



POVERTY REDUCTION FUND

FROM THE PEOPLE, BY THE PEOPLE, FOR THE PEOPLE

PHASE 3

OPERATION MANUAL



LAO PEOPLE'S DEMOCRATIC REPUBLIC
PEACE INDEPENDENCE DEMOCRACY UNITY PROSPERITY



THE POVERTY REDUCTION FUND
PHASE III

MANUAL
OF OPERATIONS

DECEMBER 2016

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LIST OF ACRONYMS

BCC	Behavior Change Communication
BoL	Bank of Lao PDR
BoQ	Bill of Quantity
CD	Community Development
CDD	Community Driven Development
CDE	Centre of Development and Environment
CP	Community Participatory
CRC	Complaint Resolution Committee
CRPF	Compensation and Resettlement Policy Framework
CTPC	Communications, Transport, Post and Construction
DDF	District Development Fund
DDM	District Decision Meeting
DEF	Department of External Finance
DoS	Department of Statistic
DPI	Department of Planning and Investment
DPM	District Prioritization Meeting
DRM	Disaster Risk Management
EA	Environmental Assessment
EC	Evaluation Committee
ECOP	Environmental Code Of Practices
ED	Executive Director
EDL	Electricity of Laos
EG	Ethnic Groups
EGPF	Ethnic Groups Policy Framework
ESMF	Environment and Social Management Framework
EOI	Expression of Interest
FA	Financial and Administration
FCRM	Feedback and Conflict Resolution Mechanism
FRM	Feedback Resolution Mechanism
FMR	Financial Monitoring Report
JSDF	Japanese Social Development Fund
GDP	Gross Domestic Product
GESI	Gender and Social Inclusion
GFDRR	Global Fund for Disaster Risk Recovery
GoL	Government of the Lao PDR
IDA	International Development Association (World Bank)
IEC	Information, Education and Communication
IP	Indigenous People
IPDP	Indigenous People's Development Plan
JSDF	Japan Social Development Fund
KB	Kum ban / Kum ban Pathana
Lao PDR	Lao People's Democratic Republic
LDC	Least Developed Country
LECS	Lao Expenditure and Consumption Survey
LONG	Livelihood Opportunity and Nutritional Gains
LUFSSIP	Lao Uplands Food Security Improvement Project
LVH	Livelihood
LWU	Lao Women Union
M&E	Monitoring and Evaluation unit

MAF	Ministry of Agriculture and Forestry
MBO	Mass-Based Organization
MIS	Management Information System
MOF	Ministry of Finance
MPI	Ministry of Planning and Investment
NCB	National Competitive Bidding
NCCR	National Center of Competence in Research
NESDP	National Economic and Social Development Plan
NGO	Non-Governmental Organization
NGPES	National Growth and Poverty Eradication Strategy
NT2	Nam Theun 2
NCRDPE	National Committee for Rural Development and Poverty Eradication
NTFP	Non Timber Forest Product
NUT	Nutrition
O&M	Operation and Maintenance
ORAF	Operational Risk Assessment Framework
PDO	Project Development Objective
PM	Prime Minister
PMT	PRF Project Management Team
PMP	Pests Management Plan
PRA	Participatory Rural Appraisal
PRF	Poverty Reduction Fund
PWT	Public Work and Transportation
RFQ	Request For Proposal
SESG	Social and Environmental Safeguards Guideline
SDC	Swiss Agency for Development and Cooperation
SHG	Self Help Group
SoE	Statement of Expenditure
SPIM	Monthly update on sub-project implementation
SPPF	Sub-project Proposal Form
TA	Technical Advisor
ToR	Terms of Reference
TOT	Training of Trainers
UNDP	United Nations Development Program
USD	Dollar of the United States of America
UXO	Unexploded Ordnances
UXO Lao	Lao National Unexploded Ordnances Disposal Program
VA	Village Association
VIT	Village Implementation Team
VNC	Village Nutrition Center
VNPA	Village Needs Prioritization Assessment
VP	Village Profile
VSMC	Village Savings and Management Committee
WB	World Bank

1 FOREWORD

The PRF III Manual of Operations is a public document. It should also be considered a living document, subject to ongoing modification as circumstances on the ground change. **It is primarily intended for use by PRF staff, as a means of providing policy guidelines and clear step-by-step procedures for all aspects of the PRF program.**

Minor changes (addition of a form or revision of a paragraph of no great strategic significance) can be integrated in this manual without formal approval. However, proposals for any significant revisions must be brought to the attention of the PRF Administrative Board and all relevant donors who must formally endorse such changes prior to them taking effect, being communicated to PRF field staff and/or posted on the PRF website. All changes to the Manual, whether minor or significant, will be ratified annually at a meeting of the PRF Administrative Board and by donors.

This manual will be complemented by comprehensive training materials for various training and capacity building programs on different topics, according to the needs of different groups targeted by the training. It is not necessary to read this manual from beginning to end before beginning to put parts of it into practice. Instead, the manual is designed to serve as a point of reference; and the different sections can be read independently of each other.

2 INTRODUCTION AND OVERVIEW

2.1 PROJECT BACKGROUND

2.1.1 Poverty in the Lao PDR

Poverty is a persistent problem in the Lao PDR despite a seven percent annual economic growth over the past decade, making it one of the fastest growing economies in the region, and graduation to a “lower-middle income economy” with a Gross National Income (GNI) per capita (Atlas method) at US\$ 1,600 (2014). The incidence of poverty is highest in the southeast and the central mountainous areas (along the border with Vietnam) as well as northern midlands and highlands.¹ Furthermore, there is an increasing gap in poverty levels between urban and rural areas: the poverty level is 10 percent in urban areas, while it is 28.6 percent in rural areas. People of ethnic groups and women are particularly vulnerable: only 15 percent of Lao-Tai people are poor, while the poverty rates for Mon-Khmer people and Hmong people are 42.3 percent and 39.8 percent, respectively. Less than 60 percent of women in poor households can read and write, compared to over 80 percent of men. About two thirds of people of Mon-Khmer and Hmong ethnic groups lack formal education.

Access to and utilization of infrastructure and services are limited for many rural poor. Although about 80 percent of all villages have road access, 55 percent of villages in mountainous areas do not have year-round access. The net primary school enrollment of 85 percent in all villages drops to 79 percent and 82 percent respectively for girls and boys in villages without road access. Travel time to reach a nearest health dispensary is at least two-hours on foot for about 30 percent of rural villages. Among households below the poverty line, access to improved toilets and electricity is 43 percent and 59 percent respectively, compared to 85 percent and 91 percent among households whose consumption level is twice higher than the poverty line. Stunting among children is more pronounced in rural areas due to food and nutrition insecurity, among other issues, and in particular among ethnic groups in remote mountainous areas.

Despite these challenges, the Government of Lao PDR (GoL) aims at eradicating poverty by 2020. The National Growth and Poverty Eradication Strategy (NGPES) is serving as the comprehensive framework for doing so. All public and donor-funded programs are intended to be in line with this strategy. The NGPES emphasizes the promotion of sustainable growth, coupled with continuous social progress and equity. In this manner, the material conditions and quality of life of the multi-ethnic population will improve and basic poverty can be eradicated, particularly in poorest communities as defined by GoL.

In extension to the NGPES the draft 8th National Socio-Economic Development Plan (NSEDPlan) maintains the graduation from the Least Developed Country (LDC) status by 2020 as the overall policy goal, and sets out addressing rural – urban inequality as one of the key objectives. It recognizes that tailored interventions are necessary to improve access to infrastructure for the poorest groups, and puts forward various measures to lift

¹ The 5 provinces with highest incidence of poverty are Sekong (47 percent), Attapeu (45 percent), and Savannakhet (44 percent) in the southeast, and Oudomxay (46 percent) and Huaphanh (41 percent) in the north. Epprecht, M., Minot, N., Dewina, R., Messerli, P., Heinemann, A., “The Geography of Poverty and Inequality in Lao PDR”, Swiss National Center of Competence in Research (NCCR) and International Food Policy Research Institute (IFPRI), 2008

them out of poverty, including the construction of basic education infrastructure, rural access roads and improvement in access to safe water. It also recognizes that poverty reduction must be tailored to ethnic people's specific needs and capabilities, and address gender issues among various ethnic groups. Lao PDR graduated to "lower-middle income" country status already however, the strategy is considered crucial for sustaining the status and to promote further development for all citizens of the country.

2.1.2 History of PRF in Lao PDR

The Poverty Reduction Fund (PRF) is the GoL's key initiative to reduce poverty and eradicate mass poverty by 2020. It was established by a Prime Ministerial decree (073/PM) in 2002, as a financially autonomous organization attached to the Government's Office. In September 2006, it was formally transferred to the Government's Office (decree 222/PM) afterwards it was overseen by the National Leading Board for Rural Development and Poverty Alleviation (NLBRDPA) now known as the National Committee for Rural Development and Poverty Eradication (NCRDPE).

A Prime Ministerial decree of January 2012 (10/PM) finally clarified PRF's organization to be overseen by a wider Administrative Board comprised of the ministers, vice ministers or other representatives of the Ministries of Finance, Planning and Investment, Agriculture and Forestry, Education and Sport, Public Health, Labour and Social Welfare, Industry and Commerce, and Energy and Mines, as well as the Bank of Lao PDR, the Lao Front for National Construction, the Lao Women's Union, the Lao Youth Union and members from civil society.

The PRF was established with the specific goal of improving access to and utilization of key public services, by building critical social and economic infrastructure at the village level within the country's poorest communities. The PRF is based on a model of participatory community driven development that has proven successful in other South East Asian contexts.

Monitoring data from the two first phases of the Project, PRF I and PRF II, respectively, demonstrates that the program has delivered services in remote areas both quickly and in a cost-effective manner. Between 2002 and 2010, PRF I supported 2,185 villages in 8 out of 17 provinces, covering 30 of the country's 144 districts, including 23 of the Government's 47 priority poverty districts. A total of 3,179 sub-projects were completed, including construction of 86 bridges, 65 health dispensaries, 669 water supply points, and 156 irrigation schemes. PRF I has also upgraded 3,000 km of 420 rural roads, and constructed or upgraded 616 schools.

From 2011 up to the end of 2016, the PRF II will have financed another 1,900 sub-projects benefiting more than 946,000 rural poor in about 1,349 communities in 10 out of 18 provinces. Benefits include increases of: 37 percent in use of health services; 76 percent in access to safe water resources; and 30 percent in access to all weather roads in target villages. Furthermore, livelihood linked nutrition activities were piloted in 165 communities. Overall, about half the direct beneficiaries are women, and ethnic minorities account for about 70 percent of direct beneficiaries. 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 are high at about 90 percent. Against these positive outcomes, the Government of Lao PDR (GoL) has requested the World Bank to support the third phase of the Project: PRF III, to be implemented over the 4 year period from 2016-2020.

2.1.3 Project Funding

With total budgets of more than US\$ 43 million in the Project's first phase (PRF I) and more than US\$ 83 million in the Project's second phase (PRF II) the PRF is one of the largest multi-sectoral rural poverty reduction programs in the Lao PDR.

The two first phases of the Project was mainly funded by:

- World Bank (app US\$ 72 million);
- Swiss Agency for International Development (app US\$ 25 million);
- Multi Donor Trust Fund (AusAID) (app US\$ 17 million);
- Japanese Social Development Fund (app US\$ 2.6 million);
- GFDRR (app US\$ 0.4 million)
- Government of Lao PDR (app US\$ 10 million).

Moreover, it is estimated that participating communities have contributed an additional US\$ 10 million equivalent towards the implementation of sup-project activities, largely in the form of volunteer labor and local materials.

The overview of funding for PRF III is presented in the table 1 below:

Table 1: Funding for PRF III

Source	Original (\$m)
Government of Lao PDR*	6
International Development Association (IDA)	30
Switzerland: Swiss Agency for Development and Cooperation (SDC)	18
Total	54

*Note: Excluding community contributions.

2.2 PROJECT DESCRIPTION

2.2.1 Project Objectives

The Project Development Objective (PDO) is to improve access to basic services for the Project's targeted poor communities.

This objective will be achieved through inclusive community and local development processes with emphasis on ensuring sustainability. The Program aims to deliver resources in the form of technical assistance training and sub-project grants to poor villages and Kum bans, efficiently and effectively. It uses a Community Driven Development (CDD) approach, whereby communities themselves decide on how resources are allocated, manage sub-project funds, and implement sub-projects. Extensive facilitation and training is provided through the Program to ensure that all community members, including women and members of different ethnic groups, participate in the decision-making process and benefit from the Program. The Program builds local capacity by providing technical support for communities, over a number of years, to help solve problems and resolve conflicts. It also aims to create stronger links between the local government and communities. PRF staffs at the district, province and national levels help to coordinate and facilitate these linkages.

2.2.2 Project Components

The PRF III consists of four components, as described below:

Component 1 – Community Development Sub-Grants

This component supports bottom up local development planning and implementation of community driven sub-projects for social development through community sub-grants. Technical and logistical support is provided to eligible villages to develop their Village Development Plan (VDP) and to Kum bans to consolidate the VDPs into the Kum ban Development Plan (KDP) and finally assist the district authorities to formulate the District Socio-Economic Development Plan (DSEDP) based on the KDP. Each target Kum ban receives a three-year budget allocation upfront to finance eligible sub-projects prioritized in the KDP. On average, each Kum ban would receive around US\$ 43,000 per year and around US\$ 130,000 over three years.

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

This component supports the capacity development of villagers and local government officials to plan and manage local development processes in partnership. Specifically, this component finances training of villagers, PRF staff and relevant government officials, goods, consultant services and incremental operating costs, including Project monitoring, reporting and evaluation activities, and thematic studies.

Furthermore the component finances costs associated with coordination with various sector ministries and Development Partners supporting rural development in Lao PDR. Hereunder the on-going partnership with the National Center for Environmental Health (Nam Saat), including 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 component does not finance the cost of latrine constructions. Similar support may also be provided to the Cookstove initiative under which the VIT and KBF may serve as village platform to introduce clean cookstoves, however, the cost of purchasing cookstoves is not financed by the project.

Component 3 – Project Management

This component finance the costs of implementing PRF III activities, including 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 supports the strengthening of the Self-Help Groups (SHGs) in around 150 villages through the provision of seed funds to: (i) start or further develop eligible nutrition sensitive livelihood activities such as the production of small livestock (e.g. poultry, fish and frogs) as well as home-gardens mostly for own consumption; (ii) increase knowledge in livelihood activities including financial literary and production cycles, and (iii) monitor and evaluate project activities.

More details of the project components are provided in (Annex 1).

2.3 PRF PRINCIPLES

2.3.1 Core PRF Principles

The PRF is designed around six core principles that provide the basis for program implementation as well as for monitoring and evaluation. These include:

- 1) Simplicity
- 2) Community Participation and Sustainability
- 3) Transparency and Accountability
- 4) Wise Investment
- 5) Social Inclusion and Gender Equality
- 6) Siding with the poorest

Principle I: Simplicity

Simplicity ensures greater transparency and local ownership of the Project. The Project design, rules and regulations are designed to be simple and easy to understand. Proposals, materials and methods used by the Project are verified with communities to ensure that they are properly understood and appropriate. Proposals and plans should be detailed but not overly complicated. It is of utmost importance to abide by the key principle of simplicity so that the process does not get hindered because of low levels of capacity among Project participants. Appropriate support and training should be provided to strengthen capacities at all levels.

Principle 2: Community Participation and Sustainability

PRF endeavors to maximize participation in the planning and implementation of sub-projects. Communities prioritize their own proposals and control the implementation and financing of sub-projects. Further to this, communities are encouraged to contribute their own resources to sub-projects (usually 10% of the total sub-project costs), available resources permitting, so as to expand the benefit of sub-project. Such “community share of the cost” includes specific tasks (i.e. land clearing) that will be determined for each different type of eligible sub-project. Any contributions/work made beyond the tasks stated in the BOQ as community share of the cost will have to be compensated (paid for) covered by the sub-project budget. They also must develop plans for operation and maintenance of any infrastructure to be built.

All community members, including the traditionally marginalized groups, have the right to suggest how grants should be used and to voice their opinions when expressed needs are prioritized and sub-project activities specified. Overall participation criteria, as well as specific criteria for the participation of marginalized groups are defined and have to be met in each step of the planning and implementation processes.

The objective of sustainability entails efforts to ensure long-term sustainability of the PRF model, including:

- developing a viable and replicable model for cost effective local level planning and investment processes;
- increasing the role of local governments in coordinating and supporting the program;
- enhancing the capacity of communities and local governments to plan and undertake local development activities; and
- improving the overall design quality and operations and maintenance of sub-project infrastructure, including incorporating disaster-risk reduction designs into relevant sub-projects.

If, as a result of development projects, relocation policies or any other associated activities, local people are forced to relocate from villages where PRF-supported sub-projects have been implemented and become unable to continue accessing or benefiting from the project investments, the government and/or project developer shall ensure that the relocated people are able to continue receiving the same level and kind of benefits, either through cash or in-kind compensation.

Principle 3: Transparency and Accountability

Complete transparency and local accountability is essential to the Project. All PRF meetings are public. Community members must be satisfied that the funds are used properly and they have the right to question any aspect of sub-project planning or implementation either during routine meetings or via the established community Feedback Resolution Mechanism (FRM), as described in Section 11. All such feedback must be taken seriously and investigated by delegated PRF staff. Participating communities and their representatives at the village or Kum ban level have the responsibility to provide a full and clear account of the use of sub-project funds. Village Mediation Committees/Social Audit Committee are formed to ensure principles of downward accountability are followed and benefits reach target groups as planned.

Principle 4: Wise Investment

Every effort must be made to use PRF resources wisely so as to ensure the widest possible coverage and the best possible cost-effectiveness. The majority of overall PRF resources must be spent on Kum ban and village level investments. Overall PRF management and administration costs will also be kept to a minimum.

Kum bans and villages must be advised to select investments and cost effective technical solutions that allow them to gain maximum and sustainable benefits from the sub-grant allocated to them. A competitive procurement process ensures best prices are obtained for materials. Standard designs and costing further ensure durability of infrastructure without compromising technical quality. Under the PRF III, Community Force Account will be the default implementation modality with the contractor to be hired to carry out those works that villagers cannot execute by themselves, to ensure sub-projects costs are as effective as possible, community get full control over the expenses.

Principle 5: Social Inclusion and Gender Equality

No members of the community can be excluded from participation in PRF activities regardless of production/income levels, gender or ethnicity, disability or age. Special efforts will be made to reach out to the most vulnerable groups of the community.

Vulnerable groups may include but not be limited to:

- poorest households;
- single headed households;
- ethnic households;
- households with disabled people;
- landless households;
- women;
- children; and
- adolescents.

Proactive measures must be taken to overcome linguistic obstacles, gender disparities and any other economic, social and/or cultural barriers during the planning and

implementation phases to enable vulnerable people's voices to be heard in terms of proposing, prioritizing and implementing sub-projects. The CDD planning process includes household wealth ranking by breaking the Poor category to the poor and the poorest who needs help first and the non poor category to two to include the middle income group who are more vulnerable to fall down to the poor group due to external calamities and the other group as better off, internally within village to facilitate proper targeting and tracing how the lowest groups move to higher levels through self help and mobilizing support. These new rules need to be included since the DCDD pilot is to be scaled up to cover the whole project area

The project promotes shared responsibilities for child protection to manage and reduce risks to child abuse associated with delivering PRF activities and requires the active support and cooperation of contractors and stakeholders implementing project activities. Contractors must meet the terms of the child protection policy and will be held accountable, through contracts and audits, for complying with it.²

Principle 6: Siding with the Poorest

In the Poverty Reduction Fund, all the PRF staff and facilitators work for the poorest. As such, for each planned and implemented activity, in all processes and all procedures, preference is given to the poorest people in the community. During the preparation of the Kum ban Development Plan, PRF staff facilitating the process must ensure that at least two-third (66%) of the sub-projects benefited to the poorest villages within each participating Kum ban. Facilitators and consultants are evaluated and their salary reviewed based on this principle: their championship of the rural poor.

2.3.2 Community Development Rules

The six PRF operational principles have been translated into ten actionable community development rules for working with communities on a day-to-day basis. These Community Development Rules include:

- 1) Unity ("*samakee*")
- 2) Equity ("*samerphab*")
- 3) Pro-poor ("*haiokattukngak gone*")
- 4) Women empowerment ("*haixitkaemaeying*")
- 5) Correct vision ("*tongmeevixay that*")
- 6) Bottom-up planning ("*vangphaenchak khan ban*")
- 7) Ownership ("*kanchaokan*")
- 8) Self-confidence/self-esteem ("*kuampeneng*")
- 9) Transparency ("*kuampongxay*")
- 10) Wise Investment ("*khan long tuentongkumkha*")

² In accordance with the UN Convention on the Rights of the Child, 'child' means every human being below the age of 18 years unless under the law applicable to the child, majority is attained earlier.

In addition to the ten Community Development Rules, two more rules applies in communities where the Project is implementing Livelihood linked Nutrition activities (LN). These include:

- 11) Community mobilization through self-help groups (“*pak dun sum son duaykum ton tuaeng*”)
- 12) Produce for well-being (“*paritpuakunaphasiwit*”)

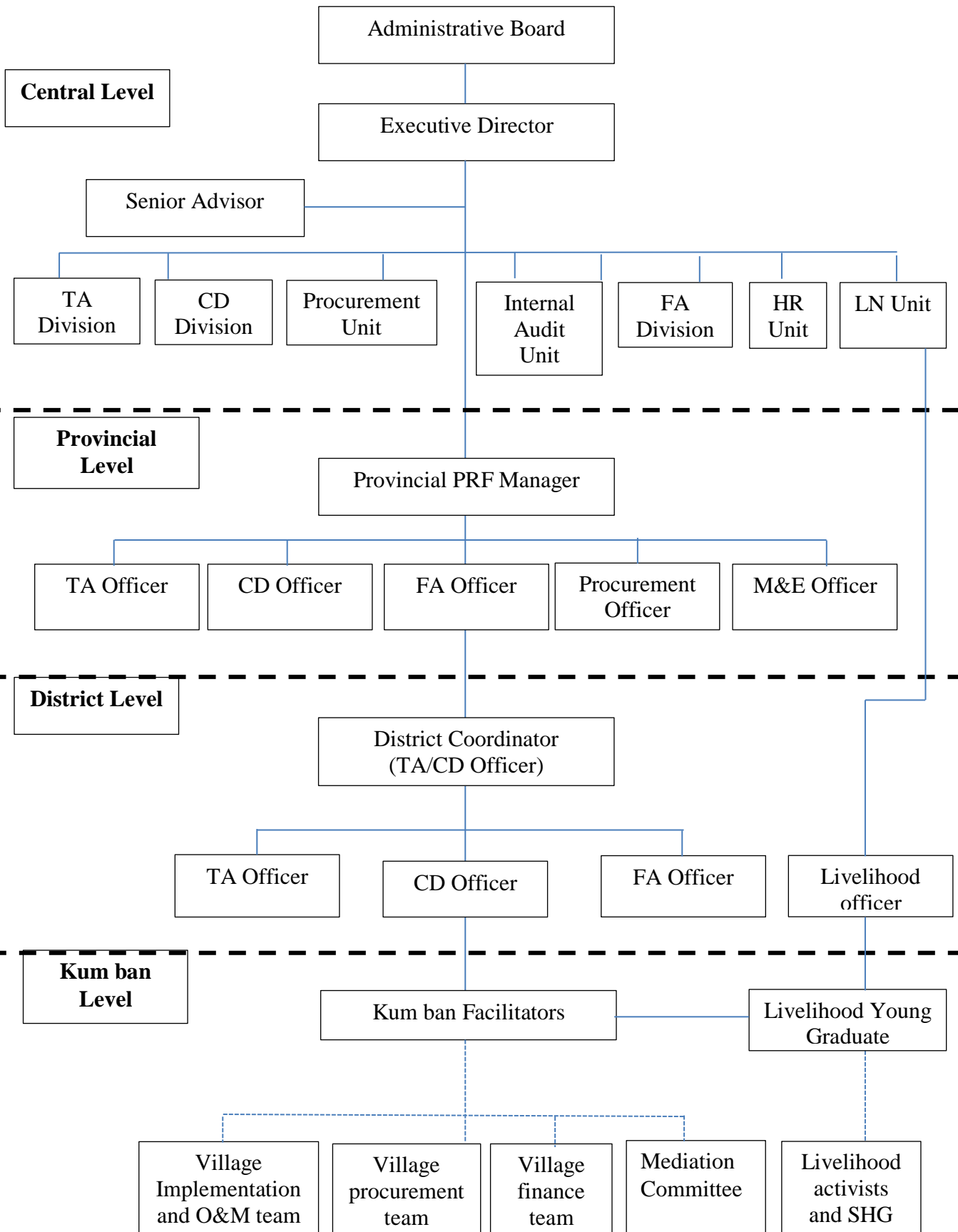
Illustrations (IEC materials) have been produced to help explain all of the rules in the participating communities. Illustrations and detailed explanations of the rules can be found in the PRF III planning Manual.

3 PROGRAM ORGANIZATION AND STRUCTURE

3.1 ORGANIZATIONAL STRUCTURE OF THE PRF

The PRF is a multi-sectoral organization under the Government's Office. It is overseen by an Administrative Board comprised of the ministers, vice ministers and other representatives of key ministries, social organizations and civil society (described in Section 3.1.1), but has its own operational structure (described below in Figure 1) operating parallel to but in close coordination with the Lao Government structures. These work relationships are described further in Section 3.2.

Figure 1: Operational Structure of PRF



The operational structure of the PRF is highly decentralized, with most tasks being carried out locally at the village and Kum ban levels. Supervision and oversight is provided by central, provincial and district level officers as needed. PRF staff at the district level report to the District Coordinator. PRF staff at the provincial level report to the Provincial Coordinator. Central level staff report to their head of division or unit. District coordinator report to provincial coordinator, provincial coordinators report and head of division and unit report to the Executive Director. The purpose of the decentralized structure is to give effective and efficient assistance to communities in the planning and implementation of community driven development activities. The operational structure is illustrated in Figure 1.

