

**LAO PEOPLE'S DEMOCRATIC REPUBLIC  
PEACE INDEPENDENCE DEMOCRACY UNITY PROSPERITY**

**PRIME MINISTER OFFICE  
NATIONAL LEADING COMMITTEE FOR RURAL DEVELOPMENT AND POVERTY ERADICATION  
POVERTY REDUCTION FUND (PRF)**



# ANNUAL REPORT 2010

**(PERIOD FROM OCTOBER 2009 - SEPTEMBER 2010)**



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## LIST OF ABBREVIATIONS

BD	Bidding Document
BoQ	Bill of Quantity
CB	Capacity Building
CD	Community Development
CDD	Community Driven Development
CFA	Community Force Account
DDM	District Decision Meeting
DPM	District Prioritization Meeting
FA	Financial and Administration
FMR	Financial Monitoring Report
FY	Fiscal Year (01/10 of the former year to 30/09 of the quoted year)
GoL	Government of the Lao PDR
IDA	International Development Association (World Bank)
IEC	Information, Education and Communication
KB	Koumban Pathana (Sub-district unit comprising neighboring villages – Former Khet)
KSPPO	Koumban Subproject Proposal Outline
LECS	Lao Expenditure and Consumption Survey
LWU	Lao Women’s Union
LUFSIP	Lao Uplands Food Security Improvement Project
MAF	Ministry of Agriculture and Forestry
MBO	Mass Base Organization
M&E	Monitoring and Evaluation unit
MIS	Management Information System
MPI	Ministry for Planning and Investment
NOL	No-Objection Letter
NGPES	National for Growth and Poverty Eradication Strategy
NLBRDPA	National Leading Board for Rural Development and Poverty Alleviation
PACSA	Public Administration and Civil Service Authority
PDO	Project Development Objective
PG	Poverty Grading
PMT	PRF Project Management Team
PRF	Poverty Reduction Fund
PWT	Public Work and Transportation
RFQ	Request for Quotation
SDC	Swiss Agency for Development and Cooperation
SoE	Statement of Expenditure
SA	Senior Advisor
SW	Small Work contract
TA	Technical Assessment
ToR	Terms of Reference
USD	Dollar of the United States of America
VNPA	Village Needs and Priority Assessment
VP	Village Profile
WB	World Bank
SDR	Special Drawing Rights (Currency used by the International Monetary Fund and the World Bank)

## Executive Summary

The annual report 2010 summarizes the main activities conducted within the PRF program for the period October 2009 to September 2010, including overall progress of the implementation of PRF cycles (Cycle VI to Cycle VIII).

The remaining sub-projects not yet completed from the Cycle VI had been brought up to the Cycle VII period and all sub-projects (354) have been completed by the end of March 2010. At the end of the reporting period 38.43 billion kip representing 98% of the overall budget has been transferred to koumban bank account.

For the Cycle VII, decision was made to extend PRF coverage to Sekong Province (Kaleum and Dackcheung district) after confirmation of an additional funding received from SDC (US\$1,200,000). 463 sub-projects have been selected for funding and by the end of September 2010, 459 sub-projects have been implemented (99%) with 433 sub-projects completed, 17 sub-projects with a completion rate above 50%, and 6 sub-projects initiated with less than 50% completion. Nevertheless, 3 sub-projects have been cancelled and one sub-project is still pending (Hand dug well) due to the difficulties of finding the adequate equipments. The main issue that explains delays in sub-projects completion for the Cycle VII is related to difficulties to access the location for sub-projects implementation.

Within the Cycle VII, 60% of the total number of sub-projects is related to the construction of public infrastructures, which represents 93% of the total budget allocated in sub-projects. A large proportion (82%) of approved sub-projects were coming from both women and men list and 85% of selected sub-projects are benefiting villages classified as the poorest.

For the cycle VIII, in order to align the work plan of the PRF with the Government's plan, the PRF has adjust and set its activities schedule to be implemented earlier than previous cycles. Then, the Cycle VIII started in November 2009 and 450 sub-projects have been selected during the District Decision Meetings held in April 2010 (representing 6% of the total number of priorities identified by the communities during the VNPA). The PRF team is currently preparing the implementation stage of the Cycle VIII starting the procurement process that will be launched in October 2010. A total of 47,510,106,856 Lak will be directly invested in sub-projects (including 12% community contribution).

During the reporting period, two IDA/SDC supervision mission have been implemented. The donors were satisfied with the overall progress of the sub-projects implementation and more particularly about the significant improvement made to reinforce the pro-poor targeting procedure of the PRF and the harmonization of PRF's planning and implementation cycle with GoL budget cycle.



The mission also encouraged the PRF to continue to strengthen the technical quality of infrastructures constructed under the PRF, review the PRF maintenance strategy for roads and bridges in consultation with the Ministry of Public Work and Transport, develop proposals on how to further improve PRF communication activities, continue to support the implementation of capacity-building activities at all levels relevant to the project, explore opportunities to enhance mapping of PRF activities, using GIS, review and reinforce the existing feedback and complaints handling mechanisms in order to better reflect the Lao cultural context and systematically apply the environmental safeguards following PRF manual of operations.

During the reporting period, the agreement No.01/PM dated 19 January 2010 on the appointment of the Rural Development and Poverty Eradication and the Promotion of the PRF to become a National Program Task force was proposed and approved by the Vice Prime Minister Mr. Somsavath Lengsavath.

The initial meeting of the Taskforce was conducted in January 2010 and was followed by a number of valuable consultative meetings as to stimulate ideas and receive comments from the taskforce members as well as other line ministries to the plan. In parallel, the PRF has hired the services of a senior policy advisor consultant (April 21-June 20, 2010) to advise the PRF and members of the task force to prepare the Lao National Program for Rural Development, provide strategic inputs to the future direction of the PRF including the preparation of the conversion of PRF into a National Program for Rural Development, liaise with the different stakeholders within the Lao Government and the international donors to ensure that they are involved in the process.

In order to support this process, an identification mission for the proposed second phase of the PRF was organized from 20 September 2010 to 8 October 2010. The team meets with key Ministries and other potential donors, as well as the National Leading Board for Rural Development and Poverty Alleviation. It was the opportunity to discuss the final draft of the 7<sup>th</sup> National Socio-economic Development Plan for Rural Development and Poverty Eradication and the second phase of the PRF (contribution of the PRF in this plan, geographic coverage, financing, institution arrangement, planning process/participatory approach, etc.). Further discussions will be conducted to clarify rules and regulation for the management of the fund in order to avoid overlap with line Ministries, PRF coverage following the outcomes of the national Census to select the benefiting koumban, the identification of PRF additional activities, integration of the PRF in the current government structure and the role of the PRF within this structure as well as future PRF mandate.

Nevertheless, the WB/SDC phase II preparation mission team found that the group has mainly focused its time and energy in the completion of the NRDPE, and it will be challenging to secure feedback from such a large group of senior officials on a regular basis. The mission therefore

encouraged the Government to consider the appointment of a senior focal person or a smaller committee to provide regular strategic direction and feedback to the PMT/PRF.

During this year, the PRF also experienced increased potential cooperation and partnerships with other donors, given opportunity to extend PRF coverage and support more priorities identified by the poor communities:

1/ The Lao Upland Food Security Improvement Project become effective from August 31, 2010, and the PRF is responsible for the execution of component 3 (sub-components 3a: Rural Infrastructure for Improved Agricultural Livelihoods and 3b: Community-Led recovery.) for a total budget of US\$7.92 million. The 6 months implementation plan has been approved, including the recruitment and training of additional PRF staff to support the implementation of LUFSIP in 9 new southern districts. The PRF also started the implementation of the preparation phase (socialization meeting, basic budget allocation, district prioritization meeting, survey of the infrastructures to be rehabilitated).

2/ The World Bank and PRF continued working on the design of a new Livelihood component to be piloted in two provinces (Houaphanh and Savannakhet) with a budget of around US\$ 2,100,000. During the reporting period, additional community consultation were conducted in order to clarify communities' actual needs in terms of livelihood supports and to further design the nutrition component. Consultants were recruited by the World Bank to that effect and the new proposal has been submitted to the Japanese Social Development Fund for consideration.

3/ In September 2010, the PRF has been informed that SDC would have additional funds to be used in project having a connection to Water. Decision was made to earmark the additional funds to the already selected sub-projects of cycle VIII in the water sector. The list of the eligible sub-projects has been sent to SDC (74 sub-projects for an amount of US\$1,066,168) for further consideration.

Finally, the organizations of two PRF Administrative Board Meetings were conducted during the reporting period. The first meeting took place in Champasack province during 20-22 January, 2010 and the second one in Sekong (2-4 July, 2010). During these meetings, number of significant issues has been agreed upon; all of those aiming at improving the PRF's performance and prepare the scaling up of the PRF to a national project.

## 1. INTRODUCTION

The Poverty Reduction Fund Project was legally established by Decree from 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 credit, repayable over a forty-year term. The consented credit amounts approximately 19.5 million US\$. The Prime Ministerial Decree allows the PRF to also receive and use funds from other sources.

After the Party Congress and the election of a new National Assembly, the GoL composition changed as well as many positions within provincial and district administrations. The PRF, established by a Prime Minister's Decree in 2002 (073/PM), was amended in September 2006 (222/PM), as an autonomous organization, overseen by an Administrative Board were sat Government and province representatives, chaired by the Deputy Prime Minister, Standing Member of the Government, Chair of the National Committee for Rural Development and Poverty Alleviation. The PRF Administrative Board accepted the new PRF board members for each vacant position.

The objectives of the PRF Project are to support the Lao PDR Government in its efforts to reduce poverty by expanding community opportunities to identify local development needs and manage small scale development projects through financing sub-projects for the rehabilitation and reconstruction of social and economic infrastructure, and other socially productive activities, including creating income generating opportunities through training and other support. Key emphases of the PRF include participation of the communities, transparency and sustainability of the sub-project outputs.

### **Specifically the PRF objectives are to:**

- (i) Assist villagers to develop community public infrastructure and gain improved access to services;
- (ii) Build capacity and empower villages in poor districts to manage their own public investment planning and subproject implementation in a decentralized and transparent manner; and
- (iii) Strengthen local institutions to support participatory decision-making and conflict resolution processes at the village, koumban and district levels, involving a broad range of villagers, including women and the poor.

A network of volunteers (village and koumban representatives) was set up. Through their elected representatives, villagers decide on how resources are allocated, manage funds, and implement subprojects. Extensive facilitation and training is provided to ensure that poor villagers, including women and people from smaller ethnic groups, participate in the decision-making process and benefit from Program inputs. The Program builds community capacity by providing technical support for villagers.

The Program aims to create stronger links between the local government and the aspirations of villagers with staff at district, province and national level coordinating and building linkages. A forum was created at district level where villagers and district authorities meet regularly to discuss priorities and plans and reach a compromise that will satisfy each party.

During the first 5-year phase of the project (cycles I to V), with a loan from the World Bank, the PRF supported more than 2,000 subprojects in 21 districts located in 6 provinces (Luang Namtha, Houaphanh, Xieng Khouang, Champasak, Savannakhet and Saravanh) including 161 Koumban, more than 1,900 villages and a total population of 744,140 persons. The total budget for the first phase reached more than US\$ 20,000,000. A budget of US\$ 16,616,000 (83% of the total budget) was directly invested in the subprojects implemented at the village level.

The Lao government and the PRF donors decided to extend the PRF program with a 3-year additional phase started in October 2008 with grants from the World Bank (US\$ 15 million) and from the Swiss Agency for Development and Cooperation (US\$ 5 million). In Cycle VI (2008-2009), PRF has worked in 19 first priority districts located in 6 provinces and supported 355 subprojects corresponding to a total direct investment of US\$ 4.4 million. In Cycle VII (2009-2010), the PRF is working in 7 provinces and in 21 districts (Sekong was added to the list) and is supporting 463 subprojects with a total direct investment of US\$ 5.24 million. For the Cycle VIII, the PRF covered 8 provinces and 30 districts thanks to the implementation of LUFSP sub-component 3B with a total budget of US\$ 8.5 million.

During the 13<sup>th</sup> Administrative Board Meeting of PRF (1-3 July 2009), the Government of Laos agreed in principle to use the PRF as a key component to build a National project to reach the Lao PDR objectives related to Rural Development and Poverty Alleviation. An agreement No.01/PM dated 19 January 2010 confirmed the Promotion of the PRF to become a National Program and a task force was proposed and approved by the Vice Prime Minister Mr. Somsavath Lengsavath to formulate the roadmap and the implementation plan (and budget required) related to rural development and poverty eradication. The plan will follow the instruction letter No. 09/PPB dated 8 June 2004 regarding the village cluster and Koumban Phatthana as well as the Millennium Development Goals and the NGPES. The task force also has the responsibility to promote alignment and harmonization as formulated in the 2007 Vientiane Declaration.

In order to support the Development of the Rural Development and Poverty Eradication plan, a secretarial team has been appointed to support the task force committee on their mission, by the Agreement No.017/NLBRDPA dated 15 February 2010 (see the agreement on annex 19). The secretarial team consists of 9 members from the NLBRDPA (4 members) and the PRF (5 members).

## **2. SUBPROJECT PLANNING AND IMPLEMENTATION**

### **2.1. Implementation of Cycle VI**

#### **2.1.1. Coverage and Allocation**

The first cycle of the PRF additional phase, was implemented in 19 districts within 6 provinces. Through the PRF selection process, 355 subprojects were selected for funding with a budget allocation of 39.18 billion kip for direct sub-projects investments.

#### **2.1.2. Implementation Progress and Disbursement**

In the first quarter (Oct-Dec 2009), while 351 subprojects were completed (99%), 3 sub-projects had a completion rate above 50% and the implementation of 1 subproject in Saravan (spring gravity fed water system) has been cancelled because of the low quality of the water.

At the end of this reporting period (Jul-Sep 2010), all the sub-projects have been completed and 38.43 billion kip representing 98% of the overall budget has been transferred to koumban bank account (annex 21). The budget not yet transferred is related to the payment of the last installment and will be paid after the one year warranty period.

The community contribution for the Cycle VI represents 7.28 billion kip (15% of the overall budget allocated to the sub-grants category).

### **2.2. Implementation of Cycle VII**

#### **2.2.1. Coverage and Allocation**

The Cycle VII was implemented in 21 districts within 7 provinces. Decision was made to extend PRF coverage to Sekong Province (Kaleum and Dackcheung district) after confirmation of an additional funding received from SDC (US\$1,200,000). After the District Decision Meeting, 463 sub-projects have been selected for funding. 277 subprojects (60%) concerned rural infrastructures while 186 (40%) belong to Training and Capacity Building activities. The sub-projects located in poor villages (PG 0-2) reach 85% of the total of the sub-projects selected and 86% of the budget allocation to sub-grants.

58.13 billion kip have been allocated for direct sub-projects implementation. 51.69 billion kip (88.92%) came from the PRF's budget and 6.44 billion kip (11.08%) are communities' contribution (Table 1).

Table 1: Number of Subprojects and Budget Allocation Cycle VII

Province	# of sub-project		Total Sub-projects	Budget Allocation		Community Contribution	Total Budget
	Infra.	Training		Infrastructure	Training		
Luang Namtha	40	35	75	5,296,742,712	581,257,203	960,492,684	6,838,492,599
Houaphanh	86	51	137	12,972,823,143	1,119,582,700	1,646,268,183	15,738,674,026
Xiengkhouang	34	19	53	6,882,975,203	357,807,000	1,170,028,650	8,410,810,853
Savannakhet	53	20	73	9,756,240,255	413,521,843	659,184,684	10,828,946,782
Saravanh	18	18	36	3,684,451,925	374,969,480	323,880,881	4,383,302,286
Champasack	23	21	44	5,633,289,525	574,961,141	756,267,362	6,964,518,028
Sekong	23	22	45	3,731,759,646	312,420,002	922,952,014	4,967,131,662
Total	277	186	463	47,958,282,409	3,734,519,369	6,439,074,458	58,131,876,236

Source: Monitoring and Evaluation Unit

### 2.2.2. Implementation Progress and Disbursement

During the first quarter (Oct-Dec 2009), initial stage of the cycle implementation, 64 subprojects (13% of all subprojects) have been launched. At the end of the first quarter, 3 sub-projects had a completion rate above 50% while the others are still below 50% of completion.

During the second quarter (Jan-Mar 2010), good progress was made as the implementation of 380 subprojects had started (82%). Compare to the previous cycle at the same period, it represents an increases of 12%. At the end of the second quarter, 174 sub-projects were completed while 165 sub-projects had a completion rate over 50% and 41 sub-projects had a completion rate below 50%. Nevertheless, 83 subprojects were still inactive. By the end of March, 18.73 billion kip has been transferred to koumban bank account for sub-projects implementation.

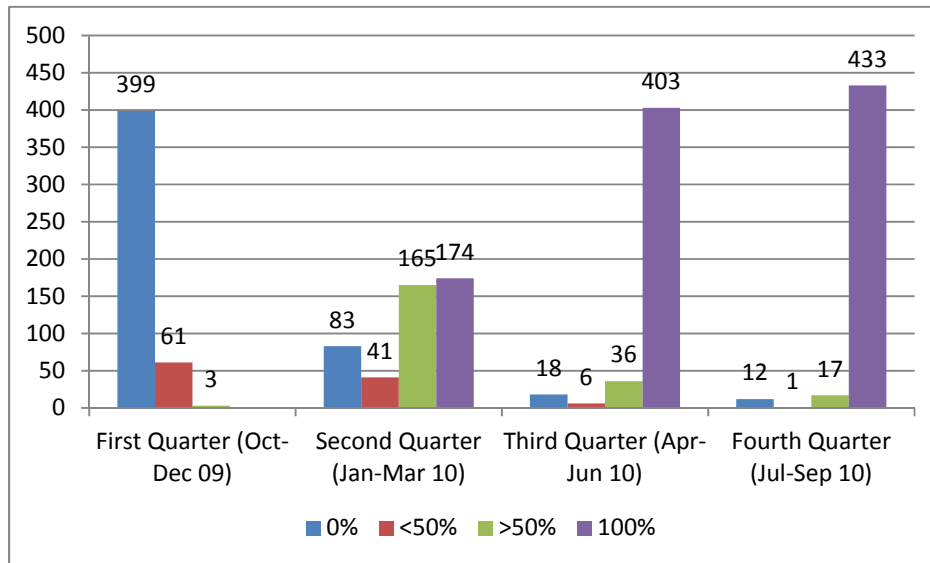
During the third quarter (Apr-June 2010), 445 or 96% of the total number of sub-projects were active; including 403 subprojects completed (87%). Nevertheless, 18 sub-projects were still inactive (4% of all sub-projects). 2 of those are located in Savannakhet province, 4 in Saravanh province and 12 in Sekong province (table 2). Delay in implementation is due to various factors, but road condition to access the location for sub-projects implementation is the main reason that led to contractors' disinterests in working in these areas. Majority of them are located in Sekong which is a new area of operations where PRF lacks of sub-projects implementation experiences. Problems have been raised and discussed within the PRF Project Management Team as well as the local authorities, to find out options to solve these issues. By the end of June, koumban received the amount of 32.2 billion kip for subprojects implementation.

At the end of the fourth quarter (Jul-Sep 2010), 459 sub-projects (99%) were active including completion of 433 sub-projects. 17 sub-projects had a completion rate above 50% and 6 under 50%, and will be completed during the next dry season. 3 sub-projects of the Cycle VII were cancelled due to unavailability of the equipments regarding the water depth (30-40 meters) in

Saravanh Province (3 drill well in Ta Oy district, Phosene, Soydam and Tapinphoo village) and one sub-project in Savannakhet Province, Sepone District is still pending (Hand dug well in Houy Yeuang village) due to the difficulties of finding the adequate equipments.

The figure 1 provides summary of the sub-projects implementation progress by quarter.

Figure 1: Progression of Cycle VII subproject implementation by quarter



Source: Monitoring and Evaluation Unit October 2010

Table 2: Cycle VII inactive sub-projects as of June 2010

Province	District	Koumban	Village	Project Name
Savannakhet	Sepone	Group 3	Houy Yeuang	Hand dug well
Saravan	TaOiy	Doup	Porsen	Drilled well construction
		TaPern	Soytam	Drilled well construction
		TaPern	Tapernphou	Drilled well construction
Sekong	Kaleum	Huaylai	Avern	Primary school construction
		Arock	Anguad	Primary school construction
		VangpaNgo	VangpaNgo, Ahung	Rural road upgrade
		TaNgeinh	Tampin	Rural road upgrade
		Patrai	Tangkard	Dispensary construction
		Panon	Panon	Dispensary construction
		Pro	Pola	Spring gravity fed system
		Arock	Ararock	Training on coffee planting
			<b>Total</b>	<b>12 sub-projects</b>

Source: Monitoring and Evaluation

As of September, 35.5 billion kip were transferred to kouban bank account to support the operation (annex 18 and annex 21).

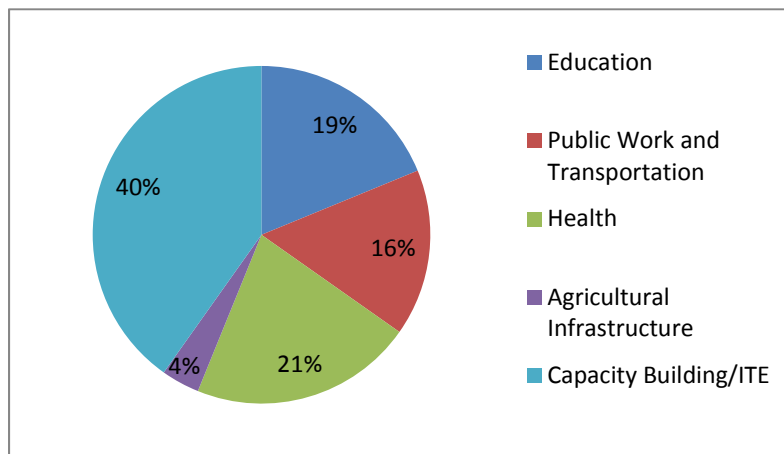
### 2.2.3. Overall achievements of Cycle VII

#### A. Project Development Objective Achievements

- (1) Assist villagers to develop community public infrastructure and gain improved access to services

Since the beginning of the project, PRF has built strong commitment towards local communities in providing them with access to the basic infrastructure with the assistance and contribution of the communities themselves. PRF recognizes that in order to reduce poverty and improve their living condition, public infrastructure must first be developed. Consequently, more than half of the number of sub-projects is related to the construction of public infrastructures (60%) which represents 93% of the total budget allocated in sub-grant. As illustrated in the figure 1, 19% of the total of those infrastructures are related to the education sector including construction of schools, community hall as well as providing learning and teaching materials. 16%, 21% and 4% respectively are related to the Public Works and Transport sector, Health and Agriculture and Forestry sectors (figure 2).

Figure 2: Percentage of each subproject type in Cycle VII



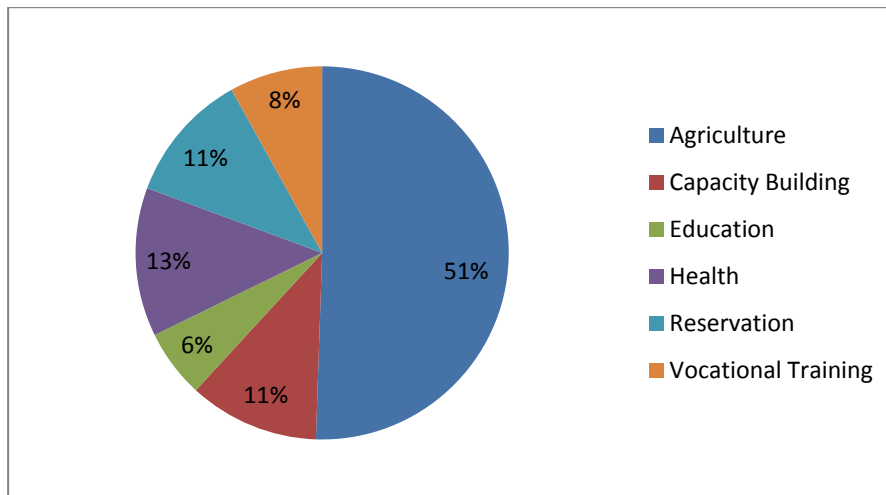
Source: Monitoring and Evaluation Unit

Furthermore, trainings are also part of PRF's activities provided to the communities as to strengthen their skills in areas where their livelihood can be improved such as rice planting training, cattle raising training, village health volunteer training, Sanitation and Hygiene training, tailor training, etc. Most of it are related to the agriculture and forestry sector where 94 subprojects (51%) have been selected. there areas includes capacity building, education, health,



reservation areas and vocational training which add up to 92 subprojects (49%). Training represents 40% of the total number of subprojects funded under the Cycle VII (figure 3).

Figure 3: Percentage of each subproject training type in Cycle VII

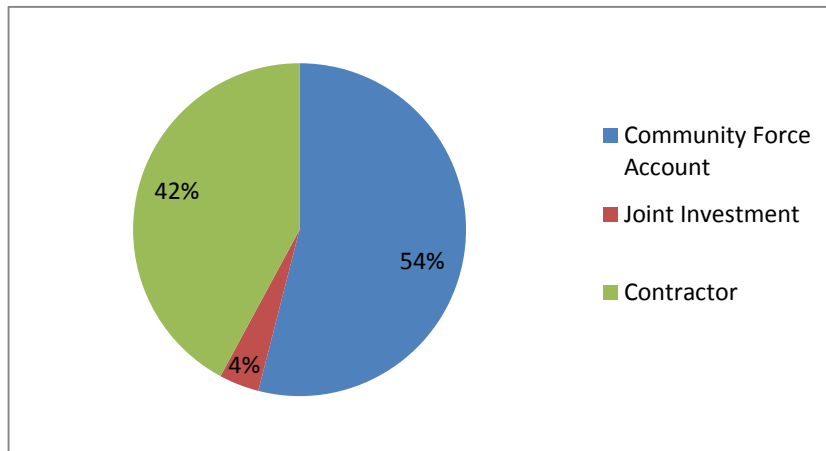


Source: Monitoring and Evaluation Unit

- (2) Build capacity and empower villages in poor districts to manage their own public investment planning and subproject implementation in a decentralized and transparent manner

Bottom-up participatory planning approach is one of PRF's main principle in which communities are empowered and encouraged to manage and implement their own sub-projects from the initial stage to the monitoring and maintenance of the infrastructures funded. Consequently, a large proportion of sub-projects are implemented by communities as well as responsibilities for financial management. For the Cycle VII, 54% of the subprojects are implemented by community force alone while 42% are of joint investment and only 4% were implemented by external contractors (figure 4).

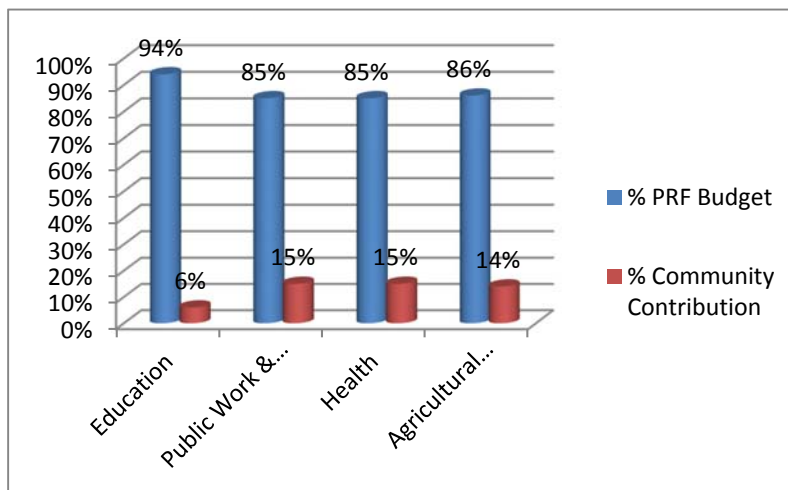
Figure 4: Percentage of sub-projects implemented per operator



Source: Monitoring and Evaluation Unit

To encourage a sense of ownership and leadership, besides PRF budget, community contribution in terms of workforces, materials or financial support is also a part of the investments made. The percentage of community contribution for the Cycle VII represents 12% in average (figure 5). The ability to provide such contribution is somehow depending on the capability of workforces and availability as well as the quality of local materials.

Figure 5: Comparison of the percentage between PRF budget and Community Contribution by sector

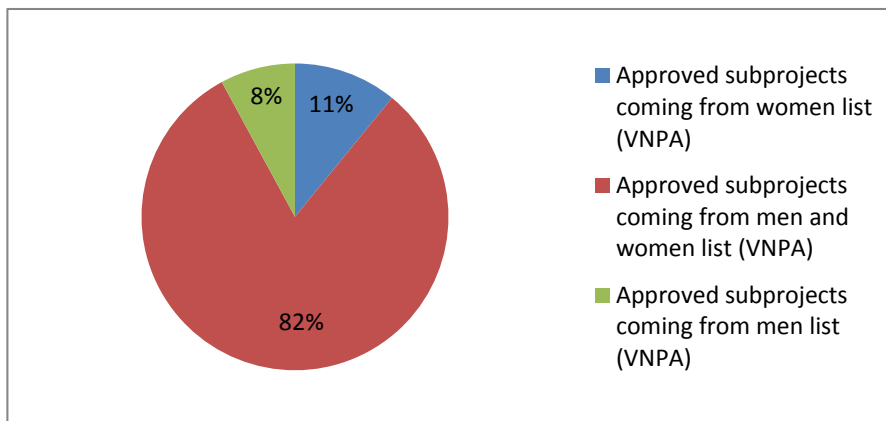


Source: Monitoring and Evaluation Unit

- (3) Strengthen local institutions to support participatory decision-making and conflict resolution processes at the village, koumban and district levels, involving a broad range of villagers including women and the poor.

Under PRF's objectives, gender issue is of PRF's concern. For this reason, PRF is supporting Women's participation in selecting at least 2 priorities per village from the Women list or from consensus between Women and Men list. In Cycle VII, 11% of approved subprojects were coming from women list alone and 8% were selected from men list. A large proportion of approved subprojects were coming from both women and men list, in this context, the PRF counted it as coming from women which contributing to 82% of overall approved subprojects involving women (figure 6).

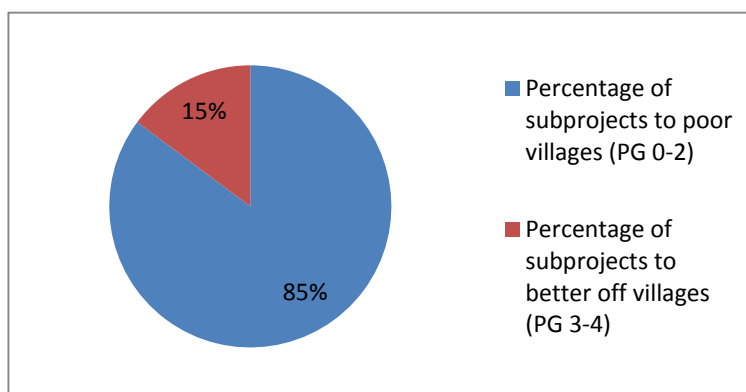
Figure 6: Percentage of subproject coming from gender list



Source: Monitoring and Evaluation Unit

In response to the PRF's Project Development Objective (PDO), criteria related to poverty grading had been reviewed in order to increase the number of sub-project benefiting to the poorest villages. As a result, 85% of selected subprojects are implemented in poor villages (figure 7). This change has reinforced PRF's poor villages focus as main target for poverty alleviation.

Figure 7: Percentage of subproject allocated by Poverty Grading



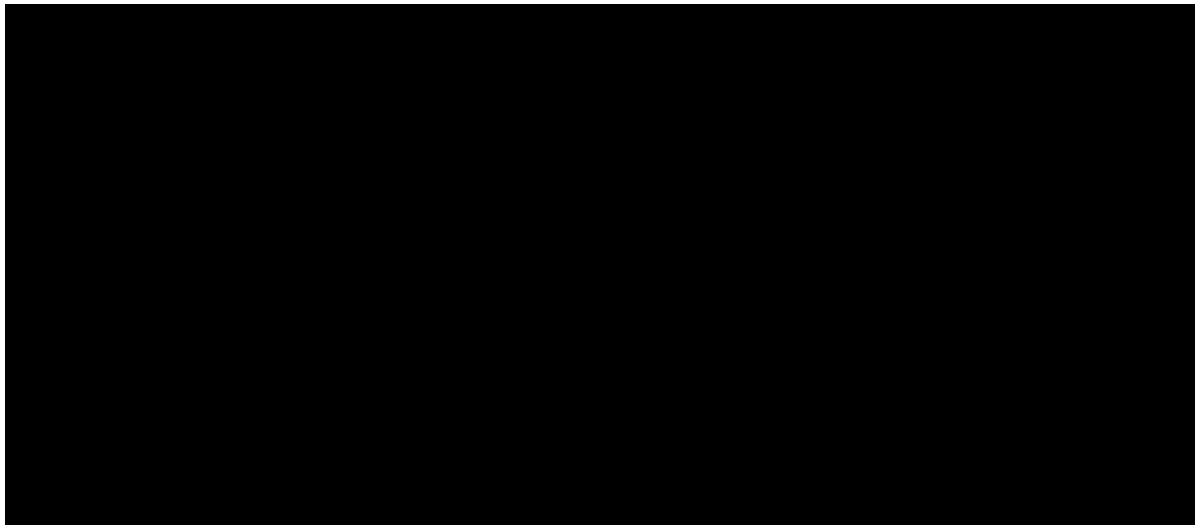
Source: Monitoring and Evaluation Unit

## **B. Output of subprojects implementation**

### **(1) Beneficiaries of Cycle VII**

During the Cycle VII, 301 villages including 235 poor villages directly benefited from sub-projects funded by the PRF. Apart from direct beneficiaries in the villages where subprojects are located, neighboring villages called as indirect beneficiaries also get advantages from those sub-projects and represent around 450 villages (table 3).

