

**POVERTY REDUCTION FUND III (PRF III)**



**ETHNIC GROUP POLICY  
FRAMEWORK  
(EGPF)**



**LAO PEOPLE'S DEMOCRATIC REPUBLIC**  
PEACE INDEPENDENCE DEMOCRACY UNITY PROSPERITY



## **The Poverty Reduction Fund**

**ETHNIC GROUP PLANNING FRAMEWORK (EGPF)**

**March 2016**

**TABLE OF CONTENTS**

**INTRODUCTION ..... 3**

**SECTION I: PROJECT DESCRIPTION ..... 5**

**SECTION II: POLICY AND REGULATION ..... 7**

**SECTION III: SOCIAL ASSESSMENT (SA) AND RESULT OF FREE, PRIOR AND INFORMED  
CONSULTATIONS ..... 10**

**SECTION IV: PRINCIPLES AND PROCEDURES TO BE APPLIED TO THE PRF III ..... 14**

**SECTION V: FEEDBACK AND RESOLUTION MECHANISM ..... 19**

**SECTION VI: MONITORING, DOCUMENTING, INFORMATION DISCLOSURE AND REPORTING ..... 23**

**SECTION VII: BUDGET ..... 24**

**ANNEX 1: FEEDBACK AND RESOLUTION MECHANISM – TRAINING AND FORMS..... 25**

**ANNEX 2: SOCIAL SAFEGUARD PERFORMANCE ASSESSMENT OF THE PRF II AND SOCIAL  
ASSESSMENT (INCLUDING FREE, PRIOR AND INFORMED CONSULTATIONS) OF THE PRF III.....331**

**ANNEX 3: MINUTES OF THE CONSULTATION MEETINGS ON SOCIAL AND ENVIRONMENTAL  
SAFEGUARDS.....40**

## LIST OF ACRONYMS

ADB	Asian Development Bank
AF	Additional Financing
AMT	Appraisal and Monitoring Team
CDD	Community Driven Development
CRPF	Compensation and Resettlement Policy Framework
DCDDD	Deepen Community Driven Development
DRM	Disaster Risk Management
ECOP	Environmental Code of Practices
EG	Ethnic Group
EGPF	Ethnic Group Planning Framework
FM	Feedback Mechanism
ESMF	Environmental and Social Management Framework
FRM	Framework and Resolution Mechanism
IEC	Information, Education, Communication
JSDF	Japanese Social Development Fund
Lao PDR	Lao People's Democratic Republic
LECS	Lao Expenditure and Consumption Surveys
LFNC	Lao Front for National Construction
LWU	Lao Women's Union
MIS	Management Information System
NUOL	National University of Lao PDR
O&M	Operations and Maintenance
OP	Operational Policy (of the World Bank)
PDO	Project Development Objective
POM	Project Operations Manual
PRA	Participatory Rural Appraisal
PRF	Poverty Reduction Fund
PRF I	PRF Phase I
PRF II	PRF Phase II
PRF III	PRF Phase III
PMP	Pest Management Plan
POM	Project Operations Manual
SESG	Social and Environmental Safeguards Guidelines
SIDA	Swedish International Development Agency
VIT	Village Implementation Team
WB	World Bank

## INTRODUCTION

The PRF II has improved access to and utilization of basic infrastructure and services for more than 680,000 rural poor in about 1,100 communities from financing about 1,400 sub-projects identified by beneficiaries themselves. About half the direct beneficiaries are women, and ethnic groups account for about 70% of beneficiary communities. Utilization and sustainability of the infrastructure and services are seen in the fact that sub-projects completed over two years ago are being used and maintained reasonably well, and beneficiary satisfaction levels is high at about 90%. Against the positive outcome, the Government of Lao PDR (GoL) requested the World Bank to support the third phase of the project: PRF III.

Overall the PRF III will aim to build on the achievements of the current phase, and continue to strengthen bottom-up processes and improve the access of the rural poor to critical services. The Project Development Objective (PDO) is: *Improve access to basic services for the Project's targeted poor communities*. PRF III will be implemented in the same geographical areas and use the same implementation arrangements developed for and refined during implementation of the PRF II.

The PRF III will remain as Environmental Category “B”, and seven policies triggered for the PRF II project will continue to be triggered<sup>1</sup>: *Environmental Assessment (OP 4.01); Pest Management (OP 4.09); Indigenous Peoples (OP 4.10); Involuntary Resettlement (OP 4.12), Natural Habitats (OP 4.04), Safety of Dams (OP 4.37) and Projects on International Waterways (OP 7.50)*. It is highly unlikely that the PRF III activities create major, significant or irreversible adverse impacts that cannot be managed by communities themselves given the very small size of sub-projects – on average, US\$43,000. However, some minor land acquisition and/or minor asset loss may occur since sub-projects are designed during implementation on a demand driven basis. Similarly, ethnic groups will continue to represent the majority of project beneficiaries participating in the design, implementation and monitoring of sub-project implementation based on participatory processes. Care has to be exercised to ensure that free, prior informed consultations are carried out with ethnic groups and their broad community support is established, given their precarious socio-economic as well as political situation.

To be in line with OP 4.01, OP 4.04, OP 4.09, OP 4.10, and OP 4.12, four existing safeguard instruments were prepared as the standalone documents for the PRF II and remain applicable for the PRF III. These include:

- Compensation and Resettlement Policy Framework (CRPF),
- Ethnic Group Planning Framework (EGPF),
- Environmental and Social Management Framework (ESMF), and
- Simplified Pest Management Plan (PMP).

All four safeguard instruments developed for the PRF II were updated for the PRF III, taking into account the experience of the PRF II and in order to better align with the scope of activities to be carried out under the PRF III. They aim to provide the national, provincial and district government, the PRF team, consultants, village officials, private and public sector agencies and beneficiary community members with adequate guidance for effectively managing environmental and social issues in line with the World Bank safeguard policies. The process will be implemented as part of the PRF project cycle and the activities will be fully integrated into the sub-project selection, approval, implementation, and monitoring and evaluation process.

This Ethnic Group Planning Framework (EGPF) is updated to be applied under the PRF III. It aims to provide the national, provincial and district government, the PRF team, consultants, village officials, private, public sector agencies, and beneficiary community members with adequate guidance to ensure that ethnic groups are adequately consulted with and participate in sub-project planning and implementation, and that any negative impacts would be avoided, minimized or mitigated, in line with OP 4.10. The process will be implemented as part of the PRF project cycle and the activities will be fully integrated into the sub-project selection, approval,

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<sup>1</sup> Of the seven policies triggered for the PRF II, Natural Habitats (OP 4.04), Safety of Dams (OP 4.37) and Projects on International Waterways (OP 7.50) were triggered for the PRF II Additional Financing.

implementation, and monitoring and evaluation process. Given that the PRF III will continue to finance civil works which are similar in nature and scale to those of the PRF II in principles, a similar approach to address the ethnic groups will be applied. The EGPF is updated with lessons learned from the experience of the PRF II to ensure an adequate consultation with and participation of ethnic groups in the project planning and implementation processes. The EGPF describes the Approach for Inclusion of all Ethnic Groups, a quick identification of vulnerable groups, and monitoring and reporting to be carried out during the implementation of the PRF III. The EGPF is also connected to the CRPF and ESMF. The EGPF will continue to provide overall policy guidance to various guidelines and action plans, which were developed under the PRF II or will be developed under the PRF III, such as the Gender Action Plan, and Gender Equality and Social Inclusion Assessment, so that detailed steps and procedures provided in such guidelines and action plans are consistent with OP 4.10.

The PRF staff at central and local levels will be responsible for implementation of the EGPF and ensuring full compliance, including keeping proper documentation in the project file for possible review by the World Bank.

This document is considered a living document and could be modified and changed in line with the changing situation or scope of the activities. Close consultation with the World Bank and clearance of the revised EGPF will be necessary.

## SECTION I: PROJECT DESCRIPTION

The PRF III project will build on the successful experience of the PRF II project, and aims to further improve rural poor's access to services, building on a number of key lessons from PRF II described above.

### Component 1 – Community Development Sub-Grants

Bottom up local development planning. This component would continue to provide technical and logistical support to eligible villages to develop the Village Development Plan (VDP) based on the participatory planning processes. The VDP would be developed on a four (three?) year rolling basis, and consolidated into the Kumban Development Plan (KDP) by elected village representatives at the kumban level. Kumban Facilitators (KBF) will continue to play a leading role in the village planning processes, under the support of the PRF's district community development specialist. The Deepen Community Driven Development (DCDD) approach successfully piloted under the PRF II would continue to roll out to the entire districts during the PRF III implementation.

Community sub-grants. Each target kumban would continue to receive a three-year budget allocation upfront to finance eligible sub-projects prioritized in the KDP. On average, each kumban would receive US\$40,000 per year and US\$120,000 over three years. As under the PRF II, subprojects would be financed and implemented on an annual basis, selected at the kumban level based on the KDP by elected village representatives. Activities to be financed under the sub-grants would be open except for items included in the project's negative list. The sub-grant ceiling of US\$60,000 will continue to be used. PRF district staff and district officials would continue to provide technical guidance to help kumbans identify subprojects that will generate broader benefit at the kumban level, using the kumban resource map. Under the PRF III, maintenance of existing infrastructure will be promoted as much as new construction or improvement. The bi-annual follow-up visit started under the PRF II would advise villagers of mid/ long term benefits of addressing critical maintenance backlog of village infrastructure. Maintenance activities would be financed under the same sub-grants as new construction or improvements. The micro-enterprise approach would be piloted to support the maintenance of tertiary infrastructure in particular rural roads, which would be financed through community sub-grants.

### Component 2 – Local and Community Development Capacity-Building and Learning

Develop the capacity of villagers and local government officials to plan and manage local development processes in partnership. Specifically, this component would finance training of villagers, PRF staff and relevant government officials, goods, consultant services and incremental operating costs.

At the village level, this component would finance the capacity development of village leaders and KBF in participatory planning processes and the logistical cost associated with their participation in district level planning and monitoring processes. The cost of developing their technical, fiduciary and safeguard capacity to implement, supervise and maintain infrastructure subprojects in line with agreed procedures, would also be financed.

At the district and provincial level, this component would continue to develop the capacity of relevant government officials to support pro-poor local and community development processes. The technical and logistical support to help district authorities develop and update the District Development Plan (DDP) based on the PRF facilitated KDP, using the existing District Coordination Committee and with the participation of kumban representatives, would be financed under the component.

At the central level, this component would finance the cost associated with strategic capacity building of the PRF staff and organizing and participating in workshops and other relevant capacity development events. Costs associated with coordination with various sector ministries and Development Partners supporting rural development in Lao PDR would also be financed under the component. Project monitoring, reporting and evaluation activities, and thematic studies would also be financed under this component.

This component would also continue to support the on-going partnership with the National Center for Environmental Health (Nam Saat) and finance the travel cost and the logistical cost of KBF and VIT to support the Nam Saat's Open Defecation Free (ODF) campaign at the village level. The Memorandum of Understanding (MOU) has recently been updated to clarify the roles and responsibilities, including cost sharing arrangement, between both parties. It will not finance the cost of latrine constructions. A similar partnership may also be made with the Cookstove initiative under which the VIT and KBF may serve as village platform to introduce the clean cookstove<sup>2</sup>. The cost of purchasing cookstoves would not be financed from the project.

### **Component 3 – Project Management**

This component would finance the costs of implementing PRF III activities. It would include remuneration of national, provincial and district PRF staff; associated equipment and operating costs; accounting, procurement, financial management, internal controls, auditing, and other specialized areas.

### **Component 4 – Nutrition Enhancing Livelihood Development pilot**

This component would continue to strengthen the Self-Help Groups (SHGs) in 150 villages through the provision of seed funds to: (i) start or further develop eligible pro-nutrition livelihood activities such as the production of small livestock (e.g. poultry, fish and frogs) mostly for own consumption; (ii) increase their knowledge in livelihood activities including financial literacy and production cycles, and (iii) monitor and evaluate project activities. The component would also support the nutrition education of SHG members, however, it would not support the Village Nutrition Center (VNC) or provide seed grant for the supplementary meals as is done under the PRF II.

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<sup>2</sup> This initiative is currently supported under the Bank Executed Trust Fund.



## SECTION II: POLICY AND REGULATION

### World Bank’s Policy on Indigenous People (OP 4.10)

The World Bank’s Operational Policy 4.10 (Indigenous Peoples) requires that special planning measures be established to protect the interests of ethnic groups with a social and cultural identity distinct from the dominant society that may make them vulnerable to being disadvantaged in the development process. The Policy defines that ethnic groups can be identified in particular geographical areas by the presence in varying degrees of the following characteristics:

- a close attachment to ancestral territories and to the natural resources in these areas;
- self-identification and identification by others as members of a distinct cultural group;
- an indigenous language, often different from the national language; and
- presence of customary social and political institutions.

