

LAO PEOPLE'S DEMOCRATIC REPUBLIC
PEACE INDEPENDENCE DEMOCRATIC UNITY PROSPERITY

Ministry of Agriculture and Forestry



POVERTY REDUCTION FUND PHASE III

ANNUAL PROGRESS REPORT (January – December 2018)



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Abbreviations

AWPB	Annual Work Plan and Budget
AFN	Agriculture for Nutrition
CD	Community Development
CDD	Community Driven Development
CFA	Community Force Account
CLTS	Community-Lead Total Sanitation
DAFO	District Agriculture and Forestry Office
Deepen CDD	Deepen Community Driven Development
DPO	District Planning Office
DRM	Disaster Risks Management
DSEDP	District Social Economic Development Plan
EM	Energy And Mine
FRM	Feedback and Resolution Mechanism
GESI	Gender Equity and Social Inclusion
GOL	Government of Lao
GIS	Geography information system
GPAP	Governance Public Administration Reform
HH	Household(s)
HR	Human Resource
IE	Internal Evaluation
IEC	Information, Education, Communication
IGA	Income Generating Activities
IFAD	International Fund for Agriculture Development
KBF	Kum Ban Facilitator
KDPs	Kum Ban Development Plans
KPIs	Key Performance Indicators
LAK	Lao Kip (Lao Currency)
LN	Livelihood and Nutrition
LWU	Lao Women Union
LYU	Lao Youth Union
M&E	Monitoring and Evaluation
MIS	Management information system
MTR	Mid-Term Review
NGPES	National Growth and Poverty Eradication Strategy
NCRDPE	National Committee for Rural Development and Poverty Eradication
NGOs	None Governmental Organizations
NPL	Non Performance Loan
NRDS	National Rural Development Strategy
ODF	Open Defecation Free
PAFO	Provincial Agriculture and Forestry Office
PRF	Poverty Reduction Fund
PM	Prime Minister
PMT	Project Management Team
RMG	Road Maintenance Group
SBCC	Social Behavior Community Change
SDC	Swiss Agency for Development and Cooperation
SHGs	Self Help Groups
SHP	Strategic Healthcare Program

#SP	Number of sub-projects
STEP	Systematic Tracking of Exchanges in Procurement
TOT	Training of Trainers
VDP	Village Development Plan
VFRC	Village Feedback and Resolution Committee
VIT	Village Implementation Team
VMC	Village Multipurpose Center
VMC	Village Mediation Committee
WB	World Bank

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EXECUTIVE SUMMARY

The overall goal of the Poverty Reduction Fund (PRF) is to improve access to services for poor communities and create stronger links between the local government service provision and the aspirations of villagers. PRF staff at district, provincial and national levels provides the necessary coordination, develop capacities and build linkages. In addition to support the participatory village and Kum ban development planning, the PRF is helping district administration to incorporate these plans into their district socio-economic development plans. A forum has been created at the district level where villagers and district authorities meet regularly to discuss together development priorities and plans, and reach compromises that will satisfy all parties. The PRF, the Government of Laos (GoL) and other donors then support villagers with funds and technical support to implement these plans.

This report covers PRF's implementation period from January – December 2018 and also provides a summary of the implementation of PRF key activities. It covers works of the Cycle XV implementation (2018) and planning and design-survey for the Cycle XVI (2019), which will be the last cycle of PRF Phase III. The achievement of each indicator against identified targets in the PRF III Results Framework is described as well as other details related project management and cooperation and also the Mid-term Review of PRF III also carried out in June 2018.

For the Cycle XV, the Village Development Plans (VDPs) of 1,820 villages (131 poorest, 1,395 poor and 294 moderately poor villages) have been prepared and integrated into 263 Kum ban Development Plans (KDPs). A total of 5,335 priorities were selected by the communities. For the Cycle XV, 335 sub-projects have been supported by the PRF, located in 326 villages¹ (26 poorest, 252 poor and 48 moderately poor villages).

Within the PRF III, LN has been added as one component of the PRF (Component 4). As December 2018, the livelihood linked nutrition activities has covered 165 villages of 7 target districts in Huaphanh and Savanakheth provinces, through 915 SHGs established, comprising of 10,085 members from which 8,699 female (86.26%), and 8,081 of members are from small ethnic group (80%). Since the beginning of the LN work in 2013, PRF has provided a total of US\$1.23 million (SHG seed-grant), which has been made available to SHG members through loans. The SHG savings have progressively increased from US\$ 89,801 at the end of PRF II to over US\$ 254,460 as of December 2018. The average annual saving is more than US\$ 42,000. In 2018, the members borrowed funds to invest in various livelihood activities including nutrition-oriented livelihoods.

The number of SHG members involve in livelihood investments has reached 10,085 members (almost SHG members have used the seed-grants). While more than half of the SHG members who taken loan have fully repaid their loans and continued operating their Income Generating Activities resulting from their first loan, the rest of unpaid loan members will repay their loan by the end of March 2019 that will report in the next semi-annual report 2019. In addition, the internal performance assessment of the 915 SHGs has been done by PRF Monitoring and Evaluation team (November-December 2018). This study shows that 60% of the total number of SHG are considered to reach very good performance (550 SHGs), which means that they could continue to manage the SHG activities without further support from the PRF and they can be trainers for the other SHG groups in their villages.

¹ Some villages received more than sub-projects but mostly are small size and linked to key building/construction, for example school and water, Agriculture and rural road spot improvement, etc.

The planning, design and approval for the Cycle XV sub-project was completed earlier this year compared with the Cycle XIV. A total of 335 sub-projects were approved (297 sub-projects for IDA funding and 38 sub-projects for GoL) with a total value of LAK 85.11 billion (US \$10.37 million). The procurement was completed in early March 2018 and the majority of sub-projects (99.70%) was completed by the end of December 2018. Only one sub-project remained to be finalized due to delays caused by the heavy rain (contractors could not reach the construction site). By the end of December, the total sub-projects disbursement had reached LAK76.9 billion (US\$9.38million). For this cycle, the total number of beneficiaries reaches 168,308 people (49.4% are women and 84% from small ethnic groups). The sub-projects will also indirectly benefit to more than 140,000 people.

The *Technical, Utilization, and Beneficiary Satisfaction Assessment* conducted in mid-2018 indicated that 92% of the sub-projects were in good condition (with 8% rated as fair). In terms of the beneficiary satisfaction, 90% of the community beneficiaries located in the thirty-six villages covered by the survey were fully satisfied with the technical and financial support they have received. In addition, groups discussed the planning process and the results of planning, focusing on whether the infrastructure selected for the sub-project corresponded to the priorities identified in the Village Development Plan and addressed the needs of the community. 95% of groups were fully satisfied with the planning process and its results, with only 5% of groups indicating that they were marginally satisfied.

In 2018, the MTR was conducted in June 2018, which confirmed that PRF III was on track to achieve its development objective, with nearly all intermediate indicator targets already reached or within reach by year's end. This achievement is due to a larger number of newly served PRF target villages than anticipated at the time of project preparation. The mission team noticed that the results of self-help group (SHG), livelihood support is less clear. While the total number of beneficiaries has exceeded expectations due to an increasing percentage of SHG members taking loans, data regarding repayment remains unreliable and in urgent need of review and verification. About remaining of the GOL co-financing, the mission team suggested PRF to prepare scenario for responding to the government budget decision to be made in November 2019 (Detail in aide-memoir of MTR). There are 32 works to be done as detailed in PRFIII MTR's agreed action and the updated progressed please in Annex 16.

Following the promising results of the Road Maintenance Group (RMG) piloted in 2017 that both promoted road maintenance and provided income support to poor households, the RMG program was scaled up in 2018. Trainings took place in June 2018 and the program was extended to 23 districts in 7 provinces covering 54 roads (all the road sub-projects in 2017). In total, 74 RMGs (341 members) are supporting the maintenance of approximately 355.34 km of roads. This new activity demonstrates the versatility of PRF staff in implementing different types of rural development interventions. A survey to evaluate the impact of RMG work was conducted in late 2018 and submitted to the Bank for review.

PRF has submitted a list of 13 proposed CFA-implemented sub-projects as part of the cycle XVI (including different sub-project types such as road rehabilitation, irrigation, agriculture infrastructure and water supply) to the Bank for review and discussion. A consultant who started his assignment in September developed a planning and implementation model, including step-by-step implementation procedures, a CFA guide for PRF and government staff and a community CFA manual. The training for the community contracting was conducted in Luangnamtha and Saravan provinces and another one will be organized in Oudomxay in February 2019.

In 2018, PRF targeted areas have affected from natural disasters due to tropical storms and sustained heavy rainfalls during July, August and September, including as estimated 36

districts, 144 villages with total of 162 of PRF II and PRFIII sub-projects (2,613SPs) with estimated total budget of US\$2 million required in order to fix the damages. To respond to the natural disasters, the PRF DRM key person was set and attended DRM training on multi-hazard, multi-level, multi-agency and multi-disciplinary facets organized by the Asian Disaster Preparedness Center, held in Thailand. Lesson learned from this training programme has provided relevant information for the PRF III AF design. The training report was prepared and sent to the Bank and SDC for information in December 2018. The TOR for a DRM consultant was prepared accordingly and shared with SDC and World Bank for comments. This consultant will be financed by SDC to develop a DRM courses module for PRF staff.

The planning review for the Cycle XVI sub-projects started with the district planning and coordination meetings held from February to March 2018. A list of 131 sub-projects were selected for Government funding (for a total value of LAK 37 billion) was submitted to the Ministry of Agriculture and Forestry (MAF) and shared with Ministry of Planning and Investment (MPI) in May 2018 for approval and integration in the Government annual budget. In total, the district and planning coordination meetings identified 546² sub-projects (including 131 sub-projects under GOL funding).

About GOL funding in PRF III with total of LAK48 billion (US\$ 6 million), in 2018, the Government already contributed a total of LAK 11 billion to implement 38 sub-projects. Therefore, in 2019 which is the last year of PRF III, the Government will need to allocate approximately LAK 37 billion (or USD \$4.62 million) to support the implementation of 131 sub-projects to reach its full GoL contribution (USD \$6 million) as agreed in the project financial agreement of PRF III. Due to national disaster that occurred during July and August 2018, the Government of Laos had allocated huge budget to rehabilitate all the impacted areas.

Therefore, in 2019, Government allocated only LAK11billion to implement 40 sub-projects. For the remaining GOL's supported sub-projects (91 sub-projects), the plan is to implement them the following years. This is a challenge for PRF team who need to explain to villagers that the expected support in 2019 will need to be postponed to 2020. In terms of achievement, PRF still reaches its results targets with these outcomes even it comes up short due to the 91 sub-projects not being financed in 2019, including the target number of infrastructure sub-projects will be already exceeded by nearly 10.6% and the number of beneficiaries exceeded by nearly 25%. This high achievement is due to a larger of newly served PRF target villages than anticipated at the time of project preparation, as mentioned in Mid-term review.

Therefore, without full amount of GOL allocation in 2019, only 455 sub-projects will be implemented, these sub-projects will benefit to more than 200,000 beneficiaries in over 400 villages of 43 districts in 10 provinces. The survey and designs for these sub-projects was completed in December 2018, and the procurement will commenced in January - February 2019, and sub-project implementation will start just after, it is assumed that more 80% of all constructions will be completed by rainy season of 2019.

To continue to support the Livelihood linked Nutrition activities, a concept note for the PRF AF of US\$10 million has been developed and share with the World Bank team for comments. The team will now focus on preparing all the project documents, including Project Development Objectives (PDOs), results indicators, coordination across convergence projects, key activities, project lifetime and realistic scope and project coverage.

² The number of sub-projects might be changed and the final number will be updated in the next report

The PRF is the largest CDD project in the country, and it has significantly contributed to rural development and poverty reduction in its 15 years of operations. As discussed so far, the proposed PRFIII's AF will scale back PRF coverage from the current 10 provinces and 43 districts to 4 provinces and 12 districts. This is likely to cause dissatisfaction among provincial and district authorities as well as poor communities that will not receive PRF support anymore. To deal with this situation, the Government of Laos through the MAF has sent a letter to request further IDA financing to support the Lao Government to achieve its rural development and poverty alleviation target. This is one of the key topic that will be discussed in 2019.

CHAPTER I: PROJECT BACKGROUND

1.1. PRF's objective

The PRF objective is to improve the access to and the utilization of basic infrastructure and services for the project's targeted poor communities in a sustainable manner through inclusive community and local development processes.

1.2. PRF staff

There are 266 staff in total operating at the central office in Vientiane capital, 10 provinces and 43 targeted districts. PRF's head office is based in Vientiane Capital, and there are 42 district offices³ and 1 provincial office in each of the 10 provinces targeted by PRF.

1.3. PRF's budget

The third phase of PRF (PRF III) has a total envelope of US\$54,000,000 over a 3-year and a half implementation period (January 2017- June 2020). While the main implementation period will be until the end of 2019, disbursements will continue until mid-2020, including Livelihood-linked Nutrition (LN) pilot activities. The Government commitment to co-financing PRFIII at US\$ 2million per year or US\$ 6 million in total as originally planned has not yet been realized.

Table 1: PRF total budget for PRF III (2017-2020)

Source of Funds	Original Budget (US\$)
Government of Lao PDR*	6,000,000
International Development Association (IDA)	30,000,000
Switzerland: Swiss Agency for Development and Cooperation (SDC)	18,000,000
Total	54,000,000

**Note: Excluding community contributions.*

1.4. The way PRF works

PRF 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 are provided through the project to ensure that all community members, including women and different ethnic groups, participate in the decision-making process and benefit from the projects they prioritize. The project builds local capacity by providing technical support for communities, over a number of years, to help solve problems, resolve conflicts and maintain their PRF-supported infrastructure. PRF also aims to create stronger links between the local authorities and communities. PRF staff at the district, provincial and national levels helps to coordinate and facilitate these linkages.

PRF works under six core principles that provide the basis for program implementation:

- 1) *Simplicity*
- 2) *Community Participation and Sustainability*

³ There are 43 districts covered by PRF III, but there are only 42 district offices because Beng and La Districts in Oudomxay Province share an office. The 43 PRF III districts have been selected from the 48 districts identified as the poorest by the Lao Government.

- 3) *Transparency and Accountability*
- 4) *Wise Investment*
- 5) *Social Inclusion and Gender Equality*
- 6) *Siding with the Poorest.*

The PRF III includes the following four components: (i) Community Development Grants; (ii) Local and Community Development Capacity Building Support and Learning; (iii) Project Management; and (iv) the Nutrition Enhancing Livelihood Development pilot (the 'LN' Component).

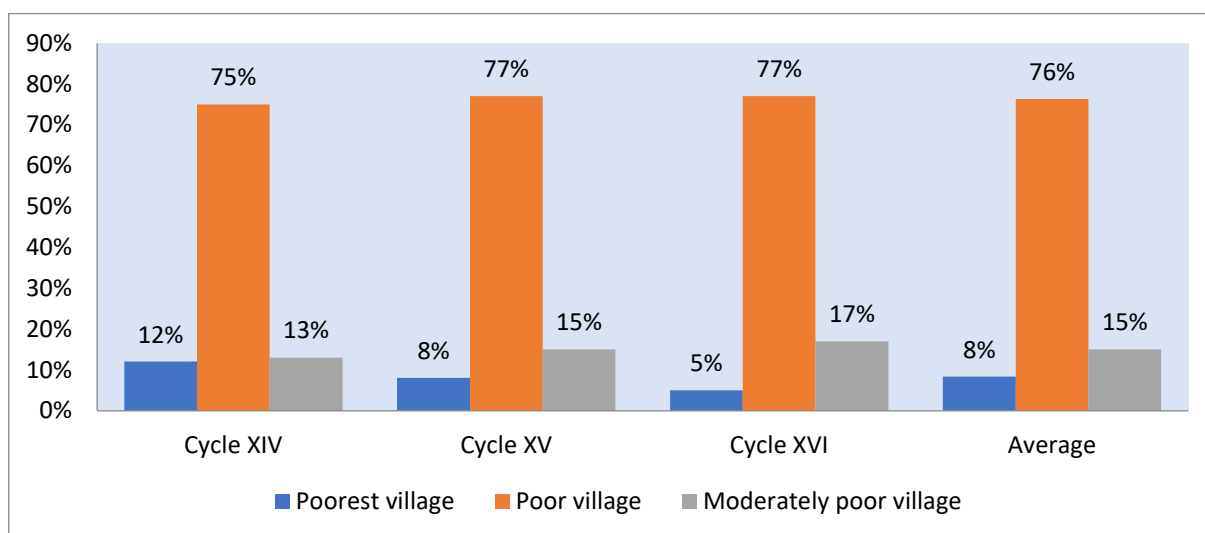
CHAPTER II: ACHIEVEMENT AGAINST RESULTS FRAMEWORK

2.1. Implementation progress to date

2.1.1. Proportion of the poorest, poor and moderately poor villages

For the Cycle XV, 77% of the total numbers of villages covered by the project are classified as “poor” and represent a slight increase in comparison with the previous Cycle (see figure 1). PRF aims to give priority to the “poorest” villages. Nevertheless, even sub-projects located in the “moderately poor” villages may receive PRF financial support, as the key consideration is to improve access to basic services for the nearby poor and poorest villages. The cost-benefit ratio for the “poorest” villages is generally lower due to lower populations in poorest villages located in remote areas. To maximize the total number of beneficiaries, sub-projects sometimes are more suitably located in “moderately poor” villages where there are a higher number of potential beneficiaries compared to “poor” and “poorest villages”. This still allows population in “poor” and “poorest” villages to access sub-projects (e.g. schools, health centers, improved roads etc).⁴

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



Source: MIS of Monitoring and Evaluation Division, December 2018

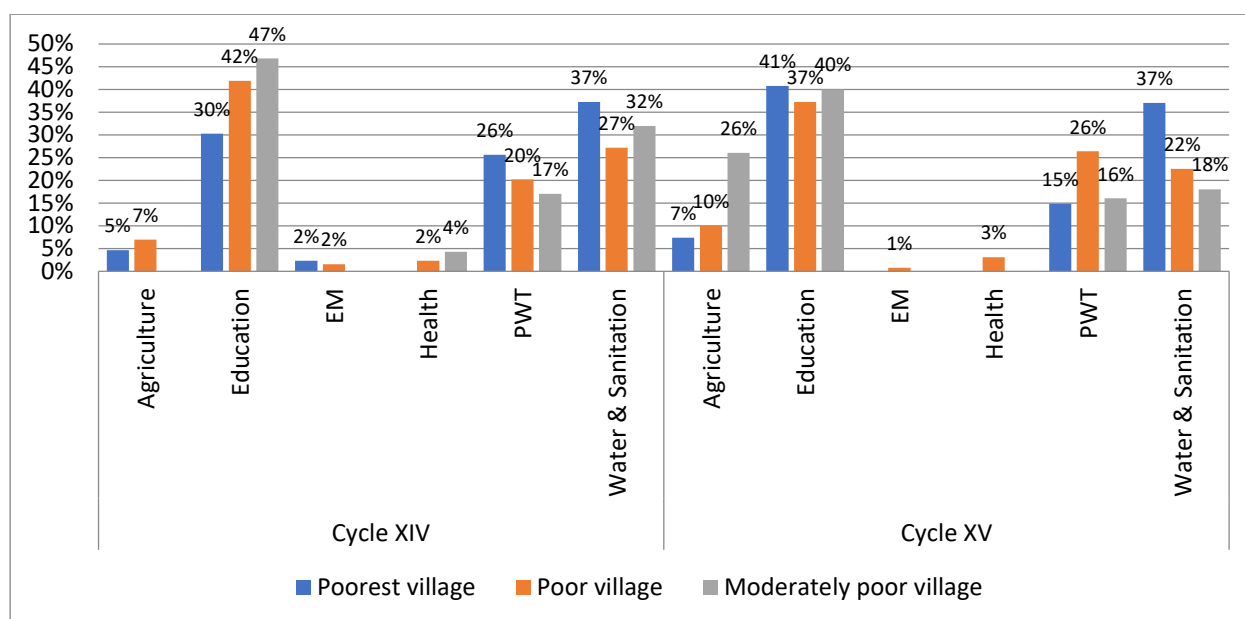
Remark: we can notice that the percentage of the poorest received supporting is lower than poor as well as moderately poor villages because many sub-projects are located near center of kum ban where the poorest and other villages also benefited, for example: rural road improvement, dispensary, etc. In addition, more than 15 years that PRF as well the Government of Laos supported, as the result many poorest villages become better condition.

The Figure 2 below shows that for the very poor villages, the education and water and sanitation sub-projects were the main identified priorities for Cycle XV (41% and 37% of the total number of sub-projects selected, respectively) while for the poor villages education and public works and transport (PWT) infrastructure were the priorities (37% and 26% of the total number of sub-projects selected). Many of these villages benefited from infrastructure provided in earlier cycles. These villages had identified other sectors as priorities for Cycle XIV. Education sub-projects have become more important for the poorest villages. Agriculture has also become more

⁴ However, this generally is not the case for water supplies.

important for some villages, particularly the moderately poor, possibly the result of improvements to market access a result of earlier road sub-projects. Similarly, other infrastructure priorities may have already been addressed.

Figure 2: Percentage of sub-projects in each sector by the village poverty status



Source: MIS of Monitoring and Evaluation Division, December 2018

2.1.2. Cycle XV sub project implementation progress of

In Cycle XV (2018), 335 sub-projects received approval with a total budget of approximately LAK 85.11 billion or around US \$10.37 million. This number includes 38 sub-projects under the Government co-funding LAK 11 billion or US\$ 1.38 million. By the end of December 2018, 334 (99.70%) of the 335 projects approved for Cycle XV have been completed with only sub-project is still under construction. The key reason for delay was the intense wet weather during the sub-project construction period. This year during the wet season very heavy rains impacted the people's living conditions and few basic infrastructures were destroyed by natural disasters. In PRF target areas, it was difficult to deliver materials to the sites. In some cases, roads to the sub-projects sites were damaged by flash floods and landslides. To deal to situation, PRF team had worked closely with the concerned government sectors to ensure that the impacted sub-projects could be completed on time.

Table 2: Disbursement as of December 2018 (Cycle XV)

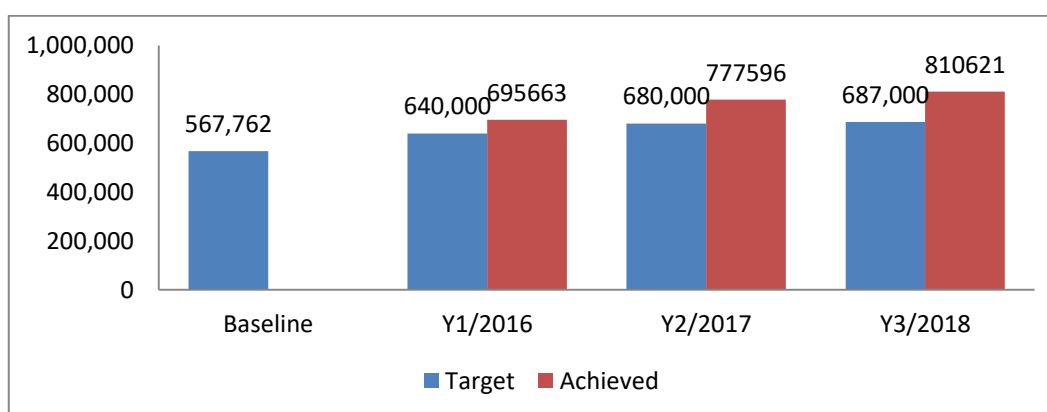
Province	Cycle XV				
	# SPs	Implementation Progress	Budget allocated (US\$)	Expenditures (US\$)	Expenditures (%)
Attapeu	14	100%	422,548	422,548	100%
Huaphanh	83	100%	1,941,156	1,929,479	99%
Luangnamtha	18	100%	462,408	429,349	93%
Luangprabang	39	100%	1,552,305	1,196,017	77%
Oudomxay	39	100%	1,142,984	1,031,513	90%
Phongsaly	22	100%	859,209	780,050	91%
Saravane	29	100%	630,033	563,529	89%
Savannakhet	46	97.8%	1,835,576	1,537,899	84%
Sekong	21	100%	740,472	740,472	100%
Xiengkhuang	24	100%	792,775	758,488	96%
Total	335	99.7%	10,379,466	9,389,345	90%

2.2. Achievements against indicators in PRF's Results Framework

2.2.1. Direct project beneficiaries

The Cycle XV is supporting 335 sub-projects in 326 villages with a total of 168,308 beneficiaries. All sub-projects are those prioritized by communities during the PRF III planning process and cover key sectors such as: agriculture, education, energy/electricity transmission, health, water and sanitation, and transport infrastructures. The cumulative number of PRF III beneficiaries which exceeded the target nearly 17.4% (target is 687,000 people while actual is 810,621), as detail in figure below.

Figure 3: The cumulative number of PR III beneficiaries



Source: PRF MIS System, December 2018

2.2.2. Female beneficiaries

As mentioned above, the total number of beneficiaries for Cycle XV is estimated to be 168,308 people of whom 49.3% were female. This is in line with PRF's target (i.e. in accordance with one of the project's indicators - 50% of beneficiaries should be female). The cumulative number from the year 2017 to 2019 shows in annex 1.