Table 3: Beneficiaries of the subprojects



Source: Monitoring and Evaluation Unit

Note: One subproject may locate in more than one village which resulted in the higher in number of benefiting villages than the number of subproject

### **(2) Education Sector**

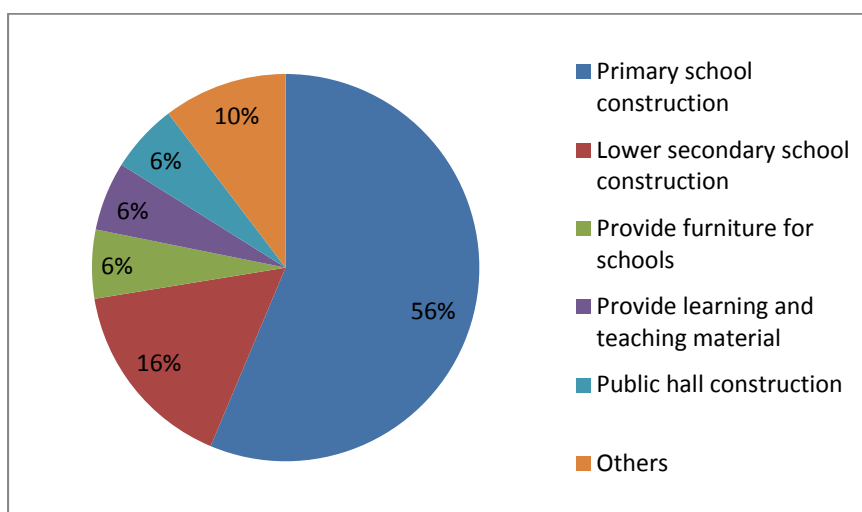
During the Cycle VII, 277 infrastructures sub-projects were selected for implementation, and 87 of those sub-projects were related to the education sector. Schools construction, in particular, covers over 50% (67 sub-projects) of all education sub-projects implemented (figure 8) with 186 classes in total (three classes per school in average) (table 4) and an investment of 17.34 billion kip.

Table 4: Number of schools built (Cycle VII)

Province	Schools Built			
	# Subproject	Quantity	Unit	Investment
Luangnamtha	4	12	class	832,485,005
Huaphan	27	65	class	5,708,075,071
Xiengkhouang	10	36	class	3,168,808,220
Savannakhet	12	26	class	2,627,898,049
Saravan	3	7	class	878,108,923
Champasack	9	29	class	3,049,874,229
Sekong	4	11	class	1,083,596,716
<b>Total</b>	<b>69</b>	<b>186</b>	<b>class</b>	<b>17,348,846,213</b>

Source: Monitoring and Evaluation Unit

Figure 8: Percentage of subproject types in Education sector



Source: Monitoring and Evaluation Unit

### (3) Public Works and Transportation Sector

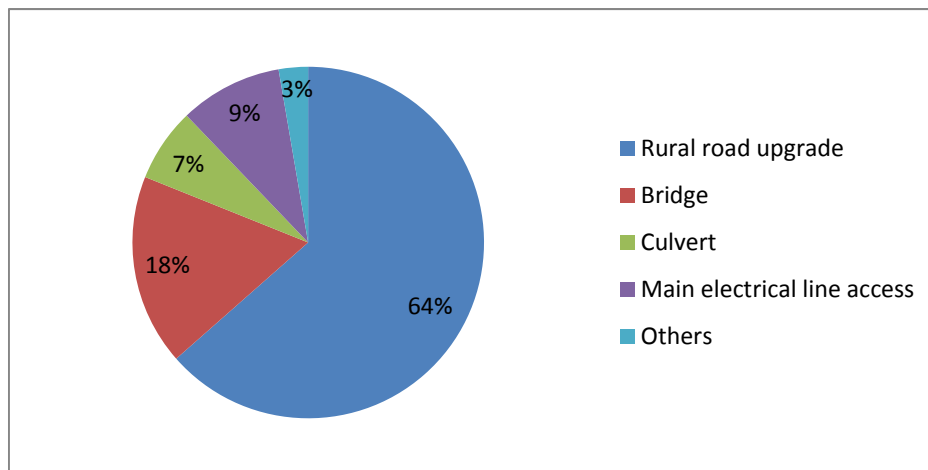
The sub-projects related to the Public Works and transportation sector mainly consist of rural road upgrading, bridge construction, pipe culvert and main electricity line extension (figure 9). Rural road upgrading alone contributes to 64% of the overall subprojects in this sector (74 subprojects) with a total investment of 11.87 billion kip (table 5).

Table 5: Number of Roads built (Cycle VII)

Province	Roads Built			
	# Sub-project	Quantity	Unit	Investment
Luangnamtha	8	50	km	1,913,169,168
Huaphan	14	112	km	3,232,131,512
Xiengkhouang	3	52	km	858,424,657
Savannakhet	9	58	km	2,417,128,461
Saravan	1	21	km	250,131,768
Champasack	5	26	km	1,416,817,770
Sekong	7	50	km	1,787,697,725
<b>Total</b>	<b>47</b>	<b>369</b>	<b>km</b>	<b>11,875,501,061</b>

Source: Monitoring and Evaluation Unit

Figure 9: Percentage of subproject types in Public Works and Transportation sector



Source: Monitoring and Evaluation Unit

#### (4) Health Sector

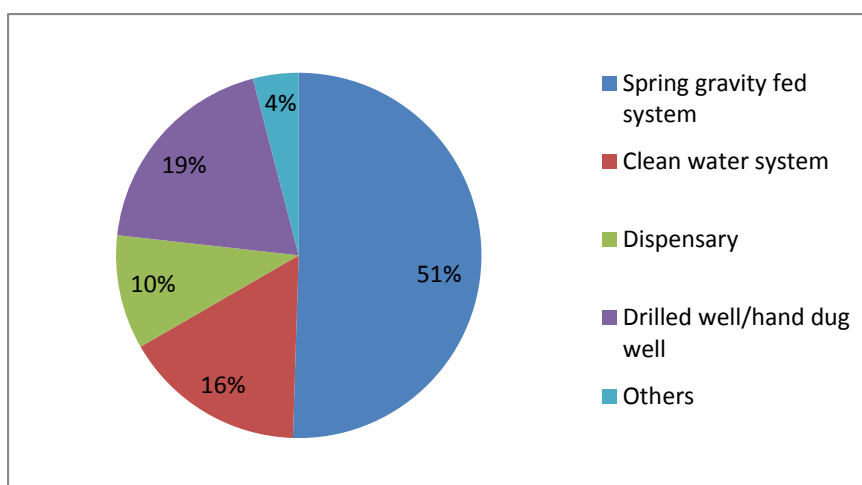
Subprojects related to the health sector stands a large proportion of sub-projects implemented in cycle VII and match with the priorities identified by the Lao PDR Government to alleviate poverty. For the Cycle VII, 91 subprojects were supported in this sector which mainly consists of spring gravity fed system, dispensaries construction, drilled well construction, hand dug well, clean water system upgrade, village medicine box and medical equipments (figure 10). Spring gravity fed system construction represents a large proportion of all investment in the health sector with 50 subprojects and an investment of 6.61 billion kip (table 6).

Table 6: Number of Spring Gravity Fed System built (Cycle VII)

Province	Spring Gravity Fed System Built			
	# Subproject	Quantity	Unit	Investment
Luangnamtha	5	14,347	m(s)	532,548,851
Huaphan	26	62,351	m(s)	2,456,001,432
Xiengkhouang	10	33,100	m(s)	1,579,979,734
Savannakhet	4	14,000	m(s)	954,746,945
Saravan	4	14,000	m(s)	1,005,505,217
Champasack	-	-	-	-
Sekong	1	2,000	m(s)	89,175,704
<b>Total</b>	<b>50</b>	<b>139,798</b>	<b>m(s)</b>	<b>6,617,957,883</b>

Source: Monitoring and Evaluation Unit

Figure 10: Percentage of subproject types in Health sector



Source: Monitoring and Evaluation Unit

### (5) Agriculture and Forestry sector

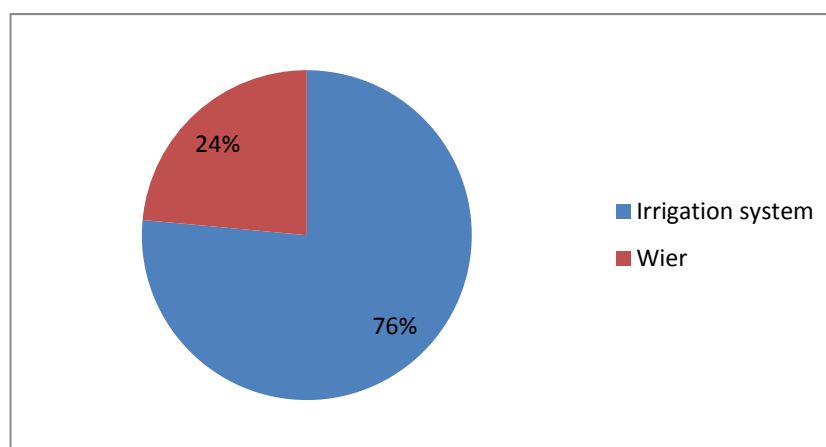
On the basis of the decision made during the District Decision Meetings, sub-projects related to agriculture and Forestry covers only a small portion of all the subprojects implemented. Agriculture outputs include irrigation system construction (13 subprojects) and weir construction (4 subprojects) (figure 11). Irrigation system construction sub-projects were only selected and implemented in 4 provinces for an investment of 1.76 billion kip (table 7).

Table 7: Number of Irrigation System built (Cycle VII)

Province	Irrigation System Built			
	# Subproject	Quantity	Unit	Investment
Luangnamtha	6	17,422	m(s)	708,417,718
Huaphan	2	720	m(s)	257,455,147
Xiengkhouang	3	620	m(s)	266,915,372
Savannakhet	-	-	-	-
Saravan	2	516	m(s)	527,664,292
Champasack	-	-	-	-
Sekong	-	-	-	-
<b>Total</b>	<b>13</b>	<b>19,278</b>	<b>m(s)</b>	<b>1,760,452,529</b>

Source: Monitoring and Evaluation Unit

Figure 11: Percentage of subproject types in Agriculture and Forestry sector



Source: Monitoring and Evaluation Unit

## (6) Training and Capacity Building

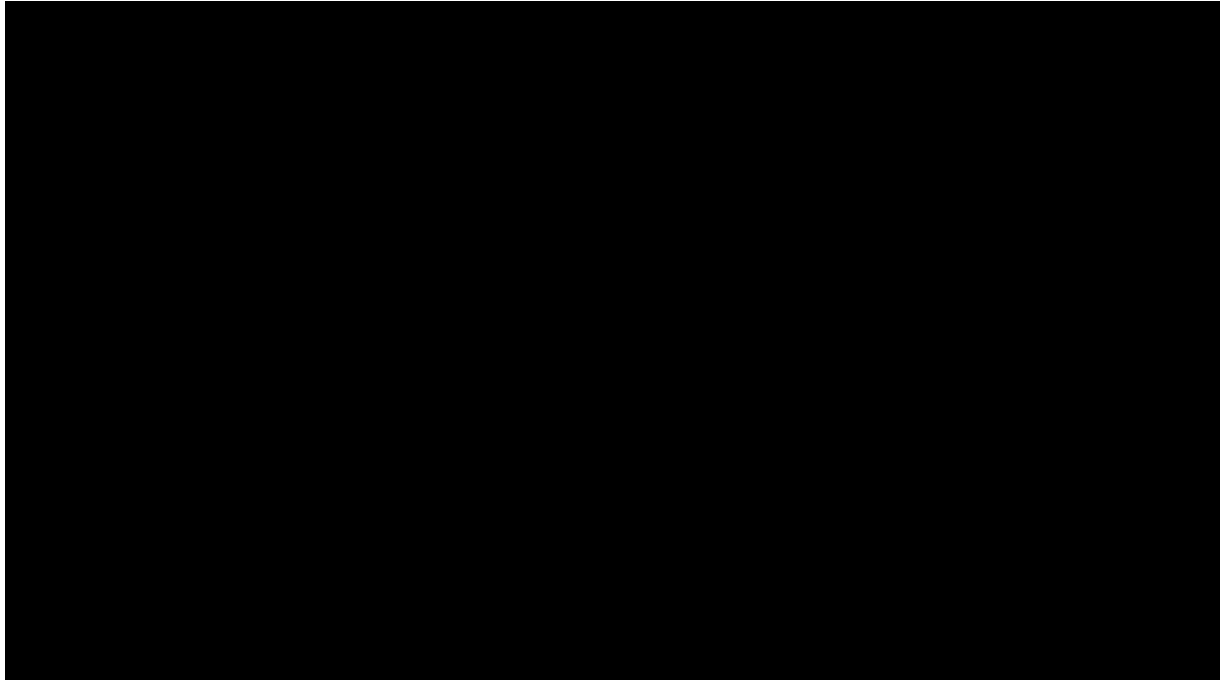
Training and Capacity building provided to communities are activities add up to overall sub-projects supported by PRF in each cycle. During Cycle VII, 186 trainings sub-projects were selected for implementation in 7 provinces with a total investment of 3.84 billion kip. The contents of the training includes animal raising, crop planting, natural resources management, gender awareness training, training of village volunteers and village health volunteer training (table8).

The purpose of the training on capacity building subprojects is to strengthen communities' skills as well as developing new capacities and skills. However, it is noted that training and capacity building activities are not necessary connected to the infrastructure sub-projects provided. For this reason, a common decision was made between the PMT and the current PRF donors to



develop training activities more related to the infrastructure implemented in future PRF activities in order to improve efficiency and sustainability of the investments made.

Table 8: Details of Training subprojects (Cycle VII)



Source: Monitoring and Evaluation

### **2.3. Launching of Cycle VIII**

The planning of the Cycle VIII started in November 2009 with the collection of Village Profiles, the facilitation of Village Needs Priority Assessment (VNPA) and Koumban Prioritization meetings, based on the PRF Cycle of activities

To align the work plan of the PRF with the Government's plan; the PRF has adjust and set its activities schedule to be implemented earlier than previous cycles, starting with the Cycle VIII onward. As a benefit, the PRF will be able to allocate its budget in line with the government's socio-economic development plan as to avoid the redundant work plan and budget allocation and also facilitate the integration of the PRF sub-projects in the Government plan for Rural Development and Poverty Alleviation.

#### **2.3.1. Coverage and Allocation**

The sub-projects of the Cycle VIII covered 21 districts within 7 provinces. After the District Decision Meetings held in April 2010, 450 subprojects were selected for implementation. These include 262 infrastructure sub-projects and 188 sub-projects related to training and capacity building for a total investment of 41.75 billion kip (table 9 and 10). Additionally, in response to

PRF's objective to encourage communities' participation and sense of ownership, communities' contributions have been made through workforces, materials and cash which add up 5.76 billion kip investments to the sub-grant category (12% of the overall budget).

Table 9: Number of subprojects and budget allocation Cycle VIII

Province	# of subproject		Total SP	Budget Allocation		Community Contribution	Total Budget
	INFRA	Training		Infrastructure	Training		
Luang Namtha	47	35	82	4,744,502,196	389,604,500	1,258,284,500	6,392,391,196
Houaphanh	83	56	139	8,916,564,438	1,027,073,000	1,116,529,975	11,060,167,413
Xiengkhouang	32	20	52	4,881,727,846	441,789,000	1,320,045,300	6,643,562,146
Savannakhet	47	27	74	7,637,294,164	835,933,788	797,967,914	9,271,195,866
Saravanh	19	10	29	3,676,501,812	188,008,000	302,944,267	4,167,454,079
Champasack	16	20	36	4,175,238,392	387,327,000	455,009,600	5,017,574,992
Sekong	18	20	38	4,156,396,314	292,077,500	509,287,350	4,957,761,164
<b>Total</b>	<b>262</b>	<b>188</b>	<b>450</b>	<b>38,188,225,162</b>	<b>3,561,812,788</b>	<b>5,760,068,906</b>	<b>47,510,106,856</b>

Source: Monitoring and Evaluation Unit

Table 10: Budget by province from plan to implementation Cycle VIII

<b>Sector</b>	<b>PRF Budget Planned (KIP)</b>	<b>PRF actual budget (KIP)</b>	<b>Changes</b>	<b>Variance</b>
Luang Namtha	4,956,000,000	5,134,106,696	(178,106,696)	(3.59%)
Houaphanh	9,450,000,000	9,943,637,438	(493,637,438)	(5.66%)
Xiengkhouang	5,040,000,000	5,323,516,846	(283,516,846)	(5.43%)
Savannakhet	8,148,000,000	8,473,227,952	(325,227,952)	(4.03%)
Saravanh	3,696,000,000	3,864,509,812	(168,509,812)	(4.56%)
Champasack	4,620,000,000	4,562,565,392	(57,434,608)	(1.28%)
Sekong	3,864,000,000	4,448,473,814	(584,473,814)	(15.24%)
<b>Total</b>	<b>39,774,000,000</b>	<b>41,750,037,951</b>	<b>(1,976,037,951)</b>	<b>(5.32%)</b>

Source: Monitoring and Evaluation Unit

### 2.3.2. Selection of the Sub-project in Cycle VIII

The number of subprojects selected for the implementation was considered under the criteria of budget availability (District budget allocation calculation), construction possibility, community contribution capacity and the suitability of the sub-project regards to the specificity of the area of implementation. Although Champasack was the province with the lowest number of priorities selected during the VNPA (table 11), the number of sub-projects selected after the District Decision Meeting represented 8% of the total number of sub-projects identified, second highest percentage after Luang Namtha province (9%). On the other end, Houaphanh was the province with the highest number of sub-projects identified during the VNPA; however, only 6% of subprojects listed were selected. These, at some extent, show that the number of selected sub-

projects does not depend only on the number of priorities identified during the VNPA but on the District Budget Allocation calculation, highly related to the number of poor villages (pro-poor targeting) within a district and the costs of sub-projects itself.

Table 11: the Subproject Selection by province (Cycle VIII)

Province	VNPA	KSPPO	DPM	DDM	%
Luang Namtha	935	243	108	82	9%
Houaphanh	2,304	526	186	139	6%
Xiengkhouang	1,059	210	73	52	5%
Savannakhet	1,625	402	136	74	5%
Saravanh	549	95	55	29	5%
Champasack	708	160	42	36	5%
Sekong	504	92	72	38	8%
<b>Total</b>	<b>7,684</b>	<b>1,728</b>	<b>672</b>	<b>450</b>	<b>6%</b>

Source: Monitoring and Evaluation Unit, September 2010

The PRF team is currently preparing the implement stage of the Cycle VIII with the procurement process that will be launched in October 2010.

## 2.4. Analysis and Comparison of Cycle VI, VII and VIII

### 2.4.1. Village Needs and Priority Assessment (Cycle I - VIII)

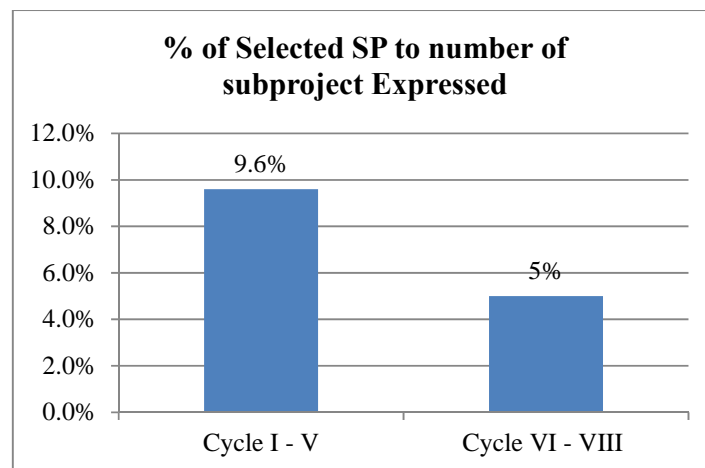
The needs of the community are beyond what PRF can provide due to budget limitation. Therefore, only sub-projects identified as the top priority and able to provide proven benefits to the all community are selected. The table 12 and figure 12 shows the percentage of subprojects selected for implementation compared to number of priorities identified during VNPA. It can be noted that from Cycle I to Cycle V (first phase of the PRF), the percentage of sub-projects selected for implementation reached 9-10% while during the additional phase, this percentage is reduced to 4-6%. This may result from the PRF's extension to Sekong province which leads to an increase of the priorities selected during the VNPA, but the main explanation is related to the increase number of sub-projects selected during the VNPA: within cycle I–V, one village can only choose between 3 identified needs (including infrastructure and training sub-projects) while 5 sub-projects (3 infrastructures sub-projects and 2 training sub-projects) per village could be selected within cycle VI–VIII, this will of course result in the increase number of priorities expressed during VNPA process compared to the budget available.

Table 12: Village Needs and Priority Assessment (Cycle I-VIII)

Cycle	Expressed priorities (VNPA)	Selected Subprojects	%
Cycle I:	2,721	248	9%
Cycle II:	4,230	431	10%
Cycle III:	5,592	533	10%
Cycle IV:	5,602	548	10%
Cycle V:	3,341	305	9%
Cycle VI:	9,136	355	4%
Cycle VII	9,860	463	5%
Cycle VIII	7,684	450	6%

Source: Monitoring and Evaluation Unit

Figure 12: Percentage of selected sub-projects compared to the number of subprojects identified



Source: Monitoring and Evaluation Unit

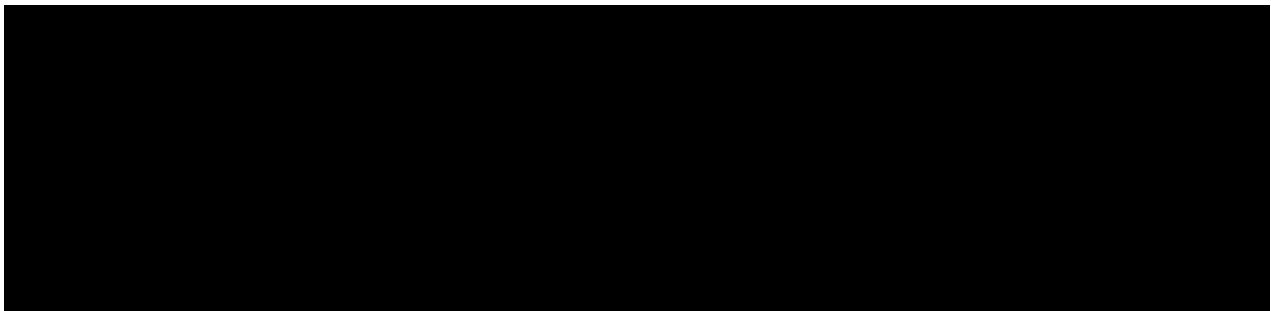
#### 2.4.2. Subprojects matching priority needs expressed by communities during VNPA Cycle I-VIII

Despite PRF is given high consideration to all sub-projects identified at village level, not all priorities identified could be implemented. For instance, some sub-projects identified and selected by the community were changed during the selection process (koumban and district meetings). As illustrated in the table and figure 13, the percentage of subprojects priorities selected at village level and funded without change during the selection process for the cycle III, IV and V were lower than those in other cycles (changes in sub-projects made during the District Decision Meeting). The reasons for this include (a) after the survey, it was found that some sub-

projects were not feasible. For instance, drilled well construction where quality of water is not met; **(b)** budget constraint due to the costs of the sub-project exceeds PRF budget ceiling; **(c)** absence or lack of community contribution regards to PRF principles **(d)** sub-projects selected already supported by the government or other development agencies.

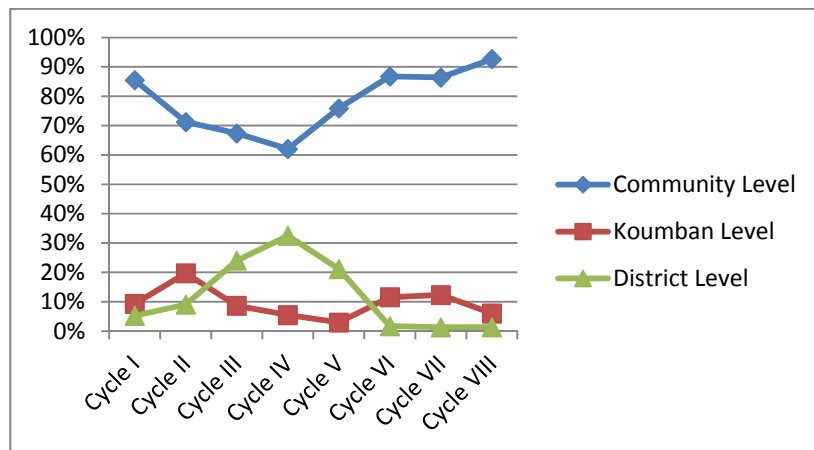
It is also noted that since the cycle V, more and more sub-projects selected by the community level are funded without changes during the selection process. It is mainly due to better understanding of the local authorities regards to the participatory planning process and strong link between community involvement and sub-projects sustainability as well as a better communication between communities and local authorities on the real needs of the communities.

Table 13: Number and percentage of subprojects coming from priorities expressed at each level



Source: Monitoring and Evaluation Unit

Figure 13: Percentage of subprojects coming from priorities expressed at each level (Cycle I-VIII)



Source: Monitoring and Evaluation Unit

### 2.4.3. Number of sub-project proposals submitted and approved by gender Cycle VI - VIII

Looking at the trend, the percentage of approved sub-projects coming from women list alone is dropping slightly from the cycle VI to the cycle VIII while the sub-projects approved from the men list is increasing (table and figure 14). However, approved subprojects coming from men

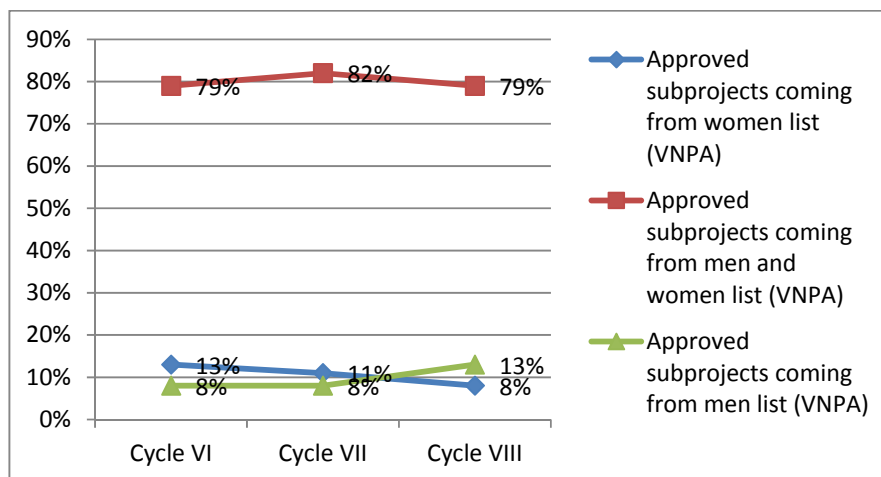
and women list remain quite stable (around 80%). These percentages are under the influence of many different factors within the community (priorities identified and funded previously, participation of women versus men during the VNPA, etc.), but this trend will be carefully assessed during the participatory approach assessment in order to ensure that the voice of the women are effectively heard and that their priorities are taken into account in the selection process.

Table 14: Number and percentage of subproject proposals submitted and approved by gender

Cycle	Approved subprojects	Approved subprojects coming from <u>women</u> list (VNPA)	%	Approved subprojects coming from <u>men</u> and <u>women</u> list (VNPA)	%	Approved subprojects coming from <u>men</u> list (VNPA)	%
<b>Cycle VI</b>	355	45	13%	280	79%	30	8%
<b>Cycle VII</b>	463	50	11%	378	82%	35	8%
<b>Cycle VIII</b>	450	34	8%	357	79%	59	13%

Source: Monitoring and Evaluation Unit

Figure 14: Percentage of subproject proposals submitted and approved by gender



Source: Monitoring and Evaluation Unit

#### 2.4.4. Number and percentage of sub-projects per village poverty grading Cycle VI - VIII

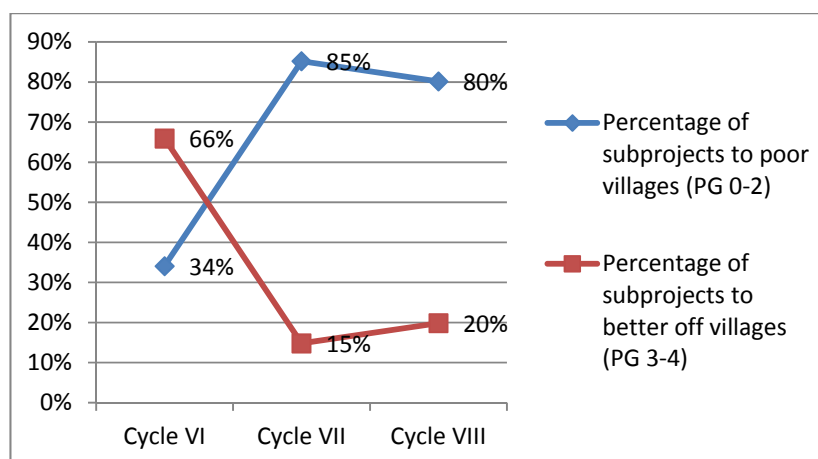
Due to the decision made to invest a minimum of 60% of the infrastructure sub-projects in poor villages (Poverty Grading ranging from 0 to 2) and that these sub-projects should at least represent 50% of the District Budget Allocation and the change in the criteria of Poverty Grading, the percentage of infrastructures sub-projects benefiting to poor villages has increased from 34% during the Cycle VI to 85% and 80% respectively for the Cycle VII and VIII (table and figure 15), in line with PRF's objective to ensure that the majority of sub-projects are benefiting the poorest.

Table 15: Number and percentage of subprojects to poor and better off villages

Cycle	Percentage of subprojects to poor villages (PG 0-2)		Percentage of subprojects to better off villages (PG 3-4)		Total INFRA - SP
	# Subproject	%	# Subproject	%	
<b>Cycle VI</b>	76	34%	147	66%	223
<b>Cycle VII</b>	236	85%	41	15%	277
<b>Cycle VIII</b>	210	80%	52	20%	262

Source: Monitoring and Evaluation Unit

Figure 15: Percentage of subprojects to poor and better off villages



Source: Monitoring and Evaluation Unit

#### 2.4.5. Number of subprojects classified by ethnicity

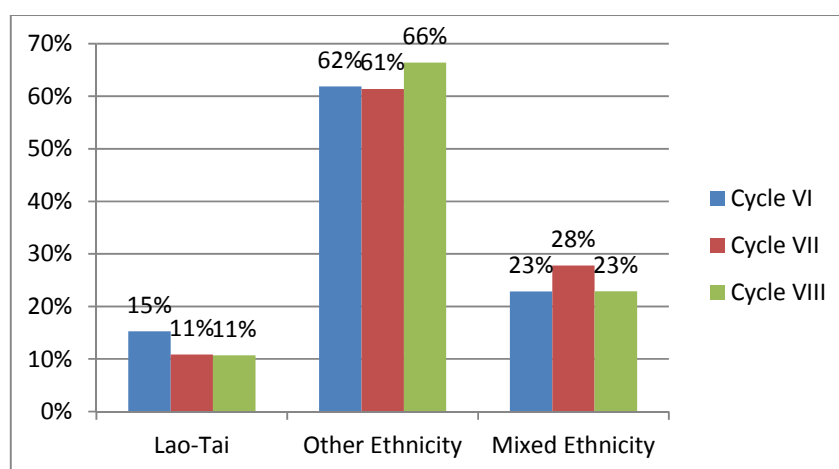
The districts covered by the PRF concentrate a large majority of non lao-Thai ethnic groups. In this respect, the vast majority of the program beneficiaries are expected to be from the vulnerable ethnic groups. The table and figure 16 shows that around two third of the sub-projects are benefiting non-lao-Thai ethnic groups and that this percentage remains quite stable since the Cycle VI (62% in cycle VI, 61% in cycle VII and 66% in cycle VIII).

Table 16: Number and Percentage of subprojects classified by ethnicity

Cycle	Number of selected Infrastructure subprojects	Number of subprojects classified by ethnicity of benefiting village					
		Lao-Tai	%	Other Ethnicity	%	Mixed Ethnicity	%
Cycle VI	223	34	15%	138	62%	51	23%
Cycle VII	277	30	11%	170	61%	77	28%
Cycle VIII	262	28	11%	174	66%	60	23%

Source: Monitoring and Evaluation Unit

Figure 16: Percentage of subprojects classified by ethnicity



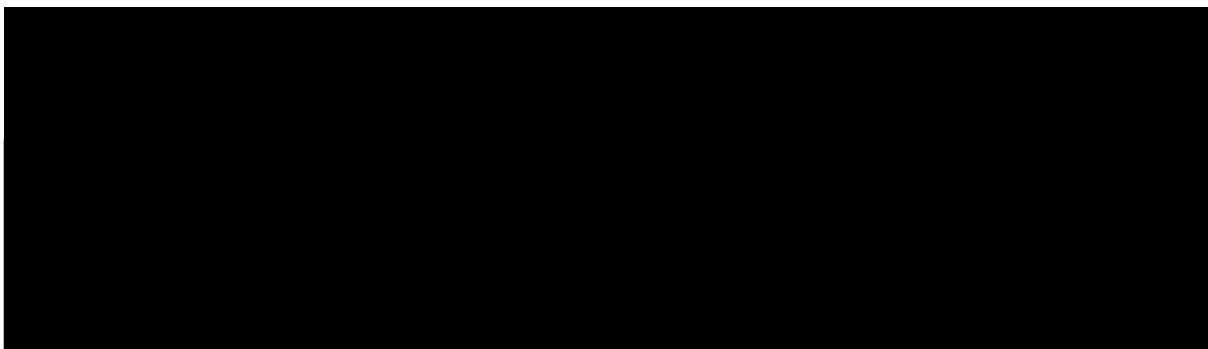
Source: Monitoring and Evaluation Unit

#### 2.4.6. Literacy Rate in villages where sub-projects are located

PRF's beneficiaries are located in remote area with limited access to public services and facilities. Regarding literacy aspect, some of the members of these communities are able to communicate in Lao but a majority of them only speak only their own languages. Comparing between Cycle VI to Cycle VIII, while the percentage of villages with very low Lao literacy rate stays stable, the number of villages with high literacy rate is decreasing from 65% to 52% to the benefit of villages who have low to moderate literacy rate. This trend is influenced by the increasing number of villages covered by the PRF since its extension to Sekong Province where the majority of the populations have low percentage of village with high Lao literacy rate.