3.1.1 PRF Administrative Board

The decree of the Prime Minister that establishes the PRF as a legal entity also sets the mandate for the Administrative Board. It is expected that any decisions taken by the PRF Administrative Board that may impact on the strategic direction of the Program will be subject to prior consultation with the relevant donor agencies and any GoL agencies that may be affected by such decisions.

The members of the Administrative Board are as follows:

As Chair of the Board:

Minister to the Government Office, President of the National Committee
for Rural Development and Poverty Eradication

As Vice-Chairs of the Board:

Vice Minister, Ministry of Finance
Vice Minister of the Committee for Planning and Investment

As Members of the Board:

A respected member of Civil Society
Representative of the Bank of Lao PDR
Representative of the Lao Front for National Construction
Representative of the Lao Women's Union
Representative of the Lao Youth Union
Representative of Civil Societies
Vice-Governors of the targeted province
Representative of the Ministry of Agriculture and Forestry
Representative of the Ministry of Education and Sport
Representative of the Ministry of Health
Representative of the Ministry of Labor and Social Welfare
Representative of the Ministry of Public Work and Transport
Representative of the Ministry of the Ministry of Foreign Affair
Representative of the Ministry of Industry and Trade
Representative of the Ministry of Energy and Mines

Main tasks of the Administrative Board:

The PRF Administrative Board performs a number of important tasks including, but not limited to:

- Recruitment of the PRF Executive Director in consultation with donor agencies;
- Endorse and review policies, rules and regulations as well as the manual of operations;
- Endorse plans, financial disbursement and project progress reports;
- Fund mobilization to contribute to the PRF activities.
- Help resolve inter agency issues at national level

3.1.2 PRF Executive Director

The Executive Director is selected and recruited by the Administrative Board, in consultation with the PRF donor agencies. The Executive Director has overall management responsibility for the Fund, the implementation of the Program and the PRF staff and offices. The PRF Executive Director is accountable to the GoL through the PRF Administrative Board and to the donor agencies that provide funds for PRF operations. (See PRF decree in Annex 2).

3.1.3 PRF Program Management Team

The Executive Director, the Senior Advisor, the four Division heads, including heads of the Technical Assistance/Engineering (TA) Division, the Community Development (CD) Division, the Monitoring and Evaluation (M&E) Division, and the Finance & Administration Division (F&A), and the three unit heads (HR, procurement and LN) comprise the Program Management Team (PMT).

The Management team formally meet once a month, but may meet as often as needed (depending on Agenda issues). The Head of HR will act as a Secretary to the Management team and will be responsible for convening meetings with the approval of the Chair, circulation of Agenda, circulation of Draft Minutes and recording of final approved Minutes of meetings of the team. The management team may have Special Invitees from time to time for specific purposes. The management team will create a plan for its own capability-enhancement. The development of the Plan, in consultation with other members of the Group, will be the task of the Head of HR.

Main tasks of the PMT:

The PRF PMT performs a number of important tasks including, but not limited to:

- Assist the Executive Director to oversee the Fund, project implementation and results;
- Take primary responsibility to oversee development, implementation and refinement of PRF principles and procedures;
- Prepare regular progress reports and regular corresponding with Government and donors at the central level;
- Validate annual provincial work plans and budgets;

- Develop central annual work plans and budgets (which will be submitted to the donors by December 31 of every year).
- Organize quarterly meeting with provincial coordinators to review activity progress and assist in solving problems that arise during the course of the program;
- Provide guidance to the Project Implementation Staff in order to achieve the project's plans and overall purpose at all levels, and ensuring that activities in the field are in compliance with the Operations Manual;
- Evaluate staff performance at the central and provincial level and provide relevant training to improve professional growth of staff;
- Develop capability building strategy for program and review capability enhancement plan;
- Oversee recruitment of PRF personnel at national level and support recruitment of PRF personnel at provincial level;
- Perform internal audit regularly;
- Take primary responsibility for maintaining and updating the Operations Manual, and submit it to the Board and the donors for approval;
- Ensure the management information system captures and monitors all aspects of the program;
- Ensuring supervision of adherence to administrative procedures of the Project;
- Maintaining a detailed register of PRF staff (salary, grade, location, and years of service) and an updated asset register (including information on date of purchase, cost, location, serial numbers, staff assignment, relevant utilization and maintenance information).

3.1.4 PRF Provincial Offices

A team of PRF staff is based in the capital of each target province. The teams usually consist of five staff, including a Provincial Coordinator and officers from each of the four main divisions, including TA, CD, M&E and F&A. They are managed by a provincial manager to assist them in their tasks.

This includes regular monthly meetings and relevant on-the-job training with relevant line departments and PRF District teams. These meetings are also used to collect reports, discuss progress and problems, evaluate facilitator performance and provide on-the-job training and guidance.

The provincial team members all report to the PRF Provincial Coordinator who reports directly to the PRF Executive Director.

Main tasks of the PRF Provincial Teams:

The main duties of the PRF Provincial teams include:

- Overall responsibilities of the project activities implemented in their province, including financial management;
- Follow up and coordination of all PRF activities in the province (financial management, procurement, sub-project selection, etc.) according to annual work plan;
- Approve district annual work plan and related budget;
- Prepare provincial annual work plan and related budget based on districts work plan and submit to central level for approval;
- Build capability of the PRF district staff and Government counterparts following capability enhancement plan;
- Support provincial authorities and relevant departments, including Rural Development Office to assist in Program implementation;
- Enter and check quality of M&E data into the MIS;
- Consolidate monthly report at the provincial level based on district monthly progress report for the Government and the central level;;
- Sub-project appraisal and milestone checking at the district level;
- Staff recruitment and performance evaluation at the provincial level, assistance for the recruitment and performance evaluation of district level;
- Ensure compliance with all PRF Program principles and procedures;
- Participate in grievance investigation and resolution and prepare the Provincial Feedback and Resolution monthly report;
- Report to the PMT and Provincial Government authorities and concerned sectors on monthly basis;
- Participate in PMT quarterly meetings;
- Participate to grievance investigation at the provincial level and prepare reporting accordingly;

3.1.5 PRF District Offices

PRF district teams play a key role in the program implementation, as they are the main link between the communities and the PRF structure, through the Kum ban Facilitator. The District Teams usually consists of a TA Officer, a CD Officer and an F&A and Procurement Officer. In addition, an LN Officer is employed in districts where LN activities are implemented. Usually, either the TA officer or the CD Officer will serve as District Coordinator.

In the Deepen CDD pilot there is also a young graduate as a fourth member of the district team to strengthening on M&E, planning and implementation management of Sub projects including helping communities on self monitoring.

The district officers provide direct support to communities for preparation of Village and Kum ban Development Plans (5 years plan) and implementation the PRF Investment Plan (3 years plan) and related sub-projects. They meet regularly with Kum ban Facilitators (KBFs) to collect reports, discuss progress and problems and provide on-the-job training.

These meetings are also used to evaluate the KBFs' performance and to provide guidance. Additional meetings are organized to support and monitor sub-project implementation.

District Team members should be able to speak the language(s) that are most common in the District. If this is not the case, they will use the Kum ban Facilitators for interacting with the community members. PRF district staff are expected to live in or near the district centre. They are provided with appropriate transport or a transport allowance sufficient to allow them to spend at least 65% of their time in participating Kum bans. The district level team members report to the PRF District Coordinator who reports to the PRF Provincial Coordinator.

Main tasks of the PRF District Teams:

PRF District team main duties include:

- Overall responsibilities for the use of the district level PRF budget;
- Preparation of the annual work plan and related budget and submission to the provincial level for approval;
- Provide support to targeted Kum bans and communities through the Kum ban Facilitator on all aspects of the PRF Program (planning, survey-design, procurement, implementation-supervision, operation and maintenance, conflict resolution);
- Train, assist and supervise KBFs, village delegates, Village Implementation and Operation and Maintenance Team, finance team, procurement team, mediation committee members, and LN officers, village coordinators, village activists (LN), Self Help Group (SHG) facilitators and SHG members;
- Guide communities and monitor the entire PRF process at the Kum ban and village levels (finance management, procurement, sub-projects selection, etc.);
- Fill all MIS form and send to provincial level for data entry;
- Report on a monthly basis activity progress and problems encountered to the PRF Provincial Coordinator;
- Coordinate with and provide support to district authorities and relevant offices, including NCRDPE, to ensure they are actively involved in all sub-project steps and provide better services to communities during the implementation of project activities;
- Ensure compliance with all PRF principles and procedures at the village and Kum ban level;
- Participate in grievances investigation and resolution and prepare the District Feedback and Resolution monthly report.
- Staff recruitment and performance evaluation at the district level (including KBF and community performance) and support performance evaluation of provincial staff.

3.1.6 PRF Kum ban Facilitators

The Kum ban Facilitators (KBFs) play an important function at the grass root level by facilitating the link between the PRF and the communities. The KBFs will be responsible for helping facilitation of all Kum ban and village-level aspects of the Program including participatory planning steps (awareness creation, village visioning, situation analysis and Kum ban development planning) as well as sub-project implementation, supervision, operation and maintenance and overall sub-project monitoring.

KBFs are considered to be working with PRF, though the time required to fulfill their duties will vary during the course of the year. They will receive a per diem to cover their expenses related to travel, food and accommodation when they are on duty, following the rates set by the PMT on annual basis taking into consideration costs of living fluctuation. On average, the KBFs participation in PRF activities reaches 6 months per year. A KBF may serve for a maximum of three years, after which time he/she must be replaced by another person from within the Kum ban. The KBF's performances are evaluated periodically by communities and may be replaced if the communities are not satisfied. Communities will have the opportunity to nominate new KBFs at annual Kum ban Development Plan Meeting and Final Village Accountability Meeting, and at the beginning of each project phase.

Main tasks of the PRF Kum ban Facilitators:

The role of the KBFs is to assist the communities in his/her Kum ban in the planning and implementation of sub-projects with the assistance of PRF's district team. Main duties include:

- Support community to organize meetings held at the village and Kum ban levels (Village Visioning, Kum ban Development Planning meetings, etc.);
- Help ensure that all villagers know about PRF and encourage all members to attend the meetings and join activities. The KBF encourage especially the participation of ethnic groups, vulnerable groups and women to meetings;
- Help ensure that measures are taken to include vulnerable groups in the consultative process (including organizing separate meetings with such groups if needed);
- Support facilitation of the planning and implementation of PRF activities in the Kum ban with the assistance of PRF staff;
- Help ensure that villagers understand the rules about community share of sub-project cost, procurement, implementation and operations and maintenance to sub-projects and make sure that such contributions are realized;
- Help ensure that PRF staff are informed of other activities and development programs occurring in the Kum ban in order to maximize efforts and avoid duplication;
- Regularly update PRF information on the village and Kum ban information board;
- Provide facilitation service to PRF's partner agencies to which the PRF provides implementation support, where possible and based on the agreement between the PRF and partner agencies, such as Nam Saat;

- Report on a monthly basis to PRF District Coordinator using a simple reporting form to record progress on physical construction and use of PRF sub-project funds;
- Report any program problems to PRF staff, local authorities and concerned sectors;
- Help record and investigate, as necessary, any issues raised via the Feedback and Resolution Mechanism as part of the FRM Team at the Kum ban level;
- Provide simultaneous translation into local languages, during meetings, trainings, cross visit, etc.;
- Inform PRF staff of any issues or potential problems regarding social and environmental safeguards.

There are 2 to 3 Kum ban Facilitators per Kum ban. KBFs will normally divide the workload according to the number of villages, distance to villages and the size of the villages in the Kum ban, with each KBF taking on facilitation duties in similar number of villages, (taking into account access, and village size, and other relevant issues). Practically, one KBF should not cover more than two sub-projects.

3.1.7 Village Implementation Team

Villages are requested to lead sub-project implementation in their own community. According to their capacity level, each community receive support and guidance by the Kum ban Facilitator with the assistance of the district PRF staff. The process aims to strengthen local capacities while building strong Project ownership and sustainability.

The community members select a Village Implementation Team (VIT) in each participating community. The VIT should consist of nine members, of which at least five are female (3 members of the finance team, 3 members for the procurement team and 3 members for the sub-project supervision, operation and maintenance). The VIT represents the community and is responsible for the survey-design, procurement, implementation/supervision and operations and maintenance of the sub-project that is implemented in their community.

A female member of the VIT is made responsible for the sub-project finances.

3.1.8 Village Mediation Committee

The Village Mediation Committee is established as an independent committee at the village level to ensure downward accountability. The committee will oversee the process of PRF to ensure that agreed principles are followed and those who hold positions representing others are accountable for their decisions and actions and benefits go to targeted people.

The Mediation Committee consists of five members directly elected by the village assembly. At least 50% of the committee members shall be female and adequate representation to youth and poor should be given. In order to ensure full transparency, no member of the Village Mediation Committee shall be from the Kum ban Development

Committee or any other project related committees such as VIT. If a sub-project benefits several adjacent villages/hamlets, committee members should include representatives from each village/hamlet.

See Section 11 for further description of the Mediation Committee and its responsibilities.

3.1.9 Livelihood and Nutrition Activists and Self Help Group Facilitators

In villages where LN activities are supported, communities will select and train village activists to become functional specialists in specific fields of livelihood (agriculture, marketing, etc), nutrition, bookkeeping, and other rural development tasks. They can act as guides and role models for other individuals. At a later stage, they can build capacity of newer groups, inside and outside the village. In the long-run, the training and capacity building of village activists on a large scale will help to substitute a large number of paid extension workers.

The LN Activists will be used as leaders to provide trainings to other farmers and participate in the monitoring of the livelihood and nutrition activities.

The Village Self Help Group Management Committee (VSMC) with the support of project facilitators shall promote a cadre of volunteers in the areas of agriculture, livestock, education health and nutrition, marketing etc. for the purpose of capacity building of the community in respective fields.

The duties of the volunteers are given below.

- They will receive trainings on skills and knowledge organized by the project;
- They will serve the community needs charging very nominal fees as decided by the VSMC;
- They will be provided with some equipment and some tools by the VSMC or project to deliver such services required by the community;
- They will organize required trainings and education sessions in the village based on their work plan with the support of project and line departments.

The project shall not promote any such volunteers if the line ministry or other development agency already promoted and available in the village, but rather rely on the existing one(s).

The project will work closely with line departments and other resource organizations in building the capacity of these volunteers in providing necessary services to the community in implementation of the activities for their additional incomes.

3.1.10 “Young Graduates”

Based on the Government’s Graduate Deployment Program, the project also includes provisions for including “Young Graduates” (high school and above) from project areas as village coordinators. They will be selected following the WB recruitment guideline through a competitive process.

If they come from the same village activities are conducted, the Young Graduates are community resource persons³ to support the LN activities implementation. Ideally, they will be based at the Kum ban level with frequent visit to the PRF district offices to benefit from guidance and support and provide regular reporting of their activities. For each Kum ban, there will be one Young Graduate (YG) covering the livelihood activities and the linked nutrition activities. Each Young Graduate will cover around 4 villages. He/she is expected to work with and provide close support for villages through Self-help Groups (SHGs), mobilization, prioritization, SHG establishment and strengthening and grant implementation by the SHGs. The YG will report to the LN District Manager for or her/his designate. All village coordinators and Kum ban facilitators will work very closely for the implementation of the PRF activities in the villages LN activities are implemented. As the Young Graduates, the village coordinator has higher level of education than the KBF, they will help them in the understanding and implementation of PRF processes and procedures, including monitoring and reporting (as some KBF are illiterate) while the KBF will use his knowledge of the local situation, community trust and authority (usually older than the village coordinator) to work with local communities. Therefore they will complement each other.

3.2 COORDINATION WITH GOVERNMENT, DONORS AND OTHER DEVELOPMENT PARTNERS

3.2.1 Coordination with Government of Lao PDR

PRF is a multi-sectoral program working in the poorest areas of the country. In order to ensure aptness, efficiency and sustainability of Program activities, it is important that PRF coordinates closely with all government line agencies. Likewise, the PRF through successful implementation of rural development and poverty reduction strategies can influence Government policy and share lessons learned and good practices.

Government authorities, mainly at the provincial and district levels are responsible for ensuring coordination of PRF activities with those carried out by all GoL agencies and other projects/organizations. PRF staff informs Government authorities and consult with them in a timely manner of relevant PRF activities. This is especially relevant in order to avoid duplication of poverty reduction initiatives, to make optimal

³ Community resource persons are those who are selected from the community having language and communication skills better, and show skills on dissemination and mobilization.

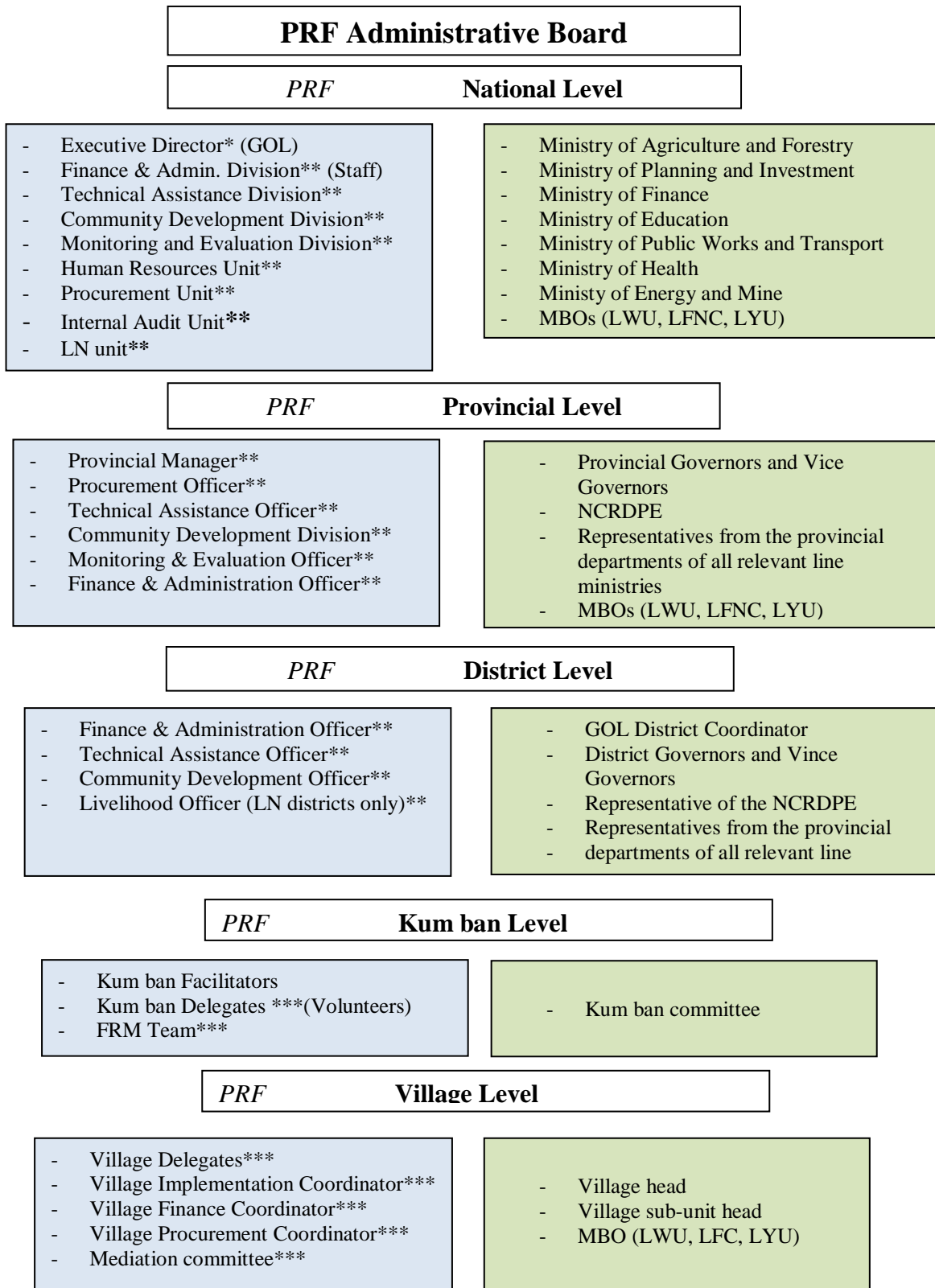
use of resources and to ensure that the impact of sub-projects is sustainable beyond the lifespan of the Program.

Practically, coordination with the Government is conducted through different types of activities at each level, including but not limited to:

- Village and Kum ban planning;
- District Planning and Coordination meeting (see section 5.7);
- District Socio-Economic Development Plan;
- Survey-design;
- Procurement;
- Sub-projects follow up visits (2 time per sub-projects after sub-project completion);
- Sub-project Operations and Maintenance;
- Quarterly meeting at the district level;
- Facilitation conducted jointly by PRF staff and Government counterparts at the village and Kum ban level;
- Annual District and provincial Evaluation meeting (See section 6.9.1);
- Training of community members;
- Regular meeting at the central level with the NCRDPE;
- Annual PRF Board meeting;
- Workshops organized at the central, province of district level;
- Exchange of experiences at the village, district and province level.

The PRF Government counterparts at the different levels of the PRF structure are shown in Figure 2.

Figure 2: PRFIII Government counterparts



The Program hopes to contribute to the development of a single planning process that integrates PRF participatory planning into regular government planning. This will allow the Government of Lao PDR to ensure that eventually a single planning process takes place at village, Kum ban and district levels for all poverty reduction initiatives (inclusive of the provision of services by the different government line ministries, other community driven development programs and all relevant support provided by the international community).

While PRF does not pay salaries to government officials, it encourages the active involvement of Government officials (as well as those of mass-based organizations) particularly with respect to supervision and technical advice during planning and implementation of PRF sub-projects. Towards this goal, the Program can pay travel costs and/or per diems to GoL officials in order to facilitate their participation in relevant supervisory or advisory tasks as well as training activities.

3.2.2 Coordination Arrangements with the National Committee for Rural Development and Poverty Eradication

Prior to 2012 and the establishment of the PRF Administrative Board, the PRF was overseen by the National Committee for Rural Development and Poverty Eradication (NCRDPE), then known as the National Leading Board for Rural Development and Poverty Alleviation (NLBRDA). It is envisaged that the National Committee for Rural Development and Poverty Eradication (NCRDPE) will play an enhanced role in the oversight and coordination of PRF III activities, especially at national level. The decree governing the PRF has been amended (Decree no. 10/PM) and can be found in annex 2. The members of the NCRDPE are as follows:

As General Supervision of the NCRDPE:

Vice Prime Minister

As President of the NCRDPE:

Minister to the Prime Minister Office

As Standing Members of the NCRDPE :

Vice-President;

Vice-Minister of Ministry of Planning and Investment;

Vice-Minister of Ministry of Agriculture and Forestry;

Vice-Minister of Ministry of Education and Sports;

Vice-Minister of Ministry of Public Health;

Vice-Minister of Ministry of Public Work and Transportation;

Vice-Minister of Ministry of Industry and Commerce;

Vice-Minister of Ministry of Energy and Mines;

Vice-Minister of Ministry of Finance

Vice-Minister of Ministry of Labour and Social Welfare

Vice-Minister of Ministry of Information and Culture

Vice-Governor of The Bank of Lao PDR

Vice-President of Lao Front for National Construction

Vice-President of Lao Women's Union

Vice-President of Lao Federal Trade Union

Deputy Secretary General of Lao Youth Union
Vice-President of National Land Management Authority
Vice-President of National Commission for Drug Control
Deputy Head of Water Resource and Environment Authority

Main tasks of the National Committee for Rural Development and Poverty Eradication:

The NCRDPE performs a number of important tasks including, but not limited to:

- Assist the government in coordinating with line ministries and provinces and supervising on the rural development and poverty eradication issues nationwide;
- Formulate the RDPE policy guidance, strategic action plans and development projects, and submitting to Ministry of Planning and Investment for consideration and integration in the National Plan;
- Facilitate, monitor and evaluate the RDPE projects nationwide;
- Coordinate with international organizations, financial institutions and NGOS to monitor the mobilization of financial support and technical assistances for the RDPE projects and activities in rural areas;
- Draft possible incentive policies for attracting the foreign and domestic investment fund supporting the RDPE program and projects in poor rural areas;
- Monitor the rural development projects for instance stop shifting cultivation projects, the poverty reduction fund, etc.;
- Provide training for rural development officers nationwide in order to enhance their capacity on RDPE issues;
- Report periodically to the Prime Minister the progress of RDPE program and projects nationwide.

