

LAO PEOPLE'S DEMOCRATIC REPUBLIC
PEACE INDEPENDENCE DEMOCRATIC UNITY PROSPERITY

Ministry of Agriculture and Forestry



POVERTY REDUCTION FUND
PHASE III
SEMI ANNUAL PROGRESS REPORT
(January – June 2019)



July 2019

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ABBREVIATIONS

AWPB	Annual Work Plan and Budget
AFN	Agriculture for Nutrition
CD	Community Development
CDD	Community Driven Development
CF	Community Facilitator
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
FNG	Farmer Nutrition Group
GESI	Gender Equity and Social Inclusion
GOL	Government of Lao
GIS	Geography information system
GPAR	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
IFR	Interim Un-Audited Financial Report
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
MNS	Minutes
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
NT2	Nam Theun 2 Hydroelectricity
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 core programs of PRF III include the basic infrastructure improvement, capacity building and livelihood and nutrition, the work has been done through the community participation approach, especially the women and ethnic groups living in rural and remote areas of Laos. This report highlights key achievements of project's activities during January-June 2019, and work plan from July-December 2019. In addition, it also summarizes the overall outcomes of PRF III's three years, through June 30, 2019.

In three years period of PRF III (2017-2019), 1,169 sub-projects that got approval, 683 sub-projects had been completed in 2017 and 2018, while 486 sub-projects got approved to implement in 2019 which is the last full year of PRF III.¹ By the end of the reporting period, 484 sub-projects or 99.6% out of total has been implemented, 287 of those sub-projects had been completed (59.05% out of total), while 197 sub-projects are in a good progressed and close to complete (40.53%), and only 2 sub-projects are under preparing to implement, all of those sub-projects are expected to be completed by December 2019 as per the target set in the annual work plan.

The project achievements, 486 sub-projects are located in 450 villages 251 Kumbanⁱ of 43 poor districts in 10 provinces. The implementation of the work is expected to provide improved access to basic services for approximately 234,289 beneficiaries of whom 48.9% are women and 83.9% are from ethnic groups. The cumulative numbers of beneficiaries that the PRF III is exceed nearly 25.8% (target is 690,000 people while actual number is 866,771 people), for the ethnic beneficiaries is also exceeded the target by 12.9 % (target is 70% while actual is 82.9%). As already mentioned in the last report, this high achievement is due to a large of newly served PRF III target villages than anticipated at the time of project preparation.

In addition, the changes from the baseline indicators for access to various infrastructure and services as mentioned in PRF III's PAD cannot be accurately measured due to a difference in coverage areas between PRF II (which the PRF III baseline is based on), and PRF III. Therefore, a new methodology for determining benefits in terms of reductions in time to access infrastructure financed by the PRF was prepared and analyzed in this report.

As the changes in the Results Framework of PRF III should be agreed by all PRF financing partners, the proposed revisions will be shared with SDC and GOL by the World Bank, in the form of a draft Additional Financing Project Paper, before the World Bank submits the changes to its management for approval.

For the **intermediate result indicators** (IRIs) are mostly aligned with project document, including, 1) the percent of community contribution is only 7.26% compared with PRF supported budget; 2) the percent of HHs in beneficiaries villages voting for village priorities is 12.8% exceeded the target (87.81% against 75.00%); 3) the percent of PRF KBs participating in DSEDP process promoting PRF KDPs is 5.6% exceeded the target (80.6% against the target 75%); 4) the percent of sub-project activities of high technical quality is 7% exceeded target (actual is 92% against target 85%); 5) the percent of HHs satisfied with the participatory planning process exceeded 10% based on the study of external consultant in 2018 (target is 85% and actual is 95%); 6) the percent of sub-projects prioritized by women exceeded the target 3% (target 90% and actual 93%); 7) percent of sub-projects prioritized by ethnic group exceeded the target 14.91% (target 70% and actual is 84.91%); 8) percent of built infrastructure in a functioning quality is 14.98% exceeded the target (target 80% and actual is 94.98%); 9) percent

¹ It should be noted that PRF is preparing a project for additional financing from the World Bank which would extend the period of World Bank financing and expand PRF III activities. These additional financing activities are not, however, covered under SDC financing.

of registered grievances are added according to agreed procedure is 8% exceeded the target (98% against 90% of target). 10) The number of communities able to plan, implement and monitor their VDPs is 245 villages or 17% exceeded the target (target is 1,450 and actual is 1,695 villages); and the number of sub-project activities by types is 299 sub-projects or 10.68% exceeded the target (target is 2,800 and actual is 3,099 sub-projects).

The livelihood linked nutrition activities, 915 SHGs had been established with a total of 10,085 members, 8,699 female (86.26%), and 8,081 of members are from ethnic groups members (80%). The PRF has provided seed-grant in a total of US\$ 1,216,061, as the end of June 2019, the accumulated saving is US\$ 273,047 or 22.9% compared with seed grant that PRF supported and also the dividend of cumulative interests to reserve for the seed grant is US\$ 46,116 which is 3.8% increased, compared with seed grant that PRF supported. This amount has been made available to SHG members through loans.

In terms of loan taken by SHG member, the maximum number is 9,962 members used to take the loan from PRF to do their livelihood activities and it is 24% exceeded the final target of PRF III's indicator (8,000) and 7,821 members (78.5%) that already repaid which is 8.5% exceeded the target (70%).

Up to date, the accumulated number of loan taken by member reaches 31,305 times with the accumulated budget US\$ 4.13 million that already issued. For the six months (January-June 2019), the member of 5,716 members borrowed funds to invest in various livelihood activities including nutrition-oriented livelihoods, small animal raising (poultry, goat, fish, etc); cropping (banana, cassava, broom tree, etc), weaving and small trading (green grocery and retail sells).

For the LN work, up to 2019, which is more than five years that this activity has been implementing and it is questionable about the sustainability of this work; therefore, the PRF team conducted an assessment to classify the capacity of all 915 SHGs, as the result shows that 550 or 60% of total existing SHGs having very good performance and could continue to manage the work without supporting from PRF and can become trainer for the other groups in their villages.

The progress of RMG is on tracked, this work has been scaled up to 23 districts in 7 provinces covering 54 rural roads, 74 RMGs (341 members) are supporting the maintenance of approximately 338.34 km of roads. In late June, the progress of payment for RMG members since started the RMG work reached 52.44% of the total budget allocation.

In terms of the CDD approach, which is the participatory development that enables local people to participate in development at the highest possible level; therefore, in 2019, the CFA approach had been applied for 13 sub-projects in 13 villages of 3 provinces (Saravan, Oudomxay and Luangnamtha) with a total of 6,597 beneficiaries and 3,111 are women. This approach foresees direct employment of local skilled and unskilled workers to carry out sub-project activities using labour-based technologies; two labours of each village were selected and received vocational training and they take a lead in construction work in their villages. As June 2019, all sub-projects are implemented with physical progress 89.6%, and 6 sub-projects out of total had been completed and 7 sub-projects are under construction with overall progress implementation over 50% of total work and expected to complete soon.

For the social safeguard aspect of 2019, a total of 486 sub-projects got approved and located in 450 villages covering 37,871 households' beneficiaries. There are 256 households with a total of 25,944 m² were impacted by the implementation of the sub-projects. A large majority of these households donated the section of their land impacted. Only one household got compensated for their loss after requesting.

For the case of environmental safeguard, the PRF team had followed up with provincial and district staff and also assisted communities to solve 3 cases which related to 1) earth excavation,

landslide and erosion, 2) tree cutting and 3) water drainage facility, most of the cases were resolved immediately.

Additionally, a training on disaster risk management was organized by external consultant with a total of 148 participants were involved (26 female) including GOL representative at the provincial and district levels, for the next step, those people will continue training for the community.

For the financial part in 2019, the PRF submitted to the donors the work plan and related budget for the PRF III third fiscal year, for a total budget of US\$ 17,433,916 and allocated in the 4 different project components. As of June 30th, 2019, the disbursement ratio reached 79% for the IDA credit 5827-LA. For the SDC fund disbursement rate reached 62% and Government co-financing contribution reached 21%, in comparing with total amount of each fund source.

In 2019, the Government contributed only LAK 11 billion to construct 40 sub-projects, meaning that for the three years period of PRF III, the Government co-funding reaches only LAK 22 billion out of LAK 48 billion full amount agreed, the remaining budget of the GOL co-financing is LAK 26 billion to support the implementation of 91 sub-projects to reach its full GOL contribution as agreed. To deal with the situation, in May 2019, the of PRF Administrative Board, Minister of MAF has sent a request letter to MPI to request full amount of budget to implement all remaining sub-projects in 2020, this is expected to confirm actual amount by October 2019. Furthermore, MAF also sent a letter to MOF to request additional funding from NT2 revenue amount US\$ 2 million which planned to allocate in 4 provinces in the south of Laos that uncovered by PRFIII AF's coverage.

Continue to PRF III AF, to ensure the sustainability of PRF work gradual integration of PRF into MAF with primary focus on institutional, financial and technical dimensions. The sustainability will mainly emphasis on the district and village levels where sub-projects implementation and intervention take place, which is the key work that PRF should pay attention.

Regarding the preparation of PRF III AF, many documents have been revised including Project Manual, Social and Environment Safeguards and LN manuals (SHG, Producer Group, and Farmer Nutrition Group manuals). It is estimated that PRF III AF will be supported with funding of approximately US\$ 22.5 million from the World Bank. In term of coverage, implementation of PRF III AF will cover 481 out of 881 villages (villages without Agriculture for Nutrition project coverage), 12 districts in 4 provinces. The Bank would complete its appraisal and proceed with project negotiations in October 2019.

For the next six months period (July-December 2019), PRF will focus on the completion of sub-project implementation, following up the progress of LN, together with capacity building for community and local authorities by strengthening livelihood and nutritious activities through the performance of SHGs and preparing the transition between PRF III and PRF III AF. Together with preparing all works related PRF III AF (2020-2024).

In brief, the proposed Additional Financing (AF), the PRF will continue to support the following: (a) an additional cycle of community development sub-grants, with a focus on livelihood and nutrition-sensitive agriculture infrastructure (by applying CFA approach to all coverage target for infrastructure construction and encouraging full community participation); (b) expansion of support for the establishment and sustainability of new self-help and producer groups in 12 target districts; and (c) renewed engagement and investment in activities to improve nutrition outcomes for infants and young children.

CHAPTER I: ACHIEVEMENT AGAINST RESULTS FRAMEWORK

1.1. Sub-project Implementation progress to date

In Cycle XVI (2019) which is the last year of PRF III's operation, 486 sub-projects received approval with a total budget of approximately US\$ 9,761,925 million. This number includes 40 sub-projects under the Government co-financing LAK 11 billion or around US\$1.38 million. By the end of June 2019, 484 out of 486 sub-projects (99.6%) had been implemented, with the average progress is 85.8% of total work, while 287 sub-projects had been completed (59.05%), 197 sub-projects (40.53%) are under construction and 2 sub-projects are during the preparation for implementation, and all sub-projects will be completed by the end of 2019.

Table 1: Implement progress as June 2019

provinces	# SPs	Implementation Progress (%)	Budget Allocated (US\$)	Expenditure (US\$)	Expenditure (%)
Attapeu	29	72.9	669,928	223,764	33.4
Huaphanh	68	97.9	1,198,337	782,482	65.3
Luangnamtha	17	94.7	345,221	305,917	88.6
Luangprabang	56	92.3	1,396,786	609,412	43.6
Oudomxay	80	89.1	1,236,986	828,552	67.0
Phongsaly	35	84.9	654,243	339,645	51.9
Saravane	38	85.4	794,087	268,850	33.9
Savannakhet	89	90.2	2,085,987	743,888	35.7
Sekong	46	62.4	915,923	350,239	38.2
Xiengkhuang	28	68.4	464,427	287,939	62.0
Total	486	85.8	9,761,925	4,740,688	48.6

Source: Financial and Administration Division, June 2019

Remark: Budget may be updated in Annual Progress Report 2019

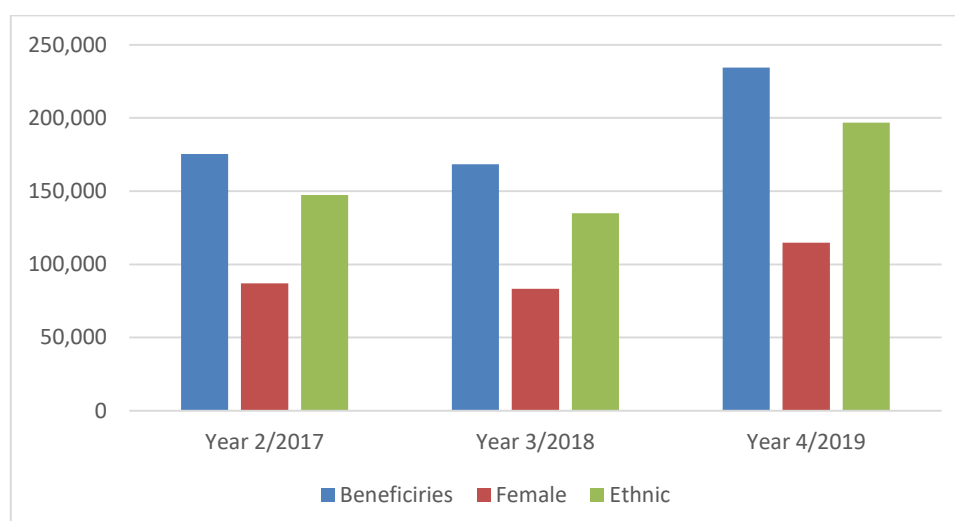
The above table indicates that the progress of sub-projects budget transfer to community had been timely and had met the financial needs for sub-projects physical implementation, especially, the sub-projects under the CFA approach that the fund had been transferred in advance to community bank account.

