

Committee for Planning and Investment, Lao People's Democratic Republic, Vientiane



*Annual
Report
2004*



Poverty Reduction Fund (PRF)
Supported by the World Bank



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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
CDD	Community Driven 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
IGA	Income Generation Activities
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
LNFC	Lao National Front for Reconstruction
LNR	Lao National Radio
LTUF	Lao Trade Union Federation
LWU	Lao Women's Union
MIS	Management Information System
M&E	Monitoring and Evaluation
NSC	National Statistics Centre
OPT	Operations Planning Training
PM	Prime Minister
PMT	PRF Project Management Team
PRA	Participatory Rural Appraisal
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
SOE	Statement of Expenditure
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

PRF Annual Report 2004

The Poverty Reduction Fund is an initiative effort of the Lao Government supported by the World Bank (**IDA, loan no. 3675 LA – US\$19,345,000**), to contribute to social and economic development towards poverty alleviation for all, especially among the ethnic minorities living in remote areas. The PRF was established by the Prime Minister's **Decree No. 073/PM** on 31 May 2002 and became effective in February 2003 for a period of five years. The objectives of the PRF are to build capacity and empower poor villagers to plan, manage and implement their own public investments to develop community infrastructure and gain improved access to services and to strengthen local institutions to support participatory decision-making and conflict resolution processes.

Initially, **three start-up provinces** and **ten districts** were chosen for their regional diversity, varying poverty levels, and level of infrastructure and communications development to permit early start up of operations: **Huaphanh, Savannakhet** and **Champassak** Provinces.

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 PRF allows village decision makers, with the widest possible representation, the choice over what project type to select and propose, and further allows them to choose whether they will implement the project themselves or contract the implementation to a contractor and lastly hands over the financial control of the execution of the chosen activities to them, which is unprecedented in government financed programs, and infrequent in NGO and other donor financed programs.

Siding with the poor is one PRF's founding principles and is reflected through

out PRF approach and methodology. It is of utmost importance that the poorest people can be properly identified, that they can be reached and involved in PRF activities and that a large portion of PRF resources is effectively channelled to them eventually. The effectiveness and impact of those investments must then be thoroughly evaluated.

In order to **foster broad participation** into the PRF process, including the most vulnerable minority groups, PRF uses 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**. On average, a khet comprises nearly 8 villages.

Prior to launching PRF activities in a target district, local authorities are briefed about the PRF modalities of operation and are requested to **review their district sub-division into khets** as a necessary means for the communities to plan, manage and implement PRF activities through a forum of representatives.

Each participating khet must be covered by at least **three khet facilitators**, one of whom should be a woman. The Khet Facilitators are volunteers and do not receive a salary. Khet facilitators are responsible to assist with dissemination of information and encourage the participation of everyone, particularly vulnerable ethnic groups and coordinate and facilitate project implementation and help with data collection and reports. On average, PRF khet facilitators are mature people with 59% of them over 40 years old, and one third in their fifties or more.

Khet facilitators usually belong to the communities, can actually speak local dialects and are knowledgeable about the local situation, customs and life of the communities in the area. Recent analysis shows an overall **fair representation** of various ethnic groups among khet facilitators, though a few smaller groups are not represented. However, it is reassuring to

note that in several cases, ethnic groups that are not represented have nonetheless benefited from PRF during the first cycle of implementation.

The approach and **calculation method of district allocation** for the cycle of activities 2004-2005 has been revised so as to channel PRF funds in greater part to the poorest districts. To this end, PRF must be satisfied that more funds are channelled to (i) the **poorest areas**, (ii) the **GoL district investment priorities**, (iii) districts that utilize **most of the funds to assist the poor**, (iv) districts that have the **capacity to absorb the budgets** and (v) **adequate local management capacity**.

Districts that have spent most of their PRF annual budget in poor villages are **rewarded by a +10%+20% bonus** on their next allocation; e.g. Nong and Sepone Districts in Savannakhet or Sobbao in Huaphanh. Conversely, Districts that have spent less than half of their budget on sub-projects directly benefiting poor villages get their next allocation reduced (**-10%-20%**); e.g. Khong and Phathoumphone Districts in Champassak Province.

During **cycle I**, the project has been able to cover **913** villages in **3** provinces, **10** districts, and **121** khets. Activities actually took place in **558** villages, covering a total population of **238,123** people, which represents **64 %** of the total **372,068** people of the target population. The total allocated budget was \$ **1,069,934** for a total of **249** sub-projects planned for implementation (Average of \$ **4,350** per subproject).

Clean water and Sanitation (**39% or 96 sub-projects**) represents the peoples' top priority needs. Education (**29.7% or 73 sub-projects**) and Access / Transport (**15.9% or 39 sub-projects**) were ranked second and third respectively.

Preliminary assessments suggest that thanks to the significant, voluntary, unpaid community contribution (*generally higher than the expected 7.5% contribution*

assumed during PRF formulation), PRF seems to be a very efficient delivery mechanism when compared with other similar agencies working for the poor.

PRF has spent considerable efforts in improving quality management, infrastructure maintenance and sustainability of sub-projects in order to ensure that cheaper costs do not entail lower quality of the constructions. Preliminary findings are encouraging. (*First external technical assessment to be conducted in September 2005*)

Four new districts have been selected for expansion in September 2004, based on their high poverty levels in **Huaphanh** Province: **Xamtay**, **Huameuang** and **Viengxay** Districts and in **Savannakhet** Province: **Phin** District.

Among the four districts, Xamtay District has got a major difficulty with access to its villages. Forty villages only out of 176 (23%) can be accessed by car/motorbike during dry season only.

During the rainy season 2004, PRF **consolidated** its staff's **capacity** and **methodology** so as to **bridge smoothly the end of Cycle I and the beginning of Cycle II**.

Numerous processes have been established to clarify and standardize the PRF approach. For instance, **Sub-project unspent funds left over** (under-runs) can be used to improve the **quality, size, scope** of a sub-project or can be carried forward as an advance on next cycle sub-project. Another example could be illustrated by a revised **VNPA year 2 and 3 approach**. Participatory planning may become quite a burden to communities when asked every year about needs that are only fulfilled once in a while by lack of resources. Moreover, participatory planning in each single village is rather costly.

Hence, PRF opted for yearly VNPA with progressive delegation to the communities.

All villages provide their priorities every year, but PRF staff takes the lead the first year and build the capacity of the khet facilitators who undertake the VNPA the second year so that the communities themselves can take over responsibility the third year.

Team consolidation was done through workshops and training. To this end, PRF Organized a one-week **retreat in Luang Prabang** in July in order to discuss PRF's outputs and performance and to help PRF to **improve its performance for Cycle II** while consolidating PRF team.

PRF staff also received reinforcement training packages such as for instance a training on **Gender, Social and Ethnic Issues** so as to acquire the necessary 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.

Pre-service training packages were provided to all new district staffs, including Information Education Communication (IEC) so as to help them to understand the overall objectives and implementation process of PRF.

Villagers as well received extensive training on **basic accounting and Community-Level Financial Management & Disbursement and Procurement, on Operation and Maintenance** of Sub-projects. They even got briefed to better understand unscrupulous contractors' common ways of cheating clients.

In regard to **sub-project-related skills development Training**, very few were requested by the communities during Cycle I and clear preference was given in comparison to infrastructure by villagers. As a result, training was often discarded, especially in the poorest areas. In order to cope with these challenges, PRF is cooperating with other development agencies, such as **UNESCO** and **ded** that have assisted in preparing materials and a roster of training packages for which

curricula and capable trainers existed so that villagers could make a better informed choice. Furthermore, Khet representatives were proposed to earmark a minimum of \$5,000 per district for the purpose of providing access for motivated farmers to a broad range of skill development trainings.

UNICEF and PRF have agreed in principle to join hands for the implementation of a number of development activities in the district of Sepone for the cycle of activities 2004-2005. In addition, PRF and UNICEF have developed a **School sub-menu** of activities, which comprises several components, optional or mandatory depending on type and size of schools.

On a pilot basis, PRF has developed its own approach of IGA small grant for the benefit of groups or organizations that need financial support in order to generate goods or services for profit. Special assistance from the **Lao-India Entrepreneurship Development Centre (LIEDC)** is being received.

Information generated and collected at village, khet, district and provincial levels is fed into the PRF MIS/Monitoring and Evaluation system. A considerable volume of data is entered on computer by provincial PRF M&E staff, while other data is handled and analysed at national level. A special form has been developed, tested and revised by the PRF to record sub-project progress: the Monthly Sub-Project Implementation Monitoring (SPIM) Form.

During **cycle II**, activities covered **14 districts or 188 khets or 1412 villages**. By December 2004, a total number of 431 sub-projects had been approved. The total allocated budget 2004-2005 for 14 districts amounts to **US\$3,103,000**.

ສະຫລຸບຫຍໍ້ເນື້ອໃນບົດລາຍງານ ປະຈຳປີ ປີ 2004

ກອງທຶນຫລຸດຜ່ອນຄວາມທຸກຍາກ (ທລຍ) ແມ່ນ ການຈັດຕັ້ງໃໝ່ພາຍໃຕ້ຄວາມພະຍາຍາມ ຂອງ ລັດ ຖະບານ ໃນການຫລຸດຜ່ອນຄວາມທຸກຍາກ ຂອງ ປະ ຊາຊົນບັນດາເຜົ່າ ຕາມມະຕິຂອງກອງປະຊຸມໃຫຍ່ຄັ້ງ ທີ 7 ຂອງສູນກາງພັກ, ໂດຍການສະໜັບສະໜູນ ຂອງທະນາຄານໂລກ(ເງິນກູ້ຢືມເລກ ທີ 3675 LA- 19,345,000 ໂດລາສະຫະລັດ) ເພື່ອປະກອບສ່ວນ ເຂົ້າໃນວຽກງານພັດທະນາເສດຖະກິດ - ສັງຄົມໃນ ການລົບລ້າງຄວາມທຸກຍາກໃຫ້ປະຊາຊົນລາວ ໂດຍ ສະເພາະປະຊາຊົນບັນດາເຜົ່າ ທີ່ອາໄສຢູ່ເຂດຫ່າງ ໄກສອກຫລີກ. ທລຍ ໄດ້ຖືກສ້າງຕັ້ງຂຶ້ນ ໂດຍຕາມ ດຳລັດ ເລກທີ 073/ນຍ ລົງວັນທີ 31 ພຶດສະພາ 2002 ແລະ ບັນລຸເງື່ອນໄຂສັນຍາເງິນກູ້ໃນເດືອນ ກຸມພາ 2003 ໂດຍມີໄລຍະຈັດຕັ້ງປະຕິບັດ 5 ປີ. ຈຸດປະສົງ ຂອງ ທລຍ ແມ່ນເພື່ອສ້າງຂີດຄວາມສາ ມາດ ແລະ ໂອກາດໃຫ້ແກ່ປະຊາຊົນໃນຂັ້ນບ້ານ ທີ່ ຈັດຢູ່ໃນລະ ດັບທີ່ທຸກຍາກເປັນຜູ້ວາງແຜນ, ຈັດຕັ້ງ ປະຕິບັດ ແລະ ຄຸ້ມຄອງການລົງທຶນພັດທະນາຂອງ ລັດໃນ ບ້ານຂອງເຂົາເຈົ້າດ້ວຍຕົນເອງ, ເພື່ອສ້າງ ໂຄງລ່າງໃຫ້ມີຄວາມເຂັ້ມແຂງ ຊຶ່ງສາມາດຊົມໃຊ້ ການບໍລິການຢ່າງທົ່ວເຖິງ ແລະ ເພື່ອສ້າງຄວາມເຂັ້ມ ແຂງໃຫ້ແກ່ອົງການຈັດຕັ້ງ / ສະຖາບັນທ້ອງຖິ່ນ ເພື່ອ ສະໜັບສະໜູນຂະບວນການຕັດສິນໃຈ ແລະ ແກ້ ໄຂບັນຫາແບບມີສ່ວນຮ່ວມ.

ໃນໄລຍະຕົ້ນ, ທລຍ ໄດ້ເລືອກເອົາ 10 ເມືອງ ນອນ ໃນ 3 ແຂວງ ເປັນຈຸດເລີ່ມຕົ້ນກ່ອນ ຄື: ແຂວງ ຫົວພັນ, ສະຫວັນນະເຂດ ແລະ ຈຳປາສັກ ຊຶ່ງປະ ກອບດ້ວຍລະດັບຄວາມທຸກຍາກທີ່ແຕກຕ່າງ ກັນ ເຊັ່ນ: ລະດັບການພັດທະນາໂຄງລ່າງ ແລະ ຄົມມະ ນາຄົມ.

ກອງທຶນຫລຸດຜ່ອນຄວາມທຸກຍາກ ໄດ້ອອກແບບບັນ ດາຫລັກການທີ່ສຳຄັນ ເພື່ອເປັນພື້ນຖານໃຫ້ແກ່ການ ຈັດຕັ້ງປະຕິບັດ, ນອກຈາກນັ້ນ ກໍ່ຍັງເປັນແນວຄິດ

ລິເລີ່ມໃຫ້ແກ່ຊຸມຊົນ ແລະ ອອກແບບ ການປະເມີນ ຜົນ ແລະ ຜົນກະທົບຕໍ່ໂຄງການ.

ທລຍ ໄດ້ສ້າງໂອກາດໃຫ້ຊາວບ້ານເປັນຜູ້ຕັດສິນ ໃຈ ແລະ ມີການນຳສະເໜີຄວາມຄິດເຫັນຕ່າງໆ ໃນ ການຄັດເລືອກເອົາປະເພດໂຄງການ, ນອກຈາກນັ້ນ ທລຍ ຍັງໄດ້ສ້າງໂອກາດໃຫ້ຊາວບ້ານຄັດເລືອກວິທີ ການຈັດຕັ້ງປະຕິບັດໂຄງການ ເຊັ່ນ: ຈັດຕັ້ງປະຕິບັດ ດ້ວຍຊາວບ້ານເອງ ຫລື ມອບໃຫ້ຜູ້ຮັບເໝົາຈັດຕັ້ງ ປະຕິບັດໃຫ້. ພ້ອມດຽວກັນນັ້ນ, ທລຍ ກໍ່ຍັງມອບ ຄວາມຮັບຜິດຊອບດ້ານການເງິນ ຂອງໂຄງການຍ່ອຍ ໃຫ້ຊຸມຊົນເປັນຜູ້ບໍລິຫານ ແລະ ຄຸ້ມຄອງເອງ ຊຶ່ງ ອາດຍັງບໍ່ມີໂຄງການໃດ ບໍ່ວ່າຈະເປັນໂຄງການ ຂອງ ລັດ, ອົງການຈັດຕັ້ງທີ່ບໍ່ຂຶ້ນກັບລັດຖະບານ ແລະ ໂຄງ ການຂອງຜູ້ໃຫ້ທຶນອື່ນໆ ປະ ຕິບັດໃນລັກສະນະນີ້.

ຢູ່ຄຸ່ງບ່າຄຸ່ງໄຫລກັບຜູ້ທຸກຍາກ

ນີ້ແມ່ນໜຶ່ງໃນ 7 ຫລັກການ ຂອງ ທລຍ. ຄຳວ່າ ຢູ່ ຄຸ່ງບ່າຄຸ່ງໄຫລກັບຜູ້ທຸກຍາກ ແມ່ນສິ່ງທີ່ສຳຄັນ ທີ່ສຸດ ຊຶ່ງເຫັນໄດ້ຈາກຈາກຂະບວນການ ແລະ ວິທີ ການຈັດຕັ້ງປະຕິບັດວຽກງານ ຂອງ ທລຍ ໃນໄຍະຜ່ານມາ ໂດຍໄດ້ເປັນການຊ່ວຍເຫລືອປະ ຊາຊົນຜູ້ທີ່ທຸກຍາກແທ້ໆ ເຊັ່ນ: ຊັກຊວນໃຫ້ເຂົາ ເຈົ້າທັນມາເຂົ້າຮ່ວມຂະບວນການ ທລຍ, ການຊ່ວຍ ເຫລືອໄດ້ຫລາຍກວ່າ. ສ່ວນປະສິດທິຜົນ ແລະ ຜົນ ກະທົບຂອງການລົງທຶນດັ່ງກ່າວ ຍັງຈະຕ້ອງໄດ້ ເຮັດ ປະເມີນຢ່າງລະອຽດ.

ເພື່ອ ສ້າງການມີສ່ວນຮ່ວມ ໃນຂະບວນການຂອງ ທລຍ ໃຫ້ກ້ວາງ ລວມທັງການມີສ່ວນຮ່ວມ ຂອງ ຊົນເຜົ່າທີ່ດ້ອຍໂອກາດນັ້ນ ທລຍ ກໍ່ໄດ້ປະສານສົມ ທົບກັບອຳນາດການປົກຄອງຂັ້ນເມືອງ ແລະ ຂັ້ນ ບ້ານ ໂດຍອີງໃສ່ການແບ່ງເຂດພັດທະນາ / ກຸ່ມບ້ານ ທີ່ເມືອງໄດ້ຈັດແບ່ງ ຫຼື ເອີ້ນວ່າ: ເຂດ ຊຶ່ງໂດຍ ສະເລ່ຍແລ້ວເຂດໜຶ່ງປະກອບມີ ປະມານ 8 ບ້ານ.

ກ່ອນ ທລຍ ຈະເລີ່ມຕົ້ນກິດຈະກຳໃນບັນດາເມືອງ ເປົ້າໝາຍ ໄດ້ມີການນຳສະເໜີແບບຫຍໍ້ໆໃຫ້ທາງ ອຳນາດການປົກຄອງທຸກຂັ້ນ ຮັບຮູ້ ກ່ຽວກັບ ຮູບແບບ

ການຈັດຕັ້ງປະຕິບັດ ແລະ ກໍ່ໄດ້ສະເໜີ ໃຫ້ທາງເມືອງ ແບ່ງເຂດໃນເມືອງຂອງຕົນຄືນໃໝ່ ເພື່ອສະດວກໃນການວາງແຜນ, ຄຸ້ມຄອງ ແລະ ຈັດຕັ້ງປະຕິບັດກິດຈະກຳ ທລຍ ໂດຍຜ່ານກອງປະຊຸມຕ່າງໆ.

ໃນແຕ່ລະເຂດປະກອບມີ ຜູ້ປະສານງານເຂດຢ່າງໜ້ອຍ 3 ຄົນ, 1 ໃນນັ້ນຕ້ອງແມ່ນແມ່ຍິງ. ຜູ້ປະສານງານເຂດນີ້ ແມ່ນອາສາສະໝັກ ແລະ ບໍ່ໄດ້ຮັບເງິນເດືອນ. ຜູ້ປະສານງານເຂດເປັນຜູ້ຊ່ວຍເຮັດວຽກກະຈາຍຂໍ້ມູນຂ່າວສານ, ຊຸກຍູ້ໃຫ້ຊຸມຊົນມີສ່ວນ ຮ່ວມ ໂດຍສະເພາະແມ່ນກຸ່ມເຜົ່າຊົນນ້ອຍ, ນອກຈາກນັ້ນ ຜູ້ປະສານງານເຂດ ຕ້ອງໄດ້ປະສານງານ ແລະ ອຳນວຍຄວາມສະດວກໃຫ້ແກ່ການຈັດຕັ້ງປະຕິບັດໂຄງການ, ຊ່ວຍເກັບກຳຂໍ້ມູນ ແລະ ລາຍງານຄວາມຄືບໜ້າຂອງໂຄງການຢ່ອຍຢູ່ໃນເຂດຂອງຕົນ. ສະເລ່ຍແລ້ວ 59% ຂອງ ຜູ້ປະສານງານເຂດ ມີອາຍຸ 40 ປີຂຶ້ນໄປ ແລະ 1/3 ຂອງ ຈຳນວນນີ້ ແມ່ນມີອາຍຸ 50 ປີ ຫລື ເກີນນັ້ນ.

ຜູ້ປະສານງານເຂດ ແມ່ນມາຈາກຊຸມຊົນ ສາມາດເວົ້າພາສາທ້ອງຖິ່ນໄດ້ ຮູ້ກ່ຽວກັບສະພາບທ້ອງຖິ່ນ, ປະເພນີ ແລະ ວິຖີການດຳລົງຊີວິດຂອງຊຸມຊົນ ໃນເຂດຂອງຕົນ. ການວິໄຈຂໍ້ມູນໃນບົດລາຍງານນີ້ ໄດ້ສະແດງໃຫ້ເຫັນວ່າ ຜູ້ທີ່ເປັນປະສານງານເຂດ ແມ່ນມີຫລາກຫລາຍຊົນເຜົ່າ ແລະ ຂ່ອນຂ້າງສະເໝີພາບກັນ ເຖິງແມ່ນວ່າບາງກຸ່ມຊົນເຜົ່າບໍ່ແມ່ນຜູ້ປະສານງານເຂດກໍ່ຕາມ, ແຕ່ກໍ່ສັງເກດເຫັນໃນຫລາຍໆກໍລະນີວ່າ ເຂົາເຈົ້າກໍ່ໄດ້ຮັບຜົນປະໂຫຍດ ຈາກ ການຈັດຕັ້ງປະຕິບັດ ຂອງ ທລຍ ໃນຮອບວຽນ 1 ເຊັ່ນດຽວກັນ.

ວິທີການຕ່າງໆ ແລະ ການຄິດໄລ່ງົບປະມານໃຫ້ແຕ່ລະເມືອງ ສຳລັບ ຮອບວຽນທີ່ສອງ (2004-05) ໄດ້ຖືກທົບທວນຄືນໃໝ່ ທັງນີ້ເພື່ອເຮັດໃຫ້ທຶນ ທລຍ ໄປຮອດເຂດທີ່ທຸກຍາກແທ້. ໂດຍເງື່ອນໄຂຂອງການຈັດແບ່ງງົບປະມານລວມມີ 1). ຂົງເຂດທີ່ທຸກຍາກທີ່ສຸດ, 2). ເມືອງທີ່ເປັນບູລິມະສິດ ຂອງ ລັດເພື່ອການລົງທຶນ, 3). ເມືອງທີ່ກວມເອົາບ້ານທຸກຍາກຫລາຍກວ່າ, 4). ເມືອງທີ່ມີຄວາມສາມາດ ນຳໃຊ້ງົບປະມານ

ໄດ້ຕາມກຳນົດ, ແລະ 5). ເມືອງ ທີ່ສາມາດຄຸ້ມຄອງຈັດຕັ້ງປະຕິບັດໂຄງການໄດ້ ຕາມແຜນ.

ບັນດາເມືອງ ທີ່ນຳໃຊ້ທຶນງົບປະມານປະຈຳປີ ຊຶ່ງກວມເອົາບ້ານທຸກຍາກໄດ້ຫລາຍ ແມ່ນໃຫ້ຄະແນນເພື່ອຄິດໄລ່ງົບປະມານໃນປີຕໍ່ໄປ ຄື: +10% ຫາ +20% ເປັນລາງວັນ, ຕົວຢ່າງ: ເມືອງ ນອງ ແລະ ເຊໂປນ ແຂວງສະຫວັນນະເຂດ ຫລື ເມືອງ ສິບເປົາ ແຂວງຫົວພັນ ເປັນຕົ້ນ. ແຕ່ໃນທາງກົງກັນຂ້າມ, ບັນດາເມືອງທີ່ນຳໃຊ້ງົບປະມານ ສຳລັບ ຜົນປະໂຫຍດຂອງຜູ້ທຸກຍາກ ໜ້ອຍກວ່າເຄິ່ງໜຶ່ງ ຕາມທີ່ກຳນົດໄວ້ ຈະໄດ້ຖືກຫັກງົບປະມານລົງໃນ ປີຕໍ່ໄປ ປະມານ (- 10% ຫາ -20%) ຕົວຢ່າງ: ເມືອງໂຂງ ແລະ ປະທຸມພອນ ແຂວງ ຈຳປາສັກ.

ໃນລະຫວ່າງຮອບວຽນ 1, ໂຄງການ ໄດ້ກວມເອົາ 913 ບ້ານ ໃນທົ່ວ 3 ແຂວງ ໃນນັ້ນ ກວມເອົາ 10 ເມືອງ ແລະ 121 ເຂດ. ກິດຈະກຳຕ່າງໆໄດ້ຖືກຈັດຕັ້ງປະຕິບັດຢູ່ໃນ 558 ບ້ານ ກວມເອົາພົນລະເມືອງຈຳນວນ 238,123 ຄົນ ສະເລ່ຍໄດ້ 64% ຂອງຈຳນວນພົນລະເມືອງທັງໝົດ 372,068 ຄົນ ໃນແຂວງເປົ້າຫມາຍ. ງົບປະມານທັງໝົດ ປະມານ 1,069,934 ໂດລາສະຫະລັດ ສຳລັບ ໂຄງການຢ່ອຍຈຳນວນ 249 ໂຄງການ ທີ່ໄດ້ວາງແຜນໄວ້ເພື່ອຈັດຕັ້ງປະຕິບັດ (ສະເລ່ຍງົບປະມານແຕ່ລະໂຄງການຢ່ອຍ ປະມານ 4,350 ໂດລາສະຫະລັດ)

ນ້ຳສະອາດ (39% ຫລື 96 ໂຄງການຢ່ອຍ) ສະແດງໃຫ້ເຫັນເຖິງບູລິມະສິດ ທີ່ເປັນຄວາມຕ້ອງການສູງກວ່າປະເພດອື່ນ, ການສຶກສາ (29.7% ຫລື 73 ໂຄງການຢ່ອຍ) ແລະ ຄົມມະນາຄົມ/ຂົນສົ່ງ (15.9% ຫລື 39 ໂຄງການຢ່ອຍ) ແມ່ນຈັດ ຢູ່ໃນລະດັບທີ່ສອງ ແລະ ຕາມລຳດັບ.

ການປະເມີນເບື້ອງຕົ້ນ ເຫັນວ່າການປະກອບສ່ວນຈາກຊຸມຊົນທີ່ບໍ່ແມ່ນເງິນສົດ ແມ່ນມີສູງຫລາຍ ພ້ອມທັງເປັນ ຄວາມສະມັກໃຈຂອງເຂົາເຈົ້າອີກ ດ້ວຍ (ສູງກວ່າຄາດຄະເນໄວ້ 7.5%). ກົນໄກການນຳສົ່ງປັດໃຈ ຂອງ ທລຍ ປະກົດວ່າມີປະສິດທິພາບ ຫລາຍ

ເມື່ອປຽບທຽບກັບບັນດາ ຕົວແທນທີ່ເຮັດວຽກກັບ ຄົນ ທຸກຍາກໃນລັກສະນະດຽວກັນ.

ທລຍ ໄດ້ໃຊ້ຄວາມພະຍາຍາມທີ່ສຸດເພື່ອປັບປຸງຄຸນ ນະພາບ, ການປົກປັກຮັກສາໂຄງລ່າງພື້ນຖານ ແລະ ຄວາມຍືນຍົງຂອງໂຄງການຍ່ອຍ ເພື່ອໃຫ້ຮັບ ປະກັນມູນຄ່າທີ່ລົງທຶນໜ້ອຍ ບໍ່ກະທົບໃສ່ຄຸນນະ ພາບການກໍ່ສ້າງ ຍ້ອນສິ່ງທີ່ພົບເຫັນໃນເບື້ອງຕົ້ນ ນັ້ນ ໄດ້ຊຸກຍູ້ໃຫ້ ທລຍ ພະຍາມປັບປຸງໃຫ້ດີຂຶ້ນ. *(ການປະເມີນຄຸນນະພາບໂຄງການ ຈາກພາກສ່ວນ ພາຍນອກ ຈະໄດ້ດຳເນີນໃນເດືອນກັນຍາ 2005 ນີ້).*

4 ເມືອງໃຫມ່ ໄດ້ຖືກຄັດເລືອກເພື່ອຂະຫຍາຍ ໂຄງ ການ ໃນເດືອນກັນຍາ 2004 ໂດຍອີງໃສ່ຂີດເສັ້ນ ຄວາມທຸກຍາກທີ່ຢູ່ໃນລະດັບສູງ ສຳລັບ ແຂວງ ຫົວພັນ: ເມືອງຊຳໃຕ້, ຫົວເມືອງ ແລະ ວຽງໄຊ, ແລະ ແຂວງສະຫວັນນະເຂດ: ເມືອງພິນ.

ໃນບັນດາ 4 ເມືອງດັ່ງກ່າວນັ້ນ, ເມືອງຊຳໃຕ້ ເປັນ ເມືອງທີ່ຂາດຕາມ່າງຄົມມະນາຄົມ ເຮັດໃຫ້ການເດີນ ທາງເຂົ້າຫາບ້ານ ມີຄວາມຫຍຸ້ງຍາກຫລາຍ. ໂດຍ ມີພຽງ 40 ບ້ານ ໃນ 176 ບ້ານ ຫລື 23% ເທົ່ານັ້ນ ທີ່ມີທາງລົດເຂົ້າຮອດ ແລະ ໃນຊ່ວງລະດູແລ້ງເທົ່າ ນັ້ນ.

ໃນຊ່ວງລະດູຝົນ 2004, ທລຍ ໄດ້ເຕົ້າໂຮມພະ ນັກງານ ເພື່ອສ້າງຄວາມເຂັ້ມແຂງໃຫ້ພະນັກງານ ແລະ ວິທີການເຮັດວຽກໃຫ້ເປັນຂົວຕໍ່ລະຫວ່າງ ໄລຍະ ສັ້ນສຸດຮອບວຽນ 1 ແລະ ເລີ້ມຕົ້ນຮອບວຽນ 2 ຂັ້ນຕອນຫລາຍໆອັນໄດ້ຖືກກຳນົດຂຶ້ນ ເພື່ອເຮັດໃຫ້ ວິທີການເຮັດວຽກຂອງ ທລຍ ມີຄວາມຈະແຈ້ງ ແລະ ມີມາດຕະຖານ. ຕົວຢ່າງ: ໂຄງການຍ່ອຍ ທີ່ມີງົບປະ ມານເຫລືອ (ຈ່າຍບໍ່ຫມົດ) ສາ ມາດນຳໃຊ້ທຶນດັ່ງກ່າວ ເພື່ອປັບປຸງ ຄຸນນະພາບ, ຂະໜາດ ຂອງໂຄງ ການຍ່ອຍ ຫລື ນຳໃຊ້ກັບ ໂຄງການຍ່ອຍໃນຮອບ ວຽນໜ້າ. ອີກຕົວຢ່າງໜຶ່ງ ແມ່ນ ການປັບປຸງ ວິທີການດຳເນີນກອງປະຊຸມປະ ເມີນຄວາມຕ້ອງການ

ທີ່ເປັນບູລິມະສິດຂອງບ້ານ ໃນປີທີ 2 ແລະ ປີທີ 3. ການວາງແຜນແບບມີສ່ວນຮ່ວມ ອາດຈະເປັນອຸປະ ສັກໃຫ້ແກ່ຊຸມຊົນ ເມື່ອຖືກຖາມເຖິງຄວາມຕ້ອງການ ໃນທຸກໆປີ ຊຶ່ງວ່າແນວໃດກໍ່ ອາດຈະໄດ້ຮັບພຽງແຕ່ ໂຄງການດຽວເທົ່ານັ້ນ, ຍ້ອນ ທລຍ ບໍ່ມີຂັດໃຈພຽງພໍ ເພື່ອສະໜອງຄວາມຕ້ອງ ການ ແລະ ຍິ່ງໄປກ່ວານັ້ນ ການວາງແຜນແບບມີສ່ວນຮ່ວມຂອງແຕ່ລະບ້ານ ກໍ່ຍັງຕ້ອງໃຊ້ງົບປະມານ ຫລາຍ.

ດັ່ງນັ້ນ, ທລຍ ຈຶ່ງໄດ້ສ້າງທາງເລືອກໃຫ້ການດຳເນີນ ກອງປະຊຸມ ປະເມີນຄວາມຕ້ອງການທີ່ເປັນບູລິມະ ສິດ ຂອງ ບ້ານ ພ້ອມດ້ວຍຄັດເລືອກຕົວແທນ ຈາກ ຊຸມຊົນ. ແຕ່ລະບ້ານ ຄວນຄັດເລືອກບູລິມະສິດຂອງ ຕົນທຸກໆປີ, ແຕ່ວ່າ ພະນັກງານ ທລຍ ຕ້ອງໄດ້ ນຳພາເຂົາເຈົ້າໃນປີທຳອິດສາກ່ອນ ເພື່ອສ້າງຄວາມ ເຂັ້ມແຂງໃຫ້ແກ່ຜູ້ປະສານງານເຂດ ທີ່ຈະຕ້ອງໄດ້ ດຳເນີນການກອງປະຊຸມປະເມີນຄວາມຕ້ອງການທີ່ເປັນ ບູລິມະສິດຂອງບ້ານໃນປີທີ 2 ເພື່ອວ່າຊຸມຊົນເອງ ຈະໄດ້ເປັນເຈົ້າການໃນການຈັດກອງປະຊຸມໃນປີ ທີ່ 3.

ການເຕົ້າໂຮມທີມງານ ແມ່ນເຮັດໂດຍຜ່ານກອງປະ ຊຸມສຳມະນາ ແລະ ຝຶກອົບຮົມ. ໃນປີຜ່ານມາ ທລຍ ໄດ້ ຈັດກອງປະຊຸມປະຈຳປີສຳລັບພະນັກ ງານ ທລຍ ຂຶ້ນໃນເດືອນມິຖຸນາ 2004 ທີ່ ແຂວງຫລວງພະບາງ ເພື່ອຍົກໃຫ້ເຫັນຈຸດດີ ແລະ ບັນຫາທີ່ເກີດຂຶ້ນໃນການ ປະຕິບັດວຽກງານໃນຮອບວຽນທີ່ 1 ຜ່ານມາ ແລະ ປັບປຸງວຽກງານຂອງຕົນ ສຳລັບ ຮອບວຽນ 2. ນອກຈາກນັ້ນ, ພະນັກງານ ທລຍ ໄດ້ຮັບການຝຶກອົບ ຮົມ ເຊັ່ນ: ການຝຶກອົບ ຮົມເລື່ອງບົດບາດ ຍິງ-ຊາຍ, ສັງຄົມ ແລະ ຊົນເຜົ່າ ເພື່ອເສີມຄວາມຮູ້ ແລະ ທັກສະທີ່ຈຳເປັນ ແລະ ປະເດັນຕ່າງໆໃນການສະ ຫນັບສະຫນູນການເຂົ້າຮ່ວມຂອງກຸ່ມທີ່ດ້ອຍໂອກາດ ເຊັ່ນ: ຜູ້ຍິງ ແລະ ຊົນເຜົ່າສ່ວນນ້ອຍເພື່ອໃຫ້ມີສ່ວນ ຮ່ວມໃນການພັດທະນາຊຸມຊົນ ແລະ ຊີວິດການເປັນ ຢູ່ຂອງຕົນ.

ການຝຶກອົບຮົມ ເພື່ອແນະນຳ ທລຍ ໃຫ້ພະນັກງານ ທີ່ເຂົ້າມາໃໝ່ ໄດ້ຖືກຈັດຂຶ້ນຢູ່ບັນດາເມືອງໃໝ່ ຊຶ່ງໄດ້ ມີຫົວຂໍ້ກ່ຽວກັບວຽກງານ ຂໍ້ມູນຂ່າວສານ ແລະ ປະຊາສຳພັນ (IEC) ເພື່ອຊ່ວຍໃຫ້ພະນັກງານໃໝ່ ສາມາດເຂົ້າໃຈຈຸດປະສົງ, ຫລັກການ, ນະໂຍບາຍ ຂອງໂຄງການ ແລະ ວິທີການຈັດຕັ້ງປະຕິບັດວຽກ ງານ ທລຍ, ເຊິ່ງໄດ້ຝຶກອົບຮົມໃຫ້ທົ່ວ ເຖິງ.

ນອກຈາກພະນັກງານ ທລຍ ແລ້ວ, ຊາວບ້ານເອງ ກໍ່ໄດ້ຮັບຝຶກອົບຮົມ ຈາກ ທລຍ ເຊັ່ນ: ພື້ນຖານ ບັນຊີ, ການຄຸ້ມຄອງການເງິນ, ການເບີກຈ່າຍເງິນ ການຈັດ ຂຶ້-ຈັດຈ້າງ ສຳລັບຊຸມຊົນ, ການຈັດຕັ້ງປະ ຕິບັດ ແລະ ບູລະນະໂຄງການຢ່ອຍ... ຊາວບ້ານ ຍັງໄດ້ຮູ້ ກ່ຽວກັບ ການເຈລະຈາ ແລະ ຕໍ່ລອງລາຄາ ກັບຜູ້ຮັບເຫມົາ.

ສຳລັບການຝຶກອົບຮົມ ກ່ຽວກັບ ການພັດທະນາ ທັກສະທີ່ກ່ຽວຂ້ອງກັບໂຄງການຢ່ອຍ ຊຸມຊົນໄດ້ສະ ເໜີຂໍໃນ ຮອບວຽນ 1 ແຕ່ກໍ່ບໍ່ມີຫລາຍ ແລະ ຊາວ ບ້ານ ກໍ່ໄດ້ປຽບທຽບຫົວຂໍ້ດັ່ງກ່າວ ກັບ ກິດຈະກຳກໍ່ ສ້າງໂຄງລ່າງ, ແລະ ໃນທີ່ສຸດ ຫົວຂໍ້ການຝຶກອົບຮົມ ກໍ່ຖືກຕັດອອກ ໂດຍສະເພາະຢູ່ໃນເຂດທີ່ທຸກຍາກ ທີ່ສຸດ. ເພື່ອແກ້ໄຂບັນຫາດັ່ງກ່າວນັ້ນໄດ້ ທລຍ ໄດ້ ຕິດຕໍ່ ແລະ ປະສານງານກັບຕົວແທນພັດທະນາ ອື່ນໆ ເຊັ່ນ: ອົງການ UNESCO ແລະ ded ຊຶ່ງໃຫ້ການ ຊ່ວຍເຫລືອກະກຽມອຸປະກອນ ແລະ ຊຸດຝຶກອົບຮົມ ຕ່າງໆ ລວມທັງຫລັກສູດ ແລະ ຄູ່ຝຶກຜູ້ທີ່ມີຄວາມ ສາມາດ ເພື່ອໃຫ້ຊາວບ້ານມີທາງເລືອກຕົວອີກ. ນອກ ຈາກນັ້ນ ທລຍ ໄດ້ກຳນົດວົງເງິນຕ່ຳ ສຸດ 5,000 ໂດລາສະຫະລັດ ໃຫ້ແຕ່ລະເມືອງ ເພື່ອສົ່ງເສີມໃຫ້ຊຸມ ຊົນໄດ້ຮັບການຝຶກອົບຮົມໃນຫົວຂໍ້ຕ່າງໆຕື່ມອີກ. ທັງ ນີ້ເພື່ອເປັນການເພີ່ມທັກສະ ໃນການພັດທະນາຂັ້ນ ຕື່ມ.

ອົງການ UNICEF ແລະ ທລຍ ໄດ້ຕົກລົງໃນດ້ານ ຫລັກການນຳກັນ ເພື່ອຮ່ວມມືຈັດຕັ້ງປະຕິບັດກິດ ຈະກຳຢ່ອຍ ຈຳນວນໜຶ່ງ ຢູ່ເມືອງເຊໂປນ ໃນຮອບ ວຽນ 2004-2005. ນອກຈາກນັ້ນ, ອົງການ

UNICEF ແລະ ທລຍ ຍັງໄດ້ສ້າງ ຄູ່ມືກິດຈະກຳ ກ່ຽວກັບ ວຽກງານການສຶກສາ ຊຶ່ງປະກອບມີຫລາຍ ອົງປະກອບ, ຫລາຍທາງເລືອກ ໂດຍອີງໃສ່ປະເພດ ແລະ ຂະໜາດຂອງໂຮງຮຽນ.

ສຳລັບໂຄງການທົດລອງ, ທລຍ ໄດ້ສ້າງວິທີການ ຈັດຕັ້ງກິດຈະກຳສ້າງລາຍຮັບ ທີ່ເປັນເງິນຊ່ວຍເຫລືອ ລ້ຳຈຳນວນໜຶ່ງ ສຳລັບ ກຸ່ມ ຫລື ອົງການຈັດຕັ້ງ ທີ່ຕ້ອງການ ການສະໜັບສະໜູນດ້ານການເງິນ ເພື່ອຜະລິດສິນຄ້າ ແລະ ການບໍລິການ ທີ່ມີກຳໄລ. ປັດຈຸບັນນີ້, ທລຍ ໄດ້ຮັບການຊ່ວຍເຫລືອແບບພິ ເສດ ຈາກ ສູນ Lao - India Entrepreneurship Development Centre (LIEDC) ກ່ຽວກັບຮູບແບບ ແລະ ການຈັດຕັ້ງປະ ຕິບັດຫົວຂໍ້ດັ່ງກ່າວ.

ຂໍ້ມູນທີ່ເກັບກຳໄດ້ຈາກຂັ້ນບ້ານ, ເຂດ, ເມືອງ ແລະ ແຂວງ ໄດ້ຈັດເຂົ້າໃນລະບົບຄຸ້ມຄອງຂໍ້ມູນ / ລະບົບ ຕິດຕາມ ແລະ ປະເມີນຜົນ, ຂໍ້ມູນສ່ວນຫລາຍ ໄດ້ ຖືກປ້ອນເຂົ້າລະບົບຄອມພິວເຕີ້ ໂດຍພະນັກງານຕິດ ຕາມ ແລະ ປະເມີນຜົນ ຂັ້ນແຂວງ, ຈາກນັ້ນ ຂໍ້ມູນ ດັ່ງກ່າວໄດ້ຖືກວິໄຈໂດຍອົງການ ທລຍ ຂັ້ນສູນກາງ. ແບບຟອມ ເພື່ອເກັບກຳຂໍ້ມູນຄວາມຄືບໜ້າໂຄງ ການຢ່ອຍ (ແບບຟອມຕິດຕາມການຈັດຕັ້ງປະຕິບັດ ໂຄງການຢ່ອຍປະຈຳເດືອນ) ໄດ້ຖືກສ້າງຂຶ້ນ ແລະ ຖືກທົດສອບ ເພື່ອປັບປຸງຕື່ມອີກ.

ໃນໄລຍະຮອບວຽນ 2, ທລຍ ໄດ້ກວມເອົາ 14 ເມືອງ ໃນນັ້ນລວມມີ 188 ເຂດ, 1,431 ບ້ານ. ໃນ ເດືອນ ທັນວາ 2004, ຈຳນວນໂຄງການຢ່ອຍ 431 ໂຄງ ການ ໄດ້ຖືກຮັບຮອງ. ງົບປະມານຈັດແບ່ງສຶກ ປີ 2004-2005 ສຳລັບ 14 ເມືອງ ມີຈຳນວນ ປະມານ 3,103,000 ໂດລາສະຫະລັດ.



Poverty Situation in Lao PDR¹

Poverty can have different meanings and can be understood in different ways. In Lao PDR, poverty is defined by the lack of essential needs of daily life such as the lack of food (inability to provide 2,100 calories per person per day), the lack of clothing, the lack of permanent accommodation, the inability to afford fees for medical treatment in case of illness, the inability to afford payment for education of members of the family and the lack of conditions for convenient communications².

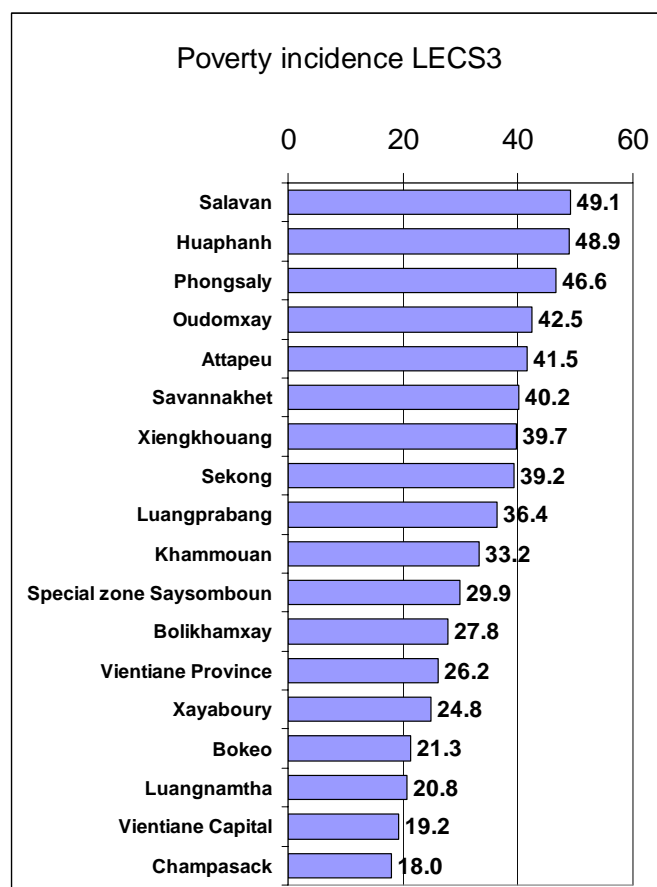
According to the results of the Lao Economic and Consumption Survey 2003 (LECSIII), provinces have been ranked by Poverty Incidence. As suggested by the table 1 shown below, Salavan comes up as the poorest province in the country while Champassak turns out to be the wealthiest.

