

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



## **The Poverty Reduction Fund**

**ETHNIC GROUP POLICY FRAMEWORK (EGPF)**

**FINAL --March 2011**

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## LIST OF ACRONYMS

ADB	Asian Development Bank
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 Poverty Reduction Fund phase II (PRF II) has been designed and implemented following the community-driven approach developed during the implementation of the first phase of the Poverty Reduction Fund (2003-2011). The Project Development Objective (PDO) is to improve the access to and the utilization of basic infrastructure and services for PRF II targeted poor communities in a sustainable manner through inclusive community and local development processes.

The World Bank (WB) has categorized the PRF II as a ‘*Category B*’ project and out of the ten safeguard policies, four policies are triggered: *Environmental Assessment (OP 4.01)*; *Pest Management (OP 4.09)*; *Indigenous Peoples (OP 4.10)*; and *Involuntary Resettlement (OP 4.12)*. Given the Project’s Community Driven Development (CDD) nature, which is designed and implemented through a participatory planning process and the types of small civil works that will be supported under the project, it is not anticipated that the Project activities will create many major adverse impacts that cannot be managed by communities themselves. However small-scale civil works may require minor land acquisition and/or may create other minor negative impacts on local environment and local people although such impacts would be localized, temporally, and can be mitigated through good planning and construction practices.

To be in line with OP 4.01, OP 4.09, OP 4.10, and OP 4.12 four safeguard instruments have been prepared as a standalone documents:<sup>1</sup>

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

This document is the Ethnic Group Policy Framework (EGPF). 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 for addressing the ethnic group issues 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 scope of PRF II infrastructure activities would be similar to those of PRF I in principles, similar approach to address the ethnic groups will be applied. The EGPF is developed based on the Approach for Inclusion of all Ethnic Groups which has been developed as part of the Social and Environmental Safeguard Guidelines (SESG) of PRF I additional financing. 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 PRF II. The EGPF is also connected to the CRPF and ESMF.

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.

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<sup>1</sup> These safeguards documents have been disclosed (both in English and Lao) at the World Bank InfoShop as well as at PRF offices in Vientiane, provinces, districts, and villages and at the World Bank office in Vientiane.

## SECTION I: PROJECT DESCRIPTION

The Second Phase of the Poverty Reduction Fund builds on PRFI. It will be implemented over a period of five years (2011–2016). It consists of three main components:

### Component 1 – Community Development Grants

- Planning for community and local development The koumban planning process would be for a four year period. Villagers would prepare development plans that would be integrated at the koumban level through an inclusive process led by elected village representatives. Koumban plans would be revalidated on an annual basis through a participatory process at the village, koumban and district levels. 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. PRF facilitators would play a critical role in this process.
- Community sub-projects: Sub-projects would be financed and implemented on an annual basis. This component would also support community training activities directly associated with sub-project investments. Sub-projects would be selected for financing at the koumban level by the PRF koumban committee (consisting of elected villagers including women and ethnic groups). 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 at the koumban level by the PRF koumban committee based on criteria to be specified in the Project Operations Manual (POM). PRF II sub-projects would be required to meet appropriate technical standards for infrastructure agreed upon with relevant sector ministries. 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 for PRFI was 35,000USD and a similar ceiling is expected for PRFII.
- Mainstreaming of Disaster Risk Management (DRM, "Cool CDD"): PRF II would play a stronger role in DRM at the koumban and village levels. These activities would include (i) strengthening existing PRF-financed infrastructure at risk of natural disasters, (ii) factoring resilience into the design of new PRF sub-projects in high risk areas, (iii) assisting communities to identify disaster risks, and (iv) allowing for the flexible utilization of PRF II grants to assist community recovery efforts in case of natural disasters in PRF II target koumbans.
- Mainstreaming of Gender issues: Women and men's different needs, constraints and opportunities would be further mainstreamed into PRF II and the project would develop a Gender Action Plan.

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

- Village & Koumban level: This component will 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 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 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.

### **Component 3: Project Management and Implementation Support**

- This component would 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.

