

# POVERTY REDUCTION FUND ANNUAL REPORT 2003

Lao People's Democratic Republic  
Peace Independence Democracy Unity Prosperity

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Committee for Planning and Cooperation



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## LIST OF ACRONYMS

APB	Agricultural Promotion Bank
BOL	Bank of the Lao PDR
BOQ	Bill of Quantity
BTC	Belgium Technical Cooperation
CD	Community Development
District:	An administrative unit working under the direction of provincial administrations (142 districts throughout the Lao PDR)
GOL	Government of Laos
IDA	International Development Association
IEC	Information Education and Communication
Khet	Sub-district (A former political institution comprising villages into zones)
LA	Lao Agreement
Lao PDR	Lao People Democratic Republic
Lao PRY	Lao People's Revolutionary Youth
LECS	Lao Expenditure and Consumption Survey
LNR	Lao National Radio
LTUF	Lao Trade Union Federation
LWU	Lao Women's Union
M&E	Monitoring and Evaluation
NSC	National Statistics Centre
OPT	Operations Planning Training
PM	Prime Minister
PMT	PRF Project Management Team
Province:	The Lao PDR is divided into 18 provinces each with an appointed governor and local administration.
PRF	Poverty Reduction Fund
SDR	Special Drawing Rights
TA	Technical Advisor
TOE	Training of Enumerator
TOT	Training of Trainer
UCD	Unit Cost Database
UXO	Unexploded Ordnance
VNPA	Village Need Priority and Assessment (Also a form designed by the PRF to record the outputs of each village participatory workshops)
WB	World Bank

## EXECUTIVE SUMMARY

**1. BRIEF INTRODUCTION OF THE POVERTY REDUCTION FUND** - Being part of the Lao Government's National Poverty Eradication Programme (NPEP), the Poverty Reduction Fund (PRF) shows the commitment of the Lao Government in its endeavours towards social and economic development of the country, in particular to reduce poverty. The PRF is supported by the World Bank in the form of a low-cost loan, repayable over a forty-year term.

Project Title	<b>Poverty Reduction Fund</b>
Loan	<b>IDA, Credit no. 3675 LA from the World Bank</b>
Amount of Loan	<b>US\$ 19,345,000</b>
Government Contribution (GOL)	<b>US\$ 1,330,000</b>
Date of Establishment	<b>31 May 2002, by Decree No. 073/PM</b>
Loan Effective Date	<b>3 February 2003</b>
Project Launched at Field Level	<b>April 2003</b>
Expected End Date	<b>December 2007</b>
Current Geographical Coverage	<b>Huaphanh, Add, Xiengkhor, Sobbao Districts Savannakhet, Sepone, Vilabury, Nong Districts Champassak, Sukuma, Moonlapamok, Pathoumphone, Khong Districts</b> <b>Total ; 10 districts, - 121 Khets (sub-districts), - 920 villages</b>
GOL Implementing Agency	<b>The Poverty Reduction Fund Committee for Planning and Cooperation</b>
Type of Project	<b>Social Fund</b>

**Objectives of PRF** - The main objectives of the PRF are to:

- assist villagers to develop community infrastructure and gain improved access to services;
- build capacity and empower poor villages in poor districts to plan, manage and implement their own public investments in a decentralized and transparent manner; and
- strengthen local institutions to support participatory decision-making and conflict resolution processes at the village, *khet*, and district levels, involving a broad range of villagers, including women, the poor and ethnic minorities.

### Key principles

The Poverty Reduction Fund Project is designed around a number of key principles that provide the basis for project implementation and supervision, as well as for local innovations, and for the evaluation of the project and its impact. The principles of the project are:

#### The 7 Principles of PRF

- Simplicity
- Menu of Options
- Participation
- Ownership
- Transparency and Accountability
- Wise Investment
- Empathy ("Siding With The Poor")

Extract from PRF Operations Manual

### Project Organization and Structure

The Poverty Reduction Fund has been legally established as an autonomous entity, formed and run in accordance with the Decree of the Prime Minister No. 73/PM dated May 31, 2002. The Executive Director manages the Fund, the project and the project office, staffed by consultants in Vientiane. The Executive Director reports to the Administrative Board of the PRF. The day-to-day management of consultant services and responsibility for subproject implementation and quality will rest with the facilitators and consultants hired by the project. Consultants and facilitators report to the Executive Director, and coordinate closely with local government officials and technical sectors. External consultants are contracted to carry out additional tasks such as training, specific studies and independent monitoring as needed.

**Phasing of Operations** - The summary phasing of the project is presented in the table below:

PROVINCE	2003	2004	2005	2006	2007	TOTAL
Huaphanh	3	3	5	8	8	8
Savannakhet	3	3	3	4	4	4
Champassak	4	4	4	4	4	4
Province 4	-	2	4	4	4	4
Province 5	-	2	4	4	4	4
<b>Total Districts</b>	10	14	20	24	24	24
<b>Khets</b>	98	140	200	240	240	240
<b>Subprojects</b>	294	420	600	720	720	2754
<b>Grants (\$)</b>	1,598,745	2,283,922	3,262,745	3,915,294	3,915,294	14,976,000

Average sub project cost is estimated to be around \$ 5,400.

**2. METHODOLOGY AND APPROACH** - While building on the gained experience of the Committee for Planning and Cooperation, the Poverty Reduction Fund has adapted and developed tools and methodologies that are appropriate to the context of the poorest districts in Lao PDR, while conforming to the requirements of the PRF credit and project agreements.

In each target district, PRF facilitators visit all villages where they (1) inform villagers about PRF objectives, activities and principles so that most villagers understand the project and better understand their rights and responsibilities, (2) identify main problems and priorities of the village (filling in the Village Need and Priority Assessment form (VNPA), (3) collect information about the village (Village Profile data form) and (4) Elect three Village Representatives.

The PRF considers this exercise as democratic rather than data extracting and insists that more than 50% of adult villagers should attend. In case of large villages, it was found acceptable to allow one representative of each household to attend only, as long as women were be represented in a fair proportion. Firstly, men and women hold separate meetings to discuss main problems, needs and priorities. Then men and women regroup to mutually present their respective needs and priorities to the other group and discuss motivations and justifications. After that, men and women reach a consensus to determine which six priorities will be retained for this year. The results of these three deliberations are recorded on the VNPA form. Three village representatives are then elected and will be mandated to present the village needs and priorities at the next level meeting: Khet prioritization meeting. The VNPA form has been revised and improved through the pilot-tests in the districts of SobBao, Sepone and Mounlapamok.

**Sub-district grouping of village clusters: the revisited Khet** - The main targets of the PRF are communities in poor villages. All villages in a targeted district are eligible to participate. The villages in a chosen district participate based on sub-district groupings called “khet”, pre-existing khets or clusters of villages where khets do not already exist. On average, a khet comprises approximately 7 villages. Smallest khets comprise as few as 4 villages while largest khets comprise up to 16 villages.

Prior to launching PRF activities in a target district, the PRF requests the local authorities to revise the existing district sub-divisions for the purpose of PRF implementation. Size and numbers of sub-divisions are important but other factors such accessibility on foot, local topography, village locations, socio-economic characteristics, social cohesion, solidarity and trust among various groups etc. should also be considered. Most importantly, district sub-divisions should comprise communities whose ethnic groups, dialects, social and religious customs would be compatible. Noticeably, the total number of khets has risen from 98 initially to 121 revised khets for PRF implementation. Recent experience has not brought forward any evidence of ethnic tensions within a khet or indicators of particular ethnic minority groups being marginalized.

**Sub-project proposal quality check list** - For the Khet prioritization Meeting, the facilitators discuss PRF principles with the villagers. In order to assist the communities to improve the quality of their proposals and better abide to the PRF principles of siding with the poor and wise investment, the PRF has developed a sub-project proposal quality check-list, which requests the communities to answer three questions:

- RELEVANCE - How your sub-project is going to help the poor in your community?

- **FEASIBILITY** – Is the sub-project feasible from PRF and GoL points of view?
- **SUSTAINABILITY** – Will the benefits/results of the sub-project last after completion of the sub-project activities i.e. after PRF departure?

**Socialization** - The principles and the objectives of the Poverty Reduction Fund depend on and encourage a high degree of participation by the people themselves. At each local level the PRF begins with a strong process of “Socialization” - introducing and explaining the PRF to the villagers and to the wider public. Radio broadcasts, a specially designed flipchart, posters, pamphlets and other tools are used to disseminate information about the Project. As a result of the Socialization process, thousands of people know about and understand the principles of the project. This encourages interest and participation, and having large numbers of people informed and involved helps to keep things transparent and accountable during implementation of the sub-projects.

**Resource Allocation** – The total budget allocation for the cycle of activities 2003-2004 amounts to \$1,051,000. In each district, the allocation was calculated by taking the village population multiplied by \$5 multiplied by a weight depending on poverty levels (Based on the Instruction No. 010/PM with regard to definition and indicators of poverty). The results thus obtained were rounded to the nearest \$ 1,000. This method of calculation is by no means pre-determining the final allocations per villages and pre-deciding that non-poor villages will not be eligible for PRF assistance. All villages within a PRF target District are eligible to participate and the forum of khet representatives basically decides which proposed khet subprojects will be funded within the district allocation.

**Technical / engineering aspects and unit cost database** - A Unit Cost Database (UCD) has been designed alongside a compilation of standard designs for schools, dispensaries, drilled wells etc approved by relevant line-Ministries. The UCD purpose is primarily to ensure standard quality through the use of a set of standard designs. In addition, the use of the UCD reduces appraisal time through quick and accurate calculations. Moreover, the UCD allows more transparency and allows abnormal costs to be flagged. Lastly, the UCD guarantees that the PRF investment has been optimized by neither paying too little for poor quality nor paying too much in waste. A special module of the UCD is currently being developed for calculation and design of Spring Fed Gravity Systems. Good engineering practices and principles will be used in the design for non-standard sub-projects, with due attention made to incorporating sensitive environmental considerations into sub-project site selection and design. Environmental issues associated with most sub-projects are not expected to be significant. Most adverse impacts will be highly localized to the sub-project site, temporary in nature and easily mitigated through sensitive site selection, good construction practices and sensible management of the completed sub-project.

**Monitoring and evaluation – MIS** - The monitoring and evaluation (M&E) system uses a range of methods for collecting and processing data. To this end, various kinds of forms have been designed in order to capture data at each step of the process. Concurrently, a database was programmed to process and analyse data collected from field levels and produce synthetic reports. These databases are bilingual tools and can produce reports either in Lao or English languages. At this stage, databases have been tested and are operational. However, they will be revised and evolve according to processes and forms updates and improvements. The M&E unit has a responsibility to monitor and follow-up the sub-projects implemented in the community.

**Complaint prevention and resolution** - Conflict resolution processes and procedures are designed to assist communities to solve possible problems and conflicts with regard to PRF sub-project implementation. Draft complaints resolution guidelines have been prepared during 2003 and will be finalized after field testing in 2004. A Recommendation Box (121 boxes) has been installed on each information board in each khet center.

**Procurement** - PRF procurement activities can be divided into two broad categories (i) PRF national/provincial level procurement of vehicles, office supplies, works (office renovation), external consultant / trainer; and (ii) Community level procurement of materials, trainer, small works (construction contracted out to company through bidding).



Procurement at Khet level is managed by the participating communities themselves. Before a community can take action, mandatory training about basic financial management and community procurement is provided. During sub-project appraisals, PRF staffs recommend Community Force Account whenever possible because it provides an opportunity to the communities to (1) acquire/develop their skills, (2) earn money and (3) enhance local ownership of the final output.

**3. ACHIEVEMENTS AND SHORTCOMINGS** - Socialization comprises the introduction and promotion of the project and its principles, processes and procedures to government officials, villagers, and other organisations working in PRF target areas. Full-scale socialization activities were launched in the field in the three start-up districts, in mid-April 2003. A total of 305 villages in 37 khets in those districts participated in Socialization Activities. The second round of Socialization Activities started in October - November 2003, where 615 villages were visited in 76 khets for 7 remaining districts. All in all, during the Year 2003, Socialization Meetings covered 920 villages from 121 khets within 10 districts.

The percentage of villagers attending socialization and needs and priorities assessments at village level amounts to more than half (54%) of the villages' adult population, which constitutes an impressive responsiveness from the target communities.

*Main needs & priorities among the 10 PRF districts*

Sector	Percentage
Water & Sanitation	24%
Education	21%
Access & Transport	13%
Small business & Handicraft	11%
Training	7%
Health	7%
Irrigation	6%
Credit & Revolving funds	5%
Crops	3%
Livestock & Fisheries	3%
Electricity	2%

Among the 10 districts covered by the PRF, the findings suggest that Water & Sanitation (24%) seems to be the area of main concern. Education is perceived as a problem by 21% of the villages. Road and transport represents 13% of the responses. Small business & Handicraft comes in fourth position with 11% of responses. Training and Health score either 7% of responses.

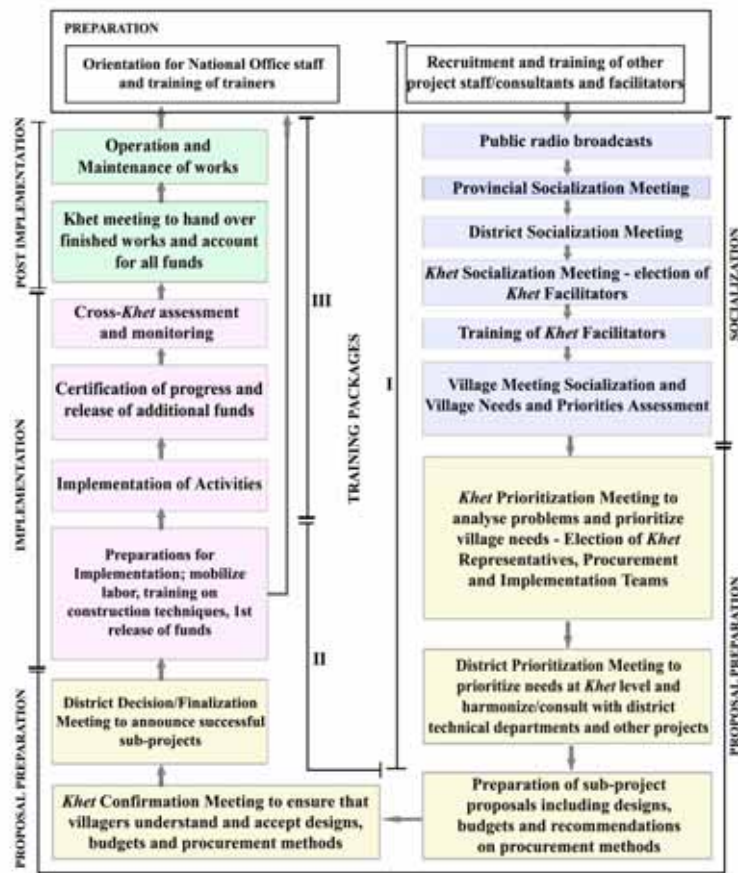
**Sub-project prioritization and appraisal** - At the Khet prioritization meetings, each village within a khet sent its three village representatives to discuss in separate meetings (men & women) the khet priorities for this year. Within each group, the village representatives from each village presented and ranked their village's 3 priority needs/problems and possible solutions. The two groups thus came together again and discussed the priorities, problems and possible solutions of each group. After that, all the village representatives elected their four Khet Representatives (two men & two women) who would present the 6 priority needs at the District Prioritisation Meeting.

One day before the District prioritization meeting, all khet representatives were invited to prepare the District meeting. Local authorities, Government Technical Department, Planning and Cooperation, all concerned NGOs and agencies and any other interested parties were invited to join the District prioritization meeting.

The Khet Representatives from each khet presented their 6 sub-project proposals and were asked to prioritise and rank the sub-project proposals or groups of proposals based on the PRF principles of wise investment and siding with the poor etc. Usually, the total estimated budget for khet priorities amounts to approximately ten times the available budget. This is a serious budget limitation, which calls for discussion and negotiations among the khet representatives.

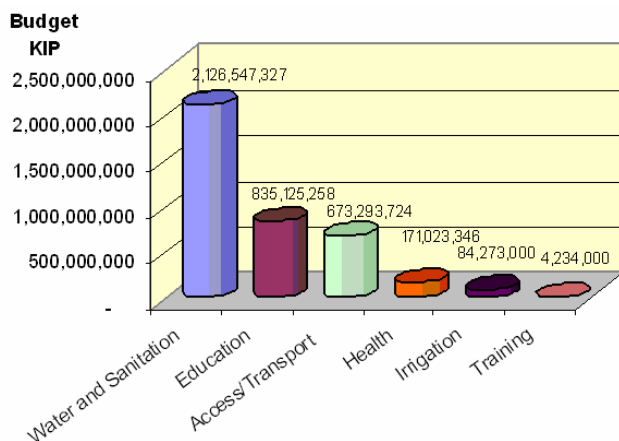
Sub-projects were then appraised in the three start-up districts. Respectively, 21, 32 and 29 sub-projects were appraised in Sobbao, Sepone and Moonlapamok Districts. Extensive field visits were undertaken by PRF Community Development Specialists and Technicians who joined forces. Appraisal of the sub-projects included: further consultations with the communities concerning site selection, and many practical aspects related to planning for implementation, present and future use, operation and maintenance of benefits, etc.; site visits by PRF technical staff, sometimes accompanied by government counterpart staff; preparation of drawings/designs and detailed cost estimates; environmental and unexploded ordnance (UXO) assessments. All of the designs and information collected concerning each sub-project were put into a formal, standardized proposal, one for each sub-project.

### PRF ACTIVITY CYCLE



After a proposal form had been prepared for each sub-project in a khet, the next step was to hold a meeting with the people and people’s representatives in order to confirm their agreement with and acceptance of the plans, design and budget for each sub-project. The first of the Khet Confirmation Meetings was held in October 2003, with the District Finalization/ Decision Meetings following as soon as practicable afterwards. Out of 1603 activities requested at village levels were selected 182 sub-projects or (11.3 %) at District Decision meetings. In order to make sure that all potential resources had been explored, the Khet representatives were requested to consider different alternatives such as (1) refer sub-project to GOL or NGOs, (2) consider village contributions’ increase, (3) reduce size, scope or quality of sub-project(s), (4) present again the sub-project the following year under next PRF budget.

The figure below shows the total budget of all supported PRF activities for the cycle 2003-2004. First installments will begin to be transferred to district levels by early 2004. The total budget is 3,894,496,656 Kip, which corresponds approximately to US\$ 370,904. Final decisions made by the participating communities of Mounlapamok, Sepone and Sobbao Districts suggest that water and Sanitation is the area of main concern (68% of needs), followed by education (19%) and transport (8%). In the 3 start-up districts, preparations for implementation of the first funding-round sub-projects at community level went ahead strongly in this Quarter.



### Implementation of sub-projects

At the end of the year 2003, three start-up districts are preparing for implementation of sub-projects. This process is carried out through labour mobilization, training on construction techniques etc.

Fund disbursement to communities will be done by transferring to community Bank accounts, which are already opened for each Khet in 3 start-up districts with 37 Account Books in total. Their accounts were opened with the Agricultural Promotion Bank, which is the only bank that has established branches in rural areas. The PRF signed 82 contract agreements with the khets, which correspond to 82 sub-projects, whose implementation will start next year.

**Training** - The PRF has tried to take a careful staged approach to training and implementation. For this reason, the PRF pre-service staff (and community) training plan has been broken down into manageable training packages. Many of the modules in each package allow for practice and field experience immediately after delivery of each package. The PRF believes that this is the best way to handle and facilitate the large amount of training required, building up capacity, testing and gaining further lessons and skills as the project proceeds. All pre-service staff training (that prescribed in the Operations Manual and more besides), plus initial training of the Khet Representatives and Khet Teams have been completed before any of the sub-projects, digging or building, etc. are actually started.

*PRF pre-service training package at a glance*

Training topics	T1*	T2*	T3*
Training of trainer (4 days specific skills)	Mar 03		
PRF cycle , principles , rules , etc ...(1day training module)	Apr 03		
Socialization + IEC (1day specific skill)	Apr 03		
CD, Participatory Planning (3 days specific course )	Apr 03		
Collection and processing of M&E data and use of start up reporting formats (0.5day specific course)	Apr 03		
Survey (1 days specific course )		Jun 03	
Environmental aspects (1 days specific course)		Jun 03	
Design (1days specific course)		Jun 03	
Cost estimate (Unit cost data base) (2 days specific course)		Jun 03	
Subproject preparation and proposal formulation (2 days specific course )		Jun 03	
Local disbursement cycle and procedure (1 day) specific course		Jun 03	
PRF implementation-activities, cycle, concepts, principles and objectives (1 days specific course)		Jun 03	
Community procurement and financial management (1days specific course)		Jun 03	
Gender training (2 days general course)			Aug 03
Social and ethnic training (2 days general course)			Aug 03
Construction management (1day specific course)			Aug 03
Quality control and maintenance management (2 days specific course )			Aug 03
Conflict resolution procedure (2 day general )			Aug 03

Training in local disbursement cycle and community procurement to support the implementation of the sub-projects in the 3 start-up districts took place at various times in July, August and September. A total of 444 people were targeted to receive the training, but the training records show that 543 people actually attended. This is a very encouraging result as the actual number of people trained represents 122% of the target.

**PRF equipment & offices** - In order to launch its activities, the Poverty Reduction Fund needed offices at national, provincial and district levels. PRF offices are public buildings and compose part of the Government' contribution in kind to the PRF. Most of the offices necessitated renovation and some necessary office equipment in order become fully operational.

**Manuals and handbooks** - As part of the conditions for loan effectiveness, the PRF Operational Manual and the Finance and Administration Manual were completed in February 2003. These documents have since been translated in Lao and remain the most important manuals of reference

utilized by the PRF. Among others, the PRF has developed a set of meeting guidelines, which map out exactly what PRF facilitators must do for each type of meetings of the PRF cycle of activities, recommendations to villagers about what to do before they hire a contractor etc. A draft of the PRF Engineering and Technical guidelines has also been compiled, including sections on labor-based approach from the ILO and technical recommendations per type of constructions. Procurement guidelines and community disbursement guidelines have been prepared as well.

**Menu of options – negative list** - the Project Management Team (PMT) of the PRF wants to avoid the risk that if the “menu of options” was presented too early on in the process it would influence villagers in their choice and introduce a bias while assessing villages’ needs and priorities. Unsurprisingly, villagers came up with some priorities that did not fit in the PRF menu of options. This was predictable and perfectly legitimate. Because adding on the PRF menu of options would take more time than initially anticipated, the PRF facilitators went back to discuss alternative sub-projects for this cycle. Since then, discussions have taken place with the World Bank and the PRF has agreed to submit guidelines for review pertaining to medicine boxes and revolving funds.

**Unexploded Ordnances - UXO Clearance** - The PRF has developed an in-house process in order to determine whether an area needs to be cleared or not on four main factors: (1) Type of sub-projects (whether a sub-project involves digging/excavation or not), (2) UXO LAO village survey data on UXO contamination (High, medium, low, none), (3) Local knowledge (ask villagers whether they think it should be cleared) and (4) Real situation (Has the soil of the future sub-project’s site been worked/moved/ploughed since the end of the war?)

During this first cycle of PRF project implementation, coordination with UXO LAO has been slow because PRF notified UXO LAO about the PRF sites to be cleared after the UXO LAO plan had already been finalized. Thanks to UXO LAO willingness to cooperate and remarkable diligence, UXO clearance is proceeding nevertheless.

**Baseline Survey** - The impact evaluation of the PRF needs to determine broadly if the programme has achieved the desired effects on poverty reduction and whether those effects could be attributed to the project intervention. PRF followed the best practices prescribed by experts who suggest a construct of “with and without” approach combined with a “before and after” approach that uses both baseline and follow-up data in “treatment” and “control” areas. The National Statistic Center (NSC) has been chosen to carry out a mainly quantitative baseline household socio-economic study because it is the only organization currently operational in Lao PDR with experience in carrying out household surveys of this magnitude. NSC has used questionnaires that drew heavily on the NSC’s LECS III survey instruments. This will allow direct comparison between the PRF data and the Lao PDR’s National Statistics. A sample of 3,000 households was identified. From 27 - 31 October 2003, 14 trainees attended a five-day Training of Trainer (TOT) workshop conducted in NSC Vientiane office. Subsequently, the TOT trainees became trainers as they returned to their respective provinces and organized Trainings of Enumerators (TOE) at each province. From 10 - 21 November 2003, locally recruited enumerators were trained for field operations, which lasted until 7 December 2003. Results should be available by April 2004.

**Social study** - In addition to the Baseline Survey, the analysis of social organizations in the Lao PDR will also contribute to the overall evaluation to ensure the measurement of PRF impact on poverty and welfare, as well as issues related to local governance and civil society. The study is expected to begin early January 2004 because the procurement process is nearly completed.

**Financial Audit** - PRF will recruit an independent auditing firm (“auditor”) to carry out an audit of the PRF. The principal objective of the audit is to enable the auditor to express a professional opinion on the financial position of the PRF. A secondary objective is to provide guidelines for improving financial management, internal controls, transparency and reporting at various levels, as necessary. The deadline for the financial audit report to be sent to the WB office is March 31, 2004.

## 1 BACKGROUND

### 1.1 Poverty Situation in LAO PDR<sup>1</sup>

#### 1.1.1 From a Quantitative Perspective

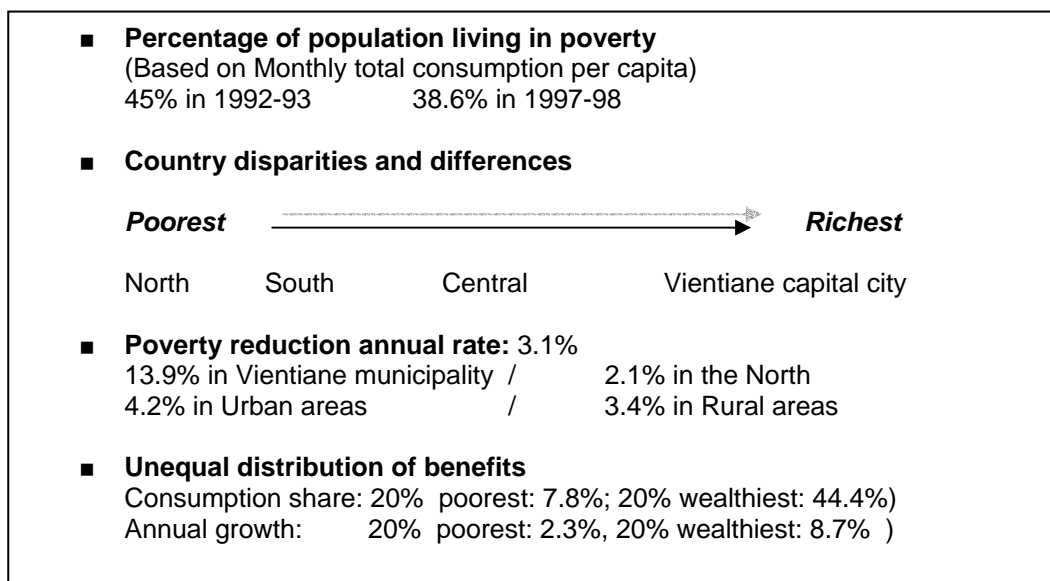
Quantitative poverty analyses carried out in the Lao PDR during the 1990s and recent years employ several key methodological features:

- Use of the data of the 1992/93, 1997/98, and 2002/03 Lao Expenditure and Consumption
- Surveys (LECS I, II and III)
- Use of an absolute definition of poverty (as distinct from a relative definition of poverty)
- Use of an income-based (cost of basic needs) approach to the measurement of poverty
- Use of consumption as the measure of individual income
- Use of two poverty lines, a lower poverty line based on minimum food needs and a more comprehensive and higher poverty line that includes provision for non-food necessities.

LECS III has been completed, and results from the survey will be available early 2004. The third LECS is more comprehensive compared to the previous surveys. It includes expanded modules on health, education, the labour force and other interests. However, the sample size is too small to allow for in-depth analysis below the provincial level. It will, however, enable analysis of poverty from an urban/rural perspective.

#### 1.1.2 Trends in Poverty Reduction

Figure 1: Poverty line in the Lao PDR



<sup>1</sup> Chapter 1 is extracted from the EIGHTH ROUND TABLE MEETING, Vientiane, September 4-5, 2003, Lao PDR – National Poverty Eradication Programme (NPEP)

As shown in figure 1, in terms of real per capita consumption Vientiane Municipality is the wealthiest region in the country while the North is the poorest. Per capita consumption in Vientiane Municipality increased at an average annual rate of 10.8 per cent between 1992/1993 and 1997/1998. This was more than twice the rate of increase in per capita consumption in other regions. For the Lao PDR as a whole, the average annual increase in real per capita consumption was 5.8 per cent.

During this period, real per capita consumption in the rural areas increased by 5.4 per cent per year while urban consumption increased by 9 per cent. Thus, the disparity between urban and rural consumption has increased.

The head count index or incidence of poverty was 38.6 per cent in 1997/98, compared to 45 per cent in 1992/93. The North had the highest incidence of poverty, at 52.5 per cent. Some 830,000 people in the North are below the poverty line and they account for about 45 per cent of the total number of poor in the Lao PDR. There were considerable variations in the rate of progress in poverty reduction. The North not only is the poorest region, it has experienced the slowest rate of reduction in poverty.

In contrast, Vientiane Municipality, the wealthiest of the regions, experienced a 50 per cent drop in poverty between the two surveys. The Central Region also experienced a slow rate of poverty reduction, but the incidence of poverty is still lower than in the South.

Huaphanh province in the North is the poorest province, with 74.6 per cent of people below the poverty line in 1997/1998. There are many provinces with a poverty head count higher than 50 per cent. In the Central Region, Xaysomboun Special Zone has the highest incidence of poverty (31,500 poor people – see Annex 1, Table 1.4), while Savannakhet is the province with the highest absolute number of poor (264,000) (*idem*). Champasak province has the highest number of poor people in the South (189,000), while Sekong has the highest poverty incidence.

### **1.1.3 Inequality and Economic Growth**

Income inequality is another dimension of poverty. The Table presented below shows that income disparities, as measured by real consumption, widened between 1992/93 and 1997/98. The lowest income quintile accounted for only 8 per cent of total consumption in 1997/98, compared to 9.3 per cent in 1992/93. In contrast, the highest quintile accounted for 44.4 per cent of total consumption in 1997/98, compared to 38.4 per cent in 1992/93. During this period, the Gini coefficient (a measure of inequality) rose to 35.7. While this coefficient is low relative to the degree of inequality that prevails in other countries in the region, the rise in the coefficient indicates that the benefits of economic growth accrued more to the rich than the poor people.

**Table 1: Income inequality**

Income Inequality			
Regions/provinces	1992-93	1997-98	Growth rate
Gini coefficient	28.6	35.7	4.4
Quintile shares			
First	9.3	7.8	-3.5
Second	13.5	11.8	-2.7
Third	16.9	15.4	-1.8
Fourth	21.9	20.6	-1.2
Fifth	38.4	44.4	2.9

Source: LECS I and II (National Statistics Center)

To some extent, increases in income inequality are difficult to avoid in the early stages of development. Infrastructure and other investments inequitably benefit most those closest to new investment development. Those in remote areas are relatively unaffected. Progressively, however, the economy is becoming more integrated. The Government of the Lao PDR aims at achieving high economic growth within a context of equity. The very purpose of the NPEP is to outline an operational approach leading to this objective.

#### 1.1.4 From a Qualitative Perspective

Qualitative poverty analysis focuses on listening to the subjective ideas of people who are defined as poor or who consider themselves to be *poor*<sup>2</sup>. In other words, qualitatively, one wants to understand how each *poor* group understands and experiences poverty.

The Participatory Poverty Assessment (PPA), first undertaken in 2000 and extended in 2002, set out to answer the following questions:

1. Who are the Poor?
2. Where are they located?
3. When did they become poor?
4. What is poverty in the eyes of the poor?
5. Why did they become poor?
6. In the view of the poor, how may poverty be alleviated?

It was found that the poor people are primarily ethnic minority swidden cultivators. While poverty occurs throughout the country, it is less severe in Xayaboury, Vientiane Province and Vientiane Municipality than elsewhere. However, as found by PPA, the poor people do not view themselves as being in an endemic state of poverty. Villages were subsisting in relatively stable agro-ecosystem, the outside perception of endemic poverty has been created by reliance on a numerical definition of poverty. In the minds of villagers, poverty is an issue of livelihood; as long as the villages are able to meet their consumption needs, they do not consider themselves poor. When agro-systems are disrupted or other upheavals occur, poverty may follow.

Based on the PPA, the main indicator of poverty - as determined by the poor themselves - is the degree of rice sufficiency. Thus, commonly cited causes of poverty include

<sup>2</sup> In the Lao language, 'poor' / *thuk* is the condition of suffering arising from the human condition (in the Buddhist sense), as opposed to a physically defined condition as in English (derived from two Indo-European roots 'to produce' + 'little'). In Khmou, the term means 'unfortunate', an attribute associated with fate rather than economic status. Each ethnic group has similarly independent associations with the word 'poor'.

insufficient amounts of land for cultivation, and natural disasters, such as flooding or drought. As is to be expected, there are regional variations in the importance of these various causes of poverty. Land allocation and soil depletion problems appear to be especially important to the northern and eastern regions, while for the southern region natural disasters are a major concern. Large family size is cited as top concern for people in the central region. Opium addiction is cited only in the case of the north. Lack of roads and pests and livestock diseases are problems common to all regions.

### Causes of Poverty

Basic aspects of poverty include the following:

- ▶ The indicator of poverty is lack of rice; the indicator of wealth is livestock.
- ▶ The main problems (related to degree of rice sufficiency) include the reduction of land available for swidden cultivation, livestock disease, ill-health, hiring out labour, lack of necessary technical knowledge, lack of access to roads, lack of clothing, and poor housing.
- ▶ The main causes of poverty are (in order of importance): (i) problems associated with land; (ii) livestock loss because of lack of veterinary services; (iii) lack of cash investment to make livelihood improvements; (iv) natural disasters; (v) environmental problems; and (vi) lack of water for agriculture.
- ▶ Other causes are: lack of local leadership; relocation; lack of health services; too many children; lack of knowledge of the market; lack of government services; low agricultural prices; addiction to opium; and UXO

## 1.2 National Poverty Eradication Programme

NPEP is a result of the preparation of the poverty eradication strategy that started in 1996 when the 6<sup>th</sup> Party Congress defined the long-term development objective as freeing the country from the status of least-developed country (LDC) by 2020. The NPEP documentation (*A Comprehensive Approach to Growth and Development*) was presented at the 8<sup>th</sup> Roundtable Meeting held in Vientiane, Lao PDR in September 2003. The NPEP is designed to accelerate the positive trend in reducing poverty in Lao PDR.

Drawing on the national poverty assessments, the NPEP's medium-term operational framework comprises four main sectors, various supporting sectors, several cross-sector priorities as well as specific national programmes addressing poverty eradication. Each sector has a nationwide mandate to contribute to build-up the country and its capacities and to foster its economic and social integration. The sector/supporting sector action plans mainly address their nation-wide mandate.

The four main sectors are agriculture/forestry, education, health, and infrastructure, especially rural roads.

The supporting sectors (potential growth sectors) comprise the emerging industrial development through energy and rural electrification, agro-forestry, tourism, mining and construction materials industries. Trade facilitation and market linkages pervade most sectors and have an important impact on poverty eradication.



Cross sector priorities encompass environment, gender, information and culture, population and social security. An all-cross-cutting issue is capacity building.

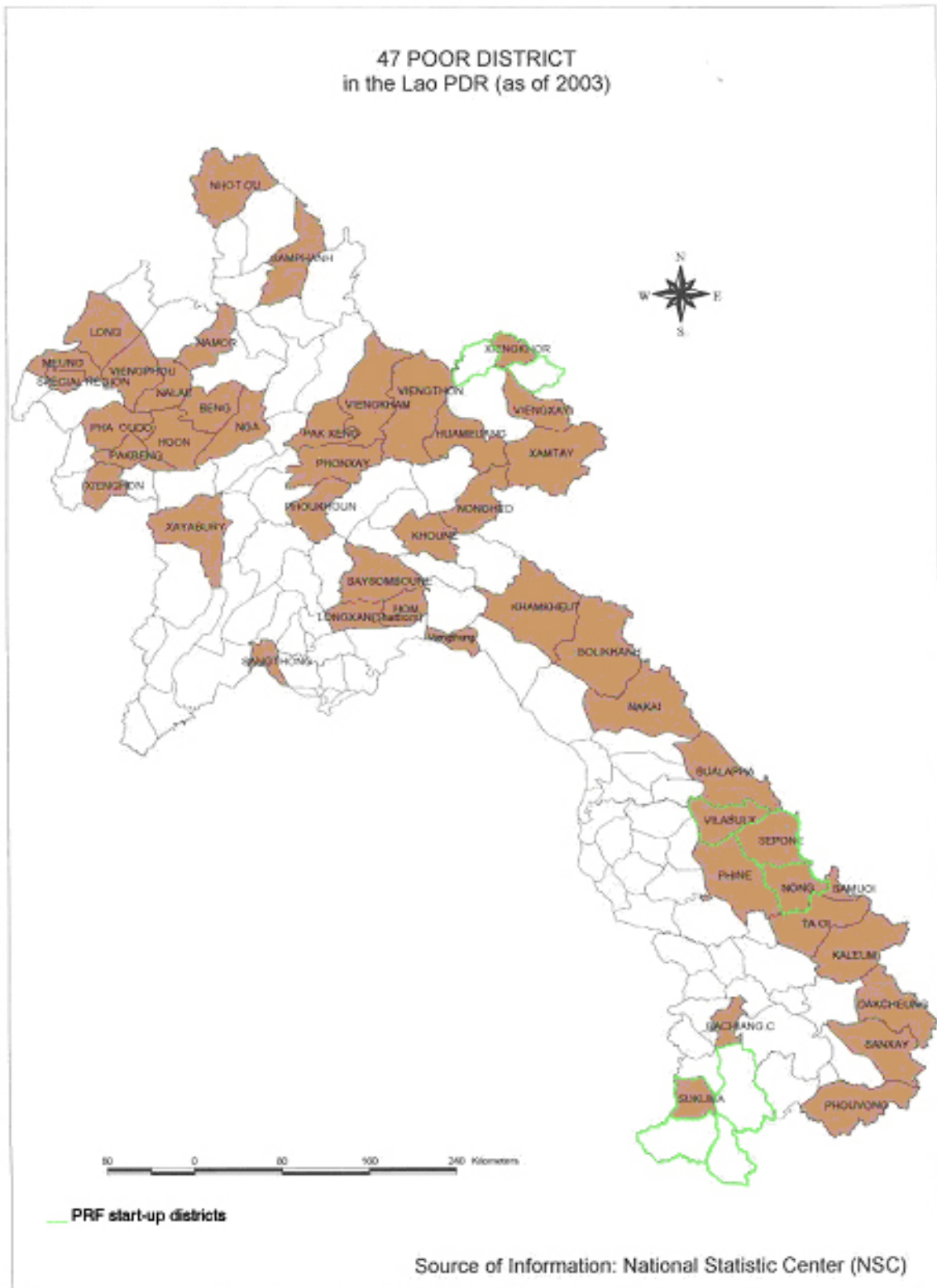
Three poverty-related national programmes – the National Drug Control programme, the UXO Decontamination programme and the National Action Plan for HIV/AIDS/STD – complete the NPEP’s operational, ‘sector-based’ framework.

All sectors refer, in one way or another, to i) macro-economic requirements to improve their role and mandate, ii) private sector/market orientation/trade facilitation to enhance efficiency, iii) capacity building priorities, iv) environmental concerns, v) gender equity, vi) governance and institutional strengthening, and vii) co-ordination among sectors and agencies to achieve higher synergy.