1.2. Achievements against indicators in PRF's Results Framework

1.2.1. Direct project beneficiaries

The Cycle XVI (2019) is supporting 486 sub-projects in 450 villages with a total of 234,289 direct beneficiaries. By comparing with previous years this number is higher which presented only 175,421 and 168,308 in 2017 and 2018 respectively. This cycle is the last year of PRF III that the communities could use the remaining amount of the yearly Kum ban allocation to support additional sub-projects (Details are below figure).

Figure 1: The number of PRF III (2017-2019) beneficiaries



Source: PRF MIS, June 2019

In terms of achievement indicators, the cumulative numbers (from 2012-2019) of beneficiaries that the PRF is exceed nearly 25.8% target is 690,000 people while actual number is 866,771 people

1.2.2. Female beneficiaries

As mentioned above, the total number of beneficiaries of this year is 234,289 people of whom 48.9% were female (See table 2). 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).

Table 2: Project women and ethnic beneficiaries in Cycle XVI

Provinces	#SPs	Population	Female	Ethnic	Ethnic Female
Attapeu	29	15,186	7,602	13,120	6,701
Huaphanh	68	25,510	12,409	15,156	7,347
Luangnamtha	17	6,694	3,295	6,694	3,295
Luangprabang	56	29,594	14,236	24,877	11,909
Oudomxay	80	45,393	22,575	40,823	20,177
Phongsaly	35	9,967	4,776	8,759	4,299
Saravane	38	22,945	10,917	21,735	10,395
Savannakhet	89	50,917	25,323	38,478	19,037
Sekong	46	17,503	8,543	17,473	8,687
Xiengkhuang	28	10,580	5,122	9,591	4,639
Grand Total	486	234,289	114,798	196,706	96,484
Achievement			48.9%	83.9%	49.04%
Estimated Target			50%	70%	50%

Source: PRF MIS System, June 2019

1.2.3. Ethnic beneficiaries

Most small ethnic group members are classified as *poor* and *poorest*, mainly living in remote rural areas. PRF sub-projects are located in remote areas where the majority of the population is comprised of small ethnic groups. During the reporting period, the number of ethnic beneficiaries presented 83.9%, which is 13.9% exceeded the estimated target (70%), while

cumulative ethnic beneficiaries is 82.9%, which is 12.9% exceeded the target (70%). More details can be seen in *Annex I*.

Few PRF III's indicators adjustment, as discussed and agreed with World Bank during the mission in February 2019, the changes from the baseline indicators for access to various infrastructure and services as mentioned in PRF III's PAD cannot be accurately measured due to a difference in coverage areas between PRF II (which the PRF III baseline is based on) and PRF III villages. These two coverage areas are not comparable. Therefore, a new methodology for determining similar benefits has been developed and applied, focusing on reductions in time to access infrastructure financed by the PRF will be replaced upon approval of the PRF III AF project (which has the revised Results Framework) as follows:

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

This indicator replaced by *% reduction in time to access a health facility* in terms of minutes to access the nearest health facility before the PRF infrastructure investment was operational and afterward, as estimated by a focus group of male and female village members. To ensure the investment as health center construction is impacted to beneficiaries, there are 8 dispensaries that PRF supported during 2017 and 2018, as the result shows that the villagers can reduce the time to access to health service by 87.12%, the details are described below:

Table 3: Reported one-way travel times before and after to reach the dispensary facilities

Province Name	District	Count of Sector	Average of Before (Min)	Average of After (Min)	Average of Variance
Savannakhet	Thapangthong	1	120.0	30.0	90.0
	Atsphone	2	105.0	25.0	80.0
Phongsaly	Khua	1	180.0	10.0	170.0
	Sampan	1	240.0	15.0	225.0
Louangprabang	Phoukhoun	1	60.0	10.0	50.0
	Viengkham	1	150.0	10.0	130.0
Oudomsay	La	1	90.0	10.0	80.0
Grand Total		8	131.3	16.9	113.1

Source: Monitoring and Evaluation Division, April 2019

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

This indicator replaced by *% reduction in time to access the nearest safe water source* before the PRF infrastructure investment was operational and afterward, as estimated by a focus group of male and female village members. **The impact of water sub-project**, we used 214 water sub-projects, average time to take water before 29.1 minutes (the nearest water source in dry season), after receiving support, the average time to fetch the water only 4.66 Minutes. Therefore, the villagers can reduce 84% of time to fetch water. Please see detail in table below:

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, February 2018

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

This indicator replaced by *% reduction in travel time by motorcycle* in terms of minutes to from the village center to the kumban center before the PRF infrastructure investment was operational and afterward, as estimated by a focus group of male and female village members. We used 54 sub-projects that PRF supported in 2017, the result of this evaluation shows that the villagers can reduce 48.4% of the time. Please see detail in 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

Source: Monitoring and Evaluation Division, Edited February 2018

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

This indicator replaced by *% reduction in time to access improved schools* in terms of minutes to access the nearest school before the PRF infrastructure investment was operational and afterward, as estimated by a focus group of male and female village members. We based on the village(s)/hamlet that had no education system/service before. We based on the average time of children to walk to the nearest school before receiving sub-project from PRF. We used 16 schools in 16 villages/hamlets that had never had school/education system in their villages, the result shows that the children can reduce 83.9% of the time go to school.

Table 6: Reported one-way travel times before and after to reach the primary school

Province	#SP	Average Time Before	Average of After	Variance
Huaphan	5	66.0	6.8	59.2
Savannakhet	7	62.1	14.3	47.9
Louangprabang	1	90.0	5.0	85.0
Sekong	3	33.3	5.0	28.3
Grand Total	16	59.7	9.6	50.1

Source: Monitoring and Evaluation Division, May 2019

1.2.8. 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 486 sub-projects that PRF and the Government have supported in 2019, 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\$ 708,785 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 7: Community contributions in 2019

Provinces	#SP	Community Contribution (US\$)	SPs cost (US\$)	Percentage (%)
Attapeu	29	38,895	669,928	5.81%
Huaphanh	68	109,542	1,198,337	9.14%
Luangnamtha	17	31,934	345,221	9.25%
Luangprabang	56	113,019	1,396,786	8.09%
Oudomxay	80	129,210	1,236,986	10.45%
Phongsaly	35	75,124	654,243	11.48%
Saravane	38	54,203	794,087	6.83%
Savannakhet	89	94,440	2,085,987	4.53%
Sekong	46	3,309	915,923	0.36%
Xiengkhuang	28	59,108	464,427	12.73%
Grand Total	486	708,785	9,761,925	7.26%

Source: PRF MIS, June 2019

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

During the Cycle XVI planning, 33,642 out of 37,871 households or 89% which is exceeded the target set (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 below).

Table 8: Proportion of HHs voting for village priorities (Cycle XVI)

Province	# Households participating	Total # Households
Attapeu	2,132	2,787
Huaphanh	3,562	3,958
Luangnamtha	977	1,110
Luangprabang	4,795	5,037
Oudomxay	6,257	7,623
Phongsaly	2,029	2,030
Saravane	2,609	3,131
Savannakhet	8,070	8,267
Sekong	1,801	2,234
Xiengkhuang	1,392	1,694
Grand Total	33,624	37,871
	89%	

Source: PRF MIS, June 2019

1.2.10. Proportion of PRF Kum bans participating in the DSEDP

In 2017 and 2018, we used only the data of 4 DSEDP pilot districts to evaluate whether the KDP of PRF comprised with district development plan, which presented 83% against 75% of target (based on annual report 2018). In 2019, the last year of PRF III, the PRF team evaluated the data of all 43 districts of PRF III, an average of 80.6% of KDP priorities were included in the DSEDPs, which is 5.6%, exceeded the target (75%)² (Details, see Annex 2).

² 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.

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

Based on the Technical, Utilization, and Beneficiary Satisfaction Assessment conducted in May 2018, thirty-six sub-projects were randomly-selected, 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. In addition, in the early of 2019, the PRF team had cooperated with Universities students to conduct the quality control of PRF sub-projects in 2018, 71 out of 335 sub-projects were used in evaluation, the result of inspection shows that 87.33% is high quality, while 12.67% is good quality (Details in section 2.2.3).

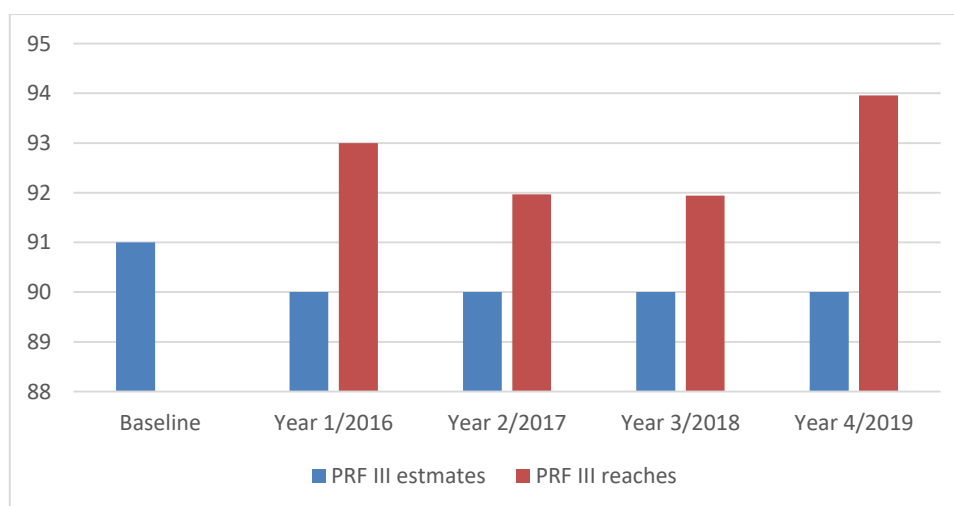
1.2.12. Proportion of households in PRF beneficiary villages satisfied with the participatory planning process supported by PRF III

As already mentioned in Annual Progress Report 2018, 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. This study shows that 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.

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

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 (33 sub-projects or 6.7% out of total), those prioritized by men only (24 sub-projects or 4.9 %), and those prioritized by both women and men (429 sub-projects or 88.2%). A total of 462 or 95.06% of the sub-projects has therefore been prioritized by women (we used the number that women involved), which is 5.06% exceeded the target set (90%).

Figure 2: The cumulative number of PRF III sub-projects prioritized by women (%)



Source: PRF MIS, June 2019

1.2.14. 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 rural areas still lacking basic facilities. Hence, it is most important to listen to the voices of ethnic group members and identify their needs. Table below indicates the participation of small ethnic groups during the village planning and prioritization in the PRF targeted villages. These data indicate that 86% of priorities supported by the PRF as

part of the Cycle XVI are coming from small ethnic villagers, which is 16% exceeded the target indicator (70%).³

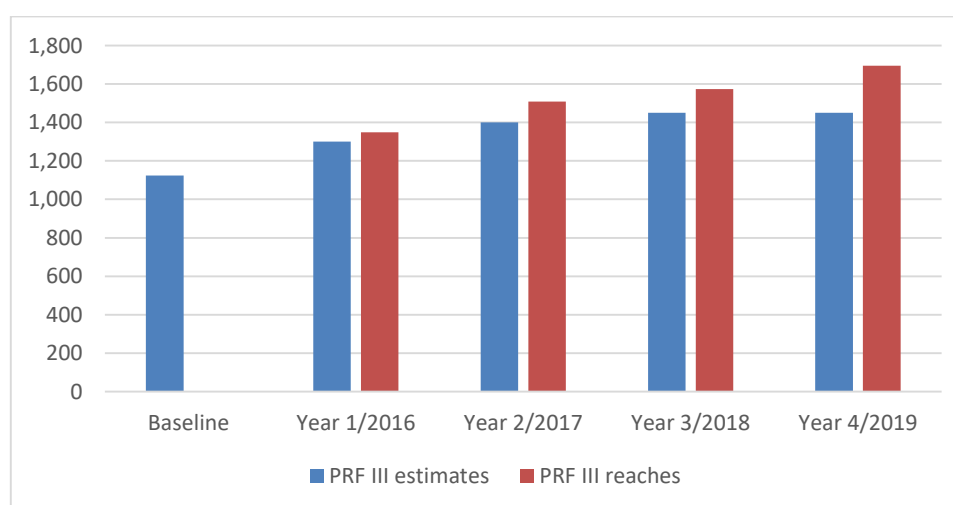
Table 9: Participation of minority ethnic groups in planning village priorities

Province	Total Participants	Small Ethnic Group Participants	Ethnic Group participants (%)
Attapeu	2,662	2,515	94%
Huaphanh	4,284	2,048	48%
Luangnamtha	1,115	1,081	97%
Luangprabang	5,191	4,394	85%
Oudomxay	7,994	7,607	95%
Phongsaly	2,102	2,050	98%
Saravane	4,556	4,317	95%
Savannakhet	9,176	7,789	85%
Sekong	2,165	2,060	95%
Xiengkhuang	1,760	1,517	86%
Grand Total	41,005	35,378	86%

Source: PRF MIS, June 2019

Mostly the target areas of PRF is in the remote and mountainous areas where are entirely populated by ethnic groups and they are major group of PRF beneficiaries. In terms of ethnic participation is also considered to be high. The cumulative number of the sub-projects prioritized by small ethnic group members of PRF III, with average 84.91% (against the target 70%) that ethnic people involved in sub-project prioritized meeting, shows in Figure below.