#### **Support for improved livelihoods**

In addition to the core project, PRF II would support livelihoods improvement activities on a pilot basis through a grant (US\$2.6 million) financed by the Japanese Social Development Fund (JSDF). This would be implemented in a select number of communities, in Huaphan and Savannakhet, with a view to testing models for effective and sustainable rural livelihood improvements for poor communities. Specifically, the pilot would support:

i) 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 minority 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.

ii) Community asset creation: This component will provide grants (average of \$2,000 each) to eligible village self-help groups 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.

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

iv) 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.

The Poverty Reduction Fund is community driven, and rests on a participatory planning process, which is an integral part of the Fund's activities. The current planning process will be updated in the Operations Manual to fit with the 3-year planning cycle (as opposed to the annual planning process which was used during PRF I).

## 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 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>2</sup> towards ethnic minorities identifies three essential tasks: (i) strengthening political foundations, (ii) increased production and opening of channels of distribution in order to 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

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<sup>2</sup> Known under its full title as Resolution of the Party Central Organization Concerning Ethnic Minority Affairs in the New Era

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 even many Lowland Lao are involved in some forms of upland agriculture.

## SECTION III: KEY ISSUES AND EXPERIENCE FROM PRF I

### Ethnic Groups in Lao PDR

Lao PDR is characterized by a variety of cultural groups. Although their numbers have differed, 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>3</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

<sup>3</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

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 per cent 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>4</sup>.*

**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 Lao PDR 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, also have a direct impact 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 an impact on traditional gender roles that may lead to persistent gaps between men and women, especially those belonging to vulnerable ethnic groups.

### **Approach for Inclusion of all Ethnic Groups**

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

The PRF II 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. PRF I operated in remote areas that were home to many different ethnic groups and PRF II will continue to locate subprojects in such areas. Similarly, PRF II will continue to provide training (such as upgrading teachers and nurses from ethnic communities) opportunities targeting ethnic groups. In addition, the PRF II 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

<sup>4</sup> LECS4, 2007/2008

approach intends not only to provide information but also to increase vulnerable ethnic groups' participation in all of the subprojects' implementation cycle. As such, PRF's main objectives 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 PRF I) will be applied in order to empower vulnerable ethnic groups:

- Training on gender and vulnerable ethnic groups provided not only to the PRF team, but also the koumban teams and the district officials, so as to increase awareness and sensitization on these issues;
- Increasing the knowledge and sense of ownership amongst vulnerable ethnic groups also through the oral sharing of key documents in their ethnic languages;
- Maintaining and expanding partnerships with Mass-based organizations, projects and others involved with vulnerable ethnic groups as well as women;
- Developing and adopting 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;
- Increasing access to information or development issues in general;
- Using 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.

*(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 after Cycle 5 of PRF I.

- 1 Train PRF staff, koumban facilitators in gender and ethnic sensitization (See Training manual).
- 2 Share orally key PRF program documents into local language during the cross koumban meeting.

- 3 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.
- 4 Provide capacity building to village representatives, especially those who belong to vulnerable ethnic groups (See Training manual).
- 5 Supervision in local ethnic language.
- 6 Conduct workshops and training on relevant issues for vulnerable ethnic groups (See Training manual).
- 7 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.
- 8 Learning experience from other countries through research and study tours.
- 9 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.
- 10 Youth, especially those from vulnerable ethnic groups, broadcast radio spots on the community radio.
- 11 Exchange experiences among ethnic groups living in other villages.
- 12 Recruit qualified personnel from vulnerable ethnic groups including those who are newly graduated from National University of Laos (NUOL) and other institutions, especially women.
- 13 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).

### **Implementation Experience from PRF I**

"*Ethnic Groups*" as used in PRF II includes ethnic groups in Lao PDR, such as the Mon-Khmer, Hmong-Mien, Sino-Tibetan and Thai-upland ethno-linguistic groups. Implementation experience of PRF I confirmed that most subprojects are very small and no major environmental and adverse social impacts are encountered. These ethnic groups are among the potential beneficiaries and they fully participated in the planning and implementation process and there has not been any subproject that is not acceptable to the majority of villagers involved, including those villagers who were directly affected. Decisions on the allocation of funds are made by villagers themselves, through a negotiation process, and with information provided by PRF facilitators and technicians. The majority of the villagers in the districts in which PRF will be implemented are from vulnerable ethnic groups. Therefore the subprojects are designed to enhance the impact on and be inclusive of all ethnic groups. In 2008, an Approach for Inclusion of all Ethnic Group has been explicitly designed and applied to PRF Cycles 7 and 8 and it will be applied in PRF II. The principles and key activities of this approach are listed in Section 4.4 below.

