

Committee for Planning and Investment

Poverty Reduction Fund



PRF



Quarterly Progress Report

1 July - 30 September 2004

Cycle II: 2004 - 2005

Vientiane, November 2004

Luang Prabang Road, Sikhottabong District, Vientiane Capital
Tel. 856-21-261 479 / 80, Fax 856-21-261 481
e-mail: prflao@laotel.com, info@prflaos.org
<http://www.prflaos.org>

Quarterly Progress Report: July - September 2004

TABLE OF CONTENTS

1. EXECUTIVE SUMMARY	2
2. PRF ACTIVITY CYCLE.....	3
3. IMPLEMENTATION OF SUB-PROJECTS IN 10 DISTRICT	5
4. PREPARATION FOR A NEW CYCLE AND LAUNCHING SOCIALIZATION ACTIVITIES...9	
4.1. INFORMATION EDUCATION COMMUNICATION (IEC) TRAINING FOR NEW STAFF.....9	9
4.2. SOCIALIZATION ACTIVITIES OF NEW CYCLE	9
4.3. VILLAGE SOCIALIZATION AND VILLAGE NEEDS AND PRIORITIZATION ASSESSMENT (VNPA) IN 10 DISTRICTS FOR CYCLE II.....	10
5. PARTICIPATION OF VILLAGERS IN THE PRF PROCESS	12
6. EXPANSION OF PRF INTO OTHER DISTRICTS.....	12
6.1. APPROACH OF DISTRICT ALLOCATION FOR THE CYCLE OF ACTIVITIES 2004-2005	12
6.2. ALLOCATION FOR SECOND CYCLE 2004-2005	14
7. OTHER ACTIVITIES	16
7.1. BASELINE SURVEY.....	16
7.2. SOCIAL STUDY	16
7.3. WORLD BANK MISSIONS	16
7.4. COOPERATION WITH UNICEF	17
8. TRAINING AND STAFFING ISSUES	18
9. FINANCIAL REPORT.....	20
10. PROJECT EXPENDITURE.....	20
10.1. GOVERNMENT CONTRIBUTIONS.....	21
10.2. GOVERNMENT CONTRIBUTIONS.....	21
10.3. PROCUREMENT REPORT	21
11. WORK PLAN FOR NEXT QUARTER	22

Annexes:

- Annex 1. Graphs progress activities in 14 districts
- Annex 2. Summary of Sub-project Disbursement and Completion Progress
- Annex 3. Sub-project management flowchart
- Annex 4. Possible UNICEF involvement with PRF activities
- Annex 5. PRF staff list
- Annex 6. Project Management Work Plan for Next Quarter (October - December 2004)

1. EXECUTIVE SUMMARY

A second cycle (year 2004-2005) of PRF started in July 2004. Prior starting the activities all PRF staff were brought together in for discussion and exchange lessons learnt from cycle I as well as for receiving some training aiming at preparing themselves for a new cycle. In addition to starting a new cycle in the existing target areas, expansion of PRF to four additional districts has also begun during this quarter. It is a challenging cycle as PRF must cope with increasing volume of work and manage more than hundred staff. A second cycle of activities began concurrently in July 2004 in the initial 10 districts, by repeating the process of assessing Village Need and Priorities. Four new districts: Xamtay, Huameuang, Viengxay (Huaphanh), Phin (Savannakhet) have been added and new staff has been recruited and were given the PRF orientation and pre-service training package so as to enable them to start with District Socialization Meetings in August 2004. The total approved budget for the cycle of activities 2004-2005 amounts to \$ 3,103,000. The yearly district allocation method has been revised in order to channel more resources to the poorest areas that have done well during last cycle of activities.

As of September 04, 172 sub-projects of cycle I or 70 % have been completed in 10 districts; but all activities in 10 district were expected to finish by October 2004. Among the implementation of sub-projects in 10 districts, Sobbao District is the best performing District as all twenty one sub-projects are about to be completed. However, some Maintenance Management Training concerning technical aspects and community development issues for Maintenance Teams is still being carried out and is likely to go on until the end of October. Some remaining budget will be paid after the end of the guarantee period, which depends on contract / type of sub-project.

Issues pending in previous quarter e.g. Baseline Survey and Social Study were finalized. Some positions at provincial and district level were adjusted in order to improve the working system of PRF. Interestingly, UNICEF and PRF have agreed to enter into partnership in the district of Sepone for the cycle of activities 2004-2005 focusing on education area which will be benefiting many target areas.

2. PRF ACTIVITY CYCLE

The PRF Activity Cycle comprises a series of meetings and many other activities designed to inform the many stakeholders and other interested parties about the PRF, build up local capacity for project/sub-project management and implementation, facilitate community planning, ownership, implementation, operation and maintenance of sub-projects, monitor and evaluate the sub-projects both during and after implementation. The various elements making up the PRF Activity Cycle are described in figure 1 as Elements of this cycle - from Village Needs and Priorities Assessment onwards - will be repeated in each year that funds are available for each participating district. Each village in each PRF district is invited to participate in the PRF Activity Cycle and each village is eligible to receive PRF funding. However, prioritisation of the whole district's needs must take place and the emphasis must clearly be on giving assistance first to those villages that are the poorest.

Annex 1 visually presents at a glance progress of PRF activities in 14 districts so as to be able to compare activities in all PRF target provinces and districts.

Figure 1: Project Activity Cycle of PRF

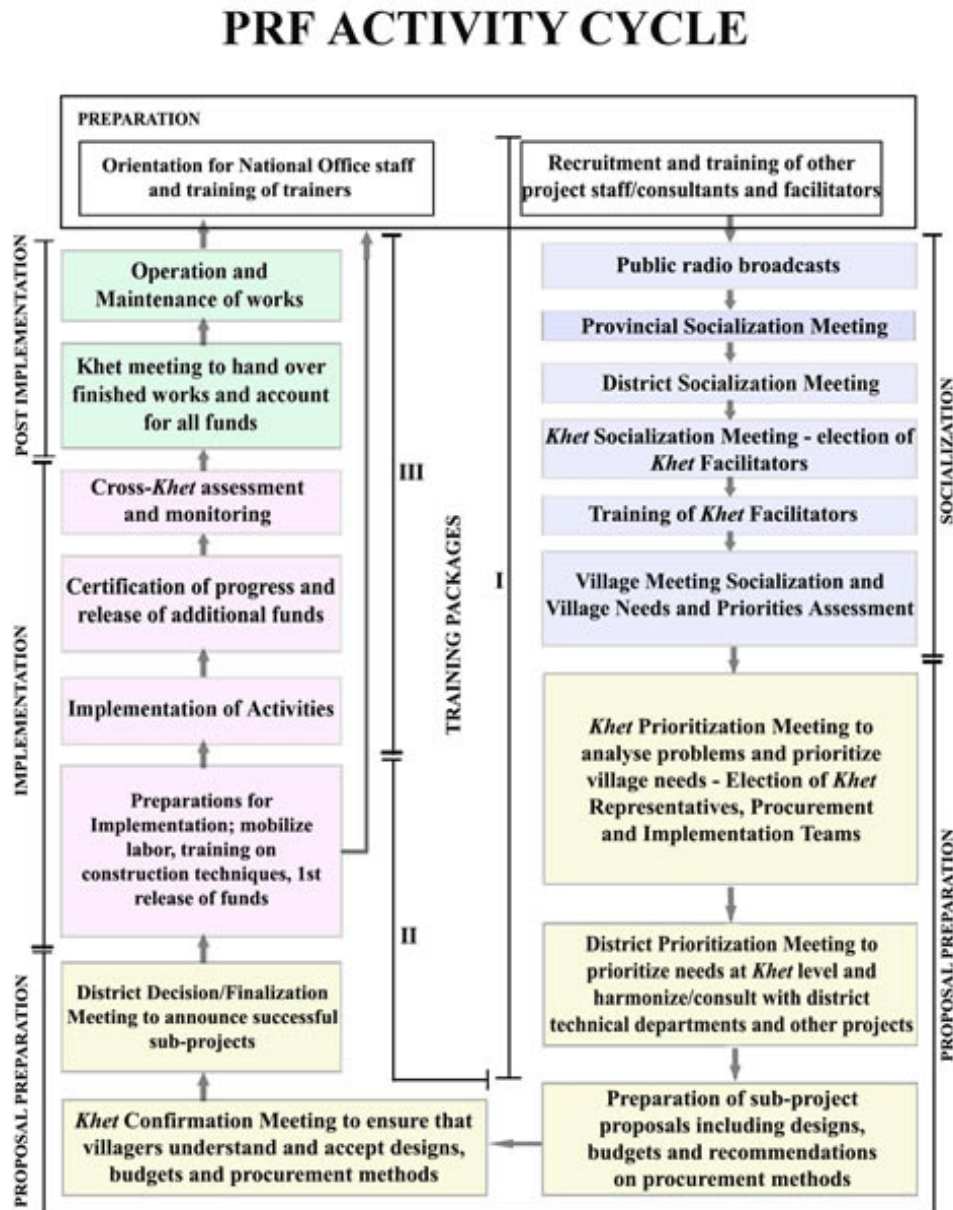
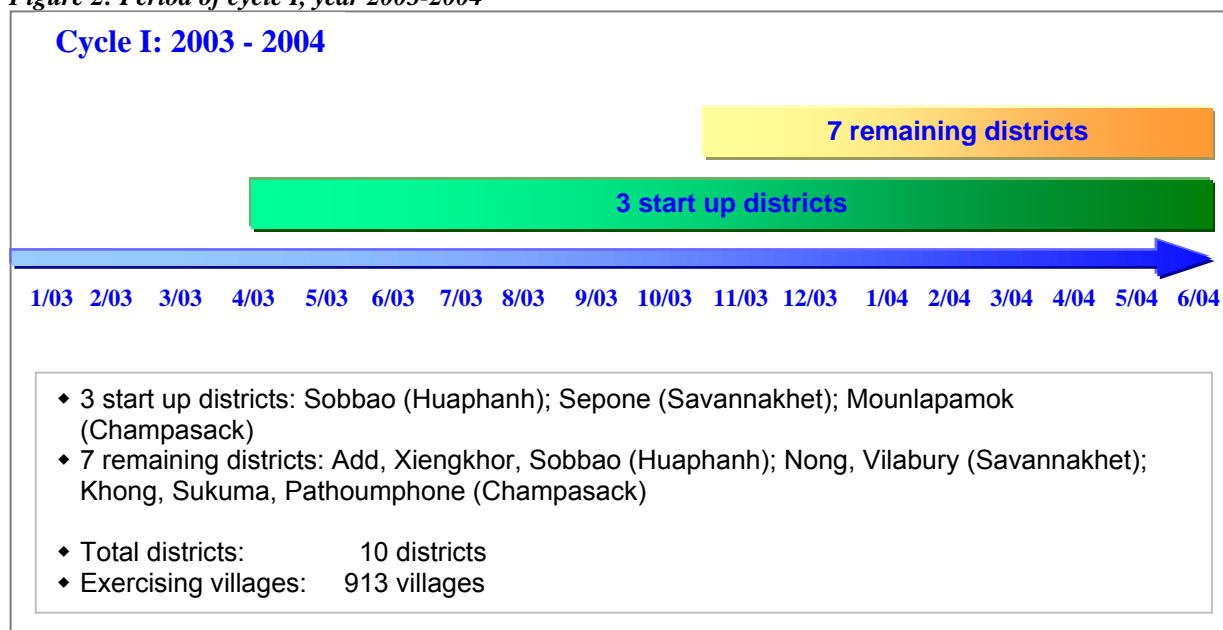


Figure 2: Period of cycle I, year 2003-2004



As shown in figure 2, during the first cycle Sobbao, Sepone and Mounlapamok Districts started activities in late April 2003, then followed up by 7 remaining districts. At end of June 2004, the 7 districts had eventually caught up as sub-projects were being implemented and money disbursed to the participating communities. Because PRF had gained experience from 3 start-up districts, implementation could move faster in the seven other districts. However, the initial expectation of completing most of the sub-projects by June 2004, was to be revised as many on-going sub-projects were caught by the monsoon before completion. Revised estimates tend to suggest that most of the sub-projects will be finished by October 2004. Causes of delay are further explained in section 3. As PRF focused on finishing up its first cycle of activities, a second cycle of activities began concurrently in July 2004 in the initial 10 districts with Village Need and Priorities Assessments. Four new districts have been added and started with District Socialization Meetings in August 2004.

Figure 3: Period of cycle II, year 2004-2005

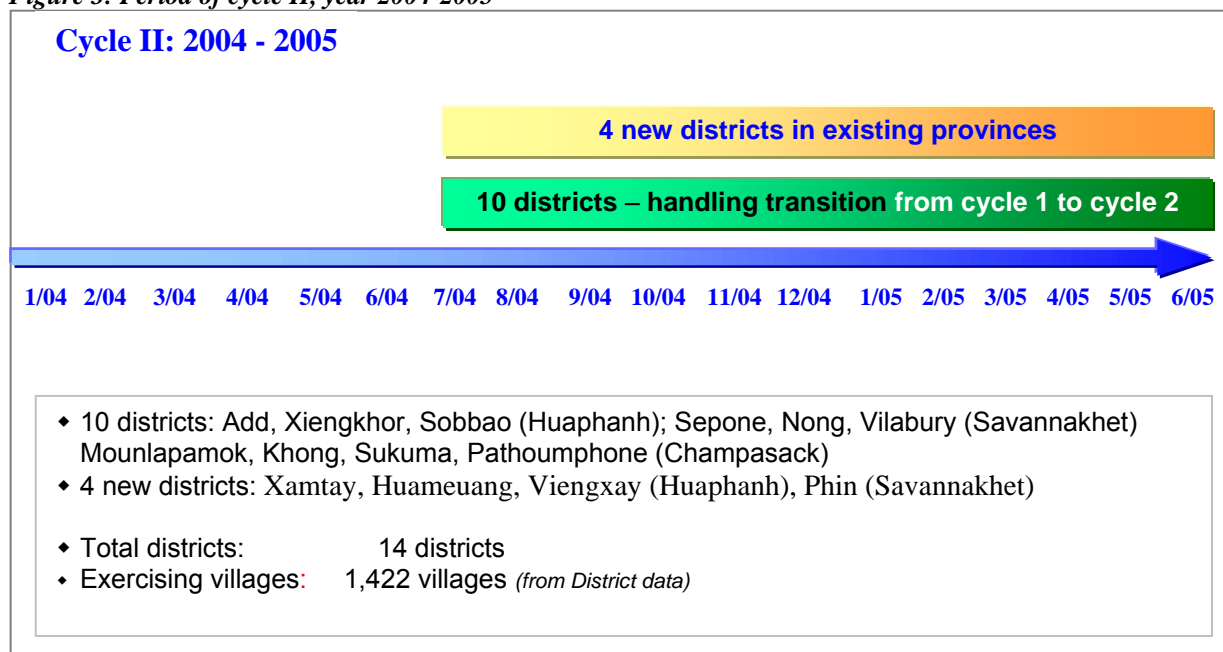


Table 1: Summary of number of villages per khet in PRF target districts

Provinces / Districts	Number of Villages	Number of khets	Ave. number of villages per khet	Number of villages	
				Smallest khet	Largest khet
Huaphanh					
Sobbao	75	7	10.7	6	16
Xiengkhor	64	12	5.3	4	7
Add	76	12	6.4	4	9
(new district) Viengxay	131	19	6.9	5	9
(new district) Xamtay	176	22	8.0	4	11
(new district) Huameaung	85	11	7.7	3	11
Sub-total Huaphanh	607	83	7.3	3	16
Savannakhet					
Sepone	159	20	8	5	11
Nong	79	10	7.9	6	9
Vilabury	102	16	6.3	4	10
(new district) Phin	116	15	7.7	5	11
Sub-total Savannakhet	456	61	7.5	4	11
Champasack					
Pathoumphone	93	10	9.3	6	11
Sukuma	62	10	6.3	5	9
Moonlapamok	67	10	6.7	4	10
Khong	137	14	9.8	6	13
Sub-total Champasack	359	44	8.2	4	13
Grand total	1422	188	7.6	3	16

3. IMPLEMENTATION OF SUB-PROJECTS IN 10 DISTRICT

Collection of Monthly Sub-project Monitoring Data

In spite of the on-the-job training provided to PRF Khet Facilitators in May 2004, with regard to monthly sub-project implementation monitoring (SPIM), reports suggest that the SPIM forms were found too complicated. Hence, important data was missing or incomplete rendering the entire exercise rather disappointing. Fortunately, key data, including financial and technical data were still being collected periodically but not systematically every month. It was agreed to simplify the SPIM form for the second cycle so as to capture essential information on a monthly basis.