As a prerequisite for a project approval, OP 4.10 requires the borrower to conduct free, prior and informed consultations with potentially affected ethnic groups and to establish broad-based community support for project objectives and activities. It is important to note that the OP 4.10 refers to social groups and communities, and not to individuals. The primary objectives of OP 4.10 are:

- to ensure that such groups are afforded meaningful opportunities to participate in planning that affects them;
- to ensure that opportunities to provide such groups with culturally appropriate benefits are considered; and
- to ensure that any project impacts that adversely affect them are avoided or otherwise minimized and mitigated.

The ethnic groups of Lao PDR include different groups of the Austroasiatic, Hmong – lu Mien, Chine – Tibetan and Tai Kadai ethno-linguistic groups (see Table 1 below), who are vulnerable and who meet the characteristics used in the World Bank’s policy. These groups form the majority in most of the districts in which the PRF works. Hence the whole program is designed to comply with the OP 4.10 and the implementation experience is discussed in Section III below. The policy also requires that the ethnic groups in each village should be identified to ensure they can engage fully in the participatory processes and that recruiting of ethnic facilitators and/or preparing appropriate materials in local languages may be necessary. In Lao PDR, all efforts to include ethnic groups should be made in close consultation with the Lao Front for National Construction (LFNC) Office, the government mass organization mandated to promote and protect rights and interest of ethnic groups in Lao PDR.

### Government’s Policy and Regulations

The Constitution of Lao PDR, ratified in 1991, uses the term “citizens of all ethnicity” throughout the document. It specifically recognizes the need to incorporate the concerns of ethnic minority groups in developing policy and programs in all sectors, and has reaffirmed its commitment to strengthen the rights of all ethnic groups in various congresses, conferences, decrees, and laws since the 1980s (Articles 8 and 22). Article 75 of the Constitution specifically indicates that “the Lao language and script are the official language and script.

The 1992 Ethnic Minority Policy of the Lao PDR<sup>3</sup> towards inclusion of ethnic groups identifies three essential tasks: (i) strengthening political foundations, (ii) increased production and opening of channels of distribution in order to convert subsistence-based economics towards market-based economics, and (iii) a focus on the expansion of education, health and other social benefits. Of direct relevance to this Project, this Policy states that the Lao

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<sup>3</sup> Known under its full title as *Resolution of the Party Central Organization Concerning Ethnic Minority Affairs in the New Era*.

PDR must discourage ethnic groups from continuing their practices associated with shifting cultivation through arranging for permanent livelihoods for such groups so that the benefits of other forms of agriculture outweigh those associated with shifting cultivation. Basically the Lao PDR considers that many of its upland minority groups (and this especially includes the Khmou and Hmong) observe “backward traditions that are reflected in their production lifestyle”. In practice the Lao PDR realizes that it is quite impractical to change all these “backward” practices it attributes to ethnic minority groups because of limited arable area for lowland agriculture and even many ethnic Lao, settled in lowland areas, are involved in some forms of upland agriculture.

A new national guideline on consultation with ethnic groups was launched by the LFNC, in 2012, in line with the National Guideline on Public Involvement, 2012. It aims to ensure that all ethnic groups who benefit from or are adversely affected by a development project, without regard to the source of funding, are fully engaged in a meaningful consultation process at all stages from preparation into implementation. The guideline also aims to ensure that the potentially affected ethnic groups are fully informed of project objectives, as well as their potential positive and adverse impacts on their livelihood and their environment, and provided with opportunities to articulate their concerns. The guidelines provides principles and processes to carry out meaningful consultations with, and obtain free, prior and informed consent of, all ethnic groups affected by developments projects in a culturally sensitive manner. The guidelines consists of a) objectives and scope of the guidelines, b) consultation processes with ethnic groups at respective stages of development projects, c) consultation approaches and methods for different ethnic groups in a cultural sensitive manner, d) expected outcomes of consultation at each stage, and e) implementation arrangement and responsibility.

The Ministry of Home Affairs is in the process of drafting the Law of Ethnic Group, which expected to be approved by the National Assembly in September, 2016. The law will govern and reinforce all the above mentioned legislations on ethnic groups in Lao PDR. Key principles and procedures for consultation with ethnic groups in this guideline will be adopted into the safeguard instruments of the PRF III, including the ESMF, CRPF and EGPF. Copies of the guidelines in Lao language will be provided to all PRF district offices and the staff received training on the guidelines.

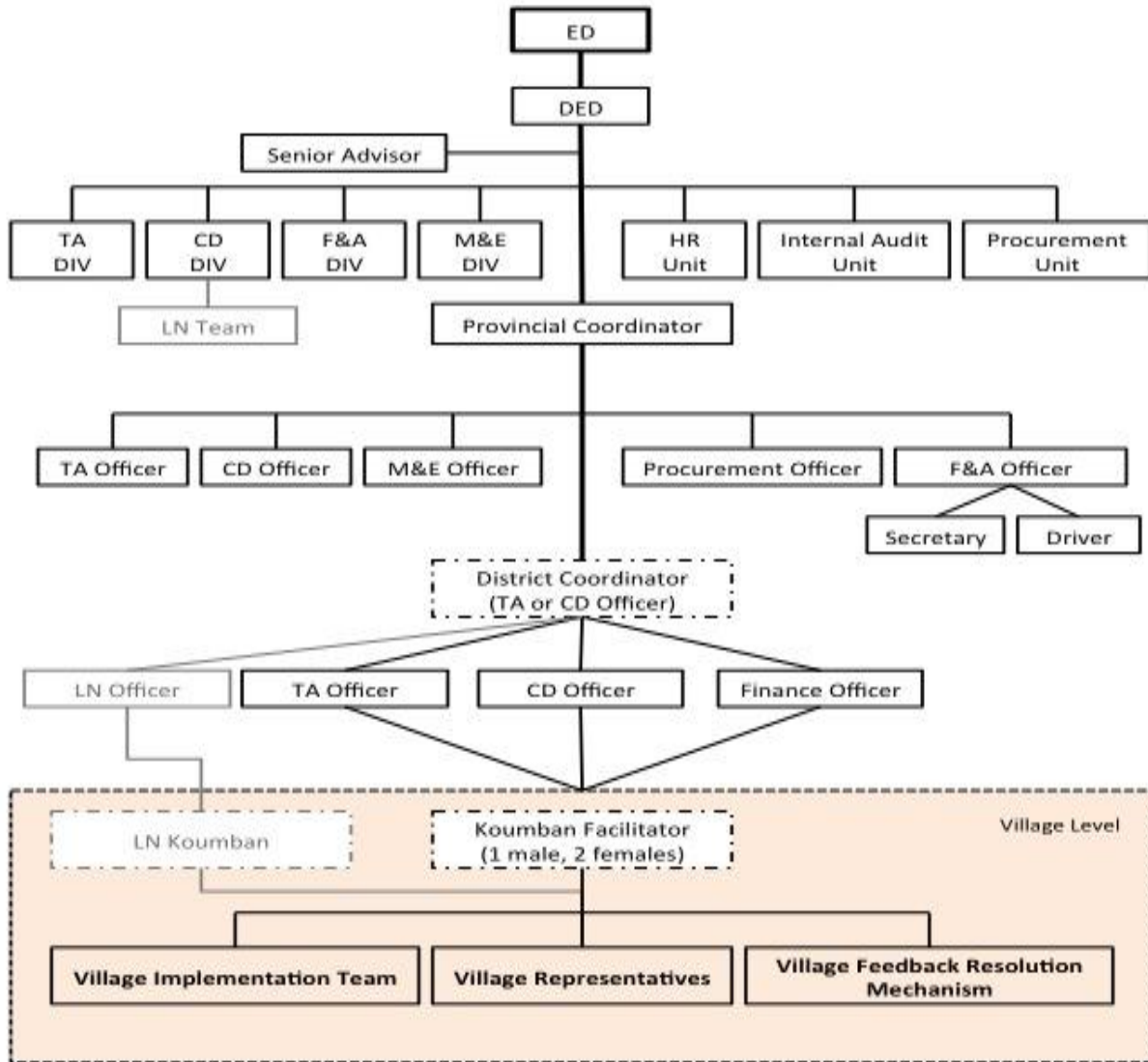
### **Implementation arrangement**

The Poverty Reduction Fund (PRF) will continue to assume an overall responsibility for the implementation of the PRF III and environmental and social safeguard compliance. Specifically, the Community Development (CD) department has staff from the central down to the district level and is responsible for managing participatory processes, including consultation with and participation of ethnic groups in the project planning and implementation processes. The CD is thus responsible for the implementation of the EGDF. In case negative impacts are likely to occur, the CD team will collaborate with the TA team and seek to avoid, minimize and mitigate such negative impacts. The PRF is making on-going efforts to recruit ethnic staff and mobilize Kumban facilitators from respective ethnic groups who are able to communicate with beneficiaries in their own languages and support their participation in the project planning and implementation.

At the village level, the Village Implementation Team (VIT) is responsible for overall safeguard compliance on behalf of the beneficiary communities. The VIT consists of villagers elected by communities themselves and village representatives of Lao Front for National Construction (LFNC) and Lao Women’s Union (LWU). Decisions, with regard to the use of project resources, are made at the community-wide meetings. Efforts have been made during the implementation of the PRF II to increase the participation of ethnic groups who may not live in the main village settlements in decision making processes by holding separate meetings with them before the village wide meeting is held and a community wide decision is made. The PRF TA and CD staff participate in a community wide meeting where sub-project designs, expected environmental and social impacts and mitigation measures, including voluntary donations, are presented for feedback from community members. Prior to the community wide meeting, PRF TA and CD staff will meet affected households individually and confirm their will to donate assets. Affected ethnic people are encouraged to report to LFNC and LWU village representatives. The PRF CD staff will keep a close contact with the LFNC village representatives through the VIT of which they are members.

At the kumban level, Kumban Facilitators help facilitate community meetings and mediate between District PRF staff and communities. Their responsibility includes confirmation that voluntary donation processes are completed prior to the commencement of the civil works. They are empowered to report to the district PRF to delay the commencement of civil works if voluntary donation process is not completed as per CRPF.

### PRF organizational structure



## SECTION III: SOCIAL ASSESSMENT (SA) AND RESULT OF FREE, PRIOR AND INFOMRED CONSULTATIONS

Social Assessment (SA) was conducted during the preparation of the PRF III using a participatory method to identify whether issues arose during implementation of the PRF II with regard to the consultation with and participation of women and ethnic groups in project planning and implementation processes, and whether they received project benefits in a culturally appropriate manner. The SA used direct consultations with ethnic groups and involved focal group discussions facilitated by trained community facilitators in their own villages to elicit their views on the project.

### Ethnic Groups in Project Areas

The PRF III will be implemented in ten provinces, which are resided by many ethnic groups – almost all ethno-linguistic groups in Lao PDR are represented in some of the ten PRF provinces. Although their numbers differ, specialists mostly agree on the following classification: there are four main ethno linguistic groups, including the majority Tai Kadai, which comprises 65% of the population. These four groups are further sub-divided into 49 officially recognized sub-groups, and again into more than 200 smaller groups (See Table 1 for a summary of the main characteristics associated with the four ethno-linguistic groups).

**Table 1: Ethnicity of Population<sup>4</sup>**

Ethno-Linguistic Group	Language Family	Summary Characteristics
Tai Kadai	Lao Phoutai	65% of the population, living mostly along the economically vibrant Mekong corridor along the Thai border or in Northern lowlands; settled cultivators or urban dwellers; migrated into Lao PDR since the 13th century; the largest group – the ethnic Lao are mainly Buddhists, while some of the minor groups, e.g. Tai Dam and Tai Deng, have remained animist.
Austroasiatic	Mon Khmer	24% of the population, living mainly in mid- and highland areas in the North, Central and South; smaller groups (Khmu) live also in the Northern lowlands; the most diverse ethnic group and the first one to inhabit large areas of Lao PDR; mainly animist and shifting cultivators; fairly assimilated due to hundreds of years of interaction with Lao-Phoutai, single communities live in isolation as hunter-gatherers.
Hmong - lu Mien	Hmong Yao	8% of the population, living mainly in mid- and upland areas in the North; Hmong is the largest sub-group; animist with strong ancestor cults, although many converted to Christianity; typically shifting cultivators, migrated to Lao PDR in the 19th century.
Chine – Tibetan	Tibeto Burman	3% of the population, living mainly in poorly-connected upland areas in the North; animist and shifting cultivators; migrated to Lao PDR in the 19th century.