A recent technical assessment however, suggested that inadequate attention has been given to address the ethnic issues during the PRF planning process, and that there are opportunities to further strengthen these efforts. For example:

- The number of PRF staff and volunteers from different ethnic groups could be increased.
- It is essential that koumban facilitators are able to communicate in minority languages, in this respect additional translators may be needed.
- IEC materials need to address different ethnic groups' needs and concerns; similarly there are opportunities to further strengthen attention to women and men's different needs within the IEC materials and their implementation.
- Careful attention needs to be placed to ensure that all ethnic groups' views are considered on equal terms and that elite capture is minimized.

## **SECTION IV: PRINCIPLES AND PROCEDURES TO BE APPLIED TO PRF II**

The basic principles of the World Bank policy related to ethnic groups and indigenous people 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 disadvantages 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 Program 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.
- Use of PRF investment or subproject 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.

### **Adoption of the Approach for Inclusion of All Ethnic Groups**

PRF's approach for inclusion of all ethnic groups was developed for PRFI. It was specifically designed to ensure that (a) the PRF I 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 design of the PRF II 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 PRFI, PRFII 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.

Based on the anticipated financing envelope, PRF II would be able to provide support to communities in about 300 rural koumbans. The PRFII will continue to be implemented in koumbans that are included on the government’s list of 47 priority poverty districts. These districts represent 20 percent of the population of Lao PDR, but an estimate of 55 percent of the poor population. Moreover, the population in the 47 priority districts is more than 80 per cent from non Lao-Tai ethnic groups. In this respect, the vast majority of the program beneficiaries are expected to be from the vulnerable ethnic groups. The participatory approach used under the Project will ensure that the subprojects supported under the project are identified, selected and designed in an inclusive manner and based on broad community consensus. Thus the Project complies with OP/BP 4.10 by design.

This Framework is also developed to ensure the full participation of vulnerable ethnic groups who: i) speak a language different from the official language of the country; and ii) maintain their own separate ethnic identity through their dressing codes and customary and traditional practices which are different to what is common in other parts of the country. Lessons learned under PRFII, mention in Section II will also be applied under PRFII.

**Feedback and Resolution Mechanism**

The purpose of the Feedback and Resolution Mechanism (FRM) is to ensure that the PRF 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 PRF 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.

**1. Guiding Principles of the FRM**

<b>Visibility</b>	Information about how and where to provide feedback is well-publicized.
<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**

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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; and (iv) violation of program policies and principles. 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
- 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: Discussion during field visit suggested that the people are aware of the mechanism however, there has been about 23 feedbacks in writing received by the PMT. However, 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 telephone connection to PMT.

To address the present weakness, specific guidelines on what kind of information that should be provided to local communities

<b>PRF II project cycle</b>	<b>Key messages and measures to promote better inclusion of vulnerable EG and disadvantages</b>
(1) Introduction of PRF II 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).
(2) Village Need and Prioritization Assessment	
(3) Participatory Planning meeting (4 years plan with annual review) at koumban level	

	Explain Feedback Mechanism (FM) which is detailed in the ESMF, CRPF and EGPF including grievance handling process.
(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.
(5) District meeting to endorse koumban integrated development plan	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
(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 training	Inform information related to mitigation of potential negative impacts during operation such as road safety, water source protection,  Local ethnic interpreters will be mobilized to help with translation and facilitating the ethnic people as deem necessary.  IEC materials will be developed and used for training ethnic people to improve their understanding
(8) Monitoring meeting	Reporting the progress  Local ethnic interpreters will be mobilized to help with translation and facilitating the ethnic people  IEC materials will be developed and used for training ethnic people to improve their understanding
(9) Official transfer of infrastructures to communities	Ensure representation and participation of ethnic minority groups at the ceremony.  Local ethnic interpreters will be mobilized to help with translation and facilitating the ethnic people as deem necessary.
(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, 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.