According to the findings of LECS 3, immediate eligible provinces ranked from the poorest to the wealthiest would be: **1. Salavan, 2. Phongsaly, 3. Oudomxay, 4. Attapeu, 5. Xiengkhouang, 6. Sekong.**

¹ Poverty situation is extracted from the Roundtable Process / National Growth and Poverty Eradication Strategy (NGPES) Information Meeting, Vientiane, November 4, 2004

² Prime Minister's Instruction No. 010, 2001

Table 1: Poverty incidence in Lao PDR according to LECS 3 results



Provinces	Poverty incidence LECS3	Rank on Poverty incidence
Salavan	49.1	1
Huaphanh	48.9	2
Phongsaly	46.6	3
Oudomxay	42.5	4
Attapeu	41.5	5
Savannakhet	40.2	6
Xiengkhouang	39.7	7
Sekong	39.2	8
Luangprabang	36.4	9
Khammouan	33.2	10
Saysomboun	29.9	11
Bolikhamxay	27.8	12
Vientiane Province	26.2	13
Xayaboury	24.8	14
Bokeo	21.3	15
Luangnamtha	20.8	16
Vientiane Capital	19.2	17
Champasack	18.0	18

National Growth and Poverty Eradication Strategy³

NGPES is a result of the preparation of the poverty eradication strategy that started in 1996 when the 6th Party Congress defined the long-term development objective as freeing the country from the status of least-developed country (LDC) by 2020.

According to the NGPES 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.

In the Lao PDR, rural poverty is directly linked to access to resources and to the availability of social services. Resource access includes availability and tenure of land, forest and non-forest timber resources, livestock security, and access to agricultural inputs (credit and irrigation services) and markets. Needed social services include education and health services, clean water and sanitation.

Based on the poverty analysis, the Government’s rural development strategy addresses essential development constraints, including:

- Inadequate infrastructure.
- Limited and poorly developed human resources.
- Poor health conditions.
- Inadequate potable water and facilities.
- Poor agricultural support and delivery services.
- Limited access to inputs and markets.

³ Extract from the National Growth and Poverty Eradication Strategy

- Lack of medium and short term credit.

In addressing these constraints, the Government is encouraging and facilitating a strong community-based approach. Planning therefore involves a highly participatory process. As indicated by the poverty analysis, the Government's main task is to enhance the conditions that enable people to take charge of their destinies. The Government's rural development strategy has thus two major components: **improving access to essential factors of development**, and a **comprehensive, poverty-focused planning process** at the district level to ensure that all initiatives are mutually self-supporting and complementary.

Improving access essentially means improving people's access to:

- Production inputs and sustainable natural resource management technologies ('supply-side').
- National and regional markets through physical (roads and trade facilitation) and institutional linkages ('demand-side').
- Human resource and community institutional development.
- Social services development.
- Rural finance mobilization.

There are close interrelationships among these five factors or *pillars*. Human resource and community institutional development, social service development and the mobilisation of rural finance are preconditions, or catalysts, for successful initiatives on the supply and demand side. Furthermore, food insecurity must be addressed as a first priority, especially for the 47 poorest districts. Without food security for themselves, households have neither the time nor the inclination to engage in activities leading to longer-term improvement of their livelihoods. This concern will be addressed through the comprehensive district development planning system, which, together with improved accessibility, is at the core of the Government's rural development strategy.

This strategy favours a pro-active focal development area approach, so as to

concentrate resources in strengthening and empowering local communities to eradicate their poverty. The demand (markets) and supply (technology, inputs) pillars act as push/pull forces on rural production, while the three other pillars – social services (education, health), empowerment (HRD and participation), and rural finance (credit, investment) – act as facilitators for the process of modernisation and diversification. These five pillars, however, must be bound together by a comprehensive community-driven planning process.

This approach ensures flexibility and adaptation to each particular local situation. Various development activities and initiatives that take place at the district or village levels will become much better integrated, enabling more effective use of limited resources and maximising benefits. This includes activities and initiatives under the village and district development funds⁴, private sector initiatives and projects such as the Poverty Reduction Fund (PRF). Activities and initiatives under national programmes (e.g., UXO decontamination and opium eradication) will also now be much better co-ordinated.

The district focus for rural development presents a challenge of great complexity. Most importantly, real resources will be transferred to the districts⁵, to give meaning to empowerment. In addition to improved rural credit services, the Government strongly endorses the establishment of funds for community development. The establishment of the Poverty Reduction Fund (PRF-Decree PM/073) in May 2002 is designed to effectively and efficiently deliver resources to poor villages. The PRF is expected to enable poor communities to assess their own needs and priorities and to determine how best to use resources to maximise social and economic development on a sustainable basis.

⁴ The share of the investment budget specifically allocated to the 47 poorest districts will be channelled through these village and district development funds. These will enhance the access of resources enabling people to engage in income generation activities.

⁵ For FY 2003-2004, 40 billion kip will be channelled directly to the 47 districts through local funds.

Establishment of the Poverty Reduction Fund

In 2002, the Government of Lao PDR invited IDA to support its efforts to deliver development resources at the village level, targeted to the poorest districts in the country and mediated through strong participatory processes and decentralized decision making.

To this end, the Poverty Reduction Fund was legally established by a Decree of the Prime Minister of Lao PDR (No. 073 / PM) on 31 May 2002, initially supported by the World Bank in the form of a low-interest loan, repayable over a forty-year term. The consented credit amounts to approximately 19.5 million USD, with government contributions totaling about 1.3 million USD. The Prime Ministerial Decree allows the PRF to also receive and use funds from other sources. Moreover, the Government's Decree establishes the Poverty Reduction Fund as an autonomous entity, overseen by a Board of Directors, and attached to and chaired by the Committee for Planning and Investment and gives to the PRF the authority to set its own personnel recruitment, procurement, and remuneration standards, a key determinant of likely success.

The PRF operational scope and design draw from best practices from a variety of World Bank funded social fund and community driven development projects currently under implementation in East Asia. There are many different models in East Asia and across other regions. Lessons from these different models have been integrated to fit the distinct conditions of Lao PDR. The design of PRF blends key features of these models through the creation of an autonomous entity, with an operational cycle that is highly decentralized and participatory, and with a substantial capacity building objective and staff complement to support it.

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 agreements.

To allow village decision makers, with the widest possible representation, the choice over what project type to select and propose, and further to allow them to choose whether they will implement the project themselves or contract the implementation to a contractor is unprecedented in government financed programs, and infrequent in NGO and other donor financed programs.

To ensure that such arrangements, particularly disbursement, do not lead PRF to wastage, leakage or fraud, intensive mechanisms for social control have been instituted following the World Bank – initiated Indonesia Kecamatan Development Project and Thailand Social Investment Fund models. This has been reinforced by PRF local staff clearance, with villagers as signatories, of all sub project disbursements on the basis of confirmed physical progress. This participatory process of *khet* level decision making is therefore subject to a strong set of controls over the disbursement function to minimize risks.

The project aims to deliver resources to poor villages, efficiently and effectively. Villagers 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.

The main targets of the PRF are communities in poor villages.

PRF: Who we are

The Poverty Reduction Fund is an initiative effort of the Lao Government supported by the World Bank, to contribute to social and economic development towards poverty alleviation for all, especially among the ethnic minorities living in remote areas.

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 villagers 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

Our Vision

“Strong, capable communities, in even the most remote rural areas, working together and finding solutions to meet their present and future needs in response to the government’s directions”

Our Mission

- ♦ to support and establish local capacity, procedures and systems in line with the Government of Lao PDR’s decentralization policy,
- ♦ to efficiently and effectively channel and utilize various funding resources including loans, government and other donor’s funds,

- ♦ to reduce the poverty of rural communities - through a program of highly participative, accountable grant-based, village-managed activities such as small-scale infrastructure projects, life skills development and income generation,
- ♦ to enable rural poor and ethnic minorities to benefit from the country’s move towards improving socio-economic conditions for all citizens.

PRF Menu of options “ 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

Building, furniture, latrine, supplies and medicines, allowance for nurses / midwives (in cash / in kind)

Schools, Nurseries and Sanitation facilities

Building, latrine, allowance for teachers (in cash or kind), supplies, equipment, furniture.

Community electricity supply

Mini-hydro generator, wiring.

PRF basic facts

- ◆ PRF established by Decree 073/PM, May 31, 2002
- ◆ Development Credit Agreement, IDA 3675 LA, August 19, 2002
- ◆ Loan effectiveness date: February 3, 2003
- ◆ IDA Loan: US\$ 19,345,000 (approx.)
- ◆ GOL Contribution up to: US\$ 1,330,000
- ◆ Total project cost : US\$ 21,700,000
- ◆ Launching: April 2003
- ◆ Closing date: March 2008
- ◆ Current target provinces: Huaphanh, Savannakhet, Champasack
- ◆ Cycle of PRF: 2003-2004 [Cycle I], 2004-2005 [Cycle II]

PRF 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, further explained below, are:

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

Simplicity

The project design, rules and regulations are simple. This ensures greater transparency and local ownership of the project.

Empathy (“Siding With the Poor”)

The Poverty Reduction Fund, all the PRF consultants and facilitators work for the poor. As such, for each activity, in all processes and all procedures,

preference is given to the poorest people in the community.

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.

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.

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.

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.

Wise Investment

(Sustainable, replicable, complementary) The PRF 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.

PRF: What we do

Funding is given to communities as grant assistance for approved sub-projects. It is planned to spend 75% of the PRF budget directly at village level. To access a grant and participate in the project, the villagers themselves must initiate, plan, implement, manage and maintain their own village development sub-projects.

Each participating district receives an annual allocation of funding based on the number of poor villages in that district. Poor villages have so far been identified on the basis of 5 criteria⁶: access to clean water, access to a school, access to health services and road access to/near the village. If a village lacks any one or more of these things, it is classified as “poor” for the purposes of the PRF.

In order to be eligible to receive a grant, all sub-projects and activities proposed by the villagers must conform to the PRF objectives and seven principles. The menu of options gives guidelines concerning the type of sub-projects that can (or cannot) be funded by the PRF, and there are also regulations on the amount of money that can be given to a village or group of villages in any one year. Transparency and accountability are encouraged through involving large numbers of people in key functions and the use of Khet Information Boards and a Complaints Prevention and Resolution Process.

Methods used to achieve the goal of the PRF

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” - 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.

After Socialization, a series of planning meetings at each local level prioritises the people’s needs in accordance both with the types of needs expressed and the amount of funding available. At the most important level - the village level - the villagers themselves identify the problems they wish to solve or receive help with. When the decision has been made to include a village in the current year’s funding round, the people are consulted again and involved in the preparation of a formal proposal for each sub-project, including plans, designs and budgets, etc. All of these things guarantee a high degree of local ownership.

The villagers elect their own representatives to present the people’s priorities and requests for assistance to the planning meetings and to take responsibility for purchase of sub-project inputs and financial management. This ensures that the people continue to have a voice in all decisions made.

Gender balance is achieved through such things as: separate men’s and women’s meetings held in every village to determine the village needs and priorities, mandatory inclusion of women at meetings and quotas for women amongst the various village and “khet”(sub-district) level representatives; financial management, procurement, implementation and maintenance teams.

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 helps to ensure that ethnic minorities are included in the PRF process from the outset.

⁶ Prime Minister’s Instruction No. 010, 2001

Distribution of funds is somewhat competitive. Because the amounts of funding released each year to a district are quite small in comparison with the people's needs, the people's representatives (from each khet) must decide on which sub-projects are of greatest priority. PRF staffs give guidance on things such as how to determine cost benefits ratios and relative poverty levels with the aim of helping the people's representatives make good decisions/ wise investments and encouraging the poorest villagers to make sure they get help first.

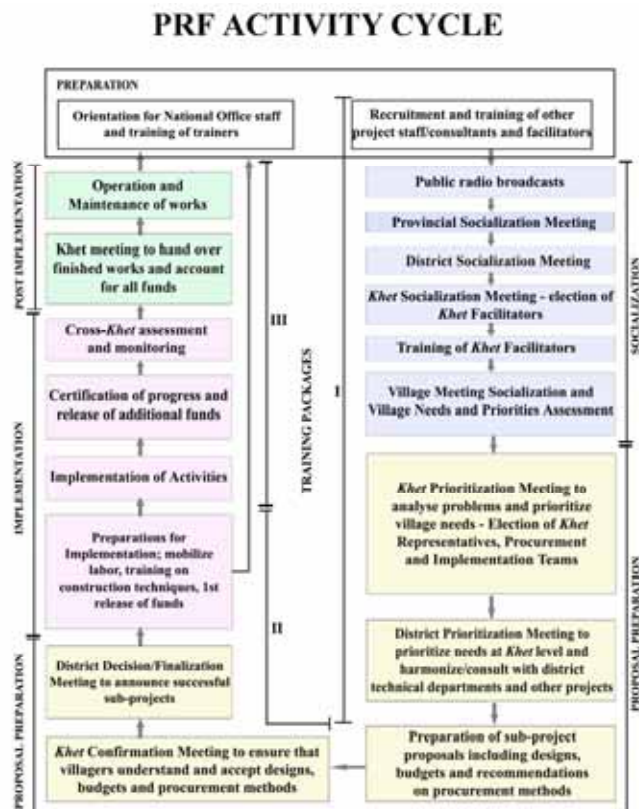
Village capacity to manage the sub-projects and project funds is widely accepted as being perhaps initially low.



Participatory planning at village level

PRF staffs provide training for the village and khet representatives and work teams to ensure that they can take proper responsibility. Training is given in practical subjects such as financial management, procurement, and also construction of simple structures such as schools and rural roads. Simple forms and checklists are introduced to facilitate local management, monitoring and reporting concerning all PRF activities.

Figure 1: PRF activity cycle



Small teams of trained and experienced PRF staff are available locally to provide ongoing support for the villagers in all of the various technical and community development areas that relate to the village sub-projects.

A strong monitoring and evaluation system helps to further ensure that the PRF keeps on target and that the outputs of the project are as they should be: of good quality, sustainable, addressing the needs of the rural poor, and having a real impact on reducing poverty. Lessons learned are constantly used to improve the process, tools and methods.



Khet representatives pose alongside PRF staff to give ID photographs to the bank

Geographical coverage

Methods of targeting the initial start-up provinces and districts. The PRF supports the government's objective of reducing poverty. Targeting of the project to poor areas and poor people is therefore essential.

Initially, three start-up provinces were chosen for their regional diversity, varying poverty levels, and level of infrastructure and communications development to permit early start up of operations: Huaphanh, Savannakhet and Champassak Provinces. The rationale for this was to build experience with the project modalities as quickly as possible under a range of conditions. This experience has revealed extremely useful for identifying areas for inclusion and design of implementation strategies in the second year of activities.

The 1997 Lao Expenditure Consumption Survey (LECS) prepared by the National Statistical Centre (NSC) provided provincial ranking data that were used to guide the initial selection of provinces.

At that time, Huaphanh Province had the highest percentage of poor at 70%, while Champassack and Savannakhet Provinces appeared more prosperous at 37% and 35% respectively. Significant pockets of poverty in Champassak were to be targeted and reached through PRF activities.

The three initial provinces for PRF operations were also chosen to provide a more logistically favourable challenge in Champassak and Savannakhet, and presenting a more demanding challenge in Huaphanh which is more remote, poorer, and equipped with less transport and communications infrastructure.

Selection criteria for expansion in two new provinces in 2005. Eligible provinces were firstly pre-determined according to their levels of poverty as resulted from the Lao Economic and Consumption Survey 2003 (LECSIII), and ranked from the poorest to the richest.

Secondly, in order to establish which of the poorest provinces should be targeted, development aid data was gathered so as to ascertain that no other major large, integrated CDD project was ongoing or pipelined in the same areas, in order to avoid overlapping development endeavors.

Finally, by weighing both (1) provincial poverty levels and (2) present and future development aid received, it was proposed to expand to Saravane and Xiengkhouang Provinces and keep Sekong as an option.

LECSIII results suggest that Phongsaly Province is the third poorest Province in Lao PDR, after Saravane and Huaphanh Provinces. However, a small number of villages of Khua and Mai Districts in Phongsaly were taken as control areas for the PRF Baseline survey in 2003 and will be revisited as controls in follow-up surveys. Therefore, these two districts cannot be chosen lest villages could be affected ("contaminated") by the PRF activities being implemented in the district. Phongsaly remains nonetheless a very poor, potential province for a possible PRF phase II.

The next two poorest provinces are Oudomxay and Attapeu, which have both been discarded because of the presence of other ongoing large CDD projects⁷.

District Targeting. PRF operates in the poorest districts within the chosen provinces. Districts are the primary targeting unit.

Lists of target districts have to be confirmed each year by the Administrative Board, representing the government, as well as by the World Bank. More specifically, the number of districts that a province comprises, which are eligible in the NGPES group of 47 and 72 poorest districts of Lao PDR has been considered.

⁷ The IFAD-supported Oudomxay Community Initiatives Support Project 2002-2010 - Budget (USD Million) 21.14, which targets all districts and the forthcoming IFAD-supported Rural Livelihoods Improvement Programme (Attapeu & Sayabouri) 2005-2013- Budget (USD Million) 22.18, which targets all three poorest districts.

Extract from the National Growth and Poverty Eradication Strategy (NGPES)

Based on Instruction No 010/PM, the Committee for Planning and Co-operation (CPC) and the provinces have identified 72 districts as poor. To ensure that economic growth and modernisation benefits the poor, 47 districts have been selected for priority investments over the period to 2005. Following this, the remaining 25 districts (of the 72 poor districts identified) will receive priority attention.

In total for these 72 districts, there are 4,126 villages and 160,592 households that are classified as poor. In percentage terms, 76 per cent of the villages in these districts are poor and 50 per cent of the households are poor. Huaphanh province has the highest (absolute) number of poor villages and households, while Phongsaly province has the highest percentage of poor villages. Table 7 summarises the village and household data. Annex 1 (Tables) provides poverty-related information for each of the districts, including the number of poor villages and households. See also Map of the 72 poor districts on the following page.

The identification of the 72 poorest districts was made, as mentioned, on the basis of Instruction 010, LECS II and provincial information regarding the number of poor households. Table 1.2 and 1.3 of Annex 1 list these 72 districts according to village and household criteria. Out of the 72 districts, 40 have been identified as very poor districts. For reasons of national equity, 7 other districts (of the remaining 32) have been added to this number. The rationale in choosing the 40 poorest districts is reflected in Table 8. These districts have the highest incidence of poverty (70 per cent), calculated on the number of poor households (see Table 1.3). The remaining districts have a poverty incidence of 35 per cent. Together, the poverty incidence is 55 per cent for the 72 poorest districts, as compared to 23 per cent of the “non-poor” districts. The overall poverty incidence is the same (55 per cent) when dividing the group into 47 and 25 districts, as shown in Table 9. However, the Government’s priority appears clear: it is where the poverty incidence is deepest that priorities will be set even if the target group (the 40 poorest districts) represent only 20 per cent of the population. In other words, in the 70 “less poor” districts, poverty concerns 19 per cent of the population, while in the 72 poorest districts more than half of the population is poor.



Sepone District’s Villagers (Savannakhet Province) helping at delivery of concrete rings for hand dug well construction sub-project

The Map below shows in **dark brown color**, the 10 PRF start-up districts: (i) Sobbao, Xiengkhor and Add in Huaphanh Province; (ii) Nong, Vilabury, Sepone in Savannakhet Province; (iii) Khong, Sukuma, Mounlapamok, Pathoumphone in Champasack Province.

In **light brown** are shown the additional four PRF districts added up in September 2004: (i) Viengxay, Huameuang and Xamtay (Huaphanh) and (ii) Phin in Savannakhet.

Lastly, in **green color** are shown the districts of PRF expansion 2005, (i) Ta Ouy, Toum Lan and Samuoi in Saravane Province and (ii) Kham, Nonghead and Khoun in Xienkhouang Province

Figure 2: Map of PRF Target Districts

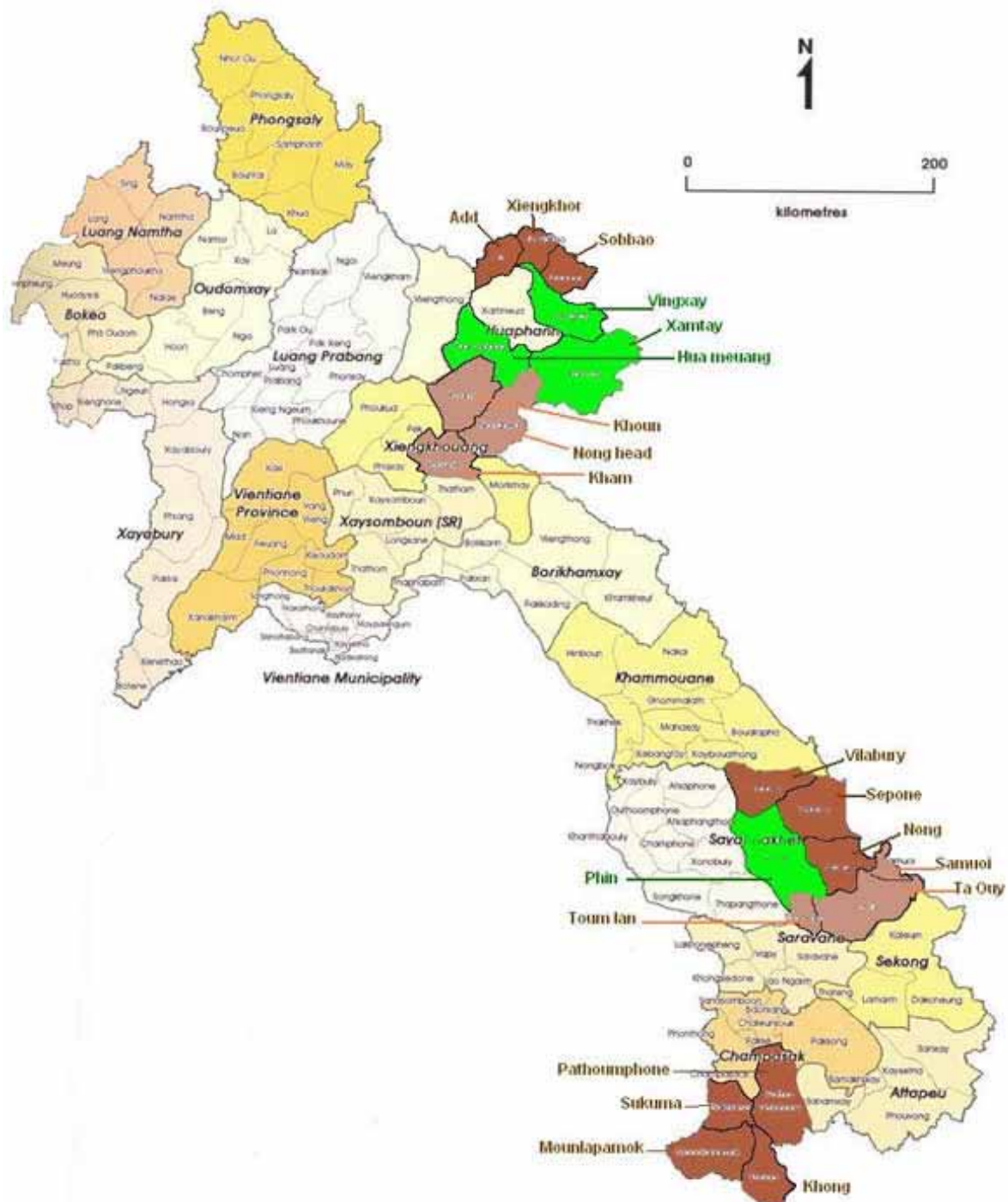


Table 2: PRF expansion plan by province and district and whether they belong to the 47/72 group

Poverty rank	Provinces	Poverty incidence LECS3	72 Poor Districts		47 Poor Districts		PRF starting dates & total number of districts				
			Rank	Name	Rank	Name	2003 - 2004	2004 - 2005	2005 - 2006	2006 - 2007	
								10	14	20	25
1	Saravane	49.1						0	0	2	3
			58	Ta Ouy						☒	☒
			59	Toum Lan						☒	☒
			60	Samuoi						.	☒
2	Huaphanh	48.9						3	6	7	8
			23	Xieng Khor			☒	☒	☒	☒	☒
			24	Viengthong						☒	☒
			25	Viengxay					☒	☒	☒
			26	Huamuang					☒	☒	☒
			27	Xamtai					☒	☒	☒
			28	Sop Bao				☒	☒	☒	☒
			29	Add				☒	☒	☒	☒
				Xam Neua				.	.	.	☒
6	Savannakhet	40.2						3	4	4	4
			51	Phin					☒	☒	☒
			52	Xepon				☒	☒	☒	☒
			53	Nong				☒	☒	☒	☒
			54	Thapangthong							
			55	Xonbouly							
			56	Vilabouly				☒	☒	☒	☒
			57	Thaphalanxay							
7	Xiengkhouang	39.7						0	0	3	4
			35	Paek						☒	☒
			36	Kham						☒	☒
			37	Nonghaed						☒	☒
			38	Khoun							☒
8	Sekong	39.2						0	0	0	2
			61	Kalum							☒
			62	Dachung							☒
18	Champasack	18						4	4	4	4
			63	Ba Jieng							
			64	Pathoumphon				☒	☒	☒	☒
			65	Sukuma				☒	☒	☒	☒
			66	Mounlapamok				☒	☒	☒	☒
				Khong				☒	☒	☒	☒
								10	14	20	25

It is worth mentioning that some districts within the 47-district group are ranked better off than others in the 72 district list but that have not been included in the 47-district list, as choices made also reflect priorities in terms of investments for the period 2003-2005. According to LECS3 results, Champassak Province turned out to be the wealthiest province in Lao PDR. Khong, in Champassak Province is the only district that does not belong to either the 47 or the 72 group. However, PRF has developed a calculation method of annual district allocations, which has enabled PRF funding to be channeled in greater part to the poorest districts (See section below⁸).

⁸ Section: *District allocation calculation: channeling PRF funds in greater part to the poorest districts* page 34

Siding with the Poor: one of the most important PRF founding principles

Siding with the poor is one of PRF's principles and constitutes the framework and foundation of PRF approach and methodology. It is of utmost importance that the poorest people can be properly identified, that they can be reached and involved in PRF activities and that a large portion of PRF resources is effectively channeled to them eventually. The effectiveness and impact of those investments must then be thoroughly evaluated.

Identifying the poor

At district level, PRF has primarily utilized results from the National Statistic Centre and its provincial offices based on the Prime Minister's Instruction No. 010/PM.

For each target district, figures were provided for every village along with a set of basic information (khet/district, population etc.) and a breakdown of poverty indicators. More specifically, poverty indicators consist of the five indicators presented in Table 3 below:

Table 3: Poverty indicators as defined by the Prime Minister's Instruction No. 010/PM

Indicators	Value if false	Value if true
Villages where at least 51% of the total households are NOT poor households	0	1
Villages with school within the village or schools in nearby and accessible villages	0	1
Villages with dispensaries, traditional medicinal practitioner or requiring over 6 hours of travel to reach a hospital	0	1
Villages with safe water supply	0	1
Villages with road access (at least trails accessible by car during the dry season)	0	1

If at least one of the five above mentioned conditions (indicators) is false (0), the village is considered poor (Total sum of indicators <5).

In other words, a village is considered not poor if (i) less than 51% of the total households are poor households and (ii) there is a school within the village or located in an accessible village nearby and (iii) there is a dispensary or pharmacy within the village or a hospital that can be reached in less than 6 hours and (iv) there is safe water supply within reach and (v) there is access road (at least dry-season car trafficable trail).

These data are primarily used in the process of targeting the poorest districts and in defining annual district budget allocations as explained in more details below. In addition, PRF uses it at planning stage as a valuable tool to be utilized at their discretion by the khet representatives.

At khet and district prioritization meetings, khet representatives are being asked to consider respective population figures and poverty levels of the constituting khets in order to more equitably divide the available funds up, bearing in mind that the largest number of poor people and the poorest of the poor should be favoured and eventually benefit.

To this end, the data 010/PM is very valuable. However, PRF has found the categorisation poor-non poor a little too crude by grouping together all villages that do not fulfil the five criteria as being poor. Surely, there are differences in degrees and levels of access to basic needs and services. Hence, PRF uses the 2004-revised Village and Khet Poverty Ranking Poster (high, medium, low levels of poverty) to show which villages and khets are shown in the data to be the poorest in the district. That information is then checked with the khet facilitators and khet representatives to see if their own local perceptions of which villages and khets are the poorest agree with the data. If there is any discrepancy, this is discussed and ought to be reported to PRF national office.

Figure 3: Village and Khet poverty levels used at planning stage

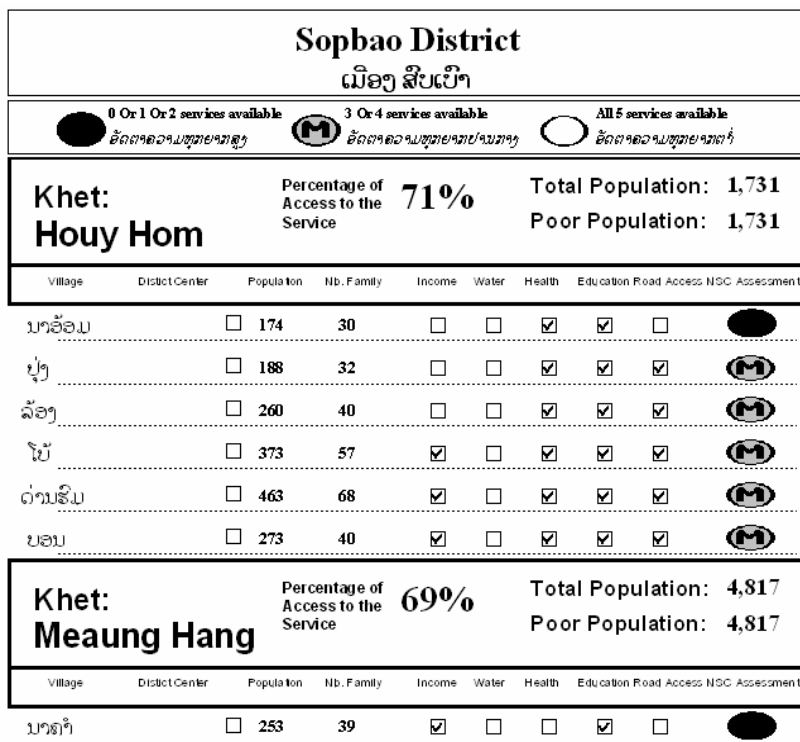


Figure 3 above shows poverty level rankings (high, medium, low), represented by black, gray and white colored ovals respectively. Firstly, khet representatives are asked to verify the information shown (population and number of families, access to services or lack of, number of khets, number and names of villages that compose a khet etc.).

Then, khet representatives are invited to look at the khet-grouped bar chart shown on the right (Figure 4) and asked to comment the ranking suggested on the poster. After establishing grounds for common understanding, the khet representatives are invited to make sure that villages and khet shown in black, i.e. having access to none, one or two services only, remain at the forefront of their priority beneficiaries.

Systematic Village profiling: PRF safeguard to make sure that the poorest areas are reached

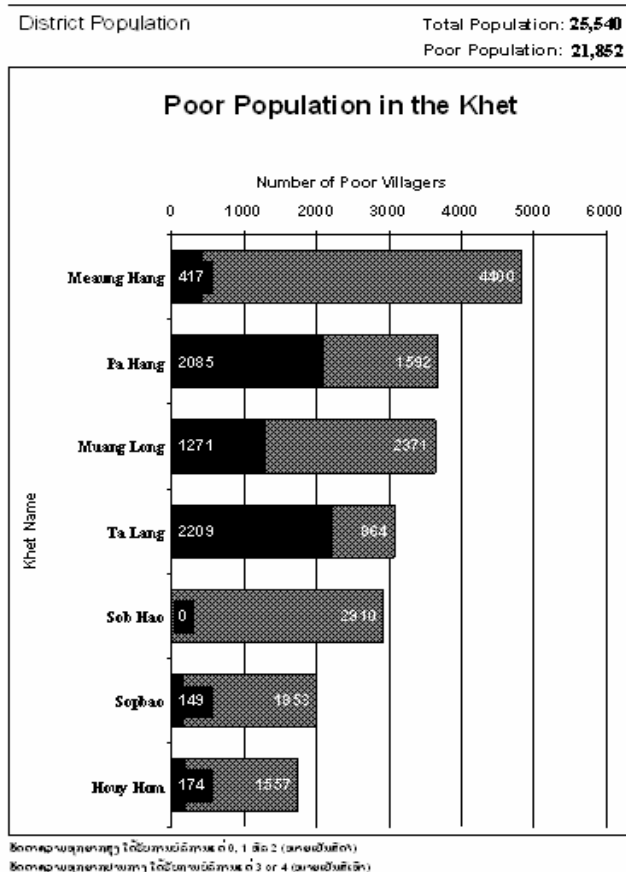
The data from the Instruction 010/PM is an interesting tool when used during planning stage. However, several concerns

arose due to the risks of over-simplifying the reality.

For instance, let's take the example of two villages, one provided with a complete primary school, permanent, brand new building where seven public service teachers are working full-time and the other, where villagers have built their own makeshift school, comprising one room only, a thatched roof and packed earth soil, and where a voluntary teacher is hired and paid by the parents to teach 1st and second grade. In the framework of the Instruction PM/010, both villages are rated equally as having access to Education. The instrument seems

slightly too crude to be able to accurately describe these differences.

Figure 4: Example of Poor ranking per khet for a given district.



Therefore, PRF assisted by the World Bank has been working at collecting village data in the form of profiles (village questionnaires) in each single village visited by PRF. These profiles comprise several sections that aim at collecting basic socio-economic characteristics of villages. The initial intention was not to duplicate the PRF baseline, which has gathered data in a sample of villages at household level. Village profiles are systematic and represent a reference database, which is intended to be utilized as a safeguard, to ascertain that PRF is actually reaching the poorest areas.

Fair representation for all ethnic minority groups through 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. 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).

Prior to launching PRF activities in a target district, local authorities are briefed about the PRF modalities of operation and are requested to provide assistance with their district sub-division into khets as a necessary means for the communities to plan, manage and implement PRF activities through a forum of representatives.

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). Fewer, larger 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 and increased risks of minority groups under-representation within a khet.

On the other hand, an increased number of smaller sub-divisions would entail larger district forums (more representatives) but would reduce risks of minority groups under-representation at khet level.

In any case, it is crucial that villages within a sub-division remain reasonably accessible on foot from one another. Lastly, 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 and work together in harmony. 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.

Reaching the poor through the PRF khet facilitators

Each participating khet must be covered by at least three khet facilitators, one of whom should be a woman.

Khet facilitators are responsible to:

- Assist with dissemination of information and encourage the participation of everyone, particularly vulnerable ethnic groups.
- Assist with / coordinate and facilitate project implementation and help with data collection and reports
- Liaise with the District-level project staff and work closely with and guide and assist the Village

and Khet Teams during all phases of a sub-project, The Khet Facilitators are volunteers and do not receive a salary. The PRF provides a small amount of funding to cover expenses (transport, subsistence while away from the home village, etc.) and provides free training related to their duties. A candidate from each vulnerable ethnic group in the khet should be encouraged to become a Khet Facilitator. Like all PRF staff, all Khet Facilitators are evaluated periodically and can be replaced if the villagers are unsatisfied with the services of the facilitators, or if they do not fulfil their duties. Recent data collected through

good sign as in Lao PDR, communities tend to respond favourably to age and experience. Noticeably, women assigned tend to be younger than their male counterparts with 19% of women younger than 29 years old and 7 below 20 years old against only 10% of men below 29 years old.

People with and without experience with the Government of Laos are fairly balanced. In terms of highest level of Education achieved, very few and it doesn't come as a surprise, have achieved higher education. However, more than one third (38%) has reached secondary level, with 8% reaching the upper secondary school level.

Table 4: Khet facilitators' levels of education

Twenty eight percent (28%) have

Characteristics	Number		Percentage		Total
	Male	Female	Male	Female	
Gender	346	173	67%	33%	
TOTAL					519
Age					
< 20 years	1%	4%	2	7	9
20-29 years	9%	15%	24	25	49
30-39 years	26%	30%	67	50	117
40-50 years	27%	32%	69	53	122
> 50 years	37%	19%	96	32	128
TOTAL	100%	100%	258	167	425
Level of Education					
Never been to school	8%	22%	27	37	64
Incomplete primary school	11%	13%	38	22	60
Completed primary school	28%	28%	97	47	144
Lower secondary school M1-M3	43%	27%	146	46	192
Upper secondary school M4-M6	7%	8%	24	13	37
Higher education	3%	2%	11	3	14
TOTAL	100%	100%	343	168	511
Experience with GOL					
Experience working with GOL	57%	43%	195	71	266
Inexperience with GOL	43%	57%	150	95	245
TOTAL	100%	100%	345	166	511

Khet facilitators profiles show that country-wide, the ratio per khet of one woman for two men among khet facilitators has been respected. On average, PRF khet facilitators are mature people with 59% of them over 40 years old, and one third in their fifties or more. This is a

completed primary school, while about 11% have dropped out before completion. 12% have never been to school. An analysis by gender is extremely revealing as 22% of women facilitators have never been to school against only 8% of the men. Interestingly, it seems that all other

proportions are fairly comparable except for lower secondary rates where men largely outnumber women with 43% against 27%. However, upper secondary and higher levels yield comparable percentages.

and the Taoey groups, which represent 3% and 1% of the families with respectively 599 and 200 families.

Other groups such as the Ngae and Lavae may also require closer follow-up.

Khet facilitators' ethnicity

Table 5: Ethnic composition of Champassak PRF districts and khet facilitator's ethnicity

Ethnic groups	Villages		Family		Total Population	Female	Khet facilitators	
	No.	%	No.	%			No.	%
Lao	198	80%	18,000	92%	85,202	3,783	118	95%
Souy	8	3%	599	3%	3,332	1,699		0%
Kom, Khmae	13	5%	567	3%	145	65	6	5%
Taoey	10	4%	200	1%	1,188	668		0%
Ngae	3	1%	97	0%	544	289		0%
Lavae, Louyve	2	1%	70	0%	344	180		0%
Others (10 groups)	14	6%	125	1%			1	
	248	100%	19,658	100%	91,270	46,959	124	100%

It is crucial that the khet facilitators originate from the very target areas and can actually speak local dialects/ethnic languages in use within the khet they have been assigned to. Moreover, they should be knowledgeable about the local situation, customs and life of the communities there. As a matter of fact, it is preferable that they belong to that community, as being part of it and being respected and appreciated by the community is likely to enhance their capacity to perform adequately their duties and responsibilities.

Table 5 compares the ethnicity of PRF khet facilitators with the local ethnic composition of Champassak PRF target districts. In the case of Champassak, 92% of the families are Lao Loum. It is therefore not surprising to find out that 95% of the PRF facilitators are Lao Loum as well.

It is reassuring that the second largest group, though much smaller, the Khmae group is fairly represented with 5% of families and exactly 5% of khet facilitators. At first glance, it seems that at least two groups may require closer attention in order to improve their current situation of not being represented at all among the PRF khet facilitators. These groups are the Souy

However, a closer look is reassuring. During Cycle I, many sub-projects have benefited those groups that are incidentally not represented among PRF khet facilitators.

For example, the Souy group in Sukuma District has benefited the following sub-projects:

Sub-project	Location	PRF budget (kip)
Drilled Well x 2	Lat village	30,908,907
School construction	Lat village	23,702,505
Drilled well	Hieng	47,417,454
Rice store	Park xang	21,445,500

Another example taken from Phathoumphone District during PRF Cycle I shown in Table 6, reveals that those groups have also benefited from PRF.

Table 6: Ethnicity group in Pathoumphone benefits from PRF

Sub-project	Budget (Kip)	Village	Ethnic groups
Drilled Well	34,756,500	Na laat	Ta oey
Irrigation gate way	14,159,844	Km 25	Lavy
Drilled well	14,304,489	Nam Phak	La mat, Ta oey, Sok
Drilled well repair		Nam Sai Loum	Bru katan, Akal
Drilled well	101,847,000	Km 36	Lavae, Louyve, Ngae, Toey, Pouan

Table 7 below compares for Savannakhet PRF target areas, the ethnicity of PRF khet facilitators with the local ethnic composition. In the case of Savannakhet, it is interesting to notice that the five main groups are represented among khet facilitators, in spite of slight variations.

Results suggest an over – representation of the Pho Thai group with 43% of khet facilitators that belong against only 29% of families. On the contrary, the Bru Makong and the Bru Tri are under-represented with 29% and 23% respectively among families and only 16% and 13% among khet facilitators.

Smaller groups such as the Lao (loum), Taoey, Trouy are fairly represented.

Interestingly, the Lao Loum group, which is the predominant group in Lao PDR, and which is rather over-represented in Champassak and Huaphanh Provinces, is comparatively turning out with the fewest proportion among PRF khet facilitators among all PRF target provinces.

While it would be rather difficult to get ethnic-specific khet facilitators for each single group, especially for those that only comprise a few families, such as for example 4, 10, 15 families such as Phouli, Ka nai, Cha tor, groups (see annexe 2 for complete list), PRF may need to closely follow-up some others.

For instance, other groups, which comprise over 100 families might necessitate closer attention and perhaps the assignment of special khet facilitators. For instance, the Yrou Kong group with a total of 203 families or Bru Katang with a total of 119 families are not represented among PRF khet facilitators.

A closer look at the sub-projects supported during Cycle I reveals that in Sepone District, the Yrou Kong Group has received benefit in the form of drilled wells in Khet 15 for a total value of 32,362,601 kip.

Likewise, in the district of Nong, in Khet Poun yang, the Katang and Kanai groups

Table 7: Ethnic composition of Savannakhet PRF districts and khet facilitator's ethnicity

Ethnic groups	Villages		Family		Total Population	Female	Khet facilitators	
	No.	%	No.	%			No.	%
Bru makong	116	30%	4,353	29%	15,537	8,331	16	16%
Pho Thai	84	22%	4,318	29%	15,647	7,912	43	43%
Brutri	119	31%	3,372	23%	3,137	1,583	13	13%
Lao	24	6%	1,717	12%	3,445	1,679	3	3%
Taoey	19	5%	620	4%	2,803	1,383	6	6%
Yrou kong	4	1%	203	1%	413	250	-	0%
Bru katang	5	1%	119	1%	375	194	-	0%
Lavy	2	1%	78	1%	-	-	-	0%
Lao teung	-	-	-	-	-	-	15	15%
Others (10 groups)	12	3%	134	1%	500	281	3	-
TOTAL	385	100%	14,914	100%	41,857	21,613	99	100%

have received a school construction for a total budget of 92,486,865 KIP.

Table 8 below compares the ethnicity of PRF khet facilitators with the local ethnic composition of Huaphanh PRF target districts. In the case of Huaphanh, the four main ethnic groups are the Tai Deng (26% of families), Lao Loum (23% of families), Tai Dam (21%) and Mong Dam (16%).

While the Lao Loum group is over-represented with 38% of khet facilitators, against 23% of families, the other three groups get fair representation. It is worth mentioning that the small group of Kamou is represented.

Three groups in particular may require closer attention in order to improve their current situation of not being represented at all among the PRF khet facilitators.

These groups are the Pouak, Yao and the Tin, Lua, Laomai groups represent 4% and 2% of the families with respectively 465, 434 and 286 of the families.

