank.

Annex 12: Terminologies of PRF II

Community driven development is an approach, whereby communities themselves decide on how resources are allocated, manage sub-project funds, and implement sub-projects. In this context, PRF only takes a leading role in providing an extensive facilitation and training for community members to ensure everyone is engaged in the decision-making and empowering them for village development.

Small ethnic group is a group identified as Lao Theung, or midland Lao, and Lao Sung. The former are Austroasiatic origin and are probably the autochthonous inhabitants of Laos, having migrated southward in prehistoric times. The cultural and linguistic differences among the many Lao Theung groups are greater than those among the Lao Loum or Lao Sung, or upland Lao.

Groups range from the Kammu (alternate spellings include Khamu and Khmu) and Lamet in the north, to the Katang and Makong in the center, to the Loven and Lawae in the far south.

The latter are Miao-Yao or Tibeto-Burmese speaking peoples who have continued to migrate into Laos from the north within the last two centuries. In Laos most highland groups live on the tops or upper slopes of the northern mountains, where they grow rice and corn in swidden fields. The Hmong are the most numerous Lao Sung group, with villages spread across the uplands of all the Northern provinces. Mien (Yao), Akha, Lahu, and other related groups are considerably smaller in numbers and tend to be located in rather limited areas of the north. All PRF sub-projects are located in areas, where various ethnic groups make up high percentage of total targeted populations.

Sub-project beneficiaries: For the direct beneficiaries, this should be simply the total population of the main village that proposed the sub-project, the beneficiaries include: women, men, children, ethnic minorities, and the poor with all benefit from supported sub-projects.

Minority group is a sociological category within a demographic. In the context of PRF project, the differentiation to define “term of minority group” can be based on one or more observable characteristics, including, for example, ethnicity, race, gender, wealth, health or sexual orientation.

Vulnerable group is a group face with a higher risk of poverty and natural disasters, and live in rural-remote areas in Laos.

Criteria for ranging of Kum ban poverty status with PRF project coverage

The Program has identified beneficiary Kum bans for PRF II based upon the following four criteria:

- Kum ban poverty criteria specified in Government’s Decree #285/PM, specifically those related to food security, access to a road, access to water, access to electricity, and access to education and health services;
- Geographic location in terms of operational access and administrative cost-effectiveness;
- Presence of other similar donor-funded programs in these Kum bans; and
- Resettlement status: PRF will not work in villages which have been resettled in the last four years and for which there are plans for resettlement in next four years.

Using these criteria, and drawing upon the findings of the National Population and Housing Census of 2005, and the Lao Expenditure and Consumption Survey (LECS) III of 2002/3, the PRF central office has prepared a national Kum ban target list with poverty ratings. In other words, PRF Kum bans were selected based upon poverty criteria (as described above).

However, the allocation of resources to each Kum ban takes into account the estimated population size of Kum ban:

Table 26: Budget allocation for each Kum ban

Kum ban Population	Amount Allocated for each Kum ban During Each Cycle	Total Allocated for each Kum ban in PRF II
< 2,000 persons	• \$30,000 (240,000,000 kip)	• \$120,000 (960,000,000 kip)
• 2,000 to 4,000 persons	• \$40,000 (320,000,000 kip)	• \$160,000 (1,280,000,000 kip)
• >4,000 persons	• \$50,000 (400,000,000 kip)	• \$200,000 (1,600,000,000 kip)

“The total Kum ban allocation covers a 4-year period, funds are made available for use on an annual basis. The yearly amount allocated for each Kum ban, cannot be exceeded. PRF will not provide additional funds exceeding the annual PRF allocation, nor support sub-project with complementary funds to cover the budget portion that is over the PRF Kum ban allocation.

The remaining amount of the yearly Kum ban allocation can be retained across cycle (except if it is the result of a lack of implementation progress on selected sub-projects), and used to support additional sub-projects (infrastructure or trainings) from the Kum ban Development Plan during subsequent year in the Kum ban cycle. In such cases, the added sub-projects will need to be based on proper justification, especially on the beneficiaries’ capacity to manage the implementation of these additional sub-projects, and with PRF Executive Director Approval.

Criteria for ranging of village poverty status with PRF project coverage

The program has identified the poverty status of villages covered by PRF project coverage on a basis of the following methodology (Table2).

Table 27: Criteria for assessing of village poverty status

Village name	Prime Minister Decree 285/PM						Total	Poverty rate
	Sufficient food in a year	School access	Hospital access	Safe and sufficient water	Road access all season	Electricity access		

	• Yes=0	• No=1	• Yes=0	• No=1	• Yes=0	• No=1	• Yes=0	• No=1	• Yes=0	No=1	Yes=0	No=1		

According to table above, poverty status of village is definitely determined by a commutative scores (total scores) stipulated in the table2. Therefore, poverty status of village is divided into 3 categories as follows:

- **Very poor** is defined when total of scores is between 5 – 6 scores.
- **Moderate poor** is defined when total of scores is between 3 – 4 scores.
- **Relatively poor** is defined when total of scores is between 0 – 2 scores.

Sustainable development

For the purposes of the PRF II, sustainability will be assessed across the following dimensions: (i) developing a viable and replicable model for the government of community planning and financing; (ii) increasing the role of local governments in coordinating and supporting the program; (iii) enhancing the capacity of communities and local governments to plan and undertake local development activities; and (iv) improving the overall design quality and operations and maintenance of sub-project infrastructure, including incorporating disaster-risk reduction designs into relevant sub-projects.

Community contribution is voluntarily community commitments to village development and poverty reduction in form of both local materials and labor. Contributions can be made at all stages of project cycle, not just limited to the project implementation phase.

Bill of quantity (Progress payments)

Agreement between PRF and the contracted company/community, links to the percentage of progress made at a specific period. PRF is regardless focus on “how many activities the contracted company/community has to complete within this specific periods”, (e.g. we suppose the effective period of contract for primary school construction in village A is six months, with total contract costs of USD 40,000. After two months, the company has finished 30 activities of total 100, with costs of USD 20,000.

Accordingly, PRF defines that the construction works have been already made a progress at 50%, with no matter how long the construction has been taken. Giving to such evolution, the company/community plays a leading role in making and managing the work plan for construction. PRF and concerned sector, in contrast, has a key role in managing the quality control of construction and the implementation of contract if the company/community finishes all activities at the end of contract.