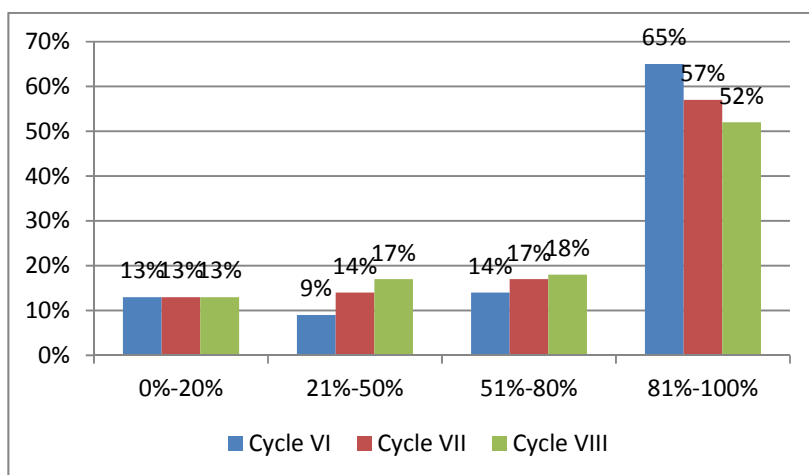


Table 17: Number of percentage of villagers' Lao Literacy Rate



Source: Monitoring and Evaluation Unit

Figure 17: Percentage of villagers' Lao Literacy Rate



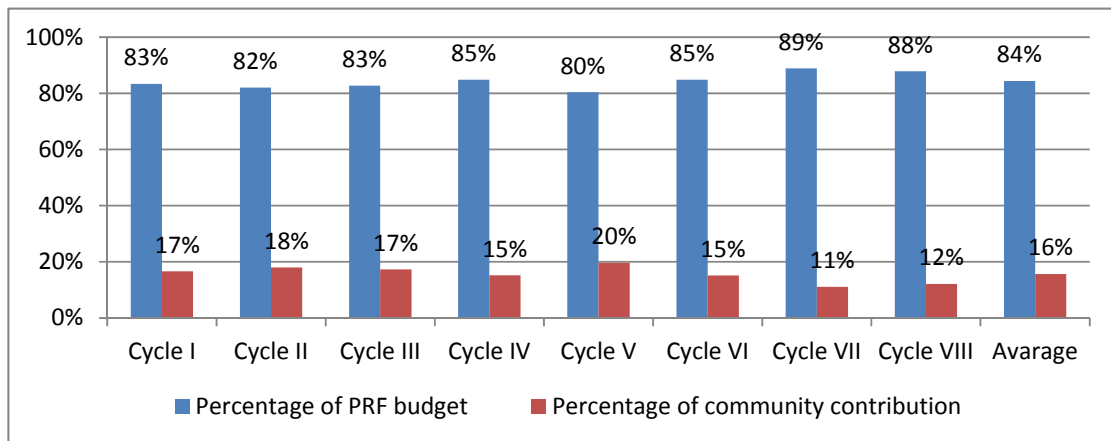
Source: Monitoring and Evaluation Unit

#### 2.4.7. Community Contribution

The community contribution is different from province to province (figure 19) as well as from cycle to cycle (figure 18) depending on the availability and accessibility of resources in each area, type of sub-projects, technical skills required and the decision made by the community to implement their own sub-projects or to hire external company. The community contribution represents in average 15% of the total investments made in sub-projects (Cycle I to Cycle VIII). It is also noticed that between the first and the second phase of the PRF, the percentage of contribution within the second phase are lower than during the first phase (except for cycle IV). As mentioned above, the ability of the community to contribute depends on various factors, and communities are encouraged to contribute through the PRF process, even if their contribution is

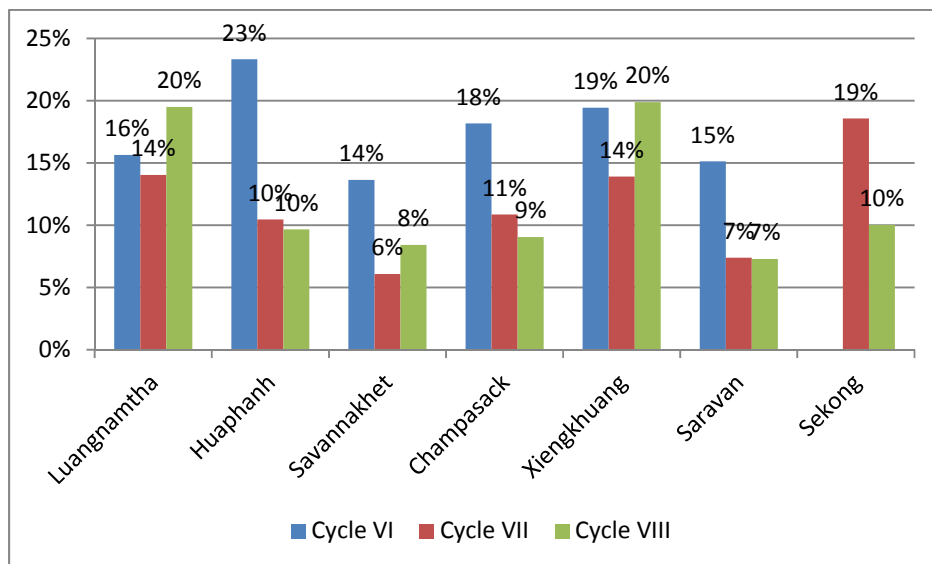
small. Nevertheless, due to environmental concern, the PRF and the local authorities have decided to reduce as much as possible the community contribution in the form of wood, which explain the drop of the community contribution from the first phase to the second phase of the PRF.

Figure 18: Percentage of PRF's budget and Community Contribution (Cycle I-Cycle VIII)



Source: Monitoring and Evaluation Unit

Figure 19: Percentage of Community Contribution (Cycle VI-Cycle VIII)

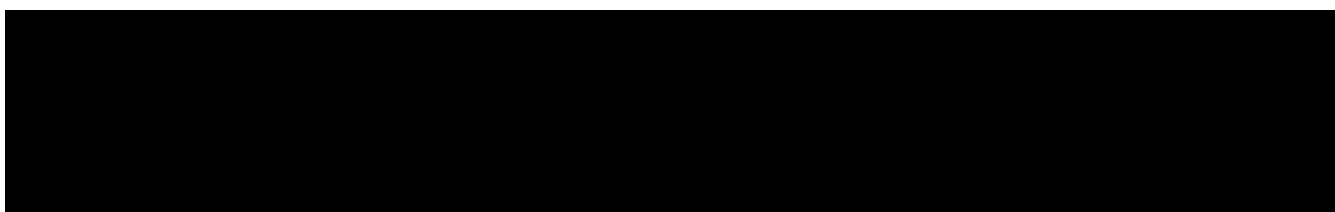


Source: Monitoring and Evaluation Unit

#### 2.4.8. Subprojects implemented by CFA, SW and CFA+SW

Following PRF's principles, sub-projects can be implemented by communities. However, subprojects with high technical skills requirement, or sub-projects that require heavy machines will be implemented by contractors. Communities could also decide for Joint Investment where communities will mainly contribute in term of workforces. Comparing all cycles (table 18) sub-projects with community force account represents two third in average (except for cycle V and VII with 51% and 54% respectively). The variation of the percentage depends mainly on the type of sub-projects selected.

Table 18: Number and percentage of sub-projects CFA, SW and Joint Investment



Source: Monitoring and Evaluation Unit

#### 2.4.9. Percentage of Subprojects per sector (Cycle I – VIII)

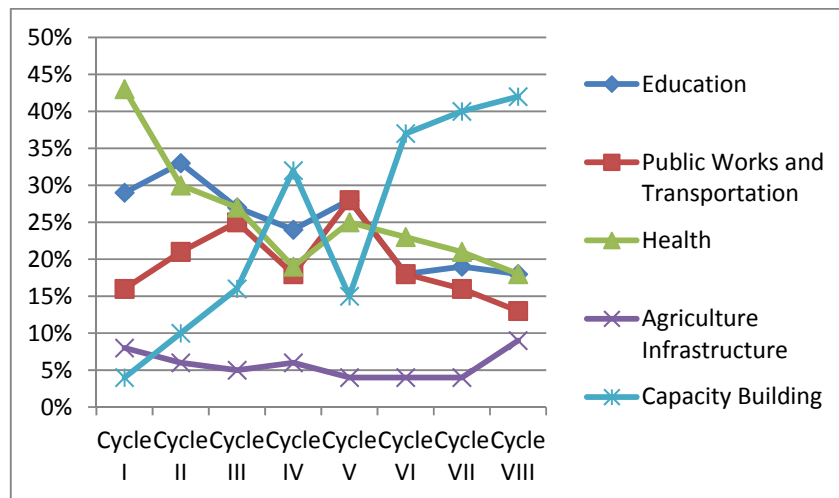
There is a high fluctuation in the percentage of sub-projects implemented per sector from cycle to cycle, depending on the selection of the priorities identified by the communities and sub-projects feasibility. As a general trend, the Education and the Health sector are the most important, followed by the Public work and transportation and the agriculture and forestry sector (table 19 and figure 20). Since the Cycle VI, the selection of the capacity building sub-projects as increased a lot to represents at least one third of the total number of the sub-projects selected, as explained in the section 2.4.1. *Village needs and priority assessments*.

Table 19: Percentage of subproject allocated by sector (cycle I - cycle VIII)

<i>Sectors</i>	<b>Cycle I</b>	<b>Cycle II</b>	<b>Cycle III</b>	<b>Cycle IV</b>	<b>Cycle V</b>	<b>Cycle VI</b>	<b>Cycle VII</b>	<b>Cycle VIII</b>
<i>Education</i>	29%	33%	27%	24%	28%	18%	19%	18%
<i>Public Work and Transportation</i>	16%	21%	25%	18%	28%	18%	16%	13%
<i>Health</i>	43%	30%	27%	19%	25%	23%	21%	18%
<i>Agricultural Infrastructure</i>	8%	6%	5%	6%	4%	4%	4%	9%
<i>Capacity Building/ITE</i>	4%	10%	16%	32%	15%	37%	40%	42%

Source: Monitoring and Evaluation Unit

Figure 20: Percentage of subproject allocated by sector (cycle I - cycle VIII)



Source: Monitoring and Evaluation Unit

### 3. COOPERATION AND PARTNERSHIP

#### 3.1. Mission and PRF Board Meeting

##### 3.1.1. World Bank and SDC supervision mission

A joint team of the World Bank and the Swiss Agency for Development and Cooperation mission took place during November 9-18, 2009. The donors were satisfied with the overall progress of the subprojects implementation and more particularly about the significant improvement made to reinforce the pro-poor targeting procedure of the PRF and the harmonization of PRF's planning and implementation cycle with GoL budget cycle.

The mission took also note of the government's expression on interest at senior level to scale up the PRF as part of the National Program for Rural Development and Poverty Eradication (NPRDPE) and the donors confirmed their interest in principle to support the preparation of a future PRF.

The team also visited Huameuang district in Huaphan province which provided several good examples of practical cooperation among various line-ministries, the NLBRDPA, and the PRF. The team found the cooperation quite effective at the district and Koumban levels.

The mission encouraged the PRF:

- To review the technical standards and the maintenance arrangements for its village roads sub-projects in consultation with the Ministry of Transport, with a view to enhancing prospects for the sustainability of these investments;

- Inclusion of the information related to the participation of ethnic minorities in the PRF progress reports;
- Continue to support the implementation of capacity-building activities at all levels relevant to the project;
- Clarify the respective role of the National Leading Board for Rural Development and Poverty Reduction and MPI;
- Submit a revised version of the Manual of Operations, reflecting a number of changes, including the agreed measures to enhance pro-poor targeting, village profiling, progress reporting, etc.
- Explore opportunities to enhance mapping of PRF activities, using GIS;
- Further refining PRD sensitization and communication efforts at all stage of the project cycle, and adapting these to languages, cultural and education specificities of beneficiary communities and local authorities;
- Further strengthen the awareness of various parts of government and the international community about the activities and accomplishments of the PRF;
- Review and reinforce the existing feedback and complaints handlings mechanisms for the PRF in order to better reflect the Lao cultural context;
- Reinforce the systematic application of the environmental safeguards.

A second World Bank and Swiss Agency for Development and Cooperation supervision mission took place from May 18-28, 2010 to provide implementation support to the PRF.

The mission included meetings at the National level, provincial and district level as well as field trip to Sekong and Saravanh province to visit PRF subprojects and meet with the communities.

Overall, the mission welcomed the continued good progress in the implementation of the PRF and the PMT's continued progress poor targeting of program resources, the close collaboration between PRF staff and local authorities and sector personnel at the district and koumban levels and the inclusion of the information related to the participation of ethnic minorities in the PRF progress reports.

The mission encouraged the PRF:

- Of ensuring the technical quality of infrastructure constructed under the PRF as well as the quality control systems, standard specifications, contract management, and internal control systems for road and bridges sub-projects;
- Review the PRF maintenance strategy for roads and bridges in consultation with the Ministry of Public Work and Transport (alignment of PRF road design standards with those utilized by the Ministry PWT);
- Consider the possibility of making resources available for district sector personnel to participate regularly in the supervision of relevant PRF sub-projects as part of the PRF capacity building activities;

- Review the adequacy of the current facilitator staffing allocations as well as their functions and identify training needs;
- Develop proposals on how to further improve PRF communication activities;
- Systematically integrating sensitization activities regarding social risks associated with the rapid economic development observed in some area the PRF operates (road safety, smuggling of illicit drugs, human trafficking and the spread of HIV/AIDS).

The World Bank and SDC also reaffirmed their willingness to consider providing support for: (i) a workshop on international lessons learned in scaling up of CDD / poverty reduction programs, and options for associated institutional arrangements; and (ii) a joint review of livelihoods support experiences in Laos to date, that would also seek to build on lessons learned from other countries. The mission agreed to work with PRF on a timeline for the preparation of the next phase.

Other issues and recommendations rose during the donor's supervision mission:

- Implementation the PRF assessments as soon as possible in order to use the findings for the preparation of the next phase;
- Improve PRF communication activities;
- Review the design of subprojects in area potentially exposed to natural disaster such as Ketsana to strengthen the disaster resilience of the public infrastructures implemented under the PRF.

During the fourth quarter (Jul-Sep 2010), the PRF welcomed a Joint World Bank and the Swiss Agency for Development and Cooperation (SDC) identification mission for the preparation of the second phase of the PRF which was organized from September 20 – October 8, 2010. The objectives of this identification mission were to:

- Review the Government's plans and strategy for the next phase of the PRF;
- Identify the broad development objectives of the next phase of the PRF;
- Identify the potential geographic and sector scope of PRF II activities in the context of Government plans to scale up the PRF to become a national program;
- Identify the potential financial envelope and financing options and sources for the national program and the proposed Project from Government and donors;
- Identify key issues to be addressed in the course of Project preparation, including preparation of a baseline; and
- Agree upon a roadmap and timetable for preparation of PRF II.

The mission visited the PRF subprojects in Champasack province (primary schools in Paktop village, Pakuay village, Thaposy village and Irrigation system in Non Deng Neau village). The team also met with the Vice Governors of Savannakhet and Champasack province to discuss the current PRF activities and the scaling-up of the PRF to become a national project.

During the first part of the mission, regular discussions were held with the PMT to share points of view on ten key elements for the preparation of the second phase of the PRF: name, organization structure, coverage, main activities, rules and principles, source of fund, annual planning and budget allocation, transparency and accountability, staffing and administration.

The team also meets with key Ministries and other potential donors, as well as the National Leading Board for Rural Development and Poverty Alleviation. The team also participated a meeting with the task force for Rural Development and Poverty Eradication to share and discuss the final draft of the 7<sup>th</sup> National Socio-economic Development Plan for Rural Development and Poverty Eradication and the second phase of the PRF (contribution of the PRF in this plan, geographic coverage, financing, institution arrangement, planning process/participatory approach, etc.).

The task force expressed their support to scale up the PRF to become a National program, following a participatory approach and highlight the need for more fund to cover all poorest district/koumban and improvement of the coordination with the line ministries. Nevertheless, further discussions are required to clarify rules and regulation for the management of the fund in order to avoid overlap with line Ministries, PRF coverage following the outcomes of the national Census to select the benefiting koumban, the identification of PRF additional activities, integration of the PRF in the current government structure and the role of the PRF within this structure as well as future PRF mandate.

During 19 July 2010 – 06 August 2010, PRF finance officer joined the World Bank supervision mission team to three Northern provinces (Houaphanh, Xiengkhouang, and Louang Namtha). The World Bank expressed their satisfaction towards the financial implementation; however, there are areas that still need improvement such as document filing, supporting documents and details of transaction description.

A World Bank Mission was conducted during 20-28 June 2010, including a field visit to Xiengkhouang with the aim of reviewing the application of the environment safeguards policies in the PRF at central, provincial, district and koumban/village level; and identifies capacity gaps and recommends areas for improvement. During the mission, the World Bank representatives participate in a training to clarify WB safeguard policy, identification of safeguard issues, discussion on reporting requirements, and ways to mainstreaming safeguard concerns into PRF Cycle. Discussion with the local community representatives was also organized focusing on the level of understanding on watershed protection and the needs to minimize the negative impacts on local environment. A brainstorming session was carried out with PRF staff to clarify key issues and mitigation measures and a draft of environmental assessment and mitigation measures has been updated. PRF will discuss this draft with the PRF staff in other provinces and finalize it before applying the new form for the future PRF infrastructure sub-projects.

The mission concludes that since most sub-projects are very small, no major environmental and adverse social impact are expected, but potential negative impacts on natural resources and environment can be significant over a longer term. Finally the mission recommended PRF improving safeguard reporting and understanding on safeguard related issues, improving efforts to create synergy between the sub-projects to promote the conservation of natural habitats and the local environment and improving safeguard concerns during the sub-projects selection process.

### **3.1.2. PRF Administrative Board Meeting**

The 14<sup>th</sup> PRF National Administrative Board meeting took place from 20-22 January 2010 in Champasack province. Refer to the agreement during the 13<sup>th</sup> PRF National Board meeting in Luang Namtha province, the task force for the Rural Development and Poverty Alleviation and the Scaling-up of the PRF to the National Project is appointed under the Agreement No.010/PM dated 19 January 2010. It was agreed upon the following points (annex 32 for meeting minutes):

- Assign the Executive Director of PRF to discuss the possibility with the donors to use the PRF's existing budget for the maintenance of the damaged sub-projects from KETSANA cyclone and proceed to reimbursement after receiving the budget for such purpose;
- Assign the Deputy Executive Director of PRF to meet and discuss with the Head of the Prime Minister's Office the relocation of the current PRF's office at the central level;
- Assign a representative from each concerned ministry and organization to set up a task force for the development of the Rural Development and Poverty Alleviation and the Scaling-up of the PRF to a National Project plan;
- Follow up on the Government's tax exemption for the PRF's activities.

Additionally, some recommendations for improvement were also raised:

- Enhance information network to ensure that reliable and timely information are accessible by the local authorities as well as communities as a whole;
- Raise community's awareness on the projects utilization and maintenance in order to ensure sub-projects sustainability.

The 15<sup>th</sup> PFR Administrative Board Meeting was held on 2-4 July 2010 in Sekong province. The following major agreements were made during the meeting:

- Propose the Rural Development and Poverty Alleviation Plan in the National Board Leading for Rural Development and Poverty Alleviation meeting before submission for the Government's consideration and endorsement as a topic for discussion in the Round Table meeting;
- Agree in principle on the proposed vision regarding the scaling-up of the PRF to the National project;



- Call for immediate National Board Leading for Rural Development and Poverty Alleviation meeting after the 15<sup>th</sup> Board Meeting to discuss on the budget allocation and other aspects related to the rural development and poverty alleviation (see [annex 33](#) for meeting minutes)

Besides the above agreements, the Administration Board recommende to cooperate closely with the Nayobai Bank in order to attach the loan provided to the capacity building supported by the PRF.

### **3.2. Cooperation with donors and partnerships**

During this year, the PRF experienced increased cooperation and partnerships with other donors, given opportunity to extend PRF coverage as well as enable to cover more priorities identified by the poor communities.

#### **3.2.1. Lao Uplands Food Security Improvement Project**

On 23-25 March 2010, the PRF team, government representatives and the World Bank as well as EC conducted the negotiation meeting hosted by the Ministry of Finance to discuss and agree on the following items:

- Draft IDA financing agreement
- Draft EU grant agreement
- Draft Project agreement
- Draft Emergency project paper
- Draft Disbursement letter
- Draft procurement plan
- Draft supplemental letter on financial and economic data
- Draft supplemental letter on Performance Indicators

To this end, the agreed minutes of negotiation between Lao PDR and IDA were signed on 25 March 2010.

Other important steps related to LUFSSIP preparation are summarized below:

- On 27 April 2010, a meeting between MAF, the World Bank and the PRF held to draft the LUFSSIP Manual of Operation and the cooperation mechanism amongst 3 parties.
- Discussion session with the MAF and the World Bank on the preparation of the Subsidiary Agreement has been held during 29-30 April 2010.
- A meeting between the MAF, the World Bank and PRF was held on 24 August, 2010 to discuss on the preparation of the 6 months implementation plan. Additionally, the subprojects implementation plan for both 3a and 3b were added to the 6 months plan and has been sent to the World Bank via MAF for consideration.

- Subsidiary Agreement has been signed between the Ministry of Finance and the PRF on 27 August 2010
- The official project expenditure was effective on 31 August 2010.

A number of supporting activities also took place, including the recruitment of additional PRF staff to support the implementation of LUFSIP. Additionally, as part of the introduction of the project, the socialization meetings were organized in Attapeu and Sekong provinces to promote the project and its principles, processes and procedures among government officials and to ensure that all actors have the same level of understanding.

Early July 2010, the training on LUFSIP implementation took place in Sekong province for the newly recruited staff from Sekong, Saravanh and Attapeu provinces. The purpose of the training was to introduce the new staff to the PRF and its activities, especially related to LUFSIP.

The LUFSIP Launching meeting hosted by the MAF was another key activity conducted to introduce the LUFSIP procurement, finance, monitoring and evaluation mechanisms. Provincial authorities responsible to coordinate the project were the main attendees.

At the beginning of July 2010, the PRF team completed the Basic Budget Allocation related to the Ketsana response component. The allocation was then reviewed and finalized on 16 September 2010 for donor's consideration and approval ([annex 34](#)).

The District Prioritization Meetings held in all targeted districts of 3 southern provinces during 8-15 August 2010. 234 subprojects were selected after the prioritization process. 102 of those are located in Saravanh province, 65 in Sekong and 67 in Attapeu province ([Annex 35](#)).

The PRF together with the agriculture officer carried out the survey of infrastructure subprojects relating to agriculture (Agriculture Technical Center in Koumban Parktrai and Koumban Ploh in Kaleum district, Sekong province) that will be implemented as part of the cycle VIII. The design was reviewed and approved by the Department of Agriculture, Ministry of Agriculture and Forestry.

As part of the Lao Uplands Food Security Improvement Program (LUFSIP) preparation, the PRF at central level welcomed the visit of the PRF staff from Attapeu province to learn the operation of Finance and Administration unit on 13-14 September 2010. The PRF Monitoring and Evaluation team took this opportunity to introduce the structure of the unit in which Management Information System (MIS), Reporting System and Cross-Koumban Monitoring are included. Additionally, related documents were handed over for future reference. However, this was only an overall introduction proposed to the Provincial Coordinator and further discussion on the specific issues will be scheduled in the course of the project preparation.

The PRF central procurement team organized a 2-day (9-10 August 2010) training session and discussion meeting for the Provincial Coordinators and Provincial Procurement Officers to review the evaluation criteria for contractors and suppliers and improve the bid evaluation process and forms.

The training on finance for provincial finance officers took place on (11-12 August 2010). The purpose of the training was to introduce and review finance aspects regarding LUFSP. The outcome of the training was satisfactory as provincial finance officers understand well on LUFSP finance aspects, issues and the improvement on financial implementation of current PRF, chart of account and finance forms updated.

In September 2010, Central Finance and Administration unit organized a training on PRF financial implementation for Attapeu Finance officer. The contents of the training include: 1.) monthly financial report, 2.) PRF chart of accounts, 3.) internal control, 4.) PRF financial regulation, and 5.) budget request.

During 14-16 September 2010, training program for Attapeu Provincial Procurement Officer was organized to strengthen and enhance the knowledge on procurement procedures, rules and regulations especially the procedures of the bid opening and evaluation process and on how evaluation reports are prepared.

Additionally, progress report on the implementation of LUFSP was developed in both English and Lao versions and was officially submitted to Ministry of Agriculture and Forestry and the World Bank for comments. The report includes activities undertaken during the preparation stage and significant events such as the official signing ceremony of the grant provided and the effective date of the grant.

### **3.2.2. Japanese Social Fund**

The World Bank and PRF continued working on the design of a new Livelihood component to be piloted in two provinces (Huaphanh and Savannakhet). The proposal, which was submitted to the Japanese Social Fund by the World Bank (new Livelihood component to be piloted in two provinces), was positively appraised but PRF and the World Bank were requested to conduct additional community consultation in order to clarify communities' actual needs in terms of livelihood supports and to further design the nutrition component. Consultants were recruited by the World Bank to that effect and the new proposal has been submitted to the JSDF for consideration.

The grant extension was approved in September 2010 in an amount of US\$2,621,500. The objective of the proposed grant is to pilot an innovative livelihood focused community-driven program enabling 28,800 households in ethnic communities in rural areas in Lao PDR to

improve their livelihoods and wellbeing through group-based activities. The grant would be implemented over a three year period.

The project consists of 4 main activities:

- (a) Formation of Community Self-Help Groups and Capacity Building of Local Service Providers with a focus on women's SHGs, in ethnic minority communities, including enhancement of social capital through formation and capacity building of SHGs; identifying and training community facilitators; and building capacity and incentives among service providers.
- (b) Providing sub-grants to eligible village SHGs through a competitive, transparent and participatory selection process to support the planning, implementation and sustainability of livelihood activities, including provision of input support for production and marketing through sub-grants and in-kind contribution (such as labour and materials from villagers); empowering SHGs through training and technical assistance; and promoting sustainability of community assets and self-help groups through basic financial literacy and links to finance and markets.
- (c) Promoting the development of pro-nutrition livelihood activities, including engagement of communities in participatory assessment and prioritization of nutrition problems and developing solutions; and providing training and support [to SHGs] for implementation of pro-nutrition activities:
- (d) Evaluation of pilot impacts as well as efficacy of implementation and monitoring mechanisms, with lessons intended to inform the planned expansion of the Poverty Reduction Fund, including regular program monitoring; rigorous impact evaluation of livelihoods and nutrition improvement activities; and special studies focusing on thematic or operational innovations and participatory assessment of nutrition training.

This expected impact of this sub-project is to:

- Improved livelihood and well-being;
- Voice and empowerment among the most vulnerable segments of Lao society (non-lao ethnic communities, rural household, female-headed households);
- Improve government and community capacity to implement CDD-livelihood activities and participatory approaches.

The grant agreement is currently under preparation so as to allow this project to go forward.

### **3.2.3. SDC additional Contribution**

One of the main supports required by the communities is related to water access for domestic or agriculture activities. For the Cycle VIII, 92 infrastructure sub-projects selected for funding are related to water access (35% of the total number of sub-projects selected and 23% of the total budget to support directly infrastructure sub-projects). 18 sub-projects infrastructures will be funded by the Lao Upland Food Security Improvement Project (LUFSIP).

In September 2010, the PRF has been informed that SDC would have additional funds to be used in project having a connection to Water. Decision was made to earmark the additional funds to the already selected sub-projects of cycle VIII in the water sector. The list of the eligible sub-projects has been sent to SDC (74 sub-projects for an amount of US\$1,066,168). The PRF is expected to receive SDC approval by the end of the year 2010 and the fund will be available upon signature of an amendement of the agreement between SDC and MoF, and will have to be used by end of September 2011.

#### **3.2.4. Cooperation with other line Ministries**

In order to enhance better understanding of PRF's approach and encourage better cooperation, the representatives from line ministries have been invited to attend the District Decision Meetings (DDM) of the Cycle VIII. The DDM meeting took place during the end of April 2010 and was followed by another meeting held on May 25, 2010 to exchange ideas and lessons learnt with line ministries representatives who attended the DDM for future PRF improvement. To this end, participants expressed their interest about process of PRF's sub-project selection and to learn more about the PRF participatory planning approach.

#### **3.3. Rural Development and Poverty Alleviation and Scaling-up of PRF to a National Project plan development.**

During the reporting period, the agreement No.01/PM dated 19 January 2010 on the appointment of the Rural Development and Poverty Eradication and the Promotion of the PRF to become a National Program Task force was proposed and approved by the Vice Prime Minister Mr. Somsavath Lengsavath (annex 36). The agreement describes the main responsibilities of the task force (within the framework of the 7th Socio-Economic Development Plan of the government): Formulate the roadmap and the implementation plan (and budget required) related to rural development and poverty eradication. The plan will follow the instruction letter No. 09/PPB dated 8 June 2004 regarding the village cluster and Koumban Phatthana as well as the Millennium Development Goals and the NGPES. The task force also has the responsibility to promote alignment and harmonization as formulated in the 2007 Vientiane Declaration.

In order to support the Development of the Rural Development and Poverty Eradication plan, a secretarial team has been appointed to support the task force committee on their mission, by the Agreement No.017/NLBRDPA dated 15 February 2010 (see the agreement on annex 19). The

secretarial team consists of 9 members from the NLBRDPA (4 members) and the PRF (5 members).

The initial meeting of the Taskforce was conducted in January 28, 2010; aiming at introducing members of the taskforce from respective ministries and to ensure common understanding on the requirements for the preparation of the plan. It includes the alignment of the plan to the Government's 7<sup>th</sup> National Social and Economic Development plan. This initial meeting was followed by a number of valuable consultative meetings as to stimulate ideas and receive comments from the taskforce members as well as other line ministries to the plan.

To involve the local authorities and line ministries at local level to prepare the plan, consultative meetings were organized in three different parts of the country: Saravanh province (March 10, 2010), Bolikhamxay province (March 12, 2010) and Luang Phabang province (March 16, 2010). As being part of the Government's 7<sup>th</sup> National Social and Economic Development plan, these consultative meetings were conducted in parallel with the 7<sup>th</sup> plan consultative meetings of the government.

In parallel, the PRF has hired the services of a senior policy advisor consultant (April 21-June 20, 2010) to advise the PRF and members of the task force to prepare the Lao National Program for Rural Development, provide strategic inputs to the future direction of the PRF including the preparation of the conversion of PRF into a National Program for Rural Development, liaise with the different stakeholders within the Lao Government and the international donors to ensure that they are involved in the process.

The WB/SDC phase II preparation mission team found that the group has mainly focused its time and energy in the completion of the NRDPE, and it will be challenging to secure feedback from such a large group of senior officials on a regular basis. The mission therefore encouraged the Government to consider the appointment of a senior focal person or a smaller committee to provide regular strategic direction and feedback to the PMT/PRF.

## **4. SPECIFIC ACTIVITIES**

### **4.1. Community Development Unit**

#### **4.1.1. Information, education and communication**

### ***IEC production***

In collaboration with the Finance Unit, the CDU has produced a community driven Procurement Manual. This manual is a key tool for community as well as villagers to proceed to their procurement activity according to WB processes and procedures. The content of the manual is very simple and easy to understand for villagers who have limited knowledge but are a key procurement operator within their communities. The manual will be used for the community driven procurement procedures within PRF's cycle VIII.

The CDU has also produced one TV spot that encourages local authorities to be actively involved in the government's rural development and poverty eradication activities. This spot is broadcasting on Lao national television during morning and evening news. The main feature of the spot is a scene of two friends talking on issue of what is a concept of rural development and poverty eradication in Laos. In the scene, although both persons are a government official, one person is still confusing over this concept. Therefore, soon after the two friends have finished their discussion, the confused person understood how to play an active role in rural development and poverty eradication

Additionally, CDU also produced four other TV spots in Khmu language. The spots aim at advocating for the child and female schooling, household income generating activities, PRF's subproject maintenance, and household living with mind on their expenditures.

### ***Information dissemination through various communication tools***

Within the frame of the IEC strategy, the CDU has established loudspeaker stations in 10 piloted villages within the targeted districts of PRF (Huamueng and Xiengkhor districts in Huaphan, Thathome district in Xiengkhouang, Long and Nalae districts in Luangnamtha, Nong district in Savannakhet, Samoi, Ta Oi districts in Saravan, Dakcheung and Kaluem districts in Sekong). The aim of this activity is to provide additional channels access to information for the community where communication technology was previously not available.

During this year, the CDU also made considerable improvement related to public information dissemination with the news release on several local newspapers. All articles of news were written to promote the importance of PRF's principles, regulations and policies in the development at community level and the impact of PRF sub-project on the capacity of local authorities. The PRF gives currently focus on analysis article, which aims at demonstrating the positive impact of PRF subprojects on the livelihood of targeted communities. With this information dissemination strategy, PRF expects that the ways and methods used will be recognized by the government as well as the Lao society and other development agencies as one of the most appropriate solutions to apply participatory approach and assist in reducing poverty within the poorest districts.

The list developed below gives illustration of the work done by the PRF in regards to its IEC strategy:

*At national level:*

- Three analysis articles released and published on Lao newspapers and broadcasted in number of radio programs;
- Fifteen articles of daily news released and published on Lao newspapers and broadcasted in number of radio programs;
- Six articles of daily news in English, of which four articles were sent to World Bank HQ in Washington D.C, were released and published on Lao newspapers in foreign language.
- Three brochures were produced with regards to the issue of PRF's feedback and conflict solution mechanism in both Lao and English, compensation for affected households in both Lao and English, and LUFSSIP (only in Lao language).

*At community level:*

- Under the Memorandum of Understanding for bilateral cooperation on information dissemination between PRF and local media, CDU at provincial as well as district level have released number of daily news on radio programs in several languages such as Lao, Hmong and Khmu languages.

#### **4.1.2. Community capacity building**

CDU has collaborated with the Technical Assistances Unit (TAU) to test a revised Manual for Maintenance and Operation of Spring Gravity fed Water Supply infrastructures sub-project through training programs that were held in Xiengkhouang and Luangnamtha provinces. The manual is mostly explained and illustrated with pictures rather than words as to provide easy and clear messages to the villagers who seem to have limited knowledge or even illiteracy issues. After approval, the manuals will be issued to the village and koumban offices for reference, and used as a technical assistance document and guideline for the committee in the maintenance and operation of PRF's subprojects.