It is worth mentioning that in spite of their non-representation among the PRF khet facilitators, a community that belong to the Yao group in Sobbao District has received one of the most prestigious sub-project of the first cycle of activities: the Houyatoung bridge. This tends to prove that non

Table 8: Ethnic composition of Huaphanh PRF districts and khet facilitator's ethnicity

Ethnic groups	Villages		Family		Total Population	Female	Khet facilitators	
	No.	%	No.	%			No.	%
Tai deng	54	23%	2,910	25%	5,508	2,705	20	22%
Lao	52	22%	2,606	22%	9,369	5,226	35	38%
Tai dam	39	16%	2,384	20%	11,110	5,907	18	20%
Mong der	42	18%	1,832	16%	4,894	2,321	12	13%
Pouak	14	6%	465	4%	2,676	1,203	-	0%
Yao	6	3%	434	4%	918	411	-	0%
Tin, Lua, Laomai	8	3%	286	2%	1,361	679	-	0%
ka mou	9	4%	204	2%	1,163	583	1	1%
Tai kao	2	1%	119	1%	468	242	-	0%
Thai Perng	2	1%	118	1%	730	343	-	0%
Pho Thai	2	1%	102	1%	552	298	-	0%
Pong sat	2	1%	92	1%	522	234	-	0%
Thai angkham	2	1%	73	1%	313	160	-	0%
Thai Vang	1	0%	53	0%	339	181	-	0%
Mongdou	2	1%	36	0%	232	96	-	0%
Youan	1	0%	36	0%	-	-	-	0%
Lao theung	-	0%	-	0%	-	-	6	7%
TOTAL	238	100%	11,750	100%	40,155	20,589	92	100%

Table 9 Examples of sub-project Cycle I in Add District

Sub-project	Ethnic group	Budget (kip)
Irrigation	Tin, Lua, Lao mai	22,240,162
Irrigation	Tai vang	28,888,582
School	Yao	25,846,800
Water system	Yao	38,750,218
Water system	ka tuo	48,736,897
Water system	Tai daeng	36,781,323
Road upgrade	ka tuo	59,676,483
Water system	ka tuo	29,609,888
Irrigation	ka tuo	42,451,066

All in all, 85% of families are represented among PRF khet facilitators.

representation among PRF khet facilitators, doesn't necessarily mean non participation in the PRF process and more importantly non discrimination and/or non exclusion from the PRF activities and benefits.

The table 9 shows examples of sub-projects that have benefited ethnic minority groups not represented among khet facilitators in Add District, Huaphanh Province.

Complete tables of Huaphanh and Champassak ethnic groups and khet facilitators are shown in the Annex 2.

**District allocation calculation:
channeling PRF funds in greater
part to the poorest districts**

The approach and calculation method of district allocation for the cycle of activities 2004-2005 is objective and transparent to all stakeholders.

Yearly district allocations are function of:

- (1) District Poverty levels based on Prime Minister's Decree 010/PM,
- (2) Province Poverty levels based on LECS3
- (3) Government's district investment priorities based on NGPES
- (4) Past championship of the poor
- (5) *Recipient districts' past spending capacity, (Not used during cycle 2004-2005)*
- (6) *Recipient districts' past good management, (Not used during cycle 2004-2005)*

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 better off 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 during the last cycle. 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, which 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 that adequate local management capacity has been demonstrated. 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) have been waived for the calculation of the district allocation of the 2004-2005 resources 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, procurement prior reviews etc.

As a result, actual implementation did not start until after the Lao New Year 04 in some districts. It would have been very unfair to penalize some districts for being late, while PRF itself must bear responsibility for the largest part.

Likewise, the good management factor has not been 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) have not been 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.

However, the percentage of budget spent in poor villages or for sub-projects, which benefit poor communities are considered as one factor entering into the calculation of annual district budgets of the next cycle of activities: (4) Past Championship-of-the-poor Factor

Districts that have spent most of their PRF annual budget in poor villages are rewarded

The Past Championship-of-the-poor Factor aims at incorporating the percentage of past year budget allocation, which has been spent on development activities that

directly benefit poor villages or communities.

If **more than 85 %** of the budget has been spent on development activities that directly benefit poor villages or communities, the Championship-of-the-poor factor is valued **(1.2)**.

If the budget that has been spent on

Table 10: Calculation details of Championship-of-the-poor factor for PRF target districts – cycle 2004-2005

Provinces	Approved PRF Budget (Kip)	Funds planned to spend on poor villages (Kip)	% spent in poor villages	Championship-of-the-poor factor
Savannakhet				
Nong	989,915,979	911,987,979	92%	1.2
Sepone	1,863,665,889	1,691,342,845	91%	1.2
Vilabouly	1,131,693,228	882,096,967	78%	1.1
Champassak				
Khong	1,041,859,029	387,602,528	37%	0.9
Mounlapamok	713,147,992	523,917,011	73%	1.1
Phatoumphone	858,786,826	339,412,374	40%	0.9
Sukuma	928,598,850	524,550,162	56%	1
Huaphanh				
Add	1,177,815,985	971,113,570	82%	1.1
Siengkho	1,150,064,959	931,156,305	81%	1.1
Sopbao	1,208,461,940	1,208,461,940	100%	1.2

development activities, which directly benefit poor villages or communities, is **comprised between 65% and 85%**, the Championship-of-the-poor factor is valued **(1.1)**, if comprised between **50% and 65%**, the Championship-of-the-poor factor is valued **(1)**, if comprised between **30% and 50%**, the Championship-of-the-poor factor is valued **(0.9)**, if **less than 30%**, the Championship-of-the-poor factor is valued **(0.8)**.

For new districts such as Phin in Savannakhet and Viengxay, Xamtay and Huameuang in Huaphanh Province, the Championship-of-the-poor factor is fixed at the neutral value (1).

The analysis of the list of beneficiaries' villages suggests the results shown in the table 10 for the initial 10 districts during the cycle of activities 2003-2004.

Districts such as Nong and Sepone in Savannakhet or Sobbao in Huaphanh have demonstrated their commitments to the

poor by channelling a large portion of the available funds to the poor, thus allocating 90-100% of their funds to sub-projects that directly benefit poor villages. For those districts, the initial allocation calculated on the basis of poverty levels has been multiplied by 1.2, thus encouraging them with a 20% bonus to continue to help the poorest communities. Other districts have shown much less championship-of-the-poor, e.g. Khong and Phathoumphone Districts in Champassak Province, with 37% and 40 % respectively of funds spent on sub-projects directly benefiting poor villages. As a result, their basic allocation 2004-2005 has been multiplied by 0.9, thus actually reducing their annual budget by 10%, sending a clear message about PRF commitment to siding with the poor.

Wise Investment: assisting the communities during sub-project appraisals

During planning stage, each single sub-project proposal is screened by the participating communities themselves by using the check-list presented beside:

SUB-PROJECT PROPOSAL QUALITY CHECK LIST

- Beneficiaries are well defined
- Beneficiaries are poor
- The causes of the problems are sufficiently analyzed
- The Sub-project purpose addresses a real, well defined and important problem of the beneficiaries
- The project objective contributes to the overall goal (broader objectives)
- The expected results will belong to community and not to individual

FEASIBILITY

- The Sub-project Proposal does NOT fit into the Negative List
- The achievement of the project objectives is the measure of success – benefit of the beneficiaries
- The envisaged activities are adapted to the local context and sufficient to achieve the project propose
- The risks are acceptable { no external factor will affect the success of the project
- The inputs are sufficient and justified
- Responsibilities and tasks are clear
- Time table realistic

SUSTAINABILITY

- 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

MAJOR ACHIEVEMENTS IN 2004

PRF Annual Report 2003-2004

By the end of 2003, a total of 913 villages in the 10 active PRF districts had been brought into the PRF process. (654 - over 71% - of the villages are classified as poor.) Of 913 villages included in the PRF process, 544 villages (59%) have benefited from the Fund in the first round of funding. Some 248 sub-projects have been approved, requiring a budget of 11,051,665,610 Kip or approximately 1,069,760 USD.

Approximately 100 staff (full-time "consultants") are employed by the PRF. Twenty one (21) people are based in the National Office in Vientiane, while there are eight to ten (8-10) people for each provincial office and three to six (3-6) people based in each district. Since three people in each district are insufficient to facilitate all of PRF's work and oversee the many sub-projects, the PRF is heavily dependent on hundreds of village and khet level volunteers. Approximately 560 "Khet Facilitators" (3 people per khet) work with the PRF staff to facilitate and represent the Project and provide a local "bridge" between the Project and the People. Over 750 "Khet Representatives" (one team of 4 people per khet) and many other khet and village teams work with and represent the People/ target communities.

Quarter one (Jan. – Mar. 2004)

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- ◆ First funds are being sent to the khets, sub-project implementation is launched in the 3 start-up districts.
- ◆ First Financial Audit of PRF is taken by PriceWaterHouseCooper Company
- ◆ 3rd Administrative Board Meeting is held in Vientiane
- ◆ PRF prepares and obtains prior review no Objection for the first three sub-projects of each type in each province (By lack of small-works sub-projects in Huaphanh Province, two remaining sub-projects will await IDA's clearance in 2005)

Quarter two (Apr. – June 2004)

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- ◆ First funds are being sent to the khets and sub-project implementation is launched in the 7 start-up districts.

- ◆ Implementation continues as PRF national and provincial teams oversee and monitor on-going sub-projects in 10 districts for cycle I.
- ◆ Preparation of expansion into 4 new districts: Recruitment, Procurement of office equipments and vehicles, office renovation and etc.
- ◆ Preparation for launching socializations activities in 4 districts

Quarter three (Jul. – Sept. 2004)

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- ◆ Oversee and monitor on-going sub-projects in 10 districts for cycle I. The rainy season halts many incomplete infrastructure sub-projects
- ◆ PRF Annual Review and Strengthening Workshop for all PRF staff is held in Luang Prabang
- ◆ Launch District Socialization in 4 new districts
- ◆ Conduct Year 2 Village Socialization and Village Needs & Priorities Assessments in 14 districts
- ◆ Conduct Khet Socialization meetings and Khet Facilitators Training in 14 districts
- ◆ Conduct Khet Prioritization Meetings in 14 districts
- ◆ Conduct District Prioritization Meetings in 14 districts

Quarter four (Oct. – Dec. 2004)

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- ◆ Oversee and monitor on-going sub-projects in 10 districts for cycle I.
- ◆ Training on Gender, Ethnic and Social issues for PRF staff is held in Savannakhet and Huaphanh
- ◆ Training on Preparation of sub-project proposals for PRF district staffs
- ◆ Preparation of Sub-project proposals / appraisal and organization of Khet Confirmation Meetings in 14 districts
- ◆ Conduct District Decision / Finalization Meetings in 14 districts
- ◆ Training of Financial Management and Disbursement for community level (Khet Facilitators and Khet Representatives)

Key Performance Indicators

	Cycle I	Cycle II
i. Improve Infrastructure and Services		
◆ number of sub-projects approved	248	431
◆ quality of finished infrastructure	Not known until after Technical and Beneficiary Assessments in September 2005 are done	
◆ increase in access to infrastructure service		
◆ percentage of PRF fund spent in poor villages	76%	-
◆ number and percentage of khets served	121 Khets (100%)	188 Khets (100%)
◆ number and percentage of poor district served	9 Districts (12.5 %)	14 Districts (19.4%)
◆ percentage of participating communities with maintenance plans	100%	100%
◆ average units costs of completed sub-projects by project	US\$ 4,297	Data not available
ii. Empower Khets through Capacity Building		
◆ number of community procurement undertaken	153	-
◆ number of contractor procurement undertaken	85	-
◆ number of procurement of goods	10	-
◆ % of community procurements being undertaken	53%	-
◆ average amount of community procurement	43,476,966 Kip	-
◆ average amount of contractor procurements	49,129,098 Kip	-
◆ average amount of procurement of goods	8,099,798 Kip	-
◆ number of male and female khet and district facilitators trained	375 Males 193 Females	-
◆ % of male and female facilitators trained	58%	-
iii. Strengthen Local Institutions to support Participatory Decision-making		
◆ number of proposals submitted by women	53 (8.1%)	-
◆ number of proposals submitted by men	75 (9.9%)	-
◆ number of proposals submitted by both: women and men	474 (80%)	-
◆ number of proposals funded that are submitted by women	10	-
◆ number of proposals funded that are submitted by men	61 (12.1%)	-
◆ number of proposals funded that are submitted by both	477 (80.8%)	-
◆ number of target districts participating in annual sub-project cycle	10	14
◆ % community contribution	17%	16%

Follow-up and completion of year one activities

Figure 5: Cycle I (2003 - 2004) time line

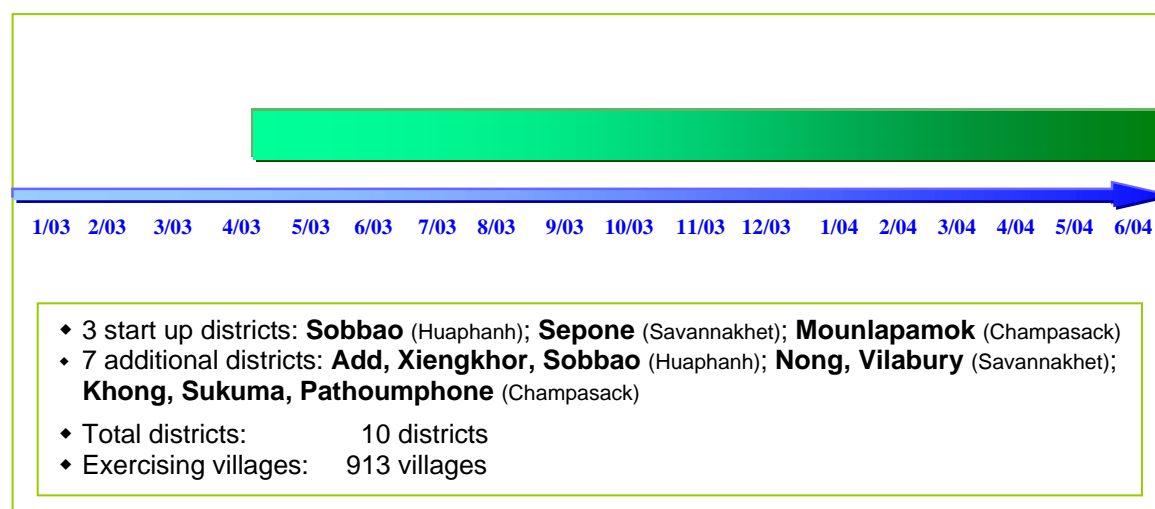


Table 11: Year 2003 PRF coverage for Socialization and Village Needs and Priorities Assessment

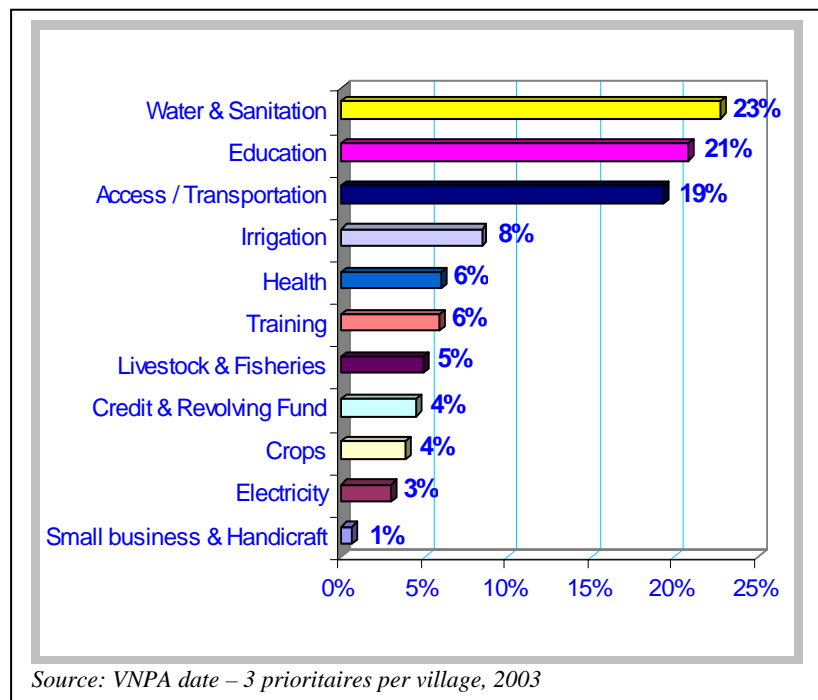
Provinces / Districts	Actual village exercises	Number of khets	Ave. number of villages per khet	Number of villages	
				Smallest khet	Largest khet
Huaphanh					
Sobbao	75	7	10.7	6	16
Xiengkhor	64	12	5.3	4	7
Add	76	12	6.4	4	9
Sub-total Huaphanh	215	83	7.3	3	16
Savannakhet					
Sepone	159	20	8	5	11
Nong	79	10	7.9	6	9
Vilabury	101	16	6.3	4	10
Sub-total Savannakhet	340	61	7.5	4	11
Champasack					
Pathoumphone	93	10	9.3	6	11
Sukuma	62	10	6.3	5	9
Mounlapamok	67	10	6.7	4	10
Khong	136	14	9.8	6	13
Sub-total Champasack	358	44	8.2	4	13
Grand total	913	188	7.6	3	16

Planning Process

Once a district has been determined as being part of the PRF process, all villages of that district are visited and invited to take part to the PRF planning process. Number of meetings at village, Khet and District levels bring together elected representatives of the participating communities, representatives of the local authorities, government agencies, mass organizations, development projects, foreign aid agencies and other stakeholders concerned to discuss problems and priorities, potentials and solutions and to agree on a program of implementation of activities to be supported by the Poverty Reduction Fund.

Village Needs and Priorities Assessments (VNPA)

Figure 6: Village Needs and Priorities are expressed by villagers, grouped by sector / category for – 10 districts



The first participatory planning step, the Village Need and Priorities Assessment or VNPA was exercised in all 913 villages of the 10 districts in the 3 active provinces. The analysis of the findings aggregated for 10 districts is shown above by the figure 6. Results suggest that Water and Sanitation (23%) seems to be the area of main concern. Education was perceived as a problem by 21% of the villages. Road and Transportation represents 19% of responses. Health comes in fourth position with 6%, while Irrigation and Training scored equally 7%. Interestingly, education and training are requested as two separate entities. Education being understood as long-term, qualifying, formal curriculum, through established institutions, mainly for children or young people as opposed to “Training”, which means here non formal, short-term skill development training for young people and adults.

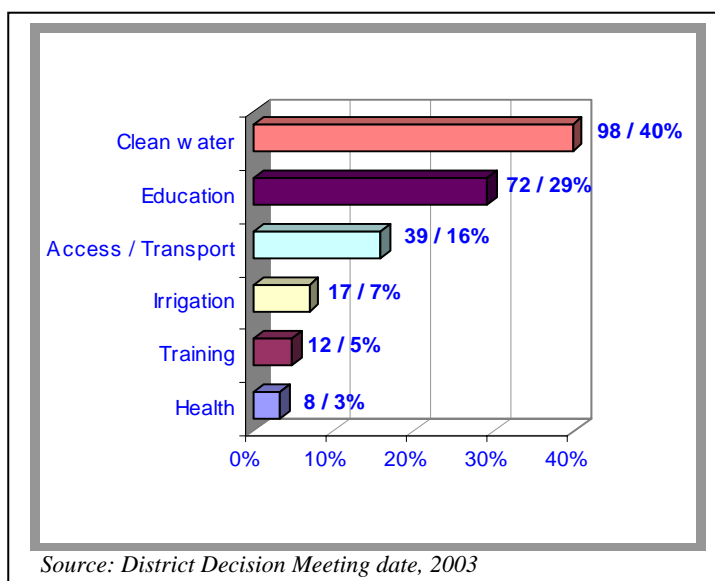
District Decision Meetings – Sub-project selected for implementation

The data shown in figure 7 resulted from District Decision Meetings held in the 10

districts during the last quarter of the year 2003. District Decision Meetings represent the last step of the participatory planning process with communities, as it coincides with the final deliberation about proposed sub-projects and official financial PRF commitment to support them. The data shows that Clean water and Sanitation (39% or 96 sub-projects) still represents the peoples’ top priority needs. Education (29.7% or 73 sub-projects) and Access / Transport (15.9% or 39 sub-projects) were ranked second and third

respectively. Noticeably, while Health is ranking fourth at the VNPA with 8% of priority needs, it was relegated to the sixth position in actual implementation with only 3.7% of approved sub-projects. Likewise, while training scored 7% at VNPA findings, it amounts to a meager 4.5% of actual funded sub-projects.

Figure 7: Priority needs expressed and selected by representatives of communities



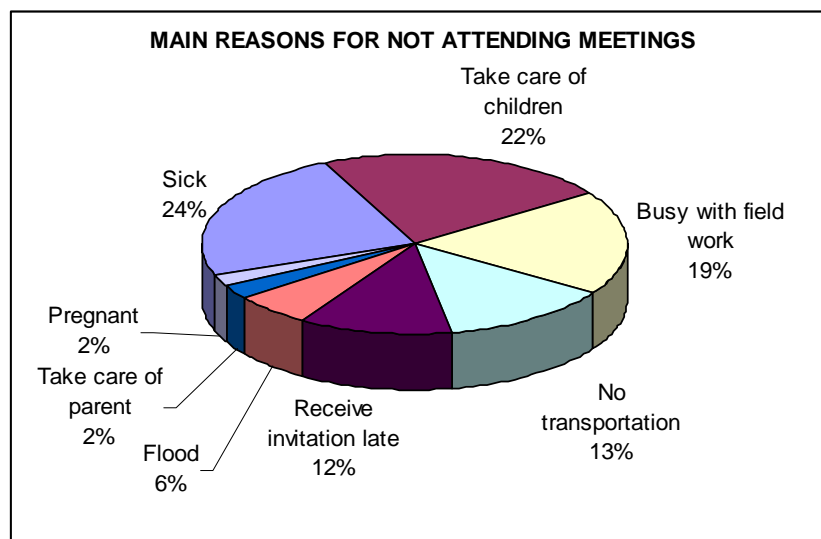
Community Involvement through out the process

Villagers were systematically encouraged to join and participate in PRF process, plan, manage and implement activities on their own.

Table 12: Participants of PRF-guided activities in the 10 target districts during cycle I

Activities	Total no. Participants	Women	
		Nos.	%
Village Socialization and Village Needs & Priority Assessments	101,328	45,373	45 %
Training of Khet Facilitators	354	113	35 %
Khet Prioritization Meetings	1,876	-	-
District Decision / Finalization Meetings	887	305	35%
Training of Maintenance of sub-project for community (<i>for Sub-project that is completed all activities</i>)	841	299	35 %

Figure 8: Analysis of main reasons for villagers not attending meetings



Despite the fact that PRF was a new project yet to prove its value and impact on the wellbeing of the people, the response and attendance rates are simply amazing during Year 1. Table 12 shows the numbers of participants that attended the major PRF-guided activities at each level in the 10 target districts during cycle I.

Main reasons for not attending meetings involve for the main part being busy doing something else considered unavoidable and more important with 43% of responses. Ranked by order of importance, findings mention “taking care of children: 22%”, “tending their fields: 19%”, “taking care of their parents: 2%”. The second main reason is being sick with 22% of responses or pregnant 2%, and then follows reasons pertaining to sheer access or lack of with 13% mentioning no transport and 6% reporting floods. Lastly, 12% of responses mentioned having received the PRF invitation too late, being unable to reach the meeting venue in time.

Community Contributions. Contributions from villagers are not mandatory for joining in PRF activities. However, to encourage ownership and participation, villagers are invited to make contributions as they feel able. Most often the communities can contribute labor and construction inputs such as sand, stones and wood. Occasionally a village may be willing to raise money to pay for inputs in cash.

Community contributions enable the PRF resources to be used to wider and greater effect than would be possible if villagers did not support the project in this way. The calculations of the value of village contributions show that community support is consistently high in the northern Huaphanh districts of Sobbao, Add and Xiengkhor. Refer to Table 13.

Noticeably, actual village contributions are significantly higher than the expected figure of 7.5% that was retained during PRF formulation.

Table 13: Value of Community Contributions in 10 districts (2003-2004 funding round)

Province / District	Approx. Total planned expenditure for Sub-projects (KIP)	Value of Village Contributions (KIP)	Contributions as % of Total budget
Huaphanh			
Sobbaio	1,803,512,936	595,051,000	33.0%
Add	1,646,321,792	479,732,000	29.1%
Xiengkhor	1,413,019,509	262,954,550	18.6%
Sub-total	4,862,854,237	1,337,737,5	28%
Savannakhet			
Sepone	2,046,802,681	184,255,662	9.0%
Nong	1,050,929,979	61,014,000	5.8%
Vilabury	1,309,666,528	177,973,300	13.6%
Sub-total	4,407,399,188	423,242,962	10%
Champasack			
Mounlapamok	782,789,386	69,641,394	8.9%
Khong	1,106,218,529	64,359,500	5.8%
Sukuma	1,158,163,352	229,564,502	19.8%
Pathoumphone	951,035,930	92,249,104	9.7%
Sub-total	3,998,207,197	455,814,500	11%
Total	13,268,460,622	2216,795,01	17%

PRF infrastructure Unit Cost comparison

Preliminary assessments suggest that thanks to the significant, voluntary, unpaid community contribution, PRF seems to be a very efficient delivery mechanism when compared with other similar agencies working for the poor.

Table 14 shows the unit costs of various activities of sub-project across different agencies (Ministry of Education, Ministry of Communication, Transport, Post and Construction, etc.), compared with PRF.

Table 14: Comparison of cost for various activities with Ministries' Unit costs

Type of project	Contributions (kip)		Total (kip)	PRF (kip)			Ministry cost (kip)	
	PRF	Community		Unit	Qt	cost per unit	Unit	cost per unit
1. Houytoung ⁹ Bridge	121,669,092	71,550,000	193,219,092	m	35	5,520,545	m	8,000,000
2. Rural road	124,950,000	104,008,856	228,958,856	km	10	22,895,886	km	48,000,000
3. School construction	96,746,576	1,600,000	98,346,576	m ²	168	585,396	m ²	2,000,000

However, one should ensure that cheaper costs do not entail lower quality of the constructions due to slapdash designs, the use of second grade materials or the involvement of inadequate workmanship. While PRF awaits the findings of the first external technical assessment to be conducted in September 2005 before issuing a statement, it must be said that PRF doesn't spare its efforts when it comes to improving quality management and infrastructure maintenance and sustainability as these issues have been at the forefront of PRF supporting endeavors.

Achieving quality is the result of mastering a process composed of successive steps that must be carefully planned, undertaken and followed up.

Firstly, at designing and planning stage, a right balance of experience and technical know-how so as to develop sound standard designs must be achieved. While being approved by the concerned Line-Ministries, final designs must incorporate social acceptance, simplicity, durability, cost-effectiveness, take into account the likeliness of low local capacity, be flexible

⁹ (1) Houytoung bridge khet Sophaio, district Sobbaio, Huaphanh Province; (2) Rural road, khet Pahang, district sobbaio, Huaphanh Province; (3) School construction, Khet Samoon, district Sepone, Savannakhet Province

so as to adapt to the diversity and/or lack of availability of local construction materials, the requirement of being environmentally friendly etc.

Secondly, the sub-project appraisal phase is of utmost importance as it embodies the client/provider relationship initiated between recipient communities and PRF. Based upon the requests and needs of the communities and based upon actual field characteristics, a dialog takes place in order to determine the most suitable technical solutions and arrangements in the eyes of the clients and future users.

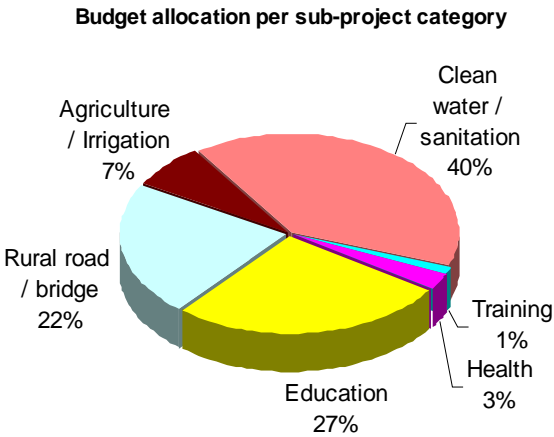
Not only is that step critical in order to guarantee a good final product but it also entails a fair amount of local capacity enhancement and transfer of technology.

Figure 9: Budget allocation per sub-project category, cycle I

To this end, PRF staffs are trained in PRA techniques and have received training on ethnic, social and gender issues to be able to engage community dialogue with a fruitful attitude.

Sub-project maintenance's Manual

This manual was prepared by PRF based on sustainability principles and experiences gained from the implementation of cycle I. That small booklet was broadly distributed to local authorities and participating communities. It highlights the encouragement of community participation and ownership. It brings to the public's attention the fact that communities are responsible for ensuring that these public investments, funded by a World Bank loan, are sustainable. To this end, adequate coordination between local authorities and communities is a requirement and follow-up of sub-project maintenance must be carefully planned. Maintenance methods have been prepared for particular activities implemented at community level, including spring gravity fed system, drilled well and hand-dug well, rural road upgrade, bridge, culvert and drainage, schools, learning-teaching material, dispensary and medical equipment. Basic financial and management skills to maintain sub-projects are also added as peripheral topics in this booklet.



Condescending views considering beneficiaries as “illiterate farmers” unable to comprehend technical issues or on the contrary, expectations that villagers ought to know the difference between hydro and solar power generation can be equally damageable. Both attitudes are extreme views at both ends of the same spectrum and may lead to the erosion of local interest and ownership of the activities. The Buddhist legendary middle path would be a perfect illustration of the right balance that PRF strives to achieve through the acknowledgement of peoples’ limitations and the undertaking of a pro-active attitude of providing them with

adequate information, through carefully tailor-made adult learning best practices and techniques, adapted means and content, walking them through the available options with their respective pros and cons.

While in doubt, PRF staffs are advised to look at the underlying principles of the PRF community driven approach: Communities must drive the process.

However, while PRF should not drive on the communities' stead, it should not be expected either that they ought to drive expertly at once without guidance and inputs. It remains PRF primary role and responsibility to build the people's capacity so that they can plan, manage and implement their own infrastructure projects.

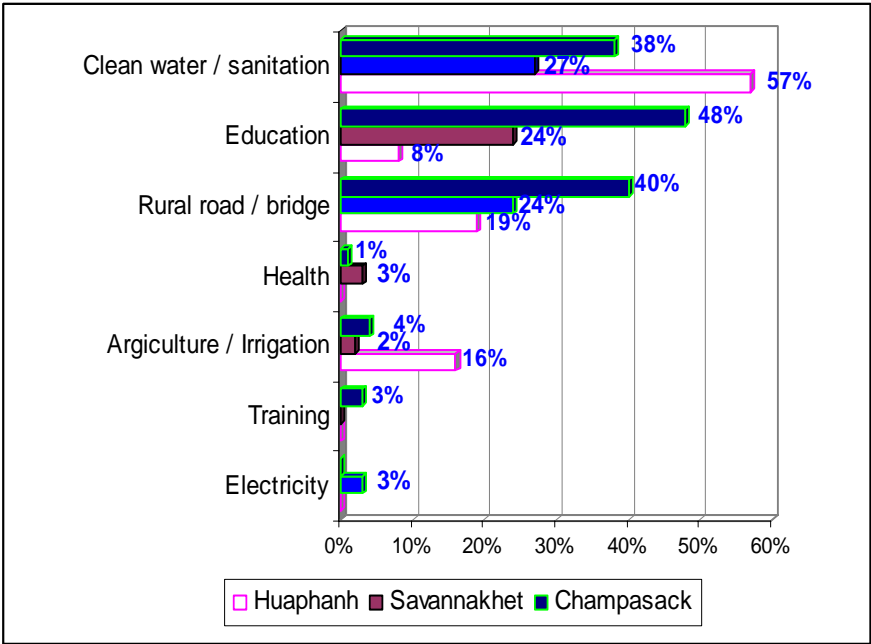
Furthermore, actual procurement and construction must be carefully supervised. It is crucial to select, order and receive the right equipment, tools and construction materials and it is equally important to ascertain that villagers and contractors use proper quantities and techniques while undertaking construction works.

Lastly, the maintenance plan and arrangements defined and agreed during sub-project proposal formulation must be implemented and followed-up to guarantee proper durability of the constructions supported by PRF.

World Bank-staff assessment of some of Cycle I management systems and quality of the sub-project work was very encouraging.

Implementation of activities in 10 districts

Figure 10: Total allocation per sub-project category per province



The implementation of PRF activities during cycle I has responded to the poor people's needs, while being geared to the strategic approach of the Lao government to address essential development constraints such as inadequate infrastructure, poor health conditions, inadequate potable water and facilities, poor agriculture support and delivery services. Activities grouped by category and budget allocated provided in 10 districts during cycle I are shown in Figure

9. PRF in cycle I. has achieved remarkable results and strived to keep up with an ambitious first year implementation plan. During cycle I., the project has been able to cover 913 villages in 3 provinces, 10 districts, and 121 khets. Activities actually took place in 558 villages, covering a total population of 238,123 people, which represents 64 % of the total 372,068 people of the target population. The total allocated budget was \$ 1,069,934 for a total of 249 sub-projects planned for implementation

(Average of \$ 4,350 per subproject). During the implementation, the number of sub-projects has slightly varied to come down to 248 sub-projects due to some drilled wells and hand dug wells sub-projects in Savannakhet and Champasack Provinces that were merged as a result of technical problems. A hydro power sub-project in Huaphanh was found technically not feasible and therefore replaced by a gravity fed system. The process of implementation has scrupulously followed the implementation guidelines as specified in the PRF Operation Manual. Adapted trainings have been provided to villagers for implementing activities and maintaining the overall quality of sub-projects' outputs.

From late December 2003 to the end of December 2004, a total of \$ 798,574.33 (75%) of the committed budget of \$ 1,069,931 had been transferred by PRF to the khets for sub-project implementation. It is still considered too early in the process to assess the impact of PRF activities. However, external beneficiaries and technical assessments are scheduled for September 2005.

Sub-project procurement challenges

Initially, some bidders seemed to have been scared away by the qualifications required of the bidders, e.g. a proper business license or registration. In the context of poor districts such as those

targeted by the PRF, and considering the fact that the PRF wishes to encourage local companies and individuals to apply and be involved in small infrastructure construction, PRF has prepared written guidelines for communities to help them assess whether or not local companies or individuals can be entrusted to do a particular job. These guidelines include such things as: experience of the individual or company, company access to financial resources, tools and equipment owned by/ available to the company, and qualifications of key personnel.

To maximize the efficiency of public announcements in the process of procuring goods, services and works for the communities, several improvements were suggested and some were instituted as the process went along:

- Increase the number of means of advertising/ diversify; e.g. provincial newspaper if available, local radio announcements/ broadcasts;
- Extend coverage to neighboring districts and provinces;
- Select public places where highest/most likely densities of population can be found (bus station, market, restaurants);
- Stick several announcements in A4 format from different khets on a large sheet of paper for simultaneous and more obvious presentations.



Public Bid Meeting Opening for construction projects in Savannakhet Province. Local communities and local companies attended this very important event

Sectoral Reports

Clean water

PRF Annual Report 2003-2004



Drilled well and local contractor



Dug well near completion

Water and Sanitation is still a major problem in Lao PDR. Fifty percent (50%) of the Lao people have access to safe water in villages according to village heads. In the rural areas without access to road only 24% of the population has access to safe water in the villages. The population in the North has less access to safe water than the population in the center and the south (LECS 3, March 2004, NSC). The largest part (40%) of PRF budget in cycle I was granted to clean water sub-projects. Huaphanh Province allocated the highest percentage of funds to water supply with 57% of their total budget, while Champasack and Savannakhet received 38% and 27% respectively, even in villages without access to road. Selected types of water supply that have been implemented in the 10 target districts have not demonstrated surprising diversity and originality. Technical solutions were chosen according to the local topography, the local experience of what works and what doesn't, financial considerations and local capacity to actually

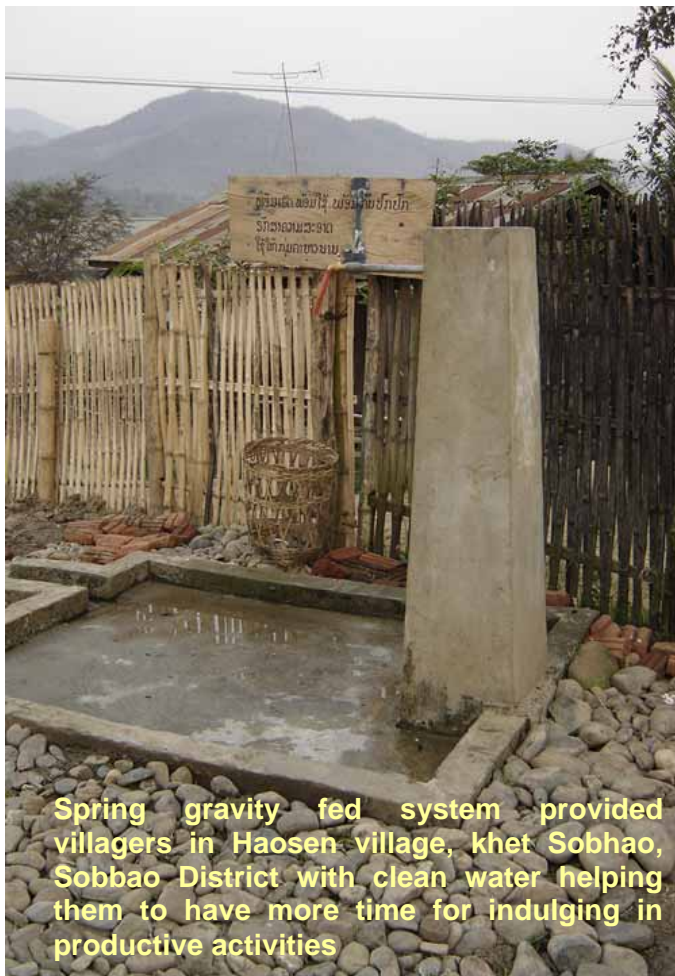
design and build the systems in a given area. In the hilly north – Huaphanh – gravity fed systems (nam lin) were the most popular, whereas in the central and southern provinces of Savannakhet and Champasack Provinces, drilled well (nam badan) and/or hand-dug wells (nam sang) were most frequently requested.

Voice of the Poor

In Sobhao District, Huaphanh Province - PRF target area - , villagers from Phonesai village and a member of the khet Sobhao procurement team reported to PRF staffs and a World Bank consultant that, thanks to PRF, they are now able to construct a Spring Gravity Fed System by themselves. The Head of the village further explained that technical know-how pertaining to the construction work such as preparing reinforcement concrete, connecting pipes etc. was crucial to acquire but would not be sufficient without being able to handle properly the procurement of construction materials.

How to contact and select appropriate suppliers, how to contract them and follow-up delivery, control quality, etc. has been part of the skills villagers have learned from PRF. By participating in PRF activities, these villagers have indeed received more than "only" cleaner water. They have developed management and organizational skills that they may use for the benefit of their community in the future. Those villagers are very happy to receive government assistance that really encourages them to become involved in the development process, from community levels to top levels. The sub-projects they received have been requested, planned and implemented by themselves in respect with PRF objectives and principles.

In order to assist the PRF technicians in designing gravity Fed systems, a software has been developed in-house so as to compute field survey data, determine whether the source yields



Spring gravity fed system provided villagers in Haosen village, khet Sobhao, Sobhao District with clean water helping them to have more time for indulging in productive activities

are sufficient for addressing the current and future needs of a proposed community, requirement and specifications of water reservoirs and various sizes and types of pipes required through out the system etc. In regard to drilled wells, extensive technical specifications and bidding documents have been developed, inspired in part from other development agencies / projects operating in the region such as SFKC, UNICEF, BTC and in part with the valuable assistance of the Ministry of Public Health, Center for Environmental Health and Water Supply (Nam Sahaat central).

It has been agreed for instance that before water systems infrastructure is being constructed and the hand pump/stand taps installed, critical parameters, as defined by the Ministry of Health's (Decree No 953 dated June 14, 2003), must be tested so as to ensure that the well's water can be safely consumed by the communities.

One of these parameters to be tested is the Arsenic level, however preliminary findings by UNICEF through a survey nation-wide suggest that foreseeable Arsenic levels in the PRF target areas are likely to remain well within the acceptable and recommended levels. In addition, PRF had to cope with many other types

of challenges. For instance, in Champassak Province, early bidding procedures organized khet by khet yielded very little interest from contractors. For remote khets, there was sometime no response at all. Hence, a number of points were agreed upon in order to remedy current shortcomings:



Construction of Spring gravity fed system in Huaphanh Province



Tank reservoir built by villagers



Spring gravity fed system's base

(1) All khets concerned decided to undertake a combined procurement process in order to make the package more attractive e to potential drilling companies. (Some companies seemed reluctant to mobilize their equipment to remote areas for just a few wells)

(2) In order to announce and inform more broadly and maximize the chances of reaching potential interested companies, the khets (procurement teams, Khet representatives) authorized the PRF provincial office to assist the Khet teams to sell the bidding documents and advertise the announcement on behalf of the community at provincial level. Moreover, the PRF national level has agreed to informally inform companies in Vientiane that they could contact the khets in order to get the bidding documents if they were interested.

(3) All khets agreed to assign a procurement team member of a very accessible Khet to

sell and distribute bidding documents on behalf of all the other khets.

Furthermore, PRF found out after contract awards and while the works were already proceeding that many of the winning companies could not keep their promises about acquiring in time hand pumps matching the PRF requirements¹⁰. PRF had to encourage the

¹⁰ Hand-pumps recommended by the Ministry of Health, Central Namsaat.

-For static water levels up to 10-15 meters, imported Tara pumps or equivalent are recommended. (Locally made Tara pump copies shall be refused)

-For static water levels more than 15 meters, imported Afridev Deep well pumps or equivalent are recommended.

contractors to form a consortium and contact potential suppliers/importers, which had been identified through newspaper announcement. Eventually, all contractors agreed to join hands and signed a contract with UNICEF for importing all necessary hand pumps in containers, directly from India. As a result, many drilled well sub-projects from Cycle I were not completed in December 04, still awaiting hand pumps to be delivered.



Local company in Sepone District using their rig to drill the soil for making a well



Inspecting Drill well after finishing construction

Pump criteria of acceptability shall include the following features: Community design (used from dawn till dusk); pumps designed for family use (3 or 4 times a day) will be refused, Village Level Operation & Maintenance (VLOM); it simply means that the routine maintenance which is needed for the pump does not require a trained mechanic and can be carried out by the users.

Table 15: Water supply sub-projects per province for PRF cycle I

	Huaphanh			
	# of sub-projects	# of units	# village benefiting	Total planned of PRF expenditure (kip)
Gravity fed systems	44	44	45	1,999,495,062
Drilled wells	-	-	-	-
Hand-dug wells	1	1	1	1,942,590
Drilled wells, Hand-dug wells	-	-	-	-
Sub-total	45	45	46	2,001,437,652

	Savannakhet			
	# of sub-projects	# of units	# village benefiting	Total planned of PRF expenditure (kip)
Gravity fed systems	1	1	4	185,778,619
Drilled wells	9	47	39	412,849,170
Hand-dug wells	10	62	38	461,137,661
Drilled wells, Hand-dug wells	-	-	-	-
Sub-total	20	110	81	1,059,765,450

	Champasack			
	# of sub-projects	# of units	# village benefiting	Total planned of PRF expenditure (kip)
Gravity fed systems	-	-	-	-
Drilled wells	33	212	153	1,329,194,024
Hand-dug wells	-	-	-	-
Drilled wells, Hand-dug wells	-	-	-	-
Sub-total	33	212	153	1,329,194,024

Total	98	367	280	4,390,397,126
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Villagers' participation in sub-project activities is key to ensuring strong ownership and sustainability of the constructions

Education

PRF Annual Report 2003-2004



Primary schools are most provided over the three provinces, as 27% of the total planned sub-project expenditures have been spent for renovation and construction of new schools, including provision of equipment and teaching material, i.e. tables, benches, blackboards, text books for teachers and students etc.

Although PRF could not respond to all of the expressed needs of the target villages, its assistance has

made possible the alleviation of some of the burden on parents who are often directly contributing from their meager resources, while the resulted, improved facilities for students and teachers were much appreciated.

With regard to text books, PRF followed the advices and recommendations of the provincial and district departments of Education. However, further discussions with UNICEF revealed that primary schools should not be provided with a special text book especially developed for ethnic minority children as stand alone resource as advised by the local Department of Education. These text books are marvelous when used in complement of the usual ordinary

books that teach Lao letters. Used as a sole resource could lead children to memorize words without actually being able to use the alphabet.

In Savannakhet Province, 7 teachers received some allowance for upgrading their capacities.



Table 16: Education sub-projects per province for PRF cycle I

	Huaphanh			
	# of sub-projects	# of units	# village benefiting	Total planned of PRF expenditure (kip)
Schools renovation and construction	-	-	-	-
School teaching material	12	12	44	266,693,280
Teacher upgrading	-	-	-	-
Sub-total	12	12	44	266,693,280

	Savannakhet			
	# of sub-projects	# of units	# village benefiting	Total planned of PRF expenditure (kip)
Schools renovation and construction	12	12	13	941,745,546
School teaching material	-	-	-	-
Teacher upgrading	2	2	7	8,654,487
Sub-total	14	14	20	950,400,033

	Champasack			
	# of sub-projects	# of units	# village benefiting	Total planned of PRF expenditure (kip)
Schools renovation and construction	45	47	51	1,411,935,521
School teaching material	1	4	4	294,357,615
Teacher upgrading	-	-	-	-
Sub-total	46	51	55	1,706,293,136

Total	72	77	119	2,923,386,449
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Access and Transportation

PRF Annual Report 2003-2004

Improvements in road access and transportation systems are fundamental to supporting economic growth. Twenty two percent (22%) of the total budget of PRF was spent for rural road upgrading. Community contribution and participation in Huaphanh Province were very high (see table 17) in comparison with the southern provinces.