2.2.3. Ethnic beneficiaries

The population of Lao PDR includes many ethnic groups who are defined as indigenous people under the World Bank safeguard policy (OP/BP 4.10). Most small ethnic groups are classified as *poor* and *poorest*, mainly living in remote rural areas. Those areas are government focal areas for development. PRF sub-projects are located in remote areas where the majority of the population is comprised of small ethnic groups. In 2018, the number of ethnic beneficiaries presented 80%, which is 10% exceeded the estimated target (70%).

Table 3: Project beneficiaries in Cycle XV

Provinces	#SPs	Population	Female	Ethnic	Ethnic Female
Attapeu	14	9,410	4,833	7,188	3,722
Huaphanh	83	34,188	16,827	22,038	10,716
Luangnamtha	18	8,168	4,060	7,577	3,771
Luangprabang	39	20,999	10,356	15,138	7,484
Oudomxay	39	23,657	11,845	20,513	10,277
Phongsaly	22	7,936	3,793	6,377	3,026
Saravane	29	16,921	8,120	16,921	8,120
Savannakhet	46	27,790	13,837	22,186	10,958

Sekong	21	8,592	4,168	8,293	4,028
Xiengkhuang	24	10,647	5,342	8,641	4,307
Grand Total	335	168,308	83,181	134,872	66,409
Achievement			49.42%	80.13%	49.24%
Estimated Target			50%	70%	50%

Source: PRF MIS System, December 2018

Detail of each Indicator using accumulated number is described in *Annex I*.

Percentage of PRF beneficiaries (HHs) reporting improved access to basic services

The four indicators discussed below (2.2.4; 2.2.5; 2.2.6; and 2.2.7) will be reported more accurately after the endline survey of PRF III (to be conducted in late 2019) or if those indicators are devised, we might use the percent of reduced time to access those four basic infrastructure. In addition, some basic data related to these indicators are provided by internal assessment as detail below:

2.2.4. Percentage of PRF beneficiaries (HHs) with access to safe water resources

Water resource is crucial for improving livelihood linked nutrition in rural areas. To ensure the impact of those water sub-projects supported by PRF, the PRF team conducted a rapid internal evaluation of 214 water sub-projects in early 2018. These sub-projects were built in 2016 and 2017 and included construction and spring gravity fed system rehabilitation (175 sub-projects), drilled well construction (27 sub-projects) and community water supply construction (Water Storage Tank) (12 sub-projects). This internal evaluation⁵ was conducted with the cooperation of the provincial, district and kum ban facilitators who assisted in data collection by interviewing direct beneficiaries in the villages where each sub-project was located. The key objective was to evaluate the impact of water sub-projects (provided by PRF) for the communities livelihood linked nutrition, especially with regards to time saved for water collection, especially for women and people who are usually responsible for this task.

Table 4: Average time spent to fetch water (dry season) after and before sub-projects

Provinces	#sub-projects	Ave. before (mns)	Ave. after (mns)	Ave. time saved (mns)	Beneficiaries	Female	Ethnic
Savannakhet	23	35.87	8.48	27.39	13,723	6,775	9,625
Saravan	18	34.33	3.56	30.78	7,281	3,588	6,308
Xiengkhuang	10	24.3	3.8	20.5	4,860	2,389	3,082
Pongsaly	8	17.13	2.5	14.63	1,919	990	882
Luangnamtha	15	25	5	20	6,753	3,365	5,615
Huaphanh	50	27.62	2.18	25.44	19,597	9,688	9,564
Luangprabang	24	40.63	8.87	32.13	12,813	6,313	6,783
Oudomxay	27	30	3.44	26.56	15,703	7,792	6,798
Attapeu	15	18	5	13	8,467	4,176	3,684
Sekong	24	24.71	5	19.71	10,037	4,834	5,157
Overall	Ave=214	Ave=29.1	Ave=4.66	Ave=24.46	Total=101,153	Total=49,910	Total=57,498

Source: Monitoring and Evaluation Division, October 2018

⁵ Firstly, we based on the list of sub-projects in each sector that we have in database system, then we created the data process in the excel file, with question related to time consumed before and after of accessing to water sub-projects provided by PRF. We provide training to M&E staff at provincial level for data collection technique and how to ask the question, and then we conducted a testing at village level. After that, the M&E team works closely with PRF team at district level and kum ban facilitators for data collection and data verification, we conducted this evaluation after project completion only and had a look at minute meeting to approve this project.

Through site visits, the communities and direct beneficiaries declared that PRF water sub-projects bring positive impacts to their living condition. Communities can access water of better quality and can save time (about 24.46 minutes on average per trip or about 84% compared with time used before) collecting water as result of PRF support. Most of these sub-projects are still functioning and provide great help to communities and improve the living conditions of the poor people.

In addition, the water system helped people to improve their livelihood activities including home garden, women having more time to look after the family and take care of children, while children have more time to do their homework and relaxing at home.

In addition, to sustain those sub-projects type, environmental protection such as areas conservation around the water resources are promoted because it is part of the PRF rules that are also approved and supported by the local authorities. Therefore, before starting the sub-project, an area of about 1,000 x 1,000 square meters around the water source is identified, planned, preserved and managed by the communities to protect both the construction and the surrounding environment.

2.2.5. Percentage of PRF beneficiaries (HHs) with access to all weather roads

Rural road sub-projects contribute to improved living conditions of villagers in rural areas. They assist in improving the marketing of agricultural products by enabling better access to outside markets but also for traders to come and buy goods directly in the village. Roads also improve access to social services including health and education, and link villages to other villages and district as well as provincial towns. The impact of rural road improvements is immediate and significant, especially in previously non-accessible areas. To better understand how communities have benefited from road investments the PRF M&E team, with the support of provincial, district staff and Kum ban facilitators, conducted a study on the impact of PRF's rural road improvement sub-projects in August and September 2018. The team visited the same target as that of Road Maintenance Group (RMG) pilot which covered 54 roads supported by PRFIII in 2017. The study focused on evaluating the average one-way travel times before and after the completion of the road improvement sub-projects when travelling by motorcycle⁶. The reported one way travel times from the village to the main road or to the agricultural production areas during the wet season are provided in the table below:

Table 5: Reported one-way travel times before and after road improvement sub-projects (54 sub-projects)

Provinces	# Sub-projects	Ave. time before (mns)	Ave. time after (mns)	Ave. time saved (mns)
Huaphanh	9	150.00	111.67	38.33
Luangnamtha	2	70.00	42.50	27.50
Luangprabang	13	103.08	31.92	71.15
Oudomxay	5	84.00	12.00	72.00
Pongsaly	9	48.33	17.56	30.78
Saravan	5	42.00	19.00	23.00
Savannakhet	11	149.09	94.09	55.00
Overall	Total = 54.00	Ave. = 102.50	Ave. = 52.83	Ave. = 49.67

⁶ Methodology is based on the list of concerned sub-projects, we set up the data collection form to ask time travel to the center of villages or production areas (by walking, motorcycle, other, but we selected only motorcycle for this evaluation) before and after supported by PRF, we collected data after completion of sub-project, by setting up a mixed group of 6 to 10 persons including women, men and village leaders were asked about the village condition before and after receiving the sub-project/service, questionnaire is enclosed in annex.

Key informants in each village were asked questions to estimate for one-way and during wet season travel times from the village to the main road or from the village to the main agricultural production areas before and after completion of each of the road sub-projects. Villagers were also asked about impacts on marketing, household income and access to basic services. The result of this study indicates that villagers would save an average approximately 49.67 minutes to travel from the village to the main road, or from the villages to the center of the Kum ban production areas as a result of the road improvement.⁷ Villagers reported that they were better able to access basic services including reduced time to reach a dispensary or health center. Most notably, the improved roads were reported to have contributed to household incomes as households are able to more easily and cheaply transport their agricultural products to markets and nearby villages.

In Nammy Village, Viengkham District of Luang Prabang Province, the community reported that before the road was improved it was difficult to travel and that access was only possible in the dry season by foot, and it took approximately 2 hours to reach the main road. The road had no drainage, many potholes and very steep and slippery slopes. Prior to the sub-project the villagers were not able to transport their agricultural products to nearby markets, and when people were ill the trip to the health center took many hours. In 2017, PRF supported their road improvements including excavating new drains and installing culverts. Now transportation by vehicle from the main road is currently not more than 30 minutes and villagers save approximately 1 hour and 30 minutes. Villagers reported that they can now sell their agricultural products in nearby markets, and can easy travel to the health center when somebody is ill and therefore receive timely treatment. This was particularly important for the health of pregnant women and young children (attested by the sub-project direct beneficiaries).

However, the sustainability of the benefits of road improvement sub-projects is a challenge for the community because of the low costs of construction and the impacts of heavy rains during the wet season. Adequate, regular maintenance work is essential for sub-project sustainability. This responsibility falls under the responsibilities of the community and the district administration. In these 54 villages, PRF has assisted the villagers to establish an operation and maintenance committee to ensure proper maintenance of the road after completion of the road improvements financed by PRF and the Government. The PRF is also piloting payments to the most vulnerable households that belong to the RMG, providing them the opportunity to receive regular cash income in return for contributing labor for the road maintenance, in average a RMG member received about LAK 250,000/month, which is capture 25%-50% of household income (Impact Evaluation of RMG, 2017).

2.2.6. Percentage of PRF beneficiaries (HHs) with access to health services

Achievements against this indicator will be available after completion of the PRF III end-line survey or revised indicator using the existing data from Monitoring and Evaluation System.

2.2.7. Percentage of PRF beneficiaries (HHs) reporting improved quality of educational facilities

The education sector is one of the main communities and GoL priorities. The PRF has supported this sector since its commencement to improve both access to education and the quality of education in rural areas of Lao PDR. The emphasis of the PRF is to make sure that the quality of

⁷ Note that some sub-projects aimed to improve access to the main road while others aimed to improve access to farmer fields.

education facilities are available for children in poor rural villages, thereby encouraging children in the school village and nearby villages to have access to education and to attend school.

This indicator will be assessed in detail as part of the PRF end-line survey (See PRF results framework in Annex 1).

2.2.8. Proportion of total project value contributed by the communities

In order to encourage community participation and sense of ownership, communities are encouraged to contribute to sub-projects in the form of both labor and materials based on local availability. For the 335 sub-projects that PRF and the Government have supported in 2018, communities agreed to contribute their labor and local materials up to 7% of the total sub-projects costs in average (estimated to be more than US\$765,000 in total). Community contributions vary from one community to another and mainly depend on the sub-project type and the quality of the materials available locally.

Table 6: Community contributions in 2018

Provinces	#SP	Community Contribution (US\$)	SPs cost (US\$)	Percentage (%)
Attapeu	14	26,130	422,548	6%
Huaphanh	83	206,254	1,941,156	11%
Luangnamtha	18	31,431	462,408	7%
Luangprabang	39	85,049	1,552,305	5%
Oudomxay	39	120,182	1,142,984	11%
Phongsaly	22	54,042	859,209	6%
Saravane	29	47,519	630,033	8%
Savannakhet	46	84,102	1,835,576	5%
Sekong	21	38,085	740,472	5%
Xiengkhuang	24	72,625	792,775	9%
Grand Total	335	765,418	10,379,466	7%

Source: PRF MIS System, December 2018

The key achievements of Cycle XV, including the size of each construction (sub-project), the sector, budget and community contributions are detailed in *Annex 2*

2.2.9. Proportion of PRF beneficiaries (HHS) voting for village priorities

A minimum of one representative from each household is expected to participate in the Village Development Planning meeting because the project needs to ensure that priorities are identified and selected by all households in the village and that PRF projects are not serving only a specific group within the community. During the Cycle XV planning, 24,227 out of 27,371 households or 89% which is exceeded the target value (75%), participated in the VDP meetings and were involved in the prioritization process in each village. These data are based on the 326 villages that have received at least one sub-project (see Table 7 below).

Table 7: Proportion of HHs voting for village priorities (Cycle XV)

Province	# Households participating	Total # Households
Attapeu	1,103	1,723
Huaphanh	4,942	5,148

Luangnamtha	1,052	1,278
Luangprabang	3,848	4,109
Oudomxay	3,514	3,987
Phongsaly	1,321	1,684
Saravane	1,891	2,197
Savannakhet	4,358	4,494
Sekong	828	1,110
Xiengkhuang	1,370	1,641
Grand Total	24,227	27,371
	89%	

Source: MIS, December 2018

2.2.10. Proportion of PRF Kum bans participating in the DSEDP

In response to the Government request encouraging the synchronization of PRF plan to the DSEDP during the implementation of PRF III, PRF has implemented a pilot in four districts located in four different provinces – Samnuea (Huaphanh province), Beng (Oudomxay province), Phonexay (Luangprabang province) and Sepone (Savannakhet province). In 2018, in average 83% of the priorities in the KDPs were included in the DSEDP which is 8% exceeded the target value (75%) of this year. The results of these assessments indicate that most of PRF's plans are reflected in the DSEDP⁸. This has been due to greater involvement of district agency staff in the PRF planning process, and PRF teams' frequently meeting and coordinating with district administrations and relevant sector staff at the district level.

To compare with the 4 pilot districts, during 2018, the PRF team collected data in all of the 10 targeted provinces indicating that in 39 districts an average of 70% of KDP priorities were included in the District Socio-Economic Development Plans (DSEDPs).⁹ In an additional four districts, PRF has piloted procedures to better incorporate KDP priorities within DSEDPs (for details, see *Annex 3*).

2.2.11. Proportion of sub-project activities of high technical quality

The Technical, Utilization, and Beneficiary Satisfaction Assessment conducted in May 2018, based on a sample of 36 randomly-selected sub-projects, reported that 92% (which is 7% exceeded the target value, 85%) of the infrastructures were considered to be in *good condition*, with the remaining 8% being rated *fair*.

All designs and drawings were found to fully meet their relevant sector standards, and all drawings were certified. Furthermore, the assessment found that 74% of the sub-projects had been constructed in accordance with the plans and specifications contained in the sub-project proposals and were considered to *meet specifications*. A further 25% were rated *slightly below specifications* and only 1% of technical ratings were *below specifications*.

The quality of the maintenance at the sub-projects was assessed to be *highly satisfactory* (58% of sub-projects) or *satisfactory* (39%). Only one sub-project was rated *moderately satisfactory*.

⁸ Remark: based on the list of kumban's prioritized sub-projects that included in DSEDP confirmed by District Planning Office with PRF staff.

⁹ The KDPs of PRF comprise **all** the priority needs of villager in the targeted Kum ban. District plans are based on the priorities of the district's concerned sector agencies. These agencies collate and integrate data including village priorities however district plans might not capture all the needs expressed by villagers.

2.2.12. Proportion of households in PRF beneficiary villages satisfied with the participatory planning process supported by PRF III

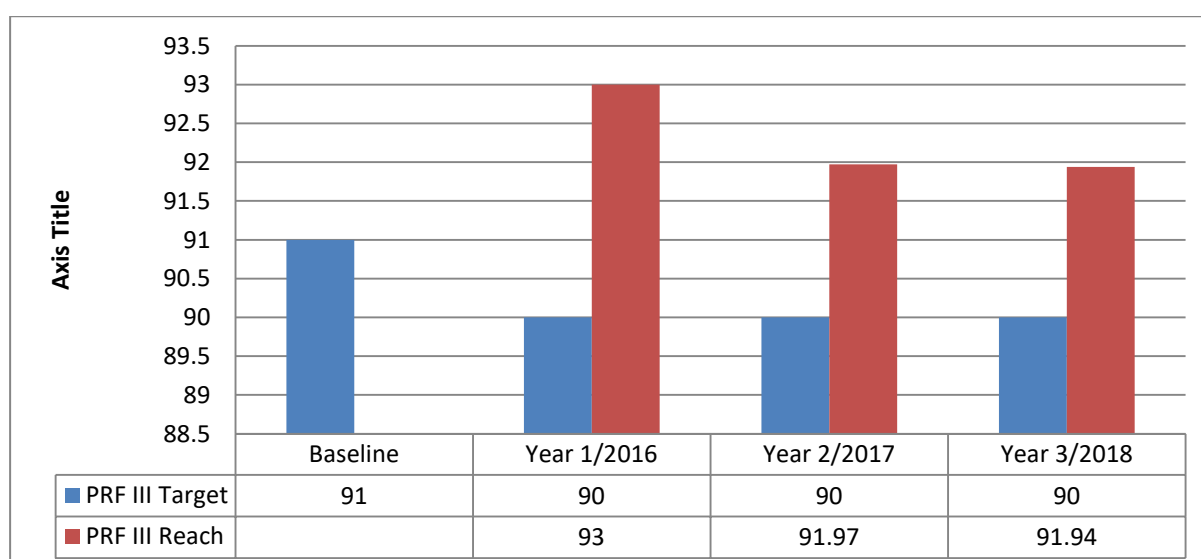
The Technical, Utilization, and Beneficiary Satisfaction Assessment 2018 assessed various aspects of the beneficiary's satisfaction towards the support they have received from the PRF and the Government. Thirty-six villages that had benefited from PRF III sub-projects were sampled covering various types of infrastructure. Focus group discussions were conducted with the community in each village with mixed groups of women and men. Groups discussed the planning process and the results of the planning; focusing on whether the infrastructure selected for the sub-project corresponded to the priorities identified in the Village Development Plan and addressed the needs of the community. 95% of the interviewed groups were fully satisfied with the planning process and its results, with only 5% of the interviewed groups indicating that they were marginally satisfied, which is 15% exceeded the target value (80%) of this year.

In addition, the Assessment conducted by external consultant company indicated that slightly more than half (53%) of the villagers consulted were *highly satisfied* with the infrastructure supported by the PRF. The rest were *satisfied* (42%) except for two committees (5%) that were only *moderately satisfied*.

2.2.13. Proportion of PRF III sub-projects prioritized by women

In reference with one of the key principles of PRF – social inclusion and gender equality – women are actively encouraged to participate in every activity of the sub-project cycle - starting from planning, through implementation and monitoring, up to sub-project operation and maintenance. During the planning process, priorities come from both women and men who discuss their needs in two separate groups. Priorities are divided into three categories: those prioritized by women only (38 sub-projects or 11% out of total), those prioritized by men only (27 sub-projects or 8 %), and those prioritized by both women and men (270 sub-projects or 81%). A total of 308 or 92% of the sub-projects have therefore been prioritized by women (we used the number that women involved), which is 2% exceeded the target (90%).

Figure 4: The cumulative number of PRF III sub-projects prioritized by women (%)



Source: MIS, December 2018

2.2.14. Proportion of PRF III sub project prioritized by small ethnic groups members

PRF is focusing on rural remote areas, targeting poor and vulnerable groups including ethnic groups who are often living in areas still lacking basic facilities. Hence, it is most important to listen to the voices of ethnic group members and identify their needs. Table 8 indicates the

participation of small ethnic groups during the village planning and prioritization in the PRF targeted villages. These data indicate that 85% of priorities supported by the PRF as part of the Cycle XV are coming from small ethnic villagers.¹⁰

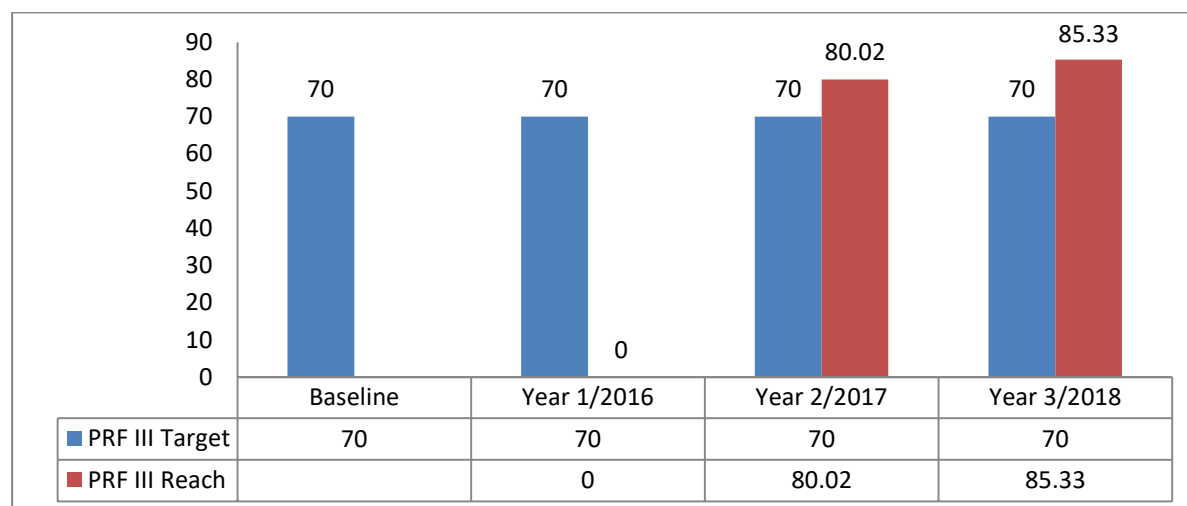
Table 8: Participation of minority ethnic groups in planning village priorities (Cycle XV)

Province	Total Participants	Small Ethnic Group Participants	Ethnic Group participants (%)
Attapeu	1,092	1,055	97%
Huaphanh	5,686	3,009	53%
Luangnamtha	1,087	1,087	100%
Luangprabang	3,991	3,560	89%
Oudomxay	3,597	3,427	95%
Phongsaly	1,358	1,325	98%
Saravane	2,910	2,864	98%
Savannakhet	4,186	3,945	94%
Sekong	733	718	98%
Xiengkhuang	1,294	1,141	88%
Grand Total	25,934	22,131	85%

Source: MIS, June 2018

The cumulative number of the sub-projects prioritized by small ethnic groups members from 2017 to 2019 shows in Figure below.

Figure 5: The cumulative number of sub-projects prioritized by ethnic groups



Source: MIS, December 2018

2.2.15. Proportion of PRF built infrastructure in a functioning quality

According to the Technical, Utilization, and Beneficiary Satisfaction Assessment covering 36 sub-projects supported during the Cycle XIV, 92% of the infrastructures assessed are in *Good Condition*, which is 12% exceeded the target value (80%) of this year., while the remaining 8% being rated *Fair*. There were no sub-projects considered to be in *poor condition*.

¹⁰ Note that village priorities are based on individual voting by all participants in the planning process.

Additionally, in 2018, the PRF M&E team also followed the operation of PRF's supported sub-projects from 2012-2017. There were 2,278 sub-projects (construction and rehabilitation sub-projects type) included in the assessment. 2,154 sub-projects were functional and in good condition while only 124 sub-projects (5.4%) of the assessed sub-projects were not being used anymore (not functioning).

PRF team worked closely with the concerned sectors as well as the Operation and Maintenance Committees of the villages for the rehabilitation of those 124 sub-projects. By December 2018, 74 sub-projects of out 124 sub-projects were repaired and only 50 sub-projects (2.2%) are still waiting for the support of the concerned sectors. Therefore, this indicator currently reaches 97.8% of the total number of sub-projects supported by the PRF and the Government for the period 2012-2017.

2.2.16. Proportion of registered grievances that are addressed according to agreed procedures

During the reporting period (January to December 2018), the project received feedback from communities through various channels including the "1611" hotline, letters, meetings, feedback boxes etc. The total number of feedback responses received during the reporting period is 1,403 feedback comprising 3 different categories: complaints, thanks, and requests for funds/support (ore details are provided in *Annex 4*).

Table below highlights the nature of the complaints received during 2018. In total, only 331 of the 1,403 feedbacks received were related to complaints (23.59%)¹¹. Most of the complaints were related to social issues (134 feedbacks). All 134 complaints have been addressed and solved during the reporting period.

Table 9: Classification of complaints received from January-December 2018

No	Heading	#SP	Description	Remark
1	Social issues	134	Most of social issues are related to communities land use as well as sub-projects location. All issues have been resolved during the village consultation meeting.	Solved
2	Environmental issues	82	Most of the environmental issues are related to land slide and trash from wood, no green zone and no tree plantation around building facilities	Solved
3	Complaint to contractor/company	47	Low quality of materials for construction, sometime contractor is not listening to the voice of community during the sub-project implementation	Solved
4	Disaster impact	35	Due to natural disaster (heavy rain) most of sub-projects were related to water supply, irrigation and transportation, but those sub-projects issues have been solved by the O&M committee with relevant sector assistance (i.e. drainage at water storage/head work, inadequate water for community)	Solved
5	Miss-understood and Coordination	20	Sometime miss-understanding among community as well as VIT team about sub-	Solved

¹¹ There are 5 channels of FRM, 1) The community meeting, 2) Feedback Box, 3) Field visiting record, 4) Hotline 1611, and 5) other. During 2018, the key data /information received only during community meeting and field visiting recorded by district staff.

			project management responsibilities related to finance and procurement, and lack of coordination with PRF local staff as well.	
6	Community contribution	13	Low community contribution due to construction period competing with agriculture activities.	Solved
	Total	331		Solved

Source: MIS, December 2018

Analysis of the data suggests that the number of comments/feedback received from the different provinces and districts depends on the level of FRM understanding and diligence in data collection/recording. Further training has been provided for provinces with a low number of feedbacks, especially on how to process feedback correctly.

2.2.17. Number of communities able to plan, implement and monitor their VDP¹²

For the Cycle XV (2018), 326 communities (where sub-projects were located) were identified to be able to plan, implement and monitor their VDP. During the planning process, communities of all targeted villages have to follow detailed problem identification and planning processes in order to select their sub-project priorities. Prior to implementation, the Village Implementation Team (VIT) members are elected and received training to ensure they can supervise and financially manage their sub-projects. After each sub project is completed, an Operation and Maintenance Committee is appointed and trained to support the community in the operation and maintenance of their sub-project.