Poverty in Lao PDR still remains concentrated in remote upland areas inhabited largely by ethnic minority communities. Often due to their geographical location, these populations have comparatively less access to productive land, markets and government services. In addition, cultural and linguistic differences may contribute

<sup>4</sup> Lao People’s Democratic Republic: Northern Region Sustainable Livelihoods Development Project, Indigenous Peoples Development Plan, Document Stage: Final Project Number: 35297, August 2006, Prepared by the Government of Lao People’s Democratic Republic for the Asian Development Bank (ADB), page 5 and *NSC/CPI, ADB, SIDA and the World Bank, 2006*

further to their isolation. As such, the higher incidence of poverty makes upland, remote, ethnic minority populations particularly vulnerable socially and economically. Even though the quantitative analysis of the Lao Expenditure and Consumption Surveys (LECS) shows that poverty fell from 39% in 1997-98 to 27.6% in 2007-08, there still exist wide regional and ethnic discrepancies. As illustrated in Table 2 below, rural poverty at 38% is thus far higher than urban poverty (at 20%), and the majority belonging to the Lao-Phoutai language family have a 19% poverty incidence, while for the Mon Khmer speaking groups the incidence is more than twice as high at 47%.<sup>5</sup>

**Table 2: Ethnic Group Poverty Patterns in Lao PDR, 2007/8**

	<b>% of National Population</b>	<b>Incidence of Poverty Headcount Index (% of pop.)</b>
Total Lao PDR	100.0	27.6
<b>By Geographic Area</b>		
Urban	31.0	19.7
Rural	69.0	37.6
Rural with all-season road	53.4	
Rural without all-season road	46.6	
<b>By Language Family</b>		
Lao-Phoutai	65	19
Mon Khmer	24	47
Hmong Yao	8	43
Tibeto Burman	3	42

Source: World Bank 2008 based on LECS4

### Challenges Faced by Vulnerable Ethnic Groups

The challenges faced by vulnerable ethnic groups in project areas are similar to those faced by ethnic groups in general and can be grouped into three areas. The first is linked to transitions taking place in the uplands. Indeed, the market-economy, the changes taking place at the village level (for example mixed villages) and issues related to land use, have a direct impact on ethnic groups' lifestyles and quality of life; and may contribute to increasing the ethnic groups' vulnerabilities. In fact, it appears that vulnerable ethnic groups may not be able to make the most out of the market-economy opportunities with women being the least able to. Secondly, institutional changes, such as the creation of the kumban committees and village consolidation in response to the national program for rural development and poverty eradication and decentralization policy, locally called 'Samsang', also have potential impacts on vulnerable ethnic groups insofar as they demonstrate the difficulties faced by these groups in accessing information and being represented in decision-making; thus, contributing to negotiation discussions that may be imbalanced. Lastly, the changes mentioned above, also have a potential impact on traditional gender roles that may lead to persistent gaps between men and women, especially those belonging to vulnerable ethnic groups.

### Implementation Experience of the PRF II

Project experience confirms that many ethnic groups are present in the project villages. As can be seen in Table 3 below, a large variety of ethnic groups are present in most provinces where the PRF operates. Indeed, about 72% of people who reside in the project villages belong to non Lao-Phoutai speaking ethnic groups, and the number of direct beneficiaries amounts to slightly fewer than 500,000. These ethnic groups are among the potential

<sup>5</sup> LECS4, 2007/2008

beneficiaries. They were consulted with and participated in the planning and implementation processes of the project. Decisions on the allocation of funds were made by the community members themselves, through a defined negotiation process, and with information provided by PRF facilitators and technicians.

**Table 3 Ethnic Group Distribution in PRF Supported Villages**

Province	Number of Ethnic Groups	Ethnic Groups found to be present in PRF villages
PHONGSALY	9	Bit, Er pa, Khmou (Khmu), Akha, Sila (Laoseng), Hmong, Oma, Singisily (Phou Noi), Phong Sat
LUANGNAMT	5	Khmou, Akhar, Lahu (Kouy Luang or Red Mouser), Lamet, Lahu
OUDOMXAY	4	Hor, Khmou, Hmong, Singisily
LUANGPRABA	2	Khmou, Hmong
HUAPHANH	8	Khmou, Hmong, Moy, Mroi, Phong, Phong, Pouak, Iewmien (Yao)
XIENKGHUAN	3	Khmou, Hmong, Phong
SAVANNAKHE	4	(Makong (Bru), Pa Ko, Oy, Tri
SARAVANE	5	Makong, Katu, Ka Nai, Pa Ko, Oy
SEKONG	11	Harak, Chathong, Katu, Kae, Lavy, Yae, Oy, Trew, Triang, Trong, Ngae
ATTAPEU	14	Lavy, Louyve, Cheng, Triang, Oy, Yae, Harak, Su or Ku, Tangkae, Nhahern (Hern), Oy, Katang, Sadang, Yrou, Khmou

Source: PRF Central Office, 2015

The SA did not find any significant negative impact that occurred to the affected ethnic groups under the PRF II. Minor asset loss that occurred had been addressed in line with the Compensation and Resettlement Policy Framework (CRPF) of the PRF II. It also found the PRF had improved the quality of consultation with and participation of ethnic groups in the project implementation processes through the following steps:

- Strengthened participatory processes were introduced under the ‘*Deepen Community Driven Development*’ (DCDD) approach which include<sup>6</sup>: (i) social mapping and production of village profiles, including data on different ethnic groups living in the village, concentration of ethnic groups and levels of poverty; (ii) community meetings with smaller groups and separate meetings in each smaller village settlement (hamlet) where minority ethnic groups tend to live; (iii) strengthened IEC toolkit to increase the awareness of ethnic groups about the guiding project principles and safeguard principles, processes, procedures and entitlements; (iv) participatory wealth ranking and production of beneficiary matrix to identify poor ethnic groups and ensure they benefit from the sub-project.
- An additional female Kumban Facilitator (KBF) hired in every kumban selected from a local ethnic group to participate in community meetings and facilitate sub-project implementation.
- Requirement that at least one PRF staff in each district is fluent in an ethnic language found in that district, preferences given to applicants from ethnic group for staff replacement, and the quota that 40% of new staff to be recruited in PRF should be female.

<sup>6</sup> The DCDD methodology is described in further detail in Section VI below.

As a result, female PRF staff increased from 29% in annual cycle XII to 33% in annual cycle XIII. Furthermore about 70% of KBFs are now from local ethnic groups and facilitated sub-project implementation in relevant local ethnic languages, which significantly improved the quality of participation and the level of understanding of ethnic groups in sub-project implementation processes. Overall, the participation of ethnic groups in sub-project planning processes increased from below 50% percent to 91%.

In addition, the SA found that the DCDD approach had resulted in very high levels of social inclusion of women, especially in the needs identification, prioritization and decision making processes of the planning stage of the Project cycle. Female consultation participants, in DCDD pilot communities, were found to be more interested in participation in project meetings and activities and expressed higher levels of project ownership than their sisters, who had not yet been exposed to the DCDD.

Overall, the SA found that the improvements to the planning cycle introduced in the DCDD has succeeded in ensuring free, prior and informed consultations with and high levels of participation of beneficiaries – and particular of women and ethnic groups – in decision making. Further to this, the approach asks that a total of 9 village members, and minimum 5 women, are selected to the VIT (as compared to 3 in the CDD). Thus more villagers are directly involved in the coordination of sub-project implementation. However, the monitoring and documentation of social inclusion needs strengthening – especially, in the later phases of implementation (e.g. follow up visits, facilitation of accountability meetings, etc.).

### **Anticipated impacts under the PRF III**

Since the PRF III will continue to finance activities of the same types and maintain the same sub-grant ceiling (US\$60,000), the scale and scope of impact are expected to be similar to those experienced under the PRF II. No significant or irreversible impact would occur under the PRF III. Physical relocation of households or businesses is not allowed. For the construction, improvement or rehabilitation of community infrastructure, major land acquisition or asset loss is unlikely to occur, given the small size of investment (on average, US\$43,000), although minor loss of land, assets and/or standing crops may be unavoidable. Nutrition enhancing livelihood activities will unlikely result in any loss of land or assets. Supplementary meal sessions through the Village Nutrition Centers (VNC) will not be supported under the PRF III.

The partnership with the Water and Sanitation Program (WSP) will unlikely result in any loss of private land or assets. The PRF III will facilitate beneficiary villagers build simple pit latrines of their own, if they choose to do so, within their own residential plots. The PRF III will not finance the cost of building private pit latrines, or build public latrines. The PRF III will finance only the travel costs of community facilitators and community leaders to receive training in basic sanitation and facilitate behavioral change of community members. Potential environmental impacts will be addressed through the Environmental Code of Practice (ECOP) recently developed by the Nam Saat in line with the World Bank's OP 4.01. The PRF may start such a partnership with the Bank funded Cookstove initiative. Like under the partnership with Nam Saat, the PRF would unlikely finance the cost of purchasing cookstoves, and would only finance the travel and logistical cost of community facilitators, even if such a partnership is made. The PRF would unlikely start any other partnership during the PRF III.

A summary of the SA findings is attached in Annex 2.

## SECTION IV: PRINCIPLES AND PROCEDURES TO BE APPLIED TO THE PRF III

### Approach for Inclusion of all Ethnic Groups

#### *Basic principles*

The PRF III will continue to seek to empower vulnerable ethnic groups by enabling them to have better access to education, to health services and to roads; thus, a better quality of life; so that they may also take advantage of different market-economy possibilities. The PRF II operated in remote areas that were home to many different ethnic groups and the PRF III will continue to locate sub-projects in such areas. Similarly, the PRF III will continue to provide training opportunities targeting ethnic groups. Based on lessons learned during implementation of the PRF II, the PRF III aims at expanding the vulnerable ethnic groups' space for negotiation and interaction with the government while preserving their cultural specificities. Through this respect and empathy for diverse cultures, the PRF's proactive approach intends not only to provide information but also to increase vulnerable ethnic groups' participation in all of the sub-projects' implementation cycle. As such, the main objectives of the PRF III in relation to vulnerable ethnic groups are:

- To empower vulnerable ethnic groups to benefit from development by building capacity through increasing access to information as well as encouraging participation in decision-making.
- To empower vulnerable ethnic groups in seizing the opportunities brought by the PRF's sub-projects: access to education via the construction of schools, to market opportunities via the development of roads, and to better health via the building of health centers and water infrastructures.
- To promote gender equality and increase the participation of women at all levels of the PRF's sub-projects' implementation.
- To establish a free, prior and informed consent of ethnic groups to project objectives and activities. The project will cease to operate in the communities where such consent is not established.

#### *Implementation strategy*

The following strategy, adopted under the PRF II, will continue to be applied under the PRF III in order to empower vulnerable ethnic groups in line with the above-mentioned policy and ethnic group consultation guideline:

- Continue to hire additional female Kumban Facilitators in remaining districts in phases. Preference will continue to be given to hire Kumban Facilitators from local ethnic groups<sup>7</sup>;
- Continue to carry out free, prior and informed consultations with ethnic groups leading to broad community support, using the DCDD approach<sup>7</sup> introduced during the PRF II and described in the next section;
- Continue to strengthen the representation of small settlements, where ethnic groups often reside, outside main village settlements in village-wide decision making processes using the DCDD approach introduced during the PRF II and described in the next section;
- Continue to strengthen the representation of women in village-wide decision making processes using the DCDD approach introduced during the PRF II and described in the next section;

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<sup>7</sup> The PRF introduced affirmative action principles for staff hiring. For Kumban Facilitators, the eligibility criteria are set so any female applicant from local ethnic groups would be selected provided that they have the minimum level of literacy and numeracy.



- Continue to strengthen participation of vulnerable ethnic groups and women in *all* processes of sub-project implementation including implementation, monitoring and evaluation, and the monitoring and documentation thereof;
- Strengthen the documentation of feedback from ethnic groups about priorities identified, potential negative impacts of sub-projects and measures to address them in the Sub Grant Agreement signed between communities and the PRF;
- Provide training on issues facing vulnerable ethnic groups, especially females, not only to the PRF team, but also the kumban teams and the district officials, to raise awareness and sensitize on these issues;
- Increase the knowledge and sense of ownership amongst vulnerable ethnic groups also through the oral sharing of key documents in their ethnic languages;
- Maintain and expand partnerships with Mass-based organizations, projects and others involved with vulnerable ethnic groups as well as women;
- Develop and adopt planning and communication tools such as the Information, Education, Communication (IEC) material and other Participatory Rural Appraisal (PRA) tools (participatory mapping, the pocket chart) as well as new initiatives (such as the quadrant game) in order to increase confidence and skills to participate and to better integrate vulnerable ethnic groups at the onset of the sub-projects' implementation;
- Increase access to information on development issues in general;
- Use an enhanced village profile that will lead to a better monitoring and evaluation of the sub-projects' impacts on vulnerable ethnic groups as well as a better tracking of the differences in terms of ethnic groups' composition at the village level;
- Ensure appropriate or proportionate representation of ethnic minority groups in village development committees as well as FRC and social audit committees in those villages and kumbans where multiple ethnic groups are found.