Sub-project Disbursement and Completion Progress

From late December 2003 to the end of September 2004, a total of 687,659 USD or 6,595,657,132 kip had been transferred by PRF to the villagers' Khet Bank Accounts. A summary of sub-project disbursements including some details of the sub-projects being implemented and completed in each district can be found in Annex 2.

Comparing this Quarter's disbursements with those of the previous Quarter, there has been a significant increase in the rate of disbursement, reflecting the progress of sub-project works. Budget transfer stands at 64% of planned first cycle disbursement.

Causes of delay to complete some sub-projects:

- Prior-review – need approval from the World Bank
- Bidding procedure – long process, low participation of local contractors
- Drilled wells and hand dug wells encountered unforeseen geological problems when digging because of rocks, no water...
- Rainy season – difficulty to travel and hindrance to construction work

It can be seen from figure 4 that the implementation of the sub-projects is progressing the fastest in Huaphanh Province where 73 of 79 (92%) sub-projects have been completed. This can be compared to Savannakhet and Champasack (Champasack) where 27 of 60 (45%) and 73 of 107 (68%), respectively, of the planned sub-projects have been completed. Figure 5 shows that Sobbao District of Huaphanh is the best performing district with 21 of 21 (100%) sub-projects completed.

Figure 4: Summary of sub-projects completion by province

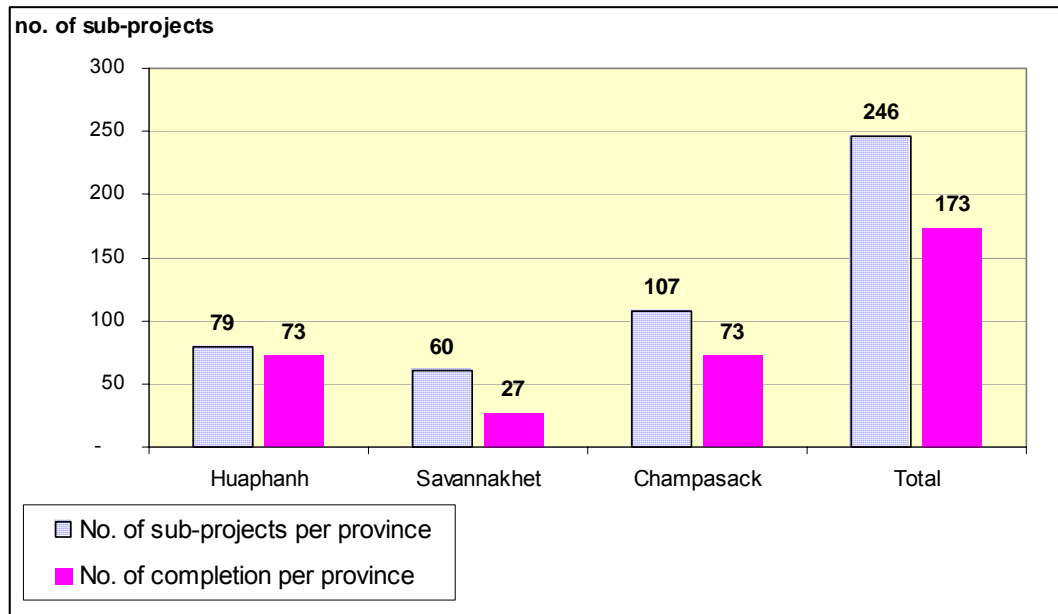
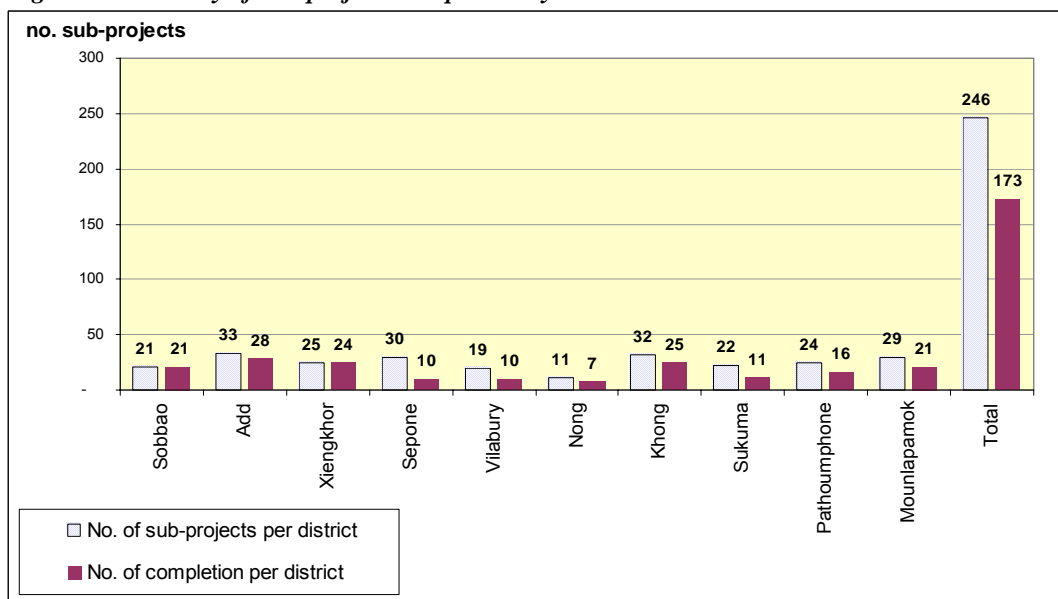


Figure 5: Summary of sub-projects completion by district



While not a lot of sub-projects have yet been finished in the other districts, many are very nearly completed. But the delay of implementation in other districts (Savannakhet and Champasack) results mainly from drilled wells, which cover 50% of activities. Reasons for delays are mainly due to the fact that commencement dates were postponed due to prior-review¹ procurement requirements and actual bidding procedures. In some instances, bidding processes had to be cancelled and re-launched a second or even a third time because a sole

¹ The first three procurement of community-based small works contracts shall require the Bank’s “no objection” before implementation

bidder or even sometimes no one responded to requests for quotations. Hence, many sub-projects could hardly begin before June and postponed until after the rainy season (June – September).

As of September, 172 sub-projects or 70 % have been completed. Some sub-projects have been delayed for a variety of reasons, including: local contractors not able to cope with the volume of work, slow community bidding and procurement process, and procurement of high tech equipment which requires assistance from PRF in Vientiane.

Figure 6 shows that transfer of PRF budget on sub-projects is progressing fastest in Huaphanh Province where approx. \$262,449 of \$345,175 (76%) planned PRF budget have been transferred from Provincial account to Community (Khet) accounts. This can be compared to Savannakhet and Champasack (Champasack) where \$225,178 of \$379,829 (59.3%) and \$200,032 of \$344,927 (58%), respectively, of the planned sub-projects have been completed. Sobbao (in Huaphanh) is the best performing district with \$99,032 of \$120,850 (92%) had been transferred. While only a few sub-projects have been finished yet in the other districts, many are very nearly completed.

Slowness in implementation of some sub-projects has also been linked to delays in transferring funds. These delays have been both at the local level and within the PRF offices. Local delays are occurring because of distance or difficulties in accessing banking services and the limited services that are actually available.

Figure 6: Summary of sub-projects disbursement by province

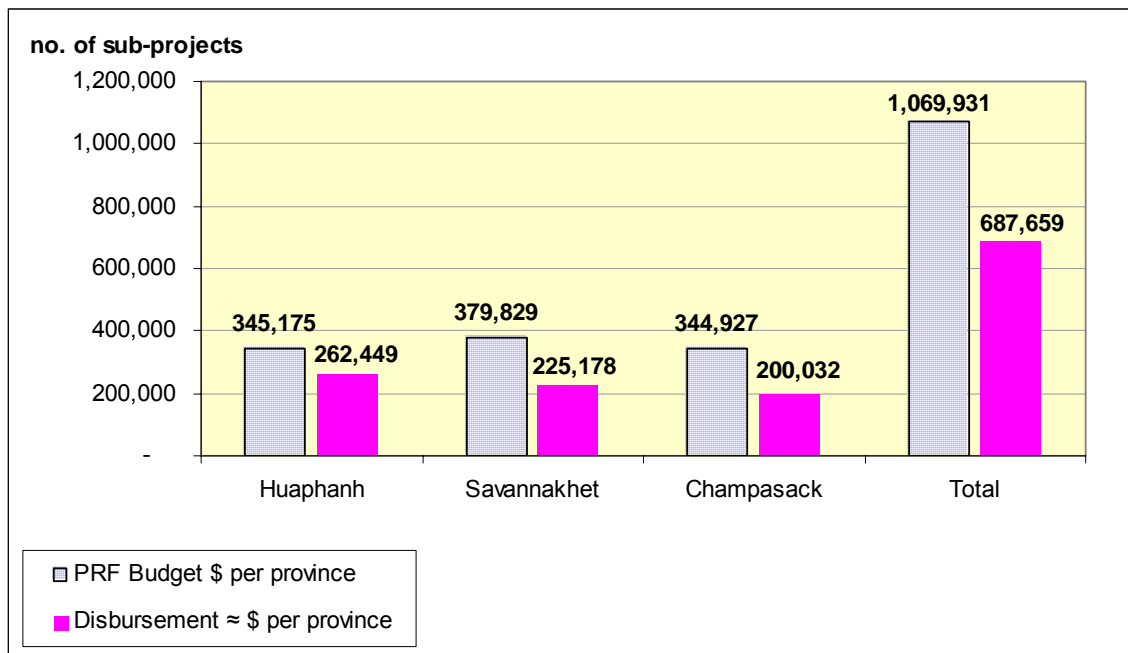
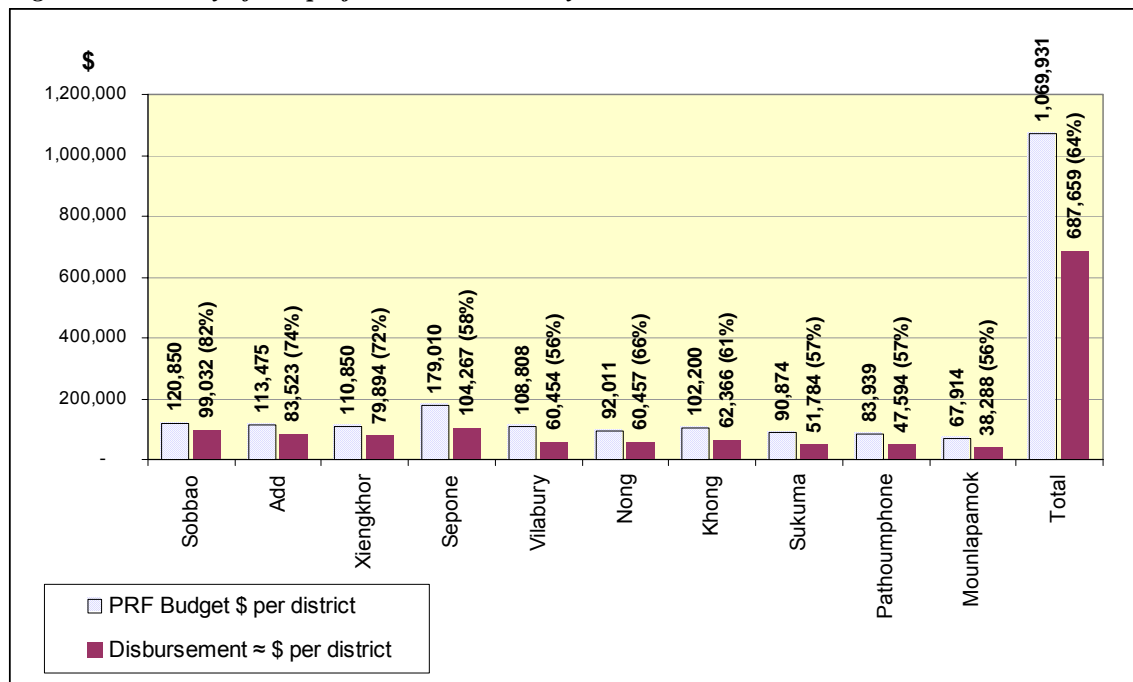


Figure 7 shows that from late December 2003 to the end of September 2004, a total of 687,659 USD or 6,595,657,132 kip had been transferred by PRF to the khets for sub-project implementation. At the end of June 2004, disbursements to the first cycle sub-projects were approximately 64 % of the planned budget of 1st cycle. See the annex 2 for a Summary of PRF sub-project Disbursement and Completion Progress – Cycle I.

Figure 7: Summary of sub-projects disbursement by district



Sobbao. All twenty-one sub-projects implemented in Sobbao District are about to be completed. However, some Maintenance Management Training concerning technical aspects and community development issues for Maintenance Teams is still being carried out and is likely to go on until the end of October. Some remaining budget will be paid after the end of the guarantee period, which depends on contract / type of sub-project.

For a specific sub-project which has unallocated/ unspent funds left over, the Khet Representatives should follow and take note of the steps below:

- i) Consider whether or not improvements are required and can be done relatively easily. If the answer is yes or most likely, then the Khets should carefully prepare, appraise and document their plans for improvements to the specific sub-projects. They should seek PRF TA assistance as necessary, use the Sub-project Tranche Activity Plan Form (STAP) to record their plans, and get PRF District approval. After approval for the improvement(s) is given they should implement the improvements as soon as possible, and the extra work should be finished before the Khet Sub-project Completion Meeting. (Refer to Annex 3: Sub-project management flowchart and Ideas for sub-projects improvements with remaining funds)
- ii) If improvements are not required or cannot be done for the specific sub-project, the Khet Representatives should then see if another sub-project in their khet is short of money. If the answer is yes, then a Change Order should be used/ requested to allow the money to pass from the specific sub-project to the one that is short of money.
- iii) If a Change Order is not appropriate for another sub-project in the same khet, then the Khet Representatives should ask the PRF TAs if there is another sub-project that is short of money in a any other khet in the district. A Change Order could be used/ requested in favour of a sub-project in a different khet, but all Change Orders need PRF VTE approval, and in this case (iii) PRF staff would have to be personally present to verify the fact that funds have passed from one khet to another. (More instructions for PRF would be required for this option.)

- iv) If neither improvements nor a Change Order are possible, and the money left over is more than 200,000 Kip then the money may have to be returned to the PRF provincial Sub-project Bank Account. In this situation, decisions would have to be made on a case by case basis.
- v) For balances of 200,000 Kip or less, the khet/village may use the money for their own community purposes/ expenses, but a receipt should be submitted to PRF so that the remaining balance for the sub-project is reduced to zero.

4. PREPARATION FOR A NEW CYCLE AND LAUNCHING SOCIALIZATION ACTIVITIES

4.1. Information Education Communication (IEC) Training for new staff

To help new staff in four new districts understand the overall objectives and implementation process of PRF, training on Information Education Communication was held on 25 – 29 August 04 in Viengxay District (Huaphanh Province) and 30 August – 3 September 04 in Phin District (Savannakhet Province) for a five-day-training session. Training was conducted by some PRF staff at national level with support from provincial team to introduce the background, objectives, structure of PRF, coordination, IEC materials including posters and how to use them, MIS forms, and communication and other related topics. Table 2 gives data on attendance at the IEC training in different places. New staff of three districts (Viengxay, Xamtay and Huameung) was brought together in Viengxay District because of its available facilities. Number of attendance in Phin District shows the highest number of participants as there Khet Facilitators volunteered to attend.

