



NATIONAL COMMITTEE FOR RURAL DEVELOPMENT AND POVERTY ERADICATION (NCRDPE)

**PRF II - ADDITIONAL FINANCING**

# ETHNIC GROUP POLICY FRAMEWORK (EGPF)



ກຸມພາ 2015

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



## **The Poverty Reduction Fund**

**ETHNIC GROUP POLICY FRAMEWORK (EGPF)**

**Draft --February 2015**

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## LIST OF ACRONYMS

ADB	Asian Development Bank
AF	Additional Financing
AMT	Appraisal and Monitoring Team
CDD	Community Driven Development
CRPF	Compensation and Resettlement Policy Framework
DRM	Disaster Risk Management
ECOP	Environmental Code of Practices
EG	Ethnic Group
EGPF	Ethnic Group Policy Framework
FM	Feedback Mechanism
ESMF	Environmental and Social Management Framework
FRM	Framework and Resolution Mechanism
IEC	Information, Education, Communication
JSDF	Japanese Social Development Fund
LECS	Lao Expenditure and Consumption Surveys
LFNC	Lao Front for National Construction
LWU	Lao Women's Union
MIS	Management Information System
NUOL	National University of Laos
O&M	Operations and Maintenance
OP	Operational Policy (of the World Bank)
PDO	Project Development Objective
POM	Project Operations Manual
PRA	Participatory Rural Appraisal
PRF	Poverty Reduction Fund
PRF I	PRF Phase I
PRF II	PRF Phase II
PMP	Pest Management Plan
PMT	Project Management Team ( PRF at central office)
POM	Project Operations Manual
SESG	Social and Environmental Safeguards Guidelines
SIDA	Swedish International Development Agency
WB	World Bank



## INTRODUCTION

The implementation of the PRF II (the original project) is progressing well. It improved access to and utilization of basic infrastructure and services for more than 450,000 rural poor in about 850 communities from financing about 1,000 subprojects identified by beneficiaries themselves. About half the direct beneficiaries are women, and ethnic minorities account for about 72% of Project beneficiaries. Utilization and sustainability of the infrastructure and services are seen in the fact that subprojects completed over two years ago are being used and maintained reasonably well, and beneficiary satisfaction levels is high at about 80%. Disbursement currently stands at 91 percent.

Against the positive outcome, the government of Laos (GoL) requested the Bank to provide a bridge financing in the amount of \$11 million<sup>1</sup> in order to avoid a premature closure of local project offices and maintain the PRF's implementation capacity in all ten project provinces. It is projected that, if project implementation proceeds at the current pace, all planned activities will likely be completed in seven of the 10 project provinces in September, 2015, more than one year earlier than the current closing date. Without additional resources, the PRF would be forced to significantly reduce the size of operation or staff in many provinces. Such a premature completion of project activities will result in a significant loss of implementation capacity at the local level, and create a significant capacity gap for the start of the prospective follow-on investments. An additional financing is thus requested so that project activities can continue to be implemented and project implementation capacity is maintained in all ten project provinces, while also contributing to further improving the rural poor' access to and utilization of priority infrastructure and services in villages that the PRF had not provided financing.

The AF would remain as Environmental Category “B”, and the four policies triggered for the original project would continue to be triggered: *Environmental Assessment (OP 4.01)*; *Pest Management (OP 4.09)*; *Indigenous Peoples (OP 4.10)*; and *Involuntary Resettlement (OP 4.12)*. Under the AF, three safeguard policies, namely, *Natural Habitats (OP 4.04)*, *Safety of Dams (OP 4.37)* and *Projects on International Waterways (OP 7.50)* would also be triggered since the AF would finance subprojects to build or rehabilitate gravity-fed water supply systems or irrigation systems on tributaries of the Mekong river, which is considered an international waterway. It is highly unlikely that the AF activities create major, significant or irreversible adverse impacts that cannot be managed by communities themselves given the very small size of subprojects – on average, \$43,000. However, some minor land acquisition and/or minor asset loss may occur since sub-projects are designed during implementation on a demand driven basis. Similarly, ethnic groups will continue to be the majority of project beneficiaries who will participate in the design, implementation and monitoring of subproject implementation based on participatory processes. However, care has to be exercised to ensure that free, prior informed consultations are carried out with ethnic minorities and their broad community support is established, given their precarious socioeconomic as well as political situation.

To be in line with OP 4.01, OP 4.04 OP 4.09, OP 4.10, and OP 4.12, four existing safeguard instruments prepared as a standalone documents for the original project remains applicable for the AF.

- Compensation and Resettlement Policy Framework (CRPF),
- Ethnic Group Policy Framework (EGPF),
- Environmental and Social Management Framework (ESMF), and
- Simplified Pest Management Plan (PMP).

All safeguard instruments developed for the original project were updated for the AF, taking into account the experience of the original project and in order to better align with the scope of activities to be carried out under the AF. They aim to provide the national, provincial and district government, the PRF team, consultants, village

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<sup>1</sup> It is expected that the Swiss Agency for Development and Cooperation (SDC) may also provide a parallel financing in the amount of \$4 million.

officials, private and public sector agencies and beneficiary community members with adequate guidance for effectively managing environmental and social issues in line with the Bank safeguard policies. The process will be implemented as part of the PRF project cycle and the activities will be fully integrated into the subproject selection, approval, implementation, and monitoring and evaluation process.

This Ethnic Group Policy Framework (EGPF) is updated to be applied under the PRFII AF. It aims to provide the national, provincial and district government, the PRF team, consultants, village officials, private, public sector agencies, and beneficiary community members with adequate guidance to ensure that ethnic groups are adequately consulted with and participate in subproject planning and implementation, and that any negative impacts would be avoided, minimized or mitigated, in line with OP 4.10. The process will be implemented as part of the PRF project cycle and the activities will be fully integrated into the subproject selection, approval, implementation, and monitoring and evaluation process. Given that the AF would continue to finance civil works which are similar in nature and scale to those of the original project in principles, similar approach to address the ethnic groups will be applied. The EGPF is updated with lessons learned from the experience of the original project to ensure an adequate consultation with and participation of ethnic groups in the project planning and implementation processes.. The EGPF describes the Approach for Inclusion of all Ethnic Groups, a quick identification of vulnerable groups, and monitoring and reporting to be carried out during the implementation of the AF. The EGPF is also connected to the CRPF and ESMF. The EGDP will continue to provide overall policy guidance to various guidelines and action plans which were developed under the original project or which will be developed under the AF, such as the Gender Action Plan, and Gender Equality and Social Inclusion Assessment, so that detailed steps and procedures provided in such guidelines and action plans are consistent with OP 4.10.

The PRF staff at central and local levels will be responsible for implementation of the EGPF and ensuring full compliance, including keeping proper documentation in the project file for possible review by the World Bank.

This document is considered a living document and could be modified and changed in line with the changing situation or scope of the activities. Close consultation with the World Bank and clearance of the revised EGPF will be necessary.

## SECTION I: PROJECT DESCRIPTION

The AF would continue to finance, in the main, participatory processes and the improvement of small scale rural infrastructure identified under the participatory processes. The AF would also have a new component to finance livelihood and nutrition activities (component 3). These were included in the scope of the original project and implemented by the PRF, but which had been financed by a Japan Social Development Fund (JSDF) rather than through the IDA Grant. The existing safeguard instruments of the original project include measures to minimize and mitigate potential negative impacts of livelihood and nutrition activities support under the JSDF funding. The AF would also finance demand creation for improved sanitation in partnership with the Water and Sanitation Program (SWP) on a pilot basis in 40 selected villages of three provinces (component 2).

### Component 1 – Community Development Grants

- Planning for community and local development The koumban planning process would continue to be carried out during the AF period based on a bottom-up processes, starting with the village level participatory meetings. The village development plans thus developed would be integrated at the koumban level through an inclusive process led by elected village representatives. Keeping in mind the objective of the PRF is to empower communities, due attention will be paid to further strengthening villagers' participation in sub-project planning, implementation and monitoring. Efforts will continue to be made under the AF to enhance the participation of ethnic minorities and women, especially those who live outside village main settlements, in the project planning and implementation processes and to ensure they receive project benefits.
- Community sub-projects: The AF would also continue to finance sub-projects identified by communities by themselves based on participatory processes. PRF district staff, district local government and sector officials would provide technical validation of proposals. The final decision for sub-project financing would be made in a transparent manner by the PRF koumban committee (which consists of representatives of villages that constitute respective koumbans) based on criteria specified in the updated Project Operations Manual (POM). Sub-projects would continue to be required to meet appropriate technical standards of relevant sector ministries, which are outlined in the Quality Management System recently updated and applied under the original project and will remain applicable under the AF. Activities to be financed under the grants would be open except for items specifically excluded through the project's negative list. The sub-grant ceiling of 60,000USD will continue to be used under the AF. Care will continue to be exercised to strengthen the disaster resilience of PRF investments. On-site inspection will continue to be conducted for selected sub-projects under the AF to assess their disaster resilience, and guidance be developed to make PRF investments more resilient against disasters.