### ***Key activities and procedures***

The following activities have been applied to facilitate a better integration of vulnerable ethnic groups and this procedure has been adopted.

- Train PRF staff and Kumban Facilitators in gender and ethnic sensitization (see Training Manual).
- Use the recently developed IEC materials and pictures wherever possible during community meetings.
- Share orally key PRF program documents in local language during the cross kumban meeting.
- Conduct social mapping and maintain village profiles, including data on different ethnic groups living in the village, concentration of ethnic groups and levels of poverty. Update data annually.
- Provide capacity building to village representatives, especially those who belong to vulnerable ethnic groups (see Training Manual).
- Provide supervision in local ethnic language.
- Conduct workshops and training on relevant issues for vulnerable ethnic groups (see Training Manual).
- Organize study visits between Kumban Facilitators working in villages where there are different ethnic groups on the methods, difficulties, solutions retained when integrating, socializing and mobilizing vulnerable ethnic groups.
- Learning experience from other countries through research and study tours.

- Link with key partners experienced in vulnerable ethnic groups' participation, mobilization (such as Lao Women's Union (LWU) and Lao Front for National Construction (LFNC)) in the areas of provision of training, monitoring and evaluation and other areas, which are complementary.
- Reach out to youth, especially those from vulnerable ethnic groups, e.g. broadcast radio spots on the community radio.
- Exchange experiences among ethnic groups living in other villages.
- Recruit qualified personnel from vulnerable ethnic groups including those who are newly graduated from National University of Lao PDR (NUOL) and other institutions, especially women.
- Monitor and evaluate PRF vulnerable ethnic groups' coverage and support. This could also include ad hoc studies related to vulnerable ethnic groups done by consultants according to the Program's needs (ex: studies to identify potential adverse effects on vulnerable ethnic groups to be induced by the Project, and to identify measures to avoid, mitigate, or compensate for these adverse effects).

The basic principles of the World Bank policy related to ethnic groups and indigenous people rests on the following three points: i) the consultation process which constitutes free, prior and informed consultations leading to 'broad community support'; ii) indigenous peoples do not suffer adverse impacts during the development process; and iii) they receive culturally compatible social and economic benefits.

To avoid certain adverse impacts on the ethnic peoples, especially the disadvantages groups, a negative list will be adopted. The negative list will include:

- No new settlement or expansion of existing settlements will be supported in critical habitats, protected areas or areas proposed for protection. Where settlements already exist proposals for funding should be in compliance with any local regulations on land management and other provisions of the protected area management plan. No road construction or rehabilitation of any kind will be allowed inside critical habitats and existing or proposed protected areas.
- The PRF III will not *fund* the acquisition of land under any conditions and involuntary resettlement or involuntary land acquisition will not be allowed. Land acquisition can occur only on a voluntary basis or with compensation paid by the village's own funds agreeable to the affected people. Sub-projects requiring land acquisition will undergo review by the trained PRF staff. Any voluntary movement or land acquisition affecting more than five households or household structures will need special approval from the PRF central office in Vientiane prior to decision at the district level meeting. A Compensation and Resettlement Policy Framework for PRF III has been developed and will apply.
- The PRF III will not support programs involving village consolidation and/or resettlement that are not consistent with World Bank policies. Project investment or sub-project cannot be used as an incentive and/or a tool to support and/or implement involuntary resettlement of local people.
- Any activity unacceptable to vulnerable ethnic groups in either a homogenous village or a village of mixed ethnic composition cannot be funded without prior review by the PRF Central Office. Activities that will have significant adverse impacts on vulnerable ethnic groups in villages and in neighboring villages cannot be funded.

### **Consultations with Ethnic Groups During Implementation**

PRF's approach for inclusion of all ethnic groups was developed and updated based on the experience of the on-going project. It is specifically designed to ensure that (a) the project follows the key principles of the World Bank's policy concerning ethnic groups (OP/BP 4.10 on Indigenous Peoples), which are to "ensure that indigenous peoples do not suffer adverse impacts during the development process and that they receive culturally compatible social and economic benefits"; (b) the concerns of all ethnic groups are met through the project design itself as well as in accordance to government policy; and (c) throughout the PRF's sub-project implementation the cultures of the multi-ethnic societies are respected and gender issues are integrated at all levels.

Similar to the PRF II, the PRF III will continue to be implemented in the government's priority poverty areas. However, whereas PRF I focused on the priority poverty *districts*; PRF III will, like the PRF II, focus on priority poverty kumbans in alignment with the Government's intention to revise its poverty by targeting kumban and household levels as described in Decree #201 (2012) on Poverty Criteria and Development Criteria (2010-2015), of October 13, 2009.

Under the PRF III, the "Deepen CDD" approach will continue to be used and rolled out in all project areas, in order to ensure that (i) participatory Social Assessment (SA) including free, prior and informed consultations are carried out with ethnic groups; (ii) that their broad community support to subprojects are ascertained; (iii) that negative impacts on ethnic groups are avoided or otherwise minimized and mitigated; and (iv) that positive benefits for ethnic groups are enhanced.

Specifically, the following processes will continue to be used under the PRF III:

- Additional female Kumban Facilitators: in addition to existing one male and one female facilitator, another female Kumban Facilitator will be hired from local ethnic groups in each target kumban.
- Social mapping: at the initial kumban level meeting village representatives report the ethnic composition of their village and the location of any hamlets outside village centers. A comprehensive list including information about location of village hamlets (distance to main village) and ethnic composition (representation in each hamlet) is developed for each kumban
- Three day "village visioning meetings": one additional day of community meeting is held at the hamlet level in addition to the two-day village-wide meetings. IEC tools developed by the PRF will be used. Representatives of all hamlets participate in the first day, village-wide meeting, where they receive explanation about core PRF principles and procedures, including safeguards, as well as the criteria to rank hamlet level priorities into village level priorities. During the second day, hamlet level meetings, villagers receive project information including on safeguards from their representatives as well as PRF community facilitators and confirm their broad community support to participate in the Project. Upon the confirmation of broad community support, the situation analysis is conducted including household wealth ranking and social mapping to identify distinctive needs of the poor. This hamlet level meeting is held in all distant hamlets identified at the initial kumban level meeting. The hamlet level priorities are consolidated at the third day, village-wide meeting where representatives of all hamlets rank them into village level priorities using the criteria agreed at the first day meeting. The resultant priorities as well as issues identified are documented in the "village vision". The village delegates to the kumban meeting are also selected during the third day meeting.
- Revised Kumban Development Plan (KDP): village delegates discuss the results of the village level meetings, rank villages based on the pre-agreed poverty criteria, and update the KDP with priority investments. The KDP is presented in each village that constitute the kumban for validation, and feedbacks are sent back to and discussed at the kumban meeting for the possible revision of KDP.
- Sub-project designs and presentation at the village validation meeting: the villagers with the assistance of PRF staff design subprojects, and during the process, identify potential negative impacts. The PRF staff meet those who may lose private assets or experience negative impacts without fellow villagers to assess whether they are willing to donate assets or request compensation at replacement cost, following the provisions of the Compensation and Resettlement Policy Framework (CRPF). The sub-project designs are presented at the village wide meeting and the broad community support to the sub-project is established. If broad community support is not obtained, such sub-projects will not be implemented.
- Sub Grant Agreement: following the confirmation of broad community support to sub-project designs and measures to mitigate negative impacts, the PRF District Coordinator and representatives of communities sign the Sub Grant Agreement. The copies of the relevant Village Visions as well as the minutes of community-wide meeting are attached to the Sub Grant Agreement.

Under the PRF III, Ethnic Group Development Plans (EGDP) will continue to be developed as a collection of multiple documents rather than as a single document. This is because the sheer number of sub-projects to be financed, the limited capacity of communities in documentation, and the current Community Subproject Cycle, which involves multiple steps and documentation done for each step, make it difficult to develop one document that captures all elements of the Indigenous People's Plan (IPP).

Specifically, the following documents, developed under the PRF II, will continue to be developed under the PRF III. Collectively they address all elements of the IPP required under the OP 4.10:

- The Village Vision document: which summarizes the result of the participatory Social Assessment (SA) including free, prior and informed consultations with ethnic groups and benefits that ethnic groups would receive;
- Minutes of all village wide meetings: including the village validation meeting, which record the presentation of subproject design including the potential negative impacts, feedback provided by community members and broad community support established to the subproject;
- Handouts distributed to communities: describing, with visual presentations wherever possible, participatory sub-project monitoring conducted by the VIT, and the project Feedback and Resolution Mechanism (FRM: project grievance redress mechanism as described below); and
- Sub Grant Agreement: that describes the cost and the description of sub-projects including the cost to mitigate impact.

## SECTION V: FEEDBACK AND RESOLUTION MECHANISM

The purpose of the Feedback and Resolution Mechanism (FRM) is to ensure that the PRF III 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 III to be fully responsive to its beneficiary communities and empower the ethnic groups and poor in villages who are the principal target of the Project.

The Social Assessment (SA) carried out during preparation found that while awareness of the FRM exist among Project beneficiaries, not many have found a need for it. Consulted community members were fully aware that any issue could be reported and those complaints can be made anonymously. Regular opening of community feedback boxes were found to be well documented by the village Feedback and Resolution Committees (FRC), however, the records shows that the box is usually found empty, except from a few cases of positive feedback or requests for more support. Also very few actual complaints have been reported through the FRM toll free hotline (see Table 4 below).

The SA found several cultural and social reasons for the reluctance to use the FRM, including: 1) illiteracy – people cannot write their complaint; 2) language – people who cannot speak Lao cannot use the hotline; 3) traditionally preference to resolve any conflict without interference from outside the village – usually conflict resolution is facilitated by Village Chief and *Neo Hom*; 4) custom of financial fee to be paid if requesting support from higher level; and 5) loss of ‘model problem-free village’ status – a prestigious recognition from local government.

In order to address the gap identified under the SA, the PRF III will continue to strengthen the existing FRM by integrating it with the Social Audit arrangement initiated. The Social Audit would enhance community participation in the monitoring and reporting of sub-project implementation including the identification of grievances. The FRM Committee consisting of elected members at least 50% of women will be trained to perform the social audit. Specific tasks of the social audit committee are as follows:

- Ensure that all Committees and the leaders of the committees function in a just and fair manner.
- Where discrepancies and malpractices are noted, report them to the village wide meetings.
- Perform an internal audit of all records and accounts of the organization/ VIT and other committees, at least once in 2 months.
- Identify any grievances that remain unaddressed, and seek for solutions to redress them.
- Ensure adherence to PRF principles, rules and concepts such as transparency in the functioning of committees.
- Identify weaknesses and take remedial measures.
- Report remedial actions taken at the general meeting of the village.
- Social audit committee should meet at least once a month and inform issues to the village organization management.

In this way, the villagers can ensure quality of work, principles and rules followed and demonstrate their capacity to manage resources effectively by themselves.

### 1. *Guiding Principles of the FRM*

<b>Visibility</b>	Information about how and where to provide feedback is well publicized and easily noticeable.
<b>Accessibility</b>	Citizens should find it easy to engage and use the complaints procedure, irrespective of language or disability.

<b>Responsiveness</b>	Prompt acknowledgment to be followed by prompt action, with informant kept informed of progress.
<b>Objectivity</b>	Any investigation should be open-minded and impartial, complete and equitable.
<b>Charges</b>	There are no costs to the informant as their feedback is provided and handled.
<b>Confidentiality</b>	Unless voluntarily provided, identities of informants will be kept confidential throughout and after the investigation process.
<b>Citizen-focus</b>	The project welcomes citizen feedback of all types, with a culture that sees citizen as central.
<b>Accountability</b>	There should be clarity on roles and authority in handling feedback, and staff should be accountable for their actions and decisions.
<b>Continual Improvement</b>	There should be a permanent objective to learn from feedback to improve processes, policies, and procedures.

*Adapted from the ISO 10002, the international complaint-handling standard.*

## **2. Sources of Feedback**

In principle, feedback can be provided by anyone involved in the PRF process. The system has been setup and modified to increase participation of vulnerable groups (such as ethnic groups and women) who are likely to have less voice in planning and implementation process of the PRF.