Table 2: Number of participants who attended IEC training

Location	Total participants	Women
Phin District	61	15
Viengxay District	27	9
Total	88	24

4.2. Socialization activities of new cycle

According to PRF activity cycle (as described in section 2.), District Socialization meetings were held in July only in new districts: (Phin, Huameung, Viengxay and Xamtay Districts). The meetings were attended by representatives from Education, Agriculture, Transport and Communication, Health, Mass Organizations and other organizations at district level. Subsequently, Khet Socialization meetings and Khet Facilitators Training were held in new districts in order to prepare all Khet Facilitators² who are helping PRF



District Socialization in Phin District on 13 July 2004

² Khet Facilitators are volunteers; they do not receive a salary, though PRF provides a small amount to cover expenses (transport, subsistence while away from the village). Khet Facilitators are composed of two men and one woman per khet.

District Facilitators collect data during Village socialization and Village Needs and Priorities Assessment (VNPA).

Table 3: Number of participants attending District Socialization Meetings for new districts

Location	No. of Participants		Women	Total
	PRF	Others *		
Phin District	4	47	3	51**
Huameung District	3	15	1	18
Viengxay District	3	18	4	21
Xamtay District	3	35	3	38 **

* Others included representatives from all district departments of government sectors.

** Phin and Xamtay, especially, included participants from village authorities located near the district center as they were interested in PRF's activities.

Table 4: Number of participants who attended Training of Khet Facilitators for new districts

Districts	Number of Khets	Others Participants*	Khet Facilitators **			Total Participants
			Total Participants	Women Participants	% Women	
Phin	15	21	40	11	26%	61
Huameung	11	7	29	10	34%	36
Viengxay	19	12	50	14	28%	62
Xamtay	22	9	54	16	30%	62

* Others included PRF staff and Government officials

** Some Khets did not attend the training because of difficulties with road access (flooded roads, land slides etc). Overall percentages of women attendance is lower than expected due to lack of time. Women are very busy taking care of their families and are sometimes not allowed by their husbands to stay far away from their families.



District Socialization in Xamtay District on 1 July 2004

4.3. Village Socialization and Village Needs and Prioritization Assessment (VNPA) in 10 Districts for Cycle II

The process for implementing sub-projects starts at village level. Several meetings are held for planning alone. The implementation of cycle II for the 10 districts starting in cycle I has repeated the same process described in PRF Activity Cycle II of PRF. During cycle II, activities cover 14 districts or 188 khets or 1422 villages. Village Socialization and VNPA meetings were conducted by Khet Facilitators – volunteers working with PRF at field level since cycle I – with support from PRF provincial and district teams. Before starting Village

Socialization and VNPA and Prioritization Meetings at Kket / district levels, PRF national team prepared IEC (Information Education and Communication) and fine-tuned the PRF meeting guidelines for each level, including the preparation of all relevant material, documents, protocols etc.

Then, Khet Prioritization Meeting, District Prioritization Meetings, Selection of sub-projects, further consultations with the beneficiary / affected communities take place and a formal proposal is made (Sub-project Proposal Form) combining the outputs of proper appraisal, costing and design, as well as procurement method and unexploded ordnance and environmental assessments, District Decision Meeting where allocation of funding is finalized for the successful sub-projects will be held to finalize sub-projects.

Village Socialization and VNPA process

After introducing the PRF Project to as many people in the village as possible (Village Socialization Meeting), a simple VNPA exercise is conducted in every village of every participating district. Villagers are divided into separate men's and women's groups and asked about their problems and priorities for village development / poverty reduction. The people are guided to choose their priorities keeping in mind the PRF objectives and principles and also the Negative List of activities that PRF cannot support.

The women's group records their 3 priorities for development on a VNPA form, and the men do the same. The groups then come together as the whole village, and a decision is made on which 3 priorities will be presented on behalf of the village at the khet (group of villages, sub-district) level. Three Village Representatives are elected to present and defend their village's needs and ideas at a khet forum.

Table 5: Attendance at Village Needs and Priority Assessments for 10 districts – Cycle II

Province / District	Total Population	No. of Participants	% of adult population	% of Women attended
<i>Huaphanh</i>				
Add	Data not yet available	Data not yet available	-	-
Sobbao	25,195	13,805	91%	50%
Xiengkhor	Data not yet available	Data not yet available	-	-
<i>Savannakhet</i>				
Sepone	41,219	15,493	69%	44%
Nong	27,457	13,241	82%	42%
Vilabury	29,324	10,958	67%	45%
<i>Champasack</i>				
Pathoumphone	51,101	16,807	59%	47%
Sukuma	45,570	14,749	59%	51%
Moonlapamok	38,142	12,980	61%	50%
Khong	96,837	24,220	63%	48%

As for the 4 new districts, the PRF will conduct Village Socialization and Village Needs and Priorities Assessment early October.

5. PARTICIPATION OF VILLAGERS IN THE PRF PROCESS

Training for Community Maintenance Management Training of Sub-projects

During this quarter, maintenance management training³ of sub-projects have been delayed because villagers – members of Maintenance Teams – are busy with working in their field for harvesting. Nevertheless, plans are prepared for Community Maintenance Management Training of sub-projects for each sub-project and will be conducted soon.

6. EXPANSION OF PRF INTO OTHER DISTRICTS

Four new districts in Huaphanh: Xamtay, Huameuang and Viengxay and in Savannakhet: Phin launched activities on Village Socialization and (VNPA) in the end of September 04. The total number of villages where PRF exercised VNPA amounts to 417 villages in 67 Khets. Among the four districts, it was observed that Xamtay District has got a major difficulty with access to its villages. Forty villages out of 176 (23%) can be accessed by car/motorbike during dry season only. What's more, the overall condition of these scarce rural roads is very poor as most roads are paved with large stones, thereby often rendering journeys on foot actually easier than traveling by car/motorbike. Many target villages can only be accessed after two to three day walk. Lastly, Xamtay is the largest PRF target district with a total of 22 khets, which are located far away from each other. As a result, it is foreseen that any inter-khet activity will be very difficult to undertake.

Access to bank services is also difficult because the districts of Huameuang and Xamtay do not have any branches of the Agriculture Promotion Bank located within the district. Hence, disbursements from the PRF bank account to the Khet Bank accounts of these two districts will have to follow the same coping strategy experimented successfully during cycle I: districts which can not access bank services in their own districts will use services at the closest nearby district.

6.1. Approach of District allocation for the cycle of activities 2004-2005

Methods utilized by the PRF for resource allocation strive to be objective and transparent to all stakeholders. Moreover, yearly district allocations are function of the criteria shown below:

The revised calculation for the annual district budget allocation is described below:

- (1) District Poverty levels based on Instruction 010/PM
- (2) Provincial Poverty levels based on Lao Expenditure and Consumption Survey (LECS III)
- (3) Government's district investment priorities based on National Growth and Poverty Eradication Strategy (NGPES)
- (4) Past championship of the poor
- (5) Recipient district's past spending capacity (*Not used during cycle 2004-2005*)
- (6) Recipient district's past good management (*Not used during cycle 2004-2005*)

³ As reported in the last quarterly report, this training was called Operations and Maintenance Training. The title of that training was revised to Maintenance Management which was found more appropriate because "operations" refers to the training of the use of the infrastructure, which was usually done during implementation, while Maintenance Management is done after completion of the sub-project.

In other words, a district that is composed of a large population of poor people and that has been identified as a Government investment priority should logically receive more than a district that is wealthier and/or represents a lower investment priority for the Government.

Moreover, due consideration should be given to the percentage of budget spent in poor villages. A district that diverts a large portion of its budget to the benefit of the wealthiest villages /communities does not side with the poor. Districts that channel most of their budget to the poor should be encouraged. Therefore, district allocations must also be function of a district ability to channel most of the resources to the most vulnerable communities: their championship of the poor.

Furthermore, district allocations should be commensurate with the actual capacity of a district to spend the allocated budget as shown at the end of the previous cycle. However, actual causes of low expenditure levels must be investigated so as to determine whether major reasons may lay with PRF's own lack of efficiency and/or late cycle of activities starting date, natural disasters etc.

Lastly, while the PRF must be satisfied that more funds are channelled to (i) the poorest areas, (ii) the GoL district investment priorities, (iii) the districts that have shown that most of the funding is channelled to the most precarious communities, (iv) the districts that have demonstrated adequate capacity to actually absorb the budgets, it would still remain a questionable achievement without being satisfied at last with adequate management capacity. For instance, failure to fulfil past commitments and meet agreed objectives, serious unresolved complaints, not-accounted-for funds, proved corrupt or fraudulent malpractices or other embezzlements would constitute major reservations while considering future district allocations.

Criteria (5) and (6) will be waived for the calculation of the district allocation of resources 2004-2005 but will be used for the calculation of the next district resource allocation for the year 2-3 PRF districts.

The main reasons for not using the spending capacity factor lie in the fact that the last cycle of activities (2003-2004) started late and was further slowed down by PRF itself, fully occupied by creating/developing PRF system and pilot-testing a process, while implementing full scale activities in 10 districts, coping with all the first year firsts: first PRF cycle, new districts, fresh staffs, new process, prior reviews etc.

As a result, actual implementation did not start until after the Lao New Year in some districts. It would be very unfair to penalize some districts for being late, while PRF itself must bear responsibility for the largest part.

Likewise, the good management factor will not be used for the calculation of district resource allocations 2004-2005. It is mainly due to the fact that some target districts may feel that they have not been clearly informed before hand (at the beginning of last cycle) and that again, as a first year, villagers cannot be expected to fully comprehend all rules and procedures at once.

While Criteria (5) and (6) will not be used for the calculation of district resource allocations 2004-2005, those two very important factors shall be thoroughly introduced and explained to all participating districts/communities during the beginning of the cycle 2004-2005.

IMPORTANT NOTICE

It is very important to understand that PRF uses poverty levels of villages as part of the budget calculation. The contribution of *not-poor* villages into the district allocation is null (weight = zero). However, once the yearly district budget is calculated, **ALL** villages are eligible for village activities, including *not-poor* villages if the forum of khet representatives so wishes.

The district allocation of the budget will be announced in District Prioritization Meeting to inform community acknowledge of their budget.

6.2. Allocation for second cycle 2004-2005

PRF sent its proposed district budget allocation methodology for 2004-2005 to the World Bank for approval in July 2004. However, the data used in July 2004, which indicated a total population of 16,773 people in the district of Mounlapamok in Champassak Province, was later found incorrect as a more recent set of data from the NSC suggested a total population of 37,442 people. Corrective measures were duly undertaken with regard to controlling and cross-checking the quality of the information received and the World Bank agreed to revise the Mounlapamok district allocation because

a) Mounlapamok is the poorest PRF district in Champassak

Mounlapamok District data show the highest total poor population with 25,735 people i.e. representing one third of the total poor population in all Champassak PRF target districts. (Total population living in villages that have less than five 010/PM criteria fulfilled) Secondly, it appears that poverty levels are the severest among the PRF Champassak target districts, with the highest number of poor people living in villages that have access to two or three 010/PM criteria, with respectively 7,272 and 11,458 people (See Table 3 shown below)

Decree 010/PM-based poverty assessment in Champassak PRF districts

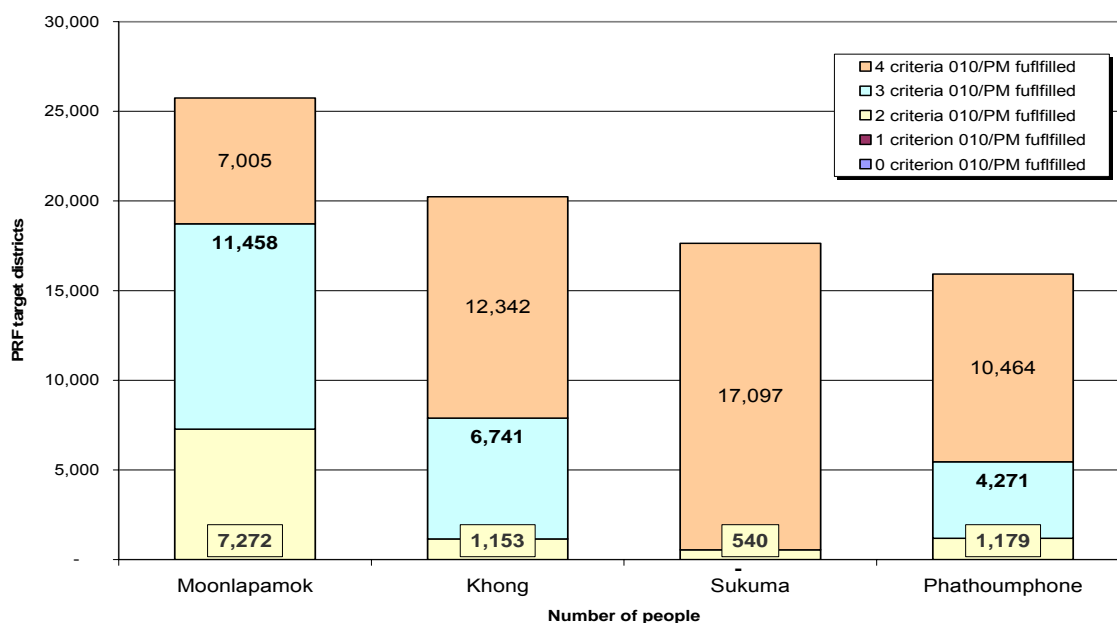


Table 6: Decree 010/PM based number of poor people per district in Champassak Province

District	0 criterion 010/PM fulfilled	1 criterion 010/PM fulfilled	2 criteria 010/PM fulfilled	3 criteria 010/PM fulfilled	4 criteria 010/PM fulfilled	Total poor population (<5 criteria)	% compared to total poor population
Mounlapamok	-	-	7,272	11,458	7,005	25,735	32%
Khong	-	-	1,153	6,741	12,342	20,236	25%
Phatoumphone			540	-	17,097	17,637	22%
Sukuma			1,179	4,271	10,464	15,914	20%
Total	-	-	10,144	22,470	46,908	79,522	100%

b) In Champassak Province, Moonlapamok District has spent the highest percentage of its budget in poor villages during the 1st cycle

Last year, Mounlapamok District has allocated 73% of its 2003-2004 budget to the implementation of sub-projects in poor villages. This is by far the highest percentage in Champassak, followed far behind by Sukuma District with 56%. Phatoumphone and Khong Districts have spent less than half of their yearly budget in poor villages with respectively 40% and 37% of their 2003-2004 budgets to the implementation of sub-projects in poor villages. The total approved budget for the year 2004-2005 amounts to \$ 3,103,000 (Savannakhet = \$ 1,055,000; Champasack = \$ 455,000 and Huaphanh = \$ 1,593,000) and detailed allocations for each district are given in table 6 presented below. It is worth noticing that, Khong and Pathoumphone Districts in Champasack Province have received less money than the other districts partly because of their poor performance in targeting to the poor during the 1st cycle.