### Component 2: Local & Community Development Capacity-Building

- Village & Koumban level: This component will continue to support the PRF objective of empowering communities by training them in assessing their own needs, discussing these with local authorities, implementing and supervising the construction of small public infrastructure investments, procurement, financial management, operations and maintenance (O&M), and lastly monitoring outputs and outcomes at the community and koumban levels.
- District & Provincial level: The component would continue to finance investments to strengthen the capacity of district and provincial officials to support pro-poor local and community development processes, including financing of training on community and local development planning, financial management, and procurement.
- Central level: The component would also continue to finance strengthening of the Leading Committee to support national poverty targeting efforts, and to strengthen coordination of PRF II investments with those of various sector ministries and other entities supporting rural development in PRF II target koumbans.

- *Pilot partnership with Water Sanitation Program (WSP):* The AF would pilot a partnership with the National Center for Environmental Health (Nam Saat) under the Ministry of Health (MoH) and support their Open Defecation Free (ODF) campaign in 40 selected PRF beneficiary villages. The Nam Saat has been implementing its sanitation program using Community-Led Total Sanitation (CLTS) approach, and the Bank has been providing Technical Advice<sup>2</sup>. Under the existing ODF campaign, Nam Saat district staff sensitize villagers of the benefits of avoiding open defecation, and encourage them to build simple pit latrines on their own, which cost around \$30 per latrine. No external funding is involved in the construction of latrines - they are built by the villagers' own resources. The AF would finance the training and travel cost of community facilitators at the kouban level ("kumban facilitators") and Village Implementation Team (VIT) so they regularly engage with villagers, induce their behavioral changes and help beneficiary villages build simple dry pit latrines and achieve ODF status. Nam Saat recently developed an Environmental Code of Practice (ECOP) for the construction of latrines and guidelines for the engagement with ethnic groups, in line with the Bank's OP 4.01 and OP 4.10, respectively. The revised ESMF includes an expanded Environmental Code of Practice (ECOP) to ensure that the construction and management of latrines would be carried out in an environmentally sustainable manner. It is expected that the travel cost and per diem that will be financed from the AF to support the ODF program in 40 villages would amount to about \$50,000.

### **Component 3: Livelihood and Nutrition Support**

- The AF would finance activities to enhance livelihood and nutrition status of selected PRF beneficiary villages that had been implemented by the PRF under the Livelihood Opportunity and Nutrition Gain (LONG) pilot, financed by the Japan Social Development Fund (JSDF)<sup>3</sup>. The AF would provide small grants (<\$100 per grant) as well as technical guidance to Self-Help Groups (SHG) and "Village Nutrition Centers" (VNC) in eight districts including four which will be newly supported under the AF, in order to help beneficiaries start livestock production and home gardens, and provide special meals and nutritional education to malnourished infants and pregnant/ lactating mothers. The total number of villages expected to be supported under the AF would be about 100. Livelihood grants are typically used for the production of small livestock (poultry, catfish, etc) the majority of which are consumed by beneficiary community members themselves including VNC members but some of which are also sold to external markets. The Pest Management Policy will continue to be triggered for this activity under the AF as under the original project. Specifically, the livelihood and nutrition enhancement activity will continue to support the following activities:

- *Formation of community self-help groups & capacity building of local service providers:* This component will focus on forming self-help groups, with a focus on women's self-help groups, in ethnic communities and building these groups' capacity to articulate their own needs and to successfully implement sustainable livelihood activities. The component will also train new college graduates to serve as community facilitators, build the capacity and responsiveness of local service providers and link available technical assistance with community needs.

- *Community asset creation:* This component will provide grants (average of \$2,000 each) to eligible village through a competitive and participatory selection process, and support the planning, implementation and sustainability of livelihood activities. Activities under this component will focus on empowering participants with technical assistance, promote sustainability by building financial literacy, establishing links to markets and promote pro-nutrition livelihood activities.

- *Participatory pro-nutrition assessment & activities:* Progressive reduction of poverty rates and increased household incomes in Lao PDR have not led to significant improvements in malnutrition over the past 15 years. This component will thus seek to ensure that livelihood sub-grants to self-help groups have a positive impact on community nutrition. Participatory pro-nutrition assessment and activities will

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<sup>2</sup>Such TA programs have been provided as the Bank Executed Trust Fund (BETF).

<sup>3</sup>The LONG has been part of the original project and the safeguard documents developed for the original project included measures to address potential negative impacts due to LONG.



be introduced in targeted areas of the pilot to allow evaluation of the effects of linking community-based livelihood improvements with pro-nutrition activities.

- *Monitoring and impact evaluation of pilot activities*: This component will evaluate pilot impacts as well as efficacy of implementation and monitoring mechanisms, with lessons intended to inform the planned expansion of the Poverty Reduction Fund.

#### **Component 4: Project Management and Implementation Support**

This component would continue to finance the costs of implementing, monitoring, evaluating and reporting for PRF II. It would include salaries and fees of national, provincial and district PRF staff; associated equipment and operating costs; Management Information System (MIS), key studies and evaluations, accounting, procurement assessments, legal services, auditing, and other specialized areas. Critical technical assistance and implementation support would also be financed under this component.

## SECTION II: POLICY AND REGULATION

### **World Bank’s Policy on Indigenous People (OP 4.10)**

The WB’s Operational Policy 4.10 (Indigenous Peoples) requires that special planning measures be established to protect the interests of ethnic groups with a social and cultural identity distinct from the dominant society that may make them vulnerable to being disadvantaged in the development process. The Policy defines that ethnic groups can be identified in particular geographical areas by the presence in varying degrees of the following characteristics:

- a close attachment to ancestral territories and to the natural resources in these areas;
- self-identification and identification by others as members of a distinct cultural group;
- an indigenous language, often different from the national language; and
- presence of customary social and political institutions.

As a prerequisite for a project approval, OP 4.10 requires the borrower to conduct free, prior and informed consultations with potentially affected ethnic groups and to establish a broad-based community support for project objectives and activities. It is important to note that the OP 4.10 refers to social groups and communities, and not to individuals. The primary objectives of OP 4.10 are:

- to ensure that such groups are afforded meaningful opportunities to participate in planning that affects them;
- to ensure that opportunities to provide such groups with culturally appropriate benefits are considered; and
- to ensure that any project impacts that adversely affect them are avoided or otherwise minimized and mitigated.

The ethnic groups in Lao PDR include ethnic groups such as the Mon-Khmer, Hmong-Mien, Sino-Tibetan and Tai upland ethno-linguistic groups, who are vulnerable and who meet the characteristics used in the WB’s policy. These groups form the majority in most of the districts in which the PRF works hence the whole program is designed to comply with the OP 4.10 and the implementation experience is discussed in Section IV below. The policy also requires that the ethnic groups in each village should be identified to ensure they can engage fully in the participatory processes and that recruiting of ethnic facilitators and/or preparing appropriate materials in local languages may be necessary. In Lao PDR, all the efforts should be made in close consultation with the Lao Front for National Construction (LFNC) Office.

### **Government’s Policy and Regulations**

Constitution of Lao PDR, ratified in 1991, uses the term “citizens of all ethnicity” throughout the document. It specifically recognizes the need to incorporate the concerns of ethnic groups in developing policy and programs in all sectors, and has reaffirmed its commitment to strengthen the rights of all ethnic groups in various congresses, conferences, decrees, and laws since the 1980s (Articles 8 and 22). Article 75 of the Constitution specifically indicates that “the Lao language and script are the official language and script.

The 1992 Ethnic Minority Policy of the Lao PDR<sup>4</sup> towards ethnic minorities identifies three essential tasks: (i) strengthening political foundations, (ii) increased production and opening of channels of distribution in order to

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<sup>4</sup>Known under its full title as Resolution of the Party Central Organization Concerning Ethnic Minority Affairs in the New Era

convert subsistence-based economics towards market-based economics, and (iii) a focus on the expansion of education, health and other social benefits. Of direct relevance to this Project this 1992 Policy states that the Lao PDR must discourage ethnic minorities from continuing their practices associated with shifting cultivation through arranging for permanent livelihoods for such groups so that the benefits of other forms of agriculture outweigh those associated with shifting cultivation. Basically the Lao PDR considers that many of its upland minorities (and this especially includes the Khmou and Hmong) observe “backward traditions that are reflected in their production lifestyle”. In practice the Lao PDR realizes that it is quite impractical to change all these “backward” practices it attributes to ethnic minority groups because of limited arable area for Lowland agriculture and even many Lowland Lao are involved in some forms of upland agriculture.