Figure 3: The cumulative number of sub-projects prioritized by ethnic groups



Source: PRF MIS, June 2019

1.2.15. Proportion of PRF built infrastructure in a functioning quality

In 2019, the PRF team continued following the operation of PRF's supported sub-projects from 2012-2018. There were 2,613 sub-projects (construction and rehabilitation sub-projects type) included in the assessment. 2,482 sub-projects were functional or 94.99% and in good condition while only 131 sub-projects (5.01%) of the assessed sub-projects were considered to be not functioning due to the time used and occurred by disaster impact. The team worked closely with the concerned sectors as well as the Operation and Maintenance Committees of the villages for the rehabilitation of those 131 sub-projects. By June 2019, 80 sub-projects of out 131 sub-

³ Note that village priorities are based on individual voting by all participants in the planning process.

projects were repaired and only 47 sub-projects (1.8%) are still waiting for the support of the concerned sectors. Therefore, this indicator currently reaches 94.99% (against the target 80%, exceeded the target 14.99%) of the total number of sub-projects supported by the PRF and the Government for the period 2012-2018 are still in a functioning quality (Details are provided in *Annex 3*).

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

During the reporting period, the project received feedbacks from communities through various channels including by telephone letters, meetings, feedback boxes etc. During this reporting period, a total number of feedbacks received is 1,115 comprising 4 different categories: complaints (98), requests for funds/support (326), request for more information about PRF (47), and acknowledgement to the project (644). The feedbacks breakdown through other channels as follows: 1,104 through meetings, and 11 through Boxes (Details can be seen in *Annex 4*).

Table 10: Classification of complaints received from January-June 2019

No.	Heading	#Issues	solved	Not solve	Description
1	Coordination issues during implementation	12	12	0	12 are concerned to the delayed of contactors/suppliers in material transportation to site, communities requested PRF to coordinate with the contactors /suppliers
2	Environmental issues	49	49	0	Minor issues related Environmental aspect and all issues were solved
3	LN issues	25	24	1	24 are related to SHG member took the role for livelihood investment delayed on repayment and some are not regular saving in a month. There is one issue is not resolved due related to technical work of LN that the LN at central level will help to solved, this will be updated in the next report.
4	Unclear about the rule and regulation of PRF	12	12	0	12 are related to PRF's rule, budget and how to use the kum ban admin budget (5%) and all issues were solved.
	Total	98	97	1	

Source: PRF MIS, June 2019

Table above highlights main complaints. Overall 98 feedbacks are related to complaints (8.8% out of total feedbacks) and only one issue is not yet solved which will be updated in the next report. According to the data, we can observe that villagers mostly share their feedback during the meeting, where we provided them to raise their issues and problem occurred in their community. This is suggested that the PRF should work closely with concerned sectors as well as mass organizations such as Lao Women Union, Lao Youth Union, Lao Front Construction, etc. to get more feedbacks from community for future improvement of PRF and also to ensure the sustainability of work.

1.2.17. Number of communities able to plan, implement and monitor their VDP

For the Cycle XVI (2019), 450 communities (where sub-projects were located) were identified to be able to plan, implement and monitor their VDP. 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 in their villages. After each sub-project is completed, an Operation and Maintenance Committee from the recipient village is appointed and trained to support the community in the operation and maintenance of their sub-projects.

However, in terms of VITs capacity is questionable due to PRF implements activities in new villages each year thus, there is certain limitation in relation to accounting competency of the VITs and capacity of PRF's staff to follow up and monitor.

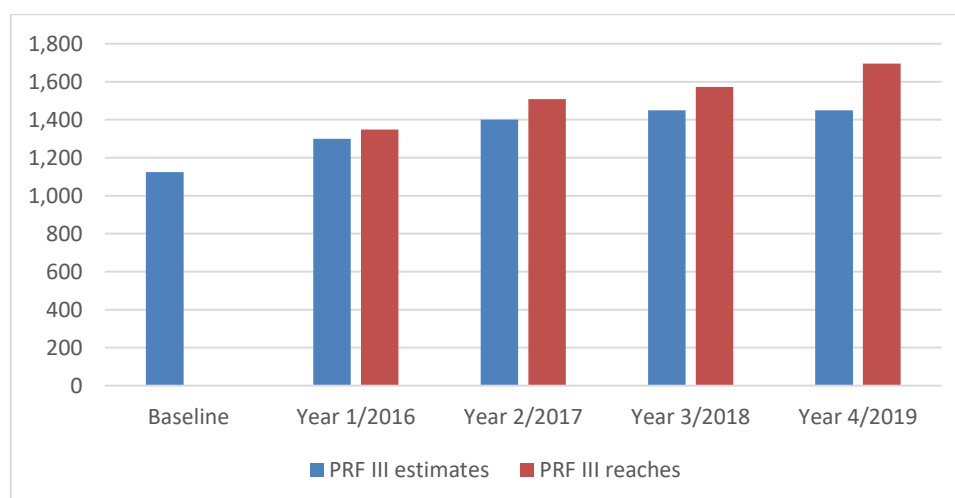
Table 11: Number of communities able to plan, implement and monitor their VDP

Province	# Communities	# Sub-projects	# VIT	Female (VIT)
Attapeu	26	29	261	116
Huaphanh	67	68	608	205
Luangnamtha	17	17	153	54
Luangprabang	55	56	504	168
Oudomxay	71	80	702	212
Phongsaly	35	35	342	106
Saravane	35	38	342	165
Savannakhet	76	89	684	234
Sekong	44	46	414	184
Xiengkhuang	24	28	271	86
Grand Total	450	486	4,254	1,530

Source: PRF MIS, June 2019

Considering to the PRF III cumulative number, in 2019, there are 1,695 villages are considered to be able to plan, implement and monitor their VDPs, which is 16.8% exceeded the target value of this year (1,450 villages). Please see Figure below:

Figure 4: The cumulative number of communities able to plan, implement and monitor their development plans



Source: PRF MIS, June 2019

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

As illustrated in table below, Education sector represented the majority of all sub-projects types in Cycle XVI covered 34%, followed by Water and Sanitation sub-projects (28%), Public Work and Transportation sub-projects (27%), Agriculture sub-projects (7%) and finally both Energy and Mines and Health (2%).

Table 12: Number, percentage and value of sub-projects implemented by type

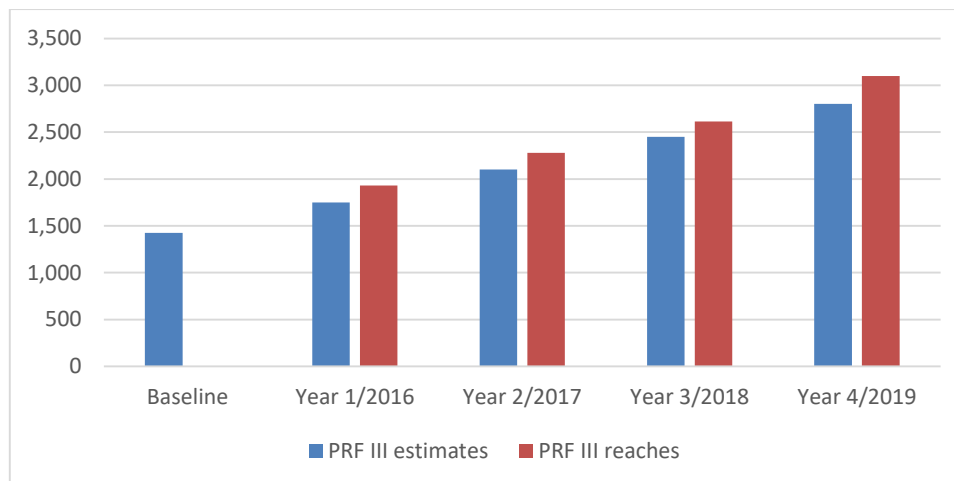
Sector	# SP	%	Budget Allocation (US\$)	%
Agriculture	33	7%	687,662	7%
Education	165	34%	2,845,870	29%
Energy (electricity supply)	8	2%	200,289	2%

Health	12	2%	165,970	2%
Access roads	131	27%	3,758,255	37%
Water	137	28%	2,103,879	22%
Grand Total	486	100%	9,761,925	100%

Source: PRF MIS June 2019

The Figure below indicated the cumulative number of PRF III sub-projects implemented by types is 3,099 which is 10.67% exceeded the target set 2,800 completion sub-projects.

Figure 5: The cumulative number of PRF III sub-projects implemented by types



Source: PRF MIS, June 2019

1.2.19. 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 13: # sub-projects located by village poverty status in 2019

Province	#SP	Sub-project located by village status in 2019				Village Status of PRF III (2017-2019), 1,820 villages		
		Poor	Poorest	Moderately poor		Poor	Poorest	Moderately poor
Attapeu	27	26	0	3		55	0	4
Huaphanh	68	56	2	10		295	18	77
Luangnamtha	17	11	0	6		65	0	4
Luangprabang	56	41	3	12		159	10	85
Oudomxay	80	64	7	9		173	21	15
Phongsaly	35	35	0	0		172	0	0
Saravane	38	17	7	14		61	33	50
Savannakhet	89	79	9	1		217	31	11
Sekong	46	39	4	3		104	13	6
Xiengkhuang	30	13	0	15		87	4	50
Grand Total	486	381	32	73		1388	130	302
		78%	7%	15%		76%	7%	17%

Source: MIS, May 2019

In 2019, PRF supported 486 sub-projects in 450 villages. 381 sub-projects were implemented in poor villages (78%), 32 sub-projects in poorest villages (7%); combined these contributed to 85% of the total number of Cycle XVI sub-projects. The 73 sub-projects (15%) implemented in moderately poor villages those were generally located in the center of Kum ban where the poor could also benefit from the services provided. According the PRF III targeted areas as

1,820 villages; 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 17%.

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

For this indicator we based our calculation on the total number of SHG members who initiated livelihood investments using SHG loan. The maximum number is 9,962 members who took the loan from SHG to do their livelihood activities, which is 24% exceeded the final target (8,000).

Up to date (June 2019), the accumulated number of loan taken by member reaches 31,305 times, by comparing with total 10,085 members, in average it is 3 times of loan taken by each member (some member received two loans and some members even received 3 loans), with the accumulated budget US\$ 4.13 million that already issued.

1.2.21. 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 reality, this indicator is not appropriate for measuring SHG repayments and will therefore be replaced by percent of member who took at least two loans upon approval of the PRF III AF project. The maximum number of loan taken members was 9,962 and the maximum number of loan repaid was 7,821, counting 78.5% that they repaid and issued for the next loan.

For the detail of LN information and report will be detailed in Chapter II (Component 4).

CHAPTER II: PROGRESS AND ACHIEVEMENTS BY COMPONENT

Component 1 Community Development Sub-grants

In early 2019, the team continues to focus in the next step of community development work as well as Additional Financing period due to the amount available for AF only US\$22.5 million is considerably lower than the original PRF III project financing with a total US\$54 million and the focus is on livelihood and nutrition activities, some sub-projects related to education and health will be ineligible under AF. The focus will be on existing investment types such as roads, irrigation, market building, resource center, livestock fencing and housing.

2.1. Planning for community and local development

During the preparation step, the PRFIII AF captures 481 villages located in 12 targeted districts in 4 provinces (Phongsaly, Luangnamtha, Huaphanh and Xiengkhuang) which emphasis on livelihood links nutrition activities and also small infrastructure using CFA approach. To ensure those of activities of the PRF III AF implement under the donor's roles and PRF's principles. The team has edited Social Safeguard document both Lao and English and upload on PRF website to prevent negative impact of the sub-project implementation and Project Operation Manual will be revised.

Furthermore, the PRF team also prepared the list of sub-projects for the 4 provinces in the south (Savannakhet, Saravan, Sekong, and Attapeu), covers 14 districts, and 88 Kumbans, at least one prioritized sub-project per Kum ban, a total of 88 sub-projects to request for additional US\$ 2 million to use the NT2 revenue for the construction of those 88 sub-projects in 2020 (Detailed in 2.9.1).