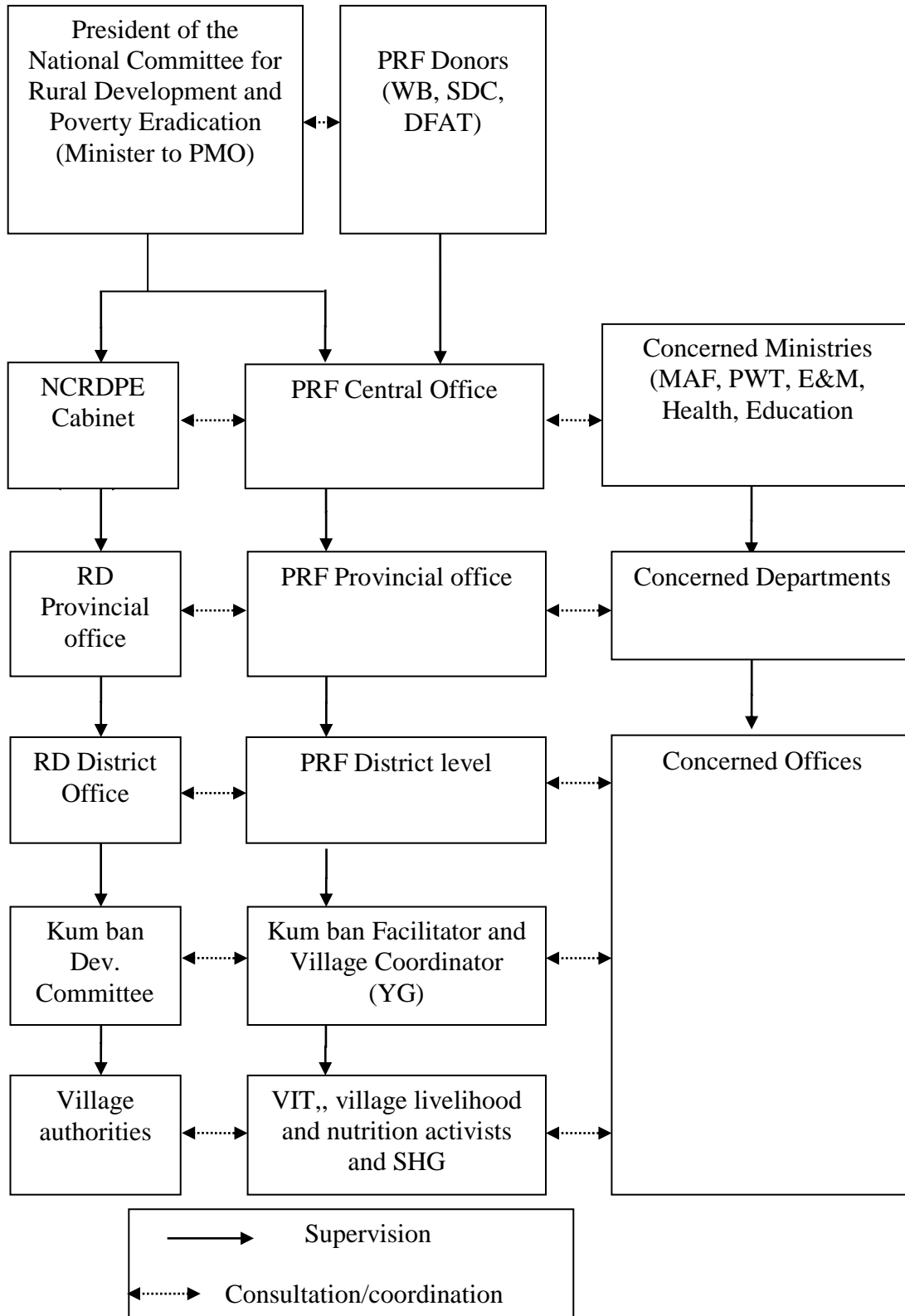
Coordination Arrangement between PRF and NCRDPE:

The NCRDPE is gradually increasing its role in the coordination of PRF III activities, especially at the national level. This includes the provision of periodic reports to relevant sector ministries, regular meetings at the director-general level to discuss areas of mutual interest, sharing information on planning, and joint field visits.

To further advance the national development framework, and to be ever more interactive with the NCRDPE staff and line ministries, the PRF, together with the Cabinet of the NCRDPE, devised a coordination mechanism that clarifies reporting, consultative and cooperative relationships. The various relationships (hierarchy, functional, coordination) have been detailed, and reporting clarified, in cooperation with the NCRDPE and through consultation with line ministries. These relationships are described in a Joint Declaration on Coordination and included in the Manual of Operations (see Annex 3: Coordination arrangements).

The PRF, together with the Office of the NCRDPE, will undertake Capacity Building activities for the NCRDPE staff to ensure that PRF's approach, methodology and project execution are well understood and mastered. Such activities may include the detachment of members of the Office of the Government staff, in order to learn about the PRF.

Figure 3: Oversight arrangements for PRF III



Notes:

- The central position of the PRF in this Chart does not reflect any central position within the NC, but simply facilitates to demonstrate the various functional/coordination relationships, whose relative importance is shown by the weight of the lines.
- Coordination with the sectors is the NC's prerogative; the PRF does not in any way substitute for it, but simply helps to give it content and support capacity building.
- The Chart also shows why coordination arrangements between the PRF and the sectors must be achieved under the aegis of the NC.

3.2.3 Coordination Arrangements with Line Ministries

The coordination between PRF and the line ministries has been defined in a Joint Declaration on Coordination at the beginning of the PRFII and will be updated during the first year of the PRFIII

(see in Annex 4: PRFII Agreements of coordination with sectors) under the aegis of the President of the NCRDPE Board, and endorsed by the sectors under:

- Ministry of Education and Sports;
- Ministry of Health;
- Ministry of Agriculture and Forestry;
- Ministry of Energy and Mines;
- Ministry of Public Work and Transport;
- Ministry of Commerce and Industry.

The Agreements of coordination with sectors has been expanded on the 6-pronged approach to coordination proposed by the PRF (including planning; technical standards; logistics; implementation; monitoring, evaluation and O+M; as well as cooperation with all local interventions). This platform for coordination will constitute a potent instrument for the PRF as part of the Government's National Rural Development and Poverty Eradication Program. The PRF will cover the costs incurred by the sectors for the services provided, beyond their normal activities.

The Memorandum of Understanding (MOU) with Ministry of Health, which also include a MOU with Namsaat on CLTS support (rural sanitation), has been revised in order to explicitly mention that the PRF built dispensaries will be given a priority in the provision of necessary staff and equipment. It is expected that this agreement will expedite the provision of staff and equipment to PRF built dispensaries. The timely provision of staff and resources will be monitored under the sub-project follow up visits. In addition, PRF will collaborate with relevant sectors in undertaking follow-up visit upon completion of sub-projects (6 and 12 month visits).

The PRF is entitled and directly responsible to undertake and maintain working relations as well as coordination activities with the concerned sectors, within the framework of the Agreements of coordination with sectors and in close cooperation with the Cabinet of the NCDRPE, in particular at the local level. To support the coordination activities, quarterly technical meetings between the PRF team, relevant line ministries and development partners have been organized, since the beginning of the fiscal year 2012-2013, led and facilitated by the PRF team.

The PRF also support Capacity Building of the sectors at the district level in each of the sub-project steps mainly through participation of sub-project activities at the grass roots level (See section 6. Training and Capacity Building).

3.2.4 Coordination with Donors

The PRF Administrative Board normally meets on an annual basis around June of each year. This meeting is the occasion for the PRF Administrative Board members, PRF Executive Director and designated PRF representatives, the donors and representatives from relevant ministries to exchange views on PRF strategy and policies, implementation matters and poverty alleviation policies in Lao PDR, before decisions are taken and strategic directions defined during the annual PRF Board meeting, as well as discussing the achievements and issues faced during the previous year and the objectives for the coming year. Donors will additionally be able to discuss policy issues with the Chairman of the PRF Administrative Board and relevant PRF Administrative Board members as necessary. Quarterly meeting with some of the PRF board members is also organized in Vientiane to focus more on project activities progress and technical issues that may need Board members support, and to support overall coordination of activities between the different project stakeholders.

3.2.5 Coordination Arrangements with other projects/agencies/institutions

Partnership with the International Labour Organization (ILO) for Road Maintenance Groups

Proposed piloting of road maintenance groups using PRF II's Innovation Fund

The Road Maintenance Groups (RMG) were first introduced in Latin America in the 1980s. They have since become the norm for routine maintenance of both rural and trunk roads in most Latin American countries. In Asia experiences already exist in Nepal (supported by ILO), China (supported by ADB) and Vietnam (the World Bank with financial support from the Department for International Development (DfID)), with small pilots initiated in some other countries.

The Road Maintenance Groups (RMGs) are small groups of approximately 3-5 persons who live along the road and who are contracted to carry out road maintenance. They use basic hand tools to do routine cleaning and clearing of road elements, carry out small repairs to the road surface and structures, and implement minor spot improvements such as excavating side drains.

The RMG model has already been introduced to Lao PDR. Two RMGs were formed in Sekong under the support of the International Labour Organisation (ILO). The experience is positive – villagers proved to be able to carry out routine maintenance and maintain road conditions. Some useful lessons of the ILO project include the use of local tools and the more active involvement of women.

Based on lessons learned, the RMG approach is preferred over other approaches for contracting out basic routine maintenance because it helps to lower administrative burden as contracts, supervision inspections, and payments can be carried out for the group as a whole. The RMG approach also avoids problems with sharing of tools and safety equipment and with the allocation of different road sections with differing maintenance needs. Lastly, the RMG approach leads to higher motivation and productivity as people are able to work together.

Under PRF III, road maintenance groups (RMG) will be formed to help PRF beneficiary villagers maintain rural roads in partnership and under the supervision of the District Public Works and Transport (DPWT) and the PRF. Following the international experience including in Yunnan, China and Vietnam, RMGs will be formed as women only groups, using the Self-Help Group (SHG) model piloted under the PRF II, which will not only contribute to ensuring rural women’s access to markets and services but will also create income sources for them. Also, the capacity of district governments to maintain rural access in partnership with local people will be strengthened, and rural women’s social standing will be improved.

Expected cost of routine maintenance to be carried out by the RMG during the life of the PRF III will be subtracted from the sub-grant and kept in the PRF’s account, to be disbursed to beneficiary communities as RMGs carry out routine maintenance. The PRF will work with the provincial authorities so funding will continue to be provided to RMG upon the completion of funding from PRF sub-grants for the cost of RMGs. The experience in other countries such as China indicates a project funding to RMGs and the demonstrated effect on the maintenance of roads lead to continuous funding to RMGs by the government. Also, where operations overlap, the prospective Lao Road Sector Project II would provide funding to RMGs to mainstream the RMG model in the GoL’s road asset management mechanisms and ensure sustainability of RMGs to be established under the PRF III.

The PRF III will continue to support and deepen the on-going partnership with the National Center for Environmental Health (Namsaat)⁴. In this MOU, Namsaat role is to facilitate a community awakening (triggering) where villagers are motivated to collectively stop open defecation and start building and using latrines under the guidance of a self formed village CLTS committee. Namsaat role is also to facilitate linkages with local sanitation suppliers and trained masons so as to offer villagers a choice of toilet options they like and can afford. Namsaat will also carry out verification process, after which the Open Defecation Free (ODF) status is declared and the community receives official recognition for this achievement. Village level side and Kum ban Facilitator

⁴ Nam Saat is under the Ministry of Health (MoH).

supported by the PRF can provide a useful platform through which multiples agencies, in cooperation with the PRF, can deliver last mile services at a lower cost. In the partnership agreement, namsaat will use the services of the Kum ban facilitator to deliver last miles services, and more specifically collection of basic information, facilitate CLTS triggering events, assist the community in preparing the village level WASH/ODF plan, carry out behavior change communication (BCC) tools during village meetings and implement other follow-up activities in target villages in line with the standard operation procedures and technical guidelines.

PRF, will continue financing the travel and logistical cost of the KBF and the VIT to receive basic training in sanitation demand creation through the Community-Led Total Sanitation (CLTS) and behavior change communication (BCC) approaches and supporting the Namsaat's Open Defecation Free (ODF) campaign at the village level.⁵ The PRF III may also provide logistical support to the KBF and the VIT to receive training for latrine construction if so requested by villagers. Furthermore, the PRF III may include potential financing mechanisms (Self Help Group or formal saving and loan schemes that allow households to invest in sanitation. The Bank's Water team will continue to support the implementation of the partnership under the planned Advisory Service and Analytic (ASA) program⁶. The Memorandum of understanding (MOU) has been updated to clarify the roles and responsibilities between both parties including cost sharing arrangement, and the supportive role of the WSP in the partnership. (See annex 5. MoU with namsaat).

A similar implementation support partnership may also be made with the cookstove initiative under which the VIT and the KBF may serve as the village champion to introduce clean cookstoves⁷. The PRF III would not finance the cost of purchasing cookstoves. It is unlikely that the PRF would start any other partnership during the life of the PRF III.

Livelihood linked nutrition activities linkage

Each SHG member will develop a family investment plan (FIP) and start with a small activity or activity with small magnitude. Once they gain experience and confidence and capacity they may go for a bigger activity or same activity with bigger magnitude. Nevertheless, the fund available for the livelihood linked nutrition activities will not be sufficient to take up livelihood activities for all the project target households. Taking the above considerations it is required to link the SHGs with banks and other financial

⁵ Such support will include regular awareness raising using behavior change communication materials currently under development, sharing of basic knowledge on rural sanitation including basic latrine construction techniques, facilitation of triggering and ODF verification events at the village level, day-to-day counselling and monitoring of villagers on sanitation, among other activities.

⁶ This TA program may explore steps to strengthen the sustainability of rural water supply systems in the PRF villages and ways to ease supply side constraints to rural sanitation using the PRF implementation mechanisms.

⁷ This initiative is currently supported under the Bank Executed Trust Fund.

institutions for bulk loans . Therefore, some funds need to be mobilized from banks and other financial agencies like Microfinance Institutes who are willing to provide bulk loans with bank rate of interests. The PRF will Coordinate microfinance activities with other relevant organizations, notably the Bank of Lao, the Government Office, the Lao Women’s Union and the Ministry of Agriculture and Forestry on the political level, AFP, the German CliPAD project and IFAD (and possibly other organizations operating in PRF target areas) for coordination on local level.

As it would be extremely cost- and time-consuming for PRF to build up sufficient and reliable expertise on microfinance internally, PRF is advised to outsource its microfinance activities to one or several organizations that are specialized in community finance, and have a proven record of success for their operations. There is presently only one organization that has achieved good results and a size of operations enabling it for cooperation: the AFP project by GIZ. Therefore, where AFP operates, the PRF will adopt AFP’s Village Bank & NSO approach in its entity, with only a few adjustments related to SHG and to PRF target villages with presently low potential for financial services. The approach is described in Microfinance in Rural Areas – Access to Finance for the Poor, without year: ‘Handbook Operating Village Banks’ in detail and with clear instructions. Where AFP does not operates, the PRF will follow also use the AFP model and build step by step an NSO that will take over microfinance activities in the long run.

4 OVERVIEW OF SELECTION OF LOCATIONS, FUNDING, AND SUB-PROJECTS

4.1 POVERTY TARGETING PRINCIPLES

PRF main principles for poverty targeting are as follows:

- The PRF supports the GoL’s objective of reducing poverty. Targeting poor communities and the most vulnerable households within those communities is therefore essential. The planning process includes household wealth ranking by breaking the Poor category to the poor and the poorest who needs help first and the non poor category to two to include the middle income group who are more vulnerable to fall down to the poor group due to external calamities and the other group as better off, internally within village to facilitate proper targeting and tracing how the lowest groups move to higher levels through self help and mobilizing support.
- The methods utilized by the PRF for targeting and resource allocation must be objective and transparent to all stakeholders. PRF will report publicly on any new targeting and resource allocation decisions it makes and how it makes them.
- PRF’s poverty targeting principles has been approved by the PRF Administrative Board and the donors, based upon the recommendations of the Executive Director. Any changes to these principles will need to be endorsed by the chairman of the PRF Administrative Board and the PRF donor’s.

4.1.0 Selection of Beneficiary Kum bans

The selection of PRF target locations was prepared in line with the poverty map that was developed by the Lao Statistic Bureau with the assistance of the World Bank based on the Census 2015 and the LECS V (2012-2013). As a principle, adjustment was made so the PRF III will continue to operate in the same geographical areas, building on the institutional capacity already established and further developing the capacity of local communities and government authorities to collaborate for local socioeconomic development in partnership.

Control Kum bans which were as poor as the PRF II beneficiary Kum bans and share similar socioeconomic characteristics but which did not benefit from the PRF II support was included in the eligibility list if they are found to be still poor.

The list of PRFIII Kum ban was finalized based on a list of criteria that has been used for the Kum ban selection as follow:

1. Sub-grant budget allocation
2. Provinces and districts where the PRF is already operating
3. Poverty data
4. Kum ban/district with similar projects or other supports from Government or private sector
5. Kum ban impacted by hydro power projects
6. Operating costs consideration

Based on the above criteria, the PRFIII will operate in 10 provinces, 43 districts and 263 Kum ban.

Annex 6 provides the current list of participating provinces, districts and Kum bans along with the annual grant allocation for each Kum ban. This list and Kum ban budget allocations is ratified by the Chairman of the PRF Administrative Board and approved by both the GoL and the donors on an annual basis.

4.1.1 Selection of Beneficiary Villages

The communities themselves make the selection of beneficiary villages within each target Kum ban. All villages within target Kum bans are eligible for PRF support. In the target Kum ban, participating communities work together to identify the main causes of poverty and choose the best means of addressing those causes, through a series of village and Kum ban level meetings, organized by locally selected facilitators who have been trained by PRF staff. Based on the result, the PRF beneficiary communities will develop the Village Development Plans (VDP).

During a series of meetings (described in greater detail in Chapter 5) democratically elected delegates from each village in the target Kum ban will develop the Kum ban Development Plan (KDP) and the PRF investment Plan, based on the VDPs developed by

villages within the Kum ban. The KDP should be developed so it prioritize activities which will benefit the poorer members of the villages in the Kum ban. Those priorities that will benefit more than one village cost effectively will be given a higher point. GIS based Kum ban resource maps that are currently under development will be used for the identification of activities that will provide greater poverty impacts at a lower cost. The KDP identifies the strategic vision of the Kum ban, its plans for development over a period of five years, and priority needs. The PRF Investments Plan is built on the KDP and define, over a period of 4 years, the KDP priority needs that will be supported by the PRF following the list of eligible activities and within the total budget allocated to each Kum ban (See table 2).

The KDP is the main planning instrument for PRF, and is used to guide investments from PRF. It is shared with government agencies and donors for potential support to the priority needs that are not eligible for PRF support.

The KDP is also used as a planning tool for local spatial development and improving the Operation and Maintenance (O&M) of PRF investments (GIS-based remote mapping is used to strengthen linkage in planning between infrastructure, livelihood, and sanitation (WASH) for greater convergence and re-optimization in resource allocation). The PRF will facilitate so the district authorities will use KDP as inputs when developing the district socioeconomic development plan (DSEDP).

4.2 ALLOCATION OF RESOURCES – COMMUNITY DEVELOPMENT GRANTS

4.2.0 Community Development Grants

Sustained investments:

Using the KDP as a guide, PRF provides three rounds of sub-project investments through Community Development Grants, in each beneficiary Kum ban over three years. Such multi-year planning of investments is expected to:

- (a) allow for a concentration of investments that will help beneficiary Kum bans graduate from poverty status, and
- (b) enhance the community empowerment process through a repeated learning-by-doing process, and an increased focus on implementation and maintenance of sub-projects;
- (c) avoid competition over resources between villages
- (d) strategic allocation of resources for longer term development benefits

The allocation of funds to each Kum ban takes into account the estimated population size of the Kum ban according to the ratings listed in Table 2 below.

Table 2: Kum ban Allocation

Kum ban Population	Amount allocated for each Kum ban per cycle	Total amount allocated for each Kum ban in PRF III
< 2,000 persons	\$35,000 (280,000,000 kip)	\$105,000 (840,000,000 kip)
2,000 to 2,499 persons	\$40,000 (320,000,000 kip)	\$120,000 (960,000,000 kip)
2,500 to 3,999	\$45,000 (360,000,000 kip)	\$135,000 (1,080,000,000 kip)
>3,999 persons	\$50,000 (400,000,000 kip)	\$150,000 (1,200,000,000 kip)

Exceeding Funds:

Under the PRF III, the total Kum ban allocation covers a 3-year period. Funds are made available for use on an annual basis. The yearly amount allocated for each Kum ban, cannot be exceeded. PRF will not provide additional funds exceeding the annual PRF allocation, nor support sub-projects with complementary funds to cover the budget portion that is over the PRF Kum ban allocation.

Remaining Funds:

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

Any unused funds remaining at the end of the four years cycle in the beneficiary Kum ban will be returned to PRF.

4.2.1 Allocation Guidelines – Community Development Grants

Sub-project allocations are subject to the following considerations and guidelines:

- Before the start of a Kum ban planning cycle and the process of developing KDP and PRF Investment Plan, each participating Kum ban will be informed in writing of their total 3-year funding allocation as well as the projected breakdown of annual disbursements over the 3-year period of the KDP;
- In cases where a large portion of the annual allocation is unused or where implementation of sub-projects is seriously delayed (e.g. less than half-complete one year after fund disbursement), the PRF Provincial Coordinator can recommend to the Executive Director that further annual disbursements be postponed or cancelled;
- In cases where PRF rules have been violated the PRF Provincial Coordinator can recommend to the Executive Director that the Kum ban is suspended from the Program;
- Up to 5% of the total sub-project costs can be used by the Kum ban or Village Implementation Teams to cover their management costs and site technical supervision for civil work investment to be used to hire short term supervisor and

Kum ban Facilitator. PRF shall allocate but not use those funds, which will be managed by the Kum ban or Village Implementation Teams.

- If two or more Kum bans decide to submit a joint sub-project proposal, the maximum budget contribution from PRF would be \$60,000.

For any given sub-project, the PRF contribution can cover:

- The actual investment (civil works and equipment⁸);
- Supplementary training costs (as per Table 3 in Section 4.6. Supplementary training activities);
- Training for Operation and Maintenance; and,
- Direct costs for management of sub-projects ((limited to 3% of the total sub-project costs) by the Kum ban and Village Implementation Team (e.g., travel costs, DSA for procurement/supervision/accountability meetings, stationery, etc.);
- Hiring of short term supervisor for site technical supervision of civil work investments/ Kum ban Facilitator travel costs for sub-project supervision, based on work plan (limited to 2% of the total sub-project costs).

If required, and to ensure a more effective implementation and a smooth handover of operation and maintenance responsibility to the district administration, PRF may fund special recurrent costs on a temporary basis such as small hardship allowance for not-yet-permanently contracted staff (nurses, teachers). These costs would need to be clearly justified and must comply with the limitations of the negative list (types of prohibited activities). The Government representatives and/or the community must agree that they will take over these recurrent costs once PRF involvement ends (maximum two years after the handover of the sub-project to the community and within program timeframe). Ideally, PRF support should progressively decrease during the period of support.

4.2.2 Types and Size of Sub-projects

Communities define their own needs and prioritize the sub-projects to be implemented in their own community. The Deepen CCD approach is used to ensure full participation of all community members.

PRF grants should aim to reduce poverty and improve the lives of communities. The grants are typically used to build small-scale community-based infrastructure (referred to as sub-projects). These sub-projects are decided upon and implemented by the communities based on technical information, designs and budgets prepared with technical

⁸ school supplies (books, blackboards), health supplies (dispensary medical equipment set, initial medicine stock, village health voluntary kit).

assistance from PRF and GoL staff and in accordance with the Kum ban's specific resource allocation.

The PRF is able to fund a wide range of sub-projects. Sub-projects should focus upon improving the communities' access to and use of services (e.g., improving access and use of roads; increasing school enrollment; use of health services; use of clean water, improved sanitation, etc.). Sub-projects most commonly take the form of village infrastructure that is built either by community members themselves or by local contractors hired by the community.

Sub-project proposals can be for investments in a single village or villages can collaborate and submit Kum ban proposals for multi-village investments. Sub-projects may also include supplementary training activities that will enhance access to or utilization of sub-project facilities (such as health worker or teacher training when a school or health clinic is built).

In order to meet PRF's objective of reducing poverty, at least two-third thirds (66%) of the prioritized sub-projects must be located in the poorest villages in the Kum ban.

All potential sub-projects are subject to a screening and technical assessment process. This process is of particular importance in sub-projects, which may be potentially vulnerable to natural hazard, including climate impact. After the screening and technical assessment process, PRF staff will help the community to develop a detailed design and budget. This will then be subject to final ratification at the District Planning and Coordination Meeting.

With few exceptions (particularly access-related infrastructure that may be technologically too difficult or too expensive to maintain in rural areas or which might cause environmental or social harm), the choice of sub-projects is up to the communities themselves, provided the budget fits into the overall Kum ban resource allocation and it is not unacceptable to local authorities.

4.2.3 Supplementary Training Activities

Communities have the option of including (within the sub-project budget) training activities that are directly related to the PRF-funded community infrastructure. Such activities must have the goal of improving community access to the sub-project, increasing usage of the sub-project or enhancing sub-project benefits, particularly for the poorest members of the community. Approval of supplemental training activities will depend on the community's interest and ability (with assistance from PRF staff) to identify suitable training providers.

4.2.4 Types of Prohibited Activities - the "Negative list"

To avoid potentially adverse social and environmental impacts, a number of activities are excluded from the menu of eligible sub-project investments. These are all listed on the Non-Eligibility List (Annex 1 of the ESMF manual) GoL reviews this list every year.

4.2.5 Community share of sub-project cost

Although PRF provides the majority of financial resources in support of the implementation of sub-projects identified in the KDP and supported by the PRF, it is not the only source of support.

Communities express willingness to contribute to sub projects at the beginning of the planning process after sensitization, for several reasons. First, community contribution lowers the cost of the sub project so that some other activity can be undertaken from the saved funds. Second, those project proposals which would not benefit the poor and minority groups will be filtered out because they will not contribute for something that would not benefit them. Third, community members will have a sense of ownership feeling proud that their money or labor also are in the project and will be willing to undertake maintenance. Fourth, the sense of ownership will create cost and quality consciousness because if the quality is poor the maintenance burden will be larger on them. Fifth, community can showcase the completion of the sub project with their contribution to leverage resources for other needs for which they need funds through competitive processes to leverage.

The community, with exceptions to be approved by the PRF provincial office, must provide 10% of the total budget for each sub-project. This may come in the form of cash, as voluntary labour or voluntary contribution of land or materials and can be adjusted based on the community capacity and with proper justification.

The community share of the sub-project cost is defined during the survey-design process and separated in 3 different contribution categories:

- Cash;
- Labour;
- Materials.

For each item, the community will define their contribution, based on the local market value at the district level (using the PRF unit cost database). Community share of the sub-project cost (quantity and value) are captured in the sub-project proposal form (attached in Annex 7). PRF can pay for villagers' skilled (technical staff hired by the community) and unskilled labour. The rate used will be taken from PRF Unit Cost Database, which provides an average rate for skilled labor, per district, based on what is commonly paid in the area. Unskilled labour will be compensated at the rate of the formal minimum wage for the Lao PDR. The community share of the sub-project cost is deducted from the contractor payment if the whole construction work is given to a private contractor. The technical staff will help the community to know the expected minimum 10% value for Community contribution by way of cash, material or labour and will be identified from the BOQ since technical officers know the quantities of material and labor are required for each item of work. Once agreed by the community, such items will have to be removed from the estimate that is made available for bidding so that the contractors know that they will not be paid for such items.

Voluntary land distributions would be considered as part of the community share of sub-project cost. The value of voluntary land contributions will be determined by the representative(s) of the Ministry of Natural Resources and Environment at the district

level. The consultation process will involve the impacted households, the NCRDPE, LWU (on behalf of the Mass-based Organizations), the Deputy District Governor, the Head of Kum ban and the PRF staff. All voluntary land contributions will be reported and documented in the community share of sub-project cost and compensation form. If one loses land in size more than 5% of the holding, voluntary donations are not allowed and compensation has to be paid. No one should lose more than 10% of their productive assets as a result of subproject implementation. If, based on the survey conducted by the PRF District engineer with the participation of affected people find that more than 10% of productive assets would likely be affected, designs should be adjusted and/ or alternative locations be sought so that impact would be reduced to below 10 percent.