A new national guideline on consultation with ethnic groups launched by the LFNC in 2013 in line with the National Guideline on Public Involvement, 2012. It aims to ensure that all ethnic groups who benefit from or are adversely affected by a development project, without regard to the source of funding, are fully engaged in a meaningful consultation process at all stages from preparation into implementation. The guideline also aims to ensure that the potentially affected ethnic groups are better informed of project objectives, as well as their potential positive and adverse impacts on their livelihood and their environment, and provided with opportunities to articulate their concerns. The guidelines provides principles and process to carry out meaningful consultations with, and obtain free, prior and informed consent of, all ethnic groups affected by developments projects in a culturally sensitive manner. The guidelines consists of a) objectives and scope of the guidelines, b) consultation processes with ethnic groups at respective stages of development projects c) consultation approaches and methods for different ethnic groups in a cultural sensitive manner, d) expected outcomes of consultation at each stage, and e) implementation arrangement and responsibility. Key principles and procedures for consultation with ethnic groups in this guideline are adopted into the PRFII AF’s safeguard instruments (ESMF, CDRF and EGPF). The copies of guidelines in Lao language will be provided to all PRF district offices and the staff received training on the guidelines.

### **Implementation arrangement**

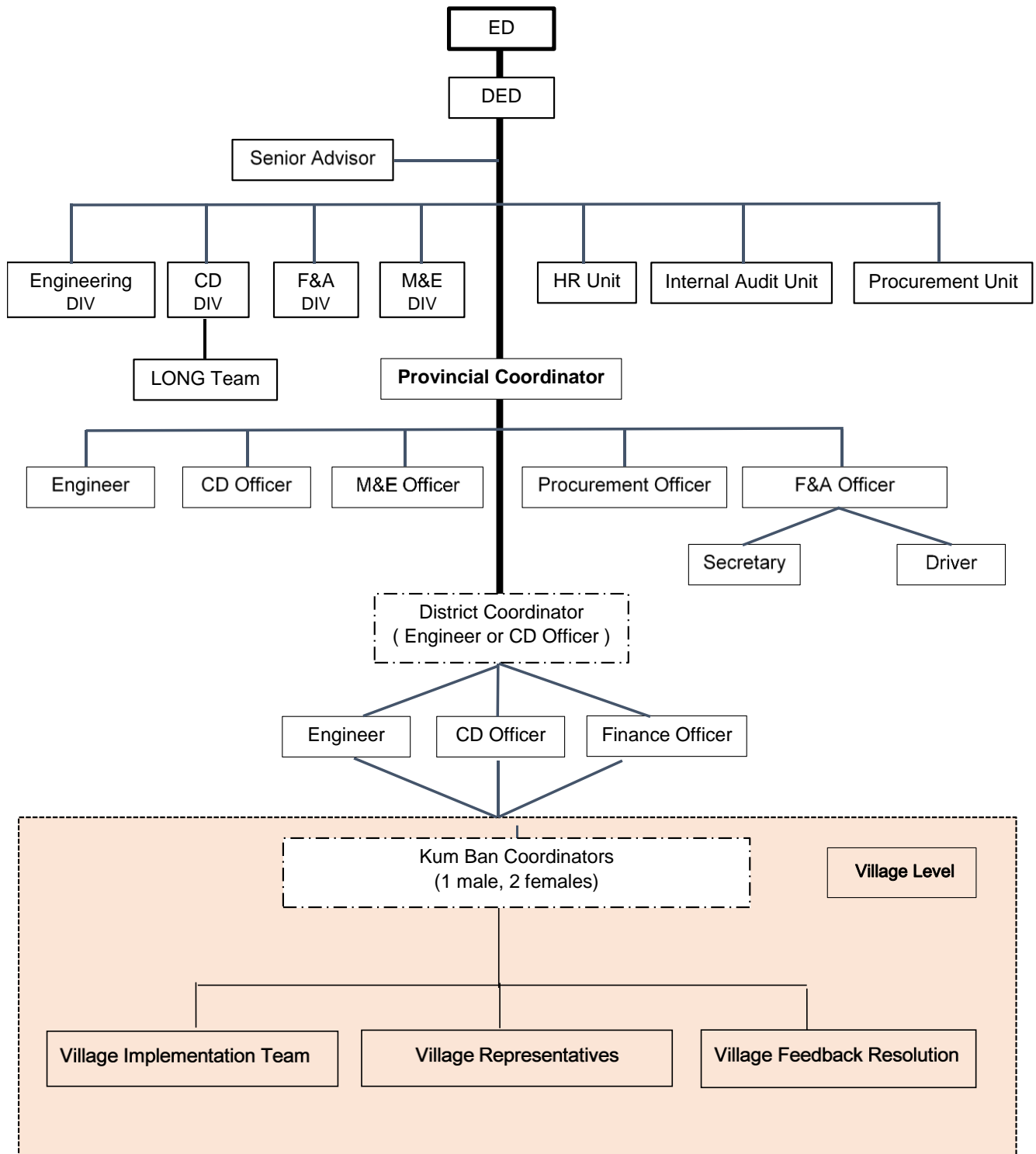
The Poverty Reduction Fund (PRF) is overall responsible for the implementation of the AF and environmental and social safeguard compliance. Specifically, the Technical Assistance (TA) department with staff from the central down to the district level is directly responsible for the implementation of this ESMF. In each district the TA department has one staff who carries out survey and design, identify environmental and social impacts and develop mitigation measures for about 8 subprojects annually. The district TA department is also responsible to ensure that an appropriate ECOP is attached to the civil works contract and supervise the contractors for compliance. The District TA is also responsible for the implementation of the Compensation and Resettlement Policy Framework (CRPF) in close collaboration with the Community Development (CD) department, and collectively identify and mitigate land/ asset loss as a result of subproject implementation. The CD department has staff from the central down to the district level and is responsible for managing participatory processes including consultation with and participation of ethnic groups in the project planning and implementation processes. The CD is thus responsible for the implementation of the Ethnic Group Development Framework (EGDF). In case negative impacts are likely to occur, the CD team would collaborate with the TA team and seek to avoid, minimize and mitigate such negative impacts.

At the village level, the Village Implementation Team (VIT) is responsible for overall safeguard compliance on behalf of the beneficiary communities. The VIT consists of village leaders elected by villagers themselves and village representatives of LFNC and LWU. Decisions with regard to the use of project resources is made at the community-wide meetings. Efforts have been made during the implementation of the original project to increase the participation of ethnic minorities who may not live in the main village settlements in decision making processes by holding separate meetings with them before the village wide meeting is held and a community wide decision is made. The PRF TA and CD staff participate in a community wide meeting where subproject designs,

expected environmental and social impacts and mitigation measures including voluntary donations are presented for feedback from community members. Prior to the community wide meeting, PRF TA and CD staff will meet affected households individually and confirm their will to donate assets. Affected ethnic people are encouraged to report to LFNC and LWU village representatives. The PRF CD will keep a close contact with the LFNC village representatives through the VIT of which they are members.

At the koumban level, which is the cluster of villages, koumban Facilitators help facilitate community meetings and mediate between District PRF staff and communities. Their responsibility includes confirmation that voluntary donation processes are completed prior to the commencement of the civil works. They are empowered to report to the district PRF to delay the commencement of civil works if voluntary donation process is not completed as per CRPF.

### PRF organizational structure



## SECTION III: ETHNIC GROUPS IN PROJECT AREAS AND EXPERIENCE OF THE ORIGINAL PROJECT

The AF would be implemented in seven provinces which are resided by many ethnic groups – almost all ethno-linguistic groups in Lao PDR are represented in some of the seven AF provinces. Although their numbers differ, specialists mostly agree on the following classification: there are four main ethno linguistic groups, including the majority Lao-Tai which comprises 66 percent of the population. These four groups are further sub-divided into 49 officially recognized sub groups, and again into more than 200 smaller groups (See Table 1 for a summary of the main characteristics associated with the four ethno-linguistic groups).