CDU cooperated with TAU to organize training on maintenance for the Cycle VII subprojects. The training provides village's task force committee with a technique of how to maintain and effectively use PRF's subprojects, and formulate related regulations. By providing the training, community will further take an ownership and leading role in maintaining and sustaining the sub-projects built.

#### **4.1.3. Local institution capacity building**



At the beginning of July 2010, Koumban team and PRF staff in Xiengkhouang province completed a study tour in Savannakhet province. Participants consisted of representative from local authorities (provincial, district and Koumban levels), PRF's staffs and Koumban team.

The participants visited four modeled-koumbans for subproject implementation in four targeted districts of Savannakhet province. The visited projects include infrastructures construction projects, income generating training, and natural resources environment protection.

In the middle of August 2010, Saravanh team held a study tour in Champasack province. The objective of these study tour was to exchange experiences on the implementation of PRF subprojects; particularly it aims to increase the local capacity in terms of community development (annex 22).

Cross Koumban Monitoring (CKM) was held in all targeted districts of Xiengkhouang, Houaphan, Savannakhet and Champasack. The CKM is an alternative platform for exchanging working experiences between different Koumban. This activity was initiated by Koumban teams itself without the leading role of PRF's staff.

The participants had an opportunity to share their experiences with regard to the implementation of projects as a whole (i.e. planning, implementation and monitoring, and maintenance), and more particularly an opportunity to explore the factors that explain why some projects are well-managed while others face difficulties in this regard.

From 14-16 September 2010, in cooperation with four main sectors from line ministries (Ministry of Education; Ministry of Public Health; Ministry of Public works and Transportation and Ministry of Forestry and agriculture) PRF organized a seminar on "awareness and addressing poverty" in Sepone district, Savannakhet province. It was the first seminar of this type initiated and led by the PRF. There were 138 participants in total (10 female) from line ministries and a Committee for Koumban Development of 4 districts.

During the meeting, the participants raised numbers of social issue for discussion such as land use, healthcare services, community education, plantation, livestock and using of chemicals for production. After the discussion, the participants had an agreement on co-drafting a manual related to the solutions that could be applied to solve the social issues discussed above. All participants agreed that similar seminar should be held every year at village or Koumban level.

PRF financed the organization of an "Annual District Meeting" in Luang Namtha, Savannakhet, Champasack, Saravanh and Sekong province. The meeting was quite similar to a "Round Table Meeting" in which different action plans for rural development and poverty alleviation at district level are shared by different organizations such as Committees for Koumban Development, district office, PRF, several international organizations, and non-governmental organizations (i.e. UNDP, Concern World Wide, World Vision, JICA, etc), in order to seek a common goal and collaboration assistances to the poor within district. The collective agreement among participants

of the meeting will be then integrated into the district plan for rural development and poverty alleviation.

#### **4.2. Monitoring and Evaluation Unit**

In response to the mandatory requirements from the donors and in order to learn from past experiences to design the new phase of the PRF, various assessments are planned:

- Participatory approach assessment;
- Technical, Utilization and beneficiaries satisfaction assessment;
- Capacity building of local institutions assessment.

The contract for the implementation of the *Participatory Approach Assessment* was signed between the PRF and the SYNESIS, on August 24, 2010. The survey team will conduct the assessment in three districts within three provinces ( Khoun district, Xiengkhouang province, Sepone district in Savannakhet province and TaOy district in Saravanh province) ([annex 32](#)). The questionnaire has been finalized with the participation of the PRF team and the field work will start by the beginning of October 2010.

For the *Technical, Utilization, and Beneficiary Satisfaction Assessment* and the *Capacity Building of the local Institutions Assessment*, the ToR has been finalized and will be advertised in the news paper in October 2010.

Apart from these three assessments, the Monitoring and Evaluation team has conducted an internal assessment on *Sub-projects Sustainability*. The objectives of this assessment are to:

- Check whether the sub-projects are functional or non-functional;
- Monitor the current condition of all infrastructure sub-projects supported by PRF since Cycle I to Cycle VI;
- Evaluate the responsiveness of the communities regarding sub-projects operation and maintenance;
- Identify key factors of the sub-projects sustainability;
- Assess the impact of the sub-projects on the living conditions of the poor communities;
- Build capacity to the M&E staff at provincial level.

The outcome of the study indicates that 96% of all sub-projects assessed (1,051 subprojects) are still in use and properly maintained.

In order to effectively reduce poverty and to reach the objectives of the PRF, the subprojects must be in line with the specific needs and priorities identified by the beneficiaries. This assessment found that successful sustainability of many subprojects relies on raising awareness, good design and implementation, and a high level of participation to develop a strong sense of

ownership. Additionally, subprojects with the assignment of the committee for operation and maintenance tend to have high percentage of sub-projects still in good conditions.

Significantly, where there is a strong involvement and cooperation of the local community, the infrastructures are usually well maintained after sub-project completion. Then, sustainability relies on the capacity of the local organizations to operate and maintain the rural infrastructures supported by the PRF.

During the reporting period, Monitoring and Evaluation team from central level together with the team from the provinces attended the “Monitoring and Evaluation Workshop: Sharing Experiences” organized by the World Bank on September 27, 2010. The workshop was an activity conducted during the Joint World Bank and the Swiss Agency for Development and cooperation (SDC) identification mission (September 20 – October 8, 2010). The purpose of the workshop was to share international and Laos experiences with establishing and operation monitoring and evaluation (M&E) systems especially for the Community-Driven Development Programs (CDD). This workshop was conducted by World Bank consultants and included presentations of the PRF and Laos Sustainable Forest for Rural Development (SUFORD) on their Monitoring and Evaluation systems where distinct modalities were employed. Discussions took place thoroughly and participants noted that it was a useful workshop with plenty of information that will help them to improve their M&E system.

## **Reporting**

According to the requirements of the government and the donors on regular reporting, numbers of reports have been developed to regularly informed PRF stakeholders on the PRF activities. Previously, monthly report were only developed and submitted to the National Leading Board for Rural Development and Poverty Alleviation (NLBRDPA). In response to the donors’ suggestion, they are currently also submitted to the provincial and districts offices serving as a feedback report where strengths, weaknesses and proposals are highlighted. Initially, first monthly report (August 2010) was submitted to all targeted provinces. To this intend, it has been asked to provincial offices to be more specific and concise on what to report.

## **Management Information System (MIS)**

This year, the PRF Management Information System (MIS) has been updated and used to collect relevant information for project implementation and monitoring.

The new MIS system is composed of 3 modules: a). Monitoring and Evaluation; b) Financial and Accounting and c). Human Resources Management. These modules are currently well functioning and being use by the different units in the PRF office at the central as well as provincial office.

Since the beginning of July 2010, data related to sub-project proposal for the cycle VII and VIII and sub-project implementation progress have been keyed into the database. The cycle VIII, in particular, includes also basic information of the new additional 9 districts (5 districts in Attapeu, 2 districts in Saravanh and 2 districts in Sekong) as part of the implementation of LUFSIP sub-component 3b. These data will be used to support the final district decision which will be held in the end of October 2010 for this sub-component.

### 4.3. Financial and Administration Unit

#### 4.3.1. Finance

During the reporting period, the PRF spent US\$ 7.6 million to support its activities:

Categories	Oct. 2009- Sept 2010 (US\$)	Cumulated budget spent SDC+IDA (US\$)	Cumulated budget spent SDC+IDA+GoL (US\$)
Cat.01	5,305,537	26,275,924	26,293,548
Cat. 02	1,152,884	5,069,930	5,309,601
Cat. 03	319,849	942,719	1,106,129
Cat. 04	21,409	117,263	125,178
Cat.05	748,934	3,089,239	3,154,807
Cat 07	90,360	418,176	421,076
PPF		290,871	
<b>TOTAL</b>	<b>7,638,972</b>	<b>36,204,123</b>	<b>36,410,339</b>

The budget spent has increased by 11% compared to the previous reporting period, mainly due to an increase of the budget spent in the sub-grant category (+20%).

#### **4.3.2. Procurement**

##### **➤ Sub-project**

Almost every subproject of cycle VII has been started and completed. However, the team has encountered some unexpected issues during the subproject implementations as follows:

- 3 Drilled Well Construction SubProjects in Ta-Oy located in Phosene Village, Koumban Dup, Soydam Village, Koumban Tapinphoo, and Tapinphoo Village, Koumban Tapinphoo, Salavan Province were cancelled due to unavailability of the equipments and the water exist only at the depth of 30-40 meters.
- Dispensary Construction subproject in Kaleum District, Sekong Province was delay as the construction area was not accessible.
- Kamee Samath Development Company submitted their termination letter to Koumban on 15 July 2010 for the main Electric Line System Construction subproject in Samouy District, Saravah Province upon completion of only 52% of the works, due to the location of project and poor condition of the road access. However, the first payment of 40% had already been made to the contractor and remaining of 12% will be held as a fine for incompleteness of works as per the signed contract. The community has decided to find other contractor to continue with the remaining 48% of works and found that only IT Info Tech Construction Company was interested to continue with the remaining works in the contract amount of LAK 130,398,488.

#### **4.3.3. Human Resources**

The number of PRF's staff has increased gradually due to the expansion of the PRF's coverage which includes the implementation of the Lao Uplands Food Improvement Project (LUFSIP) in 9 new districts and the PRF expansion to Sekong province. At the end of September 2010, the staff number has increased by 38% compared to September 2008.

In terms of gender, PRF promotes women to apply for positions within the PRF. However, it is somehow difficult for women to apply for different reasons related to their education level or the other key responsibilities that they have to assume in their respective households. This, at some extend, has affected the gender balance rate within PRF staff that dropped by 3% in 2010 (25%) compared to 2008 at the same period (28%). This drop is related to the recruitment made in the new poorest provinces and districts covered by the PRF but also additional recruitment made at the provincial level in the provinces already covered by the PRF.

Table 20: Number of PFR staff at all levels as of September 2008 (end of phase I)

Staff Designation	Men	Women	Total staff	Percentage of women	Percentage staff by level
National level	22	9	31	29%	19%
Provincial level	38	17	55	31%	33%
District level	61	20	81	25%	49%
<b>Total</b>	<b>121</b>	<b>46</b>	<b>167</b>		
<b>Percentage by gender</b>	<b>72%</b>	<b>28%</b>			

Table 21: Number of PFR staff at all levels as of September 2010

Level	Men	Women	Total staff	percentage of women	Percentage of staff by level
National level	24	10	34	29%	15%
Provincial level	57	19	76	25%	33%
District level	91	29	120	24%	52%
<b>Total</b>	<b>172</b>	<b>58</b>	<b>230</b>		
<b>Percentage by gender</b>	<b>75%</b>	<b>25%</b>	<b>100%</b>		

Source: Finance and Administration Unit (Personnel)

The PRF staff turnover rate has decreased by nearly half compared to December 2009 (1.3% as of September 2010 compared to 2.17% by the end of December 2009).

Two staff at National level has resigned: the Data Analysis and Evaluation Officer and the Human Resources Development Officer (annex 26). The recruitment process has been launched but none of the applicants meet the requirements for these positions. Until the position will be filled, the M&E and HR team has continued to perform the assignments of their respective unit. Nevertheless, the PRF staff turnover rate has decreased by nearly half compared to December 2009 (1.3% as of September 2010 compared to 2.17% by the end of December 2009).

Based on the decision of the senior advisor to resign, a new senior advisor has been recruited and is on duty since March 2010 to supervise all PRF's activities as well as being as a focal point between the PRF team, the donors and other development agencies.

#### **4.3.4. Administration**

Refer to the agreement of the Chief of Cabinet No.337/PMO dated 15/07/2010 on the allocation of a 2-storey building (501) at the Prime Minister's Office to the NLBRDPA and PRF, The PRF team is preparing for the renovation where the first storey is allocated for the PRF while the NLBRDPA's office will locate on the second storey. The renovation is expected to complete and ready for the relocation by January 2011.

### **5. WORK PLAN FOR 2011**

#### **5.1. Community Development Unit**

##### **5.1.1. Information, Education and Communication (IEC)**

###### **▪ Production of IEC tools**

- Produce a documentary on "procurement work".
- Cooperate with a producer of Khmu TV programme to broadcast new spot, in Khmu language, on Lao National Television Channel 01.
- Monitor and advise village's authorities on how to establish a system of loudspeaker within a 10 pilot villages of PRF.
- Produce PRF's magazine for the last six months of 2010.
- Produce a calenda for the new year of 2011.
- Produce two new spots in Hmong language. The main purpose of the spot is to advocate for community participation in heal of and effective use of PRF's sub-projects, and promotion of rural children's schooling (school enrolment).
- Make copies of operation manual on "maintenance and operation of spring gravity water system" at community level and distribute to all koumbans of PRF's 30 districts.
- Prepare and distribute IEC products such as posters with regard to "conflict resolution and compensation mechanism", brochures, spots, songs, to Ketsana impacted areas, particularly within 9 districts of 3 provinces in the southern part of Laos.

###### **▪ Public information**

- Cooperate with concerned actors to draft a memorandum of understanding (MOU) on "PRF's information dissemination and community awareness" for cycle VIII at both central and local levels.
- Review and evaluate on the implementation of MOU regarding bilateral cooperation on public information dissemination between PRF and Health and Edocation Center of Public Health Minstry.

- Disseminate information on feedback and conflict resolution at district decision meeting to assist the Ketsana affected areas.
- Release PRF's daily news of 30 articles in total, in which five articles are in English.
- Disseminate a result of a survey on "community participatory development", being conducted by Consultant company, to the public.
- Update PRF's website.
- Arrange a media interview and write an article of news release, with regard to "procurement activities" for subprojects of cycle VIII.

▪ **Others**

- Build information boards in districts where they are affected by Ketsana cyclone.
- Monitor and provide advices for local authorities on how to utilize the information board as a center of information dissemination.
- Organize activities associated with information dissemination.

**5.1.2. Local institution capacity building**

- Organize a meeting to evaluate and exchange experiences at provincial level. The main theme of the meeting is about "changing experiences on the implementation of PRF's sub-projects", which is drawing upon the lesson learn from the experiences of Huaphan and Saravan provinces. The meeting will be held in November of 2010.
- Organize a meeting for quarterly review and planning for rural development will be held in middle of October, 2010.
- Cooperate with Technical Assistance Unit to facilitate the participation of district officials (except for the officials from the sectors concerned) in monitoring and investigating the quality of sub-projects.
- To support the establishment of model villages for all aspects within the targeted districts.
- To encourage all the staffs of community development unit at district and provincial level to visit Koumban for the purpose of supporting a contest for the community development among Koumban and further creating a "model village" for development.
- To review and establish new committee for conflict resolution at all level, ranging from village level to provincial level within 9 districts of 3 provinces in the southern part of Laos.

**5.1.3. Community capacity building**

- To cooperate with Technical Assistance Unit to provide a training on the "maintenance and operation of cycle VII' sub-projects" for the non-trained communities. The training shall be organized in November 2010.
- To cooperate with Technical Assistance Unit to provide an operation team at the field with a training on how to understand the project design, basic technique of infrastructure



construction, techniques of maintaining sub-project. This activity will build a basic and key knowledge for operation teams in the field before the starting of cycle VIII's sub-projects implementation and providing the assistance for the Ketsana affected areas (LUFSIP-3b).

- To provide orientation on TOR of coordination for Koumban coordinators.
- To start the implementation of cycle VIII's sub-projects.

## **5.2. Monitoring and Evaluation Unit**

- Continue following up the implementation and report of participatory approach assessment with Synesis consultant Company;
- Continue following up with Consulting Firm for Technical Assessment, Beneficiary Satisfactory and Utilization Assessment.
- Advertise for the consultant company to perform on the assessment of Capacity Building of Local Institution.
- Continue monitoring the physical progress of subproject implementation and the level of disbursement to koumban bank accounts for Cycle VII and the preparation of Cycle VIII;
- Monitor and analyze problems for delay implementation subprojects in Cycle VII, particularly the inactive subprojects in some targeted districts as to identify the appropriate suggestion to deal with this issue;
- Participate the District Decision Meeting of LUFSIP (Ketsana recovery) targeted districts;
- Prepare the TOR for MIS improvement (Donors contribution component);
- Improve the Annual Report 2009 format.
- Upload documents to the PRF website.

## **5.3. Technical Assistance Unit**

The implementation of Cycle VIII is critical for PRF team as it is the last cycle of this phase. All subprojects have to be completed during the next dry season.

- Follow up on the implementation of cycle VIII and the remain uncompleted sub-projects from the previous cycle;
- Continue preparing for the implementation of the LUFSIP sub-project which is expected to launch early next year;
- Review Operation Manual as part of the preparation of the PRF II;
- Collaboration with line ministries in all levels.

## **5.4. Finance and Administration Unit**

### **5.4.1. Finance**

- Prepare the FMR “Quarterly report” and SOE # 020, 021 and 022 for Oct-Dec 2010.
- Prepare the sub-project financial management for Koumban representatives in 5 districts of Attapeu province (Sanamxay, Xaysettha, Phouvong, Samakhixay and Xanxay, 2 districts of Saravanh province (Toumlan and Salavan) and 2 districts of Sekong province (Lamam and Thataeng).
- Prepare for a finance supervision mission in Xiengkhoung, Huaphan, Louangnamtha, Sekong and Salavan Provinces for the fiscal year 2010.

### **5.4.2. Procurement**

#### ***National Office:***

- Continue following up with the importation documents for 3 pick-up trucks from Mitsu Lao Co. which has not been completed yet because of the pending documentation process between MOF and Mitsu Lao Co.
- Follow up with the WB for no objection letter for the procurement of PRF Central Office Renovation and sign the contract with the selected Bidder.
- Conduct the selection of consultant firm services for Local Capacity Building Assessment.
- Draft a letter to the World Bank requesting for no objection letter to award the contract to the selection supplier for the procurement of 2 pick-ups, 1 car and 39 motorcycles under LUFSSIP Project.
- Conduct the procurement of TA survey equipment under LUFSSIP project.
- Follow up with the delivery of computers and IT equipments under LUFSSIP project.

#### ***Subproject:***

- Conduct the procurement training on the revision of procurement procedures and the process of bid opening and evaluation and what evaluation reports need to be prepared for the Koumban Representative Teams, which have been scheduled for mid-October 2010.
- Conduct the bid opening and evaluation for sub-projects in cycle VIII following the guidelines of PRF’s Procurement Manual which will be held during the period of 1-18 November 2010.

### **5.4.3. Human Resource**

- Assess annual staff working performance for the year 2010;
- Prepare the employment contracts for 2010;
- Review the job descriptions and performance indicators of some positions as needed.

## ANNEXES

### **Annex 1: Poverty situation in Lao PDR 2008**

Based on the current situation of the socio-economic development of Lao PDR, the country is one of the Least Developed Countries and is considered by the international community to be one of the poorest countries in the world. Although, there are signs those poverty levels are falling, poverty remains widespread throughout the country, which cause many households unable to meet daily food requirements and satisfy basic needs of human. Poverty particular widespread in rural areas, especially among ethnic groups inhabiting remote areas, the uneducated and female household members thus the proportion of people moves from rural areas to city is strongly increasing.

*Poverty* can have different meanings and can be understood in different ways. As reference for sectors and local authorities, the Government has adapted an initial definition and indicators of poverty (to be applied until further changes). Such indicators are average indicators to be used as reference in each province, district and village in surveying and assessing poverty at the household, village and district levels, for purpose of planning gradual poverty eradication in their areas of responsibility. According to the report from the latest Lao Expenditure and Consumption Survey (LECS) 2007/08, poverty is not only relating to single entity but household welfare including expenditures, incomes, nutrition and access to health, and education of household members. poverty rates also vary according to ethnicity

NGPES which is one of the government organizations to deal with the poverty situation, it is a result of the preparation of the poverty eradication strategy that started in 1996 when the 6<sup>th</sup> Party Congress defined the long-term development objective as freeing the country from the status of least-developed country (LDC) by 2020.

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.

"Poverty in Lao PDR 2008" is a report prepared by the Department of Statistics, Ministry of Planning and Investment where poverty in Laos has been analyzed based on the Lao Expenditure and Consumption Survey 1992/03-2007/08.

Lao PDR has a successful record of poverty alleviation, as measured in the five national LECS surveys carried out since 1992/3. The fall in the most recent five year period, fuelled by robust economic growth and improvements in infrastructure, has been particularly impressive. The poverty headcount has fallen from 46% at the time of the first survey, to 27.6% in the latest 2007/8 LECS. As well as decreases in consumption poverty, asset ownership has increased

dramatically. The rapid increase in motorbike and mobile phone ownership in particular are transforming the lives of the Lao population.

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.
- 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.

Based on the “Poverty in Lao PDR 2008”, the food poverty in Lao PDR is on the rise, even the overall improvement has been impressive where population is able to access to social services and infrastructure.

The district focus for rural development presents a challenge of great complexity. Most importantly, real resources will be transferred to the districts<sup>1</sup>, 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.

One new approach for social economic development is the development through the community participation as the Community Driven Development (CDD), being one of the government strategies as to achieve the national development goal as well as the poverty eradication program. The meaning of Community Driven Approach Development is broadly defined - is an approach that gives control over planning decisions and investment resources to community groups and local governments. The operation system of CDD programs bases on the principles of local empowerment, participatory governance, demand-responsiveness, administrative autonomy, greater downward accountability, and enhanced local capacity this is the key of the social development at grassroots level and rural development. Based the experience has shown that given clear rules of the game, access to information and appropriate capacity and financial support, poor men and women also the ethnic minority can effectively organize in order to identify community priorities and address local problems, by working in partnership with local governments and other supportive institutions. The purpose of CDD approaches are to:

- improve the understanding of community driven development approaches and their role in poverty reduction;
- improve the overall quality of lending programs using community driven techniques;
- Find ways to effectively scale-up community driven activities in the client countries.

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<sup>1</sup> For FY 2003-2004, 40 billion kip will be channeled directly to the 47 districts through local funds.

For Lao PDR, Community Driven Development (CDD) is a new and promising way of improving welfare and service delivery in traditionally underserved rural. Community driven development projects seek to reduce poverty by empowering communities to assess and provide for their own needs through community participation and decentralized decision-making. To achieve this goal, CDD projects support local infrastructure, service, and livelihood programs. In addition to being one of the most cost effective ways to respond to communities' infrastructure needs, community-driven approaches have proven, among others, to increase school enrollment, access to clean water, and the use of latrine; improve health outcomes; and reinforce social capital(World Bank, 2008).

With the initiation and effort of the Government over years to reduce the poverty of the country, still several challenges remain. One big challenge is to achieve the MDG of poverty reduction by 2015. To overcome this big challenge, it requires not only a strong commitment from the Lao government but continue support and collaboration of the development partners and stakeholders for a great success in poverty reduction (Poverty in Lao PDR 2008, Department of Statistics).

## Annex 2: Summary of PRF Activities from October 2009 to September 2010

Due to the revision of the reporting period and to avoid duplication, it is now suggested that the Annual Report 2010 (October 2009 – September 2010) will also serve as the Fourth Quarterly Report previously (July – September 2010). This report includes the implementation of PRF activities in Cycle VI and Cycle VII as well as the preparation for Cycle VIII (last cycle). The main activities of each quarter are detailed below:

### Quarter one (October – December 2009)

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- Followed up the subprojects implementation of Cycle VI, Cycle VII and the preparation of Cycle VIII;
- A total budget of 35.98 billion kip was transferred to Koumban bank accounts to support the subproject implementation of Cycle VI;
- 64 out of 463 subprojects of Cycle VII had been started during this reporting period;
- Cycle VIII activities had started in November 2009 with the collection of the Village Needs Priority Assessment (VNPA) and Koumban Subproject Priority Assessment data;
- Welcomed the visit of the World Bank and the Swiss Agency for Development and Cooperation between 9-18 November 2010 to review the project's operation by which refers to the Aide Memoire;
- Completed the Procurement Plan 2009 for all provinces included Sekong province;
- Organized a 4-day procurement training to strengthen and enhance the knowledge of procurement procedures of provincial coordinators, district coordinators and provincial procurement officers;
- Organized a 1-day procurement training to the Koumban representative team in each targeted district;
- Organized training on subproject financial management to Koumban representatives in Luangnamtha and Sekong provinces.

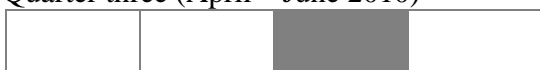
### Quarter two (January – March 2010)

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- Followed up the implementation of the remaining activities of Cycle VI, Cycle VII and the preparation of Cycle VIII;
- A total of 39.73 billion kip and 18.73 billion kip had been transferred to the Koumban bank accounts for subprojects implementation of Cycle VI and Cycle VII respectively;
- Completed the Cycle VIII District Prioritization Meetings in seven targeted districts;

- The Task Force for the Rural Development and Poverty Alleviation and the Scaling-up of the PRF to the National Project was appointed under the agreement No.01/PM dated 19 January 2010;
- The negotiation for the Lao Uplands Food Security Improvement Project (LUFSIP) was conducted during 23-25 March 2010;
- The PRF team in Champasack province welcomed the visit of the World Bank representatives to learn numbers of subprojects;
- An internal evaluation of the sustainability of the subprojects supported by the PRF was conducted during this quarter;
- The 14<sup>th</sup> PRF National Administrative Board Meeting was organized during 20-22 January 2010 in Champasack province;
- Attended a 4-day procurement training workshop between 5-8 January 2010 organized by the World Bank;
- Submitted the Procurement Plan for Cycle VII to the World Bank on 12 January 2010;
- Submitted the Bidding Documents (BDs) and Request for Quotations (RFQs) to the World Bank on 21 January 2010 and received approval on 26 January 2010;
- Financial Audit Report for 2008-2009 from Ernst and Young had been submitted to the World Bank and SDC by 31 March 2010;
- Met with the Education Development Project (EDP) Finance Management Team at the Ministry of Education regarding EDP fund flow which was supported by IDA and AusAID;
- Employment contracts for the year 2010 had been dispatched to all PRF's employees;
- Recruited six additional PRF employees in Sekong province.

#### Quarter three (April – June 2010)



- Followed up the implementation of Cycle VI, Cycle VII and the activities of the Cycle VIII;
- The total of 32.2 billion kip had been transferred to kouban bank account to support the implementation of activities in Cycle VII;
- Submitted the District Budget Allocation of Cycle VIII for no objection and approved by the donors for implementation on 21 April 2010;
- Completed the District Decision Meetings of Cycle VIII in April 2010;
- Met with the United Nations Inter-Agency Project on Human Trafficking (UNIAP) in April;



- Prepared for the 15<sup>th</sup> PRF National Administrative Board Meeting which was scheduled to the first week of July 2010 in Sekong province;
- Participated in the “Identification of Options for Strengthening Social Safety Net in Lao PDR” between 4-14 May 2010;
- The World Bank Support Implementation Mission took place during 18-28 May 2010;
- A World Bank Mission was conducted during 20-28 June 2010 including a field visit to Xiengkhouang province;
- Attended the Social Protection South South Learning Forum held in Arusha, Tanzania for “Making Publics Works work”;
- The Provincial Socialization meeting was taken place in Attapeu province as to introduce the implementation of the LUFSIP to the local authorities;
- Participated to the official grant signing ceremony of the Lao Uplands Security Improvement Project (LUFSIP) on 4 June 2010 between the Government of Laos and the World Bank;
- Participated in the preparation of the first draft of the LUFSIP subsidiary grant agreement.

Quarter four (July– September 2010)

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- Monitored the implementation of Cycle VII activities and the preparation of Cycle VIII;
- By September 2010, a total of 38.43 billion kip had been transferred to koumban account while all subprojects implementation of Cycle VI had been completed since March 2010;
- A total of 35.5 billion kip had been transferred to koumban bank account for the implementation of Cycle VII;
- Organized the District Decision Meetings in all targeted districts for KETSANA response;

**Annex 3: Overview of Project Coverage from Cycle I-VIII (2003-2011)**

	<b>Cycle I</b>	<b>Cycle II</b>	<b>Cycle III</b>	<b>Cycle IV</b>	<b>Cycle V</b>	<b>Cycle VI</b>	<b>Cycle VII</b>	<b>Cycle VIII</b>
	<b>2003-2004</b>	<b>2004-2005</b>	<b>2005-2006</b>	<b>2006-2007</b>	<b>2007-2008</b>	<b>2008-2009</b>	<b>2009-2010</b>	<b>2010-2011</b>
<b>Provinces</b>	3	3	5	5	5	6	7	7
<b>District</b>	10	14	20	21	21	19	21	21
<b>Khet / Koumban</b>	121	188	239	252	161	195	214	213*
<b>Villages</b>	913	1,412	1,913	1,880	1,268	1,458	1,567	1551**
<b>Poor villages</b>	666	1,089	1,464	1,499	985	994	1,194	1,102

Note:

\* Koumban has been merged (koumban in Nonghaed district, Xiengkhouang province)

\*\* Villages have been merged or moved out therefore the number of villages were reduced from 1,567 in cycle VII to 1,551 in cycle VIII

**Annex 4: Subprojects matching priority needs expressed by communities during VNPA Cycle I-VIII**

Subproject coming from priorities expressed at:	Cycle I		Cycle II		Cycle III		Cycle IV		Cycle V		Cycle VI		Cycle VII		Cycle VIII		Total	
	<b>Community Level</b>	212	85%	307	71%	359	67%	340	62%	233	76%	308	87%	400	86%	417	93%	2576
<b>Koumban Level</b>	23	9%	85	20%	46	9%	30	5%	9	3%	41	12%	57	12%	27	6%	318	10%
<b>District Level</b>	13	5%	39	9%	128	24%	178	32%	65	21%	6	2%	6	1%	6	1%	441	13%
<b>Total</b>	<b>248</b>		<b>431</b>		<b>533</b>		<b>548</b>		<b>307</b>		<b>355</b>		<b>463</b>		<b>450</b>		<b>3335</b>	

Note: All subprojects were selected from VNPA level; however, some subprojects priorities were changed during koumban and district meetings

(expressed in percentage in the table above). The main reasons behind this change are implementation issue, budget constraint or other agencies support

**Annex 5: Infrastructure Subprojects approved at District Level (which do not match priorities selected during VNPA's - Cycle VIII)**

<b>Province/District</b>	<b>Koumban Name</b>	<b>Village Name</b>	<b>Type of subprojects</b>
Xiengkhouang			
	Khoun	Nyoun	Phonexai
Wier construction			
Saravanh			
	TaOiy	Talung	ToumLeThong
Primary school construction			
	TaOiy	Joe	Cho Hai
Rural road upgrade			
	TaOiy	Tapeun	Houeingoua
Primary school construction			
Champasack			
	Bachieng	II	Pha Lai
Continuing rural road upgrade			
	Bachieng	IV	km16
Primary school construction			

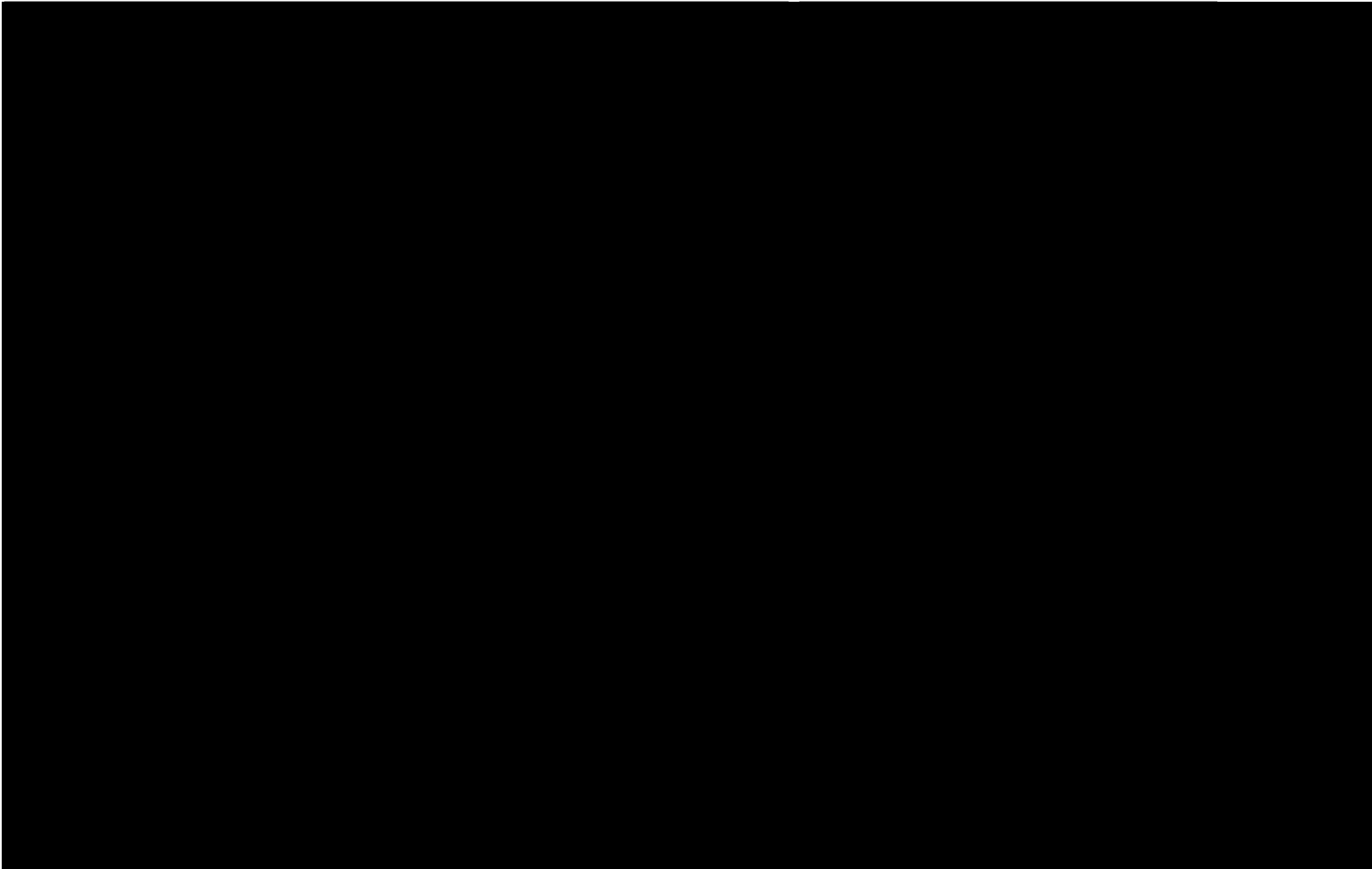
**Annex 6: Number of sub-project proposals submitted and approved by gender Cycle VIII**