Validation and record of the community share of sub-project cost is under the responsibility of the Village Implementation Coordinator, which will use the daily record form to verify community contribution for each of the categories described above as well as payment to be made, for the items that are in the community contribution list, such as for community labour (Monitoring Forms are attached in Annex 7).

See the Compensation and Resettlement Policy Framework manual for further guidelines.

4.2.6 Other Funding Sources

In addition to community contributions, Kum bans may also seek additional support from local government authorities, either in the form of cash or in terms of technical assistance, recurrent costs (such as teachers or health workers) and longer-term maintenance support. Similarly, Kum bans may seek financial or technical support from other donors or international NGOs, particularly for sub-projects that are not in the PRF Investment Plan. KDPs will allow other government agencies and donors to see the key priorities for development in the area. These additional contributions will be reported by the Project and reflected in the MIS for the PRF as well as the semi-annual and annual progress reports.

4.3 ALLOCATION OF RESOURCES – LIVELIHOOD LINKED NUTRITION ACTIVITIES

4.3.1 Grants for Livelihood linked Nutrition (LN) Activities

This component includes two sub-components:

1. Provision of input support for production and marketing through grants and community contributions (Family Investment Plan)
2. Empowering Self-Help Groups (SHG) through training and technical assistance and sustainability.

For the Livelihood linked Nutrition (LN) activities, the PRF will provide grants to eligible village SHGs. On average, in one village, approximately three SHGs may be formed. Each SHG typically consists of 8-16 members. Each SHG will receive support in the planning, implementation and sustainability of livelihood activities all of which should be tailored to the specific agro-ecological settings and potentials in the specific target area (Northern or Southern Zone).

4.3.2 Livelihood Support

Self Help Groups will be strengthened through training and technical assistance in:

- Increasing household and community food security through adoption of improved agricultural production technologies, including improved varieties of seed and plant material and livestock breeds;
- Improving post-harvest handling and value addition at the farm and community levels;
- Improving management of community natural resources including conservation of non-timber forest products;
- Income-generation activities using resources available locally;
- Identifying local and urban markets and fostering market linkages through agribusiness enterprises;
- Increasing financial assets and access to finance.

4.3.3 Formation of Livelihood Self-Help Groups (SHGs)

In specific targeted LN villages SHGs will be established around affinity. Targeting criteria for beneficiary villages are:

- Continuation of activities in previous target villages;
- Expansion into neighboring districts which will be selected based on a geographical proximity to facilitate peer-to-peer learning between PRF staff and among villagers on new activities;
- Convergence with GoL WASH and nutrition programs;
- Kum ban who commit to apply the 4+4 policy;
- Villages with high ownership potential based on PRF experience; and
- Village with access to clean water

Table 3 below provides an indication of the type and range of LN activities typically funded under PRF auspices and examples of related training activities that may be funded⁹. Finally the Table provides an indication of some of the kinds of activities that are normally not eligible for PRF funding.

⁹This list is for the purpose of providing examples only. It is not intended to cover all possible supplemental training.

Table 3: Activities that can be supported by LN

Sub-project Type	Examples of Sub-projects	Examples of Related trainings
Agricultural Infrastructure	Weirs, ponds, canals, bunds, gates, spillways, livestock handling facilities, grain storage facilities, fencing, nursery construction and other light structures ¹⁰	Kitchen gardens Collective marketing efforts of agricultural products; Livestock/veterinary needs; Environmentally-friendly technologies to improve crop yields. Household nutrition.
Livelihoods and nutrition support?	Home plot garden, fodder garden, animal raising (poultry, pig, fish frogs, etc.) vaccine chain management, seedling nursery, cattle pen, horticulture crops, fruit trees, NTFP, improved rice varieties, handicraft.	Animal raising techniques, crops growing techniques, watershed management, natural resources management, use of biodiversity for pests management, vaccination, processing, storage, identifying local and urban market linkages through agribusiness enterprises, increasing financial assets and access to finance

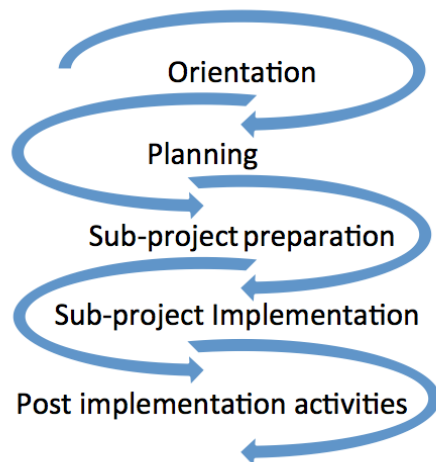
¹⁰ Agriculture infrastructures shall be eligible investment only when they are public goods, benefiting 75% or more of the population where the village is located.

5 PROGRAM CYCLE

The PRF Program cycle has one year duration of, usually following the new Government fiscal year from January – December, after which the processes are repeated in the new program cycle in the following fiscal year. The entire Program has a planned duration of 3 years, from 2017 to 2020.

Figure 4. The first year, the cycle consists of five stages including 1) Orientation, 2) Planning, 3) Sub-project Preparation, 4) Sub-project Implementation, and 5) Post Implementation Activities. For the following cycle, there are only four key stages as the orientation is undertaken only the first year. This section briefly describes the main steps within each of the five stages. Annex 8 provides a more detailed overview of the main activities carried out at each step.

Figure 4: PRF Program Key Phases



5.1 THE ORIENTATION STAGE

During the Orientation Stage the Program is introduced and promoted in target locations. All Program participants, including PRF staff, government counterparts and target communities are identified and informed about their rights and responsibilities and receive necessary training to carry out respective roles. In accordance with the PRFIII's social safeguard policies (described in Section 10), informed consent is sought from all Program participants before further activities can be initiated.

The Orientation Stage includes six main steps, each briefly described below.

5.1.1 Preparation

During the preparation, PRF staff at central, provincial and district levels are recruited by the Project Management Team. If additional provinces and/or districts are incorporated into the Program, new PRF offices are set up in these locations. If new activities are to be introduced in target communities (e.g. LN or CLTS activities) this phase may also include collection of data and development of eligibility criteria for Kum bans, villages and/or households.

5.1.2 Training of PRF staff

Yearly, at the initiation of a new Program cycle, an annual meeting is organized to discuss improvements that can be made to the PRFIII based on PRFII experiences. This meeting involve all levels and include also trainings by smaller groups on the main changes introduced into the PRFIII design, processes and procedures. This is to ensure that all staff understand all aspects of the Program, including: objectives, principles, cycle, processes and procedures, social and environmental safeguards, result framework, the Feedback and Resolution Mechanism (FRM) etc. and are all fully aware of their respective roles and responsibilities. The **usual** duration of the meeting is 5 days to allocate enough time to present and discuss good practices and lessons learned from the previous year and conduct refresher training. Smaller workshops are also organized by division on project technical aspects and refresher trainings.

See Section 7 of this POM for more details on the training of PRF staff.

5.1.3 Provincial Orientation Meeting

The Provincial Orientation Meeting is usually organized in the beginning of each Program cycle to ensure that all program partners, including government line departments, mass-organizations and other rural development projects/agencies, are aware of PRF objectives, principles, cycle, processes, procedures and safeguard requirements. This meeting is also used for the confirmation of provincial Feedback Resolution Committee (FRC) members, review of Kum ban and village lists and preparation of next steps.

The meeting lasts usually one day. The Provincial Governor or Provincial Vice Governor, depending on who represents the province on the PRF Administrative Board, chairs the meeting.

See PRF Capacity Building Manual for further details.

5.1.4 District and Kum ban Orientation Meeting

A District and Kum ban Orientation Meeting is held in each target district the first year of a new phase. Participants include representatives of district level government line departments, mass-organizations, other rural development projects/agencies, as well as the Kum ban Heads, other Kum ban Committee members and selected KBFs (see Section 5.1.5) of all target Kum bans.

During the meeting participants are informed about PRF objectives, principles, the Program cycle, processes and procedures and social and environmental safeguard

requirements. The meeting is also used for the confirmation of district FRC members, review of Kum ban and village lists and preparation of next steps.

The meeting usually takes one day, if in a previous target district, and 2 days, if in a newly incorporated district. The District Governor or District Vice Governor, depending on who is representing the province on the PRF Administrative Board, chairs the meeting. See PRF Capacity Building Manual for further details.

5.1.5 Recruitment and Training of Kum ban Facilitators (KBFs)

Three KBFs (usually one male and two female) are first selected and then at the KDP confirmed by the community in each target Kum ban as soon as PRF agrees to work in the Kum ban. KBFs may serve for up to 4 years. Selection criteria encourage recruitment of women and members of local ethnic groups able to communicate in locally spoken languages. The KBF selection process and selection criteria are described in detail in the PRF planning manual.

All KBFs participate in a yearly 3-days training workshop taking place just after the District and Kum ban Orientation Meeting. The objective of the training is to provide KBFs with a quick overview of all key aspects of the PRF, with a particular focus on the participatory training techniques to be used during the village and Kum ban planning meetings.

See Section 7 of this POM and the PRF capacity building manual.

5.1.6 Village Orientation Meeting

The Village Orientation Meeting is held the first year of a new phase in all target villages to ensure that all members of target communities are aware of PRF objectives, principles, cycle, processes and procedures and safeguard measures. The meeting is also used for the confirmation of village social audit committee/village mediation committee and preparation of next steps. Specific participation requirements ensure social inclusion and participation of poorest households, women, ethnic groups and other vulnerable groups. This meeting is also the opportunity to raise awareness on specific issues that should be taken into consideration by the community members. For instance stunting video will be shown during the meeting.

The meeting usually takes one day. It is chaired by the Village Chief.

See PRF planning manual for further details.

5.2 THE PLANNING STAGE

During the planning stage target communities identify needs and investment priorities, draft development plans for their Kum ban and coordinate development interventions with district government and other development project/agencies.

The Deepen Community Driven Development (Deepen CDD) approach piloted during the PRFII is now applied to all PRF districts to better facilitate target beneficiaries in identifying own needs and make own priorities for the development in their communities.

The approach is designed to build local capacities of planning and implementation while generating local ownerships. Social and environmental safeguards are applied to ensure that the program benefits most vulnerable groups, including women, children, poorest households, ethnic groups and households with disabled persons, and avoids any negative impacts.

The strengthened CDD Pilot was undertaken in response to the recommendations endorsed by the MTR mission on February 2014 for learning considering the budget and time limitations. The purpose was to practice 12 changes to strengthen the application of community driven development principles for efficiency and effectiveness of planning and implementation project interventions.

The 12 changes are; (i) Make village selection demand driven by communities formally expressing willingness to follow rules prior to be selected, (ii) Recognize and strengthen village organization and add an additional Kum ban Facilitator per Kum ban, Train and motivate them and raise their daily allowance for work, (iii) Agree on nonnegotiable principles and rules of ethics to follow, (iv) Increase engagement of women, ethnic groups, youth and other common interest groups at village /hamlet levels in planning implementation monitoring and maintenance by facilitating self-help groups and collective work, (v) Engage communities in household poverty ranking targeting and monitoring benefits, (vi) Disclose and display community profile, social maps and poverty ranking at village and in project website for referencing when needed, (vii) Provide more information on possibilities to select need-based infrastructure of the poor groups helping livelihoods, (viii) Focus on promoting self-help groups in villages of no sub projects and linking VDPs/KDPs to other sources of funding, (ix) Include social auditing to FRM improving accountability, (x) Independent project appraisal and monitoring for quality and sustainability, (xi) Form Appraisal and Monitoring Team for sub project appraisal and milestone checking for disbursement and add a young graduate to district team as M&E and accountability staff member (xii) Promote best performing model villages for cross learning

The Planning Stage includes five main steps, each briefly described below.

5.2.1 Village Vision Meeting

Following the Deepen CDD approach, the initial Village Vision Meeting takes place over three days, providing enough time to facilitate several smaller meetings in distant village hamlets or in different languages if relevant. During the meeting, beneficiary communities identify underlying causes of poverty in their own community and development interventions to mitigate these causes. Five interventions are prioritized in each community. Based on village mapping, household wealth ranking and benefit tracking exercises communities ensure that prioritized interventions will benefit majority of households, including the poorest and most vulnerable groups.

Specific participation requirements ensure social inclusion and participation of poorest households, women, ethnic groups and other vulnerable groups in the decision-making processes. Most activities are carried out as group work with women and men in separate

groups providing space for women to speak. Activities may also be carried out in different language groups if several languages are spoken in the village.

At the end of the meeting, communities will select Village Delegates to represent the village at Kum ban meetings, including the Kum ban Planning Meeting (see below). The community also select Village Mediation Committee members. Specific selection criteria ensure representation of women and ethnic groups in the committee. The various committee members will receive training related to their respective roles and responsibilities.

The full 3-day Village Vision Meetings are usually completed in the first cycle of the Program, while a shorter 1-day meeting may be carried out in the following cycles to review and revise the village list of investment priorities. See PRF Planning manual for further details.

5.2.2 Kum ban Planning Meeting

Village Delegates present their investment priorities at the Kum ban Planning Meeting. The meeting usually takes place over two days. Village level priorities are assessed and compared in terms of the level of needs, service areas and number of direct beneficiaries with particular focus on the number of poor beneficiaries.

At the initial meeting, two plans are drafted, including:

- 1) The Kum ban Development Plan (5 years), listing all strategic goals and development priorities, that villages in the Kum ban will strive towards in order to reduce poverty, and
- 2) The PRF Investment Plan (3 years), showing which of the investments in the Kum ban Development Plan, communities plan to cover with PRF funding.

The two plans are revised in the beginning of each following Program cycle, taking into account changes in communities' priorities as well as changes in plans of investments to be covered by Government or other development partners.

At the end of the Kum ban Planning Meeting, Kum ban Delegates are selected, among the Village Delegates, to present the Kum ban Development Plan at the District Planning and Coordination Meeting (see Section 5.2.3). Kum ban Feedback and Resolution Committee members are confirmed and preparations for next steps are made. See PRF Planning Manual for further details.

5.2.3 District Planning and Coordination Meeting

Kum ban representatives present the Kum ban Development Plan and the PRF Investment Plan at the District Planning and Coordination meeting for approval. Participants include representatives of NCRDPE, Ministry of Planning and Investment, relevant district line departments, mass-organizations, other development projects/agencies, NGOs and private sector investors. District teams are expected to forward KDP priorities at least two weeks before the district meeting so that the line agencies and other rural development project can be prepared for commenting on the

priorities and inform if any proposal has already been identified by them under their plans to be implemented so that the Kum ban can take the second priority upfront.

Agreements are made on integration of PRF Investment priorities into existing District Development Plans. Sub-projects subject to any technical approvals are identified. The coordination with all shareholders ensures that there are no overlapping activities. Commitments in principle are made by the District technical offices and line departments, or any other agency if relevant, on sub-project sustainability and contribution to sub-project services (e.g. district Department of Education and Sports agrees to provide teachers if PRF supports the construction of a school). Finally, the level of community contribution is discussed and confirmed for each approved sub-project.

The meeting usually takes place over 1-2 days and is chaired by the District Governor or District Vice Governor.

The KDP priorities are published in the project website in the first year for reference for follow-up comparisons and sharing information with others interested for use leveraging assistance from other sources.

See PRF Planning manual for further details.

5.2.4 District Socio-Economic Development Plan

The district planning process is led by the District Planning Office (DPO) and involves both top down and bottom up approaches. The national government sets goals, targets and priorities consulted with line ministries at the national level. In light of these goals, detailed plans are supposed to be developed by villages, consolidated by Kum bans and integrated into sectoral plans at the district, provincial and national levels. Also, the DSEDP implementation plan and the Annual Investment Plan are developed on an annual basis based on the priorities identified at the village level and consolidated at the Kum ban level

The Annual District Socio-Economic Development Plan (DSEDP) is prepared based on a five-year DSEDP. It is led by the District Planning Office (DPO) with the support from the Provincial Planning Office. Each district sector develops its sector plan in line with five-year DSEDPs, which will serve as the basis to develop the Annual DSEDP.

District planning process proceed in 2 parts: 1st part is DSEDP plan and 2nd part is Public Investment Plan (see annex 9 for more details on the DSEDP).

Meeting participants include representatives from MPI, officers from Provincial Department of Planning and Investment (PPIO), PRDO (Provincial Rural Development Office), all sector heads and technical staff responsible for planning, cross cutting organizations, Kum ban head, Kum ban representatives and PRF staff from province and districts. The meeting usually take a day.

The agenda of the meetin is as follow:

1. Opening remarks by District Vice-Governor
2. Report on the implementation of the previous Annual Socio-Economic Development Plan (DSEDP)
3. Presentation of the next Socio-Economic Development Plan (DSEDP)
4. Discussion and feedback on the reports and plans presented by DPO
5. Discussion and conclusion by the District Vice-Governor

5.2.5 Village Report Back and Validation Meeting

The objective of the village report back meeting is to ensure that target communities are fully aware of the results of the District Planning and Coordination Meeting and content of the reviewed Kum ban Development Plan. Communities are informed about the PRF Investment Plan and in particular about investments in the cycle in progress, budgets for all approved sub-projects and the expected community contributions. Communities also receive information about any sub-projects that will not be funded by PRF and the reasons for their exclusion.

This meeting is important to ensure full transparency. Furthermore, it provides communities with a formal opportunity to ratify or repudiate the Kum ban Development Plan and PRF Investment Plan, should any changes have been made to the plans at the District Planning and Coordination Meeting. PRF will attempt to organize Report Back Meetings in Kum bans where changes have been made to the Kum ban Development Plan, to provide enough time for processing any amendments should communities repudiate the plans.

This meeting is also important for the Kum ban to identify action for the proposals that seem to have little chance of being picked up for mplementation by line agencies so that communities can start looking for other sources including the Kum ban/community itself.

The Report Back meeting usually takes half a day. It is chaired by the Village Chief. Village Delegates with assistance of KBFs facilitates the presentation of the plans. Specific criteria ensure participation of women, ethnic groups and other vulnerable groups in the meeting. Village development committee members are invited to this meeting for their awareness and support

See PRF Planning Manual for further details.

5.2.6 Preparation and Endorsement of the District Socio-Economic Development Plan

Finally, the District Socio-Economic Development Plan (DSEDP) is prepared and endorsed by District Authorities. This is usually done during a one-day meeting, chaired by the District Governor or the District Vice Governor. PRF staff participate in the meeting and assist local government in ensuring that all Kum ban Development Plans and other planned interventions are linked to the DSEDP. Depending on how KDPs are integrated into the DSEDP, PRF will provide the link of the pages of KDP priorities in the PRF website to be included in the DEEDP as well for referencing for further fund raising

See PRF Planning manual for further details.

5.3 THE SUB-PROJECT PREPARATION STAGE

Final sub-project proposals are drafted for all approved sub-projects during the sub-project preparation stage. Implementation teams are set up in all villages where sub-projects are to be implemented in the cycle in progress. PRF officers and officers of relevant district government line departments provides support to the implementation teams and supervise the processes of surveying and designing approved sub-projects. The level of support provided in each village will depend on the individual needs of the village.

The Sub-Project Preparation Stage includes five main steps, each briefly described below.

5.3.1 Establishment and Training of the Village Implementation Team(VIT)

In villages, where sub-projects are to be implemented in the cycle in progress, communities establish their Village Implementation Team, consisting of nine community members who will be responsible for the planning and coordination of sub-project design and implementation. Among the VIT members, the community selects 3 Village Supervision and Operation & Maintenance members, 3 Village Procurement members, and 3 Village Financial members (usually female). The VIT Selection criteria encourage selection of women (minimum of 5 members) and ethnic groups (see Section 3). If there is a need to have more knowledgeable people, then a member or two can come from other villages of the Kum ban. PRF needs to empower community members for learning by doing during its presence in the Kum ban.

The KBFs, district PRF team and district offices of concerned line departments supervise the VIT members throughout the planning and implementation phases of the sub-project cycle. The individual VIT members receive ‘on-the-job’ training to undertake their specific responsibilities. Support provided is leveled in accordance with the level of capacity of each team member (see Section 7.3.5 for more details on training of Village team members).

5.3.2 Preparation of Final Sub-Project Proposal

The sub-project proposal is completed by the VIT assisted by the KBFs, district PRF team and district offices of concerned line departments. The Final Proposal includes all details related to the sub-project implementation, including final design, budget, community contribution plans and compensation arrangements.

The process of sub-project proposal preparation includes:

- Community decides on the most suitable location within the village for the sub-project construction ensuring equal access to all community members with particular attention to access for women, ethnic groups and other vulnerable members of the community.
- Community decides on the most suitable time for the sub-project construction, bearing in mind the availability of voluntary labour if it forms a part of the community contribution.
- Community makes plan for community contribution.
- Community carries out baseline surveys and identifies potential environmental and social impacts and develops mitigation measures in accordance with PRF safeguard strategies.¹¹ This includes completion of any compensation arrangements if relevant and the preparation of Voluntary Compensations Forms and/or Land Acquisition Reports.

See PRF Sub-project Preparation manual for further details.

5.3.3 Village Confirmation Meeting

At the Village Confirmation Meeting, community members are presented with, discuss and approve the Final Sub-Project Proposal, including:

- final design and technical feasibility of the proposed sub-project construction;
- bill of quantity and refined estimated budget;
- Express readiness to undertake construction under CFA if ready
- plan for community contribution;
- procurement methodology;
- safeguard mitigation measures, including plans for compensation and land acquisition and resettlement reports if any (see Section 10); and
- operations and maintenance requirements.

The Confirmation Meeting usually takes one day. The Village Chief chairs the meeting. The VIT members, with assistance of KBFs, facilitate the presentation and discussion of plans. Specific criteria ensure participation of women, ethnic groups and other vulnerable groups in the meeting.). During this meeting, the verification team will visit each affected household to ensure that contributions and compensations have been made according to prior informed agreements.

See PRF Sub-project Preparation for further details.

¹¹ PRF safeguard strategies are described in further detail in Section 10, including the Environmental and Social Management Framework (ESMF), the Compensation and Resettlement Policy Framework (CRPF), the Ethnic Group Planning Framework (EGPF) and the Simplified Pest Management Plan (PMP).

5.3.4 Sub-project Procurement

In order to ensure full transparency, the bid opening and award takes place in the target communities with participation of all community members, VIT members, KBFs, and representatives of concerned district line departments as well as the bidders. The Village Chief chairs the bid opening. All documents are checked and the bid evaluated.

Prior to the bid-opening, KBFs and VIT members receive training in rules and guidelines pertaining procurement and financial management.

See PRF Community Procurement manual for further details on bid opening and award.

5.3.5 Sub-Project Kick-Off Meeting

The kick-off meeting marks the formal initiation of the implementation process with the signing of the official sub-project agreement and releasing of first tranche of funds. Furthermore the meeting serves to clarify roles and responsibilities of the various parties and preparation of the detailed Implementation Work Plan and related budget.

The kick-off meeting takes one day and is chaired by the Village Chief. It is a public meeting open for all community members, but must be attended by all VIT members, KBFs, representatives from relevant district line departments, any contractors as well as the PRF district team.

See PRF sub-project preparation manual for further details.

5.4 SUB-PROJECT IMPLEMENTATION STAGE

The main responsibility for coordination and overseeing of sub-project implementation lies with the target communities and the selected VIT members supported by the PRF district TA officer and technical officers of relevant district line department. VIT members receive on-the-job training and learn from other target communities through the sharing of experiences. Village Accountability Meetings are held to ensure full transparency of the implementation process and finances including budgets, expenditures and community contributions.

The main activities during the Sub-Project Implementation Stage are briefly described below.

5.4.1 Sub-project Inspection Visits

The PRF district TA officer and the technical officers of relevant district line department, together with the KBFs and provincial audit team (when available) conduct a number of inspection visits to the target communities during the sub-project implementation period. During these visits they verify the technical quality of construction and that sub-projects are implemented according to the agreed plan. Furthermore the visits serve as opportunities for capacity building of community members receiving supportive

supervision and on-the-job training in skills required to carry out their respective responsibilities.

Usually 4 to 5 visits are made to each target community during the sub-project implementation phase. The provincial audit team will join at least one of these visits.

A Final Sub-project Inspection Visit is made at the end of the sub-project cycle to verify that sub-project implementation is completed and that the quality of construction meets technical requirements.

See PRF sub-project supervision manual for further details.

5.4.2 Village Cross Kum ban Visit

Visits to previous target communities/Kum bans are organized for new VITs responsible for sub-project implementation for the first time. The objective of the visits is for VITs to discuss best practices and share lessons learned from problem solving efforts.

See PRF Capacity Building manual for further details.

5.4.3 Development of Operation and Maintenance Plan

An Operation and Maintenance Plan is developed in order to ensure sub-project sustainability. The plan is presented and validated by all community members at the Final Village Accountability meeting (see Section 5.4.4).

An Operations and Maintenance Team is established in the community during the final accountability meeting, usually including the Village Chief and representatives of mass-organizations besides other suitable community members. The team receives training on how to lead the plan's implementation.

See PRF Community O&M manual for further details.

5.4.4 Village Accountability Meetings

Village Accountability Meetings will be held during the sub-project implementation period to ensure full transparency and publicly certify the work progress and discuss any issues met (including issues reported through the FRM (see Section 11)). There are usually three installements: one before the sub-project implementation starts, one when half of the construction is completed and one after the warranty period is expired. Payments to contractors are in installments and organized after each milestone is reached. The contractor is expected to submit invoice for the work done with a technical report. Accountability meeting is convened to recommend payment and are organized three times during the sub-project cycle, usually to approve the next installment.

The Final Accountability Meeting will be held at the end of the sub-project cycle and mark the sub-project completion. At this meeting community members will:

- certify the completion of work;
- publicly review all expenditures and community contributions;

- discuss all issues met during the implementation phase, including issues reported through the FRM;
- confirm that all safeguard issues has been addressed accordingly, including any compensation arrangements;
- discuss use of remaining budget (if any);
- presentation and validation of the Operations and Maintenance Plan.