## **3. Types of Feedback**

Feedback may include: (i) misuse of funds; (ii) corruption allegations; (iii) inappropriate intervention by outside parties; (iv) violation of program policies, principles and contracts for subproject construction; and (v) negative impacts of subprojects on individual households or sub-groups, including with regard to voluntary land/ asset donations and compensation arrangements for land acquisition, and impacts from civil works and other safeguard related issues. Feedback may just be simple inquiries about program procedures or rules.

## **4. Feedback Channels (Uptake)**

The FRM is an integral part of the Monitoring Information System (MIS) of the PRF, and crucial for an effective implementation of the PRF basic principles. Provision of feedback is possible at all levels (village, kumban, district, provincial, and national). For the FRM to function, the PRF has established the following conduits for feedback:

- FRM Committees at village, kumban, district, and provincial levels;
- Feedback boxes;
- Toll free hotline: Free hotline call: 161 set up and well-functioning;
- PO Box;
- Dedicated email;
- Website;
- Regular meetings at all level (village, kumban, district, provincial and national)
- Annual meetings in selected villages in each kumban soliciting feedback from community members.

For additional information, refer to the Project Operations Manual.

## **5. Integration of Ethnic Group Procedure into PRF process**

Implementation experience: Following the updated FRM pilot carried out in 2012, the fiscal year 2013-2014 marked an increase in the amount of feedback received from the community (19 requests for information, 151

requests for financial support, 83 feedback to thank PRF, and 9 complains) despite continuing issues with the hot line (16,160 irrelevant calls received). Complaints were mainly related to technical issues or implementation delays. These issues were, however, quickly resolved at village level. Further detail is provided in Table 4 below.

**Table 4: Feedback and resolution during 2013-2014**

Feedback Received	2013			2014								Total
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	
Request for information	2	2	2	2	1	-	-	4	1	4	1	19
Request for Fun/technical assistance	11	1	17	5	16	79	7	11	-	-	4	151
Thanks to PRF	11	8	12	5	5	15	5	5	2	15	-	83
Compliant	-	3	-	-	-	3	2	1	-	-	-	9
Feedback related PRF	24	14	31	12	22	98	14	21	3	19	5	263

This mechanism could be further strengthened, from the point of view of satisfaction of local community and/or improvement of CRPF, to allow the PRF to be fully responsive to its beneficiary communities and empower the vulnerable ethnic groups and poor in villages. To improve this mechanism, it is anticipated that PRF should encourage the local people to provide feedback both from the positive and negative side through various means including written application, feedback box, and hotline call: 161 to PRF Central Office.

The specific guidelines on what kind of information that have been provided to local communities are listed in Table 5 below. These will continue to be applied under PRF III.

**Table 5: Types of information provided to communities**

PRF project cycle	Key messages and measures to promote better inclusion of vulnerable EG and disadvantages
(1) Introduction of Project concept and training of PRF staff, local authorities, volunteers, and communities.	PRF informs the communities of possible positive and negative environmental and social impacts including potential environmental risk of the sub-project, raise awareness of communities about the need for sustainable use of natural resources and protection of the environment by the communities. This includes sharing knowledge on positive and negative impacts of different types of sub-projects, key issues, and required mitigation measures (negative list, social and environmental guidelines including ESMF, CRPF, EGPF and compensation/voluntary contribution rules, mitigation of impact on physical resources and inclusion of vulnerable ethnic groups).
(2) Village Need and Prioritization Assessment.	
(3) Participatory Planning meeting (4 years plan with annual review) at kumban level.	Explain Feedback Resolution Mechanism (FRM), which is detailed in the ESMF, CRPF and EGPF, including grievance-handling process.
(4) Design and preparation of sub-project.	Discuss specific actions as required by the policies as applicable to the selected sub-projects; inclusion of specific safeguard requirements or ECOP in the bidding and contract document.
(5) District meeting to endorse integrated Kumban Development Plan	Screen or identify whether possible land acquisition and resettlement of local people are required with special attention paid to the ethnic groups. Identify measures to mitigate the possible impacts as per the CRPF and EGPF.
(6) Implementation of sub-projects	Supervision and monitoring on performance of safeguards during sub-project construction targeted villages.  Land donation process must be completed before construction begins.  Grievances are addressed through the FRM.

(7) Community technical training	<p>Share information related to mitigation of potential negative impacts during operation, such as road safety and water source protection.</p> <p>Local ethnic interpreters will be mobilized to help with translation and facilitating in ethnic communities as deemed necessary.</p> <p>IEC materials will be developed and used for information sharing with ethnic groups to improve overall understanding.</p>
(8) Monitoring meeting	<p>Reporting of sup-project implementation progress.</p> <p>Local ethnic interpreters will be mobilized to help with translation and facilitating in ethnic communities as deemed necessary.</p> <p>IEC materials will be developed and used for information sharing with ethnic groups to improve overall understanding.</p>
(9) Official transfer of infrastructures to communities	<p>Ensure representation and participation of ethnic minority groups at the ceremony.</p> <p>Local ethnic interpreters will be mobilized to help with translation and facilitating in ethnic communities as deemed necessary.</p>
<p><i>If broad based consent of Ethnic Groups cannot be established, the project will stop operating.</i></p>	



## **SECTION VI: MONITORING, DOCUMENTING, INFORMATION DISCLOSURE AND REPORTING**

The PRF central office, in close consultation with the PRF local staff and the Lao Front for National Construction (LFNC), is responsible for the supervision and monitoring of ethnic groups' related issues, including documentation and reporting. Results will be included in the project progress report. The World Bank supervision missions will periodically review the progress to ensure that the investments affecting indigenous peoples afford benefits to, and mitigate any adverse impacts on, them.

Throughout the implementation of the PRF III, beneficiary/affected communities will be informed of the overall project approach including the provisions of this EGDP as part of the participatory planning processes. Information, about the Project, including planning meeting minutes, budgets and financial records will be shared with all community members attending village meetings. Copies of key documents and meeting minutes will be displayed on the village notice boards and information will be shared orally in local languages, with people who are illiterate or who speak another language than Lao, in order to ensure full disclosure.

Social safeguards performance monitoring will be strengthened under the PRF III. In particular safeguard compliance, monitoring and documentation in later phases of sub-project implementation will be improved by:

- Including modules on social safeguard in all technical training of PRF staff, discussing safeguard measures and reporting structures relevant to the particular topic of the training. This is with the intention of strengthening the integration of social safeguards and its documentation into all processes of sub-project implementation.
- Introducing sub-project planning and monitoring tools, currently under development, to assist district PRF staff and KBF ensuring safeguard compliance during all steps of sub-project implementation.
- Provincial and district PRF staff conducting 6 and 12-month follow up visits in beneficiary communities to verify safeguard compliance. Those issues discussed and necessary follow up actions agreed upon will be documented on the sub-project planning and monitoring form. Visits to affected households, including issues discussed and follow up actions agreed upon, will furthermore be documented on the household's Voluntary Contribution Form/ LAR.
- Further capacity building among KBFs to encourage and assist affected households in reporting of issues through the FRM.

During the preparation of the PRF III, the revised EGPF was consulted with key stakeholders including ethnic groups through the safeguards consultation workshops held in Pakse, Champasak and Luang Prabang, Luang Prabang on March 9-10, 2016 and in Vientiane Capital on March 14, 2016. There were no major comments related to the EGPF. Participants mainly sought for information about 1) scope of PRFIII and budget allocation, 2) alignment with all relevant environmental policies and 3) integration into existing social structures by coordinating with all relevant line ministries particularly at district level and using existing village structures for local implementation. The relevant departments heads of PRF, World Bank Task Team Leader and safeguard specialists participated in the meetings and addressed the questions and comments received. The minutes of the consultation meetings are attached to this EGPF.

## SECTION VII: BUDGET

Capacity development for participatory and transparent decision making processes involving ethnic groups, including on minimization of negative impacts on any members of the community, is part of the standard PRF process. As such, the PRF III would continue to allocate significant resources for such capacity development. The PRF also recognizes environmental sustainability as an important ingredient for sustainable poverty reduction, and will continue to raise awareness of community members on and develop their basic capacity for environmental sustainability under the PRF III.

As the table attached below shows, the PRF III would allocate about US\$300k for the capacity development of communities on the implementation of project safeguard instruments. It is to note that the actual spending on safeguard implementation will be significantly higher. Many PRF activities include aspects of safeguard implementation or monitoring. For instance, ECOP monitoring is carried out as part of the overall supervision of sub-project implementation. Refresher training of VIT on participatory processes has multiple objectives of which safeguard is just one. The cost of the village validation meeting will cover both safeguard aspects as well as non-safeguard aspects. Since safeguard implementation and monitoring are embedded in many project activities, it is difficult to estimate the budget that will be spent under the PRF III purely and only for the safeguard implementation and compliance. A rough estimate is shown in Table 6 below.

**Table 6: Estimated safeguard implementation cost under PRF III**

Description:	Amount in US\$
Refresher training of village implementation team (VIT) on participatory processes including engagement with ethnic groups	US\$20,882
Village Validation Meeting	US\$71,518
Safeguard training of PRF staff	US\$183,593
Production of IEC tools on safeguards	US\$11,000
<b>Total</b>	<b>US\$286,993</b>

## ANNEX 1: Feedback and Resolution Mechanism – Training and Forms

Modules for Feedback and Resolution Mechanisms training sessions used in Phase I will be modified by the CD and M&E units at the national level, emphasizing the principle of confidentiality, enhanced engagement of MBOs, and increased usage of the system by vulnerable groups within each community. Module should also stress the importance of transparency and timeliness in resolution process.

Training shall be targeted to National and local PRF staff and prospective members of FRC at all levels, but the system should be well communicated to the communities as well. In the next Accountability meeting at the koumban level (March 2011), district coordinators in the pilot districts should organize workshops with the koumban team and koumban FRC committee members to teach the new rules and principles of the system. Members of MBOs, as prospective members of FRCs, are also expected to attend these workshops.

During the monitoring of the implementation of the sub-projects of the Cycle VIII, district coordinators and PRF Community Development Officers should organize trainings of the members of the FRC at the village level, and will be followed by a meeting with communities to inform them about the new rules and principles of the system and the main channels of communication available to provide feedback.

Trainings will use the revised version of the IEC tools developed by the CD team on FRM (poster, brochures, radio spot) and will also use role play to ensure active participation of the trainers and put them in real situation to assess their understanding and adoption of the new FRM.

It is also recommended that a module be included in field staff training sessions so that all PRF staff is familiar with the system.

**Table 1: Summary of the enhancements of the PRF’s FRM for the 2011 pilot**

Short-Term Actions	Medium-Term Actions	Long-Term Goal
<ul style="list-style-type: none"> <li>○ Stimulate demand for the FRM through enhancement of the IEC campaign:                             <ul style="list-style-type: none"> <li>▪ Publicize the existence and importance of the FRM</li> <li>▪ Explain the Feedback and Resolution process (incl. the processing timeline and types of feedback)</li> <li>▪ Clarify that there is no financial charge for providing feedback</li> <li>▪ Clarify that feedback is welcome as it helps maintaining/improve project policies, and</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>○ Introduce multiple formal uptake channels (e.g. hotline, text messaging system, letters, project website)                             <ul style="list-style-type: none"> <li>○ Provide training to Feedback and Resolution Committees, traditional intermediaries, and MBOs where possible</li> <li>○ Formalize and strengthen the village level FRM:                                     <ul style="list-style-type: none"> <li>▪ Encourage community members to provide feedback to elders, monks, or other intermediaries</li> <li>▪ Link up the traditional</li> </ul> </li> </ul> </li> </ul>	<p>Build strong commitment on part of the PRF management and staff to the FRM and its principles as a means of confirming/strengthening the PRF’s overall performance, transparency, and people’s participation!</p>

<p>service delivery</p> <ul style="list-style-type: none"><li>▪ Clarify the principles of anonymity and fairness</li><li>▪ Remove the requirement for provision of personal details on the feedback form on the PRF website</li><li>▪ Disseminate the results of the Feedback and Resolution process</li></ul>	<p>intermediaries with FRM</p> <ul style="list-style-type: none"><li>▪ Stimulate feedback through proactive involvement of Mass-Based Organizations (MBOs)</li><li>▪ Enhance training on FRM (two-way communication and conflict resolution) for PRF staff and volunteers to ensure clarity about the process</li><li>▪ Ensure clear distribution of roles and responsibilities in FRM among the PRF staff</li><li>▪ Ensure proper Feedback and Resolution processing and documenting</li><li>▪ Introduce regular analysis of Feedback and Resolution reports (M&amp;E)</li></ul>
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## **Feedback and Resolution Form**

Province: ..... District: ..... Koumban: ..... Village: .....