Table 7 shown below summarizes the 2004-2005 total district allocation for the PRF 14 target districts:

Provinces	Population	Basic allocation US\$	LECS 3 Factor	NGPES Factor value	Championship-of-the-poor factor value	Basic Allocation x LECS 3 factor x NGPES Factor x Championship-of-the-poor factor	Rounded Allocation to the nearest 1,000	Provincial distribution of resources (%)	District distribution of resources (%)
			Value						
		(A)	(B)	(C')	(D)	(A) X (B) X (C') X (D)			
Savannakhet	132,618	\$560,491.00	1.4			\$1,054,897.37	\$1,055,000	100%	34%
Nong	19,422	\$96,968.00	1.4	1.2	1.2	\$195,487.49	\$195,000	18%	6%
Sepone	39,400	\$184,588.00	1.4	1.2	1.2	\$372,129.41	\$372,000	35%	12%
Vilabuly	27,103	\$111,129.00	1.4	1.2	1.1	\$205,366.39	\$205,000	19%	7%
Phin	46,693	\$167,806.00	1.4	1.2	1.0	\$281,914.08	\$282,000	27%	9%
Champassak	204,063	\$418,990.00	1			\$455,087.71	\$455,000	100%	15%
Khong	70,210	\$105,704.00	1	1.0	0.9	\$95,133.60	\$95,000	21%	3%
Mounlapamok	37,442	\$141,676.00	1	1.1	1.1	\$171,427.96	\$171,000	38%	6%
Phathoumphone	49,392	\$82,885.00	1	1.1	0.9	\$82,056.15	\$82,000	18%	3%
Sukuma	47,019	\$88,725.00	1	1.2	1.0	\$106,470.00	\$106,000	23%	3%
Huaphanh	191,284	\$924,332.00	1.4			\$1,593,411.46	\$1,593,000	100%	51%
Add	26,020	\$116,676.00	1.4	1.1	1.1	\$197,649.14	\$198,000	12%	6%
Siengkho	25,570	\$111,680.00	1.4	1.2	1.1	\$206,384.64	\$206,000	13%	7%
Sopbao	25,540	\$119,869.00	1.4	1.1	1.2	\$221,517.91	\$222,000	14%	7%
Xamtay	53,313	\$295,327.00	1.4	1.2	1.0	\$496,149.36	\$496,000	31%	16%
Viengxay	34,965	\$141,353.00	1.4	1.2	1.0	\$237,473.04	\$237,000	15%	8%
Huameuang	25,876	\$139,427.00	1.4	1.2	1.0	\$234,237.36	\$234,000	15%	8%
TOTAL	527,965	\$1,903,813.00				\$3,103,396.53	\$3,103,000		100%

7. OTHER ACTIVITIES

7.1. Baseline Survey

As planned during last quarter, Ms. Jennica Larrison (Baseline Survey; M&E) came to Laos in late September to follow up on Baseline Survey data analysis and help National Statistic Centre (NSC) to edit the Baseline Report. During her mission she worked closely with Technical staffs of NSC to check and correct some inconsistent tabular data related to the report. It is acknowledged that the baseline survey of PRF is a large survey that requested the use of the NSC, which was considered the only institution considered capable of handling this scope of work in Lao PDR. Although a few errors have been spotted, the data is still found reliable and will be used as a reference and comparison with subsequent Technical Quality Assessments and Beneficiary Assessments that are expected to be conducted at the end of next year. Ms. Larrison brought a draft report back to Washington so as to finalize it and provide further analysis and recommendations.

7.2. Social study

A Post-study workshop was held on 14 July 2004 and was attended by representatives from Mass Organizations (Lao Youth's Union, Lao Women's Union and Gender Media-Information Centre, Lao National Front for Reconstruction, Central Lao Trade Union), Committee for Planning and Investment, National Statistic Centre, Ministry of Justice, Ministry of Information and Culture, UNICEF, UNESCO, PADETC, PRDTC and Lao, National Resource Conservation Organization. The participants were asked for their comments on the social study report and their recommendations as to how PRF could cooperate with the various organizations, especially those which are active in the PRF project areas. A separate brief report seeks to compile the main observations and recommendations from the consultant's outputs and the Post-study workshop, and based on these foundations to describe and propose a Plan of Action for PRF's present and future cooperation with specific organizations.

7.3. World Bank Missions

From 21 September to 9 October 2004, Ms. Jennica Larrison (Baseline Survey; M&E) returned to Laos to follow up on Baseline Survey data analysis and NSC report writing that is expected to be finished by the end of October 2004. She also gave further inputs concerning



Staff from PRF and World Bank Washington visiting villagers (Yao tribe) in Sobbao District

PRF's overall MIS, and monitoring and evaluation of the sub-projects in particular. During her trip, she travelled to Huaphanh Province to visit some PRF sub-projects and target villages in Sobbao and Xiengkhor Districts. The main purpose of the field visit was to assess the reliability of the village profile data compared to LECS III results, the 010/PM decree, and the field team's own observations. Her recommendations will be compiled in a separate report.

The next World Bank mission is expected to take place at the beginning of November 2004.

7.4. Cooperation with UNICEF

UNICEF AND PRF have agreed to enter into partnership in the district of Sepone for the cycle of activities 2004-2005. In a nutshell, instead of pre-targeting recipient villages and conducting on its own participatory planning activities, UNICEF proposes to select the activities to be supported among the list of priorities obtained through the PRF process. The UNICEF approach to project appraisals, procurement and implementation would remain unchanged and would be undertaken through UNICEF Government counterparts at Provincial and District levels.

Partnership with UNICEF

Avenues of cooperation to experiment in Sepone District

a) UNICEF proposes to consults PRF Village Needs and Priorities Assessment (VNPA)

- Facilitate the identification of UNICEF target villages among the villagers that have requested priorities that correspond to master plan / UNICEF mandate
- Screen out villages that could be targeted by the UNICEF from the PRF village profiles remoteness, village size, presence of school in the ethnicity e.g. based on UNICEF criteria, village, available teacher, etc.



b) VILLAGE ACTIVITIES SUPPORT

- Join hands so as to propose more comprehensive packages to villagers, comprising various and components that are supported by PRF and other agencies / UNICEF e.g. school building, latrines, text books, furniture, equipment, teachers, menu-education, training, etc.

c) SHARE EXPERIENCE AND DATA

- **Enhanced coordination of development endeavours**
Avoid overlapping activities and efforts. At District Decision *forum* meetings, the GOL, NGOs and the UNICEF are invited to share their views and confirm whether the requested village activities are already covered by their respective programme or not.
- **(costing/designs) Exchange of technical information**
Enhance information exchange about designs using local materials and local knowledge which are environmentally friendly, culturally acceptable.

- **Exchange of lesson learnt and best practices**

Exchange information about successes and failures, what works and what does not approach and methodologies, designs of village activities, quality control, users, structure set up, etc.

- **Exchange data**

Data collected locally comprise (root level-staff at grass 80 more than) local knowledge (i) village needs and priorities, (ii) all villagers of a target district – village profiles, households 3,000 – data on ethnicity, etc. aggregated by gender, location, districts, social study, beneficiary and technical assessment, maps, 19 interviewed, etc. (including blacklist) list of local prices and wages, suppliers, trainers and companies.

d) SHARE RESOURCES

- **Trainers / training materials / Exchange expertise**

The PRF is developing a range of training material and curriculum, problem solving, community financial management, construction management, designs approved by corresponding line ministries, database of standard small infrastructures, cost estimates, etc.

However, the PRF cannot specialize in all areas and needs to consult with more experience agencies, e.g. about water sanitation, education, income generation, village revolving fund. Exchange of training materials could be beneficial for all.

- **Mutually build upon existing resources**

Through the PRF process, Khet representatives, Khet teams are elected and trained, Khet facilitators, Implementation and Maintenance teams, procurement teams. These local resources could be of interests for the UNICEF as well as for the GOL, NGOs and development agencies working locally.

See annex 4 for possible activities that could be supported by UNICEF.

8. TRAINING AND STAFFING ISSUES

- **Annual Review and Strengthening Workshop**

Before entering the second cycle, the workshop “Annual Review and PRF Strengthening” was held in late July for one week in Luang Prabang Province. The workshop brought all PRF staff together in order to exchange with one another. Thus, PRF staffs had an opportunity to meet in a different and more relaxed environment to learn more about PRF's outputs and performance in its first year of implementation. They shared experiences and lessons learned from past implementation in each province in order to help PRF to improve its performance for Cycle II. Everyone was very satisfied with the workshop and requested PRF management to organize a



PRF Staffs during coffee break at the Workshop

similar workshop again. Although all staffs are working in the same organization, some had never met each other before. This workshop was truly an opportunity to bring together all staffs so that they could hear and learn from each other. Feedback and proposed solutions from the participants will be used as a reference for future action.

- **Gender, Social and Ethnic Issues' Training**

Training was already held separately for staff in Vientiane from 16 – 20 August 04 and Champasack on 23 – 27 August 04 in order to give skills, knowledge and appropriate sensitivity to promote participation of disadvantaged groups, men and women and ethnic minorities in all aspects of village life and development efforts. The content was divided into three parts as Gender in Development, Social Policies and Ethnic Sensitivity. The course was designed to raise the awareness and increase the knowledge of PRF staff members in these issues and to equip them to effectively perform their duties. The trainer was an experience freelance consultant who has involved directly communities using participatory approaches with regard to planning and management which were considered appropriate in the context of the PRF Gender, Social and Ethnic Issues' Training.

It is worth mentioning that following the Quaker trainer's recommendation, ethnic minority representatives were invited and attended the training course in Champasack Province. The main purpose was to get firsthand ethnic minority perspectives to the ethnic sensitivity module. That initiative was very well received and made an invaluable contribution to this part of the training. Because of the value of their inputs, it is highly recommended that representatives of local ethnic minorities should be invited to attend such future PRF training sessions, as resource persons.

Table 8: Number of participants attended Gender, Social, Ethnic Issue Training

Location	Total participants	Women	%
Vientiane	24 *	9	38%
Champasack Province	26 **	11	42%
Total	50	20	40%

* Twenty-four participants attended the workshop held in Vientiane including PRF staffs, Committee for Planning and Cooperation which was renamed Committee for Planning and Investment, a Social Development Officer from World Bank-Vientiane, National Statistics Centre, Student (Practical Workplace) from National University of Laos.

** Twenty-six participants attended the workshop held in Champassak including PRF staffs at provincial and district levels and ethnic minority representatives.

For the remaining provinces i.e. Savanakheth and Champasack provinces, sessions will be held early November. It has been delayed purposely because there has been a significant workload for all due to the PRF expansion into new districts. Preparatory activities included the provision of pre-service orientation for new staffs in Phin, Xamtay, Huameuang and Viengxay Districts.

- **Some positions at national were adjusted so as to strengthen the PRF capacity at provincial level and national level**

Few positions, e.g. a new Procurement officer (sub-project focused) and an Accountant assistant will be recruited next quarter (October) based at the National office. At the end of September 04, the Senior Advisor finished her contract with PRF, letting the Senior Technical Advisor carry on the work with PRF. Moreover, positions in four new districts were filled in August 2004. To this end, PRF preferred to recruit local people to work based in their provinces / districts because as an attempt to reduce turnover staffs due to homesick

candidates from Vientiane that may be more qualified but will need to adapt to their new environment.

During the reporting period, PRF has 101 staffs total, see the current staff list in annex 5.

9. FINANCIAL REPORT

World Bank-staff assessment of financial management at all levels is very encouraging however PRF staff continue to make improvements as necessary.

Because there are some peculiarities in ACCPAC as set up for the PRF, it was difficult in the past for the financial staff to produce consistent financial reports. With some recent changes in the system and some brief training, PRF staff is now able to efficiently and effectively use ACCPAC. As a result, overall financial systems are stronger than they have been in the past but adjustments in the ACCPAC computerised financial program are still needed to meet the requirements of a robust financial management system. One reason that the ACCPAC computerised financial program are still needed to be adjusted is that in the cycle II PRF extended 4 new districts in the 2 Provinces; 3 Districts in Houaphan: Viengxai, Xamtai and Houameuang and 1 District in Savanakhet: Phin. Also, it is still not yet possible to more automatically monitor and report on district level operational expenses. Due to the fact that the existing ACPACC capacity is low. The Financial Management Consultant recommended that if we would like to, the ACPACC capacity needs to be upgraded.

10. Project Expenditure

From 01/07/2004 to 30/09/2004, the project spent \$ 386,857.36 from the IDA credit and 154,442,341 Kip (14,313.47 USD) from local contributions which were mainly from income tax paid on staff salaries.

Details concerning PRF expenditure are given in Tables 4 and 5.

Table 4. Expenditure and Sources of Funds

Sources/ Currency	Reporting period 01/07/2004 - 30/09/2004					Total Cash received by /on hand to the Project - Start to 30/09/2004
	Opening Balance	Credits to PRF A/c	Expenditure	Advances	Closing Balance	
Local Kip	112,053,173	170,226,456 ⁴	154,757,238	587,450	107,234,965	384,822,737 Kip
IDA \$US	358,054.96	806,842.50 ⁵	386,857.36	1,044.51	770,484.32	2,137,200.60 \$US

⁴ This amount is made up of:

- i) 32,000,000 Kip, being Last Instalment of GOL contributions for FY 2004;
- ii) 20,939,239 Kip from residual staff salary tax payments and other income such as the sale of bidding documents and other documents made by PRF;
- iii) 117,287,217 Kip counterbalancing/ offsetting GOL Contributions Payable to PRF by/with the "12%" Tax Payments Due and paid on PRF staff salaries.

⁵ Credited from IDA Replenishment Application No. 00005 for the amount 542,791.05 USD and Application No. 00006 for the amount of 263,890.65 USD. The difference of \$160.80 was credited to IDA account as a GOL repayment.

Table 5. Categories of Expenditure**Table 5. A. Expenditure in the Reporting period – 01/07/2004 - 30/09/2004**

Category No.	1	2	3	4	5	7 ⁶	TOTAL for Reporting Period
	Sub-projects	Consultants & Salaries	Goods & Equipment	Civil Works	Inc. Operating Cost	Training	
Local Kip	0	137,307,642	0	0	17,449,594	0	Kip 154,757,238
Local \$US =	0	12,699.56	0	0	1,613.91	0	\$US 14,313.47
IDA \$US	232,296.06	99,826.11	0	0	39,246.31	15,614.99	\$US 386,983.47
Total \$US	232,296.06	112,525.67	0	0	40,860.22	15,614.99	\$US 401,296.94

Table 5. B. Project Expenditure to date - From Start of PRF to 30/09/2004

Category No.	1	2	3	4	5	7	TOTAL Project Expenditure to date
	Sub-projects	Consultants & Salaries	Goods & Equipment	Civil Works	Inc. Operating Cost	Training	
Local Kip	0	1,008,256,526	19,775,175	66,135,276	248,802,336	0	⁷ KIP 1,342,969,313
Local \$US =	0	96,312.61	1,887.50	6,282.08	23,230.80	0	\$US 127,712.99
IDA \$US	688,754.88	755,675.46	228,292.76	55,964.40	301,912.05	17,926.11	\$US 2,048,525.66
Total \$US	688,754.88	851,988.07	230,180.26	62,246.48	325,142.85	17,926.11	\$US 2,176,238.65

10.1. Government Contributions

The Last Instalment of GOL funds 32,000,000 Kip for FY 2004 have been received in September 2004. This year we proposed a total budget 695,582,970 Kip to the CPC and it is approved by the Government 520,000,000 Kip. However, the amount of 520,000,000 Kip was reduced by the near actual amount of tax paid on staff salaries i.e. 388,000,000 Kip. The PRF has now received a total cash contribution of 132,000,000 Kip from GOL for the year 2003 - 2004.

10.2. Government Contributions

The First Instalment of GOL funds for FY 2004 have been received (as two deposits of 50 million Kip) in May 2004.

PRF did not have sufficient GOL funds for operating costs during the Quarter. While most costs were met as at the end of June, none of the staff had received the full 2% portion of staff salary to be paid from direct GOL cash contributions. There were three months in arrears for this payment as at the end of June. Money in the PRF Kip account is being carefully managed and reserved for external purchases, services, etc., in case there is further delay in payment of the GOL contributions.

10.3. Procurement Report

Several contracts are still on the on-going stage e.g. Social study, Base line survey, and guarantees on construction contracts for office renovations, etc. There were some national and

⁶ Category 6 has already been assigned to Project Preparation Facility (PPF). Expenditures under PPF have been absorbed and distributed amongst the other categories here, according to the type of expenditure made during the PPF period.