In 2003-2004, the government plans to invest 59.7 per cent of public investment programme expenditure in the economic sector, 29.7 per cent in the social sector, 12 per cent in education, 9.5 per cent in health and 10.6 per cent in other investments. According to the 8<sup>th</sup> Roundtable Meeting, the government plans to give 40 billion kip to the 47 poorest districts in a bid to prioritize areas in the implementation of NPEP (Lao has total of 142 districts countrywide, 47 districts were defined poor and another 70 districts were identified as not poor). Map of 47 district identified as poor is shown in the next page.

According to the NPEP report, Rural Development is central to the Government’s poverty eradication efforts as rural poverty is of prime concern and a community-based approach to its eradication is essential. To ensure that economic growth and modernization benefits poor, 47 districts have been selected for priority investments over the period to 2005. The Government intends to encourage “development funds” for the poorest districts, particularly village and district funds, which will provide support to households and villages to enable them to engage in income generating activities. Income generation empowers people to undertake initiatives and to expand their range of choices to improve their livelihoods. In such a way, through the village and district funds, the present lack of capital, which has been identified as a major cause of poverty, will be addressed.

Figure 2: Map of the 47 Poor districts in Lao PDR



## 2 OVERVIEW OF THE POVERTY REDUCTION FUND

### 2.1 Brief introduction of the Poverty Reduction Fund

The Poverty Reduction Fund (PRF) shows the commitment of the Lao Government in its endeavours towards social and economic development of the country, in particular to reduce poverty, including poverty among ethnic minorities living in remote areas. The PRF is part of the Lao Government's National Poverty Eradication Programme (NPEP). The PRF is supported by the World Bank in the form of a low-cost loan, repayable over a forty-year term.

The approved credit (15.3 million SDRs) amounts to approximately US \$19,345,000, with a counterpart contribution from the Lao government totaling up to US \$1,330,000. The total PRF fund amounts to some US \$21,700,000.

The PRF was established by a decree of the Prime Minister (073/PM)<sup>3</sup> on May 31, 2002. It is hoped that if the PRF proves to be successful, other donors will be attracted to contribute to the Fund. The way the Fund is set up foresees and allows this possibility. Funding will be given to communities as grant assistance for approved sub-projects. All sub-projects must conform to the PRF objectives in order to be eligible activities under the terms of the World Bank credit. In accordance with the Credit Agreement, 75% of the total funding will be spent directly for the benefit of villagers.

### 2.2 Basic fact sheet on PRF

Table 2: Basic facts of PRF

Project Title	<b>Poverty Reduction Fund</b>
Loan	<b>IDA, Credit no. 3675 LA from the World Bank</b>
Amount of Loan	<b>US\$ 19,345,000</b>
Government Contribution (GOL)	<b>US\$ 1,330,000</b>
Date of Establishment	<b>31 May 2002, by Decree No. 073/PM</b>
Loan Effective Date	<b>3 February 2003</b>
Project Launched at Field Level	<b>April 2003</b>
Expected End Date	<b>December 2007</b>
Current Geographical Coverage	<b>Poorest rural areas in 3 provinces composed of</b> <ul style="list-style-type: none"> <li>- 10 districts</li> <li>- 121 Khets (sub-districts)</li> <li>- 920 villages</li> </ul>
GOL Implementing Agency	<b>The Poverty Reduction Fund Committee for Planning and Cooperation</b>
Type of Project	<b>Social Fund</b>

<sup>3</sup> See Annex 1 : Decree of the Prime Minister No. 073/PM

## 2.3 Objectives of PRF

The main objectives of the PRF are to:

- assist villagers to develop community infrastructure and gain improved access to services;
- build capacity and empower poor villages in poor districts to plan, manage and implement their own public investments in a decentralized and transparent manner; and
- strengthen local institutions to support participatory decision-making and conflict resolution processes at the village, *khet*, and district levels, involving a broad range of villagers, including women, the poor and ethnic minorities.

The project aims to deliver resources to poor villages, efficiently and effectively. Villagers will decide on how resources are allocated, manage project funds and the implementation of subprojects. Extensive facilitation and training is provided through the project to ensure that poor villagers, including women, participate in the decision-making process and benefit from project inputs. The project builds local community capacity by providing technical support for villagers over a number of years, to help solve problems and resolve conflicts. The project aims to create stronger links between the local government and the aspirations of villagers with project staff at district, province and national levels coordinating and building linkages.

## 2.4 Key principles

The Poverty Reduction Fund Project is designed around a number of key principles that provide the basis for project implementation and supervision, as well as for local innovations, and for the evaluation of the project and its impact. The principles of the project are:

### The 7 Principles of PRF

- Simplicity
- Menu of Options
- Participation
- Ownership
- Transparency and Accountability
- Wise Investment (sustainable, replicable, complementary)
- Empathy (“Siding With The Poor”)

Extract from PRF Manual of Operations

### 1. Simplicity

The project design, rules and regulations are simple. This ensures greater transparency and local ownership of the project. Materials and methods used by the project are verified with villagers to ensure that they are properly understood and appropriate.

## **2. Menu of Options**

The project can provide funding for a wide range of village infrastructures and training. Villagers, taking into account the limited resources and capacities available locally, will prioritize their own proposals. The project staff and local government agencies will provide villagers with the information required to make informed choices.

## **3. Participation**

In order to ensure effective use of funds, villagers need to negotiate and collaborate together. Decision-making must involve more people than just the village government, party representatives or elite: it must involve the whole community. Assistance and information is provided to villagers by facilitators and consultants as well as local government technical staff, but the communities themselves decide priority subprojects for funding.

## **4. Ownership**

Villagers must be willing to contribute to subprojects to show their support and ownership of the activity. The local contributions can be in cash, in kind, and/or in labour. As with every other aspect of the subprojects, villagers themselves decide. This information must be included as a part of the *khet* proposal. To ensure sustainability, detailed operations and maintenance plans must also be included in proposals, and villagers must be genuinely willing to operate and maintain any infrastructure that is built. Operations and maintenance teams must be established before funds are disbursed. Encouraging high levels of ownership is critical if activities are to be sustained in the long term.

## **5. Transparency and Accountability**

Complete transparency and local accountability are essential. Villagers own the grants and they must be satisfied that the funds are used properly. All complaints will be taken seriously and investigated by the PRF staff. Villagers are entitled to question project decisions and disbursements, and they must receive clear answers to their questions. At every stage and at routine meetings villagers must be informed how the funds are being used. *Khet* and village implementation teams must give a full and clear account of the use of grant funds to all of the villages. Villagers will be made aware of their rights early on in the process. They will also be told who to contact if things are not proceeding as planned and how to report problems.

## **6. Wise Investment (Sustainable, replicable, complementary)**

This project will expand annually to cover additional poor districts. The Poverty Reduction Fund is legally established so that it can channel assistance from many sources. The eventual aim is for it to provide a mechanism for revenue transfers to locally determined and community-managed development interventions in all poor areas: interventions that are wise investments. The scope of the initial project and the PRF itself is not meant to supplant other, larger development efforts but to complement such efforts with small, local

community investments. Sub-project activities need to also be relevant: that is to say, the degree to which the investment is effectively addressing the expressed needs of the poor communities must be given due consideration.

## 7. Empathy (“Siding With The Poor”)

The Poverty Reduction Fund, all the PRF consultants and facilitators work for the poor. As such, for each planned and implemented activity, in all processes and all procedures, preference is given to the poorest people in the community. Facilitators and consultants are evaluated based on this principle: their championship of the rural poor.

## 2.5 Menu of eligible activities and “negative” list

### ▲ Community Infrastructure

Table 3: PRF menu of options

Sub Project Type	Items Eligible
Access and Transport	Bridges, footpaths, tracks, culverts, ramps, piers, road repairs and up-grading.
Water systems	Wells, gravity water supply, small weirs, ponds, etc.
Community Irrigation and Drainage	Weirs, canals, bunds, gates, spillways, and other structures
Markets, community halls, and sanitation	Buildings, drainage, latrines, wells, and furnishings.
Health post or clinic and sanitation facilities	Building, furniture, latrine, supplies and medicines, allowance for nurses/midwives (in cash or kind)
Schools, nurseries and sanitation facilities	Buildings, latrine, allowance for teachers (in cash or kind), supplies, equipment, furniture.
Community electrical supply	Mini-hydro generator, wiring

### ▲ Training Activities

Many types of training can be funded under the project, as long as providers can be identified and contracted.

### ▲ Pilots

It is expected that the project menu will expand in year two and thereafter, provide assistance for activities such as locally based community enterprises or income-generating activities; support services for existing, viable, and proven micro-credit and/or village revolving fund groups, which have capital from the mobilized savings of borrowers; and, community social services.

### ▲ Types of Activity Prohibited in PRF (the “Negative list”)

The project will not fund:

- new roads; road resurfacing; road sealing (laterite, asphalt etc.);
- electrical, gasoline or diesel generators or pumps for irrigation;
- piped, individual household water hook-ups;
- equipment or materials that can be paid for from other funds;
- chain saws; pesticides and other dangerous chemicals;
- investments detrimental to the environment;
- acquisition of land (purchase or lease), under any conditions;

- construction, rehabilitation, or maintenance of any government office buildings;
- payments of salaries to government servants or the salaries of the staff of government subsidized organizations;
- any activity unacceptable to a large number people (regardless of their ethnic background).
- Forced (involuntary) resettlement is not allowed under any condition.
- Voluntary resettlement requires an early special approval from Vientiane, prior to any decision in the inter-khet meeting.<sup>4</sup>

## 2.6 Project Organization and Structure

The PRF organizational structure is highly decentralized, with most tasks being carried out locally, but with supervision and oversight from the central team and from provincial offices that report to the office of the Executive Director. The PRF is structured like this in order to give effective and efficient assistance to communities in the planning and implementation of community activities.

The project structure helps to ensure that the activities implemented provide the results desired. This requires a high quality of facilitation, and the organizational structure of the project directly supports facilitation for the communities.

Levels	Staff	Remark
<b>National Level</b>		
PRF Administrative Board*		1 Chairman; 2 Deputy Chairman; 8 Board Members
Executive Director	1	
Senior Advisors	2	
Operation, Planning and Training Unit	5	
Monitoring and Evaluation Unit	4	
Administration and Finance Unit	5	
Conflict Prevention and Conflict Resolution	2	
Support staff (drivers, secretary...)	3	1 secretary - 2 drivers
<b>Sub-total National level</b>	<b>22</b>	
<b>Provincial Level</b>		
Provincial Coordinator	3	1 per province
Technical Advisor	3	1 per province
Community Development	2	1 per province
Monitoring and Evaluation	3	1 per province
Administration and Finance	3	1 per province
Support staff (drivers, secretary...)	6	1 secretary & 1 driver per province
<b>Sub-total Provincial level</b>	<b>20</b>	
<b>District Level</b>		
District Technician	12	1 per district
District Facilitator	20	2 per district (1man / 1woman)
<b>Sub-total Provincial level</b>	<b>32</b>	
<b>Total Staff</b>	<b>74</b>	
<b>Khet Level</b>		
Khet Facilitator (volunteers)	<b>366</b>	3 per khet including at least 1 woman

<sup>4</sup> To date, the communities have not requested any sub-project that would have necessitated a voluntary resettlement and its prior authorization from the Poverty Reduction Fund.

Each target district has a minimum of two full-time facilitators: one man and one woman, and they work as a team with the District Technician because in practice their duties may often overlap. These facilitators and the District Technician must be able to speak the language(s) of the villagers in their area and must live in or near the district centre. Candidates from ethnic minority groups are encouraged.

**District Facilitators' main duties and responsibilities include:**

- work directly with communities participating in the project;
- train, assist and supervise *khet* facilitators, subproject implementation teams, village representatives and teams, and village officials;
- help villagers identify needs, plan subprojects, implement funded subprojects and account for funds disbursed;
- monitor and supervise the process;
- identify and help to solve problems that arise including: construction problems, interference, corruption, exclusion, elite capture, conflicts etc.;
- report project progress and problems encountered;

**District Technicians' main duties and responsibilities include:**

- technical preparation of village and *khet* sub-projects within their district, including the engineering and technical survey, environmental screening, selection of standard designs, minor adaptation of standard designs to suit village or *khet* wishes;
- assist with planning of procurement;
- implementation inspections and environmental monitoring;
- final completion records;
- instruction and on-the-job training of *Khet* Facilitators and implementation teams;
- frequent site inspections during all periods of the sub-project cycle;
- make recommendations to village and *khet* representatives regarding the use of standard designs for specific sub-projects and procurement/implementation methods.

## **2.7 Overview of the Autonomous Fund Management**

The Poverty Reduction Fund has been legally established as an autonomous entity, formed and run in accordance with the Decree of the Prime Minister No. 73/PM dated May 31, 2002. The Executive Director manages the Fund, the project and the project office, staffed by consultants in Vientiane. The Executive Director reports to the Administrative Board of the PRF. The day-to-day management of consultant services and responsibility for subproject implementation and quality will rest with the facilitators and consultants hired by the project. The province level offices and teams of consultants and facilitators report to the Executive Director. There is a direct line of command from the Executive Director to province level technical team and the District Facilitators. Consultants and facilitators report to the Executive Director, and coordinate closely with local government officials and technical sectors. The Executive Director contracts consultants to carry out additional tasks such as training, specific studies and independent monitoring as needed.



The Administrative Board<sup>5</sup> is the highest-level policy body for the Fund and comprises representatives from government sectors as shown below:

- i. President of Committee for Planning and Cooperation; as Chair,
- ii. Vice Minister, Ministry of Finance, as vice-Chair and Standing member,
- iii. As respected member of civil society as second vice Chair,
- iv. Vice-Governor of the Bank of Lao PDR; as member
- v. Vice-President of the Lao Front for National Construction; as member,
- vi. Vice-President of the Lao Women's Union; as member,
- vii. Deputy Secretary General of the Lao Youth Executive Committee; as member
- viii. Representative of Civil Societies, as member
- ix. Vice Governor of Huaphanh Province; as member
- x. Vice Governor of Savannakhet Province; as member
- xi. Vice Governor of Champassak Province; as member

A plenary session of the PRF Board is held every six months for all members of the board so as to discuss, consider and recommend upon issues brought forward by the PRF. The last session was held on 19 August 2003 in Vientiane.

## **2.8 Targeting and Phasing**

### **Sources and Allocations of PRF Funds**

The Fund is initially financed through a credit from the World Bank. Eventually the Fund may be supported by various other sources, including government revenues. Each chosen district receives a block grant during each cycle (or year) for the length of the project. The amount of each district's grant will be determined and announced at the beginning of each year. District allocations are made in proportion to the number of poor people living in a PRF district. The use of these funds is then made based on the results of the district (inter-khet) meetings.

Phasing of PRF operations is carried out on a district-by-district basis, beginning with poor districts in three carefully selected provinces. It has been decided that at least 75% of total project funds must be used for sub-project financing. Therefore, no more than 25% of project funds can be used for operational support, monitoring and administrative costs.

### **Methods of Targeting**

**Provincial Targeting.** The Lao Expenditure Consumption Survey (LECS) prepared by the National Statistical Centre (NSC) provides accurate and believable data on poverty at the national and provincial levels. In addition, a new survey is being implemented to compile basic village statistics on an annual basis. Using this data, provinces can be reliably ranked as to their poverty rates, using a standard poverty line of minimum per capita consumption. The NSC has published provincial rankings based on the 1997 LECS survey.

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<sup>5</sup> See Annex 2 for Organizational Chart of PRF Administrative Board

**District Targeting.** District targeting will proceed in years 2 through 5 on the following basis:

- Districts in the selected provinces will be ranked by poverty rate, from poorest to richest, using the most accurate data and methodologies available, by the province level authorities;
- Only those districts with significantly high poverty rate will be considered for PRF operations.

**Phasing of Operations.** The three initial provinces for PRF operations are Champassak, Savannakhet and Huaphanh. Initially there will be ten districts in the project: three districts in Savannakhet (Sepone, Nong and Vilabuly), four in Champassak (Sukuma, Mounlapamok, Khong and Pathoumphone) and three in Huaphanh (Xienkho, Add and Sopbao). In later years the PRF will expand into two more provinces which will be selected based on experience in the original three, with the objective of selecting locations that have both high population, good potential for development using the project methodologies and high poverty rates. The summary of phasing of the project is presented in the table below.

**Table 4: The summary phasing of the project**

PROVINCE	2003	2004	2005	2006	2007	TOTAL
Huaphanh <sup>6</sup>	3	3	5	8	8	8
Savannakhet	3	3	3	4	4	4
Champassak	4	4	4	4	4	4
Province 4	-	2	4	4	4	4
Province 5	-	2	4	4	4	4
<b>Total Districts</b>	10	14	20	24	24	24
<b>Khets</b>	98	140	200	240	240	240
<b>Subprojects</b>	294	420	600	720	720	2754
<b>Grants (\$)</b>	1,598,745	2,283,922	3,262,745	3,915,294	3,915,294	14,976,000

Average sub project cost is estimated to be around \$ 5,400.

This overall phasing of the project will be adjusted during implementation. Responsibility for annual reassessment of project phasing rests with the Executive Director, who prepares annual operational plans and budgets for submission to the Administrative Board for approval.

<sup>6</sup> Huaphanh comprises eight districts

Figure 3: Target Districts of PRF

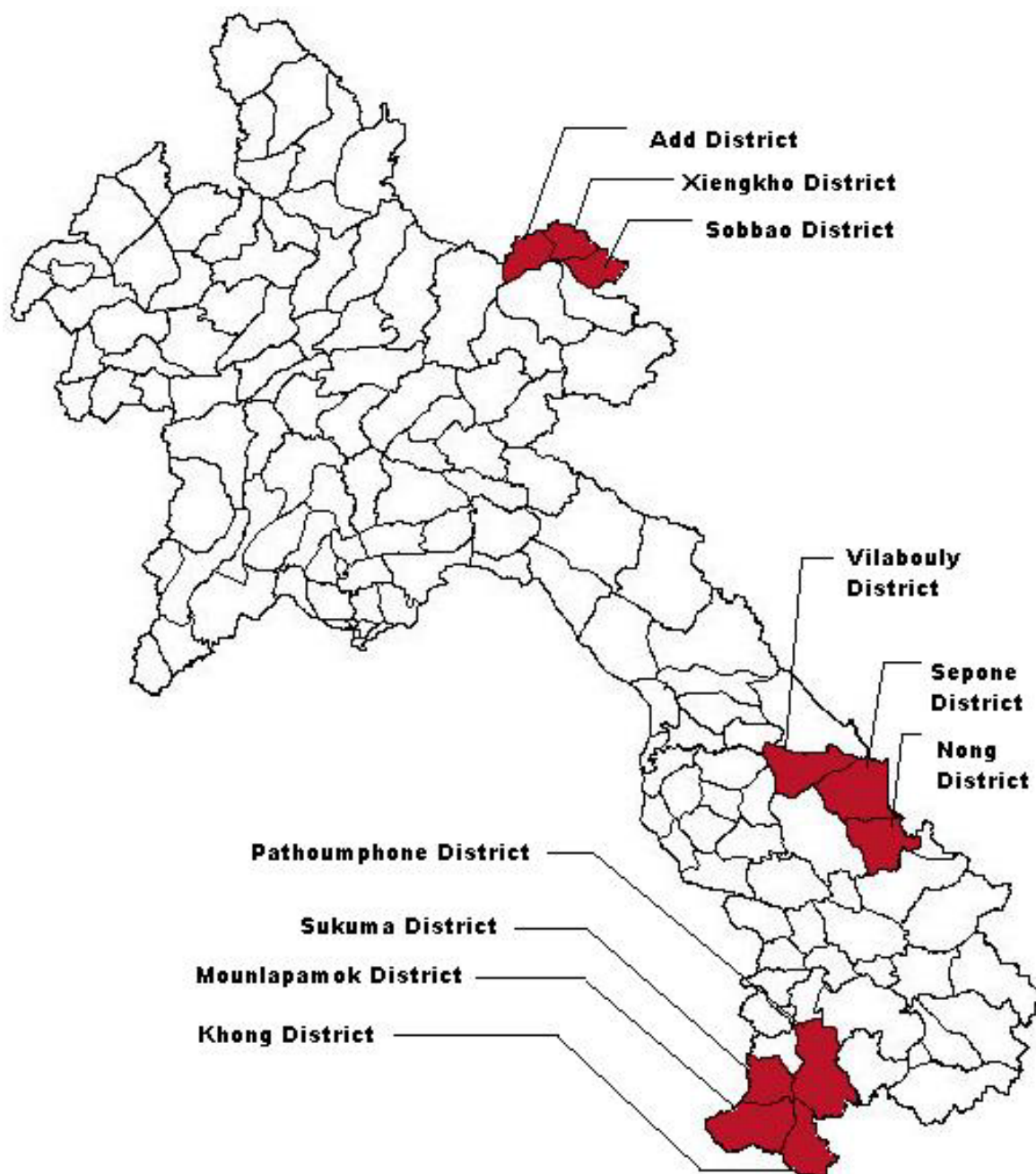


Figure 3 shows that among the 47 priority NPEP districts, 5 of the PRF's 10 start up districts are represented: Xiengkho, Vilabouly, Sepone, Nong and Sukuma Districts. Among the 72 priority NPEP districts, 9 of the present 10 PRF districts are included. (Only Khong District is not included.)

The provinces have been chosen for their regional diversity, varying poverty levels, and level of infrastructure and communications development to permit early start up of operations. The rationale for this is to build experience with the project modalities as quickly as possible under a range of conditions. This experience will be extremely useful for identifying areas for inclusion and design of implementation strategies in the years that follow.

## **2.9 Project Cycle, Procedures and Project Menu**

### **Preparation**

Pre-service project training including technical matters must be carried out and training materials and modules must be prepared for both in-service and on-the-job training to be conducted by project consultants during project implementation.

### **Socialization**

Socialization is the promotion of the project and its principles, processes and procedures to villagers, consultants, facilitators and government officials. Throughout the project, all PRF actors at all levels are involved in the effort of encouraging broad-based participation, transparency and monitoring, including participatory monitoring by villagers. The socialization process will take the form of meetings at provincial, district, khet and villages levels through the support of brochures, posters, radio spots and other communication materials

### **Village assessment of needs and priorities**

PRF facilitators conduct these meetings, with the cooperation of village representatives and village officials and the group heads. Women and men discuss separately and then together the main needs and priorities for the development of their villages. Four village priorities (two from men, two from women) will be recorded and subsequently discussed at the khet meeting by the four village representatives, who have been especially selected by the villagers themselves.

### **Khet Decision Meeting**

The objective of the Khet Decision Meeting is to determine which proposals will be submitted at the next district meeting. Six Khet priorities (three subproject proposal outlines each from men and from women) will be recorded and subsequently discussed at the district meeting by the four khet representatives, who have been especially elected by the village representatives of all villages in a khet. Khet information boards are set up after this meeting, with key information posted.

### **District Decision Meeting to Prioritize Subproject Proposals**

This district level meeting is held to consider and rank together all proposals. Khet representatives will select priority sub-projects and discuss their plans with PRF staff and relevant district technical departments. In most cases not all proposals can be funded in one year. Not all activities will cost the same; some will be larger than others. Some subprojects will benefit only one village; some many or even all villages within a khet. Proposals not funded in one year will be channelled to the GOL and various donors and can be funded in a subsequent years.

Each khet can submit up to six proposals each year. Sub-project proposals cannot exceed \$25,000. In the case of investments proposed jointly by more than one khet the upper limit is raised from \$ 25,000 to \$ 50,000.

### **Preparation of Designs and Budgets, Procurement Methods**

After proposals are ranked, they are sent to the District Technician, who, with the province support team, assists villagers to prepare designs and budgets and proposes a method of procurement. Another district (inter-khet) meeting is held to finalize and ratify funding decisions, based on priorities established in the previous district level meeting. The decision is based on the ranking of priorities, taking into account the newly prepared designs and budgets.

## **Implementation**

Implementation involves a number of steps from preparation to the actual construction of the works, including periodic cross-village assessment visits, monitoring and reporting. Preparation for implementation is needed to ensure quality, to be certain that construction is in line with PRF principles and objectives and based on the design and budget of the subproject. A contract will be signed between the PRF and the khet forum, the recipient of the grant, and that will define the terms of the agreements on the outputs to be realised as well as the roles and responsibilities of both parties. Workers and local contributions will be mobilized, the advance of funds for the subproject will be arranged, khet teams will be established to carry out various responsibilities and duties (implementation, maintenance, procurement, accounting etc.) prior to receiving appropriate training from the PRF.

In the implementation of approved subprojects, the following principles need to be observed:

- the community is the owner of the subproject and therefore any implementation decision is the responsibility of the villagers of the khet;
- where labour is to be paid, the village poor should get priority as labourers;
- when there are parts of the work that are beyond the ability of the community, the community can utilize outside skilled labour or experts as long as it has been previously agreed and included in the approved subproject proposal.

### **Khet Accountability Meetings**

Accountability meetings are held before every fund withdrawal from the bank. These meetings are to review progress, problems and the use of all funds expended to date.

### **District Evaluation Meetings**

At the end of the each cycle and before any funds can flow for the following cycle, a district meeting must be held to account for funds spent. Though the first cycle planning process is expected to take about **ten to twelve months**, subsequent cycles in the same areas might take only about **four to six months**. Because time is spent in initial, preparatory exercises, in new areas the process might take six to eight months, and therefore they should begin earlier.

### **Complaint Resolution Mechanism**

A complaints resolution system is central to the project. A complaints database will be maintained as part of the project MIS, both at the province and national level. Response to complaints is central to the success of the project.

### **Operations and Maintenance**

Operations and Maintenance of the subproject built as part of the PRF is the responsibility of the khet and villages, which built the works. This will be monitored periodically on a sample basis, and used as an indicator of community ownership and sustainability of project outcomes.

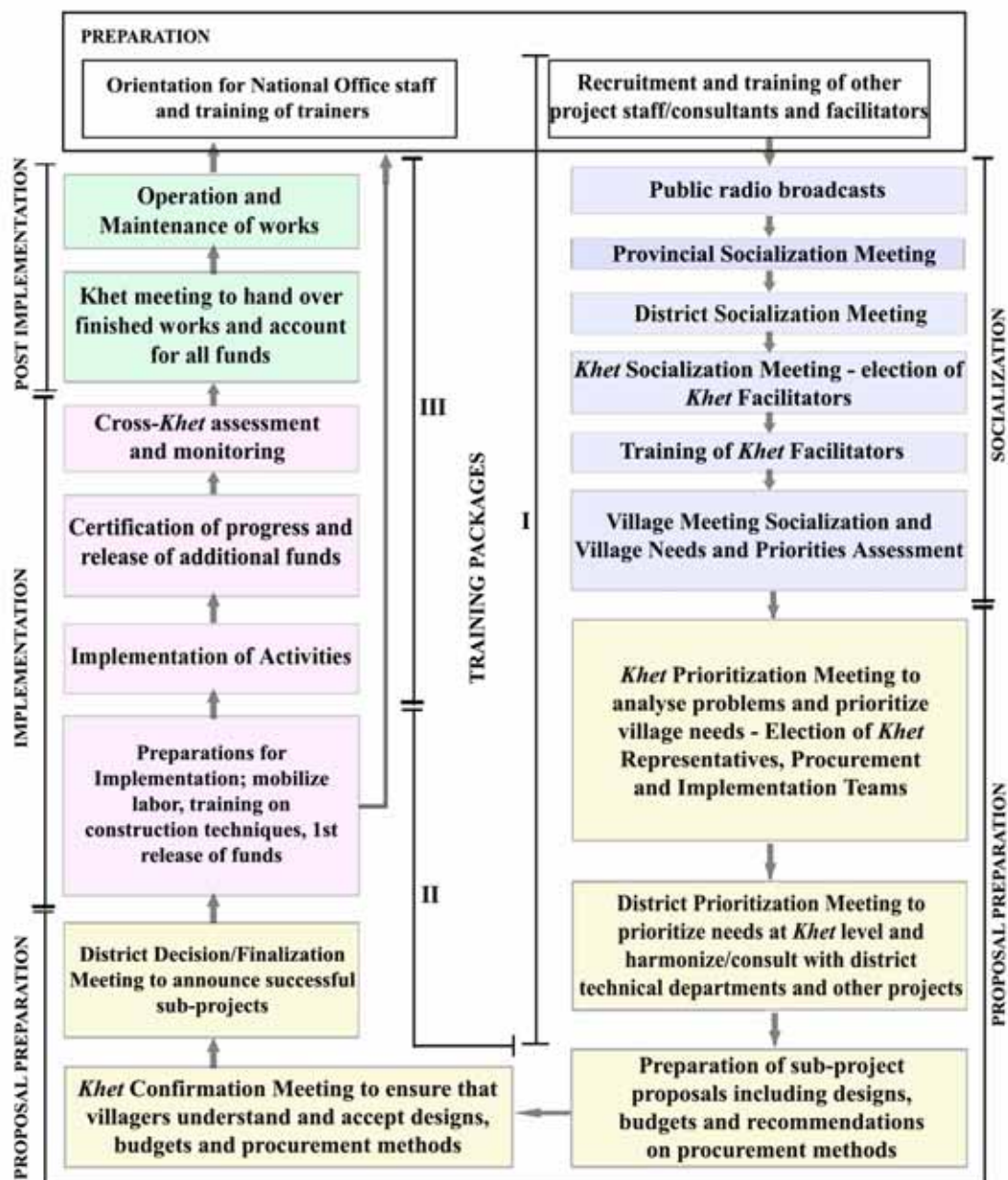
### **Sanctions**

Sanctions are determined and agreed to in order to regulate project implementation and ensure that poor villagers benefit. Sanctions are imposed for violations of agreements

made between villages of a khet and the project. Sanctions are aimed at ensuring the accountability of various related parties in the management of PRF activities. Sanctions can be in the form of (i) Community Sanctions, (ii) Government sanctions in the form of legal sanctions, (iii) PRF sanctions. All agreed sanctions must be clearly explained before submission into the official minutes of local meetings. The sanctions must also be publicly displayed on information boards in villages.

Figure 4 PRF Activity Cycle.

## PRF ACTIVITY CYCLE



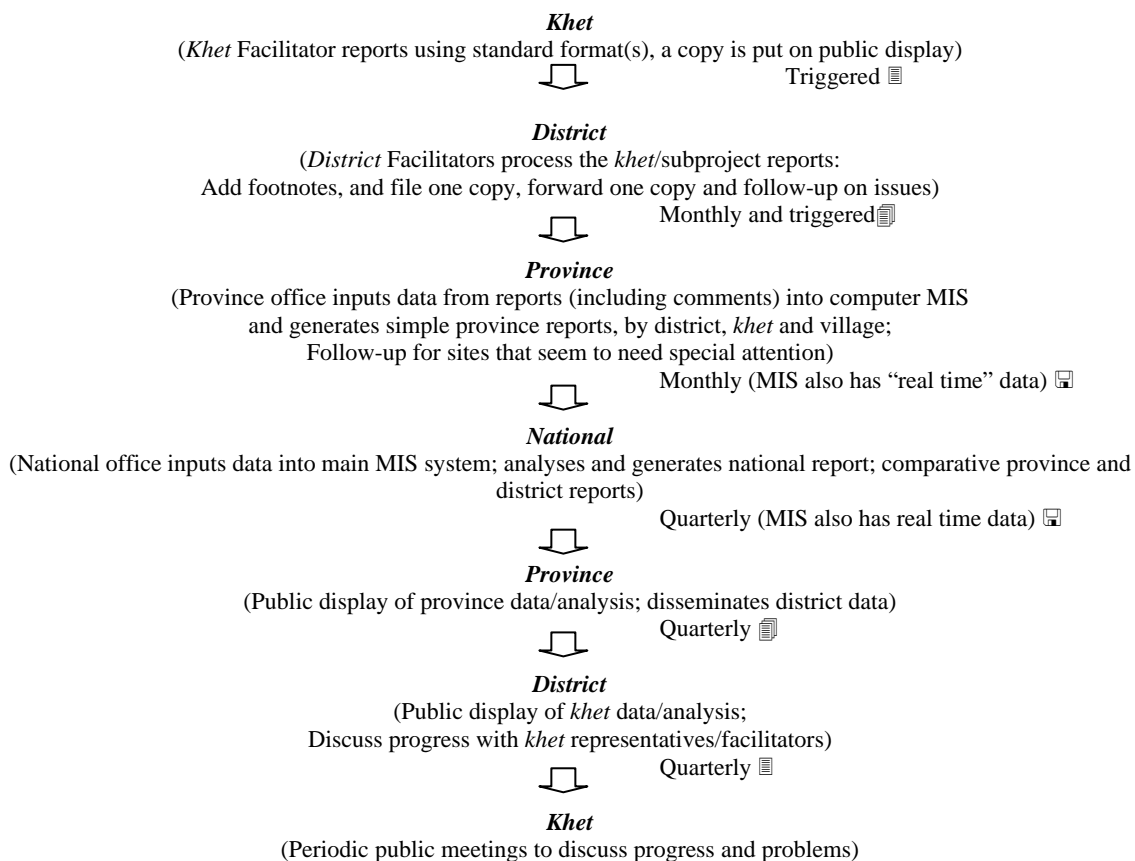
## 2.10 MIS, Monitoring, Evaluation, Supervision, Reporting

The Monitoring and Evaluation (M&E) System uses a range of methods for collecting and processing data, including: (i) Operational Management Information System (MIS), (ii) Baseline and Follow-up Surveys, (iii) Beneficiary Assessments, (iv) Cross-Khet Monitoring, (v) Complaints Resolution Process and Database, (vi) Annual Audits and (vii) Case Studies.

The PRF is designed to be an active, adaptable, learning institution. It is also responsive and transparent: complaints and requests for assistance are acted upon and all reports are publicly available. The project monitors its own performance in relation to the stated development objectives.

The national level staff will provide information and advice to any Board member who wishes to carry out supervision trips to project locations. These visits may be to randomly selected sites or to villages known to have specific problems. Feedback from these visits to the Executive Director may include suggestions for improving project policy and advice on tackling particular problems.

Moreover, the government will monitor the project through field visits by the relevant national and local government agencies. These visits will be to selected sites and focus on aspects that reflect the individual responsibilities of the agencies concerned. So, for example, the Ministry for Education may elect to send a team to inspect schools being built by the project. Teams of government officials from different agencies may also visit locations from time to time.

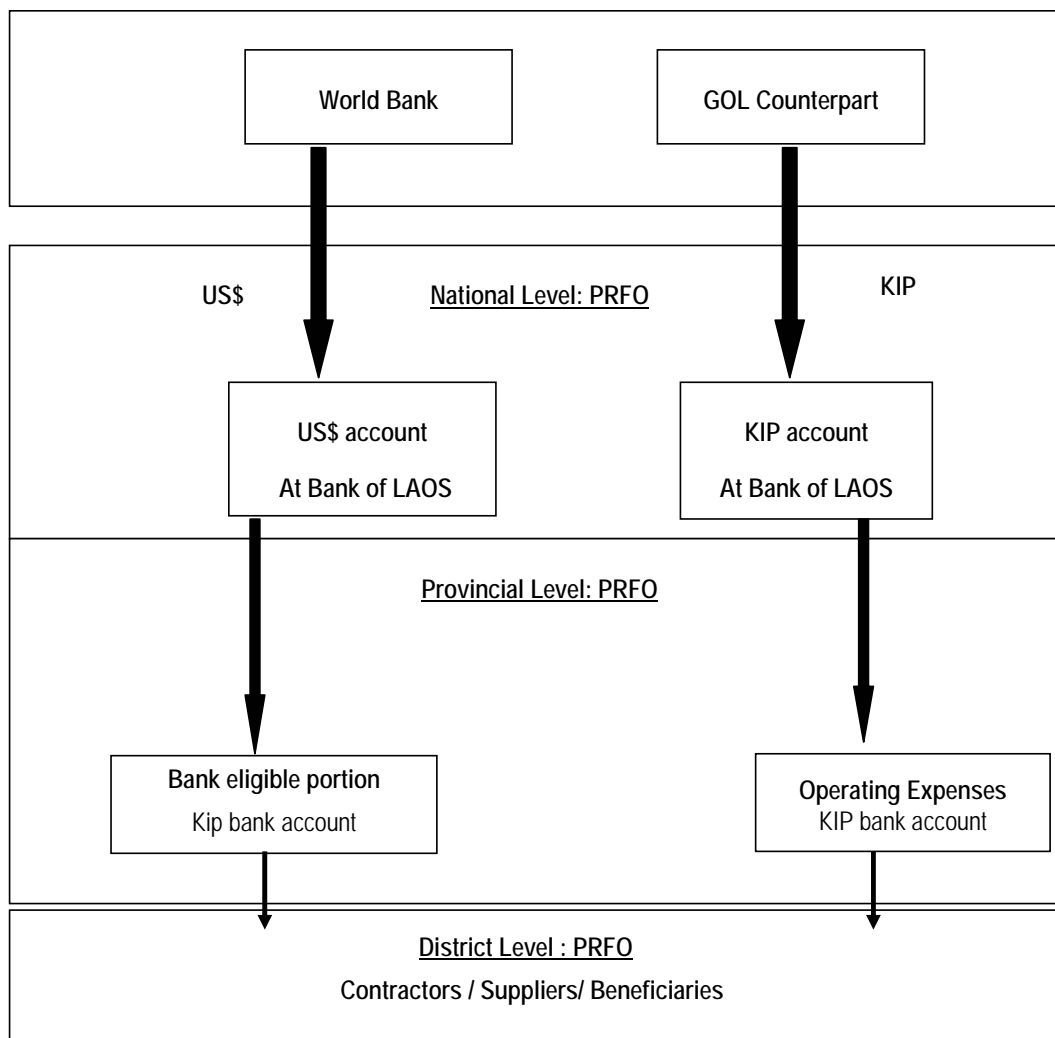


## 2.11 Fund Flows, Disbursements and Accounting

Figure 5: Flow of funds

### Flow of Funds from the World Bank and government Counterpart Contribution

The flow of funds from the Bank, Government, and other financiers is depicted below.



The PRF is initially financed through an IDA credit from the World Bank. The Special Account which would cover the IDA share of eligible expenditures in all disbursement categories, would have an authorized allocation of US\$1.8 million with an initial withdrawal of US\$ 0.9 million equivalent to be drawn from the Credit Account and deposited in the SA. When the amounts withdrawn from the Credit total US\$ 3.0 million, the initial allocation will be increased to the authorized allocation.

In every province that PRF will operate, Provincial Coordinators will open KIP accounts in local commercial banks. These will be deposit accounts in kip. Funds disbursed into these accounts will be to finance operating costs and to transfer funds to khets bank accounts in district commercial banks to finance *khets* sub-projects and based on payment schedules outlined in sub-project agreements.



## **Disbursement**

The amount of the initial advance will also be indicated in the schedule, but will not exceed 25 percent of the total sub-project budget as agreed to in the signed agreement between the PRF and the khet.

The khet representatives authorized to withdraw funds on behalf of the khet must fill out a payment request form. After receiving all required signatures, the payment request forms are sent to the PRF province office to be certified by the Financial Management Expert in the provincial office who will be responsible for transferring the funds to the khet bank account at district level.

If villagers need to pay a large amount to a contractor or supplier, it is recommended that two khet representatives hand over the cash immediately at the bank. The bank teller records the amount of money withdrawn on the khet bank account booklet, (Record book as for saving account with no interest). The payment request form and other documentation will be presented and explained at the next public khet meeting held.

Subsequent disbursements during the implementation can only be made after (i) the khet implementation team has reported progress in a khet accountability meeting and (ii) upon certification of physical progress by a PRF technical advisor, from the district, province or national level.