Feedback to be transferred to the Feedback Resolution Committee at

Province level  District level  Koumban level  Village level

Date: ..... / ..... / .....

Describe the cases in detail for prompt investigation. To assure confidentiality, we will **not** ask for your identity, unless you specify voluntarily. The Feedbacks/problems are as follows:

Date of the event you would like to provide feedback: .....

Location of the event: .....

Person involved: .....

Nature of the feedback (please describe the information you would like to communicate):

.....  
.....  
.....  
.....  
.....  
.....  
.....  
.....

What is your request? .....

.....  
.....

We hereby propose this matter for you to consider or to review and to help us to solve the problem.

FRA - Form

## Feedback and Resolution Agreement Form

Province: ..... District: ..... Koumban: ..... Village: .....

Agreement was made by Feedback and Conflict Resolution Committee at

Province level  District level  Koumban level  Village level  Other specify: .....

Date: ..... / ..... / .....

FCRC organized the investigation of Feedback Register No.: ..... at:

Province.....District:.....Koumban:.....Village:.....

At the meeting it was agreed that:

.....  
.....  
.....  
.....  
.....

This agreement is signed to confirm by all parties involved that the feedback case is closed, and no problem remains.

**Participant and Witnesses**

**Feedback Concerned Persons** (Name of persons who were involved in the case in some way. Note that this does NOT apply to the plaintiffs - name of plaintiffs shall be kept confidential unless complainant(s) requested otherwise.)

<u>Name</u>	<u>Position</u>	<u>Signature</u>
1		
2		
3		
4		

**Feedback and Conflict Resolution Committee**

<u>Name</u>	<u>Position</u>	<u>Signature</u>
1		
2		
3		
4		

28  
At: \_\_\_\_\_ Date: \_\_\_\_ / \_\_\_\_ / \_\_\_\_  
(Signature and Stamp from the Government representative)

## **Feed back and Resolution Report Form**

### **1/ Reporting Level**

Report from Feedback and Conflict Resolution Committee at:

Village	
Koumban	
District	
Province	

### **2/ Reporting period**

From ..... / ..... / ..... to ..... / ..... / .....

### **3/ Summary**

Total of feedback received	
Total of feedback solved	
Total of feedback not yet solved	

### **4/ Details of the feedback received**

Refer to table below

Date:...../...../.....

Signature and stamp from FRC

**Table with details of the feedback received**

# feedback received	Date feedback received	Location	Nature of the feedback	Date of investigation	Outcome of the investigation	Case solved or not		Comment from FRC/ next step
						Yes	No	



## ANNEX 2:

# Social Safeguard Performance Assessment of the PRF II and Social Assessment (including free, prior and informed consultations) of the PRF III

January 2016

### Introduction:

An independent consultant carried out a social safeguard performance assessment in January 2016 with the objectives to:

- (i) Review social safeguard performance of PRFII and PRFII AF, identify gaps in fully addressing the requirements of CRPF and EGDF and propose gap filling measures.
- (ii) Identify possible social impacts that may result from the PRFIII investments and mitigation measures in places to screen and manage impacts.
- (iii) Assess safeguard awareness and implementation capacity of district agencies in order to identify needs and make recommendations on capacity building program to be supported under the PRFIII.

As part of the assessment, free, prior and informed consultations were conducted with PRF beneficiary villagers in 3 beneficiary communities, including:

- Ouy village, KB, Palorh, Nong district, Savannakhet province
- Yalang village, KB Laboaw, Nong district, Savannakhet province
- Dongyai village, KB14, Sepon district, Savannakhet province.

Semi-structured interviews were also conducted with relevant government and PRF staff.

Complete list of consultation participants and survey tool is attached below.

### Findings:

#### 1: Awareness of Social Safeguards requirements under the PRF II

Overall PRF staff seem to have a basic understanding of social safeguards. Interviewed provincial and district level PRF staff generally describe social safeguards as:

*“what we do to prevent negative impacts of the project and lower the risk of problems occurring during implementation”.*

It is furthermore understood that the safeguards will generate *local ownership* and lead to *sustainability* of interventions, while not paying attention to the Safeguards could lead to increase of poverty in target population rather than poverty alleviation.

Examples of actions taken to ensure safeguards are met mentioned by the provincial and district PRF team members and Koumban Facilitators are listed in table 1 below, where it is also indicated which phase of project implementation the action is related to.

**Table 1: Actions of social safeguard implementation mentioned by PRF staff**

Actions of social safeguards implementation	Project-phase is applies to:			
	Planning	Construction	Monitoring	Maintenance
only support good interventions	X			
conduct survey before implementation	X	x		
inform target population about the '10 Project Rules' during introduction meeting	x			
remind people about the 10 rules at every following meeting	x	x	x	x
ensure community agrees to every step in implementation	x	x	x	x
ensure no physical relocation of people's houses or other buildings	x		x	
ensure that no more than 5% of land owned by any individual household is used for sub-projects	x		x	
organize community meetings to discuss compensation if land owned by individual households is more than 5% of a household's land must be used for sub-projects	x			
cancel sub-project if more than 200 persons are affected negatively	x			
pay respect to community needs	X	x	x	x
let communities themselves select Village Implementation Team members	x			
ensuring community awareness and participation	x	x	x	x
discuss and agreed with communities issues of community contribution and land donation	x			
support the poorest villages first	X			
listen to communities and focus on their needs rather than project needs	x			

As illustrated in the table, the PRF staff have awareness of the social safeguards with relevance to most parts of the implementation process, however most attention is paid to the planning phase.

Furthermore the documentation of social safeguard implementation is merely related to the planning phase (e.g. participant lists for village vision meetings indicating participation of women and ethnic groups), whereas no documentation for implantation in later phases (e.g. documentation of follow up visits).

Interviewed District Government Counterparts likewise associate 'Social Safeguards' with prevention of negative impacts, mainly by keeping communities well informed and ensuring their participation in discussions of solutions to potential issues, such as land and labour contributions. It is understood that increased awareness of project rules and objectives will lead to greater community satisfaction and less complaints.

### **Suggestions:**

- *In order to generate greater awareness of the safeguards' relevance to all parts of project implementation among Project staff it is suggested to design social safeguards training as a component in every technical training of PRF staff rather than as a separate training in itself.*
- *In order to document safeguard implementation it is suggested to develop a simple 'planning' tool – a list of all steps in the implementation – on which VIT, Koumban Facilitators and district staff can indicate that each step has been taken, when it was done, who facilitated it and any comments.*

## **2: Free, prior and informed consultations and social inclusion during implementation**

Overall, PRF subproject implementation processes are implemented in line with the provisions of the EGPF. The attention to the consultation with and participation of the most vulnerable and minority ethnic groups in the communities has been strengthened significantly in the development of the 'Deepen Community Driven Development' (Deepen CDD) approach used for initial community planning. Expanding the length of the initial Village Vision Meeting from 2 days to 3 days providing time for vision meetings in any distant village hamlets, where ethnic groups and/or poorest households often reside. Further to this the approach uses more participatory planning methods/tools, including Wealth Ranking, Needs Identification, Prioritization of Interventions and Beneficiary Matrix and does so in groups of men and women separately, in order to ensure that women and people of ethnic minority background, who are often shy and not used to speak in public, are given a voice and empowered to participate in decision making. Finally additional female Koumban Facilitators hired from local ethnic groups have been hired to support active participation of women.

The methods were introduced in 5 Project districts and a total of 24 koumbans during the planning phase of annual cycle XII (fiscal year 2014-15) and in further 3 districts and 19 koumbans in the planning phase of annual cycle XIII (fiscal year 2015-16).

Whereas Nong district of Savannakhet was among the Deepen CDD districts in cycle XII, Sepon district, Savannakhet, has not yet been introduced to the method. This assessment thus sought to identify any differences resulting from the use of the Deepen approach in Nong when compared to Sepon.

When asked to describe the most vulnerable population in the communities, Project implementers as well as beneficiaries in both districts included many characteristics, such as:

- ethnic groups ;
- women and children;
- persons with disabilities;
- widows/widowers;
- households with many children;
- households without land for production;
- households without labour;
- households with low levels of education;
- households without access to water;
- households whose house is in bad condition
- remote communities without infrastructure and services such as schools and water supply.

However, the descriptions of what the Project does to ensure inclusion of the most vulnerable differed between the two districts. While consultation participants in both districts described actions such as:

- make women and members of the poorest households sit in the front in meetings;
- separate ethnic groups in group discussions;
- separate women and men in priority ranking.

- did the participants in Nong district further add:

- ask women to discuss the difficulties they meet in their everyday life;
- select more women than men to the VITs; and

- use picture of tools and local languages to ensure understanding among non-Lao speakers.

When asked about the main changes resulting from the shift in methodology, the Nong PRF Team members mentioned three changes, including:

- higher participation by women in the planning process and decision-making;
- higher participation by the community overall in the planning process and decision-making;
- VIT includes 9 persons, instead of 3, which can prevent corruption.

Yet, the assessment did not confirm any major differences in the satisfaction level among beneficiaries, which was found to be very high in both districts.

As planning meetings are not conducted every year, consulted beneficiaries in Nong – who had experience of both methods - found it difficult to remember the previous planning meetings and therefore were not able to describe what they found was the major differences.

All consulted communities expressed high levels of Project ownership, also the beneficiaries in Dongyai village in Sepon, where the Deepen CDD has not yet been rolled out. The high level of satisfaction and ownership here may however be a result of the long continuous support the village has received from PRF and number of sub-projects already implemented – including wells, toilets, school, and training on banana cultivation, whereas the consulted communities in Nong typically had received support for one or two sub-projects.

Overall, the assessment finds that the improvements to the planning cycle introduced in the Deepen CDD has succeeded in ensuring a free, prior and informed consultation with and a high levels of participation of beneficiaries – and particular of women and ethnic groups – in decision making. Further to this, the approach asks that a total of 9 village members, and minimum 5 women, are selected to the VIT (as compared to 3 in the CDD). Thus more villagers are directly involved in the coordination of sub-project implementation. However, the monitoring and documentation of social inclusion could be strengthened – especially, in the later phases of implementation (e.g. follow up visits, facilitation of accountability meetings, etc.).

### ***Suggestions:***

*In order to ensure social inclusion in all parts of project implementation it is suggested to:*

- *continue roll out the use of Deepen CDD in all Project areas.*
- *strengthen procedures for social inclusion promotion and monitoring and documentation thereof. This could for instance be done by used of a 'Sub-Project Planner' – a 1-2 page overview of all steps in the implementation cycle on which VIT and/or Koumban Facilitators can record dates and participation of various implementation steps and/or milestones.*

### **3: Feedback and Resolution Mechanism**

The Feedback and Resolution Mechanism (FRM) is a system for PRF to receive feedback from citizens and is as such an important part of the Project's safeguard implementation.

Various channels have been established for beneficiaries to provide feedback to the Project, including written feedback (written on a specific form or on a blank piece of paper and submitted in a box placed in every target village, *koumban*, district and province); free of charge phone call (hot line 161); and verbal feedback given at community meetings or directly to FRC members.

Feedback and Resolution Committees (FRCs) have been established at village, *koumban*, district, province and central levels. They have been trained in conduction of social audits.

FRC members were present in several consultations made with beneficiaries as part of this assessment.

The assessment found that project implementers and beneficiaries are well aware of the purpose and function of the FRM. Consulted community members know that any issue can be reported and that complaints can be made anonymously. While PRF encourage communities to use the FRM as a channel to place complaints in general, it is still mainly considered a place to report feedback directly related to PRF implementation.

Village Chiefs were found to have recorded the monthly openings of the FRM box, however, the box is usually found empty, except from a few cases of positive feedback or requests for more support. Many people in the target communities cannot read or write. If they can, they typically prefer to write on a blank piece of paper rather than trying to fill out the FRM form.

None of the two district PRF Teams reported to have experienced having received a negative complaint that they had to report further within the FRM. They suggest that this could be because the Project is very careful to explain the ‘rules’ of the Project before implementation. In Nong the district team furthermore explained that the extensive participatory planning process (Deepen CDD) is ensuring that there are no problems related to Project implementation.

Of the consulted district government offices (in Nong), only the district health department mentioned to have been involved in the resolution of issues related to the PRF. They recalled two incidents. One was a case of a broken pipe in a water supply system supported by the PRF. In this case the district health department had helped resolve the problem together with PRF. The other case was some children getting stomach-aches after eating food prepared during LN activities. The parents had taken the children to the district hospital where the staff had checked them. No actual complaint was made.