⁷ Of this amount, 432,000,000 Kip has been received as direct GOL cash contributions. The balance of 910,969,313 Kip has been made available to the Project from several other sources: i) by counterbalancing/offsetting GOL Contributions Payable to PRF by/with the "12%" Tax Payments Due and paid on PRF staff salaries, ii) from Residual tax Due (> 12%) and paid from PRF staff salaries, and, iii) other income such as the sale of bidding documents and other documents made by PRF.

provincial office expenditures in the last quarter. The procurement plan for proposed expansion provinces has been figured out in terms of procuring the office equipments, vehicles, offices renovation as well as staff hiring, etc. The procurement plan for hiring consulting services was also prepared to replace the present consulting contractor (Senior Advisor) which will be expired soon.

11. WORK PLAN FOR NEXT QUARTER

PRF National Office plans for the next Quarter (October- December 2004) are presented in the Project Management Work Plan in Annex 4.

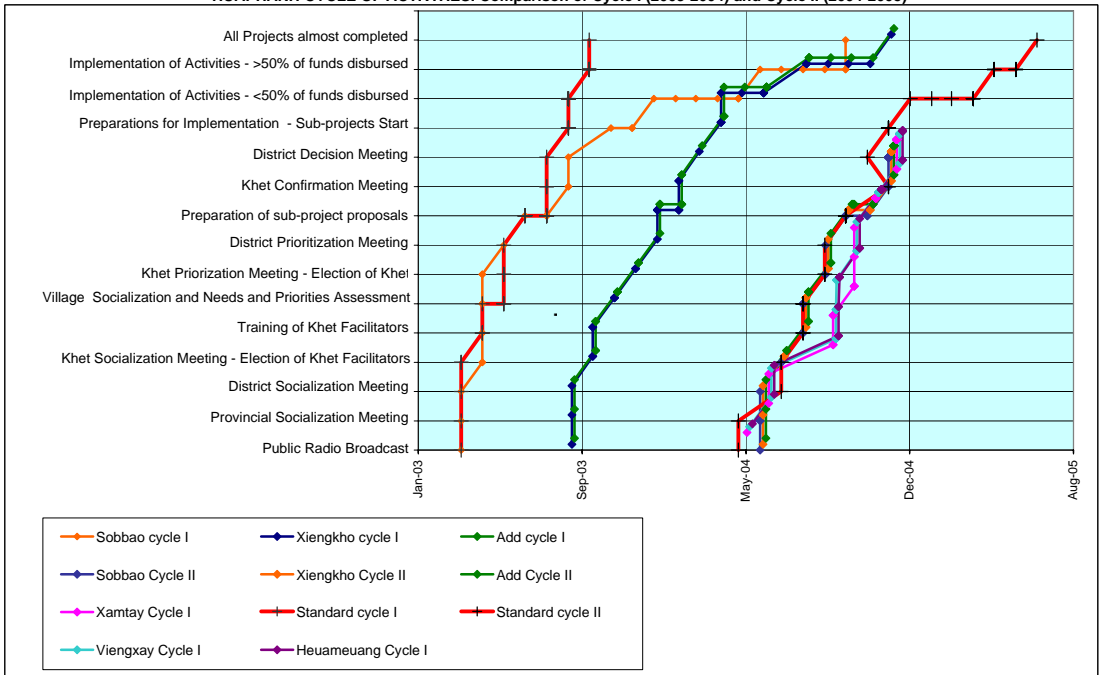
In preparing the Work Plan, some effort has been made to prioritize the various tasks for each of the National Office Units/Work Teams.

A separate Annual Work Plan exists for work being conducted at field level.

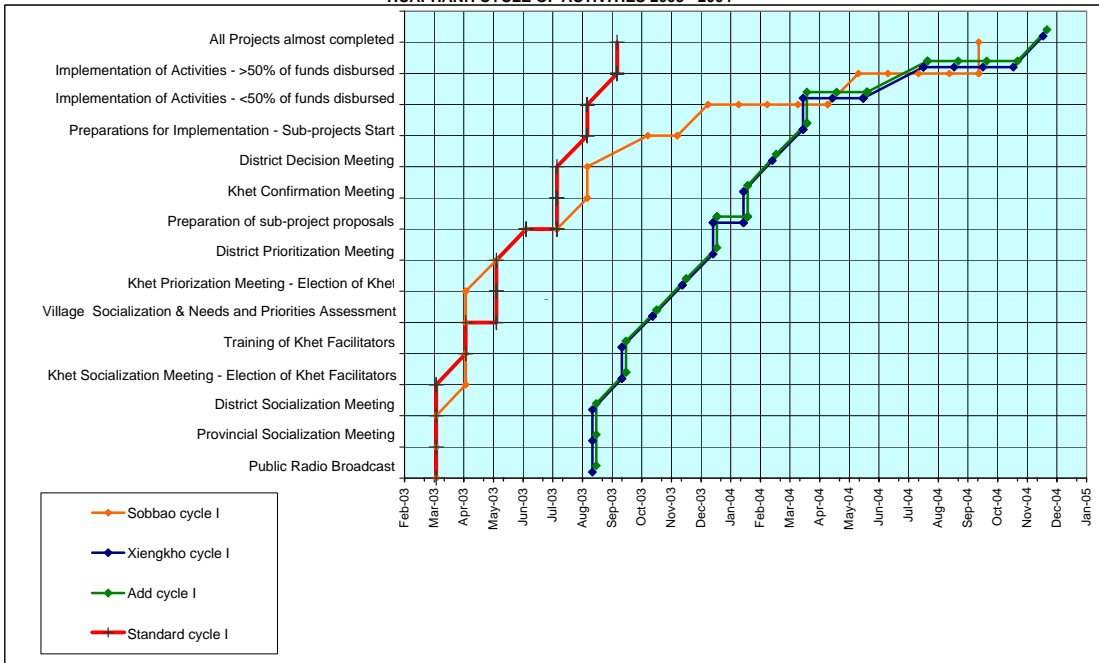
Annex 1

Graph progress activities in 14 districts

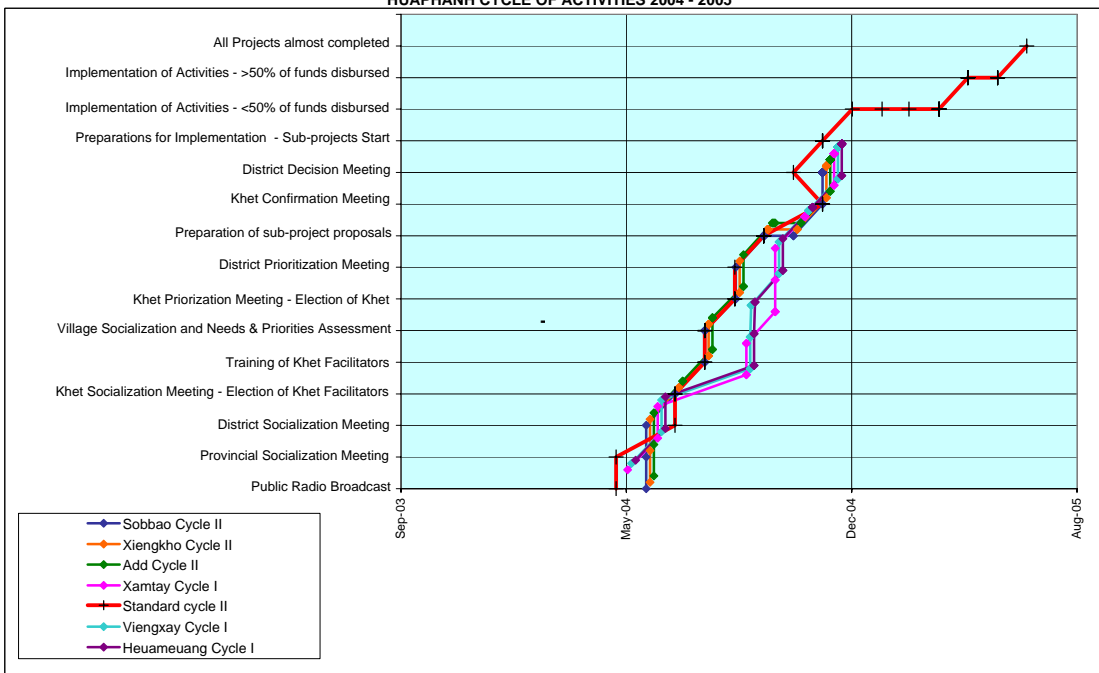
HUAPHANH CYCLE OF ACTIVITIES. Comparison of Cycle I (2003-2004) and Cycle II (2004-2005)



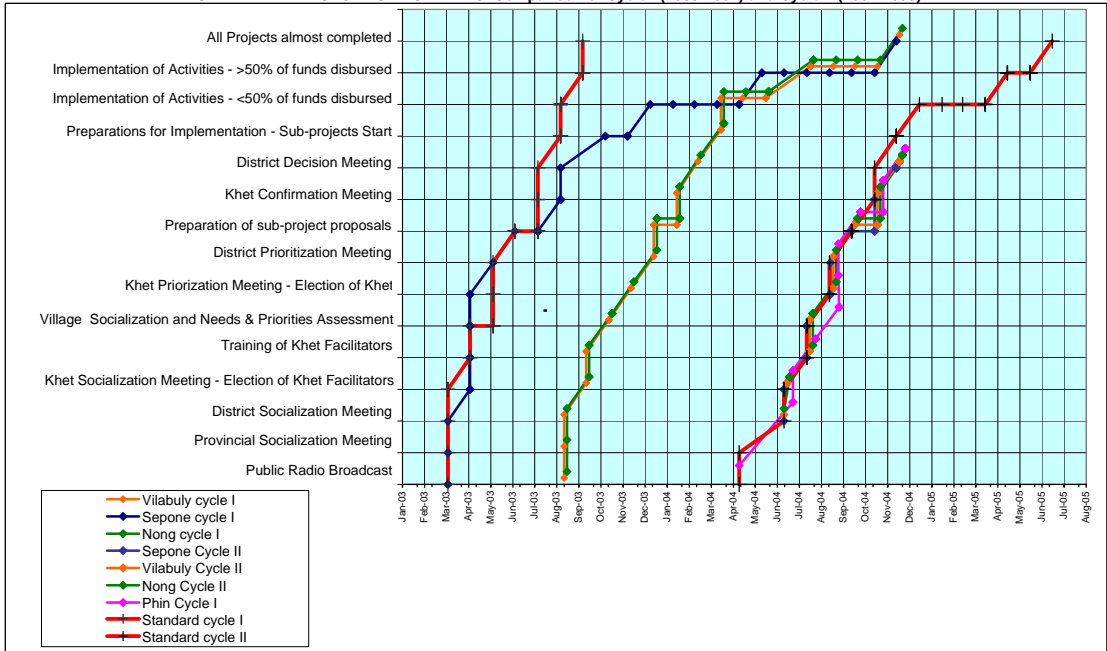
HUAPHANH CYCLE OF ACTIVITIES 2003 - 2004



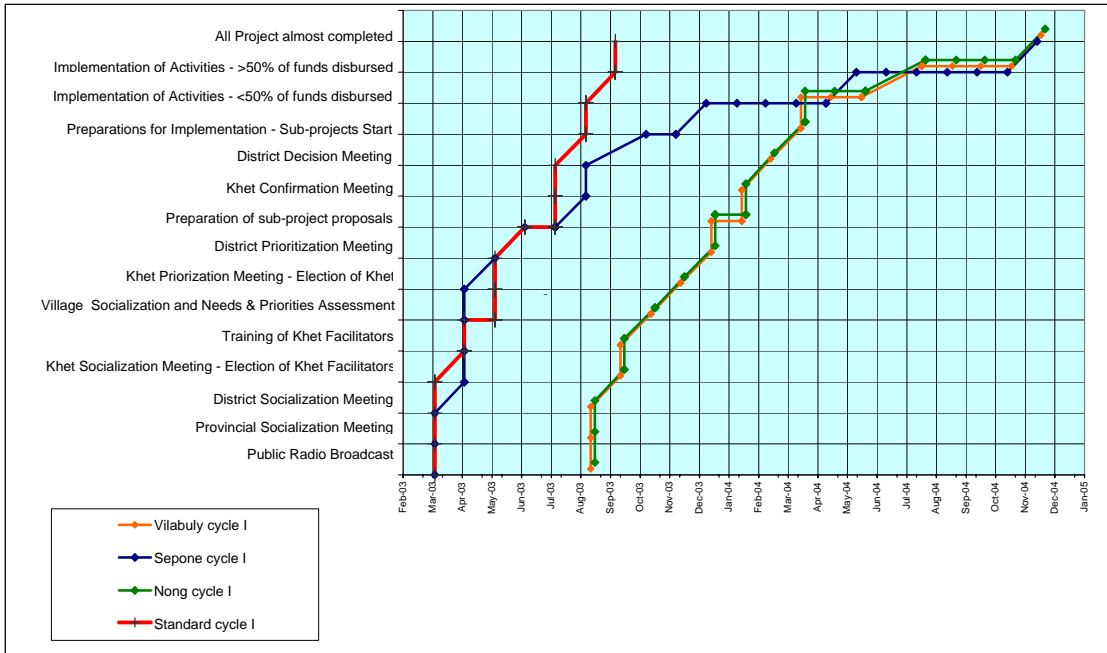
HUAPHANH CYCLE OF ACTIVITIES 2004 - 2005



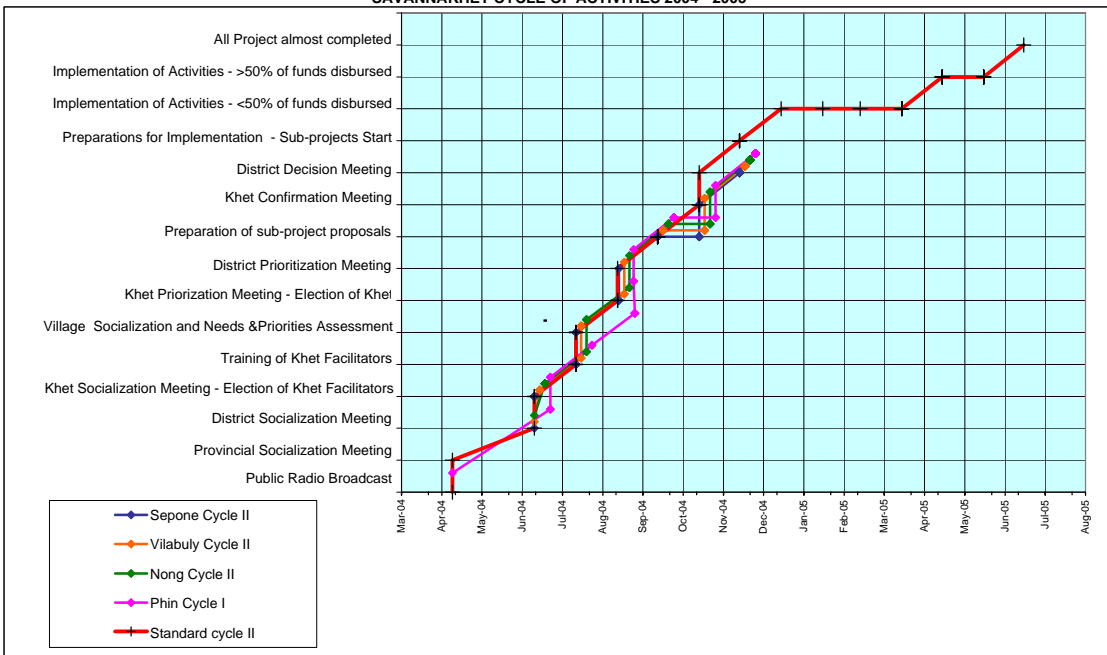
SAVANNAKHET CYCLE OF ACTIVITIES. Comparison of Cycle I (2003-2004) and Cycle II (2004-2005)