## **Operational Expenditures as Part of Sub-project**

As part of the overall sub-project proposal for a school or health clinic, villagers may choose to include as part of the project budget an allocation for operational expenditures. Such an allocation could cover the stipends or salary supplements for teachers or health personnel and/or supplies for the facilities (i.e. cost of books, pharmaceuticals, furniture, etc.). The budget allocated for such expenditures could be proposed for up to 4 years, but must not exceed closing date of the Project. The disbursement plan for such expenditures must be specified in the proposal and disbursements would be made from the district account.

## **Administrative Budget for Khet Implementation Teams**

A maximum of two percent of the total sub-project budget will be allocated for the administrative costs involved in implementing the sub-projects (i.e. travel cost, participation in meetings, etc.).

## **Khet Level**

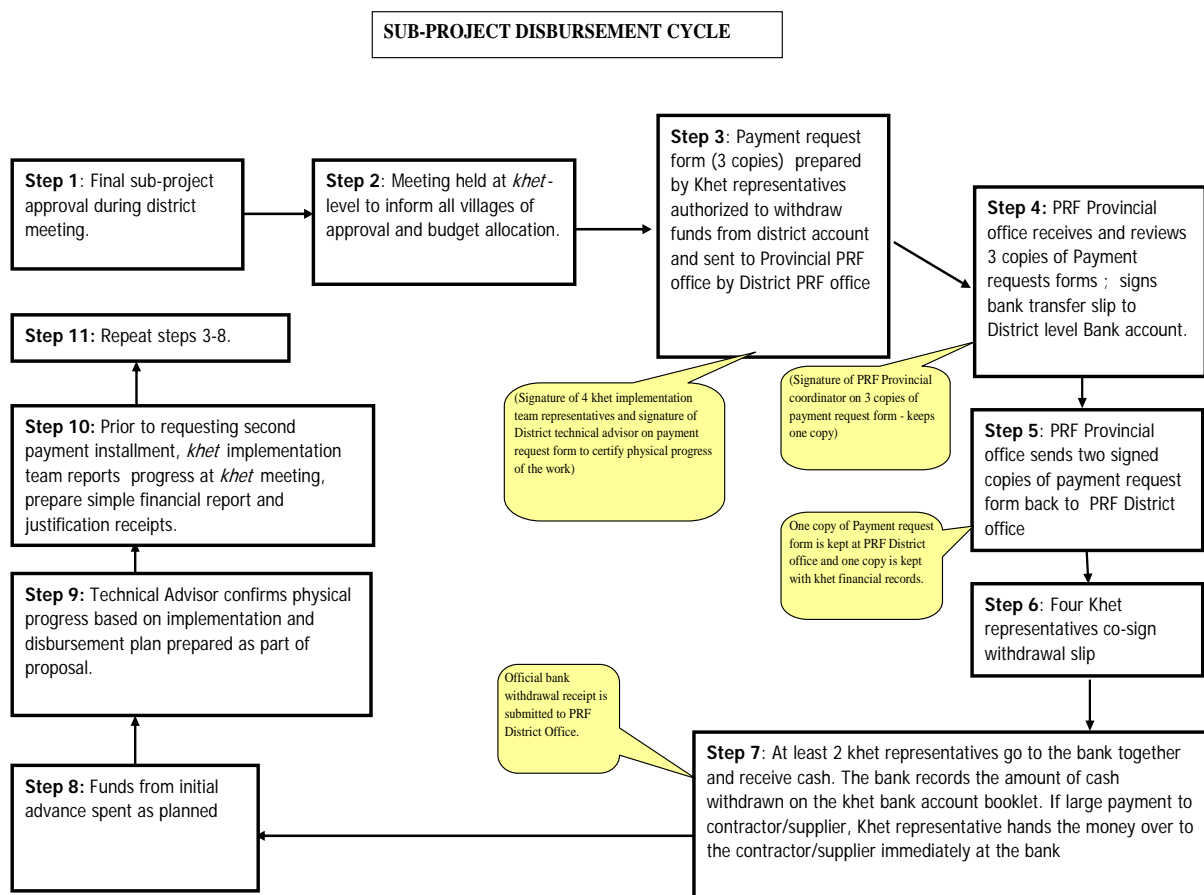
Every expenditure made by the khet has to be accounted for in an expense report. Proper receipts should also be maintained at the khet level that clearly indicate the service or goods paid for. A simple cash book will be maintained by the Treasurer of the Implementation Team (updated on a daily basis). Training will be provided by the provincial Finance and Management Administration Officers to villagers as to how to maintain such a book.

In the first year of implementing, PRF focuses on poorest rural communities. PRF team is working with community on Socialization<sup>7</sup> activity at every village in the district that the project covers.

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<sup>7</sup> Socialization is the process by which PRF introduces people at national, provincial, district, khet and village level to the principles, process and project activity cycles of the project.

Figure 6: Sub-project Disbursement cycle



### 3 METHODOLOGY AND APPROACH

#### 3.1 PRF Standard cycle of activities

After implementation in three pilot districts, the PRF has been able to establish its standard cycle of activities. Recent experience shows that the socialization – planning phase and the sub-project appraisal and preparation of implementation can take up to 6 months (three months each). The actual implementation of activities should be undertaken during dry season. To a large majority, beneficiaries comprise farmers, whose available time is bound to agricultural activities seemingly at their lowest from December to March.

Current experience shows that socialization and planning must start before September (July-Aug) so that sub-projects can be appraised and all preparatory activities can be conducted satisfactorily before implementation. Thus, in January, implementation can start and proceed with great chances of completion before the early rains of May announce the monsoon to come.

With regard to expansion to new districts or new provinces, adequate staff must be recruited and provided with pre-service training, equipment/vehicle purchased, office prepared etc. It seems reasonable to launch that process in April-May so that everything is in place by June-July. Sub-projects that have been appraised in cycle Year 1 but could not be implemented (e.g. by lack of budget) can be fast-tracked in cycle Year 2 and be

submitted to the district forum in October. Government contributions toward additional expansion expenses must be foreseen so that it can be planned and requested the year before (before fiscal year starts in October). See Annex 3 for Year 1 and Year 2 Cycles.

## **3.2 Participatory planning**

During its preparation phase, the Poverty Reduction Fund developed participatory planning tools and methodologies, which built on Lao trials and lessons' learnt of what's worked and what hasn't worked in the experience of the Committee for Planning and Cooperation.

### **3.2.1 Background**

In March 2000, the Prime Minister issued the decree PM/001 urging the Ministry of Finance and the State Planning Committee<sup>8</sup> to follow-up and provide concrete recommendations and methodologies on supporting the decentralisation process by building the provinces as strategic units, the districts as budgeting and planning units and the villages as implementing units.

To this end, the State Planning Committee decided, with the assistance of the United Nations Development Programme, to develop a participatory planning approach in respect to the unique context of Lao PDR and the findings and experience accumulated so far.

That participatory planning approach was pilot-tested in two districts of Huaphanh Province during the fall 2000. The results suggested that some of the tools were well received locally and were successfully utilized. However, final reviews revealed that these planning experiments could only be undertaken up to a point because the plans could not actually be tested further through real-life project implementation.

Therefore, while needs and priority assessments approaches were found relevant for the PRF, there was a need to more specifically develop a set of guidelines to assist khet representatives through the actual prioritization process. The initial PRF experience in ten start-up districts shows that approximately 90% of the villagers' needs and priorities could not be addressed by the Poverty Reduction Fund. In order to seek additional assistance, local organizations, NGOs, GoL and other sources of funding are systematically consulted.

With regard to the 10% activities that can be supported by the PRF, planning does not remain a theoretical exercise as there is an actual budget for implementation. Not only do they plan to go somewhere and not only do they plan how to go there, but they also plan according to available financial resources. To prioritize activities that are commensurate to a budget provides a realistic and pragmatic framework around which the planning exercise can articulate.

### **3.2.2 Village Need and Priority assessment (VNPA)**

While building on the gained experience, the Poverty Reduction Fund has adapted and developed tools and methodologies that are appropriate to the context of the poorest districts in Lao PDR, while conforming to the requirements of the PRF credit and project

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<sup>8</sup> In July 2001, the State Planning Committee<sup>8</sup> (SPC) became Committee for Planning and Cooperation (CPC)

agreements. In addition, these methodologies are currently being tested through out a full project cycle and are not merely to remain theoretical tools.

Firstly, PRF staff built the capacity of the Khet facilitators in data collection techniques and in identifying villages' main problems and priorities through participatory meetings involving the majority of adults within each community. The results of the latter exercise for each village are recorded on a special form designed and developed by the PRF: The Village Need and Priority Assessment form (VNPA) which is shown in figure 8.

Then, in each target district, PRF district and khet facilitators visit all villages where they (1) inform villagers about PRF objectives, activities and principles so that most villagers understand the project and better understand their rights and responsibilities, (2) identify main problems and priorities of the village (VNPA), (3) collect information about the village (Village Profile data form) and (4) Elect three Village Representatives (Incl. at least one woman).

The PRF considers this exercise as democratic rather than data extracting and insists that more than 50% of adult villagers should attend. This decision surely slows down the process and requires some planning. However, because more than half of the village attended and took part of the discussions and decisions and reached a consensus, it undoubtedly minimizes any future disagreement or contestation regarding the village priorities. In case of large villages, it was found acceptable to allow one representative of each household to attend only, as long as women were represented in a fair proportion.

Taking the project to every village in each participating district and having a requirement for a high percentage of attendance at every meeting in each village ensures that ethnic minorities are included in the PRF process.

If a village is composed of more than one settlement or "hamlets", the PRF facilitators are to make sure that each settlement is fairly represented. This issue may be critical as a village can be composed of different "hamlets", which may encompass different realities. Occasionally, one settlement remains at an old location while a new one has been created at a more suitable location, e.g. near a road. In other instances, a new settlement comprising up-landers of a different minority group composition may be established nearby and administered by an old village. Moreover, it may be that the new settlement is not yet provided with water supply or school access as opposed to the old settlement, which already enjoys access to such services.

The PRF village profile, which is systematically completed in all PRF villages, comprises a section about village hamlet and ethnic composition. It is hoped that such a tool will help the PRF to better comprehend and adequately address that issue. Data is currently being processed and will assist the PRF to monitor ethnic minority compositions across target areas and within villages.

With regard to the village needs and priorities assessment, men and women are firstly requested to hold separate meetings to discuss main problems, needs and priorities. These meetings usually take about one hour for each group to come up with three priorities. Then men and women regroup to mutually present their respective needs and priorities to the other group and discuss motivations and justifications. After that, men and women reach a consensus and decide which priorities among the six men/women priorities discussed will

be retained for this year. The results of these three deliberations are recorded on the VNPA form. Three village representatives are then elected and will be mandated to present the village needs and priorities at the next level meeting: Khet prioritization meeting.

The VNPA form has been revised and improved through the pilot-tests in the districts of SobBao, Sepone and Mounlapamok.

Firstly, the form's wording and layout was revised based on the analysis of the responses and the assessment of local peoples' capacity to comprehend and utilize the form.

Secondly, additional key questions were added so as to assist the PRF technicians to more accurately estimate the costs of the future constructions.

Thirdly, the form was revised with regard to data processing and database development.

Regarding the second cycle of activities, the PRF intends to carry out a new round of Village Needs and Priority Assessment. To this end, the PRF plans to conduct reinforcement training sessions for the benefit of the khet facilitators. Thus, after adequate on-the-job training and testing, they will be supervised by the PRF District staff as they carry out the VNPA in their respective khets.

### Gender

Gender balance is achieved through such things as: separate men's and women's meetings, mandatory inclusion of women at meetings and amongst the various village and "khet"(sub-district) level representatives.

*Girl's unequal access to Education: an example in Sepone*

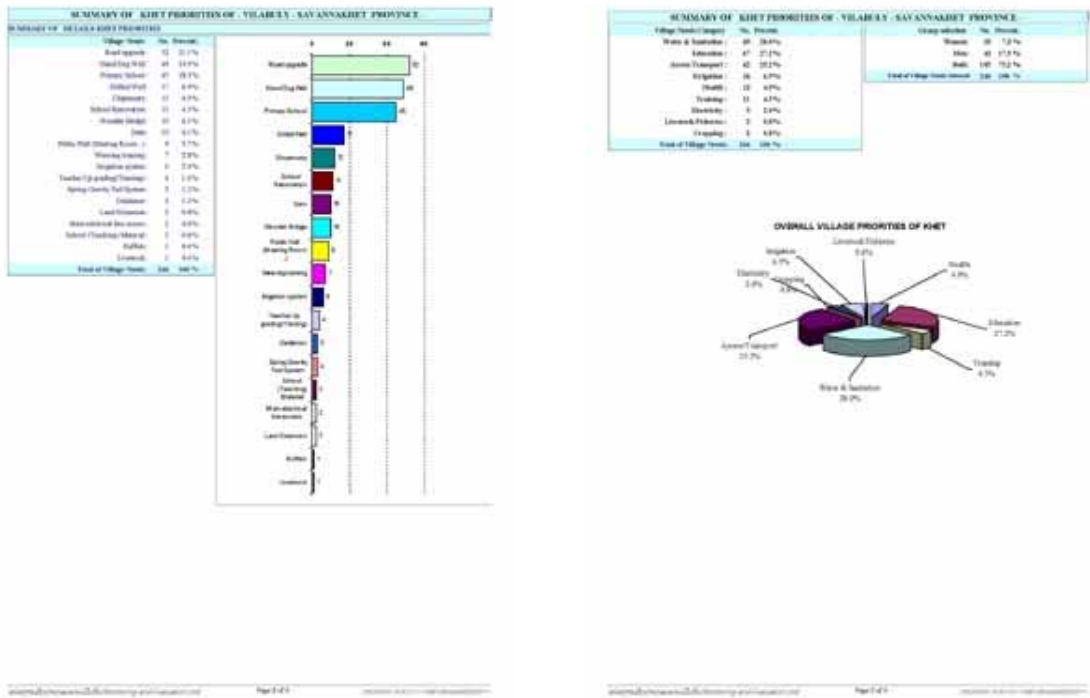
<b>% of facilitators that have reached secondary school</b>	<b>31%</b>
<b>% of women among facilitators that have reached secondary school</b>	<b>13%</b>
<b>% of facilitators that have reached primary school grade 5</b>	<b>29%</b>
<b>% of women among facilitators that have reached primary school grade 5</b>	<b>0%</b>
<b>% of facilitators that never went to school</b>	<b>12%</b>
<b>% of women among facilitators that never went to school</b>	<b>100%</b>

Poverty Reduction Fund findings among khet facilitators in Sepone District, June 2003

Figure 7: An example of the Village Need and Priority Assessment Form signed and stamped by the Village Head

The form is titled 'V. Village Form' and includes a header for the Ministry of Economic and Community Development. It contains several sections for data entry, including a table with columns for 'Priority', 'Issue', and 'Remarks'. The form is filled with handwritten text in Indonesian, detailing various village needs and priorities. At the bottom, there is a red circular stamp and a signature, indicating it has been approved by the Village Head.

Figure 8: Reporting samples automatically generated by the PRF MIS system



Among the priorities identified through the PRF Village Need and Priority Assessment (VNPA), it appears that only about 10% of the requested activities can be directly supported and implemented by PRF. Additional support is needed, both in terms of technical expertise and financial support. To this end, the PRF has channelled VNPA reports in English to the foreign aid community and wishes also to channel these results in Lao language to relevant line-ministries and CPC for possible assistance within the framework of the NPEP or public investment plans.

### 3.3 Sub-district grouping of village clusters: the revisited Khet

The main targets of the PRF are communities in poor villages. All villages in a targeted district are eligible to participate. The villages in a chosen district participate based on sub-district groupings called “*khet*”, pre-existing *khets* or clusters of villages where *khets* do not already exist.

Villages’ broad participation into the PRF process called for an intermediary level between District and Village levels based on sub-district groupings. A similar level already exists as an informal subdivision of districts in the Lao PDR: the *Khet*. However, the *khet* is not an officially recognized level in the Lao government’s administrative hierarchy. Villages usually relate directly to the district, although *khets* may be used as a device for coordinating activities to a greater or lesser extent, depending upon the province and the district.

Prior to launching PRF activities in a target district, the PRF facilitators explain in detail to the local authorities the modalities of operation of the Poverty Reduction Fund (District socialization). In particular, the question of sub-district groupings arises as a necessary means for the communities to plan, manage and implement PRF activities through a forum of representatives.

Table 5: Summary of number of villages per khet in PRF target districts

Province / district	Number of villages	Number of khets	Average number of villages per khet	Number of villages		
				Smallest khet	Largest khet	
<b>Huaphanh</b>						
Sobbao	75	7	10.7	6	16	
Xiengkhor	63	12	5.3	4	7	
Add	77	12	6.4	4	9	
<b>Sub-total Huaphanh</b>	<b>215</b>	<b>31</b>	<b>6.9</b>	<b>4</b>	<b>16</b>	
<b>Savannakhet</b>						
Sepone	159	20	8	5	11	
Nong	79	10	7.9	6	9	
Vilabury	101	16	6.3	4	10	
<b>Sub-total Savannakhet</b>	<b>339</b>	<b>46</b>	<b>7.4</b>	<b>4</b>	<b>11</b>	
<b>Champassak</b>						
Pathoumphone	93	10	9.3	6	11	
Sukuma	63	10	6.3	5	9	
Moonlapamok	67	10	6.7	4	10	
Khong	137	14	9.8	6	13	
<b>Sub-total Champassak</b>	<b>360</b>	<b>44</b>	<b>8.2</b>	<b>4</b>	<b>13</b>	
<b>Grand total</b>	<b>914</b>	<b>121</b>	<b>7.6</b>	<b>4</b>	<b>16</b>	

The alternative of having all villages directly represented in a forum to discuss needs and priorities was not found realistic. For instance, in Sepone District, which comprises 159 villages, a forum of village representatives composed of at least one man and one woman from each village would amount to more than 300 people, without counting representatives of local authorities, technical departments, Mass-Organizations, NGOs etc.

On average, a khet comprises nearly 8 villages. Smallest khets comprise as few as 4 villages while largest khets comprise over a dozen villages (16 villages in Khet Meuanglong, Sobbao District, 13 villages in khets 5, 6, 8 in Khong District).

Recent experience suggests that sub-divisions work well for the PRF process for khets that are neither too large (more than 15 villages) nor too small (less than 5 villages). Districts vary in size, comprising 63 villages for the smallest districts and 159 villages for the largest districts. In a given District, a few large sub-divisions would mean larger khet forums, greater distances among villages within a sub-division thereby inducing possible communication hindrances between village and khet levels, increased risks of under-representation within a khet. On the other hand, if in the same district more, smaller sub-divisions were established, district forums would be larger and risks of under-representation at khet level would presumably decrease.

Size and numbers of sub-divisions are important but are not the only factors that are considered. For instance, it is crucial that villages within a sub-division remain reasonably accessible on foot from one another. Moreover, common sense should be applied regarding local topography e.g. villages located on the same slope of a range, on the same river side, in the same valley/watershed etc. Furthermore, socio-economic characteristics and natural factors should also be taken into account into the sub-division grouping e.g. land / soil and water resources, agricultural practices etc.

Most importantly, district sub-divisions should comprise communities whose ethnic groups, dialects, social and religious customs would be compatible. As much as possible, sub-divisions will consider whether various groups of people could get along well together and work together in harmony. Old grudges among villages within a sub-division could hamper project activities if people could not reach a consensus in the interest of the khet. At all times, various groups within a sub-division should be capable of close cooperation, coordination, decision-making and problem solving. In addition, levels of social cohesion, solidarity and trust among various groups, villages and communities within a district sub-division are crucial and must be considered by the local authorities when proposing appropriate sub-divisions of the district.

In spite of the fact that local authorities have revisited the initial district sub-divisions, PRF has chosen to keep using the term “khet” for those revisited village clusters.

However, in the districts where khets existed prior to the launching of PRF, whether based on the old French colonial administrative communes “Thasseng” or more recently modified, the PRF always requests the local authorities to revisit these groupings and boundaries in the light of the PRF process requirements.

The table below shows that significant changes have occurred between the initial sub-divisions and the revised sub-divisions used for the first cycle of PRF activities.



**Table 6: Initial district sub-divisions and PRF revised khets**

Province	District	Initial No. Khets	No. of revised Khets for PRF	No. villages
Huaphanh	Add	6 khets	12 Khets	77 Villages
	Sobbao	7 khets	7 Khets	75 Villages
	Xiengkhor	6 khets	12 Khets	63 Villages
	<b>Sub-total</b>	<b>19 khets</b>	<b>31 khets</b>	<b>215 Villages</b>
Savannakhet	Sepone	17 khets	20 Khets	159 Villages
	Nong	11 khets	10 Khets	79 Villages
	Vilabury	12 khets	16 Khets	101 Villages
	<b>Sub-total</b>	<b>40 khets</b>	<b>46 khets</b>	<b>339 Villages</b>
Champassak	Moonlapamok	10 khets	10 Khets	67 Villages
	Pathoumphone	10 khets	10 Khets	93 Villages
	Sukuma	5 khets	10 Khets	63 Villages
	Khong	14 khets	14 Khets	137 Villages
	<b>Sub-total</b>	<b>39 khets</b>	<b>44 khets</b>	<b>360 Villages</b>
<b>TOTAL</b>		<b>98 khets</b>	<b>121 khets</b>	<b>914 Villages</b>

Noticeably, the total number of khets has risen from 98 initially to 121 revised Khets. In areas that are known for their ethnic diversity such as Huaphanh, Add and Xiengkhor Districts have doubled their number of khets for the purpose of PRF implementation. Among 10 districts, only Nong District has slightly reduced its number of khets, decreasing from 11 to 10. The former khet of Nong Vilay was thought too small being composed of three villages only. Those three villages were subsequently incorporated into two former khets; Daen Vilay village joined Khet Pa Lor and Nong and Nong Vilay villages were attached to Khet Pun Yang.

Lastly, the PRF Monitoring and Evaluation system is set up in such a way that for each meeting, at all levels, special forms record the number of participants, including data about gender and village of origin. Consequently, the PRF is in position to flag out possible villages that would be repeatedly reported absent from the process. In such instance, an investigation would follow to find out the reasons why that particular village seems no longer participating. Were it to be found that a village cannot comfortably join the PRF process while being included in a particular cluster of villages, other possible recipient groups would be considered.

Recent experience has not brought forward any evidence of ethnic tensions within a khet or indicators of particular ethnic minority groups being marginalized. Preliminary findings from the MIS system show that common reasons for not attending a meeting include flooding, not practicable roads, invitations not received, invitees not present in the village when the invitation arrived, invitees being ill. Villages that are located two or three days far from the district center require the PRF to be well organized and to send invitations in a timely fashion.

### 3.4 Sub-project proposal quality check list

At village level, during the village need and priority assessment and subsequently at khet level, for the Khet prioritization Meeting, the PRF facilitators discuss PRF principles with the villagers; in particular, (1.) Siding with the poor and (2.) Wise investment

In order to assist the communities to improve the quality of their proposals and better abide to the PRF principles mentioned above, the PRF has developed the following sub-project proposal quality check-list, which requests the communities to answer three questions:

**RELEVANCE - How your sub-project is going to help the poor in your community?**

- Does the Sub-Project purpose address a real, well defined and important problem of the beneficiaries?
- Are the Beneficiaries well defined? Are they poor? (Are they poor people in the village or live in poor villages in your khet or in live poor khets in your district?)
- Are the causes of the problems sufficiently analysed?
- Will the expected results belong to the community and not to individuals?

**FEASIBILITY – Is the sub-project feasible?**

A. For PRF

- The Sub-Project Proposal is NOT listed in the Negative List of activities
- Cost estimates for the envisaged activities are lower than the sub-project ceilings of \$25,000/\$50,000 depending on whether one or more villages applied.
- The Sub-Project Proposal does not comprise activities that are harmful to people, other ethnic groups or the environment.

B. For relevant Line-Ministries and local Authorities

- The Sub-Project Proposal complies with the Line-Ministry planning guidelines e.g. minimum 3,500 people within the catchment area of a dispensary (6-8 KM radius)
- The Sub- Project Proposal complies with the Government policies for environment protection and legislation on land use.

**SUSTAINABILITY – Will the benefits/results of the sub-project last after completion of the sub-project activities i.e. after PRF departure?**

- The sub-project is socially acceptable
- Participation and ownership is ensured
- The autonomy of the beneficiaries will improve
- Management and organizational capacity are ensured by the community
- The decision-making capacity at local level will improve
- The socio-economic benefits compensate the investments
- Environmentally sound
- How can the villagers improve the chances of sustainability? Is there any training, activities, spare parts the villagers could receive that would enhance the sustainability of the future constructions? Can the villagers include those training, activities, spare parts into the sub-project proposal?

**3.5 Socialization**

The principles and the objectives of the Poverty Reduction Fund depend on and encourage a high degree of participation by the people themselves; in fact all methods used by the PRF are highly participatory.





At each local level the PRF begins with a strong process of “Socialization”<sup>9</sup> - introducing and explaining the PRF to the villagers and to the wider public. Radio broadcasts, a specially designed flipchart, posters, pamphlets and other tools are used to disseminate information about the Project. As a result of the Socialization process, thousands of people know about and understand the principles of the project. This encourages

interest and participation, and having large numbers of people informed and involved helps to keep things transparent and accountable during implementation of the sub-projects.

### 3.6 Resource Allocation

With regard to 2003-2004 resource allocations of annual resources for each target district, the PRF has followed the instructions of the Lao Government (Instruction No. 010/PM) with regard to definition and indicators of poverty so as to assess district poverty levels for the allocation.

#### **Definition and indicators of Poverty**

As reference for sectors and local authorities, the Government has adopted an initial definition and indicators of poverty (to be applied until further changes). Such indicators are average indicators to be used as reference in each province, district and village in surveying and assessing poverty at the household, village and district levels, for the purpose of planning gradual poverty eradication in their areas of responsibility.

#### **Prime Minister Instruction No. 010/PM - extract**

Poverty is the lack of basic requirements in daily livelihood, such as the lack of food (less than 2,100 kilocalories per person and per day), clothing, permanent shelter, inability to afford necessary medical treatments, inability to afford one’s own education and the education of other members of the family and the lack of easy access...primarily.

#### **At the household level:**

Households considered as poor are households with an income of less than KIP 85,000 equivalent in cash per person/month (Based on 2001 prices). This sum allows purchasing 16 kilograms of milled rice per person/month, but the balance is insufficient to cover other necessary expenses, such as clothing, shelter, children’s schooling costs and medical treatment. Households living in such conditions are considered households who still live in poverty.

<sup>9</sup> See Annex 4 for the PRF Process – Socialization and Initial Proposal Preparation

**At village level**

Villages considered as poor villages are:

- Villages where at least 51% of the total households are poor households
- Villages without school within the village or schools in nearby and accessible villages
- Villages without dispensaries, traditional medicinal practitioner or requiring over 6 hours of travel to reach a hospital
- Villages without safe water supply
- Villages without access road (at least trails accessible by car during the dry season)

**At district level**

- District where over 51% of the villages are poor
- District where over 40% of the villages do not have local or nearby schools
- District where over 40% of the villages do not have a dispensary or pharmacy
- District where over 60% of the villages without access road, which can be used by car
- District where over 40% of the villages do not have safe water

The measurement of poverty at provincial and national level is the compilation of poverty at district level and combined with poverty analysis based on the household consumption and expenditure survey performed by the National Statistic Centre.

The budget allocation per district for the year 2003 is presented in the table below. The 2003-2004 budget allocation for the target districts (\$1,051,000) represents only two third of the budget earmarked in the initial phasing of operations (\$1,598,745). First-year project implementation involves many start up activities at all levels, development of operational and accounting systems, training of project personnel, and the application and fine-tuning of the project processes in light of practical on-the-ground experience. For all the practical reasons mentioned above, a reduced start-up figure was proposed by the PMT.

**Table 7: District budget allocation for the cycle 2003-2004**

Poverty levels	Not poor		Low		Medium		High	
	0	1	1.1	1.1	1.2	1.2		
<b>SAVANNAKHET PROVINCE</b>	Number of 010/PM Indicators fulfilled						TOTAL	Total rounded to the nearest 1,000
	5	4	3	2	1	0		
<b>Nong District villages</b>	4	3	31	32	9	1	80	
Number of people	2647	726	7742	6528	1728	51	19422	
Allocation = \$5 x weight x Number of people	\$0	\$3,630	\$42,581	\$35,904	\$10,368	\$306	\$92,789	\$93,000
<b>Sepone District villages</b>	17	2	17	33	50	41	160	
Number of people	10199	476	4378	7038	10524	6785	39400	
Allocation	\$ -	\$2,380	\$24,079	\$38,709	\$63,144	\$40,710	\$169,022	\$169,000
<b>Vilabury District villages</b>	24	9	32	32	6	0	103	
Number of people	7520	1975	9642	7113	853	0	27103	
Allocation	\$ -	\$9,875	\$53,031	\$39,122	\$5,118	\$ -	\$107,146	\$107,000
<b>Subtotal Savannakhet</b>								<b>\$369,000</b>
<b>CHAMPASSAK PROVINCE</b>	Number of 010/PM Indicators fulfilled						TOTAL	Total rounded to the nearest 1,000
	5	4	3	2	1	0		
<b>Khong District villages</b>	96	26	12	2	0	0	136	
Number of people	49974	12342	6741	1153	0	0	70210	
Allocation	\$ -	\$61,710	\$37,076	\$6,342	\$ -	\$ -	\$105,127	\$105,000

<b>Mounlapamok District villages</b>	16	12	22	16	0	0	66	
Number of people	4159	2418	5292	4904	0	0	16773	
<b>Allocation</b>	<b>\$ -</b>	<b>\$12,090</b>	<b>\$29,106</b>	<b>\$26,972</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$68,168</b>	\$68,000
<b>Phatoumphone District villages</b>	51	24	13	5	0	0	93	
Number of people	33478	10464	4271	1179	0	0	49392	
<b>Allocation</b>	<b>\$ -</b>	<b>\$52,320</b>	<b>\$23,491</b>	<b>\$6,485</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$82,295</b>	\$82,000
<b>Sukuma District villages</b>	30	29	0	1	0	0	60	
Number of people	29382	17097	0	540	0	0	47019	
<b>Allocation</b>	<b>\$ -</b>	<b>\$85,485</b>	<b>\$ -</b>	<b>\$2,970</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$88,455</b>	\$88,000
<b>Subtotal Champassak</b>								<b>\$343,000</b>
<b>HUAPHANH PROVINCE</b>	<b>Number of 010/PM Indicators fulfilled</b>						<b>TOTAL</b>	<b>Total rounded to the nearest 1,000</b>
	<b>5</b>	<b>4</b>	<b>3</b>	<b>2</b>	<b>1</b>	<b>0</b>		
<b>Add villages</b>	11	22	11	8	17	9	78	
Number of people	5523	8673	3227	2368	4498	1731	26020	
<b>Allocation</b>	<b>\$ -</b>	<b>\$43,365</b>	<b>\$17,749</b>	<b>\$13,024</b>	<b>\$26,988</b>	<b>\$10,386</b>	<b>\$111,512</b>	\$112,000
<b>Xiengkhor villages</b>	9	24	18	11	4	0	66	
Number of people	4590	11697	5942	2405	936	0	25570	
<b>Allocation</b>	<b>\$ -</b>	<b>\$58,485</b>	<b>\$32,681</b>	<b>\$13,228</b>	<b>\$5,616</b>	<b>\$ -</b>	<b>\$110,010</b>	\$110,000
<b>Sobbao villages</b>	5	21	24	22	3	0	75	
Number of people	3688	7694	7853	5550	755	0	25540	
<b>Allocation</b>	<b>\$ -</b>	<b>\$38,470</b>	<b>\$43,192</b>	<b>\$30,525</b>	<b>\$4,530</b>	<b>\$ -</b>	<b>\$116,717</b>	\$117,000
<b>Subtotal Huaphanh</b>								<b>\$339,000</b>
<b>Grand total</b>								<b>\$1,051,000</b>

In order to calculate district allocations for the cycle 2003-2004, the PRF requested the National Statistic Centre and its provincial offices to provide up-to-date information with regard to poverty levels in all target districts. For each target district, up-to-date figures were available at village level, providing for every villages a set of basic information (khet/district, population etc.) and a breakdown of poverty indicators as defined by the Prime Minister's Instruction No. 010/PM. More specifically, the poverty indicators consist of the five indicators presented below:

<b>Poverty indicators as defined by the Prime Minister's Instruction No. 010/PM</b>
% of poor households compared to the total number of households in a village
Presence of School within the village or schools in nearby and accessible villages
Presence of Dispensary, traditional medicinal practitioner or hospital within 6 hours of travel
Presence of Safe water supply in the village
Presence of access road (at least trails accessible by car during the dry season)

Villages for which all five criteria were fulfilled (villages with a school, a road, a dispensary, safe drinking water and less than half of the villagers being poor) were considered not poor and were given a "0" weight. Villages for which four criteria were fulfilled were given a "1" weight, 2 or 3 criteria fulfilled were given "1.1" and 1 or zero criteria were given "1.2".

The allocation was calculated by taking the village population multiplied by the poverty weight above multiplied by \$5. The results thus obtained were rounded to the nearest \$ 1,000. This method of calculation is by no means pre-determining the final allocations per villages or deciding beforehand that non-poor villages will not be eligible to receive

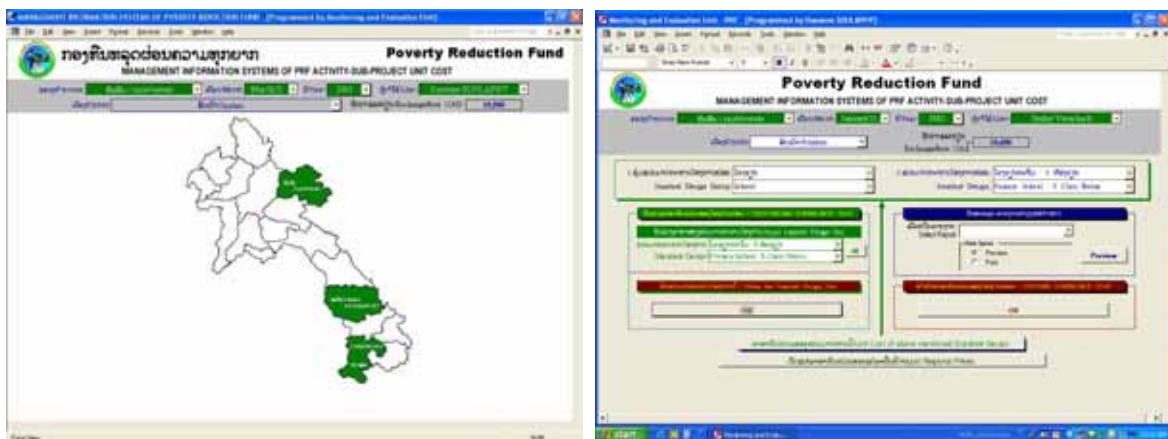
anything. All villages within a PRF target District are eligible to participate and the forum of khet representatives basically decides which proposed khet subprojects will be funded within the district allocation.

### 3.7 Technical / engineering aspects and unit cost database

Standard guidelines for PRF technical staff and facilitators was developed from a draft copy that had been prepared by the PRF formulation team in 2002. In addition, the PRF drew heavily on other sources of documentation including from the Kecamatan Development Program technical handbook - a project of Indonesia Government that received a loan from the WB: Easy way to inspect simple infrastructure. The Engineering and Technical guidelines include sections on labor-based approach from the ILO and technical recommendations per type of constructions. A large collection of technical manuals have been assembled and are being translated in Lao so as to provide the PRF technicians with useful field materials.

A Unit Cost Database (UCD) has been designed alongside a compilation of standard designs for schools, dispensaries, drilled wells etc. That UCD enables the field engineers to reach an accurate cost estimate within a short time, provided that local material and transportation costs have been updated and entered into the system. The UCD has been revised and improved through consultation with District and Provincial Technical Advisors' feedback. However, some types of constructions cannot be easily standardized. For instance, the designs of irrigation systems or bridges over 15-20 meters would depend heavily of site characteristics and soil properties. For these non-standard designs, the PRF may recommend to split the process and undertake survey, design and preparation of bidding documents during Year 1 whereas bidding process, contract award and implementation would take place during year 2. A special module of the UCD is currently being developed for calculation and design of Spring Fed Gravity Systems.

The UCD purpose is primarily to ensure standard quality through the use of a set of standard designs. In addition, the use of the UCD reduces appraisal time through quick and accurate calculations. Moreover, the UCD allows more transparency and allows abnormal costs to be flagged. Lastly, the UCD guarantees that the PRF investment has been optimized by neither paying too little for poor quality nor paying too much in waste.



**Table 8: Progress on Coding for standard designs into the UCD**

No.	Type of activities	Design of construction	Coding	Number of types
1	School Type 1 (WB), Type 1A, 1B, 1C	✓	✓	3
2	School Type 2 (ADB)	✓	✓	1
3	Dispensary Type 1, AusAID Type, Brick Wall	✓	✓	1
4	Dispensary Type 2, AusAID Type, Timber Wall	✓	✓	1
5	Market Type 1	✓	✓	1
6	Market Type 2	✓	✓	1
7	Rural Road	✓	✓	1
8	Bridges – Bailey, Wooden, Wooden mixed with Concrete & Steel, Concrete, Submerged, Suspended Bridges	✓	✓	6
9	Culvert – Concrete culvert	✓	✓	1
10	Drainage system – V shape and U-shape Drainage	✓	✓	2
11	Water System: Spring Fed Gravity System	On going	On going	1
12	Water System: Well Type 1A, 1B	✓	✓	2
13	Water System: Drilled Well	✓	✓	1
14	Irrigation System Type 1	✓	✓	1
15	Irrigation System Type 2	✓	✓	1
16	Bamboo Water Wheels	✓	✓	1
17	Electricity: Solar	✓	✓	1
18	Electricity: Mini-Hydro, Not standardized	n.a	n.a	

**Standard Designs.** Standard designs are used where possible, with minor modifications made where requested by the villagers. District Technical Advisors do the bulk of this elementary design work, using PRF standard designs, which are based on Line-Ministry standards where available and possible. District Technical Advisors will not be able to depart from the standard designs without consultations with the Province Engineer. Minor modifications to standard designs will be done at the District office, while major changes to standard designs will need to be referred to the Province office.

Non-standard designs will be done by the Province Engineer, or her/his designate. Good engineering practices and principles will be used in the design for non-standard sub-projects, with due attention made to incorporating sensitive environmental considerations into sub-project site selection and design. The Province Engineer must be satisfied as to the capabilities of District Technical Advisors before assigning work to them, must be available for questions and advice, and must check all non-standard designs prepared by subordinates. The Province Engineer and District Technical Advisors are encouraged to communicate with Line-Ministry personnel for support and advice regarding standard practices in unique situations. Province Engineers will communicate regularly with the Civil Engineering Support Specialist in the national office of the PRF, informing him/her of type and size of sub-project proposals currently being designed at the province level. The Civil Engineering Support Specialist will provide support to the Province Engineers, and will help coordinate the activities of the technical group to the best advantage of the fund.

As the PRF builds its staff and technical capabilities, certain province or district personnel may be hired who possess expert knowledge or aptitude in specialized fields, such as water supply or irrigation. These particular Province Engineers or District Technical Advisors will be used by the PRF, where possible and as they have time available, as 'Roving Specialists' who will be able to leave their home province or district to visit another province or district to offer expert comment and design services for non-standard sub-projects. The Roving Irrigation Specialist, for example, would be able to quickly offer advice on best practices and good engineering design for small-scale irrigation sub-projects. Similarly, a Roving Water Supply Specialist would be able to bring samples of non-standard design drawings for quick adaptation to unique circumstances in each PRF province. To date, an irrigation specialist has been hired in Huaphanh Province. Though based in Add District for the moment, he has provided extensive support to irrigation sub-projects in Sobbao District. His assistance has not been requested in other PRF provinces so far.