The Village Chief chairs the Accountability Meetings. Participants include community members, VIT, KBFs, PRF TA Officer and Provincial Appraisal Team. Specific participation requirements ensure social inclusion and participation of poorest households, women, ethnic groups and other vulnerable groups. The meetings usually take between a half and a full day.

See PRF community financial management for further details.

5.5 POST-IMPLEMENTATION STAGE

After sub-project completion and the Final Village Accountability Meeting, communities will be responsible for the operation and maintenance of their sub-project constructions based on their capacity as well as the concerned sector for the maintenance activities that cannot be managed by the community. However, a couple of activities will take place prior to beginning of the Orientation Phase of the following sub-project cycle. These are described below.

5.5.1 District Evaluation Meeting

The Official sub-project hand-over (to relevant govt agencies (e.g. schools and dispensaries), or villagers (e.g. boreholes)) takes place at the District Evaluation Meeting. This meeting furthermore provides an opportunity for all stakeholders, particularly district government authorities, NCRDPE and the PRF team members, to share lessons learned and experiences of difficulties faced during the implementation cycle. Each implemented sub-project is reviewed and follow-up plans developed for any sub-projects that have not been completed. FRM reports are presented and participants discuss and develop strategies to overcome any difficulties that may hamper the success of the Project.

The District Evaluation Meeting takes one day. It is chaired by the District Governor or District Vice Governor. Participants include all representatives from all concerned district line departments, mass-organisations, NCRDPE, MPI, any other development agencies working in the area and the local media.

See PRF Capacity Building manual for further details.

5.5.2 Sub-Project Follow-Up Visits

Representative of the PRF District and Provincial teams will conduct two follow-up visits in beneficiary communities after sub-project cycle completion to verify implementation of Operation and Maintenance Plan and that compensation arrangements have been made according to safeguard policies. Two visits are made to each community, 6 months and 12 months after sub-project implementation respectively.

In case of land acquisition, including Voluntary Contribution and/or Compensation at Replacement Cost (see Section X for further details. The visits will be documented on the Voluntary Contribution Form and LAR respectively. Issued discussed and follow up actions agreed will be noted on both copies of the form (one kept by PRF and one kept by the household). Both husband and wife of the affected households will sign the form.

See PRF Sub-project Follow up manual for further details.

6 TRAININGS AND CAPACITY BUILDING

6.1 Capacity Building Strategic Priorities

PRF capacity building efforts focus on strengthening PRF functionaries' (at all levels) capacity to better implement PRF activities. Equally important, by providing technical support to villagers over a number of years, PRF also aspires to empower communities by training them in assessing their own needs, discussing them with the district authorities and implementing as well as supervising the construction of public infrastructure. By principle, the PRF will provide verbal translation of the various trainings and meetings in local languages, and when feasible, also translate supporting documents in local languages (e.g. Hmong, Khmu etc.). The various capacity building activities also allow the PRF to contribute to the GoL's objective of better coordination among ministries and other organizations involved in poverty reduction and rural development and better service delivery to the communities.

All capacity building priorities aim at deepen the application of the Community Driven Development model adapted to the Lao context and will be revised on a yearly basis based on regular evaluation from PRF staff and external consultants. Yearly capacity building activities will be revised and approved by the World Bank as part of the yearly work plan and related budget approval.

Training is not “optional.” Recruited and selected facilitators and consultants that do not attend training or attend without obtaining the required standard cannot be mobilized. Individuals successfully completing any training related to topics not directly linked to PRF process and strategy (for example gender and ethnic sensitization, leadership and management), will be recognized and given training certificates.

6.2 Training Principles

For the purpose of all PRF capacity building activities, the PRF team agrees that training should be:

- Participatory and interactive (not relying primarily on classroom-style lectures);
- Experiential and hands on (giving participants the opportunity to learn by doing whenever possible, ideally in the field rather than in a classroom, using peer learning);
- Practical (with theoretic focus only as needed to underpin/explain considerations for practical implementation);
- Gender and ethnic sensitive (encouraging female participants and small ethnic groups to participate fully);
- Evaluative (with participants empowered to evaluate training activities through questionnaires and surveys);

- Progressive (trainings contents will be reviewed annually based on evaluation of the improved capacity of the participants);
- In local language and with visuals, stories, role playing and group work to ensure none of the community members will be left out because of language barrier.

Training tools are developed for each cluster of capacity building activities. The tools are designed to correspond to the different needs and functions of the target audiences. The project aims at making the tools/manuals gender and social inclusion sensitive, including guidance on how to work with different ethnic groups. For example, a set of movies and pictures with stories as visuals have been developed to improve facilitation at the village level by using local languages. Improvements to IEC materials are considered regularly based on the findings of the mid-term evaluation review.

6.3 Training Activities

A “cascading approach” is used, whereby PRF trains a cadre of PRF ‘Master Trainers’, who in turn trains the PRF ‘Trainers’, who will then train Kum ban Facilitators (KBF), Village Implementation Teams (Supervision and Operation & maintenance, finance, procurement) and other village representatives. As a complementary approach, PRF also uses the “tutoring approach” by having experienced PRF staff guide and advice the newly recruited staff.

6.3.1 Training of Master Trainers

Master Trainers should be dynamic people from PRF central, provincial and district levels, and should have strong empathy for the poor.

The training is usually delivered by outside experts and organized in four areas:

1. Training on Community Capacity Building/Facilitation skill (CD division);
2. Training on Participatory Planning (CD division)
3. Training on Preparation, Implementation and Maintenance of Sub-projects (TA division);
4. Training on Finances Management and Procurement (F&A division and procurement unit).

Training manuals with associated tools is developed for all four areas. These manuals and tools are continuously improved based on the findings of the training(s) evaluation.

Training sessions are designed based on the specific functions and responsibilities of the target audience. Sessions may include training on:

- PRF principles, procedures, rules, regulations, structure and organization.
- The main differences between PRF standard approach and CDD approach;
- Feedback and Resolution Mechanism (FRM);
- Environmental and social safeguards;
- Gender and social inclusion issues;
- Detailed directions on how to train KBFs and Village team, including presentation of related training materials, logistics, techniques and curricula;

- Facilitation techniques, including the use of IEC materials, and the principles and techniques of successful adult education (including techniques for the training of non-literate adults) as well as gender, culture and ethnicity;
- Integrated rural development and poverty reduction strategies, with particular emphasis on bottom-up, inclusive planning and community empowerment;
- Financial management, bookkeeping, accounting, and contract management. Accounting methods for non-literate communities will also be covered, transparency being the underlying principle;
- Engineering and technical material including surveying, designs, budgeting, procurement, construction supervision and operations and maintenance for rural communities, with rural communities and by rural communities. The topics will depend upon the specific sub-project implemented in each village.

6.3.2 Training of Trainers

Following the training of Master Trainers, it is expected that the Master Trainers facilitate the training of Trainers.

PRF Trainers should be PRF consultants at district levels, relevant counterparts from line-ministries as well as Kum ban Facilitators. The initial training is conducted at district level, followed by subsequent training (including on the job training) at the district, Kum ban, and village levels.

Similar to the training of Master Trainers, the training of trainers, is organized in four areas:

1. Training on Community Capacity Building
2. Training on Participatory Planning
3. Training on Preparation, Implementation and Maintenance of sub-projects
4. Training on Finance Management and Procurement

Training manuals with associated tools are developed for all four areas and are continuously improved based on the findings of the training(s) evaluation, and external consultants observations and recommendations (i.e. project mid-term review). The training topics covered are the same as in the training of Master Trainers, but targeted to the training of Trainers.

6.3.3 Specific Training of Central, Provincial and District M&E Consultants

Specific training sessions for central, provincial M&E consultants is organized from time to time based on the findings of the regular donors consultancy support and implementation/support missions (i.e. project mid-term review). Areas for improvement are related to gender and social inclusion as well as community capacity to handle procurement activities and to implement their own sub-projects.

6.3.4 Training of Kum ban Facilitators

PRF Trainers, with the assistance of Master Trainers, are responsible for the training of Kum ban Facilitators (KBF).

Usually two to three KBFs (preferably one male and two female) are trained in each Project Kum ban. Preference should be given to hire female KBFs and KBFs from local ethnic groups. Applicants must have at least minimum level of literacy and numeracy.

The standard set of materials developed for the training should be tested and adapted to local needs. The KBFs should receive targeted training corresponding to their specific needs and responsibilities.

KBFs receive training continuously throughout the sub-project cycle. During the planning phase the KBFs receive training on:

- The need for planning and its purpose
- PRF principles, processes and procedures;
- Program rules;
- Community ownership and empowerment;
- Program reporting requirements;
- Facilitation of the village socialization and vision meeting including use of all related IEC tools;
- Social and environmental safeguards guidelines (see Section 12);
- Feedback and Resolution Mechanism;
- Other topics pertaining to the community development field including participatory planning approaches, gender, and ethnic group sensitization.

This training should enable the KBFs to help facilitation of the village vision meeting (described in section xx), ensuring that all procedures are carried out accordingly with attention to social inclusion of most vulnerable groups.

During the implementation phase KBFs receive training in:

- PRF principles, processes and procedures;
- Roles and Responsibilities;
- Finance management and procurement methodologies;
- PRF organisational structure;
- Feedback and Resolution Mechanism (see Section 12);
- Relevant Technical training;
- Long term maintenance;
- Social and Environmental Safeguard Guidelines (see Section 11); and
- Disaster Risk Management principles (see Section 11).

This training should enable KBFs to support and supervise Village Implementation Teams construct funded infrastructures or monitor construction if carried out by sub-contractors. The training should focus on PRF Processes and include Technical Trainings.

In addition, the PRF will provide logistical and per diem support to KBFs for their receiving training from partner agencies with the aim of their gaining basic knowledge about relevant issues to serve as village champions and change agents.

6.3.5 Training of Village Implementation Team Members

PRF Trainers, with the assistance of Master Trainers, are also responsible for the training of the Village Implementation Teams (VIT). In each community where a sub-project will be implemented, the villagers select 9 VIT members (of which 5 must be female), including:

- 3 Village Supervision and Operation & Maintenance team;
- 3 Village Procurement team;
- 3 Village Financial Coordinator team (female); and

The standard set of materials developed for the training should be tested and adapted to local needs. The VIT members should receive targeted training corresponding to their specific needs and responsibilities.

Village team members receive training continuously throughout the planning and implementation phases of the sub-project cycle.

This training should enable village team members to organize the implementation and construct funded infrastructures or monitor construction if carried out by sub-contractors. The training should focus on PRF Processes and include Technical Trainings.

6.3.6 Training of Kum ban and Village Delegates

During the Village Vision Meeting and the Kum ban Development Planning Meeting (described in Section 5), PRF Trainers will teach basic communication and negotiating skills to Kum ban and village delegates.

In order to guarantee that all Kum ban and village delegates, especially those from smaller ethnic groups, women, and people with disability understand and participate, trainers will ensure that at least one KBF is present, acting as a facilitator and interpreter/translator. In villages where there are two or more ethnic languages spoken, PRF may use the services of interpreters who can translate in these respective languages. Training materials used are simplified to suit specific village needs, as for example handouts with many illustrations (see IEC Manual).

6.3.7 Monthly Performance Meetings and Refresher Trainings

For District teams:

The district PRF teams meet monthly (for one or two full days) with the provincial PRF team to review progress, discuss problems, revise schedules and receive on-the-job training.

If communities request support, which cannot be funded by PRF, PRF can forward such requests to the government or through the government officials to other donors or organizations. District officials must report to provincial authorities and so it is essential they are kept informed of program developments.

For Kum ban Facilitators:

Kum ban Facilitators meet with the PRF district team monthly during sub-project implementation. These meetings are used to review progress, discuss problems and solutions, revise schedules, evaluate performance and receive refresher training. A few hours are set aside, as part of on-the-job training, to discuss case studies, to share experiences, including problems and innovations, as well as success stories.

KBFs and Village team members are also encouraged to attend community accountability meetings in other Kum bans to observe financial management, program implementation and share their respective experiences. These visits also aim at encouraging and facilitating exchanges on lessons learned between KBFs so they improve their capacity to fulfill their responsibilities.

This is achieved as follows:

- The KBFs prepare the meeting in advance;
- The KBF and/or VIT provide feedback to other KBFs and V members after the meeting;
- The KBF write a report that is displayed on the Kum ban information board. Copies of the report are archived with PRF at the Kum ban, district and national levels.

6.4 Training in Subsequent Cycles and Additional Training Activities

Annual training plans, schedules and contracts for the next cycle are arranged immediately after the completion of a sub-project cycle. The best performing and most out-standing facilitators and consultants should be involved in the next year training, as trainers or at least as resource persons. The preparation of short case studies of conflicts that have arisen, problems encountered and innovations undertaken as well as success stories should be started as early as possible to be used in the following cycle training sessions. Next cycle training allows to up-grade existing facilitators and consultants and includes materials and lessons learned and best practices from past cycles. Upgrading or refresher training for facilitators and consultants are evaluated and decided upon based on performance. A training needs' assessment will be carried out prior to offering training and will guarantee that the delivered training is not only useful but also fulfils the courses' objectives.

Additional districts might be included in the Program and consequently additional district consultants and KBFs be hired. New team members will be given a course similar to the original team members.

6.4.1 Study tours and other exchange

During sub-project planning and implementation, cross-visits and small study tours across districts and provinces are a very good training opportunity if properly prepared. Village team members and KBF can have an exposure visit to a similar sub project that has been completed extremely well to see how community procurement was done, how TSPs or builders were hired, how community contribution was mobilized, how quality control was done etc. before expressing the readiness to undertake work. In such visit the teams can even negotiate for skill labour. Learning should guide them to practice. KBFs need to be exposed to different sub project implementation experiences too.

PRF staff ensures that women are represented and can actively participate (separate from men in order to meet only other groups of women).

After such visits, debriefings must be held and lessons learned processed, shared and documented. This allows an accrued cooperation amongst each entity.

Trainings in one province include a review of proposals, reports and other key documents from other provinces. The purpose of such exercises is not to find mistakes (though this might happen) but rather to share experiences and ideas and to improve the next program cycle.

6.4.2 Workshops

At least once per year a workshop is held for all KBFs and PRF staff at the district level., to ensure that everyone is aware of changes to the program and to provide additional preparation skills. Such opportunities also build morale and team work. Two or three-day technical trainings are also organized to upgrade the skills of the members of PRF teams.

6.5 Capacity Building Activities Review

A Training Report must be produced after facilitation of each of the trainings and capacity building activities mentioned above with the aim of keeping track of the implementation of the capacity building action plan, assess whether training objectives have been reached, and state what will be the follow up action, including need for additional training or refresher training.

The training report will include the following information:

- Date, duration and location of the training/visit/workshop;
- Objective and expected outputs of the training/visit/workshop;
- Schedule;
- Budget;
- Methodology, including IEC tools used;
- Participation list (including list of persons invited but not attending);
- Training evaluation form using criteria to measure training/visit/workshop outputs versus expected outputs (to be filled by the trainers/organizers);

- Training evaluation form to rate the quality of the training/visit/workshop by the trainees/participants;
- Next step table, based on the findings of the training evaluation (to be filled by the trainers/organizers). The table will specify if there is a need for further similar training, in which specific area, need for refresher training, or any other activities as needed.

6.6 Training for Livelihood Linked Nutrition Activities

The following trainings and other capacity building activities should take place provinces, districts, Kum bans and communities where livelihood linked nutrition activities are implemented.

6.6.1 Facilitation and Handholding

Facilitation by Village Implementation Coordinators, Livelihood Young Graduate and District PRF staff is one of the most effective methods of capacity building to SHGs. The trainers shall use pictorial charts and handouts extensively to convey the messages to SHG members and members of various village teams (see below). The Village Implementation Coordinators should attend as many as possible of scheduled meetings of all SHGs in her/his jurisdiction villages.

The Village Implementation Coordinators should observe various practices in the SHGs related to savings, rotation of saving fund, loan process, repayments, Family Investment Plan, agenda setting in group meetings, by-laws, bookkeeping, minutes writing, attendance recording, prioritization of loans, process of conflict resolution etc. during their scheduled group meetings.

The Village Implementation Coordinators should personally meet with all LN Volunteers and evaluate their problems related to group management and the services they are delivering.

6.6.2 Trainings of Self-Help Group Members

One or two formal half-day trainings are organized for all SHG members on:

- Group management;
- Group sustainability; and
- Poverty alleviation strategy of PRF.

The Village Implementation Coordinator, supported by Kum ban LN Facilitators and/or district LN Officers, facilitates the training using pictorial charts and other IEC materials.

Two SHGs may be trained together. The training should be organized in an undisturbed setting within the village or a little outside the village.

6.6.3 Training of Convener and Deputy Conveners of VSMC

The Conveners and Deputy Conveners are most important leaders of the Village Self Help Groups and Management Committee (VSMC). They are the visionaries for their villages in eradicating the poverty of the members of the SHGs and VSMC.

The conveners and deputy conveners are provided two or three trainings in the Kum ban or district, depending on the travel distance. The trainings include the subjects of poverty alleviation strategy through livelihoods enhancement and sub-projects, SHG sustainability, VSMC sustainability, linkages, transparency, conflict resolution, leadership qualities, role of volunteers, role of PRF, role of conveners and deputy conveners.

6.6.4 Training of other VSMC members

Training to committee members of various committees should be organized with in the village or outside the village depending upon the distances and numbers. The community resource persons can also participate as resource persons and share their experiences.

6.6.5 Exposure Visits for SHG Members

The Village Implementation Coordinators should be able to identify best performing SHGs and low performing SHGs and also best performing VSMC and low performing VSMCs in their community. Where the VSMC committees or SHGs are not performing up to the mark, the Village Implementation Coordinator may organize for them to visit and learn from best performing VSMCs/SHGs.

The Village Implementation Coordinators should always as a strategy promote and groom some SHGs and some VSMCs with all best practices by spending more time with them over a period of time and keep them ready to receive people from outside for the purpose of exposure visits.

6.6.6 Training of Bookkeepers

Bookkeepers keep track of SHG finances. One bookkeeper can be responsible for keeping books for up to 4 SHGs.

The PRF district team shall provide training to the bookkeepers of all SHGs. The training can take place in the Kum ban or in the district depending on travel distances. Usually a five-days training is required for this purpose. The training should be facilitated based on the principles of handholding and sample exercises. By end of the training participants should be able to keep all books of accounts and prepare receipts, payment statement and balance sheet of the SHG. The training should start with assessing participants' mathematical skills and writing skills. If required basic mathematics may be taught to the trainees.

Participants must bring all of their SHG books to the training. The trainer will review the books of all bookkeepers and provide feedback. If there are mistakes and improvements required the trainer must provide guidance on such improvements.

6.6.7 Training of Master Bookkeepers

A cadre of Master Bookkeepers can be promoted out of best bookkeepers of SHGs and Village Associations. The Master Bookkeepers may function as trainers of new bookkeepers and/or auditors of the SHG finances. Fees related to such functioning of Master Bookkeepers is paid out of normal project training funds.

6.6.8 Trainings of LN Volunteers

Trainings should be provided to LN Volunteers on their subject. The number of days of training provided depends upon the particular subject and capacity levels of the LN Volunteers.

Government representatives from relevant line departments should be identified to impart these trainings. The payments to government representatives and for training materials shall be made by the VSMC.

6.6.9 Exposure visits for LN Volunteers

The training to the LN Volunteers shall include exposure visits to other villages. Demonstration plots in case of agriculture activities, market study or market linkages could be some of the activities for exposure visits.

PRF district staff or the government representatives from relevant line departments may organize the exposure visits.

6.6.10 Training of Community Resource Persons

A cadre of Community Resource Persons may be promoted from the active persons in SHGs and Village Associations. Functioning as program 'specialist' their services may be used when the project is expanding to new villages or new districts. The messages through community resource persons will go fast and easily if the resource persons are from local communities rather than from district capitals or other more urban areas.

7 MONITORING AND EVALUATION (M&E)

7.1 OVERALL OBJECTIVES OF M&E SYSTEM

A comprehensive monitoring and evaluation system has been set up to track whether PRFII is proceeding according to its principles and procedures, and whether it is meeting its stated objectives. Given the significance of PRF as part of the Government's strategy in eradicating poverty, it is essential that a solid Monitoring and Evaluation (M&E) system be in place to document the PRF experience and to distill lessons to guide Government's policy making.

PRF M&E system is composed of the following elements:

- **Regular Monitoring:** Regular monitoring is under the responsibility of the PRF Staff. Various actors, including beneficiaries, PRF central, provincial and district staff, Kum ban facilitators, young graduates and village teams (Implementation and Operation and Maintenance, finance, procurement, mediation) will take part in monitoring activities. PRF will give special attention to transparency, information dissemination and monitoring and evaluation, which will be both quantitative and qualitative and take different forms.
- **Special Studies:** Several studies will be undertaken in the course of PRF III implementation to understand more deeply a number of aspects of PRF. These studies will mostly be done by external experts, but also be used to build the capacity of PRF and relevant counterparts.
- **Impact Evaluation:** PRF will be subject to an impact evaluation using both quantitative survey methods as well as qualitative techniques. The impact evaluation will be done by external experts, but will be linked to the overall M&E system of PRF. Specifically, a baseline study be made by end of 2012 and final impact evaluation by February 2016.

7.2 PERFORMANCE INDICATORS

PRFII's objective is to help improve the access to and the utilization of basic infrastructure and services for the Project's targeted poor communities. **The key results to be achieved in PRF II by 2016 and against which the program's success will be measured are specified in the below Results Framework table for the Project.** PRF will need to report semi-annually against the performance indicators mentioned above through its monitoring, reporting and evaluation system.

Results Framework and Monitoring

Project Development Objective Indicators

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

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

Comments: For further information we will have a look at 6-12 months checklist and external report

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

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

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

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

End targets have been set for different types of sub-projects. By project design, respective sub-indicators will be assessed through the impact evaluation as the final report already done in May 2016.

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

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

▲% of HHs with access to and utilization of health services (Percentage, Custom Supplement)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	36.00	36.40 ¹²	Impact evaluation expected February 2016	6.00

▲%. of HHs with improved access to and utilization of safe water resources (Percentage, Custom Supplement)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	5.00 75.00	11.00	Impact evaluation expected February 2016	8.00

▲%. of HHs with access to all weather roads (Percentage, Custom Supplement)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	30.00	48.00	Impact evaluation May 2016	38.00

▶Direct project beneficiaries (Number, Core)				
	Baseline	Actual (Previous)	Actual (Current)	End Target

¹² Based on the Endline evaluation report which is only 4% increased compared with baseline

Value	0.00	684,559.00	970,431 ¹³	700,000.00
Date	09-Jun-2011	30-Sep-2015	30-Sept-2016	31-Dec-2016
Comments				
Target value changed to accommodate the AF. The target value of female beneficiaries is modified per implementation experience. The current value is the same as the previous value which was collected at the beginning of the current Subproject Cycle.				

▲Female beneficiaries (Percentage, Core Supplement)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	49.53	49.8 % ¹⁴	50.00
		30-Sep-2015	30-Sept-2016	31-Dec-2016

▷Ethnic beneficiaries (Percentage, Custom Supplement)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	70.00	75.00 ¹⁵	70.00
		30-Sep-2015	30-Sept-2016	31-Dec-2016

¹³ This is the cumulative number (updated data as September 2016) that some duplicated villages that received more than one sub-projects, if we counted only unduplicated villages, there are 1349 villages that received at least one sub-project , the total direct beneficiaries is approximately 695,663 people . As mentioned in semi report that data will be updated for annual as September 2016..

¹⁴ Based on the most updated data in MIS system and based on the sub-projects that we approved NOL including Cycle 13

¹⁵ This in average number including Cycle 13 that about 83 % of total beneficiaries are ethnic groups

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

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	47.8	49	40.00
Date	09-Jun-2011	30-Sep-2015	30-Sept-2016	31-Dec-2016
Comments				

Intermediate Results Indicators

►Sub-projects with post-project community engagement or O&M arrangements (%) (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	99.00 ¹⁶	95.00 ¹⁷	90.00
Date	09-Jun-2011	30-Sep-2014	30-Sep-2015	31-Dec-2016
			Internal sustainability Assessment	

Comments

In according to PRF regulation, project proposals will include list of O&M Committee meaning the committee shall be appointed prior to the actual implementation. To assess whether the committee is functional and operating, 6-12 months checklists shall be filled and the final report will be done by December 2016.

¹⁶ An internal assessment of whether SPs were operational or were unused by PRF district staff with Kum ban Facilitators under supervised by M&E staff (September 2015), as total of 635 SPs of 648 SPs completes in Cycle 9 and 10 were operational with O&M committee.

¹⁷ An internal assessment in 30 September 2015, total of 813 SPs of the 856 SPs completion in Cycle9, 10 and 11 were operational with O&E committee.

►Grievances registered related to delivery of project benefits addressed (%) (Percentage, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	100%	100% ¹⁸	90.00
Date	09-Jun-2011	30- Sep -2014	30-June- 2016	31-Dec-2016
MIS				
Comments				

►% PRF Kum ban plans used by government and/or other development actors for planning and funding (Percentage, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	48%	56% ¹⁹	35.00
Date	09-Jun-2011	30- Sep- 2015	30- Sept- 2016	31-Dec-2016
MIS				
Comments: the actual number is 21 percent exceeded expected outcome from result indicator				

¹⁸During October 2015- Sept 2016, there are 17 complains as recorded in FRM system, and all of them were addressed with agreed procedures (detail in annual report 2015-2016)

¹⁹ The latest data about KDP used by other is 155 KDP out of 278 KDP, this is the final update as 30 September 2016

▶% of districts where district officials provide technical assistance and supervision to communities (Percentage, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	100%	100%	85.00
Date	09-Jun-2011	30-Sep-2015	30-Sep-2016	31-Dec-2016
			MIS/Annual Report 2014-2015	
Comments The current value is the same as the previous value which was collected at the beginning of the current Subproject Cycle.				

▶# of communities able to plan, implement and monitor their activities (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	1,124	1,349	1,300.00
Date	09-Jun-2011	30-Sep-2015	30-Sept-2016	31-Dec-2016
			MIS database	
Comments: this data is based on the village received at least one sub-project (unduplicated number) as the most updated data in September 2016, the final data will be done and reported in annual progress report.				