To continue supporting the Government of Lao PDR to consolidate and enhance the local socio-economic development planning process; therefore, the discussion meeting related to the planning was organized 2 times, the first one was a technical meeting, which organized in

February 2019 and the second was organized between donors (WB and SDC) and Vice-minister of MPI June 2019. These two meetings were discussed about an opportunity for revising the existing PPM and DSEDP manuals and further guidance on next steps to ensure that the enhanced PPM and DSEDP could also be useful for the 9th NSEDP process.

2.2. Engineering works

During the reporting period, the key work conducted by the Engineering team covered 1) support for the Cycle XVI implementation; 2) follow up the payment of Road Maintenance Groups activities; 3) continue training of community contractors for the sub-projects using the CFA approach, 4) sub-projects inspection, and 5) Follow up the DRM work.

2.2.1. Pilot Road Maintenance Group

The progress of RMG is on tracked, this work has been scaled up to 23 districts in 7 provinces covering 54 rural roads, 74 RMGs (341 members) are supporting the maintenance of approximately 338.34 km of roads. In late June, the progress of payment for RMG members since started the RMG work reached 52.44% of the total budget allocation. For the impact evaluation of RMG is expected to done by the end of 2019 which will detail in the coming report (The list of RMG is provided in *Annex 5*).

2.2.2. Community Force Account

13 sub-projects had been applied the CFA approach in 2019, PRF team continued training of community contractors in three targeted provinces (Luangnamtha, Oudomxay, Saravan). The topic of the training focused on technical construction, finance and procurement, additionally, the first draft CFA manual has been developed to guide the community contracting in implementation. Regarding 26 skill labors of 13 CFA villages (2 labors per village) were selected and trained for basically technical construction at vocational college in each province. As June 2019, all sub-projects are implemented with an average progress 89.6%, while 6 sub-projects out of total had been completed and 7 sub-projects are under construction with overall progress implementation over 50% of total work and expected to complete soon. (More details can be found in *Annex 6*).

2.2.3. Quality Control

To ensure that all sub-projects supported by PRF are still functioning quality and serving the beneficiaries living condition. The PRF team had cooperated with the Lao universities in the north (Souphanouvong University) in the south (Champasack University) to undertake the quality control inspection of the sub-projects in the northern and the southern provinces. A total of 71 sub-projects (21.2%) out of 335 sub-projects in 2018 were inspected for quality check and control. The outcome of this work shows in table below:

Table 14: Quality of Design

SP type	High quality	Good quality	Poor quality
Building (33 sub-project)	94% (31 sub-project)	6% (2 sub-project)	0% (0 sub-project)
GFS (12 sub-projects)	83% (10 sub-project)	17% (2 sub-project)	0% (0 sub-project)
Drilled well (3 sub-projects)	33% (1 sub-project)	67% (2 sub-project)	0% (0 sub-project)
Road (10 sub-projects)	33% (1 sub-project)	67% (2 sub-project)	0% (0 sub-project)
Culvert pipe (1 sub-projects)	100% (1 sub-project)	0% (0 sub-project)	0% (0 sub-project)
Bridge (1 sub-projects)	0% (0 sub-project)	100% (1 sub-project)	0% (0 sub-project)
Retaining Wall (1 sub-projects)	100% (1 sub-project)	0% (0 sub-project)	0% (0 sub-project)
Weir (4 sub-projects)	100% (4 sub-project)	0% (0 sub-project)	0% (0 sub-project)
Cannel (4 sub-projects)	100% (4 sub-project)	0% (0 sub-project)	0% (0 sub-project)
Furniture (1 sub-project)	100% (1 sub-project)	0% (0 sub-project)	0% (0 sub-project)
Barbed fence (1 sub-project)	100% (1 sub-project)	0% (0 sub-project)	0% (0 sub-project)
Total	87.33%	12.67%	0%

Source: Engineering Division, June 2019

Considering the aggregated total of all sub-projects evaluated, it was found that 63 sub-projects or 87.33% of the technical components of the structures have been constructed in accordance with the plans and specifications as set out in the sub-project proposals and considered to Meet Specification with a further 12.67% (8 sub-projects) rated slightly below in terms of meeting the intent of the sub-project proposal. Non sub-project of technical ratings was below Specification (Details sub-projects, key findings and recommendations are described in *Annex 7*).

Component 2 Local and Community Development Capacity building

Capacity building activities have remained a key focus to strengthen capacity of the communities. During this reporting period, most of the trainings and workshops were conducted by PRF provincial and districts officers at the local levels.

2.3. PRF staff capacity building

To strengthen capacity of PRF staff on the Monitoring and Evaluation System as well as PRF III's indicators and support community-based monitoring, the M&E trainings were provided by the central M&E team for provincial staff, district staff and Kum ban facilitators with total of 209 participants (including 55 female).

Eighty-four participants (including 13 female) received the training on the sub-projects implementation use CFA approach with emphasis on Procurement, Finance management and basic technique of construction.

Two hundred and seventy-four participants (including 156 female) were trained/participated on participatory market assessment, PRF-SHG-assessment and annual review meeting for supporting SHG members to improve their income generating activities and nutrition-oriented in their villages.

Seventy-seven participants (17 female) from relevant sectors were attended the 24th PRF Board Meeting which help in March 2019 with emphasis on the progress of PRF III activities implementation, coordinate with concerned sectors and the challenges and sustainability of PRF in the future.

More details about staff capacity building in 2019, can find in *Annex 8*.

2.4. Local authorities capacity building

Aims to supports the capacity development of villagers and local government officials to plan and manage local development processes in partnership. In actual work, the PRF staff and relevant government officials, goods, consultant services and incremental operating costs, including Project monitoring, reporting and evaluation activities, and thematic studies, for long term they may apply this experience to local government work.

During the reporting period, different trainings/meetings were organized for the local authorities mainly at the beginning of sub-project implementation until post-sub-project construction as well as the preparation for PRF III AF's key work. Some key local authorities trainings/meetings conducted are summarized in the Table below.

Table 15: Sample key trainings to and meetings with the local authorities

Name of training course or workshop	Date	Main objective	Number of staff trained/	Females trained
--	-------------	-----------------------	---------------------------------	------------------------

Sub-project and Procurement and Finance Training.	Jan-Feb, 2019	To train the local authority with communities and VIT to understand on Financial Management and Administration and Procurement for sub-project implementation.	249	32
PRF III AF Consultation meeting	Feb, 2019	To discuss about the project design is appropriately tailored to local context related with the Donor's policy that align with the policy of GOL.	67	15
Consultation meeting on the draft of Social and Environmental Safeguard PRF IIIAF	Mar, 2019	To discuss about the update of the 4 safeguard policies that would be applied for PRF III AF	104	44
Disaster Risk Management Training	May, 2019	The main objective of the mandate was to develop a comprehensive Disaster Risk Management Manual including an Emergency Information Management System.	148	26

Source: Monitoring and Evaluation Division, June 2019

2.5. Communities capacity building

During the reporting period, 4,162 participants (1,780 female) received training on Financial Management and administration, technical and also procurement for sub-projects implementation under the Cycle XVI. In cooperation with Champasak and Souphanouvong Universities to conduct a sub-project inspection 12 voluntary student engineer interns (4 female) were trained on Quality Standards, design and specification to conduct an independent technical review of sub-projects quality and to learn from findings to improve sub-projects quality in the future.

Regarding 13 sub-projects in this Cycle use CFA approach and to ensure the community contracting can operate sub-projects construction 1,254 participants (437 female) received a refresher training on Village Confirmation Meeting and skill labors processing selection, through this process especially 26 skill labors who will construct the sub-projects were selected and trained on technical construction.

To response and prepare the disaster will be occurred during the Cycle XVI sub-projects construction as well as vulnerable areas. The PRF team organized the meeting on Disaster Preparedness and Responses held in Viengkham district, Luangprabang province with a total of 25 participants from district authorities and communities were involved (including 3 female) more details about staff capacity building in 2018.

Table 16: Sample Summary of key trainings for local communities

Name of training course or workshop	Date	Main objective	Number of staff trained	Females trained
The training on FRM for VIT and Village Mediation Committee (VMC)	2019	Awareness raising for community on feedback (FRM), project monitoring, role of VIT, etc.	27,431	21,489
Training on SHGs activities and audit	2019	To focus on SHGs members to understand on saving, lending, audit and other related to income generating activities	28,976	12,552

Sub-project and Procurement and Finance	2019	To understand about the step on Financial Management and Administration and Procurement before sub-projects implementation	4,162	1,780
Vocation training for the skilled labors of CFA	2019	To promote/contribute to the employment of local skilled labor workers from the village using the labor-based technology.	26	0

Source: PRF MIS, June 2019

2.6. Information Education Communication (IEC)

The main topics are related to community participation, the sub-projects supported implementation process, promote deepen CDD approach, good practices of community O&M of the sub-projects, women empowerment and leadership and gender and ethnic inclusion promotion, etc. key work summarized below:

- The Village Information Board and the PRF boxes were set in 450 villages where received sub-projects in 2019. Most information will be about PRF's principles, information related to the sub-projects, information of livelihood activities, etc.
- Regularly released the information via Lao national radio/television and Lao star channels as well as the daily newspapers, monthly newspaper and magazine of the Lao Women Union in both English and Lao languages and also campaign with the information via MAF's media.
- The IEC team also developed 4 clips, related to (1) community self-reliance to reduce poverty; (2) developed 3 clips on interview of the top leaders of GOL on 15 years of PRF achievements, especially interview of Prime Minister Thongloun Sisoulith, he has called on the PRF to continue to help the villagers rise above poverty line after learning that a significant number of families remain impoverished and he also praised the Fund for the hard work it has done over past years by improving the living conditions of people in targeted villages and the Fund will continue to exist and do its job until all Lao people are free from poverty.
- The summary of leaders' interview about 15 years of PRF that can be used for official document to share in multi-medias in both English and Lao languages.
- The success story films (mostly in Lao language?) and daily photos related to PRF work at local level were also disseminated/shared through Facebook (please add the link to the site) with a total of 237 posts. Currently PRF has about 134 friends following its facebook site.

2.7. Donor missions and cooperation

2.7.1. Donor missions

In February 2019, donors conducted a PRF III Additional Financing (PRF III AF). The objectives of the mission were to support PRF/MAF to prepare the detailed design for the additional financing project including the results framework, detailed project components, fiduciary, safeguard, implementation arrangements and budget.

To follow up the status of implementation and actions as agreed each period of missions. In April 2019, the World Bank conducted a PRF III Additional Financing Pre-Appraisal Mission. The main objectives were to: a) discuss and support finalization of the design of PRF III AF with Ministry of Agriculture and Forestry and PRF Project Management Team (PMT) based on a series of recently conducted stakeholder consultations; b) review safeguard documents namely the Environmental and Social Framework, the Compensation and Resettlement Policy

Framework and the Ethnic Group Engagement Framework to assess readiness for disclosure; c) Discuss and agree on the AF budget, including counterpart financing.

In April 2019, PRF also welcome the visiting of SDC Head Quarter, Ms. Felicitas Fisher, Program Manager (Desk Officer for Lao PDR), in this occasion, the PRF team presented about the achievement of PRF through 15 years' experience, including the achievement, challenge and lesson learnt. Then the SDC team also traveled to Xiengkhouang province (at Khoun district) to visit few sub-projects that PRF supported recently. In general, she could understand clearly about what PRF has been doing so far and encouraged more support for continuing the work of PRF in future.

In May 2019, the World Bank followed and prepared a PRF III AF. The objectives of the mission were to: a) appraise the proposed overall design, components and budget of PRF III AF; b) consult with other World Bank, government and development partners involved in "nutrition convergence" projects to ensure strong alignment of activities of PRF III AF; c) discuss and agreed upon counterpart financing in the PRF III; and d) agree on next steps and processing timetable for presentation of the project to the World Bank Board of Directors for approval.

Component 3 Project Management

2.8. Monitoring and Evaluation

Monitoring and Evaluation (M&E) is a key tool for the PRF which is used to present the achievement of this project, especially to provide data against results indicators (7 PDO indicators and 13 IRIs, see *Annex 1*). During January-June 2019, the team focused on project impact monitoring, including the three-year data of PRF III (2017-2019), in addition, the M&E team also randomly checked of the data quality at kumban and village levels, 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 that could be used for preparation of PRF III AF's preparation.

As already mentioned in annual progress report 2018, to provide the qualitative impact of the project, the PRF team undertook several internal studies/evaluations and supported community-based monitoring and evaluation. Due to the limitation of baseline data of four indicators detailed in PRF III's PDO, the original data source is not applicable as it was from PRF II and the coverage area for PRF III is different; therefore, the World Bank suggested revising those four indicators, including:

- Indicator: % of PRF beneficiary HHs with access to health services, replaced by: % reduction in time to access a health facility.
- Indicator: % of PRF beneficiary HHs with access to safe water resources, replace by: % reduction in time to access safe water sources.
- Indicator: % of PRF beneficiary HHs with access to all weather roads, replace by: % reduction in travel time from village center to kumban center due to road improvements.
- Indicator: % of PRF beneficiary HHs reporting improved quality of educational facilities, replace by: % reduction in time to access improved schools.