Table 10: Number of communities able to plan, implement and monitor their VDP

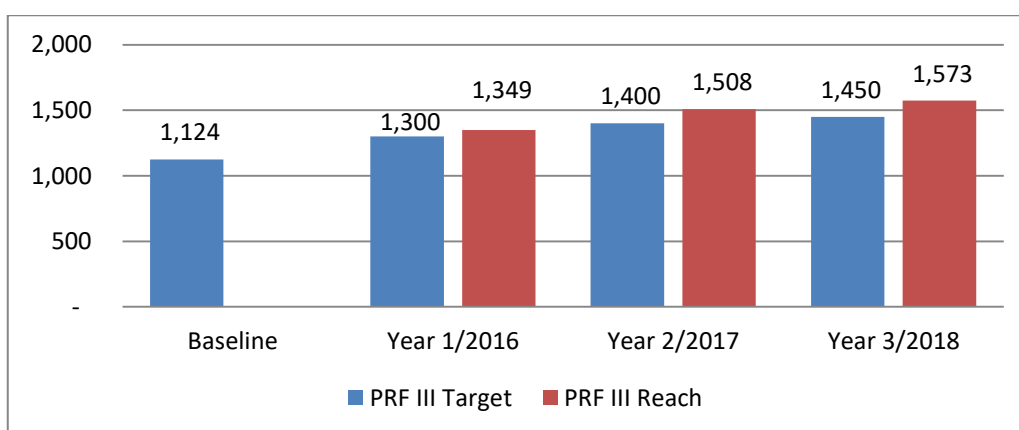
Province	# Communities	# Sub-projects	# VIT	Female (VIT)
Attapeu	13	14	177	39
Huaphanh	79	83	718	234
Luangnamtha	18	18	162	54
Luangprabang	39	39	351	103
Oudomxay	39	39	351	101
Phongsaly	22	22	184	67
Saravane	29	29	261	87
Savannakhet	44	46	396	132
Sekong	20	21	180	57
Xiengkhuang	23	24	207	53
Grand Total	326	335	2,987	927

Source: MIS, December 2018

Considering at the cumulative number of PRFIII, in 2018, there are 1,573 villages are considered to be able to plan, implementation and monitor their VDPs, which is 16.8% exceeded the target value of this year (1,450 villages), please see figure below:

Figure 6: The cumulative number of communities able to plan, implement and monitor their development plans

¹² A village is considered to have fulfilled this indicator if it has developed a VDP and has completed one sub-project., involved in implementation, receive training (VIT and O&M), . The cumulative achievement at the end of 2018 is 1,588 villages, which also included the number of data from 2012 (1,349 villages).



Source: MIS December 2018

In total, 2,987 villagers have been elected to become VIT members and, along with 789 Kum ban Facilitators, have been trained on Social Safeguards, Sub-project Implementation, Financial Management, Procurement, Planning, and Safeguards Monitoring.

2.2.18. Number and value of sub project activities implemented by type

Education related sub-projects represented the majority of all sub project types in Cycle XV accounting for 37% of the total number of sub-projects, followed by road sub-projects (24%), water supply sub-projects (23%), agriculture sub-projects (13%), health sub-projects (3%) and lastly electricity supply sub-projects (1%).

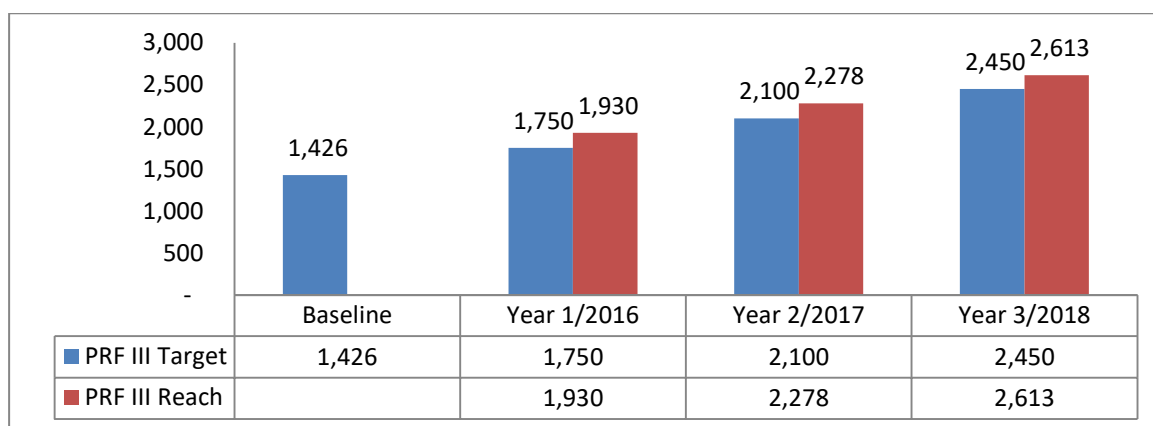
Table 11: Number, percentage and value of sub-projects implemented by type - Cycle XV

Sector	# SP	%	Budget Allocation (US\$)	%
Agriculture	42	13	886,336	9%
Education	125	37	4,793,675	46%
Energy (electricity supply)	3	1	86,894	1%
Health	10	3	341,620	3%
Access roads	79	24	2,966,020	29%
Water	76	23	1,304,921	13%
Grand Total	335	100	10,379,466	100%

Source: MIS December 2018

Agricultural sub-projects represented 13% of all the total sub-projects, an increase compared to earlier cycles. This is possibly due to earlier investments that have helped to support agricultural activities. For example, rural road upgrades connect farmers to markets, and water supplies are also used for kitchen gardens and small livestock. An important aspect of the infrastructure is their contribution to freeing adults to work on livelihoods (agricultural and other). Time spent on fetching water is reduced and schools provide day care for children. The figure below indicated the accumulative number of sub-projects is 2,613 which is 6.6% exceeded the target number, 2,450 completion sub-projects.

Figure 7: The cumulative number of PRF III sub-projects implemented by types



Source: MIS December 2018

2.2.19. Proportion of sub project located in poorest and poor villages

The activities supported by the PRF are mainly in remote rural areas where poverty is still an issue and villagers experience high vulnerability. PRF prioritizes its support to the poorest and poor villages in the project's targeted areas.

Table 12: Numbers of sub-projects located in poorest, poor and moderately poor villages – Cycle XV

Province	# SP	Sub-project located by village status in 2018				Village Status of PRF III (2017-2019), 1,820 villages		
		Poor	Poorest	Moderately poor		Poor	Poorest	Moderately poor
Attapeu	14	12	0	2		55	0	4
Huaphanh	83	63	3	17		295	18	77
Luangnamtha	18	18	0	0		65	0	4
Luangprabang	39	28	1	10		159	10	85
Oudomxay	39	32	4	3		173	21	15
Phongsaly	22	22	0	0		172	0	0
Saravane	29	16	6	7		61	33	50
Savannakhet	46	36	10	0		217	31	11
Sekong	21	18	1	2		104	13	6
Xiengkhuang	24	13	2	9		87	4	50
Grand Total	335	258	27	50		1388	130	302
	%	77%	8%	15%		76%	7%	17%
% village status received sub-projects						18.6%	20.8%	16.6%

Source: MIS, December 2018

During the year 2018, PRF supported 335 sub-projects in 326 villages. 258 sub-projects were implemented in *poor* villages (77%) and 27 in *poorest* villages; combined these contributed to 85% of the total number of Cycle XV sub-projects. The 50 sub-projects implemented in moderately poor villages were generally located in the center of a Kum ban where poor villages could also benefit from the services provided. According to the data of 1,820 villages as the target areas of PRFIII, the percentage of sub-projects located by poverty status is reasonable, where the poor and poorest captured 1,518 or 83% and the moderately poor is 302 villages or

15%. In 2018, as shown in table above 20.8% out of total poorest villages received sub-projects, following with the poor village, 20.8% and moderately poor village is 16.6%, respectively.

2.2.20. Number of individuals with livelihood investments using loans from SHGs

For the PRF III, the LN activities continued to work in 165 villages located in 7 districts in Huaphanh and Savannakhet provinces. A total of 915 SHGs have been implemented with a total of 10,085 members, 85% were female and 80% are from ethnic group. For this indicator we based our calculation on the total number of SHG members who initiated livelihood investments using SHG loan. As already mentioned in the last semi-annual progress report, the members who took the loan for livelihood investment reached 9,962 members which is 24% higher than the final PRF III target (8,000 members). Additionally, from 2013 to December 2018, there were 20,370 loans issues to the members (some member received two loans and some members even received 3 loans).

So far, there are different types of livelihood activities including poultry raising (the most common type of investment representing 28.94% of all activities); diversified IGA (22.58%); pig raising (20.82%), goat raising (13.22%); small trading (greengrocery and retail sells) (2.63%); fish raising (1.67%); cattle raising (0.04%), vegetable production (0.12%) and other crop production (3.34%). The non-agriculture IGAs were weaving (6.65%), bamboo basket making and petty trading. Some SHG members invested in more than one IGA, for example, weaving and raising pigs or chickens.

Table 13: Main livelihood activities undertaken by SHG members in 2018 using small loans

Types of IGA	Members	Percentage (%)
Poultry Raising	2,919	28.94%
Diversified IGA	2,277	22.58%
Pig raising	2,100	20.82%
Goat raising	1,333	13.22%
Weaving	671	6.65%
Small trading (greengrocery and retail sells)	265	2.63%
Fish pond raising	168	1.67%
Native banana planting	136	1.35%
Cassava Production	123	1.22%
Broom Grass Planting	49	0.49%
Maize production	28	0.28%
Vegetable Production	12	0.12%
Cattle Raising	4	0.04%
Grand Total	10,085	100.00%

Source: Livelihood and Nutrition, December 2018

2.2.21. Proportion of SHGs with NPLs 4% and below

According to the PRF III's PAD, this indicator is the value of all outstanding loans with payment(s) due for more than 90 days after the contract end. In terms of repayment almost 9,962 loans were repaid and the next loans were issued in 2018. For the result of 2018, we used the

data of 2017, where there were 7,821 loans issued in 2017¹³, while 6,939 (88.7%) loans had been successfully repaid, 827(10.6%) loans considered as outstanding (borrowers were still making payments but had exceeded their original term), and only 55 (0.7%) were considered as non-performing. For loans issued in 2017, 96% of SHGs had 4% and below of NPLs. The target in the Results Framework is 70%. This indicator is a common measure of loan portfolios held by microfinance institutions; however it should not be used as the key measurement for SHG performance.

¹³ Among 9,962 majorities continued to take loan for two reasons: 1). the members could not repaid on time and become outstanding loans that have extended lending contract and continued paying interest. 2). they Continued loan taking due to successfully repaid. $9962 \text{ (taken loan before 2016)} - 7821 \text{ (2017)} = 2141 + 123 = 2264$ members did not continue taking loan, but still regularly performing membership obligation.

CHAPTER III: PROGRESS AND ACHIEVEMENTS BY COMPONENT

Component 1 Community Development Sub-grants

This component includes 2 budget lines: a) Sub-grants and Kum ban planning and b) Orientation meetings, which include participatory community and local development planning processes at Village and Kum ban levels. Sub grants for implementation of community infrastructure based on the Kum ban development plans. Activities include Village Development Plan meetings, Kum ban Development Plan meetings, KDP Endorsement meetings by the district authorities and concerned sectors, KBF training on social safeguards and FRM, village report back meetings, sub-project survey-design, village confirmation meetings, VIT training on finance and procurement, procurement/bid meetings, VIT training on implementation, and sub-project kick-off meetings, and training on operation and maintenance (O&M). During January-December 2018, the Cycle XV sub-grants have been nearly completed and disbursement is reached 94% compared to the plan. As detail below:

3.1. Planning for community and local development

During the reporting period (February to March 2018), the team reviewed the VDPs for the Cycle XVI (last PRF III planning review). The VDPs review purpose was to confirm the Cycle XVI list of sub-projects. This review was conducted by the KBFs in each village after being invited to join 2 days refresher training.

The Cycle XVI includes 546 sub-projects, including 131 sub-projects under the GOL budget (LAK37 Billion) in 499 villages (see details in the table below). Sub-project survey-design was conducted from April to December 2018 (but the team is still conducting survey-design and the number of sub-projects may change). Procurement was conducted from November to December 2018 allowing sub-project implementation to commence from January 2019 onwards. This means that the implementation of sub-projects for Cycle XVI should be completed before the next raining season and for sure before December 2019.

Table 14: List of sub-projects for Cycle XVI

Provinces	#SP	Villages
Attapeu	29	26
Huaphanh	98	96
Luangnamtha	24	24
Luangprabang	40	40
Oudomxay	124	109
Phongsaly	44	44
Saravane	14	12
Savannakhet	89	76
Sekong	46	44
Xiengkhuang	38	28
Grand Total	546	499

Source: Engineering Division, December 2018

Remark: The lists of 546 sub-projects (including 131 sub-projects under GoL funding) are used for survey-design. Since the Government already confirmed to allocate LAK 11 billion to implement only 40 sub-projects, therefor, only 455 sub-projects are confirmed to

implement in 2019 (for the final data and information will be updated in the next semi-annual report 2019).

3.2. Engineering works

During the reporting period, the main work done by the Engineering team covered 1) the community support for the implementation of the Cycle XV. At the end of December, all sub-projects are nearly completed (99.70% sub-projects completion with 334 sub-projects out of 335 sub-projects completed). The only sub-project still under construction (Savannakhet province) is expected to be completed by February 2019. The survey-design of the Cycle XVI sub-projects were conducted in September 2019 with a total of 546 sub-projects; 2) monitoring of the CLTS activities in the field with the active participation of the Deputy Executive Director to lead the meetings with the district authorities and the Namsaat District to follow up the post-triggering activities in order to reach ODF; 3) the scaling up \ of the RMG activities; 4) trainings of community contractors for the sub-projects using the CFA approach and 5) the post-implementation road inspection.

3.2.1. Survey and design

As the community planning stage was completed in early March 2018, the engineering team has conducted the survey-design of 131 sub-projects financially supported by the Government budget. In December 2018, the Government of Lao PDR announced to contribute only LAK11 billion out of LAK 37 billion, which covered 40 sub-projects, and the less of sub-projects with LAK 26 billion are expected to implement in 2020 or beyond based on available budget). All the other cycle XVI sub-projects have been included in the IDA envelope and the survey-design carried out during July-August 2018 and sent for donors approval by the end of 2018 and early 2019.

3.2.2. Pilot Road Maintenance Group

Based on the performance of the Road Maintenance Group (RMG) pilot conducted in 2017, that have been proven successful in ensuring proper roads maintenance and providing income to poorest households, the RMGs activities were extended to 23 districts in 7 provinces covering 54 rural roads within the Cycle XIV. In total 74 RMGs (made of 341 members) have received training in basic technics related to road maintenance (details are described in *Annex 5*), the RMG groups will ensure the maintenance of approximately 355.34 km of roads up to the end December 2019.

The baseline survey conducted by a consultant company, commissioned by the WB has been completed with a report being submitted to the World Bank for review in December 2018. Once the endline survey is completed in late 2019, it is expected that this report will provide the GOL available information on the RMG financial aspects and other benefits for the poor who are the main RMG members, and to stimulate discussion regarding the suitability of this model for labor-intensive, rural road maintenance at a larger scale. The payment of the RMG members was transferred through Village Implementation account and VITs who are responsible to manage the payment for MRG members since started the RMG work with a total 33.33% of the RMG total budget allocation (The updated progress of this work will be mentioned in semi-annual report 2019).

3.2.3. Community Force Account

In September 2018, PRF hired a consultant to develop a planning and implementation model, including step-by-step implementation procedures, a CFA guide for the PRF and the Government staff as well as a community CFA manual. In 2019, 13 sub-projects will be

screened and selected by the consultant and submitted to the World Bank for NOL (More details can be found in *Annex 6*). In December 2018, the PRF organized a workshop at the central office to review a list of sub-projects that were selected, to present the CFA guide and the first community training stage. The implementation work is expected to start by the end of February 2019.

3.2.4. Quality Control

The engineering team has cooperated with the Lao universities (Luangprabang and Champasack Universities) to undertake the quality control inspection of the sub-projects in the northern and the southern provinces. The random inspection was already carried out in the three provinces of Saravanh, Sekong and Attapeu in the south and Xiengkhouang, Oudomxay and Phongsaly provinces in the north. A total of 39 sub-projects were inspected by the PRF national team and the voluntary engineers out of 348 sub-projects. The list of the inspected sub-projects are as follow: (a) infrastructure construction: 19 sub-projects; (b) gravity fed system: 10 sub-projects; (c) road improvement: 9 sub-projects; (d) bridge: 1 sub-project; and (e) 1 irrigation: 1 sub-projects. In average, 96.9% of the sample sub-projects were considered to be good in condition, with the remaining 3.1% being rated fair.

The engineering team also completed the inspection of 118 sub-projects completed during the Cycle XIV and the cycle XV.

Component 2 Capacity building

This component is related to capacity building activities including capacity building of staff, local authorities and communities. Training and other capacity building activities include refresher training on planning, PRF staff refresher training on finance and procurement, DSEDP meetings, GOL sectors project monitoring, KBF monthly meetings, district annual evaluation meetings, provincial local exchange visits and meetings, M&E staff refresher training, internal audit visits, PRF Board meetings, first and second accountability meetings, KBF monthly meetings, PRF refresher training on Environmental and Social Safeguards, public information activities using TV, radio, IEC tools and Materials, PRF assessment, technical assistance support, 6 and 12 month monitoring support. This budget was implemented in line with the approved annual plan.

Capacity building activities have remained a key focus to strengthen capacity of the communities; as well as PRF staff at all levels and government counterparts on the CDD model. In 2018, Most of the trainings and workshops were conducted by PRF provincial and districts officers at the local levels.

3.3. PRF staff capacity building

To strengthen capacity of PRF staff on the Monitoring and Evaluation System, and in accordance with the agreement made by each Division and Unit, the M&E trainings were provided by the central M&E team for central staff, provincial staff, district staff and Kum ban facilitators with total of 156 participants including 54 female staff.

One hundred and five participants (including 47 female) received the training on the Feedback and Response Mechanism (FRM), village social audit and social safeguards with emphasis on Compensation and Resettlement Policy Framework (CRPF) and Gender in rural development.

One hundred and one staff (including 16 female) was also trained on Financial Management and administration, technical and also procurement for the sub-projects implementation under the Cycle XV and the cycle XVI.

Thirty two districts staff (including 8 female) of the LN were trained on chicken rising (using component 4 budget). The Central-level Master Trainers also continued to provide on-the job training for the local PRF and government staff as planned.

Table 15: Sample of Staff training topic conducted during 2018

Name of training course or workshop	Date	Main objective	Number of staff trained	Females trained
M&E refresher training	Aug 2018	To refresh national and provincial M&E staff on the M&E system and their responsibilities toward the monitoring and evaluation activities	38	13
TA, FA, Procurement refresher training	Sept 2018	To refresh national, provincial and district staff on Financial Management and administration, technique, as well as procurement for sub-project implementation.	101	27
CD refresher training	Oct 2018	To refresher national, provincial and district staff on Social safeguards and staff ability improvement.	63	14
LN training on Chicken rising	Dec 2018	To train LN district staff on chicken rising to be ToT for SHGs (in 2 provinces and 7 districts)	32	8

Source: Monitoring and Evaluation, December 2018

More details about staff capacity building in 2018, can find in *Annex 7*.

3.4. Local authorities capacity building

During the reporting period, the PRF team conducted 23 training courses for the local authorities mainly at the beginning of sub-project implementation until post-sub-project construction (see *Annex 8 for more details*). The key local authorities trainings conducted in 2018 are summarized in the Table below.

Table 16: Key trainings and meetings to the local authorities

Name of training course or workshop	Date	Main objective	Number of staff trained	Females trained
Annual District Evaluation Meeting	2018	1) to evaluate the performance of PRF support at the district level during the Cycle XV; 2) to report villager's satisfaction to local authorities about the performance of PRF support during the Cycle XV	829	140
Kum ban Development Planning	2018	To discuss among the village representatives the village list of priorities and plan and also review the kumban facilitators list	765	90
Cross Kum ban meeting	2018	To review the progress and achievements of the sub-project implementation and to review the challenges met and the lessons learnt	129	3

Operation and Maintenance	2018	To understand the technical step of construction, community management on the sub-project maintenance the after the handover ceremony	1,232	115
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Source: MIS, December 2018

3.5. Communities capacity building

To ensure all sub-projects supported by the PRF are operating properly and can be sustained, the local Authorities, O&M committee and villagers have been trained on the Operation and Maintenance (O&M) of the sub-projects after being handover to the communities. A total of 8,185 participants, (including 3,000 female and 6,079 small ethnic group members), the training emphasis was on the technical aspects of the construction so that community could resolve and manage the sub-projects by themselves. The second training organized was for the financial committee with a focus on the financial aspects to ensure the sub-projects proper operation and maintenance.

To build the KBF and village mediation committee members capacity on Social Safeguards during the sub-project construction a training was conducted at the district level (789 participants including 477 female (60.46%)) to raise awareness on social impact and on social audit including FRM for the village mediation committee members and the village implementation team in all PRF target villages for the Cycle XV (Details can be consulted in *Annex 9*).

To follow the sub-projects implementation progress, KBF monthly meetings were conducted regularly (two times in each targeted districts during the construction period) with a total of 2,362 participants (including 1,024 female and 1,334 small ethnic group members). These meetings included the local authorities and the KBFs participation. These meetings focused on reviewing the sub-projects implementation, the issues faced and the way to resolve them. These meetings are usually taking one full day.

During the Cycle XV sub-projects implementation, cross Kum ban visits were conducted, involving 263 Kum ban in all the 43 districts covered by the PRF. The cross Kum ban visits focused on the exchange of lessons learnt in the villages able to reach high capability resulting in satisfactory sub-Project implementation, maintenance and operation as well as successful livelihood and nutrition outcomes and that can be used as a model village for other to exchange lessons with including PRF Livelihood and Nutrition targeted villages (SHGs). In 2018 a total of 2,886 participants (including 1,123 female and 2,094 small ethnic group members) were involved in the cross Kum ban activities. After the visits, most of the participants were able to make a better village implementation plan and VITs and village authorities can lead their villagers to better develop their community.

From November to December 2018, the PRF team conducted the District Implementation Evaluation Meeting in 43 target districts as part of the Cycle XV activities. A total of 2,474 participants were involved (including 771 female and 1,303 members from small ethnic group) including GOL representatives at the provincial and district levels, Mass Organizations, KBFs and VITs. The objectives were 1) to evaluate the performance of PRF implementation at the district level for the Cycle XV; 2) to report villager's satisfaction to the local authorities about the performance of PRF support to the community, this also will continue in PRF III AF as the community assessment tool.

In December 2018, the PRF team led the organization of the Provincial Annual Evaluation Meeting for Cycle XV sub-project implementation. A total of 577 participants (including 102 female and 135 ethnic group members) were involved from the PRF central, provincial,

district and village representatives. The lessons learnt from these meeting are summarized as follow 1) each stage of sub-project implementation and issues should be shared with the provincial authorities so that they are aware of the situation and can assist in addressing any issues; 2) procurement process should be based on the guideline as well as the qualifications of the selected construction and district governor should be informed before the bidding; 3) provincial and district authorities should ensure the communities who benefit from the sub-projects are more involved to ensure ownership as well as proper O&M after handover the sub-project to the community (more details can be found in *Annex 10*).

The engineering team also conducted a CFA training in Luangnamtha province for weir construction sub-project. The training objectives were to provide basic knowledge to PRF provincial and district staff to understand how to carry out the training to communities. Next training will be held in Saravan and Oudomxay provinces in 2019.

To inspect the PRF III sub-projects implementation based on technical construction standards as the PRF routine in sub-projects inspection each period. There were 65 volunteer students from two universities in the northern and the southern have been trained on the sub-project technical inspection and did the sub-project inspection supported by the PRF after completion under the supervision of the Quality Control officer. In addition, the students also have trained on how to working with communities, roles and responsibilities and inspection results to be reported to PRF team at central level.

Table 17: Key trainings for local communities

Name of training course or workshop	Date	Main objective	Number of staff trained	Females trained
Operation and Maintenance	2018	Emphaze the technical aspects of the construction to ensure the community could manage their sub-project and resolve any issues	8,185	3,000
Social Safeguards for KBFs	2018	to raise awareness on social impact and on social audit including FRM	789	477
KBF Monthly meeting	2018	to review sub-projects implementation, the issues faced and the way to resolve them	2,362	1,024
Cross Kum ban visit	2018	to exchange lessons between the targeted villages	2,886	1,123

Source: Community Development Division, December 2018

3.6. Information Education Communication (IEC)

In order to ensure that PRF information is disseminated to community and public as described in the PRF Operation Manual, the Village Information Boards and the FRM boxes were set in approximately 326 villages from January to December 2018. The information dissemination activities at the village level are under the responsibility of the VIT members.

To promote PRF communication and interaction with the communities, the PRF team has invited a journalist from Media Agencies to go to the field to collect information on community participation and to observe the sense of ownership towards the sub-projects supported during the Cycle XV implementation phase as well as the O&M activities. It was also an opportunity for the journalist to see the livelihood and nutrition activities in Savannakhet, Sekong and Attapeu provinces. The information collected will be released to the public via the National Radio programme, National Television and Lao Star Channel as

well as the daily Newspapers and the monthly magazine of the Lao women Union in both English and Lao languages.