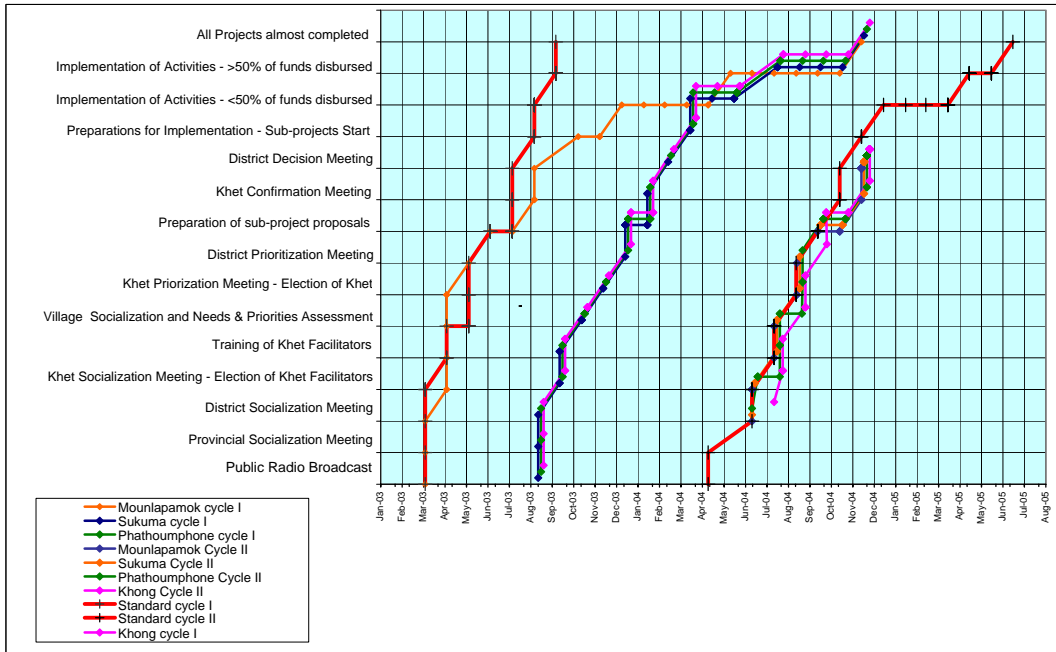
SAVANNAKHET CYCLE OF ACTIVITIES 2003 - 2004



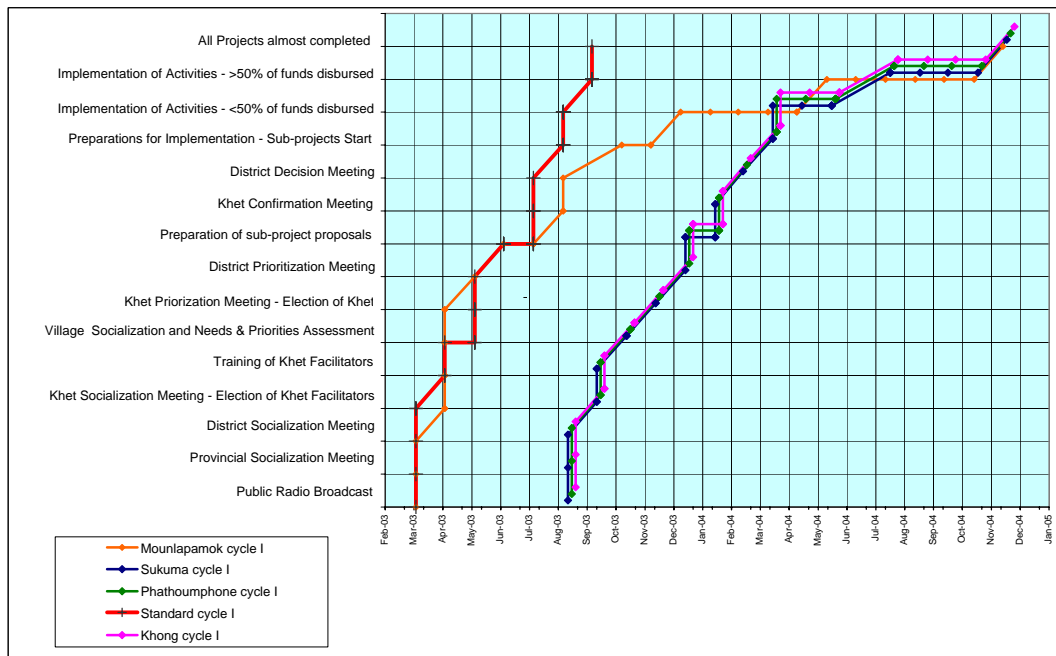
SAVANNAKHET CYCLE OF ACTIVITIES 2004 - 2005



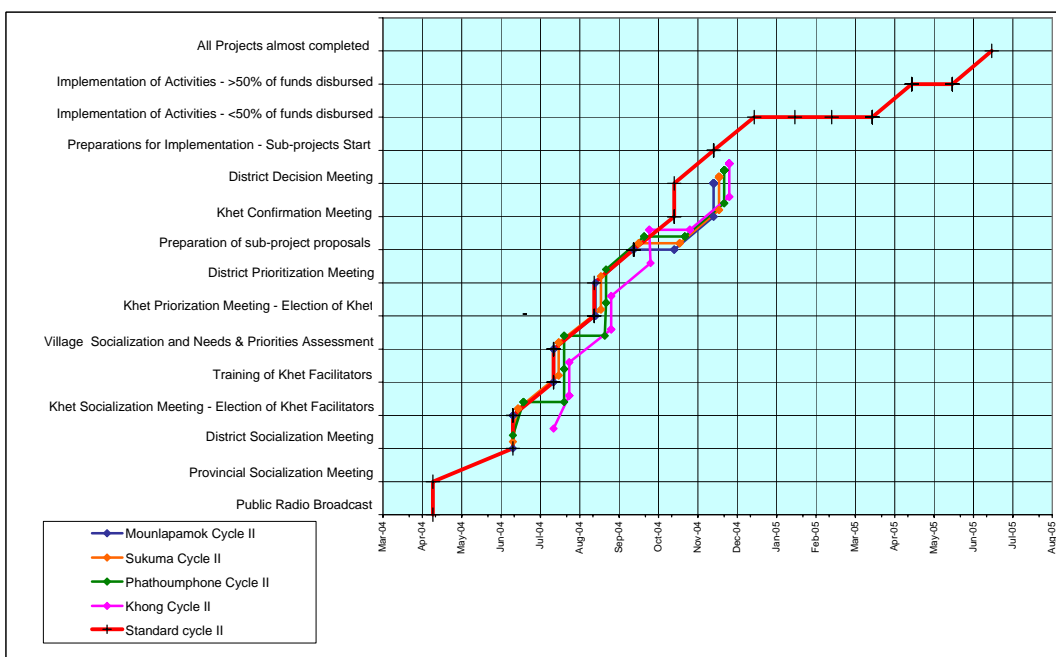
CHAMPASSAK CYCLE OF ACTIVITIE. Comparison of Cycle I (2003-2004) and Cycle II (2004-2005)



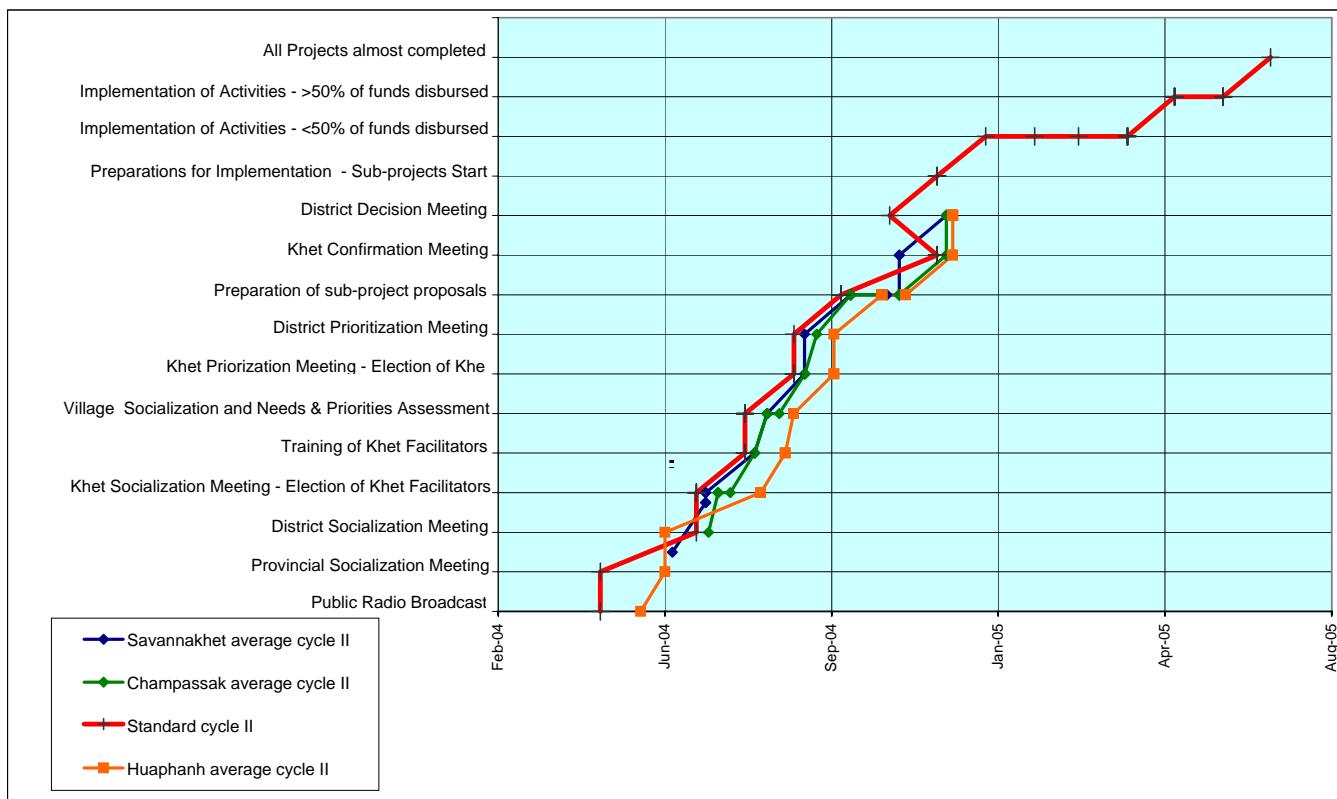
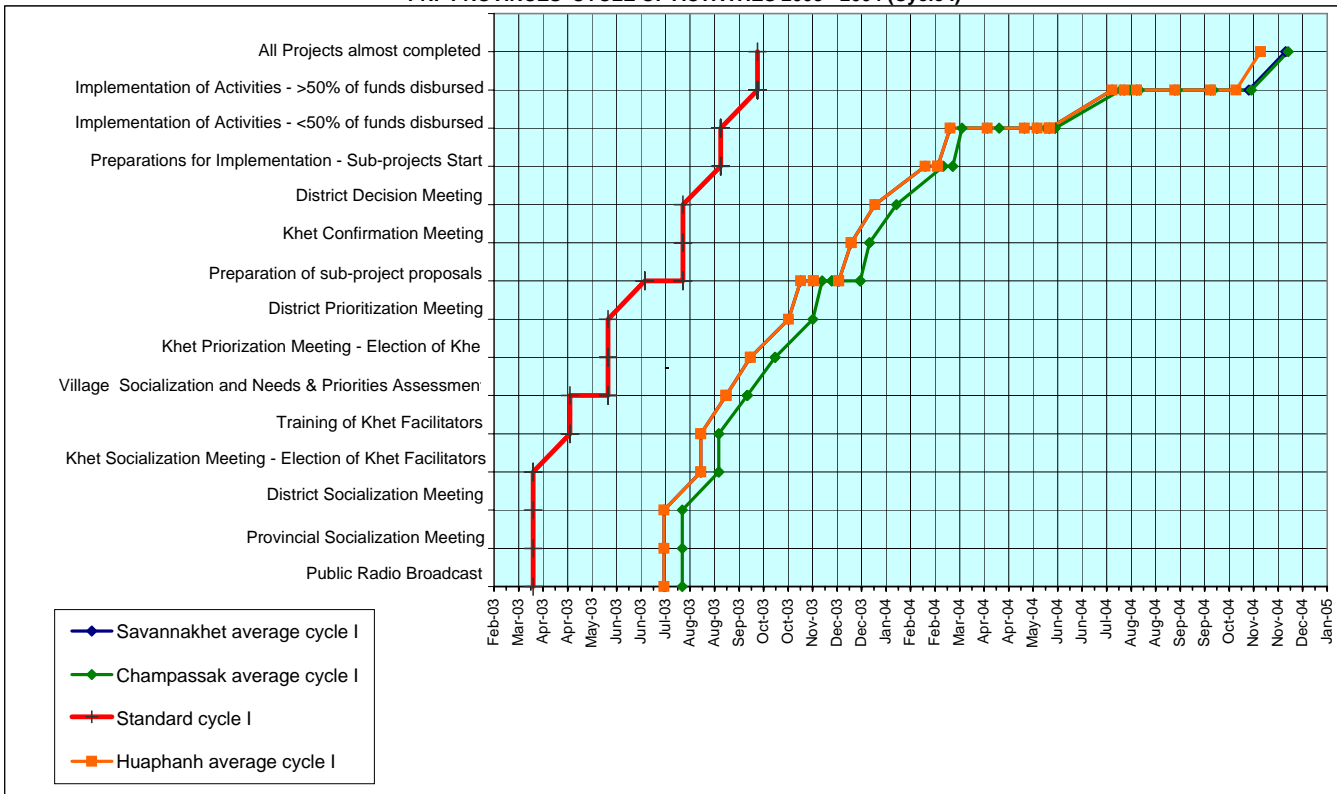
CHAMPASSAK CYCLE OF ACTIVITIES 2003 - 2004



CHAMPASSAK CYCLE OF ACTIVITIES 2004 - 2005



PRF PROVINCES' CYCLE OF ACTIVITIES 2003 - 2004 (Cycle I)



Summary of PRF Sub-project Disbursement and Completion Progress - Cycle 1 (2003-2004) - A total of 246 sub-projects are being implemented in 10 districts (249 sub-projects planned)