The first data collection and evaluation had been done during this reporting period as result in Chapter II (2.2.4; 2.2.5; 2.2.6; and 2.2.7), for the methodology already mentioned in last progress report.

Additionally, to ensure that the provincial and district team are aware with this monitoring and evaluation work, the M&E national team conducted different field visit to target areas and explain about the importance of monitoring and evaluation through the data collection and the

purpose of data use, especially, about the grievance through the FRM of PRF, the functioning of sub-project, the progress of LN work, etc.

2.8.1. Management Information System

The PRF III's MIS is used to monitor the progress of sub-projects implementation under PRF III from 2017-2019, especially data related to planning, project beneficiaries, sub-projects proposal, FRM, LN and other needed to ensure to the system according to the report period.

For further development of MIS-web interface and online service is still in the processing to get approval with budget to hire a consultant to develop the system improvement. This aims to enable PRF project management team and other stakeholders 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. This work is planned to start in the second half of 2019.

The suggestion for PRF III AF's period, to ensure that all key data related PRF's LN activities (PRF III's AF period) are entered into the MIS system properly, the current forms need to be revised and prepared, together with updating the PRF III's database system or insert to the new online MIS.

2.8.2. Geographic Information System

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

- Updated Twelve district maps of 4 targeted provinces to be implemented during PRF III AF period;
- Produced Sixty-two district maps of 15 provinces to be prepared for Rural Development Programs in the future;
- Printed out maps of 62 districts in 15 provinces and other maps required by donors and PRF team;
- Collected and updated sub-projects location in La of Oudomxay, Phonxay of Luang Prabang, Atsaphone and Nong of Savannakhet, Phouvong and Sanamxay of Attapeu;
- Updated district boundaries of Xaysomboun province;
- On-job training on how to use and set up GPS system for PRF district team in Atsaphone and Nong districts of Savannakhet province;
- Provided data and hard copy maps for PRF team, concerned sectors and donors;
- Followed up sub-projects implementation and reviewed budget of the first and the second quarters of Monitoring and Evaluation Division.

2.8.3. Reporting

To shorten the progress report as suggested by World Bank on the annual report 2018, we dropped out unnecessary parts of previous report and provided only highlighted progress and achievement, including the infrastructure implementation status with disbursement, results indicators analysis, the performance of LN, challenges, etc.

To ensure that the key data and information are available in the report, the team had worked closely with each Division/Unit to get all concerned data and information related to their responsibilities.

Additionally, during this reporting period the M&E team revised the report structure for PRF team at the provincial and district levels, in this this case, all of them are suggested to prepare the same format that capture key works of PRF in each component, including the project objective, project's principles, indicators, etc., this is important to ensure that the concerned sectors and local authority understand clearly about the work of PRF.

2.9. Finance and Administration

2.9.1. Government contribution

As already mention about the GOL co-financing for PRF III, a total amount LAK 48 million, equivalent US\$6 million during 3 years period of, the GOL allocated only LAK 22 billion, to implement only 78 sub-projects out of 169 sub-projects, leaving a total of LAK 26 billion was not allocated to implement the less 19 sub-projects in 2019 (last year of PRFIII). To respond and deal with the situation, the minister of MAF has sent a request letter to MPI (No. 0498/MAF, May 27, 2019) to request full amount of budget to implement all remaining sub-projects by 2020, with expected confirmation of fund by October 2019.

Additionally, to be continued PRF activities especially in 4 provinces in the south uncovered by PRFIII AF which plan to be implemented in 2020. The MAF has sent also a request letter to MOF (No. 0497/MAF, dated May 27, 2019) to request a total budget US\$ 2 million from Nam Theun2 Hydropower to support the PRF activities as the first priority of the Government in reducing poverty and MAF and MOF have discussed with concerned sectors on possibility using that amount budget from NamThern 2.

2.9.2. Budgeting

As per the agreement, the PRF has submitted to the donors the work plan and related budget for the PRF III third fiscal year 2019 for a total budget of US\$ 17,433,916 and allocated in the four different project components.

2.9.3. External Audits

The PRF Financial Audit for the fiscal year 2018 (January 1st – December 31st 2018) was conducted during February - March 2019, with a report that already submitted to the donors in June 2019.

2.9.4. Disbursement

As of June 30th, 2019, the disbursement ratio reached 78% for the IDA credit 5827-LA. For the SDC disbursement rate reached 62% and Government co-financing contribution reached 21%.

Table 17: PRF III Disbursement (as of June 30th, 2019)

Fund Source	Disbursement as of June 30 th , 2019	Disbursement (Percentage)	Total Budget Allocated (US\$ million)
WB (IDA credit 5827)	23,528,050.52	78%	30,000,000.00
SDC	11,142,149.87	62%	18,000,000.00
GOL	1,255,586.25	21%	6,000,000.00
TOTAL:	<u>35,925,786.64</u>	67%	<u>54,000,000.00</u>

Source: PRF FA Division, June 2019

During the reporting period, the PRF has preceded withdrawal application (SOE “statement of expenditure) from the donors for a “ total amount of US\$ 23,528,050.52 from IDA credit 5827; US\$ 11,142,149.87 from SDC and US\$1,255,586.25 from Government contribution).

Table 18: Summary of funding received and disbursed as of June 30th 2019 (US\$)

Fund Source	Fund Received FY 2017-2019	Expenditure FY 2017-2019	Percentage of expenditures
WB (IDA credit 5827)	24,654,729.90	23,528,050.52	95%

SDC	11,790,000	11,142,149.87	95%
GOL	1,255,586.25	1,255,586.25	100%
TOTAL:	<u>37,700,316.15</u>	<u>35,925,786.64</u>	95%

Source: PRF FA Division, June 2019

During the reporting period (Jan-April 2019), PRF has spent a US \$2,631,603 including US\$ 1,494,642 to support sub-projects implementation and village and kumban planning (12%). US\$ 239,665 was disbursed for the capacity building, IEC materials and sub-project monitoring activities (11%). US\$735,168 was used for project management activities (29%) and US\$162,130 supported to Livelihood and Nutrition activities (30%).

Table 19: Expenditures by component (January-June 2019) in US\$

Description of Component	Budget for 2019	Expenditures to June 30 th , 2019	Percent expended (%)
Community Development Grants	11,999,429	4,636,395	39%
Local & Community Development Capacity building	2,250,487	470,765	21%
Project Management	2,544,000	1,094,240	43%
Nutrition Enhancing Livelihood Development	640,000	215,944	34%
TOTAL	<u>17,433,916</u>	<u>6,417,344</u>	37%

Source: PRF FA Division, June 2019

2.10. Procurement

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

Procurement of Goods, Works, and Consultant Services at central Office

- Completed prepare the Project Procurement Strategy Development (PPSD) of PRF III Addition Financing and submit to the World Bank in March 2019.
- Completed the procurement of 3 pick-up trucks for which the contract was signed in June 2019 with Lao Ford City Company which is expected to be received in July 2019.
- Completed the procurement of consultancy service provider for Microfinance through CQS procurement method and subject to post-review by the World Bank, for which the lump-sum contract was signed in March 2019 with Microfinance Association (MFA) and the contract is expected to be completed in late September 2019.
- Completed the procurement of international consultant service for Emergency Management System Consultant and Disaster Risk Management Consultant under SDC fund for which the time-based contract was signed in July 2019.

Sub-projects

- Completed prepare the PRF Community Procurement Manual and submit to the World Bank in June 2019.
- Completed preparation of the Sub-Project Procurement Plan of Cycle XVI and submit to the World Bank in April 2019.
- Village Procurement Team conducted the procurement training for Village Procurement Teams regarding community procurement rule, procedures, bid opening and evaluation process before starting the implementation of sub-projects in Cycle XVI at the district level during January-February 2019.
- District/provincial staffs assisted the Village Procurement Team in conducting the bid opening and evaluation process at the village center for sub-projects in Cycle XVI during February-April 2019.

2.11. Human Resources

As June 2019, there is 264 positions filled (including 78 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 98.76 percent compared with the total number of approved positions. The percentage of female staff is 29.54%. 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 20: Number of staff by each Division/Unit

No	Division/Unit	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	42	
9	Engineer	5	9	44	
10	Provincial Project Management		10		
	Total	33	56	137	38

Source: Human Resource unit, June 2019

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 (52% of total staff).

Additionally, there is a total of 57 staff from small ethnic groups which has slightly increased compare to the number reported last year, based at each level, as following: 2, 13, 32 and 10 staff at central, provincial, district and village levels, respectively. More details can be consulted in *Annex 9*.

Staff turnover recorded: From January to May 2019, the percentage of staff turnover reaches 2.27% (equivalent to 6 resigned staff, including 1 women).

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

- Recruitment of 8 positions in Savavanh (PPM), Phongsaly (District engineer), Luangnamtha (DCD), Huaphan (PPM, VL), Sekong (DCD), Louangprabang (DFA, DCD);
- Signed contract with STA as part time contract from January to June 2019;
- Prepared the first payment of DRM, EMS, CFA consultancy;
- Completed the medical claim for 21 staff;
- Completed update staff information in the HR file in order to support other divisions and units;
- Completed the recommendation letter to 9 staff.

2.12. Internal Audit

During the reporting period, the Internal Audit team conducted 2 audits. 2 audits were conducted in 2 provinces (Salavan and Luangnamtha province). 18 audits are on-going and will be completed in July-December 2019 (The details in the Internal Audit plan for period July-December 2019).

After the audits completed, the reports have been submitted to the Executive Director and concerned people from the Internal Audit Committee for comments. A total of 2 recommendations were provided linked to 34 issues found (12 issues in 2019 plus 22 issues from 2018 activities), of which 1 were closed and 33 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. All issues are expected to be closed by October 2019 based on the Internal Audit Plan and will be provided the details in next report.

Component 4 Livelihood linked nutrition activities

The LN component aims to develop and implement innovative livelihood-focused community driven activities, enabling rural households to improve their livelihoods, well-being and nutrition through group-based activities. So far, LN activities are being implemented in 165 villages located in 7 districts (in Huaphanh and Savannakhet Provinces) covering 915 self-help groups (SHGs) with a total of 10,085 members (of which 85% are female), and 8,081 of members are from ethnic groups members (80%). During this reporting period, the team had monitored and confirmed about the percent of SHG Management Committee (VSMC) member that are female, which a total 784 out of 1,234 total VSMC members are female, it is 63.5%, which higher than the baseline number which is only 21%, this is aligned with PRF principle to promote women in decision making position.

2.13. SHG Saving

The PRF has provided seed-grant in a total of US\$1,216,061. The outcome of SHG establishment is to create platform for all members to meet and share their experiences about their livelihood activities and living condition. The table below shows the cumulative value of savings per year since 2015 to June 2019, as the regulation that each member should save money around LAK 2000- LAK10.000 per month, data in table below indicates that the savings system is fully owned by SHG members and likely to be sustainable. As the end of June 2019, the cumulated saving of SHG is US\$ 278,659 or 22.9% compared with seed grant that PRF supported.

By regulation of SHG, the saving amount can be 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 (agreed among all members).

Table 21: Cumulative value of SHG savings by year: 2015-2019 (US\$)

District	2015		2016		2017		2018	2019
	Number of SHGs	Value of savings	Number of SHGs	Value of savings	Number of SHGs	Value of savings	Value of savings	Value of savings
Sone	68	3,016	99	6,700	99	8,960	9,811	5,071
Hiem	67	5,297	95	2,348	95	22,762	3,840	2,010
Huameuang	0	NA	100	14,398	100	17,819	17,474	8,500
Xiengkhor	0	NA	179	17,920	179	8,524	9,866	5,300
Total	135	8,313	473	41,366	473	58,065	40,991	20,880
Sepon	103	4,931	155	8,144	155	8,604	9,928	4,788
Nong	67	1,700	95	3,112	95	4,309	4,416	1,831
Thapangthong		NA	192	19,838	192	15,845	14,116	7,481
Total	170	6,631	442	31,094	442	28,758	28,460	14,101

Grand total	305	14,944	915	72,460	915	86,823	69,451	34,981
	Total of cumulative saving							278,659

Source: Livelihood and Nutrition, June 2019

Additionally, to ensure the sustainability of the work, some income that the received from interest taken, 5-10% of dividend must be reserved to the seed grant of SHG, where the other members can take the loan in bigger amount. As shown in table below, 3.8% of seed grant increased by reserved fund of community themselves.

Table 22: The amount of seed grant increased by the reserve of dividend (Cumulated value in US\$)

Item	Cumulated Interests	Interest for Dividend	Reserved Fund	Seed Grants	Seed grants in Total
Huaphan	90,550	53,076	37,473	572,505	609,978
Savannakhet	104,305	95,663	8,642	643,556	652,198
Grand Total	194,855	148,739	46,116	1,216,061	1,262,177
% Seed grant increased					3.8%

Source: Livelihood and Nutrition, June 2019

2.14. SHG Lending/Number of loan taken

Through the implementation of LN activities in 2019, the total seed grant that PRF provided US\$1,216,061 and was released to 10,085 members. The total cumulated amount of loans US\$4,148,419 and numbers of SHG members has reached to 31,305 times of loan taken, the maximum of loan taken was 9,962 members and the average of loan repaid by member reached 78.5% as the highest number.