With regard to designs of constructions under Community Force Account, the PRF recommends that all constructions abide to the following criteria as much as practicable:

- Simple to build
- Solid (more than strictly necessary to compensate possible faulty construction)
- Based on local material (Harmonious integration in the surrounding environment, save on transport, easily maintainable)
- Based on local knowledge and capacity
- Cheap
- Does NOT require heavy/costly equipment and machinery during the construction process

Environmental issues associated with most sub-projects are not expected to be significant. Most adverse impacts will be highly localized to the sub-project site, temporary in nature and easily mitigated through sensitive site selection, good construction practices and sensible management of the completed sub-project.

Environmental issues will be identified during the initial environmental screening performed during the District Technical Advisor's first proposed sub-project site visit. Many of these issues will be resolved with appropriate mitigation measures being incorporated into the design of the sub-project. Other issues will require vigilance on the part of the implementation team to safeguard aspects of the site and surrounding environment during construction.

Standard construction clauses will be inserted into contracts issued for sub-project work to cover the more obvious issues. District Technical Advisors and Khet Technical Facilitators will also be expected to monitor sub-project sites with attention to environmental safeguards, making recommendations to khet implementation teams as appropriate and necessary.

### **3.8 Training**

The PRF has tried to take a careful staged approach to training and implementation. For this reason, the PRF pre-service staff (and community) training plan has been broken down into manageable training packages. Many of the modules in each package allow for practice and field experience immediately after delivery of each package. The PRF



believes that this is the best way to handle and facilitate the large amount of training required, building up capacity, testing and gaining further lessons and skills as the project proceeds. All pre-service staff training (that prescribed in the Operations Manual and more besides), plus initial training of the Khet Representatives and Khet Teams have been completed before any of the sub-projects, digging or building, etc. are actually started.

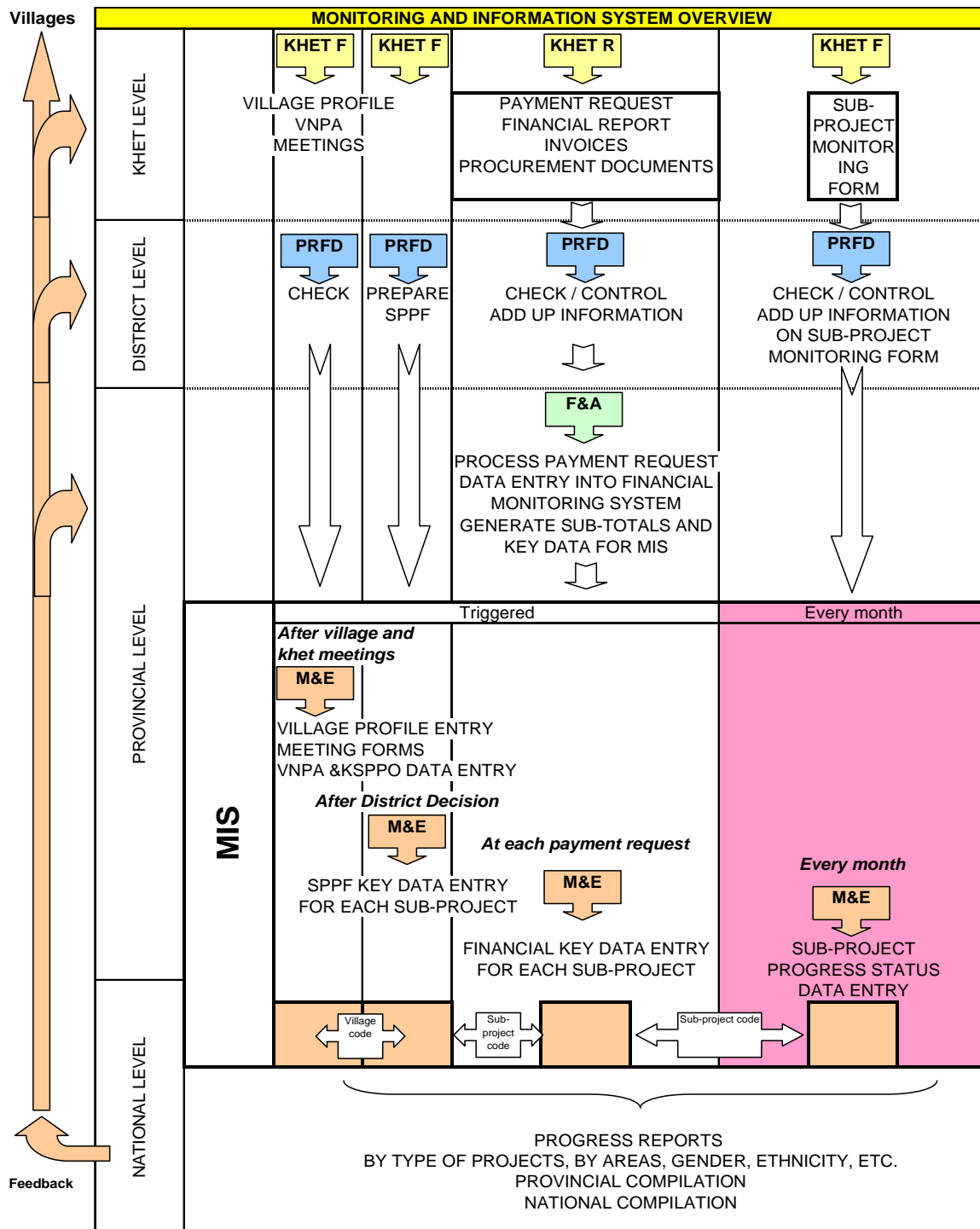
**Table 9: PRF training package at a glance**

Training topics	T. done	T1*	T2*	T3*
WB funding processes (3 or 4 day specific skills)	Oct 02			
UXO awareness (2 days general course)	Jan 03			
Orientation short course (2 days)	Nov 02			
Formal skills transfer				
Training of trainer (4 days specific skills)		Mar 03		
PRF cycle , principles , rules , etc ...(1day training module)		Apr 03		
Socialization + IEC (1day specific skill)		Apr 03		
CD, Participatory Planning (3 days specific course )		Apr 03		
Collection and processing of M&E data and use of start up reporting formats (0.5day specific course)		Apr 03		
Survey (1 days specific course )			Jun 03	
Environmental aspects (1 days specific course)			Jun 03	
Design (1days specific course)			Jun 03	
Cost estimate (Unit cost data base) (2 days specific course)			Jun 03	
Subproject preparation and proposal formulation (2 days specific course )			Jun 03	
Local disbursement cycle and procedure (1 day) specific course			Jun 03	
PRF implementation-activities, cycle, concepts, principles and objectives (1 days specific course)			Jun 03	
Community procurement and financial management (1days specific course)			Jun 03	
Gender training (2 days general course)				Aug 03
Social and ethnic training (2 days general course)				Aug 03
Construction management (1day specific course)				Aug 03
Quality control and maintenance management (2 days specific course )				Aug 03
Conflict resolution procedure (2 day general )				Aug 03
PRF Operation , Administration , financial management (In-house manuals and handbooks)		Self-tuition, sharing & exchanges – continuous		
PRF bookkeeping practices and basic auditing		Self-tuition, sharing & exchanges – continuous		
Lao PDR laws (labor, land titling, contract etc.)		Self-tuition, sharing & exchanges – continuous		
Construction manuals and technical reference documentation (Periodic update - PRF National)		Self-tuition, sharing & exchanges – continuous		
Community development manuals and reference documentation (Periodic update - PRF National)		Self-tuition, sharing & exchanges – continuous		
PRF TA / CD sharing of knowledge, skills and experience within each province (Start up in 1 district)		Self-tuition, sharing & exchanges – continuous		
PRF sharing of knowledge, skills and experience among provinces (by project type)		Self-tuition, sharing & exchanges - continuous		

### 3.9 Monitoring and evaluation – MIS

The monitoring and evaluation (M&E) system uses a range of methods for collecting and processing data. To this end, various kinds of forms have been designed in order to capture data at each step of the process. Concurrently, a database was programmed to process and analyse data collected from field levels and produce synthetic reports. The M&E unit has a responsibility to monitor and follow-up the sub-projects implemented in the community.

Figure 9: Overview of monitoring / MIS system for subproject



### 3.9.1 Forms and Database Development

Forms are used for collecting data from different activities held at provincial, district level and field level. Many forms were developed by M&E at national level based on the PRF Operations Manual. Systematic training was undertaken so as to make sure that all responsible staff would know how to use them. However, as part of pilot testing, all the

forms have been revised with consultation between National team and Provincial teams upon the actual activities implemented at each stage. A list of forms used for collecting data is shown below.

**Table 10: Forms of M&E used for collecting data**

Abbreviation	Form Name	Collect Level
VNPA	Village Need and Priorities Assessment Form	Village level
K_SPPO	Khet Priorities Outline Form	Khet Level
PDKV_MT	Meeting Form	Province, District, Khet, Village Level
K_KRKT	Khet Representative and Khet Team Form	Khet Level
K_PRF	Request Payment Form	Khet Level

A special form has been developed for sub-project monitoring purposes: the Sub-project Implementation

Monitoring Form. Every month, the District PRF staff will meet the khet facilitators and update their information with regard to each sub-project. It won't be necessary to fill again all basic data every month. Computerized print out forms will already contain the previous month's data and will only need to be updated. Data about sub-project physical progress, funds transferred, possible problems will be recorded every months and inputed in the MIS. This form will be used in 2004 for pilot testing at the sites.



Along with the forms, different databases for processing data and reporting have been developed. These databases are bilingual tools and can produce reports either in Lao or English languages. At this stage, databases have been tested and are operational. However, they will be revised and evolve according to processes and forms updates and improvements.

### 3.9.2 Sub-project categories and codes

The PRF Sub-project coding system is described below:

**Table 11 Sub-project codes**

<b>Sub-project code: PPDDKK_TT_YYYY_#</b>	
PP	= Province
DD	= District
KK	= Khet
TT	= Sub-project type (i.e. school, clinic, road and access, etc.)
YYYY	= Year of sub-project proposal confirmation
#	= Sequential number according to each sub-project type

PPDD is copied from the NSC (National Statistic Center) - KK doesn't exist in NSC and has been especially created

**Table 12 shows abbreviation of sub-project type codes**

<b>Sub-project type codes are as follows:</b>	
HL	= Health
ED	= Education
TR	= Training
WS	= Water & Sanitation
AT	= Access / transport
RF	= Credit / revolving fund
CR	= Crops
EL	= Electricity
IR	= Irrigation
LF	= Livestock / Fisheries
BH	= Small business / handicraft
UX	= Unexploded Ordnance

Sub-categories are currently being developed in order to be able to produce more selective reports.

### Example:

In khet 10 of the district of Moonlapamok, there are three sub-projects for the year 2003:

Construction of drilled wells:

160910WS2003-1

(First Water & Sanitation project in the khet No 10 in Muang Moon in 2003)

### 3.10 Complaint prevention and resolution

In line with PRF objectives, this area is designed to promote transparency and to support participatory decision-making. Conflict resolution processes and procedures are designed to assist communities to solve possible problems and conflicts with regard to PRF sub-project implementation. Draft complaints resolution guidelines have been prepared during 2003 and will be finalized after field testing in 2004. A major hindrance to developing this process



effectively is due to the fact that PRF does not yet have experience. Nevertheless, the PRF has completed a first draft of Complaints Resolution Guidelines, which is being circulated among a small circle of stakeholders for discussion, inputs and recommendations. Besides, a Recommendation Box (121 boxes) has been installed on each information board in each khet center.

### 3.11 Procurement

PRF procurement activities can be divided into two broad categories

- i) PRF national/provincial level procurement of vehicles, office supplies, works (office renovation), external consultant / trainer;
- ii) Community level procurement of materials, trainer, small works (construction contracted out to company through bidding).

With regard to PRF national/provincial level procurement, a list of items and equipment, which have been procured and distributed to provincial offices in the course of the year 2003, is given in the annexes.

Procurement at Khet level is managed by the participating communities themselves. Before a community can take action, mandatory training about basic financial management and community procurement is provided. Experience suggests that in spite of the training received and the distribution of procurement handbooks, some communities may have difficulties through the process. Therefore, Provincial and District PRF staff are providing close support to the communities regarding these matters.

During sub-project appraisals, PRF staffs recommend the Community Force Account approach whenever possible because it provides an opportunity to the communities to (1) acquire/develop their skills, (2) earn money and (3) enhance local ownership of the final output.

Main strengths of the Community Force Account approach and necessary controls & guidance:

STRENGTHS	NECESSARY CONTROLS & GUIDANCE
Strong participation	Villagers need daily supervision, technical guidance and on-the-job training → Lack of control may lead to possible low quality of construction
Strong ownership	
PRF funds are spent locally so that local workers' wages contribute to foster the local economy	Sub-Project activities may interfere with agricultural activities → Lack of daily guidance may lead to slow Sub-project implementation
Workers from poor families who work on PRF sub-projects experience direct income generation for the poor	
Villagers are given an opportunity to learn new skills	

## 4 ACHIEVEMENTS AND SHORTCOMINGS

### 4.1 Calendar of main activities

Activities	Accomplish. Date
Loan declared effective	February 2003.
PRF launched in 3 districts in. (300 villages were covered for socialization and needs assessment.)	April 2003
District Prioritization of needs	June 2003
Financial management and procurement training 540 people (from the 300 start-up villages)	July-August 2003
72 sub-projects had been appraised, designed and costed in the 3 start-up districts	October 2003
Preparations for implementation of sub-projects	End of 2003
917 villages, in 10 districts socialized and VNPA undertaken	End of 2003

...

<b>Phase I. Socialization</b>			
Public Radio Broadcasts	OPT National Level Huaphanh Team	February – March [3] December	March, May [3] December
Provincial Socialization Meetings	Provincial Teams OPT, M&E National Level	April [3] September [7]	April [3] October [7]
District Socialization Meetings	District Teams Provincial Teams OPT, M&E National Level	April [3] September [7]	April [3] October [7]
Khet Socialization Meetings	District Teams Provincial Teams OPT, M&E National Level	April [3] October [7]	April [3] October [7]
Khet Facilitator Trainings for Socialization	Khet Facilitators District Teams Provincial Teams	April [3] October [7]	April [3] October [7]
Village Socialization and VNPA Meetings	Provincial Teams OPT, M&E National Level	May [3] July [7]	April - May [3] Oct. - Nov. [7]

<b>Phase II. Proposal Preparation</b>			
Khet Proposal Prioritization Meetings	Provincial Teams OPT, M&E National Level	June [3] July [7]	May - June [3] Oct. - Nov. [7]
District Proposal Prioritization Meetings	Provincial Teams OPT, M&E National Level	June [3] August [7]	May - June [3] Oct. - Nov. - Dec. [7]
Preparation of Sub-project proposals	Villagers Provincial Teams OPT National Level	June - July [3] Sept. Oct. [7]	June - July [3] November [7]
Khet Facilitator Training for Community Financial Management & Procurement	Khet Facilitators District Teams Provincial Teams	Aug. [3] Sept. Oct. [7]	Aug. [3] November [7]
Khet Confirmation Meetings	District Teams Provincial Teams	September [3] October [7]	September [3] December [7]
District Decision / Finalization Meetings	District Teams Provincial Teams OPT National Level	September [3] November [7]	October [3]

<b>Phase III. Preparation for Implementation</b>			
Preparation for Implementation	Villagers District Teams Provincial Teams OPT National Level	Sep. - Oct. [3] December [7]	Nov. - Dec. [3]



## 4.2 Socialization and village need assessments

Socialization comprises the introduction and promotion of the project and its principles, processes and procedures to government officials, villagers, and other organisations working in PRF target areas. Socialisation is the first stage at the local level and it is a crucial step as it directly supports the success of the subsequent processes and future activities' implementation. Participants who attended PRF Socialization meetings at provincial



and district levels included Government officials from Agriculture, Education, Health, Communication, Transportation, Post and Construction, Planning and Cooperation, Lao Youth Union, Lao Women's Union, International Organizations. Their willingness to cooperate with PRF was reaffirmed during subsequent encounters.

Based on reports from districts and provinces, the number of people attending PRF Socialization Meetings is impressive. Full-scale socialization activities were launched in the field in the three start-up districts, in mid-April 2003. A total of 305 villages in 37 khets in those districts participated in Socialization Activities.

The second round of Socialization Activities started in October - November 2003, where 615 villages were visited in 76 khets for 7 remaining districts.

All in all, during the Year 2003, Socialization Meetings covered 920 villages from 121 khets within 10 districts. That could only be possible because PRF received very good cooperation from the local authorities. Preparation was also a determinant factor of success as for example giving sufficient notice and informing people about meetings beforehand. Villagers were usually informed by the village chiefs who were contacted by the local authorities.



Local people's positive attitude towards the PRF was also determining as most people were very interested in PRF concept, objectives and principles, perhaps because of its novelty and because it is a project supported by the Lao Government and the World Bank. Lastly, Socialization meetings could not have been undertaken so smoothly without the assistance of the Khet Facilitators, who had been provided with training before joining PRF staff to the villages. Being indigenous, they were fluent in local ethnic dialects, were familiar with local social and traditional customs and knew perfectly well their surroundings. Their contributions were invaluable as they assisted the communication between villagers and the PRF.



Not only were village meetings held for socialization purposes, but they were also organized for assessing the villages' needs and priorities as perceived by the villagers themselves. Men and women separate meetings were held so as to identify the three priority needs from each group, before bringing them together to select (from six) only 3 priority needs for their village<sup>10</sup>.



The percentage of villagers attending socialization and needs and priorities assessments at village level amounts to more than half (54%) of the villages' adult population, which

constitutes an impressive responsiveness from the target communities.

<sup>10</sup> Annex 5 shows the Village Need and Assessment (VNPA) form that is used for collecting priority needs for village and a example VNPA report produced by MIS

**Table 13: Year-2003 PRF coverage for socialization and village needs and priorities assessments**

Province	District	No. Khets	No. villages
Huaphanh	Add	12 Khets	78 Villages
	Sobbao	7 Khets	76 Villages
	Xiengkhor	12 Khets	66 Villages
		<b>Sub-total</b>	<b>220 Villages</b>
Savannakhet	Sepone	20 Khets	161 Villages
	Nong	10 Khets	77 Villages
	Vilabury	16 Khets	103 Villages
		<b>Sub-total</b>	<b>341 Villages</b>
Champassak	Moonlapamok	10 Khets	68 Villages
	Pathoumphone	10 Khets	93 Villages
	Sukuma	10 Khets	62 Villages
	Khong	14 Khets	136 Villages
		<b>Sub-total</b>	<b>359 Villages</b>
		<b>TOTAL</b>	<b>920 Villages</b>

**Table 14: Attendance at Village Needs and Priority Assessments for 10 target districts**

District	Total Population	No. of Participants	% of adult population	No. of Women	% of women	No. of Activities requested at village level
Add	25,942	12,279	85%	5,653	46%	456
Sobbao	26,061	11,471	79%	5,272	46%	450
Xiengkhor	25,125	9,333	66%	4,731	51%	384
Moonlapamok	37,101	7,018	34%	3,339	48%	402
Khong	72,746	15,905	39%	6,149	39%	822
Pathoumphone	49,670	7,024	25%	2,981	42%	552
Sukuma	45,765	7,962	31%	3,605	45%	372
Sepone	41,067	12,011	52%	5,689	47%	952
Nong	20,130	7,979	71%	3,635	46%	471
Vilabury	28,576	10,171	64%	4,316	42%	606
<b>Total</b>	<b>372,183</b>	<b>101,153</b>	<b>54.6%</b>	<b>45,370</b>	<b>45.2%</b>	<b>5,467</b>

Because of the difficult topography and accessibility of many PRF target areas, the PRF staff had to cope with numerous logistic constraints, harsh weather and long walks. Many of them got malaria and upset stomachs. All these difficulties were overcome thanks to the high spirits of PRF staff to keep up the good work for the benefit of all.

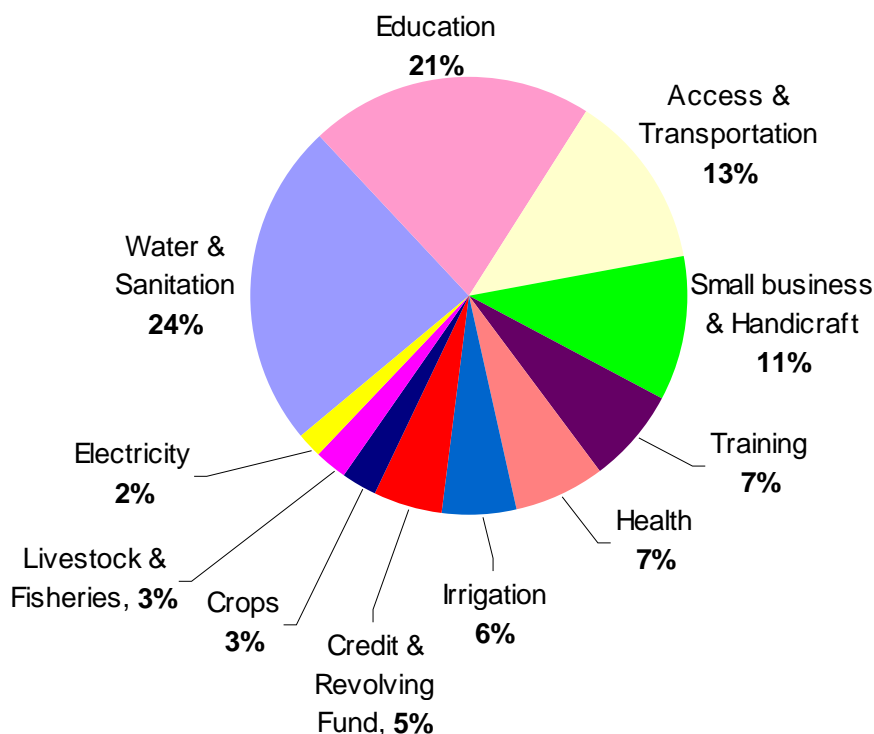


**Table 15: Main needs & priorities among the 10 PRF districts**

Sector	Percentage
Water & Sanitation	24%
Education	21%
Access & Transport	13%
Small business & Handicraft	11%
Training	7%
Health	7%
Irrigation	6%
Credit & Revolving funds	5%
Crops	3%
Livestock & Fisheries	3%
Electricity	2%

Among the 10 districts covered by the PRF, the findings suggest that Water & Sanitation (24%) seems to be the area of main concern. Education is perceived as a problem by 21% of the villages. Road and transport represents 13% of the responses. Small business & Handicraft comes in fourth position with 11% of responses. Training and Health score either 7% of responses.

**Figure 10: Overall village needs and priorities grouped by sector from 10 PRF Districts**



### 4.3 Sub-project prioritization and appraisal

**Table 16: Number of participants that attended Khet Prioritization Meetings**

District	No. of Participants	No. of Women	% Women attended
Add	248	75	30.2%
Sobbao	178	65	36.5%
Xiengkhor	185	60	60%
Moonlapamok	289	78	27%
Khong	505	132	26.1%
Pathoumphone	316	94	29.7%
Sukuma	237	70	29.5%
Sepone	528	218	41.3%
Nong	263	75	28.5%
Vilabury	361	130	36%

**Table 17: Number of participants that attended District Prioritization Meetings**

District	No. of Participants	No. of Women	% Women attended
Add	128	39	30.4%
Sobbao	83	29	34.9%
Xiengkhor	118	41	34.7%
Moonlapamok	40	20	50%
Khong	95	27	28.4%
Pathoumphone	68	21	30.9%
Sukuma	91	21	23.1%
Sepone	198	81	40.9%
Nong	140	54	38.6%
Vilabury	108	47	43.5%

*Number of participants that attended District Decisions<sup>11</sup> / Finalization Meeting*

District	No. of Participants	No. of Women	% Women attended
Sobbao	73	27	37%
Moonlapamok	80	32	40%
Sepone	126	43	34%

At the Khet prioritization meetings, each village within a khet sent its three village representatives (one woman, two men) to discuss in separate meetings the khet priorities for this year. Within each group, the village representatives from each village presented their village's 3 priority needs/problems and possible solutions. When all villages finished their presentations, the separate groups ranked problems and needs by order of importance. The two groups thus came together again and discussed the priorities, problems and possible solutions of each group. For the main village needs and priorities,

<sup>11</sup> District Decision / Finalization Meetings in seven districts are now being prepared and will be organized early next year.

villagers were guided by the PRF staff to analyze problems so as to identify main root causes.

Then, in each khet, the village representatives' forum chose six (6) priority needs per khet, which:

- (i) are supported by a majority of men and women
- (ii) focus on poverty reduction
- (iii) intend to eliminate major causes of priority problems
- (iv) are eligible PRF activities

After that, all the village representatives elected their four Khet Representatives (two men & two women) who would present the 6 priority needs at the District Prioritisation Meeting. Other khet team members were selected the same day such as procurement team, implementation team, maintenance team etc.

One day before the District prioritization meeting, all khet representatives were invited to prepare the District meeting. The PRF staff announced the amount of funding available for the District for the current year, and explained how the funding allocation was calculated. They also explained that next year's allocation is not yet set and may not be the same as this year's. (Need to review progress of the previous year, see how well the funds were managed, assess effect/impact on poverty/the poor, etc.). They reiterated that because the amount of money is small, not every village will get help this year. The poorest villages should get help first.

Then, the PRF staff explained and presented the guiding criteria for selecting sub-project proposals (Sub-project proposal Quality Checklist) and stressed the importance of 'siding with the poor' and making 'wise investments'. To this end, they used the Village Poverty Rankings Posters (high, medium, low) to show which villages and khets are the poorest in the district. In addition to poverty levels in each khet, number of poor per khets and percentages compared to the total number of poor were presented. Lastly, the PRF staff used to consult the khet representatives' forum so as to compare local perceptions of poverty and thereby completing the overall common understanding of the local situation. They also explained how PRF calculates lowest cost for maximum benefit (estimated sub-project cost per person) and proposed that factor as an indicator for "wise" investment.



After that, the PRF staff guided the Khet Representatives to prepare presentation flipcharts for the District Prioritization Meeting. They introduced and explained the suggested format/outline to put each khet needs and priorities onto a flipchart paper. Lastly, they made plans for the District Prioritization Meeting and decided who will present the flipchart for each khet. When time permitted, they practiced and rehearsed their presentation.

The next day, the District Prioritization meeting took place. Local authorities, Government Technical Department, Planning and Cooperation, all concerned NGOs and agencies and any other interested parties were invited to join the meeting.

Firstly, the PRF staff introduced the objectives of the meeting and presented participants.

Then, the Khet Representatives from each khet presented their 6 sub-project proposals. To this end, they had written on their flipchart basic information about each proposal using the guidelines provided (e.g. name of proposal or sub-project; location; activity-type; size or scope; estimated cost; number of beneficiaries; poverty ranking of the village or beneficiaries; commitments or assistance required from technical offices or departments, etc.) Once, all khets had presented their proposals, the khet representatives were asked to prioritise and rank the sub-project proposals or groups of proposals based on the PRF principles of wise investment (*cost per number of direct beneficiaries*) and siding with the poor etc.

At that point, the PRF staff requested the Government technical departments, planning and other NGOs to speak up if they thought they could contribute to the discussion. For example, there may be some interventions about the nature of some sub-projects, past experience, designs to be recommended, preliminary training to be given, data to be acquired etc. Moreover, and more importantly perhaps, this was an opportunity for other development agencies and government institutions to coordinate and harmonize their own activities, plans and priorities with the people's tentative plan to be supported by PRF.

Usually, the total estimated budget for khet priorities amounts to approximately ten times the available budget. This is a serious budget limitation, which calls for discussion and negotiations among the khet representatives. Interestingly, many disparities have been noticed among districts. When some districts have simply divided up the pie in equal shares among khets, some others have used the data provided by PRF to their advantage.



For instance, a khet would argue that higher poverty levels or more poor in their khet justified a larger share, while other khets counter-argued that larger population called for a larger share.

Lastly, the PRF staff stressed the fact that the list of sub-projects established during District Prioritization meetings was temporary as costs were roughly estimated and feasibility studies had yet to be undertaken. Indeed, the PRF technicians had a few “surprises” during subsequent sub-project appraisals, when for instance they saw that the school referred to as a “school renovation” sub-project was in fact beyond repair and would cost far more than the initial estimation. It was found also that the Village Needs and Priorities Assessments (VNPA) forms did not initially contain any information regarding the size of the requested construction. Therefore, the PRF technicians were forced to guess calculate the cost estimates for the District Prioritization meetings. That flaw was later addressed, as updated VNPA were used in the 7 other districts.

Sub-projects were then appraised in the three start-up districts. Respectively, 21, 32 and 29 sub-projects were appraised in Sobbao, Sepone and Moonlapamok Districts. Extensive field visits were undertaken by PRF Community Development Specialists and Technicians who joined forces.

Appraisal of the sub-projects included: further consultations with the communities concerning site selection, and many practical aspects related to planning for implementation, present and future use, operation and maintenance of benefits, etc.; site visits by PRF technical staff, sometimes accompanied by government counterpart staff; preparation of drawings/designs and detailed cost estimates; environmental and unexploded ordnance (UXO) assessments. All of the designs and information collected concerning each sub-project were put into a formal, standardized proposal, one for each sub-project.

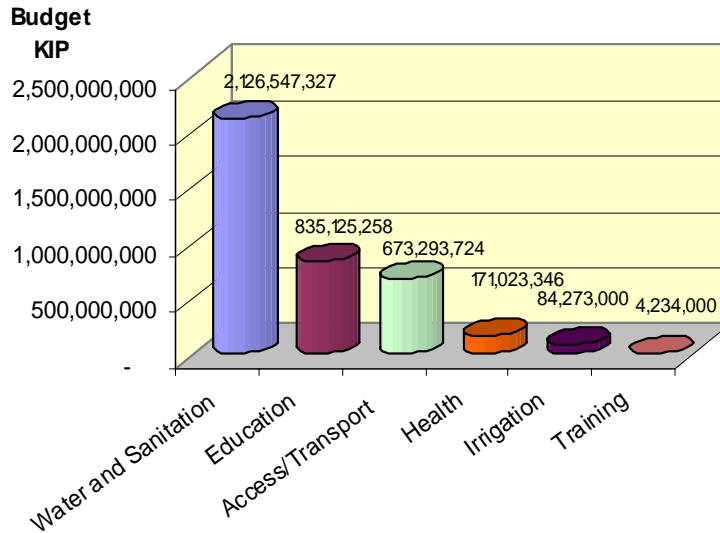
After a proposal form had been prepared for each sub-project in a khet, the next step was to hold a meeting with the people and people’s representatives in order to confirm their agreement with and acceptance of the plans, design and budget for each sub-project. In addition, village contributions and procurement issues were discussed in order to determine whether the community could implement a sub-project by themselves, in terms of conciliation with their own agricultural activities and in terms of local technical capacity.

The first of the Khet Confirmation Meetings was held in October 2003, with the District Finalization/ Decision Meetings following as soon as practicable afterwards. Depending on the more accurate cost estimates in relation to the funding available, some adjustment were occasionally performed in the number of sub-projects actually approved by the District Finalization/ Decision Meetings.

Out of 1603 activities requested at village levels were selected 182 sub-projects or (11.3 %) at District Decision meetings. In order to make sure that all potential resources had been explored, the Khet representatives were requested to consider different alternatives such as (1) refer sub-project to GOL or NGOs, (2) consider village contributions’ increase, (3) reduce size, scope or quality of sub-project(s), (4) present again the sub-project the following year under next PRF budget.

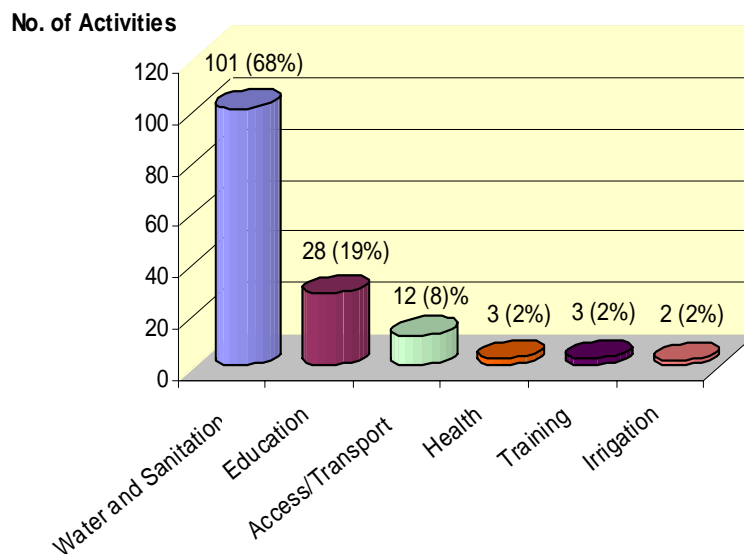
The figure below shows the total budget of all supported PRF activities for the cycle 2003-2004. First installments will begin to be transferred to district levels by early 2004. The total budget is 3,894,496,656 Kip, which corresponds approximately to US\$ 370,904.

Figure 11: Budget Summary per category



The figure showed next page displays results pertaining to the final decisions made by the participating communities of Mounlapamok, Sepone and Sobbao Districts. The chart suggests that Water and Sanitation is the area of main concern (68% of needs), followed by education (19%) and transport (8%).

Figure 12: Activities Summary per category





In the 3 start-up districts, preparations for implementation of the first funding-round sub-projects at community level went ahead strongly in this Quarter.

**Community contributions**

**Table 18 Amount of community contributions per district**

Districts	Total cost for sub-projects	Community Contributions	%
Sobbao	\$ 171,763	\$ 56,672	33%
Sepone	\$ 195,612	\$ 17,529	9%
Moonlapamok	\$ 74,551	\$ 6,633	9%

Huge disparities have been noticed between regions for Community contributions. The northern part population seems inclined to take the initiative, perhaps due to the local scarcity of such opportunities. Purposely, PRF does not require a minimum level of community contribution lest the poorest villages may not be able to participate. In fact, the people themselves determine how much they are ready to contribute to a sub-project. Three start-up districts-at-a-glance summary sheets are presented in Annex 6 and summarize key data that resulted from VNPA, Sub-project appraisal, and District Forums.

**4.4 Implementation of sub-projects**

Implementation of sub-projects is done after Proposal Preparation Phase. At the end of the year 2003, three start-up districts are preparing for implementation of sub-projects. This process is carried out through labour mobilization, training on construction techniques etc.

Fund disbursement to communities will be done by transferring to community accounts, which are already opened for each Khet in 3 start-up districts with 37 Account Books in total. Their accounts were opened with the Agricultural Promotion Bank, which is the only bank that has established branches in rural areas. All banking work will fall under the responsibility of the Khet Representatives, while the Khet Procurement Team will be in charge of supplier and contractor selection.

The PRF signed 82 contract agreements with the khets, which correspond to 82 sub-projects, whose implementation will start next year. According to the Credit Agreement and the PRF procurement procedures, the first six contracts of sub-projects related to [three contracts of Small Work<sup>12</sup> and three contracts of Community Force Account<sup>13</sup>] from each province need to be sent to the WB for prior-review.



<sup>12</sup> Small Work is related to construction work and renovation activities that need to be proceeded through bidding.

<sup>13</sup> Community Force Account means that the communities implement the sub-projects using their own resources (skilled and unskilled labor, material, equipment).

**Table 19: Small work and Community Force Accounts contracts' prior review**

	Small Work	Community Force Account
Huaphanh	1. New bridge construction	1. Spring fed gravity water
	2. <i>Waiting for Xiengkhor &amp; Add District</i>	2. School materials and equipments
	3. <i>Waiting for Xiengkhor &amp; Add District</i>	3. Repairing irrigation
Savannakhet	1. Drilled well	1. <i>Waiting for Nong &amp; Vilabury Dist.</i>
	2. Drilled well	2. Weaving training
	3. Dug well	3. School
Champassak	1. Drilled well	1. School renovation
	2. Drilled well	2. School renovation
	3. Drilled well	3. Primary school renovation

It becomes clear that three District PRF staff may not suffice to cope with the workload generated by sub-project implementation at local level. The three PRF district facilitators may not be able to ensure the daily supervision, on-the-job training and quality control of sub-projects.

Therefore, especially for Community Force Account Sub-projects and for High-Technology Small Work Sub-projects, the PRF recommends that external community supervisors / trainers / foremen / technicians were systematically hired by the communities for quality control and/or capacity building purposes lest:

- Sub-project quality may not be guaranteed, compromising PRF credibility and investment
- Sub-project implementation may be slow and even stop by lack of guidance
- Information about sub-project progress and problems may be scarce and/or out-of-date
- Problems may not be addressed in a timely manner leading to increasing frustration and possible sources of conflicts

Though hired by the communities, the PRF must assist in preparing the TORs of the external community supervisors / trainers / foremen / technicians and if necessary or requested in looking for adequate candidates. Moreover, PRF must reserve the right to object to the community's choice if the proposed candidate's capacity seems insufficient.

## 4.5 Training for Staff and Khet Volunteers

### 4.5.1 Sub-Project Proposal Formulation and Implementation

*For all PRF staff.* Many things were covered by the training on sub-project proposal formulation and implementation, which took place in the meeting room below the renovated PRF National Office, in mid-June 2003. The agenda included:

- Comments and lessons learned by the field-level staff concerning the socialization phase
- Reiteration of the PRF Principles, Project Activity Cycle, Work Plan, etc.

- General participatory work principles for TAs and other PRF staff, emphasizing on community involvement in and ownership of all aspects of the planning and decision-making process, and the need for sensitivity to environmental aspects, etc.
- Process for and elements required in all PRF Sub-Project Proposals.
- Participatory revision/improvement of a draft Sub-Project Proposal Form.

Trainers/facilitators for this subject area were all National Office staff due to the high proportion of PRF-specific content.

#### 4.5.2 Survey, Design, Costing and Construction Management

*For Technical Advisors.* This training was designed to strengthen the capacity of the provincial and district TAs and to instil in them some common, simple approaches, in order to prepare them for appraisal of the proposed sub-projects and implementation of other activities in the Proposal Preparation Phase.



Although survey and design were major topics for the 4-day training, many other topics were covered/ revised such as tools and equipment, general costing procedures/ principles, community consultation, project management and maintenance, etc. Three external consultants were hired by the PRF to give separate presentations concerning: (1) Roads, Bridges and Culverts, (2) Clean Water Systems, (3) Small-scale irrigation systems; construction and repair.

Because the external consultants had different backgrounds they provided a valuable mix of experience, especially in labour-based construction methods for small-scale rural infrastructure.

#### 4.5.3 Basic Management

*For selected Provincial and District Staff.* Two days of training were delivered to strengthen understanding about general management principles and skills. Topics in this training included: leadership, decision making, problem solving, organisation, team building, etc. National Office staffs were the presenters.

#### 4.5.4 Financial Management and Disbursement at the Community Level and Community procurement

*For all PRF staff.* Two days of training on each of these two topics, “Local disbursement cycle/procedures and community financial management/ book-keeping” and “Community Procurement” were presented by PRF National Office staff, in the PRF meeting room in Vientiane.

Forms and documents to guide the implementation of these subjects were introduced to the provincial and district staff. Everyone was included in the training so that there would be a common approach and understanding when dealing with/ advising the community representatives in these important areas. Such training was also necessary to prepare the PRF staff to train the Khet Facilitators, Khet Representatives and other teams at khet level.

## Financial Management

**For Provincial Accountants and Coordinators.** Three days of general, PRF-specific financial training were given to the Provincial Accountants and Provincial Coordinators. Much of the content was delivered by an external consultant who has been working with the PRF for some months. The PRF National Office Financial staffs were also closely involved in the training.

A large percentage of the time allocated for this training consisted of practical/on-the-job activities and problem solving/field feedback. The main ideas discussed and recommendations made during the financial training are attached as Annex 2.