Provinces /districts	Approved suprojects	Approved subprojects coming from <u>women</u> list (VNPA)	%	Approved subprojects coming from both <u>men</u> and <u>women</u> list (VNPA)	%
<b>Luang Namtha</b>	<b>82</b>	<b>9</b>	<b>2%</b>	<b>62</b>	<b>14%</b>
Long	25	4	1%	19	4%
Nalae	33	3	1%	22	5%
Viengphoukha	24	2	0%	21	5%
<b>Huaphanh</b>	<b>139</b>	<b>5</b>	<b>1%</b>	<b>113</b>	<b>25%</b>
Xiengkhor	33	0	0%	28	6%
Viengxay	30	2	0%	24	5%
Xamtay	30	1	0%	27	6%
Huameaung	23	0	0%	17	4%
Viengthong	23	2	0%	17	4%
<b>Xiengkhuang</b>	<b>52</b>	<b>1</b>	<b>0%</b>	<b>47</b>	<b>10%</b>
Khoun	19	1	0%	17	4%
Nonghed	20	0	0%	19	4%
Tha thome	13	0	0%	11	2%
<b>Savannakhet</b>	<b>74</b>	<b>13</b>	<b>3%</b>	<b>53</b>	<b>12%</b>
Sepone	27	4	1%	20	4%
Nong	14	4	1%	9	2%
Vilabury	15	1	0%	12	3%
Phin	18	4	1%	12	3%
<b>Saravanh</b>	<b>29</b>	<b>2</b>	<b>0%</b>	<b>18</b>	<b>4%</b>
Ta oy	13	0	0%	8	2%
Samoy	16	2	0%	10	2%
<b>Champasack</b>	<b>36</b>	<b>4</b>	<b>1%</b>	<b>26</b>	<b>6%</b>
Bachieng	19	2	0%	13	3%
Sukuma	17	2	0%	13	3%
<b>Sekong</b>	<b>38</b>	<b>0</b>	<b>0%</b>	<b>38</b>	<b>8%</b>
Kaleum	21	0	0%	21	5%
Dakjeung	17	0	0%	17	4%
<b>Total</b>	<b>450</b>	<b>34</b>	<b>8%</b>	<b>357</b>	<b>79%</b>

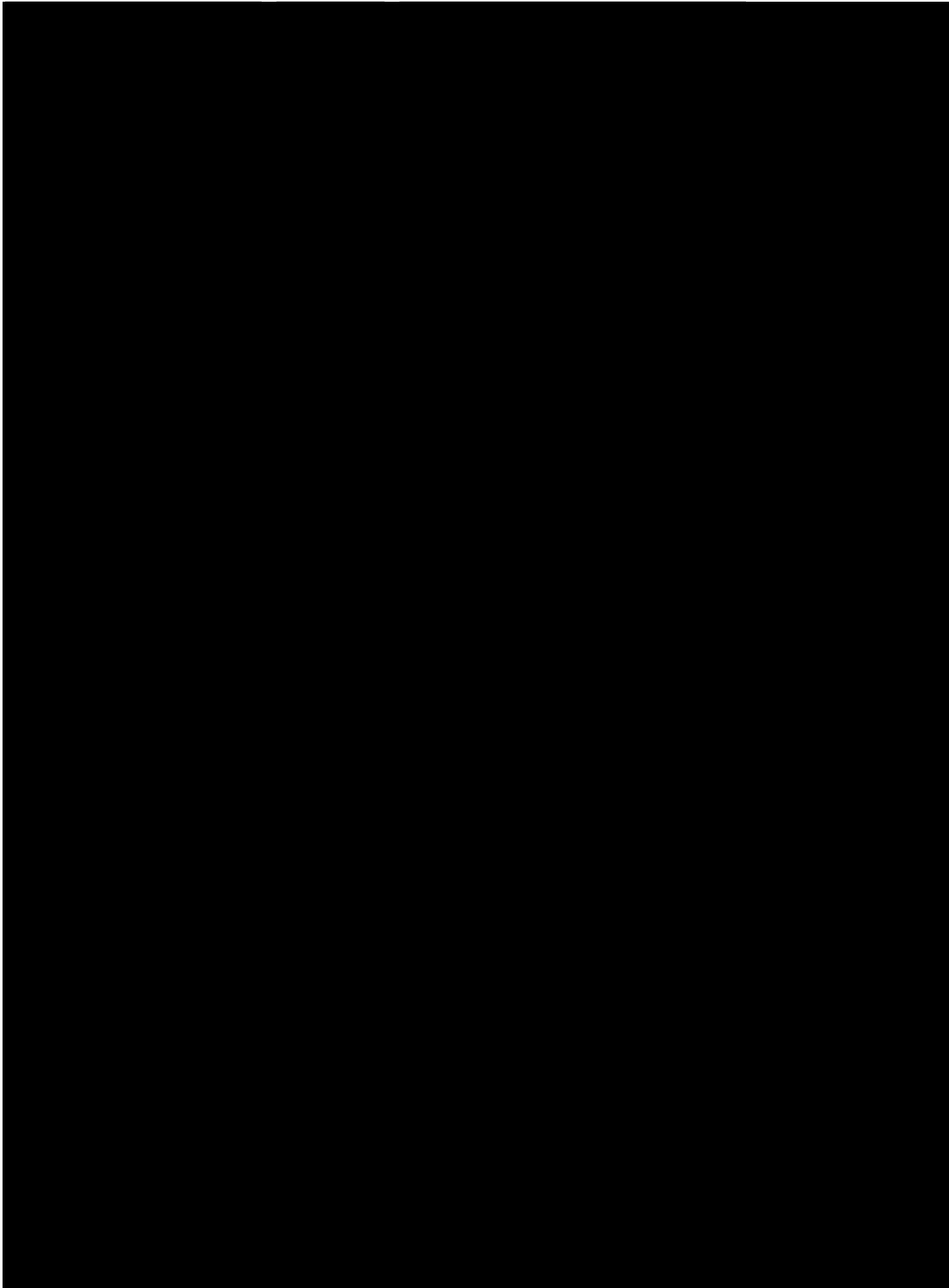
**Number of subproject proposal submitted and approved by gender (Cycle VI – Cycle VIII)**

Cycle	Approved suprojects	Approved subprojects coming from <u>women</u> list (VNPA)	%	Approved subprojects coming from <u>men</u> and <u>women</u> list (VNPA)	%	Approved subprojects coming from <u>men</u> list (VNPA)
<b>Cycle VI</b>	355	45	13%	280	79%	30
<b>Cycle VII</b>	463	50	11%	378	82%	35
<b>Cycle VIII</b>	450	34	8%	357	79%	59

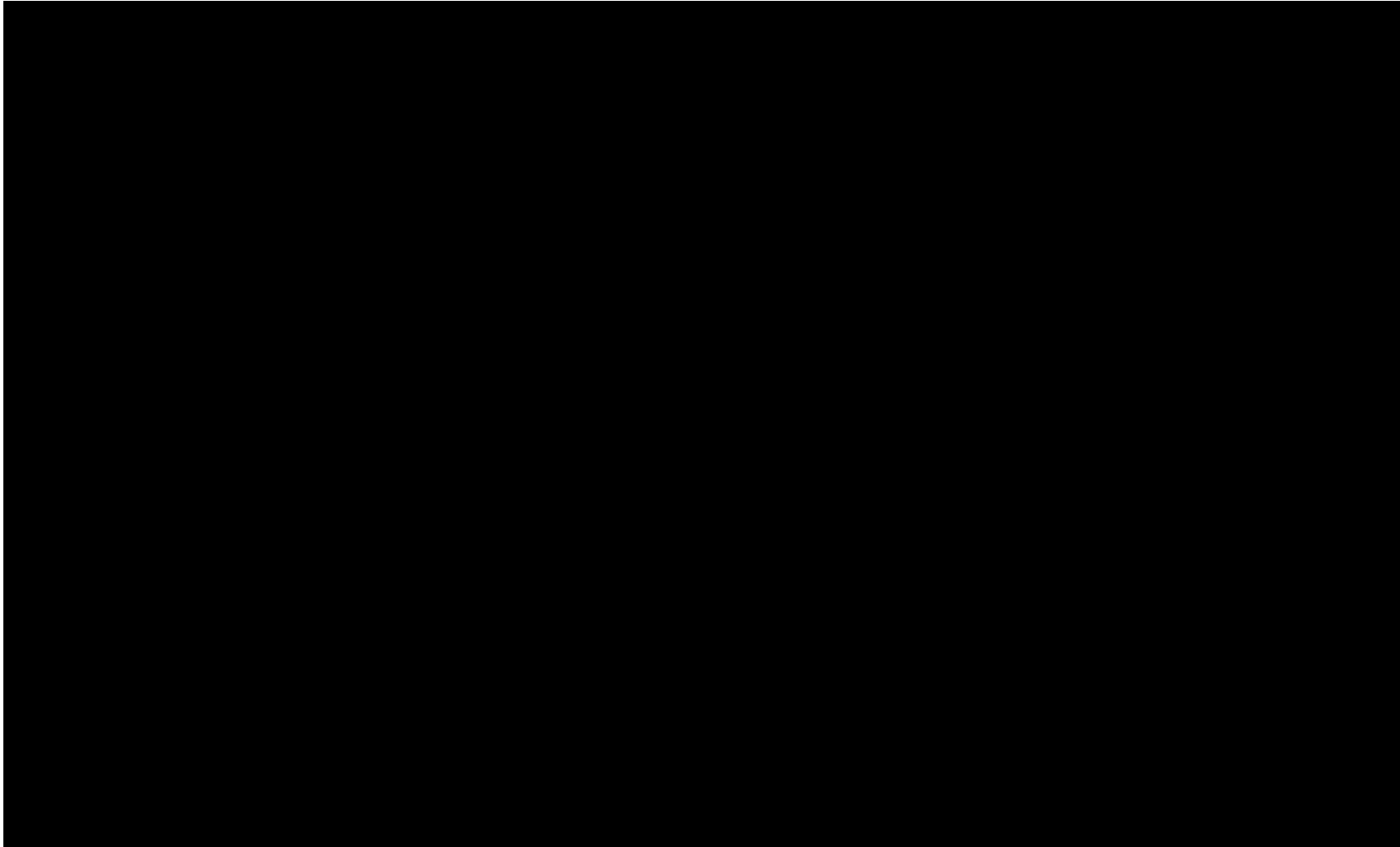
**Annex 7: Number of villages per poverty grading by province and district, Cycle VIII**



**Annex 8: Number and percentage of subprojects per village poverty grading Cycle VIII**

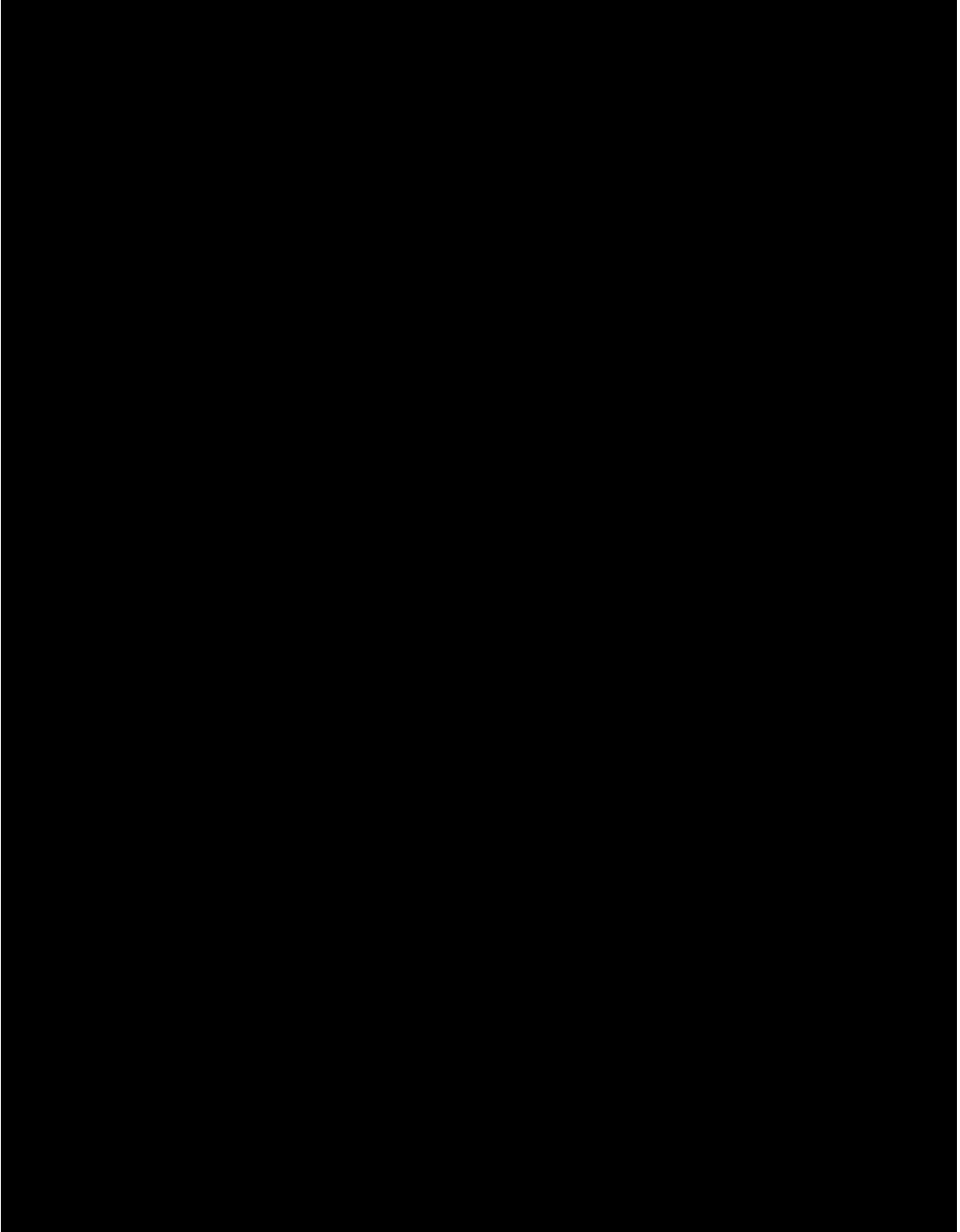


**Annex 9: PRF Budget into Infrastructure Subprojects benefiting poor and better off villages - Cycle VIII**

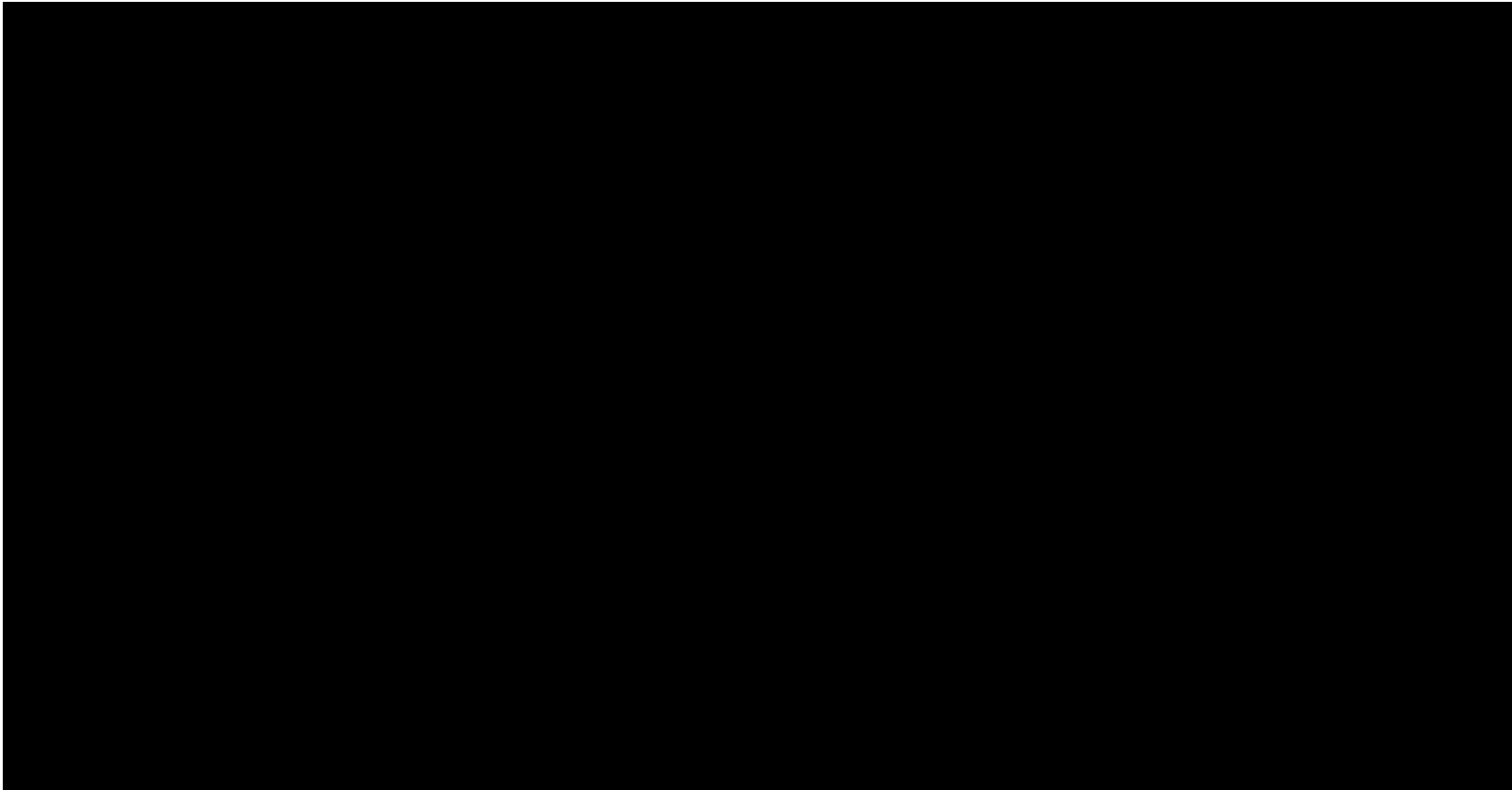


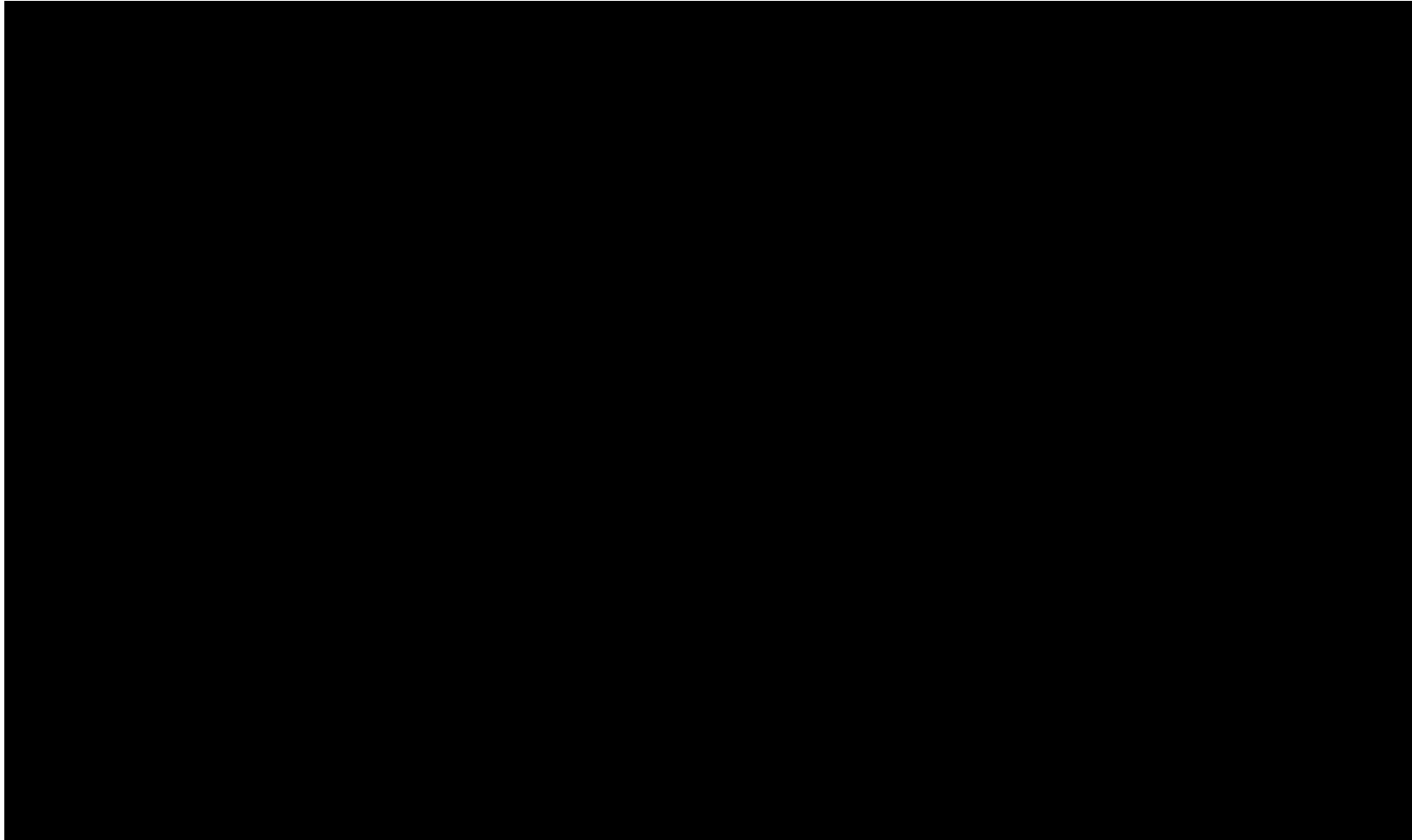


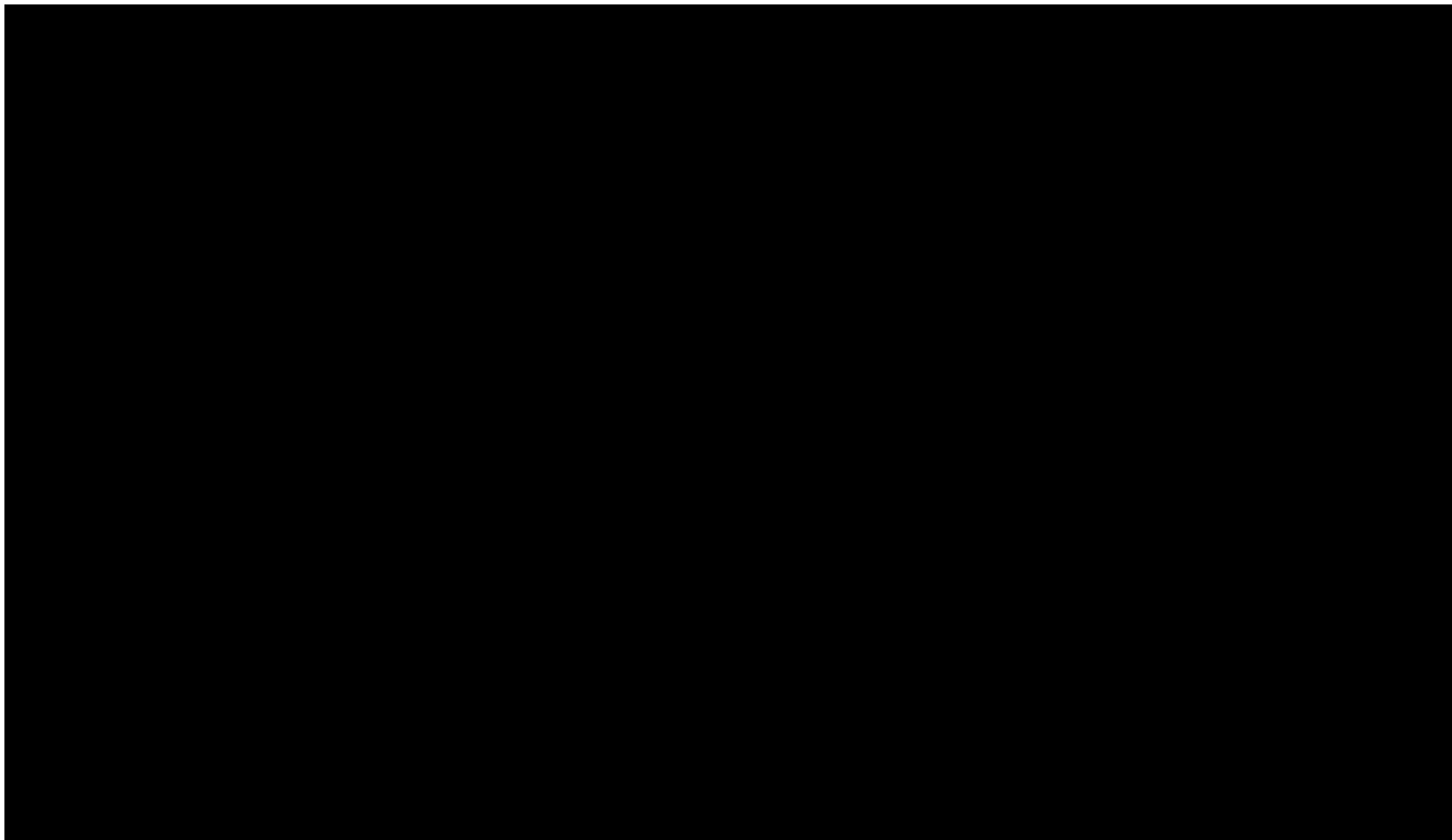
**Annex 10: Poverty Targeting of PRF Infrastructure Sub-Projects Cycle VI-VIII**



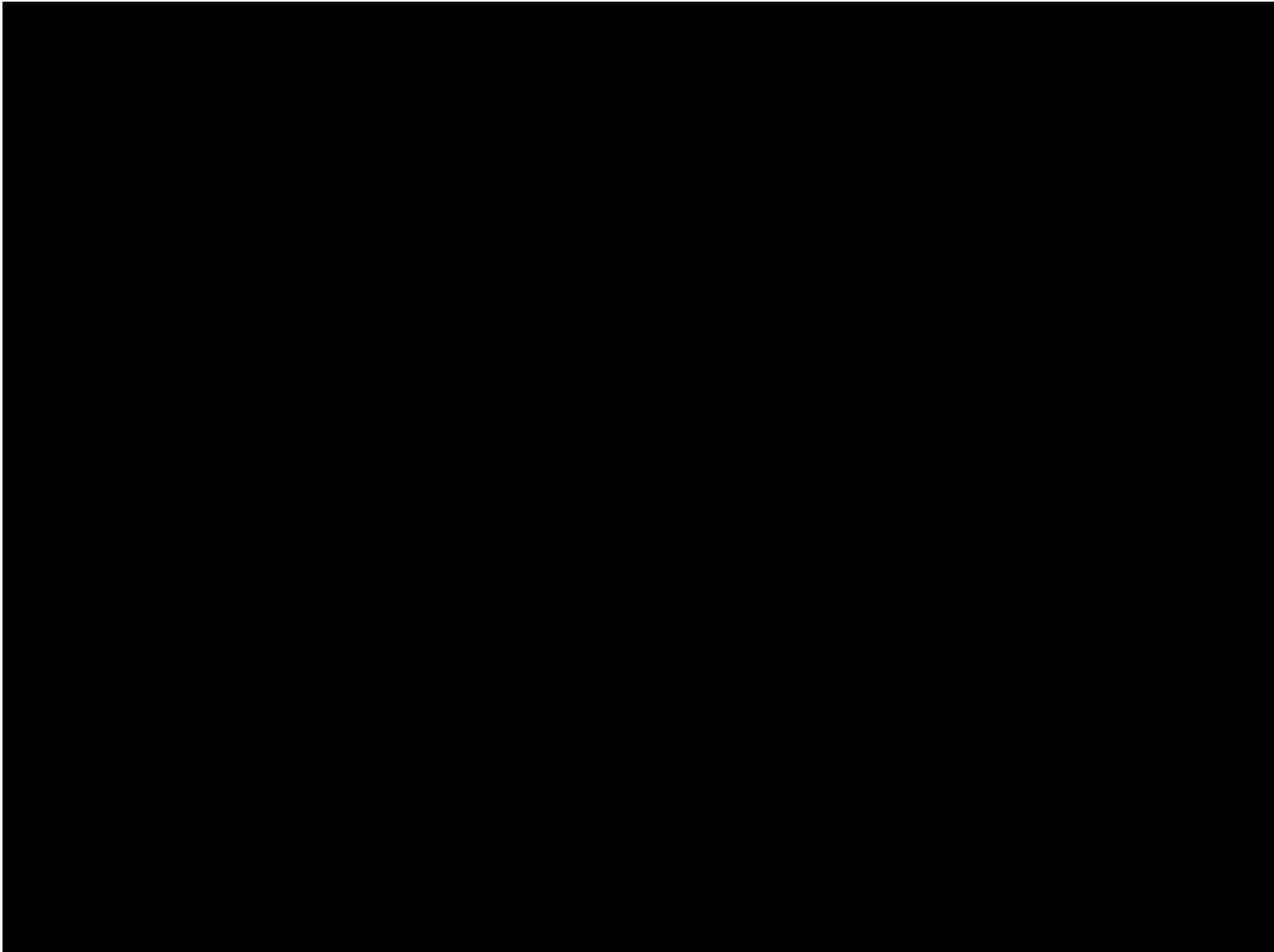
**Annex 11: Number of Infrastructure subprojects per ethnicity cycle VI – cycle VIII**