Province/ District/ no. of villages	Type (and target numbers) of sub- projects / activities	No of units	No. of Benefiting villages	No. of sub- projects	% of work progress as of end September 04	No. Sub- projects completed	PRF Total planned expenditure (USD)	PRF Fund transferred to date (USD)	PRF Fund transferred to date (KIP)	% of funds transferred to date
Huaphanh Province										
Sobba	Gravity fed water systems	13 units	14	13	100% finished construction, some Maintenance & Mngt. Training pending	13	120,850.00	99,038.43	1,041,488,099	82%
	Rural road upgrade	15,5 km	8	2	100% finished construction, some Maintenance & Mngt. Training pending	2				
	School (Teaching) material	3 sets	3	3	100% finished construction, some Maintenance & Mngt. Training pending	3				
	Irrigation rehabilitation	1	1	1	100% finished construction, some Maintenance & Mngt. Training pending	1				
	Irrigation channel	1	6	1	100% finished construction, some Maintenance & Mngt. Training pending	1				
	Concrete bridge construction	30 m	4	1	100% finished construction, some Maintenance & Mngt. Training pending	1				
Sub-total			36	21		21				
Percentage of sub-projects completed in the district of: Sobbao						100.0%				
Add	Gravity fed water systems	12 units	12	12	100%, pending Maintenance Mangement Training	12	113,475.00	83,183.97	874,762,653	73%
	Rural road upgrade	10; 7; 3; 40; 5 km	33	5	70%, construction work is carried on					
	Irrigation rehabilitation		1	1	100%, pending Maintenance Mangement Training	1				
	Irrigation system		12	8	100%, pending Maintenance Mangement Training	8				
	School (Teaching) materials	7 sets	33	7	100%, pending Maintenance Mangement Training	7				
Sub-total			91	33		28				
Percentage of sub-projects completed in the district of: Add						84.8%				
Xiengkhor	Gravity fed water systems	19 units	19	16	90%	15	110,850.00	77,943.05	819,649,075	70%
	Hand dug well	1 unit	1	1	100% finished construction, pending Maintanance & Mgnt. Training	1				
	Rural road upgrade	3 km; 6 km; 6 km	8	3	100% finished construction, pending Maintanance & Mgnt. Training	3				
	Irrigation rehabilitation		6	2	100% finished construction, pending Maintanance & Mgnt. Training	2				
	School (Teaching) material		8	2	100% finished construction, pending Maintanance & Mgnt. Training	2				
	Medicine box & training 1 nurse		4	1	100% finished construction, pending Maintanance & Mgnt. Training	1				
Sub-total			46	25		24				
Percentage of sub-projects completed in the district of: Xiengkhor						96.0%				
Huaphanh Province total			173	79		73	345,175	260,165.45	2,735,899,827	75%
Percentage of sub-projects completed in: Huaphanh Province						92.4%				
Savannakhet Province										
Sepone	Gravity fed water system	4 units	4	1	100%	1	179,010.00	104,267.17	1,096,473,522	58%
	Rural road upgrade	8.5 km	15	2	One Khet finished. Other is withold due to rainy season & will continue in cycle II	1				
	Bridge	4 m	8	1	Withhold due to rainy season, continue in cycle II					
	Road + Bridge up-grade	7 km	5	1	57%, delays due to rainy season					
	Dormitory for dispensary / Stipen for nurse	1 site	9	1	70%, national office has procured					
	Solar system for dispensary	1 site	1	1	10%, being procured by national office & will deliver to field level soon					
	Hand dug well construction	49 units	29	8	70%, problem with digging, will use big machine to dig	1				
	Drilled well construction	42 units	30	8	34%, problem with digging, will use big machine to dig	1				
	School	5 sites	5	5	81%	4				
	Teacher upgrading	5 pax	4	1	100%	1				
	Weaving training	8 pax, 2 courses	2	1	100%	1				
Sub-total			112	30		10				
Percentage of sub-projects completed in the district of: Sepone						33.3%				
Nong	Rural road upgrade	58 km	25	8	80%, drainage work is carried on	4	92,011.00	60,456.81	635,763,780	66%
	Primary School construction	3 sites	3	3	100%	3				
Sub-total			28	11		7				
Percentage of sub-projects completed in the district of: Nong						63.6%				
Vilabury	Hand dug well construction	13 units	9	2	70%	1	108,808.00	60,454.24	635,736,780	56%
	Drilled well construction	5 units	9	1	problem with digging, 20%					
	Rural road upgrade	43.45 km	27	7	85%, some has problems with rainy season; but some is carried on work	3				
	Suspension bridge survey & design	70 m	4	1	Finishe survey work, other work is delayed until Cycle II					
	Dispensary	1 site	9	1	90%					
	Primary school	4 sites	5	4	100%	4				
	Weir	1 site	1	1	100%	1				
	Teacher upgrading training	3 courses	3	1	Not yet time for training					
	Nursery training	1 course	1	1	Not yet time for training					
Sub-total			68	19		9				
Percentage of sub-projects completed in the district of: Vilabury						47.4%				
Savannakhet Province total			208	60		26	379,829.00	225,178.21	1,732,210,302	59%
Percentage of sub-projects completed in: Savannakhet Province						43.3%				

Province/ District/ no. of villages	Type (and target numbers) of sub- projects / activities	No of units	No.of Benefiting villages	No. of sub- projects	% of work progress as of mid September 04	No. Sub- projects completed	PRF Total planned expenditure (USD)	PRF Fund transferred to date (USD)	PRF Fund transferred to date (KIP)	% of funds transferred to date
Champassack Province										
Mounlapamok	Drilled well construction	60 units	24	7	70%	1	67,914.00	38,287.77	402,634,169	56%
	Drilled well rehabilitation	22 units	5	1	70%					
	Rural road upgrade	18 km	8	1	70%	1				
	Bridge upgrades	128 m	4	4	100%	4				
	School construction	1 school	1	1	100%	1				
	School renovation	13 schools	13	13	95%	13				
	School (Teaching) material	4 sets	4	1	95%	1				
	Medical equipment	1 set	1	1	Procurement process launched by national office					
Sub-total		60	29		21					
Percentage of sub-projects completed in the district of: Mounlapamok						72.4%				
Pathoumphone	Drilled well construction	61 units	32	7	10%, problem with digging, and looking for local contractors	1	83,939.00	47,593.97	500,498,158	57%
	Drilled well renovation	1 unit	1	1	Difficulty with procurement - still looking for a local contractor					
	Rural road upgrade	19 km	2	1	25%, delays due to rainy season					
	Irrigation channel	3 sites	2	1	100%	1				
	Irrigation gateway	3 sites	1	1	100%	1				
	Irrigation rehabilitation	1 site	1	1	100%	1				
	Irrigation system (replaced with Training)	6 sites	6	1	100%	1				
	School renovation	2 schools	2	2	90%	2				
	Primary school	1 school	1	1	100%	1				
	Secondary school	2 schools	5	2	90%	2				
	Cropping & Animal raising Training	6 courses	59	6	60%	6				
Sub-total		112	24		16					
Percentage of sub-projects completed in the district of: Pathoumphone						66.7%				
Sukuma	Drilled well construction	68 units	42	9	Procurement process launched, 10%	1	90,874.00	51,784.40	544,564,769	57%
	Wooden Bridge	20 m	5	1	65%					
	School construction	8 schools	8	8	65%	8				
	School renovation	3 schools	3	3	30%	2				
	Rice bank store-room	1 store (35 T capa.)	7	1	80%					
Sub-total		65	22		11					
Percentage of sub-projects completed in the district of: Sukuma						50.0%				
Khong	Drilled well	85 units	49	9	Procurement process launched, 15%	2	102,200.00	62,365.65	655,837,132	61%
	Schools	15 schools	15	15	80%	15				
	Culvert	5 km	1	1	100%	1				
	Poultry raising training	3 courses	15	3	100%	3				
	Mushroom planting training	1 course	3	1	50%	1				
	Medicine Box	3 sets	3	3	50%	3				
	Sub-total		86	32		25				
Percentage of sub-projects completed in the district of: Khong						78.1%				
Champasak Province total			211	107		73	344,927.00	200,031.78	2,103,534,228	58%
Percentage of sub-projects completed in: Champassack Province						68.2%				
Grand Total:			592	246		172	1,069,931.00	685,375.44	6,571,644,357	64%
Percentage of sub-projects completed in all PRF target areas						69.9%				

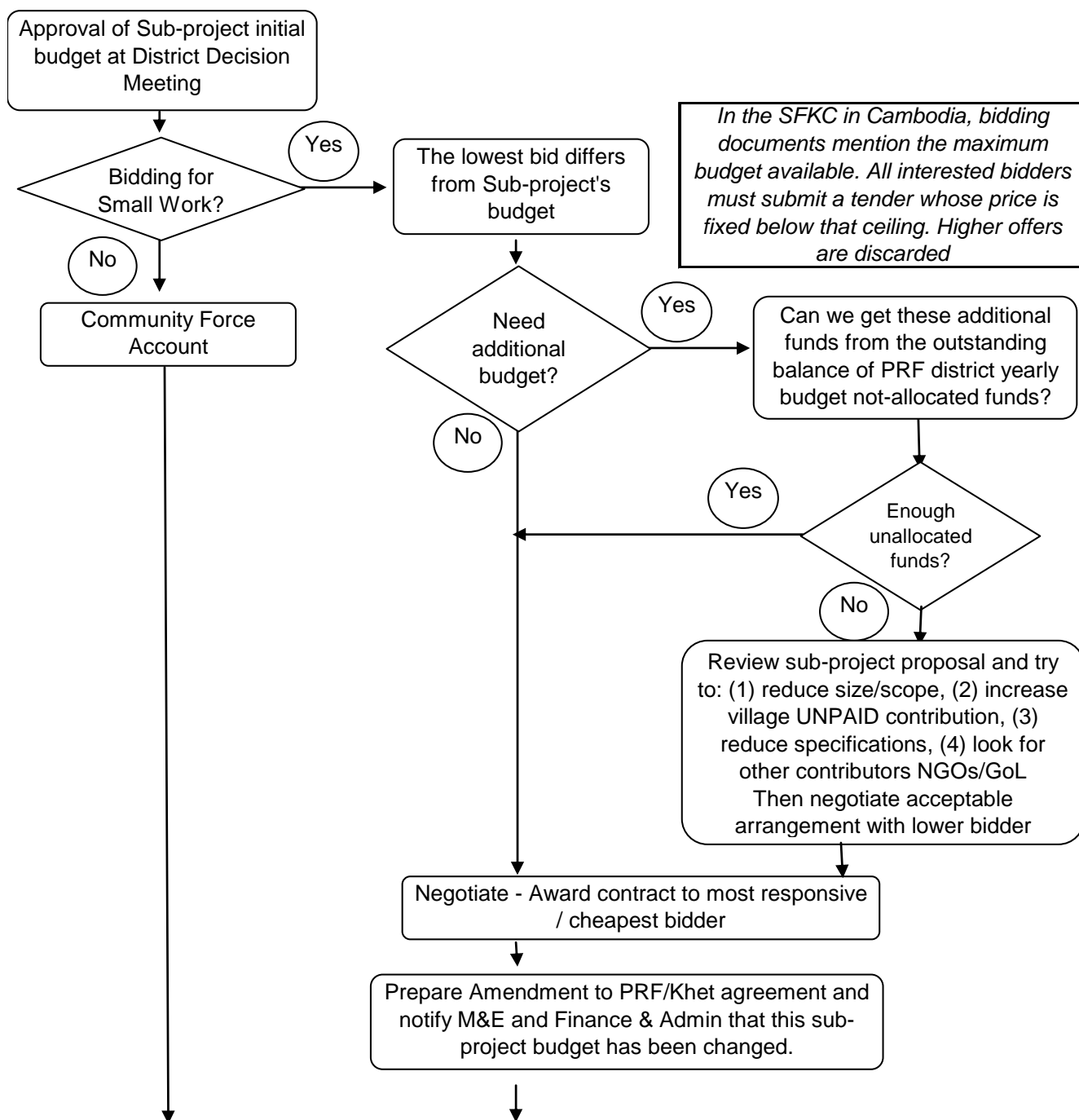
Total of sub-projects completed:	172	70%
Total of sub-projects > 50%:	42	17%
Total of sub-project < 50%	32	13%
Grand Total:	246	

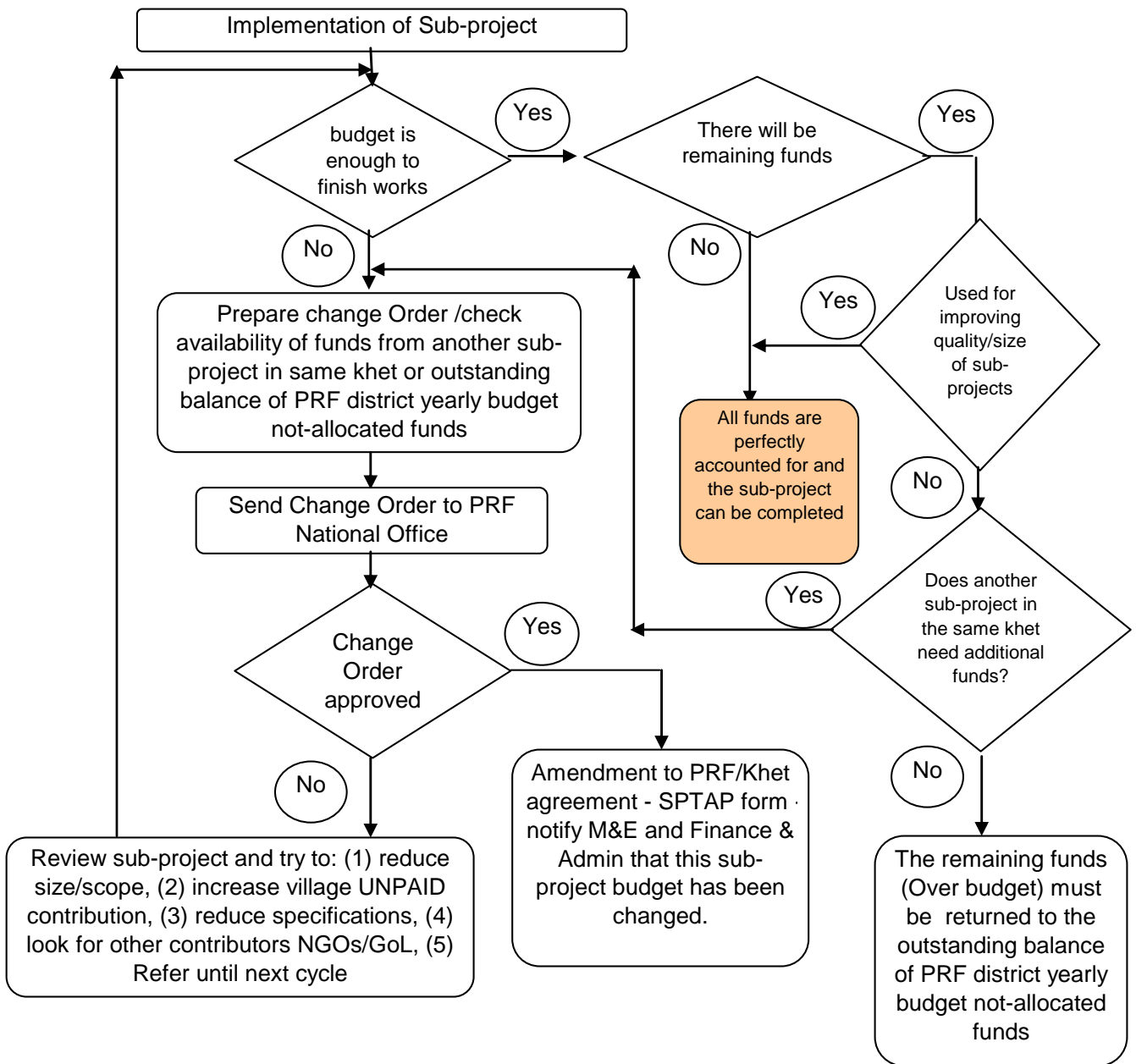
Note: 249 sub-projects were planned but 3 sub-projects dropped out were: 1 Gravity Fed Water System in Nong District because not technically feasible and 2 schools in Sepone because of not enough budget