### 4.5.5 M&E

**For Provincial M&E staff.** Two days of mainly on-the-job practice and experience was provided by the National Office M&E Unit for the Provincial M&E staff and their back-up staff/ assistants. Topics covered included: general M&E overview and functions, and how to enter data into the PRF-designed databases.



### 4.5.6 PRF Unit Cost Database (UCD)

**For TAs & Provincial M&E staff.** A half-day of training was spent on explaining the PRF UCD; how to use it for cost estimates for construction activities, and this was followed by another half day discussing and exchanging ideas about updating of the database, responsibilities, frequency, etc.

Training of Khet Facilitators focused on enhancing their capacity to assist PRF team with Socialization Activities.

Training in local disbursement cycle and community procurement to support the implementation of the sub-projects in the 3 start-up districts took place at various times in



July, August and September. Multiple sessions of training were required to cover a large number of trainees. In the main, the PRF Khet Facilitators were given training first so that

they would be able to assist with the training of the community representatives. The training of the community reps (Khet Representatives and Khet Procurement Teams) was largely conducted with attendees meeting together as groups of khets. This made it easier for the participants to join the training and kept costs as low as possible.

A total of 444 people were targeted to receive the training, but the training records show that 543 people actually attended. This is a very encouraging result as the actual number of people trained represents 122% of the target. The extra numbers were perhaps because of general high interest in and unfamiliarity with the subject matter. That 5 Khet Facilitators did not attend the training in Sobbao District was attributed to the poor provisions made for cost recovery/ low field-work allowances being paid.<sup>14</sup>

As regards the targeted percentage of female participants attending the community representatives training events, both Sobbao, and Mounlapamok more or less achieved the target of 44% of participants being women<sup>15</sup>, but in Sepone only 34% of participants were female. Because of the much larger than required number of people trained in Sepone however, the number of women trained was actually 94% of the target.

The training covered the following topics:

*Local disbursement cycle*

- Rules of Financial
- Management at Khet level
- How to use Accounts (Cash book and Bank Book) and Banking Forms
- Practical Training
- Discussion

*Procurement*

- Community Contracts
- Sub-project Proposals
- Procurement of Civil Works
- Procurement of Goods
- Procurement of Training

Training aimed to provide basic knowledge for Khet Facilitators, Khet Representatives and Khet Procurement Teams on how to manage the village/khet grants and how to make procurement of goods and services. Content of the training was prepared by PRF national office staff who facilitated the training of the Khet Facilitators in each district. The provincial and district teams then



<sup>14</sup> Closer analysis of the total numbers attending the local disbursement cycle and community procurement training show that while both Huaphanh and Savannakhet greatly exceeded targeted attendance figures, by 50% and 43% respectively, Champasack (CPS) did not at first actually achieve the targeted attendance. The Khet Facilitators in CPS all attended except for one, but only 85% of the people's representatives are included in the 543 total. One khet (Khet X) in CPS did not attend the initial courses, and the PRF staff had to train them separately later.

<sup>15</sup> In Sobbao (Huaphanh) 46% of attendees were female, and in Mounlapamok (Champasack) 43% were female.

conducted and supervised the training of the Khet Representatives and Khet Procurement Teams, with assistance from the Khet Facilitators.

Sobbao District reported that although an ethnic (Hmong) interpreter was available, the training (which was conducted in Lao language) could not be understood well by some participants. In addition, because the participants' level of education differed, some found the training too general and felt that they needed deeper training.

#### 4.6 PRF equipment & offices

In order to launch its activities, the Poverty Reduction Fund needed offices at national, provincial and district levels and procured some necessary office equipments<sup>16</sup>. All PRF offices are public buildings and compose part of the Government' contribution in kind to the PRF. However, the PRF found the need to renovate most of the offices in order to render them operational.

**Table 20: Renovation of PRF offices schedule**

Description	Review	Time schedule					contract Price US\$
		Bid invitation	Bid opening	Evaluation complete	Contract signing	Final delivery	
Savannakhet					9-Dec	24-Sep	1,502.78
Vientiane	Prior	4-Feb	19-Feb	3-Nov	22-Mar	7-Mar	43,790.95
Add District	Post	7-Nov	25-Jul	26-Jul			530.00
Xiengkhor District	Prior	7-Nov	25-Jul	26-Jul			1819.62
Sobbao District	Post	7-Nov	25-Jul	26-Jul	31-Jul		316.04
Sepone District	Post	5-Jun	26-May	27-May	7-Jul	15-Sep	7,695.20
Champassak	Prior	19-May	6-Apr	6-May	7-Nov	9-Nov	2,671.92
<b>Total</b>							<b>58,326.51</b>

The office in Vientiane had to undergo significant rehabilitation before the national staff could move in. The offices are composed of two wings and a communicating platform totaling about 300 square meters. The renovated space was formerly used by the Committee for Planning and Cooperation as storage area in the attics of a building that used to be a gymnasium, before being renovated once to turn the former volleyball court into a conference room. Renovation work at the National Office was completed and all the staff moved into the new premises by the end of May 2003.



The Vientiane office final results is very propitious to team work as shoulder-height partitions have been installed, not so much for creating individual cubicles as for creating

<sup>16</sup> See Annex 7 for list of office equipments procured during this year

zones for the different units to operate. In addition to its own thirty-seat meeting room upstairs, the PRF has access to the conference room downstairs, which is shared with all departments of the CPC.



Vientiane Office before renovation



Vientiane Office, May 03

The Vientiane office inauguration took place on 4<sup>th</sup> February 2003. The event was held at the Committee for Planning and Cooperation (CPC) Office in Vientiane.

Likewise, offices in provinces and districts were progressively renovated to the satisfaction of the PRF staff. Noticeably, the Savannakhet provincial team was initially based in Savannakhet provincial department of Planning. However, it became quite a burden to drive back and forth between Sepone District and Savannakhet



Sepone Office in Savannakhet, August 02

town so as to spend extensive periods of time in the field. After discussing with the Governor of Sepone District, an opportunity was offered to the PRF to renovate a large wooden building, which would become the PRF provincial office relocated in Sepone. Its unique location, at about equidistance from Nong and Vilabury Districts makes it perfect to become a PRF provincial “hub”, to supervise and manage PRF activities in that region. Besides, it was also possible to renovate rooms to be utilized as dormitories for the PRF provincial and district staff.



Champhasack Office, August 02

All district offices but one have electricity. That convenience has been used to equip each district office with a computer station composed of a PC desktop computer and Uninterruptible Power Supply and a laser printer. However, Nong District in Savannakhet isn't deserved by electricity and the PMT is currently considering the purchase of a small generator.

Renovations in Pakse office in Champassak Province and Sepone office in Savannakhet Province were finished in September 2003.

Minor renovations for both Sobbao and Xieng Khor offices in Huaphanh Province were completed in early October 2003.



Add Office in Huaphanh

Works on the PRF Office in Xam Neua in Huaphanh have been delayed but the renovation bidding documents were sold in mid October 2003 and work began by the end of 2003.

#### 4.7 Manuals and handbooks

As part of the conditions for loan effectiveness, the PRF Operational Manual and the Finance and Administration Manual were completed in February 2003. These documents have since been translated in Lao language and remain the most important manuals of reference utilized by the PRF. Of course, other documents have been developed since then, for the purpose of adapting the initial message to local communities or of addressing the need to be more specific regarding organizational and managerial aspects of activities. Among others, the PRF has developed a set of meeting guidelines, which map out exactly what PRF facilitators must do for each type of meetings of the PRF cycle of activities, recommendations to villagers about what to do before they hire a contractor etc. It will eventually take the form of a facilitator's handbook when all different sections will be



aggregated. However, for the time being, it is considered as an open ended document, whose components and guidelines were regularly updated and improved.

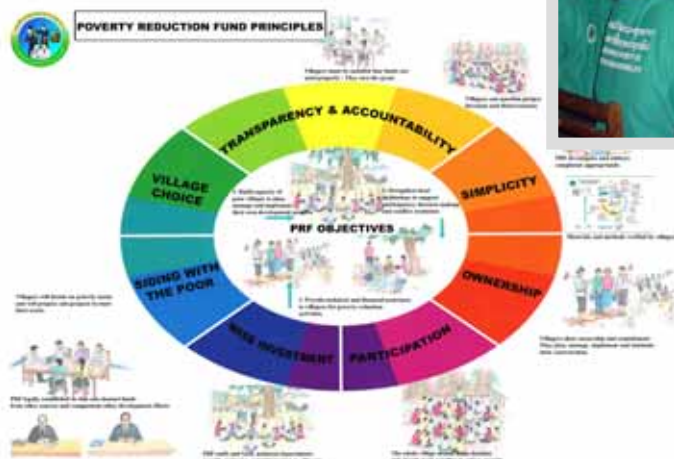
A draft of the PRF Engineering and Technical guidelines has also been compiled, including sections on labor-based approach from the ILO and technical recommendations per type of constructions. A large collection of technical manuals have been assembled and are being translated in Lao so as to provide the PRF technicians with useful field materials. That documentation will be primarily used by the Provincial Technical Advisors as a field technical reference library. For instance, Provincial TAs will be able to draw from it when requested prior authorization by District PRF Technicians to alter a standard design or when preparing technical hand outs for community supervisors or Khet facilitators.

Procurement guidelines and community disbursement guidelines have been prepared as well. The communities being responsible for financial management and procurement, it was crucial to prepare a set of documents that they could refer to.

#### 4.8 Development and use of IEC material

PRF used a broad range of IEC tools for conveying PRF information to the public and to the community level especially for the use of Khet and District Facilitators. The main objectives consist in promoting the project and its principles, processes and procedures to villagers, facilitators, government officials and to raise public awareness to reducing the problem of poverty in Laos.

IEC materials are used for socialization activities at district, khet and village levels to introduce the PRF objectives, activities and principles. By disseminating information, IEC materials enhance the transparency of the PRF implementation. IEC materials produced and used to date include:



**Table 21: Types of IEC materials produced and distributed**

Type of media	No. of Design	Distributed to	Approx. of publishing 2003
▶ Songs	10 songs	Government official, PRF staff to use with villagers	150 CDs
▶ Flipchart	1 set	PRF staff to use with villagers	170 sets
▶ Posters	5 posters	Government officials, villagers	1,302 sets
▶ Information Board	all Khets	Set up at each khet for PRF and community to announce information at community	37 boards
▶ Brochures	1 bro.	Government officials, Local / International Organization, villagers	9,000 pieces
▶ T-shirts & Caps	1 design / each	Government officials, other related organizations, PRF staff	450 & 150 each
▶ Summary of Operational Manual	1 booklet	Government officials, Local / International Organization	200 booklet
▶ Bulletin	2 issues	Government Officials, local business, local organizations, villagers	5,000 pieces
▶ Website	1 web	Local / International organizations in domestic and international level	1 web
▶ Radio Broadcasts	different programs	Government Officials, business, farmers, teacher, students, workers, working groups , villagers ...	2 stations

See Annex 8 for details of distribution

#### 4.8.1 Songs

Ten songs (one of them is ethnic) have been composed by the PRF staff with the assistance of an external composer. Song concepts have been approved by the PRF's Administrative Board. The PRF has used songs to promote the PRF's objectives and principles. CDs were given to government sectors at central level and to governors of all the provinces in the Lao PDR. To date, the public at large and villagers have shown their interest in PRF songs. Actually, there have been many requests for buying copies of the PRF songs, which is an encouraging indicator.

#### 4.8.2 Flipchart

A PRF Flipchart has been produced to use for socialization at provincial, district, khet and village levels. That Flipchart is illustrated and conveys simple messages about PRF objectives, principles and processes that can be understood by the communities.

The PRF flipchart in particular is a very helpful tool because it can attract the villagers' attention and interest in the PRF process. The Flipchart is meant to be interactive, as PRF facilitators ask questions and encourage villagers to express their views and share their ideas. Through the process, villagers will understand more about their rights to prioritize the needs of their



own villages and will be more aware of their responsibilities of ownership. Pictures were drawn by hand by a Lao artist, before being scanned and edited into the PRF flipchart. About 170 flipcharts were printed and disseminated to the field. Usually, they have been used by pairs, during socialization activities in the three start-up districts. One PRF facilitator would present and hold one Flipchart in front of him, while a second PRF facilitator would walk around and show the Flipchart at closer range to the villagers. The main reason for using two flipcharts simultaneously was because the initial printings were made in A3 size, which was considered too small when large assemblies would be gathered. Consequently, updated flipcharts were printed in A1 size. It adequately addressed that problem, though a few facilitators complained that the A1-size Flipchart is now too heavy and too voluminous to bring along when they have to walk for hours to the villages. In such case, it was found acceptable to remove the flipchart cardboard stand and roll the bundle of bound pages into their backpack.

#### 4.8.3 Posters – Brochures - Handouts

Many posters have been developed, including, PRF Activity Cycle, Principles, Process and Activity Cycle, Negative List etc. The posters are used together with the PRF Flipchart in socialization activities to help communities to broaden their understanding about PRF.

**Brochures** of information were printed both in English and Lao languages and were disseminated to a large public. Moreover, people who requested more information about the PRF were given a ten-page Summary of the PRF Operations Manual either in English or in Lao languages. The latter appeared to be very useful for sharing information with other organizations and Government sectors.



#### 4.8.4 Information Board

The information board aims to promote transparency and accountability of PRF process and sub-projects' implementation. A total of 121 information boards have been set up, one at each Khet Center. This support is meant to become a key tool in fostering communication between Khet representatives and villagers and between the PRF and the communities. Khet representatives must post on the information board all relevant information with regard to PRF activities e.g. budget transferred, contracts signed, expenditures, decisions made etc.



### 4.8.5 Newsletter



Bulletins of October 2003 and November 2003 were issued. Until now, only Lao language issues are available; however, English language issues are expected to be launched during the year 2004. Five thousand copies of those two issues were made and sent out to all stakeholders at national, provincial and district levels. Even though the newsletter was very positively received by a

large public, the PMT considers printing quarterly issues rather than monthly, with regard to time, budget and human resource constraints.

### 4.8.6 Website

A PRF website ([www.prflaos.org](http://www.prflaos.org)) was developed and designed with the help of a local IT company. Information posted on the web includes project data, pictures showing PRF activities in three provinces and Vientiane. However, it needs to be reviewed before it can be launched. The website should be launched in early 2004. The information will be updated every three months or more frequently, if necessary. All comments are welcome for improving PRF website.



#### 4.8.7 Radio Broadcast

Radio Broadcasts are one of the IEC tools to disseminate information about poverty reduction. Broadcasts are made through the National Radio Programme. Broadcasting started in March 2003 as a pilot test and was launched later by periods: April-June, July-September. By doing so, it was easier to adjust the programme of the next period according to actual field progress and activities. The types of information broadcasted focuses on three main areas:

- To raise the awareness of people about participatory development approach;
- To raise the awareness of people about ownership, transparency and the use of local natural resources;
- To offer alternative perspectives for people from traditional working style and beliefs to be able to plan and work in a systematic way, based on availability of their local natural resources.

These broadcasts help to create an image for PRF, and many people and various sectors now know well about the PRF project's concept and policy. As another result, some sectors have invited PRF staff to participate in their meetings for exchanging and sharing ideas.

##### *Selection of Lao National Radio (LNR)*

PRF selected LNR for broadcasting because its transmission gives best coverage for rural areas. LNR broadcasts in AM and FM..

- Geographical coverage 70 - 80 % nationwide
- Count more than 3,000,000 listeners:
  - Farmers
  - Entrepreneurs, Civil servants, students, workers
  - Government officials and policy makers

**Table 22: Existing PRF Broadcasting Programme from central level**

Programme	Contents	Air time	Channel
<p><i>"Pheu Khuam Somboon Phoonsook khong pasason"</i></p> <p>means <i>"Prosperity and Happiness for people "</i></p>	<ul style="list-style-type: none"> <li>- Report on activities of PRF</li> <li>- Discussion about poverty reduction in Lao PDR by PRF and radio speaker</li> <li>- Spot</li> </ul>	<p>Tuesday, Friday, Sunday 12.30 am - 1.00 pm</p>	<p>FM 97.25 Mhz AM 576 Khz AM 580 Khz</p>

LNR indicates that afternoons and evening times are the best time to broadcast radio messages for the whole population. The estimated target listeners to PRF programme is estimated by LNR. However, the PRF will develop a questionnaire and conduct a villagers' survey in early 2004 among PRF target communities so as to evaluate the effectiveness of the programme and to formulate recommendations.

Huaphanh is now preparing a contract with a LNR station at provincial level. The Provincial staff has contributed in developing and composing messages, spots and stories, which are sent to the national office for review before launching. A tentative schedule for these broadcast to go on air indicate the beginning of the year 2004.

Local broadcasts in Savannakhet and Champassak were not developed during the year 2003 by lack of local resources to assist in shaping the radio content to the local context. However, progress has been made to prepare the process and plans to launch PRF programme to begin in 2004. Contributions from the Savannakhet and Champassak provincial teams to formulate and shape local radio programmes for their participating communities have been encouraged.

#### **4.9 Menu of options – negative list**

Initially, in the three start-up districts, the Project Management Team (PMT) of the PRF felt uncomfortable with the “menu of options” and wanted to avoid the risk that if presented too early on in the process it would influence villagers in their choice and introduce a bias while assessing villagers’ needs and priorities.

It is not uncommon that various agencies that have visited the same geographic areas are surprised at divergent findings when comparing their collection of main people’s needs and priorities. More often than not, extracting data about villages’ needs and priorities can be biased by both interviewees and interviewers. On the one hand, villagers who are asked to express their priority needs and problems may overemphasize some areas of concern while trying to anticipate the interviewer’s own fields of interest, areas of expertise and funding purposes. By doing so, villagers may think they would increase their chances of receiving assistance, if they succeed in demonstrating that their village fits the perceived, required profile. On the other hand, interviewers themselves may have a pre-defined agenda and screen villages in order to identify target villages that would match their set of criteria. For instance, an agency that has secured funding for constructing safe-drinking water systems in a particular zone may visit villages bearing in mind that recipient villages must fulfill a series of necessary conditions for receiving water supply systems.

Because the PRF menu of options should ultimately evolve and expand to address the real villagers’ needs and not remain a static, pre-defined set of options, there is a need to extract genuine, non-biased needs and priorities from the villagers.

Moreover, the PRF considers that the exercise of identifying villagers’ needs and priorities is an exercise that should not be limited by internal considerations such as the PRF financial capacity and menu of PRF eligible activities. Actually, it is a PRF high priority to reach out to external resources to address the genuine needs of the people.

Thus, the PMT did not detail the menu of options during the first village encounters and was satisfied with showing villagers only the negative list. Unsurprisingly, villagers came up with some priorities that did not fit in the PRF menu of options. This was predictable and perfectly legitimate. However, what was less predictable perhaps, was the capacity of the PRF to adapt to the real needs of the villagers, while considering and negotiating with the World Bank the modalities of testing or adding new items on the menu.

As the PMT progressively realized that these negotiations about adding on the PRF menu of options would take more time than initially anticipated, local expectations with regard to receiving such sub-projects as animal banks, revolving funds, medicine boxes etc needed to be addressed.

Hence, the PRF facilitators went back to discuss alternatives with the communities in the straightforward manner with regard to all these “grey area” projects, which were neither listed in the “positive” list nor the “negative” list.

The situation was explained, stressing the fact that even though genuine and legitimate, their current requests would need to be discussed and approved by the World Bank because they were diverging from the initial list of pre-approved activities. It is expected that this list will be extended according to villagers’ needs but it will take time. It might not be possible at all. The PRF facilitators recommended that the communities reconsidered their priorities for the cycle of activities 2003-2004. Then, during the cycle of activities 2004-2005, the PRF will inform them about the updated status of the menu of options. Provided that the PRF can reach an agreement with the World Bank, the villagers will be able to present those same activities to the district forum in October 2004.

Some sub-projects, such as support for cattle or buffalo and village development funds for income generation activities are not yet approved by the World Bank.

Extensive land extension for rice growing in Sepone District is an activity that is not supported by the local administration, because of the local government’s environmental protection policies. Therefore, villages requesting land extension in Sepone have been advised that this activity cannot be accepted as a PRF sub-project in this particular district.

Since then, discussions have taken place with the World Bank and the PRF has agreed to submit guidelines for review pertaining to medicine boxes and revolving funds.

For the seven other districts, the PMT has agreed to proceed as follows:

***Step1. Village Need and Priority Assessment meeting***

The PRF only shows villagers the negative list so as to capture non-biased perceived needs.

Negative List / Project will not fund:
<ul style="list-style-type: none"><li>▶ new roads; road resurfacing; road sealing (laterite, asphalt etc.);</li><li>▶ electrical, gasoline or diesel generators or pumps for irrigation;</li><li>▶ piped, individual household water hook-ups;</li><li>▶ equipment or materials that can be paid for from other funds;</li><li>▶ chain saws; pesticides and other dangerous chemicals;</li><li>▶ investments detrimental to the environment;</li><li>▶ acquisition of land (purchase or lease), under any conditions;</li><li>▶ construction, rehabilitation, or maintenance of any government office buildings;</li><li>▶ payments of salaries to government servants or the salaries of the staff of government subsidized organizations;</li><li>▶ any activity unacceptable to a large number people (regardless of their ethnic background).</li><li>▶ Forced (involuntary) resettlement is not allowed under any condition.</li><li>▶ Voluntary resettlement requires an early special approval from Vientiane, prior to any decision in the inter-khet meeting.</li></ul>

### **Step2. Khet Prioritization meeting**

The PRF introduces the idea that the PRF can only fund activities of the menu of options but that villagers can still propose other priorities that will be referred to other agencies by the PRF.

#### **PRF Eligible Items:**

- ▶ Bridges, footpaths, tracks, culverts, ramps, piers, road repairs and up-grading.
- ▶ Wells, gravity water supply, small weirs, ponds, etc
- ▶ Weirs, canals, bunds, gates, spillways, and other structures
- ▶ Buildings, drainage, latrines, wells, and furnishings.
- ▶ Building, furniture, latrine, supplies and medicines, allowance for nurses/midwives (in cash or kind)
- ▶ Buildings, latrine, allowance for teachers (in cash or kind), supplies, equipment, furniture.
- ▶ Mini-hydro generator, wiring

Systematically, the PRF will seek the assistance of other experienced and competent agencies, NGOs, GOL institutions etc. and will not fund activities that that can be paid for from other funds.

Villagers' proposed sub-projects will be divided up into three categories:

- (1) Eligible sub-projects, which fit in the positive list,
- (2) Non eligible sub-projects, which are specifically mentioned in the negative list
- (3) Sub-projects, which could be discussed with the WB for possible addition in the menu of options (Not mentioned in either lists)

PRF facilitators present the menu of options to the villagers and explain that the "non-approved-yet" projects will be subject to negotiation with the WB and/or may be included in the menu of options next year or will be channeled to another agency or institutions. They may want PRF to initially help to contact another agency and/or decide to propose it again the following year if they haven't got a sponsor until then.

### **Step3. District Prioritization meeting**

At the District meeting, only sub-projects that are in the positive list are retained, while very valuable data have been collected about other needs.

#### **4.10 Village - khet levels relations**

In the context of PRF, the Khet level (Khet representatives and Khet teams) is primarily responsible for planning, managing and implementing village activities. To this end, sub-project activities are discussed and defined and a contract is signed between PRF and a Khet and defines the nature, scope and modalities of procurement / implementation of the agreed activities.

However, the khet consists in a cluster of villages, which have been grouped for the purpose of the project. The khet team members may be scattered among villages within a khet. Occasionally, some khet team members may be not living in any of the recipient villages during a particular cycle of activities. Therefore, in the recipient villages where sub-project activities will take place, village teams have been identified. Khet teams and



village teams must understand well their respective roles and responsibilities and work well together and coordinate effectively and efficiently.

It is very important to make sure that the village levels receive in time the necessary:

- Information-feedback about decisions, transactions, fund transfers etc.
- technical support (skilled builder, technician, team leader etc.)
- equipment,
- materials
- cash advance in order to pay the labourers.

However, cash will be withdrawn by the khet representatives, while any necessary equipment, materials and technicians will be procured by the khet procurement teams.

It is of utmost importance to make sure that the khet teams know what the villages will need the following week/month, so that they have enough time to withdraw money and address those village needs. Similarly, it is crucial to make sure that the khet teams and the village teams communicate often and exchange crucial information.

The PRF PMT is currently reviewing the Process of identifying the members of the procurement teams. To date, the procurement team is systematically identified in all participating khets. Being village representatives themselves, the five members including at least two women of the khet procurement team are elected by a forum of village representatives at the first khet prioritization meeting. At this stage, nobody knows which sub-projects if any, will be financed during that cycle of activities. Therefore, it may happen that some villages that receive a sub-project may not be represented in the procurement team, which might in turn exacerbate possible lacks of communication, transparency and accountability between those villages and the khet level.

In order to address this potential problem, the PRF PMT is currently discussing the possibility of shifting the election of the procurement team until after the district decision meeting, when the final list of sub-projects and recipient villages is known. Like before, procurement teams would be composed of at least five members including minimum two women. However, it would be required that at least one representative from each recipient village should be assigned to the procurement team. They would be elected from among the three village representatives that had been elected during the village need and priority assessment meetings.

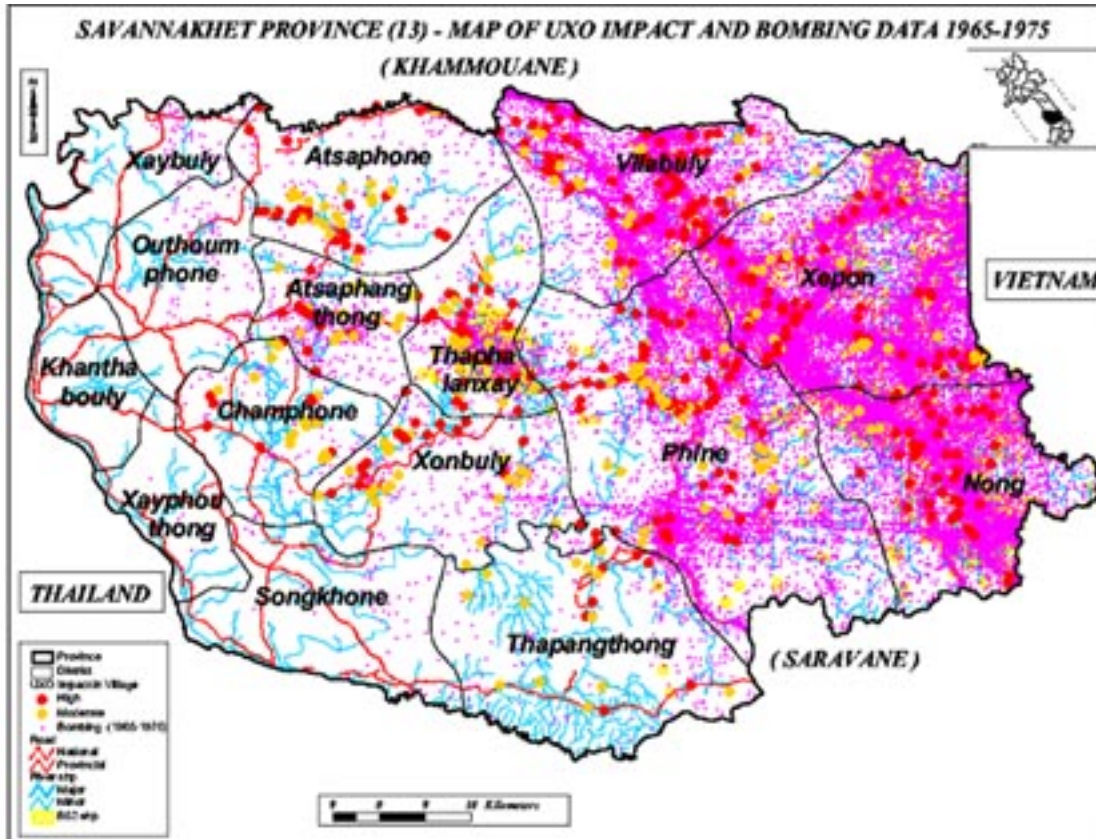
#### **4.11 Unexploded Ordnances (UXO)**

##### **4.11.1 UXO Clearance**

The PRF has developed an in-house process in order to determine whether an area needs to be cleared or not on four main factors:

- 1) Type of sub-projects (whether a sub-project involves digging/excavation or not)
- 2) UXO LAO village survey data on UXO contamination (High, medium, low, none)
- 3) Local knowledge (ask villagers whether they think it should be cleared)
- 4) Real situation (Has the soil of the future sub-project's site been worked/moved/ploughed since the end of the war?)

Figure 13: Map of UXO impact and bombing data 1965 - 1975



#### 4.11.2 Cooperation with UXO LAO

During this first cycle of PRF project implementation, coordination with UXO LAO has been slow, mainly due to the fact that PRF villages were not included in the UXO LAO plan of activities, because of two main reasons:

- (1) PRF cannot predict one year in advance what will be built and where it will be built because this is the result of a participatory planning process.
- (2) By the time PRF had identified target villages and sub-projects, the UXO LAO plan was already being finalized.



Thanks to UXO LAO willingness to cooperate and remarkable diligence, UXO clearance is proceeding nevertheless.

The PRF plans to address this problem by

- (1) Preparing a Memorandum of Understanding between UXO LAO and the Poverty Reduction Fund, which will formalize respective roles and responsibilities and exchange of information and services so as to tend toward smooth implementation of PRF activities in areas that are heavily contaminated by UXO and
- (2) Include PRF activities within districts' requests for UXO clearance e.g. 10 hectares in Nong District for PRF villages in 2005, even without knowing precisely in advance where and what will be selected by the villagers later on.

Then, when the information will be available, PRF will send it to UXO LAO (list of villages, projects and areas (m<sup>2</sup>) to be cleared).

#### 4.12 Staffing (performance assessment)

The Poverty Reduction Fund Project (PRF) is using various methods to monitor and assess staff performance. These include: weekly reporting meetings<sup>17</sup> and periodic assessments conducted by the heads of units at central level, assessment of the various provincial and district teams carried out by provincial coordinators, and assessments by (mixed) central office teams after work in each province. In addition to these approaches, another tool has been developed so as to enable all PRF staff to anonymously assess their colleagues: a confidential staff assessment that was conducted in April 2003.

The assessment sought feedback on every staff member in the project in relation to five criteria of importance to the PRF: i) ability/capacity to do the job assigned; ii) teamwork, team building; iii) diligence, responsibility; iv) contribution to the project; v) problem solving/prioritizing of tasks. Each of the respondents was asked to score/rate their colleagues for each of the five criteria.

The results obtained in the assessment were highly subjective but they did provide a measure or reflection of overall perception of performance which was both quantifiable and comparable with the other staff performance tools. It had to be kept in mind that for



<sup>17</sup> National level Senior Staff weekly meetings attended by the Executive Director, the Heads of Units, Senior Advisors.

any staff assessment, mediocre ratings may have reflected a lack of capacity/performance as well as possible local unpopularity or personal grievances. The results were therefore systematically cross-checked with previous assessments, personal observations and reports or findings of others (including World Bank reports) in order to confirm the validity of the findings by several concurring views. To this end, additional inquiries were found necessary, including direct interviews with the people concerned in order to adequately analyze the problems and recommend proper courses of action and appropriate corrective measures.

Overall, it can be observed that team building and problem solving/prioritization were areas where staff were perceived to have performed more poorly than in other aspects. Certain individuals were identified on the basis of the analysis outlined above, both for positive contributions and attributes and those who pose a more problematic case or those who require personalized attention to help them perform better. Within the provincial and district teams, changes in personnel, dismissal and replacement of staff and exchange of duties in other cases were indicated/recommended on the basis of the present assessment.

**Table 23: PRF staff changes per position and duty station in 2003**

Positions		Gender	Reasons for leaving	Replaced	%
National	Civil Engineering	Male	Quit for personal reasons	In progress	18%
	Policy Planning	Female	Position terminated	Community Development	
	Accountant	Female	Quit for personal reasons	Yes	
	Accountant Assistant	Female	Quit for personal reasons	Yes	
National office Total staff: 22					
Savannakhet	Secretary	Female	Cannot relocate in Sepone	Yes	24%
	Provincial CD	Male	Quit for personal reasons	Yes	
	M&E Assistant	Female	Quit for family reasons	No	
	District CD	Male	Quit for personal reasons	Yes	
Savannakhet office Total staff: 17					
Champassak	Provincial Coordinator	Male	Dismissed	Yes	26%
	District CD	Male	Quit for personal reasons	Yes	
	District CD	Female	Quit for family reasons	Yes	
	District TA	Male	Quit for personal reasons	Yes	
	Provincial CD	Male	Quit for personal reasons	Yes	
Champassak office Total staff: 19					
Huaphanh	M&E	Male	Quit for family reasons - returned to Luang Prabang	Yes	13%
	Secretary	Female	Quit for family reasons - returned to Vientiane	Yes	
Huaphanh office Total staff: 16					
<b>Grand Total: 74 Staff</b>					
<b>% of staff change: 20%</b>					

The table above suggests a 20% turn over of staff during the year 2003. It was the people's wishes to quit the PRF in most cases (87%). There have been only one case of dismissal and one case of termination of position (Policy planning). Among the 13 people who left the PRF voluntarily, 8 people did so on account of personal reasons (62%), 4 people mentioned family reasons (31%), mainly the impossibility to carry on their duties for extensive periods in the field, far from their family or dependents.

Among the 8 people who left for personal reasons, half of them seem to have found another job, 3 seem still unemployed to date and one left for reasons of ill-health incompatible with field work.

To help share the workload as the project moves towards implementation at the village level, some structural changes seemed to be necessary in May 2003. Two of the existing three units at national level were seen to be overloaded. It was therefore proposed to split the Operations and Training Unit into two units:

- (1) Community Development, Training and IEC form a natural and
- (2) Operations, Technical Assistance and Procurement Support providing a more effective grouping and sharing of responsibilities. This change saw Procurement moved from the Finance and Administration Unit into the Operations arena, thus enabling a stronger linkage between Procurement Support and Technical Assistance.

This change was only temporary as another change was proposed and adopted at the end of the year 2003.

Responsibility for the Operations/ Planning/ Training area is both very important and very heavy and the burden of this work continued to grow as the project expands. Therefore, In December 2003, the Management Team of the PRF (PMT) decided to reconstitute the former Operations, Planning and Training Unit but appointed two Co-Heads instead of one initially. These two people share the operational/ planning and oversight of training work, while maintaining some different responsibilities and interests according to their own training and background. Because the initial sub-projects focus mainly on infrastructure needs/ technical areas, we need to ensure that due attention is given not only to engineering aspects but also to the more social, participatory community development areas. A team approach is very much needed in this whole area. See Annex 8 for Organizational chart that has been adjusted from the 1<sup>st</sup> chart, 2<sup>nd</sup> chart adjusted in May 2003 and the current chart adjusted in November 2003.

In the complaints area, the PMT proposed to also assign two people to this work. the rationale for this was that the PMT:

- i) expect an increasing work load/ responsibility in this area;
- ii) wish to emphasize the importance of transparency and accountability at all levels;
- iii) see the necessity of maintaining close relations with the many stakeholders as part of ensuring that there is a good understanding of the project and protecting the people's rights at many levels.

## 4.13 Baseline Survey

### 4.13.1 Background

The PRF finances a program of village grants that will be used to support community-level planning to implement a wide range of development activities. The program includes capacity-building activities to teach villagers basic skills in financial management, procurement, and participatory planning. Technical assistance will be provided by facilitators contracted and trained as consultants to the government.

The uniqueness and magnitude of the program require a solid monitoring and evaluation system to document the PRF experience and lessons learned. The program will include regular reporting from field consultants and monitoring by various stakeholders as well as independent external monitoring by NGOs and the media. Several evaluations and studies are also planned to evaluate the technical quality of project activities and the benefits to the communities.

One important aspect of overall evaluation of the PRF is to ensure the measurement of PRF impact on poverty and welfare, as well as issues related to local governance.

The National Statistics Center (NSC) has been chosen to carry out a mainly quantitative baseline household socio-economic study because it is the only organization currently operational in Lao PDR with experience in carrying out household surveys of this magnitude. The NSC has a widely recognized and unique capacity for data collection and analysis, and has agreed to provide cost-effective assistance to the PRF project. Further, materials and instruments used in the survey, including tools for processing and analysis will become the joint property of the NSC and the PRF, such that either party may use them without approval from the other. Thus, should PRF wish to employ another implementing agency at some later date, the materials may be easily adapted for use without prior approval from NSC.

It is expected that the survey will be repeated at two-year intervals (either in its entirety or as a reduced version) and that the NSC will continue to assist the PRF with the follow-up studies.



The PRF will use a range of tools to collect data for the purpose of program monitoring, evaluation and impact. (The outputs may also be used for the purpose of reassessing existing poverty criteria and selection of future project areas, etc.)

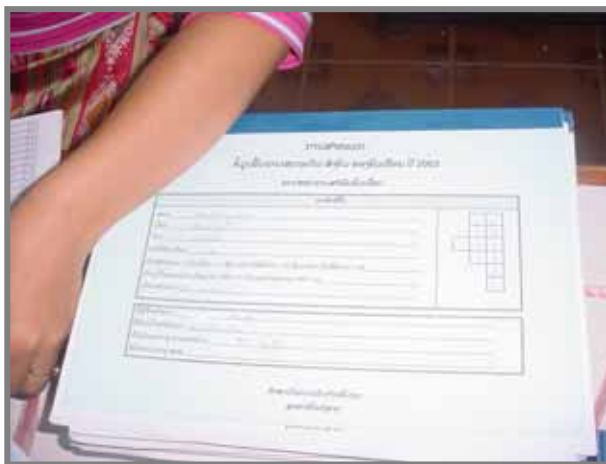
The tools will include:

District level questionnaire in every PRF district

- Village level questionnaires (Village Profile Data Form incorporating aspects from the NSC Village Statistics Book and the NSC Village Questionnaire) in every village of every PRF district and in some non-project villages to act as a control/counterfactual.
- Household (HH) socio-economic survey questionnaires in a sample of villages (across all 10 PRF start-up districts – 1,500 HH as treatment group, and 1,500 HH in non-PRF areas as a comparison group)
- Social survey / local organizations (one-off sample/study basis)
- Yearly beneficiaries and technical assessments (Selected sample basis)
- Cost benefit analysis (Sub-project type samples)

#### **Baseline survey main objective:**

The impact evaluation of the PRF needs to determine broadly if the programme has achieved the desired effects on poverty reduction and whether those effects could be attributed to the project intervention. The purpose of the household socio-economic study will be to collect data and information that can be used to assess the impact of the PRF on issues related to household activities and well-being. The survey work will define and measure indicators for household welfare and socio-economic characteristics.



#### **Methodology:**

PRF followed the best practices prescribed by experts who suggest a construct of “with and without” approach combined with a “before and after” approach that uses both baseline and follow-up data in “treatment” and “control” areas.

#### **Sample Design and Sample Distribution:**

Two main criteria have been used for stratification: 1. Province, and 2. Accessibility. Accessibility will be defined as: i) All-year-round road or water access (4x4 vehicles or boat), and (ii) No all-year road/water access.

The PRF will use the 10 start-up districts within the 3 provinces of **Huaphanh** (Sobbao-Xiengkho-Add), **Savannakhet** (Sepone-Nong-Vilabouly) and **Champassak** (Mounlapamok-Khong-Sukuma-Phatoumphone<sup>18</sup>) as a sample of the total targeted PRF districts (24 districts in 5 provinces over the 5-year life of the PRF). It is believed that this

<sup>18</sup> District names that have been underlined above are the 3 start-up districts where project socialization, collection of village-level data, and needs and priorities assessments have already taken place.

sample will adequately represent the diversity of all areas likely to be covered by the project in the northern, central and southern regions.