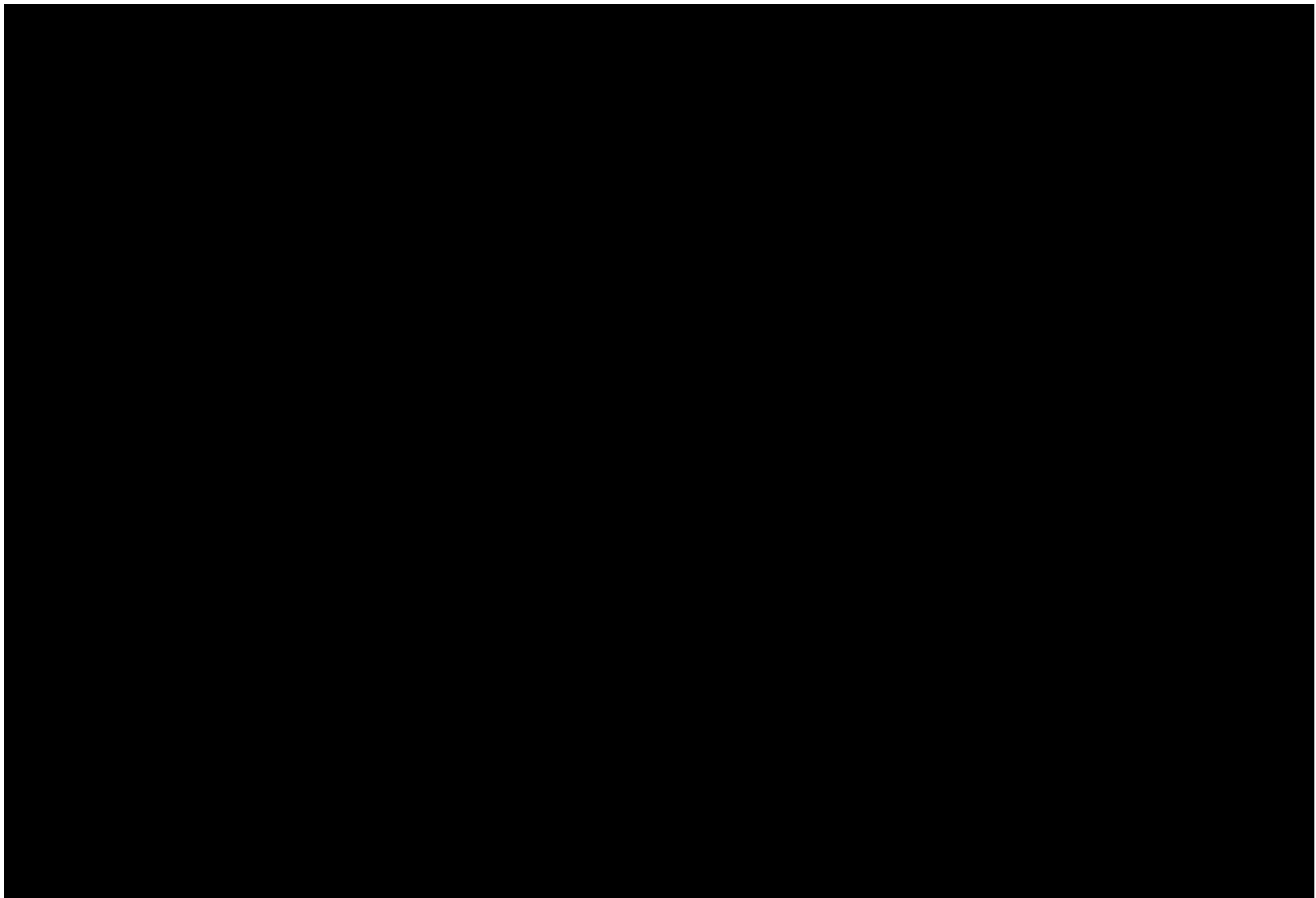


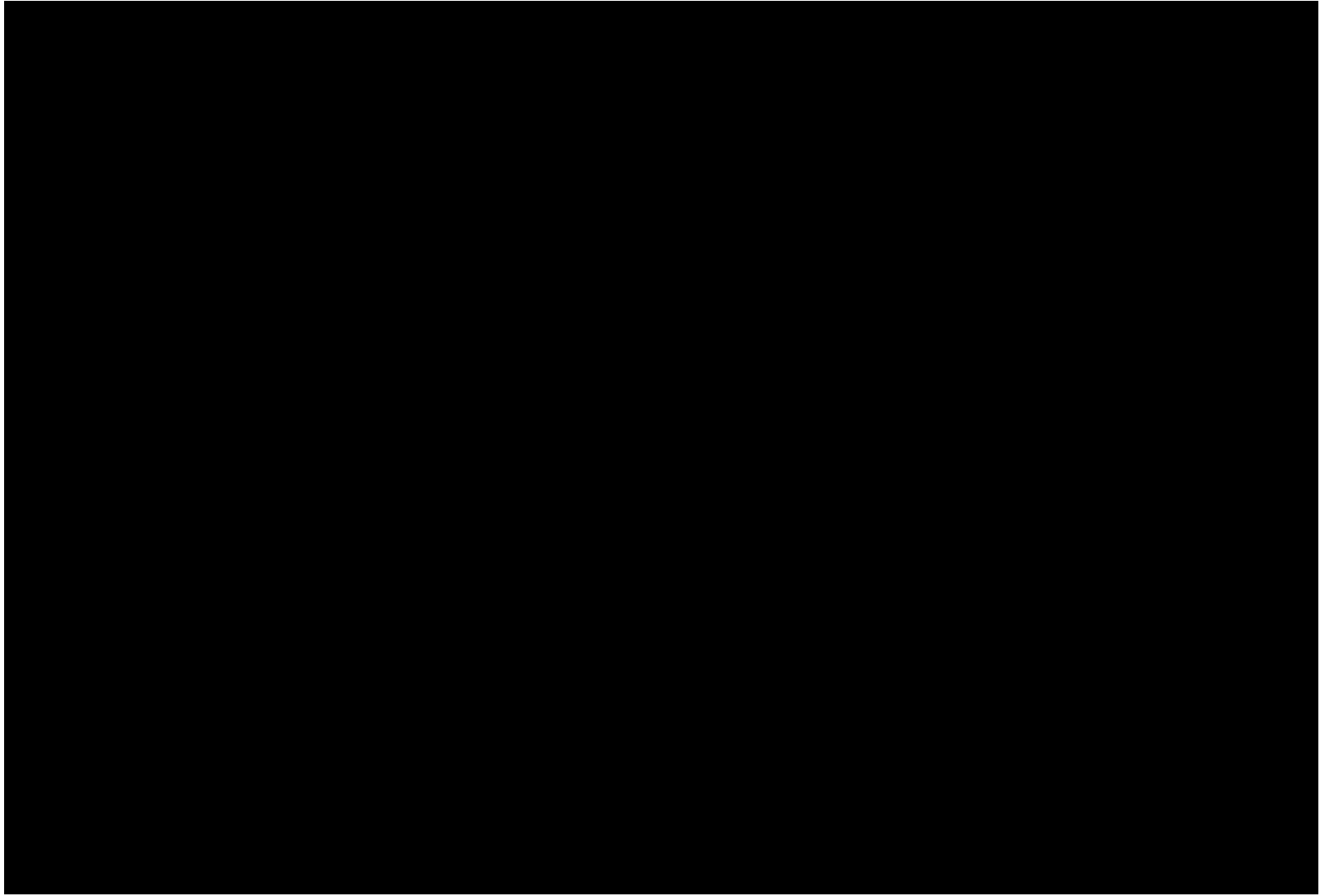




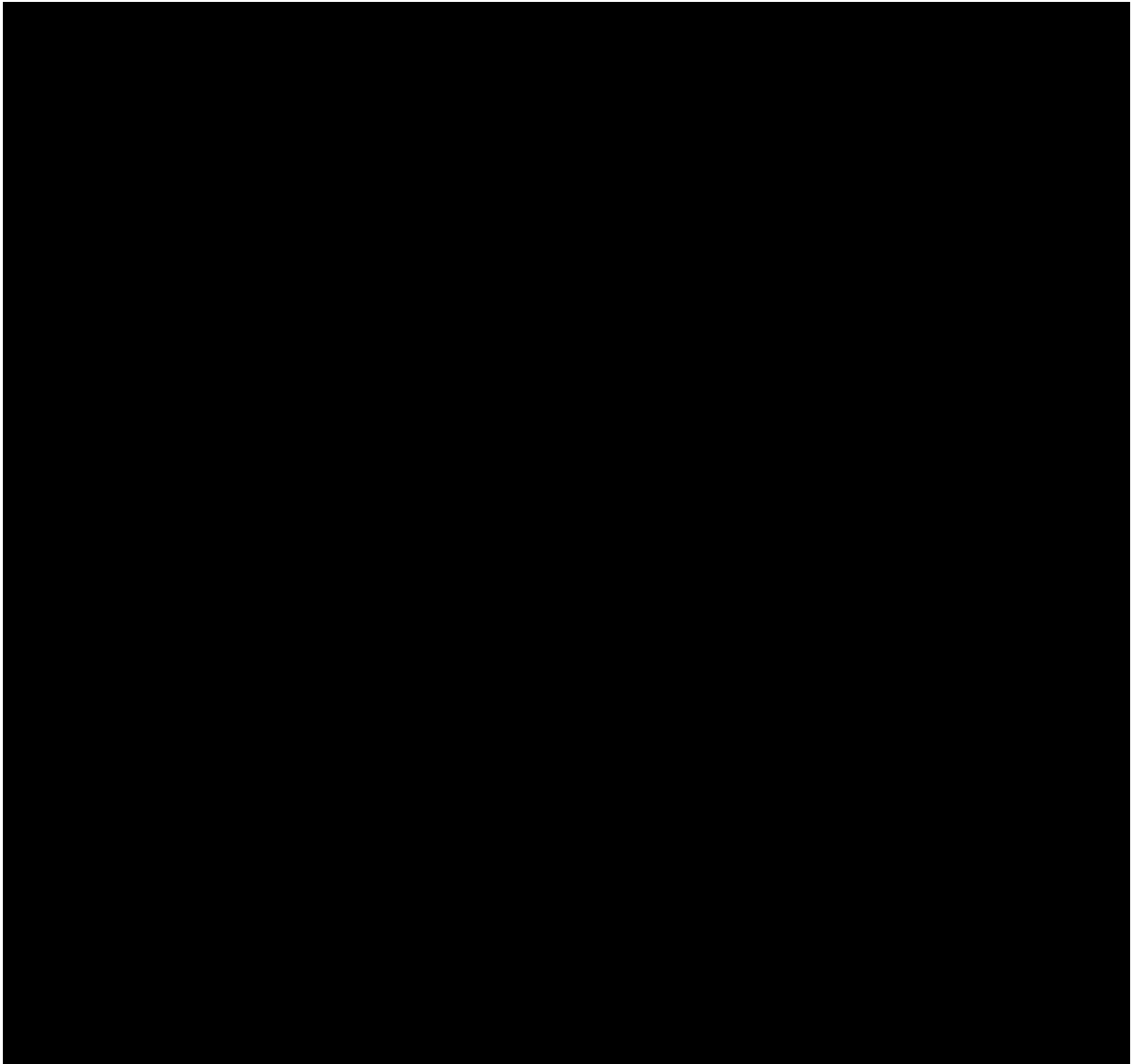
**Annex 12: Lao literacy in villages where subprojects are implemented Cycle VI – VIII**





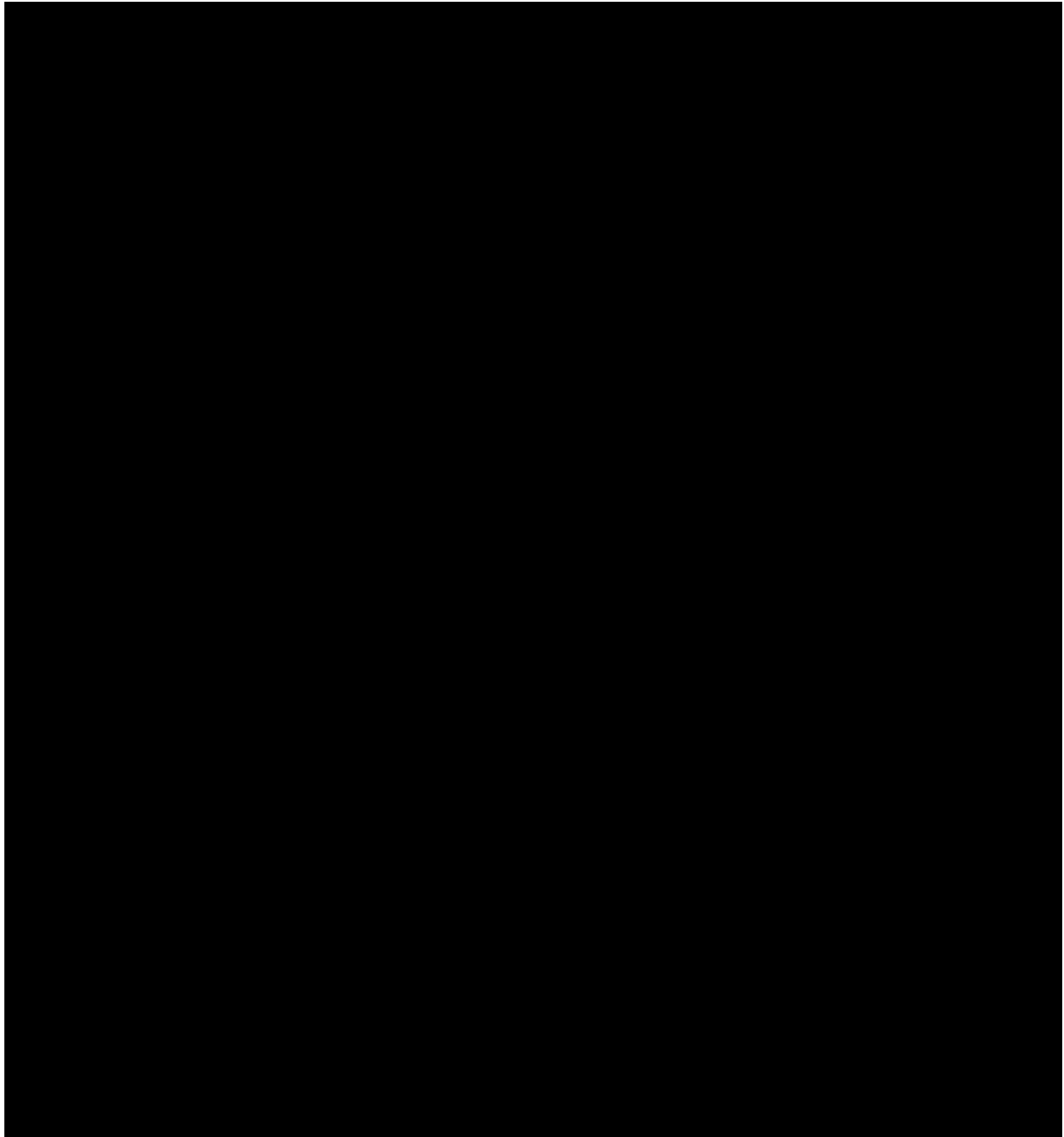


**Annex 13: Direct and indirect beneficiaries from PRF intervention Cycle VI - VII**

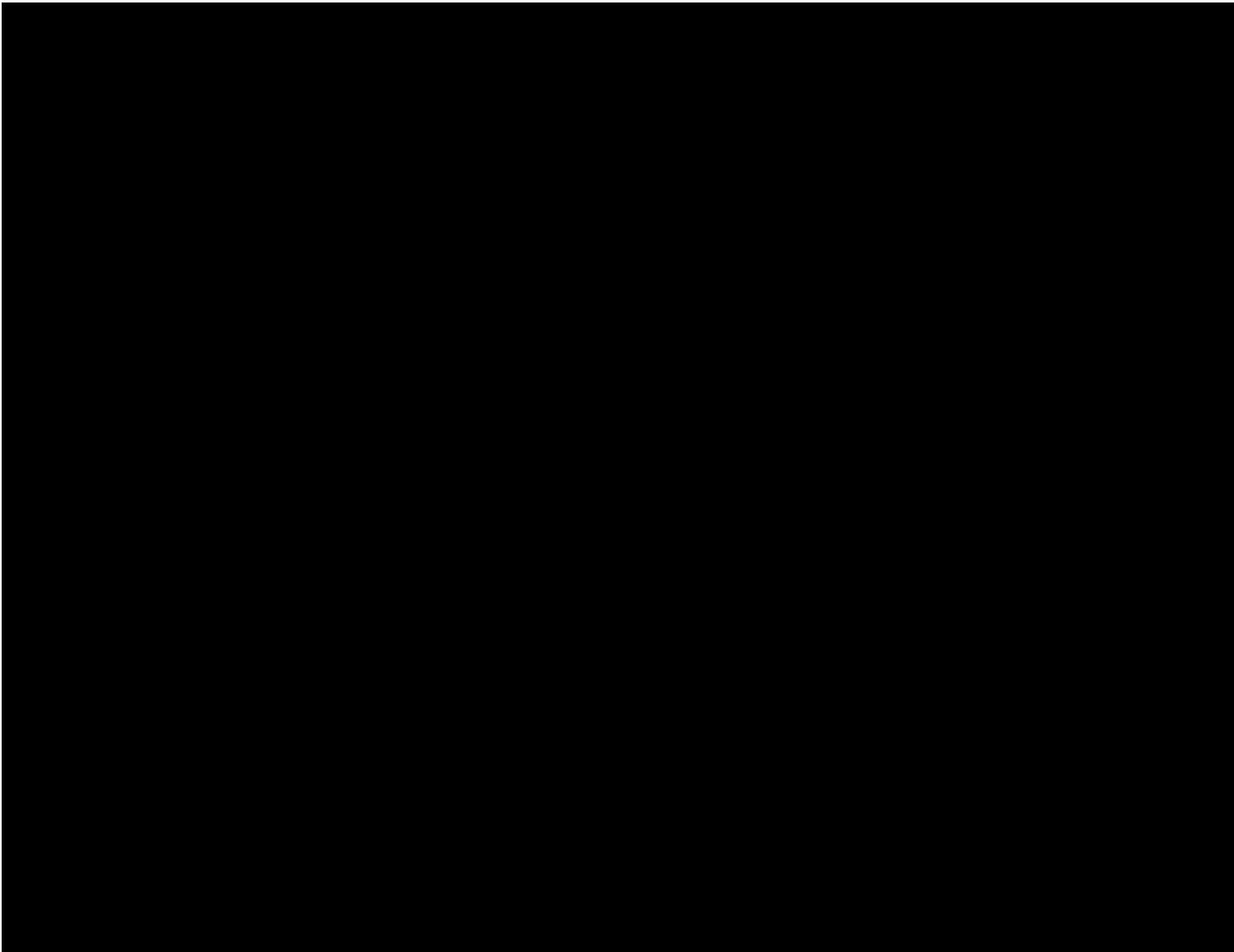




**Annex 14: Subprojects (infrastructure and training) approved before and after DDM Cycle VIII**



**Annex 15: Implementation Plan for Cycle VIII**

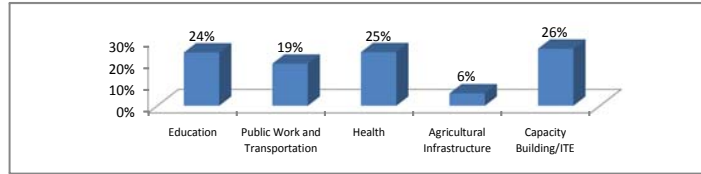


**Annex 16: Number of subprojects and budget per sector and per province - Cycle I-VIII (2003-2011)**

Sectors	Cycle I		Cycle II		Cycle III		Cycle IV		Cycle V		Cycle VI		Cycle VII		Cycle VIII		Total	
	# of subprojects	%	# of subprojects	%	# of subprojects	%	# of subprojects	%	# of subprojects	%	# of subprojects	%	# of subprojects	%	# of subprojects	%	# of subprojects	%
Education	72	29%	141	33%	146	27%	134	24%	87	28%	65	18%	87	19%	81	18%	813	24%
Public Work and Transportation	39	16%	92	21%	131	25%	99	18%	85	28%	63	18%	74	16%	60	13%	643	19%
Health	107	43%	129	30%	143	27%	102	19%	76	25%	80	23%	99	21%	82	18%	818	25%
Agricultural Infrastructure	19	8%	26	6%	26	5%	35	6%	12	4%	15	4%	17	4%	39	9%	189	6%
Capacity Building/ITE	11	4%	43	10%	87	16%	178	32%	47	15%	132	37%	186	40%	188	42%	872	26%
<b>Total</b>	<b>248</b>		<b>431</b>		<b>533</b>		<b>548</b>		<b>307</b>		<b>355</b>		<b>463</b>		<b>450</b>		<b>3335</b>	

Percentage of subprojects by sector from cycle I-VIII (2003-2011)

Sector	% by sector
Education	24%
Public Work and Transportation	19%
Health	25%
Agricultural Infrastructure	6%
Capacity Building/ITE	26%
<b>Total</b>	<b>100%</b>



Provinces	Cycle I		Cycle II		Cycle III		Cycle IV		Cycle V		Cycle VI		Cycle VII		Cycle VIII		Total	
	# of subprojects	%	# of subprojects	%	# of subprojects	%	# of subprojects	%	# of subprojects	%	# of subprojects	%	# of subprojects	%	# of subprojects	%	# of subprojects	%
Luangnamtha	0	0%	0	0%	0	0%	0	0%	0	0%	65	18%	75	16%	82	18%	222	7%
Huaphanh	82	33%	244	57%	192	36%	230	42%	112	36%	91	26%	137	30%	139	31%	1227	37%
Xiengkhuang	0	0%	0	0%	96	18%	79	14%	41	13%	44	12%	53	11%	52	12%	365	11%
Savannakhet	60	24%	104	24%	96	18%	93	17%	59	19%	71	20%	73	16%	74	16%	630	19%
Saravanh	0	0%	0	0%	63	12%	52	9%	52	17%	36	10%	36	8%	29	6%	268	8%
Champasack	106	43%	83	19%	86	16%	94	17%	43	14%	48	14%	44	10%	36	8%	540	16%
Sekong	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	45	10%	38	8%	83	2%
<b>Total</b>	<b>248</b>		<b>431</b>		<b>533</b>		<b>548</b>		<b>307</b>		<b>355</b>		<b>463</b>		<b>450</b>		<b>3335</b>	

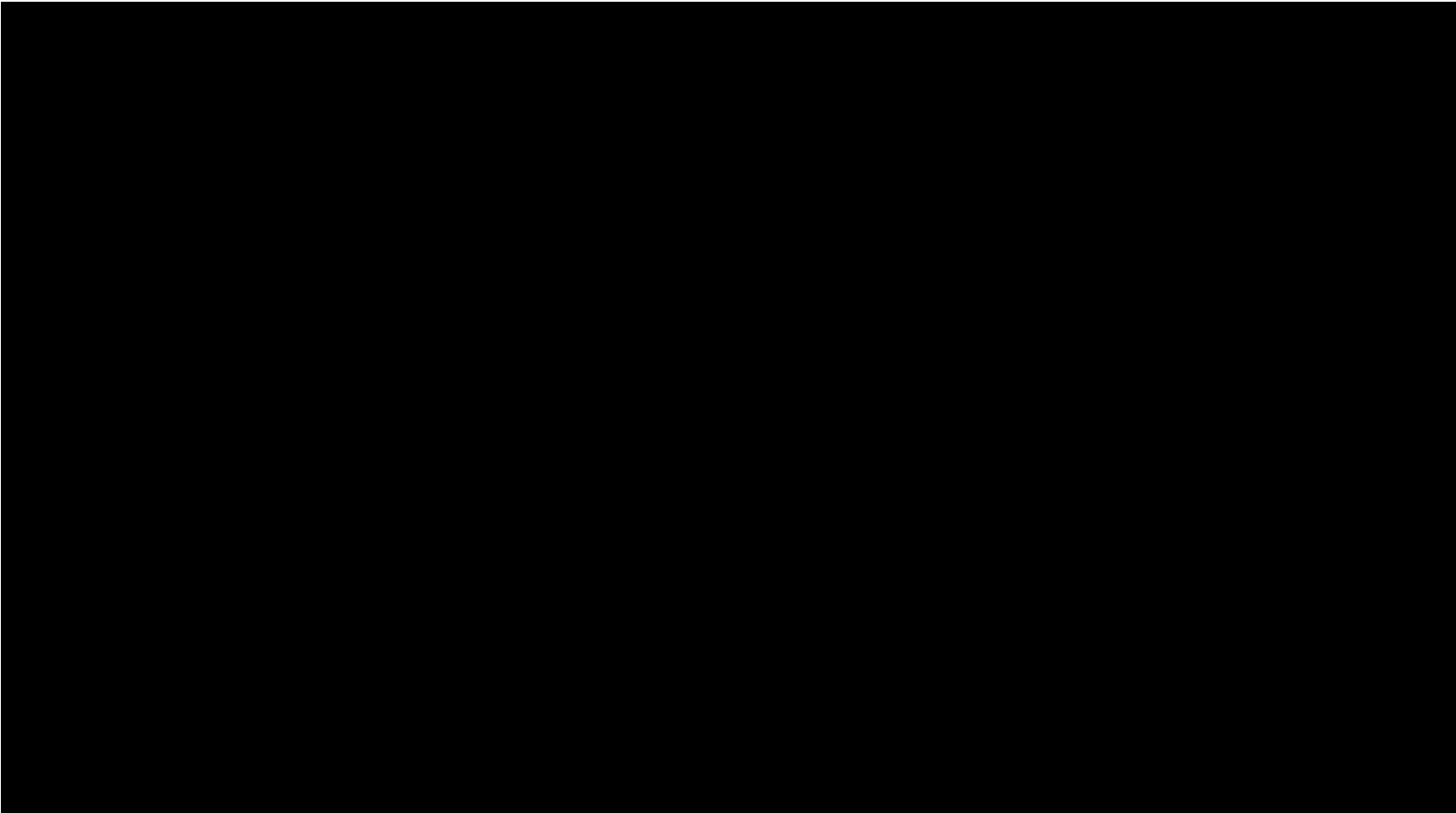
Subproject implementation	Cycle I		Cycle II		Cycle III		Cycle IV		Cycle V		Cycle VI		Cycle VII		Cycle VIII		Total	
	# of subprojects	%	# of subprojects	%	# of subprojects	%	# of subprojects	%	# of subprojects	%	# of subprojects	%	# of subprojects	%	# of subprojects	%	# of subprojects	%
Community Force Account	165	67%	340	79%	346	65%	385	70%	158	51%	217	61%	250	54%	Pending		1,861	65%
Joint Investment	0	0%	0	0%	78	15%	43	8%	1	0%	12	3%	18	4%	Pending		152	5%
Contractor	83	33%	91	21%	109	20%	120	22%	148	48%	126	35%	195	42%	Pending		872	30%
<b>Total</b>	<b>248</b>		<b>431</b>		<b>533</b>		<b>548</b>		<b>307</b>		<b>355</b>		<b>463</b>				<b>2885</b>	

PRF Budget cycle I-VIII

Sector	Cycle I		Cycle II		Cycle III		Cycle IV		Cycle V		Cycle VI		Cycle VII		Cycle VIII		Total	
	# of subprojects	%	# of subprojects	%	# of subprojects	%	# of subprojects	%	# of subprojects	%	# of subprojects	%	# of subprojects	%	# of subprojects	%	# of subprojects	%
Education	2,923,386,450	26%	9,467,951,674	30%	11,230,338,876	26%	13,537,819,259	30%	11,261,232,579	32%	15,108,831,415	37%	18,958,682,117	37%	15,653,255,565	37%	98,141,497,935	33%
Public Work and Transportation	2,445,253,465	22%	13,070,091,993	41%	18,707,183,942	43%	16,327,345,968	36%	14,319,560,627	41%	11,073,324,108	27%	11,081,897,440	21%	10,715,820,154	26%	97,740,477,697	32%
Health	4,879,149,317	44%	5,957,927,559	19%	9,058,391,661	21%	8,739,412,897	19%	6,489,796,041	18%	10,210,519,823	25%	15,584,604,645	30%	8,830,239,256	21%	69,750,041,199	23%
Agricultural Infrastructure	791,674,164	7%	1,659,395,685	5%	1,993,290,440	5%	1,451,142,077	3%	603,963,099	2%	1,941,310,011	5%	2,333,098,208	5%	2,988,910,188	7%	13,762,783,873	5%
Capacity Building/ITE	84,828,785	1%	1,676,671,851	5%	2,732,990,356	6%	4,804,352,982	11%	2,600,232,336	7%	2,495,344,473	6%	3,734,519,368	7%	3,561,812,789	9%	21,690,752,940	7%
<b>Total</b>	<b>11,124,292,181</b>		<b>31,832,038,762</b>		<b>43,722,195,274</b>		<b>44,860,073,483</b>		<b>35,274,784,682</b>		<b>40,829,329,832</b>		<b>51,692,801,777</b>		<b>41,750,037,950</b>		<b>301,085,553,644</b>	

Provinces	Cycle I		Cycle II		Cycle III		Cycle IV		Cycle V		Cycle VI		Cycle VII		Cycle VIII		Total	
	# of subprojects	%	# of subprojects	%	# of subprojects	%	# of subprojects	%	# of subprojects	%	# of subprojects	%	# of subprojects	%	# of subprojects	%	# of subprojects	%
Luangnamtha	-	0%	-	0%	-	0%	-	0%	-	0%	8,091,156,640	20%	5,877,999,914	11%	5,134,106,696	12%	19,103,263,250	6%
Huaphanh	3,556,199,010	32%	16,520,478,892	52%	16,811,761,284	38%	18,398,057,130	41%	13,232,893,046	38%	10,438,746,508	26%	14,092,405,843	27%	9,943,637,438	24%	102,994,179,151	34%
Xiengkhuang	-	0%	-	0%	8,344,024,546	19%	8,348,212,664	19%	5,734,653,144	16%	5,694,478,240	14%	7,240,782,203	14%	5,323,516,846	13%	40,685,667,643	14%
Savannakhet	4,025,700,875	36%	11,067,000,004	35%	9,072,684,999	21%	8,966,999,999	20%	7,828,000,007	22%	9,188,430,832	23%	10,169,762,098	20%	8,473,227,952	20%	68,791,806,766	23%
Saravanh	-	0%	-	0%	5,409,224,442	12%	5,305,203,705	12%	5,456,151,087	15%	4,216,501,230	10%	4,059,421,405	8%	3,864,509,812	9%	28,311,011,681	9%
Champasack	3,542,395,268	32%	4,244,419,866	13%	4,084,500,000	9%	3,841,599,999	9%	3,023,087,398	9%	3,200,016,377	8%	6,208,250,666	12%	4,562,565,392	11%	32,706,834,967	11%
Sekong	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%	4,044,179,648	8%	4,448,473,814	11%	8,492,653,462	3%
<b>Total</b>	<b>11,124,295,153</b>		<b>31,831,898,762</b>		<b>43,722,195,271</b>		<b>44,860,073,498</b>		<b>35,274,784,682</b>		<b>40,829,329,828</b>		<b>51,692,801,777</b>		<b>41,750,037,950</b>		<b>301,085,416,920</b>	

**Annex 17: Community Contribution Budget by sector and by province - Cycle I-VIII (2003-2011)**

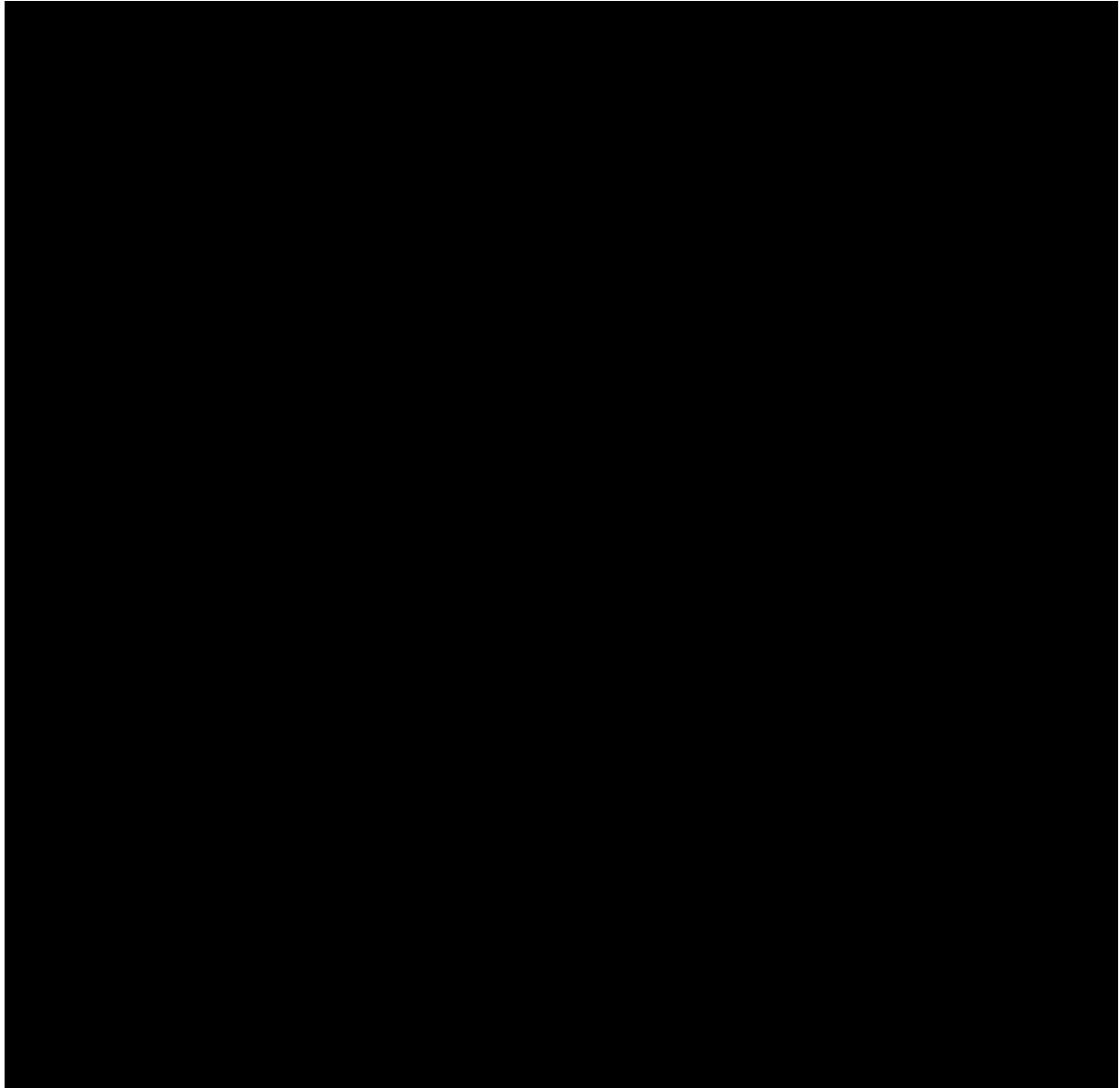


**Annex 18: Subprojects completion by sector and by province cycle VII as of September 2010**

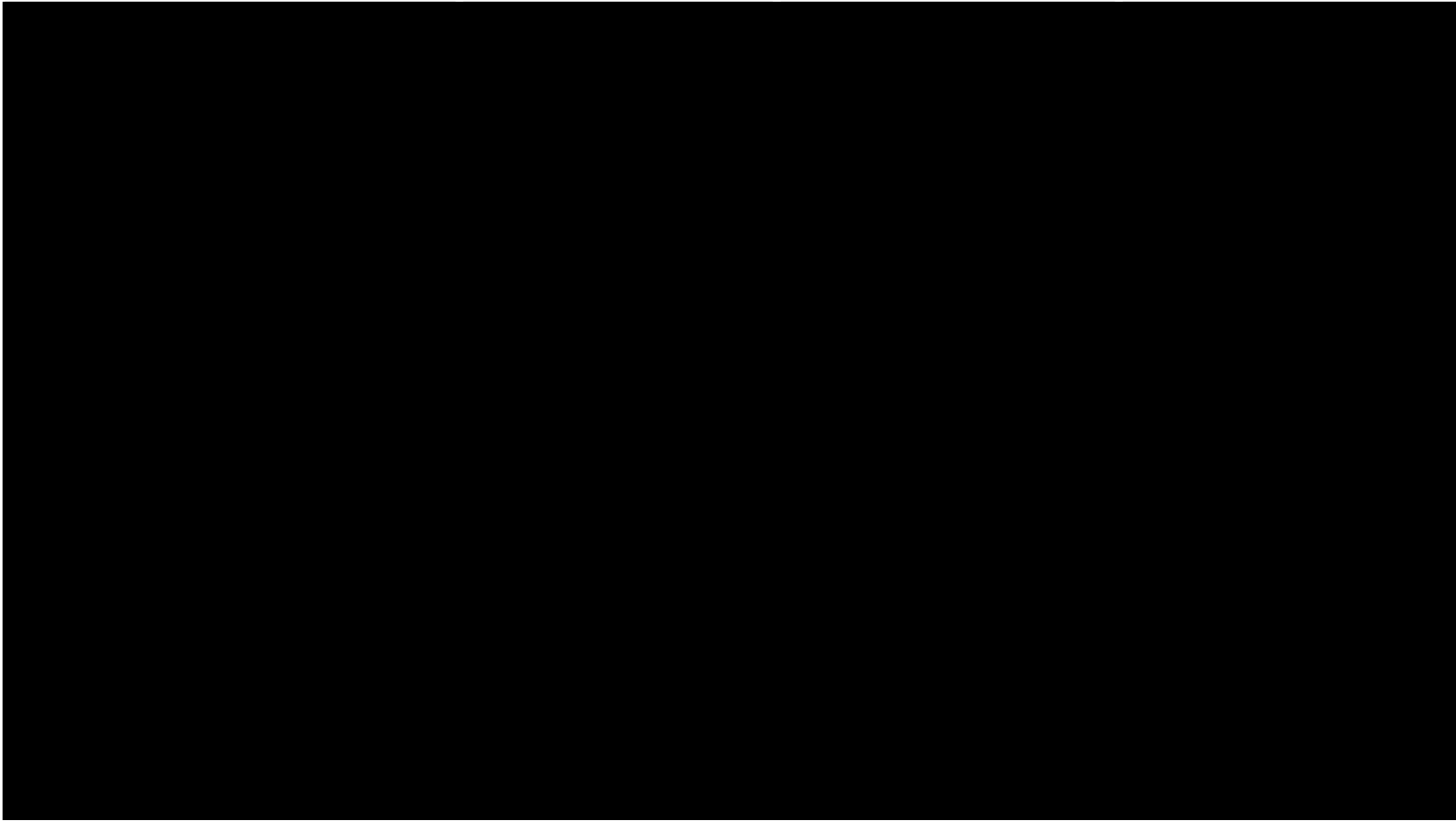
<b>Cycle VII</b>					
<b>Sectors</b>	<b>Sub-projects Implementation progress</b>				
	<b>0%</b>	<b>≤50</b>	<b>≥50</b>	<b>100%</b>	<b>Total</b>
Education	2	0	2	83	87
Public work and transportation	2	0	5	67	74
Health	7	1	4	87	99
Agriculture Infrastructure	0	0	0	17	17
Capacity Building	1	0	6	179	186
<b>Total</b>	<b>12</b>	<b>1</b>	<b>17</b>	<b>433</b>	<b>463</b>