In order to promote PRF IEC to support to the communities and the Government, the PRF team organized a consultation and lessons learned workshop in July 2018 in Vientiane. Ten representatives from Medias programme were invited to develop the PRF 15 year's achievements VDO film. During this consultation the team interviewed National leaders and PRF donors on the project implementation approach.

In October 2018, the PRF team held an exhibition booth to show and disseminate PRF tools and community products from the Self Help Group (SHG) on the occasion of World food Day, International Day and National Week for Poverty Eradication. In December 2018, the team also do demonstrations on how to use the super Clean Cookstove and Grinder machine for supplementatry food for children at the 4th National Nutrition Meeting organized at The Lao National Convention Hall, in Vientiane Capital.

In 2018, the team also developed; (1) 40 PRF songs translated into 4 ethnic groups languages such as Hmong, Khmu, Akha and Bru Languages); (2) developed 2 TV spots related to PRF III introduction and the Community Driven Development model (CDD); (3) developed a film on the 15 year-achievements of PRF Implementation; (4) developed a film on Community Ownership to Reduce poverty.; (5) 30 news have been released on Media and also uploaded on PRF Website (IEC details are described in *Annex 11*).

To ensure that PRF information has been disseminated to public, the team also posted the films and photos related to PRF work through Facebook with a total of 187 posts and 7,117 number of likes, approximately 39.53 likes per post.

3.7. Donor missions, cooperation and partnerships

3.7.1. Donor missions

In June 2018, donors conducted a PRF III Midterm Review Mission (MTR). The main objectives of the mission were to: (a) work jointly with PRF to follow up on the implementation and progress of the project since the last mission in March 2017; (b) assess the quality and timeliness of sub-project construction and contract payments under Cycle XIV and preparation status of Cycle XV sub-projects; (c) assess the progress of Road Maintenance Groups and Community Force Account pilots; (d) assess the status of livelihood activities, in particular the repayment rates of self-help group loans and the viability of the groups, including use of SHG Performance Appraisals; (e) assess fiduciary and safeguard compliance and implementation quality.

To follow up the status of implementation and actions as agreed during the MTR mission, the World Bank conducted a combined PRF III Identification Mission for the PRF III Additional Financing and an Implementation Support Mission for the ongoing project activities in September 2018. The main objectives were to: a) discuss the design of PRF III AF with MAF, PRF and other relevant partners, and steps to be taken in advance of a follow-up preparation mission, b) review the status of action pending from MTR of PRF III, c) discuss in detail and agree on key elements of "nutrition convergence" approach with four cover at least the first 10 months for project implementation.

To review the status of the projects pending actions agreed during the September mission, the PRF donors conducted a mission for the PRF III AF in November 2018. The main objectives were to a) support MAF to prepare detailed design for the additional financing project including the results framework, detailed project components, implementation arrangements and budget estimates; b) assess and provide recommendations for changes and enhancements

to the fiduciary and safeguard aspects of PRFIII; and c) continue to discuss collaboration with other projects investing in improved nutrition outcomes.

3.7.2. Pilot Integration of KDP into DSEDP under MPI

PRF III has continued to support the integration of Village and Kum Ban Development Plans into the District Social Economic Development Plans (DSEDPs). This local planning integration process aims to improve linkage between village priorities and DSEDPs. It also helps to support community development plans by providing opportunities for communities to get support from other sources such as INGO, GOL, and the private sector. Integration of VDPs and KDPs into DSEDPs should also motivate communities to drive their own development.

A meeting was also conducted with H.E Kikeo Chanthabouly, the Vice-Minister of MPI to discuss and seek his guidance on the PRF plan to draft guidelines for Local Socio-Economic Development Planning (LSEDP), and linking the current village-level Participatory Planning Manual (PPM) used for VDP with the DSEDP Guideline (2012). Following his advice, a full proposal with sound justifications and work plan to develop the integrated LSEDP guideline has been drafted for further discussion. Consultation on the local planning integration with district level authorities is underway. The proposal and draft LSEDP guideline will be discussed with district authorities, as the main users of this guideline, for their feedback and broad support before proceeding with testing in 4 districts under Cycle XVI. The international consultant's contract has been extended with support from SDC to continue to assist MPI in developing the integrated LSEDP. The process was delayed due to the transition of officials, main coordinators from MPI.

3.7.3. Water and Sanitation Program

Based on the partnership with the Water and Sanitation Project under the leadership of Namsaath, the community led total sanitation (CLTS) activities were implemented in early 2016 covering 40 villages in 6 districts and 4 PRF target provinces.

At the end of 2018, there are 36 villages out of 40 villages are still implementing the CLTS activities, (4 villages are currently out of the PRF target as 2 villages received support from another agency; 1 village has a resettlement plan and 1 village has decided to cease the CLTS activities).

In Sepon and Nong district progress are still very slow in completing the latrine installation for all HHs. The delay of the completion is mainly due to the lacking of monitoring from three concerned sectors at the district level and due to the limited budget for the materials transportation. To engage the implementation of the CLTS and monitor the progress, the PRF team has held an evaluation meeting in 4 provinces, chaired by the vice district governor, local authorities and all concern partners. As agreed during this meeting, the PRF has increased the budget for the concerned sectors and more particularly the Health sector to implement the CLTS activities. The agreed target is to expect all these villages to reach ODF by the end of 2018. During the last monitoring, it was found that Sepon and Nong are still showing low progress. Therefore; CLTS support need to continue in 2019 and further consultations will be organized to found out how to solve the issues faced in these two districts.

Table 18: Village ‘open defecation free’ (ODF) implementation progress

District Name	No village implementing CLTS	Total HHs	No HHs Latrines before CLTS	%HH access to latrines	No HHs improved latrine access after CLTS	% HHs with improved latrine access after CLTS	Comment
Phouvong / Attapeu	03	385	0	0%	235	61.03 %	PRF and District Health Office continue the CLTS monitoring
Lamam /Sekong	04	626	112	17.89%	262	100%	4 villages have been ODF, 2 villages receive another project support
Darkcheung / Sekong	06	215	82	38.14%	215	100%	6 villages have been ODF 1 village is not interesting to continue the CLTS activities
Ta-Oy / Saravane	04	248	0	0%	194	78.22 %	3 village has been ODF, 1 village receive another project support
Nong / Savannakhet	05	335	32	9.55%	113	33.73%	PRF and District Health Office continue the CLTS monitoring
Sepone/ Savannakhet	14	885	72	8.13%	91	10.28%	PRF and District Health Office continue the CLTS monitoring
Total	36	2,694	310	11.50%	1,110	41.20%	

Source: Engineering Division, December 2018

3.7.4. Bolikhamxay authorities planning support

In response to the request from the Khamkeut and Xaichamphone District authorities (Bolikhamxay Province) and with the financial support from the Theun-Hinboun Power

Company Ltd. (THPC), the PRF provided training and technical support for the district on CDD and participatory planning method during March-April 2018. The objective of the training was to build the district capacity to undertake Village Development Planning in 4 resettled villages in these two districts. After this learning-by-doing exercise, the district authorities have continued to conduct the VDP in other affected villages in the THPC Downstream Program.

3.7.5. Partnership with the AFN Project (WFP)

In February 2018, the PRF team and AFN project team including MAF officers joined a mission with the World Bank as part of the preparation of the new project “Malnutrition and Poverty Reduction in Oudomxay and Phongsaly Provinces”. Both projects shared their experiences on operating the Village Nutrition Centers (PRF) and Farmer Nutrition Schools (FNS) with the World Bank team. The collaboration between the two projects is ongoing including sharing information and results from implementation for learning from each other. Recent discussions concerned the testing of a grain mill for making an instant rice/pulse/peanut porridge mix for complementary feeding. This may be tested in one or both projects.

In December 2018, PRF organized the Consultation Meeting on PRF III AF concept note that was chaired by PRF Executive Director with participants from other concerned sectors such as agriculture, health, education sectors. This was a good opportunity to create understanding about the PRF to the audiences and considering how to create synergy and working together between the different rural development partners.

3.7.6. Partnership with the GPAR project

SDC and UNCDF will jointly commission an independent consultancy to formulate a District Development Fund (DDF) and PRF Collaboration Framework. Both the DDF and the PRF share common goals and serve as vehicles for GoL to deliver improved public services by supporting local administrative capacity development. Both programs have contributed to the decentralized “Sam Sang” policy with different approaches. While DDF places greater emphasis on district capacity development for planning and budget management, PRF applies a CDD approach to enabling rural, poor villages to identify their priorities and implement their own sub-projects. The TOR for the consultancy has been finalized and the international consultant recruited. The assignment has started at the beginning of June with field visits in 2 provinces (Saravanh and Oudomxay).

Based on the Assessment for possible collaboration between the District Development Fund (DDF) and the PRF conducted by the international consultant with support from SDC in advance of the MTR, it was found that room for collaboration is limited due to insufficient time (one last Cycle) remaining and no SDC co-financing planned for PRFIII AF. The consultant final report is under preparation and will be shared by SDC with the Bank and PRF for information.

3.7.7. Partnership with WFP (cook stove community acceptance)

A series of meetings with the WB Cook Stove Initiative team was conducted to discuss and review the implementation of a trial aiming at understanding the acceptance of Tier-4 cook stoves in Lao PDR using a comprehensive consumer acceptance study.

This initiative will help in understanding the following:

- Tier-4 cook stoves and their suitability for cooking common Lao cuisines;
- Ease of use of Tier-4 cook stoves in Lao households;

- Training needs of users for proper use of the Tier-4 cook stoves;
- Other geographic and contextual factors that may affect the performance and acceptance of Tier-4 cook stoves.

In 2018, 40 households completed the super clean cook stove testing. The baseline and end line surveys have been completed by an external private firm under WB contract and the report is under finalization and will add the result in the next semi-annual report 2019. The next focus was on the production of fuel pellets. Following on the agreement made, the WFP program will give a pellet machine to the PRF for testing production at small scale in one of the two villages selected for the trial. The pellets machine has arrived in Laos but some technical issues need to be solved before they could be used. An expert has been invited to come to Laos to solve these issues and will start his assignment in February 2019. It is expected that the first pellet machine could be tested at the village level by the first part of 2019.

3.7.8. Partnership with CBM

So far, there is not clear about next step of the cooperation with CBM; however, the PRF team will discuss this collaboration opportunity with the MAF who will make decision whether to work with CBM and pilot its approach towards the inclusion of people with disabilities in PRF targeted villages which will be under PRFIII AF targeting.

3.7.9. District Development Project Convergence Meeting

The District Development Project Convergence meeting was held in July 2018 at the Conference Room at Nonghaet district. The meeting was chaired by Dr. Khampao Mua, Vice-Provincial Governor of Xiengkhuang Province, Mr. Norpeeha Tongpao; Nonghat District Governor and Vice-District Governor, concerned GOL official staff and representatives from other development projects working in Nonghaet district such as the PRF, ChildFund, World Renew, AFN, National Health Protection Fund, Social Behavior Communication Change (SBCC), Helvetas and Max. as well as representatives from Central level such as National Social Welfare and the Department of Planning and Finance, Ministry of Agriculture and Forestry. A total of 51 participants joined the meeting (including 9 female). The Objective of the meeting was to agree on the Coordination mechanism that will be based on the following principal: “ONE DIRECTING”, “ONE MEETING”, “ONE REPORT” AND “ONE PLAN”

3.7.10. Potential partnership with EU

The EU is also supporting the agriculture sector in Lao PDR. The PRF is considering possible partnership with the EU for the PRF III AF. The EU is already committed to finance other development partners (UNICEF, AFD and NGOs) to implement various nutrition projects in other parts of Laos under its current funding cycle. The EU is in the process of developing a budget support program with MAF for broader agriculture sector capacity development. At this stage, the potential collaboration between the EU and PRFIII AF seems to be limited to knowledge and information sharing. Further areas of collaboration will be considered in 2019.

3.7.11. PRF Participation to international workshop/seminars

• Participation to the Seminar on the forth ASEAN on CDD in Sri Lanka

To share its experience on Livelihood and Nutrition Activities through group based activities, and learn from other projects with similar focus, the PRF team participated the “Seminar on the Fourth Asia Regional Conference on Community Driven Development organized from April 1-5, 2018 – Colombo, Sri Lanka”. The main purpose of the conference was to improve learning and provide opportunities for information exchange and future collaboration among

managerial and technical staff of the national programs and other stakeholders operating in the relevant countries.

- **Participating Seminar of ASEAN on CDD in Thailand**

PRF representatives joined a 4 days seminar, on: **The Documentation of Best Practices and Challenges and Capacity Building of CDD** of ASEAN countries which was organized in Nonthaburi (Thailand). All Laos' delegates have had the opportunity to learn both theory and practical work related to the CDD approach that is already applied in different ASEAN's countries, by the experienced panelists of different organizations such as public organizations, non-government organizations, and local administrative organizations. One key lesson learned from this workshop is about the successful story of CDD related to livelihood activities: the work should start with a small target of household which aims to create a household model, focusing on women groups, poor rural households, village committees, local wisdom and using existing resources in the community.

- **Participating Seminar the Future of Rural Development in China, South and Southeast Asia.**

This Forum has provided the PRF team with a great opportunity to exchange knowledge and best practices of rural vitalization, poverty reduction, and economic empowerment, as well as visions for rural development between SSEA countries and China and to strengthen networks among these countries for future cooperation in terms of rural development.

For instance, the Chinese Government has provided a large budget (loan without interest for 20 years) for each family to build their house. All houses were designed in the same model, and each house has one room for a guest (as home stay). Guests can come to visit or attend conferences in the village. This brings income to the villagers. The development has been done by villagers themselves while the Chinese government only supported the budget and technical training.

This is an interesting approach that PRF should also consider for one village in one district (LN districts) as a model village development (CDD Model) by using multi funding from different agencies (GoL, NGOs, private sector, WB, SDC, etc.), where villagers are the key implementers for their villages development, for example: integrating the CFA approach with LN activity. Concerning the CFA, the PRF should consider revising the procurement process so that it can be fully applied by the community with strengthening the capacity on livelihood based on their potential and available resources.

- **Participation to the Workshop on Innovative Rural Community Development Model in Yogyakarta, Indonesia.**

The objectives of the workshop was to 1) examine the latest trends in rural development (RCD) and elements of community development utilizing local resources, as well as explore innovation ideas revitalized rural economics, 2) to review new RCD models including Indonesian best practice in establishing innovation community-driven development models and to assess the possibility of replicating them in referent countries; and 3) to contribute to the promotion of inclusive societies where diverse groups are represented for sustainable growth and rural development.

- **Participation to a Workshop on One Tambon One Product "OTOP" for Youth in ASEAN in Nonthaburi Province, Thailand,**

The objective of the workshop was to exchange lessons and experiences to encourage young people to participate in the OTOP project as named the Youth Development Promotion Project (YOUNG OTOP) and the ASEAN Initial Promotion Project (INNO OTOP) for ASEAN Member Countries. Some lessons learned through the session as follows:

- The Thai Government has dedicated this activity to the Department of Community Development, the Ministry of Interior, to be responsible for facilitating and leading the process of implementing the project to organize training sessions, because this department is the closest entity to the community. For Laos, it should stand with the Department of Rural Development and Cooperatives. Key lessons learnt from this workshop are: 1) collaborating with all parties is a key results of the project implementation; 2) building capacity first and marketing promotion is essential for entrepreneurs; 3) strong social capital means strong unity of the community peoples and other socially organized within the village (credit groups /village development funds, parent groups, youth groups, water users group).

- **Participating the training on Environmental and Social Project in Myanmar**

This training was held in September 2018 with a total 65 delegations from Laos, Cambodia and Myanmar. For Laos, there were 22 delegations who were from other projects supported by the World Bank. The purpose of the training was to learn about 10 Environment and Social Standard (ESS), which is the new policy of the WB, and officially announced on October 1 2018. However, for the PRF III, including the PRF III AF 10 million additional financing (2020-2023), this new policy will not be applied because those projects have been designed before the announcement of this new policy. Nevertheless, more attention should be paid to the involvement of the beneficiaries, the use of labors in the implementation of the sub-projects and the furthering of information-sharing to the relevant stakeholders.

- **Participating the training on The Disaster Management in Thailand**

The Disaster Management course was first delivered in 1986 and is ADPC's flagship course. The two-week training course offers skills and knowledge on multi-hazard, multi-level, multi-agency, and multi-disciplinary facets, and address both event-related activities as well as those that need to be undertaken on a daily basis to mitigate the potential impacts of natural hazards.

Course Objectives: upon completion of this course, participant would be able to: 1) describe the basic concepts, terminology and models of disaster risk management, 2) identify and assess disaster risks using a risk management approach, 3) plan and develop effective strategies and systems for disaster risk reduction, 4) develop effective processes for preparedness planning in order to improve disaster response and recovery programs, 5) effectively and efficiently set up and utilize an emergency coordination center to manage disaster events, 6) explain disaster recovery frameworks and policies appropriate to the country and 7) identify and describe key implementation issues and requirements in disaster management.

Through 2 weeks with 6 modules of training on Disaster Management this lesson learned will be applicable to PRF in the future to reduce risk disaster as 1) to be a key principle of PRF to help minimizing any potential disasters in the future, 2) design a program to train targeted community level.

- **Participating the workshop of the ASEAN-China-UNDP Symposium on Localising the SDGs and Realising Poverty Eradication, Siem Reap, Cambodia**

The ASEAN Charter recognizes the importance of sustainable development and provides guidance for ASEAN member states to ensure sustainable development for the benefit of present and future generations. The development of the ASEAN Vision 2025 and its three Blueprints have been informed and influenced by global frameworks and commitments, including the sustainable development goals (SDGs).

Building on two previous symposiums, the ASEAN-China-UNDP Symposium on Localizing the SDGs and Realizing Poverty Eradication continued promoting the implementation of the SDGs in ASEAN in the context of complementarities between the ASEAN Vision 2025 and

the SDGs. This symposium elaborated on ways forward to mainstream the SDGs at regional and sub-national levels.

The Symposium was organized by the ASEAN Secretariat in cooperation with China and UNDP and was held on 20-21 August 2018 in Siem Reap, Cambodia. It brought together senior government officials in charge of implementing the SDGs in ten ASEAN Member States as well as experts from international organizations, development partners, non-governmental organizations, civil society and the private sector.

- **Participating the World Food and National Eradication Days**

The ceremony World Food and National Eradication Days was held at National Agriculture and Forestry Institute (NAFRI), MAF in October 2018. The forum was chaired by Minister of Agriculture and Forestry with participation from other relevant agencies. It was good opportunity for the PRF team to show and dissemination many materials and IEC tools to the visitors as well as the students from National University of Laos with a total of 460 participants (including 210 female). In addition, during the event the PRF led the organization to conduct the workshop on rural development and poverty eradication convergence with participation from rural development agencies.

Component 3 Project management

This component is related to project management costs including technical and operational assistance, day-to-day project management, project financial audits, and payment of PRF regular staff costs and administration expenses. The budget has also been used for procurement of PRF equipment and office maintenance based on the annual procurement plan. The key activities had been done in 2018 can summarize as below:

3.8. Monitoring and Evaluation

The PRF III builds on the project monitoring framework established under PRF II to provide timely data regarding the progress and results of the project. Overall project progress is measured against the results indicators provided in the Results Framework (7 PDO indicators and 13 IRIs, see Annex1). To ensure the effectiveness and efficiency of the project, it is strongly required to have a good monitoring and evaluation system in place with a good combination among different factors, including a clear objective, good result-based budgeting and a good performance management. The PRF III's M&E system have been developed to capture key data and basic PRF information with regularly update of each PRF intervention steps and the data are used for regular reporting to donors and the Lao Government.

Through the implementation of 2018 project activities, the team focused on data verification and validation as well as random checked at local level, thus the regular basic of monitoring system could provide key data that are used for the achievement of the indicators measurement and also data for project management. At the same time, PRF team could provide key data to support the PRFIII's midterm review.

For the evaluation, the team prepared the TOR for a consultant to undertake the end-line survey to measure the achievement against PDO indicators. Due to a lack of clarity regarding the origin of the baseline data and whether this could be used for measuring the progress of PRFIII or not, the Bank and PRF team will continue discussing to finalize this TOR by early 2019 and will be integrated in system of PRFIII AF.

To provide the qualitative impact of the project, the PRF team undertook several internal studies/evaluations and supported community-based monitoring and evaluation, for example the impact of water providing as well as rural road improvement in terms of time consuming

and also the technical, Utilization, and Beneficiary Satisfaction Assessment also conducted as detailed in the Chapter II.

The first periodic performance evaluation of SHG was also conducted during November-December 2018. This evaluation will be used as a tool to classify the performance level of each SHG, especially, to assess management skills of all SHGs in the target villages under the PRF activities. The results from appraisals will be used as key inputs for improving SHGs management skills whether through additional training or more coaching and technical support to SHG heads and members.

The capacity building for M&E staff is an essential part of the division activity. The reviews training for M&E team was organized during the reporting period. The objectives of these training include: (1) to understand the meaning of Monitoring and Evaluation work (monitoring is the evaluation process (inputs and outputs) while evaluation is the effectiveness of evaluation (outcomes and impacts), especially for the project impact evaluation; (2) to ensure that all M&E staff have understood about 2018 PRF's achievement indicators (data source, responsibility and how to calculate and analyze key data), especially for some indicators that had to be rechecked and confirmed, such as DSEDP, Functioning quality of sub-projects, percentage of registered grievances, NPL for LN loans, etc.; and (4) focus on report preparation as well as internal evaluation. The overall outcomes of M&E training is positive, as expressed by the data available for the donor mission including MTR and data for this annual progress report.

3.8.1. Management Information System

During 2018, the MIS was regularly updated, including key data to support project indicators to report to GoL and donors and to guide project decision making. The MIS was used to monitor the progress of sub-project implementation for Cycle XV in 2018, for the key data of 2019, especially data related to planning, project beneficiaries, sub-projects proposal that were entered to the MIS system in December 2018.

The PRF team also discussed with the Bank about developing the PRF MIS Online. This improvement will allow a more integrated approach to village monitoring, focusing on all PRF-supported activities, rather than separating monitoring into different components. The main objective of the MIS online component is to enable PRF project management team and other stakeholders (World Bank, SDC, Government, etc) to respond to project development in a well-informed, timely manner by providing real time, easy to access data to project reporting and public feedback. The online system will enhance the overall performance of the project by building in strong system of accountability and transparency, this system is expected to be done by then end of 2019.

To ensure that all key data related PRF's LN activities (PRFIII's AF period) are entered into the MIS system properly, the current forms need to be revised and prepared, together with updating the PRFIII's database system. Therefore, this challenging task will be discussed with the Bank during the donor mission in February 2019.

3.8.2. Geographic Information System

The maps developed by the PRF are useful for the project preparation. The map could provide in a quick shot the basic data for project management and budget allocation. The PRF team had produced a variety of PRF maps during this project phase, covering 43 targeted districts and 263 Kum bans, and illustrating the PRF coverage in the GoL priority areas for development, including the MAP of target 12 districts of PRFIII's AF that captured key data of other development partners, including AFN, IFAD, etc. Moreover, the team also uploaded

the maps of PRF II and III covering Cycles IX to XIV on PRF's website that can be downloaded by the public.

In the future the team, planned to combine the current PRF GIS with MIS online system. This is called the geographic information and mapping: simplified to effectively inform stakeholders about the project progress as well as planned and actual results of each sub-project supported by the PRF and the Government. The MIS will incorporate geographic and mapping function: by just clicking the area on the map on the screen, users should be able to easily reach data/information and do a selection of data visible based on what they would like to look at (key available data and indicators).

3.8.3. Reporting

In 2018, the M&E team worked closely with each Division/Unit to collect and integrate data into the MIS, strengthening each Division/Unit capacity building on report preparation to get the accurate outcomes to be reported in the Annual progress report. Therefore, key information and data were prepared and submitted to donors early-before the MTR (early June 2018), as well as other missions conducted this year. To ensure that each Division/Unit could report and prepare their data early October 2018, the M&E division conducted a workshop to review the report structure and letter writing to PRF staff with in line with concerned ministries and partners.

Additionally, the Lao progress reports were also prepared and submitted to GoL (MPI) as well as the Ministry of Agriculture and Forestry (MAF) every week, month, and quarter, as well as Six Month and Annual Progress Reports.

3.9. Finance and Administration

3.9.1. Government contribution

The Government agreed to co-finance the PRF III supported sub-projects for a total amount of US\$6 million (48 billion LAK). This budget would cover the completion of 169 sub-projects. Seventy-eight sub-projects have already been approved in 2017 and 2018 for a total budget of LAK22 billion (LAK11 billion to support 38 sub-projects in 2018 and LAK11 to support 40 sub-projects to be implemented in 2019). It means that a remaining budget of LAK26 billion covers 91 sub-projects will remain without financing in 2019, due to national disaster that occurred during July and August 2018, the Government of Laos had allocated huge budget to rehabilitate all the impacted area; therefore, all remaining sub-projects are expected to implement in 2020 or beyond depends on available budget of the Government of Laos. To deal with such issue, the PRF management will work closely with concerned ministries, especially, the MAF, MPI, and MOF, to request full amount of budget to implement all 91 sub-projects in 2020, the updated information and progress will be added in the next semi-report in June 2019.