The provinces and districts targeted as controls were: in **Phongsali** Province, Mai and Khua Districts; in **Savannakhet**, Xonnabouli, Phalanexai and Atsaphone Districts; in **Champassak**, Bachieng, Phonethong, Sanasomboun and Champassak Districts. As much as possible these control districts were selected to provide a reasonable comparison<sup>19</sup>.

**Table 24: Target and control areas for the PRF baseline survey**

Target Areas			Controlled Areas		
Provinces	Districts	HH*	Provinces	Districts	HH*
Huaphanh	Add	500	Phongsali	Khua	500
	Sobbao			Mai	
	Xiengkhot			-	
Savannakhet	Sepon	500	Savannakhet	Xonnabouli	500
	Nong			Phalanexai	
	Vilabury			Atsaphone	
Champassak	Moonlapamok	500	Champassak	Bachieng	500
	Khong			Phonethong	
	Sukuma			Sanasomboun	
	Pathoumphone			Champasack	
<b>10 Districts</b>		<b>1500</b>	<b>9 Districts</b>		<b>1500</b>

compared

\* Number of Households

**Survey Instruments:**

The PRF used questionnaires that drew heavily on the NSC’s LECS III survey instruments. This will allow direct comparison between the PRF data and the Lao PDR’s National Statistics. To this end, the PRF will be provided with access to LECSIII data on request. Conversely, the NSC will be able to use the PRF data, though PRF sample villages have not been identified in such a way that they can be statistically representatives of a whole province but only of the group of PRF districts within a province.



<sup>19</sup> Khong District in Champassak is believed to be completely uncomparable in the Lao PDR because of its unique geographical nature. In the case of Huaphanh, where all districts in that province may in future be included in the project, it was necessary to find controls outside the province. Only some districts in Phongsali Province presented some similarities to the 3 Huaphanh districts in respect of, upland nature, economic conditions, diversity of ethnic minorities and access to the Vietnamese border.



### **Data Entry and Data Analysis:**

NSC takes all responsibility for data entry of the LECS-related surveys, and PRF takes responsibility for data entry of the PRF Village forms since both organisations already have separate databases for these.

NSC has stated that its capacity to analyze results is limited. Tabulation of results does not present a problem for the NSC nor does computing data so as to determine poverty lines and consumption patterns. Through out the preparatory phase an effective and efficient World Bank (WB) assistance has been graciously provided in the form of a skilled and experienced statistician. It is expected that PRF will continue to benefit such assistance during the subsequent processing and analysis stages.

#### **4.13.2 Data collection**

From 27 - 31 October 2003, 14 trainees attended a five-day Training of Trainer (TOT) workshop conducted in NSC Vientiane office by the team leader from NSC and national level PRF staff. Subsequently, the TOT trainees became trainers as they returned to their respective provinces and organized Trainings of Enumerators (TOE) at each province. From 10 - 21 November 2003, locally recruited enumerators were trained for field operations, which lasted until 7 December 2003.

#### **4.14 Study on Social Organizations in the Lao PRF**

In addition to the Baseline Survey, the analysis of social organizations in the Lao PDR will also contribute to the overall evaluation to ensure the measurement of PRF impact on poverty and welfare, as well as issues related to local governance and civil society. The study is expected to begin early January 2004 because the procurement process is nearly completed.

The analysis should include:

- the type of existing organizations, their respective mandates and work programs;
- overall policy and legal regimes under which social organizations are permitted and operate;
- opportunities available and adjustments required for linkages between social organizations, communities, the PRF and other agencies;
- PRF and social organization impact on local governance, civil society and community participation.

Emphasis of the study should be more on quality than quantity. Therefore, sample sizes at village level do not need to be large. On the contrary, genuine reflective feedback and comment from communities should be sought from different groups and strata within the project area. The field sample size will be at least five villages chosen at random in each of the initial three PRF start-up districts. Each village will represent a different khet, which will also be a focus of a study.

Thus the sample will be:

- at least 150 people (at least ten villagers, five of whom women, must be interviewed in each of the sample villages);
- 15 villages;
- 15 khets;
- 3 districts and 3 provinces.

PRF will develop a database for the Social survey and is planning to set-up a temporary data processing unit in the national PRF office. PRF will need to recruit data entry people and provide them with computers, basic training and daily supervision. Social questionnaire and village profile data are expected to be processed before May 31, 2004.

#### 4.15 World Bank missions

The Poverty Reduction Fund has been empowered to use a low-interest loan of US\$ 19,345,000 from the World Bank for the five-year implementation of community development activities. In order to monitor PRF performance and also to provide technical support as needs arise, the World Bank regularly send supervisory missions to visit the PRF and the PRF target areas.

Two WB supervisory and technical assistance missions took place in June 2003 composed respectively of Mr. Steve Burgess, General Consultant, and Mr. Neil Neate, Engineering Consultant. The general comments received from the consultants during their missions indicated that they were very satisfied with the PRF Project's performance and the way the Socialization Meetings process was unfolding at field level.

In July 2003, PRF received valuable support from Mr. Kaspar Ritcher, WB Economist, regarding the parameters for the Baseline Survey. Meetings were held separately with PRF, and with PRF and NSC.

Some important Financial Management meetings took place in September 2003. Four PRF staff attended an Auditing Workshop delivered by Mr. Abdul Haji and chaired by Ms. Nipa Siribouddhamas. This workshop aimed to inform and discuss about Audit Policy Manual Change and Financial Monitoring Report and to guide World Bank projects' implementing agencies on how to prepare TORs for selection of auditors for the year 2002-2003. A separate meeting was later held with Khun Nipa to discuss the Budget Revision.

In early December 2003, a mission of Mr. Niel Neate, Engineering Consultant took place for following-up and assisting the team about the sup-projects implementation. He went to visit the sites in Sepon and Nong accompanied by national staff and provincial team. The next mission perhaps could provide an opportunity to visit Champassak Province, as Sobbao District Huaphanh Province was first visited in June. During his mission, he helped the PRF with many issues including technical specifications and bidding documents for drilled wells or dug wells, Procurement (BOQ) of



hand pump, UXO clearance, survey & design of spring fed gravity water and preparation and modification of sub-project proposals.

**Table 25: Summary of World Bank Supervision Mission Findings**

**January 2003**

Strong points:	Weak points:
<ul style="list-style-type: none"> <li>◆ PRF was able to meet all outstanding conditions of effectiveness.</li> <li>◆ Counterpart funding was allocated to the PRF.</li> <li>◆ Renovating the Central office space has made some progress.</li> </ul>	<ul style="list-style-type: none"> <li>◆ There may not be enough Khet Facilitators in areas where diversity of ethnic groups exists.</li> <li>◆ All PRF staff needs more detailed immersion training about the project cycle, principles, rules, etc.</li> <li>◆ Baseline survey must be undertaken as soon as possible.</li> <li>◆ Training needs of each key position must be considered carefully.</li> <li>◆ Draft IEC materials seem too complex to be understood by villagers.</li> </ul>

**March 2003 - Technical Review**

Strong points:	Weak points:
<ul style="list-style-type: none"> <li>◆ Much work on Unit Cost Database has been done.</li> <li>◆ A number of agencies were visited to gain understanding of how other organizations deal with UXO clearance issues during their own construction activities in rural Lao PDR</li> </ul>	<ul style="list-style-type: none"> <li>◆ Standard Infrastructure Designs gathered appear not to offer sufficient detail.</li> <li>◆ The progress in assembling standard designs and inputing to the MIS database is inadequate.</li> <li>◆ No revision has been made to the Engineering and Technical Guidelines manual as issued by the WB preparation mission of May 2002.</li> </ul>

**June 2003 - Technical Review**

Strong points:	Weak points:
<ul style="list-style-type: none"> <li>◆ Engineering and Technical Guidelines was created.</li> <li>◆ The creation of the MIS, together with Unit Cost Database, is proceeding in a very admirable fashion.</li> <li>◆ Sub-project prioritisation process appears fairness.</li> </ul>	<ul style="list-style-type: none"> <li>◆ More effort has to be made to develop the field checklists for each sub-project types into a specific Lao context.</li> <li>◆ Sub-project numbering system is not yet in placed.</li> </ul>

**December 2003 - Technical Review**

Strong points:	Weak points:
<ul style="list-style-type: none"> <li>◆ Many technical areas had made progress.</li> </ul>	<ul style="list-style-type: none"> <li>◆ Drawings for road/track sub-project proposals in Sepone and Nong Districts are not finalized yet.</li> <li>◆ No information about UXO clearance has taken place in Nong district.</li> </ul>

**4.16 Work plan 2004**

Work plan 2004 is shown in Annex 9.

## 5 FINANCIAL ISSUES

### 5.1 Sources and uses of funds statement

Table 26: Sources and uses of funds statement for the Period 18 July 2002 to 30 September 2003

		in USD		
		Jul 02 – Mar 03	Mar03 - Sep 03	Cumulative
<b>1)</b>	<b>Sources of Funds</b>			
	IDA	-306,326.88	-1,058,874.35	-1,365,201.23
	Government Funds	-5,687.20	-46,121.26	-51,808.46
	Others	-637.69	-772.79	-1,410.48
	<b>Total Sources of Funds</b>	<b>-312,651.77</b>	<b>-1,105,768.40</b>	<b>-1,418,420.17</b>
<b>2)</b>	<b>Uses of Funds by Project Component</b>			
	Comp 1: Village Sub Project Component	0.00	0.00	0.00
	Comp 2: Local Capacity Building	120,126.47	199,097.45	319,223.92
	Comp 3: National Project Management	188,709.00	292,542.57	481,251.57
	<b>Total Uses of Funds</b>	<b>308,835.47</b>	<b>491,640.02</b>	<b>800,475.49</b>
<b>3)</b>	<b>Net Cash Inflow (Outflow) (1-2)</b>	-3,816.30	-614,128.38	-617,944.68
	<b>Account Payable</b>	-1,870.90	-1,077.20	-2,948.10
<b>4)</b>	<b>Opening Cash Balances</b>	0.00	0.00	0.00
		<b>-5,687.20</b>	<b>-615,205.58</b>	<b>-620,892.78</b>
<b>5)</b>	<b>Closing Balances</b>			
	IDA Special Account (in US\$)	0.00	587,721.75	587,721.75
	Other Project Bank Accounts / Cash / Advance	5,687.20	27,483.83	33,171.03
	<b>Total Closing Balances</b>	<b>5,687.20</b>	<b>615,205.58</b>	<b>620,892.78</b>
		in USD		
		Jul 02 - Mar 03	Mar03 - Sep 03	Cumulative
	<b>Disb. Categories Type</b>			
1	Sub-project Grants	0.00	0.00	0.00
2	Consulting Services	124,941.09	272,400.47	397,341.56
3	Goods & Vehicles	142,943.51	79,185.21	222,128.72
4	Civil Works	1,502.78	44,347.06	45,849.84
5	Incremental Operating cost	39,448.09	95,707.28	135,155.37
	<b>Total Project Expenditure</b>	<b>308,835.47</b>	<b>491,640.02</b>	<b>800,475.49</b>

## 5.2 Balance Sheet

Table 27: Financial Report for the period 18 July 2002 to 30 September 2003

<u>Assets</u>	<u>US\$</u>
1000 Cash on hand IDA - VTE	895.11
1014 Cash on hand Huaphan - IDA	17.67
1016 Cash on hand Champasak - IDA	0.00
1018 Cash on hand Savannakhet - IDA	18.04
1020 Cash on hand GOL- VTE	403.96
1200 Bank BOL \$ A/C Vientiane - IDA	587,721.75
1202 Cash on hand GOL Savanakhet	0.96
1206 Cash on hand GOL Huaphan	0.00
1208 Cash on hand GOL Champasak	0.00
1250 Bank BOL Kip A/C Vientiane - GOL	4,052.45
1300 Bank APB IDA A/C Houaphan	9,827.49
1320 Bank APB GOL A/C Houaphan	561.82
1350 Bank APB IDA A/C Savannakhet	6,342.23
1355 Bank APB GOL A/C Savannakhet	358.61
1400 Bank APB IDA A/C Champasack	2,735.65
1405 Bank APB GOL A/C Champasack	312.60
1450 Advance IDA Vientiane	500.00
1470 Advance GOL Vientiane	0.00
1500 Advance IDA Houaphan	1,189.23
1550 Advance IDA Savannakhet	3,186.37
1600 Advance IDA Champasack	2,432.74
1700 Advance GOL Champasack	128.86
1702 Advance GOL Huaphan	38.50
1704 Advance GOL Savannakhet	168.74
	<b>620,892.78</b>
<b>Project Expenditures:</b>	
Village Sub Project Grants	0.00
Local Capacity Building	319,223.92
National Project Management	481,251.57
Total Project Expenditures	<b>800,475.49</b>
<b>Total Assets</b>	<b>1,421,368.27</b>
<b><u>LIABILITIES AND FUNDS</u></b>	
4000 Accounts Payable	2,883.14
4050 Account Payab IDA owed to IDA	64.96
4070 Account Payab GOL owed to IDA	0.00
4200 Commitment	0.00
<b>Total Liabilities</b>	<b>2,948.10</b>
<b>Fund Balance:</b>	
4250 IDA	1,365,201.23
4300 GOL	51,808.46
4350 Others	1,410.48
<b>Total Funds</b>	<b>1,418,420.17</b>
<b>Total Liability &amp; Funds</b>	<b>1,421,368.27</b>

### 5.3 Use of funds by project activities

**Table 28: Use of funds by project activities for the period 18 July 2002 to 30 September 2003**

	Project to Date in USD						
	Provinces				Total Jul02- Sep03	Plan 5 years	Variance
	Champa sak	Savanna khet	Huaphanh	Vientiane			
<b>1. Village Sub Project Grants</b>							
Infrastructure sub-projects	0.00	0.00	0.00	0.00	0.00	12,879,360.00	12,879,360.00
Equipment & sub-projects	0.00	0.00	0.00	0.00	0.00	804,960.00	804,960.00
Service sub-projects	0.00	0.00	0.00	0.00	0.00	2,414,880.00	2,414,880.00
<b>Subtotal: Component 1</b>	0.00	0.00	0.00	0.00	0.00	16,099,200.00	16,099,200.00
<b>2. Local Capacity Building</b>							
Services	44,208.87	40,029.02	42,709.73	0.00	126,947.62	1,095,075.00	968,127.38
Equipments	18,872.73	15,990.72	15,847.23	0.00	50,710.68	147,675.00	96,964.32
Vehicles	26,761.50	24,829.50	24,888.49	0.00	76,479.49	267,300.00	190,820.51
Operating Costs	18,984.19	23,107.01	17,299.09	0.00	59,390.29	1,538,468.00	1,479,077.71
Civil Works	0.00	5,379.80	316.04	0.00	5,695.84	125,000.00	119,304.16
<b>Subtotal: Component 2</b>	108,827.29	109,336.05	101,060.58	0.00	319,223.92	3,173,518.00	2,854,294.08
<b>3. National Project Management</b>							
Services	0.00	0.00	0.00	260,393.94	260,393.94	998,000.00	737,606.06
Equipments	0.00	0.00	0.00	55,181.05	55,181.05	52,470.00	-2,711.05
Vehicles	0.00	0.00	0.00	39,757.50	39,757.50	45,100.00	5,342.50
Operating Costs	2,336.26	2,099.14	2,332.85	68,996.83	75,765.08	300,000.00	224,234.92
Civil Works	0.00	0.00	0.00	40,154.00	40,154.00	25,000.00	-15,154.00
Technical Assistance	0.00	0.00	0.00	10,000.00	10,000.00	802,240.00	792,240.00
<b>Subtotal: Component 3</b>	2,336.26	2,099.14	2,332.85	474,483.32	481,251.57	2,222,810.00	1,741,558.43
<b>Total Cost by Project Components</b>	111,163.55	111,435.19	103,393.43	474,483.32	800,475.49	21,495,528.00	20,695,052.51

### 5.4 Local access to banking facilities

The lack of Agriculture Promotion Bank branch threatens to hinder village activities' implementation in the districts of Vilabouly, Nong in Savannakhet Province and Sobbao and Add in Huaphanh Province. In Champassak Province, there is no problem as all districts already have a bank branch.

In addition to the fact that traveling to the bank is time consuming, it could become also rather expensive as villagers need to travel to another district in order to withdraw money transferred by PRF on their bank account. However, the villagers can use part of sub-project fund up to 2% of the total PRF contribution for covering their operating costs and other administrative expenses. In addition to transportation fees, accommodation expenses may be added as it is feared that villagers may have to wait for another couple of days once at the bank before the requested amount in cash could be actually fetched from the province by the bank.

**Table 29: Local access to banking facilities in PRF target districts**

Districts	APB Branch	Travel to reach the nearest APB branch			Minimum Cost estimate round trip for 2 villagers (kip)		
		Travel time one way (from district center to district center)	From	To	Travel cost round trip for 2 villagers	Accommodation & food allowance for 2 villagers	Total per trip for 2 villagers
<b>Huaphanh</b>							
Sobbao	No	30km-2h	Sobbao	Xiengkho	12,000kip x 2	45,000kip x 2	114,000 kip
Xiengkho	Yes	-	-	-	-	-	-
Add	No	19km-1h	Add	Xiengkho	10,000kip x 2	45,000kip x 2	110,000 kip
<b>Savannakhet</b>							
Sepone	Yes	-	-	-	-	-	-
Vilabouly	No	53km-2h	Vilabouly	Sepone	15,000kip x 2	can return same day-food allowance 20,000kip x 2	70,000 kip
Nong	No	62km-3.5h	Nong	Sepone	25,000kip x 2	55,000kip x 2	160,000 kip
<b>Champassak</b>							
Moonlapamok	Yes	-	-	-	-	-	-
Khong	Yes	-	-	-	-	-	-
Phathoumphon	Yes	-	-	-	-	-	-
Sukuma	Yes	-	-	-	-	-	-

The table above gives some indication of the time needed from district center to district center. However, each situation would differ according to the location of each khet/district. The table does not consider the travel time (presumably on foot) from a village to their district center e.g. to the main bus station, does not consider local transportation frequency (once a day, every 2-3 days ...) and bank office hours (whether it is open or not when the bus has reached destination).

PRF response to that problem has been (1) to Request the Agriculture Promotion Bank in Vientiane to open offices in Sobbao, Add, Vilabouly and Nong districts or at least to consider the possibility of opening offices on a part-time basis and (2) to contemplate alternative modes of payments whereby villagers could request the PRF to pay directly their suppliers or contractors.

The Director of the Agriculture Promotion Branch has replied that they could not presently expand and open new branches into additional districts, because of the additional costs that it would generate. The PRF mentioned that local alternatives could perhaps be found e.g. in kind contribution such as office/transport sharing with other district government offices, security ensured by district authorities etc. The PRF PMT plans to bring this issue to the PRF Administrative Board for recommendations.

## 5.5 Sub-project financial monitoring system

The PRF has set up a financial monitoring system for the provincial, district and khet levels for the specific purpose of following up sub-project financial management, funds transfers and payment requests.

The provincial accountant maintains in his/her office sub-project proposals, community agreements and contracts, khet Representatives' names and signatures, accounting books for all of sub-projects agreed during the District Decision Meeting. All receipts and other supporting documents from the Khets will also be kept at the provincial office.

The financial monitoring system set up in provincial offices is part of the M&E Monitoring and Information System (MIS), but controlled by provincial accountants. For the moment, accountants are managing their part of the system on Excel spreadsheet and are responsible for regularly updating the M&E MIS. However, it is foreseen that the two parts will be merged in the near future, after proving their respective effectiveness, reliability and stability.

The financial monitoring systems set up in provincial offices can monitor the following:

- Each and every payments (every fund transfer) to Khet levels
- Fund transfer date
- Khet accountability meeting date (before doing the next transfer)
- 2% Operating cost/administration ceiling per sub-project (according to contract)
- Amounts and % ages spent on civil works, labor etc.

Provincial accountants will periodically check the financial reports and records from Khets. All payments made by the khets for sub-project implementation will be booked and coded as follows:

**Table 30: Account codes and Categories**

Account code	Category
(001)	Civil work,
(002)	Construction material,
(003)	Construction equipment,
(004)	Labor for construction,
(005)	Non Construction material,
(006)	Consulting service,
(007)	Operating /Administration costs.

Sub-codes are being developed as PRF gains experience in the three start-up districts.

Every expenses made by the khet has to be accounted in an expense report. Simple cash books and bank books will be maintained by the khet Representatives.

Financial Management Training for Khet Representatives needs to improve and the National level will follow up regularly. Starting with the first Khet installments, the PRF provincial and district staff have to follow up the sub-project disbursement process closely.

Khet accountability meetings will be held before each next installment to the Khets, in order to review procurement, expenditures and related disbursements and inform to



community about the process of activity implementation. These meetings contribute to promote greater local transparency and accountability.

### **5.6 Sub-project administration cost for communities**

For the first three pilot districts, the annual district allocation was divided up into sub-projects comprising various village activities. The khet representatives themselves decided at the District Decision Meeting how the overall budget should be allocated and distributed. Each sub-project, in addition to various costs corresponding to material, labour etc, comprises a small amount earmarked for the local communities own operating costs and administration. That community operating cost was fixed at a maximum of 2% of the total sub-project budget. This 2% must be considered as a ceiling and the communities are encouraged to save up as much as possible from that amount. This system is simple but doesn't seem to be always fair.

For example, a nearby khet that sub-contracts a large sub-project e.g. a \$25,000 school will get \$500, which is more than a far-away khet would get if it implements on its own a smaller sub-project e.g. a \$3,000 school renovation; in which case it will receive \$60.

In fact, the difficulty and cost of administering a sub-project does not only depend on the total budget of the sub-project.

The PRF is currently developing an approach, whereby the 2% operating cost would be taken out from the annual district budget and would be divided up among all sub-projects/khets in a fair and systematic manner that everyone would understand and approve. The Khet representatives would be empowered to decide at the District Decision meetings how to allocate this budget among various khets and sub-projects.

Possible criteria to be taken into account could include distance to the district centre or the bank, project size or budget, project type or project difficulty, procurement process (the community is the implementer or sub-contracts to a third party), the number of village activities included in a sub-project, the number of sub-projects in a khet (administration costs could be shared among several sub-projects administered by the same khet)

### **5.7 Request for new training category**

The PRF has initiated a request to the Ministry of Finance to formally request the IDA's consideration of authorizing a legal amendment to the Poverty Reduction Fund Development Credit Agreement (DCA; Schedule 1) to include a new Category for "Training" which will be financed at 100% of expenditures from the IDA Credit.

Training and the related activities of Information, Education and Communication (IEC) and Socialization and Planning by the project beneficiaries are all prescribed and approved activities for the PRF.

No Category exists under Schedule 1 of the DCA to which expenses for Training can be meaningfully charged and this results in some confusion in reporting of expenditures. Because of the lack of an appropriate Category, all expenditures for Training activities are currently being reported as Incremental Operating Costs, and charged at the rate of 95% to the Credit.

In order to clearly separate Training costs from Operating Costs, to comply with Schedule 1, and to allow for improved management, monitoring and reporting of PRF expenditures, the PRF would like to propose that a new Category “Training” be added to Schedule 1.

PRF proposes to reallocate approximately 650,000 USD to the new Training Category. The funds would be reallocated from Sub-project grants (approximately 200,000 USD), Consultants Services/ Technical Assistance (250,000 USD) and part of the unspent balance of the Special Project Preparation Advance (PPF; 200,000 USD).

From the PPF outstanding balance of approximately 292,000 USD, some 200,000 USD is proposed to be reallocated to the Training Category (see section 1 above), leaving a remaining 92,000 USD that is planned to be divided up as follows: 27,000 USD to Goods; 59,000 USD to Works and 6,000 USD to Operating Costs.

To provide for Training and the anticipated costs of facilitating and implementing the PRF as now planned and briefly mentioned above, we propose a reallocation of the Credit as outlined in Table 1. (Note that all amounts in the Table are in SDR Equivalent.)

**Table 31: Overall PRF Funding Allocation and Revised %ages to be applied for Charging Expenditure**

	Category	Amount of Credit currently allocated in Schedule 1.	Amount of Credit proposed in the Reallocation	Difference between initial and revised allocations	% of Expenditures to be financed by the Credit, according to the proposed Reallocation
1	Sub-grants	11,840,000	11,690,000	- 150,000	100%
2	Consultants Services (and Technical Assistance)	1,976,000	1,780,000	- 196,000	88% as a general rule. 100% in the case of services provided by Not-for-Profit organizations.
3	Goods	200,000	333,000	+ 133,000	100% of foreign expenditures, 100% of local expenditures (ex-factory cost), and 90% of local expenditures for other items procured locally.
4	Works	24,000	72,000	+ 48,000	90%
5	Incremental Operating costs	780,000	915,000	+ 135,000	95%
	Refunding of PPF	480,000	0	- 480,000	Amounts due pursuant to Section 2.02 of the DCA
6	Training	0	510,000	+ 510,000	100%
	<b>TOTAL</b>	15,300,000	15,300,000		

The reallocation indicated in Table 1 is in keeping within the overall ratios agreed for PRF disbursement, most notably that at least 75% of total project funds must be used for sub-project financing.

## 5.8 Counterpart funding

For the fiscal year 2002-2003, October 1<sup>st</sup> 2002 until September 30<sup>th</sup> 2003, the PRF Administrative Board and the CPC approved a counterpart contribution of 300,000,000 Kip. That amount represented approximately half of the amount requested by the PRF: 619,440,000 Kip.

Government of Lao PDR (GOL) contribution Funds were planned to be transferred by quarter to the PRF's GOL bank account as follows: 1<sup>st</sup> Q: 20%; 2<sup>nd</sup> Q 25%; 3<sup>rd</sup> Q 30% and 4<sup>th</sup> Q 25%.

**Table 32: Details of the fund transfer to PRF's GOL bank account 2002-2003**

Quarter	Date received fund	Amount
I	04 / 02 / 2003	60,000,000 Kip
II	29 / 04 / 2003	75,000,000 Kip
II	21 / 08 / 2003	90,000,000 Kip
IV	14 / 01 / 2004	75,000,000 Kip

Compared to the agreed PRF yearly budget, Government of Lao PDR (GOL) contribution funds have been transferred quite slowly to the project. The first 2 installments of 60,000,000 and 75,000,000 kip were transferred to the PRF account in March and April 2003. The third installment of 90,000,000 kip was transferred in August by the Ministry of Finance. As a result, charging of the GOL contribution to all PRF costs was delayed, especially contributions to staff salaries. However, the Ministry of Finance has been very cooperative with the PRF in exploring alternative solutions to cope with that problem.

For the fiscal year 2003-2004, October 1<sup>st</sup> 2003 until September 30<sup>th</sup> 2004, the PRF Administrative Board and the CPC approved a counterpart contribution of 520,000,000 Kip. That amount represented approximately the three fourth of the amount requested by the PRF: 695,582,970 Kip.

## 5.9 Financial audit

### 5.9.1 Background

The Poverty Reduction Fund (PRF) was established by a Prime Ministerial Decree (PM No. 073 dated May 31, 2002) as a separate financially autonomous organization, operating under the laws of the Lao People's Democratic Republic and under the guidance of an Administrative Board. On 19 August 2002, the Lao Government and the International Development Association (IDA) entered into a Development Credit Agreement (No. 3675LA) for the PRF Project. As part of these agreements, the Lao Government will make available to PRF the entire proceeds of the Credit Agreement on a grant basis.

The main objectives of the Fund are to finance small-scale investment and services and to strengthen local capacity in respect of village development. During the first year of implementation, the PRF will start work in an initial ten districts in three provinces, covering 654 poor villages. Approximately US\$ 700,000 had been spent during the period July 2002 to 30 September 2003, and no grants had been extended to any sub-projects.

PRF has recorded transactions in ACCPAC Accounting Software, with supporting documents for the funds received and expenditures incurred, and accounting records/statements such as General Ledger, Trial Balance, Balance Sheet, Bank Reconciliation Statements and Journal Entries. Transactions are handled largely on a cash basis. The books of account provide the basis for preparation of the financial statements and are established to reflect the financial transactions in respect of the organization, as maintained by the PRF.

PRF will recruit an independent auditing firm (“auditor”) to carry out an audit of the organization in accordance with Terms of Reference (TOR) acceptable to the World Bank. The auditor will normally be appointed for two years, with possible renewal of the contract subject to performance in the previous year/s. For the first year audit, the auditor is expected to cover a period of about 15 months from 18 July 2002, effective date of Project Preparation Facility (PPF), to September 30, 2003, the end of the fiscal year.

### **5.9.2 Objectives and scope**

The principal objective of the audit is to enable the auditor to express a professional opinion on the financial position of the PRF. A secondary objective is to provide guidelines for improving financial management, internal controls, transparency and reporting at various levels, as necessary.

The audit will be carried out in accordance with International Standards of Auditing, and will include such tests and controls as the auditor considers necessary under the circumstances.

The scope of audit will be an “expanded scope” of audit. i.e. other than forming an audit opinion on fair presentation of the financial statements, the auditor should expand the scope to cover specific aspects on: compliance with the financing agreements, efficiency and effectiveness in the use of the fund, adequacy of financial management procedures and internal controls. Although responsibility for preventing irregularity, fraud, or use of the credit proceeds for purposes other than as defined in the legal agreements remains with the borrower, the auditor will plan so as to have a reasonable expectation of detecting material mis-statements in the financial statements, if these in fact have occurred. Where weaknesses in financial record keeping and financial management are found these should be noted for inclusion in recommendations for improvements in the “Management Letter”.

In carrying out the audit, special attention should be paid to the following:

- All external funds have been used in accordance with the conditions of the relevant financing agreements, with due attention to economy and efficiency, and only for the purposes for which they were provided.
- Counterpart funds have been provided and used in accordance with the relevant financing agreements, with due attention to economy and efficiency, and only for the purposes for which they were provided;
- Goods and services financed have been procured in accordance with the relevant financing agreement;
- The system of producing and compiling financial reports and Financial Monitoring Reports (FMRs) are reliable and appropriate. The Financial Monitoring Reports (FMRs) prepared during the year, particularly the year to date figures in the final quarter are reconcilable with the annual financial statements;

- All statement of expenditures (SOEs) used as the basis for the submission of withdrawal applications are reliable with appropriate records and filing of supporting documents. The expenditures reimbursed are eligible for the Bank financing. Where ineligible expenditures are identified as having been included in withdrawal applications and reimbursed against, these should be separately noted;
- The Special Account and other bank accounts have been operated in accordance with the provisions of the Credit Agreement;
- The sites and physical outputs of the Project are randomly visited and checked.

The financial audit report of PRF is scheduled to begin on January 21, 2004. The first audit report will be cumulative from July 2002 till the end of September 2003. Field work for the audit will be done in the National office and in 3 provincial offices (Huaphanh, Savannakhet and Champassak). The deadline for the financial audit report to be sent to the WB office is March 31, 2004.

**Lao People's Democratic Republic**  
Peace Independence Democracy Unity Prosperity

**Prime Minister's Office**

No.73/PM

**DECREE OF THE PRIME MINISTER  
ON THE ESTABLISHMENT OF  
THE POVERTY REDUCTION FUND**

- Referring to the law on the Government of the Lao People's Democratic Republic No.01/95 of March 8,1995
- Referring to the proposed letter of the President of the Committee for Planning and Cooperation No 723/CPC dated 12 May 2002,

The Prime Minister issues the Decree

**PART I**

**OBJECTIVES, RIGHTS AND DUTIES**

Article 1: Fund Establishment

- 1.1 The Poverty Reduction Fund hereafter called '**The Fund, in acronym PRF**' is established to address, prevent and reduce poverty of the pluri-ethnic people throughout the country, to eradicate and step out of the poverty above.
- 1.2 The hereby-established Fund is a financially autonomous organization and operates under the laws of the Lao People's Democratic Republic and under the guidance of the President of the Committee for Planning and Cooperation.

Article 2. Fund Objectives

The main objectives of the Fund are to finance small-scale investment and services and to strengthen local capacity in respect of village development.

Article 3: Rights of the Fund

- 3.1 Receive financial support which include, but not limited to, support in respect of assistance grants, loans, budget allocations, contributions from foreign sovereigns, international organizations, national institutes and juridical entities, whether local or foreign, to meet the above mentioned objectives
- 3.2 Obtain from external donors technical assistance consistent with all applicable laws, rules and regulations of the Lao PDR.
- 3.3 Provide funds for the implementation of projects consistent with the Fund's

objectives and enter into contracts with eligible implementing entities from public and non-public sector for the implementation of such projects at the local level.

Article 4: Duties of the Fund

- 4.1 Provide sufficient and efficient supply of assistance and community counterpart funds to eligible implementing units for the implementation of different projects.
- 4.2 Organize a supervision system of sub-project implementation and an annual audit of the Fund's accounts.
- 4.3 Monitor the progress, compliance, and implementation of on-going projects and in respect of the Fund's objectives.
- 4.4 Monitor and complete payments in due time and agreed conditions, and allocate funds in line with the actual requirements in each area.
- 4.5 Implementation procedure of regulations pertaining to procurement, contracting and disbursement process in accordance with the law and regulations of the Lao PDR and agreements with external agencies providing resources to the fund.
- 4.6 Materials and equipment in respect of projects funded through the proceeds of the Fund, that are produced domestically shall receive a procurement preference.
- 4.7 Conduct its activities based on principles of coordination, with the competent authorities concerned of the Government in relation to projects supported by the Fund.
- 4.8 Evaluate and report the performance of the fund activities in terms on inputs, outcomes, and impacts on annual basis or more often as required.
- 4.9 Implement other activities as provided under this Decree.

**PART II**

**PROJECT SELECTION CRITERIA**

Article 5: Guiding Principles and Criteria

- 5.1 To achieve the objectives as set forth in this Decree the Fund shall support projects designed, proposed and approved by village or Khet, which will use, as appropriate, the skills and participation of the eligible business and social entities. The Administrative Board of the Fund shall not participate directly in the implementation of any Fund's projects.
- 5.2 The selection criteria of eligible Fund projects shall include:
  - a. Small-scale projects, the objectives of which are consistent with the objectives of the Fund, and with a maximum value to be determined by the Fund.
  - b. Projects meeting efficient price standards, of adequate technical quality, of appropriate project design, and suitable to ease of operation and maintenance.
  - c. Implementing activities that involve the use of local capacity.
  - d. Projects that are located in isolated rural areas with high rate of poverty.

## **PART III**

### **ORGANIZATION OF THE FUND**

Article 6: Fund organization

The Fund Organization comprises of:

- 6.1 The Administrative Board
- 6.2 The Executive Director.

Article 7: Administrative Board Organizational Structure

- 7.1 The fund's Administrative Board includes the ministers, vice-ministers or representatives of each sector, as follows:
- President of Committee for Planning and Cooperation; as Chair,
  - Vice Minister, Ministry of Finance, as vice-Chair and Standing member,
  - As respected member of civil society as second vice Chair,
  - Vice-Governor of the Bank of Lao PDR; as member
  - Vice-President of the Lao Front for National Construction; as member,
  - Vice-President of the Lao Women's Union; as member,
  - Deputy Secretary General of the Lao Youth Executive Committee; as member
  - Representative of Civil Societies, as member
  - Vice-Governor of the targeted province, as member
- 7.2 The Fund Executive Director serves as Secretary of the Fund Administrative Board. If necessary, the Administrative Board may invite outsiders to participate in consideration of specific issues related to the Fund. Quorum will be achieved with at least 7 Board members present.
- 7.3 The Administrative Board has the duty to:
- Adopt the Fund's policies on the basis of the poverty reduction policies and programs of the Government of the Lao PDR;
  - Set policies in regard to staff selection and remuneration to ensure the efficient operation of the Fund;
  - Approve district poverty targeting strategy and methodology and the selection of participating districts in Fund operations;
  - Adopt the Fund's annual budget and assign the Executive Director to sign agreements with local and foreign donor agencies to fund the Fund of Lao PDR in accordance with external financial cooperation policies and the constitution of the Lao PDR.
  - Approve rules, principles, manual, and handbooks on the operation of the Fund.
  - Consider and adopt reports on the operation of the Fund submitted by the Executive Director on regular basis.
  - Ensure that the operation of the Fund complies with the Decree and with the rules and principles outlined in the Fund manuals.
  - The Administrative Board will be responsible for selection, recruitment and terminate the contract of the Executive Director of the Fund.
  - Consider and approve annual district allocations.
  - Upon termination of the Fund, the Board shall transfer the ownership and management of the Fund's activities to units or communities concerned



- based on laws of the Lao PDR and agreements signed with donors.
  - Assume other tasks and responsibilities as necessary to meet its duties and the objectives of the Fund.
- 7.4 The Administrative Board shall meet and consider issues once in six months or more often as needed, based on the majority of vote, with seven members in attendance constituting a quorum.

**Article 8:** Duties and term of office of the Executive Director

- 8.1 The Executive Director has a term of office of 3 years from the signing of the contract. Such term may be extended for another term of no more than 2 years.
- 8.2 The Executive Director shall be a full time position and shall possess administrative skills and competence in handling all issues and acting as the secretary of the Administrative Board.
- 8.3 The responsibilities of the Executive Director include:
- Submission of program policies to the Administrative Board for consideration and adoption.
  - Drafting and submission programs, projects, annual budget, and work plan, handbooks on the operation of Fund for consideration and regular monthly reporting to the Administrative Board.
  - Guidance and administration of the Fund consistent with policies and regulations adopted by the Administrative Board.
  - Representative of the Fund in entering contracts or agreements with agencies and organizations based on the policies, regulations and responsibilities assigned by the Administrative Board.
  - Recruitment of personnel to the Fund Office on the basis of competition and transparent selection with the approval of the Administrative Board.
  - Management of the Fund Office and its personnel to improve budget management, project assessment and project execution evaluation, financial guidance and monitoring of projects, safekeeping of projects' financial data and documents.
  - Implementation of other tasks, which may be determined and assigned by the Administrative Board.

**PART IV**

**BUDGET AND PRF FINANCIAL MOVEMENT**

**Article 9:** Government Contribution

The Government builds favorable conditions for the allocation of the State budget, of the foreign assistance by grant to the Fund as budget to meet the requirements of communities in due time. The Government ensures an adequate initial funding for the establishment of the Fund.

**Article 10:** Duties and taxes exemption

All agreement under contracts signed for importing materials, equipment and vehicles with the support of assistance funds from the Fund shall be exempted from import taxes and fees

as mentioned in the Taxation Law. All other agreements and contracts signed for the implementation of the project shall be in line with the taxation law applicable at the present time and in the future.

Article 11: Fund's Account

To facilitate financial monitoring, the Fund shall maintain a special account at the Bank of Laos (BOL) and sub-account at business Bank as necessary. Any transfer of money shall be made through such an account.

Article 12: Transfer ownership

The Administrative Board has the duty to outline regulations governing the use of the Fund's resources and shall transfer all responsibilities over the projects to the Government or to communities once they are completed.

**PART V**

**FINAL PROVISIONS**

Article 13: Change of the Fund

The Fund may be terminated, modified, or suspended based on the proposal made by the Administrative Board.

Article 14: Logo of the Fund

The Fund has its own logo and Stamp

Article 15: Implementation

All governmental organizations, mass organizations from the central to the local level and the private sector have the duty to acknowledge and extend cooperation in the strict implementation of this Decree.