**Table 1: Ethnicity of Population<sup>5</sup>**

<i>Ethno-Linguistic</i>	<i>Language Family</i>	<i>Summary Characteristics</i>
Tai Kadai	Lao Phoutai	65% of the population, living mostly along the economically vibrant Mekong corridor along the Thai border or in Northern lowlands; settled cultivators or urban dwellers; migrated into Lao PDR since the 13th century ; Buddhists.
Austroasiatic	Mon Khmer	24% of the population, living mainly in highland areas in the North and Central South, smaller groups (Khmou) live also in the Northern lowlands; the most diverse ethnic group and the first one to inhabit large areas of Lao PDR; animist and shifting cultivators; fairly assimilated due to hundreds of years of interaction with Lao-Tai, single communities live in isolation as hunter-gatherers.
Hmong - lu Mien	Hmong Yao	8% of the population, living mainly in mid- and upland areas in the North; Hmong is the largest subgroup; animist with strong ancestor cults, although many converted to Christianity; typically shifting cultivators, migrated to Lao PDR in the 19th century.
Chine – Tibetan	Tibeto Burman	3% of the population, living mainly in poorly-connected upland areas in the North; animist and shifting cultivators; migrated to Lao PDR in the 19th century.

Ethnic poverty in Lao PDR still remains concentrated in upland areas inhabited largely by remote ethnic communities. Moreover, the cultural and linguistic differences are greater among many of these upland communities. Actually, often due to their remote location, the ethnic groups have comparatively less access to government services. As such, this higher incidence of poverty makes them more vulnerable socially and economically. Furthermore, even though the quantitative analysis of the Lao Expenditure and Consumption Surveys (LECS) shows that poverty fell from 39 per cent in 1997-98 to 27.6 percent in 2007-08, there still exist wide regional and ethnic discrepancies.

*Rural poverty at 38 percent is far higher than urban poverty at 20 percent, and the majority Lao Tai group have a 19 percent poverty incidence while for the Mon Khmer the figure is more than twice as high at 47 percent<sup>6</sup>.*

<sup>5</sup>Lao People’s Democratic Republic: Northern Region Sustainable Livelihoods Development Project, Indigenous Peoples Development Plan, Document Stage: Final Project Number: 35297, August 2006, Prepared by the Government of Lao People’s Democratic Republic for the Asian Development Bank (ADB), page 5 and *NSC/CPI, ADB, SIDA and the World Bank, 2006*

<sup>6</sup>LECS4, 2007/2008



**Table 2: Ethnic Group Poverty Patterns in Lao PDR, 2007/8**

	% of National Population	Incidence of Poverty Headcount Index (% of pop.)
<b>Total Lao PDR</b>	100.0	27.6
<b>By Geographic Area</b>		
Urban	31.0	19.7
Rural	69.0	37.6
Rural with all-season road	53.4	
Rural without all-season road	46.6	
<b>By Ethnic Group</b>		
Lao-Tai	65	19
Mon-Khmer	24	47
Hmong-lu Mien	8	43
Chine-Tibet	3	42

Source: World Bank 2008 based on LECS4

### Challenges Faced by Vulnerable Ethnic Groups

The challenges faced by vulnerable ethnic groups in project areas are similar to those faced by ethnic groups in general and can be grouped into three areas. The first is linked to transitions taking place in the uplands. Indeed, the market-economy, the changes taking place at the village level (for example mixed villages) and issues related to land use, have a direct impact on ethnic groups' lifestyles and quality of life; and may contribute to increasing the ethnic groups' vulnerabilities. In fact, it appears that vulnerable ethnic groups may not be able to make the most out of the market-economy opportunities with women being the least able to. Secondly, institutional changes, such as the creation of the koumban committees and village consolidation in response to the national program for rural development and poverty eradication and decentralization policy locally called as 'Samsang', also have potential impacts on vulnerable ethnic groups insofar as they demonstrate the difficulties faced by these groups in accessing information and being represented in decision-making; thus, contributing to negotiation discussions that may be imbalanced. Lastly, the changes mentioned above, also have a potential impact on traditional gender roles that may lead to persistent gaps between men and women, especially those belonging to vulnerable ethnic groups.

### Implementation Experience of the original project

Project experience confirmed that many ethnic groups are present in the project villages. As can be seen in the Table 4 attached below, very many ethnic groups are present in most provinces where the PRF operate. Indeed, about 72% of people who reside in the project villages belong to non Lao-Tai ethnic groups, and the number of direct beneficiaries amounts to 373,576. These ethnic groups are among the potential beneficiaries and they were consulted with and participated in the planning and implementation process and the level of satisfaction among beneficiaries, including ethnic groups, is high (80%). Decisions on the allocation of funds are made by villagers themselves, through a negotiation process, and with information provided by PRF facilitators and technicians.

**Table 4 Ethnic Group Distribution in PRF Supported Villages**

Provinces	Number of Ethnic groups	Ethnic Groups found to be present in PRF villages
PHONGSALY	9	Bit, Er pa, Khmou (Khmou), Akha, Sila (Laoseng), Hmong, Oma, Singsily (Phou Noi), Phong Sat
LUANGNAMTHA	5	Khmou, Akhar, Lahu (Kouy Luang or Red Mouser), Lamet, Lahu
OUDOMXAY	4	Hor, Khmou, Hmong, Singsily

LUANGPRABANG	2	Khmou, Hmong
HUAPHANH	8	Khmou, Hmong, Moy, Mroi, Phong, Phong, Pouak, Iewmien (Yao)
XIENGKHUANG	3	Khmou, Hmong, Phong
SAVANNAKHET	4	(Makong (Bru), Pa Ko, Oy, Tri
SARAVANE	5	Makong, Katu, Ka Nai, Pa Ko, Oy
SEKONG	11	Harak, Chathong, Katu, Kae, Lavy, Yae, Oy, Trew, Triang, Trong, Ngae
ATTAPEU	14	Lavy, Louyve, Cheng, Triang, Oy, Yae, Harak, Su or Ku, Tangkae, Nhahern (Hern), Oy, Katang, Sadang, Yrou, Khmou

Source: PMT, 2015

Social assessments were conducted during the implementation of the original project using a participatory method to identify issues with regard to the consultation with and participation of women and ethnic groups in project planning and implementation processes, and whether they received project benefits in a culturally appropriate manner. Such assessments used direct consultations with ethnic groups and involved focal group discussions facilitated by trained community facilitators in their own villages to seek for their views on the project.

They found that more attention needs to be given to improve the participation of ethnic groups in the PRF planning process. It found that the level of understanding among ethnic groups, in particular women, about the project principles is limited due to linguistic barrier and because the size of group meeting tends to be too large. It also found a shortcoming that only 12% of PRF staff are of non-Lao Tai ethnicity, which makes meaningful consultation with and participation of ethnic groups more challenging.

In light of the above findings and recommendations from the above social assessment, the PRF took the following steps:

- Hired on additional female koumban facilitator in every koumban selected from a local ethnic group who will participate in community meetings. The PRF hired a female koumban facilitator in 24 koumban of 5 districts under the current annual Cycle and plans to increase the number gradually in subsequent two annual Cycles to cover all project districts, taking into account the existing staff capacity to provide training to new facilitators.
- Organized community meetings with smaller groups and hold a separate meeting in each smaller village settlement where minority ethnic groups tend to live, starting in 5 districts under the current annual Cycle but gradually rolling out in all other project districts in subsequent two annual Cycles.
- Conducted a facilitation / social inclusion training for all PRF from cycle XII;
- Recruited CD, Admin & Finance (and potentially M&E) at district level with a required fluency in at least one ethnic group language spoken in this district.
- introduced preferences given to applicants from ethnic group each time a new staff is hired or an existing staff replaced, and the quota that 40 percent of new staff to be recruited in PRF should be female (quota breakdown in tier to be prepared by international gender specialist).

## SECTION IV: PRINCIPLES AND PROCEDURES TO BE APPLIED TO THE AF

### Approach for Inclusion of all Ethnic Groups

#### *(a) Basic principles:*

The AF will continue to seek to empower vulnerable ethnic groups by enabling them to have better access to education, to health services and to roads; thus, a better quality of life; so that they may also take advantage of different market-economy possibilities. The original project operated in remote areas that were home to many different ethnic groups and the AF will continue to locate subprojects in such areas. Similarly, the AF will continue to provide training (such as upgrading teachers and nurses from ethnic communities) opportunities targeting ethnic groups. In addition, the AF aims at expanding the vulnerable ethnic groups' space for negotiation and interaction with the government while preserving their cultural specificities. Through this respect and empathy for diverse cultures, the PRF's proactive approach intends not only to provide information but also to increase vulnerable ethnic groups' participation in all of the subprojects' implementation cycle. As such, the main objectives of the AF in relation to vulnerable ethnic groups are:

- To empower the vulnerable ethnic groups to benefit from development by building capacity through increasing access to information as well as encouraging part in decision-making;
- To empower the vulnerable ethnic groups in seizing the opportunities brought by the PRF's subprojects: access to education via the construction of schools, to market opportunities via the development of roads, to a better health via the building of health centers and water infrastructures.
- To promote gender equality and increase the participation of women at all levels of the PRF's subprojects' implementation.
- To establish a free, prior and informed consent of ethnic groups to project objectives and activities. The project will cease to operate in the communities where such consent is not established.