During the implementation, villagers in Huaphanh Province very actively contributed their labor, sometimes working with sub-contractors to hire machinery when necessary. Extensive participation reinforced the local ownership of these sub-projects.

Houy toung Bridge, Sobbao District



During construction



After completion

Table 17: Access / Transport per province for PRF cycle I

	Huaphanh			
	# of sub-projects	# of units	# village benefiting	Total planned of PRF expenditure (kip)
Rural road upgrade	10	10 (95,5 km)	49	578,839,875
Bridge	1	1 (30 m)	4	100,418,858
Sub-total	11	11	53	679,258,733

	Savannakhet			
	# of sub-projects	# of units	# village benefiting	Total planned of PRF expenditure (kip)
Rural road upgrade	17	17 (109,95 km)	67	1,354,085,891
Bridge, Bridge survey	3	3	17	216,599,268
Sub-total	20	20	84	1,570,685,159

	Champasack			
	# of sub-projects	# of units	# village benefiting	Total planned of PRF expenditure (kip)
Rural road upgrade	2	2 (37 km)	10	91,994,144
Wooden bridge, concrete bridge	5	5	9	103,340,739
Culvert	1	1	1	8,794,050
Sub-total	8	8	20	204,128,933

Total	39	38	157	2,454,072,825
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Impact on infrastructure

Houy tounng Bridge, Sobbao District

Huoy tounng is a Yao village, which was established before 1975 and is located in khet sobhao, Sobbao District, Huaphanh Province. This village is more than 20 km far from the district center and about 4 km far from the main road. The village comprises a population of 228 female and 435 male.

The community had been requesting a bridge for over 10 years (according to PRF staff during Village Needs and Prioritize Assessment, 2003), contacting the district and provincial authorities repeatedly. But the local authorities did not have any budget available for granting their proposal.

Before receiving support from PRF, villagers had to ford in order to cross the river to the other side. However, every year, during the rainy season, when water levels were the highest, a couple of people on average died, carried away by the muddy current. People knew of the danger of course, but sometimes they couldn't wait. For instance, when a member of their family was sick and needed urgent medical attention at the district hospital.

When PRF first entered their village, they were very excited about seeing their dream of a bridge construction fulfilled. The villagers followed the PRF procedure and submitted their proposal at the khet and district meetings and had to defend and discuss the subproject with other villages. The total cost PRF contributed amounts to 100,418,850 kip. Concurrently, the estimate of all villagers' unpaid contribution amounts to 71,547,000 kip for a beautiful 30 meters bridge. They are very proud now with the results. This bridge makes a real difference in their life, as children can go now to school and complete primary School, men can bring their crops on toc-toc (Hand-tractor) and livestock to the market and women / girls can bring their handicraft to sell in town or even on the main road near the bridge.



Agriculture

PRF Annual Report 2003-2004



Agriculture per say is not part of the PRF menu of options but many sub-activities are in fact related to that sector. During cycle I, many irrigation systems, small weirs, water gates have been built by the villagers themselves for the most part.

These sub-projects have had a direct positive impact on people's livelihood and productivity. Another area of assistance was to support villagers to be trained on animal raising and improved crop cultivation.

In Champassak, about 400 villagers, among whom 220 women have received training on pig, frog, buffalo, poultry raising, tree planting and mushroom growing. Savannakhet and Huaphanh did not request any such training during the participatory planning activities of Year 1.



Trainees from Cropping and animal raising Training - Champassak



This mother is from Pathoumphone Village, Pathoumphone District and she works hard to grow mushroom to sell in Pakse market and in neighboring villages. Thanks to the mushroom training provided by PRF she has been able to apply her knowledge and generate concrete outputs, which help her and her family earn more income.

Table 18: Agriculture per province for PRF cycle I

Huaphanh				
	# of sub-projects	# of units	# village benefiting	Total planned of PRF expenditure (kip)
Irrigation	13	13	26	576,379,264
Sub-total	13	13	26	576,379,264
Savannakhet				
	# of sub-projects	# of units	# village benefiting	Total planned of PRF expenditure (kip)
Weir	1	1	1	58,561,661
Sub-total	1	1	1	58,561,661
Champasack				
	# of sub-projects	# of units	# village benefiting	Total planned of PRF expenditure (kip)
Irrigation	3	3	3	130,799,904
Cropping and animal raising training	12	4	25	121,279,404
Sub-total	15	4	28	252,079,308
Total	29	29	55	887,010,234

Health

PRF Annual Report 2003-2004

Thanks to PRF process, one dispensary was built in Vilabuly District and one dormitory for the families of the sick that are treated in the Dispensary of khet Prabang in Sepone District, Savannakhet Province. Moreover, that dispensary was equipped with solar system and fridge.



Medical equipment was requested by Khet 10 in Mounlapamok District, which has been dealt with as procurement of High-Tech Goods, handled by PRF National Office, upon request of the recipient communities. Close cooperation took place with the Ministry of Health and the personnel of the Mounlapamok District's Health Department in order to determine the list and specifications of the equipment needed by that dispensary.

Table 19: Health per province for PRF cycle I

Huaphanh				
	# of sub-projects	# of units	# village benefiting	Total planned of PRF expenditure (kip)
Medicine Box + Nurse Training	1	-	4	13,699,008
Sub-total	1	-	4	13,699,008
Savannakhet				
	# of sub-projects	# of units	# village benefiting	Total planned of PRF expenditure (kip)
Dispensary	2	2	18	120,449,679
Nurse Training	1	-	1	4,000,000
Sub-total	3	2	19	124,449,679
Champasack				
	# of sub-projects	# of units	# village benefiting	Total planned of PRF expenditure (kip)
Medical equipment	1	-	1	42,210,000
Medicine box	3	-	3	8,496,993
Sub-total	4	-	4	50,706,993
Total	8		27	188,855,680

Selection and expansion into four additional districts

Four new districts have been selected for expansion in September 2004, based on their high poverty levels in Huaphanh Province: Xamtay, Huameuang and Viengxay Districts and in Savannakhet Province: Phin District. Activities on Village Socialization and (VNPA) were launched in the end of September 04. The total number of villages where PRF exercised VNPA amounts to 503 villages in 67 Khets.

Challenges of new districts

Among the four districts, it was observed that Xamtay District has got a major difficulty with access to its villages. Forty villages only 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.

Preparation for cycle II was done during mid of 2004, including procurement of staff and office equipment. New Khet

Facilitators¹¹ who are helping PRF District Facilitators collect data during Village socialization and Village Needs and Priorities Assessment (VNPA) were also elected from community. Then, new district staff (24 people) and new Khet Facilitators (202 people) were provided with Information Education Communication Training that was conducted for a 5-day session to introduce the background, objectives, structure of PRF, coordination, IEC materials including posters and how to use them, MIS forms (monitoring), and communication and other related topics. In July 2004, socialization meetings were held. After that, several Khet meetings and district forums were also held to select priority activities for implementation.



Condition of road accessing to Xamtay



PRF pick-ups crossing ferry - Champassak

¹¹ Khet Facilitators are volunteers elected by communities; 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.

Bridging Cycle I and Cycle II

Practical arrangements with remaining funds from sub-projects Cycle I

When a sub-project is completed and there are unspent/unallocated funds left (under-runs), participating communities are advised as follows:

If the khet wants to use the money left to improve the quality, size, scope of one of the Khet's sub-projects, they can do so under PRF technical guidance and after consideration of PRF ideas/suggestions of possible improvements by type of projects.

For example, for the category "***Bridges, footpaths, tracks, culverts, road repairs and up-grading***", villagers are requested to consider possible improvements in the areas of slope stabilization/protection - drainage, environmental impact mitigation measures, improvement of maintenance system/capacity, improvement of sustainability. Concrete ideas include 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.

If villagers want indeed to improve their current sub-projects, they simply need to fill in a Sub-project Tranche Activity Planning (STAP) Form (for improvements) or Change Order Form (for requesting approval to move money from one sub-project to another), as appropriate.

Cases of overruns can only be authorized by PRF National office upon proper documentation (reasons for foreseen over-expenditure and lack of foreknowledge at project formulation).

However, Change orders are more easily accepted when necessary funding to finish one sub-project in a khet is proposed to be

taken from saved funds of another sub-project in the same khet. Naturally, it shouldn't be authorized at the detriment of quality, i.e. to cripple one sub-project in order to complete another one.

See annexes 3 complete list of ideas for sub-projects improvements

If and when planned improvements have been done, it is assumed that no more money is needed for the sub-project. All funds that are not accounted for, excluding retention money for guarantee purposes, will be carried forward on sub-projects Cycle II, which will begin with a positive balance due to a sub-project Cycle I left over funds.

Team strengthening – Luang Prabang Retreat

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 views 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 learnt from past implementation in each province in order to help PRF to improve its performance for Cycle II.

Everyone was very satisfied with the



Field visit to EU project in Luang Prabang (How communities maintain Irrigation projects)

workshop and requested PRF management

to organize a 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 have been used as a reference for future action.

Review and improve PRF Pre-service Training packages

Gender, Social and Ethnic Issue Training

PRF target areas include poor communities of three very different provinces: In the remote North of Huaphanh Province, PRF works among others with Khmu, Hmong, Yao and Phutai ethnic groups. In Savannakhet Province, ethnic groups include Katang, Mako and Tri highlanders, whereas in the extreme south PRF interacts with groups of Khmer descent. Working with rural communities in areas where there is a great diversity of cultures and ethnic groups requires tactful and sensitive approaches in respect with local traditions and beliefs. What works well in the North may not work so successfully in the South.

More importantly, methodologies and approaches must be fine-tuned by the PRF staffs themselves in the light of lessons learned of successive trials and errors. To this end, the PRF management team was keen to seek experienced trainers to deliver a gender, social and ethnic training to all its staffs.

More specifically, the objective of the training was to give PRF staff the necessary 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.

As a result, three one-week training sessions were held in every region from

July to November 2004. The training was very much appreciated as it provided PRF staff with practical knowledge which could be applied in real situations.

Review and improve Training packages

Information Education Communication (IEC) Training for new staff

In order 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 20 gives data on attendance at the IEC training in different places. New staff of three districts (Viengxay, Xamtay and Huameaung) was brought together in Viengxay District because of its available facilities. Attendance figures in Phin District show the highest number of participants as there were Khet Facilitators who volunteered to attend.

Table 20: Number of participants who attended IEC training

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

Providing training to prepare communities to deal with contractors

Participating communities have received special training with regard to understanding unscrupulous contractors’ common ways of cheating clients.

1. CONTRACTORS MAY TRY TO INCREASE THEIR PROFITS BY:

1.1. Downgrading quality of material & equipment

Downgraded material or equipment (cheaper)

EXAMPLES:

- Poor quality cement vs. good cement
- Cheap hand pump that will soon break down
- Mild quality steel vs. High strength quality steel
- Aggregates are not properly washed or calibrated

Old / second hand material

EXAMPLE:

- One-year old cement purchased at low cost

1.2. Downgrading quality of workers / hire unskilled labor (cheaper)

EXAMPLE:

- No experienced supervisor / technician to control quality, solve problems

1.3. Reducing quantities of necessary material & equipment

Reduce quantities of expensive materials / components (Cement, Reinforcement bars) at the detriment of quality

EXAMPLES:

- Reduce reinforcement bars' diameter, reduce overlapping lengths, reduce the number of reinforcement bars
- Lean concrete – reduce quantities of cement in dosage and fill in space with stones
- No compacting / vibrating of concrete (less dense, compact = less material)

Execute smaller than design or do not execute part of the design

EXAMPLES:

- Install smaller diameter pipes
- Build smaller concrete platform for drilled well

- Drill down to a depth of 15 meters instead of 40 meters or drill down to a depth of 40 meters, but install only 15 meters of pipe
- Do not built soaking pit under the claim that it is not needed
- Do not build water tank
- Do not install doors or windows

2. NOT KEEPING THEIR PROMISES

THE TWELVE MOST COMMON MANIPULATIVE TACTICS USED BY UNFAIR NEGOTIATORS

(Compiled by the Harvard Program on Negotiation, Executive Education Series)

The Behavior	The Tactic	How It's Manifested in the Negotiation
STONEWALLING (characterized by rigidity and a reluctance to move from a stated position)	1. "Fait accompli"	What's done is done. Change is not possible.
	2. "Take it or leave it"	Negotiation by ultimatum: "This is my final offer."
	3. "Calculated delay"	Delaying agreement is the hope you'll make concession to meet a deadline. "I can't do anything about it. It's company policy."
	4. "Company policy"	
ATTACKS (characterized by hostility and attempts to make inability to reach agreement appear to be your fault)	1. Threats	Indicating you will suffer consequences if you fail to accede. "Do it or else."
	2. Attacks on credibility	Questioning your integrity: "Your figures are way out of line."
	3. Attacks on status and authority	Focusing on your qualifications: "You are not an engineer and do not know what you are talking about, do you?"
	4. Manipulating physical environment	Trying to unsettle or confuse you by putting you in an impressive office.
TRICKS (characterized by deceit)	1. "Good guy/bad guy" strategy	Blaming someone else (either present or elsewhere in the organization) for not being able to reach agreement.
	2. Manipulating the data	Using false, phony, or confusing figures.
	3. Adding to the deal at the last minute	Looking for additional concessions: "There's just one more little thing."
	4. "No authority"	Leading you to believe they have authority, then saying they need to get approval before the deal can be stuck.

- Do not install doors or windows

EXAMPLES:

- Request payment before completion of work

- Claim that a component was not mentioned in either drawing / contract
- Claim that exceptional / unexpected conditions necessitate additional provisions
- Agree / promise to do things in order to get the contract or be paid but do not intend to keep them

Training for Community Operation and Maintenance of Sub-projects

The first sessions of Operation and Maintenance Training for community teams were held in June 2004. A gravity-fed water systems training in Sobbao district was attended by an Engineering Consultant to the World Bank who considered that both the material presented (mostly prepared/ collated by the Chief Engineer in PRF National Office) and the structure of the training sessions were excellent. Besides a good number of community participants, it was encouraging to see cooperation between PRF and the District Health Office and its Clean Water and Environmental Sanitation Unit (*Nam Saat*) as well as the District Lao Women's Union. The gravity-fed water systems training in Sobbao was conducted for one and a half days, but the duration of other training sessions varied according to the type of sub-project and the interest and experience of the community representatives.

Because different types of sub-projects were being completed at various times in various locations, this training will continue until all of the sub-projects have been completed.

All community participants showed their concern and carefulness for the sustainability of their sub-projects. They rigorously discussed and responded to problems raised during training. The villagers proposed to set up revolving funds for recurrent maintenance expenses.

During the training, PRF staff advised the Khets and especially the village level representatives that they should establish committees to take the roles of management and maintenance of the sub-projects at each individual village level, i.e. where the village is the site for a particular

sub-project, or responsible for a section of road, etc. The Khet Maintenance Teams were asked to send names and committee structures to the PRF District Offices no later than the end of July 2004. After summarising the information, PRF will assess further training needs for the committee members, e.g. bookkeeping, basic management skill for heads of committees, related technical issues and so forth, as necessary.

Since the Khets consist of a cluster of villages grouped together for the purpose of the PRF project, members of the Khet Teams may not actually live in any of the recipient villages during a particular cycle of activities. Therefore village teams have been identified, in the recipient villages where sub-project activities will take place. Both Khet teams and Village teams must understand well their respective roles and responsibilities, work well together, and coordinate effectively and efficiently in terms of information feedback so that the village level receives necessary technical support (skilled builder, technician, team leader, etc.) in good time.

Final revision of an Operations and Maintenance Training Handbook is being prepared and this will be used by PRF Technical Advisors (TAs) at provincial and district levels, with coordination with line government agency to provide training for khet teams and the village level.

Lessons Learned for Community Operation and Maintenance of Sub-projects

Feedback from the first batches of training on operation and maintenance included the following suggestions:

- PRF should use / hire external people from experienced firms as trainers.
- Two TAs at national level, one at provincial level and one at district level are not enough to train for operation and maintenance of the large numbers of sub-projects. (*Comments from the WB staff also indicated that the number of TAs was not sufficient to adequately*

cover design and supervision of the sub-projects. Hence, there was an overall call for more TA staff, which justified doubling up the provincial TAs in all PRF provinces)

- Line government agencies at provincial and district levels lack staff specialized in particular fields, e.g. clean water, irrigation and others could be called to provide assistance on technical issues to PRF.
- There needs to be well-prepared and effective coordination between PRF and line government agencies to set up things and to be properly organized.

The findings from the first training sessions have since been taken into consideration when preparing for the next operation and maintenance trainings. PRF has recruited more TAs particularly for Provincial level. The ratio of one PRF district staff member for every four khets or 30 villages is believed to be a good guide for establishing staffing requirements/ provisions.

Training on Community-Level Financial Management and Disbursement and Community Procurement

Training of villagers for Financial Management, Disbursement and Procurement at the Community Level has been implemented for all districts.

Targeted participants (according to the PRF Operation Manual) included: Khet Facilitators (3 people per khet including 1 woman), Khet Representatives (4 people per khet incl. 2 women), Khet Procurement Teams (5 people per khet incl. 2 women).

Thus the targeted participants numbered 12 people per khet, including 5 women, and targeted women’s participation was 41.6 % of total attendance.

In the new Savannakhet District and in most of Champasack Districts however, other people were also invited to join the training. There was high interest in these subjects, and a need to get as many people

as possible understanding the PRF systems and requirements - thus encouraging transparency and accountability. These “extra” people usually included Khet Implementation and Khet Maintenance Teams. GoL counterparts assisted the training in Nong and Vilabury where PRF staff numbers were considered too small or where there were difficulties with transport.



Khet Facilitators of Xamtay District sharing ideas before going back to their seats to prepare for District Prioritization Meeting



Community Procurement Training in Nong District. Training was conducted by the Procurement Officer from PRF National Office



Staffing (Performance Assessment)

Table 21: Number and percentage of PRF staff turnover

Positions		Gender	Reasons for leaving	Replaced	%
National	Complaint Resolution	Male	Contract finished	Yes	14%
	Senior Advisor	Female	Position terminated	No	
	Procurement Officer	Male	Continue his studying	Yes	
National office Total staff : 22					
Savannakhet	-	-	-	-	0%
Savannakhet office Total staff : 17					
Champassak	-	-	-	-	0%
Champassak office Total staff: 19					
Huaphanh	Provincial Coordinator	Male	Quit for family reasons - returned to Vientiane	Yes	6%
Huaphanh office Total staff : 16					
Grand Total : 74 Staff					
% of staff change: 6%					

Note: Total number of staff does not include new staff

The table above suggests 6% staff turnover during the year 2004. The highest turnover is in Vientiane (14%) but none (0%) for Savannakhet and Champassak Provinces. In comparison, the percentage of staff change during the start-up year (2003) was 20%, which shows this year a very sharp decrease in PRF staff turnover. PRF has improved its structure and management performance, and has opted to a recruitment at local level that gives priority to local people rather than outsiders from other provinces.

Review and improvement of PRF process and methodology

Skills development Training as Sub-project

Assessing and responding to communities training needs

During the first PRF cycle of activities, very few activities were requested by the communities and clear preference was given to infrastructure by villagers.

As a result, training was often discarded, especially in the poorest areas:

In Huaphanh Province:

- a) Two villagers received a Village Health Volunteers training and
- b) One nurse received allowance for training

In Savannakhet Province:

- c) Eight women received weaving training,
- d) Seven teachers received allowance for upgrading their capacities
- e) Two nurses received allowance for training

In Champassak Province:

- f) A total of 400 villagers (220 women) received training on pig, frog, buffalo, poultry raising, tree planting and mushroom growing

PRF reflected on sub-project training activities in Cycle I and identified five main difficulties:

1. It is rather difficult to assess poor communities training needs because villagers haven't got much exposure and do not know what to request.
2. PRF staffs' competence and experience vary from one district to another and it is very hard to get staff that combine a broad experience so as to be equipped for undertaking an holistic approach while assessing needs and a very specific knowledge while assisting in writing training sub-project proposals
3. The lack of knowledge of market outlets and the lack of methodology and expertise to identify and develop local potentials
4. It is very difficult to identify capable trainers – because of
 - a. Lack of recognized standards - trainers are capable according to whom?
 - b. There are too few trainers
 - c. Quality varies a lot from one trainer to another
 - d. Most trainings are one shot trainings and there is no follow-up
 - e. There is no training certification or it is worthless
5. It is difficult to assess training results and impacts

Fortunately, training in Champassak Province was very successful, thanks to the intervention of trainers from the center of non-formal education and skill development of the KM 15 in Pakse, which is actively supported by two organizations: UNESCO and ded.

Since Cycle I, a growing cooperation has been established with UNESCO and ded and PRF can henceforth benefit from their respective experience and expertise. Various workshops and documentations have been exchanged and have thereby already proved very fruitful and have helped PRF with regard to the following issues:

1. **Training need assessment** geared to market demands and local potentials and motivation so that actual income generation can occur in a very short time
2. **Preparation of adapted curricula, training modules, training textbooks and handbooks, adapted to rural, ethnic communities etc.**
3. **Identification of training kits** composed of basic materials, tools, equipment so as to enable the trainees to immediately put into practice their newly acquired skills and begin generating revenues
4. **Actual Training Delivery:** Identification of resource persons in

ded –German Development Service (Deutscher Entwicklungsdienst)

ded is a non-profit organization whose 1,000 development workers with intercultural skills and social commitment are active in Africa, Asia and Latin America. **ded** works on a partnership-oriented, participatory basis for self-determined development in its partner countries. **ded** advises and promotes government and local partners as wells non-governmental organizations and self-help initiatives.

Since 1993, **ded** has been providing technical advice and organizational support in Lao PDR focusing on:

Rural Development, Resource Management, Formal and Non-Formal Vocational Training and Self-Help Promotion.

In the sphere of formal and non-formal vocational training, **ded** has acquired extensive experience and expertise about quality and employment orientation training, training of trainers, professional training material, training course design and entrepreneurship development.

each district and training of trainers in sufficient numbers to respond to the needs

5. **Training impact assessments:** Have we responded to the needs? Can the trainees generate revenues by applying their knowledge? If not why? What are the bottlenecks? Lack of Tools, customers, planning/management skills? etc.

6. **Identification of market outlets,** market studies, development of a network of professional organizations and groups who can provide feedback about market needs and possibly help finding market outlets

Consequent to the lack of training requests during Cycle I and the exchange of information with ded and UNESCO, PRF PMT decided to introduce two major improvements during the participatory planning of Cycle II:

1. Minimum allocation for training

At District Prioritization meetings, PRF staffs were asked to attract the attention of the khet representatives to the importance of skills development training for improving the peoples' wellbeing and also for income generation. It was further proposed that a small, minimum budget ought to be earmarked for that purpose and that all khets should identify and commit motivated farmers to attend a broad range of training. The minimum suggested amount was 50 millions kip per district for Cycle II (approximately USD 5,000). The idea was very positively welcomed. However, the final approved budget varied from one district to another, depending on district size, local interest etc.

2. Preparation of training sub-menus with curricula

Thanks to ded, PRF has been able to prepare a list of training packages for which curricula and capable trainers existed. It was further stressed that this training list was neither limiting nor exhaustive. It was made clear that those lists were proposed only as guidance, in order to give more concrete ideas of what sort of training could be obtained through PRF.

VNPA – year 2 and 3 approach

Participatory planning may become quite a burden to communities when asked every year about needs that are only fulfilled once in a while by lack of resources. Moreover, participatory planning in each

single village is rather costly. Hence, PRF PMT wanted to gather more information about priorities Year 1 and 2 and percentages of priorities actually addressed.

To this end, PRF undertook some analysis in order to assess to what extent the villagers' needs and priorities Year 2 were similar with the priorities of Year 1.

The findings suggest that duplication rates are fairly low, varying from 22% in Huaphanh up to 45% in Champassak. One possible explanation was that villagers did not understand/trust PRF enough during the first year. Thus, after one year of activities, it could be that villagers have had more time to think about what they need.

Hence, the conclusion was that it was wise to conduct some sort of VNPA every year. However, while during Year 1, VNPA was very closely supervised by PRF district facilitators, during Year 2, VNPA would be progressively delegated to Khet facilitators and during Year 3 and henceforth village representatives themselves would be responsible for refreshing/recollecting the villagers' needs and priorities every year.

Fast track – formulation of guidelines

1. What is “Fast-track”?

The general meaning of “fast track” is to complete an activity, process, etc. as quickly as possible.

In the context of the PRF Process/ Activity Cycle, fast-tracking of sub-projects will allow some squeezing/ reduction of three steps in a new cycle: ***Sub-project appraisal, Khet confirmation of designs and District Decision***. Fast-tracking of a PRF sub-project will save time and shorten the PRF Process, but it must not cut out or avoid any of the actual work associated with each step, which must be carried out according to the PRF Operations Manual.

Preparations for fast-tracking of a sub-project should start at or before the *Khet Prioritization Meeting*, and implementation should begin immediately after the *District Prioritization Meeting*, provided that the specific sub-project has been properly prepared and approved as being eligible for fast track. (Section 3 details the eligibility criteria/ conditions to be met for Fast-track.)

2. Reasons to Fast-track

Experience in PRF's first year of implementation has shown that the PRF Process works well and is generally very good, but it takes a long time to put every sub-project through all of the steps. Delays can be caused by survey and design requirements, procurement difficulties and season, etc. It is unfortunate if these things affect and delay all of the sub-projects and so a way needs to be found to speed up the process for those sub-projects that might be considered as eligible.

There are two special cases where lengthy appraisal of a sub-project and confirmation of the designs by the Khet may not be required in the current year, simply because appraisal has already been done earlier¹² and/or previous implementation of a similar sub-project has been done with results that are judged both reliable and satisfactory.

The two possible situations that may allow good reason for fast-tracking are:

- i. A sub-project was appraised and/or confirmed by PRF during the previous year but was temporarily dropped out/ referred forward for implementation from the previous-cycle.
- ii. A sub-project is simple or perfectly standard, i.e. a sub-project's design will not be subject to site-specific variations, **AND** adequate experience and information has already been obtained in previous years or during field visits conducted before the current year's *District Prioritization*

Meeting. Sub-projects such as these may include: medicine boxes; training of village health workers; training of teachers; construction of dug/drilled wells, etc.

It is mandatory for all provinces (i) to submit a request for no-objection to the National PRF Office for handling certain, carefully selected sub-projects as Fast track, and (ii) to wait for National PRF Office consideration and no-objection before proceeding any further.

However, special caution must be applied when considering or requesting Fast-track

Fast tracking sub-projects can be very damaging to sub-projects' overall quality and smoothness of implementation. Slapdash appraisal work could result in very serious problems such as: inadequate community consultation, not socially acceptable sub-project design / location, negative environmental impact, ineffective maintenance, less-than expected community contribution, problems and misunderstandings, etc. Having many sub-projects on fast-track could badly disrupt the normal PRF Process. It could become difficult/ confusing for various parties to implement and follow up all of the sub-projects if they fall outside the normal cycling and timing of the PRF Process.

Each step of the PRF cycle has been designed for a purpose. The steps vary in importance and while some are admittedly more critical than others, each step nevertheless represents a link in a chain of events, whose overall impact generates the desired outcome with a fair probability of desirable quality. No step can be circumvented in principle. The fast-track approach may bring or run some meetings together to reduce time and expense, but the work required for each step must still all be done.

Fast-track must be applied with careful distinction, on a case to case basis, after having verified that all conditions, requirements and authorizations have been met.

¹² and has been properly updated

Sub-project 1st payment up to 40%

Referring to the terms and conditions of the PRF Manual of Operations, “Initial Advance of the Khet”, stipulates that **“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”**.

According to PRF initial experience, the PRF has often found adequate to divide sub-projects in three tranches of activities, which are each provided with corresponding payments.

However, the required initial payment of 25% maximum has in some instances not sufficed to adequately procure necessary construction materials, thus forced the communities to either undertake two procurement processes (1st payment of goods and 2nd payment of goods) , or reduce the first payment so as to cover only the necessary amount for community administration and operating expenses. Either way, the second payment often resulted in a disproportionate and much larger payment than the first one.

In order to facilitate the implementation process, reduce the risks of carrying large amounts of cash and better balance payments in a more flexible manner, IDA has authorized that the ceiling of the initial advance could be raised from 25 percent to **40 percent** of the total sub-project budget.

Forty percent of the total sub-project budget represents a ceiling that shall not be systematically utilized but rather purposely, depending on each particular type of sub-projects, to the discretion of the PRF.

PRF menu of options – Creation of school sub-menu

UNICEF and PRF have agreed in principle to join hands for the implementation of a number of development activities in the

district of Sepone for the cycle of activities 2004-2005. Instead of pre-targeting recipient villages and conducting separate participatory planning activities, UNICEF has proposed to select the activities it will support among the list of village priorities obtained through the PRF process. The UNICEF approach to undertake project appraisals, procurement and implementation would remain unchanged and would be undertaken through UNICEF Government counterparts at Provincial and District levels.

In addition, PRF and UNICEF have developed a School sub-menu of activities, which comprises:

- (1) **Furniture & equipment** (tables, benches, teachers' desks and chairs, cupboards, blackboards, bookshelves, pressboard/information board, flag pole, infirmary / sickroom equipment etc.)
- (2) **Library**
- (3) **Teaching material** (compass, chalkboard, protractor, ruler, triangle etc.)
- (4) **Improvement of environmental conditions & school landscaping** (Gardening tools, fence around recreation yard, fruit trees or industrial trees for shading, flowers plants etc.)
- (5) **Safe drinking water supply system**
Water system: (Dug well with windlass/hand pump, drilled well, GFS system, water tank, water containers etc.)
- (6) **Latrines** (pit and hygiene and sanitation awareness training)
- (7) **Teacher / teacher upgrade** (general/specific reinforcement of capacity, full training curriculum)
- (8) **Recreation kit / sport/physical equipment (kit for teachers and for students)**

(9) **Vegetable garden** (Set of gardening tools, vegetable seeds, garden fence, self-tutorial textbook etc.)

(10) **Electricity supply**
Electricity supply (solar system, connection to main power line)

(11) **Equipment for dormitory**

(12) **Student-parent association support** (textbooks, training, scholarship for top students of most impoverished areas etc.)

Depending whether it is a kindergarten, incomplete/complete primary school, lower/upper secondary school, some items are mandatory or optional.

Optional items can be selected within a maximum budget that varies depending on type and size of schools.

Development of Income Generation Activities Small Grant approach

Inspired in part from SIF Thailand and also from SNV Vietnam women IGA support, The PRF has developed its own approach of IGA small grant for the benefit of groups or organizations that need financial support in order to generate goods or services for profit.

However, as SIF Thailand, the PRF has a condition that "profits generated from PRF support" should not be divided among the directors and members of the Group / Organization but be used to repay some portion of PRF support in the form of provision of assistance to the needy and troubled within the community of the

(from different households)

organization or nearby communities. Concretely, these funds may contribute in full/in part to the procurement of training, materials and equipment, construction and other activities for public benefit.

Hence, the applicant group / organization must fill in an annual repayment plan for the income and profit generating portion of the subproject to the group, organization or nearby communities to be paid off in 3 years maximum.

For this second cycle during 2005, the PRF PMT proposes to conduct small scale experiments by selecting one IGA small grant sub-project per district for a maximum of US\$2,000/district. Actual amounts are to be determined on case to case basis and are likely to be significantly lower.

Proposed Eligibility criteria for groups / Organizations during the experiment are:

1. Applicant group / organization should have been established for more than one year
2. Applicant group / organization should comprise at least 5 members

Xiengkhor District Product

Xiengkhor Algae - Snack Food

A singular local product is being promoted on the initiative of Mrs. Sonethong Boulom, 50 years old, residing in Xiengkhor District. All started when she received funds from the Lao Women's Union in August 02 to learn how to cook **Spirulina Algae** in Phanom Village, Luang Prabang Province. Spirulina grows naturally in the Maa River. It is collected fresh, cleaned, spread evenly on a mat, gently tapped on to level its surface and thickness, decorated with sesame seeds, chili, tomato slices and finally let to dry - It was at this stage that PRF staff was able to assist with preparing colorful labels, promotion posters and cooking recipes to prepare the final product. Now Xiengkhor Algae has become well-known in various parts of Laos.

Throughout the establishment of this income generation activity, Mrs. Sonethong and her friends have received ongoing practical support and encouragements from the Xiengkhor District Women's Union. Presently, group members can together generate about 1.2 million Kip per month - during the season when plenty of algae is available for harvest.

3. Applicant group / organization should contribute at least 10% of total small grant value
4. Applicant group / organization structure should be satisfactory (decision-making, accountability, reporting capacity, financial management capacity)
5. Applicant group / organization should not use PRF support for reimbursing any current debts – no debt at all is preferred
6. Support can only be given for activities, whose main purpose is to generate incomes
7. Support can only be given for IGA activities that are completely environmentally friendly or proved environmentally sustainable.

Special assistance from the Lao-India Entrepreneurship Development Centre (LIEDC)

Within the framework of the Initiative for ASIAN Integration (IAI), the Entrepreneurship Development Institute on behalf of the Government of India is supporting Lao PDR for development and creation of Entrepreneurs, through the Ministry of Education and the Department of Higher Technical and Vocational Education. The main objectives of the LIEDC include the promotion and development of entrepreneurship and entrepreneurs in Lao PDR through Training Programme for self employment, Training of Entrepreneurship Development Trainers/ Teachers, Small Industries Management Assistance Programme (SIMAP)



Women making Xiengkhor Algae at the market

Immediate areas for cooperation and support with PRF have been identified within the context of developing and pilot-testing

Income Generation Activities (IGA) small-grants.

LIEDC has proposed assistance in regard to the identification of local potential small

businesses, possibly related to production, food/product processing, packaging, tourism related activities etc.

Secondly, LIEDC shall help and train PRF staff to become capable of providing adequate assistance to IGA small grant applicants to formulate simple and sound business plans, to identify most viable proposals and recommend winning applicants.

Thirdly, they shall train the first 14 applicants (one applicant/district) that have been awarded a PRF IGA small grant for the cycle II by providing them with basic entrepreneurs training for growth, skill development, marketing, etc.

Lastly, LIEDC has proposed to assist PRF in kick starting IGA awarded activities and following up results.

Procurement of sub-project related High-Tech goods and services

It has been agreed with the World Bank that communities will need and can be given support to purchase some types of high-tech equipment. Initial, three purchases were approved: medical equipment for one dispensary in Mounlapamok; a solar system for dispensary fridge and also dispensary and dormitory lighting in Sepone; survey design and bidding documents for a suspension bridge in Vilabury. PRF has worked with line ministries and departments to establish specifications for such items, and then has considered the best options for procurement.

In order to facilitate the process for possible future requests of such nature, PRF has obtained IDA's authorization to proceed with the whole¹³ procurement of sub-projects related, HIGH-TECH goods-services upon:

- (i) Insufficient local capacity and no local availability of suppliers / contractors and
- (ii) Written, explicit request from a participating community, fully authorizing the PRF to be solely responsible for the procurement of such HIGH-TECH goods-services and
- (iii) Written, explicit request from the PRF Provincial office to the PRF National Office to assist with the procurement of such HIGH-TECH goods-services.

To this end, PRF has prepared two standard forms:

- (1) for communities requests and authorization to PRF and PRF provincial requests to PRF National Office, and
- (2) for PRF National Office response to PRF provincial Office and the communities.

PRF Sub-Project Implementation Monitoring

Information generated and collected at village, khet, district and provincial levels is fed into the PRF MIS/Monitoring and Evaluation system. A considerable volume of data is entered on computer by provincial PRF M&E staff, while other data is handled and analyzed at national level. A special form has been devised by the PRF to record sub-project progress: the Monthly Sub-Project Implementation Monitoring (SPIM) Form. Instituting the use of the Monthly Sub-project Monitoring Form was implemented through the Khet Facilitators after having equipped them through proper training. Khet facilitators are essential to share the burden of routine supervision work and also give a hand with field monitoring and sub-project progress assessment.

¹³ The whole procurement shall include advertisement through newspaper, selection and contract award and payment for goods/services from the National Office

Table 22: Number of participants attending Sub-project Monitoring Training held in May 2004

Districts	PRF staff District / Provincial Levels			Number of Khets	Khet Facilitators		
	Total Participants	Women Participants	% Women		Total Participants	Women Participants	% Women
Huaphanh							
Sobbao	14	3	21 %	7	18	6	33 %
Add	4	1	25 %	12	36	12	36 %
Xiengkhor	5	2	40 %	12	30	10	33 %
Savannakhet							
Sepone	17	4	23 %	20	30	9	27 %
Nong	5	2	40 %	10	26	9	35 %
Vilabury	8	2	25 %	16	25	4	16 %
Champasack							
Mounlapamok	7	1	14 %	10	26	7	27 %
Khong	5	1	20 %	14	35	12	34 %
Pathoumphone	5	1	20 %	10	22	8	36 %
Sukuma	3	0	0 %	10	18	7	39 %
Grand Total:	73	17		121	266	84	

Training for PRF field staff and Khet Facilitators concerning monthly sub-project monitoring took place in May 2004. The training started in Sepone, Mounlapamok and Sobbao Districts because that was where implementation of the sub-projects started first. In each district, two days training and introduction to the Sub-project Implementation Monthly Monitoring (SPIM) Form was given to the PRF provincial and district level staff. The initial training sessions were delivered by PRF national level staff. After the Provincial M&E and district staff had received training, they in turn trained the Khet Facilitators. Table 22 gives data on attendance at the training sessions dealing with sub-project monitoring.

For Khet Facilitators who were absent due to problems of transportation, flood and sickness, etc., PRF provincial and district staff had to provide repeat training so that they could catch up and thus be able to help PRF collect data.

As part of the Khet Facilitators' training, monthly planning for and reporting of their work was also instituted. Feedback from the

monthly meetings held to date with the Khet Facilitators indicates the following problems: (1) Khet Facilitators had difficulty in traveling to sub-project sites especially in the most remote areas

(2) Female Khet Facilitators especially those of ethnic minority groups had difficulty to travel due to cultural barriers. (3) Per diem rates given to Khet Facilitators were reported to be insufficient and there have been calls for revision.

In spite of the on-the-job SPIM-related training provided to PRF Khet Facilitators in 2004, reports suggested that the SPIM forms were found too complicated. Hence, important data was missing or incomplete rendering the whole exercise rather disappointing. Fortunately, key data, including financial and technical data were still being collected periodically but not systematically every month.

SPIM forms have since been revised and largely simplified and from now on, it will be possible to obtain monthly sub-project progress data, coupled with up-to-date sub-project financial data as the sub-project financial management system has been revised and harmonized with the SPIM database and the Key Sub-project Proposal Database.

Complaint resolution

During the implementation of cycle I, PRF National Office has been advised of two complaints in May and September 2004.

Irrigation construction, May 2004

In Khet Sobhao (Sobhao District, Huaphanh Province) the community claimed that the construction of irrigation works had not met the required standard. The PRF provincial team contacted the national office to seek advice on how to solve this problem. It was decided that the best course of action was to make a request for assistance to the District Agriculture Office (Irrigation Section). The



PRF District staffs are receiving support from GoL counterparts to follow up on this particular activity. The irrigation works in question were being done under Community Force Account¹⁴.

Prevention

To ensure that this kind of problem will not occur again in the future, the following things are necessary (for all construction sub-projects): close attention to details and design of the works must be given during sub-project appraisal; proper consultation with the community must take place at all stages of preparation for the sub-project, close monitoring by PRF TAs must be made during the constructing sub-project.

Drilled wells construction, September 2004

In Khet 1, Khet 2, Khet 4 and Khet 5 (Sukuma District, Champasack Province) the community claimed that the sub-contractor could not meet the standard requirements in terms of lacking equipment

¹⁴ Community Force Account means that the communities implement the sub-projects using their own resources (skilled and unskilled labor, material, equipment)

and being not able to comply with the total budget of bidding. The meeting to solve this problem was held in Sukuma and was attended by the Director of the drilling company, Khet Facilitators, Khet Representatives and PRF staffs from national, provincial and district levels. It was agreed and decided that before the contractor was going to be paid, PRF Technical Assistance, PRF Community Development and Technical Officers from the sub-contractor had to inspect the quality of activities.

Prevention

It is the role of the Khet Facilitators to advise Khet Team (Khet Implementation), to monitor sub-projects by using Sub-Project Monitoring Forms, Water Quality Analysis Forms, Soil Monitoring Forms and request Technical Assistance from government agencies to inspect the site work if and when necessary.



Allocation for second cycle 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 in the box shown 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)

District allocation approach for the cycle 2 is explained in detail in Quarterly Report, July – September 2004.

Table 23: shown below summarizes the 2004-2005 total district allocation for the PRF 14 target districts:

Provinces / Districts	Population	Basic allocation US\$	LEC 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%
Phathoum...	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%

Table 24: Comparison of District Allocation Cycle I and Cycle II

Provinces / Districts	Cycle I 003-2004	Cycle II 2004-2005
Huaphanh		
Viengxay	-	237,000
Huameang	-	234,000
XamTay	-	496,000
Add	113,475	198,000
Xiengkhor	110,850	206,000
Sobbao	120,850	222,000
<i>Sub-total</i>	345,175	1,593,000
Savannaket		
Phin	-	282,000
Vilabury	108,808	205,000
Nong	92,011	195,000
Sepone	179,010	372,000
<i>Sub-total</i>	379,829	1,054,000
Champasack		
Mounlapamok	67,914	171,000
Khong	102,200	95,000
Sukama	90,874	106,000
Pathoumphone	83,939	82,000
<i>Sub-total</i>	344,927	454,000
Total	1,069,931	3,101,000

PRF Second Cycle of activities

Figure 11: Cycle I (2004 - 2005) time line

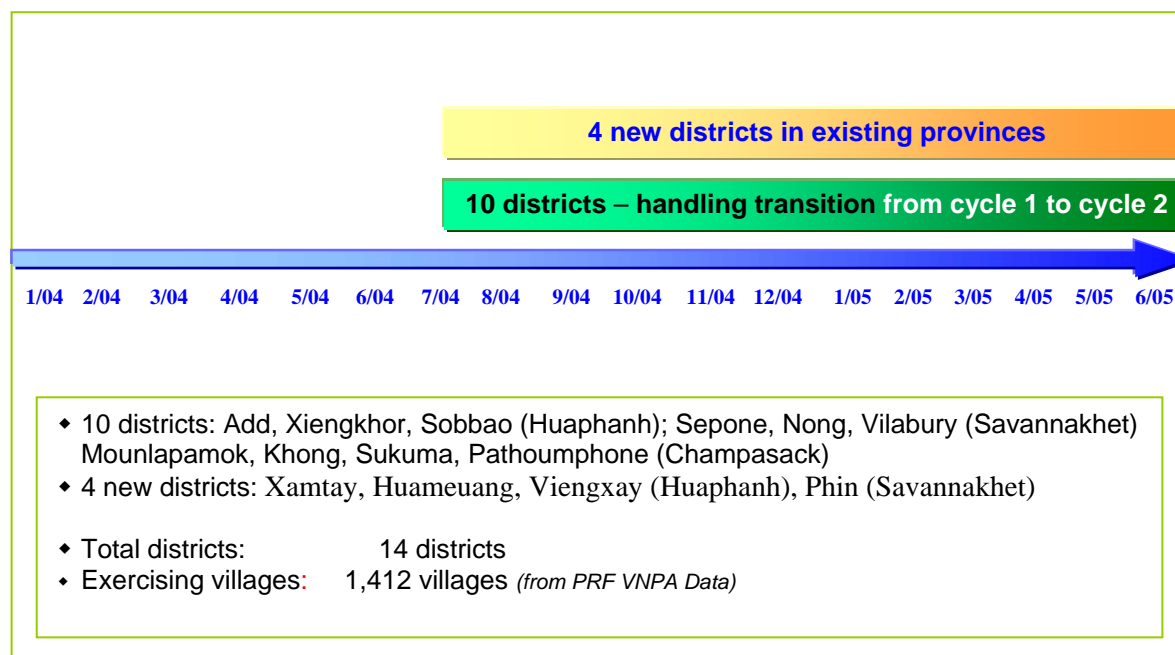


Table 25: Summary of number of villages per khet in PRF target districts for cycle II

Provinces / Districts	Number of Villages	Number of khets	Ave. number of villages per khet	Number of villages	
				Smallest khet	Largest khet
Huaphanh					
Sobbao	70	7	10.7	6	16
Xiengkhor	63	12	5.3	4	7
Add	78	12	6.4	4	9
(new district) Viengxay	130	19	6.9	5	9
(new district) Xamtay	172	22	8.0	4	11
(new district) Huameuang	85	11	7.7	3	11
Sub-total Huaphanh	598	83	7.5	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	136	14	9.8	6	13
Sub-total Champasack	358	44	8.2	4	13
Grand total	1,412	188	7.6	3	16

Socialization activities of new cycle



According to PRF activity cycle (as described in section: *PRF: What we do page21*), District Socialization meetings were held in July only in new districts: (Phin, Huameang, Viengxay and Xamtay Districts).