Article 16: Effectiveness

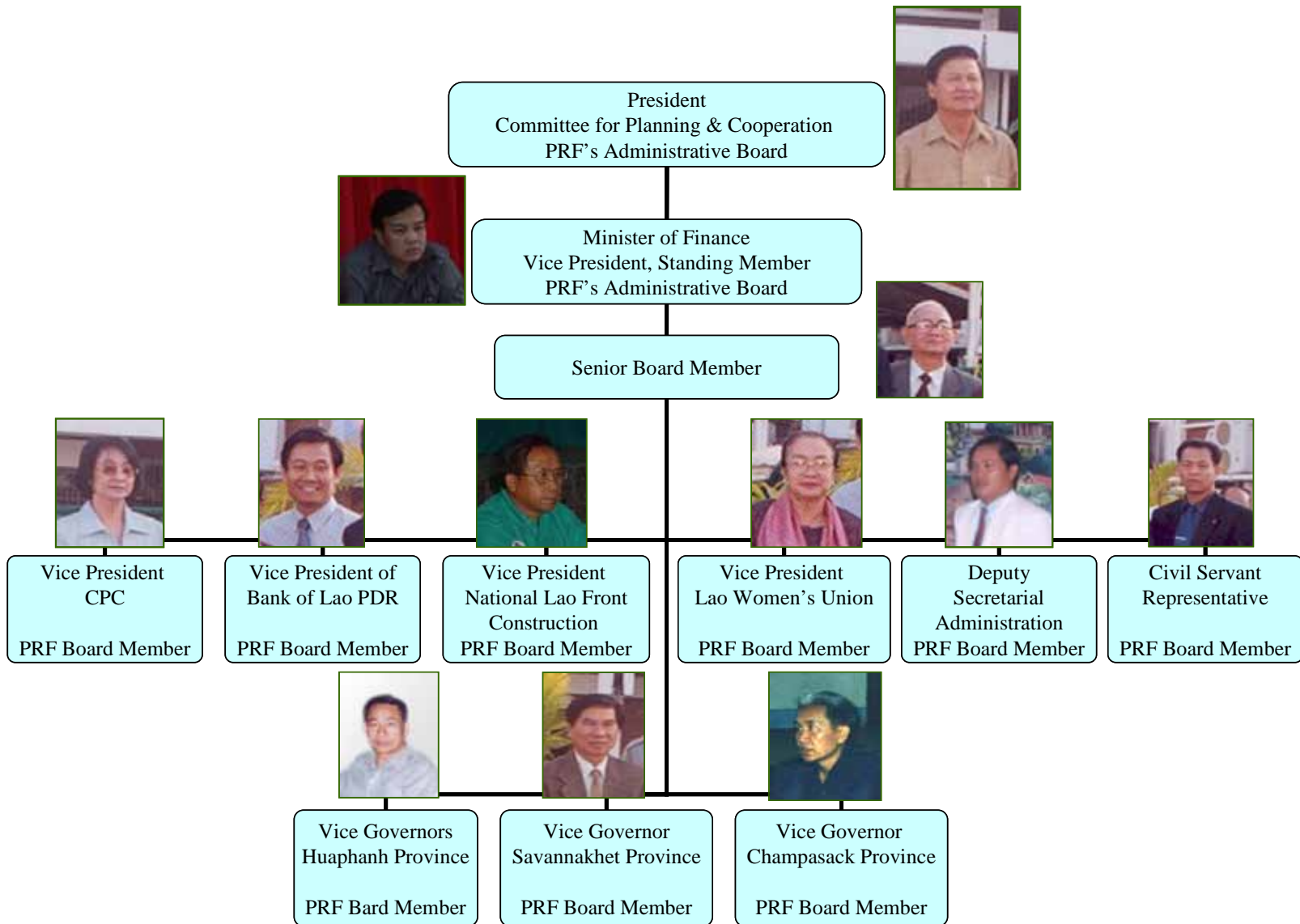
This Decree is effective from the signing date

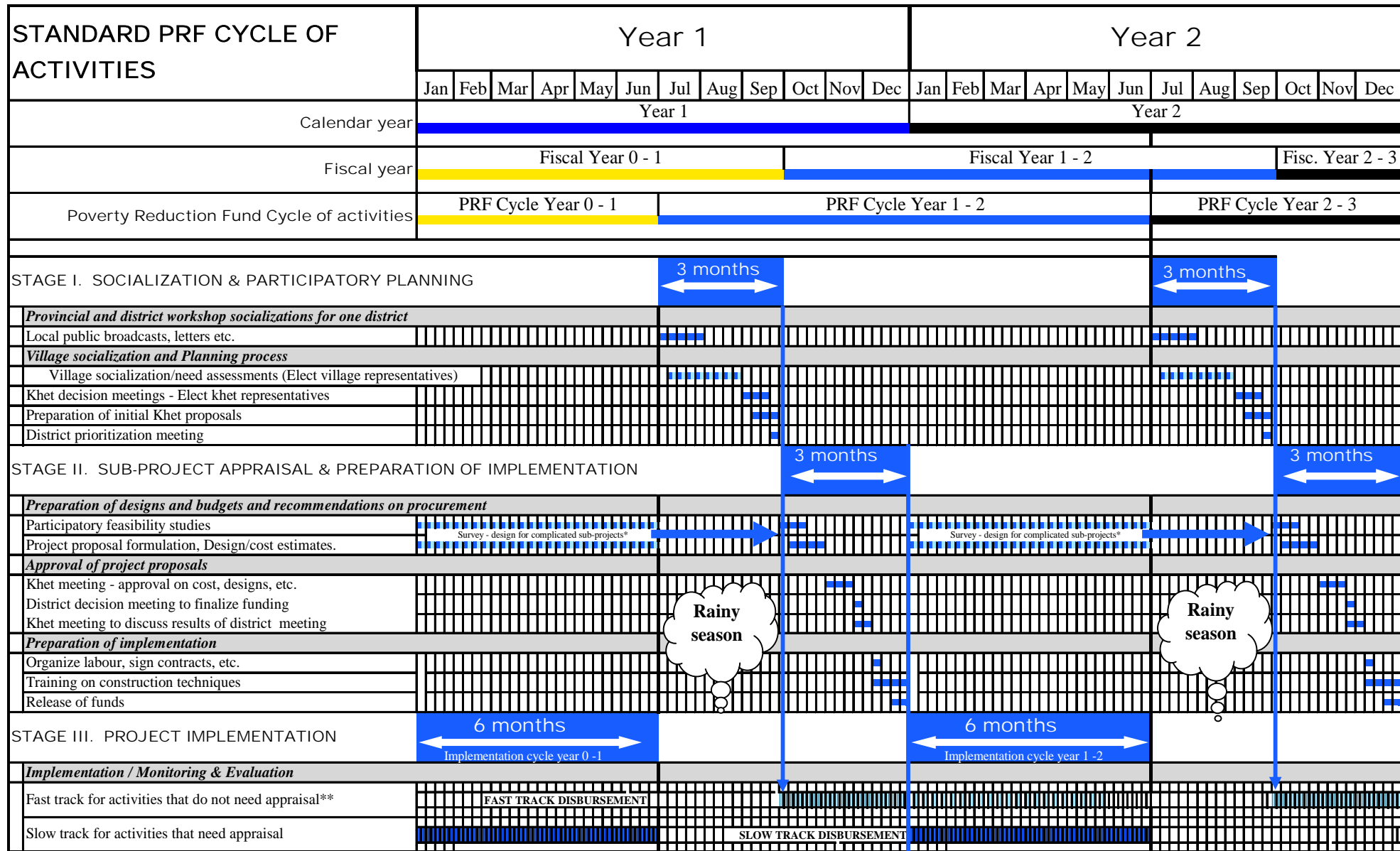
Vientiane 31<sup>st</sup> of May 2002  
Prime Minister

Signed and sealed

BOUNNHANG VORACHIT

## PRF Administrative Board





\* Complicated Sub-projects are divided into 2 packages: 1st year survey/design, 2nd year fast track implementation

\*\* Sub-projects that have been previously appraised or that are perfectly standard

## PRF Process – Socialization and Initial Proposal Preparation

Activities	Purpose
<b>Provincial Socialization Meeting</b>	<ul style="list-style-type: none"> <li>■ Introduce and present the PRF Project to a wide range of stakeholders and interested parties at the provincial level.</li> </ul>
<b>District Socialization Meeting</b>	<ul style="list-style-type: none"> <li>■ Introduce and present the PRF Project to stakeholders and interested parties at the district level.</li> <li>■ Search for Khet Facilitators</li> <li>■ Plan Khet Socialization Meetings</li> <li>■ Start preparing for next steps</li> </ul>
<b>Khet Socialization Meeting</b>	<ul style="list-style-type: none"> <li>■ Introduce and present the PRF Project at the khet level.</li> <li>■ Elect / Confirm selection of Khet Facilitators</li> <li>■ Start preparing for next steps</li> </ul>
<b>Khet Facilitator Training (Package # 1)</b>	<ul style="list-style-type: none"> <li>■ Help Khet Facilitators understand the objectives and key principles of the PRF Project.</li> <li>■ How to use the IEC tools and forms for facilitating the socialization process and collecting information at village and khet level.</li> <li>■ Plans and preparations for village socialization</li> </ul>
<b>Village Socialization and VNPA Meeting</b>	<ul style="list-style-type: none"> <li>■ Inform villagers about PRF objectives, activities and principles so that villagers understand the project and better understand their rights and responsibilities.</li> <li>■ Identify 3 main problems and priorities of each village in the district.</li> <li>■ Collect information about the village (Village Profile data form and Summary data sheets from the NSC Village Book)</li> <li>■ Elect three village representatives.</li> <li>■ Plan for Khet Prioritization Meetings.</li> </ul>
<b>Khet Proposal Prioritization Meeting</b>	<ul style="list-style-type: none"> <li>■ Gather together and present all of the village needs and priorities brought by the Village Representatives from each village within each khet.</li> <li>■ Prioritize the village needs and priorities and analyze problems so as to identify main root causes.</li> <li>■ Prepare 6 priority Sub-project proposal outlines per khet, which: <ul style="list-style-type: none"> <li>- are supported by a majority of men and women</li> <li>- focus on poverty reduction</li> <li>- intend to eliminate major causes of priority problems</li> <li>- are eligible PRF activities</li> </ul> </li> <li>■ Elect/assign people/teams from within the khet, to help with procurement, project implementation, etc. (In the hope that some sub-project proposals may be successful.)</li> <li>■ Elect four Khet Representatives (two men &amp; two women) who will present the 6 proposals at the District Proposal Prioritisation Meeting.</li> <li>■ Confirm selection/election of Khet Facilitators. Change/ elect more if required.</li> <li>■ Record the decisions of the meeting and post on the Khet Information Board.</li> </ul>
<b>District Proposal Prioritization Meeting</b>	<ul style="list-style-type: none"> <li>■ Gather together and present all of the sub-project proposal outlines brought by the Khet Representatives from each khet.</li> <li>■ Prioritize the sub-project proposals to maximize the benefits and impact of the project.</li> <li>■ Consult and coordinate with technical officers (compare and coordinate with existing District / khet / village plans and proposals, request commitment for necessary support, etc.)</li> <li>■ Prepare for Appraisal and detailed design of the sub-projects.</li> </ul>



Poverty Reduction Fund

V\_VNPA Form

PRF Reporting Formats-Version 2.0 July 03

**VILLAGE NEEDS AND PRIORITIES ASSESSMENT FORM**

Province: \_\_\_\_\_ District: \_\_\_\_\_ Khet: \_\_\_\_\_ Village: \_\_\_\_\_ Village Population: \_\_\_\_\_ Female: \_\_\_\_\_  
 Meeting Date: \_\_\_\_\_ Total people (age over 14) attending: \_\_\_\_\_ Female(age Over 14) attending: \_\_\_\_\_

**Village Selection and Priorities:**

WOMEN'S GROUP				MEN'S GROUP			
Main Needs and Priorities of the Village by: Women's Group	Size / Scale		Describe briefly how and why it is a need for the villagers	Main Needs and Priorities of the Village by: Men's Group	Size / Scale		Describe briefly how and why it is a need for the villagers
	Qty	Unit			Qty	Unit	
1.				1.			
2.				2.			
3.				3.			

**THREE MAIN VILLAGE NEEDS/PRIORITIES RANKED BY ORDER OF IMPORTANCE**

1. FIRST MOST IMPORTANT NEED/PRIORITY	2. SECOND MOST IMPORTANT NEED/PRIORITY	3. THIRD MOST IMPORTANT NEED/PRIORITY
Selected by: Women <input type="checkbox"/> Men <input type="checkbox"/> Both <input type="checkbox"/>	Selected by: Women <input type="checkbox"/> Men <input type="checkbox"/> Both <input type="checkbox"/>	Selected by: Women <input type="checkbox"/> Men <input type="checkbox"/> Both <input type="checkbox"/>

Signature and Official Stamp

Village Head

PRF Staff

Names of three selected Village Representatives (At least one woman) to speak on behalf of the Village at the Khet Meeting:

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_



## SIX VILLAGE NEEDS

### HUAPHANH Province:

#### SOPBAO District:

First priority	Second priority	Third priority
<b>KHET: SOB HAO</b>		
<b>SOBHAO VILLAGE</b> <> Population: 793 Adults attending meeting: 232 Percentage of adults attending: 52% among which: 52% women		
<u>Women</u>		
Fund for Handicraft .. 138 Fund	Clean water system upgrade 1 Site	Suspended Bridge 200 m
<u>Men</u>		
Clean water system upgrade 1 Site	Suspended Bridge 200 m	Secondary School 3 Class
<b>KANG VILLAGE</b> <> Population: 813 Adults attending meeting: 299 Percentage of adults attending: 65% among which: 45% women		
<u>Women</u>		
Fund for weaving.. 145 Fund	Suspended Bridge 200 m	Irrigation system 1 Site
<u>Men</u>		
Irrigation system 1 Site	Suspended Bridge 200 m	Primary School 1 Class
<b>NALOK VILLAGE</b> <> Population: 549 Adults attending meeting: 188 Percentage of adults attending: 61% among which: 50% women		
<u>Women</u>		
Suspended Bridge 50 m	Spring Gravity Fed System 1 Site	Irrigation system 1 Site
<u>Men</u>		
Wooden Bridge 50 m	Spring Gravity Fed System 1 Site	Irrigation system 1 Site
<b>NAXANG VILLAGE</b> <> Population: 334 Adults attending meeting: 96 Percentage of adults attending: 51% among which: 51% women		
<u>Women</u>		
Suspended Bridge 50 m	Spring Gravity Fed System 1 Site	Primary School 1 Class
<u>Men</u>		
Suspended Bridge 50 m	Spring Gravity Fed System 1 Site	Primary School 1 Class
<b>PHONXAI VILLAGE</b> <> Population: 454 Adults attending meeting: 150 Percentage of adults attending: 58% among which: 53% women		
<u>Women</u>		
Primary School 4 Class	Spring Gravity Fed System 1 Site	Suspended Bridge 150 m
<u>Men</u>		
Primary School 4 Class	Spring Gravity Fed System 1 Site	Suspended Bridge 150 m
<b>NAGNOM VILLAGE</b> <> Population: 349 Adults attending meeting: 108 Percentage of adults attending: 55% among which: 50% women		
<u>Women</u>		
Village Medicine box 1 Pce	Irrigation system 1 Site	Main electrical line access 1 Site
<u>Men</u>		
Main electrical line access 1 Site	Irrigation system 1 Site	Village Medicine box 1 Pce
<b>HOUAYTOUNG VILLAGE</b> <> Population: 435 Adults attending meeting: 139 Percentage of adults attending: 57% among which: 54% women		
<u>Women</u>		
Concrete Bridge 30 m	Primary School 5 Class	Dispensary 1 Site
<u>Men</u>		
Concrete Bridge 30 m	Primary School 5 Class	Public Hall (Meeting Room ..) 1 Site
<b>NAMHAENG VILLAGE</b> <> Population: 240 Adults attending meeting: 75 Percentage of adults attending: 55% among which: 32% women		
<u>Women</u>		
Main electrical line access 1 Site	Village Medicine box 1 Pce	Spring Gravity Fed System 1 Site
<u>Men</u>		
Main electrical line access 1 Site	Village Medicine box 1 Pce	Spring Gravity Fed System 1 Site
<b>NAPHIAM VILLAGE</b> <> Population: 296 Adults attending meeting: 101 Percentage of adults attending: 60% among which: 50% women		
<u>Women</u>		
Spring Gravity Fed System 1 Site	Revolving Fund 57 Fund	Primary School 2 Class
<u>Men</u>		
Fund for Agriculture and Livestock 57 Fund	Primary School 2 Class	Public Hall (Meeting Room ..) 1 Site
<b>NA ORN VILLAGE</b> <> Population: 184 Adults attending meeting: 49 Percentage of adults attending: 47% among which: 41% women		
<u>Women</u>		
Spring Gravity Fed System 1 Site	Village Medicine box 1 Pce	Primary School 5 Class
<u>Men</u>		
Primary School 5 Class	Latrine 36 Site	Spring Gravity Fed System 1 Site
<b>SOMVANG VILLAGE</b> <> Population: 390 Adults attending meeting: 120 Percentage of adults attending: 54% among which: 52% women		
<u>Women</u>		
Spring Gravity Fed System 1 Site	Village Medicine box 1 Pce	Primary School 2 Class

First Village priority		Second Village priority		Third Village priority	
<u>Men</u>					
Spring Gravity Fed System	1 Site	Irrigation Channel	1 Km	Village Medicine box	1 Pce
<b>SUMMARY OF</b>					
KHET: SOB HAO <> Population: 4,837 Adults attending meeting: 1,557 Average % of Adults attending: 57% among which :49% women					
<b>KHET: MUANG HANG</b>					
MOUANGHANG VILLAGE <> Population: 667 Adults attending meeting: 307 Percentage of adults attending: 82% among which:49% women					
<u>Women</u>					
Spring Gravity Fed System	1 Site	Revolving Fund	66 Fund	Primary School	5 Class
<u>Men</u>					
Spring Gravity Fed System	1 Site	Revolving Fund	6 Fund	Primary School	5 Class
NANGOUA VILLAGE <> Population: 483 Adults attending meeting: 135 Percentage of adults attending: 49% among which:53% women					
<u>Women</u>					
Spring Gravity Fed System	1 Site	Primary School	2 Class	Public Hall (Meeting Room ..)	1 Site
<u>Men</u>					
Spring Gravity Fed System	1 Site	Primary School	2 Class	Public Hall (Meeting Room ..)	1 Site
VIENG HANG VILLAGE <> Population: 403 Adults attending meeting: 124 Percentage of adults attending: 54% among which:42% women					
<u>Women</u>					
Dispensary	1 Site	Spring Gravity Fed System	1 Site	Revolving Fund	48 Fund
<u>Men</u>					
Dispensary	1 Site	Public Hall (Meeting Room ..)	1 Site	Rural Road Upgrade	3 Km
KHANGKATH VILLAGE <> Population: 244 Adults attending meeting: 102 Percentage of adults attending: 74% among which:59% women					
<u>Women</u>					
Spring Gravity Fed System	1 Site	Revolving Fund	36 Fund	Primary School	5 Class
<u>Men</u>					
Spring Gravity Fed System	1 Site	Revolving Fund	56 Fund	Primary School	5 Class
WONG VILLAGE <> Population: 165 Adults attending meeting: 72 Percentage of adults attending: 77% among which:49% women					
<u>Women</u>					
Spring Gravity Fed System	1 Site	Revolving Fund	25 Fund	Primary School	5 Class
<u>Men</u>					
Spring Gravity Fed System	1 Site	Revolving Fund	25 Fund	Irrigation system	1 Site
PHONHANG VILLAGE <> Population: 502 Adults attending meeting: 173 Percentage of adults attending: 61% among which:46% women					
<u>Women</u>					
Spring Gravity Fed System	1 Site	Primary School	2 Class	Dispensary	1 Site
<u>Men</u>					
Spring Gravity Fed System	1 Site	Primary School	2 Class	Latrine	86 Site
NAMAYHANG VILLAGE <> Population: 313 Adults attending meeting: 150 Percentage of adults attending: 85% among which:57% women					
<u>Women</u>					
Spring Gravity Fed System	1 Site	Main electrical line access	1 Site	Dispensary	1 Site
<u>Men</u>					
Spring Gravity Fed System	1 Site	Public Hall (Meeting Room ..)	1 Site	Fund for Cattle	76 Fund
DANE HANG VILLAGE <> Population: 302 Adults attending meeting: 148 Percentage of adults attending: 87% among which:53% women					
<u>Women</u>					
Spring Gravity Fed System	1 Site	Dispensary	1 Site	Irrigation system	1 Site
<u>Men</u>					
Spring Gravity Fed System	1 Site	Irrigation system	1 Site	Main electrical line access	1 Site
NAKHOUN VILLAGE <> Population: 425 Adults attending meeting: 208 Percentage of adults attending: 87% among which:64% women					
<u>Women</u>					
Spring Gravity Fed System	1 Site	Village Medicine box	1 Pce	Rural Road Upgrade	3 Km
<u>Men</u>					
Spring Gravity Fed System	1 Site	Primary School	5 Class	Rural Road Upgrade	3 Km
NAKHAM VILLAGE <> Population: 230 Adults attending meeting: 132 Percentage of adults attending: 102% among which:49% women					
<u>Women</u>					
Rural Road Upgrade	8 Km	Primary School	5 Class	Spring Gravity Fed System	1 Site
<u>Men</u>					
Rural Road Upgrade	8 Km	Primary School	5 Class	Village Medicine box	1 Pce
TAT VILLAGE <> Population: 151 Adults attending meeting: 70 Percentage of adults attending: 82% among which:40% women					
<u>Women</u>					
Spring Gravity Fed System	1 Site	Dispensary	1 Site	Irrigation system	1 Site
<u>Men</u>					
Spring Gravity Fed System	1 Site	Revolving Fund	27 Fund	Main electrical line access	1 Site
PHIENG FEUANG VILLAGE <> Population: 451 Adults attending meeting: 198 Percentage of adults attending: 78% among which:55% women					
<u>Women</u>					
Revolving Fund	52 Fund	Public Hall (Meeting Room ..)	1 Site	Local Market	1 Site



First Village priority		Second Village priority		Third Village priority	
<u>Men</u>					
Revolving Fund	52 Fund	Public Hall (Meeting Room ..)	1 Site	Local Market	1 Site
<b>NAMAY(HAOSIENH) VILLA</b> <> Population: 420 Adults attending meeting: 169 Percentage of adults attending: 71% among which: 47% women					
<u>Women</u>					
Spring Gravity Fed System	1 Site	Latrine	51 Site	Revolving Fund	51 Fund
<u>Men</u>					
Spring Gravity Fed System	1 Site	Latrine	51 Site	Revolving Fund	51 Fund
<b>SUMMARY OF KHET: MUANG HANG</b> <> Population: 4,756 Adults attending meeting: 1,988 Average % of Adults attending: 75% among which :52% women					
<b>KHET: SOB BAO</b>					
<b>MUANG HOM VILLAGE</b> <> Population: 460 Adults attending meeting: 128 Percentage of adults attending: 49% among which: 49% women					
<u>Women</u>					
Primary School	5 Class	Spring Gravity Fed System	1 Site	Revolving Fund	78 Fund
<u>Men</u>					
Spring Gravity Fed System	1 Site	Primary School	5 Class	Revolving Fund	78 Fund
<b>HAT SAN VILLAGE</b> <> Population: 217 Adults attending meeting: 196 Percentage of adults attending: 161% among which: 18% women					
<u>Women</u>					
Spring Gravity Fed System	1 Site	Primary School	2 Class	Irrigation system	1 Site
<u>Men</u>					
Spring Gravity Fed System	1 Site	Primary School	2 Class	Irrigation system	1 Site
<b>SOBBAO VILLAGE</b> <> Population: 1,606 Adults attending meeting: 168 Percentage of adults attending: 18% among which: 51% women					
<u>Women</u>					
Clean water system upgrade	1 Site	Revolving Fund	190 Fund	Kindergarten	1 Site
<u>Men</u>					
Spring Gravity Fed System	1 Site	Revolving Fund	190 Fund	Kindergarten	1 Site
<b>PHIENGXAY VILLAGE</b> <> Population: 324 Adults attending meeting: 102 Percentage of adults attending: 56% among which: 56% women					
<u>Women</u>					
Spring Gravity Fed System	1 Site	Primary School	5 Class	Revolving Fund	61 Fund
<u>Men</u>					
Spring Gravity Fed System	1 Site	Primary School	5 Class	Revolving Fund	61 Fund
<b>NA VILLAGE</b> <> Population: 134 Adults attending meeting: 54 Percentage of adults attending: 71% among which: 50% women					
<u>Women</u>					
Rural Road Upgrade	5 Km	Revolving Fund	27 Fund	Spring Gravity Fed System	1 Site
<u>Men</u>					
Rural Road Upgrade	5 Km	Revolving Fund	27 Fund	Spring Gravity Fed System	1 Site
<b>PHONGBAO VILLAGE</b> <> Population: 263 Adults attending meeting: 97 Percentage of adults attending: 65% among which: 52% women					
<u>Women</u>					
Main electrical line access	1 Site	Revolving Fund	59 Fund	Spring Gravity Fed System	1 Site
<u>Men</u>					
Main electrical line access	1 Site	Revolving Fund	59 Fund	Spring Gravity Fed System	1 Site
<b>PONG VILLAGE</b> <> Population: 368 Adults attending meeting: 122 Percentage of adults attending: 59% among which: 61% women					
<u>Women</u>					
Spring Gravity Fed System	1 Site	Primary School	5 Class	Revolving Fund	75 Fund
<u>Men</u>					
Spring Gravity Fed System	1 Site	Primary School	5 Class	Revolving Fund	75 Fund
<b>NAPEUNG VILLAGE</b> <> Population: 232 Adults attending meeting: 108 Percentage of adults attending: 83% among which: 36% women					
<u>Women</u>					
Spring Gravity Fed System	1 Site	Revolving Fund	51 Fund	Irrigation rehabilitation	1 Site
<u>Men</u>					
Spring Gravity Fed System	1 Site	Revolving Fund	51 Fund	Irrigation rehabilitation	1 Site
<b>SUMMARY OF KHET: SOB BAO</b> <> Population: 3,604 Adults attending meeting: 975 Average % of Adults attending: 48% among which :44% women					
<b>KHET: PA HANG</b>					
<b>PAHANG VILLAGE</b> <> Population: 372 Adults attending meeting: 250 Percentage of adults attending: 120% among which: 27% women					
<u>Women</u>					
Spring Gravity Fed System	1 Site	Dispensary	1 Site	Primary School	5 Class
<u>Men</u>					
Spring Gravity Fed System	1 Site	Dispensary	1 Site	Rural Road Upgrade	5 Km
<b>NAMTEUN VILLAGE</b> <> Population: 352 Adults attending meeting: 107 Percentage of adults attending: 54% among which: 58% women					
<u>Women</u>					
Dispensary	1 Site	Spring Gravity Fed System	1 Site	Main electrical line access	1 Site
<u>Men</u>					
Main electrical line access	1 Site	Dispensary	1 Site	Spring Gravity Fed System	1 Site

First Village priority		Second Village priority		Third Village priority	
<b>PAKHOMGNAI VILLAGE</b> <> Population: 173 Adults attending meeting: 94 Percentage of adults attending: 97% among which: 31% women					
<u>Women</u>					
Spring Gravity Fed System	1 Site	Main electrical line access	1 Site	Dispensary	1 Site
<u>Men</u>					
Main electrical line access	1 Site	Primary School	3 Class	Spring Gravity Fed System	1 Site
<b>PHALONG VILLAGE</b> <> Population: 196 Adults attending meeting: 111 Percentage of adults attending: 101% among which: 50% women					
<u>Women</u>					
Rural Road Upgrade	4 Km	Spring Gravity Fed System	1 Site	Primary School	5 Class
<u>Men</u>					
Dispensary	1 Site	Rural Road Upgrade	4 Km	Spring Gravity Fed System	1 Site
<b>PAKHOM NOY VILLAGE</b> <> Population: 273 Adults attending meeting: 79 Percentage of adults attending: 51% among which: 52% women					
<u>Women</u>					
Spring Gravity Fed System	1 Site	Main electrical line access	1 Site	Primary School	2 Class
<u>Men</u>					
Irrigation system	1 Site	Spring Gravity Fed System	1 Site	Dispensary	1 Site
<b>HOUAYPA VILLAGE</b> <> Population: 332 Adults attending meeting: 120 Percentage of adults attending: 64% among which: 62% women					
<u>Women</u>					
Latrine	55 Site	Land Extension	2 ไร่Ha	Dispensary	1 Site
<u>Men</u>					
Rural Road Upgrade	5 Km	Dispensary	1 Site	School Renovation	1 Class
<b>HOUAYNGEUM VILLAGE</b> <> Population: 161 Adults attending meeting: 86 Percentage of adults attending: 95% among which: 41% women					
<u>Women</u>					
Spring Gravity Fed System	1 Site	Rural Road Upgrade	1.6 Km	Irrigation system	1 Site
<u>Men</u>					
Spring Gravity Fed System	1 Site	Rural Road Upgrade	1.6 Km	Irrigation system	1 Site
<b>LONGTONG VILLAGE</b> <> Population: 320 Adults attending meeting: 90 Percentage of adults attending: 50% among which: 51% women					
<u>Women</u>					
Spring Gravity Fed System	1 Site	Rural Road Upgrade	0.15 Km	Dispensary	1 Site
<u>Men</u>					
Main electrical line access	1 Site	Rural Road Upgrade	0.15 Km	Primary School	5 Class
<b>HOUAYSIENG VILLAGE</b> <> Population: 358 Adults attending meeting: 219 Percentage of adults attending: 109% among which: 50% women					
<u>Women</u>					
Rural Road Upgrade	12 Km	Spring Gravity Fed System	1 Site	Primary School	3 Class
<u>Men</u>					
Rural Road Upgrade	12 Km	Dispensary	1 Site	Micro Hydro Power	2 Site
<b>MOUANG VILLAGE</b> <> Population: 555 Adults attending meeting: 420 Percentage of adults attending: 135% among which: 51% women					
<u>Women</u>					
Rural Road Upgrade	12 Km	Primary School	3 Class	Dispensary	1 Site
<u>Men</u>					
Rural Road Upgrade	12 Km	Main electrical line access	1 Site	Primary School	3 Class
<b>PAKHOMPET VILLAGE</b> <> Population: 221 Adults attending meeting: 120 Percentage of adults attending: 96% among which: 33% women					
<u>Women</u>					
Spring Gravity Fed System	1 Site	Primary School	2 Class	Micro Hydro Power	2 Site
<u>Men</u>					
Spring Gravity Fed System	1 Site	Primary School	2 Class	Micro Hydro Power	2 Site
<b>PUENG VILLAGE</b> <> Population: 427 Adults attending meeting: 290 Percentage of adults attending: 121% among which: 66% women					
<u>Women</u>					
Dispensary	1 Site	Primary School	2 Class	Spring Gravity Fed System	1 Site
<u>Men</u>					
Dispensary	1 Site	Irrigation system	1 Site	Rural Road Upgrade	3 Km
<b>SUMMARY OF KHET: PA HANG</b> <> Population: 3,740 Adults attending meeting: 1,986 Average % of Adults attending: 95% among which :49% women					
<b>KHET: TA LANG</b>					
<b>NANAY VILLAGE</b> <> Population: 435 Adults attending meeting: 174 Percentage of adults attending: 71% among which: 39% women					
<u>Women</u>					
Fund for Cattle	63 Fund	Spring Gravity Fed System	1 Site	Latrine	65 Site
<u>Men</u>					
Primary School	3 Class	Latrine	65 Site	Spring Gravity Fed System	1 Site
<b>NA XONE VILLAGE</b> <> Population: 420 Adults attending meeting: 138 Percentage of adults attending: 58% among which: 33% women					
<u>Women</u>					
Suspended Bridge	215 m	Fund for Cattle	65 Fund	Rural Road Upgrade	4 Km
<u>Men</u>					
Suspended Bridge	215 m	Fund for Cattle	65 Fund	Rural Road Upgrade	4 Km

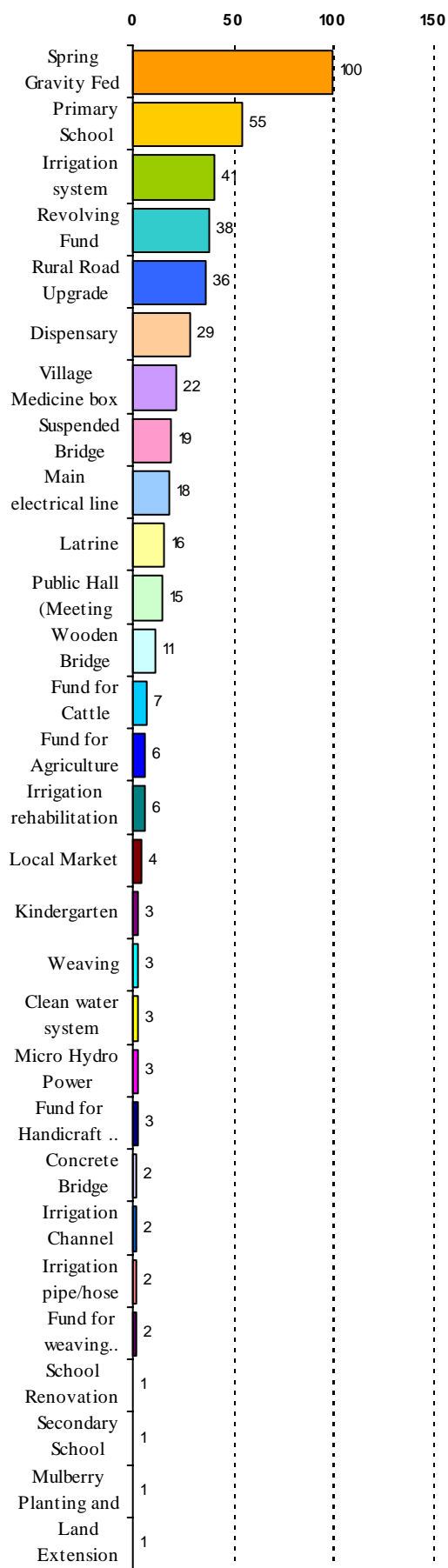
First Village priority		Second Village priority		Third Village priority	
<b>NAPHIENG VILLAGE</b> <> Population: 368 Adults attending meeting: 155 Percentage of adults attending: 75% among which: 41% women					
<u>Women</u>					
Spring Gravity Fed System	1 Site	Fund for Cattle	51 Fund	Rural Road Upgrade	5 Km
<u>Men</u>					
Fund for Cattle	51 Fund	Spring Gravity Fed System	1 Site	Rural Road Upgrade	5 Km
<b>NAKA NEUA VILLAGE</b> <> Population: 141 Adults attending meeting: 56 Percentage of adults attending: 70% among which: 57% women					
<u>Women</u>					
Spring Gravity Fed System	1 Site	Irrigation pipe/hose	1 Site	Wooden Bridge	200 m
<u>Men</u>					
Irrigation pipe/hose	1 Site	Spring Gravity Fed System	1 Site	Fund for Cattle	21 Fund
<b>PHONXAY VILLAGE</b> <> Population: 241 Adults attending meeting: 116 Percentage of adults attending: 85% among which: 47% women					
<u>Women</u>					
Wooden Bridge	150 m	Spring Gravity Fed System	1 Site	Main electrical line access	1 Site
<u>Men</u>					
Wooden Bridge	150 m	Spring Gravity Fed System	1 Site	Main electrical line access	1 Site
<b>TALANG VILLAGE</b> <> Population: 412 Adults attending meeting: 186 Percentage of adults attending: 80% among which: 53% women					
<u>Women</u>					
Spring Gravity Fed System	1 Site	Suspended Bridge	162 m	Latrine	63 Site
<u>Men</u>					
Spring Gravity Fed System	1 Site	Latrine	63 Site	Suspended Bridge	162 m
<b>PHIENG NGEIR VILLAGE</b> <> Population: 320 Adults attending meeting: 177 Percentage of adults attending: 98% among which: 71% women					
<u>Women</u>					
Suspended Bridge	162 m	Rural Road Upgrade	8 Km	Irrigation system	1 Site
<u>Men</u>					
Suspended Bridge	162 m	Rural Road Upgrade	8 Km	Irrigation system	1 Site
<b>NASEUA VILLAGE</b> <> Population: 204 Adults attending meeting: 150 Percentage of adults attending: 131% among which: 47% women					
<u>Women</u>					
Rural Road Upgrade	15 Km	Suspended Bridge	162 m	Irrigation system	1 Site
<u>Men</u>					
Suspended Bridge	162 m	Rural Road Upgrade	15 Km	Irrigation system	1 Site
<b>MOUANGDUNG VILLAGE</b> <> Population: 409 Adults attending meeting: 284 Percentage of adults attending: 123% among which: 61% women					
<u>Women</u>					
Suspended Bridge	162 m	Rural Road Upgrade	16 Km	Spring Gravity Fed System	1 Site
<u>Men</u>					
Suspended Bridge	162 m	Rural Road Upgrade	16 Km	Spring Gravity Fed System	1 Site
<b>SUMMARY OF KHET: TA LANG</b> <> Population: 2,950 Adults attending meeting: 1,436 Average % of Adults attending: 87% among which : 51% women					
<b>KHET: MUANG LONG</b>					
<b>NAPAN VILLAGE</b> <> Population: 263 Adults attending meeting: 1,143 Percentage of adults attending: 776% among which: 3% women					
<u>Women</u>					
Spring Gravity Fed System	1 Site	Irrigation system	1 Site	Wooden Bridge	40 m
<u>Men</u>					
Spring Gravity Fed System	1 Site	Irrigation system	1 Site	Wooden Bridge	40 m
<b>NASOUN VILLAGE</b> <> Population: 448 Adults attending meeting: 181 Percentage of adults attending: 72% among which: 50% women					
<u>Women</u>					
Spring Gravity Fed System	1 Site	Irrigation system	1 Site	Latrine	75 Site
<u>Men</u>					
Spring Gravity Fed System	1 Site	Irrigation system	1 Site	Primary School	1 Class
<b>VEUY VILLAGE</b> <> Population: 177 Adults attending meeting: 54 Percentage of adults attending: 54% among which: 65% women					
<u>Women</u>					
Weaving	17 Pce	Village Medicine box	1 Pce	Latrine	27 Site
<u>Men</u>					
Latrine	27 Site	Village Medicine box	1 Pce	Public Hall (Meeting Room ..)	1 Site
<b>NALEUANG VILLAGE</b> <> Population: 106 Adults attending meeting: 45 Percentage of adults attending: 75% among which: 49% women					
<u>Women</u>					
Wooden Bridge	20 m	Latrine	20 Site	Irrigation system	1 Site
<u>Men</u>					
Wooden Bridge	20 m	Latrine	20 Site	Irrigation system	1 Site
<b>KHONESI VILLAGE</b> <> Population: 199 Adults attending meeting: 55 Percentage of adults attending: 49% among which: 55% women					
<u>Women</u>					
Weaving	20 Pce	Wooden Bridge	70 m	Village Medicine box	1 Pce
<u>Men</u>					
Wooden Bridge	70 m	Village Medicine box	1 Pce	Public Hall (Meeting Room ..)	1 Site