Table 23: Loan taken by SHG member since 2016 to June 2019

Item	Years	Seed Grants (US\$)	# Loan Taken (times)	Cumulated Loan Values (US\$)	%
1	2016	1,216,061	9,962	1,200,128	99.0%
2	2017		7,821	1,065,137	87.6%
3	2018		7,806	1,074,746	88.4%
4	June 2019		5,716	808,408	65.5%
Total		1,216,061	31,305	4,148,419	

Source: Livelihood and Nutrition, June 2019

By June 2019, the 4th round of livelihood loans were issued, using repaid funds from PRF II, while a total of 9,962 members, which is the 1st round of loan issued of PRFII AF period (2016). In 2017, a total of 7,821 loans were issued which represented 78.5% of loan repaid and issues the second round. In 2018, a total of 7,806 loans (3rd round) were issued, which presented 99.8% of loan repaid (compared with a total loans 2017); and by the end of June 2019, the 4th round, 5,716 loans were issued, which presented 73.23% (compared with total loans in 2018) and the less are considered as the outstanding loans. The repayment is still ongoing and it will be completed by end of December 2019, due to lending out to members was defined to cover 12 months' period.

2.15. SHG member incomes and livelihood status

During this reporting period, 915 SHGs invested in various livelihood activities based on the capacity and potential resources of villages, including non-agriculture sectors such as: weaving and small trading. On the other hand, livelihood activities through the agriculture sector including small livestock rising, fish pond rearing and crop plantation. The highest income is from livestock in particular from pig (19%), poultry rising (17%) and goat rising (10%), respectively. Tables below show the type of activities and incomes by types in percentage, during January-June 2019.

Table 24: Summary of Incomes by types of IGA

Types of IGA	Members	Percentage	Income (US\$)	Percentage
Poultry raising	2,934	29%	172,790	17%
Pig raising	2,130	21%	199,574	19%
Goat raising	1,338	13%	101,852	10%
Weaving	671	7%	63,318	6%
Small trading (greengrocery and retail sells)	265	3%	62,943	6%
Diversified IGA	2,214	22%	5,394	1%
Native banana planting	136	1%	31,607	3%
Broom Grass Planting	52	1%	50,917	5%
Cassava Production	153	2%	175,198	17%
Fish pond raising	192	2%	161,103	16%
Grand Total	10,085	100%	1,024,698	100%

Source: Livelihood and Nutrition, June 2019

Please find paragraph on LN preparation for AF.

2.16. Progress of preparation of PRF III AF

During this reporting period, several works had been done to prepare for PRFIII AF, the LN team had worked in close collaboration with WB Consultants, and the team had prepared essential guideline for replication in AF period such as SHG Guideline, Producer Group Guideline and Nutrition Manual. In order to finalize all guidelines, those documents had been tested in the field with existed target villages and newly selected villages for AF. Two times of testing were conducted in Huameuang district in June 2019. The outputs of the testing were elaborated into current versions of those guidelines and manual. No further revisions are required unless the translation into Lao language is completed and second field test to be conducted in August 2019 in 5 villages for SHG guideline and 2 Nutrition villages.

2.17. The sustainability of SHG

To ensure the sustainability of the SHG under PRF activities, especially after ending the supporting of PRF, there are two factors to be considered, one is the capacity or ability of community themselves (VSMC) to continue the work, and second one is the concerned sectors in target districts (local government office). In terms of SHG performance assessment as already mentioned in annual report 2018, after 5 years, only 550 out of 915 SHGs (or 60%) are 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.

Some lesson learned from the 1st periodic performance assessment of 915 SHGs:

- The Planning and Implementation of LN activities must be initiated from small scale to formulate the platform such as model families or model farmers, then scaling up from these successful practices to others families. In the other word, those model families or farmers must be village technical trainers in future.
- The poor inclusion into the group management is challenging to sustainability of SHG as the result of period study had shown that most of excellent SHGs, its management committee are combined with literate members.
- Cross visit to the successful village(s) is regarded as breaking through traditional mindset and practical event is essential learning that inspires discourage villagers to follow successful model families. In additional, the livelihood development of community must be referred to its potential production skills that can be met with market demands and in parallel to sustainable natural resource management.

- The local participation in livelihood development of the community must be regarded as key concept and taken into account in all stages for enabling participatory and ownership atmospheres.
- The capacity building is regarded as sustainable development, enabling the changes include traditional livelihood practices, applying technical – oriented producing, linkage with market demand. With all these initiatives, the project should create condition for the villagers to be aware with the concept of self-help, self-sufficiency, and self-reliance.

CHAPTER III: OTHER ACTIVITIES

3.1. Social Safeguards information

For the Cycle XVI, a total of 486 sub-projects have received approval and located in 450 villages with a total of 37,871 household's beneficiaries. The increased number of sub-projects is based on the village development list. The table below summarizes data on the Cycle XVI and the impacted households.

Table 25: Summary of the cycle XVI sub-projects impact affecting household, assets and land

No	Descriptions	Number	Remark
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 (in the list of GOL Plan) ⁴	1	Not received sub-project
6	# Sub-Projects	486	
	#Of village beneficiaries	450	
7	# Household beneficiaries	37,911	
8	# Population beneficiaries	234,289	
9	# Female beneficiaries	114,798	
10	# Sub-project effected to Personal Property or Land (SP)	63	
11	# HHs were affected	256	
12	# Personal Land were affected (m2)	25,944	
	# Personal property (teak tree) were affected (#tree)	101	Rich hh
13	# HHs affected < 5% compared to their holding land	256	
14	# HHs were affected <5% is voluntary contributed	255	
15	# HHs were affected <5% that they got compensated	1	Attapeu pro.
16	# HH affected > 5% compared to their land and have compensated	0	
	# HH affected > 5% and got compensated	0	

Sources: PRF at provincial level, June 2019

A total of 256 households with at total 25,944 m² were impacted by the implementation of the sub-projects supported by the PRF in 2019. A large majority of these households donated the

⁴ This is just a number of villages in the resettlement list of the district government that found during village plan review by the end of 2018, it is the village that not received any sub-project of PRFIII. It is strongly confirmed that PRF support only the villages that no physical resettlement/consolidation of other villages to this village in the last and the next 4 years.

section of their land impacted. There are two households received compensation for their loss after requesting it as detail in table below.

Table 26: Villages and households adversely impacted by sub-project construction in 2019

	Number	Percentage (%)
Villages impacted by land acquisition	63	12.96
HH's impacted by land acquisition	256	0.68
Land donation	255	99.61
Land compensation	1	0.39

Source: Community Development Division, June 2019

One household 200 m² for rural road Construction in Nankong village, Sanamxay district, Attapeu province, and requested for compensation through the land compensation 600m² and this is already allocated. About the compensation of land, overall, following principles will be applied to address involuntary land/asset loss through compensation at replacement value, which is defined by the national Decree 84 on compensation and resettlement as the amount in cash or in-kind needed to replace lands (this case land was replaced by land), houses, infrastructure or assets on the lands (crops, trees) and other assets (income) affected by the development projects (for the criteria of compensation will detail in annual report 2019).

3.2. Environmental Safeguard Monitoring

During the reporting period, the PRF team has followed up with provincial and district staff and also assisted communities to solve 3 cases which related to 1) earth excavation, landslide and erosion, 2) Tree cutting and 3) water drainage facility, most of the cases were resolved. More details are provided in Table below:

Table 27: 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	<i>Earth excavation, landslide and erosion:</i> Steep soil cutting, Soil fall down to River and Other structures	Community and contractor	Less the Soil volume which fall down to river and clear out from Other structures	Access road renovation and Flooded Bridge
2	<i>Tree cutting:</i> Cutting tree follow GFS's pipeline, Barbed fence	Community	Cutting just small trees and necessary only, Soil excavation do not fill cover the trees	GFS, Barbed fence, School and Road renovation
3	<i>water drainage facility:</i> Not functioning Drainage system for water point	Community	Regular water points cleaning	Water supply

Source: Engineering Division, June 2019

3.3. Disaster Risk Management

A DRM course models was developed and trained for PRF staff in central and continued in local levels where vulnerable areas are. A total of 148 participants were involved (26 female) including GOL representative at the provincial and district levels as already mentioned in section 2.4. The objective was to provide knowledge on disaster preparedness and response that it will be occurred in the future as well as during Cycle XVI sub-projects implementation for

local authorities, PRF staff at provincial and district levels. Then those people will continue training to communities.

CHAPTER IV: CHALLENGES ENCOUNTERED IN PRF III

4.1. Key Challenges

The current development status that encountered to be a challenge for rural development of Lao PDR, this country is now a lower-middle income country, and poverty has declined in recent years. In contrast, impressive improvements at the national level have masked significant differences between regions and socioeconomic groups. Much of the population remains highly vulnerable to falling back into poverty. Thus, the poverty can only be eradicated if there are employment and economic opportunities for all, not only just providing the basic infrastructure as PRF has been doing so far. This would link to the combining of increasing agricultural productivity and promote non-farm activities based on available resources of the target areas.

In addition, the sustainability of PRF's work is also considered to be a big challenge of the project. Although, the project has confirmed the successful story of over 15 years, through the supporting of development and poverty alleviation in the remote areas of Lao PDR, the project mostly rely on the funding from external support, however, to ensure the continuation of work, the GOL is seeking to get fund both internal and external supports, especially revenues from NT2 that are received by the Lao treasury in income from the project legal agreements, these revenues could be allocated to projects and programs contributing to poverty reduction or environmental management, education and health sectors received the largest shares of revenues, these works are also concerned with PRF's activities, and PRF should be able to request some funds for project activities that link to poverty reduction.

About the co-financing in 2019, for the remaining sub-projects under the GOL budget (91 sub-projects, LAK 26 Billion (US\$3.4 million), causing 12 Kumbans (under PRF III's target areas) did not receive any sub-project in 2019. This 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 with the concerned sectors at district level to explain about the situation to all target villages. The requested letter to ask for the full amount of PRF's GOL contribution was shared with MPI in May 2019, signed by minister of MAF (detailed in section 2.9.1).

Another challenge is about shifting to a smaller geographic from 43 to 12 districts after 2019 under the PRF Additional Financing, which would not cover the other 6 provinces (two in the north and four in the south). In 2020, this is become a big challenge for the GOL to seek additional fund to operate all target provinces and districts of PRFIII; therefore, several meetings had been organized (with concerned ministries, development partners, and also with donors) to discuss about this issue, including the brainstorming meeting about rural development program that organized on June 13, 2019. The minister of MAF also sent a request letter to MOF to request US\$2 million to continue supporting in the 4 provinces in the south (detail in section 2.9.1).

4.2. Sustainability

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.

Currently, sustainability is questioned by people about what the next step for PRF and which organization can continue the work after ending the PRF with donor budget. Since PRF already moved to the institution of MAF in 2017, therefore, as earlier discussion with World Bank

(February 2019), there are 3 factors considered influencing the sustainability of PRF, including: 1) Institution, 2) Financial and 3) Technical dimensions. The sustainability will mainly focus on the district and village where project implementation and investment take place.

4.2.1. Institutional sustainability

Central level:

- Consider/evaluate the impact of previous work on rural development to plan for long term development, especially, to review various public and donors-finances rural development strategies and project in Laos that would contribute to the presentation of a National Rural Development Policy Strategy (NRDS).
- Shall be in line with the Agriculture Development Strategy to 2025, National Nutrition Strategy, 2016-2020 and Poverty Criteria Decree 348, 2017.
- Need continued oversight (PRF Board chaired by the Minister of MAF) and strategic and technical guidance from DOPF and DRDC.

Local level:

- Involve concerned sectors district level, enhanced engagement of districts (DAFOs, DHOs, DPIOs and concerned line agencies' and mass organizations) through the district teams/committees formed with back up support from selected consultants. Using the young graduate as the key person to work based in village;
- At least, there is one person (provincial coordinator) to work at provincial level based in each province for coordination and reporting for provincial authority and overseeing the overall progress of work (This would suggest from the government staff to work full time);
- Apply the CDD approach to all target areas of PRF as to align with the speech of prime minister of Laos to an interview about 15 years of PRF in December 2018 that “Development must start with people and respond to people’s needs”, through establishing and strengthening the exiting village structures: SHGs, PGs, FNGs, VSMC under the umbrella of VDCs/village authority, and strengthen the capacity of the community facilitator.

4.2.2. Financial sustainability

- Apply Sam Sang approach to decentralized administration-authorities mandates and benefits will be appropriately decentralized and redistributed to local levels;
- MAF Minister’s Decision allows the PRF to receive and use funds from various sources. Thus, PRF office to play more active role in fund raising and execution (internal and external supporters);
- Consider specific allocation of the Government budget to continue the PRF work, for example: MAF/PRF to work closely with MOF and MPI to mobilize and secure GoL co-financing from national budget and other potential sources of revenue including that generated through NT2 project. PRF is one of the 5 sector programs (poverty reduction, environment, rural road, health and education) eligible for NT2 revenue as per the legal agreement for NT2 signed between the WB and GoL in 2004. This was reiterated by the Prime Minister of Lao on December 26, 2018.