3.9.2. Budgeting

As per the agreement, the PRF has submitted to the donors the work plan and related budget for the PRF III second fiscal year 2018 for a total budget of US\$18,433,473 (*see Annex 12*) and allocated in the 4 different project components as follows:

3.9.3. External Audits

The PRF Financial Audit for the fiscal year 2017 (Jan 1st – December 31st 2017) was conducted in March 2018, with a report that was submitted to the donors before the due date (June 30th 2018). The findings from the external audit team are related to the internal control

over the financial reporting and its operation that the PRF management team may consider for improvement: 1) the control over the fixed assets management: the physical observation of some project's fixed assets shows that certain assets are without code or with wrong tag code. 2) the control over the cash on hand: the observation refer to the accordance with the guidance of the Project's Financial Guideline the operation procedures mentioning that "the petty cash is required be kept in a secure box, locked in the custody of the accountant" 3) the inconsistency between payment and contract amount. The observation was noted as certain payment to contractors were higher that the contract amount. 4) the control over filling process: the external audit team observed that the project did not properly maintain sufficient supporting documents during the projects filling process. All these recommendations have been solved and the related completed actions presented in the management letter for the FY2017.

3.9.4. Disbursement

As of Dec 31st, 2018, the disbursement ratio reached 65% for the IDA credit 5827-LA. For the Swiss Agency for Development Cooperation (SDC) disbursement rate reached 50% and Government co-financing contribution reached 21%.

Table 19: PRF III Disbursement (as of December 31st, 2018)

Fund Source	Disbursement as of Dec 31 st , 2018	Disbursement (Percentage)	Total Budget Allocated (US\$ million)
WB (IDA credit 5827)	19,466,765.88	65%	30,000,000.00
SDC	9,075,032.63	50%	18,000,000.00
GOL	1,255,586.25	21%	6,000,000.00
TOTAL:	<u>29,797,384.76</u>	55%	<u>54,000,000.00</u>

Source: PRF FA Division, December 2018

During the reporting period, the PRF has preceded withdrawal application (SOE "statement of expenditure) from the donors for a " total amount of US\$ 34,127,791.87 (US\$ 21,082,205.62 from IDA credit 5827; US\$ 11,790,000 from SDC and US\$1,255,586.25 from Government contribution).

Table 20: Summary of funding received and disbursed as of December 31st 2018 (US\$)

Fund Source	Fund Received FY 2017-2018	Expenditure FY 2017-2018	Percentage of expenditures
WB (IDA credit 5827)	21,082,205.62	19,466,765.88	92%
SDC	11,790,000.00	9,075,032.63	77%
GOL	1,255,586.25	1,255,586.25	100%
TOTAL:	<u>34,127,791.87</u>	<u>29,797,384.76</u>	<u>87%</u>

Source: PRF FA Division, December, 2018

During the reporting period (Jan-Dec 2018), PRF has spent a US \$29,797,384.76 including US\$ 21,510,842.98 to support sub-projects and village and kum ban planning (72%). US\$ 2,771,459.31 was disbursed for the capacity building, IEC materials and sub-project monitoring activities. US\$ 4,586,616.03 was used for project management activities and US \$ 928,466.44 supported to Livelihood and Nutrition activities.

Table 21: Expenditures by component (Jan-Dec 2018) in US\$

Description of Component	Budget for 2018	Expenditures to Dec 31, 2018	Percent expended (%)
Community Development Grants	12,720,521	11,424,076.35	90%
Local & Community Development Capacity building	2,292,590	1,510,108.01	66%
Project Management	2,946,323	2,258,727.88	77%
Nutrition Enhancing Livelihood Development	474,039	500,532.64	106%
TOTAL	<u>18,433,473</u>	<u>15,693,445</u>	85%

Source: PRF FA Division, December 2018

3.10. Procurement

During the reporting period, the Procurement Unit had accomplished the following activities:

Procurement of goods, works, and non-consultancy services

- Completed the procurement of producing, printing and publishing the Information, Education and Communication (IEC) for the following items:
 - PRF stickers;
 - PRF brochures;
 - PRF maps;
 - PRF T-shirts for village team;
 - Road Maintenance Group (RMG) guidebooks;
 - Quality control books;
 - Field construction record books;
 - PRF story video;
 - PRF video music in Lao and ethnic languages.
- Completed the procurement of additional camera tools including lens and battery support to IEC;
- Completed the procurement of TA survey including Schmidt Hammer, Dynamic Cone Penetrometer and Abney Level;
- Completed the procurement of tools and safety equipment provided to Road Maintenance Group (RMG);
- Completed the procurement of 50 cook stoves from China and pellets from Indonesia and distributed to targeted villages in Houaphan Province;
- Completed uploading procurement data into Systematic Tracking of Exchanges in Procurement (STEP).

Procurement of Consultancy Services

- Completed the procurement of consultancy services for Technical, Utilization, and Beneficiary Satisfaction Assessment;
- Completed the preparation for the procurement of consultancy services for Microfinance, which will start working by March 2019.

Procurement Training

- Completed a 5 day training program regarding the Community Procurement Process for PRF Provincial Procurement Officers;

- Completed a 5-day refresh training for the Provincial Procurement Officers, mainly focusing on the following issues:
 - Arithmetical error correction;
 - Signature of VIT on contract between PRF and Community;
 - Finding from External and Internal Auditors;
 - Sub-project Procurement Procedure.

STEP

Based on the procurement plan of PRF III, 28 activities were created in the STEP which have received the no-objection letter from the World Bank. In that:

- 7 activities: cancelled due to actual needs of the project;
- 10 activities: completed;
- 7 activities: contracts and are under implementation (including External Audit and Micro-finance Service Provider);
- 4 activities: pending for implantation and it's expected to be processed in the end of year 2019.

All the procurement information for those activities that have been completed and contracts signed have already been uploaded on to the STEP that allow the team to check.

Sub-projects

- There are 335 sub-projects that received NOL from the World Bank, between November-December 2017 and then finalized the sub-projects procurement plan for 2018;
- Conducted the procurement training for Village Procurement Implementation Teams regarding Community Procurement Guideline, Procurement Procedures, Bid Opening and Evaluation Process, and preparation of evaluation for those villages funded by PRF in Cycle XV (January-February 2018);
- Complete the request for quotations opening, which was organized separately in each village during the period February-March 2018;
- The PRF district/provincial staffs assisted the Village Team in conducting the bid opening and evaluation process at the village center for the Cycle XV sub-projects;
- The Village teams have completed the procurement of tools and safety equipment provided to Road Maintenance Group (RMG).

Some issues caused the delays in procurement process were due to the following causes:

- 1) Poor communication and coordination between village team and selected bidders;
- 2) Low community literacy, making it difficult for them to understand the procurement process;
- 3) Some villages are located in very remote areas with no access roads and/or difficulties to access the project sites, and there are no contractors and suppliers located in the villages
- 4) The change the management structure of PRF took more time for people to understand the process of PRF.

Through the hardworking of PRF staff and strong supported by local authority and concerned sectors, therefore, all the contracts with selected bidders were signed in April 2018 and all sub-projects had been completed by December 2018.

3.11. Human Resources

Percentage of PRF fully staffed

As December 2018, there is 266 positions filled (including 77 female staff) operating at the central office in Vientiane Capital, 10 provinces and 43 targeted districts. The total number of existing staff is equivalent to 98.50 percent compared with the total number of approved positions. The percentage of female staff is 28.95%. The PRF still encourages the women especially from the small ethnic groups to apply for PRF position but the number of candidate that applied is rare.

Table 22: Number of staff by each Division/Unit

No		Central	Province	District	Village
1	Management(ED)	1			
2	Internal Audit	2			
3	Human Resource	1			
4	Livelihood linked Nutrition	3	2	7	38
5	Procurement	2	8		
6	Monitoring and Evaluation	5	9		
7	Community Development	5	9	44	
8	Finance and Administration	9	9	41	
9	Engineer	5	9	45	
10	Provincial Project Management		10		
	Total	33	56	137	38

Source: Human Resource unit, December 2018

The proportions of staff at the four different levels are as follow 13%, 21%, 52% and 14%, respectively, from central, province, district and village levels. Therefore, more than half of the total numbers of staff are located at the district level (66% of total staff).

Additionally, there is a total of 47 staff from small ethnic groups which has slightly decreased compare to the number reported last year, based at each level, as following: 2, 13, 31 and 9 staff at central, provincial, district and village levels, respectively. More details can be consulted in *Annex 13*.

Staff turnover recorded: From January to December 2018, the percentage of staff turnover reaches 6.77% (equivalent to 18 resigned staff, including 2 women). This percentage has slightly increased by 3.72% when compared to previous reporting period (fiscal year 2017).

The bullet points below summarize the other activities done by the HR unit during the reporting period:

- Recruitment of 4 positions in central level: Executive Director, Senior CB officer, Technical Internal Audit Officer, Admin Assistant/ Cashier;
- Completion of the recruitment process for provincial, District and village staff with a total of 16 new staff, including 3 female newly recruited;
- Completed the extension of contract for all PRF staffs (February until November 2018) with a total of 57 contracts signed;

- Signed contract with a Website Developer, M&E consultant and Community Contracting Consultants; and completed the payment for website developer, first payment for the M&E consultant and the Community Contracting consultant;
- Completed the medical claim for 67 staff;
- Completed updated staff information in the HR file in order to support other divisions and units;
- Reviewed the evaluation form for year 2018 (staff performance evaluation);
- Renewed contract for the STA, changed from long term contract to a part time contract;
- Completed formal writing training (focusing on the preparation of formal internal and external letters) for staff at the central level based on voluntary inscription. The training was organized on October 29th 2018 and involved a total of 18 staff (including 8 women).

3.12. Internal Audit

In 2018, the internal audit team conducted 13 audits. Six audits were conducted at the PRF central level including Finance, Community Development, Engineering, Livelihood linked nutrition, human resources and procurement units and 7 audits were conducted in 7 provinces (Oudomxay, Savannakhet, LN activities in Savannakhet, Xiengkhuang, Luangprabang, Huaphan and LN activities in Huaphan province). Five audits are on-going and will be completed in 2019 (Monitoring and Evaluation Division, Sekong, Attapeu, Saravan, LuangNamtha and Phongsaly provinces).

After the audits completed, the reports has been submitted to the Executive Director and concerned people from the Internal Audit Committee for comments. A total of 13 recommendations were provided linked to 86 issues found (50 issues in 2018 plus 36 issues from 2017 activities), of which 64 were closed and 22 issues (1 issue from 2017) were opened for following up, waiting for the supporting documents in order to be closed. Most of the issues are related to non-compliance with the PRF processes and procedure such as signature from concerned sector missing, information missing in some key documents, data inconsistency between district and province levels, differences between drawing and implementation, delay in fund transfer, etc.

The internal auditors visited the PRF provincial, district and Kum Ban on a regular basis to ensure compliance with the procedures/systems as described in the Manual of Operations. Overall, the project operation is functioning well, and staffing is in place to ensure financial transaction review and to support documents filing. The working system of the Internal Audit usually follows these steps:

1. Criteria are benchmarks to be used to evaluate performance of the audit and determine if there is discrepancy between those criteria and the current practices. Operational manual, CDD procedure, Engineering standards and specifications, norms and rate of inputs for computing estimate and BOQ, Procurement and contract administration procedure, M&E, HR and LN related procedures, Financial and accounting procedures, various reports from the donors and external oversight providers, and good practices of planning and performing project works are main sources of criteria.
2. Current practices is what that exists. In simple term, if current practices are not as per criteria there is discrepancy. It means that a risk exists and needs to be mitigated through appropriate actions.
3. The audit process can determine the Causes behind discrepancy and also the Consequence/ impact related to the variance identified between the criteria and the current practices.

Moving further, the audit team has to discuss appropriate Corrective action (recommendation) that can be implemented to address the discrepancy. The internal auditors must propose and report the Corrective action (recommendation) that is able to address the cause and consequences of the discrepancies.

Component 4 Livelihood linked nutrition activities

This component is concerned the Nutrition Enhancing Livelihood Development (LN). LN activities include LN local capacity building; LN project monitoring and LN project management costs that are regularly implemented following to the annual plan. During this period, the LN activities have been implemented 100% with minor adjusting and in line with the annual work plan. Key works of LN during 2018 can be highlighted as below:

In 2018, the LN and M&E teams developed a new format and tools for monitoring the capacities of SHGs. These new tools will be used every 6 months or once a year by the VSMCs to cover the 915 SHGs currently operating and to identify SHGs where additional PRF support may be required. In December 2018, the first periodic appraisal assessment of 915 SHGs has been completed by the PRF Monitoring and Evaluation team.

The results (below table) show that 178 and 372 SHGs were considered to be **Excellent and very good performance respectively**. Altogether, it is 60% of the total number of existing SHG having very good performance (550 SHGs) and could continue to manage the SHG work without supporting from PRF and can become trainer for the other SHG groups in their villages.

Table 23: Result of 915 SHGs performance assessment

Location	Excellent	Very good	Good	Unsatisfactory	Grand Total
Houaphanh Prov.	66	194	142	71	473
Houameuang District	33	97	43	6	179
Heim District	4	31	20	40	95
Sone District	22	22	34	21	99
Xiengkhor District	7	44	45	4	100
Savannakhet Prov.	112	178	122	30	442
Nong District	13	16	40	26	95
Sepon District	10	82	63	0	155
Thapangthong District	89	80	19	4	192
Grand Total	178	372	264	101	915
Percent	19%	41%	29%	11%	

Source: Monitoring and Evaluation Division, December 2018

In addition to the SHGs, the Village Nutrition Centres (VNCs) that have started during the PRF II phase continue to operate in 15 villages despite not receiving further PRF support. At least once a month, VNC members in these 15 villages gather to exchange information and cook as a group for their young children and the pregnant and lactating mothers. The majority of the food ingredients are from the village farm products. The focus group discussions (FGDs) conducted in early 2017 in 11 villages with mothers who were VNCs members suggested that VNCs have been successful in improving the nutritional status of mothers and

children.¹⁴ However, no subsequent assessments of the results of VNCs have been undertaken in 2018.

3.13. SHG Lending

The SHG first round of loans to SHG members for the livelihood investments started in PRF Phase II. Some SHG members who took a loan from the first round, particularly in Nong and Sepone districts, did not repay their loans at the end of the PRF Phase II; therefore, in many cases their loan contracts were extended for another 12 months allowing them to continue payments of principal and interest.

Table 24: Performance of the Second Round of livelihood loans as of December 2018

District	Remaining seed funds available for lending at the beginning of PRF III	Value of 2 nd round loans issued	Total No. of 2 nd round loans	No. loans issued to women	No. loans repaid by Dec-2018	Value of loans repaid by Dec 2018 ¹⁵	No. of 2 nd round loans outstanding	% of loans outstanding
Sone	160,168	155,796	1,234	1,234	332	74,563,79	902	57.18%
Hiem	148,021	111,037	681	681	467	88,025,79	214	35.34%
Huameuang	169,778	162,885	980	980	138	40,998,570	844	84.13%
Xiengkhor	94,025	61,236	474	474	114	58,781,06	380	18.38%
Total	572,505	490,954	3,369	3,369	1,049	262,369,21	2,320	48.75%
Sepone	230,408	208,124	1,750	1,148	1,063	157,679,28	687	26.48%
Nong	224,198	212,162	1,254	1,254	987	36,660,82	267	84.05%
Thapangthong	189,630	188,800	1,433	1,433	965	141,820,35	468	35.64%
Total	644,235	609,087	4,437	4,437	3,015	336,160,45	1,422	48.69%
Grand total	1,216,740	1,100,041	7,806	6,440	4,064	577,046,65	3,742	48.72%

Source: Livelihood and Nutrition, December 2018

Remark: No. 2nd round considered NPL and % NPL not available

In 2018, the 2nd round of livelihood loans were issued using repaid seed funds from PRF III first round one loan (2017). In 2018, a total of 7,806 loans were issued. Out of these loans, 4,064 (51.28%) loans had been successfully repaid by the end of December 2018 and 3,742 (48.72%) loans were still outstanding (borrowers were still making payments but had exceeded the original term). The repayment is still ongoing and it will be completed by end of March 2019, due to lending out to members was completed by Feb 2018 and the period was defined to cover 12 months.

The table (below) illustrates the reduced lending amount in each loan round relative to the initial seed grants originally provided during the PRF II phase. There are various factors contributing to this trend: repayment of the first round of loans issued during PRF II by some SHGs was low as it was not clear to some groups that funds were loans and has to be repaid (understanding was that grants were provided). During the PRF III repayments period, the repayment improved positively (as indicated by the low rate of NPL during the round two). However, not all available funds were lent to members. Further investigation is required to determine if this is a result of a reduction in demand for loans by members of the SHGs or not.

Table 25: Utilization of seed grants in first, second and third rounds of SHG livelihood loans as of December 2018

¹⁴ However, this was not reflected in anthropometric data in the small sample of children measured.

¹⁵ This includes interest paid

District	# Villages	# SHG	# SHG Members	Seed grants (USD)	First Loan (US\$)	Second Loan (US\$)	Third Loan (US\$)	Total loan amount (US\$)
Sepon	30	155	1,750	231,803	221,988	208,124	NA	430,112
Nong	19	95	1,283	222,123	216,823	212,163	NA	428,986
Thapangtong	24	192	1,920	189,630	189,630	188,800	NA	378,430
Sub-total	73	442	4,953	643,556	628,441	609,088		1,237,528
Sone	20	99	1,231	160,681	160,681	155,796	NA	316,477
Hiem	20	95	1,276	148,021	148,021	111,037	NA	259,058
Houameuang	32	179	1,719	169,778	169,198	162,885	NA	332,083
Xiengkhor	20	100	906	94,025	94,025	26,331	NA	120,356
Sub-total	92	473	5,132	572,505	571,925	456,050		1,027,974
Grant total	165	915	10,085	1,216,061	1,200,366	1,065,137	NA	2,265,502
% of original grant lent					99%	88%		

Source: Livelihood and Nutrition, December 2018

3.14. SHG member incomes and livelihood status

In 2018, 915 SHGs invested in various income¹⁶ generating activities including non-agriculture sectors e.g weaving, small trading. Income Generating Activities from agriculture sector including small livestock rising, fish pond rearing and crop plantation. The highest income is from livestock in particular from poultry rising, pig and goat rising respectively. Tables below show monthly incomes status and types of income in percentage.

Table 26: Summary Annual Incomes from IGA by district

District	Village	SHG	Loan (USD)	Income for December 2018	Total Incomes year 2018	cumulated Incomes since 2013 until Dec 2018
Sone	20	99	160,681	13,679	154,454	463,301
Hiem	20	95	148,021	7,397	126,725	406,508
Houameuang	32	179	169,778	28,199	245,799	370,308
Xiengkhor	20	100	94,025	7,007	113,077	163,259
Total	92	473	572,505	56,282	640,055	1,403,376
Sepon	30	155	231,803	7,913	314,111	557,556
Nong	19	95	222,123	17,582	96,178	145,484
Thapangtong	24	192	189,630	41,158	374,846	579,090
Total	73	442	643,556	66,653	785,135	1,282,130
Grant Total	165	915	1,216,061	122,935	1,425,190	2,685,506¹⁷

Source: Livelihood and Nutrition, December 2018

Table 27: Summary of Incomes by types of IGA

¹⁶ Incomes means not only cash from sold products but it also come from consumption of own products by members and their family members. For instance, numbers of chickens were eaten within month, then were converted into cash according to monthly market prices and were recorded by SHG Heads

¹⁷ This figure was recoded annually and accumulated each year since 2013 as the first year of record by SHG heads

Item.	Types of IGA	Values (USD) ¹⁸	%
1	Poultry Raising	369,458.43	25.86
2	Pig Raising	326,189.58	22.83
3	Goat Raising	262,187.68	18.35
4	Weaving	158,186.49	11.07
5	Small trading	88,644.03	5.96
6	Native Banana Plantation	58,533.66	4.09
7	Crops(maize and Cassava)	135,346.34	9.47
8	Cattle Raising	7,964.44	0.55
9	Fish pond raring	25,798.17	1.80
	Total	1,432,308.81	100

Source: Livelihood and Nutrition, December 2018

3.14. SHG Savings

The SHG savings has been a notable success through the last 3 years. The SHG savings have increased from **US\$72,460 in Dec 2016 to US\$86,823** in December 2017. Nevertheless, saving slightly decreased in 2018 up to **US\$ 69,451**, mainly because the saving have been not lend out as much as in the past¹⁹. The table below shows the cumulative value of savings per year since PRF started to support seed-grants to SHG members. These data suggest that the savings system is fully owned and likely to be sustainable. The SHGs indicate that savings are used for 3 main purposes: 75% for emergency lending to members including buying rice, transportation to hospital, medicine and education materials; 15% for livelihood loans to members; and the remaining 10% was not lent and retained as a reserve. Further investigation of the impacts of loans from SHG savings is therefore suggested.

Table 28: Numbers of SHG and members as of 2018 (US\$)

Districts	# Villages	# SHG	# Members	# Female	%
Sepone	30	155	1,750	1,292	73.83%
Nong	19	95	1,283	1,231	95.95%
Thapangthong	24	192	1,920	1,920	100%
Sub-total	73	442	4,953	4,443	90%
Sone	20	99	1,231	872	70.84%
Hiem	20	95	1,276	763	59.80%
Xiengkho	20	100	906	903	99.67%
Houameuang	32	179	1719	1,718	99.94%
Sub-total	92	473	5,132	4,256	82.93%
Grand Total	165	915	10,085	8,699	86.26%

Source: Livelihood and Nutrition, December 2018

Table 29: Cumulative value of SHG savings by year: 2013-2018 (US\$)

¹⁸ These data was recorded according to IGAs running by members and meaning of values here is referred to income mentioned in footnote 13

¹⁹ During year 2016-2017= 24 months, LN pilot voluntary saving, people can save more and will get more dividend by end of the year to mobilize saving money as matching fund for lending out. As results, saving money were not lend out as planned due to members still regarded seed grants are free money and saving money regarded as their money, they afraid that NPL would have occurred to the loan from saving money.

District	2015		2016		2017		2018	
	Number of SHGs	Value of savings	Number of SHGs	Value of savings	Number of SHGs	Value of savings	Number of SHGs	Value of savings
Sone	68	3,016	99	6,700	99	8,960	99	9,811
Hiem	67	5,297	95	2,348	95	22,762	95	3,840
Huameuang	0	NA	100	14,398	100	17,819	100	17,474
Xiengkhor	0	NA	179	17,920	179	8,524	179	9,866
Total	135	8,313	473	41,366	473	58,065	473	40,991
Sepon	103	4,931	155	8,144	155	8,604	155	9,928
Nong	67	1,700	95	3,112	95	4,309	95	4,416
Thapangthong		NA	192	19,838	192	15,845	192	14,116
Total	170	6,631	442	31,094	442	28,758	442	28,460
Grand total	305	14,944	915	72,460	915	86,823	915	69,451

Source: Livelihood and Nutrition, December 2018

CHAPTER IV: OTHER ACTIVITIES

4. Social & Environmental Safeguard, Gender & Social Inclusion

4.1. Social Safeguards information

4.1.1. Refresher training on social safeguards in 2018

In October 2018, the team organized a meeting in Vientiane with participants from PRF staff, WB and DSC representatives with a total of 75 participants (including 16 female). The objectives of the meeting were to strengthen and review the Cycle XV sub-project implementation deviations from the workplan and the key activities on social safeguards, gender equality and social inclusion in 2019. The results of this meeting are as follow:

- There is a good implementation of the social safeguards in 2018 as the community and PRF fields staff have prepared land impact report and the process of resolving problem and completed a training for KBF, VIT and Village mediation committee;
- The PRF team should provide a training for KBF, VIT and village mediation on FRM and village social audit for target village in 2019;
- There is a need to increase the social inclusion in PRF's activities at village level, but there are still some translation in small ethnic groups language missing;
- For the Environment and social safeguard framework, the World Bank has revised a new version which included 10 standards of Environment and social (ESS) officially announced on from 1st October 2018 onwards. But the PRF III and PRF III AF will not need to apply this framework due as the PRF has already prepared its project design before the announcement of this new framework. Therefore, PRF should inform the communities about the request for more participation in sub-projects implementation and dissemination of information to the other project's stakeholders.
- The participants also visited a New Village Movement (Saemaul Undong Project), Aksang village, in Vientiane Province which is a target pilot village of the Training Center on Agriculture and Development supported by Lao-Korea and use as a model on how to empower community so that they can take in charge the development of their village and decrease external support accordingly.

4.1.2. The impact of social safeguard status in 2018 and 2019

➤ Social Safeguard information Cycle XV (2018)

The process of solving any safeguard issues starts from the consultation meeting at the village after the survey-design step. If there are any safeguard issues, an agreement among affected households and village authorities will be made. Data on these agreements are collected and recorded in excel sheets and submitted to CD staff at district and provincial levels. The table below summarizes data on the impacted households from the Cycle XV sub-projects implementation.

Table 30: Summary impact of subprojects affecting personal asset(s) and land

No	Description	Cycle XV
1	Total target Province	10
2	Total target District	43
3	Total target Kum Ban	263
4	Total target Village	1,820
5	Total Sub-Projects supported for the cycle XV	335
6	# of Village Resettlement in the cycle XIV	0

7	# Sub-project affected to Personal Poverty and Land during the cycle XV	28
8	Total number of affected households	153
9	Total size of affected land (m2)	5,414
10	# HH affected (< 5% of their total property)	153
11	# HHs affected (<5% and contributed land for free)	152
12	# HHs affected (<5% and they got compensated)	1
13	# HH affected (> 5% of their total property)	0
14	# HHs affected (> 5% and got compensated)	0

Sources: PRF at Provincial levels, June 2018

A total of 153 households were impacted by the implementation of the cycle XV sub-projects supported by the PRF. A large majority of these households donated the area of their land impacted. One household received cash compensation for their loss after requesting it (Table below).