<b>Cycle VII</b>					
<b>Provinces</b>	<b>Sub-projects Implementation progress</b>				
	<b>0%</b>	<b>≤50</b>	<b>≥50</b>	<b>100%</b>	<b>Total</b>
Luangnamtha	0	0	4	71	75
Huaphan	0	0	0	137	137
Xiengkhouang	0	0	0	53	53
Savannakhet	1	0	1	71	73
Saravan	3	1	2	30	36
Champasack	0	0	0	44	44
Sekong	8	0	10	27	45
<b>Total</b>	<b>12</b>	<b>1</b>	<b>17</b>	<b>433</b>	<b>463</b>

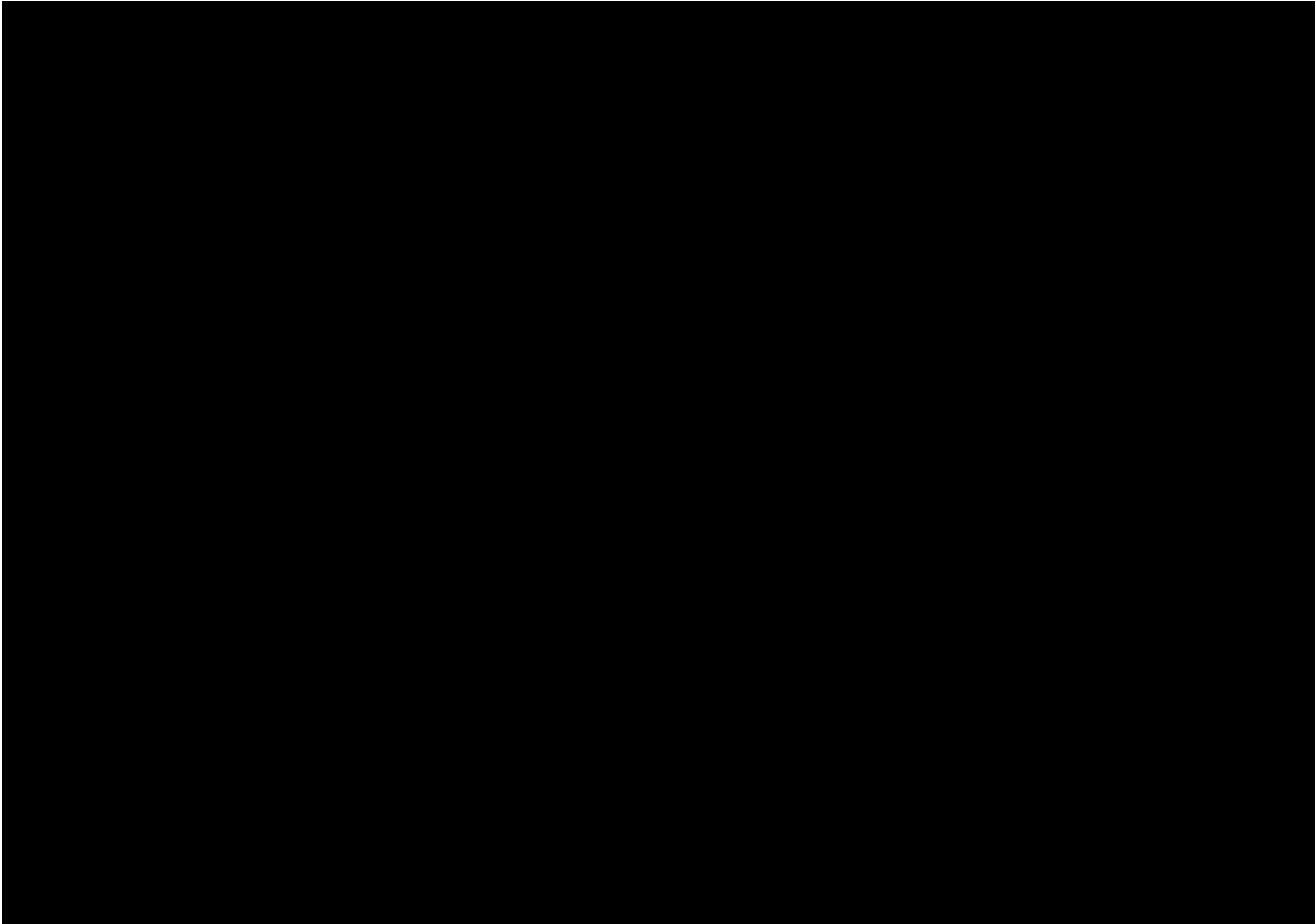
**Annex 19: Subprojects Completion by Province and District Cycle VII as of September 2010**



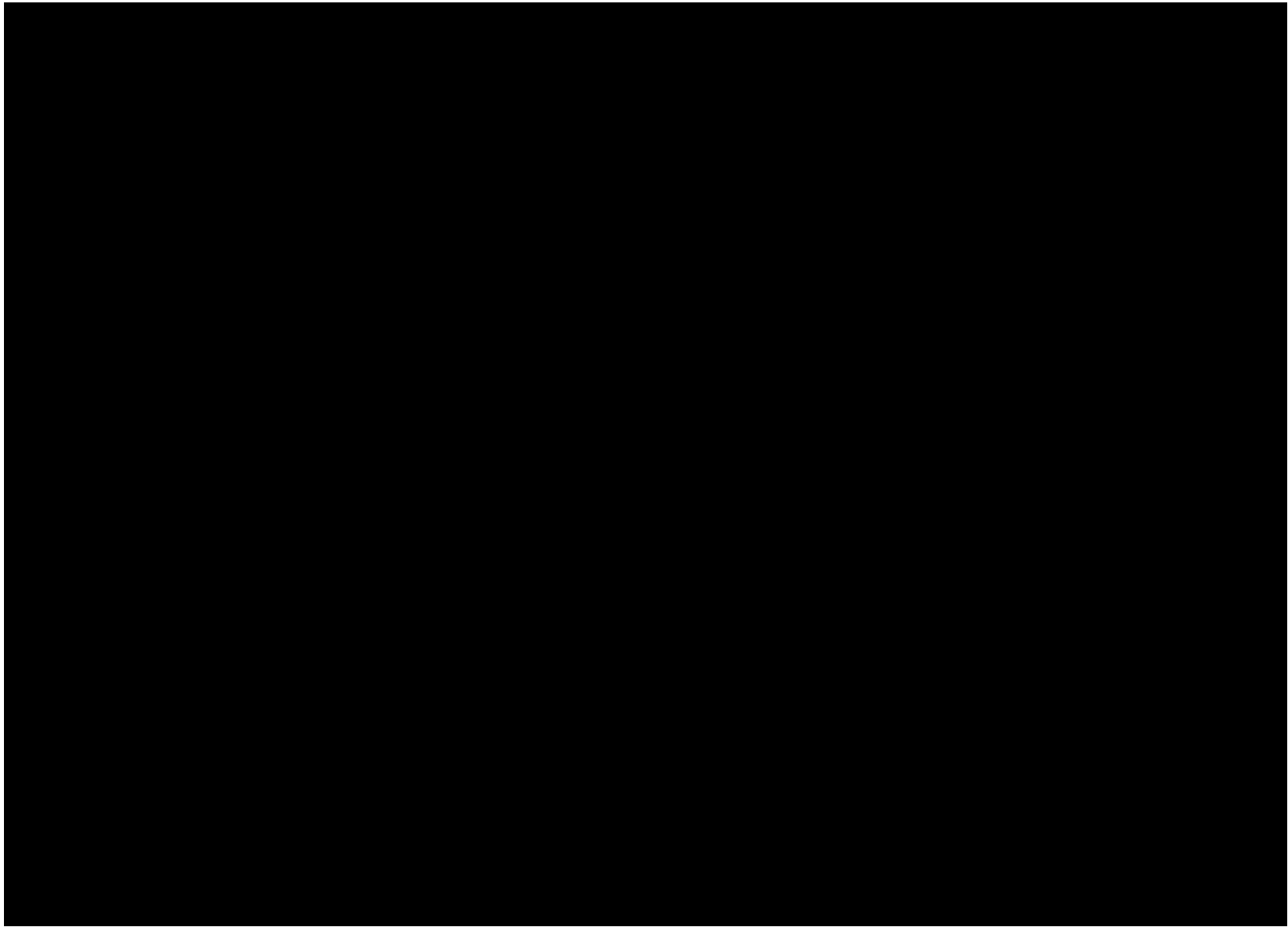
**Annex 20: Subprojects implementation status as of 30 September 2010 Cycle I-VII**



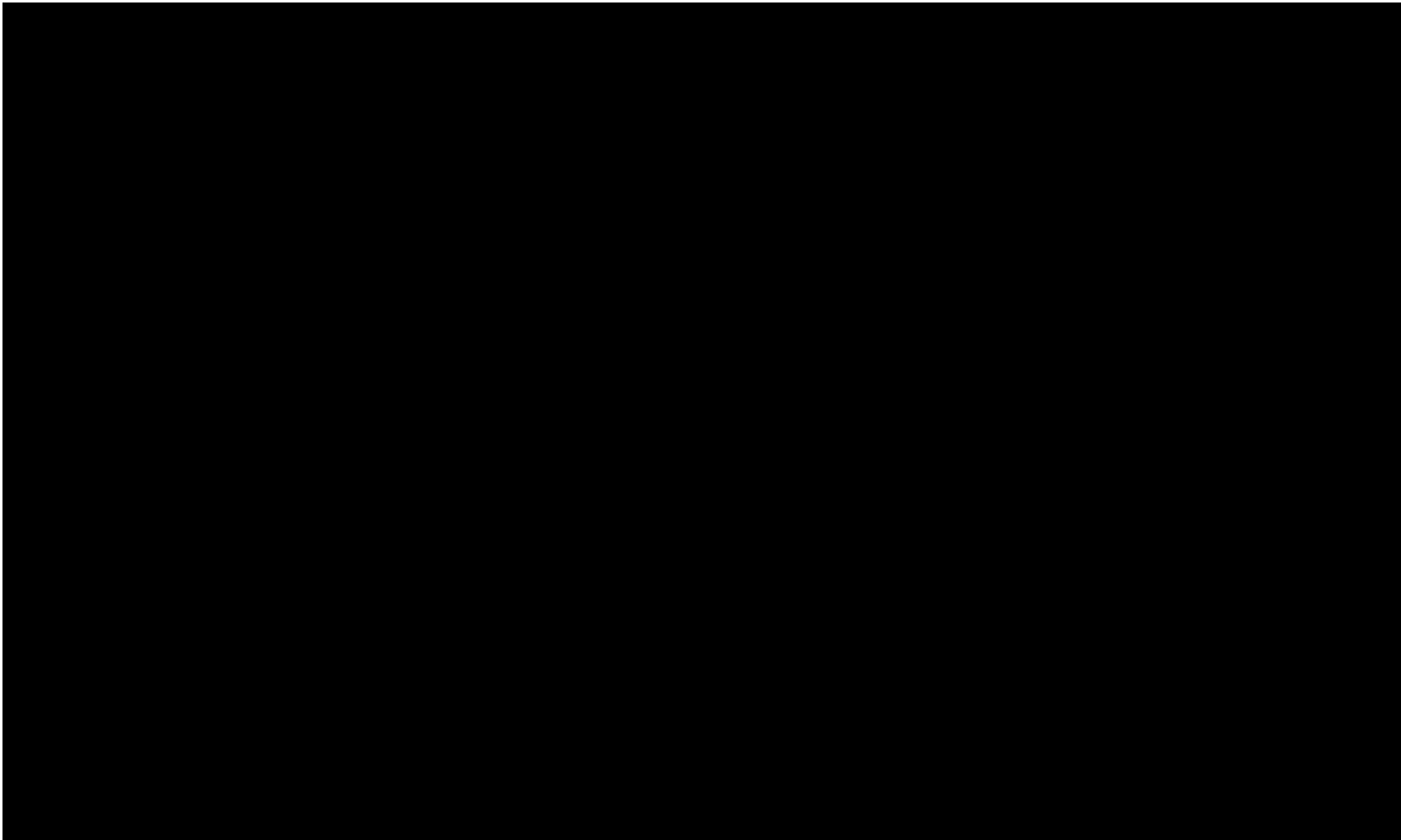
**Annex 21: Budget transfers to PRF provincial bank accounts and to communities Koumban accounts (end of September 2010)**







**Annex 22: Summary the participant attended in PRF's activities July to September 2010**

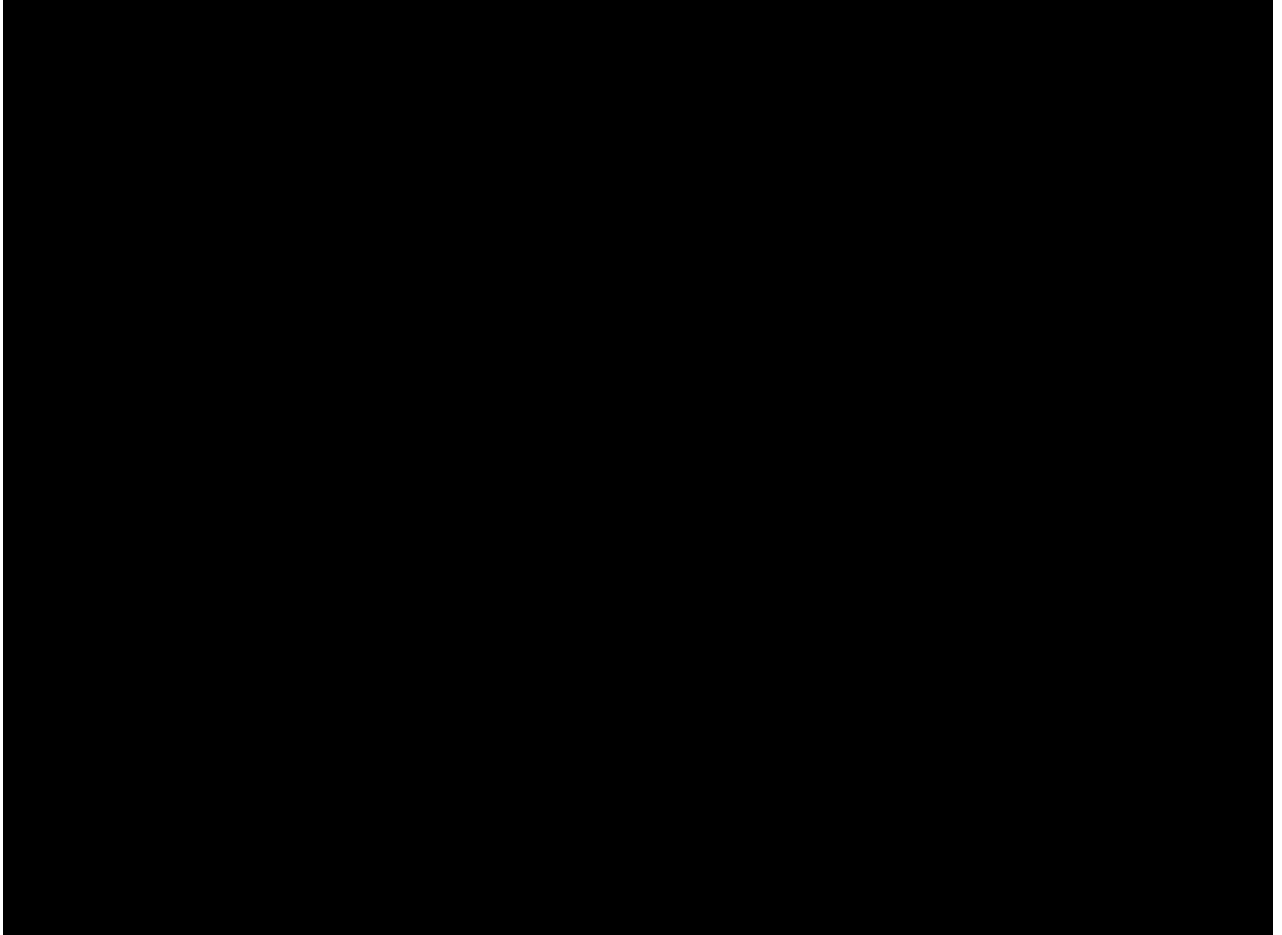


Source: Community Development Unit

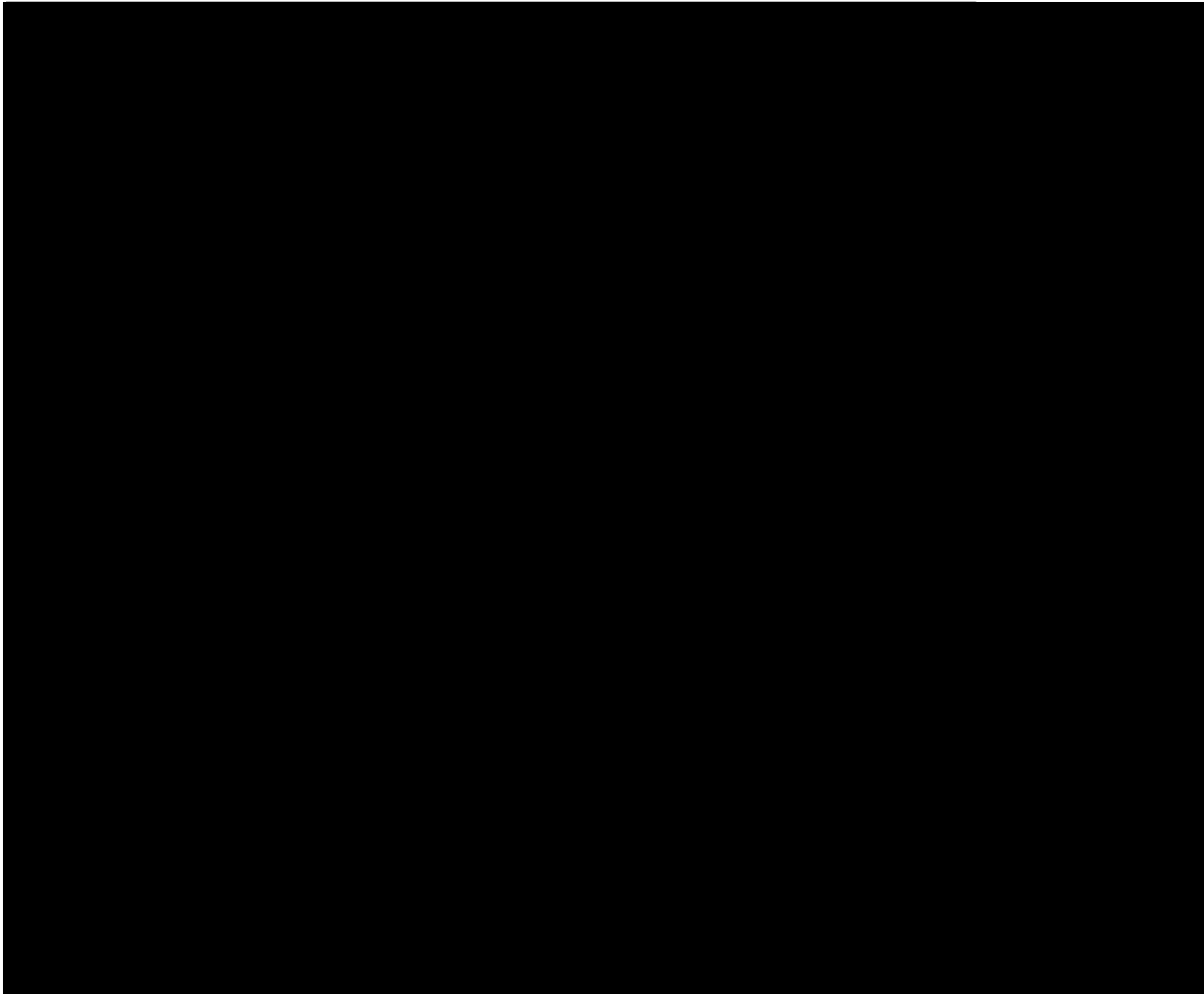
**Annex 23: Number of cases received and solved by the different Feedback and Conflict Resolution Committees**

Province / District	Total		Ban		Koumban		District		Province		Higher	
	Pending	Solved	Pending	Solved	Pending	Solved	Pending	Solved	Pending	Solved	Pending	Solved
<b>Total</b>			<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

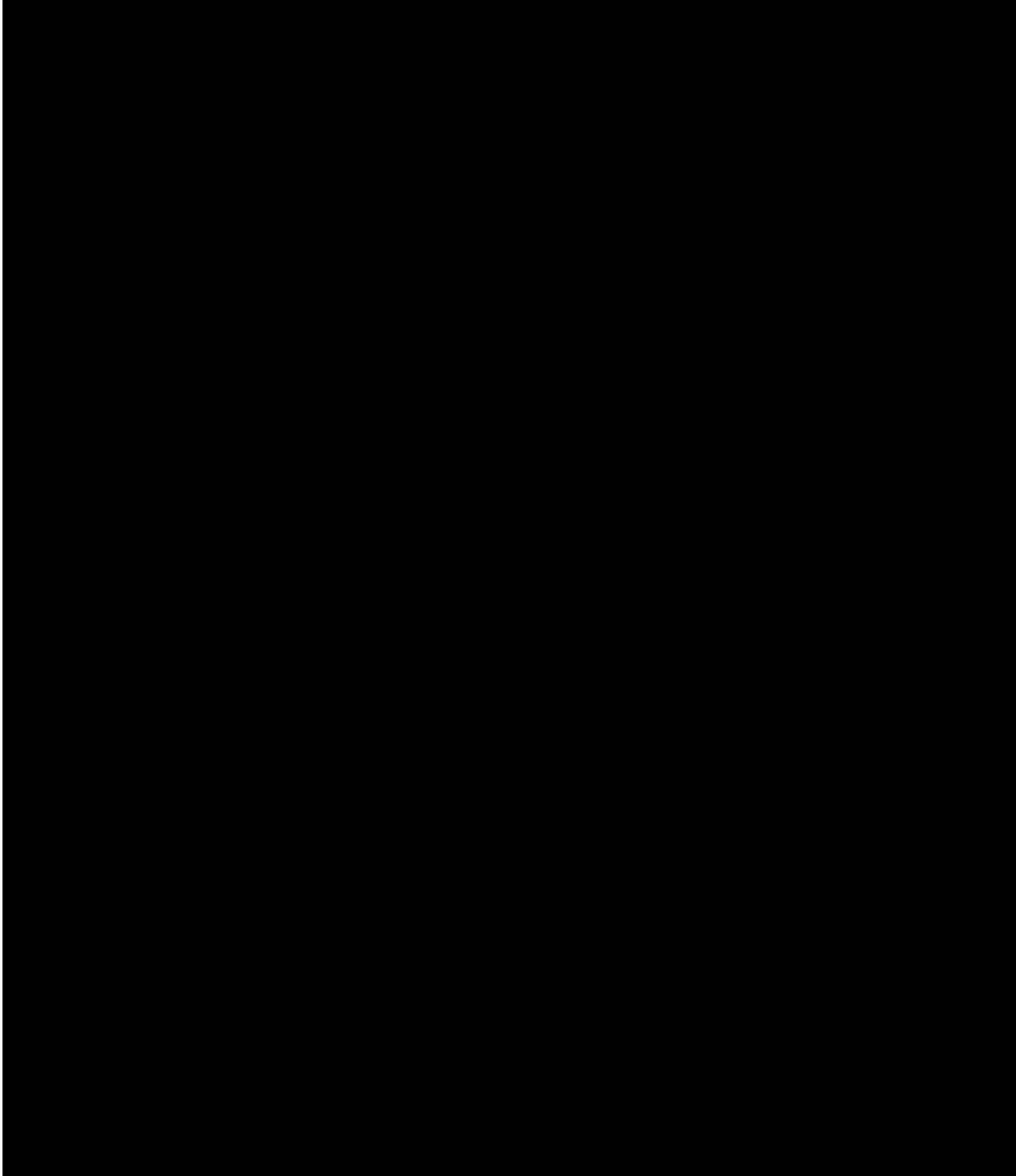
**Annex 24: Number of Koumban facilitators and Koumban Team Members cycle 8**



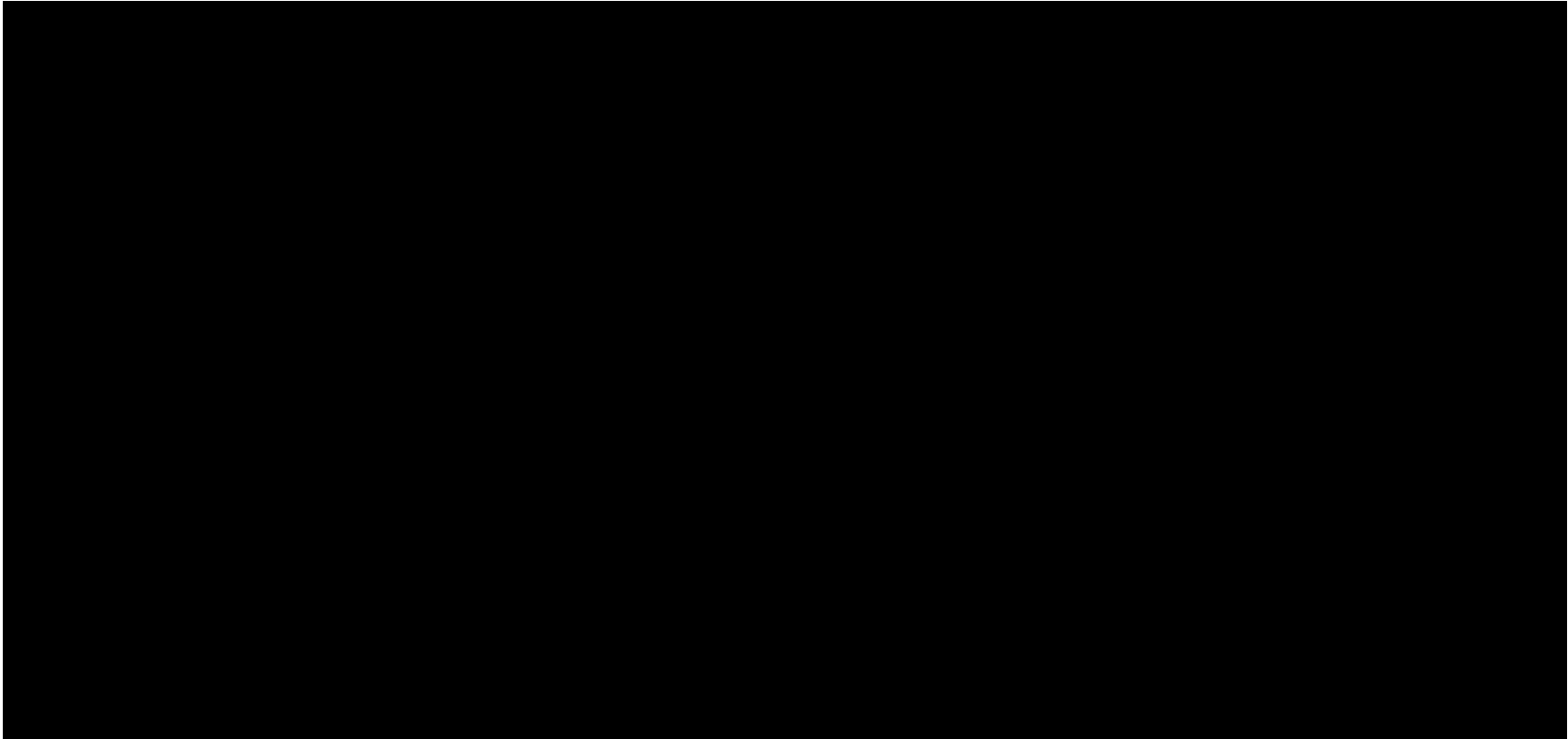
**Annex 25: PRF staff at National, province, and district levels**



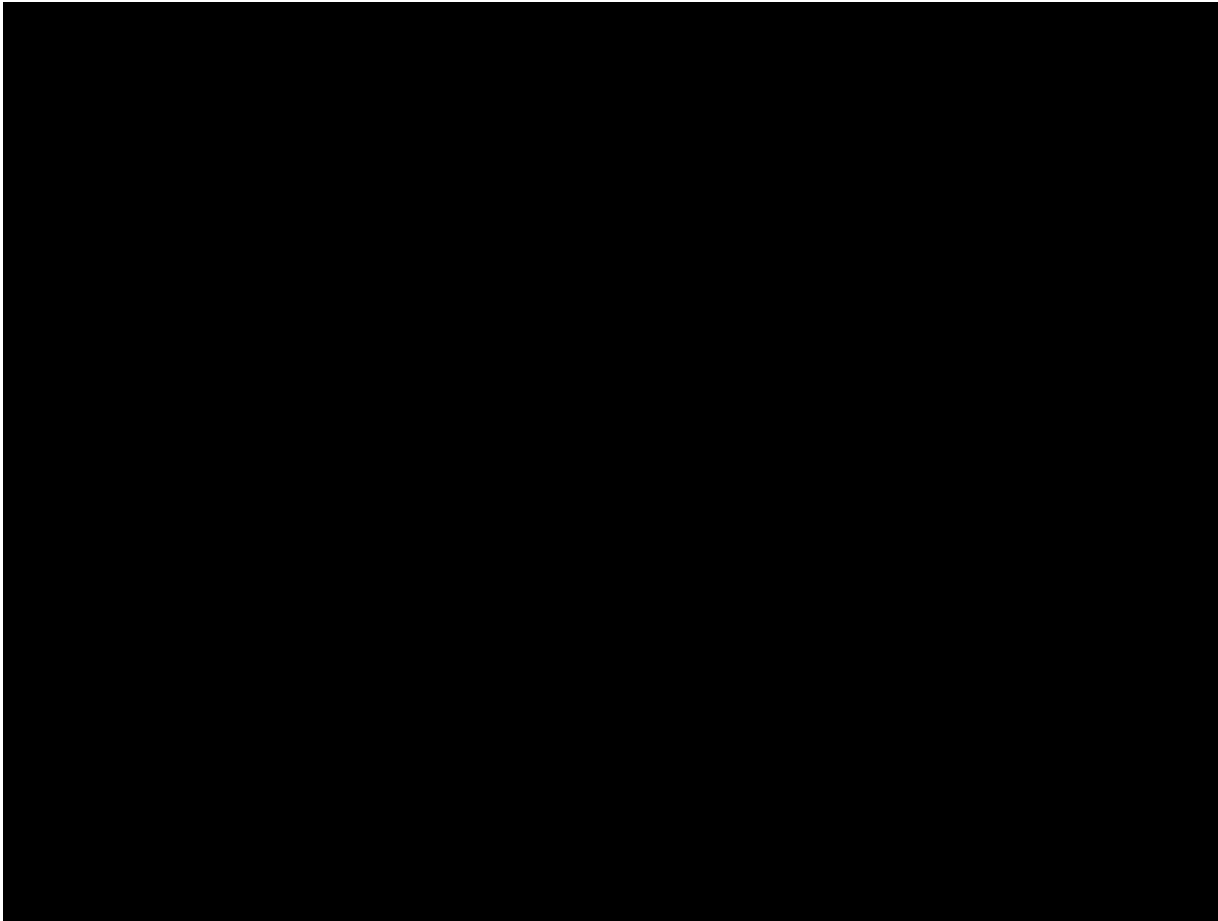
**Annex 26: Numbers and percentage of PRF staff turnover during Jul-Sept 2010**



**Annex 27: Number of supporting staff for LUFSIP**

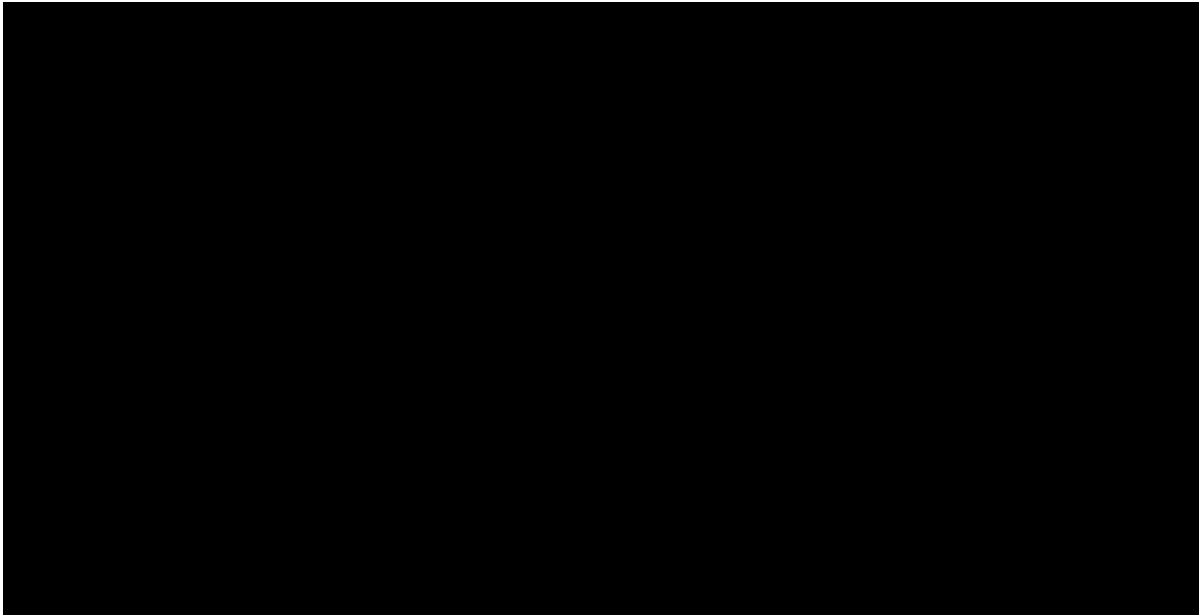


**Annex 28: PRF's Expenditures (US\$) 30/09/2010**





**Annex 29: Budget Plan per Category Cycle VI - Cycle VIII**



## Annex 30: Procurement Monitoring as of September 2010 (PRF)

### I Works

Updated on:

Sr.	Descriptions	QTY	Contract No.	Proc. Method	Bank Review	Estimated Costs	Bidding Document Preparation			Bidding Process			Payment			Remarks		
							Bidding Document Preparation	Pre-qualification	Bank Submitted & Received	Advertised /Invitation	Bid Opening	Bid Evaluation	Bank Submitted & Received	First Payment 100%	Date		Bank Warranty Guarantee Return	
1	National Renovation at national central level (Moving from MPI to NLBRDA)		PRF Office at Vinetiane	NCB	Prior	48,000	12-Aug-10	No	19-Aug-10 16-Sep-10	12, 16, 18 - Aug-10	22-Sep-10	29-Sep-10	14-Oct-10				On going	
			Electric Power Installation	Direct		-	No	-	-	-	-	-	-	-	-	-	-	Pending
			Electric Power Installation	Shopping		-	No	-	-	-	-	-	-	-	-	-	-	-
<b>All Total:</b>						<b>49,118</b>											<b>0</b>	

### II Printing/Publishing under IEC budget

Sr.	Descriptions	QTY	Contract No.	Proc. Method	Bank Review	Estimated Costs	PRF Approval	RFQ Preparation	Pre-qualification	Advertised /Invitation	Bid Opening	Bid Evaluation	Bank Submitted & Received	Payment Amount (LAK)	Payment Date	Bank Warranty Guarantee Return	Remarks
1	PRF Journal No. 18	5,000	327/PRF.10	Shopping	Post	20,000,000	1-Mar-10	3-Mar-10	No	-	10-Mar-10	10-Mar-10	-	16,500,000	15-May-10	-	Completed
2	PRF Journal No. 19	5,000	PRF/G-S/Printing/01-10	Shopping	Post	30,000,000	2-Jun-10	2-Jun-10	No	-	9-Jun-10	9-Jun-10	-	16,000,000	25-Jun-10	-	Completed
3	Sub-project Sustainability Assessment Report (2003-2010), April 2010 Printing	200	PRF/G-S/Printing/02-10	Shopping	Post	7,000,000	2-Jun-10	2-Jun-10	No	-	9-Jun-10	9-Jun-10	-	7,000,000	13-Jul-10	-	Completed
4	School note book 100 pages (Co-financing with UNLAP = 8,400,000 LAK and PRF = 32,480,000 LAK)	23,360	562/PRF.10	Shopping	Post	58,400,000	28-Jul-10	27-Jul-10	No	-	4-Aug-10	5-Aug-10	-	40,880,000	15-Sep-10	-	Completed
5	Community Radio Equipment	10	PRF/G-S/ICE.Radio/03-10	Shopping	Post	32,750,000	28-Jul-10	28-Jul-10	No	-	-	-	-	19,564,000	28-Sep-10	-	Completed
6	Community Procurement Booklet	1,000		Shopping	Post	30,000,000	6-Sep-10	6-Sep-10	No	-	13-Sep-10	13-Sep-10	-	16,000,000	4-Oct-10	-	Completed
<b>All Total:</b>						<b>57,000,000</b>								<b>39,500,000</b>			

### III Consultant

Sr.	Consultant	QTY	Contract No.	Proc. Method	Bank Review	Estimated Costs	Express of Interest		Request for Proposal				Payment				Remarks		
							TOR Approval	EOI Preparation	Advertised/ Invitation	Deadline	Shortlisted	Bank Submitted & Received	RFP submitted	Date	Final Payment 50%	Date		Reimbursable Expenses	Date
1	Annual Financial Audit	3 years	154/PRF.10	CQS	Prior	45,000	9-Dec-09		-	4-Jan-10	11-Jan-10	-	-	9-Mar-10					On going
2	Assessment on Participatory Approach at Community Level	Firm	589/PRF.10	CQS	Post	40,000	5-Apr-10 23-Apr-10	30-Mar-10	30, 31 Mar-10 and 9, 12, 13-Apr-10	3-May-10	11-Jun-10	5-Apr-10 17-Apr-10	23-Jul-10	2-Sep-10					On going
3	Assessment on Technical, Utilization, and Beneficiary Satisfaction	Firm		CQS	Post	80,000	24-Aug-10	21-Sep-10	21,23, 24,27-Sep-10	1-Oct-10		-							On going
4	Assessment on Capacity Building of Local Institutions	Firm		CQS	Post	40,000	14-Sep-10	21-Oct-10	25, 27-Oct-10	15-Nov-10		-							On going
<b>All Total:</b>						<b>85,000</b>													

**Annex 31: Procurement Monitoring as of September 2010 (LUFSIP)**

Sr.	Descriptions	QTY	Contract No.	Proc. Method	Review by the WB	Estimated Costs	Contract						Remarks			
							Contract Amount in LAK	Exchang rate	Contract Amount in USD	Contractor Name	Purchase Order/ Notification of award	Contract Signed		Delivery/ Completion Date	Inspection Date	
<b>I</b>	<b>VEHICLES</b>					<b>141,751</b>	<b>0</b>		<b>0</b>						on going	
1	Pick-up 4 x 4, Double Cab, Diesel Engine	2	PRF/LUPSIP/Vehicle-S/01-10	Shopping	Post	52,900									on going	
2	City-Car	1	PRF/LUPSIP/Vehicle-S/01.2-10	Shopping	Post	26,451									on going	
3	Motorevcles, 110cc	39	PRF/LUPSIP/Motorevcle-S/02-10	Shopping	Post	62,400									on going	
<b>II</b>	<b>EQUIPMENTS</b>					<b>72,175</b>	<b>440,934,500</b>		<b>53,773</b>							
1	Desktop Computer including Monitor, UPS and Specified Software	39	PRF/LUPSIP/IT.Equipment-S/01-10	Shopping	Post	50,615	390,635,000	8,200	47,638	NSV Computer	27-Sep-10	28-Sep-10			on going	
	Laptop including specified software)	5														
	Printer A4 (B/W)	9														
	Fax Machine	10														
	Scanner	1														
	Printer A3 (B/W)	1														
	LCD Projector with Screen	1														
	Network Set: ADSL Wireless Router 4 Ports LAN, Cable and Installation	1														
2	Digital Camera 12 MP	10	PRF/LUPSIP/Equipment-S/02-10	Shopping	Post	5,360	32,949,500	8,200	4,018	NSV Computer	27-Sep-10	28-Sep-10			on going	
	Amplified Microphones	1														
	Megaphones	10														
	Desk Accounting Calculator with printer	1														
	Phone Set (Desktop)	10														
Pocket Engineering Calculator	11															
3	Photocopier	1	PRF/LUPSIF/Photocopier-S/03-10	Shopping	Post	1,000	17,350,000	8,200	2,116	Cyberia Computer	27-Sep-10	28-Sep-10	26-Oct-10	26-Oct-10	on going	
4	Abney Level	20	PRF/LUPSIP/TA.Equipment-S/04-10	Shopping	Post	12,900									on going	
	Compass	20														
	Global Positioning System (GPS)	20														
	Measuring Tape 5 m	20														
	Measuring Tape 50 m	20														
5	Small Office Equipment	1	Attapeu Province	Shopping	Post	500									Pending	
		1	Samakxixay District, Attapeu	Shopping	Post	200										Pending
		1	Sanamxay District, Attapeu	Shopping	Post	200										Pending
		1	Sanxay District, Attapeu	Shopping	Post	200										Pending
		1	Xaysetha District, Attapeu	Shopping	Post	200										Pending
		1	Phouvong District, Attapeu	Shopping	Post	200										Pending
		1	Salavan District, Salavan	Shopping	Post	200										Pending
		1	Toomlarn District, Salavan	Shopping	Post	200										Pending
		1	Thateng District, Sekong	Shopping	Post	200										Pending
		1	Lamam District, Sekong	Shopping	Post	200										Pending

III	FURNITURES (Component/Renewal)				16,500	0		0								
1	Desk, Chair, Cupboard, Meeting table & etc.	1	Attapeu Province	Shopping	Post	3,000									Pending	
		1	Samakkhixay District, Atapeu	Shopping	Post	1,500										Pending
		1	Sanamxay District, Attapeu	Shopping	Post	1,500										Pending
		1	Sanxay District, Attapeu	Shopping	Post	1,500										Pending
		1	Xaysetha District, Attapeu	Shopping	Post	1,500										Pending
		1	Phouvong District, Attapeu	Shopping	Post	1,500										Pending
		1	Salavan District, Salavan	Shopping	Post	1,500										Pending
		1	Toomlarn District, Salavan	Shopping	Post	1,500										Pending
		1	Thateng District, Sekong	Shopping	Post	1,500										Pending
		1	Lamam District, Sekong	Shopping	Post	1,500										Pending
IV	Works				28,000	8,280,000		1,011								
1	Office Renovation	1	Attapeu Province	Shopping	Post	10,000									Pending	
		1	Samakkhixay District, Atapeu	Shopping	Post	2,000									Pending	
		1	Sanamxay District, Attapeu	Shopping	Post	2,000									Pending	
		1	Sanxay District, Attapeu	Shopping	Post	2,000									Pending	
		1	Xaysetha District, Attapeu	Shopping	Post	2,000									Pending	
		1	Phouvong District, Attapeu	Shopping	Post	2,000									Pending	
		1	Salavan District, Salavan	Shopping	Post	2,000	2,570,000	8,192	314	Kham Pin Const. Supplier					Pending	
		1	Toomlarn District, Salavan	Shopping	Post	2,000	5,710,000	8,192	697	Nong Construction Supplier					Pending	
		1	Thateng District, Sekong	Shopping	Post	2,000										Pending
		1	Lamam District, Sekong	Shopping	Post	2,000										Pending
					<b>Total:</b>	<b>258,426</b>	<b>449,214,500</b>		<b>54,783</b>							

## Annex 32: Selected targets for Participatory Approach Assessment

### Xiengkhouang province

#### Khoun District

#	Village Name	Koumban_ID	Koumban Name	Village_ID	Village_ID_NSC	Population	Female	# of family	# of poor family	Speaking Lao	Ethnic Group	Population	Access to electricity	Schools	Health Service	Clean water	Road access	Total	Village Classification
1	NongPheu	90401	Youn	90401005	904053	510	303	59	8	510	Hmong Der	510	1	0	1	0	1	2	Poor
2	BouaTai	90401	Youn	90401011	904059	324	124	60	5	320	Hmong Der, Phuan	324	0	1	1	1	1	4	Non poor
3	NaHor	90402	Xieng	90402007	904007	482	268	68	18	476	Hmong Der	482	1	1	1	0	1	3	Non poor
4	Sunkhing	90402	Xieng	90402017	904017	530	255	89	10	450	Lao, Hmong Der	366	1	0	0	1	1	2	Poor
5	NaLarm	90402	Xieng	90402021	904021	647	319	87	13	600	Hmong Der	647	0	1	1	0	1	3	Non poor
6	ThaenThong	90403	Longsun	90403001	904026	404	201	70	12	400	Hmong Der, Keummu, Khamu	404	1	1	0	0	1	2	Poor
7	SunNoi	90403	Longsun	90403009	904025	1135	553	167	12	1135	Keummu, Khamu, Hmong Der, Phuan	1135	0	1	1	0	1	3	Non poor
8	NaMuong	90404	Samphanxay	90404001	904074	300	149	63	1	300	Hmong Der, Phuan	300	0	1	1	0	1	3	Non poor
9	Om	90404	Samphanxay	90404004	904038	381	168	61	6	381	Phuan, Hmong Der	381	0	1	0	0	1	2	Poor
10	SumKouang	90405	Ngarn	90405015	904086	288	132	38	11	287	Hmong Der	288	0	0	0	0	0	0	Poor
11	TunNeua	90406	KeoSaed	90406001	904044	333	227	44	14	160	Hmong Der	333	0	1	1	1	0	3	Non poor
12	Pieng	90406	KeoSaed	90406003	904046	365	176	58	9	220	Phuan, Hmong Der	365	0	1	0	1	0	2	Poor
13	PhukSua	90408	NamPharn	90408005	904090	171	77	25	8	171	Hmong Der	171	0	0	0	0	1	1	Poor

**Savannakhet province**  
**Sepone District**

#	Village Name	Koumban_ID	Koumban Name	Village_ID	Village_ID_NSC	Population	Female	# of family	# of poor family	Speaking Lao	Ethnic Group	Population	Access to electricity	Schools	Health Service	Clean water	Road access	Total	Village Classification
1	Sonemixay	130521	Group 01	130521005		851	454	152	3	0	PhuThai, BluKaTarng, Blutri	851	1	1	1	0	1	3	Non Poor
2	MuongSaen	130522	Group 02	130522002		763	399	185	10	579	PhuThai, Blutri	763	1	1	1	0	0	2	Poor
3	Vangnhaeng	130523	Group 03	130523002		482	242	109	47	287	Blutri	482	0	0	1	0	0	1	Poor
4	Sobmi	130525	Group 05	130525004		472	236	99	45	350	Lavi	472	1	1	1	0	1	3	Non Poor
5	Pheong	130526	Group 06	130526003		772	384	77	8	0	Blutri, PhuThai	772	1	1	1	0	0	2	Poor
6	PaNga	130527	Group 07	130527001		354	197	58	15	80	Blutri	354	0	0	1	0	0	1	Poor
7	VangHai	130527	Group 07	130527005		591	293	101	52	395	PhuThai, Blutri	591	0	0	1	0	0	1	Poor
8	Tai	130528	Group 08	130528005		390	184	187	95	53	Blutri	390	0	0	0	0	0	0	Poor
9	Arlay	130533	Group 13	130533006		1070	580	211	27	190	PhuThai, Tliw	1070	1	0	1	0	1	2	Poor
10	DongYai	130534	Group 14	130534005		740	364	121	13	495	BluMakong, PhuThai	740	1	1	1	0	1	3	Non Poor

**Salavan Province**  
**Ta Oiy**

#	Village Name	Koumban_ID	Koumban Name	Village_ID	Village_ID_NSC	Population	Female	# of family	# of poor family	Speaking Lao	Ethnic Group	Population	Access to electricity	Schools	Health Service	Clean water	Road access	Total	Village Classification
1	Kung	140201	TaRoong	140201005	1402049	439	223	89	80	126	TaOiy	439	0	1	0	0	0	1	Poor
2	Talounglalo	140201	TaRoong	140201008	1402002	827	427	212	45	747	Lao, TaOiy	819	1	1	1	0	0	2	Poor
3	Taen	140201	TaRoong	140201013	1402046	511	251	108	94	212	TaOiy	511	0	0	0	0	0	0	Poor
4	KaPe	140202	Doob	140202003		550	270	67	43	500	TaOiy	550	1	0	1	0	0	1	Poor
5	PhorTung	140202	Doob	140202009	1402057	240	141	34	27	220	TaOiy	240	1	0	1	0	0	1	Poor
6	TaHuak	140203	Jo	140203008	1402010	631	288	100	40	180	TaOiy	631	1	0	1	0	0	1	Poor
7	PaChouDon	140203	Jo	140203011	1402007	624	315	117	61	100	TaOiy	624	1	1	1	0	0	2	Poor
8	SaBongKokHai	140204	PaSom	140204001	1402065	475	209	95	15	200	TaOiy	475	0	0	1	0	0	1	Poor
9	Kamuan	140204	PaSom	140204005	1402031	375	180	50	8	151	TaOiy	375	0	1	0	0	0	1	Poor
10	KokBok	140205	TaPeun	140205007	1402037	812	412	108	11	180	TaOiy	812	0	1	1	0	0	2	Poor

**Annex 33: Minutes of 14th PRF Administrative Board Meeting**

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

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Prime Minister's Office  
National Leading Board for  
Rural Development and Poverty Alleviation  
Poverty Reduction Fund

**Minute of the fourteenth PRF National Administrative Board Meeting  
Champasack province, 20-22 January, 2010**

The 14<sup>th</sup> Administrative Board Meeting of PRF was held on 20<sup>th</sup> – 22<sup>nd</sup> January, 2010 in Champasack Province under the chairmanship of H.E. Mr. Somsavat Lengsavad, *Deputy Prime-Minister, Standing Member of the Government and Chairman of PRF National Administrative Board*. Participants attending the meeting included the distinguished deputy chair, all the members of PRF National Administrative Board, representatives from line ministries and concerned organizations, representatives of PRF from the 7 provinces (LuangNamtha, Huaphanh, Xiengkhouang, Savannakhet, Saravanh, Champasack and Sekong), and members of PRF staff from provincial and district levels, representing a total of 63 persons including 10 women.

PRF Executive Director presented the project's achievements and problems faced since last meeting (13<sup>th</sup> Administrative Board Meeting) after that the meeting had discussed thoroughly and made recommendations for future actions.

PRF National Administrative Board finally agreed upon the following points:

1. Concerning the budget in which to be used for the maintenance of the damaged subprojects from disaster (KETSANA), it was agreed to assign Mr. Sivixay SAYSANAVONGPHET, Vice President of NLBRDPA, PRF Executive Director and Ms. Thippakone CHANTHAVONGSA, Director of the External Financial Relations Department, Ministry of Finance, to urgently meet and discuss with the World Bank relating the initial use of the PRF's existing budget and reimburse after receiving the budget from the World bank; whether it is possible and aligned to the rule. Additionally, whether damaged projects of which PRF has not supported to be included in the PRF's assistance plan. This has requested PRF to consult with Ms. Onechanh THAMMAVONG, Minister of Finance, Vice-president of the Disaster Management Committee and report to Mr. Douangchai PHICHIT, Minister of Defense, President of the Disaster Management Committee for direction and recommendation;

2. It was agreed that each concerned organization has to appoint a technical officer as a focal point to ensure the availability and a timely supporting and cooperation relating the rural development and poverty alleviation mission as well as PRF's mission especially in the survey, design and calculation of the subprojects;
3. The meeting discussed the possibility of the PRF's office relocation and agreed to assign the Deputy Director of PRF to meet and discuss with Mr. Borviengkham VONGDARA, Head of the Prime Minister's Office, whether PRF office should be moved to the Prime Minister's Office or should wait until the project ends;
4. Refer to the Agreement of the Prime Minister No. 01/PM, 19 January 2010 on the appointment of the Rural Development and Poverty Alleviation and the Promotion of the PRF to the National Project task force committee, it was agreed that each concerned ministry and organization needs to urgently assign a representative to constitute a task force committee. These representatives will attend and discuss in the first task force committee meeting on 28 January 2010;
5. Concerning the Government's tax exemption for the PRF's activities, the PRF Executive Director will prepare and submit the letter to the Minister of Finance for consideration in cooperate with Ms. Thipphakone CHANTHAVONGSA, Director of External Financial Relations Department, Ministry of Finance to follow up the progression;
6. The 15<sup>th</sup> Administrative Board Meeting of PRF will be held in July 2010 in Sekong province.

These minutes are recorded for future reference and guidance for PRF project implementation.

January 22, 2010

Champasack Province

Approved by:

**(Signature)**

Reported by:

**(Signature)**

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Somsavat Lengsavad

The Deputy Prime Minister

President of PRF Administrative Board

The Meeting Chairman

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Sivixay Saysanavongphet

Executive Director of PRF,

Secretary of PRF Administrative Board



**Annex 34: Minutes of 15th PRF Administrative Board Meeting**

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

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Prime Minister's Office  
National Leading Board for  
Rural Development and Poverty Alleviation  
Poverty Reduction Fund

**Minute of the fifteenth PRF National Administrative Board Meeting**  
**Sekong province, 2-4 July, 2010**

The 15<sup>th</sup> Administrative Board Meeting of PRF was held during 2-4 July, 2010 in Sekong Province under the chairmanship of H.E. Mr. Somsavat Lengsavad, *Deputy Prime-Minister, Standing Member of the Government and Chairman of PRF National Administrative Board*. Participants attending the meeting included the distinguished deputy chair, all the members of PRF National Administrative Board, representatives from line ministries and concerned organizations, representatives of PRF from the 7 provinces (LuangNamtha, Huaphanh, Xiengkhouang, Savannakhet, Saravanh, Champasack and Sekong), a representative from Attapeu province as an observer and members of PRF staff from provincial and district levels, representing a total of 81 persons including 8 women.

PRF Executive Director presented the project's achievements and problems faced since last meeting (14<sup>th</sup> Administrative Board Meeting) after that the meeting had discussed thoroughly and made recommendations for future actions.

PRF National Administrative Board finally agreed upon the following points:

7. It was agreed to officially propose the Rural Development and Poverty Alleviation Plan in the National Board Leading for Rural Development and Poverty Alleviation meeting before submitting for the Government's consideration and endorsement as a topic for discussion in the Round Table meeting;
8. Regarding the scaling-up of the PRF to the National project, the meeting agreed upon the change of the project's name, the synchronization of the budget, the use of the PRF's mechanism into the implementation and the formulation of the project's resources. These agreements will be proposed to the Government and after its endorsement the plan will be discussed in the coming Round Table Meeting in October 2010;
9. Together with the members, the team leader of the Rural Development and Poverty Alleviation and the scaling-up of the PRF to the National Project taskforce (Agreement No.01/PM, dated 19/01/2010) to continue working on the scaling-up of the PRF with the technical assistance from the donors for the Government's consideration and approval;

10. After the 15<sup>th</sup> National Administrative Board Meeting, the Government is to call for the immediate official National Board Leading for Rural Development and Poverty Alleviation meeting to discuss on the budget allocation and other aspects in which related to the rural development and poverty alleviation;

11. The 16<sup>th</sup> Administrative Board Meeting of PRF will be held in January 2011 in Vientiane Capital.

These minutes are recorded for future reference and guidance for PRF project implementation.

July 03, 2010

Sekong Province

Reported by:

Approved by:

**(Signature)**

**(Signature)**

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Somsavat Lengsavad

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Sivixay Saysanavongphet

The Deputy Prime Minister

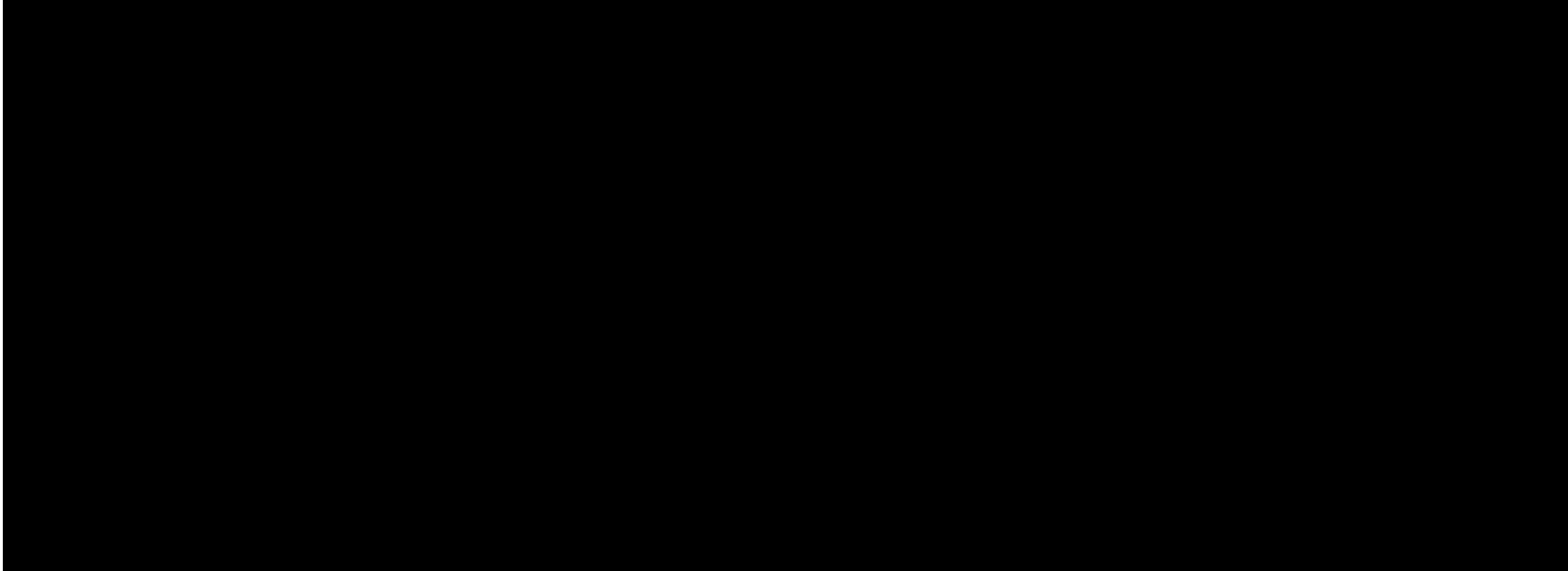
Executive Director of PRF,

President of PRF Administrative Board

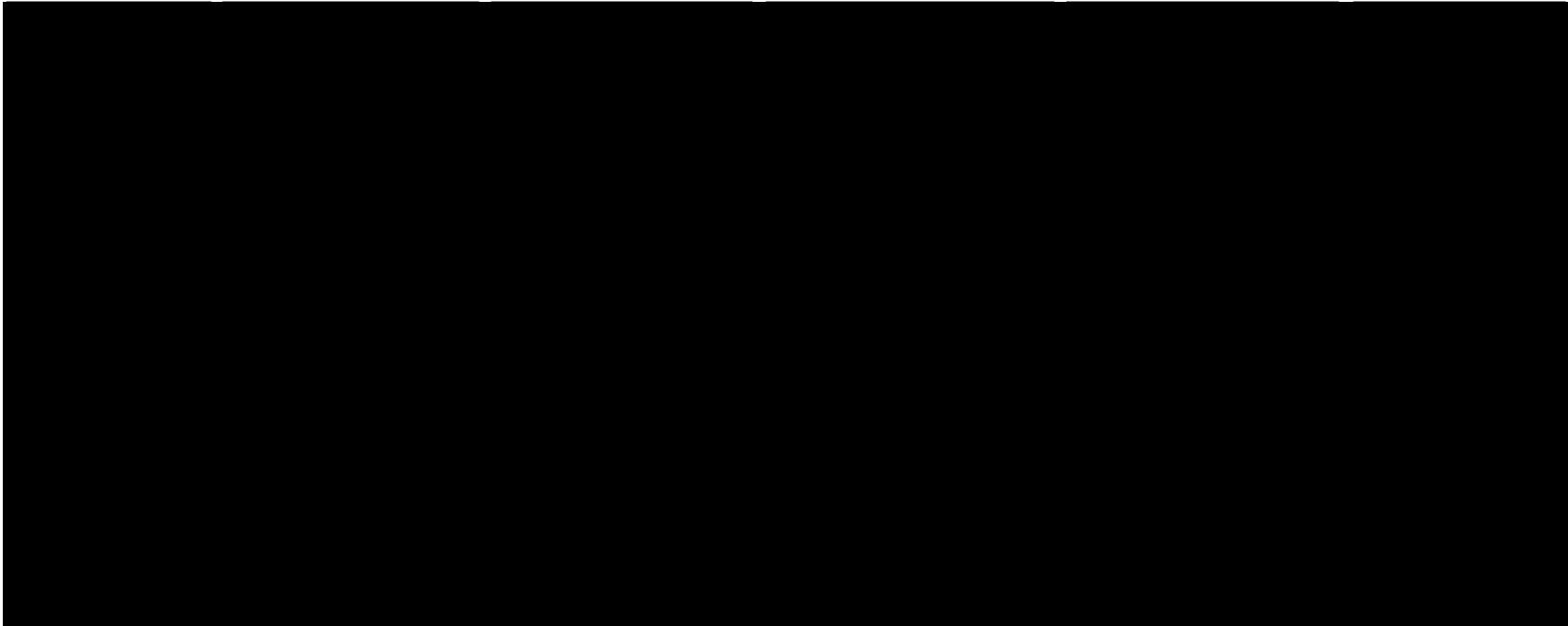
Secretary of PRF Administrative Board

The Meeting Chairman

**Annex 35: District Budget Allocation LUFSP 3b (Ketsana Response)**



**Annex 36: District Prioritization Meeting LUFSP 3b (Ketsana Response)**



**Annex 37: Appointment of the Taskforce for the development of the National Rural Development and Poverty Alleviation Plan**

Lao People's Democratic Republic  
Peace Independence Democracy Unity Prosperity

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The Prime Minister Office

No. 01/PM

Vientiane, Date 19 Jan 2010

Agreement

On the appointment of the taskforce committee  
for the development of the Rural Development  
And Poverty Alleviation plan and the scaling up of the PRF  
To the National Project

- Refer to the Meeting Minute of the 13<sup>th</sup> Board Meeting in Luangnamtha and
- Refer to the guidance stated during the meeting between the Government, the Governor of Vientiane Prefecture and the Governors of provinces throughout the country conducted on 03 August 2009 related the upgrading of the PRF to the National Project.

The Prime Minister of Lao PDR agreed:

Article 1: assign the taskforce committee to formulate the roadmap for the Rural Development and Poverty Alleviation and the promotion of the PRF to the National Project, which consists of:

1. Mr. Sivixay SAYSANAVONGPHET  
Vice-president of the National Leading Committee for Rural Development and Poverty Alleviation (NLCRDPA)  
*Team Leader*
2. Director General of Research and Monitoring Department , Administrative Office of the Party Central Committee  
*Vice Team Leader*
3. Director General of Affaire and Secretary Department, Ministry of Planning and Investment  
*Vice Team Leader*
4. Deputy Chief of External Finance Department, Ministry of Finance  
*Member*
5. Deputy Director of Planning and Finance Department, Ministry of Education  
*Member*

6. Deputy Director of International Planning and Cooperation Department,  
Ministry of Public Health

*Member*

7. Deputy Chief of Planning Department, Ministry of Agriculture and Forestry

*Member*

8. Deputy Chief of Planning and Cooperation Department, Ministry of Public  
Works and Transportation

*Member*

9. Deputy Chief of Cabinet, Ministry of Industry and Commerce

*Member*

10. Deputy Chief of Cabinet, Ministry of Energy and Mines

*Member*

11. Deputy Chief of Cabinet, National Leading Committee for Rural  
Development and Poverty Alleviation

*Member*

12. Director of External Affairs Relation Department, National Leading  
Committee for Rural Development and Poverty Alleviation

*Member*

Article 2: Taskforce committee to have formulated the Rural Development and Poverty Alleviation plan in which corresponded to the Seventh Social-Economic plan of the government 2011-2015 together with the promotion of the PRF to the National Project. The plan also needs to be in line with the Government's Roadmap as well as being as a tool to implement the Rural Development and Poverty Alleviation plan.

Article 3: The plan must be conducted in line with the instruction letter No. 09/PPB-, dated 8 June 2004 regarding the village cluster and Koumban Phatthana as well as aligned to the Millennium Development Goals of the United Nations and in accordance with the NGPES.

Article 4: National Rural Development and Poverty Alleviation Plan in principle must ensure the alignment and harmonization as formulated in the 2007 Vientiane Declaration by not limited to planning, budget allocating but also implementing that must be connected to the monitoring and evaluation. NLCRDPA must be a focal point for all activities.

Article 5: Taskforce Committee to plan and set a concise implementation schedule in order to give all sectors opportunity to participate and give opinion before submitting to

the Government and the National Assembly for consideration; this means that all preparation work need to be completed before 30 May 2010.

Article 6: Taskforce Committee to estimate the budget together with the fund generating and clearly define and allocate task to each member; on the other hand, assistants can be appointed as appropriate.

Article 7: NLCRDPA, Ministry of Planning and Investment, the Administrative Office of the Party Centre Committee and concerned ministries to acknowledge and abide by this agreement.

Article 8: This agreement is effective from the signed date onwards.

Unofficial Translation

On behalf of  
The Prime Minister of Lao PDR  
Vice Prime Minister

H.E. Somsavath LENGSAVATH

### **Annex 38: Lao Uplands Food Security Improvement Project (LUFSIP)**

The proposed project is a response to food insecurity in the Lao PDR uplands as a result of low crop productivity, isolation from services and inadequate agricultural infrastructures. It also responds to a request from Government to contribute to its efforts to respond to the damage caused by Cyclone Ketsana on September 29, 2009 by supporting the restoration of food security and rural infrastructures in the three southern provinces of Attapeu, Saravanh and Sekong.

The LUFSIP is funded by the IDA and the EU with a grant of US\$14.6 million for a period of 4 years (2010-2014). The project agreement was officially signed between the Ministry of Finance and the donors on 4<sup>th</sup> June 2010. However, the Financing Agreement became effective from the 31<sup>st</sup> August 2010 onwards.

The Project Development Objects (PDO) is to: (a) contribute to improved food security of rural households in selected poor villages in upland areas in the Project Provinces by demonstrating and implementing improved rice-based farming systems, and (b) address recovery needs of cyclone-affected households in the Sekong, Saravanh and Attapeu provinces.

The LUFSIP comprises of 4 main components, component 3, in particular, (7.92 million US dollars) will be executed by the Ministry of Agriculture and Forestry (MAF) and coordinated by the Department of Planning (DoP) of MAF. Actual implementation of the project activities will be carried out by relevant MAF agencies, as well as by the Poverty Reduction Fund (PRF). For the component 3, composed of 2 sub-components:

- 3a - Provide rural basic infrastructure in which related to the agriculture as to improve the living standard of the community. The project includes 17 poorest districts of 5 provinces (Huaphan, LuangNamtha, Xiengkhouang, Savannakhet and Sekong) with the implementation budget of 3.73 million US dollars.
- 3b - Support community-led recovery through the restoration of rural infrastructure, including rehabilitation and repairs of damaged irrigation systems, in 13 cyclone affected districts of Saravanh, Sekong and Attapeu provinces with the total cost of US\$ 4.19 million.