4.2.3. Technical sustainability

- To pay attention the technical quality of infrastructure with disaster risk management seriously taken into consideration;
- To emphasize on the O&M for the O&M team in each sub-project village and the concerned sector staff at the districts, just to follow up and report;
- To provide training and extensive support required for villages to manage and implement;

- Community driven, implementable and manageable investments and technology introduced;
- Capacity built among the above listed groups (SHGs, PGs, FNGs, VSMC) to implement, manage and sustain their activities with model farmers, technicians identified in each village.

CHAPTER V: PLANNED ACTIVITIES and BUDGET FROM JULY-DECEMBER 2019

5.1. Key activities from July-December 2019

The PRF III will phase out in the late 2019; the PRF team has to continue to focus on the sub-project implementation, avoiding deviation from the process and procedure and as well as any delay from the agreed work plan. The capacity building for community and local authorities should be continued and focused on strengthening livelihood and nutritious activities through the SHGs performance and preparing the transition between PRF III and PRF III AF such as restructure, budget, manuals, coverage areas etc.

As the last year, the team will also focus on preparing the supporting documents and related studies and evaluation in order to evaluate the PRF III as well as the achievements against indicators set in the Result Framework both Project Development (PDOs) and Intermediate Results Indicators (IRIs) and PRF III (2017-2019) final impact evaluation for SDC as well. The MIS system is essential to be captured the information in particular PRF III AF data, for example the household wealth ranking to be available for SHGs selection.

5.2. Details of planned activities

5.2.1. Finance and Administration work

- Keep going on preparation PRF III AF budget;
- Prepare report of the first six months budget and expenditure progress of 2019 to be submitted to Project Management Team (PMT);
- FA team at central level to be prepared the replenishment document for IDA 5827 and SDC during the year 2019;
- FA team at central level to be completed transfer the 1st installment of sub-grant Cycle XVI in July 2019
- Complete payment process to contractors of GOL co-funding Cycle XVI sub-projects in 2019;
- Prepare Annual budget and work plan of 2019.

5.2.2. Monitoring and Evaluation

- Prepare Semi Annual Progress 2019;
- Finalize the achievement of PRF III Results Indicators and preparing for annual report 2019 (last year of PRF III);
- Monitor and follow up the progress of sub-projects implementation;
- Follow the evaluation of 915 SHG grading;
- PRF III impact evaluation/TA assessment (need to discuss with WB);
- Data follow up/entry for PRF III AF coverage;
- Finalize PRF III AF Result Framework;
- Prepare PRF III AF Monitoring and Evaluation Manual and Guideline;
- PRF III AF Form revising for data collection (all forms);
- Prepare GIS/MAP of PRF III AF's village with other data;
- Update online (Web-based) M&E system.

5.2.3. Community Development

- Continue coordinating with LN team in order to following up and supervising community for the standard of model village 2019;
- Follow up the implementation of KBF monthly meetings which are expected to be done in late July 2019;
- Following up the O&M training with the outcome and setting up the village O&M committees in the village received the sub-project in Cycle XVI;
- Work closely with Financial and Admin team to follow up the implementation of the Village Accountability Meeting of Cycle XVI;
- Collect the data of community contribution (compare planned and actual);
- Continue dissemination PRF information through various medias;
- Continue development of the IEC tool, including the short VDO which related to community empowerment, gender and ethnic;
- Preparation of PRF III AF including review local planning manual, prepare the IEC tools for LN, translate (POM, Guideline and all field manuals) in Lao and publish and orientation meeting at on PRF III AF at all level.

5.2.4. Engineering Works

- Following sub-project implementation;
- Sub-project inspection/quality check;
- Following the progress of RMG and CFA activities;
- Follow up the DRM work.
- Environmental and social safeguard training for PRFIII AF.

5.2.5. Human Resources

- Agree on the organization structure of PRF III AF;
- Finalize TOR of PRF III AF staff;
- Recruit for the PRF III AF staff;
- Follow up payment for International consultant DRM, EMES, CFA, STA;
- Prepare documentation for informing PRF staff due to re-structure during PRF AF;
- Follow up the Implementation Plan.

5.2.6. Procurement

- Conduct the bid opening for the remaining as mentioned in the PRF III Procurement Plan;
- Prepare procurement plan for PRF III AF;
- Assist Community Facilitators to conduct the bid opening and evaluation process for community infrastructure-related activities;
- Update procurement information and data of completed activities into tracking procurement table.

5.2.7. Livelihood and Nutrition

- Support and follow up SHG saving, Loan, Repayment of SHG and VSMC;
- Producer Group formation in 3 district Savannakhet province;
- Participatory Market Assess for Poultry Producer Group;
- Technical Trainings for PG and SHG (3 districts of Savannakhet province);
- Refresher Book keeping and Accounting to VSMC, SHG (3 districts of Savannakhet province);
- Trial Nutrition Activities for Staff and Demonstration on FNG formation;
- Planning on expansion of PRF AF to Huaphanh province and orientation PRF III AF to 3 provinces;
- Recruitment and assignment of LN staff in 10 districts;

- Training SHG formation to new staff and demonstration in village on SHG formation in Huaphanh province.

5.2.8. Internal Audit

- Internal Audit for all divisions and units at national office including Monitoring and Evaluation, Finance and Administration, Engineering, Community Development, Livelihood and Nutrition and Human Resource;
- Internal Audit for provinces including Phongsaly, Oudomxay, Xiengkhouang, Huaphanh, Luangprabang, Savannakhet, Sekong and Attapeu;
- Training on Audit to PRF officials;
- Prepare Internal Audit Report.

ⁱ Actually, there are 263 kumbans of PRFIII, but only 251 Kumban received at least one sub-project, for the other 12 Kumbans is in the list of the Government co-financing LAK 26 billion (sub-projects) that not yet approved in 2019.

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Annex 1: Result framework of PRF III

Indicator Name Project Development Objectives (PDO)	Baseline	Cumulative Target Values					Comment
		YR1 2016	YR2 2017	YR3 2018	YR4 2019	End Target	
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	49.46		
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	82.91		

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 122 villages out of 450 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	This indicator replaced by % <i>reduction in time to access a health facility (Before and after)</i>
% of PRF beneficiary HHs with access to safe water resources (Percentage - Sub-Type: Supplemental)	11.00				14	14	This indicator replaced by % <i>reduction in time to access the nearest safe water source (Before and after PRF supporting)</i>
% of PRF beneficiary HHs with access to all weather roads (Percentage - Sub-Type: Supplemental)	48.00				58.00	58.00	This indicator replaced by % <i>reduction in travel time by motorcycle (before & after rural road improvement).</i>
% of PRF beneficiary HHs reporting improved quality of educational facilities (Percentage - Sub-Type: Supplemental)	45.00				60.00	60.00	This indicator replaced by % <i>reduction in time to access improved schools(before and after).</i>
Intermediate Results Indicators							
		Cumulative Target Values					Comments
Indicator Name	Baseline 2015	YR1 2016	YR2 2017	YR3 2018	YR4 2019	End Target	

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

% of total project value contributed by the community (Text)	11.00	8.00	7.79 ⁸	7.59 ⁹	7.52	No target value set	Sub-project implementation not yet commenced
% 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	87.81 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	80.60		
% of sub-project activities of high technical quality (Percentage)	85.00	90 ¹⁴		85.00		85.00	Data is available through Technical quality assessment confirmed in May 2018
				92.00 ¹⁵			
	75.00			80.00		80.00	As above

⁸This 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.

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

¹⁵ 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.

% of households in PRF beneficiary villages satisfied with the participatory planning process supported by PRF III (Percentage)				95.00			
% of PRF III sub-project prioritized by women (Percentage)	91.00	90.00 93.00	90.00 91.97 ¹⁶	90.00 91.94 ¹⁷	90.00 93.96	90.00	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 84.91	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 ¹⁸	80.00	80.00 97.4 ¹⁹	80.00 94.98 ²⁰	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 ²¹	90.00 98.18	90.00 98.97 ²²	90.00	From MIS
# of communities able to plan, implement and monitor their VDPs (Number)	1,124	1,300	1,400	1,450	1,450	1,450	Represents # of villages that have developed VDPs

¹⁶ 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.

¹⁷ There are 308 out of 335 sub-projects that selected by women.

¹⁸ Based on the technical audit evaluation in 2016, 90% of sub-projects are good quality, 70% are fair and 3% are poor quality.

¹⁹ 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.

²⁰ data collected by PRF M&E team with cooperation with provincial and district team in March 2019, there are 131 of 2613 sub-projects are not functioning.

²¹ We based on data Grievances submitted through hotlines and FRM, as well as issues raise by community during the meeting.

²² During this reporting period PRF received with a total 1,115 feedback, 98 out of total are related to complaints while 97 complaints are solved (98.97%). This number will be updated in Annual Progress Report.

		1,349	1,508 ²³	1,573 ²⁴	1,695 ²⁵		
# and value of sub project activities implemented by types (Number)	1,426	1,750	2,100	2,450	2,800	2,800	From MIS
		1,930 ²⁶	2,278	2,613	3,099		
# of individuals with livelihood investments using loans from SHGs (Number)	4,054	8,000	8,000	8,000	8,000	8,000	From LN MIS
		8,213	9,962	9,962 ²⁷	9,962		
% of SHGs with NPLs 4% and below ^[1]	60.00	60.00	70.00	70.00	70.00	70.00	As above, need to be revised and proposed for % of members who repaid on time.
			n/a	88.7			
Additional Indicator: % of poor and poorest villages have received at least one sub-project from PRF III	n/a	n/a	86.47²⁸	85.00 ²⁹	86.90 ³⁰		New indicator of PRF III

²³ 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.

²⁴ In 2018, there are 335 sub-projects located in 326 villages and there are 65 new villages, so accumulated number is 1,508+65=1,573 villages.

²⁵ 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.

²⁶ Based on last number of PRF II, there are **1,930** sub-projects that got approved, and then we can add data of Cycle 14, 15, 16.

²⁷ Use the maximum number of members who took the loan from SHG to invest for livelihood activities.

²⁸ 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.

²⁹ 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.

³⁰ 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: Details of PRF KDPs included into DSEDPs

Province	District	KDP	DSEDP	Percent
Phongsaly		526	433	82%
	khoua	168	144	86%
	Samphanh	162	130	80%
	May	196	159	81%
Xiengkouang		663	498	75%
	Nonghaed	329	255	78%
	Khoun	160	120	75%
	Morkmay	174	123	71%
Houaphanh		943	763	81%
	Sam Neua	111	85	77%
	Xiengkhor	95	74	78%
	Viengxay	77	59	77%
	Houameuang	139	106	76%
	Huim	85	75	88%
	Sone	79	72	91%
	Xamtay	172	145	84%
	Kuane	185	147	79%
Luangnamtha		197	154	78%
	Long	67	52	78%
	Viengphoukha	63	49	78%
	Nalae	67	53	79%
Oudomxay		761	595	78%
	Namor	94	75	80%
	Nga	171	132	77%
	Baeng	42	36	86%
	Houn	185	140	76%
	Pakbaeng	161	127	79%
	La	108	85	79%
Luangprabang		412	354	86%
	Nambak	52	37	71%
	Phonexay	84	83	99%
	Viengkham	68	55	81%
	Phoukhoun	69	65	94%

	Paksaeng	96	82	85%
	Phonethong	43	32	74%
Savannakhet		559	452	81%
	Phine	61	52	85%
	Sepone	150	114	76%
	Nong	81	61	75%
	Thapangthong	52	39	75%
	Atsaphone	215	186	87%
Sekong		353	308	87%
	Lamarm	67	59	88%
	Kaleum	143	127	89%
	Dakcheung	143	122	85%
Attapeu		211	184	87%
	Sanamxay	63	56	89%
	Sanxay	74	64	86%
	Phouvong	74	64	86%
Saravanh		290	222	77%
	Ta Oy	107	82	77%
	Toumlam	95	72	76%
	Samoy	88	68	77%
TOTAL		4,915	3,963	80.6%

Source: Monitoring and Evaluation Division, June 2019

Annex 3: Summary of Sub-projects resolved by each sector

Province	Community	GOL	GOL and Community	Company	GOL and PRF	PRF	Total
Attapeu	1			1	1		3
Huaphanh	8	9	4	1			22
Luangnamtha	1		1	4			6
Luangprabang	1						1
Oudomxay	2	1	2				5
Phongsaly	4						4
Savannakhet		1	1			1	3
Sekong	12	3				2	17
Xiengkhuang	15	1	2	1			19
Grand Total	44	15	10	7	1	3	80