IDEAS FOR SUB-PROJECT IMPROVEMENTS WITH REMAINING FUNDS

Sub Project Type / Items <u>Eligible</u>	Possible ideas for sub-project improvements with remaining funds		Item <u>Not Eligible</u>
	Main categories of improvements	Examples of specific activities	
Access and Transport			
Bridges, footpaths, tracks, culverts, road repairs and up-grading.	Slope stabilization/protection - drainage, environmental impact mitigation measures, improve maintenance system/capacity, improve sustainability	Training, Tree planting, Fencing, Bamboo planting, Gabion, Rock fill, concrete/stone masonry sustaining wall/ drainage, manhole, canals, dips, water bars, spot improvements, rock surfacing, borrow pits turned into fish ponds, Bush clearing, maintenance tools etc.	New roads and road surfacing/sealing
Water systems			
Wells, gravity water supply, small weirs, ponds, etc.	Improve sanitation / hygiene, source protection drainage, environmental impact mitigation measures, improve maintenance system/capacity, improve sustainability	Spare parts, Training (hygiene, sanitation, maintenance etc.), Tree planting, Fencing, Bamboo planting, Gabion, Rock fill, concrete/stone masonry sustaining wall/ drainage, manhole, canals, Bush/waste clearing, water container/storage, contribution to maintenance budget, maintenance tools, latrines, etc.	Piped household water hookups
Community Irrigation and Drainage			
Weirs, canals, bunds, gates, spillways, and other structures	Improve canal protection - drainage, environmental impact mitigation measures, improve maintenance system/capacity, improve sustainability	Spare parts, Training, Tree planting, Fencing, Bamboo planting, Gabion, Rock fill, concrete/stone masonry sustaining wall/ drainage, manhole, canals, Bush/waste clearing, water container/storage, maintenance tools etc., contribution to maintenance budget	Electrical pumps
Markets, community halls, and sanitation			
Buildings, drainage, latrines, wells, and furnishings.	Improve sanitation / hygiene, water supply, Improve flooding protection - drainage, environmental impact mitigation measures, improve maintenance system/capacity, improve sustainability, improve quality of building/service	Building improvements (painting, mosquito nets etc.), Well, latrines, source protection, Equipment, Spare parts, furniture, Training, Tree planting, Fencing, Bamboo planting, Gabion, Rock fill, concrete/stone masonry sustaining wall/ drainage, canals, Bush/waste clearing, water container/storage, maintenance tools, contribution to maintenance budget, lighting, fridge, solar system etc.	Generators
Health post or clinic and sanitation facilities			
Building, furniture, latrine, supplies and medicines, allowance for nurses/midwives (in cash or kind)	Improve sanitation / hygiene, water supply, Improve flooding protection - drainage, environmental impact mitigation measures, improve maintenance system/capacity, improve sustainability, improve quality of building/service	Building improvements (painting, mosquito nets, ceiling, etc.), well, latrines, source protection, Equipment, supplies, Spare parts, furniture, cupboard, desk, shelves, text books, posters, Training, Tree planting, Fencing, Bamboo planting, Gabion, Rock fill, concrete/stone masonry sustaining wall/ drainage, canals, Bush/waste clearing, water container/storage, maintenance tools, contribution to maintenance budget, lighting, fridge, solar system etc.	Generators
Schools, nurseries and sanitation facilities			
Buildings, latrine, allowance for teachers (in cash or kind), supplies, equipment, furniture.	Improve sanitation / hygiene, water supply, Improve flooding protection - drainage, environmental impact mitigation measures, improve maintenance system/capacity, improve sustainability, improve quality of building/service	Building improvements (painting, mosquito nets, ceiling, etc.), well, latrines, source protection, Equipment, Spare parts, furniture, cupboard, desk, shelves, text books, posters, sport materials (balls, nets, equipment etc.) Training, Tree planting, Fencing, Bamboo planting, Gabion, Rock fill, concrete/stone masonry sustaining wall/ drainage, canals, Bush/waste clearing, water container/storage, maintenance tools, contribution to maintenance budget, lighting, fridge, solar system etc.	Any supplies provided by the government
Community electrical supply			
Mini-hydro generator, wiring	Improve security, improve flooding protection - drainage, environmental impact mitigation measures, improve maintenance system/capacity, improve sustainability, improve quality of building/service	Building /system improvements, equipment, spare parts, training, Tree planting, Fencing, Bamboo planting, Gabion, Rock fill, concrete/stone masonry sustaining wall/ drainage, canals, Bush/waste clearing, water container/storage, maintenance tools, contribution to maintenance budget etc.	Gasoline or diesel generators

SUB-PROJECT MANAGEMENT FLOWCHART





POSSIBLE UNICEF INVOLVEMENT WITH PRF ACTIVITIES

-
- UNICEF provides general / scientific textbooks and other pedagogic / awareness raising materials
-
- UNICEF provides teacher's/pupil's textbooks and other pedagogic / awareness raising materials (Posters, games, sport equipment etc.)
-
- UNICEF ensures proper upgrading of teachers, methodological support
-
- Provision of materials for latrines and water supply, hygiene education with teaching materials (Blue Box)
-
- UNICEF can supply hand pumps, can fund directly NamSaat for drilling deep wells (using UNICEF rig operated by NamSaat Province/district), UNICEF can be responsible for water quality testing
-
- UNICEF can support rain water harvesting
-
- Provision of construction materials such as pipes, cement, iron. UNICEF can fund NamSa at for supervision.
-
- Provision of construction materials.
-
- Provision of spare parts and training on operation and maintenance through Nam Sa at
-
- UNICEF can fund MCH Outreach & Immunization through Provincial/District Health Department. Service includes: Outreach sessions to every village in the catchment area 4 times a year for delivery of routine immunization for children (7 antigens) and women (Tetanus Toxoid); Vitamin A supplementation, Deworming of children under 5, Child growth monitoring; Ante- & Post-natal care; Neonatal care; family planning; Iron supplementation; Breast feeding promotion; Health education.
-
- UNICEF can fund training of Village Health Volunteer through Provincial/District Health Department
-
- 1. UNICEF can fund training of Village Health Volunteers on growth monitoring; proper home treatment on diarrhoea, ORT and ARI for children. 2. UNICEF can also train health Volunteer in Vitamin A supplementation to women post-partum, weekly iron supplementation to child bearing age women (15-45 years), and breast feeding promotion. 3. Also a new initiative of "gift" for new wed couples with involvement of Lao Women Union members to offer access to a package of health information including STI/HIV-AIDS prevention, and promote use of preventive services (MCH, TT immunization, iron weekly supplementation, deworming, iodized salt)
-
- UNICEF can also support some medical equipment, but only if there is a comprehensive plan for the strengthening of the HC
-
- UNICEF can provide some training when it directly concerns women and children, water sanitation
-
- UNICEF can supply hand pumps, fund directly NamSaat for drilling deep wells (using UNICEF rig)
-
- UNICEF can support rain water harvesting
-
- Provision of construction materials such as pipes, cement, iron. UNICEF can fund NamSaat for supervision.
-
- Provision of construction materials.
-
- Provision of spare parts and training on operation and maintenance through NamSaat
-

PRF STAFFING List (end of September 2004)

Level	April - June 2004	Current No. of staff	Current Total (Unit)	no. of local staff	Remarks
National level					
			2		
Executive Director	1	1		Local	
Senior Advisors	1	0		France	finished her contract on 30 Sept. 04
Senior Technica Advisor	1	1			
Operation Planning and Training					
			6		
Procurement officer	1	1		Local	will recruit a new Procurement Officers
IEC officer	1	1		Local	
CD-Training Co-head	1	1		Local	
TA-Training Co-head	1	1		Local	
Prevention Complaint officer	1	1		Local	will change this position to be Training CD Officer
Engineering officer	1	1		Local	
Administration and Finance					
			8		
Head of Finance / Admin.	1	1		Local	
Accountant	1	1		Local	
Cashier / Admin Assist.	1	1		Local	plan to recruit a new Account Assistant
Personnel officer	1	1		Local	
General service officer	1	1		Local	
Driver	2	2		Local	
Secretary	1	1		Local	
Monitoring and Evaluation					
			6		
Head of M&E	1	1		Local	
MIS officer	1	1		Local	
MIS Assistant	1	1		Local	
Conflict Resolution officer	1	1		Local	
Reporting officer	1	1		Local	
IT specialist	1	1		Local	
Total	23	22			
Huaphanh					
Huaphanh Provincial office					
			13		
Provincial Coordinator	1	1		Local	
Provincial Accountant	1	1		Local	previous Acctountant resigned
Accounting Assistant	0	1		Xayabury Provin	
Provincial CD Officer	1	1		Local	will joint PRF on 1st October
Provincial CD Assistant	1	2		Local	
Provincial TA Officer	1	2		1 VTE; 1 local	
Provincial M&E Officer	1	2		1 Xiengkhuang; 1 local	
Secretary	1	1		Local	
Driver	1	2		1 VTE; 1 local	
Sobbao					
			3		
CD officer	2	2		Local	
TA Officer	1	1		Xam neau	
Xiengkhor					
			3		
CD officer	2	2		1 Xam nea; 1 Local	
TA Officer	1	1		VTE	
Add					
			3		
CD officer	2	2		Local	
TA Officer	1	1		Xam neau	
Xamtay					
			6		
CD officer	0	3		1 VTE; 2 Xam neau	expansion new districts
TA Officer	0	3			expansion new districts
Huameuang					
			3		
CD officer	0	2		Xam neau	expansion new districts
TA Officer	0	1		Xam neau	expansion new districts
Viengxay					
			4		
CD officer	0	2		1 VTE; 1 Xam neau	expansion new districts
TA Officer	0	2		1 VTE; 1 Xam neau	expansion new districts
Total	17	35			

Level	April - June 2004	Current No. of staff	Current Total (Unit)	no. of local staff	Remarks
Champassak					
Champassak Provincial office			8		
Provincial coordinator	1	1		Local	
Finance / Admin officer	1	1		Local	
CD officer	1	1		Local	
TA Officer	1	2		Local	recruit a new TA
M&E Officer	1	1		Local	
Secretary	1	1		Local	
Driver	1	1		Local	
Sukuma			3		
CD officer	2	2		CHP	
TA Officer	1	1		CHP	
Pathoumphone			3		
CD officer	2	2		CHP	
TA Officer	1	1		CHP	
Mounlapamok			3		
CD officer	2	2		CHP	
TA Officer	1	1		CHP	
Khong			3		
CD officer	2	2		CHP	
TA Officer	1	1		CHP	
Total	19	20			
Savannakhet					
Savannakhet Provincial office			8		
Provincial Coordinator	1	1		Local	
Finance / Admin officer	1	1		Local	
CD officer	1	1		Local	
TA Officer	1	2		1 VTE; 1 local	recruit a new TA
M&E Officer	1	1		VTE	
Secretary	1	1		Local	
Driver	1	1		Local	
Sepone			5		
CD officer	2	2		SVK	
TA Officer	1	3		SVK	need to strengthen Sepone's capacity
Vilabuly			4		
CD officer	2	2		SVK	
TA Officer	1	2		SVK	recruit a new TA
Nong			3		
CD officer	2	2		SVK	
TA Officer	1	1		SVK	
Phin			4		
CD officer	0	2		SVK	expansion new districts
TA Officer	0	2		SVK	expansion new districts
Total	16	24			
Grand Total	75	101			

Note:

"VTE = Vientiane" ; "Xamnea = Distric cityt in Huaphanh" ; SVK = Savannakhet; CHP = Champasack

Operations Planning and Training Unit

Core Activities	Sub-Activities	Target/ Required By
Community Development	<ol style="list-style-type: none"> 1. Complete preparation of protocols for Village Savings and Revolving Funds Scheme to support income generation activities. Discuss with PRF staff and other agencies as necessary. Send to WB. 2. Monitor activities in the field 3. District Prioritization Meeting in Huameaung, Viengxay and Xamtay districts 4. Khet Completion Meeting for 10 districts – cycle I 5. Khet Confirm Meeting for 14 districts – cycle II 6. District Evaluation Meeting for 10 district – cycle I; District Decision Meeting for 14 district – cycle II 	<ol style="list-style-type: none"> 1. continue from July till October 2. continuous 3. October 4. October – November 5. November – December 6. December
Information, Education and Communication (IEC)	<ol style="list-style-type: none"> 1. Gather material and prepare Quarterly Bulletins/ Newsletters (cooperate with M&E staff and PRF provincial teams) 2. Monitor content and results of radio broadcasts 3. Assist with monitoring and supervision at field level 	<ol style="list-style-type: none"> 1. continue till end of December 2. continuous 3. as available/ required
Training	<ol style="list-style-type: none"> 1. Review field training results and records, as part of monitoring process 2. Training Package III : Sub-project Appraisal and Preparation of Sub-project Proposal; Community Consultation, Social & Environment aspects; Next steps in the PRF Process – Meeting Guideline for next 3 meetings; Unit Cost Database, Costing, etc..; Survey, design, budgeting, labor-based approach 	<ol style="list-style-type: none"> 1. continuous 2. November
Operations	<ol style="list-style-type: none"> 1. Check district plans and budgets for activities based on advice from NO. (Individual activities can only go ahead when all other supporting activities have been completed) 2. Prepare standard regulations/guidelines on usage of up to 2% of sub-project budgets for community admin./operating costs 3. Launch preparations for round two funding cycle and expansion of the Project 4. Support field activities 5. Check procedures and tools being used in the provinces 6. Prepare for WB mission 	<ol style="list-style-type: none"> 1. May 2. a.s.a.p. 3. June 4. continuous 5. continuous 6. June
Procurement, Engineering and Construction activities	<ol style="list-style-type: none"> 1. Assist in collecting information for and updating of UCDB 2. Procure services of Technical Quality Assessment and Beneficiary Assessment Consultants 3. Follow up and check procurement procedures for the sub-projects. 4. Identify a suitable Translator for Engineering and Technical Guidelines Handbook and oversee translation of the handbook 5. Prepare for procurement for 4 new districts 	<ol style="list-style-type: none"> 1. continuous 2. May-June 3. continuous 4. a.s.a.p. 5. June

Monitoring and Evaluation Unit

Core Activities	Sub-Activities	Target / Required by
Baseline and other Surveys	<ol style="list-style-type: none"> 1. Cooperate with NSC concerning completion of report for baseline survey 2. Data analyze for Village Profile and HH Social forms 3. Develop TORs for Technical Quality Assessment and Beneficiary Assessment Consultants (supported prepare a draft from Senior Technical Advisor) 	<ol style="list-style-type: none"> 1. October 2. Continuous 3. Continuous
Systems	<ol style="list-style-type: none"> 1. Get adequate back up and virus protection systems working a.s.a.p. 2. Arrange for and assist in training of staff in National Office on how to use the network, etc. (cooperate with OPT team). 	<ol style="list-style-type: none"> 1. October - November 2. October - November
Reporting	<ol style="list-style-type: none"> 1. Collect and coordinate data /content for Annual Report 2004 2. Follow up sub-projects progress from field level 3. Produce report to Government and others as required 4. Update information on PRF website 	<ol style="list-style-type: none"> 1. continuous 2. continuous 3. continuous 4. continuous
M & E forms / databases	<ol style="list-style-type: none"> 1. Query and coordinate Performance Indicators prepared by World Bank assistance 2. Follow-up with Khet Monitoring and entry those data into Sub-project Monitoring Database 3. Entry the relevant Khet and district meetings data from field level 	<ol style="list-style-type: none"> 1. continuous 2. continuous 3. continuous
Complaints Resolution Process	<ol style="list-style-type: none"> 1. Introduce the benefiting villages about Complaint Resolution Process by Head of Khet and follow up by PRF District Facilitator 2. Expansion of the Complaints Resolution Process in each of the 3 provinces 3. Monitor and assist with Complaints as required. 	<ol style="list-style-type: none"> 1. continuous 2. continuous 3. continuous

Administration and Financial Unit

Core Activities	Sub-Activities	Target / Required by
Staffing and Recruitment	<ol style="list-style-type: none"> 1. Handle with personnel issues in terms of staff performance and contracts 2. Recruit a new Procurement Officer and new Assistant Accountant based in National Office 	<ol style="list-style-type: none"> 1. continuous 2. October
Auditing	<ol style="list-style-type: none"> 1. Support and assist 3 provinces for regular audit functions 2. Prepare for auditing at provincial and national levels 	<ol style="list-style-type: none"> 1. continuous 2. October – December
Revision of Budgets	<ol style="list-style-type: none"> 1. Prepare individual budgets to facilitate planning at and monitoring of provincial and district levels 2. Adjust operating cost for provincial and district levels 	<ol style="list-style-type: none"> 1. continuous 2. October - November
Financial Reporting	<ol style="list-style-type: none"> 1. Sort out all problems with ACCPAC 2. Test system to ensure that all reports and statements can be produced effectively and accurately using new budget and category. 3. Prepare FMR as required for WB 4. Set up system to generate and collect expenditure reports from each individual district level 5. Monitor funds at bank and prepare SOE's expenditure and replenish applications 	<ol style="list-style-type: none"> 1. continuous 2. continuous 3. monthly 4. November 5. continuous
Supporting Sub-project implementation	<ol style="list-style-type: none"> 1. Assist provincial accountants to monitor and develop sub-project financial formats 	<ol style="list-style-type: none"> 1. continuous