#### *(b) Implementation strategy*

The following strategy (which has been adopted under the original project) will continued to be applied under the AF in order to empower vulnerable ethnic groups in line with the above mentioned policy and ethnic group consultation guideline:

- Continue to hire additional female koumban facilitators in remaining districts in phases. Preference will continue to be given to hire koumban facilitators from local ethnic groups<sup>7</sup>;
- Continue to reach out to small settlements outside main village settlements where many ethnic groups reside;
- Continue to carry out free, prior and informed consultations with ethnic groups leading to broad community support, using the "Deepen CDD approach" introduced during the original project and described in the next section;
- Continue to strengthen the representation of small settlements outside main village settlements in village-side decision making processes using the "Deepen CDD approach" introduced during the original project and described in the next section;

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<sup>7</sup> The PRF introduced affirmative action principles for staff hiring. For koumban facilitators, The eligibility criteria for koumban facilitators are set so any female applicant from local ethnic groups would be selected provided that they have the minimum level of literacy and numeracy.

- Strengthen the documentation of feedback from ethnic groups about priorities identified, potential negative impacts of subprojects and measures to address them in the Sub Grant Agreement signed between communities and the PRF.
- Provide training on issues facing vulnerable ethnic groups, especially female, not only to the PRF team, but also the koumban teams and the district officials, to raise awareness and sensitize on these issues;
- Increase the knowledge and sense of ownership amongst vulnerable ethnic groups also through the oral sharing of key documents in their ethnic languages;
- Maintain and expand partnerships with Mass-based organizations, projects and others involved with vulnerable ethnic groups as well as women;
- Develop and adopt planning and communication tools such as the Information, Education, Communication (IEC) material and other Participatory Rural Appraisal (PRA) tools (participatory mapping, the pocket chart) as well as new initiatives (such as the quadrant game) in order to increase confidence and skills to participate as well as to better integrate vulnerable ethnic groups at the onset of the subprojects' implementation;
- Increase access to information or development issues in general;
- Use an enhanced village profile that will lead to a better monitoring and evaluation of the subprojects' impacts on vulnerable ethnic groups as well as a better tracking of the differences in terms of ethnic groups' composition at the village level.
- Ensure appropriate or proportionate representation of ethnic minority groups in village development committees as well as FRC and social audit committees in those villages and kumbans where multiple ethnic groups are found.

*(c) Key activities and procedures*

The following activities have also been applied to facilitate a better integration of vulnerable ethnic groups and this procedure has been adopted.

- 1 Train PRF staff, koumban facilitators in gender and ethnic sensitization (See Training manual).
- 2 Use the recently developed IEC materials and pictures wherever possible during community meetings
- 3 Share orally key PRF program documents into local language during the cross koumban meeting.
- 4 Village profile: include data on different ethnic groups living in the village and levels of poverty. Update data annually (See Project Operations Manual). Simple mapping presenting ethnic groups' concentration in villages.
- 5 Provide capacity building to village representatives, especially those who belong to vulnerable ethnic groups (See Training manual).
- 6 Supervision in local ethnic language.
- 7 Conduct workshops and training on relevant issues for vulnerable ethnic groups (See Training manual).
- 8 Organize study visits between koumban facilitators working in villages where there are different ethnic groups on the methods, difficulties, solutions retained when integrating, socializing and mobilizing vulnerable ethnic groups.
- 9 Learning experience from other countries through research and study tours.

- 10 Link with key partners experienced in vulnerable ethnic groups' participation, mobilization (such as the following: Lao Women's Union(LWU), LFNC) in the areas of provision of training, monitoring and evaluation and other areas which are complementary.
- 11 Youth, especially those from vulnerable ethnic groups, broadcast radio spots on the community radio.
- 12 Exchange experiences among ethnic groups living in other villages.
- 13 Recruit qualified personnel from vulnerable ethnic groups including those who are newly graduated from National University of Laos (NUOL) and other institutions, especially women.
- 14 Monitor and evaluate PRF vulnerable ethnic groups' coverage and support. This could also include ad hoc studies related to vulnerable ethnic groups done by consultants according to the Program's needs (ex: Studies to identify potential adverse effects on vulnerable ethnic groups to be induced by the Program, and to identify measures to avoid, mitigate, or compensate for these adverse effects).

The basic principles of the World Bank policy related to ethnic groups and indigenous peoples rests on the following three points:i) the consultation process which constitutes free, prior and informed consultations leading to 'broad community support';ii) indigenous peoples do not suffer adverse impacts during the development process; and iii) they receive culturally compatible social and economic benefits.

To avoid certain adverse impacts on the ethnic peoples, especially the disadvantaged groups, a negative list will be adopted. The negative list will include:

- No new settlement or expansion of existing settlements will be supported in critical habitats, protected areas or areas proposed for protection. Where settlements already exist proposals for funding should be in compliance with any local regulations on land management and other provisions of the protected area management plan. No road construction or rehabilitation of any kind will be allowed inside critical habitats and existing or proposed protected areas.
- The AF will not *fund* the acquisition of land under any conditions and involuntary resettlement or involuntary land acquisition will not be allowed. Resettlement or land acquisition can occur only on a voluntary basis or with compensation paid by the village's own funds agreeable to the affected people. These subprojects will undergo review by facilitators and any voluntary movement or resettlement of more than five households or household structures will need special approval from the central Project Management Team(PMT) in Vientiane prior to decision at the district level meeting. A Compensation and Resettlement Policy Framework for PRFII has been developed and will apply.
- The AF will not support programs involving village consolidation and/or resettlement that are not consistent with World Bank policies; project investment or subproject cannot be used as an incentive and/or a tool to support and/or implement involuntary resettlement of local people.
- Any activity unacceptable to vulnerable ethnic groups in either a homogenous village or a village of mixed ethnic composition cannot be funded without prior review by the PMT. Activities that will have significant adverse impacts on vulnerable ethnic groups in villages and in neighboring villages cannot be funded.

## Consultations with Ethnic Groups During Implementation

PRF's approach for inclusion of all ethnic groups was developed and updated based on the experience of the on-going project. It was specifically designed to ensure that (a) the project follows the key principles of the World Bank's policy concerning ethnic groups (OP/BP 4.10 on Indigenous Peoples), which are to "ensure that indigenous peoples do not suffer adverse impacts during the development process... and that they receive culturally compatible social and economic benefits"; (b) the concerns of all ethnic groups are met through the project design itself as well as in accordance to government policy; and (c) throughout the PRF's subprojects' implementation the cultures of the multi-ethnic society are respected and that gender issues are integrated at all levels.

Similar to the original project, the AF will continue to be implemented in the government's priority poverty areas. However, whereas PRFI focused on the priority poverty *districts*; PRFII will focus on priority poverty *koumbans*. Such focus at the koumban level allows better alignment with the Government's intention to revise its poverty targeting focus from the district level to koumban and household levels in accordance with the provisions of Decree #285 on the Poverty Criteria and Development Criteria (2010-2015), of October 13, 2009.

Under the AF, the "Deepen CDD" approach piloted under the original project will continue to be used and roll out to all districts, in order to ensure that (i) participatory Social Assessment (SA) including free, prior and informed consultations are carried out with ethnic groups; (ii) that their broad community support to subprojects are ascertained; (iii) that negative impacts on ethnic groups are avoided or otherwise minimized and mitigated; and (iv) that positive benefits for ethnic groups are enhanced.

Specifically, the following processes will continue to be used under the AF.

- Additional female koumban facilitators: in addition to existing one male and one female koumban facilitators, another female koumban facilitator is hired from local ethnic groups in each koumban. Village representatives report the ethnic composition of the villages and the location of hamlets outside village centers at the initial koumban level meeting, and the list of distant hamlets 30 minutes of walk or further from village centers and of ethnic groups present in the village is developed.
- The three day "village visioning meetings": one additional day of community meeting is held at the hamlet level in addition to two-day village-wide meetings, using IEC tools developed by the PRF. Representatives of all hamlets participate in the first day, village-wide meeting, where they receive explanation about core PRF principles and procedures, including with regard to safeguards, as well as the criteria to rank hamlet level priorities into village level priorities. During the second day, hamlet level meeting, villagers receive project information including on safeguards from their representatives as well as PRF community facilitators and confirm their broad community support to participate in the Project. Upon the confirmation of broad community support, the situation analysis is conducted including household wealth ranking and social mapping to identify distinctive needs of the poor. This hamlet level meeting is held in all distant hamlets identified at the initial koumban level meeting. The hamlet level priorities are consolidated at the third day, village-wide meeting where representatives of all hamlets rank them into village level priorities using the



criteria agreed at the first day meeting. The resultant priorities as well as issues identified are documented in the “village vision”. The village delegates to the koumban meeting are also selected during the third day meeting.