▶x% of sub-project activities are of high technical quality (Percentage, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	90	85.00
Date	09-Jun-2011		Technical Evaluation 2016	31-Dec-2016
Comments Current data is based on an analysis of sub projects in regards to the cost effectiveness which has been done by an external consultancy firm recruited by the World Bank.				

▶#/type of sub-project activities implemented (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	1,426 (IX, X, XI, XII)	1,931 ²⁰ (IX, X, XI, XII, XIII)	1,200.00
Date	09-Jun-2011	30 Sep 2015	30-Sept-2016	31-Dec-2016
MIS				
Comments: The final data updated in MIS database as end of September 2016				

²⁰ As end of June 2016, there are 504 sub-projects (out of 507 that sent for NOL, the changes due to few sub-projects were merged from two to be one sub-project. Any changes can be happened for Cycle 13 and will mention in annual progress report.

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

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	85	30.00
Date	01-Sep-2015	--	Endline LN evaluation	31-Dec-2016

Comments: The Endline evaluation in 2016, about 85% of mothers reported starting breast feeding within one hour of birth, and all mothers have started within 24 hours of birth

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

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	1,675.00	3,755 ²¹	LN Impact evaluation March 2016	2400.00
Date	01-Sep-2015	30-June-2016	--	31-Dec-2016

Comments

New indicator introduced under AF. Impact data to be collected through Endline survey.

²¹ we based on number of actives members out of 4241, the updated data will mention in annual progress report, of the total 698 SHGs.

7.3 MONITORING & REPORTING SYSTEM

7.3.1 Monitoring

PRF and line department staff at the national, provincial and district levels are expected to monitor regularly project activities throughout each stage of the cycle. It is the staff's responsibility to monitor and report honestly and constructively about project progress and to communicate any problems arising in the field to their direct line of hierarchy.

As part of the project cycle, KFs, and communities themselves (Village teams, VSMC, SHG) are also expected to play an active role in monitoring the various stages of the project. (See Chapter 4 on Project Cycle) There are several open accountability meetings planned throughout the cycle in order for the various committee representatives to report back upon meeting decisions and sub-project and Livelihood linked Nutrition activities progress. These accountability meetings are a way to monitor that the project is proceeding as planned and make adjustments as necessary. Kum ban cross-monitoring by community members is also a way to monitor progress and encourage cross-learning. One of the aims of PRF is to build the capacity of communities and local government officials to monitor their own development activities in their area. The CD division is in charge of organizing (hold the budget) of the accountability meeting and the F&A division should support the committees to present the expenditure and balance to the villagers.

In 2014, Monitoring forms have been revised as to ensure that all indicators in the results framework are captured. Given that district staff do not have access to the MIS forms data collected have been reviewed and ranked so that the ones needed to the central level management are given priority and entered in the MIS. Other secondary data are kept at the district level.

Responsibility for ensuring complete and accurate data needs are the responsibility of all PRF staff. At the district level, all three staff should check each others' forms for accuracy and completeness before these are sent to Provinces. At the provincial level the CD Officer should check CD-related forms and the TA Officer should check TA related forms. A final check of MIS data are made at the National Office (2 MIS officers have been assigned for this task).

The project has guidelines for the collection and recording of key data and all other data not included on these forms but necessary for annual reporting against indicators in the Results Framework.

Training workshops on form completion is undertaken with yearly refresher training conducted for those responsible for data entry in provinces to ensure they are fully aware of data entry priorities and data checking/validation procedures. These trainings also

highlight PRF staff important responsibilities towards M&E. Those that work in the field with villagers, Kum ban and district staff have particularly important responsibilities to collect relevant data and enter into the MIS and other systems even though they are not under the M&E Division, because only they can collect data about their own work.

Staff performance assessments includes a specific set of questions on responsibilities for the collection, quality control and reporting of relevant data, and salary increase is partly based on M&E achievements toward monitoring work plan.

Reporting

The PRF reporting system serves as a tool to track progress in PRF III projects and identify issues which require resolution. Most of the internal reporting will be generated from the MIS database by the national M&E division, updated monthly based on the reports from the PRF staff/facilitators at the Kum ban, district and provincial levels, and compiled in a master database at the national level. The national M&E division is responsible for producing progress reports, supervised by the PRF Executive Director and the National Program Management Team.

PRF staff at the various levels prepares regular progress reports to describe what has been achieved over the reporting period and what activities are ahead. The various reporting/monitoring forms can be found in Annex 7. Where possible, all PRF data should be disaggregated by gender and ethnic group.

PRF National Office Reports:

Annual Report for the Administrative Board

A report is prepared and submitted to the Administrative Board in Lao approximately every six months by the national M&E division. The report's due dates are detailed in the following table 4.

Table 4: Progress Report date of submission and period covered

Reports	Date of submission	Period covering
Quarterly progress report 2016	February 15 th 2017	October - December 2016
Semi-annual progress report 2017	August 15 th 2017	January 2017- June 2017
Annual progress report 2017	February 15 th 2018	January 2017- December 2017
Semi-annual progress report 2018	August 15 th 2018	January 2018 - June 2018
Annual progress report 2018	February 15 th 2019	January 2018- December 2018
Semi-annual progress report 2019	August 15 th 2019	January 2019 - June 2019
Annual progress report 2019	February 15 th 2020	January 2019- December 2019
Semi-annual progress report 2020	August 15 st 2020	January 2020-June 2020

The report provides summary statistics on major achievements (e.g., progress with sub-project implementation, community contribution, budget allocation) and plans moving forward.

Annual/Semi-Annual Report for Donors

The PRF National Office prepares semi-annual and annual reports for donors. These reports will primarily report on progress in relation to key performance indicators specified in the Results framework. In addition, they will provide: description of cycle progress including orientation, planning, implementation and maintenance stages; analysis and comparison of cycles; cooperation and partnership activities; specific activities of various units; problems arising; and updated work plans for next reporting period (See Annex 10 for the Reporting structure).

Provincial Monthly Report to National Office

The PRF provincial office prepares a monthly report to the national office. This report is also shared with provincial government authorities.

Topics covered include:

- Finance/Admin/Personnel
- Activities implementation progress (physical, financial)
- IEC activities
- Meetings/Trainings (including Capacity Building activities)
- problems encountered and actions taken
- Environmental and social safeguards issues
- Feedback and resolution issues for the province
- Plan for the next month

Timing: Monthly Reports from all provinces are sent to the national office by 10th of each following month.

District Monthly Reports to Province

PRF District staff prepares progress reports each month to the PRF provincial office describing:

- Finance/Admin/personnel
- Activities implementation progress (physical, financial)
- Meeting / trainings (including capacity building activities)
- problems encountered and actions taken
- Environmental and social safeguards issues

- Feedback and resolution issues for the district
- Plan for the next month

Together with KFs and village / Kum ban teams as well as village facilitators (young graduate), district staffs are expected to complete various reporting forms throughout the project cycle (See annex 7). These include:

- Meeting and training form
- Village Vision form
- Kum ban Development Plan form
- Sub-project proposal form
- Sub-project Implementation Monitoring form
- Financial Management form
- Final Inspection form
- Site Visit Report form
- Cross Kum ban and Monitoring form
- Community Capability form
- Feedback Report form
- FRM Agreement form
- Follow up sub-project form
- SHG/member profile
- Proposed activity form
- End of month balance form
- Nutrition log book for village facilitator
- Livelihood log book for village facilitator

Details of the responsibilities to collect data, enter the data in the MIS system, data quality checking and data analysis can be consulted in annex 11.

Timing: Forms are completed and sent to the provinces no longer than one week after the event. District monthly progress reports are due to the province by the end of each month (5th of each month).

Kum ban and village Level Facilitators

PRF District staff will assist the Kum ban Facilitators and village facilitator in completing the Sub-project Inspection Form (SPIM).

Timing: The forms must be completed and sent to the provinces no longer than one week after the event.

Financial Reports

The Finance and Administration Division produces different sets of reports:

- Monthly Financial Reports;
- The quarterly financial Report;
- Interim Unaudited Financial Reports;
- Annual Financial Statements;
- The SOE Statement.

To comply with the PRF transparency and accountability principle, reports are posted on the PRF website.

More information can be found on the sub-section 9.6. Reporting.

7.4 EVALUATIONS AND SPECIAL STUDIES

Several studies will be undertaken to analyze and evaluate project performance. A full-scale impact evaluation will not be carried out as the impact evaluation of the PRF II has demonstrated the validity of the PRF model. Instead, several special studies will be undertaken to enhance the understanding of key aspects of the project, including: (i) a Technical Audit to assess the technical quality, cost effectiveness and sustainability of PRF sub-projects (including cost benefit analysis and safeguards performance assessment), (ii) PRF organizational review to enhance performance and improve efficiency; (iii) a detailed evaluation of PRF process; and (iv) a household (HH) survey to track key project outcome indicators.

8 Financial Management

8.1 ORGANIZATION OF FINANCIAL UNIT

At the Central level, there are five financial staff members, including:

- 1 Budget & Finance Officer;
- 2 Accountants; and
- 2 Accountant Assistants.

The Finance Unit is headed by the Head of Finance and Administration Division who provides overall guidance to financial staff at all levels.

At the Provincial level, there are two financial staff members, including:

- 1 Finance & Administration Officer; and
- 1 Cashier/Secretary.

At the District level, there is one finance staff member only, the:

- Finance & Administration Officer.

Detailed organization chart and Terms of Reference for all positions are described in the Finance and Administration Manual (FAM).

8.2 BUDGETING

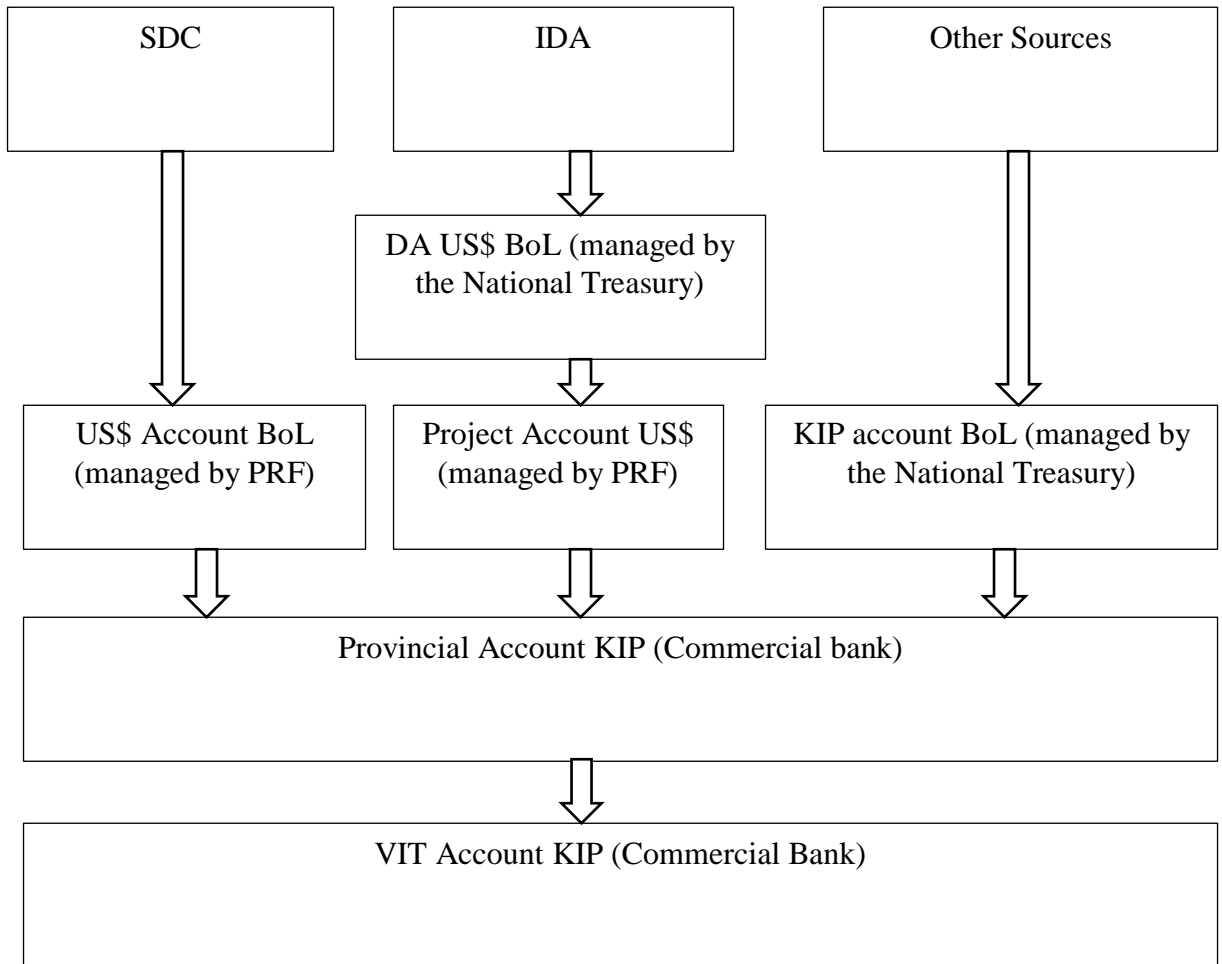
The budget plan for each target Kum ban covers a 3-year period. Funds are made available for use on an annual basis.

For the details of allocation resources, refer to sub-section 3.4 in this Manual of Operations.

8.3 FUND FLOW

Figure 5 below depicts the fund flow for each source of funds provided to PRF Project.

Figure 5: Fund Flows



8.4 DISBURSEMENTS PROCEDURES

Disbursement of funds follows the guidelines of the Ministry of Finance (MOF), the World Bank and other donors as applicable. Detailed procedures for each type of disbursements are elaborated in the FAM. The Memorandum of Understanding between the Ministry of Finance and the Poverty Reduction Fund regarding disbursement from special accounts and project accounts for the Poverty Reduction Fund II, is detailed in Annex 12.

Each province operates two bank accounts maintained in LAK, including:

- i. Provincial account for operational costs and development activities;
- ii. Provincial account for sub-project budgetary allocations.

Disbursement of funds to the village level follows the procedures outlined in the village Financial Management Guideline. Each village opens one bank account at commercial bank to receive and maintain funds and make payments.

8.5 FINANCE FILLING, RECORDS AND DOCUMENTATION

Training shall be provided by the Provincial and District Accountants and to the Village Finance team members on how to maintain books. The Village Finance team may decide to hire a local accountant to support the management of accounts (costs to be included in the sub-project management budget). The Village Finance team is responsible for:

- That all expenditures made by the Village teams must be accounted for in an expenditures report. Proper receipts should be obtained and clearly indicate the service or goods paid for. Erasures and white-outs are expressly forbidden, so that all corrections are clearly visible. All supporting documents will be kept at the PRF provincial office.
- A simple cashbook is maintained and record kept up to date.

The PRF district Finance and Administration Officer checks the village accounts and records periodically.

Village accountability meetings are held periodically (at least one per installment) throughout the implementation to publicly review procurement, expenditures and related disbursements.

8.6 REPORTING

The Finance and Administration Division produces different sets of reports, including:

- **Monthly Financial Report**, including progress report on the project implementation and on the use of funds as compared to the determined budget. This report is presented to the Executive Director and the Administrative Board to support their decision-making;
- **Quarterly Financial Report**, bringing together salient information from each of the provinces, remarks and field observations from the national level team, relevant information from external sources and Interim Unaudited Financial Reports (IFRs). It allows PRF management to monitor progress of the project and supports decision making;
- **Interim Unaudited Financial Report (IFR)**, providing sufficient information for project monitoring on the receipts and use of funds and show that project implementation is on track and that budgeted costs will not be exceeded. The IFR is required to be prepared and submitted to the World Bank no later than 45 days after the quarter ends;
- **Annual Financial Statements**. At the end of each fiscal year, PRF prepares annual financial statements, the Special accounts and the SOE statements including relevant accompanying notes in a format acceptable to the donors readily for audit by external auditor;
- **The SOE Statement**. This is prepared for each DA replenishment. It is a listing of individual transactions segregated by specific expenditure component, reference

number and amount. The total withdrawals under the SOE procedure should be part of the overall reconciliation of bank disbursements during the period.

Each donor receives financial reports covering PRF total expenditures including those funded by other donors.

8.7 AUDITING

8.7.1 Independent Financial Audit

The PRF accounts are audited annually according to International Standards on Auditing (ISA) by an independent qualified international auditing firm under terms of reference acceptable to the donors. The audit ToR should include compliance with ISA 240, which outlines the need for auditors to look at fraud and corruption (ToR in annex 14).

Selection of auditor

The selection of an independent qualified international auditing firm is conducted according to the rules described in the Procurement Manual under the section 'Procurement of Consultant Services'.

Auditing arrangements

The Financial Unit prepares the Annual Financial Statements, the SOE and all relevant accompanying notes and details to facilitate the audit.

The auditor is required to express opinions on:

- (i) The financial statements;
- (ii) Whether the Special accounts funds have been correctly accounted for and used in accordance with the Grant Agreement; and
- (iii) The adequacy of documents and controls surrounding the use of Statements of Expenditures as a basis for disbursements.

Audited financial statements, audit report and accompanying management letter should be submitted to the donors within six months after the end of each fiscal year i.e. by March 31st of each year.

The audited financial statements and audit report will be made available to the public via the PRF's website.

8.8 INTERNAL AUDIT

The Internal Audit Cell of the PMT, directly managed by the Executive Director, comprises:

- 1 Internal Audit Officer;
- 1 Assistant; and
- 1 Technical Internal Auditor.

The project will use, when necessary, short-term external experts to support their field work. The scope of the internal audit work will go beyond the financial and procurement compliance, it will also assess the compliance of the prioritization and implementation

processes as stated in the PRF manuals as well as controlling adherence to procedures for utilization and maintenance of project assets, per diems, allowances, etc.

The internal auditors will visit the PRF provincial, district and village on a regular basis to ensure compliance with the procedures and systems as described in this Manual of Operations, the operating is functioning well, and that staffing are in place as well as reviewing financial transaction and supporting documents and filing.

In addition to the work carried out by internal auditors, the Finance and Administration Division ensures that the financial management capacity in the provinces is of expected quality through regular on the job training, and the organization of meetings where financial management issues are discussed. The PMT Financial and Administration Division also conduct field visits to enhance the capacity of provincial and district staffs.

More details on the financial management aspects of the project are described in the Financial and Administration Manual (FAM).

9 PROCUREMENT ARRANGEMENT

This procurement section of the Manual of Operations provides general guidance on references to the important project documents in which the applicable procurement methods and World Bank's review requirements for PRF are set out.

The following requirements apply to procurement under the PRF:

1. All procurement of goods, works, and of consultant services to be conducted at central office and at provincial level under PRF shall be carried out in accordance with World Bank's Guidelines for Procurement of Goods, Works, and Non-consulting Services and Guidelines for Selection and Employment of Consultant under IBRD Loans and IDA Credits & Grants by World Bank Borrower dated January 2011. In addition, the provisions of the Recipient's Decree of the Prime Minister on Government Procurement of Goods, Construction, Maintenance and Services, 03/PM dated January 9, 2004, and the Implementing Rules and Regulations on Government Procurement of Goods, Works, Maintenance and Services (0063/MOF) dated March 12, 2004 and amended 0861/MOF dated May 5, 2009 will also apply for National Competitive Bidding, subject further to improvements listed in the NCB Annex to the Financing Agreement.
2. The particular methods, threshold values, and steps of procurement and World Bank's review requirements applicable to PRF are set out and specified (i) in Schedule 2 of the Financing Agreement and Notice Amending the Financing Agreement (ii) in the approved Procurement Plan (copy of the latest approved procurement plan shall be available in the office of IA and website of PRF and also published on World Bank's external website ww.worldbank.org/procure, which are legally binding, and (iii) in Community Procurement Manual.
3. The Standard Bidding Documents shall be used for all procurement of goods and works under International Competitive Bidding (ICB), National Competitive Bidding (NCB), Request For Proposals (RFQ) and the standard Request for Proposals (RFP) shall be used for all selection of consulting firms. The selection

- of individual consultant shall be used the World Bank guideline (selection of individual consultant) and/or through at least three CVs for competitive selection process.
4. The Provincial Procurement Officer shall be allowed to manage and conduct the procurements for PRF office repairs and furniture at the provincial and district levels only. This procurement should be subject to PRF National office's prior review.
 5. For sub-project: The Community Procurement Manual and related simple forms used for the sub-project implementations will be created and updated periodically based on the actual proceedings of the procurement process carried out by the communities and lessons learnt during implementation with regards to community sensitization and facilitation in multi-ethnic environments, ensuring technical quality of investments, adequate provisions for operations and maintenance, procurement in remote areas and measures required to ensure the coherence of PRF activities with regular planning and investment processes at village level.
 6. Most of procurement under the sub-project grants is expected to be small valued civil works and goods (construction material). However some small and short term consulting services (Technical Community Technical Advisor and Engineer) also be required.
 7. Given the nature and type of the projects that the PRF intends to support, one sub-project will cost about US\$ 35,000-50,000 each. The **Shopping** method will be the procurement method to be used for sub-project grant. Advertisement should always be publicly posted on the local newspaper, provincial/district radio/television and Project Community or Governor's Office information boards. At least three quotations should be obtained and all necessary procurement processes should be adequately undertaken. If Community/Village Implementing Team receives less than three bids, the bidding will be considered having failed and the bidding ceremony will not continue, except if it is confirmed that advertisement has indeed been posted publicly and adequately.
 8. A Provincial Procurement Officer will be responsible in provide regular procurement training to the Village Procurement Team organized at the district center or Kum ban levels.
 9. PRF Provincial Offices shall be responsible in reviewing all the documents relevant to the bidding process and give approval letter under the sub-project grants and ensure all procurement are conducted in accordance with the rules, regulations, and procedures as specified in Community Procurement Manual.
 10. Sub-project for high technology and specialized equipment such as medical equipment or solar cells or learning books and teacher guidebook for which there is no qualified local supplier in the local community or nearby communities, but the suppliers at the national level can supply them, the procurement may be conducted by the PRF National Office on behalf of the community. In such case, the village team prepares a letter authorizing the PRF office to carry out this procurement and do direct payment to the supplier.
 11. The procurement method expected to use in sub-project under a **Community Force Account** or **CDD** is ***shopping*** method for procuring the construction

material (Goods) by obtaining at least three quotations from local shop (supplier) and undertaking all necessary steps of the procurement process. The construction materials include cement, sand, concrete blocks, iron rods, timber, doors and windows, locks and hinges, paints, etc which can be procured separately from different traders at competitive prices (several procurement package).

12. In case of any conflict between the provisions in this Manual of Operations and the Financing Agreement, the Financing Agreement will take precedence and govern.

Detail of the document filing checklist can be found in annex 11: Community Procurement Manual; XVII. Document Filing).

10 SOCIAL AND ENVIRONMENTAL SAFEGUARDS

10.1 OBJECTIVES AND LEGAL FRAMEWORK

The social and environmental safeguards ensure that the poorest and most vulnerable people participate in and gain from project investments and that the environment and project affected people, in particular the poorest and most vulnerable, are protected from any negative impact caused by the Project.

Given the Project's Community Driven Development (CDD) nature, which is designed and implemented through participatory planning processes enhanced in the Deepen CCD approach, and the types of small civil works that will be supported under the project (on average US\$ 43,000 per sub-project), it is not anticipated that the Project activities will create many major adverse impacts that cannot be managed by communities themselves. However small-scale civil works may require minor land acquisition and/or may create other minor negative impacts on local environment and local people although such impacts would be localized, temporally, and mitigated through good planning and construction practices.

Similarly ethnic groups will continue to represent the majority of project beneficiaries participating in the planning, 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 minorities and their broad community support is established, given their precarious socio-economic as well as political situation.

Four standalone safeguard instruments have been developed for the PRF III. These include:

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

The documents are connected. They are based on lessons learned during implementation of PRF I and PRF II. Together they aim to provide 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 any environmental and social issues related to Project implementation.

The four safeguard documents are all developed in consideration of requirements described in World Bank safeguard policies as well as the requirements of GoL's own national laws, policies, regulations and guidelines. The various policies providing the legal framework for the safeguard instruments are listed below.

World Bank safeguard policies triggered by the PRF III include²²:

²² The World Bank identifies the PRF III as Environmental Category "B".

- *Environmental Assessment (OP 4.01);*
- *Natural Habitats (OP 4.04);*
- *Pest Management (OP 4.09);*
- *Indigenous Peoples (OP 4.10);*
- *Physical and Cultural Resources (OP 4.11);*
- *Involuntary Resettlement (OP 4.12);*
- *Forestry (OP 4.36)*
- *Safety of Dams (OP 4.37); and*
- *Projects on International Waterways (OP 7.50).*

GoL policies, regulations and guidelines providing the legal framework for the PRF III safeguards, include:

- *The Lao Constitution (1991);*
- *Land Law (2003);*
- *Road Law (1999);*
- *Decree of the Prime Minister on Compensation and Resettlement of People Affected by Development Project – CAR Decree (2005);*
- *Regulations for Implementing the CAR Decree (2005);*
- *Technical Guidelines for the CAR Decree (2011);*
- *New Instruction on Environment Impact Assessment and New Instruction on Initial Environmental Examination (2013);*
- *Public Involvement Guideline (MONRE 2012);*
- *Regulations on Ethnic groups - The Lao Constitution, article 8, 22 and 75;*
- *Ethnic Minority Policy (1992);*
- *National Guideline on consultation with ethnic groups (LFNC 2013).*

The four safeguard documents are considered living documents 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 documents will be necessary.

10.2 ENVIRONMENTAL AND SOCIAL MANAGEMENT FRAMEWORK (ESMF)

The Environmental and Social Management Framework (ESMF) provides the overall guidelines, policies and procedures to be used during the planning and implementing PRF III activities to avoid or minimize adverse environmental and social impacts; and ensures that PRF III activities are meeting the GoL and World Bank requirements.