The meetings were attended by representatives from the departments of 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 Facilitators¹⁵ who are helping PRF District Facilitators collect data during Village socialization and Village Needs and Priorities Assessment (VNPA).

Village Socialization and Village Needs and Prioritize 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 I of PRF. During cycle II, activities covered 14 districts or 188 khets or 1412 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 Meetings, District Prioritization Meetings, Selection of sub-projects, further consultations with the beneficiary / affected communities took place and a formal proposal was 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.

¹⁵ 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.

Village Needs and Priorities Assessment

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.

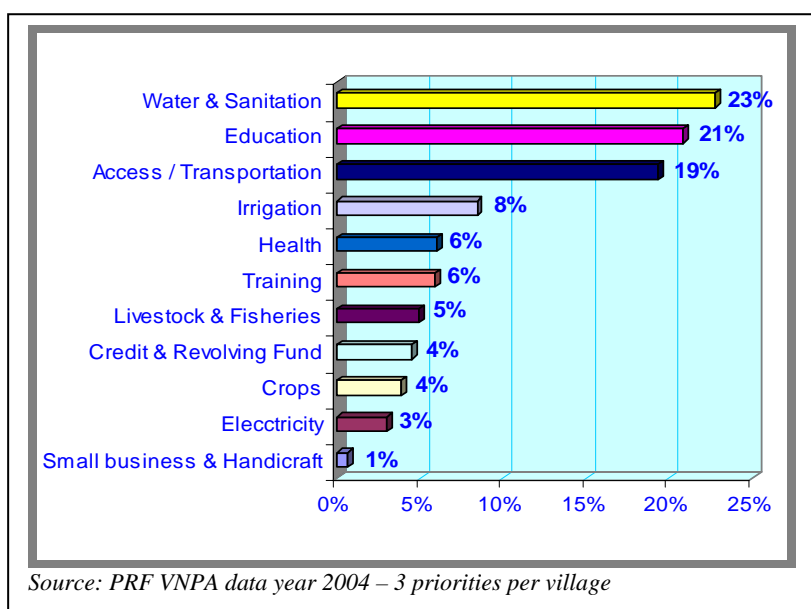


Figure 12: Village Needs Assessment of cycle II by 1412 villages

When conducting the VNPA exercises in all 1,410 village of cycle II, two villages are missing because of their inaccessibility. Hence, their VNPA will be conducted during next cycle. Out of all 14 districts in the 3 provinces, water and water related needs (23%) that is shown in figure 12 were amongst the most frequently mentioned priorities for the villagers.

Activities planned for Cycle II

Summary of Data for PRF sub-projects planned for implementation in 14 districts, year 2004-2005, Cycle II

Data based on results of PRF VNPA conducted during July-August 2004, and District Decision Meeting held during December 2004

Table 26 : Summary of data planned for implemented in cycle II

Province / District	No. of Khet	Total no. of Village Primary Data sent from Province	Total no. of Village collect by PRF	Total Population (VNPA, 2004)	No. of Adults participating in VNPA	% of Adult Pop. participating in VNPA	No. of Villages benefiting from PRF	Benefiting Villages as % of total villages	No. of Poor villages benefiting	Poor villages as % of total villages benefiting	No. of Activities requested during VNPA 3 Priority Needs per Village	No. of Activities requested needs covered	% of Priority Needs met by PRF 2nd cycle	No. sub-project	PRF Budget (KIP)	Appro. Budget (USD)	Average PRF cost per subproject (USD)	Village Contribution (KIP)	% Village contribution (KIP)
Huaphanh																			
Sobbao	7	75	70	25,195	12,558	89%	43	61%	37	54%	435	44	10%	32	2,328,980,851	221,810	6,932	1,369,906,598	37%
Add	12	78	78	26,414	13,125	89%	61	78%	37	57%	464	48	10%	42	2,062,637,317	196,441	4,677	507,764,700	20%
Xiengkhor	12	64	63	25,986	14,747	88%	50	79%	32	57%	381	52	14%	40	2,148,983,360	204,663	5,117	511,986,500	19%
Viengxay	19	131	130	35,234	14,478	73%	77	59%	43	63%	390	50	13%	40	2,322,772,235	221,218	5,530	981,135,722	30%
Huameuang	11	88	85	27,324	11,741	77%	81	95%	37	46%	255	61	24%	29	2,431,657,550	231,587	7,986	401,507,752	17%
Xamtay	22	180	172	54,213	18,855	62%	108	63%	89	100%	515	99	19%	61	5,101,495,416	485,858	7,965	1,467,739,719	22%
Sub total	83	616	598	194,366	85,504	80%	420	73%	275	63%	2,440	354	15%	244	16,396,526,729	1,561,577	6,400	5,240,040,991	24%
Savannakhet																			
Sepone	20	159	159	42,497	16,011	67%	57	36%	38	26%	937	43	5%	42	3,984,120,000	379,436	9,034	222,107,930	5%
Nong	10	79	79	27,194	16,758	91%	41	52%	26	35%	478	26	5%	11	2,088,450,000	198,902	18,082	41,548,000	2%
Vilabury	16	102	102	29,106	10,756	66%	56	55%	32	42%	612	49	8%	23	2,551,917,175	243,038	10,567	34,888,000	1.3%
Phin	15	116	116	49,626	19,980	72%	39	34%	25	33%	348	37	11%	28	2,961,000,000	282,001	10,071	300,524,986	9%
Sub total	61	456	456	148,423	63,505	74%	193	44%	121	34%	2,375	155	7%	104	11,585,487,175	1,103,377	10,609	599,068,916	4%
Champasack																			
Mounlapamok	10	67	67	48,105	13,080	61%	48	72%	29	57%	228	37	16%	26	1,780,725,510	169,593	6,523	2,109,039,860	16%
Khong	14	137	136	70,170	24,360	62%	82	60%	15	33%	819	51	6%	25	878,450,005	85,839	3,434	264,747,926	29%
Sukuma	10	62	62	35,234	15,151	58%	39	63%	25	64%	374	16	4%	15	701,432,368	66,804	4,454	118,925,445	16%
Pathoumphone	10	93	93	51,101	16,807	59%	67	72%	23	52%	550	51	9%	17	860,950,000	83,704	4,924	203,242,103	19%
Sub total	44	359	358	204,610	69,398	60%	236	67%	92	51%	1,971	155	9%	83	4,221,557,883	405,940	4,891	2,695,955,334	20%
Grand Total	188	1,431	1,412	547,399	218,407	71%	849	61%	488	49%	6,786	664	10%	431	32,203,571,787	3,070,894	7,125	8,535,065,241	16%

Khet involved in meetings and trainings

Table 27: Number of community attended meetings and training for cycle II

Activities	Total no. Participants	Women	
		Nos.	%
District Socialization Meeting	112	11	10%
Village Socialization and Village Needs and Prioritize Assessment	548,607 (55%)	-	44%
Training of Khet Facilitators at 4 new district (to help PRF District Facilitator)	183	51	29%
District Decision / Finalization Meetings	1,296	410	31.6%

Khet Level involved in implementation of its own public sub-projects

Villagers who are working with PRF comprise groups of Khet Facilitators, Khet Implementation, Khet Procurement and Khet Maintenance teams. These teams have roles and responsibility as follows:

Table 28: Roles of Khet level involved in PRF process

Teams	No per Khet	Total No	What do they do?
Khet Facilitators	3 / Khet [2 men, 1 woman]	465 M	<ul style="list-style-type: none"> - are volunteers elected by community - do not receive a salary, though PRF provides a small amount to cover expenses (transport, subsistence while away from the village). - receive training on Information Education Communication (IEC) - start to work since Village Socialization activities till Post Implementation
Khet Representative Team	4 / Khet [2 men, 2 women]	656	<ul style="list-style-type: none"> - elected by community - do not receive a salary, but use 2% administration cost from district allocation to cover (transport, subsistence while away from their village) - represent community at District Prioritization Meeting, District Decision Meeting - receive Financial management & Disbursement community Training - financial management (withdraw money from local bank, disbursement, summarize sub-project expenses) - monitor sub-projects (cross khet monitoring) - start to work from Proposal Preparation till Implementation
Khet Procurement Team	5 / Khet * [3 men, 2 women]	816	<ul style="list-style-type: none"> - elected by community - do not receive a salary (same as Khet Rep.) - receive Community Procurement Training - prepare bidding, contract sub-contractors, purchase goods and equipment for sub-project. - start to work from Proposal Preparation till Implementation
Khet Implementation Team	2 / Khet [1 man, 1 woman]	328	<ul style="list-style-type: none"> - elected by community - do not receive a salary (same as Khet Rep.) - receive Technical Assistance aspect Training - work during implementation of sub-project period only
Khet Maintenance Team	2 / Khet [1 man, 1 woman]	329	<ul style="list-style-type: none"> - elected by community - do not receive a salary - receive Maintenance Management Training - start to work during Post Implementation of sub-project

*Some Khets have 6 people because one person is from a village where sub-projects are being implemented so that he / she can help to monitor procurement activities.

Baseline survey

As agreed with the World Bank (WB), the PRF Baseline Survey was much larger than originally expected. It has encompassed 150 villages scattered in a total of 19 districts across 4 provinces – to allow for treatment and control comparisons – and includes information from 3,000 households (HH; 1,500 each for treatment and control). All data collection for the Survey was completed in December 2003. The National Statistics Centre (NSC) has taken a leading role in the Survey alongside PRF, with the WB giving some special technical inputs.

Although PRF had contacted most of the villages in the “treatment area” at the time of the Survey, and planning for some sub-projects was well-advanced in the 3 start-up districts only, no sub-project implementation had been started.

It was agreed when establishing a contract for the Baseline Survey that NSC would handle all data related to the Lao Expenditure and Consumption Survey (LECS; mainly HH level, with some village level data), while PRF would handle the main data from the villages (PRF Village Profile Form) as well as the smaller, special HH Social Survey (PRF Social Survey Form).

In accordance with the data handling arrangements, PRF hired 6 young people on a temporary basis to assist with data entry. PRF’s part of the work was finished by the end of April 2004. NSC has also contracted out most data entry aspects, and expected to complete data entry and checking by the end of May.

Inputs in June 2004 by World Bank consultant provided an opportunity to closely review progress on the PRF baseline survey, a large part of which has been contracted to the National Statistics Center (NSC). During consultant’s assignment it was found that:

- the (PRF-designed) Village Profile and Household Social Survey data appear to be relatively intact, although whole sets of data from a few villages are missing
- the quality of data for both the Village Profile and Household Social Survey appears to be adequate, but data entry mistakes are presumed prevalent
- the quality of the NSC Expenditure and Consumption Survey data appears to be more complete than the previous two data sets, but it’s presentation was still in very rough form and the contracted work was behind schedule.

As planned, the World Bank consultant (Baseline Survey; M&E) came to Laos in late September to follow up on Baseline Survey data analysis and help the 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 in September 2005.

Baseline Survey

- ◆ The National Statistics Center (NSC) was chosen by PRF to carry out the baseline survey for the year 2003
- ◆ Baseline Survey for the year 2003 will be used as a solid monitoring and evaluation system to ensure the future measurement of PRF impact on poverty and welfare, as well as issues related to local governance.
- ◆ A field survey started in Nov.03 – Jan.04
- ◆ Total cost of baseline survey paid to NSC professional fees: US\$45,673
- ◆ In total, 3,000 households have been queried: 1,500 each for treatment and control areas in a total of 19 districts across 4 provinces, namely in Champassak, Savannakhet, Huaphanh, and Phongsaly Provinces
- ◆ The NSC used the survey forms and the methodology already applied to the Lao Expenditure and Consumption Survey (LECS), including:
 - Access to and use of health services
 - Access to and use of education services
 - Access to and use of land and productive assets
 - Economic activities of the households

The result of this survey is basically to provide:

- macro estimate for the region, both private consumption and household investments and income from agriculture business
 - the consumption structure (weighing system) for the Consumer Price Index (CPI)
 - statistics on access to services
 - statistics on poverty and income distribution
 - statistics on nutrition, etc.
- ◆ A copy of Baseline Report is available at PRF office in Vientiane.

Social studies

An external consultant began work on the Social Study in February 2004 and the final version of a draft report was submitted to PRF on 17 May 2004. The draft report indicated that the study had been quite shallow in its analysis and had failed to adequately address the requirements laid out in the Terms of Reference (ToRs). The draft report was discussed with the World Bank that noted its disappointment in the quality of the report prepared. PRF's intention to terminate the contract was thus communicated to the Bank.

Because the Social Study was part of the legal covenant between the Bank and the GOL, PRF sought advice from the Bank on

what to do next. PRF has been advised to go ahead with the post-study workshop as planned and to seek further comments and recommendations from a wide range of stakeholders in order to formulate final recommendations and an action plan that could be submitted to the Bank and the PRF Administrative Board for consideration.

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.

Social Study

- ◆ An external consultant began work on the Social Study in February 2004 and the final version of a draft report was submitted to PRF on 17 May 2004.
- ◆ The draft report indicated that the study had been quite shallow in its analysis and had failed to adequately address the requirements laid out in Terms of Reference (TOR). The draft report was discussed with the World Bank. The Bank noted its disappointment in the quality of the report prepared. PRF's intention to terminate the contract was communicated to the Bank.
- ◆ A Post-study workshop was held on 14 July 2004 attended by representatives from government officials, UNs, NGOs.
- ◆ Total cost of Social study: US\$ 9,483
- ◆ Recommendation from the study may be useful to help PRF refine the design of the project.
- ◆ 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.

Main Recommendations in the Consultant's Draft Report

- Make more use of the Mass Organizations
- Do more to develop new leaders
- Establish cross-province links between Project staff, khet¹⁶ and village teams so they can learn from each other and solve problems together.

Main Workshop Participants' Comments and Recommendations for PRF

- Since the established local authorities are the strongest and most important organizations at the local level, PRF should always work closely with them when implementing PRF activities.

¹⁶ A "khet" is a grouping of villages, at the sub-district level.

The Village Authority is the most important organization at the village level, and the Village Head is the most important person. It was felt by the participants that the role of the khet (or village group) should be considered more.¹⁷

¹⁷ PRF is using the khet level for planning, implementing, funding, communicating, monitoring, etc., apparently with good effect, but not every district uses or recognizes the khet level. According to Table 2 in the Annex 2, the Khet's role is to facilitate/assist the District in village level management. It can be noted that use of the word khet is officially being discouraged; *kum baan* or village group is the term that is preferred where the concept of groups of villages is being used. In some cases where a district does have khets/ *kum baan*, these do not always match with those used by PRF. Whereas the district's groupings may be more general, those used by PRF are more related to geographical and/or ethnic considerations.

- PRF should use existing means, methods and mediators as much as possible.
 - PRF should itself be a key organization to coordinate with other organizations, to facilitate discussion and exchange of ideas, recommendations and experiences for the benefit of other organizations and the Lao people.
 - Working cooperatively with other organizations, PRF can be a force to improve effectiveness of the development effort, to strengthen and preserve the various Lao cultures and to protect the environment, etc. In this regard, it is considered there is a need to make stronger linkages between sustainable income generation activities (IGA) and conservation of natural resources.
 - Existing model organizations include the Mass Organizations and those that protect and foster village culture and social organization and cohesion.
 - PRF staff should gather more information about the various local organizations in order to understand and perhaps work with them.
 - The participants wished it to be understood clearly that the Lao National Front for Reconstruction is not a normal Mass Organization. Unlike the Lao Women's and Lao Youth Unions there is no membership per se at village level, rather people become affiliates of the organization by virtue of their maturity, and the respect and acceptance that they have in their own village.
- concerning cultural and ethnic affairs, establishment and management of savings and revolving fund schemes. It proposed that the LNFC could partner the PRF in making periodic reviews of the PRF CPR Process and in monitoring its effectiveness. Perhaps the first review could be started towards the middle of 2005. This timing would allow further experience and feedback to be gained from the CPR process as it is currently being implemented, and the results of the review would be available for the PRF Mid-term Review, scheduled to take place in October 2005.
- Lao Women's Union (LWU): information and advice concerning women and gender issues, support and advice concerning income generation activities, group formation, establishment and management of savings and revolving fund schemes and marketing of some products.
 - Lao Youth Union (LYU): information and advice concerning young adults and the factors and forces that especially affect their lives, facilitation of efforts to encourage young people to actively engage in development and income generation activities. It is felt that inclusion of young people in environmental protection, training for IGA and the IGA themselves would bring about additional future benefits.

Natural Resource Conservation Organizations:

- Most rural people in Lao PDR are still highly dependent on natural resources for daily living. In order to preserve the environment and maximize income earning potential from non-timber forest products, mass education campaigns are needed. In PRF project areas and perhaps wider afield, PRF plans to assist with dissemination of educational ideas and information (using radio, posters, village-to-village networking, etc), in the hope of having an impact on sustainable use of natural products for village-level income generation.

Proposed, future Plan of Action

Each of the three organizations represented in every village has particular interests and strengths. PRF work can be strengthened and facilitated by maintaining close linkages with each of these organizations. Particular points of linkage are as follow:

- Lao National Front for Reconstruction (LNFC): mediation of local disputes and problems, information and advice

- It can be noted that the PRF already incorporates an environmental assessment in its appraisal of each sub-project. A brief report/ checklist is included in the PRF Sub-project Proposal Form (SPPF) and where necessary during design, operation and maintenance of the sub-projects environmental conservation/ mitigation measures are spelled out.
- It is proposed for some future sub-projects that environmental awareness

and/or protection could be made a precondition for access to funds. Where a village has made special efforts in the area of environmental protection, perhaps this could be acknowledged with a small amount of funding added to the sub-project budget for further environment-safeguarding activities.



Deputy Director of CPI's Department of planning with Lao soung ethnic minorities in Huaphanh



***Bru women living in Savannakhet Province
Bru is one of the main ethnic groups in Laos (Official census of 49 ethnic groups)***



PRF Board, Executive Director and PRF staff talking with villagers benefiting from PRF activities.

Table 29: Summary of World Bank Supervision Mission Findings

January 2004

Strong points:	Weak points:
<ul style="list-style-type: none"> ◆ Financial management of the project was found to be satisfactory overall. ◆ The mission was pleased with the recent changes in the management structure, in particular those in the Operations, Planning and Training Unit. 	<ul style="list-style-type: none"> ◆ Staff turn over continues to be a major problem. ◆ Insufficient counterpart funding allocation and lack of timely disbursement remains a major project implementation constraint. ◆ Head of Administrative and Finance needs to spend time more on financial aspects, particularly as more funds begin to flow to the district level.

April 2004

Strong points:	Weak points:
<ul style="list-style-type: none"> ◆ Sub-projects are being built, many nearing completion, and in many cases people are already benefiting. 	<ul style="list-style-type: none"> ◆ MIS and data analysis should be done to correct the data and rebuild the database.

June 2004 – Technical Issues

Strong points:	Weak points:
<ul style="list-style-type: none"> ◆ The constructions of sub-projects have been performed with due regard to normal construction practices in Lao PDR resulting to good to excellent outputs. 	<ul style="list-style-type: none"> ◆ Some of the problems observed at several sub-projects sites indicate that the PRF will need to improve its construction monitoring activities.

June 2004 – Financial Management, M&E and Technical Issues

Strong points:	Weak points:
<ul style="list-style-type: none"> ◆ PRF had a good progress in meeting objectives and overall implementation. ◆ Construction of sub-projects include bridges, irrigation facilities, water system (both gravity-fed and drilled), schools and road/track improvement have been performed with regard to normal construction practices in Lao PDR and results are found good to excellent. ◆ First presentation of the material and structure of training session of Operation and Maintenance Training for gravity-fed water systems were excellent. ◆ The monitoring and evaluation unit is on the right track. ◆ The mission reviewed financial management of the project and found that it remains satisfactory. 	<ul style="list-style-type: none"> ◆ Designs of some sub-projects were found to be lacking in detail, inaccurate or completely missing. ◆ Some of the problems that have occurred during this last sub-project cycle would have been avoided if the Province TA had been able to more closely monitor sub-project proposals and construction. ◆ Unit Cost Database (UCDB) has not yet been fully developed nor tested to be used in the next cycle. Civil Engineering Support Specialist should work closely with M&E department during the months to further develop and test the standard design and costing system. ◆ The MIS is not yet truly implemented and operational. ◆ Inadequate and delayed counterpart fund contribution remains serious and needs to be addressed.

September to October 2004 – Monitoring and Evaluation

Weak points:	Recommendations:
<ul style="list-style-type: none">◆ MIS system is still not fully functioning, causing discontinued data inflows. Some khet / district level reports remain incomplete.	<ul style="list-style-type: none">◆ Special attention needs to be paid to the timing and accuracy of data. The MIS system needs to be completed and focus placed on regulatory updating and analysis.



Left: Procurement and Financial Management from World Bank, Bangkok (took place in June 04) working closely with PRF on financial issues related to procurement, overall financial management, provincial accounting and sub-project disbursement, counterpart funds, SOE review, staffing plans

Right: Technical Mission took place in June 2004. This mission has investigated a sample of sub-project sites and recommended best practices for several issues for PRF's field operations



Left: Baseline Survey, Monitoring and Evaluation took place between September – October 2004 to assist NSC in the production of the final draft report on Baseline Survey conducted for PRF, to analyze the progress made on the MIS system since the previous visit, and to analyze the accuracy and reliability of current data used to determine the poor/non-poor status of villages. The trip was divided between Vientiane and field visits in Huaphanh

Cooperation with other agencies

Possible types of cooperation between PRF and the Second Education Development Project (SEDP), Handicap International, Belgian Technical Cooperation

1. SUPPORT VILLAGE ACTIVITIES

Every year, the Poverty Reduction Fund sends enumerators to all villages of a target district in order to undertake Village Need Assessments and collect basic information (village profiles). Therefore, any development agency/NGO could take the opportunity of consulting data collected by the PRF so as to

1. Identify more easily its target villages among villages that have requested Education related projects from the PRF Village Needs and Priorities Assessment (VNPA)
2. Screen out villages that could be targeted by a development agency/NGO from the PRF village profiles based on its criteria e.g. ethnicity, remoteness, village size, presence of school in the village, available teacher etc.

The PRF proposes that any development agency/NGO could use these findings after having ascertained that the PRF process meets its requirements. (Examine PRF process through manuals and documentation and send a mission to the field to join PRF team while collecting data)

1. **Join hands so as to propose more comprehensive packages to villagers**

If some villagers request better Education or school for instance, propose a more comprehensive package to the villagers with

components that are supported by PRF and the other development agency/NGO:

school building, latrines, books, furniture, equipment, teachers' training etc.) When PRF or SEDP on their own would only cover some aspects by lack of resources, joined efforts could have greater impact.

2. SHARE EXPERIENCE AND DATA

1. Enhanced coordination of development endeavors

(Avoid overlapping activities / efforts), During district meetings, the GoL, NGOs and other development agencies working locally are invited to share their views and confirm whether the requested village activities are already covered by their respective programs or not.

2. Exchange of designs / techniques

Exchange information about designs using local materials, which are enhancing local knowledge and practices, environmentally friendly, culturally acceptable... Exchange cost estimates and actual costs of local wages, materials, transport etc. so as to better allocate budgets for future constructions.

3. Exchange of lessons learnt _ and best practices

Exchange information about successes and failures, what works and what doesn't, approaches and methodologies, designs of village activities, quality control, users group structures setup etc. Possibilities for villagers to visit and study model projects in their vicinity.

4. Exchange data

Data collected locally include local knowledge (more than 50 staff at grass-root level), village profiles (all villages of a target district), (ii) village needs and priorities, aggregated by gender,

location, ethnicity etc., baseline data (3,000 households interviewed in 19 districts, social study, beneficiary and technical assessments, maps, list of local prices and wages, suppliers, trainers and companies (including blacklist) etc.

3. SHARE RESOURCES

1. Exchange expertise / training materials / trainers

The PRF is developing a range of training material and curriculum, e.g. planning, problem solving, community financial management, construction management, a database of standard small infrastructures designs approved by corresponding line-ministries with up-to-date cost estimates_ However the PRF cannot specialize in all areas and needs to consult more experienced agencies e.g. Education, income generation, village revolving funds, animal banks etc.

2. Mutually provide training opportunities

The PRF can inform NGOs and development agencies working locally about forthcoming training sessions and provide opportunities for staff and/or beneficiaries to attend these sessions if and when deemed of interest. Conversely, NGOs and development agencies working locally could inform and provide opportunities for the PRF staff and/or villagers.

3. Mutually build upon existing resources

Through the PRF process, khet teams are elected and trained i.e. Khet representatives, implementation and maintenance teams, procurement teams, Khet facilitators. These local resources could be of interest for the GoL, NGOs and development agencies working locally.

Development and use of IEC materials

During the year 2004, IEC materials were produced to launch activities for 4 new districts only, while the 10 start-up districts could use materials produced in 2003.

Table 30: Types of IEC materials produced and distributed, 4 new districts

Type of media	No. of new Designs	Distributed to	Approx. of publishing 2003
Flipcharts	0	PRF staff and Khet Facilitators used in meetings	used the old ones
Brochures (updated)	1 bro.	Government officials, Local / International Organization, villagers	2,021 pieces
Posters (print the old ones)	0	Local organization at provincial, district and Khet / village levels	1,663 posters
T-shirts & Caps	2 & 1	Government officials, other related organizations, PRF staff, Khet level	1,030 & 997 each
Jackets	1	Government official at central, provincial and district levels	101 each
Calendars	1	Government official, local organization at national, provincial and district level	193 each
Newsletters	Lao language	Government official, local organization at national, provincial, district and khet levels	607
Plastic folder	1 (with PRF logo)	Government official, local organization at national, provincial, district	4,316

Note books & Ball pens	1 (with PRF logo)	Government officials, PRF staff, Khet Facilitators, Khet Representatives, Khet Team	4,200 & 4,200 each
CD (copy the old one)		Government official, PRF staff to use with villagers	32
Radio		Government Officials, business, farmers, teacher, students, workers, working groups , villagers ...	1 stations

PRF Administrative Board Meetings

The third PRF Administrative Board was held on 26 March 2004. The members of PRF Administrative Board were from Lao Women's Union, Lao Youth Union, Lao National Front for Reconstruction, Civil Service and Bank of Lao PDR. In addition to members of the Board, the meeting was also attended by Provincial Committee for Planning and Investment representatives from Huaphanh, Savannakhet, Champasak, and the Executive Director of PRF, Heads of Unit and PRF Provincial Coordinators. The total number of participants was 15 people.

The meeting was chaired by the Vice President of Administrative Board of PRF. It was conducted for almost three hours to discuss and make recommendations on issues presented and reported by the Executive Director. Board Members made several suggestions regarding: the possibility of adding staff and vehicles in Sepone; calculation/ allocation of the 2% of sub-project budgets for community administration of sub-projects; revision/shortening of the PRF Activity Cycle, tax exemption for construction sub-projects; income generation activities (IGA); PRF signs on/for completed projects; expansion into new districts and provinces; limited access to banking services; and clearance of UXO.

Numbers of staff and vehicles were an issue in Sepone because the 3 existing staffs at district level are not enough to cover the 159 villages in 20 khets in that district. Sepone may be compared with Mounlapamok and Sobbao Districts, which have 10 and 7 Khets respectively.

Review of the PRF Activity Cycle was proposed because there seemed to be too many meetings and some meetings seemed to cover similar content. If possible, revision of the process would reduce the number of meetings, shorten the process and save both time and budget.

Deliberations of the meeting have been proposed to the President of the PRF Administrative Board for final recommendations and decisions.

The fourth PRF Administrative Board Meeting was held on 8-9 October 2004. The meeting was attended by Vice-chair and Standing Member and Members of Administrative Board and some of PRF staff. The issues to discuss in the meeting were brought by PRF at national and provincial team. Board Members made several suggestions and recommendation for PRF team to take action. A brief summary of main issues from the two meetings are listed below:

Recommendations from Meeting, March 2004

- The possibility of adding staff and vehicles in Sepone;
- Calculation/ allocation of the 2% of sub-project budgets for community administration of sub-projects;
- Revision/shortening of the PRF Activity Cycle, tax exemption for construction sub-projects;
- Income generation activities (IGA); PRF signs on/for completed projects;
- Expansion into new districts and provinces;
- Limited access to banking services;
- Clearance of UXO;
- Review of the PRF Activity Cycle was proposed because there seem to be too many meetings and some meetings seem to cover similar content. If possible, revision of the process would reduce the number of meetings, shorten the process and save both time and budget.

Recommendations from Meeting, October 2004

- The meeting suggested preparing the implementation process for Income Generation Activities and to cooperate with other sectors.
- The meeting approved district allocation for 2004-2005, but if possible, allocation for Champasack Province should be reconsidered.
- The meeting agreed with the expansion of PRF into new provinces subjected to PRF approach and National Growth and Poverty Eradication Strategy (NGPES) and suggested PRF to submit the proposal to the Administrative Board. The meeting also agreed with the expansion into Salavan and Xiengkouang Provinces.
- The cooperation of PRF with other projects is progressing. Therefore, it was agreed to expand its activities with others but it must have a prior approval from the Administrative Board.
- The meeting approved the Vision and Mission statements of PRF, if it is based on decree no. 073/PM on establishment of PRF Project.
- Government contribution is a priority, so PRF should coordinate with the concerned sectors to follow up the progresses of payment requests.



PRF Board from National level visiting villagers and sub-projects after completion of Board Meeting session held in Champassak Province

Balance Sheet

as at 31 December 2004

<u>Assets</u>	Project Cummulative 31/12/2004 US\$	Project Cummulative 31/12/2004 KIP
1000 Cash on hand IDA	190.15	1,908,787
1014 Cash on hand Houaphan	93.17	998,723
1016 Cash on hand Champasack	267.12	2,804,571
1018 Cash on hand Savannakhet	292.61	3,053,683
1020 Cash on hand GOL	180.42	1,902,327
1200 Bank BOL \$ A/C Vientiane	655,807.34	7,041,174,104
1202 Cash on hand GOL Savannaket	0.35	1,913
1206 Cash on hand GOL Houaphan	1.34	14,286
1208 Cash on hand GOL Champasack	13.98	146,999
1250 Bank BOL Kip A/C Vientiane	6,079.17	64,579,817
1300 Bank BCEL Kip A/C Houaphan	12,864.35	111,031,478
1305 Bank BCEL US\$ A/C Houaphan	0.00	0
1320 Bank GOL Houaphan	280.84	2,921,312
1350 Bank BCEL Kip A/C Savannakhe	25,053.04	237,446,227
1355 Bank BCEL US\$ A/C Savannakhe	88.12	799,860
1400 Bank BCEL Kip A/C Champasack	5,482.91	50,260,518
1405 Bank BCEL US\$ A/C Champasack	62.86	591,907
1450 Advance general	9,580.26	100,144,312
1470 Advance GOL Vientiane	163.02	1,732,800
1500 Advance Houaphan	26,812.98	285,184,032
1550 Advance Savannakhet	8,130.10	84,615,059
1600 Advance Champasack	11,163.53	117,716,553
1700 Advance GOL Champasack	201.80	2,110,869
1702 Advance GOL Houaphan	564.00	5,898,992
1704 Advance GOL Savannakhet	110.17	1,117,700
	0.00	0
	763,483.63	# 8,118,156,829.00
Project Expenditures:		
Village Sub Project Grants	826,712.84	8,748,518,601
Local Capacity Building	772,299.93	8,151,958,578
National Project Management	966,074.25	10,174,306,488
Total Project Expenditures	2,565,087.02	27,074,783,667
Total Assets	<u>3,328,570.65</u>	<u>35,192,940,496</u>
<u>LIABILITIES AND FUNDS</u>		
4000 Accounts Payable	26,631.00	285,505,889
4050 A/C Payable IDA owed to GOL	64.96	683,969
4070 A/C Payable GOL owed to IDA	0.00	0
4200 Commitment	0.00	0
Total Liabilities	<u>26,695.96</u>	<u>286,189,858</u>
Fund Balance:		
4250 IDA	3,173,799.85	33,557,569,470
4300 GOL	125,883.17	1,325,946,520
4350 Others	2,191.67	23,234,648
Total Funds	<u>3,301,874.69</u>	<u>34,906,750,638</u>
Total Liability & Funds	<u>3,328,570.65</u>	<u>35,192,940,496</u>

Uses of funds by Project Activities

Table 32: Life of Project to Date, For the period ended 31 December 2004

	PROJECT TO DATE (<i>Project Started - 31/12/2004</i>)							
	IN USD							
	Provinces				Total	Plan	Variance (USD)	Variance (%)
	Champasak	Savannakhet	Huaphan	Vientiane				
1) Village Sub Project Grants								
<i>Number of Districts/Villages</i>								
<i>Number of Sub Projects</i>	106	60	82	-	248			
Infrastructure sub-projects	218,753.13	275,311.32	304,509.88	0.00	798,574.33	12,888,708.00	12,090,133.67	94%
Equipment & sub-projects	0.00	3,879.00	1,314.59	0.00	5,193.59	805,544.00	800,350.41	99%
Service sub-projects	8,469.62	122.95	14,352.35	0.00	22,944.92	2,416,633.00	2,393,688.08	99%
Subtotal: Component 1	227,222.75	279,313.27	320,176.82	0.00	826,712.84	16,110,885.00	15,284,172.16	95%
2) Local Capacity Building								
Services	108,100.21	104,622.95	111,330.82	0.00	324,053.98	1,001,860.00	677,806.02	68%
Equipments	22,404.17	25,861.66	19,801.29	0.00	68,067.12	151,205.00	83,137.88	55%
Vehicles	28,696.47	45,849.50	52,356.41	0.00	126,902.38	207,790.00	80,887.62	39%
Operating Costs	64,768.54	78,178.80	57,451.69	0.00	200,399.03	1,250,399.00	1,049,999.97	84%
Civil Works	2,752.33	8,434.78	6,363.38	0.00	17,550.49	65,800.00	48,249.51	73%
Local W/shop, People's Training	4,963.90	13,858.05	16,504.98	0.00	35,326.93	287,800.00	252,473.07	88%
Subtotal: Component 2	231,685.62	276,805.74	263,808.57	0.00	772,299.93	2,964,854.00	2,192,554.07	74%
Services	0.00	0.00	44.40	626,097.41	626,141.81	1,555,078.00	928,936.19	60%
Equipments	0.00	0.00	0.00	61,895.99	61,895.99	74,030.00	12,134.01	16%
Vehicles	0.00	0.00	0.00	39,757.50	39,757.50	39,050.00	(707.50)	-2%
Operating Costs	107.07	72.76	0.00	159,501.28	159,681.11	311,381.00	151,699.89	49%
Civil Works	0.00	0.00	0.00	45,106.36	45,106.36	43,000.00	(2,106.36)	-5%
Training, IEC, Socialization	1,513.81	2,636.36	3,844.37	25,496.94	33,491.48	397,312.00	363,820.52	92%
Subtotal: Component 3	1,620.88	2,709.12	3,888.77	957,855.48	966,074.25	2,419,851.00	1,453,776.75	60%
Total Cost by Project Components	460,529.25	558,828.13	587,874.16	957,855.48	2,565,087.02	21,495,590.00	18,930,502.98	88%

Financial audit PPF until Sep 03

In the PRF Project Agreement, PRF must submit a financial audit report produced by independent auditors acceptable to the association and submit it every year to IDA by the end of March.

The main objectives of the PRF 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 has started 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 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.

Hence, PRF recruited an independent auditing firm (“auditor”) to carry out an audit of the organization in accordance with Terms of Reference (ToRs) acceptable to the World Bank. For the first year audit, PriceWaterHouseCooper was awarded the contract and was 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.

The main findings of the financial audit stated that the accompanying financial statements gave a true and fair view of the financial position of the Project as at 30 September 2003 and of the cash receipts and payments for the period from 18 July 2002 to 30 September 2003. Secondly, adequate supporting documentation had been maintained to support the claims for reimbursement of expenditures incurred out of disbursements from IDA Loan No 3675-LA and the expenditure concerned is eligible for financing under IDA Loan Agreement No 3675-LA.

Revised approach toward Community administration and operation allocation

Up to 2% of sub-project budgets can be allowed for community administration of the sub-projects. During Cycle I, the 2% had been so far been factored into budget calculations for each sub-project during the sub-project proposal preparation stage. Total budgets for the various, individual sub-projects were then confirmed at the District Decision Meeting. However, this system proved not always fair.

For example, a khet near the district centre sub-contracts a large sub-project, e.g. a

\$25,000 school, and can get/use up to \$500 for community administration costs. Although this khet’s administration costs may not be very high, its allowance for administration is much greater than a remote khet that implements a smaller sub-project, say a \$3,000 school renovation. The remote khet is presently allowed only \$60 but may face equal or far greater administration costs. - The problem is that the difficulty and cost of administering a sub-project does not depend only on the total budget of the sub-project.

Lessons learned

A different approach was needed whereby up to 2% of the annual district budget can be divided up among all sub-projects/khets in a fair and systematic manner that everyone will understand and approve. Also, the 2% is a ceiling and the communities are (and must be continually) encouraged to save as much as possible from that amount. Present thinking is that the Khet Representatives should be consulted at the District Decision Meetings to let them help decide how to allocate all or part of this budget among the various khets implementing sub-projects.

Criteria to be taken into account for allocation of the community administration allowance include: distance to the district centre or nearest bank; sub-project size or budget, sub-project type or difficulty or time to implement; procurement process (the community itself implements versus sub-contracts to a third party); the number of villages/ village activities included in the sub-project; and the number of sub-

projects in a khet. In regard to the last criterion, since the Khet Representatives oversee implementation and management of all the sub-projects in their Khet, it might be possible to reduce admin. costs at the Khet level when more than one sub-project is administered by the same Khet. Having said this, in some circumstances, an allowance might also need to be added for Village level administration of the sub-projects.

Questions concerning the 2% are obviously complex, and a new system was clearly required. At the PRF Administrative Board Meeting on 26 March 2004, the meeting suggested treating 2% of each total district budget as a separate sum and then dividing that amount between each Khet/ sub-project based on its geographical area/location, etc. This approach (using the criteria outlined above) has been tested at the District Decision Meeting in Vilabury District, with community representatives being fully involved in the decision making process. During the second Cycle, that approach has been widely used for the satisfaction of all.

Table 33: Revised method for allocation of administration allowances to Khets

Revised Method for allocation of administration allowances to khets

District budget	960,000,000	Total admin 2%	19,200,000
		Remaining	940,800,000

Khet names	(A) Total PRF contribution /khet without Administration allowance	DISTANCE TO BANK CRITERIA			SUB-PROJECT SIZE/DIFFICULTY CRITERIA			SUB-PROJECT COMPLEXITY/DIFFICULTY CRITERIA			SUB-PROJECT IMPLEMENTATION METHOD CRITERIA		(B) Total score	(C) =(Total Admin 2%) X (B) / (Total score)	(D) = 100 X (C) /(A)	(E) = (C) + (A)
		Near =1	Average = 2	Far = 3	Less than 50,000,000 =1	Between 50,000,000 and 100,000,000 = 2	More than 100,000,000 = 3	one village only=1	Between 2 and 5 villages = 2	More than 5 villages = 3	Small works=2	Community Force Account= 6				
Khet 1	70,344,439	1			2		1			2		6	1,019,469	1.45%	71,363,908	
Khet 2	123,043,568		2					2			6	13	2,208,850	1.80%	125,252,418	
Khet 3	82,440,882		2					2		2		8	1,359,292	1.65%	83,800,174	
Khet 4	84,956,982		2				1				6	11	1,869,027	2.20%	86,826,009	
Khet 5	91,992,000		2					2		2		8	1,359,292	1.48%	93,351,292	
Khet 6	113,324,000			3					3		6	15	2,548,673	2.25%	115,872,673	
Khet 7	97,400,000			3		2	1				6	12	2,038,938	2.09%	99,438,938	
Khet 8	29,400,000			3	1			2		2		8	1,359,292	4.62%	30,759,292	
Khet 9	53,378,129		2			2		2			6	12	2,038,938	3.82%	55,417,067	
Khet 10	95,520,000	1				2					6	12	2,038,938	2.13%	97,558,938	
Khet 11	99,000,000			3		2	1			2		8	1,359,292	1.37%	100,359,292	
TOTAL	940,800,000											113	19,200,000		960,000,000	

Rationale	Criteria 1:	A Khet that is located far from the district center and therefore the bank and PRF should receive more admin budget than a nearby khet
	Criteria 2:	A Khet that is responsible for implementing large sub-projects (large budget) should receive more admin budget than a khet that implements smaller scale activities
	Criteria 3:	A Khet that is responsible for implementing sub-projects in many villages should receive more admin budget than a khet that implements activities in a single village
	Criteria 4:	A Khet that is responsible for implementing sub-projects on its own (community force account) should receive more admin budget than a khet that sub-contracts all activities to a contractor (Small Works)

Amendment of PRF Credit Agreement – New training category

Towards the end of 2003, the PRF Project Management Team acknowledged that two specific activities namely the financing of Information, Education and Communication (IEC) materials/Media and PRF Socialization meetings/ PRF process were not specifically mentioned in the existing budget framework but were nevertheless clearly linked to the whole area of preparing/ educating/ equipping/ training people to participate in the PRF project.

Discussions with IDA lead the PRF PMT to request the Association to reallocate the proceeds of the Credit and to amend the Agreement to include a new category of expenditures for training and to revise the disbursement percentages for consultant services in order to finance 100% of expenditures for not for profit organizations.

On March 18, 2004, IDA notified PRF that the Association concurred with PRF

request and agreed to amend the Agreement to allow for an additional category of expenditures for training to be financed from the proceeds of the Credit (100% IDA financed) and to reallocate the proceeds of the Credit as follows:

(a) Under the Credit, the amounts of:

(i) SDR 150,000	Category 1: Sub-grants
(ii) SDR 196,000	Category 2

(b) Other Consultants' Services

(iii) SDR 480,000	Category 6: Refunding the Project Preparation Advance, are reallocated
(i) SDR 133,000	Category 6: Goods
(ii) SDR 48,000	Category 4: Works
(iii) SDR 135,000	Category 5: Incremental Operating Costs
(iv) SDR 510,000	New Category: Training

Sub-project financial management system

PRF has developed a revised sub-project financial management system, which is much more comprehensive than before. The system can incorporate direct payments from PRF, can carry forward

unspent left over funds to the next cycle sub-projects.

Early 2005, the system will be tested before being finalized and implemented in all PRF provinces.

Counterpart funding

For the fiscal year 2003-2004, October 1st 2003 until September 30th 2004, the PRF Administrative Board and the CPI approved a counterpart contribution of 520,000,000 kip. This amount represented approximately the three fourth of the amount requested by the PRF: 695,582,000 kip.

bank account as follow: 1st Quarter: 20%, 2nd Quarter 25%, 3rd Quarter 30%, and 4th Quarter 25%.