First Village priority		Second Village priority		Third Village priority	
<b>MOUANGLONG VILLAGE</b> <> Population: 515 Adults attending meeting: 422 Percentage of adults attending: 146% among which:58% women					
<u>Women</u>					
Kindergarten	1 Site	Local Market	1 Site	Fund for Handicraft ..	76 Fund
<u>Men</u>					
Primary School	5 Class	Public Hall (Meeting Room ..)	1 Site	Local Market	1 Site
<b>KONGKHOUN VILLAGE</b> <> Population: 536 Adults attending meeting: 300 Percentage of adults attending: 99% among which:40% women					
<u>Women</u>					
Irrigation system	1 Site	Primary School	5 Class	Fund for weaving..	91 Fund
<u>Men</u>					
Irrigation system	1 Site	Wooden Bridge	15 m	Primary School	5 Class
<b>HOUAYKHOUN VILLAGE</b> <> Population: 135 Adults attending meeting: 63 Percentage of adults attending: 83% among which:44% women					
<u>Women</u>					
Spring Gravity Fed System	1 Site	Rural Road Upgrade	2 Km	Irrigation system	1 Site
<u>Men</u>					
Rural Road Upgrade	2 Km	Irrigation system	1 Site	Spring Gravity Fed System	1 Site
<b>NAKUANG VILLAGE</b> <> Population: 206 Adults attending meeting: 35 Percentage of adults attending: 30% among which:11% women					
<u>Women</u>					
Spring Gravity Fed System	1 Site	Village Medicine box	1 Pce	Latrine	33 Site
<u>Men</u>					
Latrine	33 Site	Village Medicine box	1 Pce	Spring Gravity Fed System	1 Site
<b>KANGLONG VILLAGE</b> <> Population: 649 Adults attending meeting: 180 Percentage of adults attending: 49% among which:78% women					
<u>Women</u>					
Village Medicine box	1 Pce	Public Hall (Meeting Room ..)	1 Site	Weaving	30 Pce
<u>Men</u>					
Village Medicine box	1 Pce	Public Hall (Meeting Room ..)	1 Site	Mulberry Planting and Silk wor	3 Ha
<b>NANGONE VILLAGE</b> <> Population: 364 Adults attending meeting: 137 Percentage of adults attending: 67% among which:49% women					
<u>Women</u>					
Spring Gravity Fed System	1 Site	Rural Road Upgrade	8 Km	Dispensary	1 Site
<u>Men</u>					
Irrigation system	1 Site	Primary School	5 Class	Fund for Agriculture and Livest	59 Fund
<b>PHOUNGEUN VILLAGE</b> <> Population: 295 Adults attending meeting: 71 Percentage of adults attending: 42% among which:58% women					
<u>Women</u>					
Irrigation system	1 Site	Fund for Agriculture and Livest	40 Fund	Dispensary	1 Site
<u>Men</u>					
Irrigation system	1 Site	Fund for Agriculture and Livest	40 Fund	Village Medicine box	1 Pce
<b>KEOLOM VILLAGE</b> <> Population: 94 Adults attending meeting: 41 Percentage of adults attending: 77% among which:54% women					
<u>Women</u>					
Fund for Agriculture and Livestock	15 Fund	Irrigation system	1 Site	Village Medicine box	1 Pce
<u>Men</u>					
Fund for Agriculture and Livestock	15 Fund	Irrigation system	1 Site	Primary School	2 Class
<b>BOR GEUN VILLAGE</b> <> Population: 168 Adults attending meeting: 120 Percentage of adults attending: 127% among which:43% women					
<u>Women</u>					
Village Medicine box	1 Pce	Irrigation system	1 Site	Primary School	2 Class
<u>Men</u>					
Irrigation system	1 Site	Spring Gravity Fed System	1 Site	Revolving Fund	9 Fund
<b>THONGKHAM VILLAGE</b> <> Population: 178 Adults attending meeting: 62 Percentage of adults attending: 62% among which:48% women					
<u>Women</u>					
Revolving Fund	23 Fund	Irrigation system	1 Site	Village Medicine box	1 Pce
<u>Men</u>					
Revolving Fund	23 Fund	Primary School	2 Class	Spring Gravity Fed System	1 Site
<b>SOB POUNG VILLAGE</b> <> Population: 137 Adults attending meeting: 25 Percentage of adults attending: 32% among which:88% women					
<u>Women</u>					
Fund for Handicraft ..	25 Fund	Spring Gravity Fed System	1 Site	Village Medicine box	1 Pce
<u>Men</u>					
Irrigation system	1 Site	Spring Gravity Fed System	1 Site	Irrigation Channel	1 Km
<b>SUMMARY OF KHET: MUANG LONG</b> <> Population:4,470 <u>Adults attending meeting: 2,934</u> <u>Average % of Adults attending: 100%</u> <u>among which :35% women</u>					
<b>KHET: HOUA HOM</b>					
<b>POUNG VILLAGE</b> <> Population: 194 Adults attending meeting: 78 Percentage of adults attending: 71% among which:47% women					
<u>Women</u>					
Spring Gravity Fed System	1 Site	Dispensary	1 Site	Irrigation rehabilitation	1 Site
<u>Men</u>					
Spring Gravity Fed System	1 Site	Irrigation rehabilitation	1 Site	Public Hall (Meeting Room ..)	1 Site

First Village priority	Second Village priority	Third Village priority
<b>LONG VILLAGE</b> <> Population: 260	Adults attending meeting: 78	Percentage of adults attending: 53% among which: 47% women
<u>Women</u>		
Spring Gravity Fed System 1 Site	Dispensary 1 Site	Revolving Fund 41 Fund
<u>Men</u>		
Spring Gravity Fed System 1 Site	Public Hall (Meeting Room ..) 1 Site	Rural Road Upgrade 5 Km
<b>BO VILLAGE</b> <> Population: 350	Adults attending meeting: 133	Percentage of adults attending: 67% among which: 54% women
<u>Women</u>		
Spring Gravity Fed System 1 Site	Dispensary 1 Site	Revolving Fund 56 Fund
<u>Men</u>		
Irrigation rehabilitation 1 Site	Spring Gravity Fed System 1 Site	Primary School 2 Class
<b>BORN VILLAGE</b> <> Population: 289	Adults attending meeting: 110	Percentage of adults attending: 67% among which: 47% women
<u>Women</u>		
Dispensary 1 Site	Primary School 2 Class	Revolving Fund 40 Fund
<u>Men</u>		
Revolving Fund 40 Fund	Irrigation rehabilitation 1 Site	Spring Gravity Fed System 1 Site
<b>DANE HOM VILLAGE</b> <> Population: 427	Adults attending meeting: 125	Percentage of adults attending: 52% among which: 82% women
<u>Women</u>		
Dispensary 1 Site	Revolving Fund 67 Fund	Spring Gravity Fed System 1 Site
<u>Men</u>		
Dispensary 1 Site	Primary School 4 Class	Revolving Fund 67 Fund
<b>NA-OMM VILLAGE</b> <> Population: 184	Adults attending meeting: 71	Percentage of adults attending: 68% among which: 51% women
<u>Women</u>		
Rural Road Upgrade 3 Km	Revolving Fund 33 Fund	Irrigation system 1 Site
<u>Men</u>		
Rural Road Upgrade 3 Km	Revolving Fund 33 Fund	Irrigation system 1 Site
<b>SUMMARY OF KHET: HOUA HOM</b> <> Population: 1,704 <u>Adults attending meeting: 595</u> <u>Average % of Adults attending: 62%</u> <u>among which :56% women</u>		
<b>SUMMARY OF SOPBAO DISTRICT:</b> <> Population: 26,061 <u>Adults attending meeting: 11,471</u> <u>Average % of Adults attending: 79%</u> <u>among which :46% women</u>		
<> Total Number of Village Needs proposed at VNPA meeting: 450		



DETAILS OF VILLAGE NEEDS OF SOPBAO DISTRICT- HUAPHANH PROVINCE - 2003



SUMMARY AND ANALYSIS OF VILLAGE NEEDS OF SOPBAO DISTRICT- HUAPHANH PROVINCE - 2003

CATEGORY SUMMARY OF VILLAGE NEEDS

Village Needs	No.	Percent.
Water & Sanitation :	64	42.7 %
Access/Transport :	32	21.3 %
Health :	13	8.7 %
Credit/Revolving funds :	13	8.7 %
Irrigation :	11	7.3 %
Electricity :	8	5.3 %
Education :	7	4.7 %
Small business & Handicraft :	2	1.3 %
<b>Total of Village Needs:</b>	<b>150</b>	<b>100 %</b>

Village Needs	No.	Percent.
Education :	35	23.3 %
Water & Sanitation :	29	19.3 %
Credit/Revolving funds :	24	16.0 %
Health :	20	13.3 %
Access/Transport :	19	12.7 %
Irrigation :	17	11.3 %
Electricity :	4	2.7 %
Small business & Handicraft :	1	0.7 %
Cropping :	1	0.7 %
<b>Total of Village Needs:</b>	<b>150</b>	<b>100 %</b>

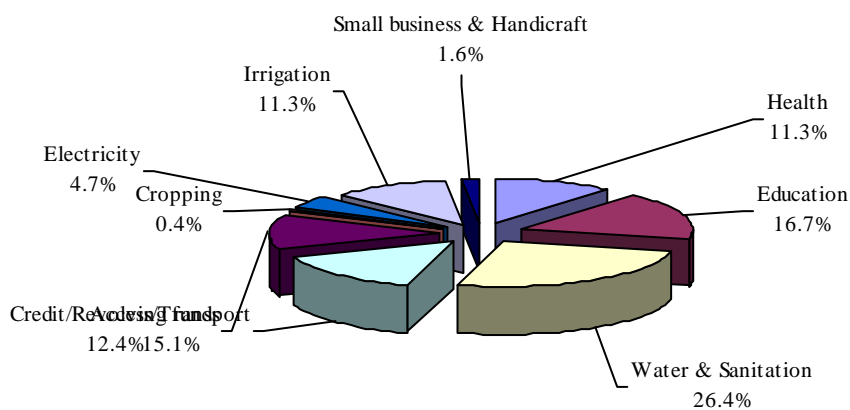
Village Needs	No.	Percent.
Education :	33	22.0 %
Water & Sanitation :	26	17.3 %
Irrigation :	23	15.3 %
Credit/Revolving funds :	19	12.7 %
Health :	18	12.0 %
Access/Transport :	17	11.3 %
Electricity :	9	6.0 %
Small business & Handicraft :	4	2.7 %
Cropping :	1	0.7 %
<b>Total of Village Needs:</b>	<b>150</b>	<b>100 %</b>

TOTAL OF VILLAGE NEEDS SUMMARY

Village Needs Category	No.	Percent.
Water & Sanitation :	119	26.4 %
Education :	75	16.7 %
Access/Transport :	68	15.1 %
Credit/Revolving funds :	56	12.4 %
Irrigation :	51	11.3 %
Health :	51	11.3 %
Electricity :	21	4.7 %
Small business & Handicraft :	7	1.6 %
Cropping :	2	0.4 %
<b>Total of Village Needs:</b>	<b>450</b>	<b>100 %</b>

Group selection	No.	Percent.
Women:	61	13.6 %
Men:	52	11.6 %
Both:	337	74.9 %
<b>Total of Village Needs Selected:</b>	<b>450</b>	<b>100 %</b>

CATEGORIES OF NEEDS PRIORITY



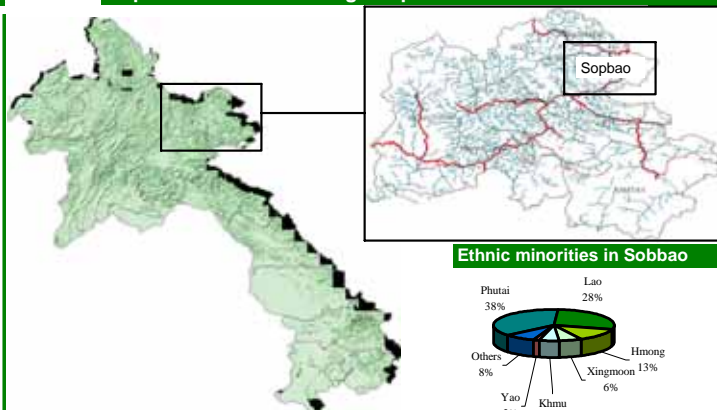


**Progress activity of Sobbaao District, as of December 2003**

**General Information**

<b>Huaphanh Province:</b>		
Population of Province (NSC; year 2002):	<b>Total</b> 272,134	<b>Women</b> 137,186
Total Number of districts:	8	
<i>Xiengkho, Add, Sobbaao, Viengxay, Viengthong, Xamtay, Heuameuang, Xamneua</i>		
Total Number of districts covered by PRF:	3	
<i>Xiengkho, Add, Sobbaao</i>		
<b>Sobbaao District:</b>		
District Population (2003)	<b>Total</b> 26,061	<b>Women</b> 13,499
Total Number of Khets:	7	
Total Number of Villages:	75	
Total Number of "Poor" Villages*:	68	
% of villages without access to health services	5%	
% of villages without safe water supply	88%	
% of villages without road	24%	
% of villages without access to School	3%	
Main ethnic groups in the district: (NSC Census 95 in former Xiengkho District)		
<i>Phutai, Lao, Hmong, Xingmoon, Khmu, Yao</i>		

**Maps of Lao PDR showing Huaphanh & Sobbaao**



**Initially requested village needs**

**Results after Village Needs and priorities Assessment and Prioritization**

Description	Total	%
Number of Village Needs (activities) expressed by villagers	<b>1,290</b>	<b>100%</b>
Number of Village Needs (activities) expressed by women	128	10%
Number of Village Needs (activities) expressed by men	120	9%
Number of Village Needs (activities) expressed by women and men	1042	81%
Village Needs after consolidation at Khet level (Khet Priorities)	145	

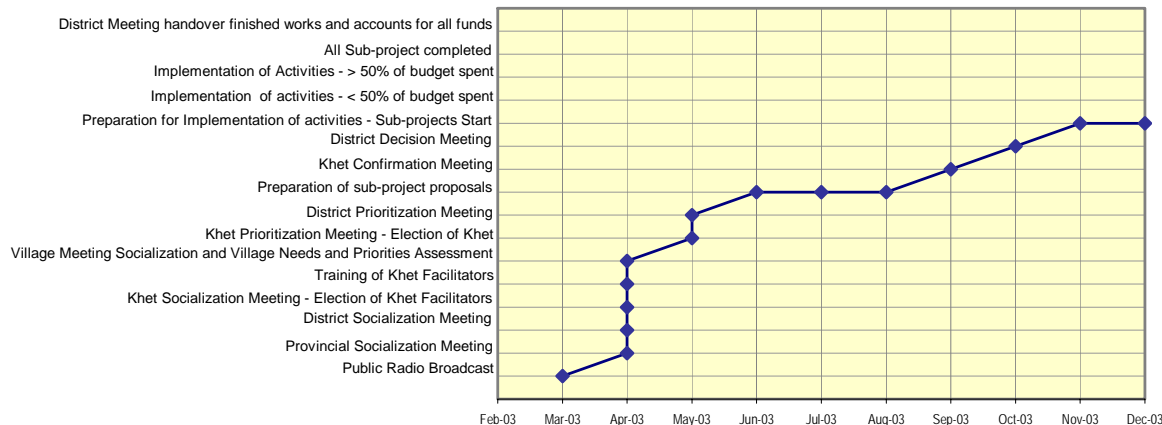
**Selected / approved sub-projects for the period 2003-2004**

**Results after sub-project appraisal and District Decision Meeting**

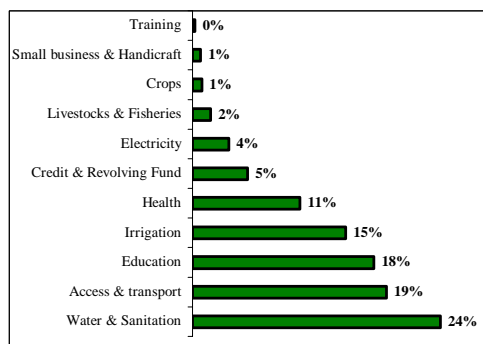
Description	Total	Kip	US\$
PRF Sobbaao budget allocation 2003	1,228,500,000		117,000
PRF Contribution to sub-project implementation	1,208,461,936		115,092
Village Contribution (cash / kind) to project implementation	595,051,000		56,672
Total Cost for Sub-Projects:	1,803,512,936		171,763
% of village contribution compared to total cost for sub-projects	33%		-
Average PRF contribution per Sub-project	57,545,806		5,481
Average PRF contribution per participating village	60,423,097		5,755
Number of Villages benefiting from 2003 funding round	20		-
Number of Poor Villages benefiting from 2003 funding round	19		-
Number and percentage of beneficiaries in 2003 funding round	6,950		27%
Number and percentage of Khets benefiting from 2003 funding round	7		-
Number of Sub-Projects to be implemented in 2003 funding round	21		-
Number and percentage of selected sub-projects proposed by women	128		10%
Average Number of Sub-projects / Khet	3		-
Average Number of Village activities / Khet	3		-
<b>Sub-project budget allocation per sector</b>			
Water & Sanitation	930,909,540		52 %
Access/ Transport	562,745,858		31 %
Irrigation	269,080,538		15 %
Education	40,777,000		2 %
<b>Total:</b>	<b>1,803,512,936</b>		<b>100 %</b>

**Chart of progress**

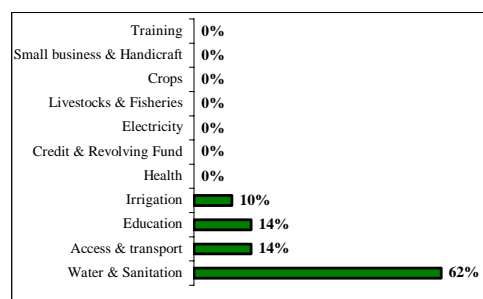
**Activity progress for Sopbaao District**



**Analysis of requested village needs by sector**



**Analysis of selected PRF sub-projects by sector**



Exchange Rate: approx. 1 US\$ = 10,500 Kip

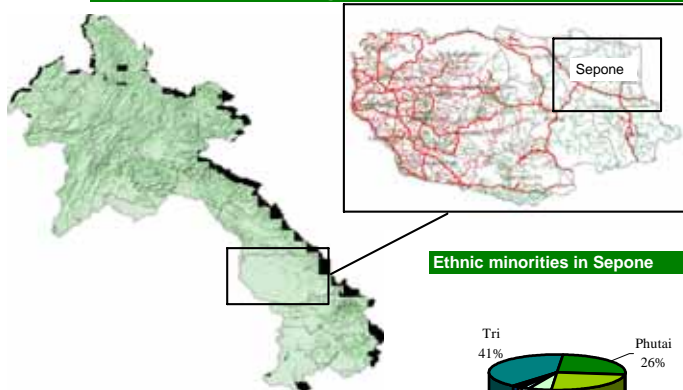
\* Poverty indicators and "poor" villages are defined by the Prime Minister's Instruction No. 010/PM and the National Statistic Centre.

## Progress activity of Sepone District, as of December 2003

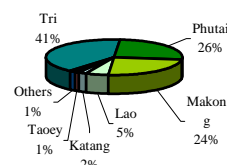
### General Information

Savannakhet Province:	Total	Women
Population of Province (NSC; year 2002):	782,617	387,340
Total Number of districts:	15	
<i>Sepone, Nong, Vilaboury, Khanthabouly, Outhoumphone, Atsapangthong, Phine, Thapangthong, Songkhone, Champhone, Xonbuly, Xaybuly, Atsaphone, Xayphouthong and Thaphanlanxay.</i>		
Total Number of districts covered by PRF:	3	
<i>Sepone, Nong and Vilaboury</i>		
Sepone District:	Total	Women
District Population (2003)	41,067	20,208
Total Number of Khets:	20	
Total Number of Villages:	159	
Total Number of "Poor" Villages*:	144	
% of villages without access to health services	83%	
% of villages without safe water supply	78%	
% of villages without road	45%	
% of villages without access to School	44%	
Main ethnic groups in the district: (NSC Census 95 in former Xiengkho District)		
<i>Tri, Phutai, Mako, Lao and Katang.</i>		

### Maps of Lao PDR showing Savannakhet & Sepone



### Ethnic minorities in Sepone



### Initially requested village needs

#### Results after Village Needs and priorities Assessment and Prioritization

Description	Total	%
Number of Village Needs (activities) expressed by villagers	2,028	100%
Number of Village Needs (activities) expressed by women	278	14%
Number of Village Needs (activities) expressed by men	281	14%
Number of Village Needs (activities) expressed by women and men	1,469	72%
Village Needs after consolidation at Khet level (Khet Priorities)	224	

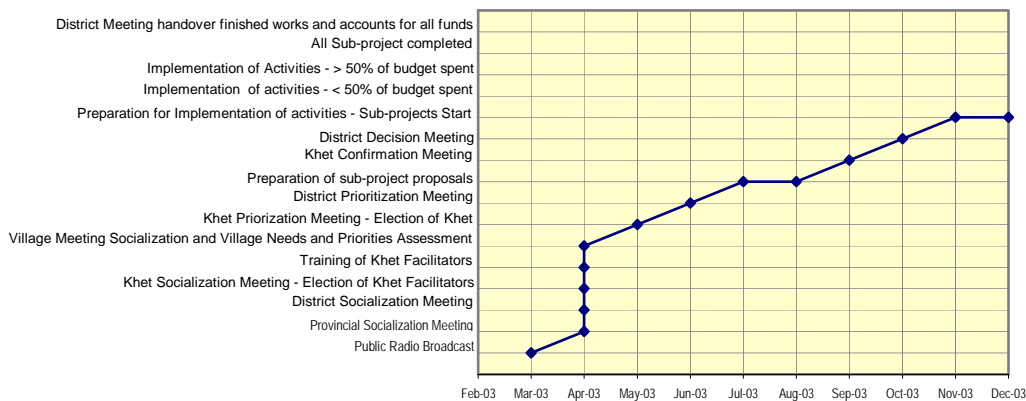
### Selected / approved sub-projects for the period 2003-2004

#### Results after sub-project appraisal and District Decision Meeting

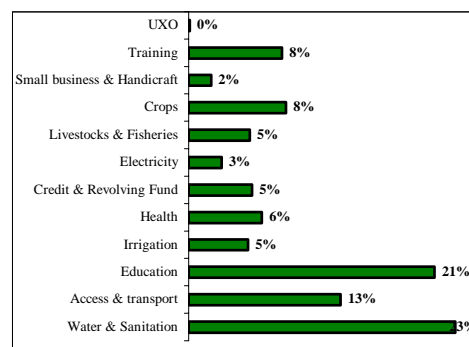
Description	Total	Kip	US\$
PRF Sepone budget allocation 2003	1,774,500,000		169,000
PRF Contribution to sub-project implementation	1,869,867,624		178,083
Village Contribution (cash / kind) to project implementation	184,059,660		17,529
Total Cost for Sub-Projects:	2,053,927,284		195,612
% of village contribution compared to total cost for sub-projects		9%	-
Average PRF contribution per Sub-project	58,433,363		5,565
Average PRF contribution per participating village	21,248,496		2,024
Number of Villages benefiting from 2003 funding round	88		-
Number of Poor Villages benefiting from 2003 funding round	76		-
Number and percentage of beneficiaries in 2003 funding round	22,729		55%
Number and percentage of Khets benefiting from 2003 funding round	20		-
Number of Sub-Projects to be implemented in 2003 funding round	32		-
Number and percentage of selected sub-projects proposed by women	278		14%
Average Number of Sub-projects / Khet	1.6		-
Average Number of Village activities / Khet	5		-
Sub-project budget allocation per sector	Allocation (Kip)	Percentage %	
Water & Sanitation	949,398,117	46 %	
Access/ Transport	460,965,768	22 %	
Health	134,293,813	7 %	
Education	498,105,135	24 %	
Training	11,164,451	1 %	
<b>Total:</b>	<b>2,053,927,284</b>	<b>100 %</b>	

### Chart of progress

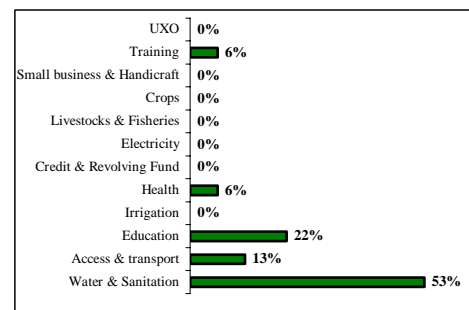
#### Activity progress for Sepone District



### Analysis of requested village needs by sector



### Analysis of selected PRF sub-projects by sector



Exchange Rate: approx. 1 US\$ = 10,500 Kip

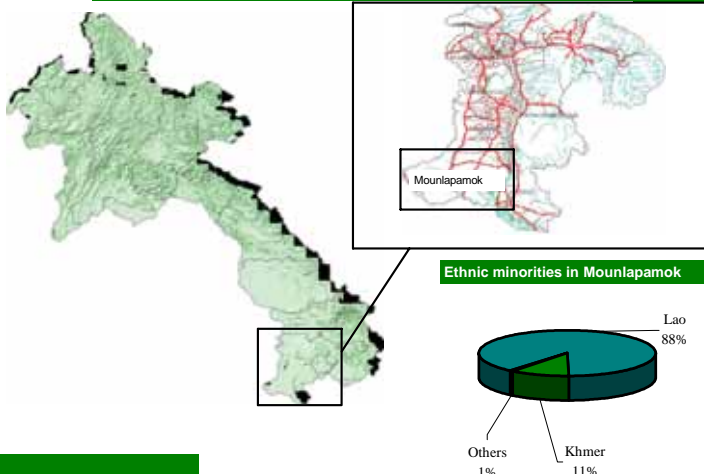
\* Poverty indicators and "poor" villages are defined by the Prime Minister's Instruction No. 010/PM and the National Statistic Centre.

## Progress activity of Mounlapamok District, as of December 2003

### General Information

Champasack Province:	Total	Women
Population of Province (NSC; year 2002):	579,011	287,074
Total Number of districts:	10	
<i>Mounlapamok, Khong, Pathoumphone, Sukuma, Pakse, Sanasomboun, Bachieng, Paksong, Phonethong and Champasack.</i>		
Total Number of districts covered by PRF:	4	
<i>Pathoumphone, Sukuma, Kkong and Mounlapamok</i>		
Mounlapamok District:	Total	Women
District Population (2003)	37,101	17,905
Total Number of Khets:	10	
Total Number of Villages:	67	
Total Number of "Poor" Villages*:	51	
% of villages without access to health services	73%	
% of villages without safe water supply	46%	
% of villages without road	1%	
% of villages without access to School	1%	
Main ethnic groups in the district: (NSC Census 95 in former Xiengkho District)		
<i>Lao and Khmer.</i>		

### Maps of Lao PDR showing Champasack & Mounlapamok



### Initially requested village needs

#### Results after Village Needs and priorities Assessment and Prioritization

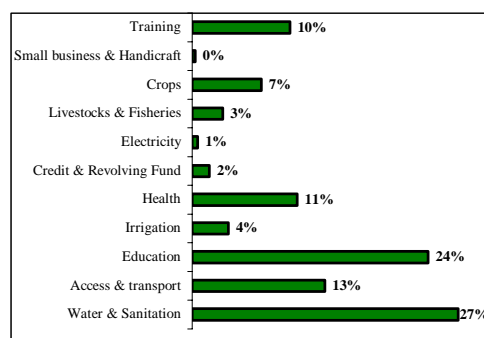
Description	Total	%
Number of Village Needs (activities) expressed by villagers	2,077	100%
Number of Village Needs (activities) expressed by women	267	13%
Number of Village Needs (activities) expressed by men	252	12%
Number of Village Needs (activities) expressed by women and men	1,558	75%
Village Needs after consolidation at Khet level (Khet Priorities)	71	

### Selected / approved sub-projects for the period 2003-2004

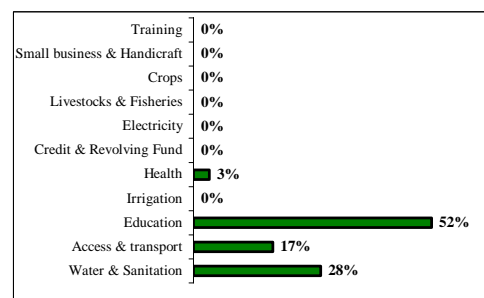
#### Results after sub-project appraisal and District Decision Meeting

Description	Total	Kip	US\$
PRF Mounlapamok budget allocation 2003	714,000,000		68,000
PRF Contribution to sub-project implementation	713,147,922		67,919
Village Contribution (cash / kind) to project implementation	69,641,394		6,633
Total Cost for Sub-Projects:	782,789,316		74,551
% of village contribution compared to total cost for sub-projects	9%		-
Average PRF contribution per Sub-project	24,591,308		2,342
Average PRF contribution per participating village	17,393,852		1,657
Number of Villages benefiting from 2003 funding round	41		-
Number of Poor Villages benefiting from 2003 funding round	35		-
Number and percentage of beneficiaries in 2003 funding round	22,704		61%
Number and percentage of Khets benefiting from 2003 funding round	10		-
Number of Sub-Projects to be implemented in 2003 funding round	29		-
Number and percentage of selected sub-projects proposed by women	267		13%
Average Number of Sub-projects / Khet	3		-
Average Number of Village activities / Khet	6		-
Sub-project budget allocation per sector	Allocation (Kip)	Percentage %	
Water & Sanitation	274,501,134	35 %	
Access/ Transport	126,043,439	16 %	
Health	42,210,000	5 %	
Education	340,034,813	43 %	
<b>Total:</b>	<b>782,789,386</b>	<b>100 %</b>	

### Analysis of requested village needs by sector

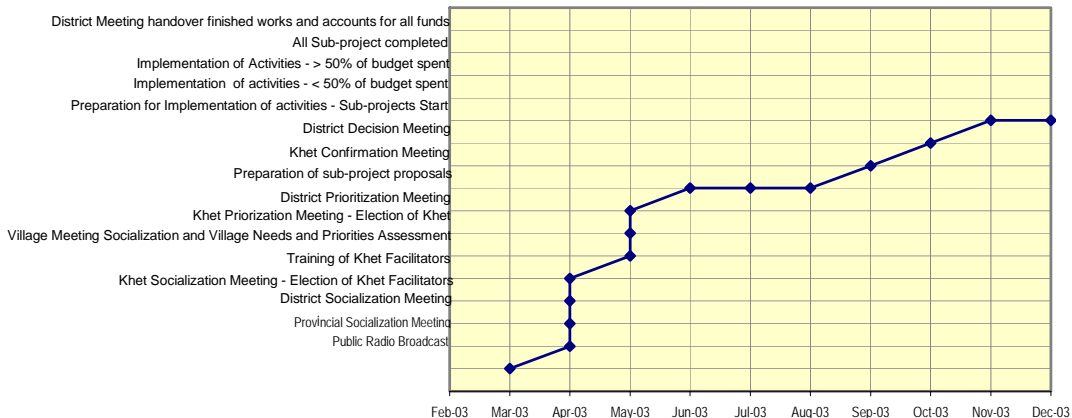


### Analysis of selected PRF sub-projects by sector



### Chart of progress

#### Activity progress for Monlapamok District



Exchange Rate: approx. 1 US\$ = 10,500 Kip

\* Poverty indicators and "poor" villages are defined by the Prime Minister's Instruction No. 010/PM and the National Statistic Centre.

Procurement Report 2003

Item No.	Description	Quantity					Item No.	Description	Quantity					Item No.	Description	Quantity				
		Distribution / location							Distribution / location							Distribution / location				
		Total	Vientiane	Huaphanh	Savannakhet	Champasack			Total	Vientiane	Huaphanh	Savannakhet	Champasack			Total	Vientiane	Huaphanh	Savannakhet	Champasack
<b>I</b>	<b>Civil Works (CW)</b>						<b>National Shopping</b>	<b>9</b>		<b>1</b>	<b>2</b>	<b>5</b>	<b>Furniture</b>							
1	SVK office renovation						18	Honda Wave 125 cc	2	1			1	45	shelves 200x78x30	10	10			
2	Vientiane	1	1				19	Honda Tena 110 cc	7		1	2	4	46	shelves 200x60x30	8	8			
3	Xepone	1			1		20	Acer computer	8	5	1	1	1	47	Book shelf (2m x 1.70 cm)	2	2			
4	Pakse	1				1	21	UPS 1500 VA (for server)	1	1				48	Book shelf (3m x 1.60 cm)	1	1			
5	Add	1		1			22	Handy Drive	1	1				49	Cupboard (with Lock)	1	1			
6	Sobao	1		1			23	LAN	1	1				50	meeting table + copy table	4	4			
7	Xiengkhor	1		1			24	UPS 750 VA	11	8	1	1	1	51	Chairs for meeting desk (metal legs)	22	22			
							25	Stabilizer	3		1	1	1	52	four drawer metal filing cabinet	4	4			
<b>II</b>	<b>Goods</b>						26	HP 5100 Printer	4	1	1	1	1	53	Leeco chair	19	19			
	<b>National Shopping</b>						27	Scanner	1	1				54	computer table	1	1			
1	Server	1	1				<b>National Shopping</b>						56	hot & cool water tap	1	1				
2	Computer Acer	3	3				28	motorbikes (Tena)	15		6	5	4	57	fire extinguisher	5	5			
3	HP Destjet 1220 c	1	1										58	Aluminium cupboard	1	1				
4	LAN installation	1	1				<b>Repeat order</b>						59	air conditioner						
5	Hub 8 ports	1	1				29	computer	7	4	1	1	1							
									0											
	<b>National Shopping</b>						<b>National Competitive Bidding</b>							<b>III</b>	<b>External Consulting services</b>					
6	Copy Machine	4	1	1	1	1	30	Competible computer	12	2	3	3	4	1	Senior Accounting Consultant					
7	In Document Feeder	4	1	1	1	1	31	Laptop	3	3				2	ACCPAC software installation					
8	Out Document Feeder	4	1	1	1	1	32	Handy Drive	14	1	4	4	5	3	Engineering Consultant					
9	Extra toner	4	1	1	1	1	33	LAN cable			1			4	Trainer for water system					
10	Laptop	2	2				34	UPS 750 VA	19	3	5	5	6	5	Trainer for Irrigation					
11	Facsimile	4	1	1	1	1	35	HP 2300 Printer	12	2	3	3	4	6	Trainer for Labor base usage					
12	Digital Camera	4	1	1	1	1	36	Color Deskjet	3		1	1	1							
13	LCD Projector	1	1				37	Scanner	3		1	1	1							
14	Overhead Projector	1	1				<b>Furniture</b>													
15	Tripod screen	1	1				38	Table	35	19	1	8	7							
							39	Chair	34		4	12	18							
	<b>National Competitive Bidding</b>	<b>4</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	40	Cupboard	3		2		1							
16	Ford Pick up	4	1	1	1	1	41	Bookshelf	2		2									
							42	Semi bookshelf	3		3									
	<b>National Shopping</b>	<b>1</b>	<b>1</b>				43	Drinking Water tap/unit	1	1										
17	Toyota minibus	1	1				44	shelves 200x130x30	4	4										

## Details of IEC materials distribution per level

	Province		District	Khet	Village	Total
<b>Song</b>						
	Huaphanh	10	Sob	3		13
	Huaphanh		Xiengkhor	3		3
	Huaphanh		Add	3		3
	Savannakhet	10	Sepone	3		13
	Savannakhet		Vila	3		3
	Savannakhet		Nong	3		3
	Champassak	10	Moon	3		13
	Champassak		Khong	3		3
	Champassak		Pathoum	3		3
	Champassak		Sukuma	3		3
	<b>Total</b>	<b>30</b>	<b>Total</b>	<b>30</b>	<b>0</b>	<b>0</b>
						<b>60</b>
<b>Flipchart</b>						
	Huaphanh		Sob	14		14
	Huaphanh		Xiengkhor	12		12
	Huaphanh		Add	12		12
	Savannakhet		Sepone	25		25
	Savannakhet		Vila	16		16
	Savannakhet		Nong	10		10
	Champassak		Moon	15		15
	Champassak		Khong	14		14
	Champassak		Pathoum	10		10
	Champassak		Sukuma	10		10
	<b>Total</b>	<b>0</b>	<b>Total</b>	<b>0</b>	<b>138</b>	<b>0</b>
						<b>138</b>
<b>Poster</b>						
	Huaphanh	3	Sob	3	14	75
	Huaphanh		Xiengkhor	3	24	66
	Huaphanh		Add	3	24	78
	Savannakhet	3	Sepone	3	40	161
	Savannakhet		Vila	3	32	103
	Savannakhet		Nong	3	20	80
	Champassak	3	Moon	3	20	93
	Champassak		Khong	3	28	136
	Champassak		Pathoum	3	20	93
	Champassak		Sukuma	3	20	60
	<b>Total</b>	<b>9</b>	<b>Total</b>	<b>30</b>	<b>242</b>	<b>945</b>
						<b>1226</b>
<b>T-shirt</b>						
	Huaphanh	5	Sob	3	49	57
	Huaphanh		Xiengkhor			0
	Huaphanh		Add			0
	Savannakhet	5	Sepone	3	120	128

Province	District	Khet	Village	Total			
Savannakhet		Vila					0
Savannakhet		Nong					0
Champassak	5	Moon	3	70			78
Champassak		Khong					0
Champassak		Pathoum					0
Champassak		Sukuma					0
<b>Total</b>	<b>15</b>	<b>Total</b>	<b>9</b>	<b>239</b>	<b>0</b>	<b>0</b>	<b>263</b>

#### Introducing of PRF

Huaphanh	10	Sob	10				20
Huaphanh		Xiengkhor	10				10
Huaphanh		Add	10				10
Savannakhet	10	Sepone	10				20
Savannakhet		Vila	10				10
Savannakhet		Nong	10				10
Champassak	10	Moon	10				20
Champassak		Khong	10				10
Champassak		Pathoum	10				10
Champassak		Sukuma	10				10
<b>Total</b>	<b>30</b>	<b>Total</b>	<b>100</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>130</b>

#### Brochures

Huaphanh	100	Sob	30	375	225		730
Huaphanh		Xiengkhor	30	60	198		288
Huaphanh		Add	30	60	234		324
Savannakhet	100	Sepone	30	100	480		710
Savannakhet		Vila	30	80	309		419
Savannakhet		Nong	30	50	240		320
Champassak	100	Moon	30	50	279		459
Champassak		Khong	30	70	408		508
Champassak		Pathoum	30	50	279		359
Champassak		Sukuma	30		180		210
				50			
<b>Total</b>	<b>300</b>	<b>Total</b>	<b>300</b>	<b>945</b>	<b>2832</b>	<b>4327</b>	

#### Executive Summary of Operational

Huaphanh	30	Sob	20				50
Huaphanh		Xiengkhor	20				20
Huaphanh		Add	20				20
Savannakhet	30	Sepone	20				50
Savannakhet		Vila	20				20
Savannakhet		Nong	20				20
Champassak	30	Moon	20				50
Champassak		Khong	20				20
Champassak		Pathoum	20				20
Champassak		Sukuma	20				20
<b>Total</b>	<b>90</b>	<b>Total</b>	<b>200</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>290</b>

## Work plan 2004

TASK	RESPONSIBILITY	TIME											
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>A</b>	<b>Implementation of sub-projects in 3 start-up districts : Sobbao, Sepone, Moonlapamok</b>												
A1	Check and follow-up procurement process												
A2	Disburse funds for Sub-project												
A3	Cross - Khet Assessment and Monitoring												
<b>B</b>	<b>Implementation of Sub-projects in 7 districts: Add, Xiengkhor, Vilabury, Nong, Khong, Sukuma, Pathoumphone</b>												
B1	Community Financial Management and Procurement Training for Khet level												
B2	Prepare sub-project appraisals - survey, designs, budget calculation												
B3	Prepare for implementation, check and follow-up procurement process												
B4	Disburse funds for Sub-project												
<b>C</b>	<b>Management and Administration</b>												
C1	Administrative Board Meeting												
C2	Financial Audit Year 2003												
C3	Monitoting and Evaluation Sub-projects implemenetation in 10 districts and Reporting												
<b>D</b>	<b>Training and Study</b>												
D1	Gender Training for PRF staff at National, Provincial and District Levels												
D2	Study of Social Organisations in Laos												
D3	Coordinate with NSC to finalize Baseline survey of year 2003												
<b>E</b>	<b>Complaint Resolution</b>												
E1	Disseminate Principle & Process of Complaint Prevention & Complaints Resolution												
E2	Follow-up and monitor Prevention and Complaints Resolution												
<b>F</b>	<b>Press and Broadcasting</b>												
F1	Publish bulletins, update and upload information on website												
<b>G</b>	<b>Expansion plan of projects into two new provinces</b>												
G1	Stage I: Socialization & Partcipatory Planning, Baseline Survey												
G2	Stage II: Sub-project Appraisal & Preparation of Implementation												
G3	Stage III: Implementation of Sub-projects												