The ESMF will be implemented in all PRF III project cycles, and the safeguard compliance will be fully integrated into the sub-project selection, approval, implementation, and monitoring and evaluation process. The ESMF is developed based on the experiences during the implementation of the Social and Environmental Safeguard

Guidelines (SESG) under the PRF I and the PRF II. It is also based on the scope, nature of activities designed for PRF III. The ESMF describes a safeguard screening and reviewing process, and provides mitigation measures, including monitoring and supervision of project activities. ESMF will be applied to all activities to be financed by the PRF III project.

The screening and reviewing process will take place prior to the submission of sub-project proposals to the district meeting. The ESMF also includes an environmental code of practices (ECOP) for all types of civil works expected to be financed under PRF III.

10.2.1 Implementation Procedures

Table 5 below summarizes the implementation, monitoring and reporting measures of the PRFIII related to the ESMF.

Table 5: Guidance on safeguard issues and actions

Potential negative impacts	Required mitigation actions	Remarks
(1) Permanent or temporary loss of land or resources for any households, including restriction of access to natural resources and/or impediments to movement of people and animals (Includes patrolling activities)	<p>Identify the amount and nature of land required, owner, and/or other issues and prepares a Land Acquisition/Resettlement Action Plan (LARAP) to provide compensation and/or assistance following the Compensation and Resettlement Policy Framework (CRPF) of Lao PDR.</p> <p>The project will support increasing awareness of Persons Affected by Project (PAPs) about the Feedback and Resolution Mechanism (FRM), and build capacity of those involved in existing Feedback and Resolution Committee (FRC) on the required tasks, including dealing with or mediating complaints, recording/reporting and monitoring proposed resolutions.</p>	Prior consultation with WB, proper documentation, and Post review by WB may be necessary.
(2) Potential social conflicts arising from land tenure and land use issues and/or in water supply rights or related social conflicts	<p>Develop mitigation measures for conflict resolution through close consultation with stakeholders and placed within Project processes, inherently community-based and collectively managed, not precluding the involvement of third-party/external mediators.</p> <p>Develop Village Resources Use Agreement;</p>	If the conflicts may deteriorate livelihoods or living conditions of women or the poorest families in the sub-project area or involve political influence, or likely to be escalated to higher level, the PRF team will inform the WB

	Using existing Community Conflict Resolution Mechanisms that most likely led by senior/elderly respected persons, or leaders of Ethnic Groups (EG).	
(3) Likely to adversely affect ethnic groups	<p>Carry out social assessment process through free, prior, and informed consultations as part of the village visioning meetings and develop and describe in the sub-project documents measures to address them in line with the provisions of EGDF.</p> <p>The project will support increasing awareness of PAPs, in respective languages of IP groups, about the FR mechanism, and building capacity of those involved in the existing FRM Committee on the required tasks, including dealing with or mediating complaints from individual and/or ethnic groups, recording/reporting, and monitoring proposed resolutions.</p>	Prior consultation with WB, proper documentation, and Post review by WB may be necessary.
(4) Likely to increase the use of pesticides and/or toxic chemicals that could affect soil quality, water quality, and/or water users downstream	Prohibit the use of pesticides and toxic chemicals exceeding the amount required to treat efficiently the infected area; prohibit the use of illegal pesticides/insecticides; Apply the simplified pest management plan and provides training to farmers/fishers.	
(5) Activities to be carried out in a Protected Area, Wildlife Reserve, Buffer Zone, Wetlands, or other conservation area or activities involve civil works that may cause significant air, noise, and/or water pollution, soil erosion, and/or create public health risks, wildlife hunting, or impacts on downstream water uses.	<p>Prepare an Environmental Management Plan (EMP) to mitigate the potential negative impacts and/or to reduce safeguard risks; some guidance on the mitigation measures are provided in the safeguard section of the operation manual.</p> <p>Conduct consultation with local authorities and communities.</p>	<p>The PRF team at the local level and/or the project management team (PMT) will ensure that the activities are in compliance with the Government regulations.</p> <p>Prior consultation with WB, proper documentation, and Post review by WB may be necessary.</p>

<p>(6) Unsustainable forestry utilization, including non-timber forest products (NTFPs); and impacts on riparian forests; fragmentation of forests; introduction of non-native species; causing flood to nearby area; and/or blockage of fish migration or impacts on fish spawning areas, including unsustainable use of other aquatic animals (OAAs).</p>	<p>Consult with local community to reach an agreement on how to avoid/mitigate the potential negative impacts and when possible increase sustainable use of forestry products, fisheries, and other aquatic animals. If a new species is involved ensure that the new species is already present in the vicinity or is known from similar setting to be non-invasive. Ensure careful consideration of location and design of irrigation systems to ensure minimum impact on fish and aquatic resources. Minimize fragmentation of forests by following existing alignments of foot paths, tracks, electricity lines etc wherever possible. If restriction of natural resources, social conflict, and/or ethnic groups as indicated in (1), (2), (3) follow the mitigation measures identified in (1), (2), (3).</p>	<p>Excluding sustainable logging and unsustainable harvesting or processing of timber products.</p> <p>Close consultation with WB safeguard specialists is recommended.</p>
<p>(7) UXO risk</p>	<p>If yes, contact responsible agency and complete the clearance before conducting project activities.</p>	<p>PMT to take the lead in securing safety of the project area</p>
<p>(8) Construction of weirs that will divert or regulate the flow of river</p>	<p>If yes, follow Annex 7</p>	<p>PRF engineers will pay particular attention to the safety of weirs and associated environmental impacts</p>
<p>(9) Activities involve small civil works that may cause temporary air, noise, and/or water pollution, soil erosion, and/or create public health risks, wildlife hunting, or impacts on downstream water uses.</p>	<p>Apply good engineering and/or good housekeeping with close monitoring and supervision, including maintaining close consultation with local population. The contract will also include a special clause on “<i>chance find</i>”.</p>	<p>PRF team at the local level and PMT will ensure that the appropriate mitigation measures are included in the contract and that the contractor effectively implements required mitigation measures.</p>

Safeguard screening and review process

In order to minimize the sub-projects’ impact on the environment, the PRF has integrated a safeguard requirement into the PRF sub-project planning and approval processes (Annex 2 of the ESMF). A technical guideline is also provided (Annexes 3, 4, and 5 of the ESMF). This is to ensure that screening and assessing the potential impacts of a proposed sub-project will be made in line with World Bank safeguard policies and national laws before it is approved and that the measures are in place to mitigate the negative impacts of approved sub-projects during their design, construction, and implementation and operation.

The Poverty Reduction Fund (PRF) is overall responsible for the implementation of the AF and environmental and social safeguard compliance. Specifically, the Technical Assistance (TA) department with staff from the central down to the district level is directly responsible for the implementation of this ESMF. In each district the TA division has one staff who carries out survey and design, identify environmental and social impacts and develop mitigation measures for about 8-10 sub-projects annually. The district TA division is also responsible to ensure that an appropriate ECOP is attached to the civil works contract and supervise the contractors for compliance. The District TA is also responsible for the implementation of the Compensation and Resettlement Policy Framework (CRPF) in close collaboration with the Community Development (CD) division, and collectively identifies and mitigates land/ asset loss as a result of sub-project implementation. The 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 sub-project planning and implementation processes. The CD is thus responsible for the implementation of the Ethnic Group Development Framework (EGDF). In case negative impacts are likely to occur, the CD team would collaborate with the TA team and seek to avoid, minimize and mitigate such negative impacts.

10.3 Compensation and Resettlement Policy Framework

The Compensation and Resettlement Policy Framework (CRPF) aims to provide the adequate guidance for effectively managing environmental and social issues in line with national laws and World Bank safeguard policies (OP 4.12). It follows the GoL Decree 84 approved in April 2016 on compensation and resettlement of people affected by development projects (2005). It is also connected to the EGPF and ESMF. If land or asset loss occurs to ethnic groups, provisions both of the CRPF and the EGPF will be applied to address negative impacts.

Specifically, the CRPF aims to achieve the following:

- a. Potential negative environmental and social impacts should be avoided, minimized and mitigated;
- b. Loss in livelihoods associated with or caused by the project should be prevented and, where unavoidable, minimized and fully compensated;
- c. Anyone residing in, gaining income from or having tenure rights over, land that will be affected by sub-projects financed under the Project is entitled to compensation at replacement value sufficient to improve or at least maintain their pre-Project living standards, income earning capacity and production levels, without regard to their tenure status or ethnic background;
- d. Economic and physical displacement should be avoided, minimized and fully mitigated. Physical relocation of households is not allowed under the Project;
- e. A social screening will be conducted to identify the level of potential impacts and appropriate mitigation measures;

- f. No one should lose more than 10% of his or her productive assets under the Project. Designs will be adjusted or alternative locations will be sought if any household may lose more than 10% percent of its productive assets under the original design;
- g. Environmental and social benefits should be enhanced wherever possible;
- h. Ethnic minorities should be meaningfully consulted and receive project benefits in a culturally appropriate manner;
- i. Implementation of sub-projects will commence only after compensation is fully paid or voluntary donation processes are fully completed; and
- j. The capacity of the PRF to manage environmental and social impacts should continue to be developed.

To avoid adverse impacts on local communities that they cannot mitigate by themselves, a number of specific activities are not allowed under the PRF III. These are all listed on the Non Eligibility List (Annex 1 of the ESMF manual).

10.3.1 The Framework for Resettlement and Acquisition of Land and Assets

The Framework for Resettlement and Acquisition of Land and Assets (FRALA) is developed in order to avoid, minimize or mitigate loss of private land or assets under the Project.

The FRALA defines the terms and provides guidance for voluntary acquisition of land or other assets (including restrictions on asset use) caused by sub-project implementation either through contribution or with compensation by communities. It establishes principles and procedures to be followed to ensure equitable treatment for, and rehabilitation of, any person adversely affected by sub-project implementation. The FRALA thus allows for acquiring assets through the following two methods:

1) Voluntary Contributions:

Community members have the right to make a contribution of their land or other assets without seeking or being given compensation at full replacement value. This can often be justified because the sub-project will either increase the value of the remaining property or provide some other direct benefit to the affected people.

Specifically, the following protocol governs voluntary contributions under the PRF III:

- Voluntary contributions are an act of informed consent and affected people are not forced to donate land or other assets with coercion or under duress, or misled to believe that they are obliged to do so, without regard to the ethnic background or legal status of their land occupancy.
- Voluntary contributions are allowed only if a sub-project can technically be implemented in another location than where it is planned. If a sub-project is location-specific by nature, land acquisition associated with such a sub-project

cannot be considered as voluntary; rather, it is an act of eminent domain. In such cases, a Land Acquisition Report (LAR) will be developed.

- Voluntary donations are allowed only for very minor impacts that meet the following criteria:
 - 1) The households contributing land or other assets are direct beneficiaries of the sub-project;
 - 2) The total size of productive land owned by the affected household is more than 300m²;
 - 3) The impact is less than 5% of the total productive assets owned by said household;
 - 4) No household has to be physically relocated.
- The affected people are fully informed that they have the right to refuse to donate land or other private assets, and instead receive compensation at replacement cost, and that a grievance handling mechanism is available to them through which they can express their unwillingness to donate. Furthermore people are encouraged to use the grievance handling mechanism if they have questions or inquiries, either in writing or verbally. Adequate measures will be in place to protect complainants.
- The PRF CD and TA officers will encourage beneficiary communities to identify and provide in-kind assistance to affected households to minimize and/or mitigate negative impacts. It is to note that such assistance does not need to be sufficient to fully mitigate sub-project impact and that the conditions of voluntary contribution can be considered met, if affected people knowingly agree to donate assets against the in-kind assistance that may be offered to them.
- The district CD and TA officers and the VIT will confirm through individual face-to-face meetings that the affected households are indeed aware that they are entitled to full compensation at replacement value and knowingly and freely agree to donate land or other assets. The minutes of this meeting, including the confirmation that all conditions for voluntary donations in this CRPF are met, will be attached to the signed Voluntary Contribution Form (Annex 3 of the CRPF manual).
- Once the informed consent of the affected people has been confirmed in writing, the VIT together with the district CD and TA officers will develop a Voluntary Contribution Form (Annex 3 of the CRPF manual). Both the husband and the wife of the affected household will sign two copies of the form in the presence of the district CD officer and the VIT.
- The PRF District Coordinator will review and approve the signed Voluntary Contribution Form, and keep one original signed copy for review by the World Bank. The affected household keeps another original signed copy.
- Implementation of sub-projects involving voluntary donations starts only once the District Coordinator has approved the signed voluntary donation forms.

- 6/12 months follow-up visits carried out by the PRF District team and participated by the PRF Provincial Offices will verify the informed agreement of affected people.

2) Compensation at Replacement Cost:

Based on the experience under the PRF I and PRF II, almost all impacts under the PRF III are expected to be addressed through voluntary donations. However, since the PRF III will continue to use the participatory approach (Deepen CDD), the types and scale of sub-projects as well as their impacts cannot be known until implementation. Significant impacts may actually occur and/or all conditions of voluntary contributions may not be met fully.

If in a highly unlikely event that any of the conditions for voluntary contributions provided under the CRPF cannot be met, the impact is considered as involuntary and will be addressed through compensation at replacement value. In such an event, the PRF should first inform the World Bank for guidance.

Overall, following principles will be applied to address involuntary land/asset loss through compensation at replacement value, which is defined by the national Decree 84 on compensation and resettlement as the amount in cash or in-kind needed to replace lands, houses, infrastructure or assets on the lands (crops, trees) and other assets (income) affected by the development projects.

- Land acquisition should be avoided or minimized if unavoidable, and should not result in persons losing their home or suffering any decline in income, livelihood, or living standards. No physical relocation of households is allowed under the PRF III.
- The PRF district TA and CD officers and affected households, under the guidance of the PRF central office and the support of the World Bank Task Team, will jointly assess the scale of impact and identify in-kind compensation that is sufficient to restore pre-Project level of income streams.
- Beneficiary communities themselves from their own assets should provide in-kind compensation. IDA resources cannot be used to finance resettlement cost.
- The total size of productive land owned by the affected household should be more than 300m².
- No one should lose more than 10% of their productive assets as a result of sub-project implementation. If, based on the survey conducted by the district PRF TA officer (engineer) with the participation of affected people find that more than 10% of productive assets would likely be affected, designs should be adjusted and/or alternative locations be sought so that impact would be reduced to below 10%.
- Community infrastructure, if affected by sub-project, must be fully restored or replaced.
- A Land Acquisition Report (LAR) will be prepared by the PRF under the support of the World Bank social safeguard specialist. The LAR should address the

following, at minimum: (i) the names of affected people, (ii) baseline census and socio-economic data of affected people; (iii) the inventory of impacts, (iv) mitigation measures including the types and the scale of in-kind compensation, (v) implementation arrangements including participatory processes to ensure participation of affected people in the LAR implementation; (vi) implementation schedule to ensure that in-kind compensation will be provided before civil works start, (vii) processes and procedures to address grievances under feedback resolution mechanisms, and (viii) the estimated cost of compensation. The sample template of LAR is attached in Annex 4 of the CRPF manual.

- Implementation of civil works will commence only after all entitlements are delivered to affected households.
- In the event that any of the above conditions cannot be met, such a sub-project will not be implemented.
- 6/12 months follow-up visits carried out by the PRF District team and participated by the PRF Provincial Offices will verify the informed agreement of affected people.

Implementation Procedures:

The FRALA outlines the following procedures to ensure compliance with the CRPF:

Social Screening:

Social impacts are screened at the beginning of the sub-project preparation using the Social Screening Form (attached to the CRPF manual in Annex 1a). Impacts that may occur are recorded in the Form, which is used for the subsequent design of the sub-project to avoid or minimize impacts. The completed Form is attached to the sub-project proposal.

Consultation Principles:

The village must ensure that all people affected by the sub-project are consulted at a public meeting in the village. During this meeting, which should happen during the sub-project design phase, their right to compensation must be explained. Formal minutes of the meeting are required and will include the main points of discussion as well as any decisions reached, including:

- The name of the affected person (if possible both husband and wife);
- The minutes should contain the signatures of the affected persons and the village chief. There shall be notes about complaints made by the affected persons, and a map shall show the location of the affected assets.

The Kum ban Facilitator delivers a copy of the above notes to all those people who are affected by the sub-project, to determine directly their wishes in regards to asset contribution, their perception of whatever agreements had been reached, and their complaints (if any).

The Project staff provide a copy of the minutes to affected persons and confirm in private discussion with each of them their requests and preferences for compensation,

agreements reached, and any eventual complaint. Copies are kept in the project documentation and be available for monitoring and supervision.

Valuation of Replacement Cost:

For sub-projects that result in involuntary land or asset loss, consultations with affected households will be made to determine levels of compensation at replacement cost. The affected household, the VIT and district TA and CD officers, under the guidance of the PRF central office and the support of the World Bank Task Team, jointly assess the scale of impact and identify in-kind or cash compensation that is sufficient to restore pre-Project level of income streams. The KBF assist the consultation process, ensuring facilitation in local language as spoken by the affected households.

The valuation must take into account:

- (i) type of asset;
- (ii) in-kind or cash entitlement, as described in the entitlement matrix (section VIII of the CRPF manual);
- (iii) production potential of land or asset;
- (iv) accessibility; and
- (v) loss of revenue during period of reestablishing full production potential, e.g. the maturing period of fruit trees.

Preparation of a Voluntary Contribution Form:

For sub-projects that will result in voluntary donation of land or other assets, a Voluntary Contribution Form will be prepared for each affected household by the VIT assisted by the Kum ban Facilitator and district TA and CD officers. The form will describe in detail all assets donated. Both the husband and the wife of the affected household will sign two copies of the form in the presence of the district CD officer and the VIT.

Preparation of a Land Acquisition Report:

For sub-projects that will result in involuntary land or asset loss, a Land Acquisition Report (LAR) will be prepared. The LAR will fully address all requirements under OP 4.12 as the Resettlement Action Plan (RAP). The LAR will address the following elements, as relevant:

- Basic data that describe impacts and persons affected;
- Arrangements for in-kind replacement of land or for compensation at replacement cost, including signed statements by all affected landowners confirming that these arrangements are satisfactory;
- Short summary of the existing legal framework and policies and principles that will apply to the implementation of relevant sub-projects with regard to the management of social impacts;
- Arrangements to ensure adequate performance by contractors relating to compensation for temporary impacts;

- A schedule of assets (other than land), which will require to be replaced as part of the construction contract, and signed statements by the affected owners confirming that these arrangements are satisfactory;
- An implementation schedule indicating that replacement land will have been provided before implementation of the project begins;
- Field measurements validated by villagers, showing land to be acquired and replacement land to be provided, sufficiently detailed to allow verification;
- Any support that is considered to be necessary to support the poor and vulnerable population;
- Arrangements for disclosure of information, consultations, and procedures for pursuing grievances; and
- Arrangements for implementation monitoring by the PRF staff.

Project staff will assist the preparation of the LAR, which will be reviewed by the PMT as well as by the World Bank's task team. No activities requiring a LAR will be approved or implemented before the Provincial Steering Committee and the World Bank has approved it. Thus, Project staff will carefully review the activities that would require demolition of houses or acquire productive land, permanently or temporary. The review process will confirm that no other satisfactory alternative is available, that affected persons have been informed about their rights to compensation and assures that they have agreed with the arrangements.

The sub-project proposal will also include a description of the persons affected, impacts involved (e.g. land, trees, crops, houses and other structures) and agreements reached (such as nature and amount of compensation). In case of voluntary donation of minor assets or land (<10% of the total productive assets), the agreement forms shall be completed and included as an annex to the sub-project proposal.

Under PRFIII LAR is also required and shall be prepared with assistance from Project's staff to document minor assets or land lost (<5% of the total productive assets) in the event if compensations are claimed by and paid to PAHs regardless the size or number of PAHs. The LAR shall be submitted to and approved by the Provincial Steering Committee and the World Bank before project activities can be approved and implemented.

6/12 months follow up visits:

Follow-up visits to affected households will be made by the PRF District team and participated by the PRF Provincial Offices 6/12 months into sub-project implementation to verify that contributions and compensations have been made according to prior informed agreements. The visits will be documented on the Voluntary Contribution Form and LAR respectively. Issued discussed and follow up actions agreed will be noted on both copies of the form (one kept by PRF and one kept by the household). Both husband and wife of the affected household will sign the form.

The process are implemented as part of the PRF project cycle and the activities fully integrated into the sub-project selection, approval, implementation, and monitoring and evaluation process (see Section X).

The PRF staff at central and local levels through its Community Development (CD) and Technical Assistance (TA) units are responsible for implementation of the CRPF and ensuring full compliance, including keeping proper documentation in the project file for possible review by the World Bank

The Feedback and Resolution Mechanism ensures 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 FRM is described in further detail in Section 11 of this POM.

10.4 Ethnic Group Planning Framework

The Ethnic Group Planning Framework (EGPF) aims to provide the adequate guidance to ensure that ethnic groups are adequately consulted with and participating in sub-project planning and implementation, and that any negative impacts would be avoided, minimized or mitigated, in line with national laws and World Bank safeguard policies (OP 4.10). It furthermore provides policy guidance to the development of other guidelines and action plans applying to the PRF III, such as the Gender Action Plan and the Gender Equality and Social Inclusion action Plan, so that detailed steps and procedures provided in such guidelines and action plans are consistent with OP 4.10.

The EGPF describes the Project approach for inclusion of all ethnic groups. The process are implemented as part of the PRF project cycle and the activities are fully integrated into the sub-project selection, approval, implementation, and monitoring and evaluation process.

The PRF approach for inclusion of all ethnic groups is developed and updated based on the experience of the on-going project (PRF I and PRF II). It is specifically designed to ensure that:

- 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”;
- the concerns of all ethnic groups are met through the project design itself as well as in accordance to government policy; and
- throughout the PRF’s sub-project implementation the cultures of the multi-ethnic societies are respected and gender issues are integrated at all levels.

The Approach for Inclusion of all Ethnic Groups

The PRF III seeks 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. It operates in remote areas home to many different ethnic groups. It provides 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.

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 Procedures:

The following strategy, is applied to empower vulnerable ethnic groups in line with above mentioned objectives:

- Continue to hire additional female Kum ban Facilitators in remaining districts in phases. Preference will continue to be given to hire Kum ban Facilitators from local ethnic groups²³;
- Continue to carry out free, prior and informed consultations with ethnic groups leading to broad community support, using the 'CDD approach' (described in principle 5: social inclusion and gender equality);

²³ The PRF introduced affirmative action principles for staff hiring. For Kum ban 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 the representation of small settlements, where ethnic groups often reside, outside main village settlements in village-wide decision making processes using the CDD approach;
- Continue to strengthen the representation of women in village-wide decision making processes using the CDD approach;
- 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 Kum ban 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 Kum bans where multiple ethnic groups are found.

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

- Train PRF staff and Kum ban Facilitators in gender and ethnic sensitization (see GESI 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 Kum ban 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 Capacity Building Manual).
- Provide supervision in local ethnic language.
- Conduct workshops and training on relevant issues for vulnerable ethnic groups (see Capacity Building Manual).
- Organize study visits between Kum ban 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 PRF Staff at central and local levels through its Community Development (CD) division are 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.

The Feedback and Resolution Mechanism ensures 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 FRM is described in further detail in Section 11 of this POM.

10.5 DISASTER RISK REDUCTION AND DISASTER RESPONSE STRATEGIES

PRF is committed to delivering rural infrastructures that are disaster and climate-change weather event resilient. This is achieved through the following measures:

- Conducting a thorough review of the Engineering Division's standard designs in order that disaster-proofing measures can be incorporated;
- The introduction of disaster and hazard risk assessment checklists and survey forms for use early in the sub-project design cycle;
- Employing cost/benefit and whole life resource assessment criteria to the sub-project selection process; and
- Training the technical personnel of the Engineering Division in disaster risk reduction design and construction techniques.

PRF is able to act as a frontline emergency response agency in the post-disaster recovery period of a local or national disaster. PRF maintains close relationships with the line Ministries at work in rural Lao PDR and is well placed to act in a survey, design or implementation role to aid in recovery efforts after natural or man-made disasters. Funding for any emergency response actions may be arranged through internal or external transfers, depending upon the circumstances. It is anticipated that PRF's existing relationships with the Ministry of Finance and line Ministries at work in rural Lao PDR will allow these emergency disaster response efforts to happen in an expedient manner.

In their disaster risk management activities, PRF is expected to take gender issues into close account, as well as the needs of vulnerable groups. For example, gender issues in Community-Based DRM are likely to focus more readily upon women's engagement in the ongoing planning and participation processes that will contribute to a community's preparedness for and resilience during disasters.

Women can be actively involved in receiving and disseminating flood warnings and disaster-related information to households and farmers in the community fields. *Meuang Fai* irrigation groups must be alerted as soon as possible in order that they can attend to local irrigation weirs and structures and prepare them for flood conditions. This will involve the removal of weir boards and the opening of control gates. Farmers frequently stay in the fields for extended periods of time during the rice planting and harvest times, so village-bound women will play a vital role in receiving and relaying typhoon or other disaster warnings.

The PRF should also facilitate the process for how provincial and district disaster response agencies communicate this information to villages and to village groups. Women should be encouraged to fill a large role in this function. (See GESI manual and Disaster Risk Management manual).

11 FEEDBACK AND RESOLUTION MECHANISM (FRM)

The PRF Feedback and Resolution Mechanism (FRM) is established in accordance with Article 13 of the GoL Decree 84 which requires investment projects to establish an effective mechanism for grievance resolution, as well as the decree 4 from the Ministry of Justice dated April 28, 2016 on the establishment of a village mediation committee. Specific requirements for such mechanisms are further described in Part VI of the Decree's Implementation Regulations and in detail in the Technical Guidelines.

The purpose of FRM is to ensure that the PRF has in place a system to receive feedback from citizens, assuring that the voices are heard from the poor and vulnerable, and the issues are resolved effectively and expeditiously. The purpose of the FRM is also to help management reorient project processes in order to increase project effectiveness. Such a system is expected to enable the PRF to be fully responsive to its beneficiary communities and empower the most vulnerable groups in villages who are the principal target of the Program.

11.1 PRINCIPLES AND PROCEDURES OF THE FRM

11.1.1 Guiding Principles

The guiding principles of the FRM are listed in the table 6 below.