Consulted community members, including Village Implementation Teams (VIT), Village leadership representatives and groups of men and women, all agree that there have been no issues related to the implementation of sub-projects in their villages.

Some of the village leadership representatives further explain that if there had been issues, people would not have gone through the FRM but rather reported them the traditional way, to the Village Chief and village elders (*Neo Hom*) representative, who would then have helped the resolved the problem by mediating between the involved parties. Women would usually seek help from the Lao Women’s Union representative in their village and/or the Village Chief.

Also this traditional system has channels for reporting a problem up in the system (from the village to the *koumban*, from the *koumban* to the district and so forth), however, it is much preferred to resolve the issue within the village. Reasons for this was explained as 1) avoiding a financial fee to be paid if referring a problem; 2) ensuring village won’t be seen as a ‘problem village’ in contrast to the desired ‘model village’, a status a village can be given by government.

As no ‘formal’ complaints have been made, the assessment found no documentation of problem resolution. It was however explained that Village Chiefs usually would write an agreement for the involved parties, whenever an issue is resolved in the village.

The PRF also has the free “hotline” through which villagers can raise concerns or grievances directly to the PRF central office in Vientiane. There are staff dedicated to receiving and addressing feedback received through the hotline, and report directly to the Executive Director of the PRF. Based on the record of calls, the SA observed, the PRF has received 560 feedbacks since the establishment of the hotline in October 2014, of which 423 are request for additional support and funding and 100 are expression of gratitude to the PRF. Only 29 calls were requests for information and clarifications and only 8 complaints have been made. The record further shows that all complaints have been resolved.

The SA found that villagers are aware of the hotline and its objective, but have not used it since they did not have issues to report. Social and cultural factors, including language barriers, may however also explain at least partially the low rate of use of the hotline.

### ***Suggestions***

- *Even though the FRM is not much used currently it is recommended that the PRF maintain the system with various open communication channels, including the feedback boxes and hotline, and trained staff to conduct social audits encouraging the use of anonymous feedback and resolution mechanisms in the future.*
- *It is suggested that the PRF continue to promote the free hotline and encourage villagers to report any grievances they may have. This could be done by showing examples of resolved grievance cases in which villagers had their concerns successfully addressed through the hotline or feedback box without any negative consequences.*

#### 4: Land Acquisition and asset loss

PRF sub-projects are relatively small in scale and impact on land and other private assets are usually very limited. The Project allows two forms of land acquisition:

- 1) *Voluntary contribution* – applies when 0-5% of a household's land is required and the household agrees to donate the land based on informed consent.
- 2) *Compensation at replacement value* – applies when more than 5% of a household's land is required, and/ or the household does not agree to donate the land but requests compensation.

All affected households must be direct beneficiaries and no sub-project must affect 200 or more households. Also, no physical relocation of household is allowed under the PRF II.

The PRF does not fund compensation of land or other assets. If compensation is required, the communities themselves must make it. However, if a household needs compensation PRF should be informed and an extensive Land Acquisition Report made, whereas voluntary contributions requires that a simple form is filled out and is signed by the Village Chief and contributing households.

The process of all land acquisition is facilitated by the PRF TA officer (engineer) together with the CD officer and supported by the Koumban Facilitators. Requirements and procedures are thoroughly outlined in the CRPF and POM.

The assessment found that some district PRF team members and Koumban Facilitators understands that affected household are entitled to compensation only if land required from them is more than 5% of that household's total land. Thus, while some affected people clearly understand that affected people are entitled for compensation at replacement cost even if they lose less than 5% of their total land, not all communities interviewed seem to be aware of this.

The assessment did not find any case where more than 5% of land was donated. Also, the Annual Project Report mentions that no loss of land greater than 5% of the total land holding has occurred under the project. The review of the documentation filed at the RPF central level confirmed this. While it is positive that the negative impact is kept below the 5% overall, it is of course a contradiction to the policy requirement to *require a voluntary* donation even when the size of the land needed is small enough.

The sub-projects, implemented in the consulted communities, requiring land contributions are mainly water supply project where land has to be provided either for a pipe to run through a households fields or for a well or water post located within the village. The consulted community members report that no land compensations have been made, only voluntary donations. They explain that all affected households have been direct beneficiaries and have donated the land happily in order to get water supply close to their house.

None of the consulted district PRF team members or their district government counterparts could recall any sup-project where land was involuntarily acquired and that compensation was paid at the replacement cost. In Nong, the consulted Koumban Chief reported a case where compensation had been paid to a household who donated some of their cassava fields to the recent school building project funded by PRF. Some of the consulted community members thus explained that the household had received compensation in the form of another piece of land while others explained that the household had agreed to donate the land voluntarily. No documentation of the donation was found. It was explained that the documents had been sent to the PRF in Vientiane for review.

The Village Chief usually leads the process of seeking agreement for land contributions. Both project implementers and beneficiary communities agree that the Chief's involvement is essential to ensure that decisions about land contributions are made by the community members themselves. The Chief will thus discuss with the individual affected households in a private conversation in order to reach agreement. The 'CC-Form' is used to document the donations. This is a form where details of land required from all affected households are listed and all households sign. The Voluntary Contribution Form (CRPF Annex 3) for each individual household was not used.

Where the CC form consists of 3 pages, a full Land Acquisition Report (LAR) is required when a household is compensated at replacement cost. According to CRPF Annex 4, the LAR includes:

1. Baseline census and socioeconomic data of affected people;
2. Detailed inventory of loss
3. Description of in-kind compensation to be provided
4. Policy entitlements
5. Implementation schedule
6. Detailed cost estimate and source of resources

The documentation required for Compensation is thus disproportionate with the documentation required for voluntary contribution. There may therefore be a risk that households are forced to donate voluntarily because of a desire among project implementers to avoid preparing a full LAR.

The PRF district team members would like better tools (IEC materials with pictures) to help explain the rules of land acquisition.

### ***Suggestions:***

- *Introduce the single household Contribution Form (EGPF Annex 3) in order to ensure that individual household's receive documentation of their voluntary contributions. This may require training of project CD and TA staff.*
- *In order to address the risk of households being forced to donate voluntarily:*
  1. *increase awareness of the right to compensation at replacement cost among project staff as well as beneficiaries, produce IEC materials to explain better the two types of land acquisition with emphasis on the individual's right to request compensation.*
  2. *Develop user-friendly report template for LAR.*
  3. *Provide training and technical support to preparation of LAR.*

## **5: Community Contributions**

The PRF requires that benefitting communities contribute 10% of implementation cost – usually in form of labour or materials already available to them. The consulted PRF staff at the central level expressed concern over household being forced to contribute more – especially vulnerable households who are already struggling to meet daily subsistence needs.

All consulted beneficiaries were happy about the level of contribution required by them. No one reported to have been requested to do more work than they had initially agreed to at the community meeting.

Types of contributions included labour to carry materials; labour to cut wood; labour to clear land and prepare land for construction; wood to support construction work; labour to level of contributions and many express that it builds community unity.

The amount of work required was calculated by the PRF TA Officer, after which the Village Chiefs typically made a plan for the implementation and informed the villagers about the requirements. The villagers feel that the contribution was fair and some of them even thought it helped unite the village.

Usually the villagers agree that all households must contribute the same. However, exceptions may be made for the most vulnerable households (usually households that lack labour force due to disabilities or lack of people). Both women and men contribute. The type of work done by men may however differ from the type of work carried out by women.

None of the consulted communities had experienced problems with contractors wanting more work than initially agreed. Some of them however made clear that if they did, they would not find it difficult to solve such problems themselves without involvement of the PRF or higher local government, indicating the strong feeling of ownership.

**Suggestions:**

- *In order to strengthen the monitoring and documentation of contributions it is suggested to develop a 'Sub-Project Planner' – a 1-2 page overview of all steps in the implementation cycle on which VIT and/or Koumban Facilitators can record dates and participation of various implementation steps and/or milestones.*

**6: Transparency and Accountability**

Transparency and accountability are important elements in the social safeguard implementation. It is requested that information about the Project is shared with all community members at village meetings, that key documents, including budgets and financial records, are shared orally with people who are illiterate or who speak other language than Lao and that copies of such key documents and meeting minutes are furthermore displayed on the village notice boards.

While consulted communities confirmed to have shared information at village meetings, the assessment did not find any documentation thereof. Neither did the assessment find any documents on display in the beneficiary communities. Maybe because the villages did not have notice boards or maybe because this is under prioritized as many villagers do not read Lao language.

**Suggestions:**

- *In order to strengthen the monitoring and documentation of information sharing it is suggested to develop a simple tool for such documentation, for example a simple sub-project planner' – a 1-2 page overview of all steps in the implementation cycle on which VIT and/or Koumban Facilitators can record dates and participation of various implementation steps and/or milestones.*
- *In order to strengthen the transparency by display of project documents, including meeting minutes and budgets, it is suggested the PRF III provides notice boards to all target villages as part of future sub-projects. This will not only strengthen transparency it will also encourage literacy in the communities simply providing something to be read in the villages.*

**7: Livelihood and Nutrition activities**

The LN activities use the same participatory tools for planning as the Deepen CDD including, Wealth Ranking, Needs Identification, Prioritization of Interventions and Beneficiary Matrix and does so in groups of men and women separately, in order to ensure that women and people of ethnic minority background, who are often shy and not used to speak in public, are given a voice and empowered to participate in decision making. Thus the safeguard requirements of a free and prior and informed consultation with ethnic groups are met and the measures to ensure that activities targets poorest households set in place.

The Self-Help-Groups (SHGs), where poorest households can save up and help each other by lending funds for livelihood activities is one of the activities piloted by the program. While the intention of the SHGs is good local PRF staff expressed some concern over poorest households not being able to repay the loans they take. It was found that, where a common meeting room was built for the Village Nutrition Center, it was built on the community land within the beneficiary village, and no impact on private land or assets was observed.

**Suggestions:**

- *In order to ensure that households are not increasing debt and thereby worsen their financial situation it is suggested to ensure that repayment schedules are flexible and can be renegotiated, that the SHG set realistic criteria for what loans can be taken for.*

**Overall conclusion**

Overall, SA found that measures to address provisions of CRPF and EGPF were developed and implemented under the PRF II. However, systematic monitoring and reporting of some of these



measures was lacking and still needing improvement, especially in the later phases of sub-project implementation.

In order to make the PRF III fully compliant with the World Bank safeguard policies it is recommended to:

- Increase awareness among project staff as well as in beneficiary communities of the two types of land acquisition and in particular affected households' rights to compensation at replacement cost;
- Ensure that local project staff have the necessary knowledge and skills to support LAR preparation in case of a request for compensation at replacement costs;
- Improve monitoring and reporting of safeguard compliance with a particular focus on later phases of sub-project implementation.

## **ANNEX 3: Minutes of the Consultation Meetings on Social and Environmental Safeguards, Poverty Reduction Fund III (PRFIII)**

**March 9-10, 2016, Pakse, Champasak province**  
**March 9-10, 2016, Luang Phabang, Luang Phabang province**  
**March 14, 2016. Vientiane Capital**

### **I. Introduction**

Three consultation meetings were held on Social and Environmental Safeguards documentation relevant to PRF III project between March 9-10, 2016 at the provincial level and March 14, 2016 at the central level. The safeguards documents were disclosed on March 2, 2015. Invitation to the safeguard consultation meetings was posted at the PRF website and sent out to concerned stakeholders on the same day.

Regional consultation meetings were held in Pakse, Champasak province on March 9-10, 2016, and in Luang Phabang, Luang Phabang province on March 9-10, 2016. Safeguards consultation meeting was also held on March 14, 2016 in Vientiane capital. The consultation meeting held in Pakse was attended by 52 people, while 85 people participated in consultations in Luang Phabang and 68 people including representatives of donors and CSOs attended consultations in Vientiane. The consultation at the central level was chaired by Mr. Chit Thavixay, Director General of the Department of Planning and International Cooperation of the NCRDPE, Mr. Satoshi Ishihara, the World Bank's Task Team Leader for PRF and Mr. Bounkouang Souvannaphanh, PRF Executive Director.