Source: Monitoring and Evaluation Division, May 2019

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

Type of Feedback and Conflict Resolution Magnesium							
Province	Complaint			Acknowledgement	Request more fund/ Technical assistance	Request more information	Total
	Total	Resolved	Pending				
Phongsaly	6	6		6	4	2	18
Luangnamtha	9	9		14	20		43
Oudomxay				119	6	1	126
Louangprabang	49	49		166	163	1	379
Houaphanh	3	2	1	71	26	11	111
Xiengkhouang	1	1		1	1		3
Savannakhet	26	26		90	36	2	154

Saravanh				3			3
Sekong	3	3		127	51	15	196
Attapeu	1	1		47	19	15	82
Total	98	97	1	644	326	47	1,115
% of Feedback has been resolved		98.97%					

Source: PRF MIS, June 2019

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 (Xiangtoun)	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 road improvement	5	Km	1	5
9	Savannakhet	Sepone	Sobmee	Lath and	Rural road 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	Houaykhang	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 improvement	5.5	Km	1	6
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:					<u>102.47</u>	KM	<u>21</u>	<u>101</u>
Grand Total: 54						<u>338.34</u>	km	74	341

Source: Engineering Division, June 2019

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, June 2019

Annex 7: Number of sub-projects inspected by type in each province

Province	Building	GFS	Drilled well	Road	Culvert pipe	Bridge	Retaining wall	Weir	Cannel	Furniture	Barbed fence	Total
Attapu	2	1										3
Sekong	6	2						3				11
Salavan	4	4	2	2				1		1		14
Savannakhet	7		1	2								10
Huaphan	4	3		1			1		4			13
Luangnamtha	1			3	1	1					1	7
Luangphabang	9	2		2								13
Total	33	12	3	10	1	1	1	4	4	1	1	71

Source: Engineering Division, June 2019

Key findings and recommendations of sub-project construction

Key findings	Recommendations
Weir: The cost of weir construction is high but pipe diameter only 90 mm, why do not consider to use suction canal or GFS intake	HDPE of weir should be considered to replace by suction canal or GFS, cheaper and more efficiency
School: Outside skirt color of school building is light green and easy to dirty why do not consider to other color e.g. dark green	Wall skirt color of building should be paint by dark green to be protected stain
Building: Door and window made from wooden cracking and bent and difficult close	Should be designed small opening panel or louver panel other materials

Water supply: Pipe laying is not deep-down as drawing and some laying on the ground	Most of work water pipe deepdown contributed by communities. Therefore, the team should be advised/suggested them the important role of communities contribution as ownership
Water system are not functioning made no good smell pollution	Most of this work contributed by communities, through O&M training after sub-project completion the team should be advised/suggested them the important role of communities contribution as ownership
The tab platform has no fence, no rubbish heap and the waste laying around	Most of this work contributed by communities as ownership and the team should be revised them.

Source: Engineering Division, June 2019

Annex 8: Summary of staff training conducted during this reporting period (January-June 2019)

Divisions/Units	Name of training course or workshop	Date	Main objective	Number of staff trained	Females trained
TA, Procurement and Finance	CAF training	January 2019	To train on finance, procurement and basic technique construction for provincial and district staff use CFA approach	84	13
ME	Monitoring and Evaluation Support	January 2019	To refresh monitoring and evaluation work including PRF III indicators as well as community-based evaluation	63	14
ME	Monitoring and Evaluation System	March 2019	To ensure that provincial, district and kumban could monitor and evaluate sub-project construction and each information should capture in MIS	69	23
ME	Training on how data entry, data validation and verification	April-May 2019	To makesure all data are available in MIS as well as LN data	77	18
PRF central	24 th PRF Board Meeting	March 2019	Emphasis on the progress of PRF III activities implementation, coordinate with concerned sectors and the challenges and sustainability of PRF in the future.	77	17

LN	Participatory market assessment (Phase out strategy)	March 2019	To ensure that the SHG member understand about marketing and market value chains (supply and demand).	23	14
LN	Annual Review Meeting 2018	February 2019	To review the LN activities reached in 2018 with the lesson learned and challenges and plan for 2019	38	12
LN	PRF-SHG assessment	May 2019	To ensure the work of SHG can link local existing system in each district.	213	130
PRF, Concerned sectors, WB	Brainstorming Meeting	June 2019	To prepare and respond 5 questions of donors related to current status rural development in Laos and strategy 2020-2030	35	2
TA	Training on Disaster Risk Management	June 2019	To improve the ability of PRF staff on Disaster Preparedness and Response	148	26
Total				827	269

Source: Monitoring and Evaluation, June 2019

Annex 9: Staff turnover in 2018

Positions		Gender	Reasons for leaving	Replaced	%
Centre	Gender and Vulneral Group Officer	Female	Working for new project	No	3.03
National office Total staff : 33					
Louangprabang	District FA Phonthong	Male	do business	Yes	8.33
	District Community Development Viengkham	Male	Healthy problem	Yes	
Louangprabang office Total staff: 24					
Hauphanh	Village Livelihood Coordinator Hiem	Male	Family reason	Yes	1.75
Huaphanh office Total staff: 57					
Sekong	District Community Development Kalum	Male	Healthy problem	Yes	5.56
Sekong office Total staff: 18					
Attapue	District Engineer at Phouvong	Male	Working for new project	No	10.00

					Attpapue office Total staff: 10
Xiengkhouang	District Engineer at Nonghed	Male	Healthy problem	No	6.67
					Xiengkhouang office Total staff: 15
Grand Total:					264
Average of Percent of change: %					2.27

Source: Human Resources, June 2019

Annex 10: Kumban Facilitator 2019

Provinces/Districts	#Kumban	#Kumban Facilitator	Kumban Facilitator (Male)	Kumban Facilitator (Female)
Attapeu	12	36	12	24
Phouvong District	3	9	3	6
Sanamxay District	5	15	5	10
Sanxay District	4	12	4	8
Huaphanh	50	150	53	97
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	8	13
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	58	56

Provinces/Districts	#Kumban	#Kumban Facilitator	Kumban Facilitator (Male)	Kumban Facilitator (Female)
Nambak District	4	12	7	5
Pak xeng District	8	24	11	13
Phonthong District	5	15	7	8
Phonxay District	8	24	16	8
Phoukhoun District	5	15	6	9
Viengkham District	8	24	11	13
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

Provinces/Districts	#Kumban	#Kumban Facilitator	Kumban Facilitator (Male)	Kumban Facilitator (Female)
Sepone District	12	36	12	24
Thapangthong District	6	18	6	12
Sekong	19	57	26	38
Dakcheung District	8	24	8	16
Kaleum District	7	21	7	14
Lamarm District	4	12	4	8
Xiengkhuang	19	52	29	23
Khoune District	5	15	7	8
Morkmay District	5	10	6	4
Nonghed District	9	27	16	11
Total	263	784	322	469
				60%

Annex 11: Definition and Methodology for data collection of 4 PDO indicators

No.	Definition	Source	Methodology for Data Collection
1	Percentage change in the estimated walking time in terms of minutes to access the nearest health facility before the PRF infrastructure investment was operational and afterward, as estimated by a focus group of male and female village members.	PRF MIS Forms	MIS forms filled out and verified at the time of subproject financing requests to assess the before-subproject times. Focus groups with village members after subproject completion to assess after-subproject times.
2	Percentage change in the estimated walking time in terms of minutes to access the nearest safe water source before the PRF infrastructure investment was operational and afterward, as estimated by a focus group of male and female village members.	PRF MIS	MIS forms filled out and verified at the time of subproject financing requests to assess the before-subproject times. Focus groups with village members after subproject completion to assess after-subproject times.
3	Percentage change in the estimated motorcycle time in terms of minutes to from the village center to the kumban center before the PRF road	PRF MIS	MIS forms filled out and verified at the time of subproject financing requests to assess the before-subproject times. Focus groups with village members

	improvement project was operational and afterward, as estimated by a focus group of male and female village members.		after subproject completion to assess after-subproject times.
4	Percentage change in the estimated walking time in terms of minutes to access the nearest school before the PRF infrastructure investment was operational and afterward, as estimated by a focus group of male and female village members.	PRF MIS	MIS forms filled out and verified at the time of subproject financing requests to assess the before-subproject times. Focus groups with village members after subproject completion to assess after-subproject times.

Annex 12: Villages received more than one sub-projects in 2018

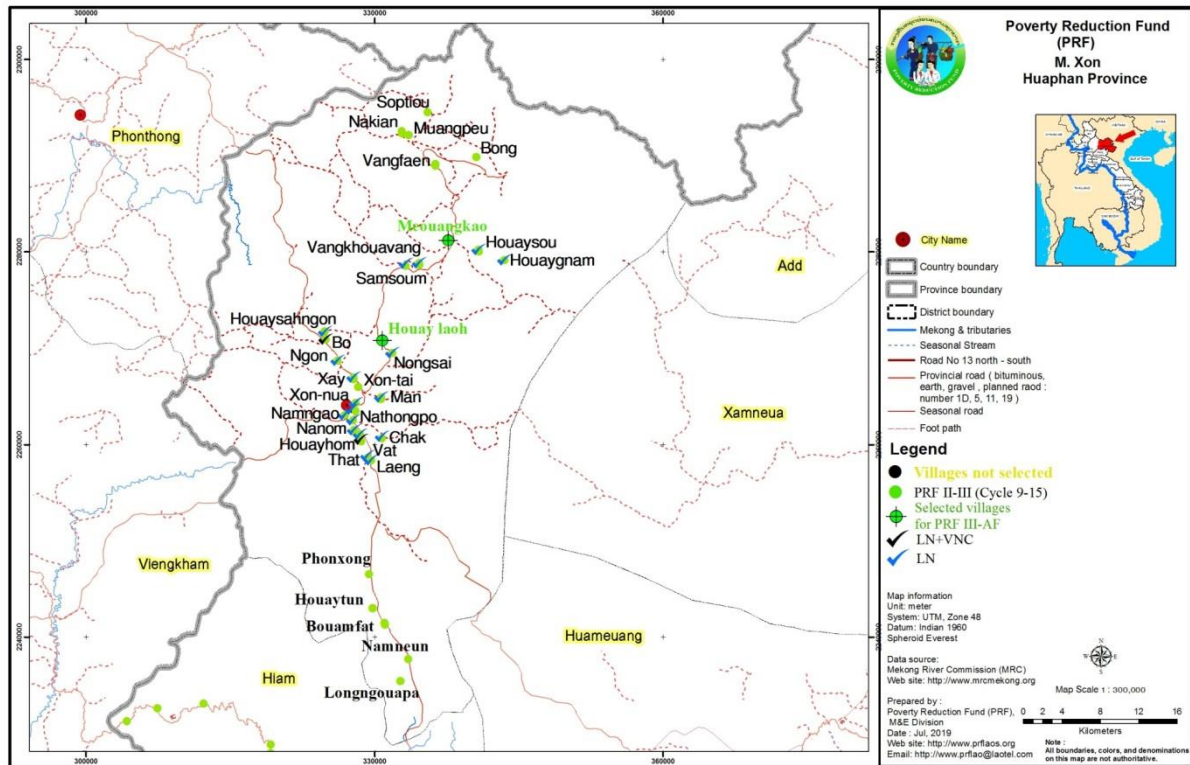
No.	Province	District	Village name	Sub-project name	Remark
1	Huaphanh	Huameuang	Kang Khao	Community market Construction	Due to this is a poor village as the first priority is market and second is spring gravity fed system renovation, which invested not much budget.
2				Spring gravity fed system Rehabilitation	
3			Pakanuea (HomeKong)	Student's Dorm Construction	Due to this village is located in the center of Kumban that student from different villages come to study, and also this water supply also used by the other all community.
4				Spring gravity fed system Rehabilitation	
5		Xamtay	Phakomthamchok	Barbed wire fence	Due to two hamlets in the same village, and each Hamlet is far from each other 6 km
6				Primary school construction	
7		Kuane	Muangna	Nurse Dormitory Construction	Due to two hamlets in the same village, and each Hamlet is far from each other about 8 km
8				Spring gravity fed system	
9	Xiengkhuang	Nonghed	Thamhip	Primary school construction	Because this is the poorest village in the Kumban compared with other villages, therefore, communities agreed to allocate budget to this village.
10				Spring gravity fed system	
11			Na pa xath	Community market Construction	Base on the first priority as the market that align with socio-economic development, and used remaining Kumban budget for toilet construction for the school that PRF used to support in 2017.
12				Latrine for school	

13	Savannakhet	Thapangthong	Houylai	Continuation of weir renovation	Due to the first priority of kumban and used the Kumban remaining budget for rural road spot improvement.
14				Rural road spot improvement	
15	Sekong	Kaleum	Songkhone	Weir construction	Due to two hamlets in the same village, and each Hamlet is far from each other 4 km
16				Latrine construction	
17	Attapeu	Sanxay	Jalernsay	Primary school construction	Due to the first priority of this village is primary school construction, the water is second priority that used the KB remaining budget to renovate the existing water system.
18				Spring gravity fed system Rehabilitation	

Source: Monitoring and Evaluation Division, PRF office

Annex 13: Sample mapping covered by PRF III and AF

Xon district



Source: Monitoring and Evaluation Division