Table 6: Guiding Principles of the FRM

Visibility	Information about how and where to provide feedback is well-publicized.
Accessibility	Citizens should find it easy to engage and use the feedback procedure, irrespective of language or disability.
Responsiveness	Prompt acknowledgment to be followed by prompt action, with informant kept informed of progress.
Objectivity	Any investigation should be open-minded and impartial, complete and equitable.
Charges	There are no costs to the informant as their feedback is provided and handled.
Confidentiality	Unless voluntarily provided, identities of informants will be kept confidential throughout and after the investigation process.
Citizen-focus	The project welcomes citizen feedback of all types, with a culture that sees citizen as central.
Accountability	There should be clarity on roles and authority in handling feedback, and staff should be accountable for their actions and decisions.
Continual Improvement	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.

11.1.2 Sources of Feedback

In principle, feedback can be provided by anyone involved in the PRF process (villagers, community representatives, Government authorities at each level, contractors, development agencies, PRF staff, and other involved parties). The system has been setup and modified to increase participation of vulnerable groups (such as the poorest households, ethnic groups and women) who are likely to have less voice in planning and implementation process of the PRF.

The FRM should not be only use during the planning and implementation period of sub-projects, but remain functioning after completion of all sub-projects as part of the operation and maintenance system activities.

11.1.3 Types of Feedback

Feedback may include, but not be limited to:

- i) Misuse of funds;
- ii) Corruption allegations;
- iii) Inappropriate intervention by outside parties;
- iv) Violation of program policies, principles and contracts for sub-project construction;
- v) Negative impacts of sub-projects on individual households or sub-groups, including issues related to land/asset donations and compensation arrangements for land acquisition and impacts from civil works and other safeguard related issues;
- vi) Inquiries about program procedures or rules.

Feedback may be categorized as one of 4 types:

TYPE A: Feedback in the form of a comment, suggestion or query. Typical Type A feedback includes:

- Request for information;
- Request for fund/technical assistance; and
- Thanking the PRF.

This type is non-contentious and merely requires clarification or a response. This may be answered at the point of intake by any of the following PRF staff: National FRM Officer; any designated provincial or district staff; or KB facilitators.

TYPE B: Feedback involving violations of certain rights or non-performance of obligations. Typical Type B feedback includes:

- Violation or non-accordance of any of the rights of the parties to the Project;
- Violation of any of the principles of the Project;
- Non-performance of obligations contained in the MOUs.

This type of feedback is primarily discussed and addressed in the village or Kum ban meetings.

TYPE C: Refers to grievance or offenses involving a violation of law. This type is very serious and may take longer to resolve, as it may need to be addressed through established legal processes. However, the village and Kum ban meetings may act on these cases to facilitate out-of-court settlement.

TYPE D: Feedback involving complaints against PRF staff, and staff of other organizations participating in the Project. Complaints against PRF staff will be handled and resolved by the PRF using its internal rules of procedure. Staff of other agencies, will likewise be subjected to their own internal rules of procedure once they become the subject of complaints.

Below Table 7 provides examples of expected cases of the various types of feedback and possible next steps to resolve the issues:

11.1.4 Feedback Channels (Uptake)

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, Kum ban, district, provincial, and national level). For the FRM to function, the PRF has established the following conduits for feedback:

- Village Mediation committee (VMC);
- FRM Committees at , Kum ban, district, and provincial level;
- Feedback boxes at village, Kum ban, district, and provincial level;
- Toll free hotline (161);
- PO Box, (46 25);
- Dedicated email (prf.frm@gmail.com);
- Website (www.prflaos.org);
- Regular meetings at all levels during PRF cycle implementation (village, Kum ban, district, provincial and national);
- Annual meetings in selected villages in each Kum ban soliciting feedback from community members.

Feedback can be provided verbally or in a written form. Feedback and Resolution Forms (FRM-Form) are available at the village, district and provincial levels, where the Feedback Boxes have been established. All citizens who would like to provide feedback or have complaint about the PRF are encouraged to fill out the FRM-form for investigation, but feedback can also be stated and submitted on a plain paper, following the FRM-form contents. Individuals with difficulty in writing are encouraged to find someone capable of writing on their behalf (such as friends or relatives, members of MBOs, PRF staff, or Village Mediation committee). All feedback in written form should be submitted via the Feedback Boxes.

Feedback can be conveyed verbally to visiting PRF offices or during the regular meetings organized by the PRF at the different stage of the PRF Cycle. All feedback formally received must be recorded on the FRM-Form by the PRF staff, and the PRF staff will provide details of the next step to the informant which is then submitted to the feedback box by the informant.

Beyond FRM, the PRF maintains regular communication channels between PRF and citizens through volunteers and MBOs. Beyond the meetings envisaged in the PRF's project cycle, village committees could organize regular public hearings on project implementation, where citizens would have an opportunity to voice their concerns and suggestions, such as during the village accountability meetings. Such public hearings could help the government institutionalize participation of the poor in the policymaking processes in the country over time.

Finally, all persons can direct complaints related to allegations of fraud and corruption directly to the World Bank in the event that they feel that concerns are not or cannot be addressed through regular Project mechanisms. The following two contacts coordinates are available for this purpose:

- **Independent Fraud & Corruption Hotline:**
+1 704 556 7046 (third-party operated, charges reversed).
Mailing address: PMB 3767, 13950 Ballantyne Place, Charlotte, NC 28277, USA

- **Integrity Vice President (direct)**
Telephone: +1 202 458 7677
Fax: +1 202 522 7140
Email: investigations_hotline@worldbank.org

For more information, please visit: www.worldbank.org/integrity

11.1.5 Village mediation committee

Given that verbal feedback to trusted community members is traditionally accepted as an effective conflict resolution channel, Village Mediation Committees are established in each Project village, consisting of 5 elected members from the community.

If some of the Village Mediation committee members are illiterate, literate members of the Mediation committee will work with them closely to ensure proper documentation of all feedback, including the verbal feedback (designated person at the village level). All Village Mediation Committee members are expected to receive appropriate training about their function and responsibilities in the FRM.

MBO representatives (*Neo Hom*, LWU, LFNT, LYU etc.) are encouraged to take on a more proactive role in soliciting feedback from citizens. In order to stimulate demand for the FRM and encourage citizens to provide feedback, MBO representatives could pay regular visits to communities living in remote areas to collect their feedback and mediate them to the Kum ban level for further sorting and processing. The selected representatives of the MBOs along with the Village Mediation committee members and the identified local intermediaries should receive training from PRF staff on FRM – in particular, on two-way communication and conflict resolution.

11.1.6 Sorting and Recording of Feedback

Recording of Feedback provided via the Feedback Box

In the villages, Kum bans, districts and provinces where sub-projects are under implementation, the Feedback Box is opened at least once a month by the PRF staff and Village Mediation committee members (at village, district or provincial levels).

The feedback received via the Feedback Box is recorded at the various levels as follows:

- At the village level, by members of the Village Mediation committee (at least 2 members), with the presence of the PRF staff / Kum ban Facilitator. The feedback is then recorded in the Feedback Resolution Notebook and decision are made by the committee on the next step in order to solve the feedback received, as well as defining specific responsibilities to lead the resolution process. In case PRF staff cannot be present to open the feedback box, the Kum ban Facilitator will provide FRM information through the monthly meeting with the PRF staff.
- At the district level, by members of the FRM district committee (at least 2 members) with the presence of the PRF CD Officer who records the feedback in the FRM reporting form, and decision are made on the next step in order to solve the feedback received as well as defining specific responsibilities to lead the resolution process.
- At the provincial level by members of the FRM Provincial committee (at least 2 members) and the PRF M&E Officer who records the feedback in the Feedback Resolution Summary Report, which is then later shared with the PMT (Central level) through the monthly Feedback report. FRM data are shared with the National level through their monthly report.

Once feedback is recorded, all feedback received from the village, district and provincial level is collected at the district level. The responsible PRF district level staff enters the data based on the FR reporting forms into the FRM database (see annex 7), which is then being tracked and reported on monthly basis to the PRF M&E division at the central level until feedback/grievances received are solved.

Recording of Feedback provided via Meetings

During regular meetings organized at the different stage of the implementation of the PRF Cycle, feedback informants/complainants or their representatives are invited to provide feedback. The PRF staff will be responsible to fill the FR-form and provide details of the next step to the informant. Depending on the type of feedback, the PRF representatives can decide to address, discuss and close the Feedback received during the meeting. In this case, the PRF representatives will be responsible to bring the FR-form to the FRC at the district level (PRF staff member of the FRC) and provide all the relevant information to fill the Feedback and Resolution report.

Recording of Feedback provided via the Hotline

During office hours, the M&E division will answer the toll free hotline; E-mail and feedback received through the PRF website and provide direct informant/complainants with answers and information providing solutions to their concerns. Outside of the office hours, informants/complainants will have access to answering machine. Their feedback will be recorded so that the M&E division or relevant PRF Unit can respond later. In all

cases, the M&E division will be responsible to fill the FR-form and send it to the relevant level (Village Mediation committee at the village, FRC at the district, provincial or national level) for information or for further action/respond, including investigation if necessary. The informants/complainants will also be informed of the number of the National Assembly hotline as another option to provide their feedback.

11.1.7 Acknowledgement and Processing of Feedback

The Village Mediation committee members and FRCs at higher levels are responsible to handle all cases, categorize them based on the completed Feedback Resolution Form, and decide on whom to consult and the subsequent actions. When a case has been referred for investigation, the feedback committee at village will investigate the cases, discuss and consult with the involved/affected parties. All feedback will initially be dealt with at the village level. If a case cannot be solved at the village level, it will then be transferred to the upper level Kum ban level for further investigation. If the case could not be resolved at the district level, then the case will be transferred to the provincial level.

Following the receipt of feedback, informants/complainants (if not anonymous) are informed of the receipt of their feedback from 1 day to 2 weeks following the feedback submission date, and depending on the communication channel used. The initial acknowledgement should: outline the feedback process; provide contact details and preferably the name of the contact person that is responsible for handling the feedback case; and note how long it is likely to take to resolve the feedback. Informants should periodically be updated on the status of their feedback.

Follow up procedures at the various levels are described in Table 6 below, while Table 7 provides some examples of expected feedback and the recommended method of acknowledgement and follow up.

11.1.8 Response to Feedback

For the FRM to function properly and to gain confidence of community members in the fairness of the feedback process and the PRF's commitment to it, it is crucial that the response to informant/complainant' feedback is disseminated and that the final results of the Feedback process are shared with the community and in particular, with the informants/complainants themselves.²⁴ Ensuring such feedback loop would stimulate further feedback and help the community members build trust in the FM.

Cases received/resolved and its status in the resolution process should be reported to the community assuring anonymity at the village and Kum ban meetings. It is of utmost importance that informants/plaintiffs are not identified in public even in cases in which they are known to selected villagers (e.g., Village Mediation committee member who helped transcript the cases) unless announced voluntarily by the informants/plaintiffs.

²⁴ If feedback is provided anonymously, the response could be provided in the Kum ban information or accountability meeting. If the informant provides his/her personal details, the response should be provided directly to the informant, and with their consent, also shared with the community, whenever possible.

11.1.9 Monitoring and Evaluation of Feedback

The M&E division is critical to the success of the FRM. Monitoring refers to the process of tracking request/complaints and assessing the extent to which progress is being made to resolve them. The MIS will include appropriate features for entering, tracking and monitoring of feedback.

Table 7: FRM steps

Procedures	Feedback Channel	Response Time	Responsible Unit/Institution	Means of Verification/Documentation
<p>Step 1 – Village Level</p>	<p>Village Mediation committee and PRF staff.</p> <p>Public place accessible to informant/complainant/beneficiaries or PAPs (feedback box at the PRF information board).</p> <p>Toll free hot line.</p> <p>Regular PRF meeting at the village level during the project cycle preparation and implementation.</p>	<p>Resolution within 1-3 weeks.</p> <p>Feedback box open every 2 weeks. Response within 1-3 weeks. Informant/complainant/beneficiaries or PAPs regularly updated on the progress of their feedback during PRF meetings all along PRF cycle.</p> <p>Hot line accessible 24 hours a day.</p> <p>Response within 1 week. Informant/complainant/beneficiaries or PAPs regularly updated on the progress of their feedback on a monthly basis.</p> <p>Regular PRF Meeting. Response within 1 day to 1 week. Informant/complainant/beneficiaries or PAPs regularly updated on the progress of their feedback during PRF</p>	<p>Village Mediation committee at the village level (<i>Neo Hom</i> and Village Chief).</p> <p>Upper level if the case cannot be solved at this level</p>	<p>Written Feedback and Resolution form, through the Village Mediation committee.</p> <p>Monthly submission of the Feedback and Resolution Report to the Kum ban FRC with all relevant information and progress.</p>

		meetings all along PRF cycle.		
Step 2 – Kum ban Level	<p>FRC at the Kum ban level (Kum ban Facilitators and members of the Kum ban Committee).</p> <p>Public place accessible to informant/complainant/beneficiaries or PAPs (feedback box at the PRF information board)</p> <p>Toll free hot line</p> <p>Regular PRF meeting at the Kum ban level during the project cycle preparation and implementation</p>	<p>Resolution within 1-3 weeks.</p> <p>Feedback box open every 2 weeks. Response within 1-3 weeks. Informant/complainant/beneficiaries or PAPs regularly updated on the progress of their feedback during PRF meetings all along PRF cycle.</p> <p>Hot line accessible 24 hours a day. Response within 1 week. Informant/complainant/beneficiaries or PAPs regularly updated on the progress of their feedback on a monthly basis.</p> <p>Regular PRF Meeting. Response within 1 day to 1 week. Informant/complainant/beneficiaries or PAPs regularly updated on the progress of their feedback during PRF meetings all along PRF cycle.</p>	<p>FRC at the Kum ban level (Kum ban Facilitators and members of the Kum ban Committee).</p> <p>Upper level if the case cannot be solved at this level</p>	<p>Written Feedback and Resolution form, through the FRC.</p> <p>Monthly submission of the Feedback and Resolution Report to the District FRC with all relevant information and progress</p>
Step 3- District Level	PRF Office (feedback box at the PRF information board)	Feedback box open every 2 weeks. Response within 1-3 weeks. Informant/complainant/beneficiaries regularly updated on the progress	FRC at the District level (PRF Coordinator).	Written Feedback and Resolution form, through the district FRC.

	<p>Toll free hot line</p> <p>Regular PRF meeting at the district level during the project cycle preparation and implementation</p> <p>Dedicated E-mail and website</p>	<p>of their feedback during PRF meetings all along PRF cycle.</p> <p>Hot line accessible 24 hours a day. Response within 1 week. Informant/complainant/beneficiaries regularly updated on the progress of their feedback on a monthly basis.</p> <p>Regular PRF Meeting. Response within 1 day to 1 week. Informant/complainant/beneficiaries regularly updated on the progress of their feedback during PRF meetings all along PRF cycle.</p> <p>Dedicated E-mail website: 1 day to 1 week. Informant/complainant/ beneficiaries regularly updated on the progress of their feedback on a monthly basis.</p>	<p>Upper level if the case cannot be solved at this level</p>	<p>Monthly submission of the Feedback and Resolution Report to the FRC at the provincial level with all relevant information and progress</p>
<p>Step 4 – Provincial Level</p>	<p>PRF Office (feedback box at the PRF information board)</p> <p>Toll free hot line</p> <p>Regular PRF meeting at the provincial level during the project cycle preparation and implementation</p> <p>Dedicated E-mail and website</p>	<p>Feedback box open every 2 weeks. Response within 1-3 weeks. Informant/complainant/beneficiaries regularly updated on the progress of their feedback during PRF meetings all along PRF cycle.</p> <p>Hot line accessible 24 hours a day. Response within 1 week. Informant/complainant/beneficiaries regularly updated on the progress of their feedback on a monthly basis.</p> <p>Regular PRF Meeting. Response within 1 day to 1 week. Informant/complainant/beneficiaries regularly updated on the progress of their feedback during PRF meetings all along PRF cycle.</p>	<p>FRC at the Provincial level (PRF Coordinator).</p> <p>Upper level if the case cannot be solved at this level</p>	<p>Written Feedback and Resolution form, through the provincial FRC.</p> <p>Monthly submission of the Feedback and Resolution Report to the PMT (M&E Unit) with all relevant information and progress</p>

		Dedicated E-mail website: 1 day to 1 week. Informant/complainant/ beneficiaries regularly updated on the progress of their feedback on a monthly basis.		
Step 5 – National Level	<p>Toll free hot line</p> <p>Regular PRF meeting at the National level during the project cycle preparation and implementation</p> <p>Dedicated E-mail and website</p>	<p>Hot line accessible 24 hours a day. Response within 1 week. Informant/complainant/ beneficiaries regularly updated on the progress of their feedback on a monthly basis.</p> <p>Regular PRF Meeting. Response within 1 day to 1 week. Informant/complainant/ beneficiaries regularly updated on the progress of their feedback during PRF meetings all along PRF cycle.</p> <p>Dedicated E-mail website: 1 day to 1 week. Informant/complainant/ beneficiaries regularly updated on the progress of their feedback on a monthly basis.</p>	M&E Unit at the PRF Central level	<p>Written Feedback and Resolution form, through the M&E Unit at the central level.</p> <p>Feedback Monthly submission of the Feedback and Resolution Report to the PMT (M&E Unit) with all relevant information and progress</p>

Evaluation refers to the analysis of feedback data so that policy and/or process changes can be made to minimize problematic issues in future. Analyzing feedback data helps management reorient project processes in order to increase project effectiveness. As such, reports on feedback data and trends (e.g. average time taken to resolve feedback, percentage of feedback providers satisfied with action taken, number of feedback resolved at first point of contact)²⁵ will be submitted on a monthly basis. Senior project management members should regularly monitor feedback resolution data and feedback trends in their progress review meetings. An independent review of the effectiveness and reliability of the FRM will be conducted annually, including feedback from those who have used it.

²⁵ Reports to management also typically include information on the number of feedback/complaints about a particular issue, spikes in feedback/complaints, geographical spread of feedback/complaints, characteristics of the feedback/complainants, etc.

Table 8: Type of Feedback and Actions to Follow

Types of Feedback	Possible Next Steps
<p>1. General or inquiry about the program (E.g. lack of understanding of program rules, procedures). TYPE A</p>	<p>VMC/FRC at all levels including PRF staff have the right and responsibility to reply and give the clear information about PRF to all stakeholders. It will be done directly through the toll free hotline, website and e-mail or during the regular PRF meetings organized at the various level during the PRF cycle implementation Some cases may require organizing a special workshop/meeting to provide the expected clarification to the informants.</p>
<p>2. Program regulation and principles are not followed. TYPE B</p>	<p>VMC/FRC at the relevant level (to which the case is assigned) gathers information. If necessary, VMC/FRC organizes the fact finding mission. After the facts are gathered, FRC may organize internal meetings to raise and clear the issues to reach agreement between VMC/FRC and relevant parties. The fact finding mission should be conducted no later than 2 weeks after receiving the feedback form. In case the feedback cannot be solved during the fact finding mission, the VMC/FRC and the parties involved have to agree on the next step and dead line for implementation. The information will be then filled in the Feedback and Resolution report form for recording and prompt follow up.</p>
<p>3. Inappropriate intervention by (outside) parties. TYPE D</p>	<p>VMC/FRC at the relevant level gathers information. If necessary, VMC/FRC organizes the fact finding mission. After the facts are gathered, VMC/FRC may organize internal meetings to raise and clear the issues to reach agreement between VMC/FRC and relevant parties. The fact finding mission should be conducted no later than 2 weeks after receiving the feedback form. In case the feedback cannot be solved during the fact finding mission, the FRC and the parties involved have to agree on the next step and dead line for implementation. The information will be then filled in the Feedback and Resolution report form for recording and prompt follow up.</p>
<p>4. Misuse of funds. TYPE B</p>	<p>VMC/FRC shall organize a fact finding mission. After the facts are gathered, VMC/FRC may organize internal meetings to raise and clear the issues to reach agreement between FRC and relevant parties. The fact finding mission should be conducted no later than 2 weeks</p>

	<p>after receiving the feedback form. In case the feedback cannot be solved during the fact finding mission, the VMC/FRC and the parties involved have to agree on the next step and dead line for implementation. The information will be then filled in the Feedback and Resolution report form for recording and prompt follow up.</p>
<p>5. Dissatisfaction with received sub-projects(including discontent with the decision process or selection of sub-projects). TYPE B</p>	<p>FRC at the relevant level gathers information.</p> <p>If necessary, VMC/FRC organizes the fact finding mission. After the facts are gathered, VMC/FRC may organize internal meetings to raise and clear the issues to reach agreement between FRC and relevant parties. The fact finding mission should be conducted no later than 2 weeks after receiving the feedback. In case the feedback cannot be solved during the fact finding mission, the VMC/FRC and the parties involved have to agree on the next step and dead line for implementation. The information will be then filled in the Feedback and Resolution report form for recording and prompt follow up.</p>

11.2 FRM ORGANIZATIONAL STRUCTURE

At the national level

The national PRF office will be responsible for

- Overseeing the work of the feedback and Resolution committee at lower levels,
- Ensure that the feedback is acted upon expeditiously by the FRCs at different levels,
- Receives the feedback through the toll free hotline number, PRF website and E-mail and directs the cases to relevant levels and bodies for resolution if necessary,
- Follow-up on persistent problems in the field which may require national level intervention,
- Maintain the overall PRF Feedback database based on the inputs from the field,
- Evaluate and analyze the trends in the feedback and its resolution,
- Generate summary of the reports for senior management (Monthly Reports),
- Ensure that regular feedbacks are provided by the FRC at each level on the progress made in the resolution of the feedback received.

Feedback and Resolution Committee (FRC) will be formed to handle cases at the local level. Standing committees will be formed as follows:

At the provincial level

In addition to the PRF Coordinator at the provincial level, the FR committee should comprise the following entities:

- i) Vice Provincial Governor
- ii) Representative from Women Union
- iii) Representative from Youth Organization
- iv) Representative from Lao Front for National Construction
- v) Representative from Agriculture and Forestry Department (optional)
- vi) Representative from Education Department (optional)
- vii) Representative from Health Department (optional)
- viii) Representative from PWT Department (optional)

At the district level

In addition the PRF coordinator at the district level, the FR committee should comprise of the following entities:

- i) Vice District Governor
- ii) Representative from Women Union
- iii) Representative from Youth Organization
- iv) Representative from Lao Front for National Construction
- v) Representative from Agriculture and Forestry Department (optional)
- vi) Representative from Education Department (optional)
- vii) Representative from Health Department (optional)
- viii) Representative from PWT Department (optional)

At the village level

In addition to two PRF village delegates (one male and one female), the mediation unit will comprise of 5 elected members from the community.

For solving issues during public meeting, the mediation committee should invite:

- i) Neo Hom
- ii) Lao Women Union
- iii) Lao Youth Union
- iv) Representative of ethnic

11.3 THE VILLAGE MEDIATION COMMITTEE

The social Audit Committee now named as the vilage mediation committee to follow the government decree allowing composition by community elected members is established as an independent committee at the village level to ensure downward accountability. The committee will oversee the process of PRF to ensure that agreed principles are followed and those who hold positions representing others are accountable for their decisions and actions and benefits go to targeted people.

The following illustrate the need:

- Villagers are expected to elect some of their members as their representatives at village, Kum ban and district meetings
- There are procurement committees and project implementation committees and the villagers have entrusted the committee members to perform tasks on behalf of the villagers to ensure better use of resources that the government has given to them and also they have their community resources to manage
- Those who hold positions, responsibilities, power and authority are expected to be obliged to be answerable for their decisions, action and their results.
- Villagers elect their own community social audit committee to check this accountability by those who hold positions and also who are their service providers.
- Before undesirable things happening, before the community complains outsiders, as community they will audit the processes and inform the large body of the community to take corrective action.
- It is villagers own mechanism to ensure meetings are held as agreed participation and inclusion, principles are practiced, accounts and quality of procurement and construction is maintained.
- The social audit committee ensures downward accountability to people as well as upward accountability to project/government staff by their work and records with certification as those closest to the sub-projects and beneficiaries.
- Properly organized, the FRM committee can be made effective to use the feedback mechanism with the functions of the social audit committee. The first complain will come to the social audit committee to resolve. Villagers then can manage their
- affairs by themselves first and failing that seek help from outside.

Composition of the Village Mediation committee

- Five-member committee directly elected by the village assembly when a village is selected for implementation of a sub project. If a project benefits cover any other adjacent village/hamlet Social audit committee should have members from those villages/hamlets as well. This composition is because the locations of the villages/hamlets are so dispersed, a single social audit committee for the entire Kum ban would not be practical to adopt effectively.
- The meeting of the village assembly will be attended by more than 60% of women and should include ethnic minorities
- No member of the Village mediation committee (Social Audit Committee) shall be from the Kum ban Development Committee or any other committees such as procurement committee or Project Implementation Committee
- At least 50% of the members should be women. Adequate representation to youth and poor should be given. Respected elder could be a committee member.
- Head of the committee would be selected by the committee members

Responsibilities of the Village Mediation committee

- 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 assembly/wider representative body of the Kum ban
- Perform an internal audit of all records and accounts of all committees, at least once in 2 months.
- Ensure adherence to PRF ideals, principles, rules and concepts such as transparency in the functioning of committees.
- Identify weaknesses and suggest remedial measures.
- Receive “Action Taken Reports” from committees with regard to identified weaknesses and submit same to wider representative body representing all villages with the Kum ban Development Committee (KDC).
- Social Audit Committee will certify attendance of meetings, authenticate on completion of work, participation of women, ethnic minorities and solving problems of those who have complaints so that such information can be picked-up by those who monitor community performance.
- Social audit committee should meet at least once a month prepare an operations report or inform issues to the KDC

Eligibility to become a Village mediation committee (Social Audit Committee) Member

- A person respected and accepted by majority of the households.
- Having experience in community development activities.
- Known to be unbiased and interested in the general improvement of the village and Kum ban.

HOW TO CONTACT US

POVERTY REDUCTION FUND
NATIONAL LEVEL OFFICE

Ministry of Agriculture and Forestry

Nahaidio Road,
Sisavathtai Village,
Chanhthaboury District,
P.O. Box 4625,
Vientiane Capital

Tel: +856 021 261479 / 261480
Fax: +856 021 261481
E-mail: info@prflaos.org
website: www.prflaos.org

Ministry of Agriculture and Forestry
POVERTY REDUCTION FUND



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