### **II. Discussion session in Vientiane**

The consultation meetings started with the presentation by the PRF staff of key principles and procedures provided in (1) Environmental and Social Management Framework (ESMF), (2) Pesticide Management Plan (PMP), (3) Compensation and Resettlement Policy Framework (CRPF), and (4) Ethnic Group Planning Framework (EGPF) to be applied under PRFIII. The floor was then opened for discussion with all participants who were invited to provide comments. The summary of comments provided is presented as follow:

- 1. Is it possible to keep the same safeguards as for the PRFII and do not add more such as the International Waterways Safeguards Policy?**
  - The International Waterways Safeguards Policy is a triggered policy because some subprojects for construction of irrigation and water supply schemes may use or affect water flow from tributaries of Mekong – trans-boundary river. Therefore it has to be applied. Nevertheless, the letter to inform the riparian countries has already been sent, and will be managed at the National level, so it will not create more work or burden for the province and the district level.
- 2. Is it possible to allocate more budget to the agriculture activities in order to promote clean and organic agricultural production that contributes to environmental conservation?**
  - The list of the priorities supported by the PRF are identified and prioritized by the communities. Therefore, it is not a decision that can be made by the project but only by the communities. The PRFIII will continue to support more agriculture activities depending on community priorities as well as through the Livelihood and nutrition activities and will ensure that the environmental safeguards are strictly applied.
- 3. Would it be possible that the PRF support trees re-plantation, especially when trees need to be cut due to sub-project construction such as irrigation? Can the PRF support tree nursery plantation and training for the villagers?**

- Following on the safeguards, the PRF has the obligation to ensure that for every tree that is cut, saplings shall be planted to replace the tree lost. For the infrastructure sub-projects, the PRF cannot support village trees nursery, but it is possible through the Livelihood and nutrition activities, if the Self Help Group would like to develop it.

**4. Can PRF support Land Use Planning to avoid villagers to cut the forest?**

- The PRF supports the communities to make village maps in order to identify the needs in term of improving access to basic services and nutrition-oriented livelihood. Land use planning require a lot of time and budget that are over what the PRF can support as part of the PRFIII. However, the PRF facilitators' mandate is to promote sustainable activities, so we will be happy to deliver messages to the community regarding forest management in order to assist the Government. Under PRFIII, planning coordination will be strengthened with concerned government agencies and development partners to improve synergy and coverage of investments.

**5. Is it possible that the PRF use the existing village institutions?**

- Yes. For example, the Feed Back and Resolution Mechanism is now using the existing village institutions. The PRF is only a facilitator between the Government and the communities, so we agree to build on and strengthen the existing village institutions.

**6. How to make sure that the Pest Management policy will be applied by the communities and that they will not use pesticides?**

- This policy is applied in 2 provinces and 7 districts. In these districts, we can advise and monitor the community to use proper pesticides. We will also coordinate with the District Agricultural and Forestry Office (DAFO) to ensure that community are aware of the Government regulation regarding the use of pesticides so that they will not harm peoples and the environment.

**7. Would PRFIII provide training and support for village veterinary and animal vaccination if livelihood program under the project supports livestock production?**

- Under the livelihood program of PRFII, beneficiaries were provided with technical support and inputs mainly for crop and small livestock production. They were also provided with training on basic animal husbandry and support for vaccination provided by either DAFOs or the network of village veterinarian volunteers. The PRFIII will continue to provide similar type of support through DAFOs for its selected target villages.

**8. What is the level of the community contribution that is requested by the project and would it be possible to increase the community contribution in order to improve the community ownership?**

- The PRF is supporting the poorest villages in the poorest Kum ban of the poorest districts in Lao PDR. Therefore, the capacity of the community to contribute is less than in better off villages, this is the reason why we are managing the community contribution to ensure that we ask community to contribute up to their capacity. On average, the community contribution is around and should not exceed 10%. This is already a significant contribution from the poor community.

### **III. Discussion sessions in Provinces (Summary)**

#### **Provincial Level Consultation Sessions**

PRF initiated two sessions, one in the North and one in the South of the Lao PDR. These sessions took place over two days on 9 – 10<sup>th</sup> March 2016 and were attended by PRF representatives from all 10 active provinces.

Luang Prabang - 85 People (35 women) – Luang Prabang, Huapanh, Xieng Khouang. Oudomxay, Pongsali, and Luang Namtha

Champasak – 52 people (3 women) – Attapeu, Salavan, Sekong and Savannakhet.

**The following is a summary of the main points raised in the two concurrently held sessions in the Provinces.**

1. The National Parks Office at the provincial level should certify that PRF projects are not located in National Biodiversity Conservation Areas. In the case when projects will be within boundaries, PRF should coordinate on all facets of planning, management and mitigation of environment and social impacts resulting from the project. Road construction will be strictly prohibited.
2. PRF should cooperate with the provincial and district level office of Water Resources and Environment in project implementation and the district / provincial office should certify compliance with the safeguards upon completion.
3. PRF should work towards formalizing a Memorandum of Understanding with the Ministry of Water Resources and Environment (this is a new Ministry). PRF can then coordinate at all levels in sub-project implementation.
4. PRF should reconsider the non-eligibility list relative to the provision of materials for individual household latrines.

PRF should reconsider the non-eligibility list relative to the provision of electric pumps for water supply systems.

**Assessment interviewees and consultation participants:**

**PRF staff in Savannakhet, Nong and Sepon district**

1. Mr. Sounbinh Luangduang, Provincial Coordinator, Savannakhet province
2. Mr. Sinnakhone Inthilath, Community Development Officer, Savannakhet province
3. Mr. Sonexay Soukhalivong, Community Development Officer in Nong district
4. Ms. Phetvilay Vannaly, Finance and administrative Officer in Nong district
5. Ms. Lamchit Phovannavong, Monitoring and evaluation Officer in Nong district
6. Mr. Chansouk Phommalin, Livelihood operation Officer in Nong district
7. Mr. Kideng Bounyaseng, Community Development Officer in Sepon district
8. Mr. Sack Sipaseuth, Community Development Assistant in Sepon district
9. Banthavong Silapaphan, Livelihood operation Officer in Sepon district
10. Ms. Amone Voravong, Nutrition operation Officer in Sepon district
11. Ms. Soulilamone, Finance and administrative Officer in Sepon district

**Government Counterparts**

1. Mr. Bounleuth Inthaleuxay, Acting Director of Agriculture and Forestry Office in Nong district.
1. Mr. Kadam Pheuysanavong, Head of Education office, Nong district
2. Mr. Vorlachit Chanthathilath, Deputy of Education office, Nong district
3. Mr. Kou Poutsamay, Deputy of Education office, Nong district

4. Mr. Bounlieng Pheuyasavong, Education Officer, PRF Coordinator, Nong district
5. Mr. Kongxay Saiyachack, Acting Public Work and Transportation, Nong district, PRF Coordinator
6. Mr. Ms. Khoumy Singthavong, Head of Rural Development office in Nong district
7. Ms. Amphone Nakhonesavanh, Finance and Administrative of Rural Development office in Nong District
8. Mr. Souksamay Pongounkham, Deputy of Public Health office in Nong
9. Mr. Khamtai Keobounlack, Health Officer, Livelihood and Nutrition coordinator

#### **Head of Khet/Koumban Development Committee**

1. Mr. Kengkham Keobounheuang, Head of Kum Ban Development Committee, KB6 (KB Palorh) Nong district
2. Mr. KHAMphone Phanthavong, Forestry and agriculture officer in Kum Ban Palorh, Nong district

#### **PRF Koumban Facilitators in Nong and Sepon districts**

1. Mr. Ousamouy, PRF KB Facilitator in KB Palorh, Nong district
2. Ms. On, KB Facilitator in KB Palorh, Nong district
3. Ms. Koud, KB Facilitator in KB14, Sepon district
4. Mr. Khamma, KB Facilitator in KB14, Sepon district

#### **Village Authorities in Nong and Sepon districts**

1. Mr. Lateuy, Village chief, Ouy village, KB, Palorh, Nong district
2. Mr. Tharn, Deputy of Village chief, Ouy village, KB Palorh, Nong district
3. Mr. Hang, Village Neo Hom, Ouy village, KB Palorh, Nong district
4. Mr. Pheng, Head of village Lao Youth, Ouy village, KB Palorh, Nong district
5. Ms. King, Deputy of LWU, Ouy village, KB Palorh, Nong district
6. Ms. Ta-hiup, Head of LWU, Ouy village, KB Palorh, Nong district
7. Mr. Kaphorh, Village police in Yalang village, KB Laboaw, Nong district
8. Mr. Sapeah, Chief of Village center hall, Yalang village, KB Laboaw, Nong district
9. Mr. Takoy, Deputy of Yalang village, KB Laboaw, Nong district
10. Mr. Thai, Neo Hom of Yalang village, KB Laboaw, Nong district
11. Mr. Lamai, Head of Lao Youth, Yalang village, KB Laboaw, Nong district
12. Mr. Ano, Head of Village Military, Yalang village, KB Laboaw, Nong district
13. Mr. Thanmar, Village deputy in Dongyai village, KB14, Sepon district.
14. Mr. Phomemar, Village deputy, in Dongyai village, KB14, Sepon district.
15. Mr. Nai, KB14, Neo hom in Dongyai village, KB14, Sepon district.
16. Mr. Ar-Mad, Neo Hom in Dongyai village, KB14, Sepon district.
17. Mr. Ar-Jeak, Neo Hom in Dongyai village, KB14, Sepon district.

#### **Village Implementation Teams (VITs) in Nong and Sepon districts**

1. Mr. Bounthan, VIT in Ouy village, KB Palorh, Nong district
2. Ms. Deng, VIT in Ouy village, KB Palorh, Nong district
3. Ms. Keung, VIT in Ouy village, KB Palorh, Nong district
4. Ms. Ta-hiup, VIT in Ouy village, KB Palorh, Nong district
5. Mr. Leuy, VIT in Ouy village, KB Palorh, Nong district

6. Mr. Poun, VIT in Ouy village, KB Palorh, Nong district
7. Mr. Tang, VIT in Ouy village, KB Palorh, Nong district
  
8. Mr. Aloh, VIT in Yalang village, KB Laboaw (KB8), Nong district
9. Ms. Koum, VIT in Yalang village, KB Laboaw (KB8), Nong district
10. Mr. Kongthong, VIT in Yalang village, KB Laboaw (KB8), Nong district
  
11. Mr. Shaly, VIT in Dongyai village, KB14, Sepon district
12. Mr. Than, VIT in Dongyai village, KB14, Sepon district
13. Ms. Sysamouth, VIT in Dongyai village, KB14, Sepon district

#### **Men's Group in Nong and Sepon districts**

1. Mr. Yet, Ouy village, KB Palorh, Nong district
2. Mr. Keurn, Ouy village, KB Palorh, Nong district
3. Mr. Cha, Ouy village, KB Palorh, Nong district
4. Mr. Kouy, Ouy village, KB Palorh, Nong district
5. Mr. Leuy, Ouy village, KB Palorh, Nong district
6. Mr. Poun, Ouy village, KB Palorh, Nong district
7. Mr. Tang, Ouy village, KB Palorh, Nong district
  
8. Mr. Syvilay, Yalang village, KB Laboaw (KB8), Nong district
9. Mr. Ah-Jia, Yalang village, KB Laboaw (KB8), Nong district
10. Mr. Ah-Te, Yalang village, KB Laboaw (KB8), Nong district
  
11. Mr. Tear, Dongyai village, KB14 , Sepon district
12. Mr. Choum Sy, Dongyai village, KB14 , Sepon district
13. Mr. Khamsing, Dongyai village, KB14 , Sepon district
14. Mr. Noy, Dongyai village, KB14 , Sepon district

#### **Women group in Nong and Sepon districts**

1. Ms. Deng, Ouy village, KB Palorh, Nong district
2. Ms. Keung, Ouy village, KB Palorh, Nong district
3. Ms. Ta-hiup, Ouy village, KB Palorh, Nong district
4. Ms. Sheurn, Ouy village, KB Palorh, Nong district
5. Ms. Leuang, Ouy village, KB Palorh, Nong district
6. Ms. Peurng, Ouy village, KB Palorh, Nong district
  
7. Ms. Atoung, Yalang village, KB Laboaw (KB8), Nong district
8. Ms. Peng, Yalang village, KB Laboaw (KB8), Nong district
9. Ms. Siew, Yalang village, KB Laboaw (KB8), Nong district
10. Ms. Tear, Yalang village, KB Laboaw (KB8), Nong district
11. Ms. Moreked, Yalang village, KB Laboaw (KB8), Nong district
  
12. Ms. Par, Dongyai village, KB14 , Sepon district
13. Ms. Phet, Dongyai village, KB14 , Sepon district
14. Ms. Inthawar, Dongyai village, KB14 , Sepon district
15. Ms. Lamphone, Dongyai village, KB14 , Sepon district
16. Ms. Yeng, Dongyai village, KB14 , Sepon district



ມາຈາກຄວາມຕ້ອງການຂອງປະຊາຊົນ, ໂດຍປະຊາຊົນ, ແລະ ເພື່ອຜົນປະໂຫຍດຂອງປະຊາຊົນ

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**GOVERNMENT'S OFFICE**

**National Committee for Rural Development  
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