- Revised koumban Development Plan (KDP): village delegates discuss the results of the village level meetings, rank villages based on the pre-agreed poverty criteria, and update the KDP with priority investments. The KDP is presented at each village that constitute the koumban for validation, and feedbacks are sent back to and discussed at the koumban meeting for the possible revision of KDP.
- Subproject designs and presentation at the village validation meeting: the villagers with the assistance of PRF staff design subprojects, and during the process, identify potential negative impacts. The PRF staff meet those who may lose private assets or experience negative impacts without fellow villagers to assess whether they are willing to donate assets or request compensation at replacement cost, following the provisions of the Compensation and Resettlement Policy Framework (CRPF). The subproject designs are presented at the village wide meeting and the broad community support to the subproject is established. If a broad community support is not obtained, such subprojects will not be implemented.
- Sub-grant Agreement: following the confirmation of broad community support to subproject designs and measures to mitigate negative impacts, the PRF District Coordinator and representatives of communities sign the Sub-grant agreement. The copies of the relevant village visions as well as the minutes of community-wide meeting are attached to the Sub-grant agreement.

Under the AF, Ethnic Group Development Plans (EGDP) will continue to be developed as a collection of multiple documents rather than as a single document. This is because the sheer number of subprojects to be financed, the limited capacity of communities in documentation, and the current Community Subproject Cycle which involves multiple steps and documentation done for each step, make it difficult to develop one document that captures all elements of Indigenous Peoples Plan (IPP).

Specifically, the following documents are developed under the original project and will continue to be developed under the AF which, collectively, address all elements of IPP required under the OP 4.10.

- The Village Vision document which summarizes the result of participatory Social Assessment (SA) including free, prior and informed consultations with ethnic groups and benefits that ethnic groups would receive;
- Minutes of all village wide meetings, including the village validation meeting which record the presentation of subproject design including the potential negative impacts, feedback provided by community members and broad community support established to the subproject;
- Handouts distributed to communities describing, with visual presentations wherever possible, participatory subproject monitoring conducted by the Village Implementation Team, and the project Feedback and Resolution Mechanism (FRM: project grievance redress mechanism); and
- Sub-grant agreement that describes the cost and the description of subprojects including the cost to mitigate impact.

### Feedback and Resolution Mechanism

The purpose of the Feedback and Resolution Mechanism (FRM) is to ensure that the AF has in place a system to receive feedback from citizens, assuring that the voices are heard from the poor and vulnerable, and the issues are resolved effectively and expeditiously. Such a system is expected to enable the AF to be fully responsive to its beneficiary communities and empower the ethnic groups and poor in villages who are the principal target of the Program.

The AF will strengthen the existing Feedback and Resolution Mechanism (FRM) applied under the original project by integrating it with the Social Audit arrangement initiated since the upcoming annual Cycle (Cycle XIII) to enhance community participation in monitoring and reporting on project investments, transparency and accountability. Members consisting of at least 50% of women elected to the Feedback and Reporting Committee (FRM) will be trained to perform the social audit. Specific tasks of the social audit committee are as follows:

- Ensure that all Committees and the leaders of the committees function in a just and fair manner.
- Where discrepancies and malpractices are noted, report them to the village wide meetings.
- Perform an internal audit of all records and accounts of the organization/VIT and other committees, at least once in 2 months.
- Ensure adherence to PRF principles, rules and concepts such as transparency in the functioning of committees.
- Identify weaknesses and take remedial measures.
- Report remedial actions taken at the general meeting of the village.
- Social audit committee should meet at least once a month and inform issues to the village organisation management.

In this way, the villagers can ensure quality of work, principles and rules followed and demonstrate their capacity to manage resources effectively by ourselves.

#### 1. *Guiding Principles of the FRM*

<b>Visibility</b>	Information about how and where to provide feedback is well-publicized and easily noticeable.
<b>Accessibility</b>	Citizens should find it easy to engage and use the complaints procedure, irrespective of language or disability.
<b>Responsiveness</b>	Prompt acknowledgment to be followed by prompt action, with informant kept informed of progress.
<b>Objectivity</b>	Any investigation should be open-minded and impartial, complete and equitable.
<b>Charges</b>	There are no costs to the informant as their feedback is provided and handled.
<b>Confidentiality</b>	Unless voluntarily provided, identities of informants will be kept confidential throughout and after the investigation process.
<b>Citizen-focus</b>	The project welcomes citizen feedback of all types, with a culture that sees citizen as central.

<b>Accountability</b>	There should be clarity on roles and authority in handling feedback, and staff should be accountable for their actions and decisions.
<b>Continual Improvement</b>	There should be a permanent objective to learn from feedback to improve processes, policies, and procedures.

*Adapted from the ISO 10002, the international complaint-handling standard.*

## 2. Sources of Feedback

In principle, feedback can be provided by anyone involved in the PRF process. The system has been setup and modified to increase participation of vulnerable groups (such as ethnic groups and women) who are likely to have less voice in planning and implementation process of the PRF.

### Types of Feedback

Feedback may include: (i) misuse of funds; (ii) corruption allegations; (iii) inappropriate intervention by outside parties; (iv) violation of program policies, principles and contracts for subproject construction; and (v) negative impacts of subprojects on individual households or sub-groups, including with regard to voluntary land/ asset donations and compensation arrangements for land acquisition, and impacts from civil works and other safeguard related issues. Feedback may just be simple inquiries about program procedures or rules.

## 3. Feedback Channels (Uptake)

FR mechanism is an integral part of the Monitoring Information System (MIS) of the PRF, and crucial for an effective implementation of the PRF basic principles. Provision of feedback is possible at all levels (village, koumban, district, provincial, and national). For the FRM to function, the PRF has established the following conduits for feedback:

- FRM Committees at village, koumban, district, and provincial level
- Feedback boxes
- Toll free hotline: Free hotline call: 161 set up and well-functioning
- PO Box,
- Dedicated email
- Website
- Regular meetings at all level (village, koumban, district, provincial and national)
- Annual meetings in selected villages in each koumban soliciting feedback from community members

For additional information, refer to the Project Operations Manual.

### Integration of Ethnic Group Procedure into PRF process

Implementation experience: Following the updated FRM pilot carried out in 2012, the fiscal year 2013-2014 marked an increase in the amount of feedback received from the community (19 requests for information, 151 requests for financial support, 83 feedback to thank PRF, and 9 complains) despite continuing issues with the hot line (16,160 irrelevant calls received). Complaints were mainly related to technical issues or implementation delays. These issues were, however, quickly resolved at village level. Further detail is provided in Table 3 below.

**Table 3: Feedback and resolution during 2013-2014**

Feedback Received	2013			2014								Total
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	
Request for information	2	2	2	2	1	-	-	4	1	4	1	19

Request for Fun/technical assistance	11	1	17	5	16	79	7	11	-	-	4	151
Thanks to PRF	11	8	12	5	5	15	5	5	2	15	-	83
Compliant	-	3	-	-	-	3	2	1	-	-	-	9
Feedback related PRF	24	14	31	12	22	98	14	21	3	19	5	263

This mechanism, could be further strengthened from the point of view of satisfaction of local community and/or improvement of CRPF to allow the PRF to be fully responsive to its beneficiary communities and empower the vulnerable ethnic groups and poor in villages. To improve this mechanism, it is anticipated that PRF should encourage the local people to provide feedback both from the positive and negative side through various means including written application, feedback box, and hotline call: 161 to PMT.