Government of Lao PRF (GOL) contribution funds were planned to be transferred by quarter to the PRF's GOL

Table 34: Details of the fund transfer to PRF's GOL bank account 2003-2004

	2004	
	Kip	GOL
	(Kip)	(USD)
Opening balance	15,740,573	
Receive		
1. Year one, from 01.10.2003 – 17.9.2004		
1.1. Total receive as direct from GOL	207,000,000	19624.57
GOL 2003-2004 Quarter I: on 14.1.04	75,000,000	
GOL 2003-2004 Quarter II: on 13.5.04	50,000,000	
GOL 2003-2004 Quarter III: on 24.5.04	50,000,000	
GOL 2003-2004 Quarter IV: on 9.9.04	32,000,000	
1.2. Staff salary tax payment (Tax > 12%)	69,288,716	6,568.90
1.3. Counter balancing / Offsetting GOL to PRF	350,813,509	33,369.50
1.4. Others	9,064,470	859.35
Total Receive	636,166,695	60,422.32

However, the amount of 207,000,000 kip has been received as direct GOL cash contribution. of the amount requested by the PRF: 695,582,000 kip. The balance 488,582,000 kip has been made available to 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,

For the fiscal year 2004-2005, October 1st 2004 until September 30th 2005, the PRF Administrative Board and the CPI approved a counterpart contribution of 600,000,000 kip. That amount represented approximately three fourth of the amount requested by the PRF: 834,000,000

Annex 1: List of 72 and 47 poorest districts in Lao PDR

Poverty rk	Provinces	Poverty incid. LECS3	Poor Districts (72/47)		
			Name	Rk 72	Rk 47
1	Saravane	49.1			
			Ta Ouy	58	38
			Toum Lan	59	
			Samuoi	60	39
2	Huaphanh	48.9			
			Xieng Khor	23	19
			Viengthong	24	20
			Viengxay	25	21
			Huamuang	26	22
			Xamtai	27	23
			Sop Bao	28	
			Add	29	
3	Phongsaly	46.6			
			Mai	2	
			Khua	3	
			Yot Ou	4	2
			Sumphan	5	3
4	Oudomxay	42.5			
			Laa	9	
			Mor	10	7
			Nga	11	8
			Baeng	12	9
			Houn	13	10
			Pak Baeng	14	11
5	Attapeu	41.5	Attapeu		
			Saysetha	67	
			Sansay	68	44
			Phouvong	69	45
6	Savannakhet	40.2			
			Phin	51	34
			Xepon	52	35
			Nong	53	36
			Thapangthong	54	
			Xonbouly	55	
			Vilabouly	56	37
			Thaphalanxay	57	
7	Xiengkhouang	39.7			
			Paek	35	26
			Kham	36	27
			Nonghaed	37	
			Khoun	38	
8	Sekong	39.2			
			Ka Lerm	61	40
			Duk Jerng	62	41

Poverty rk	Provinces	Poverty incid. LECS3	Poor Districts (72/47)		
			Name	Rk 72	Rk 47
9	Luangprabang	36.4			
			Pak Seng	19	15
			Phonsay	20	16
			Viengkham	21	17
			Phou Khoun	22	18
10	Khammouane	33.2			
			Mahasay	46	
			Yommalat	47	
			Bualapha	48	32
			Xaybuathong	49	
			Nakay	45	33
11	Saysomboun	29.9			
			Saysomboun	70	46
			Thathom	71	47
			Phoun	72	
12	Bolikhamxay	27.8			
			Borlikhan	43	29
			Khamkert	44	30
			Viengthong	45	31
13	Vientiane Province	26.2			
			Fuang	39	
			Maet	40	
			Hom	41	28
			Longsan	42	
14	Xayaboury	24.8			
			Sayabouly	30	24
			Khop	31	
			Hongsa	32	
			Ngern	33	
			Xienghon	34	25
15	Bokeo	21.3			
			Merng	15	12
			Pha Ou Dom	16	13
			Pak Tha	17	
			Num Yuu	18	14
16	Luangnamtha	20.8	Luangnamtha		
			Long	6	4
			Viengphoukha	7	5
			Na Lae	8	6
17	Vientiane Capital	19.2			
			Sangthong	1	1
18	Champasack	18.0			
			Ba Jieng	63	42
			Pathoumphone	64	
			Su Ku Maa	65	43
			Mounlapamok	66	

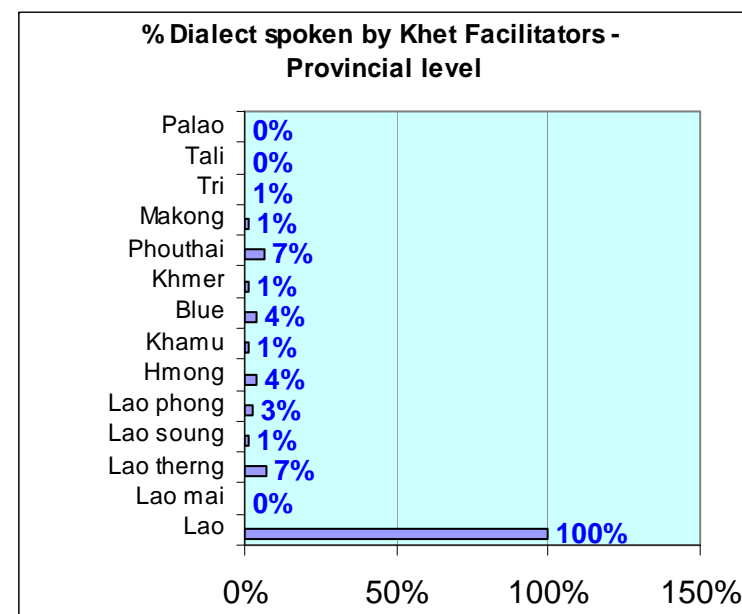
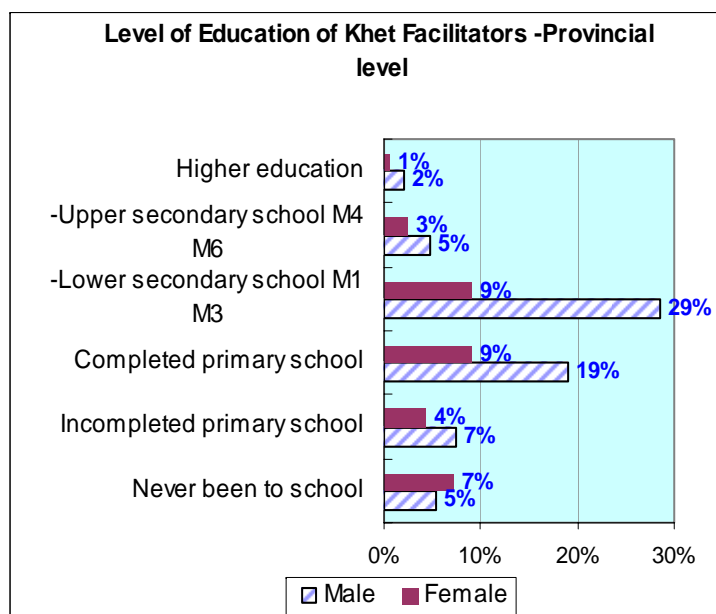
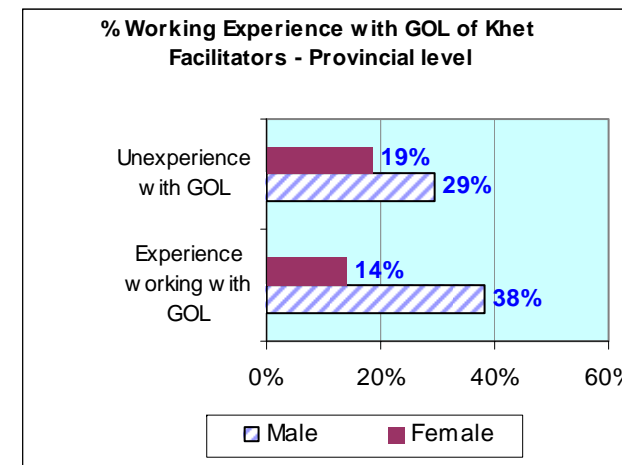
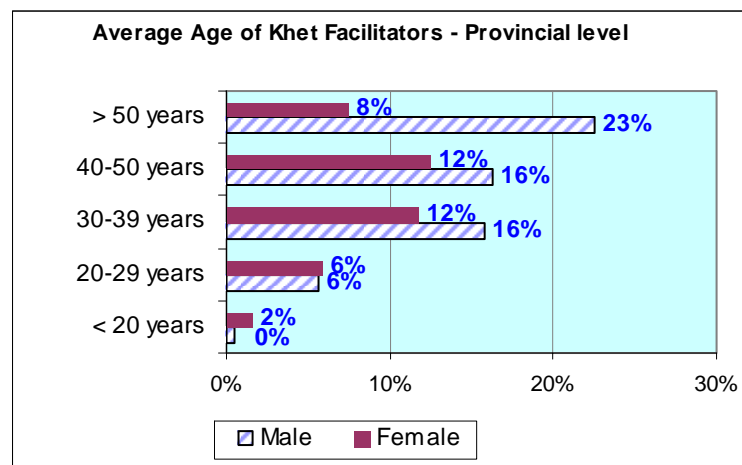
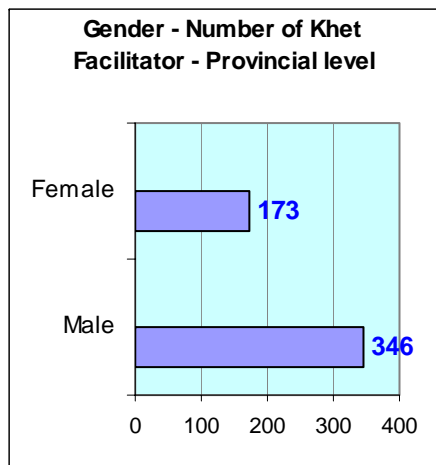
Annex 2

Ethnic composition of Savannakhet PRF districts and khet facilitator's ethnicity

Ethnic groups	Villages		Family		Total Population	Female	Khet facilitators	
	Number	%	Number	%			Number	%
Bru katang	5	1%	119	1%	375	194		0%
Bru makong	116	30%	4,353	29%	15,537	8,331	16	16%
Brutri	119	31%	3,372	23%	3,137	1,583	13	13%
Cha thor	1	0%	15	0%	100	60		0%
Ka do	1	0%	36	0%	-	-		0%
Ka nai	1	0%	10	0%	64	31		0%
Ka tou	3	1%	33	0%	192	112		0%
Lao	24	6%	1,717	12%	3,445	1,679	3	3%
Lavy	2	1%	78	1%	-	-		0%
Mou ser	1	0%	23	0%	130	70		0%
Pho Thai	84	22%	4,318	29%	15,647	7,912	43	43%
Phou li	1	0%	4	0%	4	3		0%
Sa pouan	1	0%	-	0%	-	-		0%
Taoey	19	5%	620	4%	2,803	1,383	6	6%
Trouy	1	0%	2	0%	10	5	3	3%
Vietnam	1	0%	1	0%	-	-		0%
Youan	1	0%	10	0%	-	-		0%
Yrou kong	4	1%	203	1%	413	250		0%
Lao teung							15	15%
TOTAL	385	100%	14,914	100%	41,857	21,613	99	100%

Ethnic composition of Champassak PRF districts and khet facilitator's ethnicity

Ethnic groups	Villages		Family		Total Population	Female	Khet facilitators	
	Number	%	Number	%			Number	%
Alak	1	0%	23	0%	70	42		0%
Bru katang	1	0%	11	0%	30	13		0%
Kom, Khmae	13	5%	567	3%	145		6	5%
Lamat	2	1%	7	0%	25	12		0%
Lao	198	80%	18,000	92%	85,202	3,783	118	95%
Lavae, Louyve	2	1%	70	0%	344	180		0%
Lavain, Su or Ku	2	1%	2	0%	19	9		0%
Lavy	3	1%	40	0%	194	103		0%
Mong der	1	0%	1	0%	2	1		0%
Ngae	3	1%	97	0%	544	289		0%
Pa keo	1	0%	23	0%	87	62		0%
Pouan	1	0%	-	0%	-	-		0%
Sok	2	1%	18	0%	88	33		0%
Souy	8	3%	599	3%	3,332	1,699		0%
Taoey	10	4%	200	1%	1,188	668		0%
Palao	-	0%	-	0%	-	-	1	1%
	248	100%	19,658	100%	91,270	46,959	124	100%



Annex 3: Ideas for sub-project improvements

Sub Project Type / Items Eligible	Possible ideas for sub-project improvements with remaining funds		Item Not Eligible
	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/sea ling
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

Province/ District/ no. of villages	Type (and target numbers) of sub-projects / activities	No of units	No. of villages benefiting		No. of sub-projects		% of work progress as of December 2004	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
			Plan	Actual	Moni for	Actual						
Huaphanh Province												
Sobbao	Gravity fed water systems	13 units	14	14	13	13	100%	13	120,850.00	114,391.64	1,202,942,494	95%
	Rural road upgrade	15,5 km	8	8	2	2	100%	2				
	School (Teaching) material	3 sets	3	3	3	3	100%	3				
	Irrigation rehabilitation	1	1	1	1	1	100%	1				
	Irrigation channel	1	6	6	1	1	100%	1				
	Concrete bridge construction	30 m	4	4	1	1	100%	1				
	Sub-total			36	36	21	21					
Percentage of sub-projects completed in the district of: Sobbao								100.0%				
Add	Gravity fed water systems	12 units	12	12	12	12	100%, pending Maintenance Mangement Training	12	113,475.00	104,544.51	1,099,390,078	92%
	Rural road upgrade	10; 7; 3; 40; 5 km	33	33	5	5	85%, constuction work is carried on	3				
	Irrigation rehabilitation		1	1	1	1	100%, pending Maintenance Mangement Training	1				
	Irrigation system		12	12	8	8	100%, pending Maintenance Mangement Training	8				
	School (Teaching) materials	7 sets	33	33	7	7	100%, pending Maintenance Mangement Training	7				
	Sub-total			91	91	33	33					
Percentage of sub-projects completed in the district of: Add								93.9%				
Xiengkhor	Gravity fed water systems	19 units	19	19	16	19	100%	16	110,850.00	102,870.73	1,081,788,623	93%
	Hand dug well	1 unit	1	1	1	1	100%	1				
	Rural road upgrade	3 km; 6 km; 6 km	8	8	3	3	100%	3				
	Irrigation rehabilitation		6	6	2	2	100%	2				
	School (Teaching) material		8	8	2	2	100%	2				
	Medicine box & training 1 nurse		4	4	1	1	100%	1				
	Sub-total			46	46	25	28					
Percentage of sub-projects completed in the district of: Xiengkhor								89.3%				
Huaphanh Province total			173	173	79	82		77	345,175	321,806.88	3,384,121,195	93%
Percentage of sub-projects completed in: Huaphanh Province								93.9%				
Savannakhet Province												
Sepone	Gravity fed water system	4 units	4	4	1	1	100%	1	179,010.00	104,267.17	1,096,473,522	58%
	Rural road upgrade	8.5 km	15	15	2	2	65%, the contractor is preparing the work	1				
	Bridge	4 m	8	8	1	1	Looking for a contractor and will continue in cycle II					
	Road + Bridge up-grade	7 km	5	5	1	1	65%, the contractor is preparing the work					
	Dormitory for dispensary / Stipen for nurse	1 site	9	9	1	1	Finished domomitoru ctruction, but still looking for a nurse	1				
	Solar system for dispensery	1 site	1	1	1	1	100%	1				
	Hand dug well construction	49 units	29	29	8	8	70%, problem with digging, will use big machine to dig	2				
	Drilled well construction	42 units	30	30	8	8	34%, problem with digging, will use big machine to dig	2				
	School	5 sites	5	5	5	5	100%	5				
	Teacher upgrading	5 pax	4	4	1	1	100%	1				
	Weaving training	8 pax, 2 courses	2	2	1	1	100%	1				
Sub-total			112	112	30	30		15				
Percentage of sub-projects completed in the district of: Sepone								50.0%				
Nong	Rural road upgrade	58 km	25	25	8	8	80%, drainage work is carried on	4	92,011.00	78,715.73	830,136,072	86%
	Primary School construction	3 sites	3	3	3	3	100%	3				
	Sub-total			28	28	11	11					
Percentage of sub-projects completed in the district of: Nong								63.6%				
Vilabury	Hand dug well construction	13 units	9	9	2	2	70%	1	108,808.00	68,436.48	719,677,977	63%
	Drilled well construction	5 units	9	9	1	1	20%, problem with digging and the contractor can not delivery bigger machine crossing river					
	Rural road upgrade	43.45 km	27	27	7	7	85%, some has problems with rainy season; but one in Khet na hoy is carried on work	5				
	Suspension bridge survey & design	70 m	4	4	1	1	Finishe survey work, other work is delayed until Cycle II					
	Dispensary	1 site	9	9	1	1	90%	1				
	Primary school	4 sites	5	5	4	4	100%	4				
	Weir	1 site	1	1	1	1	100%	1				
	Teacher upgrading training	3 courses	3	3	1	1	Change to Teacher Stipend. Contract is valid for 2 yrs (04-05), year 3 will transfer to GOL	1				
	Nursery training	1 course	1	1	1	1	Looking for a nurse who is qualified and accepted by District Health.					
	Sub-total			68	68	19	19					
Percentage of sub-projects completed in the district of: Vilabury								68.4%				
Savannakhet Province total			208	208	60	60		35	379,829.00	251,419.37	2,646,287,571	66%
Percentage of sub-projects completed in: Savannakhet Province								58.3%				

Province/ District/ no. of villages	Type (and target numbers) of sub-projects / activities	No of units	No. of villages benefiting		No. of sub-projects		% of work progress as of December 2004	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
			Plan	Actual	Moni tor	Actual						
Champassack Province												
Mounlapamok	Drilled well construction	39 units	24	24	7	7	Sub contractor already digged soil in June 04, but not yet installed pump, 75%		67,914.00	44,894.84	473,460,989	66%
	Drilled well rehabilitation	22 units	5	5	1	1	Can not repair it during rainy season, 25%					
	Rural road upgrade	18 km	8	8	1	1	100%	1				
	Bridge upgrades	128 m	4	4	4	4	100%	4				
	School construction	1 school	1	1	1	1	100%	1				
	School renovation	13 schools	13	13	13	13	100%	13				
	School (Teaching) material	4 sets	4	4	1	1	100%	1				
	Medical equipment	1 set	1	1	1	1	Procurement process launched by national office , 75%					
Sub-total		60	60	29	29		20					
Percentage of sub-projects completed in the district of: Mounlapamok								69.0%				
Pathoumphone	Drilled well construction	34 units	33	32	8	7	Sub contractor already digged soil in some Khet, but not yet install pump, 60%	1	83,939.00	53,771.56	567,074,905	64%
	Rural road upgrade	19 km	2	2	1	1	100%	1				
	Irrigation channel	3 sites	2	2	1	1	100%	1				
	Irrigation gateway	3 sites	1	1	1	1	100%	1				
	Irrigation rehabilitation	1 site	1	1	1	1	100%	1				
	Irrigation system (replaced with Training)	6 sites	6	6	1	1	100%	1				
	School renovation	2 schools	2	2	2	2	100%	2				
	Primary school	1 school	1	1	1	1	100%	1				
	Secondary school	2 schools	5	5	2	2	100%	2				
	Cropping & Animal raising Training	6 courses	59	59	6	6	100%	6				
Sub-total		112	111	24	23		17					
Percentage of sub-projects completed in the district of: Pathoumphone								73.9%				
Sukuma	Drilled well construction	84 units	42	42	9	9	sub-contractor already digged the soil some in Nov & Dec 04, but not yet install pump, 75%		90,874.00	60,758.37	638,934,999	67%
	Wooden Bridge	20 m	5	5	1	1	Delay coz of high community contribution and rainy season, 90%					
	School construction	8 schools	8	8	8	8	100%	8				
	School renovation	3 schools	3	3	3	3	100%	3				
	Rice bank store-room	1 store (35 T capa.)	7	7	1	1	100%	1				
Sub-total		65	65	22	22		12					
Percentage of sub-projects completed in the district of: Sukuma								54.5%				
Khong	Drilled well	48 units	49	49	9	9	Some Khet could not find sub contractors, some Khet already digged but not yet install pump, 15%		102,200.00	67,133.97	705,980,861	66%
	Schools	15 schools	15	15	15	15	100%	15				
	Culvert	5 km	1	1	1	1	100%	1				
	Poultry raising training	3 courses	15	15	3	3	100%	3				
	Mushroom planting training	1 course	3	3	1	1	100%	1				
	Medicine Box	3 sets	3	3	3	3	100%	3				
	Sub-total		86	86	32	32		23				
Percentage of sub-projects completed in the district of: Khong								71.9%				
Champassak Province total			323	322	107	106		72	344,927.00	226,558.74	2,385,451,754	66%
Percentage of sub-projects completed in: Champassack Province								67.9%				
Grand Total:			704	703	246	248		184	1,069,931.00	799,785.00	8,415,860,520	75%
Percentage of sub-projects completed in all PRF target areas								74.2%				

Total of sub-projects completed :	184	74%
Total of sub-projects > 50% :	47	19%
Total of sub-project < 50% :	17	7%
Grand Total:	248	

: Drilled wells in Sepone and Khong is having a prolem with digging - soild is hard and machine is small. Drilled in Moonlapamok is being repaired.

Procurement Report 2004

Description	Distribution / location										Grand total spent in 2004
	Total	Vientiane		Huaphanh		Savannakhet		Champasack		Grand total contract	
	Qty	qty	price	qty	price	qty	price	qty	price		
Procurement 2003 with remaining payment in year 2004											
Civil Works (CW)	Total	Vientiane		Huaphanh		Savannakhet		Champasack			
Pakse	1							1	2738.4	2,738.40	273.84
Vientiane Re-roofing	1		1318							1,318.00	1,315.20
Samneua	1				4173					4,173.00	3,755.70
SubTotal for Civil Work	3	0	1318	0	4173	0	0	1	2738.4	8,229.40	5,344.74
	Total	Vientiane		Huaphanh		Savannakhet		Champasack			
Table	21			3	86.95	6	202.98	12	347.96	637.89	637.89
Chair	68			9	52.17	8	46.39	51	147.88	246.44	246.44
Cupboard	11			2	80.19	4	231.97	5	169.15	481.31	481.31
Bookshelf	0									-	-
Semi bookshelf	0									-	-
Drinking Water tap/unit	0									-	-
Computer Table	2			1	33.81			1	38.66	72.47	72.47
Printer and Copier Table	3							3	101.49	101.49	101.49
Meeting table	10			2	48.3	2	96.66	6	231.97	376.93	376.93
Filling Cabinet	1					1	117.35			117.35	117.35
<i>Sub total for Furniture</i>	116	0	0	17	301.42	21	695.35	78	1037.11	2,033.88	2,033.88
External Services											
NSC baseline survey			13701.9							13,701.90	13,701.90
	Total	Vientiane		Huaphanh		Savannakhet		Champasack			
Computer	7	4	5020	1	1255	1	1255	1	1255	8,785.00	8,785.00
Total procurement of 2003 with remaining payment of the year 2004										32,750.18	29,865.52
Procurement 2004											
	Total	Vientiane		Huaphanh		Savannakhet		Champasack			
Ford Pick up	2			1	18685	1	17100			35,785.00	35,685.00
<i>Sub total for Pick up</i>										35,785.00	35,685.00
	Total	Vientiane		Huaphanh		Savannakhet		Champasack			
Motorbikes Off-Road (Samsing)	15			9	980	5	980	1	980	14,700.00	14,600.00
<i>Sub total for Motorbike Off Road</i>										14,700.00	14,600.00
	Total	Vientiane		Huaphanh		Savannakhet		Champasack			
Telephone Installation	1			1	96.62					96.62	96.62
Telephone Installation	1					1	101.85			101.85	101.85
Telephone Installation	1							1	85.1	85.10	85.10
<i>Sub total for Telephone Installation</i>										283.57	283.57

Furniture	Total	Vientiane		Huaphanh		Savannakhet		Champasack			
Table				30	1376.27	4	203.47	1	37.12	1,616.86	1,616.86
Chair				49	349.72	12	62.78			412.50	412.50
Cupboard				9	413.78	2	96.89	1	37.12	547.79	547.79
Bookshelf				5	245.97	1	24.22			270.19	270.19
Semi bookshelf				0	0					-	-
Drinking Water tap/unit				0	0					-	-
Computer Table				13	533.77					533.77	533.77
Printer and Copier Table				3	77.03					77.03	77.03
Meeting table				7	211.79	1	38.76			250.55	250.55
Filling Cabinet				1	167.86					167.86	167.86
<i>Sub total for Furniture</i>	0	0	0	117	3376.19	20	426.12	2	74.24	3,876.55	3,876.55
National Shopping	Total	Vientiane		Huaphanh		Savannakhet		Champasack			
PC Desktop	6	2	1274	3	1911	1	637			3,822.00	3,822.00
UPS	6	2	130	3	195	1	65			390.00	390.00
<i>Sub total</i>	12	4	1404	6	2106	2	702	0	0	4,212.00	4,212.00
National Shopping (Computers)	Total	Vientiane		Huaphanh		Savannakhet		Champasack			
PC Desktop 17" Monitor	1	1	725							725.00	725.00
PC Desktop-compatible 15" Monitor	9			7	685	2	685			6,165.00	6165.00
Laptop	4	1	1150	1	1150	1	1150	1	1150	4,600.00	4600.00
Desktop Monitor	2	2	120							240.00	240.00
UPS 750 VA	10	1	62	7	62	2	62			620.00	620.00
Laser printer A 4	4			3	240	1	240			960.00	960.00
External hardrive	7	4	165	1	165	1	165	1	165	1,155.00	1155.00
Handy drive (thumb flash drive)	7	2	60	4	38	1	38			310.00	310.00
External CD- RW writer	4	1	85	1	85	1	85	1	85	340.00	340.00
Memory stick for digital camera	1					1	55			55.00	55.00
Memory stick reader/writer	1	1	40							40.00	40.00
IT Tool set	1	1	205							205.00	205.00
Power generator	2			2	117.8					235.60	235,61
Digital Camera	1					1	420			420.00	420.00
Hub 8 ports	3			1	45	1	45	1	45	135.00	135.00
Calculator	10			3	36.507	3	36.507	4	36.507	365.07	365.07
UPT+16RJ-45 Port	1	1	95.00							95.00	95.00
<i>Sub total for goods</i>	68	15	2,707.00	30	2624.307	15	2981.507	8	1481.507	16,665.67	16665.68
External Services	Total	Vientiane		Huaphanh		Savannakhet		Champasack			
Gender Training	2	1	680.00					1	680	1,360.00	1,360.00
Gender Training	2			1	480	1	480			960.00	960.00
Data Entry Services	1	1	1,274.29							1,274.29	1,274.29
Accounting Consultant	1	1	1,206.80							1,206.80	1,206.80
Social Study	1	1	9,438.00							9,438.00	9,438.00
Financial Audit	1	1	7,195.07							7,195.07	7,195.07
<i>Sub total for External Consultant</i>	8	5	19,794.16	1	480	1	480	1	680	21,434.16	21,434.16
Total procurement of the year 2004										96,956.95	96,756.96
of the year 2004										129,707.13	126,622.48

Annex 6

District at a glance

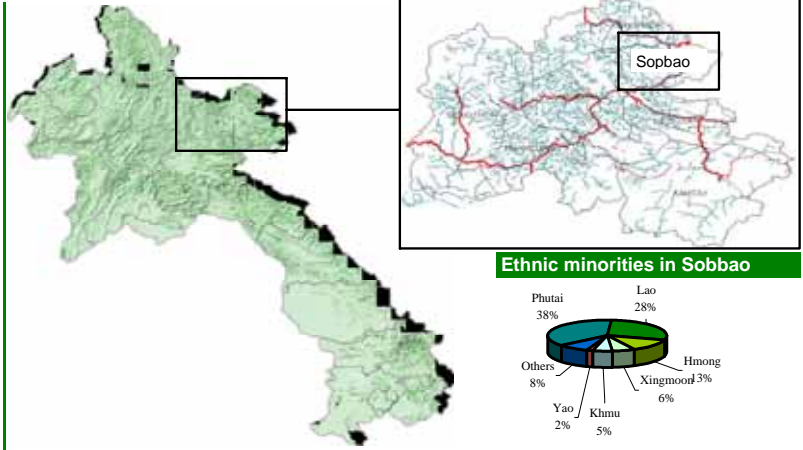
Graph showing progress of PRF activities in each of the 14 districts

Progress activity of Sobbao District, as end of 2004

General Information

Huaphanh Province:	Total	Women
Population of Province (NSC; year 2003):	303,700	152,700
Total Number of districts:	8	
<i>Xiengkho, Add, Sobbao, Viengxay, Viengthong, Xamtay, Heuameuang, Xamneua</i>		
Total Number of districts covered by PRF:	6	
<i>Xiengkho, Add, Sobbao, Viengxay, Xamtay, Heuameuang</i>		
Sobbao District:	Total	Women
District Population (VNPA, PRF: 2004)	25,195	12,647
Total Number of Khets:	7	
Total Number of Villages:	70	
Total Number of "Poor" Villages*:	65	
% of villages without access to health services	5%	
% of villages without safe water supply	88%	
% of villages without road	32%	
% 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 & Sobbao

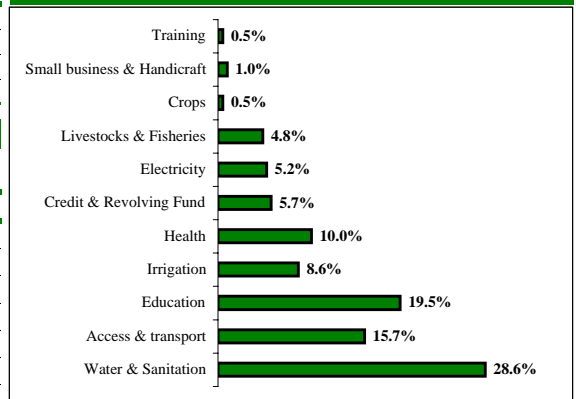


Initially requested village needs

Results after Village Needs and priorities Assessment(VNPA) and Prioritization

Description	Total	%
Number of Village Needs (activities) expressed by villagers by 3 priorities	210	-
Number of Village Needs (activities) expressed by women by 3 priorities	8	4%
Number of Village Needs (activities) expressed by men by 3 priorities	12	6%
Village Needs after consolidation at Khet level (Khet Priorities)	44	-

Analysis of requested village needs by sector



Selected / approved sub-projects for the period 2004-2005 - Cycle II

Results after sub-project appraisal and District Decision Meeting

Description	Total	Kip	US\$
PRF Sobbao budget allocation 2004-2005	2,331,000,000		222,000
PRF Contribution to sub-project implementation	2,328,980,851		221,808
Village Contribution (cash / kind) to project implementation	1,369,906,598		130,467
Total Cost for Sub-Projects:	3,698,887,449		352,275
% of village contribution compared to total cost for sub-projects	37%		-
Average PRF contribution per Sub-project	72,780,652		6,931
Average PRF contribution per participating village	54,162,345		5,158
Number of Villages benefiting from 2004-2005 funding round	43		-
Number of Poor Villages benefiting from 2004-2005 funding round	37		-
Number and percentage of beneficiaries in 2004-2005 funding round	19,107		76%
Number and percentage of Khets benefiting from 2004-2005 funding round	7		-
Number of Sub-Projects to be implemented in 2004-2005 funding round	32		-
Percentage of selected sub-projects proposed by women			0%
Average Number of Sub-projects / Khet	5		-
Average Number of Village activities / Khet	6		-
Sub-project budget allocation per sector	Allocation (Kip)	Percentage %	
Water & Sanitation	536,557,559	23.0%	
Access/ Transport	761,261,275	32.7%	
Irrigation	116,387,532	5.0%	
Education	640,842,095	27.5%	
Training	100,000,000	4.3%	
Health	153,932,390	6.6%	
Credit & Revolvingfund	20,000,000	0.9%	
Total:	2,328,980,851	100%	

Analysis of selected PRF sub-projects by sector

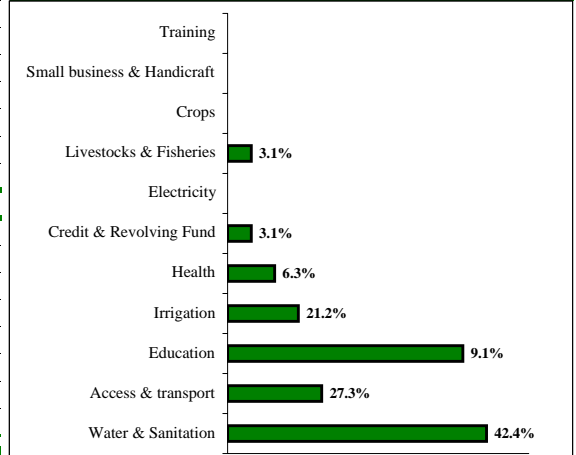
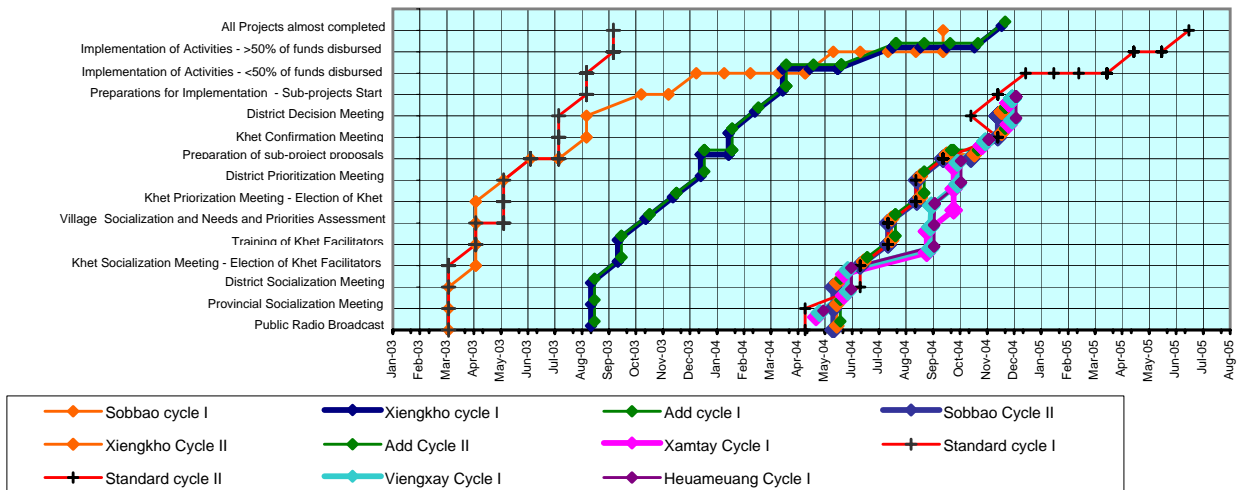


Chart of progress for activities of 2003-2004 and 2004-2005



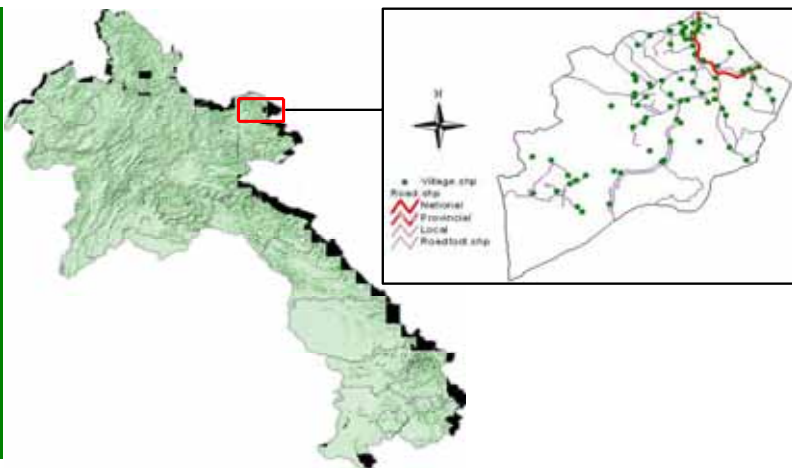
Exchange Rate: approx. 1 US\$ = 10,500 Kip, rate used at the day of District Decision Meeting
 * Poverty indicators and "poor" villages are defined by the Prime Minister's Instruction No. 010/PM and the National Statistic Centre.

Progress activity of Add District, as end of 2004

General Information

Huaphanh Province:	Total	Women
Population of Province (NSC; year 2002):	303,700	152,700
Total Number of districts:	8	
<i>Xiengkho, Add, Sobbao, Viengxay, Viengthong, Xamtay, Heuameuang, Xamneua</i>		
Total Number of districts covered by PRF:	6	
<i>Xiengkho, Add, Sobbao, Viengxay, Xamtay, Heuameuang</i>		
Add District:	Total	Women
District Population (VNPA, PRF: 2004)	26,092	12,882
Total Number of Khets:	12	
Total Number of Villages:	78	
Total Number of "Poor" Villages*:	65	
% of villages without access to health services	22%	
% of villages without safe water supply	49%	
% of villages without road	61%	
% of villages without access to school	21%	
Main ethnic groups in the district: (NSC Census 95 in)		
Data is not available		

Maps of Lao PDR showing Huaphanh and Add

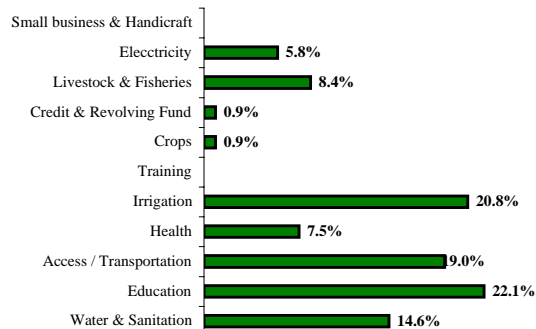


Initially requested village needs

Results after Village Needs and priorities Assessment (VNPA) and Prioritization

Description	Total	%
Number of Village Needs (activities) expressed by villagers by 3 priorities	231	
Number of Village Needs (activities) expressed by women by 3 priorities	5	2%
Number of Village Needs (activities) expressed by men by 3 priorities	19	8%
Village Needs after consolidation at Khet level (Khet Priorities)	73	

Analysis of requested village needs by sector

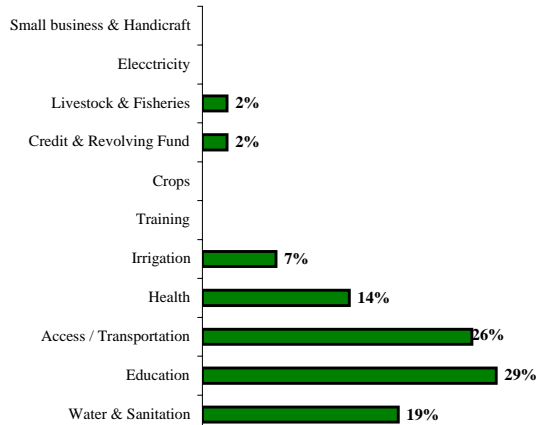


Selected / approved sub-projects for the period 2004-2005 - Cycle II

Results after sub-project appraisal and District Decision Meeting

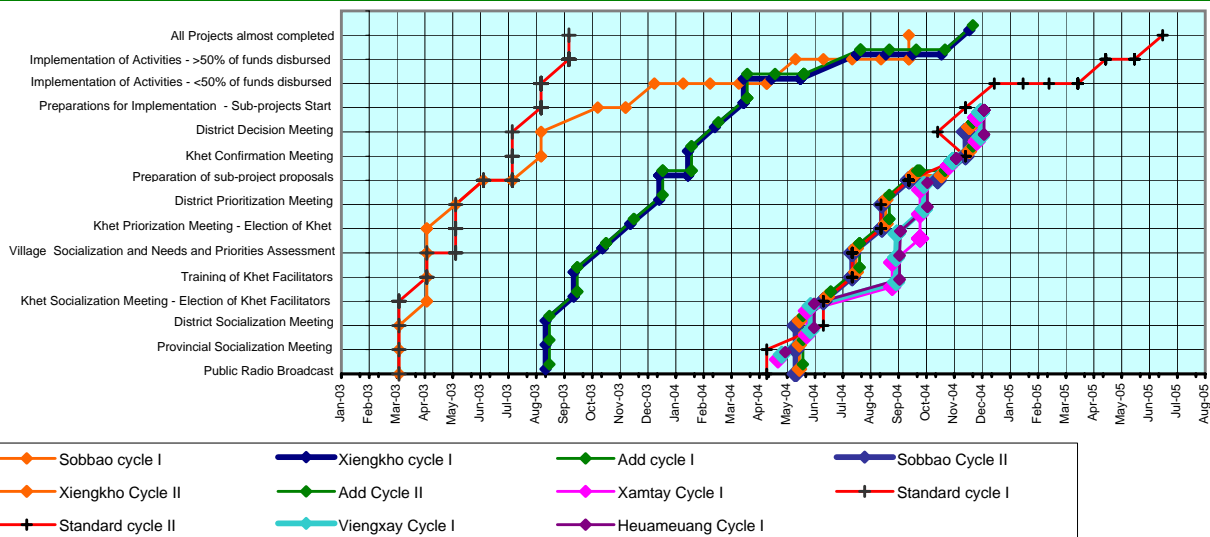
Description	Total	Kip	US\$
PRF Add budget allocation 2004-2005	2,079,000,000		198,000
PRF Contribution to sub-project implementation	2,062,637,317		196,442
Village Contribution (cash / kind) to project implementation	507,764,700		48,359
Total Cost for Sub-Projects:	2,570,402,017		244,800
% of village contribution compared to total cost for sub-projects	19.8%		-
Average PRF contribution per Sub-project	49,110,412		4,677
Average PRF contribution per participating village	33,813,727		3,220
Number of Villages benefiting from 2004-2005 funding round	61		-
Number of Poor Villages benefiting from 2004-2005 funding round	37		-
Number and percentage of beneficiaries in 2004-2005 funding round	21,672		83%
Number of Khets benefiting from 2004-2005 funding round	12		-
Number of Sub-Projects to be implemented in 2004-2005 funding round	42		-
Percentage of selected sub-projects proposed by women			0%
Average Number of Sub-projects / Khet	3.5		-
Average Number of Village activities / Khet	1.5		-

Analysis of selected PRF sub-projects by sector



Sub-project budget allocation per sector	Allocation (Kip)	Percentage %
Water & Sanitation	360,775,057	17%
Access/ Transport	1,203,011,671	58%
Irrigation	184,032,249	9%
Education	178,794,500	9%
Training	86,000,000	4%
Health	30,023,840	1%
Credit & Revolvingfund	20,000,000	1%
Total:	2,062,637,317	100%

Chart of progress for activities of 2003-2004 and 2004-2005

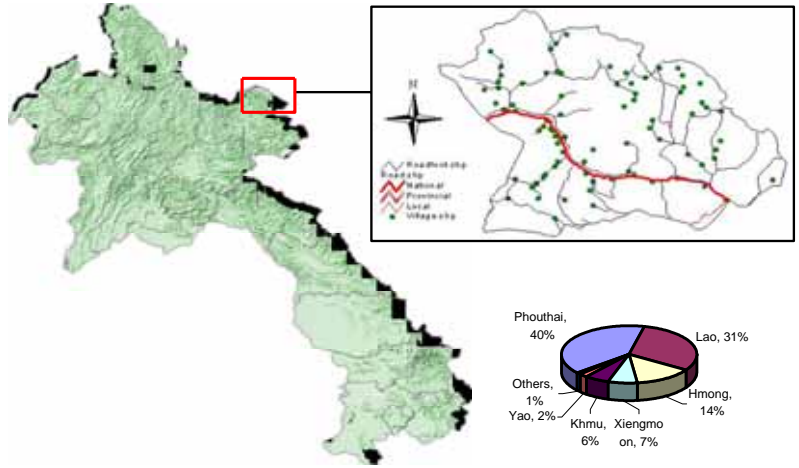


Progress activity of Xiengkhor, as end of 2004

General Information

Huaphanh Province:	Total	Women
Population of Province (NSC; year 2002):	303,700	152,700
Total Number of districts:	8	
<i>Xiengkho, Add, Sobbao, Viengxay, Viengthong, Xamtay, Heuameuang, Xameua</i>		
Total Number of districts covered by PRF:	6	
<i>Xiengkho, Add, Sobbao, Viengxay, Xamtay, Heuameuang</i>		
Xiengkhor District:	Total	Women
District Population (VNPA, PRF:2004)	25,986	12,455
Total Number of Khets:	12	
Total Number of Villages:	63	
Total Number of "Poor" Villages*:	56	
% of villages without access to health services	11%	
% of villages without safe water supply	38%	
% of villages without road	42%	
% of villages without access to School	0%	
Main ethnic groups in the district: (NSC Census 95 in)		
<i>Phouthai, Lao, Hmong, Xinegmoon, Khmu, Yao, Others</i>		

Maps of Lao PDR showing Huaphanh and Xiengkhor



Initially requested village needs

Results after Village Needs and priorities Assessment (VNPA) and Prioritization

Description	Total	%
Number of Village Needs (activities) expressed by villagers by 3 priorities	189	
Number of Village Needs (activities) expressed by women by 3 priorities	10	5%
Number of Village Needs (activities) expressed by men by 3 priorities	13	7%
Village Needs after consolidation at Khet level (Khet Priorities)	80	

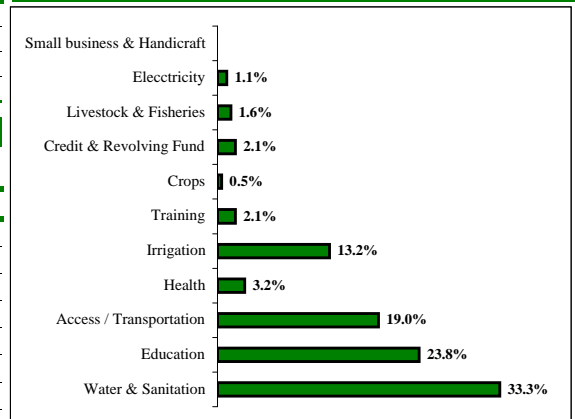
Selected / approved sub-projects for the period 2004-2005 - Cycle II