Table 31: Villages and households impacted in Cycle XV

Villages and HHs impacted	Number	Percentage (%)
Villages impacted by land acquisition	28	8.3
HH's impacted by land acquisition	153	0.7
Land donation	152	99.3
Land compensation	1	0.7

Source: Community Development Division, June 2018

On the project management on land contribution and compensation for the cycle XV, the PRF district staff, Kum Ban Facilitators and village representatives conducted a sub-project survey, followed by a village meeting (including a consultation on the social and environment safeguards policy) : In February 2018. The PRF staff and Kum Ban Facilitators presented the survey data, including size of the land required for the sub-project and the size of the impacted land as well as the identification of the impacted households. After this first step, the PRF staff conducted several follow up visit of the impacted households before starting sub-project implementation.

The only household that requested to be compensated for its losses has been impacted by the construction of a flooding bridge in Long District, Louangnamtha Province. Consequently, they received compensation from their community members. Details of the household compensated are as follow:

- The impacted household was in SA Village, Kum Ban SA, Long District in Louangnamtha Province. The land affected was an agriculture land with a size of 112 m² out of a total of 8,000 m² of land owned by the household. This land was used mainly for planting crops. The size of the affected land represented less than 5% of the area this household owned around the village (1.4% of the total size of their land).
- In December, 2017, the PRF district staff, Kum Ban Facilitators and village representatives conducted a sub-project survey, followed by a village meeting (including a consultation on the social and environment safeguards policy).
- During the village meeting, PRF staff and Kum Ban Facilitators presented the survey data, including size of the land required for the sub-project and the size of the impacted land as well as the identification of the impacted households. After this first step, the PRF

staff conducted several follow up visit of the impacted household during January 2018 and the arrangements are as:

- a) During the meeting with the villagers some members of the impacted household agreed to contribute their land but the household head requested to be compensated in cash;
- b) The other community members of his village agreed to use the village fund to compensate the impacted household based on the estimated value of the land impacted using recent sale prices for land in the village: $112\text{m}^2 \times \text{LAK}4,000 = \text{LAK}448,000$;
- c) After this meeting, the village authorities and Kum Ban Facilitators prepared an agreement letter for contribution and compensation;
- d) The letter was signed by the husband and wife, village head and PRF district staff with all the other community members invited as witnesses;
- a) Before and during the sub-project implementation by the sub-contractor, the PRF district staff will continue to monitor and collect data on the potential social and environmental impact.

➤ **Social Safeguard information for the Cycle XVI (2019)**

Based on the result of the planning review for the Cycle XVI, a total of 512 sub-projects²⁰ have received approval during the planning stage Nevertheless, the PRF planned to allocate budget based on the sub-project survey and the result of the survey. This process lead to an increased number of sub-projects up to 546 sub-projects in 499 targeted villages; this will represent a total of 42,028 household's beneficiaries. The increased number of sub-project is based on the village development list. The table below summarizes data on the Cycle XVI and the impacted households.

Table 32: Summary of the cycle XVI sub-projects impact affecting household, assets and land

No	Descriptions	Cycle XVI
1	Total target Province	10
2	Total target District	43
3	# Target Kum Ban in the 43 Districts	263
4	# Village in targeted Kum Ban	1,820
5	# Village Resettlement in target Kum Ban (GOL Plan)	23
6	# Sub-Projects	546
7	# Household beneficiaries	42,028
8	# Population beneficiaries	258,909
9	# Female beneficiaries	127,360
10	# Sub-project effected to Personal Property or Land (SP)	58
11	# HHs affected	215
12	# Personal Land were affected (m2)	19,020
13	# HHs affected < 5% compared to their holding land	214
14	# HHs were affected <5% is voluntary contributed	212
15	# HHs were affected <5% that they got compensated	2
16	# HH affected > 5% compared to their land and have compensated	1

²⁰ This is the number of sub-projects that was confirmed during district coordination meeting, which did not count additional list of sub-projects, therefore, the updated number of 546 sub-projects for survey design. Some of them are related to small sub-projects, such as material and equipment.

Sources: PRF at provincial level, December 2018

A total of 215 households with at total 19,020 m² were impacted by the implementation of the sub-projects supported by the PRF Cycle XVI. A large majority of these households donated the section of their land impacted. One household received cash compensation for their loss after requesting it as detail in table below.

Table 33: Villages and households adversely impacted by sub-project construction in 2019

	Number	Percentage (%)
Villages impacted by land acquisition	58	10.7
HH's impacted by land acquisition	215	0.5
Land donation	212	98.6
Land compensation	3	1.4

Source: Community Development Division, December 2018

On the project management on land contribution and compensation of sub-projects in Cycle XVI: In late 2018, PRF district staff, Kum Ban Facilitators and village representatives conducted the sub-project surveys, followed by a village meetings (including consultations on the social and environment safeguards policy). During the village meetings, PRF staff and Kum Ban Facilitators presented the survey data, including the area of land required for the sub-project, the area of affected private land, as well as the identification of the impacted households. After this initial meeting, PRF staff conducted several follow up visits to impacted households to ensure agreements had been made or compensation paid before sub-project implementation commenced.

The three households that requested to be compensated for its loss were impacted by two sub-projects in two districts in Oudomxay and Attapeu provinces. Details are as follows:

- The three households will be compensated with land for their losses as they have been impacted by 2 sub-projects. Two households contributed 396 m² (2-3% of the total holding land) for Rural road Construction in Nankong village, Sanamxay district, Attapeu province and one household contributed 3,200 m² (6% of total their holding land) for Primary school Construction in Mokkha village, Hoon district, Oudomxay province.
- Consequently, in Hoon district, these households will receive compensation by the community themselves. The villagers and village authorities were happy to compensate by cash the affected household for a total of LAK 250,000 approximately (US\$30). In Sanamxay district, Attapeu province, the affected households agreed to be compensated by the community themselves. The villagers and village authorities agreed to compensate by giving village land (all affected villages are in the process of preparation all related documents for the compensation).
- 23 villages will be resettled under the Government district development plan as reported by the district Governor Offices in 2018. Those villages are under PRF target Kum ban but are not PRF Cycle XVI target villages. The list of the resettled villages are as follow: 2 villages in Xamneu district and 4 villages in Xamtay district (Houaphan province); 6 villages in Mai District and 5 villages in Khoa district (Phonsaly province) and 3 villages in Kaleum district and one village in Lamam district and one village in Dakchiong district (Sekong province) and one village Kham district (Xiengkhuang). These GoL resettled villages are covered by PRF III period but there are not PRF III sub-projects allocated.

4.2 Environmental Safeguard Monitoring

As at June 2018, the PRF team has followed up with provincial and district staff and assisted communities to solve 17 environmental cases. In late 2018, most of the cases were resolved. Nevertheless, there are still 7 cases that PRF team following up. Most of these cases were

related to waste material such as wooden work form, nail, cement bags, remain from concrete mixing, etc. and left behind completion of sub-project construction, Borrow pit, waste water management at market, Land slide, Noise pollution occurred to classrooms during construction period, etc. Those issues are actions that are under the responsibility of villagers and contractors and all the agreed actions have been resolved during this reporting period. A summary of the main environmental issues and the agreed actions are described in Table 34 below.

Table 34: Summary of the main environmental issues and remediation actions

No	Environmental Impact	Responsibility (Contractor, community, and both)	Remediation/Mitigation action	Type of sub-project
1	Waste material as wooden work form, nail, cement bags, remain from concrete mixing, etc. left behind completion of construction	contractor	The contractor has agreed to clean all the waste construction material from the camp and remove the camp from the school area, and remove waste materials and the concrete mixing place.	primary school, Weir, GFS
2	Borrow pit	community and contractor	After construction, the contractor has agreed to improve the site and rehabilitate it as it was before	rural road access improvement
3	Waste water management at market	community and contractor	The contractor has excavated a ditch around the market building, developed a drainage system from the market to a low area and prepared a solid waste pit	Market Subproject
4	Community prepare the area for school building or landscape development	community	The community has stabilized the slope by planting local grasses and has installed a ditch around the building to prevent the soil erosion.	Primary school construction
5	Trees cut along the Barbed fence and road alignment.	community and contractor	The community and PRF Engineer have clearly marked the trees along the road alignment and Barbed fence line (which trees should be cut, which one should not)	Access road improvement to agriculture area and Barbed fence
6	Land slide, Access road surface and Drainage pipe were damaged by raining storm.	Contractor	excavation the earth volume and renovated the impacted area	Access road renovation and Flooded Bridge
7	Noise pollution occurred to classrooms during construction period	Contractor	Changed to new location to reduce Noise	Primary School

Source: Engineering Division, December 2018

4.2. Gender and Social Inclusion

• Awareness and refresher training on gender Equality and social inclusion

According to the agreement between the WB, SDC and PRF during the PRF's MTR in June 2018 and November 2018 donor mission, the PRF agreed to provide a training for PRF staff on Gender. The purpose of the training was to provide awareness on gender equality and social inclusion, community development and poverty reduction and also review and discuss with field staffs from each division how to apply gender, human right, avoid sexual harassment, social inclusion mainstreaming especially in activities related to the social safeguards and community capacity building, and what can be improved and applied in 2019.

The training was in line with the technical meeting agenda of each division and the trainer on gender equality was from the Lao Women Union. The result of training is positive with good participation and active discussions. The participants shared their experiences on how to increase the participation and ownership in the implementation of development activities with women and small ethnic group members in each steps of the PRF activities.

- **Exchange workshop on gender equality in rural development and poverty eradication.**

In December 2018, the PRF team, with the Lao Women Union (Department of Commission for Advancement of Women) and the MAF prepared and exchange workshop on gender equality in rural development and poverty eradication. The workshop was hold in Vientiane province and the objective was to exchange experiences on gender in rural development and poverty eradication, aiming to build the capacity of staff working in the field on gender promotion by learning more about project planning, implementation and results of assessment to achieve sustainable development goals related to women's development and poverty reduction. The workshop was co-chaired by the Vice President of the Lao Women Union, the PRF Executive Director and the WB representative. A total of 42 participants (including 31 female) joined this workshop. The LWU informed of their experience in gender mainstreaming and assessment with various donors financed projects and expressed their interest and happiness to in collaborate and provide technical support for PRF in gender awareness raising, training, gender informed project design and gender assessment as needed.

- **The 4th National Nutrition Forum and National Nutrition Committee Meeting On Dec 7, 2018,**

In December 2018, the 4th National Nutrition Forum and National Nutrition Committee Meeting was held at the National Conference Hall. The forum was chaired by the Deputy Prime Minister with participation from other relevant sectors related to Livelihood-Linked Nutrition. It was a good opportunity for the PRF team to show many materials and IEC tools related to PRF nutrition activities such as the VNC, the super clean cook stove and Mill Premix to be piloted and scaled up under the convergence projects in the 4 northern targeted provinces, and to promote nutrition well-being and gender behavior change for livelihood development.

4.3. Disaster related activities

The recent *Final Report of Technical, Cost Effectiveness and Sustainability Audit* (March 2016) identified that only 17% of the sub-project documents contained DRM checklists and underlines the need for a DRM training courses.

In March 2017, the SCO in Vientiane requested DRR Regional Advisors to participate in a session specifically on disaster risk management as part of PRF's Donor Support Mission, where PRF re-confirmed that the inclusion of DRR and the strengthening of communities' resilience to natural disasters is strongly needed.

The final report of *Technical, Utilization, and Beneficiary Satisfaction Assessment (May 2018)* mentioned that. All villages committee have participated in the DRM process since the begin of the sub-project preparation. The PRF promotes this topic as a first priority for all villagers to be aware of.

A second visit of the DRM consultants from Swiss and Bangkok was also organized in Luangprabang in order to improvement the existing PRF guideline, and more specifically the DRM forms.

As an output, the Sub-project Design Checklist and Hazard/Risk Assessment Forms have been revised and translated into Lao language. These revised forms have been introduced to

the PRF engineers during a Refresher Workshop focusing on the changes, potential measures and examples of self-study risk assessments. These new forms have been used during the Cycle XVI survey-design as well as after the storms and flooding that have affected the country damaged some PRF supported sub-projects. A total of 162 of PRF II and PRFIII sub-projects (2,613SPs) in 144 villages covering 36 districts have been impacted with estimated total budget of US\$2 million required in order to fix the damages (Details in annex 14).

In November 2018, and with the support from SDC through its Innovation Fund, the PRF DRM focal group attended DRM training on multi-hazard, multi-level, multi-agency and multi-disciplinary facets organized by the Asian Disaster Preparedness Center, held in Thailand. Lesson learned from this training programme has provided relevant information for the PRF III AF design. The training report was prepared and sent to the Bank and SDC for information in December 2018. The TOR for a DRM consultant was prepared accordingly and shared with SDC and World Bank for comments. This consultant will be financed by SDC to develop a DRM courses module for PRF staff.

4.4. AF - design of additional US\$ 10 million and cooperation with other WB projects

The Ministry of Agriculture and Forestry (MAF) has submitted a request to the Ministry of Planning and Investment (MPI) to approve US\$10 million PRF III Additional Financing that will be supported by the (no 0850/MAF dated 09 August 2018). In February 12 2018, the World Bank has received a formal request from the Ministry of Finance for the US\$10 million IDA financing as well as a new project supporting poverty reduction and rural development.

A concept note for the PRF AF of US\$10 million has been developed and shared with the World Bank for comments. The team is now working on refining the Project Development Objective (PDO), results indicators, and coordination across the convergence projects, project lifetime and realistic scope and project target. It was agreed that the PDO would require revision to move beyond “access to services” in order to reflect the quality of services as well as the expanded focus on livelihood and nutrition support. The PDO proposed in the concept note will be further revised to remove the focus on “consumption” as this is difficult to measure and associate to the project interventions. The PDO revision would also include a focus on income generation and production and/or productivity. Results indicators will be further developed to be concise and reflect the project’s contribution to nutrition, including the proposed focus on dietary diversity for mothers and children in the 1,000-day window.

There are 968 villages in the 12 proposed project target districts. Of those villages, the Agriculture and Nutrition (AFN) project implemented by MAF, which offers very similar interventions to PRF, will be covering 400 villages. As 52 of these 400 villages are currently supported by PRF Livelihood and Nutrition (LN), MAF will need to decide whether PRF should withdraw from these villages once AFN engages to avoid duplication of effort. At the moment, AFN is already operating in 32 of these villages. If PRF withdraws from these villages, this would leave 568 remaining villages for possible PRF coverage. In addition, PRF would continue to provide modest technical assistance for livelihood and nutrition activities to 40 villages in 2 districts outside of the 12 target districts. This would bring the total coverage area to 608 villages in 14 districts, but with potentially varying degrees of support provided to some villages.

The Bank and PRF are following up with the AFN team in MAF and IFAD to discuss how to collaborate and divide responsibilities within and among villages. It has since been agreed that the limited budget PRF would only be able to cover about 200 villages out of 568 villages, for the basic criteria for village selection would capture following aspects:

1. No AFN support
2. No other similar project active
3. High population (more beneficiaries)
4. High poverty (% of HHs that are poor versus non-poor)
5. High stunting (or other health-related indicator relevant for nutrition that is available for every village)
6. No physical resettlement/consolidation of other villagers to this village in the last and the next 4 years.

Remark: *In some cases if the above selection criteria are not appropriate for some districts, the local authority or concerned sectors at district can decide which village can be selected with information and reasonable information, based on the number of villages that already calculated and budgeted.*

MAF and the Bank have discussed to provide some ideas on how the AF activities would be sustainable and contribute to the sustainability of PRF itself. There are several options. **First**, the AF will support an evolution of PRF's activities from a predominantly infrastructure focus to a broader range of support including access to finance, income generation, enhanced livelihood production, better value-chain linkages, and access to markets. This change in focus will situate PRF better within the context of MAF's overall mandate, including the more recent addition of rural development. This will also allow MAF and other line ministry district staff (i.e. public works) to engage more in PRF activities to provide support. **Second**, PRF's focus on sustainable community institutions that fits well with the current NSEDP emphasis on promoting affordable, community-based solutions and sustainable rural development. Even after PRF investments cease, SHGs will continue to "revolve" funds for ongoing investment. Producer Groups will continue to be a natural entry points for MAF technical support and access to larger markets. Farmer Nutrition Groups will continue to meet to support each other, for their health and mutual benefit. **Finally**, as PRF is a part of MAF, it should receive an incremental operation (IO) budget annually allocated by the Ministry to partly cover its staff and operating costs and maximize the benefit from external, donor financing from the World Bank and others.

CHAPTER V: CHALLENGES ENCOUNTERED IN PRF III

5.1. Key Challenges

The re-structuring of PRF organization is still ongoing and lack of clarity remains on the role of PRF after transferring PRF from the PM's Office to MAF (decree 99/PM). This is particularly the case in some provinces and districts where changing lines of reporting and authority need to be clarified.

Harmonizing the development plans of PRF and the Government is a key challenge for the implementation of PRF, given different approaches and time scales. The Government and Donor(s) should continue their meetings related to coordination and the development of a common strategy and framework for rural development. This would suggest developing the single planning policy in each district that all development partners can use and apply.

PRF and other stakeholders continue to focus on developing rural community in a sustainable way. At the same time, partnership and cooperation between PRF and development partners need to be further enhanced and new ways of working to be explored, to enhance synergies, avoid duplications and provide integrated solutions together to the complex challenges the country is facing.

In additionally, the serious natural disaster occurred in 2018, which also caused some difficulties for overall work of PRF, especially, the sub-project construction and traveling to the construction to the field. However, due to the hardworking of PRF staff and supported by local authority, almost sub-projects of this cycle had been completed by December 2018.

As already mentioned (3.9.1) about the co-financing in 2019, for the remaining sub-projects under the GOL budget (91 sub-projects, LAK 26 Billion), which is considered to be a challenge because it is linked to the community satisfactory and trust for PRF; therefore, this is a key work for PRF team and well as the concerned sectors to get to the villages and explain about the situation.

5.2. Sustainability of PRF's activity

As already mentioned in the Annual Progress Report 2017, the sustainability of PRF's development assistance should consider four dimensions: (i) developing a viable and replicable model; (ii) increasing the role of local government; (iii) enhancing community and local capacity, and (iv) improving design quality and O&M of sub-projects. These four dimensions are considered as the key factors to sustain the benefits from PRF support. Particularly important is the capacity of government and local authorities to carry out similar work after the completion of PRF, without or with minimal support from donors.

In terms of the **development of a replicable model**, there are various activities including pilot works of PRF that have been tested. However, a viable and replicable model remains to be fully proven and documented so that other project(s), development partners and Government can apply in future. Instead of a focus on the quantity of works (PRF's Panning, CDD, RMG, LN, etc), PRF should focus on the quality, efficiency and effectiveness of procedures and appropriateness given the current capacities of Government administrations,.. In the short-term, the most important focus is how the infrastructure works can be sustained without the support from donors after the end of the PRF?

Increase the role of local government requires both trained Government staff and budget support. PRF has successfully piloted the process of integrating Kum ban plans into district planning (DSEDP), 'deepened CDD/CFA', and RMG but these pilots have been funded by PRF. PRF; therefore, needs to consider how the Government can proceed with these activities with the Government budget available? Pilots must not only demonstrate the end result but they must also be feasible. It would be useful to get some experiences from Vietnam, Philippine and other ASEAN's countries in order to respond to this challenge.

Enhancing community and local capacity has two aspects - the capacity of village communities and the local capacity of village, Khum ban and district authorities. Each needs to be addressed through different means. For example community capacity is best developed through involving them in each stage of PRF's activities. The capacity of local authorities can be developed by inviting representatives to join meetings and participate in training. PRF has made considerable progress in these areas. There is also the possibility of cross-exchange visits in Laos or other countries so that participants can learn something new and apply it for their community development, especially on the livelihood activities.

Improving design quality and O&M of sub-projects is best addressed through strengthening the capacity of PRF and government staff from the concerned sectors and following the design standards of line ministries with frequent technical checking. O&M is the combined responsibility of the O&M team in each sub-project village and the concerned sector staff at the district. O&M must also be supported by Disaster Risk Management activities, the 6-12 months follow up visits, and formation of Road Maintenance Groups.

CHAPTER VI: PLANNED ACTIVITIES and BUDGET for 2019

6.1. Key activities for 2019

2019 is the last year of the PRF III phase, the PRF team needs to continue to emphasis on the sub-project implementation, avoiding deviation from the processes and procedures and as well as any delay from the agreed work plan. The capacity building for community and local authorities should continue to be a focus as well as strengthening livelihood and nutritious activities through the performance of SHGs and preparing the transition between PRFIII and PRF AF (budget, staff, manual, coverage areas, budget allocation, etc).

This last year, the team will also focus on preparing the supporting documents and related studies and evaluations in order to evaluate the PRF III, achievements through the indicators set in the Project Development Objective (PDOs) and Intermediate Results Indicators (IRIs) as well as PRF III final impact evaluation, which will use the PRF II's final evaluation to be the baseline for PRF III's final impact evaluation. The MIS system would be also needed to include the PRF III AF information, for example the household wealth ranking to be available for SHGs selection. AWPB for 2019 was timely received and reviewed by the World Bank and SDC. It was agreed that some activities such as planning and review meetings and exchange activities under Community Grant and Community Development Components are dropped as 2019 is the final year of PRFIII to be closed in June 2020. Budgets for these activities need to be reallocated to finance livelihood and nutrition activities under component 4 to ensure effective implementation of phasing out or sustainability strategy for LN activities in Savannakhet (which will not be covered under the PRFIII AF) and up scaling LN achievement into the 4 new target provinces in the north.

6.2. Detail of planned activities

6.2.1. Finance and Administration work

- Preparation of donor's PRF III's AF Preparation Mission to the PRF for year-end review in February 2019;
- Preparation the annual progress and related budget and expenditure progress for the fiscal year 2018;
- Submission of Interim Unaudited Financial Report (IFR) for the period (October – December 2018) to the donors (WB) by February 15, 2018; period (January – March 2019) to the donors (WB) by May 15, 2018; period (April – June 2019) to the donors (WB) by July 15, 2018; period (July – September 2019) to the donors (WB) by November 15, 2018; and period (October – December 2019) to the donors (WB) by February 15, 2020;
- PRF FA at the central level will prepare the replenishment document for IDA 5827 ;
- PRF FA at the central level plans to completely transfer the 3rd installment of sub-grant Cycle XV during the sub-projects period guarantee;
- Preparation of the refresher and budget review training for PRF provincial and district finance staffs (February 2019);
- Preparation of Board Meeting (end of January 2019);
- Preparation of weekly report in order to report to M&E for consolidating and forward to MAF;
- External Audit report submission to the donors (end of June 2019);
- FA supervision mission to provincial/ district (On the job training);
- Conduct the training on Financial Management and Procurement for the VIT teams.

6.2.2. Monitoring and Evaluation

- Review the Monitoring and Evaluation System that would need to be adapted for PRFIII's AF period, including the forms review as well as database review; and some achievement indicators review that would apply for MIS online implication proposed by donors;
- Monitor and evaluate the sub-projects implementation for both Cycle XV and XVI based on the operational plan, including the issue/solution in case of deviation from intended target and agreed workplan;
- Finalize the impact evaluation TOR of and work with external consultant to conduct the Final Impact Evaluation (end of 2019 but to be confirmed with donors);
- Continue working with each division/unit as agreed on data entry responsibility based on their key activities to ensure all data are capture in the MIS as well as Cycle XVI data, before closing PRFIII;
- Follow up the evaluation of periodic SHG performance (two times per year, in June and December);
- Conduct internal evaluation based on the functioning of sub-projects linked to the ownership of community to operate and maintain their sub-projects;
- Conducting trainings on Monitoring and Evaluation Convergence training in Laos or other countries;
- M&E staff refresher training on the role of M&E staff on monitoring and evaluation work, including: data management, data verification and data validation as well as the role of M&E for monitoring and following up sub-project implementation; and
- Prepare the semi-Annual and Annual Progress Report 2019.

6.2.3. Community Development

- Conduct training on Village Social Audit;
- Conduct meeting on budget reviewing for each Kum ban;
- Conduct district coordination meeting;
- Organize regular meeting with concerned sectors;
- Organize training on environmental and social safeguards;
- Continuing disseminating of PRF information to public through medias;
- Arrange on exchange meeting on gender equality
- Organize the District Annual Evaluation Meeting;
- Conduct district exchange workshop on sub-project implementation.

6.2.4. Engineering Works

- Submit lists of sub-project which will implemented within the Cycle XVI to donors;
- Cycle XVI Sub-projects implementation;
- Monitoring quality of sub-projects construction;
- Following up the progress of Road Maintenance Groups (RMGs);
- Continuing training on technical construction of CFA sub-project for PRF provincial; district staff and community contracting;
- Conduct sub-projects inspection in cooperation with universities;
- Continue following up CLTS activities in target villages that are not yet ODF.

6.2.5. Human Resources

- Discuss with the PRF management team the project structure for the AF and staff management in the districts and provinces where the PRF will phase out;
- Review the TOR for all positions in line with the AF by working closely with all head division/unit;

- Following the payment for Internal consultant (ME and Community Contracting consultant);
- Discuss and review the projects internal regulations with project management team;
- Prepare the document to support the Board Meeting (January 2019).