The following specific guidelines on what kind of information that have been provided to local communities will continued to be applied under PRFII AF:

<b>PRF project cycle</b>	<b>Key messages and measures to promote better inclusion of vulnerable EG and disadvantages</b>
(1) Introduction of project concept and training of PRF staff, local authorities, volunteers, and communities	PRF informs the communities of possible positive and negative environmental and social impacts including potential environmental risk of the subproject, raise awareness of communities about the need for sustainable use of natural resources and protection of the environment by the communities. This includes sharing knowledge on positive and negative impacts of different type of subprojects, key issues, and required mitigation measures (negative list, Social and environmental guideline including ESMF, CRPF, EGPF and compensation / Voluntary contribution rules, mitigation of impact on physical resources and inclusion of vulnerable ethnic groups).  Explain Feedback Mechanism (FM) which is detailed in the ESMF, CRPF and EGPF including grievance handling process.
(2) Village Need and Prioritization Assessment	
(3) Participatory Planning meeting (4 years plan with annual review) at koumban level	
(4) Design and preparation of subproject	Discuss specific actions as required by the policies as applicable to the selected subprojects; inclusion of specific safeguard requirements or ECOP in the bidding and contract document.  Screen or identify whether possible land acquisition and resettlement of local people are required with special attention paid to the ethnic groups. Identify measures to mitigate the possible impacts as per the CRPF and EGPF
(5) District meeting to endorse koumban integrated development plan	
(6) Implementation of sub-projects	Subprojects constructed in targeted villages Supervision and monitoring on performance of safeguards; Land donation process must be completed before construction begins.  Grievances are addressed through the FM
(7) Community technical	Inform information related to mitigation of potential negative

training	<p>impacts during operation such as road safety, water source protection,</p> <p>Local ethnic interpreters will be mobilized to help with translation and facilitating the ethnic people as deem necessary.</p> <p>IEC materials will be developed and used for training ethnic people to improve their understanding</p>
(8) Monitoring meeting	<p>Reporting the progress</p> <p>Local ethnic interpreters will be mobilized to help with translation and facilitating the ethnic people</p> <p>IEC materials will be developed and used for training ethnic people to improve their understanding</p>
(9) Official transfer of infrastructures to communities	<p>Ensure representation and participation of ethnic minority groups at the ceremony.</p> <p>Local ethnic interpreters will be mobilized to help with translation and facilitating the ethnic people as deem necessary.</p>
(10) Validation of the integrated development plan (Step(3))	
<i>If broad based consent of Ethnic Groups cannot be established, the project will stop operating.</i>	

### **Monitoring, Documenting, Information Disclosure and Reporting**

The PRF central office (may be referred to the Project Management Team (PMT), in close consultation with the PRF local staff and the Lao Front for National Construction (LFNC), is responsible for supervision and monitoring of ethnic groups related issues, including documentation and reporting. Results will be included in the project progress report. The Bank supervision missions will periodically review the progress to ensure that the investments affecting indigenous peoples afford benefits to, and mitigate any adverse impacts on, them.

Based on outcomes of the ‘Deepening CDD pilot’, an Appraisal and Monitoring Team (AMT) will be established at provincial level to appraise sub projects and various stages of construction milestones for recommending payments under the PRFII AF. This is further strengthen the quality monitoring of PRFII AF subprojects and accountability. AMT will have an engineer, and members to appraise sub-projects on community development aspects, social gender and environmental safeguards. If rules have not been followed or work is not satisfactory up to the standards, the AMT will inform the village and the head office of the defects and advice on practical solutions. The village implementing team or contractor has to take action to correct the defects identified and inform the AMT to inspect the work. Subject to AMT’s satisfaction about the work done, approval/payment will be recommended.

Social safeguard performance of the original project has been strengthened since the Mid-term Review conducted in February 2014. In particular, safeguard compliance monitoring and documentation have improved with a new form for monitoring and reporting on social safeguards effectively applied. This reporting system will continue to be applied under the PRFII Additional Financing.

During the preparation of the AF, the revised EGDP was consulted with key stakeholders through the safeguard consultation meetings held in Pakse, Champasak province on March 18, 2015, Oudomxay, Oudomxay province on March 20, 2015 and in Vientiane on March 23, 2015. Participants sought for information about the allocation of PRF sub-grants between villages, methods of impact assessment and impact mitigation, and grievance and conflict resolution mechanism. The relevant department heads of PRF participated in the meetings and addressed the questions and comments received. The minutes of consultation meetings are attached to this EGDP.

Throughout the implementation of this AF, beneficiary/ affected communities will be informed of the overall project approach including the provisions of this EGDP as part of the participatory planning processes.

### Budget

Capacity development for participatory and transparent decision making processes involving ethnic groups, including on minimization of negative impacts on any members of the community, is part of the standard PRF process. As such, the AF would continue to allocate significant resources for such capacity development. The PRF also recognizes environmental sustainability as an important ingredient for sustainable poverty reduction, and will continue to raise awareness of community members on and develop their basic capacity for environmental sustainability under the AF.

As the table attached below shows, the AF would allocate about \$300k for the capacity development of communities on the implementation of project safeguard instruments, which is about 3% of the IDA funding. It is to note that the actual spending on safeguard implementation will be significantly higher. Many PRF activities includes aspects of safeguard implementation or monitoring. For instance, ECOP monitoring is carried out as part of the overall supervision of sub-project implementation. Refresher training of VIT on participatory processes has multiple objectives of which safeguard is just one. The cost of the village validation meeting will cover both safeguard aspects as well as non safeguard aspects. Since safeguard implementation and monitoring are embedded in many project activities, it is difficult to estimate the budget that will be spent under the AF purely and only for the safeguard implementation and compliance.

Safeguard implementation cost under AF	
Refresher training of village implementation team (VIT) on participatory processes including engagement with ethnic groups	\$20,882
Village Validation Meeting	\$71,518
Safeguard training of PRF staff	\$183,593
production of IEC tools on safeguards	\$11,000
total	\$286,993



**ANNEX 1: Feedback and Resolution Mechanisms - Training and Forms**

Modules for Feedback and Resolution Mechanisms training sessions used in Phase I will be modified by the CD and M&E units at the national level, emphasizing the principle of confidentiality, enhanced engagement of MBOs, and increased usage of the system by vulnerable groups within each community. Module should also stress the importance of transparency and timeliness in resolution process.

Training shall be targeted to National and local PRF staff and prospective members of FRC at all levels, but the system should be well communicated to the communities as well. In the next Accountability meeting at the koumban level (March 2011), district coordinators in the pilot districts should organize workshops with the koumban team and koumban FRC committee members to teach the new rules and principles of the system. Members of MBOs, as prospective members of FRCs, are also expected to attend these workshops.

During the monitoring of the implementation of the sub-projects of the Cycle VIII, district coordinators and PRF Community Development Officers should organize trainings of the members of the FRC at the village level, and will be followed by a meeting with communities to inform them about the new rules and principles of the system and the main channels of communication available to provide feedback.

Trainings will use the revised version of the IEC tools developed by the CD team on FRM (poster, brochures, radio spot) and will also use role play to ensure active participation of the trainers and put them in real situation to assess their understanding and adoption of the new FRM.

It is also recommended that a module be included in field staff training sessions so that all PRF staff is familiar with the system.

**Summary of the enhancements of the PRF’s FRM for the 2011 pilot**

Short-Term Actions	Medium-Term Actions	Long-Term Goal
<ul style="list-style-type: none"> <li>○ Stimulate demand for the FRM through enhancement of the IEC campaign:                             <ul style="list-style-type: none"> <li>▪ Publicize the existence and importance of the FRM</li> <li>▪ Explain the Feedback and Resolution process (incl. the processing timeline and types of feedback)</li> <li>▪ Clarify that there is no financial charge for providing feedback</li> <li>▪ Clarify that feedback is welcome as it helps</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>○ Introduce multiple formal uptake channels (e.g. hotline, text messaging system, letters, project website)                             <ul style="list-style-type: none"> <li>○ Provide training to Feedback and Resolution Committees, traditional intermediaries, and MBOs where possible</li> <li>○ Formalize and strengthen the village level FRM:                                     <ul style="list-style-type: none"> <li>▪ Encourage community members to provide feedback to elders, monks,</li> </ul> </li> </ul> </li> </ul>	Build strong commitment on part of the PRF management and staff to the FRM and its principles as a means of confirming/strengthening the PRF’s overall performance, transparency, and people’s participation!

- |  |   |
|--|---|
| <p>maintaining/improve project policies, and service delivery</p> <ul style="list-style-type: none"><li>▪ Clarify the principles of anonymity and fairness</li><li>▪ Remove the requirement for provision of personal details on the feedback form on the PRF website</li><li>▪ Disseminate the results of the Feedback and Resolution process</li></ul> | <p>or other intermediaries</p> <ul style="list-style-type: none"><li>▪ Link up the traditional intermediaries with FRM</li><li>▪ Stimulate feedback through proactive involvement of Mass-Based Organizations (MBOs)</li><li>▪ Enhance training on FRM (two-way communication and conflict resolution) for PRF staff and volunteers to ensure clarity about the process</li><li>▪ Ensure clear distribution of roles and responsibilities in FRM among the PRF staff</li><li>▪ Ensure proper Feedback and Resolution processing and documenting</li><li>▪ Introduce regular analysis of Feedback and Resolution reports (M&amp;E)</li></ul> |
|--|---|

## **Feedback and Resolution Form**

Province: ..... District: ..... Koumban: ..... Village: .....