Results after sub-project appraisal and District Decision Meeting

Description	Total	Kip	US\$
PRF Xiengkhor budget allocation 2004-2005	2,054,850,000		111,680
PRF Contribution to sub-project implementation	2,148,983,360		110,850
Village Contribution (cash / kind) to project implementation	511,986,500		48,761
Total Cost for Sub-Projects:	2,660,969,860		253,426
% of village contribution compared to total cost for sub-projects	19.2%		-
Average PRF contribution per sub-project	53,724,584		5,117
Average PRF contribution per participating village	42,979,667		4,093
Number of Villages benefiting from 2004-2005 funding round	50		-
Number of Poor Villages benefiting from 2004-2005 funding round	32		-
Number and percentage of beneficiaries in 2004-2005 funding round	19,143		74%
Number of Khets benefiting from 2004 funding round	12		-
Number of Sub-Projects to be implemented in 2004-2005 funding round	40		-
Percentage of selected sub-projects proposed by women			2.5%
Average Number of Sub-projects / Khet	3.3		-
Average Number of Village activities / Khet	0.8		-

Sub-project budget allocation per sector	Allocation (Kip)	Percentage %
Water & Sanitation	648,202,048	30.2%
Access/ Transport	1,036,237,927	48.2%
Education	130,518,580	6.1%
Irrigation	208,346,267	9.7%
Credit & Revolving fund	25,678,538	1.2%
Training	100,000,000	4.7%
Total:	2,148,983,360	100%

Analysis of requested village needs by sector



Analysis of selected PRF sub-projects by sector

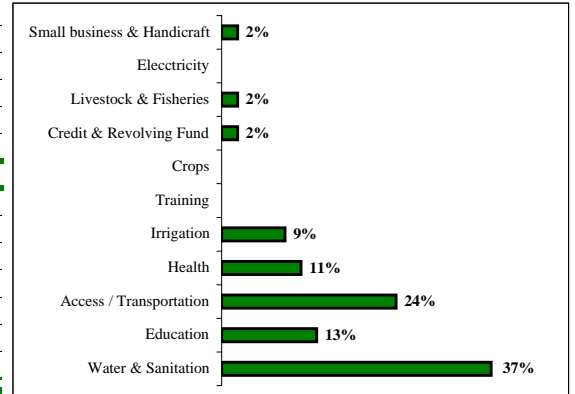
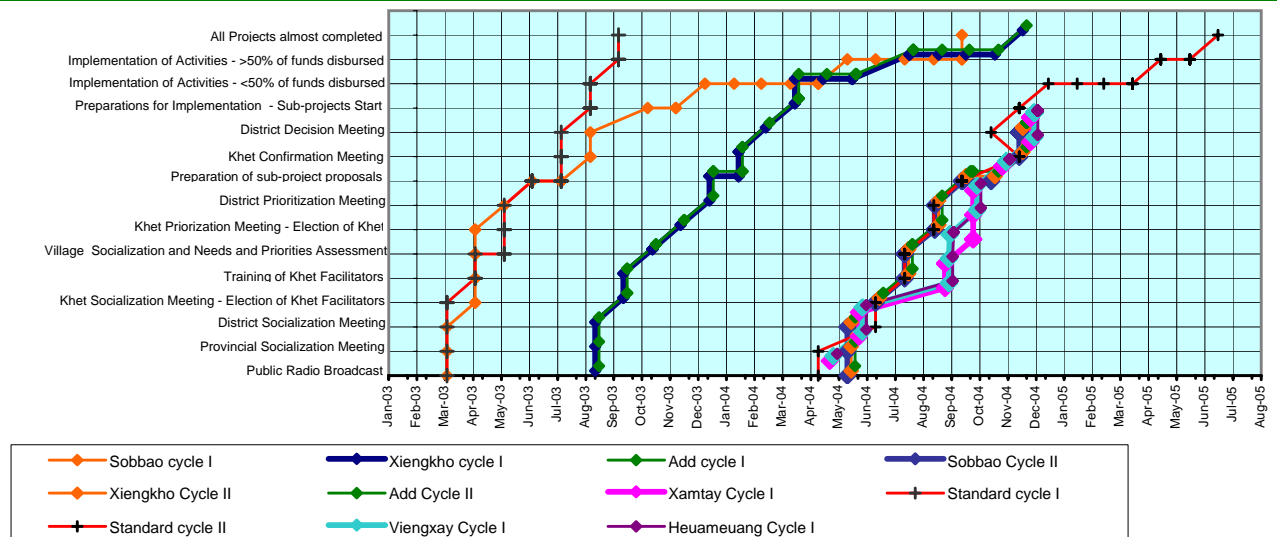


Chart of progress for activities of 2003-2004 and 2004-2005



Progress activity of Huameuang District, as end of 2005

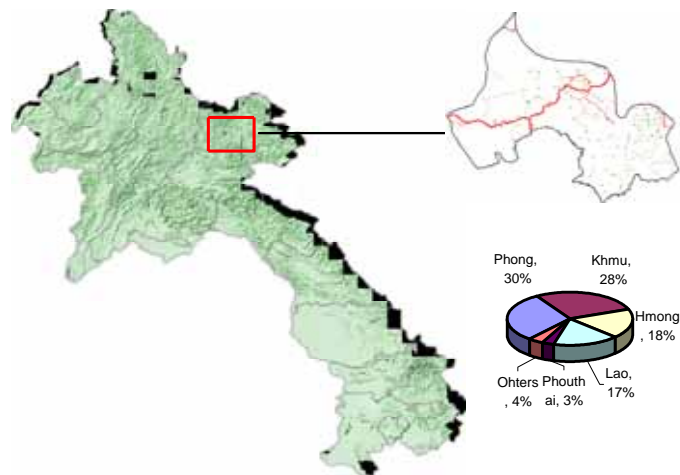
General Information

Huaphanh Province:	Total	Women
Population of Province (NSC; year 2003):	303,700	152,700
Total Number of districts:	8	
<i>Xiengkho, Add, Sobbao, Viengxay, Viengthong, Xamtay, Heuameuang, Xamneua</i>		
Total Number of districts covered by PRF:	6	
<i>Xiengkho, Add, Sobbao, Viengxay, Xamtay, Heuameuang</i>		

Huameuang District:	Total	Women
District Population (VNPA, PRF: 2004)	27,324	14,628
Total Number of Khets:	11	
Total Number of Villages:	85	
Total Number of "Poor" Villages*:	81	
% of villages without access to health services	48%	
% of villages without safe water supply	72%	
% of villages without road	48%	
% of villages without access to school	9%	
Main ethnic groups in the district: (NSC Census 95)		

Phong, Khmu, Hmong, Lao, Phouthai

Maps of Lao PDR showing Huaphanh and Huameuang



Initially requested village needs

Results after Village Needs and priorities Assessment (VNPA) and Prioritization

Description	Total	%
Number of Village Needs (activities) expressed by villagers by 3 priorities	255	
Number of Village Needs (activities) expressed by women by 3 priorities	20	8%
Number of Village Needs (activities) expressed by men by 3 priorities	27	11%
Village Needs after consolidation at Khet level (Khet Priorities)	62	

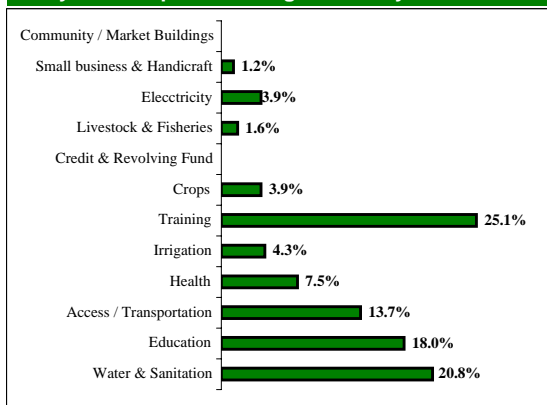
Selected / approved sub-projects for the period 2004-2005 - Cycle II

Results after sub-project appraisal and District Decision Meeting

Description	Total	Kip	US\$
PRF Pathoumphone budget allocation 2004-2005	2,457,000,000		234,000
PRF Contribution to sub-project implementation	2,431,657,550		231,587
Village Contribution (cash / kind) to project implementation	401,507,752		38,239
Total Cost for Sub-Projects:	2,833,165,302		269,825
% of village contribution compared to total cost for sub-projects	17%		-
Average PRF contribution per Sub-project	86,844,913		8,271
Average PRF contribution per participating village	30,020,464		2,859
Number of Villages benefiting from 2004-2005 funding round	81		95%
Number of Poor Villages benefiting from 2004-2005 funding round	37		46%
Number and percentage of beneficiaries in 2004-2005 funding round	3,626		13%
Number of Khets benefiting from 2004-2005 funding round	11		-
Number of Sub-Projects to be implemented in 2004-2005 funding round	28		-
Number and percentage of selected sub-projects proposed by women	-		3.4%
Average Number of Sub-projects / Khet	2.5		-
Average Number of Village activities / Khet	2.9		-

Sub-project budget allocation per sector	Allocation (Kip)	Percentage %
Water & Sanitation	234,338,419	9.6%
Access/ Transport	1,308,765,043	53.8%
Education	380,533,818	15.6%
Irrigation	226,758,534	9.3%
Community hall	210,335,040	8.6%
Training	70,926,696	2.9%
Total:	2,431,657,550	100%

Analysis of requested village needs by sector



Analysis of selected PRF sub-projects by sector

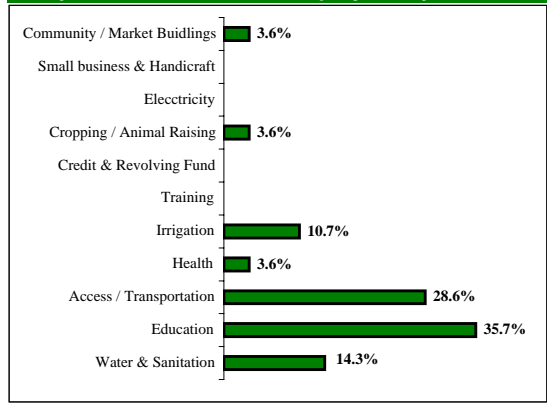
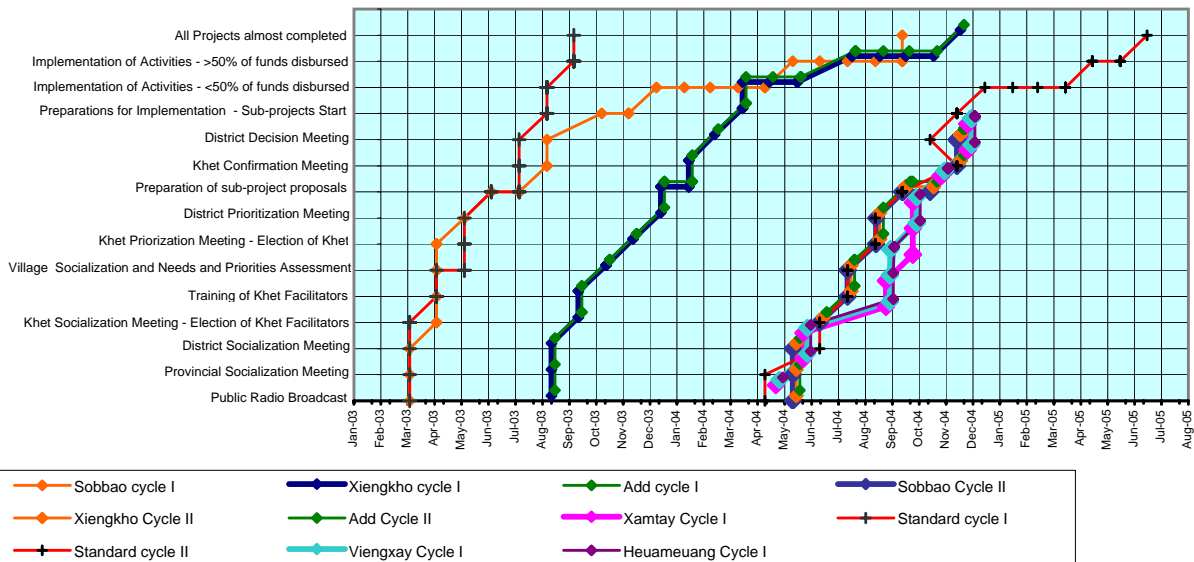


Chart of progress for activities of 2003-2004 and 2004-2005



Exchange Rate: approx. 1 US\$ = 10,500 Kip, rate used on the day of District Decision Meeting

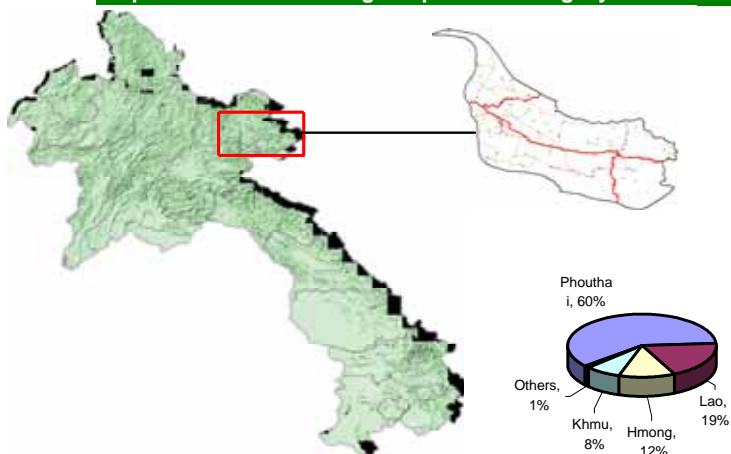
* Poverty indicators and "poor" villages are defined by the Prime Minister's Instruction No. 010/PM and the National Statistic Centre.

Progress activity of Viengxay District, as end of 2004-2005

General Information

Huaphanh Province:	Total	Women
Population of Province (NSC; year 2003):	303,700	152,700
Total Number of districts:	8	
<i>Xiengkho, Add, Sobbao, Viengxay, Viengthong, Xamtay, Heuameuang, Xamneua</i>		
Total Number of districts covered by PRF:	6	
<i>Xiengkho, Add, Sobbao, Viengxay, Xamtay, Heuameuang</i>		
Viengxay District:	Total	Women
District Population (2003)	35,234	17,543
Total Number of Khets:	19	
Total Number of Villages:	130	
Total Number of "Poor" Villages*:	101	
% of villages without access to health services	15%	
% of villages without safe water supply	53%	
% of villages without road	33%	
% of villages without access to school	18%	
Main ethnic groups in the district: (NSC Census 95)		
<i>Phouthai, Lao, Hmong, Khmu, Others</i>		

Maps of Lao PDR showing Huaphanh & Viengxay District



Initially requested village needs

Results after Village Needs and priorities Assessment (VNPA) and Prioritization

Description	Total	%
Number of Village Needs (activities) expressed by villagers by 3 priorities	390	
Number of Village Needs (activities) expressed by women by 3 priorities	37	10%
Number of Village Needs (activities) expressed by men by 3 priorities	43	11%
Village Needs after consolidation at Khet level (Khet Priorities)	131	

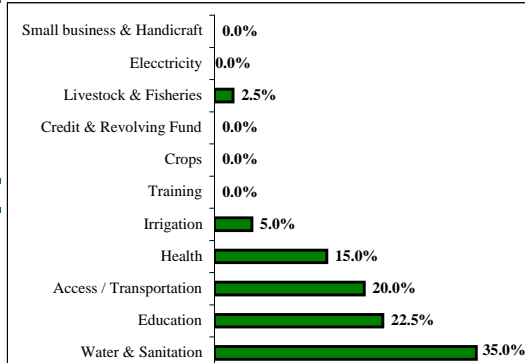
Selected / approved sub-projects for the period 2004-2005 - Cycle II

Results after sub-project appraisal and District Decision Meeting

Description	Total	Kip	US\$
PRF Sukuma budget allocation 2004-2005	2,488,500,000		237,000
PRF Contribution to sub-project implementation	2,322,772,235		221,216
Village Contribution (cash / kind) to project implementation	981,135,722		93,441
Total Cost for Sub-Projects:	3,303,907,957		314,658
% of village contribution compared to total cost for sub-projects	30%		-
Average PRF contribution per Sub-project	58,069,306		5,530
Average PRF contribution per participating village	30,165,873		2,873
Number of Villages benefiting from 2004-2005 funding round	77		-
Number of Poor Villages benefiting from 2004-2005 funding round	43		-
Number and percentage of beneficiaries in 2004-2005 funding round	5,059		14%
Number of Khets benefiting from 2004-2005 funding round	10		-
Number of Sub-Projects to be implemented in 2004-2005 funding round	40		-
Percentage of selected sub-projects proposed by women			0%
Average Number of Sub-projects / Khet	4		
Average Number of Village activities / Khet	2		

Sub-project budget allocation per sector	Allocation (Kip)	Percentage %
Water & Sanitation	545,809,401	23.5%
Access/ Transport	997,284,430	42.9%
Education	404,744,467	17.4%
Cropping	11,430,063	0.5%
Health	9,440,436	0.4%
Irregation	354,063,438	15.2%
Total:	2,322,772,235	100%

Analysis of requested village needs by sector



Analysis of selected PRF sub-projects by sector

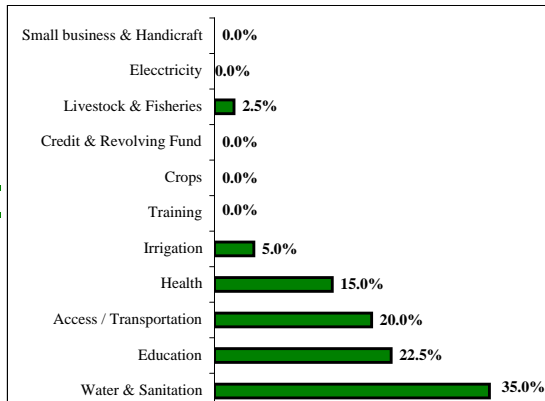
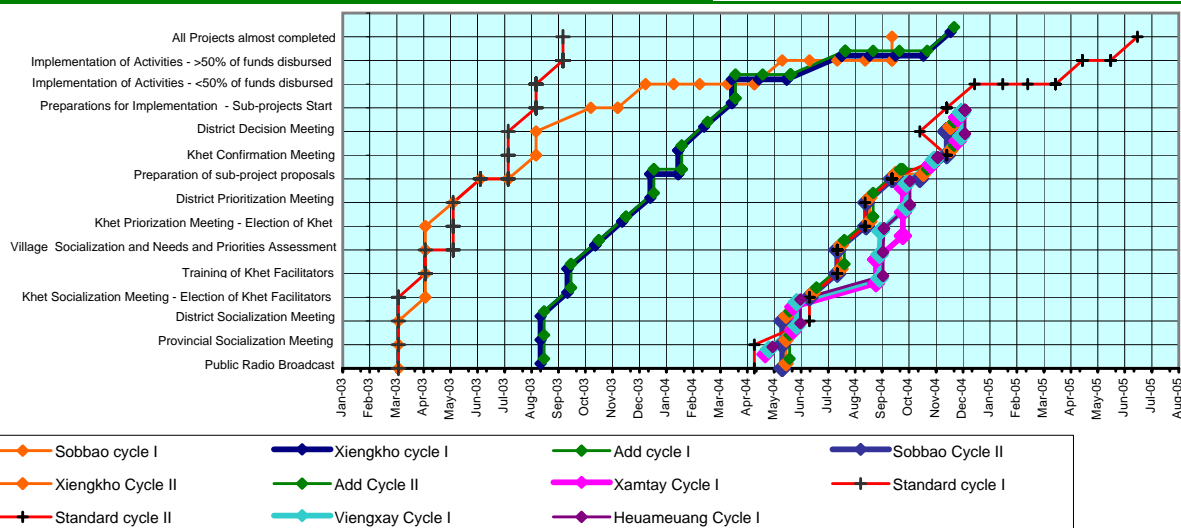


Chart of progress for activities of 2003-2004 and 2004-2005



Exchange Rate: approx. 1 US\$ = 10,500 Kip, rate used on the day of District Decision Meeting

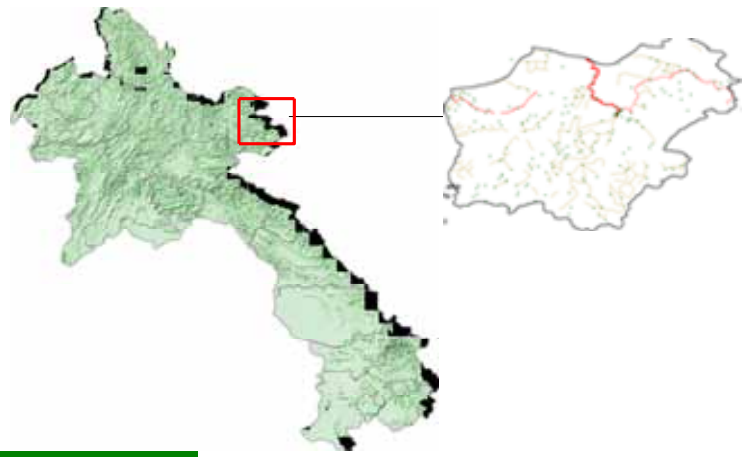
* Poverty indicators and "poor" villages are defined by the Prime Minister's Instruction No. 010/PM and the National Statistic Centre.

Progress activity of Xamtay District, as end of 2004

General Information

Huaphanh Province:	Total	Women
Population of Province (NSC; year 2003):	303,700	152,700
Total Number of districts:	8	
<i>Xiengkho, Add, Sobbao, Viengxay, Viengthong, Xamtay, Heuameuang, Xamneua</i>		
Total Number of districts covered by PRF:	6	
<i>Xiengkho, Add, Sobbao, Viengxay, Xamtay, Heuameuang</i>		
Xamtay District:	Total	Women
District Population (VNPA, PRF: 2004)	54,213	27,213
Total Number of Khets:	22	
Total Number of Villages:	172	
Total Number of "Poor" Villages*:	170	
% of villages without access to health services	77%	
% of villages without safe water supply	85%	
% of villages without road	78%	
% of villages without access to School	5%	
Main ethnic groups in the district: (NSC Census 95)		
<i>Hmong (35%), Lao (31%), Phouthai (29%), Khum (5%), Phong (1%), Others (1%)</i>		

Maps of Lao PDR showing Huaphan and Xamtay



Initially requested village needs

Results after Village Needs and priorities Assessment (VNPA) and Prioritization :

Description	Total	%
Number of Village Needs (activities) expressed by villagers by 3 priorities	515	
Number of Village Needs (activities) expressed by women by 3 priorities	38	7%
Number of Village Needs (activities) expressed by men by 3 priorities	64	12%
Village Needs after consolidation at Khet level (Khet Priorities)	82	

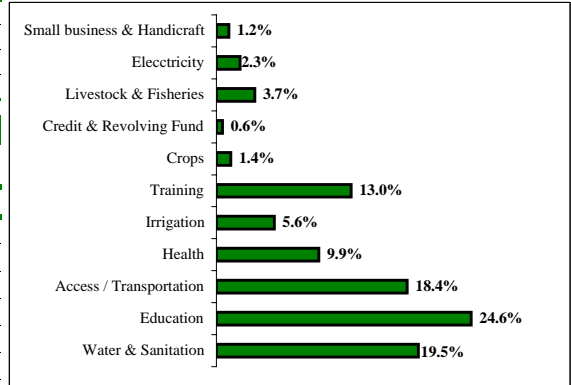
Selected / approved sub-projects for the period 2004-2005 - Cycle II

Results after sub-project appraisal and District Decision Meeting :

Description	Total	Kip	US\$
PRF Xamtay budget allocation 2004	5,208,000,000		496,000
PRF Contribution to sub-project implementation	5,101,495,416		485,857
Village Contribution (cash / kind) to project implementation	1,467,739,719		139,785
Total Cost for Sub-Projects:	6,569,235,135		625,641
% of village contribution compared to total cost for sub-projects	22.3%		-
Average PRF contribution per Sub-project	83,631,072		7,965
Average PRF contribution per participating village	107,692,379		10,256
Number of Villages benefiting from 2004-2005 funding round	108		63%
Number of Poor Villages benefiting from 2004-2005 funding round	89		52%
Number and percentage of beneficiaries in 2004-2005 funding round	35,500		65%
Number of Khets benefiting from 2004-2005 funding round	22		100%
Number of Sub-Projects to be implemented in 2004-2005 funding round	61		-
Percentage of selected sub-projects proposed by women	-		2%
Average Number of Sub-projects / Khet	2.8		-
Average Number of Village activities / Khet	1.8		-

Sub-project budget allocation per sector	Allocation (Kip)	Percentage %
Water & Sanitation	1,113,776,413	21.8%
Access/ Transport	2,537,834,951	49.7%
Education	1,100,781,563	21.6%
Irrigation	289,102,489	5.7%
Training	60,000,000	1.2%
Total:	5,101,495,416	100%

Analysis of requested village needs by sector



Analysis of selected PRF sub-projects by sector

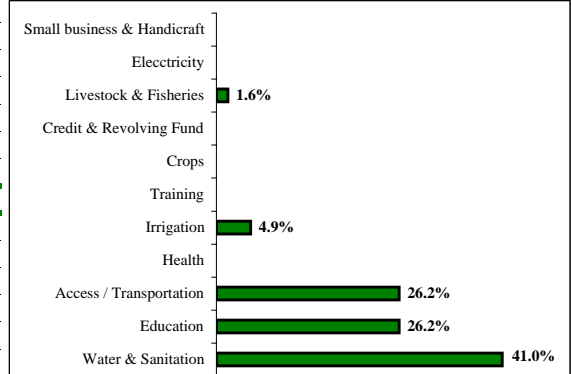
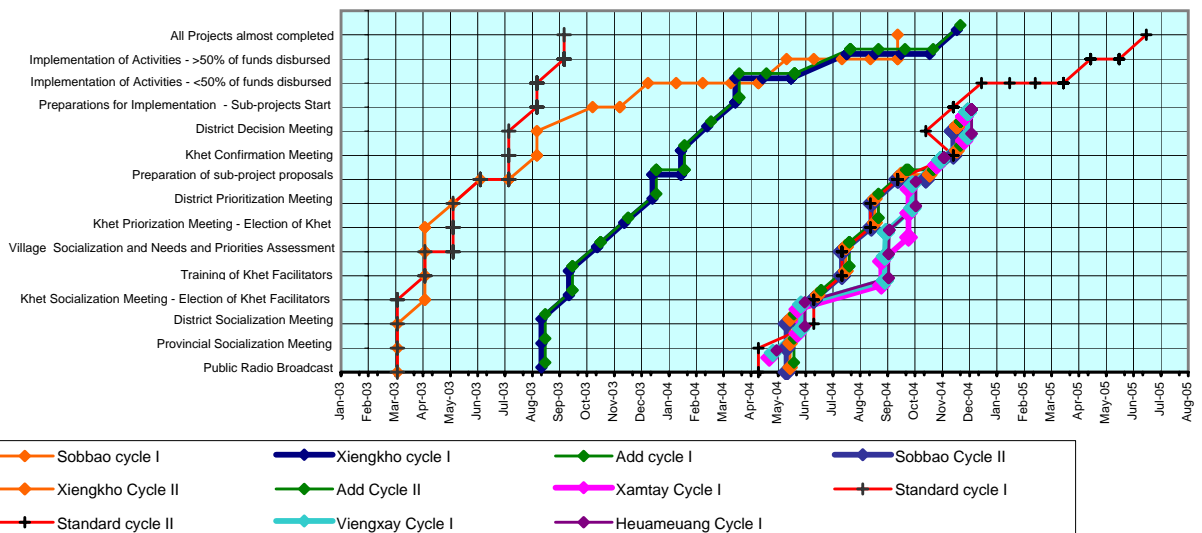


Chart of progress for activities 2003-2004 and 2004-2005



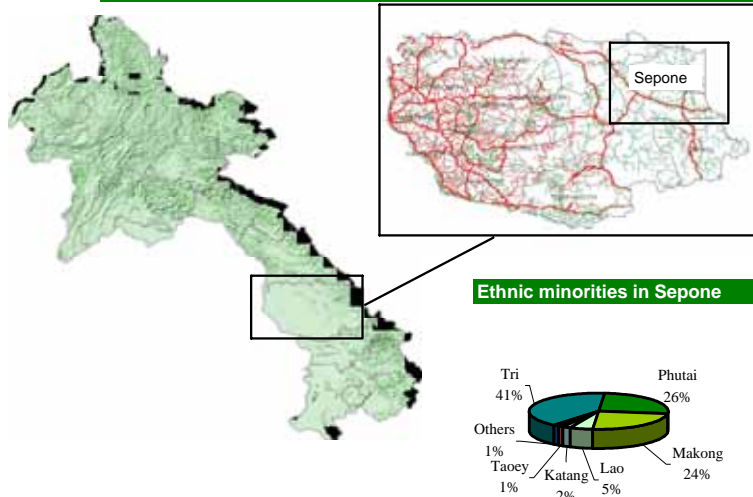
Exchange Rate: approx. 1 US\$ = 10,500 Kip, rate used on the day of District Decision Meeting
 * Poverty indicators and "poor" villages are defined by the Prime Minister's Instruction No. 010/PM and the National Statistic Centre.

Progress activity of Sepone District, as end of 2004-2005

General Information

Savannakhet Province:	Total	Women
Population of Province (NSC; year 2003):	833,900	425,400
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:	4	
<i>Sepone, Nong, Vilaboury and Phin</i>		
Sepone District:	Total	Women
District Population (VNPA, PRF:2004)	42,497	21,172
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



Initially requested village needs

Results after Village Needs and priorities Assessment (VNPA) and Prioritization

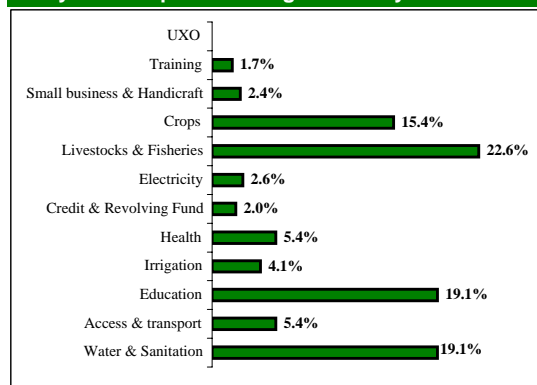
Description	Total	%
Number of Village Needs (activities) expressed by 3 priorities	474	
Number of Village Needs (activities) expressed by women by 3 priorities	60	13%
Number of Village Needs (activities) expressed by men by 3 priorities	89	20%
Village Needs after consolidation at Khet level (Khet Priorities)	124	

Selected / approved sub-projects for the period 2003-2004 - Cycle II

Results after sub-project appraisal and District Decision Meeting

Description	Total	Kip	US\$
PRF Sepone budget allocation 2004-2005	3,906,000,000	372,000	
PRF Contribution to sub-project implementation	3,984,120,000	379,436	
Village Contribution (cash / kind) to project implementation	222,107,930	21,153	
Total Cost for Sub-Projects:	4,206,227,930	205,182	
% of village contribution compared to total cost for sub-projects	5.3%	-	
Average PRF contribution per Sub-project	94,860,000	9,034	
Average PRF contribution per participating village	69,896,842	6,657	
Number of Villages benefiting from 2004-2005 funding round	57	36%	
Number of Poor Villages benefiting from 2004-2005 funding round	38	26%	
Number and percentage of beneficiaries in 2004-2005 funding round	22,588	53%	
Number and percentage of Khets benefiting from 2004-2005 funding round	20	-	
Number of Sub-Projects to be implemented in 2004-2005 funding round	42	-	
Percentage of selected sub-projects proposed by women	-	4.8%	
Average Number of Sub-projects / Khet	2.1	-	
Average Number of Village activities / Khet	1	-	
Sub-project budget allocation per sector	Allocation (Kip)	Percentage %	
Water & Sanitation	847,159,184	28.6 %	
Access/ Transport	788,987,936	9.5 %	
Health	196,105,035	11.9 %	
Education	1,694,315,232	40.5 %	
Training	253,265,874	4.8 %	
Electricity	65,063,009	2.4 %	
Irrigation system	139,223,730	2.4 %	
Total:	3,984,120,000	100 %	

Analysis of requested village needs by sector



Analysis of selected PRF sub-projects by sector

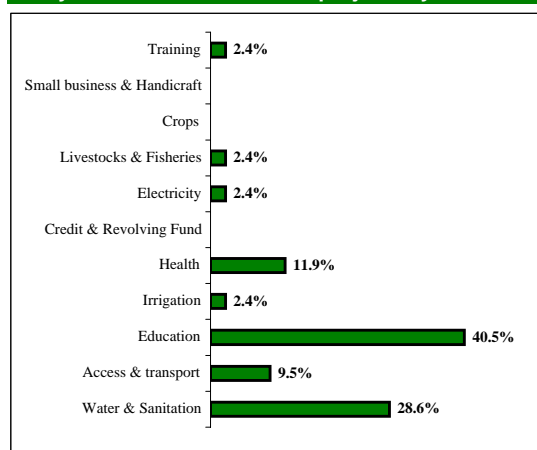
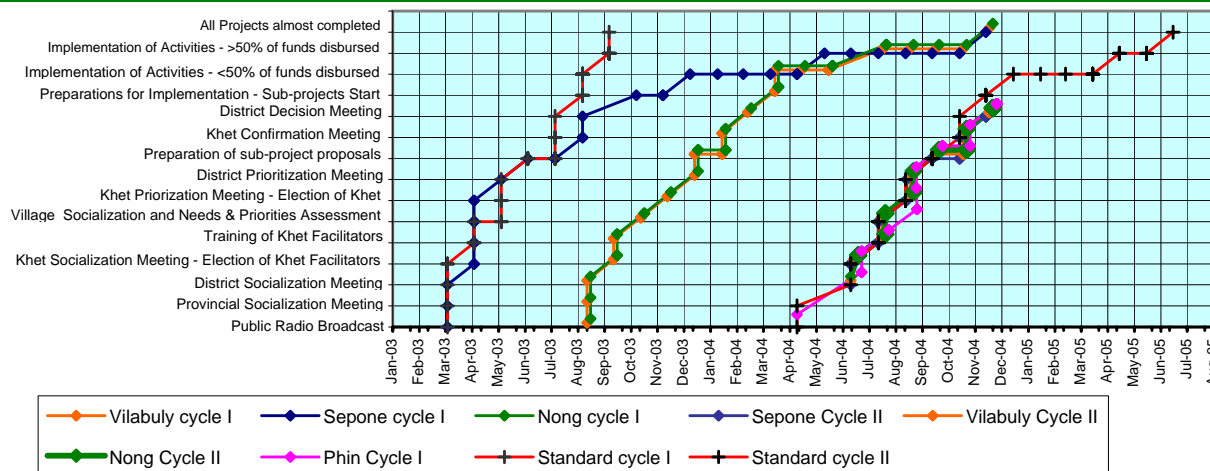


Chart of progress for activities of 2003-2004 and 2004-2005



Exchange Rate: approx. 1 US\$ = 10,500 Kip, rate used at the day of District Decision Meeting

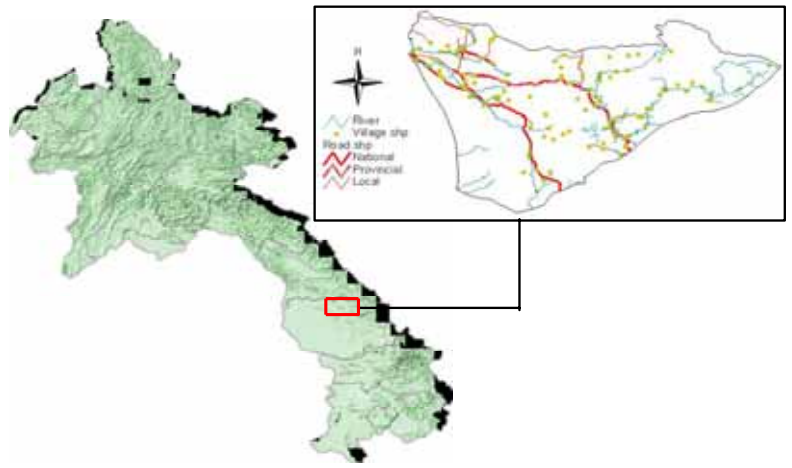
* Poverty indicators and "poor" villages are defined by the Prime Minister's Instruction No. 010/PM and the National Statistic Centre.

Progress activity of Vilabury District, as end of 2004

General Information

Savannakhet Province:	Total	Women
Population of Province (NSC; year 2003):	833,900	425,400
Total Number of districts:	15	
<i>Sepone, Nong, Vilaboury, Khanthabouly, Outhoumphone, Atsapangthong, Phine, hapangthong, Songkhone, Champhone, Xonbully, Xaybully, Atsaphone, Xayphouthong and Thaphanlanxay.</i>		
Total Number of districts covered by PRF:	4	
<i>Sepone, Nong, Vilaboury and pin</i>		
Vilabury District:	Total	Women
District Population (VNPA, PRF: 2004)	29,106	14,596
Total Number of Khets:	16	
Total Number of Villages:	102	
Total Number of "Poor" Villages*:	77	
% of villages without access to health services	26%	
% of villages without safe water supply	68%	
% of villages without road	68%	
% of villages without access to school	4%	
<i>Main ethnic groups in the district: (NSC Census 95)</i>		
<i>Phouthai (96%), Makong (29%), Tri (11%), Lao (4%), Katang (3%), Kor (1%), Others</i>		

Maps of Lao PDR showing Champasack and Nong



Initially requested village needs

Results after Village Needs and priorities Assessment and Prioritization

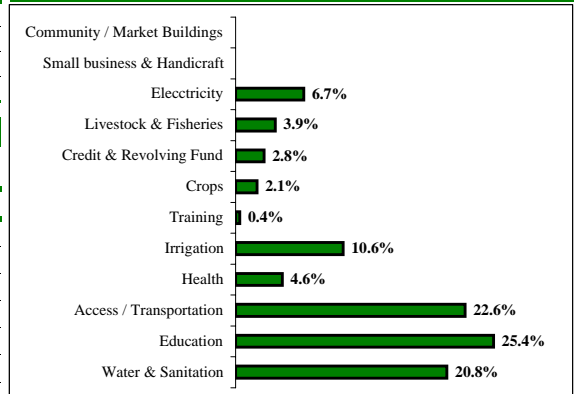
Description	Total	%
Number of Village Needs (activities) expressed by villagers by 3 priorities	306	
Number of Village Needs (activities) expressed by women by 3 priorities	23	8%
Number of Village Needs (activities) expressed by men by 3 priorities	34	11%
Village Needs after consolidation at Khet level (Khet Priorities)	91	

Selected / approved sub-projects for the period 2004-2005 [Cycle II]

Results after sub-project appraisal and District Decision Meeting

Description	Total	Kip	US\$
PRF Vilabury budget allocation 2004-2005	2,152,500,000		205,000
PRF Contribution to sub-project implementation	2,551,917,175		243,038
Village Contribution (cash / kind) to project implementation	34,888,000		3,323
Total Cost for Sub-Projects:	2,586,805,175		246,362
% of village contribution compared to total cost for sub-projects	1.3%		-
Average PRF contribution per Sub-project	110,952,921		10,567
Average PRF contribution per participating village	45,569,950		4,340
Number of Villages benefiting from 2004-2005 funding round	56		55%
Number of Poor Villages benefiting from 2004-2005 funding round	32		42%
Number and percentage of beneficiaries in 2004-2005 funding round	17,671		61%
Number of Khets benefiting from 2004-2005 funding round	16		100%
Number of Sub-Projects to be implemented in 2004-2005 funding round	23		-
Percentage of selected sub-projects proposed by women	-		0%
Average Number of Sub-projects / Khet	1.4		-
Average Number of Village activities / Khet	2		-
Sub-project budget allocation per sector	Allocation (Kip)	Percentage %	
Water & Sanitation	60,343,840	2.4%	
Education	669,186,528	26.2%	
Access / Transportation	1,236,921,530	48.5%	
Training	187,317,577	7.3%	
Community hall	398,147,700	15.6%	
Total:	2,551,917,175	100%	

Analysis of requested village needs by sector



Analysis of selected PRF sub-projects by sector

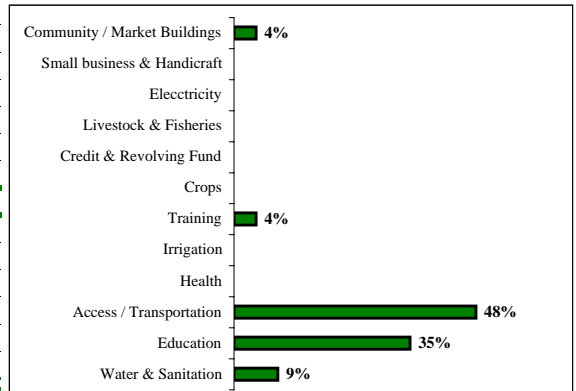
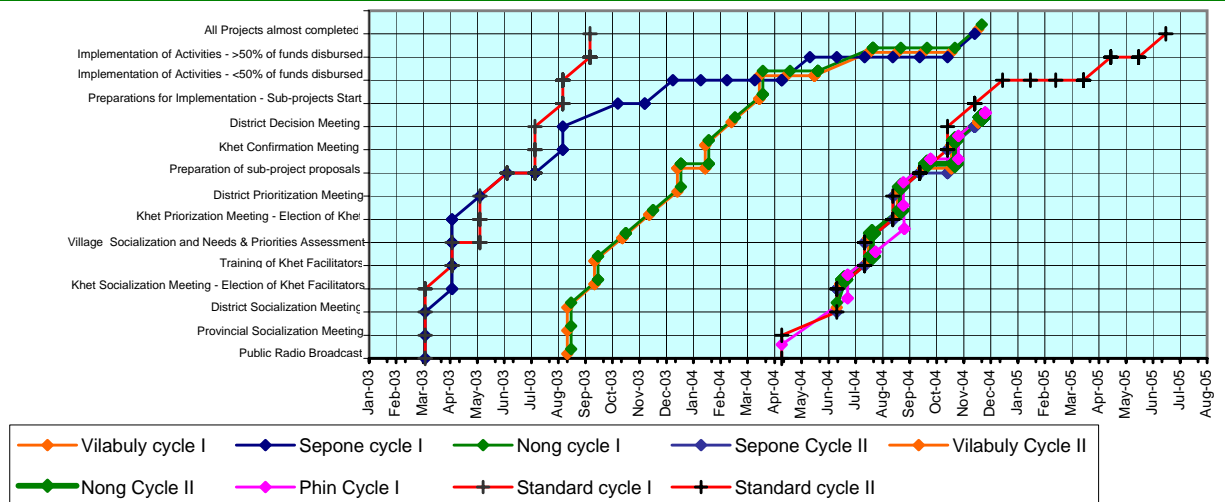


Chart of progress for activities 2003-2004 and 2004-2005



Exchange Rate: approx. 1 US\$ = 10,500 Kip, rate used on the day of District Decision Meeting

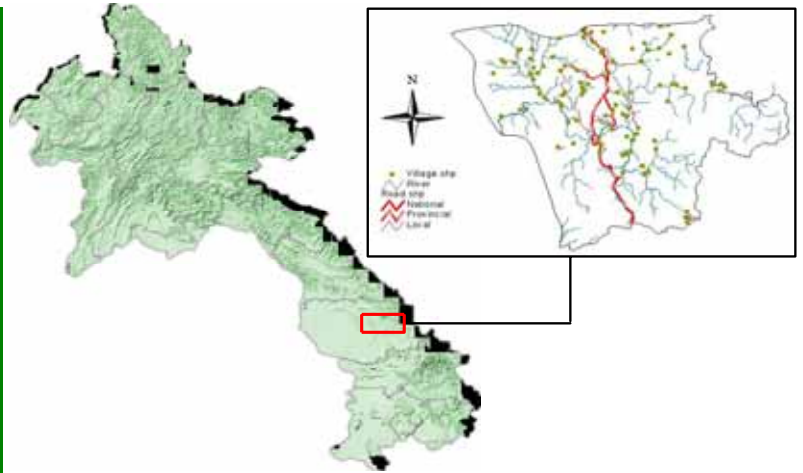
* Poverty indicators and "poor" villages are defined by the Prime Minister's Instruction No. 010/PM and the National Statistic Centre.