6.2.6. Procurement

- Prepare the Project Procurement Strategy Development (PPSD) for the PRF additional financing for and submit to the World Bank;
- Prepare the Master Procurement Plan under PRF additional financing of and submit to the World Bank;
- Revise the Community Procurement Guideline and submit to the World Bank for approval;
- Prepare the sub-project procurement plan including its sub procurement plan for the Cycle XVI and send to the World Bank for their record and reference;
- Sign contract agreement with the Village Team for the sub-project fund supported by the PRF;
- Organize procurement training for the Village Procurement Team before conducting the procurement process of cycle XVI sub-project of at the district level;
- Assist the Village Team to conduct the bid opening and evaluation process for their sub-projects and sign the contract with selected contractors and/or suppliers for Cycle XVI sub projects;
- Monitor and supervise the sub project implementation by the communities;
- Monitor and supervise the filing of sub projects prepared by community and prepare all the documents for audit by the World Bank, External Auditor as well as Internal Auditor;
- Conduct the bid opening for the remaining items as mentioned in the PRF III Procurement Plan.

6.2.7. Livelihood and Nutrition

- Training on technical intervention including agriculture, animal raising and handmade;
- Assist the creation of producer groups in targeted district;
- Marketing survey and defined suitable agricultural products to be promoted;
- Training on accounting management and finance for SHGs and VSMC;
- Linked nutrition activity pilot in targeted villages;
- Periodically Monitoring implementation of SHG activities;
- Preparatio for the scaling up of the LN activities in other provinces;
- Conduct SHG implementation assessment.

6.2.8. Internal Audit

Continue the implementation of the internal audit work, plan 2019. The team identified 20 auditable entities as audit universe under PRF through previous year experience, review of the relevant documents and consultation with PRF management members. This includes:

- Conduct integrated and special audit at PRF central and all targeted provinces;
- 10 audits of PRF activities at each of the 10 provincial offices;
- 7 audits at national level including 4 Divisions, HR Unit, Procurement Unit and LN Unit;
- 2 audits of LN activities in Huaphan and Savannakhet provinces;
- 1 audit capacity building.

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Annex 1: Result framework of PRF III

Indicator Name	Baseline	Cumulative Target Values					Comment
		YR1 2016	YR2 2017	YR3 2018	YR4 2019	End Target	
Project Development Objectives (PDO)							
Direct project beneficiaries ¹ (Number) - (Core)	567,762	640,000	680,000	687,000	690,000	690,000	This represents beneficiaries from the last annual sub-grant PRF II (accumulated number), data of new villages just received sub-projects in Cycle XV (PRF III).
		695,663	777,596 ²	810,621 ³	866,771 ⁴		
Female beneficiaries (Percentage - Sub-Type: Supplemental) - (Core) Actual	53	50.00	50.00	50.00	50.00	50.00	As above
		49.8	50.00	49.32	49.13		
Ethnic Beneficiaries (Percentage - Sub-Type: Supplemental)	70	70	70.00	70.00	70.00	70.00	As above
		77.00	84.00 ⁵	80.00 ⁶	84.37		

¹ The baseline value is the total number of villagers who have directly benefited from the PRF II at the time of PRF III appraisal. The Year 1 value includes villagers who would benefit from the last annual sub-grant cycle of the PRF II, in addition to those who would benefit from the first annual sub-grant cycle of PRF III.

² Based on the number of population (81,933 people) in new villages that received PRF's support as total of 159 out of 340 villages in 2017 while 181 villages are received PRF II and PRF III's support.

³ Based on the number of population (33,025 people) in new villages that just received PRF's support as total 65 villages out 326 villages where sub-project located in 2018, while the other 261 villages already received in PRF II.

⁴ Based on the number of beneficiaries (56,150 people) in 112 villages out of 420 villages where sub-projects are located in 2019 while other 298 villages have been received in PRF III Cycle XIV, Cycle XV and PRF II..

⁵ Based on the number of ethnic group members in the targeted villages were received sub-projects in 2017 per total population.

⁶ There are 168,308 people as direct beneficiaries and 134,585 are ethnic groups (134,585/168,308)=80%.

% of PRF beneficiary HHs reporting improved access to basic services (Percentage) ⁷	n/a					End targets set for each subproject type	Data to be available before project closing through an endline impact evaluation conducted by a firm contracted by PRF, end of 2019/or replaced by % time reduced to access to those basic infrastructures.
% of PRF beneficiary HHs with access to health services (Percentage - Sub-Type: Supplemental)	36.40				42.40	42.40	As above
% of PRF beneficiary HHs with access to safe water resources (Percentage - Sub-Type: Supplemental)	11.00				14	14	As above
% of PRF beneficiary HHs with access to all weather roads (Percentage - Sub-Type: Supplemental)	48.00				58.00	58.00	As above
% of PRF beneficiary HHs reporting improved quality of educational facilities (Percentage - Sub-Type: Supplemental)	45.00				60.00	60.00	As above
Intermediate Results Indicators							
		Cumulative Target Values					Comments
Indicator Name	Baseline 2015	YR1 2016	YR2 2017	YR3 2018	YR4 2019	End Target	
% of total project value contributed by the community (Text)	11.00	8.00	7.79 ⁸	7.59 ⁹		No target value set	Sub-project implementation not yet commenced

⁷ Baseline values for the sub-indicators are the current level of access at the time of PRF III appraisal.

⁸ This used annually cumulative numbers from 2016+2017.

⁹ Based on the suggestion of World Bank during M&E part on 18 June 2018, using cumulative data from 2016+2017+2018, the data may be updated in Annual Progress Report 2018.

% HHs in PRF beneficiary villages voting for village priorities (Percentage)	60.00	70.00	75.00	75.00	75.00	75.00	From MIS. It is new indicator of PRF III
		n/a	85.2	87.05 ¹⁰	89.00 ¹¹		
% of PRF Kumbans participating in DSEDP process promoting PRF KDPs and/or VDPs (Percentage)	0.00	50.00	70.00	75.00	75.00	75.00	We based on data of pilot DSEDP districts, KDPs are included in annual DSEDP
		n/a	71.20 ¹²	83.00 ¹³			
% of sub-project activities of high technical quality (Percentage)	85.00			85.00		85.00	Data is available through Technical quality assessment confirmed in May 2018
				92.00			
% of households in PRF beneficiary villages satisfied with the participatory planning process supported by PRF III (Percentage)	75.00			80.00		80.00	As above
				95.00			

¹⁰ Based on cumulative number of beneficiaries HHs from 2017+2018 participated for voting their village priorities.

¹¹ Based on the cumulative number of beneficiaries HHs from 2017+2018+2019 participated for voting their village priorities

¹² We used the data of KBPs in annual DSEDP implementation plan in the pilot districts that tested for DSEDP, we based on data of Sepone district where there is 152 priorities and 114 are included in DSEDP, Samneua district in Huaphan, there are 93 priorities and 73 are added in DSEDP, Phonesay district in LuangPrabang there are 222 priorities and 143 are added in DSEDP, Beng district 40 priorities and in DSEDP 31. This Indicator = $(114+73+143+31)/(152+93+222+40) = 71.20\%$

¹³ In 2018, we used the KDPs data of 4 pilot districts, which updated data of 2018, as total of 5,347 sub-projects in the KDPs and 3,790 sub-projects included in district social development plans. it shows that there is different between districts which conducted DSEDP meeting and other districts without (that means 39 districts have no meeting on this issue).

¹⁴ Based on the finding of technical study in 2016, where 90 percent of sample sub-projects are good quality, 7 % are fair and 3 % are poor

% of PRF III sub-project prioritized by women (Percentage)	91.00	90.00 93.00	90.00 91.97 ¹⁵	90.00 91.94 ¹⁶	90.00 99.17	90.00 94.36	From MIS PRF III
% of PRF III sub-projects prioritized by ethnic group (Percentage)	70.00	70.00 n/a	70.00 80.02	70.00 85.33	70.00	70.00	As above, it is new indicator of PRF III
% of PRF built infrastructure in a functioning quality (Percentage)	80.00	80.00 90 ¹⁷	80.00	80.00 97.4 ¹⁸	80.00	80.00	Data is available through Technical quality assessment confirmed in May 2018 and 6-12 months check list
% of registered grievances that are addressed according to agreed procedures (Percentage)	90.00	90.00 95.00	90.00 95 ¹⁹	90.00 98.18	90.00	90.00	From MIS
# of communities able to plan, implement and monitor their VDPs (Number)	1,124	1,300 1,349	1,400 1,508 ²⁰	1,450 1,573 ²¹	1,450 1,695 ²²	1,450	Represents # of villages that have developed VDPs

¹⁵ This based on data of 348 sub-projects that entered to the system by June 7, 2017, as 87 sub-projects are prioritized by only women and 234 sub-projects are prioritized by both men and women, only man 28 sub-projects.

¹⁶ There are 308 out of 335 sub-projects that selected by women

¹⁷ Based on the technical audit evaluation in 2016, 90% of sub-projects are good quality, 70% are fair and 3% are poor quality.

¹⁸ Internal monitoring done by PRF district office and Kumban team in February 2018, there are 45 out of 1761 sub-projects are not functioning while 12 of them are poor quality. For the Technical Beneficiary Assessment conducted in May 2018, confirmed that 92% is high technical quality and 8% is fair, it is weak to justify this finding.

¹⁹ We based on data Grievances submitted through hotlines and FRM, as well as issues raise by community during the meeting.

²⁰ For this indicator we based on the number of villages have received at least one sub-project, as same as we calculated in PRF II , For PRF III, there are 348 sub-projects located in 340 villages, there are 181 villages received PRFII and PRF III, and there are 159 new villages that received supported by PRF III. Therefore, we have 1349+159=1508 villages.

²¹ In 2018, there are 335 sub-projects located in 326 villages and there are 56 new villages, so accumulated number is 1,508+65=1,573 villages.

²² In 2019, there are 486 sub-projects located in 450 villages and there are 122 new villages. Therefore, cumulative is 1,573+122= 1,695 villages.

# and value of sub project activities implemented by types (Number)	1,426	1,750 1,930 ²³	2,100 2,278	2,450 2,613	2,800 3,099	2,800	From MIS
# of individuals with livelihood investments using loans from SHGs (Number)	4,054	8,000 8,213	8,000 9,962	8,000 9,962 ²⁴	8,000 1,085	8,000	From LN MIS
% of SHGs with NPLs 4% and below ^[1]	60.00	60.00	70.00 n/a	70.00 88.7	70.00	70.00	As above, need to be revised and proposed for % of members who repaid on time.
Additional Indicator: % of poor and poorest villages have received at least one sub-project from PRF III	n/a	n/a	86.47 ²⁵	85.00 ²⁶	86.90 ²⁷		New indicator of PRF III

²³ Based on last number of PRF II, there are 1931 sub-projects that got approved, and then we can add data of Cycle 14, 15, 16.

²⁴ Use the maximum number of members who took the loan from SHG to invest for livelihood activities.

²⁵ Based on data of 348 sub-project(s) located in 340 villages where 43 are poorest villages, 258 are poor villages, and 47 are relative poor villages, data may be updated in annual progress report.

²⁶ Based on data of 335 sub-project(s) located in 326 villages where 27 are poorest villages, 258 are poor villages, and 50 are related poor villages, data will be updated in annual progress report.

²⁷ In 2019, there are 455 sub-project(s) located in 420 villages where 365 are the poorest and poor villages, and 55 are moderately poor villages and data will be updated in annual progress report period.

Annex 2: Key achievements of PRF III in 2017 and 2018

Agriculture

Project Name	Total	PRF	CC	Population	Female	Sum of HH	#SP	Size	Unit
Barbed wire fence	2,685,159,985	2,004,176,269	680,983,716	5,753	2,813	1,003	18	107,460	M
Community market Construction	1,039,474,531	990,915,275	48,559,256	5,021	2,435	706	4	420	M2
Continuation of Irrigation system rehabilitation	435,708,370	397,833,170	37,875,200	886	481	152	1	140	M
Continuation of Weir rehabilitation	33,823,992	31,984,274	18,252,326	703	336	107	1	28	M
Irrigation channel Rehabilitation	2,711,984,590	2,544,366,590	187,451,250	6,642	3,430	1,034	14	6,726	M
Irrigation pipe	883,891,125	802,321,125	81,570,000	1,039	500	205	4	9,850	M
Irrigation system construction	1,168,771,734	1,083,199,734	85,572,000	1,281	549	206	4	4,207	M
Village level livestock handling facilities	422,868,854	356,165,854	75,557,770	1,205	590	224	5	15,482	M
Weir construction	2,782,360,444	2,636,893,017	145,467,427	4,623	2,374	715	10	188	M
Grand Total	12,164,043,625	10,847,855,308	1,361,288,945	27,153	13,508	4,352	61	144,501	

Education

Project Name	Total	PRF	CC	Population	Female	Sum of HH	#SP	Size	Unit
Community library construction	497,320,622	470,949,702	26,370,920	1,582	752	274	2	3	Room
Kindergarten construction	13,718,049,986	12,810,654,772	907,395,214	25,575	12,546	4,078	43	98	Room
Latrine for school	536,089,000	499,833,020	36,255,980	5,637	2,750	930	10	22	Room
Provide furniture for School	48,400,160	48,400,160	-	448	232	39	1	45	Set
Primary school construction	58,165,993,582	54,210,996,199	3,963,673,716	84,398	41,501	13,620	177	434	Room
Primary school continued rehabilitation	4,080,401,718	3,710,387,798	370,013,920	6,576	3,256	1,095	14	43	Room
Provide learning and teaching material for school	244,817,235	234,917,235	9,900,000	949	504	173	4	141	Set

Student's Dormitory Construction	3,555,356,418	3,257,855,151	297,501,267	6,374	3,173	1,067	11	21	Room
Teacher Dormitory Construction	2,555,440,565	2,390,897,691	164,542,874	6,045	3,079	930	9	23	Room
Grand Total	83,401,869,286	77,634,891,728	5,775,653,892	137,584	67,793	22,206	271	830	

WPT

Project Name	Total	PRF	CC	Population	Female	Sum of HH	#SP	Size	Unit
Bailey bridge construction	1,019,533,278	949,043,240	70,490,038	1,526	808	233	3	67	M
Culvert construction	2,264,442,719	2,129,720,588	134,722,131	5,058	2,702	823	9	227	M
Erosion Construction	145,816,451	132,761,825	13,054,626	265	132	47	1	150	M
Flooded bridge construction	3,786,423,657	3,548,528,468	237,895,189	5,106	2,480	789	12	339	M
Reinforce concrete bridge construction	1,587,540,826	1,520,763,484	66,777,342	3,138	1,586	463	4	118	M
Rural road construction to agricultural areas	1,888,647,433	1,793,856,696	94,790,737	2,954	1,549	539	6	23	KM
Rural road repair to Agriculture area	1,361,368,860	1,304,458,860	56,910,000	1,880	1,005	336	4	19	KM
Rural road spot improvement	34,012,674,323	32,523,547,557	1,489,126,766	57,052	27,573	9,204	106	607	KM
Submerged (drift) bridge construction	292,371,775	264,317,708	28,054,067	540	265	103	1	20	M
Village Area Improvement	1,472,109,858	1,382,783,491	89,326,367	1,660	863	287	5	9,604	M2
Grand Total	47,830,929,181	45,549,781,917	2,281,147,264	79,179	38,963	12,824	151	11,174	

WS

Project Name	Total	PRF	CC	Population	Female	Sum of HH	#SP	Size	Unit
Community water supply construction	302,083,284	281,961,746	20,121,538	431	196	78	1	2,770	M
Drilled well construction	4,878,290,074	4,601,420,074	280,537,628	19,978	9,702	2,772	30	2,775	M
Latrine Construction	45,962,220	45,536,145	426,075	504	304	56	1	2	Room
Spring gravity fed system	11,823,866,053	10,641,790,295	1,200,925,757	27,131	13,104	4,056	62	235,909	M
Spring gravity fed system Rehabilitation	9,314,878,416	8,181,251,712	1,138,066,605	35,756	17,844	5,868	81	210,076	M
Water system rehabilitation	432,040,781	397,439,781	34,601,000	1,005	556	161	1	3,344	M
Grand Total	26,797,120,828	24,149,399,753	2,674,678,602	84,805	41,706	12,991	176	454,876	

Health

Project Name	Total	PRF	CC	Population	Female	Sum of HH	#SP	Size	Unit
Dispensary construction	2,780,385,809	2,617,114,459	163,271,350	6,289	3,105	1,001	8	28	Room
Dispensary rehabilitation	321,163,563	315,720,463	5,443,100	571	279	102	1	3	Room
Dormitory construction for nurse	1,361,039,732	1,286,020,797	86,956,486	3,996	1,918	798	5	12	Room
Patients Dormitory construction	921,687,017	863,700,363	57,986,654	2,478	1,246	1,014	3	8	Room
Grand Total	5,384,276,121	5,082,556,082	313,657,590	13,334	6,548	2,915	17	51	Room

EM

Project Name	Total	PRF	CC	Population	Female	Sum of HH	#SP	Size	Unit
Low Voltage Electricity Net and Transformer	1,464,265,789	1,436,765,789	27,500,000	3,289	1,687	587	4	11	KM
Low Voltage Electricity Net	874,330,992	856,930,992	17,400,000	2,219	1,092	319	3	3	KM
Grand Total	2,338,596,781	2,293,696,781	44,900,000	5,508	2,779	906	7	14	KM

Source: Monitoring and Evaluation, December 2018

Annex 3: Details of PRF KDPs included into DSEDPs

No	Provinces	Districts	KDP	DSEDP	Percentage
1	PHONGSALY	khousa	199	133	67%
2	PHONGSALY	Samphanh	194	121	62%
3	PHONGSALY	May	218	137	63%
4	XIENGKHOUANG	Nonghaed	271	187	69%
5	XIENGKHOUANG	Khoun	101	60	59%
6	XIENGKHOUANG	Morkmay	78	56	72%
7	HOUAPHANH	Xiengkhor	95	56	59%
8	HOUAPHANH	Viengxay	77	57	74%
9	HOUAPHANH	Houameuang	139	116	83%
10	HOUAPHANH	Huim	85	60	71%
10	HOUAPHANH	Sone	79	72	91%
12	HOUAPHANH	Xamtay	172	137	80%
13	HOUAPHANH	Kuane	185	147	79%
14	LUANG NAMTHA	Long	67	28	42%
15	LUANG NAMTHA	Viengphoukha	63	50	79%
16	LUANG NAMTHA	Nalae	67	29	43%
17	OUDOMXAY	Namor	97	75	77%
18	OUDOMXAY	Nga	171	92	54%

19	OUDOMXAY	Houn	178	54	30%
20	OUDOMXAY	Pakbaeng	161	72	45%
21	OUDOMXAY	La	108	85	79%
22	LUANG PHABANG	Nambak	146	104	71%
23	LUANG PHABANG	Viengkham	212	167	79%
24	LUANG PHABANG	Phoukhoun	109	94	86%
25	LUANG PHABANG	Paksaeng	188	138	73%
26	LUANG PHABANG	Phonethong	130	122	94%
27	SAVANNAKHET	Phine	61	52	85%
28	SAVANNAKHET	Nong	81	61	75%
29	SAVANNAKHET	Thapangthong	52	39	75%
30	SAVANNAKHET	Atsaphone	213	151	71%
31	SEKONG	Lamarm	67	53	79%
32	SEKONG	Kaleum	143	111	78%
33	SEKONG	Dakcheung	143	114	80%
34	ATTAPEU	Sanamxay	63	41	65%
35	ATTAPEU	Sanxay	74	60	81%
36	ATTAPEU	Phouvong	43	27	63%
37	SARAVANH	Ta Oy	107	72	67%
38	SARAVANH	Toumlam	95	66	69%
39	SARAVANH	Samoy	88	56	64%
	Average		5,347	3,790	71.2%

Source: Monitoring and Evaluation Division, June 2018

Annex 4: Proportion of registered grievances that are addressed according to agreed procedures

Type of Feedback and Conflict Resolution Magnesium							
Province	Complaint			Thank for PRF	Request more fund/ Technical assistance	Request more information	Total
	Total	Resolved	Pending				
Phongsaly	1	1	0	10	36	6	53
Luangnamtha	11	11	0	27	30	6	74
Oudomxay	3	3	0	67	12	0	82
Louangprabang	87	87	0	196	226	0	509
Houaphanh	42	42	0	44	108	36	230
Xiengkhouang	11	11	0	26	2	2	41
Savannakhet	91	91	0	40	46	3	180
Saravanh	45	45	0	3	0	0	48
Sekong	30	30	0	29	43	16	118
Attapeu	10	10	0	22	13	23	68
Total	331	331	0	464	516	92	1403
	23,59%	23,59%	0	33,07%	36,77%	6,55%	
% of Feedback has been resolved		100%					

Source: PRF MIS, December 2018

Annex 5: List of RMG sub-projects

No	Province	District	Kumban	SP Location	Sub-project Names	Size	Unit	Road Maintenance Groups	Road Maintenance Members
1	Luangnamtha	Viengphoukha	Thonglat	Narm tar lang	Rural road spot improvement	4.1	Km	1	5
2	Luangnamtha	Nalae	Sakaen	Khanha	Rural road spot improvement	4	Km	1	4
2	<u>Sub Total:</u>					<u>8.1</u>	KM	<u>2</u>	<u>9</u>
1	Phongsaly	May	Phonxai	Phouck	Rural road spot improvement	7.8	Km	2	8
2	Phongsaly	Khua	Lar hang nhy	Sar bor	Rural road spot improvement	4.4	Km	1	5
3	Phongsaly	Khua	Saengnang	Kew kam	Rural road spot improvement	21.2	Km	3	15
4	Phongsaly	Khua	Saenlat	Nhang tuai	Rural road spot improvement	2.95	Km	1	3
5	Phongsaly	Samphanh	Laoleo	Narm loi	Rural road spot improvement	3	Km	1	3
6	Phongsaly	Samphanh	Namhang	Nam youn	Rural road spot improvement	9.6	Km	2	10
7	Phongsaly	Samphanh	Eupa	Eur par	Rural road spot improvement	3.9	Km	1	4
8	Phongsaly	Samphanh	Mouchikang	Phoung koo luang	Rural area road repair	3.8	Km	1	4
9	Phongsaly	Samphanh	Namli	Namli	Rural road spot improvement	5.9	Km	1	6
9	<u>Sub Total:</u>					<u>62.55</u>	KM	<u>13</u>	<u>58</u>
1	Houaphanh	Huamueang	Song Kao	Namleom	Rural road spot improvement	7	Km	1	7
2	Houaphanh	Huamueang	Muangfaen	Salong	Rural road spot improvement	7.8	Km	2	8
3	Houaphanh	Kuan	Meuang Na	Hin ngeop	Rural road spot improvement	8.5	Km	2	9
4	Houaphanh	Kuan	Phane thong	Hui vanh	Rural road spot improvement	11	Km	2	11
5	Houaphanh	Xamneua	Him	Tueam	Rural road spot improvement	2.85	Km	1	3

6	Houaphanh	Xamneua	Phonethong	Nam e	Rural road spot improvement	15	Km	3	15
7	Houaphanh	Xamneua	Nongkang	Na out + samord	Rural road spot improvement	8.5	Km	2	9
8	Houaphanh	Xamtay	Xiengban	Idd	Rural road spot improvement	9.5	Km	2	10
9	Houaphanh	Xamtay	Houaxieng	Nongsai	Rural road spot improvement	2.5	Km	1	3
9	<u>Sub Total:</u>					<u>72.65</u>	KM	<u>16</u>	<u>75</u>
1	Oudomxay	Hoon	Namphouan	Nam phouan	Rural road spot improvement	4.3	Km	1	5
2	Oudomxay	Hoon	Namtam	Nam tam	Rural road spot improvement	4.3	Km	1	5
3	Oudomxay	Hoon	Namphoun	Chanhvang	Rural road spot improvement	2	Km	1	2
4	Oudomxay	Hoon	Phouxae	Thang loun	Rural road spot improvement	2.9	Km	1	3
5	Oudomxay	Pakbeng	Xaixana	Phou luang	Rural road spot improvement	2.5	Km	1	3
5	<u>Sub Total:</u>					<u>16</u>	KM	<u>5</u>	<u>18</u>
1	Savannakhet	Atsaphone	Donkong	Koudxoung	Rural road spot improvement	6.5	Km	1	7
2	Savannakhet	Atsaphone	Phonnadi	Namakkue	Rural road spot improvement	5	Km	1	5
3	Savannakhet	Thapangthong	Thaphi	Na tham moo	Rural road spot improvement	3.9	km	1	4
4	Savannakhet	Thapangthong	Xepong	Houylai	Rural road spot improvement	3.7	Km	1	4
5	Savannakhet	Nong	Asing	Kaleangphou	Rural road spot improvement	6.35	Km	1	7
6	Savannakhet	Sepone	Kapai (Xieng toum)	Loosalieng	Rural road spot improvement	5	Km	1	5
7	Savannakhet	Sepone	Kaenglouang	La kheum	Rural road extention	3	Km	1	3
8	Savannakhet	Sepone	Sa e ton	Sakaeng	Rural raod improvement	5	Km	1	5
9	Savannakhet	Sepone	Sobmee	Lath and	Rural raod improvement	3	Km	1	3