Feedback to be transferred to the Feedback Resolution Committee at

Province level  District level  Koumban level  Village level

Date: ..... / ..... / .....

Describe the cases in detail for prompt investigation. To assure confidentiality, we will **not** ask for your identity, unless you specify voluntarily. The Feedbacks/problems are as follows:

Date of the event you would like to provide feedback: .....

Location of the event: .....

Person involved: .....

Nature of the feedback (please describe the information you would like to communicate):

.....  
.....  
.....  
.....  
.....  
.....  
.....  
.....

What is your request? .....

.....  
.....

We hereby propose this matter for you to consider or to review and to help us to solve the problem.

FRA - Form

## Feedback and Resolution Agreement Form

Province: ..... District: ..... Koumban: ..... Village: .....

Agreement was made by Feedback and Conflict Resolution Committee at

Province level  District level  Koumban level  Village level  Other specify: .....

Date: ..... / ..... / .....

FCRC organized the investigation of Feedback Register No.: ..... at:

Province.....District:.....Koumban:.....Village:.....

At the meeting it was agreed that:

.....  
 .....  
 .....  
 .....

This agreement is signed to confirm by all parties involved that the feedback case is closed, and no problem remains.

**Participant and Witnesses**

**Feedback Concerned Persons** (Name of persons who were involved in the case in some way. Note that this does NOT apply to the plaintiffs - name of plaintiffs shall be kept confidential unless complainant(s) requested otherwise.)

<u>Name</u>	<u>Position</u>	<u>Signature</u>
1		
2		
3		
4		

**Feedback and Conflict Resolution Committee**

<u>Name</u>	<u>Position</u>	<u>Signature</u>
1		
2		
3		
4		

28  
 At: \_\_\_\_\_ Date: \_\_\_\_ / \_\_\_\_ / \_\_\_\_  
 (Signature and Stamp from the Government representative)

## **Feed back and Resolution Report Form**

### **1/ Reporting Level**

Report from Feedback and Conflict Resolution Committee at:

Village	
Koumban	
District	
Province	

### **2/ Reporting period**

From ..... / ..... / ..... to ..... / ..... / .....

### **3/ Summary**

Total of feedback received	
Total of feedback solved	
Total of feedback not yet solved	

### **4/ Details of the feedback received**

Refer to table below

Date:...../...../.....

Signature and stamp from FRC

Table with details of the feedback received

# feedback received	Date feedback received	Location	Nature of the feedback	Date of investigation	Outcome of the investigation	Ca
						Ye



## **Minutes of the Consultation Meeting on Social and Environmental Safeguards**

**March 18, 2014, Pakse, Champasak province**  
**March 20, 2014, Oudomxay, Oudomxay province**  
**March 23, 2014, Vientiane Capital**

### **I. Introduction**

Three consultation meetings were held on Social and Environmental Safeguards between March 18 and 23, 2015. The draft safeguard documents were disclosed on March 12, 2015. Invitation to the safeguard consultation meetings was posted at the PRF website and sent out to concerned stakeholders on the same day.

Regional consultation meetings were held in Pakse, Champasak province on March 18, 2015, and in Oudomxay, Oudomxay province on March 20, 2015. Safeguard consultation meeting was also held on March 23, 2015 in Vientiane capital. The consultation meeting held in Pakse was attended by 12 people, while 20 people participated in consultations in Oudomxay and 77 people including representatives of donors and CSOs attended consultations in Vientiane.

### **II. Discussion session**

The consultation meetings started with the presentation by the PRF staff of key principles and procedures provided in (1) Environmental and Social Management Framework (ESMF), (2) Pesticide Management Plan (PMP), (3) Compensation and Resettlement Policy Framework (CRPF), and (4) Ethnic Group Planning Framework (EGPF). The floor was then opened for discussion with all participants who were invited to provide comments. The summary of comments provided is presented as follows:

#### **1. How are the PRF subgrants allocated?**

- In accordance with PRF's implementation procedures, budget will be allocated for each target kum ban in reference to the number of population in each kum ban as follows:
  - A kum ban with less than 2,000 people, have a yearly Kum ban budget ceiling of US\$30,000
  - A kum ban with a population between 2,000 – 4,000 people, have a yearly Kum ban budget ceiling of US\$40,000
  - A kum ban with a population of more than 4,000 people will have a yearly kum ban ceiling of US\$50,000. Providing support to individual is not possible due to the CDD basic principles.

#### **2. How does PRF participate in promoting sanitation?**

- The AF will cooperate with the Ministry of Public Health (National Center for Water Supply and Environmental Health) with the focus on hygiene and sanitation awareness raising in 3 southern provinces in order to support Defecation Free Villages. Exact target provinces will be identified in cooperation with concerned sectors and donors. PRF will assist Namsaath to promote the construction of latrine by communities themselves. To do this, Head of villages, village coordinators will participate in the training on construction of latrine at district level. The emphasis will be on those from villages who received water related sub projects from PRF since latrines will not be feasible if water is not accessible.

3. **How will sub-project Impact be assessed?**For example: as mentioned during the presentation, road sub project with 3.5 meters wide and 10 kilometers long will be assessed. However, if there is a case where smaller road does have impact on communities, will there be an assessment or what procedures will be taken?
  - Size of road does not necessary connect to environment issues. At the same time, it can also be link to social issues. For any construction that impact households or communities, there will be an assessment no matter how small or large the sub project is. It was also agreed that for community request for road of more than 4 kilometers, the PRF will only support road improvement.
4. **For the use of pesticides, do PRF have guideline or not. If yes what policy is recommendedfor community?**For such work, if you have to use pesticides how the PRF advised and manages using?
  - We have a Pest Management Plan with all the advise related to use of pesticides, but it is currently use for the LONG pilot project, not much on the PRF side.
5. **Does PRF have Feedback and Conflict Resolution Mechanism (FRM) at provincial level?**For such kind of work if yes what unite does PRF is cooperate with?
  - Regarding the FRM at provincial level PRF have the FRM provincial committee, but the project focuses mainly at the district level through the FRM District Committee, as most of the activities are facilitated by a PRF team based at the district level. In the future, PRF plans to establish a team which will be called“Appraisal team” who will responsible for internal audit and at the same time will also help to solve problems in case of conflict or if any others problem arises.
6. **Will PRF support activities that aim to develop a decree or a policy?**
  - PRF mainly support new construction/rehabilitation of community infrastructure to improve access to basicservices at local level. Support to developing a decree and others policies is not included in our Operation manual. However, in the end of March 2015 we will have meeting with our Government partners and others concerning partners as we think it can be a good opportunity to propose such activities for consideration and cooperation with relatedproject’s partners.
7. **Fish Conservation Areas- Regarding the establishment of Fish Conservation Areas of PRF, do you need to report to the concerning international organization or not?**
  - Fish Conservation Areas are not eligible for funding under the PRF, but following onthe community needs and willingness, the PRF can provide information to the community for the establishment of Fish Conservation Areas. Hence, the purpose of establishing Fish Conservation Areas is to save fish breeders. If fish conservation implies to build a weir, then we need to report to the riparian countries as it may impact the Melong tributaries. This is a new safeguards policy that we need to apply.
8. **Is PRF having mechanism to coordinate with DDF to make sure that the activities of PRF and DDF are not overlapping?**
  - PRF supportsaccess to basic services at village level while DDF is focusing more at the district level. Therefore, the implementation is not overlapping. Regarding other work, the concerned line Ministries are responsible for implementation.
9. **For the compensation to the families who have impacted by the project, in the negotiations process, do PRF invites community representatives to participate to avoid willingness for contribution or not?**

- Before the construction of any infrastructures, a Consultation meeting has to be organized at village level. If there are any sub-projects that involve compensation, we ask community to organize a special meeting. The objectives of the meeting is to solve those problem in a participatory manner. We have forms to record the agreement by referring to participatory consultation from community. If any problem or conflict, we have to continue to solve the problems until the person who have been impacted agreed upon.

**10. In terms of reforestations of traditional trees, we would like to know if it is possible that the PRF includes these type of activities as the project staff going regularly to visit villages?**

- The PRF will be happy to support your proposal. At the same time, we would suggest to cooperate with the Department of Forestry to establish a pilot project, but Department of Forestry should provide young trees to the PRF. Then PRF can mobilizes community for participating in planting and take care of growing trees.

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