Progress activity of Nong District, as end of 2004

General Information

Savannakhet Province:	Total	Women
Population of Province (NSC; year 2003):	833,900	425,400
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:	4	
<i>Sepone, Nong, Vilaboury and pin</i>		
Nong District:	Total	Women
District Population (VNPA, PRF: 2004)	27,194	13,404
Total Number of Khets:	10	
Total Number of Villages:	79	
Total Number of "Poor" Villages*:	75	
% of villages without access to health services	32%	
% of villages without safe water supply	85%	
% of villages without road	11%	
% of villages without access to school	28%	
<i>Main ethnic groups in the district: (NSC Census 95)</i>		
<i>Makong (67%), Taoey (12%), Tri (7%), Phouthai (7%), Katang (5%), Lao (2%), Others</i>		

Maps of Lao PDR showing Savannakhet and Nong



Initially requested village needs

Results after Village Needs and priorities Assessment (VNPA) and Prioritization

Description	Total	%
Number of Village Needs (activities) expressed by villagers by 3 priorities	237	
Number of Village Needs (activities) expressed by women by 3 priorities	24	10%
Number of Village Needs (activities) expressed by men by 3 priorities	26	11%
Village Needs after consolidation at Khet level (Khet Priorities)	65	

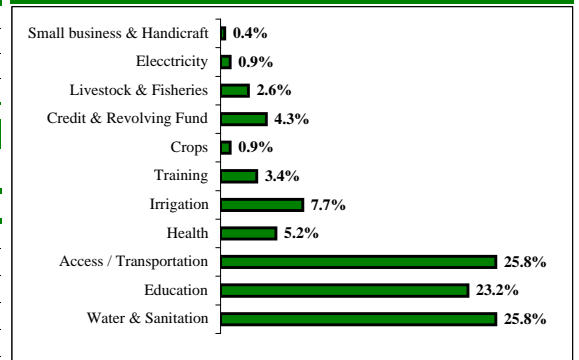
Selected / approved sub-projects for the period 2004-2005 - Cycle II

Results after sub-project appraisal and District Decision Meeting

Description	Total	Kip	US\$
PRF Nong budget allocation 2004-2005	2,047,500,000		195,000
PRF Contribution to sub-project implementation	2,088,450,000		198,902
Village Contribution (cash / kind) to project implementation	41,548,000		3,957
Total Cost for Sub-Projects:	2,129,998,000		202,857
% of village contribution compared to total cost for sub-projects	2.0%		-
Average PRF contribution per Sub-project	189,859,091		18,082
Average PRF contribution per participating village	50,937,805		4,851
Number of Villages benefiting from 2004-2005 funding round	41		52%
Number of Poor Villages benefiting from 2004-2005 funding round	26		35%
Number and percentage of beneficiaries in 2004-2005 funding round	11,878		44%
Number of Khets benefiting from 2004-2005 funding round	10		-
Number of Sub-Projects to be implemented in 2004-2005 funding round	11		-
Percentage of selected sub-projects proposed by women	-		9%
Average Number of Sub-projects / Khet	1		-
Average Number of Village activities / Khet	4		-

Sub-project budget allocation per sector	Allocation (Kip)	Percentage %
Water and Sanitation	260,615,671	12%
Education	103,684,652	5%
Access / Transportation	1,572,795,768	75%
Training	151,353,909	7%
Total:	2,088,450,000	100%

Analysis of requested village needs by sector



Analysis of selected PRF sub-projects by sector

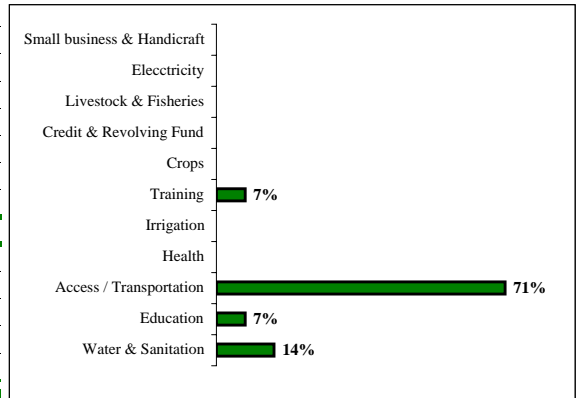
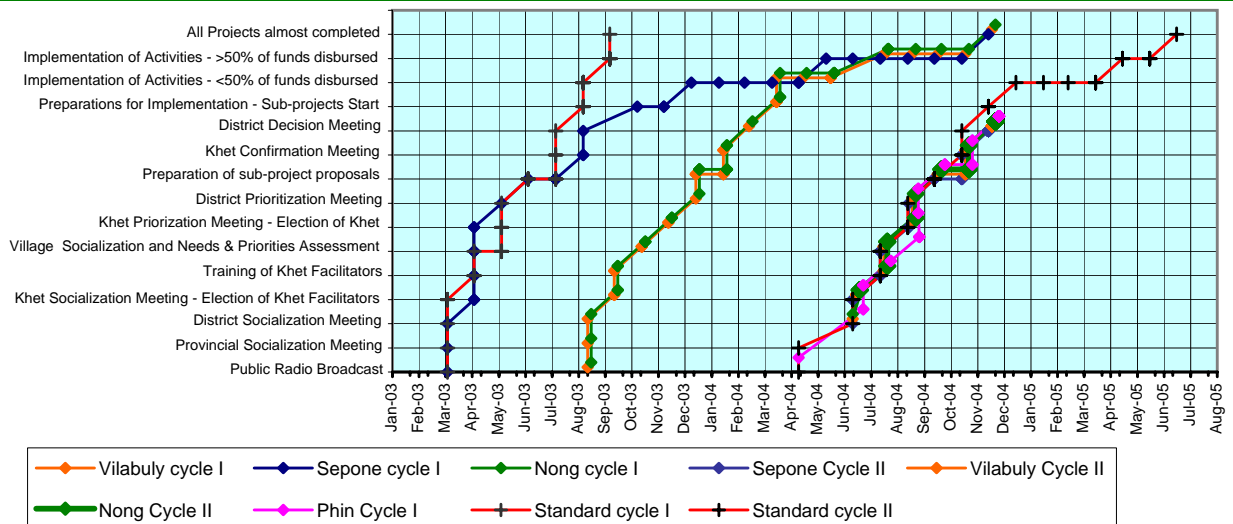


Chart of progress for activities of 2003-2004 and 2004-2005



Exchange Rate: approx. 1 US\$ = 10,500 Kip, rate used on the day of the District Decision Meeting

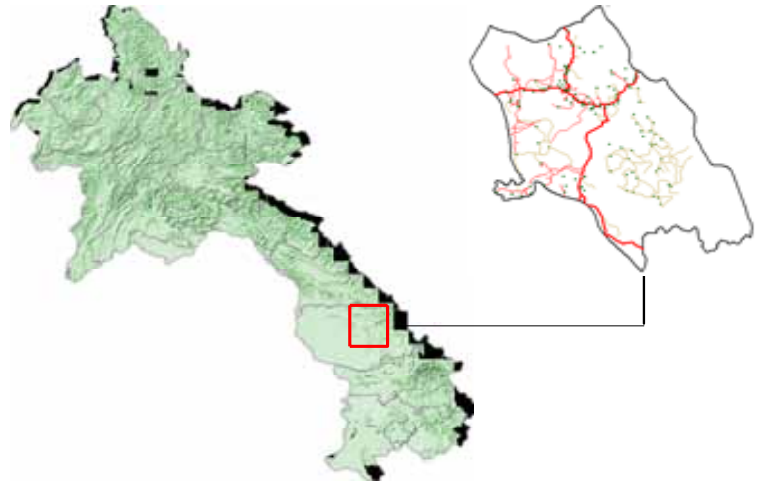
* Poverty indicators and "poor" villages are defined by the Prime Minister's Instruction No. 010/PM and the National Statistic Centre.

Progress activity of Phin District, as end of 2004

General Information

Savannakhet Province:	Total	Women
Population of Province (NSC; year 2003):	833,900	425,400
Total Number of districts:	15	
<i>Sepone, Nong, Vilaboury, Khanthabouly, Outhoumphone, Atsapangthong, Phine, Thapangthong, Songkhone, Champhone, Xonbuly, Xaybuly, Atsaphone, Xayphouthong and</i>		
Total Number of districts covered by PRF:	4	
<i>Sepone, Nong, Vilaboury and Phin</i>		
Phin District:	Total	Women
District Population (VNPA, PRF: 2004)	49,626	24,789
Total Number of Khets:	15	
Total Number of Villages:	116	
Total Number of "Poor" Villages*:	76	
% of villages without access to health services	0%	NSC: 2000
% of villages without safe water supply	0%	NSC: 2000
% of villages without road	0%	NSC: 2000
% of villages without access to School	0%	NSC: 2000
Main ethnic groups in the district: (NSC Census 95)		
<i>Kantang (35%), Phouthai (25%), Makong (23%), Lao (12%), Xuay (2%), Taoey (1%), Others (1%)</i>		

Maps of Lao PDR showing Savannakhet and Phin District



Initially requested village needs

Results after Village Needs and priorities Assessment (VNPA) and Prioritization

Description	Total	%
Number of Village Needs (activities) expressed by villagers by 3 priorities	348	
Number of Village Needs (activities) expressed by women by 3 priorities	35	10%
Number of Village Needs (activities) expressed by men by 3 priorities	58	17%
Village Needs after consolidation at Khet level (Khet Priorities)	109	

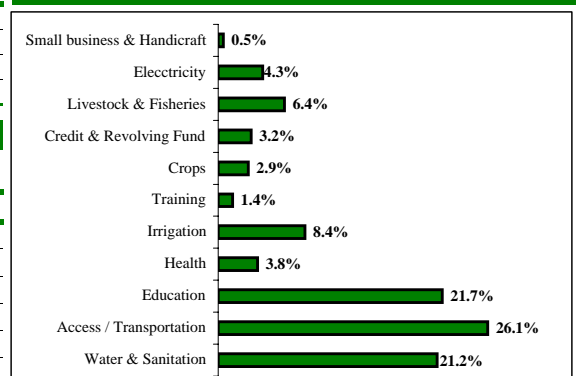
Selected / approved sub-projects for the period 2004-2005 [Cycle II]

Results after sub-project appraisal and District Decision Meeting

Description	Total	Kip	US\$
PRF Phin budget allocation 2004-2005	2,961,000,000		282,000
PRF Contribution to sub-project implementation	3,020,220,000		287,643
Village Contribution (cash / kind) to project implementation	300,524,986		28,621
Total Cost for Sub-Projects:	3,320,744,986		316,261
% of village contribution compared to total cost for sub-projects	9.0%	-	
Average PRF contribution per Sub-project	10,733,035		1,022
Average PRF contribution per participating village	7,705,769		734
Number of Villages benefiting from 2004-2005 funding round	39		34%
Number of Poor Villages benefiting from 2004-2005 funding round	25		22%
Number and percentage of beneficiaries in 2004-2005 funding round	8,880		18%
Number of Khets benefiting from 2004-2005 funding round	10		100%
Number of Sub-Projects to be implemented in 2004-2005 funding round	28		-
Percentage of selected sub-projects proposed by women	-		7%
Average Number of Sub-projects / Khet	2.8		-
Average Number of Village activities / Khet	2.6		-

Sub-project budget allocation per sector	Allocation (Kip)	Percentage %
Water & Sanitation	272,025,070	9.0%
Access/ Transport	1,324,027,010	43.8%
Education	1,142,652,395	37.8%
Electricity	180,996,000	6.0%
Training	100,519,525	3.3%
Total:	3,020,220,000	100%

Analysis of requested village needs by sector



Analysis of selected PRF sub-projects by sector

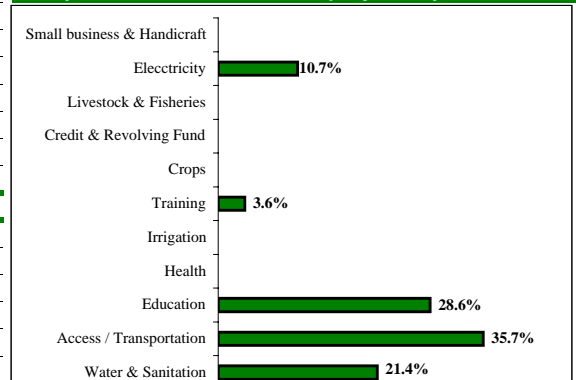
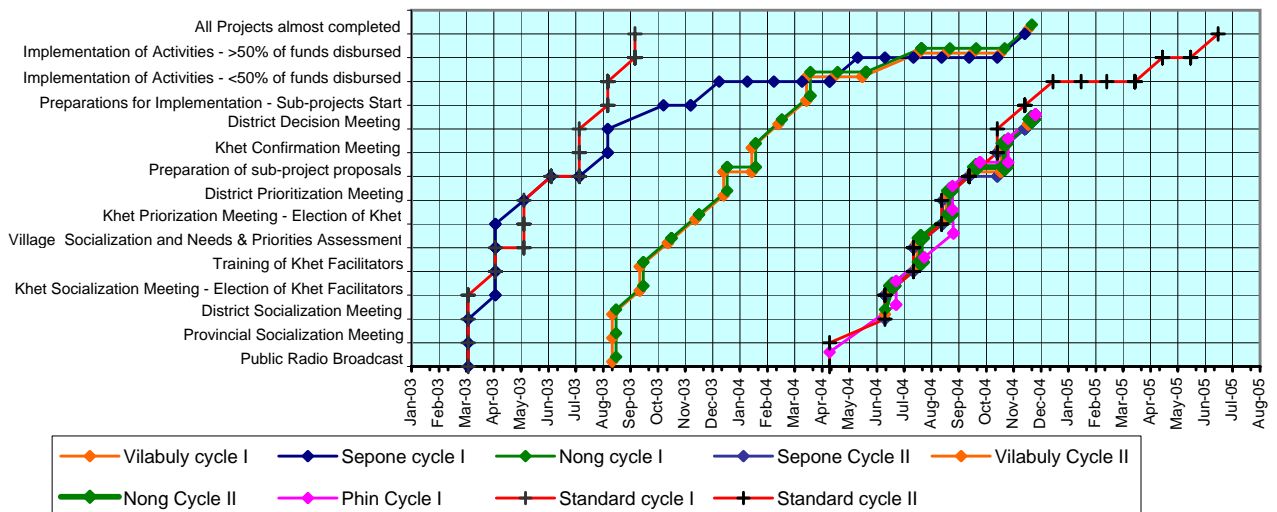


Chart of progress for activities of 2003-2004 and 2004-2005



Exchange Rate: approx. 1 US\$ = 10,500 Kip, rate used at the day of District Decision Meeting

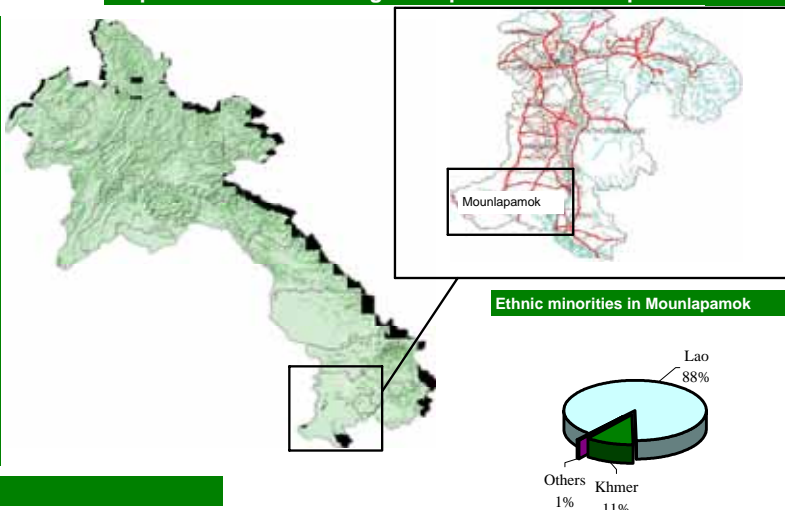
* Poverty indicators and "poor" villages are defined by the Prime Minister's Instruction No. 010/PM and the National Statistic Centre.

Progress activity of Mounlapamok District, as end of 2004

General Information

Champasack Province:	Total	Women
Population of Province (NSC; year 2003):	622,400	318,700
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 (VNPA, PRF: 2004)	38,142	22,427
Total Number of Khets:	10	
Total Number of Villages:	67	
Total Number of "Poor" Villages:	51	
% of villages without access to health services	27%	
% of villages without safe water supply	45%	
% of villages without road	0%	
% of villages without access to School	0%	
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 (VNPA) and Prioritization:

Description	Total	%
Number of Village Needs (activities) expressed by villagers by 3 priorities	210	
Number of Village Needs (activities) expressed by women by 3 priorities	26	13%
Number of Village Needs (activities) expressed by men by 3 priorities	32	16%
Village Needs after consolidation at Khet level (Khet Priorities)	58	

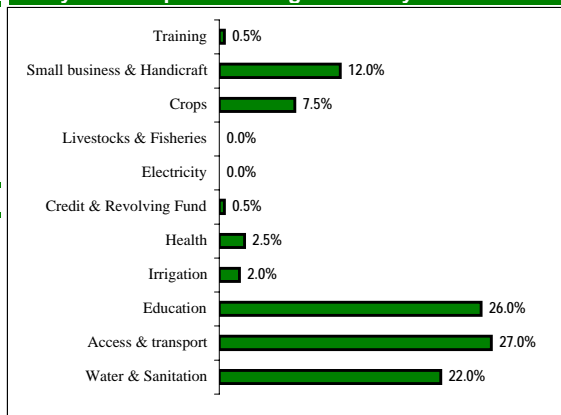
Selected / approved sub-projects for the period 2004-2005 [Cycle II]

Results after sub-project appraisal and District Decision Meeting:

Description	Total	Kip	US\$
PRF Mounlapamok budget allocation 2004-2005	1,795,500,000	171,000	
PRF Contribution to sub-project implementation	1,780,725,510	169,593	
Village Contribution (cash / kind) to project implementation	328,314,350	31,268	
Total Cost for Sub-Projects:	2,109,039,860	200,861	
% of village contribution compared to total cost for sub-projects	16%	-	
Average PRF contribution per Sub-project	68,489,443	6,523	
Average PRF contribution per participating village	178,072,551	16,959	
Number of Villages benefiting from 2004-2005 funding round	48	-	
Number of Poor Villages benefiting from 2004-2005 funding round	29	57%	
Number and percentage of beneficiaries in 2004-2005 funding round	38,142	100%	
Number of Khets benefiting from 2004-2005 funding round	10	100%	
Number of Sub-Projects to be implemented in 2004-2005 funding round	26	-	
Percentage of selected sub-projects proposed by women	-	8%	
Average Number of Sub-projects / Khet	2.6	-	
Average Number of Village activities / Khet	1.8	-	

Sub-project budget allocation per sector	Allocation (Kip)	Percentage %
Water & Sanitation	115,725,000	6.5%
Access/ Transport	80,039,167	4.5%
Health	198,875,952	11.2%
Education	1,306,239,774	73.4%
Livestocks & Fisheries	19,985,617	1.1%
Training	59,860,000	3.4%
Total:	1,780,725,510	100%

Analysis of requested village needs by sector



Analysis of selected PRF sub-projects by sector

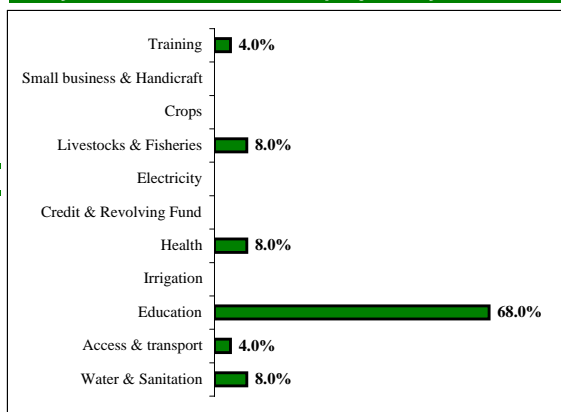
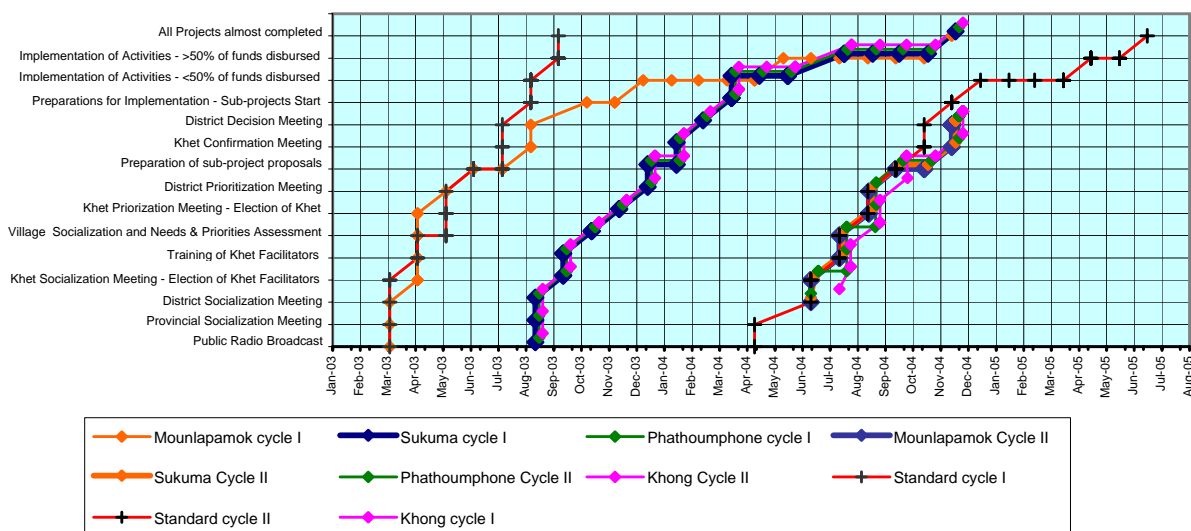


Chart of progress for activities of 2003-2004 and 2004-2005



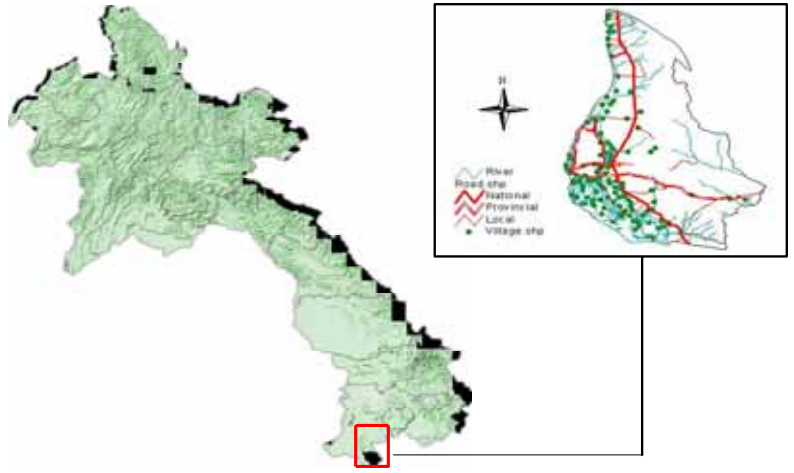
Exchange Rate: approx. 1 US\$ = 10,500 Kip, rate used at the day of District Decision Meeting
 * Poverty indicators and "poor" villages are defined by the Prime Minister's Instruction No. 010/PM and the National Statistic Centre.

Progress activity of Khong District, as end of 2004

General Information

Champasack Province:	Total	Women
Population of Province (NSC; year 2003):	622,400	318,700
Total Number of districts:	10	
<i>Mounlapamok, Khong, Pathoumphone, Sukuma, Pakse, Sanasomboun, Bachiang, Paksong, Phonethong and Champasack.</i>		
Total Number of districts covered by PRF:	4	
<i>Pathoumphone, Sukuma, Khong and Mounlapamok</i>		
Khong District:	Total	Women
District Population (VNPA, PRF: 2004)	70,170	35,020
Total Number of Khets:	14	
Total Number of Villages:	136	
Total Number of "Poor" Villages*:	46	
% of villages without access to health services	24%	
% of villages without safe water supply	10%	
% of villages without road	0%	
% of villages without access to school	7%	
Main ethnic groups in the district: (NSC Census 95)		
<i>Lao (98%), Others</i>		

Maps of Lao PDR showing Champasack and Khong



Initially requested village needs

Results after Village Needs and priorities Assessment (VNPA) and Prioritization

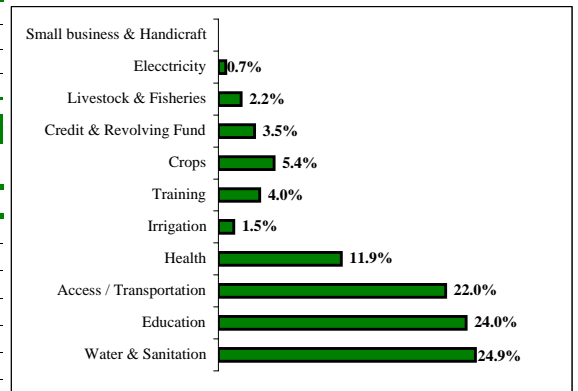
Description	Total	%
Number of Village Needs (activities) expressed by villagers by 3 priorities	408	
Number of Village Needs (activities) expressed by women by 3 priorities	26	6%
Number of Village Needs (activities) expressed by men by 3 priorities	42	10%
Village Needs after consolidation at Khet level (Khet Priorities)	84	

Selected / approved sub-projects for the period 2004-2005 - Cycle II

Results after sub-project appraisal and District Decision Meeting

Description	Total	Kip	US\$
PRF Khong budget allocation 2004-2005	997,500,000		95,000
PRF Contribution to sub-project implementation	901,306,147		85,839
Village Contribution (cash / kind) to project implementation	264,747,926		25,214
Total Cost for Sub-Projects:	1,166,054,073		111,053
% of village contribution compared to total cost for sub-projects	29.4%		-
Average PRF contribution per Sub-project	36,052,246		3,434
Average PRF contribution per participating village	10,991,538		1,047
Number of Villages benefiting from 2004-2005 funding round	82		-
Number of Poor Villages benefiting from 2004-2005 funding round	15		-
Number and percentage of beneficiaries in 2004-2005 funding round	33,971		48%
Number of Khets benefiting from 2004-2005 funding round	14		-
Number of Sub-Projects to be implemented in 2004-2005 funding round	25		-
Percentage of selected sub-projects proposed by women	-		4.0%
Average Number of sub-projects / Khet	1.8		-
Average Number of Village activities / Khet	3		-
Sub-project budget allocation per sector	Allocation (Kip)	Percentage %	
Water & Sanitation	38,414,213	4.3%	
Access/ Transport	49,228,755	5.5%	
Health	50,868,991	5.6%	
Education	687,897,175	76.3%	
Training	74,879,013	8.3%	
Total:	901,288,147	100%	

Analysis of requested village needs by sector



Analysis of selected PRF sub-projects by sector

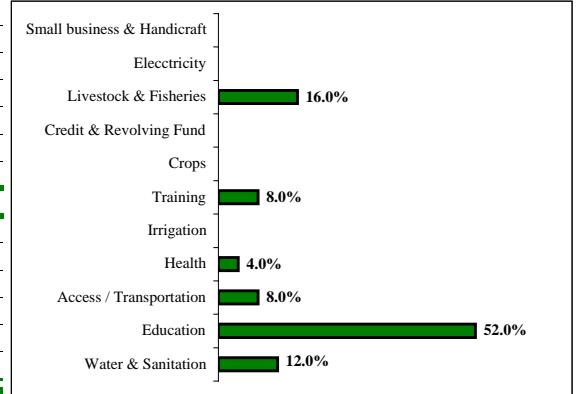
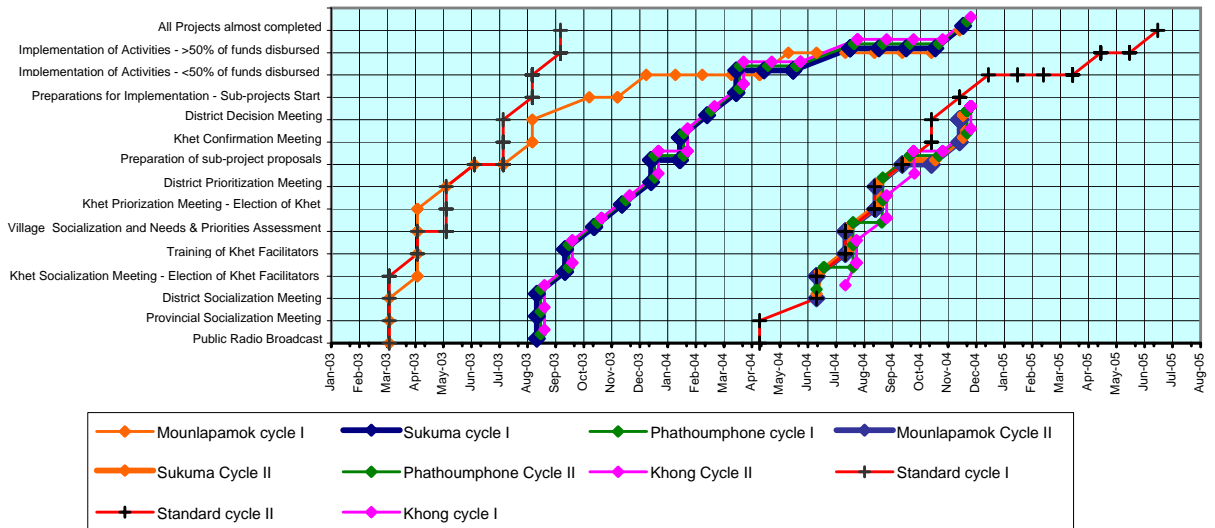


Chart of progress for activities of 2003-2004 and 2004-2005

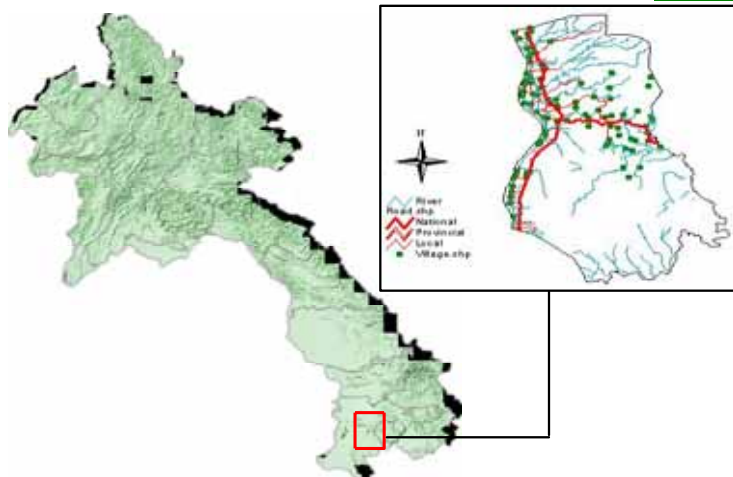


Progress activity of Pathoumphone District, as end of 2004

General Information

Champasack Province:	Total	Women
Population of Province (NSC; year 2003):	622,400	318,700
Total Number of districts:	10	
Mounlapamok, Khong, Pathoumphone, Sukuma, Pakse, Sanasomboun, Bachieng, Paksong, Phonethong and Champasack.		
Total Number of districts covered by PRF:	4	
Pathoumphone, Sukuma, Khong and Mounlapamok		
Pathoumphone District:	Total	Women
District Population (VNPA, PRR: 2004)	51,101	25,114
Total Number of Khets:	10	
Total Number of Villages:	93	
Total Number of "Poor" Villages*:	44	
% of villages without access to health services	14%	
% of villages without safe water supply	34%	
% of villages without road	17%	
% of villages without access to school	9%	
Main ethnic groups in the district: (NSC Census 95)		
Lao (91%), Laven (2%), Others		

Maps of Lao PDR showing Champasack and Pathoumphone



Initially requested village needs

Results after Village Needs and priorities Assessment (VNPA) and Prioritization

Description	Total	%
Number of Village Needs (activities) expressed by villagers by 3 priorities	279	
Number of Village Needs (activities) expressed by women by 3 priorities	22	8%
Number of Village Needs (activities) expressed by men by 3 priorities	23	8%
Village Needs after consolidation at Khet level (Khet Priorities)	54	

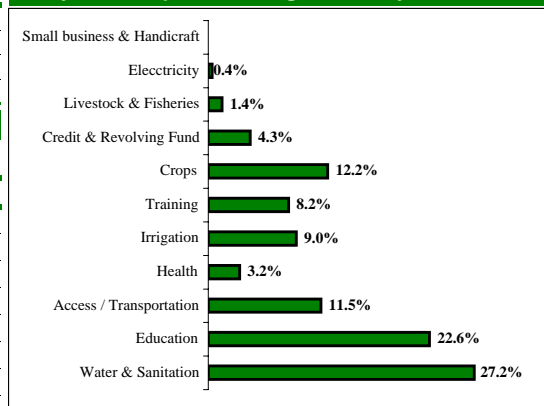
Selected / approved sub-projects for the period 2004-2005 - Cycle II

Results after sub-project appraisal and District Decision Meeting

Description	Total	Kip	US\$
PRF Pathoumphone budget allocation 2004-2005	861,000,000		82,000
PRF Contribution to sub-project implementation	860,950,000		81,995
Village Contribution (cash / kind) to project implementation	203,242,103		19,356
Total Cost for Sub-Projects:	1,081,692,108		103,018
% of village contribution compared to total cost for sub-projects	18.8%		-
Average PRF contribution per Sub-project	50,644,118		4,823
Average PRF contribution per participating village	12,850,000		1,224
Number of Villages benefiting from 2004-2005 funding round	67		-
Number of Poor Villages benefiting from 2004-2005 funding round	23		-
Number and percentage of beneficiaries in 2004-2005 funding round	37,202		73%
Number of Khets benefiting from 2004-2005 funding round	12		-
Number of Sub-Projects to be implemented in 2004-2005 funding round	17		-
Number and percentage of selected sub-projects proposed by women			0%
Average Number of Sub-projects / Khet	1.7		-
Average Number of Village activities / Khet	4		-

Sub-project budget allocation per sector	Allocation (Kip)	Percentage %
Water & Sanitation	210,706,141	24.0%
Access/ Transport	60,282,584	6.9%
Education	407,721,499	46.4%
Irrigation	158,820,447	18.1%
Training	40,919,334	4.7%
Total:	878,450,005	100%

Analysis of requested village needs by sector



Analysis of selected PRF sub-projects by sector

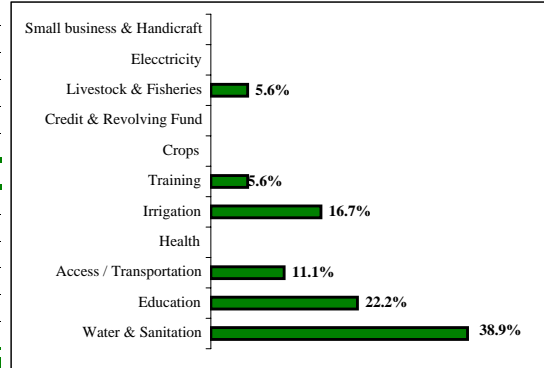
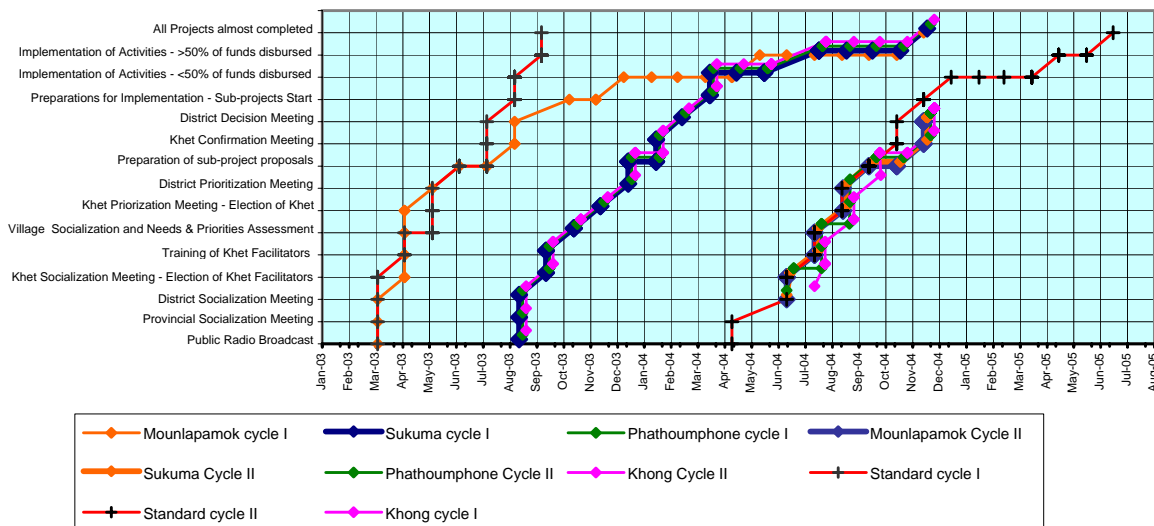


Chart of progress for activities of 2003-2004 and 2004-2005



Exchange Rate: approx. 1 US\$ = 10,500 Kip, rate used at the day of District Decision Meeting

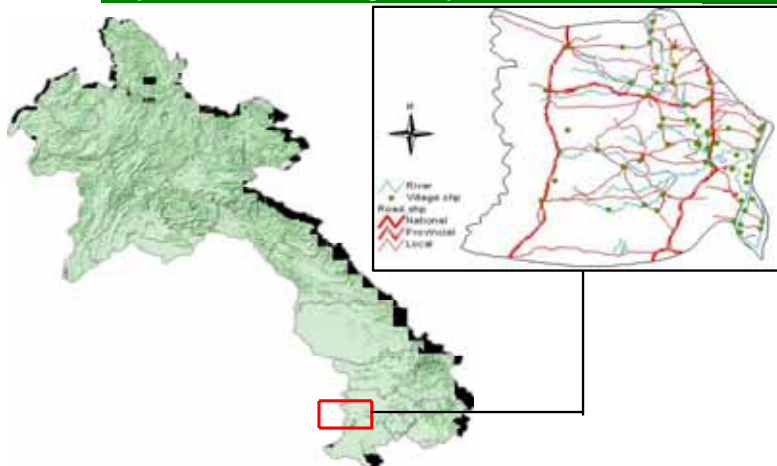
* Poverty indicators and "poor" villages are defined by the Prime Minister's Instruction No. 010/PM and the National Statistic Centre.

Progress activity of Sukuma District, as end of 2004

General Information

Champasack Province:	Total	Women
Population of Province (NSC; year 2003):	303,700	152,700
Total Number of districts:	8	
<i>Mounlapamok, Khong, Pathoumphone, Sukuma, Pakse, Sanasomboun, Bachieng, Paksong, Phonethong and Champasack.</i>		
Total Number of districts covered by PRF:	6	
<i>Pathoumphone, Sukuma, Khong and Mounlapamok</i>		
Sukuma District:	Total	Women
District Population (VNPA, PRF: 2004)	35,234	17,543
Total Number of Khets:	19	
Total Number of Villages:	130	
Total Number of "Poor" Villages*:	101	
% of villages without access to health services	15%	
% of villages without safe water supply	53%	
% of villages without road	33%	
% of villages without access to School	18%	
Main ethnic groups in the district: (NSC Census 95)		
<i>Phouthai (60%), Lao (19%), Hmong (12%), Khmer (8%), Others (1%)</i>		

Maps of Lao PDR showing Champasack & Sukuma



Initially requested village needs for the period 2004-2005 [Cycle II]

Results after Village Needs and priorities Assessment (VNPA) and Prioritization:

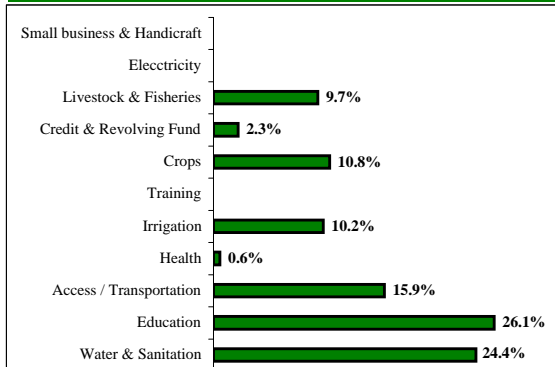
Description	Total	%
Number of Village Needs (activities) expressed by villagers by 3 priorities	390	
Number of Village Needs (activities) expressed by women by 3 priorities	37	10%
Number of Village Needs (activities) expressed by men by 3 priorities	43	11%
Village Needs after consolidation at Khet level (Khet Priorities)	131	

Selected / approved sub-projects for the period 2004-2005 [Cycle II]

Results after sub-project appraisal and District Decision Meeting:

Description	Total	Kip	US\$
PRF Sukuma budget allocation 2004-2005	2,488,500,000		237,000
PRF Contribution to sub-project implementation	2,322,772,235		221,216
Village Contribution (cash / kind) to project implementation	981,135,722		93,441
Total Cost for Sub-Projects:	3,303,907,957		314,653
% of village contribution compared to total cost for sub-projects	30%		-
Average PRF contribution per Sub-project	58,069,306		5,530
Average PRF contribution per participating village	30,165,873		2,873
Number of Villages benefiting from 2004-2005 funding round	77		-
Number of Poor Villages benefiting from 2004-2005 funding round	25		-
Number and percentage of beneficiaries in 2004-2005 funding round	5,059		14%
Number of Khets benefiting from 2004-2005 funding round	10		-
Number of Sub-Projects to be implemented in 2004-2005 funding round	40		-
Percentage of selected sub-projects proposed by women	-		0%
Average Number of Sub-projects / Khet	4.0		-
Average Number of Village activities / Khet	2.0		-
Sub-project budget allocation per sector	Allocation (Kip)	Percentage %	
Water & sanitation	545,809,401	23.5%	
Access / Transport	997,284,430	42.9%	
Education	404,744,467	17.4%	
Cropping	11,430,063	0.5%	
Health	9,440,436	0.4%	
Irrigation	345,063,138	14.9%	
Total:	2,322,772,235	100%	

Analysis of requested village needs by sector



Analysis of selected PRF sub-projects by sector

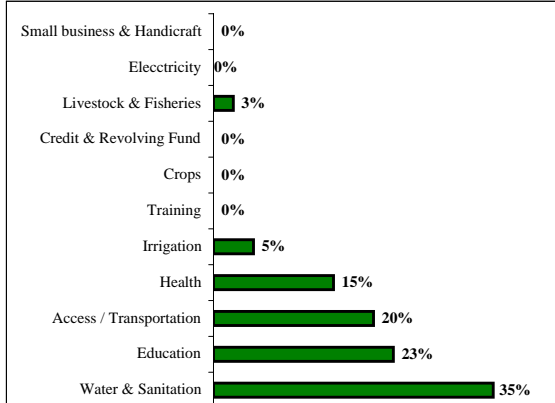
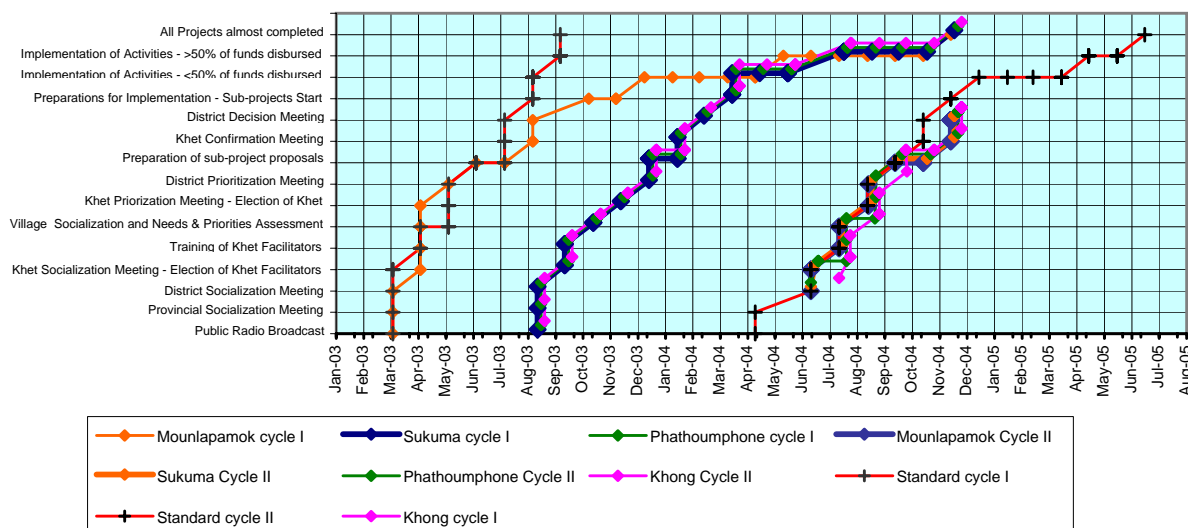


Chart of progress for activities of 2003-2004 and 2004-2005



Exchange Rate: approx. 1 US\$ = 10,500 Kip, rate used at the day of the District Decision Meeting
 * Poverty indicators and "poor" villages are defined by the Prime Minister's Instruction No. 010/PM and the National Statistic Centre.