10	Savannakhet	Phine	Gnang	Nhang	Rural road construction	9	Km	2	9
11	Savannakhet	Phine	Phalong	Na thou	Rural road construction	5	Km	1	5
11	Sub Total:					55.45	KM	12	57
1	Saravane	Ta oi	Pachoudon (Cho)	Paseer	Rural road spot improvement	5.15	Km	1	6
2	Saravane	Ta oi	Tapuenphou (Tapeun)	Tapeunphou	Rural road spot improvement	4.97	Km	1	5
3	Saravane	Toomlarn	Kokmouang	Kokmouang	Rural road spot improvement	3.6	Km	1	4
4	Saravane	Toomlarn	Kalaeng	Pathiabgnai	Rural road spot improvement	2.5	Km	1	3
5	Saravane	Toomlarn	Nadou	donexad	Rural road spot improvement	4.9	Km	1	5
5	Sub Total:					21.12	KM	5	23
1	Luangprabang	Pakxeng	Hatphouan	Hardphuan	Rural road improvement	3.1	Km	1	4
2	Luangprabang	Pakxeng	Bouamkhoun	Houaytong	Rural road improvement	22	Km	4	20
3	Luangprabang	Phonxay	Houaykhing	Tathong	Rural road improvement	8.5	Km	2	9
4	Luangprabang	Viengkham	Donekhoun	Nammee	Rural road improvement	5.5	Km	1	6
5	Luangprabang	Viengkham	Samsoum	Phoukang	Rural road improvement	9.5	Km	2	10
6	Luangprabang	Viengkham	Sophuang	Viengthong	Rural road improvement	9	Km	2	9
7	Luangprabang	Viengkham	Phousanam	Mokvat	Rural road improvement	4.5	Km	1	5
8	Luangprabang	Viengkham	Mokkha	Phonhom	Rural road improvement	3.8	Km	1	4
9	Luangprabang	Viengkham	Viengkham	Viengkham	Rural road improvement	3	Km	1	3
10	Luangprabang	Phonthong	Phonthong	Nasamphan	Rural road improvement	18.5	Km	3	15
11	Luangprabang	Phonthong	Thongsi	Kiewdokkahe	Rural road	5.5	Km	1	6

					improvement				
12	Luangprabang	Phonthong	Muanghup	Buamkor	Rural road improvement	7	Km	1	7
13	Luangprabang	Nambak	Namdouan	Lankhang	Rural road improvement	2.57	Km	1	3
13	Sub Total:					102.47	KM	21	101
Grand Total: 54						338.34	km	74	341

Source: Engineering Division, December 2018

Annex 6: List of CFA sub-projects

No.	Province	District	Village	Sub-project name	Related section
1	Oudomxay	Lar	Houychai	Rural road spot Improvement	Public Work and Transport
2	Oudomxay	Beang	Bong	Rural road spot Improvement	Public Work and Transport
3	Oudomxay	Namor	Chomsen	Rural road spot Improvement	Public Work and Transport
4	Oudomxay	Nga	Khokkou	Spring gravity fed system Rehabilitation	Water and Sanitation
5	Oudomxay	Houn	Katangya	Spring gravity fed system Rehabilitation	Water and Sanitation
6	Oudomxay	Pakbeang	ChomleangGai	Spring gravity fed system Rehabilitation	Water and Sanitation
7	LuangNamtha	Long	NamBo	Animal Fencing	Agriculture and Forestry
8	LuangNamtha	Viengphoukha	Thaluange	Irrigation system Construction	Agriculture and Forestry
9	LuangNamtha	Viengphoukha	Namsing	Animal Fencing	Agriculture and Forestry
10	Salavan	Toomlarn	Houylay	Rural road spot Improvement	Public Work and Transport
11	Salavan	Ta oi	Porbeuy	Spring gravity fed system Construction	Water and Sanitation
12	Salavan	Samuoi	AsingTai	Spring gravity fed system Rehabilitation	Water and Sanitation
13	Salavan	Samuoi	Kaleng	Irrigation system Construction	Public Work and Transport

Source: Engineering Division, December 2018

Annex 7: Summary of staff training conducted during 2018

Divisions/Units	Name of training course or workshop	Date	Main objective	Number of staff trained	Females trained
M&E	1) Training on the use of PRF III MIS	Feb 2018	To improve the ability and skill of M&E staff regarding data collection, data validation and data verification	8	0
	2) Capacity building for M&E staff and preparation for MTR	Apr 2018	To review the role and responsibility of M&E staff and to ensure all Cycle XV data are captured in MIS and ready for report before MTR.	15	03
	3) Training on SQL server and data validation and verification for M&E provincial staff	June 2018	Review and use of SQL server for data analysis for M&E provincial staff	06	02
	4) Six month review and strengthening for M&E staff	Aug 2018	Review on PRF principles and procedures Review on the use of MIS, what constraints are still exist Review on the reporting skill as well as analytical skill	38	13
	5) Training on how preparation of English report for donors and document preparation (Lao official document)	Oct 2018	PRF staff capacity building on English Report preparation and prepare official document for Government	32	12
	6) Training on data verification for LN local staff, SHGs classification	Dec 2018	To review data of LN, data verification and SHGs performance classified (Good, Medium and Poor) levels.	186	106
TA, FA and Procurement	TA, FA, Procurement refresher training	Sept 2018	To refresher national, provincial and district staff on Financial Management and administration, technique, procurement for sub-project implementation.	101	27
CD	CD refresher training	Oct 2018	To refresher national, provincial and district staff on Social safeguards and staff ability improving.	63	14
LN	LN training on Chicken rising	Dec 2018	To train LN district staff covered 7 districts of 2 provinces on chicken rising to be ToT for SHGs	32	8

Source: Monitoring and Evaluation, December 2018

Annex 8: Summary of training for local authorities conducted in 2018

Name of training course or workshop	Total	Total	Female	Ethnic
Annual District Evaluation Meeting	During 2018	829	140	292
Annual Provincial Exchange Workshop	During 2018	43	10	21
Bid Opening	During 2018	1,103	70	181
Click off Meeting at District	During 2018	66	13	22
Click off Meeting at Village	During 2018	1,233	117	385
Cross Kum ban meeting	During 2018	129	3	31
District planning and coordination Meeting	During 2018	914	151	211
First Accountability Meeting	During 2018	1,407	156	397
Implementation Team Training	During 2018	885	120	288
Kum ban Development Planning	During 2018	765	90	170
Kumban Monthly Meeting	During 2018	271	23	60
Other (specify)	During 2018	759	117	230
Provincial Orientation Meeting	During 2018	40	5	-
Second Accountability Meeting	During 2018	938	88	275
Social Safeguard Training	During 2018	199	15	20
Sub-project Procurement and Finance Training	During 2018	223	27	46
Survey	During 2018	1,661	210	377
Third Accountability Meeting	During 2018	48	11	21
Training (specify)	During 2018	212	25	34
Village Confirmation Meeting	During 2018	1,000	104	286
Village Development Planning	During 2018	1,553	243	475

Village Report back and validation	During 2018	92	17	40
Operation and Maintenance Meeting	During 2018	1,232	115	300
Grand Total	During 2018	15,602	1,870	4,162

Source: MIS, December 2018

Annex 9: Kumban Facilitators in 2018

Provinces/Districts	Sum of #KB	#KBF	KBF Male	KBF Female
Attapeu	12	36	14	22
Phouvong District	3	9	4	5
Sanamxay District	5	15	5	10
Sanxay District	4	12	5	7
Huaphanh	50	150	52	98
Huameuang District	8	24	8	16
Huim District	4	12	4	8
Kuane District	9	27	9	18
Sone District	5	15	5	10
Viengxay District	5	15	7	8
Xamneua District	7	21	7	14
Xamtay District	7	21	7	14
Xiengkhor District	5	15	5	10
Luangnamtha	12	36	16	20
Long District	4	12	4	8
Nalae District	4	12	5	7
Viengphoukha District	4	12	4	8
Luangprabang	38	114	50	64
Nambak District	4	12	7	5
Pak xeng District	8	24	12	12
Phonthong District	5	15	6	9
Phonxay District	8	24	12	12
Phoukhoun District	5	15	5	10
Viengkham District	8	24	9	15

Oudomxay	34	102	47	55
Beng District	3	9	3	6
Hoon District	8	24	10	14
La District	4	12	5	7
Namor District	5	15	6	9
Nga District	7	21	12	9
Pakbeng District	7	21	11	10
Phongsaly	22	66	22	44
Khua District	6	18	6	12
May District	8	24	8	16
Samphanh District	8	24	8	16
Saravane	14	42	14	28
Samuoi District	4	12	4	8
Ta oi District	5	15	5	10
Toomlarn District	5	15	5	10
Savannakhet	43	129	45	84
Atsaphone District	9	27	9	18
Nong District	9	27	9	18
Phine District	7	21	9	12
Sepone District	12	36	12	24
Thapangthong District	6	18	6	12
Sekong	19	57	26	31
Dakcheung District	8	24	11	13
Kaleum District	7	21	10	11
Lamarm District	4	12	5	7
Xiengkhuang	19	57	26	31

Khoune District	5	15	8	7
Morkmay District	5	15	6	9
Nonghed District	9	27	12	15
Total	263	789	312	477
				60,45%

Source: Community Development Division, June 2018

Annex 10: Summary of training for local communities conducted during 2018

Name of training course or workshop	Date	Main objective	Number of staff trained	Females trained
Operation and Maintenance	During 2018	To emphasis on the construction techniques so that community could resolve and manage sub-projects	8,185	3,000
Social Safeguards for KBFs	During 2018	To raise awareness on social impact and on social audit including FRM	789	477
KBF Monthly meeting	During 2018	To review sub-projects implementation and the issues theyhave faced and the way to resolve these issues	2,362	1,024
Cross Kumban visit	During 2018	To exchange lessons between targeted villages	2,886	1,123
District Annual Evaluation Meeting	During 2018	To review sub-project implementation in district level which problem should be solve as well as lesson learned since the beginning of the sub-project construction, collaboration between PRF and district authorities	2,474	771
Provincial Annual Evaluation Meeting	During 2018	To review sub-project implementation in provincial level and check which problem should be solve as well as lesson learned since the beginning of the sub-project construction, collaboration between PRF and district authorities	577	102

Source: Community Development Division, December 2018

Annex 11: IEC material productions

No	Content	Unit	Number	Remark
1	Daily note poster forms for RMG member	sheet	24	Size: 80cm x 120 cm
2	Control form poster for MRG member	sheet	24	Size: 80cm x 120 cm
3	Impact loss of road poster	sheet	24	Size: 80cm x 120 cm
4	Activities and standard for implementation of road maintenance poster	sheet	24	Size: 80cm x 120 cm
5	Maintenance monthly activities poster	sheet	24	Size: 80cm x 120 cm
6	Commitment between MRG member and road Implementation team	sheet	24	Size: 80cm x 120 cm
7	Training manual on comparison between quality of material and building construction (bad and good)	book	1,650	
8	Field note book	book	1,000	
9	Training manual on road maintenance and renovation for the PRF and Public works staff	book	150	A5
10	Training manual on road maintenance and renovation for RMG member	book	250	A5
11	Printing PRF sticker	sheet	1,400	
12	CDD success story brochure	sheet	2,000	
13	Atlas of map on PRF target Kum ban	book	100	
14	FRF T-shirt	set	1,300	
15	PRF Introduction and CDD spots	set	2	
16	PRF Introduction Film	set	1	
17	Develop ethnic language songs (MV)	songs	40	

Source: Community Development Division, June 2018

Annex 12: Annual budget planned for fiscal year 2019

Components	Description	Budget
Component1:	Community Development Grants	<u>12,366,600</u>
1.1	Sub-grants	11,465,000
1.2	Kum Ban Planning	901,600
Component2:	Local & Community Development Capacity building	<u>2,250,478</u>
2.1	Capacity building	981,000
2.2	Assessments and Developmental Activities	401,887
2.3	Sub-Grant Monitoring	729,600
2.4	WSP Local capacity building	138,000
2.5	Innovative Fund	
Component3:	Project Management	<u>2,779,370</u>
3.01	PRF staff Salary	2,325,370
3.02	Equipment	60,000
3.03	Works	35,000
3.04	External Audit & Internal Audit	69,000
3.05	Incremental Operating Costs	290,000
Component4:	Livelihood & Nutrition Project	<u>640,000</u>
Total:		<u>18,036,457</u>

Source: Finance and Administration Division, December 2018

Annex 13: Staff turnover in 2018

Positions		Gender	Reasons for leaving	Replaced	%
Centre	Accounting Assistant/cashier	Female	Working for new project	Yes	8.82
	Technical Internal audit officer	Male	Working for new project	Yes	
	Driver	Male	Working for new project	Yes	
National office Total staff : 34					
Attapue	District Engineer at Phouvong	Male	be government staff	Yes	20.00
	District Engineer at Sansay	Male	Family reason	Yes	
Attpapue office Total staff: 10					
Savannakhet	Village Livelihood officer at Nong	Female	continue studying	Yes	4.88
	Village Livelihood officer at Sepon	Male	continue studying	Yes	
Savannakhet office Total staff: 41					
Hauphanh	District Livelihood Officer at Xiengkhor	Male	Family reason	Yes	7.02
	Village Livelihood officer at Xiengkhor	Male	apply to District LN	Yes	
	Village Livelihood officer at Sone	Male	be government staff	Yes	
	Provincial Project Manager	Male	be government staff	NO	
Huaphanh office Total staff: 57					
Louangnamtha	Driver	Male	Family reason	Yes	13.33
	District CD staff at Long	Male	Working for new project	No	

Louangnamtha office Total staff: 15					
Salavan	Provincial Project Manager	Male	Retired	NO	6.67
Salavan office Total staff: 15					
Oudomxay	District Engineer at Beng	Male	continue studying	No	4.55
Oudomxay office Total staff: 22					
Phongsaly	District Engineer at Samphan	Male	Healthy problem	No	6.67
Phonsaly office Total staff: 15					
Luang Prabang	Provincial CD Staff	Male	Working for new project	Yes	8.33
	District CD staff at Nambak	Male	Apply for Provincial CD	Yes	
Luang Prabang office Total staff: 24					
Grand Total:				266	
Average of Percent of change: %				6.77	

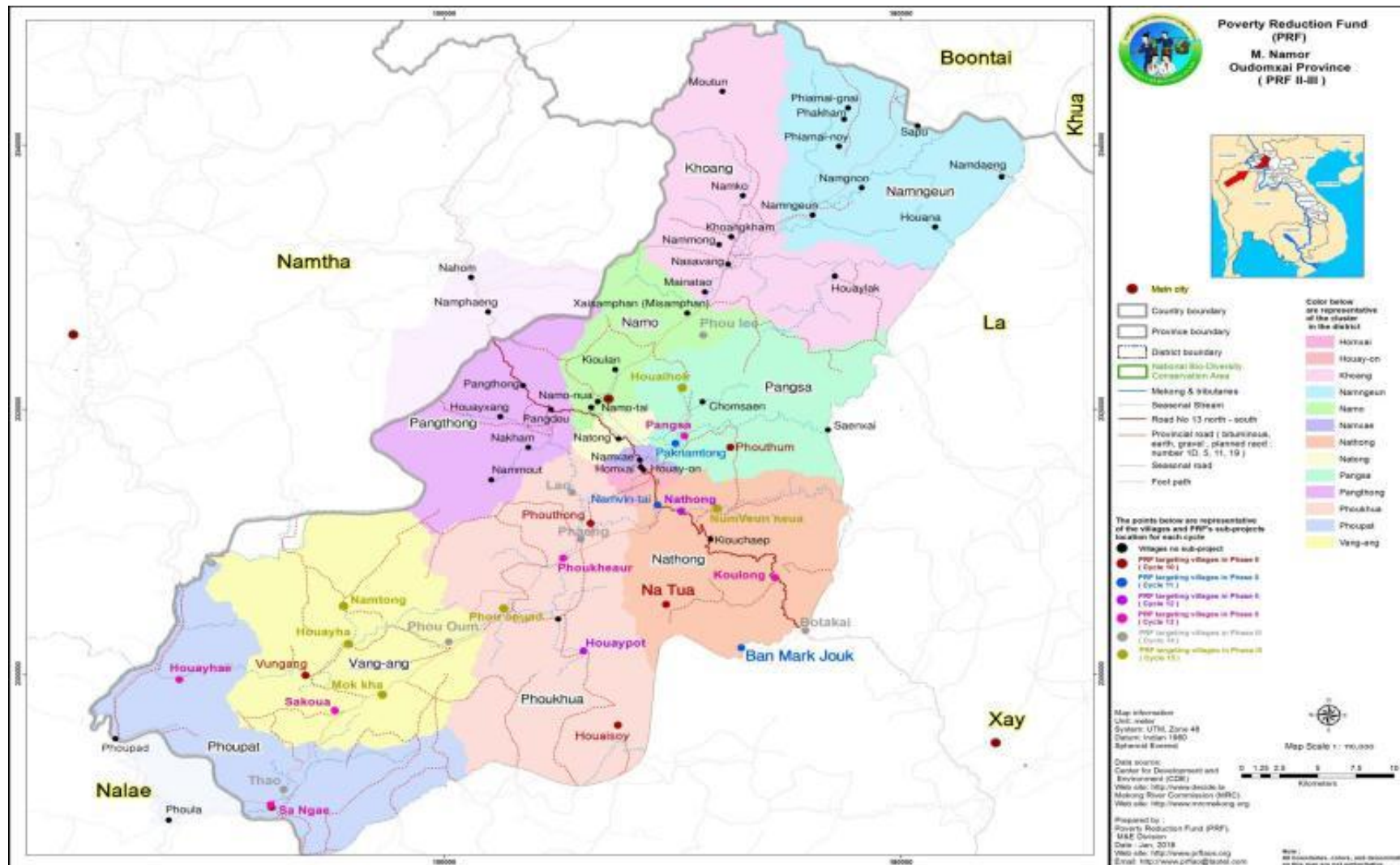
Source: Human Resources, December 2018

Annex 14: Summary of the PRF II and PRF III sub-projects have been affected from natural disasters

List of PRF II and III sub-projects have been affected				Sub - Project Type						Estimate Cost of rehabilitation	Remark
Province	District	Village	#SPs	Heath	Water & sanitation	Education	Public work & Transport	Agriculture & Forestry	Energy and Mines		
Luangprabang	6	24	25			1	24			-	Can't access
Xiengkhuang	3	6	6		1	2	3			131,463	Frist estimate
Huaphanh	8	40	45		8	3	22	12		586,639	Frist estimate
Luangnamtha	3	8	8				8			265,345	Frist estimate
Oudomxay	3	6	6				6			-	Can't access
Phongsaly	2	4	4				4			15,214	Frist estimate
Savannakhet	4	22	31				31			227,021	Frist estimate
Saravane	2	7	7				7			180,151	Frist estimate
Sekong	3	12	13		9	1	3			185,976	Frist estimate
Attapeu	2	15	17		6	3	1	5	2	410,964	Frist estimate
Total:	36	144	162	0	24	10	109	17	2	2,002,774	

Source: Engineering Division, December 2018

Annex 15: Sample of PRF III target mapping (Map of Namor district, Oudomxay province)



Source: Monitoring and Evaluation Division, December 2018

Annex 16: List Agreed Action during Mid Term Evaluation

	Action	Responsibility	Due date
1	Component 1: Community development sub-grants		
1.1	Send PRF response to Technical Audit recommendations to Bank and SDC for review and comment	PRF TA	Done
1.2	Submit the final list of education subprojects, confirming that the two agreed review processes have been completed by the PRF CD team and the MOES to the WB for review and clearance.	PRF CD	Done
1.3	PRF will appoint a DRM focal person in the Engineering Division and prepare a short proposal for TA to support TOT in DRM related issues	PRF TA, SDC	Done
1.4	Send CFA sub-project list to the Bank and SDC for review and comment	PRF TA and CD	Done
1.5	Submit plan for implementation of GOL-financed Cycle 16 (dependent upon amount approved)	MAL, MOF	Done
2	Component 2: Local and Community Development Capacity Building		
2.1	New RMGs begin to work	PRF TA and CD	Done and will end December 2019
2.2	GPAR/PRF Assessment finalized and share with WB and PRF for feedback	SDC	
2.3	Prepare a plan for pilot cook stove pellet production and purchase two pellet machines	PRF LN, Procurement	
2.4	RMG IE baseline survey completed	WB	
2.5	Undertake a learning visit to Cambodia to study the social accountability initiative and develop an SDC Innovation Fund proposal to pilot as a part of PRF	PRF CD	Canceled
3	Component 3: Project Management		
3.1	Submit formal Additional Financing request	MOF, MAF	Done
3.2	Undertake institutional assessment of MAF and perhaps other Government agencies at all levels to identify PRF roles that could be played by Government officials	WB, MAF, PRF	
3.3	PRF 15 th Anniversary event (on Ending Poverty Day)	PRF, MAF	Done
3.4	Prepare TOR for End-line Survey and send to WB for review and NOL	PRF M&E, WB	Done

3.5	Prepare Concept Memo for PRF III Additional Financing in consultation with MAF/PRF and submit for WB management review	WB	Done and continue in 2019
3.4	Submit first draft of 2019 AWPB	PRF FM	Done
4	Component 4: Nutrition Enhancing Livelihood Development		
4.1	Send final Microfinance Specialist TOR to the Bank for adding to Procurement Plan and no objection	PRF HR, LN	Done
4.2	Begin to roll-out new SHG Assessment tool		Done with result
4.3	Draft workplan for piloting SHGs and lending operation in AFN villages with PRF support	PRF LN, AFN, IFAD	
4.4	Prepare and begin to roll-out nutrition SBCC for SHG members	PRF LN, WB	
4.5	Prepare a Producer Group Formation and Support Plan specifying how PRF will start to pilot PG support PGs	WB, PRF LN, CD	
4.6	Update MIS to include all required LN areas	PRF LN and M&E	Done/discuss in 2019
4.7	Discuss potential synergy with ADB supported northern livestock Commercialization project, and LENSII in Hiem and Sone districts	PRF LN	
5	Financial Management, Procurement and Safeguards		
5.1	Submit an IFR covering the period from April to June 2018	PRF FM	Done
5.2	Disclose procurement information on the PRF's website	PRF, procurement unit	Done
5.3	Organize a 2-3-day joint procurement training session.	PRF, procurement and HR units	Done
5.4	Prepare the sub-project procurement plan for Cycle XVI, 2019.	PRF, procurement unit	Done
5.5	Organize procurement training for Village Procurement Team at the district level.	PRF, procurement unit	January – February 2019
5.6	Enter procurement information and data of completed packages into STEP system,	PRF, procurement unit	Done
6	Safeguards, Gender and Social Inclusion		
6.1	Agree on additional gender indicators to monitor and include in format for next Semi-annual Progress Report	PRF CD	Done

6.2	Conduct discussion with LWU on how the results of the project could help the country meets its national commitments and policies in line with SDG 5: Gender Equality, and report to PMT and the WB	PRF CD	Done
6.3	Hire a gender specialist to conduct a refresher course for key staff and KBFs, as well as conduct a brief assessment of how the project has performed on gender and provide recommendations for the project to prepare itself for the AF project. The assessment should also identify impacts of the sub-projects on women including infrastructure and livelihoods.	PRF CD	Done

Source: Monitoring and Evaluation, December 2018

Annex 17: Sub-projects impact data collection Methodology

To conduct a rigorous impact evaluation of sub-projects supported by the PRF. The evaluation focused how the road improvement, water supply, health center/dispensary and school impacted on time traveling of beneficiaries, we created the series of analysis process in the excel file that provided the comprehensive assessment of the impact of those sub-projects. We collected data after completion of sub-project only, by setting up a mixed group of 6 to 10 persons including women, men and village leaders were asked about the village condition before and after receiving the sub-project/service.

Key Research Questions

For Road improvement sub-projects: we set up the data collection form to ask time travel to the center of villages or to other village/production areas (by walking, motorcycle, other, but we selected only motorcycle for this evaluation) before and after supported by PRF

- 1) What was the traveling condition in your village before receiving road and how long (minutes) does it take to the center of villages/or other village nearby/or production areas by motorcycle (one way)?
- 2) What was the traveling condition in your village after receiving this road and how long (minutes) does it take to reach the center of villages /or to other village nearby/ or production areas by motorcycle (one way)?
- 3) What is the impact of this road to the living condition and livelihood activities in your village?

For water sub-projects: Based the sub-projects in 2016 &2017

- 1) Before this water sub-project provided, where is the nearest water source to fetch, and how long (minute) it takes?, how was the quality of water?
- 2) After this water sub-project provided, how long does it take to fetch the water?
- 3) What is the quality water after receiving sub-project and what is the impact of this sub-project to your village?

For school sub-projects:

- 1) How long does it take to reach nearest school before receiving sub-project?
- 2) How long does it take to reach school after receiving sub-project?
- 3) Do the number of students school age increase after receiving sub-project?

For health center sub-projects:

- 1) Before health center, how is the condition of treatment in the village?
- 2) How long does it take to reach nearest health center/hospital before receiving sub-project (by walking/motorcycle/other?)
- 3) How long does it take to go the health center after receiving sub-project (by walking/motorcycle/other?)
- 4) Do the number of patient on time treatment increase and what are the other impacts?

For the calculation of % reduced time before and after (minutes) receiving sub-project:

% Time Reduced = (Time use before - time use after)/Time use before*100%.

For example, the impact of water sub-project, we used 214 water sub-projects, average time to take water before 29.1 minutes, after receiving support, the average time to fetch the water only 4.66 Minutes. Therefore, % Time Reduce to fetch water = $(29.1 - 4.66)/29.1 * 100\% = 84\%$.

For rural road upgrade, we used 54 sub-project, before the average time to reach other village/or Kumban center/or production areas is 102.5 minutes and after is 52.83 minutes, so, % Time Reduce to travel with new road = $(102.5 - 52.83)/102.5 * 100\% = 48.4\%$.